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Congressional Record

PROCEEDINGS AND DEBATES OF THE 95th CONGRESS, FIRST SESSION

SENATE—*Wednesday, April 20, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 12:30 p.m., on the expiration of the recess, and was called to order by Hon. GARY HART, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, Lord of all history, to whom every day is Judgment Day, look upon this Nation in mercy and compassion.

We thank Thee for Thy bountiful gifts to us in nature—for treasures of energy above, beneath, and in the land Thou hast given us. Forgive us for our desecration of natural beauty, for the scars we have left on Thy creation, and for our wanton waste of soil and sea and sky. If our knowledge of ourselves and our world leads to repentance, help us to repent earnestly and honestly and to renew our covenant with Thee for a better stewardship of Thy gifts to us. Be with us this day that we may hear with understanding, say what we have to say with clarity, and act under the guidance of Thy Spirit to set forward Thy kingdom on Earth.

We pray in the name of Him who was servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 20, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. GARY HART, a Senator from the State of Colorado, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HART thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, April 19, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, consent was given yesterday for all committees to meet today. Perhaps the minority leader and I, after conversing later today, can outline the situation for tomorrow. However, that matter has been taken care of for today.

APPOINTMENT OF COMMITTEE OF SENATORS TO ESCORT THE PRESIDENT INTO THE HOUSE CHAMBER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President of the Senate be authorized to appoint a committee of Senators on the part of the Senate to join with a like committee on the part of the House of Representatives to escort the President of the United States into the House Chamber tonight.

The PRESIDING OFFICER (Mr. BENTSEN). Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business, of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I have no requirement for my time, and I have no requests. I yield back my time under the standing order.

Mr. ROBERT C. BYRD. Mr. President, I do the same.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 1 p.m., with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Tennessee.

RESEARCH AND DEVELOPMENT OF CENTRIFUGE METHOD AT OAK RIDGE NATIONAL LABORATORY

Mr. SASSER. Mr. President, I call to the attention of my colleagues an article which appeared in this morning's Washington Post. The article indicates that President Carter has decided to urge the Congress to approve four new nuclear fuel production plants and that the President will recommend that these new facilities for enriching uranium be constructed within the next 10 years.

The facilities would utilize the gas centrifuge method of enrichment instead of the gaseous diffusion method which is currently in commercial use.

Mr. President, if this story is accurate, and I believe that it is, the decision by the Carter administration to proceed in this manner should be applauded.

This decision will help insure the energy security of this country. It will establish the United States as a reliable supplier of nuclear fuel for conventional powerplants to meet both domestic and international enrichment requirements.

It is estimated that by the year 2000 the demand for nuclear fuel will almost triple the existing capacity at the ERDA diffusion plants at Oak Ridge, Tenn., Portsmouth, Ohio, and Paducah, Ky.

These new facilities will allow this country to meet our needs at home and, at the same time, permit us to capture a large portion of the foreign market. This, I submit, is of great importance in the President's plan of reducing the possibility of the acceleration of worldwide nuclear proliferation.

If the United States becomes a reliable fuel supplier for the foreign nations,

there will be less need for other nations to build enrichment facilities.

I would like to point out, Mr. President, that the Oak Ridge National Laboratory has been at the forefront of development of the gas centrifuge. Currently, ERDA has under construction a gas centrifuge demonstration facility in Oak Ridge. A total of $25 million will be spent in fiscal year 1977 for this plant and another $35 million in fiscal year 1978.

On April 8, I wrote President Carter and urged him to make a commitment to proceed with the decision to commercialize the gas centrifuge. I called to his attention the work that has been done at Oak Ridge on this technology and I encouraged him to select Oak Ridge as the site for the expansion of these enrichment facilities.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from my letter to President Carter; and also the Washington Post article which appeared in this morning's edition.

There being no objection, the excerpts and article were ordered to be printed in the RECORD, as follows:

EXCERPT

We must recognize the need for expanded uranium enrichment capacity. The existing diffusion plants at Oak Ridge, Tennessee; Paducah, Kentucky; and Portsmouth, Ohio, simply are not large enough to provide for this nation's domestic needs and the anticipated requirements of foreign countries which would be willing to purchase the enriched fuel if it were available.

I am aware of the current plans of ERDA to build additional enrichment capacity to the existing facility at Portsmouth. However, it is my understanding that this add-on plant will not, alone, provide this country with the capacity we need, and that the utilities in the Portsmouth area have failed to make any commitment to build the electric power plants needed to run the planned add-on facility.

It is my recommendation that you rapidly accelerate the development of the gas centrifuge method of enriching uranium. As you know, this method will be vastly superior to diffusion. The centrifuge process requires only 7% of the electricity needed for diffusion plants.

As you are aware, operation of production-type centrifuges began in 1970. The Centrifuge Process Demonstration Facility is currently under construction at Oak Ridge and $25 million will be spent in the current year for this facility. Another $35 million has been included in your budget request for Fiscal Year 1978. I urge you to accelerate the development and operation of this demonstration plant.

It is also requested that you direct ERDA to speed the commitment to commercialization of the gas centrifuge process. Of course, since this process has been primarily developed in Oak Ridge, I urge that the first commercial centrifuge enrichment facility be built there, close to the demonstration facility now under construction.

Mr. President, I hope that you will keep these suggestions in mind as you formulate your final decisions regarding the energy policy for this country.

Sincerely,

JIM SASSER,
U.S. Senator.

CARTER TO SEEK 4 CENTRIFUGE FACILITIES TO MAKE A-FUEL FOR ELECTRIC PLANTS

(By Thomas O'Toole)

President Carter is expected to ask Congress to construct four enrichment plants that would produce uranium for electricity by a new method that has been secretly developed for almost 20 years at the Oak Ridge National Laboratory in Tennessee.

Administration sources said the President will announce in his energy policy message today his wish to build four gas centrifuge plants that would cost an estimated $4.4 billion and produce, over 30 years, enough enriched uranium to run 90 atomic power plants of 1 million kilowatts each during that period.

To be built over the next 10 years at locations still not determined, the centrifuge plants would serve to back up Carter's promise that the United States will continue to supply the world's enriched uranium needs in exchange for other nations' waiving their rights to use the plutonium fuel generated in the burned-out uranium.

The indefinite postponement of plutonium use is at the heart of Carter's policy to prevent the spread of nuclear weapons. The uranium that the United States supplies the world from its three enrichment plants cannot be used to make atomic bombs. The plutonium that can be extracted from the burned-out uranium can be used in weapons.

The centrifuge method of uranium enrichment has been under development since 1960 at Oak Ridge. Almost all of its development has been classified, since the centrifuge technique could be tailored to make uranium for weapons as well as electricity.

Since World War II, uranium has been enriched in the United States at factories in Oak Ridge, Paducah, Ky. and Portsmouth, Ohio by a technique called gas diffusion. The same technique is used in the Soviet Union, France and Great Britain, the only other countries of the world with known enrichment plants.

Gas diffusion involves pumping uranium hexafluoride gas through thousands of membrance-like barriers, which trap the heavier isotopes of uranium called U-238 and allow the lighter isotopes called U-235 to pass through. The heavier istopes do not fission and cannot produce electricity. The lighter ones fission and produce electricity.

The centrifuge method involves the same hexafluoride gas but spins the gas in super-tough steel cylinders that bring the lighter isotopes to the top and settle the heavier ones on the bottom, just like the centrifuges at a dairy separate milk from cream.

The advantage of a centrifuge plant is that it costs much less to operate than a diffusion plant. Centrifuge uses less than 10 percent of the electricity diffusion does, which would mean a saving of hundreds of millions of dollars over a year.

Mr. BAKER. Mr. President, I wish to commend my colleague for his statement. I think it is a wise and accurate statement, and I devoutly hope that the recommendations he has made to the President of the United States will be acted upon favorably.

Tennessee has been in the vanguard of the nuclear age since the first moment of its birth. Those of us who live in Tennessee know firsthand the value and the safety of nuclear power. We know of its important contribution to the economy of our region, to this country and, potentially, to the world.

We know of the dangers and the destructiveness, but we have always understood those realities and, in our own way, have rationalized those problems.

Oak Ridge has been a center for the production of weapons, for research and development, for medicine and, foremost, has recently been a center for the production of fuel for reactors for peaceful purposes in the development of new technology.

The Senator from Tennessee (Mr. SASSER) rightly points out that the centrifuge technology which, at its present state of development, is uniquely a product of the Oak Ridge effort, is the leading process for future developments of the additional fuel requirements that will be needed for a light water reactor economy as recommended or to be recommended by President Carter.

I hope that future development of the centrifuge process will be undertaken at Oak Ridge. I think it is logical, the most cost-effective, and simply right that it be located at the birthplace of nuclear power where we have accepted and embraced the development of nuclear energy for so long and where the research and development has been undertaken for this new technology.

Parenthetically, Mr. President, I think the President of the United States acted bravely if this program does, in fact, embody the recommendations that I believe it will with respect to the development of light water reactors. I think he was correct, and I think that portion of his energy program is wise and farsighted.

I very much hope that the President will join my colleague and me in the belief that Oak Ridge, Tenn., should continue to be the center of that research and development, and particularly that the gas centrifuge plant of commercial proportions should be located there.

I take this opportunity to express my appreciation to my colleague for bringing this matter to our attention, and my thanks to him for permitting me to associate myself with him in these remarks.

TRANSFER OF MEASURE TO UNANIMOUS-CONSENT CALENDAR—SENATE RESOLUTION 139

Mr. ROBERT C. BYRD. Mr. President, there is a measure on the calendar which has been cleared for action by unanimous consent. I ask unanimous consent that the clerk transfer that measure, Calendar Order No. 75, Senate Resolution 139, a resolution authorizing the Committee on Human Resources to inspect and receive tax returns, and tax related matters of the Central States, Southeast, and Southwest Areas Pension Fund under sections 6103 and 6104 of the Internal Revenue Code of 1954, to the Unanimous Consent Calendar where it may be disposed of later today, tomorrow, or subsequently.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 855

Mr. ROBERT C. BYRD. Mr. President, I have a unanimous-consent request that I shall propose, it having been cleared on both sides of the aisle. It has to do with S. 855, a bill to authorize appropriations for the activities of the National Science

Foundation, and for other purposes. That bill is Calendar Order No. 74. There is a House companion bill, Calendar Order No. 73, H.R. 4991, also on the Calendar. It is my understanding that the managers of the bill will wish to proceed to the consideration of S. 855 at some point and that upon that bill's reaching third reading they will likely want to call up H.R. 4991 and substitute the language of the Senate bill for the language of the House bill. I say all that as a premise to the unanimous-consent request which I am about to propound.

I ask unanimous consent that at such time as S. 855 is called up and made the pending business before the Senate there be a time limitation for debate thereon of 1 hour, to be equally divided between Mr. KENNEDY and Mr. JAVITS, that there be a time limitation on any amendment of 30 minutes, that there be a time limitation of 30 minutes on the amendment by Mr. HATCH, that there be a time limitation on any debatable motion, appeal, or point of order, if such is submitted to the Senate for its consideration, of 20 minutes, that the agreement be in the usual form with the understanding, of course, that the amendment by Mr. HATCH is covered by the agreement allowing it in, with the further proviso that once the measure, S. 855, has reached third reading that any motion or request to call up the companion House bill and substitute the Senate language therefor will be in order without any other intervening motion, debate, or amendment.

The PRESIDING OFFICER. Is there objection?

The unanimous-consent agreement reads as follows:

Ordered, That during the consideration of S. 855 (Order No. 74), a bill to authorize appropriations for the activities of the National Science Foundation, and for other purposes, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill (except one to be offered by the Senator from Utah (Mr. HATCH)) shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Massachusetts (Mr. Kennedy) and the Senator from New York (Mr. Javits): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Ordered further, That following the third reading of S. 855, it shall be in order to proceed to H.R. 4991 and to move to strike all after the enacting clause and insert the language of S. 855, with no further debate or other intervening motion or amendment being in order.

(April 20, 1977).

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I understand that the Hatch amendment is not in the usual form and is eligible under this unanimous-consent proposal regardless of its content.

Mr. ROBERT C. BYRD. Yes. The distinguished minority leader is correct. Even though it may not be germane it will be in order for it to be called up.

Mr. BAKER. Mr. President, it is cleared, and there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT—PM 68

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing and Urban Affairs:

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the ninth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the fourth quarter of 1976 in monitoring both prices and wages in the private sector and various Federal Government activities.

JIMMY CARTER.

THE WHITE HOUSE, *April 20, 1977.*

MESSAGES FROM THE HOUSE

At 12:36 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that:

The House agrees to the amendment of the Senate to the amendments of the House to the bill (S. 489) to amend the Foreign Assistance Act of 1961.

The House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 4836. An act to extend by seven months the term of the National Commission on New Technological Uses of Copyrighted Works;

H.R. 5101. An act to authorize appropriations for activities of the Environmental Protection Agency, and for other purposes; and

H.R. 5864. An act to approve with modifications certain proposed amendments to the Federal Rules of Criminal Procedure, to disapprove other such proposed amendments, and for other related purposes.

ENROLLED BILL SIGNED

At 3:10 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the Speaker has signed the following enrolled bill:

S. 489. An act to authorize supplemental military assistance to Portugal for the fiscal year 1977, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–1177. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, the Stockpile report to Congress for July–September 1976 (with an accompanying report); to the Committee on Armed Services.

EC–1178. A letter from the Chairman of the Interstate Commerce Commission transmitting, pursuant to law, a report of the Interstate Commerce Commission on Rail Transportation Services in the Delmarva Peninsula (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1179. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, notice of an approval on November 12, 1976 of a Day Hospital Service in Rehabilitation Medicine (with an accompanying report); to the Committee on Finance.

EC–1180. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Well-Being of Older People in Cleveland, Ohio" (HRD–77–70) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1181. A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to amend title XIV of the Public Health Service (with accompanying papers); to the Committee on Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

A report entitled "Oversight Activities of the Committee on Banking, Housing and Urban Affairs (Rept. No. 95–95).

By Mr. MAGNUSON, from the Committee on Commerce, Science, and Transportation:

With an amendment:

H.R. 735. An act to amend the Federal Aviation Act of 1958 relating to eligibility for aircraft registration (Rept. No. 95–96).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs:

Chester Crawford McGuire, Jr., of California, to be an Assistant Secretary of Housing and Urban Development.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

David J. Bardin, of New Jersey, to be a Deputy Administrator of the Federal Energy Administration.

Joan Mariarenee Davenport, of New Jersey, to be an Assistant Secretary of the Interior.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. JACKSON. Mr. President, the committee on Energy and Natural Resources has reported favorably the nominations of Joan M. Davenport to be Assistant Secretary of the Interior for Energy and Minerals and David J. Bardin as a Deputy Administrator of the Federal Energy Administration.

Ms. Davenport and Mr. Bardin appeared before the committee at a hearing last Monday. I ask unanimous consent that their statements to the committee be printed in the RECORD at this point.

In accordance with the committee's rules, both nominees submitted sworn financial statements to the committee, I ask unanimous consent that these statements also be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOAN M. DAVENPORT

Mr. Chairman and distinguished members of the Senate Energy and Natural Resources Committee.

Before making my statement, I would like to express my disappointment and deep regret that the timing of this hearing and the Easter recess were such that I was unable to meet with members of the Committee prior to today. I assure you that this was a matter of logistics, not intent, as I am strongly committed to working with Congress in the many difficult areas involving energy and resource development which face us.

I am deeply honored by the confidence which President Carter and Secretary Andrus have shown in me by nominating me to this important position. Much of my professional career has been directly related to technical and policy problems surrounding development of energy and non-energy minerals. The challenges we face are immense. The solutions will be difficult, but we will find solutions.

We have reached a watershed in our history as a Nation. Two great surges of opinions and problems have emerged in the past decade. On the one hand, citizens all over the Nation are becoming more aware of their environment, are demanding more protection for factors affecting quality of life, and are more vocal in demanding that non-economic criteria be considered in both Government and private resource development decisions. Concurrently, our frontier mentality that there will always be ample and more, more land, more water, and especially more mineral and energy resources to fuel this great industrial economy, has received a devastating blow by events of the past few years.

We are entering an era which requires active rather than reactive management of natural resources within the public domain. Only through early identification of problem areas and sound planning can competing demands for land and resources be harmonized. I firmly believe that national goals relating to environmental protection and to development of domestic resources can be achieved. Without this conviction, I certainly would not be appearing before you today.

We are both an idealistic and technically ingenious people. From these basic national traits arise competing demands on our land and our natural resources. I come before you as a spokesperson for no vested interest group, for I would sacrifice neither of these basic traits which have made us a great Nation.

Clearly, certain areas need to be set aside to preserve the heritage of natural beauty and open space which our forefathers passed to us and we will pass to our children. But we also need to prudently develop and use our resources to assure the vitality of this Nation.

All too often, problems relating to energy and mineral development and its environmental consequences achieve national attention at a point of high confrontation. This need not be the case. A great number of the issues with which we must deal in developing publicly owned mineral resources relate more to how and where those resources are to be developed rather than whether they should be developed. With early identification of issues and problems, and with adequate channels for inputs from all levels of Government and from competing interest groups, solutions and compromises often can be found and confrontation avoided.

Perhaps the greatest challenge to the Nation is to change our wasteful ways and to conserve our increasingly scarce natural resources. However, even with a very substantial conservation effort, there will be a need to develop new sources of supply. With many minerals such as coal, many options are still available. We need not mine areas which are uniquely valuable for other reasons. With other minerals, however, our options are not as broad and we will have to make the tough decisions as to what degree of environmental disturbance is acceptable in order to secure needed supplies. Such mining should take place only with foreknowledge of probable environmental impacts and our best efforts for mitigating those impacts.

If the Committee should see fit to confirm me for the position of Assistant Secretary for Energy and Minerals of the Interior Department, I can assure you that the doors to my office will be open to all interests. It is my belief that diverstiy of views and free exchange of ideas are conducive to optimal decisions in the public interest.

In conclusion, Secretary Andrus in his confirmation hearings told this Committee that we can and must make certain that our natural resources are developed or not developed for the benefit of everyone and, through such use, keeps our Nation strong and our quality of life high. This is the essence of the challenge which faces us in developing the energy and mineral resources of the United States.

Mr. Chairman, I thank you for this opportunity to appear before you and am available to answer any questions which you or members of this Committee may have.

[From the U.S. Senate, Committee on Interior and Insular Affairs, Washington, D.C.]

INFORMATION REQUESTED OF PRESIDENTIAL NOMINEES

Rule 9 of the Rules of the U.S. Senate Committee on Interior and Insular Affairs requires that each Presidential nominee considered by the Committee shall submit a financial statement sworn to by the nominee as to its completeness and accuracy. Under the rule all such statements must be made public by the Committee unless the Committee in executive session determines that special circumstances necessitate a full or partial exception to this requirement. Rule 9 also provides that at any hearing to confirm a Presidential nomination, the testimony of the nominee and, at the request of any member, any other witness shall be under oath.

In order to assist the Committee in its consideration of nominations, each nominee is requested to complete the attached Financial Statement and Statement For Completion By Presidential Nominees.

The original and twenty (20) copies of the requested information should be made available to Honorable Henry M. Jackson, Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C. 20510 (Attn: Staff Director) as soon as possible.

FINANCIAL STATEMENT OF JOAN M. DAVENPORT

Provide a complete, current financial net worth statement which itemizes in detail all assets (including bank accounts, real estate, securities, trusts, investments, and other financial holdings) and all liabilities (including debts, mortgages, loans, and other financial obligations) of yourself, your spouse, and other immediate members of your household.

ASSETS

Cash on hand and in banks, $2,075.
U.S. Government securities*, $3,200.
Personal property, $31.250.
Other assets—itemize: C.D., $1,000, $1,700.
Total assets, $39,225.

LIABILITIES

Notes payable to banks—unsecured, $756.
Accounts payable, $300.
Unpaid income tax, $50.
Other debts—itemize: NDEA Loans, $1,667, $2,773.
Total liabilities, $2,773.
Net worth, $36,452.

1. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. None.

2. Are any assets pledged? No.

3. Are you currently a party to any legal action? No.

4. Have you ever declared bankruptcy? No.

JOAN M. DAVENPORT.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Joan Mariarenée Davenport.
Date of birth: January 22, 1943.
Place of birth: New Jersey.
Marital status: Married.
Full name of spouse: Matthew Patrick Daley.
Name and ages of children: Shannon Daley, age 7 (stepdaughter).
Education: O. L. Valley High School, 1957–1960; Georgetown University, 1960–1964, degree BSFC, 1964; Georgetown University, 1966–1968, degree MS, 1968.
Honors and awards: List below all scholarships, fellowships, honorary degrees, military meda's, honorary society memberships, and any other special recognitions for outstanding service or achievement—Cerificate of Superior Service (FEA), 1975; Certificate of Award (EPA), 1973.
Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations—

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* Series E, U.S. Saving Bonds.

Organization: American Economic Association, 1967–74; Audubon Society, 1977; National Wildlife Federation, 1974–77.

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates—

Director, Office of Environmental Assessment, Federal Energy Administration, Wash., DC; March 1975 to present.

Actg Dir., Office of Technical Analysis, Environ. Protection Agency, Wash., DC; May 1974 to March 1975.

Deputy Dir., Office of Technical Analysis, Environ. Protection Agency, Wash., DC; December 1973 to May 1974.

Staff Economist, Office of Technical Analysis, Environ. Protection Agy, Wash., DC; July 1971 to December 1973.

Staff Economist, Div. of Energy & Minerals, Bur. of Land Management, Depart of Interior, Wash., DC, July 1969 to July 1971.

Economist, Conference on Economic Progress, Wash., DC; January 1966 to July 1968.

Researcher, The Carnegie Corporation, Columbia University, New York; September 1965 to December 1965.

Statistical Clerk, The Conference on Economic Progress, Wash., DC; May 1965 to September 1965.

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions—

Federal Energy Adminis., Director, Office of Environmental Assessment, Wash., DC.

U.S. Environmental Protection Agency, Acting Director, Office of Technical Analysis, Wash., DC.

U.S. Environmental Protection Agency, Deputy Director, Office of Technical Analysis, Wash., DC.

U.S. Environmental Protection Agency, Staff Economist, Office of Technical Analysis, Wash., DC.

U.S. Department of Interior, Staff Economist, Bureau of Land Management, Wash., DC.

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written.—"Offshore Sand and Gravel Production: A Case Study," Marine Technology Society Journal.

Qualifications: State fully your qualifications to serve in the position to which you have been named. (Attach sheet).

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate. I will.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization. No. As a civil servant, I would consider future employment in Federal service, but not with the Federal Energy Administration or the Department of Interior.

3. Has anybody made you a commitment to a job after you leave government? No.

4. Do you expect to serve the full term for which you have been appointed? Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated. None.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated. None.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated. None.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy. No lobbying activities. Responsibilities undertaken as a Federal employee have included analyses and comment on proposed legislation and regulations.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. I do not believe I have any conflict of interests.

Development of the energy and non-energy mineral estate of the United States in the late 20th century presents challenges, problems, and opportunities unparalleled in our history. The competing demands for land, for mineral resources to sustain the economy, and for environmental protection can only be harmonized through exposition of relevant data and balancing of all interests.

During Government service, I have been exposed to many aspects of the energy and mineral development question. As an economist in the Bureau of Land Management's Division of Energy and Minerals, I was part of a team charged with revitalizing mineral leasing programs in the early 1970's. Our goal was to foster orderly development of mineral resources while assuring fair return to the public and compliance with the National Environmental Policy Act.

In 1971, I joined the Office of Technical Analysis of the Environmental Protection Agency (EPA). At that time, EPA was a new Agency charged with implementing Federal programs of environmental regulation. The Office of Technical Analysis was formed to be the senior technical advisor to the enforcement arm of the Agency. The overall mission was to assure that adequate data and analyses were available to support both regulations and enforcement actions originating in program offices. During this time, I represented the Office of Enforcement and General Counsel in energy matters and was a member of the EPA Energy Policy Committee.

My responsibilities with the Federal Energy Administration include the weighing of Federal resource development options and environmental considerations associated with such options. Specifically, the Office of Environmental Policy is charged with analyzing the environmental costs of energy initiatives, as well as reviewing the energy costs of environmental regulations.

Having participated in Government activities relating to the development of energy and minerals, the regulation of energy and minerals, and the balancing of development options and environmental considerations, I believe I am well qualified to assume the duties of Assistant Secretary for Energy and Minerals of the Department of the Interior.

JOAN M. DAVENPORT.

STATEMENT OF DAVID J. BARDIN

Nominee to be Deputy Administrator of the Federal Energy Administration, before the U.S. Senate Energy and Natural Resources Committee, April 18, 1977.

Mr. Chairman, Members of the Committee: I feel privileged to appear before you as a nominee to join President Carter's Administration.

This 96th Congress will grapple with energy issues of paramount importance. Previous Congresses analyzed these complex problems, passed legislation and pointed the way to further solutions.

The Executive Branch must conscientiously implement the law. I feel confident that the leadership and combined efforts of President Carter and the Congress can effectively address the agenda of unresolved issues.

In the last three years, our energy imports rose by 2 quadrillion British thermal units, to about 22% of our total consumption and 42% of our oil consumption. We depend on these imports even more today than we did before the 1973 embargo to meet our domestic energy requirements. Energy imports drained $35 billion from our economy last year.

As long as domestic consumption exceeds, more and more, domestic production, foreign imports fill the resulting gap and we continue to be vulnerable to world oil price domination and import supply interruption. If we reduce our domestic supply/demand imbalance, we will reduce the associated risks to our economic and political well being.

Our country can alter the trend toward increased imports and begin to achieve a better balance between the energy we consume and the energy we produce. Americans are adaptable. We have repeatedly demonstrated a pioneering spirit. We relish technological challenges, are proud of our technological successes and want to sustain excellent performance.

American society has an extraordinary capacity to innovate—an experimental capacity that profoundly influences other countries. We have the capacity to achieve more coherent national energy policies, in harmony with our objectives for the environment, employment, freedom, international security, and a stable economy.

Today, as a State environmental protection commissioner responsible for making regulatory policy decisions, I am concerned about the energy implications of the choices before me. When I used to recommend energy policy decisions to the Federal Power Commission, I considered the environmental implications. If I am entrusted with responsibilities to assure comprehensive analysis of Federal energy policies, the environmental implications will continue to concern me. The American people do not want us to risk public health or irreparably damage the environment in the name of some supposed energy short-cut.

I do not see energy and environment as either/or propositions. We need energy and environmental policies that fit together. It takes energy to carry out environmental programs. Often energy and environmental programs fortify one another. (For example, we reduce air pollution and save gasoline by New Jersey's regulation of automobiles in use.)

We should strive to optimize on a broad scale rather than to deal with each issue in isolation. Thus, emphasis on conservation now can reduce energy risks, prevent environmental insults, create jobs, and protect the consumer's pocketbook.

The energy consuming public needs facts about energy. Open dealing engenders consumer and business confidence. Business needs timely decisions, clear ground rules and a firm sense of where government is heading.

Abraham Lincoln's insight applies to Americans today: If we could know where we are and whither we are tending, we could better judge what to do and how to do it.

Individual citizens depend upon their Federal government to secure and share the facts: facts about consumption, supply, financial expenditures, competition and profit centers. We need to know what are the trends; what are the timetables for given actions; what is the price of drift and indecision.

There can be a bright energy future for our children and their children. The difficulty and the danger lie in getting from here to there. We can afford neither inaction nor reckless action.

Tonight will mark the anniversary of Paul Revere's celebrated ride. Two hundred and two years ago, Americans were ready for Revere's message that bespoke perils and uncertainties for the future—and also hope for surmounting the crisis.

It seems to me that we have good reason for hope today if we can control our consumption of energy within prudent bounds; if we accelerate the shift to more abundant supply sources; if we employ creatively and meaningfully the human and material resources of our country; and if we move zealously to substitute abundant, renewable energy sources as quickly as possible for inherently circumscribed, dwindling supplies.

President Carter and the Congress are committed to meeting the challenge. I would like to lend a hand.

Thank you Mr. Chairman. I would welcome any questions.

U.S. SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

INFORMATION REQUESTED OF PRESIDENTIAL NOMINEES

Rule 9 of the Rules of the U.S. Senate Committee on Interior and Insular Affairs requires that each Presidential nominee considered by the Committee shall submit a financial statement sworn to by the nominee as to its completeness and accuracy. Under the rule all such statements must be made public by the Committee unless the Committee in executive session determines that special circumstances necessitate a full or partial exception to this requirement. Rule 9 also provides that at any hearing to confirm a Presidential nomination, the testimony of the nominee and, at the request of any member, any other witness shall be under oath.

In order to assist the Committee in its consideration of nominations, each nominee is requested to complete the attached Financial Statement and Statement For Completion By Presidential Nominees.

The original and twenty (20) copies of the requested information should be made available to Honorable Henry M. Jackson, Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C. 20510 (Attn: Staff Director) as soon as possible.

FINANCIAL STATEMENT OF DAVID J. BARDIN

Provide a complete, current financial net worth statement which itemizes in detail all assets (including bank accounts, real estate securities, trusts, investments, and other financial holdings) and all liabilities including debts, mortgages, loans, and other financial obligations) of yourself, your spouse, and other immediate members of your household.

ASSETS

Cash on hand and in banks, $17,532.

U.S. Government securities—add schedule, $12,025.

Listed securities, 0.

Unlisted securities, $16,800.

Real estate interests, including mortgages, $101,600.

Personal property, $11,900.

Life insurance—cash value, $2,800.

Other assets—itemize: U.S. Government and N.J. pension funds, $17,345.

Total assets, $180,002.

LIABILITIES

Accounts payable, $545.

Real estate mortgages payable—add schedule, $34,133.

Other debts—itemize: Tuition to fall due, $1,290.

Total liabilities, $35,968.

Net worth, $144,034.

FINANCIAL STATEMENT SCHEDULE

(self, wife, four children)

U.S. Government Securities: Treasury notes, $12,000, U.S. Savings Bond, $25; total, $12,025.

Unlisted securities: Certificate of deposit N.J. National Bank, $13,000, State of Israel Bond, $3,750, Bank Leami Bond, $50; total, $16,800.

Real estate: Brick house, Trenton, N.J., $40,000, Two condominium apartments, Jerusalem, Israel, $16,600; total, $101,600.

Real estate mortgages payable N.J. National Bank, Trenton, N.J., $29,103, Bank Adanim, Tel Aviv, $5,030; total, $34,133.

1. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. None.

2. Are any assets pledged? (Add schedule.) None.

3. Are you currently a party to any legal action? As a State official, I have been involved in court cases as either the plaintiff or the defendant on material related to the New Jersey Department of Environmental Protection's constitutional and statutory responsibilities.

4. Have you ever declared bankruptcy? No.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: David Jonas Bardin.

Position to which nominated: Deputy Administrator FEA.

Date of birth: June 2, 1933.

Place of birth: New York, N.Y.

Marital status: Married.

Full name of spouse: Livia Goldcen.

Name and ages of children: Jacob Eli Bardin, 15, Matthew Chaim Bardin, 12, Joseph Raphael Bardin, 9, Sarah Adele Bardin, 6.

Education: Columbia College, 1950–54, degree, A.B., 1954. Columbia University Law School, 1953–56, degree, LL.B. (converted to J.D. 1969), 1956.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement—Harlan Fiske Stone Scholarship (Columbia Law School); New York State Regents Scholarship; National Merit Scholarship (honorary); Younger Federal Lawyer Award (Federal Bar Association); Special Service Awards (FPC); Outstanding Performance Rating (U.S. Civil Service Commission).

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations—

Organization: American Bar Association; Federal Bar Association; Federal Power Bar Association; District of Columbia Bar Association; Israel Chamber of Advocates; Bar of New York State.

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates—

Student assistant. Professor Walter Gellhorn. Columbia University Law School, New York, New York 1955.

Soldier, U.S. Army. Transportation Research & Engineering Command. Fort Eustis, Virginia 1956–58.

Lecturer. University of Virginia (Extension). Williamsburg, Virginia.

Trial Attorney; assistant general counsel; deputy general counsel. Federal Power Commission. Washington, D.C. 1958–1969.

Assistant. Attorney General of Israel. Jerusalem, Israel. 1970–72.

Counsel. Israel National Council for Research and Development. Jerusalem Israel. 1972–1973.

Lecturer. Bar-Ilan Law School (Ramat Gan. Israel) and Tel Aviv University Law School (Ramat Aviv, Israel). 1972–1974.

Counsel. Environmental Protection Service of Israel. Jerusalem, Israel. 1973–74.

Self-employed attorney and consultant. Jerusalem, Israel and Washington, D.C. (c/o Spiegel & McDiarmid).

Commissioner. State of New Jersey, Department of Environmental Protection. 1974–date.

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions—

Soldier. U.S. Army Transportation Research & Engineering Command, Fort Eustis, Virginia. 1956–58.

Trial Attorney, assistant general counsel; deputy general counsel. U.S. Federal Power Commission. Washington, D.C. 1958–1969.

Commissioner. State of New Jersey, Department of Environmental Protection. 1974–date.

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written—

Regulatory decisions (mimeo) under N. J. Coastal Areas Facilities Review Act include:

Opinion No. 1, Lehigh Construction Company, Toms River Condominium (10 July 1974), affirmed coastal review board, affirmed appellate division.

Opinion No. 20, Public Service Electric & Gas Co., Hope Creek Generating Station (3 September 1975), affirmed coastal review board, appeal pending.

In the matter of Jersey Central Power & Light Co., exemption of Forked River nuclear generating station unit 1 (14 Dec. 1976), subject to appeal.

Report on the Trenton Water Crisis (Bound pamphlet, May 1976).

Ocean Dumping of Sludge—Program through Phase Out in 1981 (Mimeo, January 1977).

Regulations adopted or proposed (published in N.J. Register):

March 1977, adopted, Glass industry particulate emissions.

January 1977, proposed, Spill control.

January 1977, proposed, Non-degradation water quality standards: Pine Barrens ground and surface waters.

January, 1977, proposed, Ban on spray-on asbestos.

December 1976, proposed, Expansion of automotive emissions inspection.

December 1976, adopted, Rules for preservation of the sea clam resource.

October 1976, adopted, Pesticide application qualifications.

June 1976, adopted, Water effluent standards for oil and grease.

May 1976, adopted, Stack testing procedures.

April 1976, adopted, Fees for air pollution permits.

March 1976, adopted, Interim easing of sulfur-in-fuel limits for Cumberland County.

March 1976, adopted, Fees for construction permits.

March 1976, adopted, Increase in state park user fees.

December 1975, adopted, Control of emissions from oil & chemical storage tanks.

October 1975, adopted, Liberalized rules for agricultural open burning.

October 1975, adopted, Rules on sewer connection bans.

July 1975, adopted, Morses Creek surface water quality standards.

May 1975, adopted, Real property tax exemption for non-profit conservation lands.

April 1975, adopted, Flood plain land use controls.

Testimony before committees of U.S. Congress—

Senate Committee on Public Works, Subcommittee on Environmental Pollution (31 January 1977) on Renewed Funding for the Municipal Construction Grants Program.

House of Representatives, Committee on Interior and Insular Affairs, New York City (29 November 1976) on Gateway National Recreation Area.

House of Representatives, Committee on Interstate & Foreign Commerce, Subcommittee on Oversight and Investigations, Newark, N.J. (28 May 1976) on cancer and the environment.

Senate Committee on Public Works, Subcommittee on Environmental Pollution (26 May 1976) on wastewater construction grants.

House of Representatives, Committee on Interstate & Foreign Commerce, Subcommittee on Transportation (7 April 1976), Symposium on Resource Conservation and Recovery.

House of Representatives, Ad Hoc Select Committee on the Outer Continental Shelf, Ocean City, N.J., (25 July 1975), statement of Governor Brendan T. Byrne.

House of Representatives, Small Business Committee, Subcommittee on SBA and SBIC (15 July 1975) on pollution control financing.

Senate Committees on Interior and Insular Affairs and Commerce (joint hearing, 17 March 1975) on OCS legislation.

Testimony before New Jersey state legislature and executive bodies on:

Cancer and environment,

Comprehensive spill control and compensation bill,

Fluoridation of potable water,

Nuclear power,

Air pollution,

Appropriations and budget,

Capital needs.

Speeches:

Opening statement at public hearings on proposed regulations to implement Spill Compensation and Control Act, Trenton, N.J., 9 March 1977.

Association of New Jersey Environmental Commissions, 7th Annual Commissioners Day, Trenton, N.J., 1 March 1977.

Association of Metropolitan Sewerage Agencies' Conference, Anaheim, California, 16 February 1977 on funds for water pollution control in a time of transition.

Public meeting on Wastewater Treatment Facility Grants, Trenton War Memorial, 22 November 1976.

Utility Contractors Association of N.J., Inc., Annual Convention, MacAfee, N.J., 17 September 1976 on the Ocean Pollution Nightmare and the Water Cleanup Dream.

N.J. Water Pollution Control Association, 61st Annual Meeting, Atlantic City, N.J., 12 May 1976 on managing the water cycle.

N.J. Builders Association Annual Convention, Cherry Hill, N.J., 8 April 1976 on water conservation plumbing.

South Jersey Chamber of Commerce, Cherry Hill, N.J., 25 March 1976 on jobs and the environment.

N.J. Paint and Coatings Association, Legislative Up-date Dinner, Hasbrouck Heights, N.J., 11 February 1976 on greater attention to carcinogens and other toxics.

Greater Newark Chamber of Commerce's Questions and Answers '76 Series, Newark, N.J., 14 June 1976 on What does the future hold for environmental quality in N.J. cities?

Texas Coastal Zone Management Program, Advisory Committee, General Land Office, State of Texas, Houston, Texas, 13 January 1976 on "Coastal Zone Management in New Jersey in 1976."

Vice President's Public Forum on Domestic Policy, Philadelphia, Pa., 18 November 1975 on local garbage as a national asset.

Mercer County Chamber of Commerce "Salute to Volunteers" of the Water Crisis, Trenton War Memorial, Trenton, N.J., 11 November 1975.

"The Clean Water Referendum" to Labor leaders, Cherry Hill, N.J., 24 October 1975.

N.J. State AFL-CIO, 14th Annual Convention, Atlantic City, N.J., 11 June 1975 on environment is not a frill: good news and bad news.

3rd Annual National Coastal Zone Management Conference, Asilomar, CA., 29 May 1975 on "Coastal Zone Management in N.J. Today: From Action to Planning to More Action."

N.J. Clean Air Council Annual Hearing, Newark, N.J., 22 May 1975 on Air Quality Maintenance.

N.J. Water Pollution Control Association, 60th Annual Meeting, Atlantic City, N.J., 7 May 1975 on "The Byrne Administration and Water Pollution Control."

N.J., Mosquito Control Association, 62nd Annual Meeting, Atlantic City, N.J., 12 March 1975, welcoming address.

N.J. State Agricultural Convention, Trenton, N.J., 28 January 1975, address at Farmers' Week Dinner.

N.J. Concrete Pipe Association, Queens Campus, Rutgers, 24 October 1974, "Environmental Considerations in Drainage Design and Construction."

Association of American Feed, Pesticide and Fertilizer Control Officials, Inc., 28th Annual Meeting, Atlantic City, N.J., 6 August 1974, on the role of State regulators.

Author:

"Organization, responsibilities and authority within the Government of Israel respecting environmental quality and protection" in "Government Organization for Dealing with the Environment." Advanced Technology Ltd., Tel-Aviv, 1973.

"Materials on Accounting for Lawyers" (Hebrew). Law Faculty of Bar-Ilan University, Ramat-Gan, 1973 (mimeograph).

Bulletin—Energy in Israel, Environmental Protection Service, Jerusalem, 1973.

"The Control of Electric Utilities in Israel" in Public Administration in Israel & Abroad 1971, Jerusalem, 1972.

"Law and Administration" in Air Pollution in Israel (Hebrew), Israel National Committee on the Biosphere, Jerusalem, 1972.

How to Survey Israeli Law (pamphlet). Jerusalem, 1971.

Sundry short articles on energy, environmental law in BIOSHERA (Hebrew). Jerusalem, 1971–1974.

Editor:

Israel Rules of Court (English translation). Jerusalem, 1972.

Safety of Interstate Natural Gas Pipelines (a report prepared by the Federal Power Commission for the Senate Committee on Commerce). Committee Print, Washington, 1966.

Federal Regulation of the Electric Power Industry Under Parts II and III of the Federal Power Act. Federal Power Commission, Washington, 1965.

Contributor:

Sundry legal briefs to courts and agencies in cases including:

Permian Basin Area Rate Cases, 390 U.S. 747.

F.P.C. v. Transcontinental Gas Pipeline Corporation, 365 U.S. 1.

City of Seattle v Beezer, 376 U.S. 224.

Ravne Field Case (Round I), 287, F. 2d 143 (CADC).

Bastian Bay Case, 30 FPC 1477 (sustained 381 U.S. 762 and 950).

Washington/Baltimore Helicopter Service Investigation, C.A.B. Docket No. 17665.

Michigan Gas & Electric Company v. F.P.C., 290 F. 2d 374 (CADC) cert. den. 368 U.S. 897.

Placid Oil Company, 30 FPC 283 (sustained 382 U.S. 223).

American Louisiana Pipeline Company, 27 FPC 792.

Sundry Federal Power Commission statements to Congressional committees including:

House Committee on Interstate & Foreign Commerce:

Agency Hearings. Serial 90–1, 1967.

Northeast Power Failure, November 9 & 10, 1965. Serial 89–40, 1966.

Authority of FPC to License and Take Over Hydroelectric Projects. Serial 90–40.

House Committee on Merchant Marine & Fisheries: Fisheries Legislation. Serial 89–24, 1966.

House Committee on Ways & Means: Tax Reform, 1969. Part 10 of 15, 1969.

Senate Committee on Commerce:

United States Relicensing or Recapture of Hydroelectric Projects. Serial 90–62.

Electric Power Reliability. Serial 90–30, 1967.

FPC Jurisdiction. Serial 90–23, 1967.

Safety of Interstate Natural Gas Pipelines. Serial 89–83, 1966.

Extra-high-voltage Electric Transmission Lines. Serial 89–72, 1966.

Amendment to Federal Power Act (Anti-trust Review). Serial 89–71, 1966.

Overhead and Underground Transmission Lines. Serial 89–63, 1966.

Exemption of Certain Public Utilities. Serial 89–38, 1965.

Nonprofit Rural Electric Cooperatives. Serial 89–15, 1965.

Senate Committees on Commerce and Public Works: Electric Vehicles and Other Alternatives to the Internal Combustion Engine. 1967.

Senate Committee on Finance: Treatment of Tax Benefits under Consolidated Returns.

Senate Committee on the Judiciary: Administrative Procedure Act. 1967.

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet).

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate. Yes.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization. No.

3. Has anybody made you a commitment to a job after you leave government? No.

4. Do you expect to serve the full term for which you have been appointed? Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated. None.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated. None.

Qualifications: Background of public service in federal and state government, and experience abroad, is detailed in the attached biographical statement. In my present position I supervise a department of over 1500 employees engaged in all aspects of environmental regulations and resource management. That position demands integrity, candor, hardwork, judgment and leadership.

3. Describe any business relationship, dealing or financial transaction (other than tax-

paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated. None.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy. On behalf of the State of New Jersey, I have testified before Congressional Committees, communicated with their Chairmen, members and staff, and have advised the New Jersey delegation.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. I anticipate no conflicts. If situations arise that raise a question, I shall abide by the dictates of conscience and advice of the Attorney General or agency general counsel.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, April 20, 1977, he presented to the President of the United States the enrolled bill (S. 489) to authorize supplemental military assistance to Portugal for the fiscal year 1977, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 4836. An act to extend by seven months of the term of the National Commission on New Technological Uses of Copyrighted Works; to the Committee on the Judiciary.

H.R. 5101. An act to authorize appropriations for activities of the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

H.R. 5864. An act to approve with modifications certain proposed amendments to the Federal Rules of Criminal Procedure, to disapprove other such proposed amendments, and for other related purposes; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE:

S. 1312. A bill to amend the Truth in Lending Act to facilitate compliance with requirements proposed under that Act by simplifying such requirements, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

S. 1313. A bill to require the enactment of special legislation to continue the expenditure or obligation of funds on any major military or civil acquisition whenever the cost of such acquisition has increased or, on the basis of estimates, will increase by 50 per centum or more; to the Committee on Governmental Affairs.

By Mr. NELSON (for himself and Mr. MATHIAS):

S. 1314. A bill to amend title 28, United States Code, to provide that State prisoners and Federal prisoners shall not be denied Federal habeas corpus relief on the ground that such prisoners were previously afforded a full and fair opportunity to litigate their claims, and for other purposes; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. ALLEN, Mr. BAYH, and Mr. KENNEDY):

S. 1315. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. CULVER:

S. 1316. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out State cooperative programs under the Endangered Species Act of 1973; to the Committee on Environment and Public Works.

By Mr. RANDOLPH:

S. 1317. A bill for the relief of Marietta Dizon Pamintuan; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 1318. A bill to permit the State of Hawaii to use the proceeds from the sale, lease, or other disposition of certain real property for any public purpose; to the Committee on Armed Services.

S. 1319. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. STONE:

S. 1320. A bill to amend the Federal Election Campaign Act of 1971 with respect to the filing of reports with State officers; to the Committee on Rules and Administration.

By Mr. EAGLETON:

S. 1321. A bill to extend the deadline for transmittal of U.S. Commission on Civil Rights report on unreasonable discrimination based on age in programs and activities receiving Federal financial assistance, and for other purposes; to the Committee on Human Resources.

S. 1322. A bill to revise the basis for estimating the annual Federal payment to the District of Columbia for water and water services and sanitary sewer services furnished to the United States; to the Committee on Governmental Affairs.

S. 1323. A bill for the relief of Mr. and Mrs. Harold H. Vollmer; to the Committee on the Judiciary.

By Mr. LONG (for himself, Mr. MAGNUSON, Mr. BAYH, and Mr. CASE):

S. 1324. A bill to amend the Regional Rail Reorganization Act of 1973 to require Conrail to make premium payments under certain medical and life insurance policies, to provide that Conrail shall be entitled to a loan under section 211(h) of such act in an amount required for such premium payments, and to provide that such premium payments shall be deemed to be expenses of administration of the respective railroads in reorganization; to the Committee on Commerce, Science, and Transportation.

By Mr. PEARSON:

S. 1325. A bill to amend section 406(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1376) to provide explicit statutory authority for the payment of "flow-through" subsidy pursuant to an experimental program administered by the Civil Aeronautics Board during the period August 1, 1973 through July 31, 1975; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 1312. A bill to amend the Truth in Lending Act to facilitate compliance with requirements proposed under that act by simplifying such requirements, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

TRUTH IN LENDING SIMPLIFICATION AND REFORM ACT

Mr. PROXMIRE. Mr. President, I am today introducing the Truth in Lending Simplification and Reform Act, legislation to amend the Truth In Lending Act.

As you know, I was the sponsor of the original Truth in Lending Act and worked long and hard for its passage. I still believe that the guiding principal of truth in lending—disclosure to the consumer—is as important today as it was in 1968 when the act was signed into law. But truth in lending has gone amiss.

The Federal Reserve Board has written a regulation which is so complex and technical that, frankly, I often wonder if even they understand it. Disclosure statements have grown increasingly detailed to the point where, instead of being concise and understandable, they are liable to be 2 feet long. My office files are bulging with letters from creditors who have struggled in good faith to comply with the act but nonetheless found that they were in violation. On top of this, some consumers and their attorneys have seized upon technicalities and recovered statutory damages in the tens of thousands of dollars. All of this, of course, means greater costs for creditors which in turn are passed along to all consumers.

I am also sad to say that administrative enforcement by the Federal bank regulatory agencies has been woefully inadequate. Oversight hearings before the Committee on Banking, Housing and Urban Affairs last summer revealed a shocking laxity on their part in terms of both attitude and resources. All three agencies conceded that their enforcement activities had been deficient, leading to what the Comptroller of the Currency called "an alarming degree of substantial noncompliance" with the act. In light of this admission, overeager consumers by no means deserve all the blame for the mountain of truth in lending litigation.

I believe that now, 9 years after the act's passage, we must take a comprehensive second look. This is by no means a retreat from strong consumer credit legislation. On the contrary, I regard this as an important opportunity to strengthen the act by stripping away the bureaucratic technicalities and making the disclosures more meaningful to consumers and easier for creditors to provide.

I am determined to reduce the complexity of truth in lending, but not at the cost of depriving consumers of the types of information they want and need. In addition, we must strengthen administrative enforcement of the act, as well as provide additional aids for the consumer so that the cost of credit is even more readily available.

This legislation, then, has five objectives: First, to eliminate unnecessary disclosures which detract from key credit information; second, to limit a creditor's civil liability so that damages attach only to violations of a meaningful nature; third, to make compliance easier for creditors and more understandable to consumers by requiring the Federal Reserve Board to issue simple, easily

understood model forms and clauses, like Citibank's, the proper use of which would guarantee compliance; fourth, to provide increased credit information to consumers through "shopper's guides to credit"; and finally, to strengthen administrative enforcement of the act by granting enforcement authority to certain State officials and by providing for restitution to borrowers and publication of the names of violating creditors when serious violations have occurred.

I realize that truth in lending streamlining means different things to different people. To me, it means making truth in lending work better by making it less complex, easier to comply with, and—above all else—an even more useful tool for consumers who are shopping for credit.

Mr. President, I ask unanimous consent that the text of the bill, a section-by-section analysis, and copies of Citibank's old and newly revised disclosure statements be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1312

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Truth in Lending Simplification and Reform Act".

AGRICULTURAL CREDIT

SEC. 2. (a) Section 103(h) of the Truth in Lending Act is amended by striking out "household, or agricultural" and inserting in lieu thereof "or household".

(b) Section 104 (1) of such Act is amended by striking out "or commercial" and inserting in lieu thereof a comma and "commercial, or agricultural".

(c) Section 104 of such Act is amended by striking out paragraph (5).

ADMINISTRATIVE ENFORCEMENT

SEC. 3. Section 108 of the Truth In Lending Act is amended by adding at the end thereof the following:

"(e) In any case where a State has been granted an exemption pursuant to section 123, 171, or 186, compliance with the requirements imposed under the applicable law of such State shall be enforced under that law by the appropriate agency or official of that State with respect to the activities within that State of any creditor or lessor doing business in that State, including any creditor or lessor which is subject to the jurisdiction of a Federal department or agency specifically referred to in subsection (a), but only as to those classes of transactions exempted by the Board.".

RESTITUTION TO BORROWERS

SEC. 4. Section 108 of the Truth in Lending Act is amended by adding at the end thereof the following:

"(f) In carrying out its enforcement activities under this section, each agency referred to in subsection (a) or (c) shall take the following actions to obtain voluntary compliance with the requirements of this title:

"(1) In cases where an annual percentage rate or finance charge was inaccurately disclosed, the agency shall require the creditor to make an adjustment to the account of the person to whom credit is extended, except where the agency finds the result of such a requirement would be unreasonably burdensome, to insure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate, whichever is lower.

"(2) In the event a creditor fails or refuses to comply with any requirement issued in accordance with this subsection within a reasonable period, the agency shall in writing notify the person to whom credit is extended of the facts known to the agency and of the rights accruing to that person under this title.

"(g) When an agency referred to in subsection (a) or (c) finds that a creditor has engaged in repeated and substantial violations of this title or regulations of the Board, the agency shall make information available to the public which, in accordance with regulations of the Board, may include the name of the creditor involved, the number of violations discovered, the percentage of transactions inspected and found to be in violation, the nature of the violations found, the amount of monetary adjustments, if any, made by the creditor, and any other information deemed appropriate by the agency.".

LIMITATION ON CIVIL ACTIONS

SEC. 5. Section 130(e) of the Truth in Lending Act is amended to read as follows:

"(e) An action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation, except where the consumer has received notice of a violation pursuant to section 108(e), in which case the action may be brought within 90 days thereafter, but in no event more than three years from the date of the transaction.".

ANNUAL REPORTS

SEC. 6. Section 114 of the Truth in Lending Act is amended by striking out "Not later than January 3 of each year after 1969" and inserting in lieu thereof "Each year".

(b) Section 18(f)(5) of the Federal Trade Commission Act (15 U.S.C. 58a(f)(5)) is amended by striking out "not later than March 15 of each year".

(c) Section 707 of the Equal Credit Opportunity Act is amended by striking out "Not later than February 1 of each year 1976" and inserting in lieu thereof "Each year".

MODEL FORMS AND CLAUSES

SEC. 7. (a)(1) Chapter 1 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 116. Model forms and clauses.

"(a) The Board shall issue model forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this title and to aid the borrower in understanding the transaction by utilizing readily understood language to simplify the technical nature of the disclosures.

"(b) Such forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and opportunity for public comment in accordance with section 553 of title 5, United States Code.".

(2) The table of sections of chapter 1 of the Truth in Lending Act is amended by adding at the end thereof the following:

"16. Model forms and clauses.".

(b) Section 130(f) of the Truth in Lending Act is amended to read as follows:

"(f) No provision of this section or section 112 imposing any liability shall apply to—

"(1) any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretations or approvals under such procedures as the Board may prescribe therefor; or

"(2) any failure to make disclosures in proper form if the creditor utilized any appropriate model form or clause issued by the Board,

notwithstanding that after such act, omission has occurred, or after the use of such form or clause, such rule, regulation, approval, or model form or clause is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.".

RECESSION RIGHTS

SEC. 8. The first sentence of section 125(a) of the Truth in Lending Act is amended by striking out "residence" and inserting in lieu thereof "dwelling".

OPEN END CREDIT PLANS

SEC. 9. (a) Section 127(a) of the Truth in Lending Act is amended by striking out paragraph (5).

(b) Section 127(b) of the Truth in Lending Act is amended by striking out paragraph (7).

FINANCE CHARGE ITEMIZATION

SEC. 10. (a) Section 128(a)(6) of the Truth in Lending Act is amended to read as follows:

"(6) Except in the case of a sale of a dwelling, the amount of the finance charge, which shall be itemized if it contains more than one charge.".

(b) Section 129(a)(4) of such Act is amended to read as follows:

"(4) Except in the case of a loan secured by a first lien on a dwelling and made to finance the purchase of that dwelling, the amount of the finance charge, which shall be itemized if it contains more than one charge.".

(c) Section 106 of such Act is amended by striking out paragraph (d).

DEFAULT CHARGES

SEC. 11. (a) Section 128(a)(9) of the Truth in Lending Act is amended to read as follows:

"(9) Any monetary charge payable in the event of a late payment or delinquency.".

(b) Section 129(a)(7) of such Act is amended to read as follows:

"(7) Any monetary charge payable in the event of a late payment or delinquency.".

SECURITY INTERESTS

SEC. 12. (a) Section 128(a)(10) of the Truth in Lending Act is amended to read as follows:

"(10) A statement indicating that a security interest is taken in any property which is the subject of the extension of credit and a clear identification of any other property in which a security interest is held or is to be retained or acquired by the creditor in connection with the extension of credit.".

(b) Section 129(a)(8) of such Act is amended to read as follows:

"(8) A statement indication that a security interest is taken in any property which is acquired with the proceeds of the extension of credit and a clear identification of any other property in which a security interest is held or is to be retained or acquired by the creditor in connection with the extension of credit.".

LIMITED CIVIL LIABILITY

SEC. 13. The text preceding clause (1) of section 130(a) of the Truth in Lending Act is amended to read as follows:

"Except as otherwise provided in this section, any creditor who fails to comply with any requirement imposed under this chapter (other than under section 128); any requirement imposed under section 128 of this chapter with respect to disclosure of the total of the amount to be financed, the finance charge, the annual percentage rate, the number, amount, and due dates of payments scheduled to repay the indebtedness, any monetary charge payable in the event of a late payment or delinquency, the existence of and identification of property subject to

a security interest, or the borrower's right to rescission; or any requirement imposed under chapter 4 or 5 of this title, with respect to any person is liable to such person in an amount equal to the sum of—".

SET-OFF RIGHTS

SEC. 14. Section 130(h) of the Truth in Lending Act is amended by adding at the end thereof the following new sentence: "This subsection may not be construed to prohibit such person from raising a creditor's violation of this title by way of recoupment, offset, or counterclaim in an action before a court of competent jurisdiction where permitted by law.".

DISSEMINATION OF ANNUAL PERCENTAGE RATES

SEC. 15. (a) Chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 136. Dissemination of annual percentage rates

"(a) The Board shall semiannually collect, publish, and disseminate to the public the annual percentage rates charged for credit, other than open end credit, by all creditors extending or offering to extend such credit in each standard metropolitan statistical area with populations in excess of 500,000.

"(b) The Board is authorized to enter into contracts or other arrangements with appropriate local consumer or public interest organizations to carry out its functions, under subsection (a), and to furnish financial assistance in support thereof.".

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"136. Dissemination of annual percentage rates.".

EFFECTIVE DATE

SEC. 16. The amendments made by this Act take effect upon the expiration of 1 year after the date of enactment of this Act.

FIRST NATIONAL CITY BANK, PERSONAL FINANCE DEPARTMENT—NEW YORK

Application Number_____
Annual percentage rate_____%
Total of payments (4)+(7) $_____
Proceeds to Borrower (1) $_____
Property Ins. Premium (2) $_____
Filing fee (3) $_____
Amount financed (1)+(2)+(3) (4) $____
Prepaid finance charge (5) $_____
Group credit Life Ins. premium (6) $____
Finance Charge (5)+(6) (7) $_____
PI. NO. and date loan made_____

For value received, the undersigned (jointly and severally) hereby promise(s) to pay to First National City Bank (the "Bank") at its office at 399 Park Avenue, New York, New York 10022 (1) the sum of _____ ($____) (Total of Payments) ( ) in _____ equal consecutive monthly instalments of $____ each on the same day of each month, commencing ____ days from the date the loan in made; or ( ) in ____ equal consecutive weekly instalments of $____ each on the same day of each week, commencing not earlier than 5 days nor later than 45 days from the date the loan is made; or ( ) in ____ equal consecutive bi-weekly instalments of $____ each, commencing not earlier than 10 days nor later than 45 days from the date the loan is made, and on the same day of each second week thereafter; or ( ) in ____ equal consecutive semi-monthly instalments of $____ each, commencing not earlier than 10 days nor later than 45 days from the date the loan is made, and on the same day of each semi-monthly period thereafter, (iii) a fine computed at the rate of 5c per $1 on any instalment which has become due and remained unpaid for a period in excess of 10 days, provided (A) if the proceeds to the borrower are $10,000 or less, no such fine shall exceed $5 and the aggregate of all such fines shall not exceed the lesser of 2% of the amount of this note or $25, or (B) if the *annual percentage rate* stated above is 7.50% or less, the limitations provided in (A) shall not apply and no such fine shall exceed $25 and the aggregate of all such fines shall not exceed 2% of the amount of this note, and such fine(s) shall be deemed liquidated damages occasioned by the late payment(s); (iii) in the event of this note maturing, subject to an allowance for unearned interest attributable to the matured amount, interest at a rate equal to 1% per month and (iv) if this note is referred to an attorney for collection, a sum equal to all costs and expenses thereof, including an attorney's fee equal to 15% of the amount owing on this note at the time of such reference, for necessary court costs. The acceptance by the bank of any payment(s) even if marked payment in full or similar wording, or if made after any default hereunder, shall not operate to extend the time of payment of or to waive any amount(s) then remaining unpaid or constitute a waiver of any rights of the bank hereunder.

In the event this note is prepaid in full or refinanced, the borrower shall receive a refund of the unearned portion of the prepaid finance charge computed in accordance with the rule of 78 (the "sum of the digits" method). Provided that the bank may retain a minimum finance charge of $10, whether or not earned, and, except in the case of a refinancing, no refund shall be made if it amounts to less than $1. In addition, upon any such prepayment or refinancing, the borrower shall receive a refund of the charge, if any, for group credit life insurance included in the loan equal to the unearned portion of the premium paid or payable by the holder of the obligation (computed in accordance with the rule of 78), provided that no refund shall be made of amounts less than $1.

As collateral security for the payment of the indebtedness of the undersigned hereunder and all other indebtedness or liabilities of the undersigned to the bank, whether joint, several, absolute, contingent, secured, unsecured, matured or unmatured, under any present or future note or contract or agreement with the bank (all such indebtedness and liabilities being hereinafter collectively called the "obligations"), the bank shall have, and is hereby granted, a security interest and/or right of set-off in and to (a) all monies, securities and other property of the undersigned now or hereafter on deposit with or otherwise held by or coming to the possession or under the control of the bank, whether held for safekeeping, collection, transmission or otherwise or as custodian, including the proceeds thereof, and any and all claims of the undersigned against the bank, whether now or hereafter existing, and (b) the following described personal property (all such monies, securities, property, proceeds, claims and personal property being hereinafter collectively called the "collateral"): ( ) Motor Vehicle ( ) Boat ( ) Stocks, ( ) Bonds, ( ) Savings, and/or____ see customer's copy of security agreement(s) or collateral receipt(s) relative to this loan for full description.

If this note is secured by a motor vehicle, boat or aircraft, property insurance on the collateral is required, and the borrower may obtain the same through a person of his own choice.

If this note is not fully secured by the collateral specified above, as further security for the payment of this note, the bank has taken an assignment of 10% of the undersigned borrower's wages in accordance with the wage assignment attached to this note.

In the event of default in the payment of this or any other Obligation or the performance or observance of any term or covenant contained herein or in any note or other contract or agreement evidencing or relating to any Obligation or any Collateral on the Borrower's part to be performed or observed; or the undersigned Borrower shall die; or any of the undersigned become insolvent or make an assignment for the benefit of creditors; or a petition shall be filed by or against any of the undersigned under any provision of the Bankruptcy Act; or any money, securities or property of the undersigned now or hereafter on deposit with or in the possession or under the control of the Bank shall be attached or become subject to distraint proceedings or any order or process of any court; or the Bank shall deem itself to be insecure, then and in any such event, the Bank shall have the right (at its option), without demand or notice of any kind, to declare all or any part of the Obligations to be immediately due and payable, whereupon such Obligations shall become and be immediately due and payable, and the Bank shall have the right to exercise all the rights and remedies available to a secured party upon default under the Uniform Commercial Code (the "Code") in effect in New York at the time, and such other rights and remedies as may otherwise be provided by law. Each of the undersigned agrees (for purposes of the "Code") that written notice of any proposed sale of, or of the Bank's election to retain, Collateral mailed to the undersigned Borrower (who is hereby appointed agent of each of the undersigned for such purpose) by first class mail, postage prepaid, at the address of the undersigned Borrower indicated below three business days prior to such sale or election shall be deemed reasonable notification thereof. The remedies of the Bank hereunder are cumulative and may be exercised concurrently or separately. If any provision of this paragraph shall conflict with any remedial provision contained in any security agreement of collateral receipt covering any Collateral, the provisions of such security agreement or collateral receipt shall control.

Acceptance by the Bank of payments in arrears shall not constitute a waiver of or otherwise affect any acceleration of payment hereunder or other right or remedy exercisable hereunder. No failure or delay on the part of the Bank in exercising, and no failure to file or otherwise perfect or enforce the Bank's security interest in or with respect to any Collateral, shall operate as a waiver of any right or remedy hereunder or release any of the undersigned, and the Obligations of the undersigned may be extended or waived by the Bank, any contract or other agreement evidencing or relating to any Obligation or any Collateral may be amended and any Collateral exchanged, surrendered or otherwise dealt with in accordance with any agreement relative thereto, all without affecting the liability of any of the undersigned. In any litigation (whether or not arising out of or relating to any Obligation or Collateral or other matter connected herewith) in which the Bank and any of the undersigned may be adverse parties, the Bank and each such undersigned hereby waives their respective right to demand trial by jury and, additionally, each such undersigned waives his right to interpose in any such litigation any counterclaim of any nature or description which he may have against the Bank. In addition, the Bank shall not be deemed to have obtained knowledge of any fact or notice with respect to any matter relating to this note or any Collateral unless contained in a written notice mailed, postage prepaid, or personally delivered to the Personal Finance Department of the Bank at its address set forth above. Each of the undersigned, by his signature hereto, hereby waives presentation for payment, demand, notice of non-payment, protest and notice of protest with respect to the indebtedness evidenced by this note, and each such undersigned hereby agrees that this note shall be deemed to have been made

under and shall be construed in accordance with the laws of the State of New York.

Each of the undersigned hereby authorizes the Bank to date this note as of the day the loan evidenced hereby is made, to correct patent errors herein and, at its option, to cause the signatures of one or more co-makers to be added without notice to any prior obligor.

Receipt of a copy of this note, appropriately filled in, is hereby acknowledged by the borrower:

Full signature, and complete addresses

Borrower ———— ————

Wife or husband of borrower as co-maker

———— ————

Co-maker ———— ————

Co-maker ———— ————

ASSIGNMENT OF WAGES, SALARY, COMMISSIONS OR OTHER COMPENSATION FOR SERVICES

This Assignment is executed as security for, or as a manner or method of repayment of, money advanced by a bank, trust company or credit union doing business in New York.

To: First National City Bank—as assignee, Personal Finance Department, 810 Seventh Avenue, New York, New York 10019.

Date ————, 19—.

I, the undersigned, being the "Borrower" indicated on the promissory note which appears above, in consideration of your making the loan evidenced by said note, do hereby assign to you, as collateral security for the payment of the indebtedness evidenced thereby, any and all monies which may hereafter become due or owing to me a salary, wages, commissions or other compensation for services from any present or future employer of mine (herein referred to as my "Employer"), to the extent of an amount equal to 10%, thereof, computed at the time when such salary, wage(s), commission(s), or other compensation is (are) payable, and you are hereby authorized to apply the same, as and when received by you, to the satisfaction of all such indebtedness as shall then be due and owing by the undersigned on account of said note until all such indebtedness shall be fully paid.

I hereby authorize my Employer to give full force and effect hereto, he being hereby released and discharged from any and all liability to me for or on account of any and all monies which may be paid you hereunder.

I hereby acknowledge receipt of a copy hereof.

This is an assignment of wages, salary, commissions or other compensation for services.

Signature of assignor:

Sign full name ————————

(Signature of complete name of assignor)

NOTICE OF PROPOSED GROUP INSURANCE

Credit life insurance on the life of the "Borrower" obligated under the Note on the reverse side hereof may be taken out by the Bank under a group life insurance policy issued to the Bank by The Prudential Insurance Company of America, having its home office in Newark, New Jersey. Such insurance, if effected on the life of the Borrower, will be effective from the date of said Note until the Note is repaid, or said group policy terminates, or the final maturity date of the Note, whichever first occurs, in an amount necessary to reduce or extinguish the Borrowers indebtedness under said Note, but not to exceed $20,000 in respect of all indebtedness of the Borrower to the Bank for which the life of the Borrower may have been insured under said group life insurance policy, the proceeds of which insurance shall be paid to the Bank for application to the discharge of such indebtedness. If an identifiable charge is to be made to the Borrower for such insurance, the amount thereof will be set forth at Item (6) of the Note on the reverse side hereof. If any such insurance for which an identifiable charge has been made to the Borrower is declined by the insurer or otherwise does not become effective, the Borrower will be given immediate notice thereof and any such charge paid by the Borrower will be promptly refunded. The Borrower will receive a certificate of insurance relative to any insurance effected on his life within 30 days of the date of the Note.

————————

Borrower to sign if identifiable charge is made.

The application for credit evidenced by the note on the reverse side of this form has been:

Withdrawn—the accommodation requested cannot be granted at this time except on the terms or conditions offered to you. This decision was based in part:

Declined—The decisions not to grant the accommodation requested at this time was based in part:

On information, not necessarily of a derogatory nature, contained in a consumer report from the consumer reporting agency(s) listed below.

On information, not necessarily of a derogatory nature, obtained from sources other than a consumer reporting agency, you may, within sixty days of the receipt of this disclosure, submit a written request for the reasons for our decision.

Signature: ———————— Date ————

SUMMARY OF CERTAIN SECTIONS OF ARTICLE 3-A OF THE PERSONAL PROPERTY LAW OF THE STATE OF NEW YORK

§ 46-c—An assignment of earnings (Assignment) shall be contained in a separate written instrument, and at its top and just above the place reserved for the signature of the assignor, must be described in at least 10 point bold type, as an assignment of wages, etc.; it must contain the name and address of the assignee and, in its text or in a writing permanently attached, identify specifically and describe fully the transaction to which it relates, the amount of the indebtedness, the dates on which and place at which payments are to be made, and that it secures only the transaction or series of transactions described in such assignment.

§ 46-e—The Assignment must be personally executed by the assignor and a copy of it, and of any papers attached thereto, together with a copy of any papers executed by the assignor pertaining to the transaction described in the Assignment, must be delivered to the assignor before the same is filed with the employer.

§ 46-f—Except as provided by Article 9 of the New York Banking Law, the charges made by the assignee must not exceed a greater sum than 18% per annum on the amount of the loan or advance, except as permitted by Section 5-531 of the General Law of New York.

§ 48—Before an Assignment (except assignments given security for money actually advanced to or at the request of the assignor by any bank, trust company or credit union doing business in the State of New York) shall be filed with an employer:

(a) the assignor must be at least 21 days in default on a payment, and after such default the assignee must have mailed to the assignor by certified mail, return receipt requested, a copy of the Assignment and any attached papers with a written notice that, unless the amount in default shall be paid within 20 days from the date of the mailing, the Assignment will be served on the assignor's employer, and advising assignor of his right to a hearing on the validity of the Assignment (pursuant to § 47-e, below) and any defense to the underlying debt;

(b) if the assignor notifies the assignee of a defense, the assignee cannot file the Assignment until it obtains a court order;

(c) the written notice given the assignor must instruct him to bring the notice with him and have any payment endorsed thereon and, if a payment is so endorsed, or if the assignor receives, a written receipt referring to the notice, the Assignment cannot be served on the employer until subsequent default and similar notice.

(d) if the notice is returned undelivered, it may then be served the same as a summons or mailed to the Assignee by certified mail, return receipt requested, where he works.

§ 47-e—With the exception of an order made by a family court or in a matrimonial proceeding, the assignor, his employer or any other interested party may commence a special proceeding to vacate the Assignment in the county where assignee or assignor resides or where the Assignment is filed. The court may consider any defense to the Assignment and underlying debt, with burden of proof on each to be on the Assignee, and may grant appropriate interim relief. If vacated by a judgment it may be presented to the county clerk.

§ 48-a—No amount is deductible from the assignor's future earnings until at least 10 days have elapsed after a true and authenticated copy of the Assignment together with an itemized statement of the amount then due the assignee, has been filed with the employer, and, if the assignment relates to indebtedness of less than $1,000: (a) the amount collectible in any month can be not more than 10% of the assignor's earnings in that month; (b) it is subordinate to any prior assignment, income execution or order under Section 5226 of the Civil Practice Law and Rules of New York.

§ 48-b—No amount is deductible from the assignor's future earnings unless the same exceed, $85 per week.

§ 48-c—Unemployment by the assignor at the time of or subsequent to the Assignment does not prevent the Assignment from becoming effective later.

§ 49—Banks, Trust Companies and Credit Unions doing business in the state of New York are not required to file such an Assignment with any public office or officer.

FIRST NATIONAL CITY BANK

CONSUMER LOAN NOTE

Date ————————, 19———.

(In this note, the words I, me, mine and my mean each and all of those who signed it. The words you, your and yours mean First National City Bank.)

Terms of Repayment: To repay my loan, I promise to pay you ———— Dollars ($———). I'll pay this sum at one of your branches in —— uninterrupted —— installments of $—— each. Payments will be due ————, starting from the date the loan is made.

Here's the breakdown of my payments:

1. Amount of the Loan $————
2. Property Insurance Premium $————
3. Filing Fee for Security Interest $————
4. Amount Financed (1+2+3) $————
5. Finance Charge $————
6. Total of Payments (4+5) $————

Annual Percentage Rate————%

————————

Prepayment of Whole Note: Even though I needn't pay more than the fixed installments, I have the right to prepay the whole outstanding amount of this note at any time. If I do, or if this loan is refinanced—that is, replaced by a new note—you will refund the unearned finance charge, figured by the rule of 78—a commonly used formula for figuring rebates on installment loans. However, you can charge a minimum finance charge of $10.

Late Charge: If I fall more than 10 days behind in paying an installment, I promise to pay a late charge of 5% of the overdue

installment, but no more than $5. However, the sum total of late charges on all installments can't be more than 2% of the total of payments or $25, whichever is less.

Security: To protect you if I default on this or any other debt to you, I give you what is known as a security interest in my [ ] Motor Vehicle and /or ———— (see the Security Agreement I have given you for a full description of this property), [ ] Stocks, [ ] Bonds, [ ] Savings Account (more fully described in the receipt you gave me today) and any account or other property of mine coming into your possession.

Insurance: I understand I must maintain property insurance on the property covered by the Security Agreement for its full insurable value, but I can buy this insurance through a person of my own choosing.

Default: I'll be in default:

1. If I don't pay an installment on time; or

2. If any other creditor tries by legal process to take any money of mine in your possession.

You can then demand immediate payment of the balance of this note, minus the part of the finance charge which hasn't been earned figured by the rule of 78. You will also have other legal rights, for instance, the right to repossess, sell and apply security to the payments under this note and any other debts I may then owe you.

Irregular Payments: You can accept late payments or partial payments, even though marked "payment in full," without losing any of your rights under this note.

Delay in Enforcement: You can delay enforcing any of your rights under this note without losing them.

Collection Costs: If I'm in default under this note and you demand full payment, I agree to pay you interest on the unpaid balance at the rate of 1 percent per month, after an allowance for the unearned finance charge. If you have to sue me, I also agree to pay your attorney's fees equal to 15 percent of the amount due, and court costs. But if I defend and the court decides I am right, I understand that you will pay my reasonable attorney's fees and the court costs.

Comakers: If I'm signing this note as a comaker, I agree to be equally responsible with the borrower. You don't have to notify me that this note hasn't been paid. You can change the terms of payment and release any security without notifying or releasing me from responsibility on this note.

Copy Received: The borrower acknowledges receipt of a completely filled-in copy of this note.

Signatures, and addresses

Borrower: ———— ————
Comaker: ———— ————
Comaker: ———— ————
Comaker: ———— ————

Hot Line: If something should happen and you can't pay on time, please call us immediately at (212) 559-3061.

Personal Finance Department, First National City Bank.

TRUTH IN LENDING SIMPLIFICATION AND REFORM ACT SECTION-BY-SECTION ANALYSIS

SEC. 1. The Act is cited as the Truth in Lending Simplification and Reform Act.

SEC. 2. Agricultural credit.—Would amend sections 103(h), 104(1), and 104(5) to exempt credit transactions which are primarily for agricultural purposes. The Federal Reserve Board has pointed out that inclusion of agricultural credit in Truth in Lending has resulted in numerous complexities in Regulation Z. In addition, the Board believes that Truth in Lending has been of little value in such transactions because they are primarily commercial in nature.

SEC. 3. Administrative enforcement.—Would amend section 108 to grant authority to state officials in exempted states to enforce state Truth in Lending laws with regard to national banks and federal savings and loan associations within such states. Banking officials in exempted states are presently unable to examine these institutions to assure that they are in compliance with state law. Substantial evidence exists that there is widespread noncompliance, and the effectiveness of the Act would be enhanced by providing for this added enforcement.

SEC. 4. Restitution to borrowers.—Would amend section 108 to require enforcement agencies to request restitution to borrowers in those cases where the annual percentage rate or finance charge in a transaction was inaccurately disclosed. In such a case, the borrower's account would be adjusted, except where the agency finds it would be unreasonably burdensome, so that the borrower will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate, whichever is lower. If a creditor refuses to provide restitution, the enforcement agency shall notify the borrower of the facts discovered and of the borrower's rights under the Act.

Statistics recently compiled by the Federal Deposit Insurance Corporation indicate that errors in the finance charge and annual percentage rate—the two most important disclosures—are the most frequent Truth in Lending violations. The States of Connecticut, Maine, and Wisconsin currently utilize a similar enforcement scheme with regard to their Truth in Lending laws, and officials of these states believe this has led to a dramatic increase in creditor compliance. Strengthened enforcement techniques are essential if greater compliance is to be achieved.

The amendment further provides that where an agency finds that a creditor has engaged in repeated and substantial violations of the Act, it is authorized to publicize the name of the creditor and other information regarding the frequency and nature of the violations. This is currently the practice of officials in Connecticut and has led to increased creditor compliance.

SEC. 5. Limitation on civil actions.—Would amend section 130(e) to provide that a consumer who receives notification of a Truth in Lending violation from an enforcement agency pursuant to section 4, above, may file a civil action for damages within 90 days after such notification, notwithstanding that more than one year has elapsed since the violation. No such action may be commenced, however, more than three years from the date of the transaction. This section complements the previous section under which enforcement agencies are required to notify borrowers of certain violations when a creditor refuses to provide restitution.

SEC. 6. Annual reports.—Would amend section 114 of the Truth in Lending Act, section 18(f)(5) of the Federal Trade Commission Act, and section 707 of the Equal Credit Opportunity Act in order to permit the Federal Reserve Board to submit its annual reports for these statutes as part of the Board's general annual report. This has been recommended by the Federal Reserve Board.

SEC. 7. Model forms and clauses.—Would amend Chapter 1 of the Truth in Lending Act to require the Federal Reserve Board to issue model forms and clauses for common consumer credit transactions. The forms should be written in readily understood language designed to simplify the technical nature of the disclosures. Prior to adopting these forms, the Board shall provide notice through the Federal Register and obtain the comments of all interested parties. In addition, section 130(f) is amended to provide that proper use of these model forms would constitute a defense as to the form of disclosures in civil actions.

Issuance of model forms and clauses will greatly aid creditors by eliminating uncertainty as to compliance, lessening creditor costs, and reducing the amount of civil litigation. Credit industry representatives have long sought such forms from the Federal Reserve Board.

SEC. 8. Recission rights.—Would amend section 125(a) to substitute "dwelling" for "residence" thereby making clear that recission rights apply only to transactions in which the creditor is taking a security interest in real property containing the borrower's home, and not to security interests covering vacant lots. This amendment has been recommended by the Federal Reserve Board.

SEC. 9. Open end credit plans.—Would strike out section 127(a)(5) and section 127(b)(7) which call for disclosure of an "average effective annual percentage rate of return" in certain open end plans. This amendment has been recommended by the Federal Reserve Board on the ground that these sections have rarely, if ever, been used and have accounted for an entire section of Regulation Z.

SEC. 10. Finance charge itemization.—Would amend sections 128(a)(6) and 129(a)(4) to affirm the Federal Reserve Board's interpretation of these sections to the effect that finance charges which consist of only one element need not be itemized. Enactment of these amendments would substantially reduce litigation.

In addition, would strike out section 106(d) which permits certain types of charges, such as taxes, to be excluded from the finance charge if separately itemized. These charges are imposed on cash and credit customers alike, so inclusion in the finance charge is inappropriate. The amendment, recommended by the Federal Reserve Board, will conceptually simplify the Act.

SEC. 11. Default charges.—Would amend sections 128(a)(9) and 129(a)(7) to make clear that these provisions do not require disclosure of a creditor's right of acceleration upon default or other charges which are not monetary fees payable directly upon default. These amendments have been recommended by the Federal Reserve Board and should substantially reduce litigation.

SEC. 12. Security interests.—Would amend sections 128(a)(10) and 129(a)(8) to eliminate the need for creditors to disclose the type of security interest taken by a creditor. This information is of little, if any, benefit to borrowers, but has resulted in considerable litigation. In addition, these amendments would limit the requirement for a clear identification of property taken as security in a closed-end transaction to make it inapplicable to those items which are being purchased. While a creditor need not clearly identify the property subject to a security interest if it is the item purchased, the creditor still must state that purchased items are subject to a security interest. These amendments, which have been recommended by the Federal Reserve Board, would reduce the complexity of disclosure statements without limiting information to borrowers.

SEC. 13. Limited civil liability.—Would amend section 130(a) to limit civil liability in closed-end transactions to seven types of disclosure violations: (1) the amount to be financed; (2) the finance charge; (3) the annual percentage rate; (4) the number, amount, and due dates of payments scheduled to repay the indebtedness; (5) any monetary charge payable in the event of a late payment or delinquency; (6) the existence of and identification of property subject to a security interest; and (7) the borrower's right of recission.

Creditors currently face civil liability for improperly disclosing a host of closed-end credit terms which often are already known to the borrower or are of only secondary importance in shopping for credit. This amendment will reduce by more than half the number of disclosures for which creditors will be civilly liable. Creditors will no longer be liable for improperly disclosing the following: the name of the creditor; the cash price; the

downpayment; the unpaid balance of the cash price; other itemized charges comprising the amount financed; the unpaid balance; the deferred payment price; the total of payments; any prepayment penalty; the method of rebating unearned interest upon prepayment; the date on which the finance charge begins to accrue; and the sequence of disclosures.

This amendment will limit civil liability to only those disclosures of primary importance and will thereby sharply reduce litigation.

SEC. 14. Set-off rights.—Would amend section 130(h) of the Truth in Lending Act to make clear that this section, which prohibits a borrower from offsetting Truth in Lending damages against a debt owed unless a court has found a Truth in Lending violation, does not prohibit a borrower from raising a creditor's violation by way of recoupment or similar doctrine where permitted by State law. It was Congress' intent in enacting this section in 1974 to prohibit a debtor from unilaterally offsetting alleged damages, but not to prohibit the borrower from seeking an offset in a legal action. This amendment will supersede an erroneous court decision on this subject.

SEC. 15. Dissemination of annual percentage rates.—Would amend chapter 2 of the Truth in Lending Act to require the Federal Reserve Board to publish semiannually the annual percentage rates charged by creditors for various types of closed-end credit in standard metropolitan statistical areas with populations in excess of 500,000. These "Shopper's Guides to Credit" would make credit information even more readily available for more than half of the nation and would also enhance competition between creditors. The Board is authorized to contract with consumer or public interest groups to carry out this activity.

SEC. 16. Effective date.—The Act would take effect one year after its enactment.

By Mr. PROXMIRE:

S. 1313. A bill to require the enactment of special legislation to continue the expenditure or obligation of funds on any major military or civil acquisition whenever the cost of such acquisition has increased or, on the basis of estimates, will increase by 50 per centum or more; to the Committee on Governmental Affairs.

COST OVERRUN CONTROL BILL

Mr. PROXMIRE. Mr. President, today I am introducing a bill to automatically cut off Federal funding for any civilian or military project that has a cost overrun of 50 percent or more.

We all know that cost overruns are a fact of life in Government. Alarming statistics of massive overspending are reported every day in the newspapers and by the electronic media.

The real question is what can the Government do about it? This bill provides an answer to that question.

It would automatically cut off Federal funding to any major military or civilian project after it increases in price by more than 50 percent. Inflation would not be counted in determining this 50-percent threshold.

Funding for any program interrupted by this bill could be reinstated only by passing a special act of Congress and then only for a period of 1 year at a time.

This would have several beneficial effects. First, it would highlight the problem areas in HEW, DOD, NASA, or any other governmental agency. Second, it would force the Congress to deal with each program as it became a problem. Third, it would put all Government agencies on alert that their pet projects would be interrupted if they were mismanaged and that Congress would then have to step in.

The Comptroller General of the United States would be responsible for collecting cost data, as he does now, and reporting to the Congress and the relevant agency each time a project went over the 50 percent mark. At that point no further Federal funds could be spent on that project until Congress specifically said it was proper to continue.

In order not to tie up the Comptroller General or the Congress in small projects, only those programs with a research and development cost of over $50 million or a procurement cost of over $200 million would be reviewed.

For the first time, if this bill is passed, every major Corps of Engineers, Department of Defense, HEW, or Transportation project that gets in financial trouble will be assured of a tough congressional review. And the agency heads will know that if their projects start showing a trend toward cost overruns, the automatic funding cutoff could go into effect.

This will force discipline on the program managers and the Congress.

Why do we need such a cutoff? The latest General Accounting Office report indicates that 753 civil and military projects currently in research and development or construction have cost increases of $176 billion or 64 percent over the original estimated costs.

A special audit of 201 of the worst offenders showed that they increased in cost by $150 billion of which 47 percent or $71 billion was for inflation.

The biggest overrun was in the Department of Defense with an increase of $74 billion followed closely by the Federal Highway Administration with an increase of $60 billion. The Corps of Engineers had the most projects with a cost overrun of 100 percent or more—83 out of 178.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1313

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act—

(1) The term "major military acquisition" means any construction, acquisition, or procurement financed with funds appropriated to or for the use of the Department of Defense the estimated cost of which, including research, development, testing, and evaluation costs, exceeds $200,000,000, or any such construction, acquisition, or procurement with respect to which the research, development, testing, and evaluation costs are estimated to be in excess of $50,000,000.

(2) The term "major civil acquisition" means any construction, acquisition, or procurement not included in paragraph (1) of this section financed in whole or in part with Federal funds (not including any funds allocated to a State under a revenue sharing program), the estimated cost of which, including research, development, testing, and evaluation costs, in terms of Federal funds, exceeds $200,000,000, or any such construction, acquisition, or procurement with respect to which the research, development, testing, and evaluation costs are estimated to be in excess of $50,000,000.

(3) The term "baseline cost" means a planning or development cost as determined by the Comptroller General.

(4) The term "Comptroller General" means the Comptroller General of the United States.

SEC. 2. (a) The Comptroller General twice each year shall be responsible for determining the cost growth statistics on all major military acquisitions and on all major civil acquisitions. Such statistics shall be determined on the basis of data furnished to him by the appropriate departments and agencies of the Government and on the basis of independent audits and reviews conducted by him under authority of law. All departments and agencies of the Government are hereby required to furnish the Comptroller General with any data or information he might determine to be required for compiling cost growth statistics.

(b) Whenever the Comptroller General determines in the case of any major military acquisition or major civil acquisition that the actual cost or estimated projected cost of such acquisition has resulted or will result in a cost growth of 50 per centum or more compared to an established baseline cost, he shall promptly notify the Congress and the head of the department or agency concerned of his finding. In determining the cost growth with respect to any major military acquisition or any major civil acquisition the Comptroller General shall exclude any amount from such cost growth attributable to inflation.

(c) After the date on which the head of a department or agency receives a notice from the Comptroller General described in subsection (b) relating to any major military acquisition or any major civil acquisition, no additional funds may be obligated or expended with respect to such acquisition unless authorizing legislation as described in subsection (d) is enacted by the Congress after the date of such notice.

(d) Legislation referred to in subsection (c) means a bill or joint resolution which (1) pertains only to the continuation of the authority to obligate and expend funds for a major military acquisition or major civil acquisition with respect to which the authority to obligate and expend funds has been terminated as the result of a notice issued by the Comptroller General under subsection (b), and (2) continues for a period of not more than one year from the date of enactment of such bill or joint resolution the authority to obligate and expend funds for such acquisition.

SEC. 3. The provisions of this Act shall not apply to any major military acquisition or major civil acquisition for which funds have been appropriated prior to the date of enactment of this Act.

By Mr. NELSON (for himself and Mr. MATHIAS):

S. 1314. A bill to amend title 28, United States Code, to provide that State prisoners and Federal pirsoners shall not be denied Federal habeas corpus relief on the ground that such prisoners were previously afforded a full and fair opportunity to litigate their claims, and for other purposes; to the Committee on the Judiciary.

Mr. NELSON. Mr. President, I am introducing today, for myself and Senator MATHIAS, legislation amending the Federal habeas corpus statute, 28 U.S.C. section 2241 et seq. This legislation is a direct response to two Supreme Court decisions last year which departed rad-

ically from longstanding precedent and seriously curtailed the rights of those in custody to petition the Federal courts for a writ of habeas corpus. The legislation represents an improved version of S. 3886, which I introduced on this subject at the end of the last Congress.

In *Francis* v. *Henderson*, 425 U.S. 536 (1976), the Supreme Court held that a State prisoner who failed to make a timely challenge to the composition of the grand jury that indicted him could not, after his conviction, bring that challenge in a Federal habeas corpus proceeding. In reaching this decision, the Court rejected the existing law that, absent a deliberate bypass of State procedures, a procedural default by a State prisoner will not foreclose him from making a constitutional challenge through a habeas petition. The Court had reached a similar conclusion 3 years earlier for Federal prisoners, holding that constitutional claims might be waived for the purpose of 28 U.S.C. section 2255, which is analogous to habeas corpus, if the prisoners had not raised them within the time limits spelled out by the Federal Rules of Criminal Procedure. *Davis* v. *United States*, 411 U.S. 233 (1973).

In *Stone* v. *Powell*, 96 S. Ct. 3037 (1976), the Court held that when a State has provided an opportunity for a full and fair litigation of a fourth amendment claim of illegal search and seizure, a State prisoner may not be granted habeas relief on the ground that evidence illegally seized from him was used against him at trial. In reaching this decision, the Court reached the unprecedented conclusion that certain constitutional rights cannot be vindicated through a habeas corpus petition.

The legislation I am proposing today would overrule Francis and Stone. It would amend 28 U.S.C. section 2254 to provide that when a person in State custody applies to a Federal court for a writ of habeas corpus, first, the application cannot be denied on the ground that the applicant did not raise the claim at trial or in a pretrial proceeding in the State court unless the court finds that the applicant understandingly and knowingly decided not to raise the claim, and second, that an otherwise valid claim for a writ of habeas corpus cannot be denied simply because the State courts furnished the applicant a full and fair opportunity to litigate his claim. This legislation would also amend section 2255 to provide the same protections for those in Federal custody.

Legislation overruling Supreme Court decisions is a major step which should be taken only after careful consideration and under narrow circumstances. In support of the legislation there are four points which the Senate should consider:

First, habeas corpus is one of our most cherished constitutional rights. Its diminution reduces the freedom of all Americans.

Second, habeas corpus in this country has been liberally granted and construed, by Congress and the courts, particularly in the last 50 years. The Francis and Stone decisions reverse that historical trend, without justification, and without a willingness to acknowledge the scope of the departure.

Third, these decisions represent a significant incursion on the constitutional power and obligation of Congress, under article III of the Constitution, to define the jurisdiction of the Federal courts.

Finally, these decisions convey the impression of being justified, at least in part, by the Supreme Court's desire to cope with the increased caseload of the Federal courts. However serious this problem may be, the remedy must come from Congress, and not from the Court in the guise of decisions on the merits.

When I introduced S. 3886 at the end of the last Congress, I recognized, of course, that no legislative action was possible at that time. However, it was my hope that the legislation would help to generate discussion, not only about the Supreme Court's handling of the habeas corpus issue, but also about the Court's increasing general tendency to render decisions restricting access to the Federal courts. As Justice Brennan wrote, dissenting in Stone against Powell, the decision was "in keeping with the regrettable recent trend of barring the Federal courthouse door to individuals with meritorious claims."

Most of these troubling decisions have involved restrictive interpretations of title 42, United States Code, section 1983, the Civil Rights Act of 1871, the principal statute which permits aggrieved individuals to challenge Government actions which they believe to be violative of their constitutional rights. In the statement which accompanied the introduction of S. 3886 last year, I discussed at length a number of these decisions which have ignored the intent and undermined the effect of section 1983. (CONGRESSIONAL RECORD, October 1, 1976, pages 34689–34695). I am encouraged that public attention has begun to focus on these regressive decisions. A large measure of the credit for this increased concern belongs to Senators MATHIAS and BROOKE, who introduced S. 35, the Civil Rights Improvement Act, legislation to overrule the major restrictive interpretations of section 1983 by the Supreme Court. My concern about these decisions weakening 1983, the Civil Rights Act of 1871, the objectives of S. 35. For the purposes of this statement, I will confine my analysis to the legislation we are proposing today and its vital objective: Restoring the "great writ" of habeas corpus to the exalted place it occupied in our constitutional framework before Francis against Henderson and Stone against Powell.

I

The "province" of habeas corpus, "shaped to guarantee the most fundamental of all rights, is to provide an effective and speedy instrument by which judicial inquiry may be had into the legality of the detention of a person. It allows restraints contrary to our fundamental law, the constitution, to be challenged, even when the conviction has been imposed by a court of competent jurisdiction." *Carafas* v. *LaVallee*, 391 U.S. 233, 238 (1968). As Justice Holmes once wrote, "Habeas corpus cuts through all forms and goes to the very tissue of the structure. It comes in from the outside, not in subordination to the proceedings," *Frank* v. *Mangum*, 237 U.S. 309, 346–347 (1915).

Title 28, United States Code, section 2241 et seq. is the Federal law governing petitions for haebas corpus; 2241(a) provides that "writs of habeas corpus may be granted by the Supreme Court, any Justice thereof, the district courts and any circuit judge within their respective jurisdictions." Section 2254 sets forth the grounds for a motion for habeas by a State prisoner; section 2255 is the counterpart for Federal prisoners. Although the Federal prisoner has wider grounds on which to base a motion, the crucial aspect of both sections is that a State or Federal prisoner can seek habeas or post-conviction relief on the grounds that the prisoner is "in custody in violation of the Constitution or laws or treaties of the United States."

Throughout our history, habeas corpus has been known as the Great Writ, a cornerstone of individual freedom. It is "the most celebrated writ in the English law." 3 Blackstone Commentaries 129. It is "a writ antecedent to statute, and throwing its root deep into the genius of our common law. It is perhaps the most important writ known to the constitutional law of England, affording as it does an imperative remedy in all cases of illegal restraint and confinement. It is of immemorial antiquity, an instance of its use occurring in the 33d year of Edward I." *Secretary of the State for Home Affairs* v. *O'Brien*, (1923) A.C. 603, 609 (H.C.)

In the United States, habeas corpus was received into our law during the colonial period, explicitly recognized in article I, section 9, clause 2 of the Constitution and incorporated into the first grant of Federal court jurisdiction, act of September 24, 1789 c. 20 section 14, 1 Stat. 81–82. Chief Justice John Marshall recognized habeas corpus to be a "great constitutional privilege." Ex parte Bollman and Swartout, 4 Cranch 75, 95. Nearly 150 years later, the Supreme Court reaffirmed the importance of habeas corpus, writing:

> We repeat what has been so truly said of the federal writ: "there is no higher duty than to maintain it unimpaired." *Boman* v. *Johnston*, 306 U.S. 19, 26 (1939) and unsuspended, save only in the cases specified in our Constitution. *Smith* v. *Bennett*, 365 U.S 708, 713 (1968). *Fay* v. *Noia*, 372 U.S. 391, 399–400 (1963).

Although no body of law developed over 150 years can ever be completely consistent, it is fair to say that the Supreme Court has accorded great respect to the writ of habeas corpus. Moreover, in the past half century, the Court in a series of decisions has greatly expanded the concept of habeas corpus. The early concept of habeas was that it guaranteed only that proper legal processes had been followed. The stated doctrine was that the writ would issue only if the court which committed the prisoner had lacked jurisdiction to do so. However, in *Moore* v. *Dempsey*, 261 U.S. 86 (1923), the court held that a prisoner could attack his

conviction by habeas corpus, even if the court proceedings were formally proper, if those proceedings were under the sway of a mob, making the trial a mere sham. In *Mooney* v. *Holohan*, 294 U.S. 103 (1935), the court extended habeas to a prisoner whose conviction rested on perjured testimony; in *Johnson* v. *Zerbst*, 304 U.S. 458 (1938), the court concluded habeas was appropriate because although the trial court originally had "jurisdiction," it relinquished it by not providing the petitioner with counsel. Finally in 1942, the court completely discarded the jurisdictional fiction and stated that—

The use of the writ in federal courts to test the constitutional validity of a conviction for crime is not restricted to those cases where the judgment of conviction is void for want of jurisdiction of the trial court to render it. It extends also to those exceptional cases where the conviction has been in disregard of the Constitutional rights of the accused, and where the writ is the only effective means of preserving his rights. *Waley* v. *Johnston*, 316 U.S. 101, 104–105 (1942).

II

In 1963, the Court decided *Fay* v. *Noia*, 372 U.S. 391 (1963). The issue before the Court was whether Federal habeas corpus relief could be granted to a State prisoner who had been denied State post-conviction remedies, because a coerced confession claim had been decided against him and the prisoner had allowed the time for a direct appeal to lapse without seeking State appellate review. In a painstaking review of the history of the Great Writ, the majority of the Court, per Justice Brennan, concluded that the lower Federal courts had erred in denying the writ. The essence of the court's conclusion was that the Great Writ was the remedy for incarcerations in violation of fundamental rights. Therefore, if Noia was in prison in violation of his constitutional rights, Federal habeas corpus was an available remedy for him to challenge that incarceration, despite his procedural default. In reaching that decision, the Court considered at great length its effect on the relationship between State and Federal courts, but concluded that the State's interest would be adequately protected by a deliberate bypass standard, and that no stricter standard could be accepted given the overriding importance of habeas corpus:

We fully grant . . . that the exigencies of federalism warrant a limitation whereby the federal judge has the discretion to deny relief to one who has deliberately sought to subvert or evade the orderly adjudication of his federal defense in the state courts. Surely no stricter rule is a realistic necessity. . . . [I]f because of inadvertence or neglect he runs afoul of a state procedural requirement, and thereby forfeits his state remedies, appellate and collateral, as well as direct review thereof in this Court, those consequences should be sufficient to vindicate the State's valid interest in orderly procedure. Whatever residuum of state interest there may be under such circumstances is manifestly insufficient in the face of the federal policy, drawn from the ancient principles of the writ of habeas corpus, embodied both in the Federal Constitution and in the habeas corpus provisions of the Judicial Code, and consistently upheld by this Court, of affording an effective remedy for restraints contrary to the Constitution . . .

Although we hold that the jurisdiction of the federal courts on habeas corpus is not affected by procedural defaults incurred by the applicant during the state court proceedings, we recognize a limited discretion in the federal judge to deny relief to an applicant under certain circumstances. . . . narrowly circumscribed, in conformity to the historic role of the writ of habeas corpus as an effective and imperative remedy for deteriations contrary to fundamental law, the principle is unexceptionable. We therefore hold that the federal habeas judge may in his discretion deny relief to an applicant who has deliberately by-passed the orderly procedure of the state courts and in so doing has forfeited his state court remedies.

But we wish to make very clear that this grant of discretion is not to be interpreted as a permission to introduce legal fictions into federal habeas corpus. The classic definition of waiver enunciated in *Johnson v Zerbst*, 304 U.S. 458, 464—"an intentional relinquishment or abandonment of a known right or privilege"—furnishes the controlling standard. If a habeas applicant, after consultation with competent counsel or otherwise, understandingly and knowingly forewent the privilege of seeking to vindicate his federal claims in the state courts, whether for strategic, tactical, or any other reasons that can fairly be described as the deliberate by-passing of state procedures, then it is open to the federal courts on habeas to deny him all relief if the state courts refused to entertain his federal claims on the merits—though of course only after the federal court has satisfied itself, by holding a hearing or by some other means, of the facts bearing upon the applicant's default.

372 U.S. at 433–434, 438–439.

In my view, this statement reflects a profound understanding of priorities in a free society dedicated to constitutional rights. The Court decided that the States' interest in orderly procedure could not prevail over the constitutional rights of a person wrongfully incarcerated. Until this term, the Supreme Court had repeatedly reaffirmed the holding of *Fay*. See, for example, *Henry* v. *Mississippi*, 379 U.S. 443, 452 (1965); *Camp* v. *Arkansas*, 404 U.S. 69 (1971); *Lefkowitz* v. *Newsome*, 429 U.S. 283, 290 n. 6 (1975).

At the same time, a series of court decisions has established that the notion of being "in custody" should be construed liberally. Originally habeas was appropriate only in those cases in which petitioner's claim, if upheld, would result in an immediate release from prison. *McNally* v. *Hill*, 293 U.S. 131 (1934). Subsequently, the Court concluded that a person on parole was "in custody" for the purpose of raising a habeas claim. *Jones* v. *Cunningham*, 371 U.S. 236 (1963). Similarly, later court decisions established that habeas claims could be raised by individuals at large on their own recognizance, but subject to several conditions pending execution of sentence. *Hensley* v. *Municipal Court*, 411 U.S. 345 (1973) and those released on bail after conviction pending final disposition of their cases. *Lefkowitz* v. *Newsome*, 429 U.S. 283 (1975). These decisions underscore the view that habeas "is not now and never has been a static, narrow, formalistic remedy; its scope has grown to achieve its grand purpose—the protection of individuals against erosion of their right to be free from wrongful restraints upon their liberty. Besides physical imprisonment, there are other restraints on a man's liberty, restraints not shared by the public generally, which have been thought sufficient in the English-speaking world to support the issuance of habeas corpus." *Hammond* v. *Lenfest*, 398 F. 2d 705, 710–11 (2d Cir. 1968), quoting *Jones* v. *Cunningham*, 371 U.S. 236, 240, 243 (1963).

Against this background, *Francis* v. *Henderson*, 425 U.S. 536 (1976) was a startling, regrettable departure. In *Davis* v. *United States*, 411 U.S. 233 (1973), the Court had held that a Federal prisoner who had failed to make a timely challenge to the allegedly unconstitutional composition of the grand jury which indicted him could not subsequently attack his conviction under 28 U.S.C. 2255. In *Francis*, the Court extended the *Davis* ruling to bar a state prisoner from a habeas challenge to the allegedly unconstitutional composition of the grand jury which indicted him. The majority of the court concluded that since *Davis* held that the Federal courts must give effect to the legitimate rules and time limitations imposed by F.R. Crim. P. 12(b)(2):

Then surely considerations of comity and federalism require that they give no less effect to the same clear interests when asked to overturn state criminal proceedings." *Francis* v. *Henderson*, 425 U.S. at 541.

The Court concluded that applying the Davis rule with "equal force" meant that petitioner must show not only "cause" for the untimely challenge, but also actual prejudice resulting from the failure to comply.

This holding obviously departs sharply from Fay against Noia. After summarizing the holding of Fay, Mr. Justice Brennan wrote in his dissent:

Yet the Court, invoking "comity and federalism," would now essentially preclude federal habeas relief for state defendants deprived of their constitutional rights, so long as the State required that they assert those rights within a certain time period; this absolute and automatic "waiver" of the underlying constitutional claim would apparently take effect whether or not the defendant knew of his rights, whether or not the "untimely" challenge was nevertheless made at a time when no legitimate state interest would be upset by an adjudication of the claim on the merits, and whether or not mere inadvertence or actual incompetence of counsel accounted for the untimely challenge. *Francis* v. *Henderson*, 425 U.S. at 450 (dissenting opinion of Brennan).

The dissent was particularly critical of the Court's willingness to undercut Fay against Noia without confronting the case's precedential impact:

It is particularly distressing . . . [that] . . . the Court exposes its hostility towards and makes substantial inroads into the precedential force of *Fay* without directly confronting its underlying premises, continuing validity, or the possibility of distinguishing the failure to raise different constitutional rights in a timely manner in the state courts. Such "oversights" are especially ironical in light of the Court's recent admonition that "[o]ur institutional duty is to follow until changed the law as it now is, not as some members of the Court might wish it to be." *Hudgens* v. *NLRB*, 424 U.S.— (1976). If the Court believes that *Fay* is no longer good law, and if the Court has the "institutional duty" to develop and explicate the law in a reasoned and consistent manner, then it has the duty to face squarely our

prior cases interpreting the federal habeas statutes and honestly state the reasons, if any, for its altered perceptions of federal habaes jurisdiction. *Francis* v. *Henderson*, 425 U.S. at 546–47 (dissenting opinion of Brennan).

Underlying both Francis and Davis is apparently the view that defendants must be deterred from raising procedural claims after the Court, witnesses, and the parties have gone to the burden and expense of a trial. However, as the Court recognized in Fay, deterrence is only an effective policy for prisoners who act knowingly and intentionally. Prisoners who because of inexperience, poor counsel, or other reasons are unaware of their rights will not be deterred by the Court's new standard; they will simply be trapped in "an airtight system of forefeitures." (*Fay* v. *Noia*, 372 U.S. at 432.) In Davis and Francis the Court has thereby elevated the State and Federal interests in efficiency above the rights of individuals to have their constitutional claims heard. My legislation recognizes these considerations and puts the Federal court's focus on whether the prisoner has deliberately relinquished his right to raise a conditional claim.

The holding of Stone against Powell was equally disturbing, and the reasoning no more compelling. Powell had been convicted of murder in State court because of crucial testimony concerning a revolver which had been taken from him when he was arrested for violating a vagrancy statute. On appeal, the State courts rejected Powell's claim that the vagrancy statute was unconstitutional and, therefore, the resulting search was invalid. The Federal court of appeals, however, concluded that the statute was unconstitutional and the search unlawful. The Supreme Court reversed, holding that when the State has provided an opportunity for full and fair litigation of a fourth amendment claim, a State prisoner may not be granted habeas corpus relief on the ground that evidence obtained through an unconstitutional search and seizure was introduced at trial. In reaching the decision, the Court distinguished away *Kaufman* v. *United States* 397 U.S. 217 (1969), which held squarely that a Federal prisoner could raise search and seizure claims in a motion to vacate sentence based on 28 U.S.C. section 2255.

The Court's majority reached its result by arguing first, that the exclusionary rule, made applicable to the states in *Mapp* v. *Ohio*, 376 U.S. 643 (1960) was not constitutionally required, but a "judicially created remedy designed to safeguard fourth amendment rights generally through its deterrent effect * * *" The Court went on to note that the exclusionary rule did not establish an absolute bar against the use of illegally seized evidence; such evidence can be used in a grand jury proceeding, *United States* v. *Calandra*, 414 U.S. 338 (1974), or in a trial court to impeach a defendant, *Walder* v. *United States* 347 U.S. 62 (1954). Since the purpose of the rule is deterrence and the extension of the rule to habeas corpus would not greatly add to its deterrent effect below, the Court chose not to extend it to habeas corpus. The Court buttressed its holding by distinguishing the exclusionary rule which "deflects the truth-finding process and often frees the guilty" from others constitutional rights, such as the fifth amendment right to be free from self-incrimination, the violation of which could distort the search for guilt or innocence, *Stone* v. *Powell*, 96 S. Ct. at 3050.

The dissent's scorn for this reasoning was stated plainly. Mapp was obviously constitutionally based "or there would be no basis for applying the exclusionary rule in State criminal proceedings." Cases like Walder and Calandra cut back on the substance of the exclusionary rule, but they were constitutional decisions, rather than judicial interpretations of the habeas statute to foreclose the prisoner from seeking habeas. Most important, 28 U.S.C. section 2254 provides that habeas corpus will be granted if a prisoner "is in custody in violation of the Constitution." There is nothing in the statute or its legislative history leading to the conclusion that some constitutional rights are subordinate to others.

The effect of these decisions is a severe curtailment of the right of habeas corpus. Moreover, in Justice Brennan's words, the premises underlying the decisions, particularly Stone, mark the cases "as a harbinger of future eviserations of the habeas statutes * * *" Stone, 96 S. ct at 3062. For a major premise in the court's decision is reflected in the observation that—

> Resort to habeas corpus, especially for purposes other than to assure that no innocent person suffers an unconstitutional loss of liberty, results in serious intrusions on values important to our system of government. They include (i) the most effective utilization of limited judicial resources, (ii) the necessity of finality in criminal trials, (iii) the minimizaton of friction between our federal and state systems of justice and (iv) the maintenance of the constitutional balance upon which the doctrine of federalism is founded. *Stone*, 96 S. Ct at 3050 n. 31.

These considerations will be no less important in future habeas cases. They will inevitably be balanced against the right to habeas, to which the court majority does not accord the exalted position that history does. In the eyes of the court, habeas has been reduced to the level of just another appeal. As Justice Rehnquist, writing for the court in Davis, noted—

> We find it difficult to conceptualize the application of one waiver rule for purposes of Federal appeal and another for purposes of Federal habeas corpus. 411 U.S. 213, 233.

Yet this reasoning disregards two centuries of history concerning the Great Writ. The Court was more accurate in *Townsend* v. *Sain*, 372 U.S. 293, 311–12 (1963) writing:

> The whole history of the writ—its unique developments—refutes a construction of the federal courts' habeas corpus powers that would assimilate their tasks to that of courts of appellate review. The function on habeas is different. It's to test by way of an original civil proceeding, independent of the normal channels of review of criminal judgments, the very gravest allegations.

III

The analysis so far explains why I believe the Francis and Stone decisions to be unjustified departures from precedent and serious denigrations of the habeas writ. But these feelings alone would not prompt me to offer this legislation. I have never accepted the view of our esteemed former colleague, Sam Ervin, that the Constitution had a meaning apart from the Supreme Court decisions expounding it. In my view, what the Supreme Court says interpreting the Constitution is the law, no matter how adamantly I might disagree with a decision. Decisions representing constitutional interpretations cannot be overruled legislatively.

However, not all Supreme Court decisions are equally sacrosanct. When the Court interprets a Federal statute, and Congress disagrees with its interpretation, Congress can work its will through additional legislation. Moreover, under article III of the Constitution, Congress which had the power to create the lower Federal courts, also defines the jurisdiction of those courts. When decisions by the Court affect these issues, Congress can and should consider whether the decisions are desirable or wise and accurately reflect congressional intent.

History makes it obvious that the operation of the habeas corpus statutes is a proper concern of Congress. In the Judiciary Act of 1789, Congress granted the Federal courts authority to issue the writs in cases of prisoners in custody of the United States. In 1867, Congress expanded the writ to State prisoners, giving relief in "all cases where any person may be restrained of his or her liberty in violation of the Constitution or any treaty or law of the United States." Act of February 5, 1867, c. 28 s. 1, Stat. 385. In that act:

> Congress was enlarging the habeas remedy . . . not only in extending its coverage to state prisoners, but also in making its procedures more efficient.

The Supreme Court, shortly after the passage of the act, described it in equally broad terms:

> This legislation is of the most comprehensive character. It brings within the habeas corpus jurisdiction of every writ and of every judge every possible case of privation of liberty contrary to the National Constitution, treaties or laws. It is impossible to widen this jurisdiction. *Ex Parte McCardle*, 6 Wall. 318, 325–26 (1868); *Fay* v. *Noia*, 372 U.S. at 415-17.

In *Johnson* v. *Zerbst*, 304 U.S. 458, 465 (1938), the Court noted:

> The scope of inquiry in *habeas corpus* proceedings has been broadened—not narrowed—since the adoption of the Sixth Amendment . . . Congress has expanded the rights of a petitioner for *habeas corpus* . . . There [is] no doubt of the authority of the Congress to thus liberalize the common law procedure on habeas corpus. . . . *Walter* v. *Johnston*, 312 U.S. 275, 285 (1941)

Evaluating the relationship between Congress and the Supreme Court on habeas corpus, Justice Frankfurter wrote:

> Congress could have left the enforcement of federal constitutional rights governing the administration of criminal justice in the

States exclusively to the State courts. These tribunals are under the same duty as the federal courts to respect rights under the United States Constitution. . . . It is not for us to determine whether this power should have been vested in the federal courts. . . . [T]*he wisdom of such a modification in the law is for Congress to consider,* particularly in view of the effect of the expanding concept of due process upon enforcement by the State of their criminal laws. *It is for this Court to give fair effect to the habeas corpus jurisdiction as enacted by Congress. By giving the federal courts that jurisdiction, Congress imbedded into federal legislation the historic function of habeas corpus adapted to reaching an enlarged area of claims. Brown* v. *Allen,* 344 U.S. 443, 499–500 (1953) (emphasis added)

The division of responsibility is relatively straightforward: It is the responsibility of the court to define the substantive scope of constitutional rights but "it is for Congress to decide what the most efficacious method is for enforcing Federal constitutional rights and asserting the primacy of Federal law." *Stone* v. *Powell* 96 S. Ct. at 30360, (dissenting opinion of Brennan).

Once the congressional interest is clear, the need for corrective legislation becomes obvious. Section 2254 provides that—

A state prisoner can seek a writ of habeas corpus . . . on the ground that he is in custody in violation of the Constitution. . . .

Since the fourth amendment is violated by the use of evidence illegally seized against a petitioner, it is clear that in those circumstances, petitioner would have the right to petition the district court of a writ of habeas corpus. To my knowledge, there is not a shred of legislative history to suggest that Congress somehow intended to exclude fourth amendment rights from the plain language of the habeas status, and the majority in Stone does not produce any. As Justice Brennan pointed out:

There remains, as noted before, no basis whatsoever in the language or legislative history of the habeas statutes for establishing such a hierarchy of federal rights, certainly there is no constitutional warrant in this Court to override a Congressional determination respecting federal court review of decisions of state judges determining constitutional claims of state prisoners. *Stone* 96 S. Ct at 3068

Francis is an equally disturbing derogative of congressional intent. Federal habeas for State prisoners has been a controversial subject for years, and Congress has not been oblivious to the furor. The tension created in relations between State and Federal courts prompted congressional enactment of 2254 (b) and (c), a codification of the case law rule requiring that State prisoners exhaust State court remedies before applying for Federal habeas. But the consideration of comity embodied in the exhaustion requirement dictates only that Federal habeas can be delayed until after the State court determination, not foreclosed. In Fay, the court concluded that to rule otherwise would convert "a rule of timing * * * [into] a rule circumscribing the power of the Federal courts on habeas, in defiance of unmistakable, congressional intent." *Fay* v. *Noia,* 3732 U.S. 391, 420 (1963); *Stone* v. *Powell,* 96 S. Ct. at 3060 n. 10 (Brennan dissenting).

The "unmistakable congressional intent" perceived by the Court in Fay has not changed in the last 13 years. "Indeed," as Justice Brennan points out, "subsequent congressional efforts to amend those jurisdictional statutes to effectuate the result that [the Court] accomplish[es] by judicial fiat have consistently proved unsuccessful." Stone, 96 S. ct. at 3068. In 1968, for example, a provision in the Omnibus Crime Control and Safe Streets Act, as reported by the Senate Judiciary Committee, would have abolished Federal habeas for State court prisoners. Despite the passions of that particular year, that section was deleted from the bill by the Senate overwhelmingly. The Senate apparently agreed with the views expressed by the minority of the Judiciary Committee that—

A hundred years of experience under the federal habeas corpus provisions forcefully demonstrate that absolute reliance on state courts to protect federal rights does not adequately protect those rights. To abolish this jurisdiction would roll back a century of progress in American constitutional law and restore American criminal procedure to the dark ages of the early 1900's. S. Rep. 1097, 90th Cong. 2nd Sess., 159–160.

Because of this background, Justice Brennan charged the majority with "nothing less than an attempt to provide a veneer of respectability for an obvious usurpation of Congress' article III, power to delineate the jurisdiction of the Federal courts." Stone, 90 S. ct. at 3061. I believe this harsh judgment is unfortunately accurate, and I am introducing this legislation as a vehicle for the reassertion of congressional authority.

IV

There is a related, disturbing point. It is no secret that the Federal courts are seriously clogged. In fiscal year 1970, 127,280 cases were filed throughout the country in Federal court, an average of 317 per district court judge. Only 5 years later in fiscal year 1975, there were 160,-603 cases filed, 402 per each judge. The appellate workload has increased even more dramatically, rising from 282 appeals per judge to 515 in the years from 1968 to 1975.

Congress has responded to the burden on the Federal courts slowly and incompletely. Four years after the Judicial Conference documented the pressing need for new judges, the Senate finally passed legislation creating an additional 45 district court judgeships. Legislation to split the fifth and ninth circuits to deal with the unique problems there has been reported by the Judiciary Committee. The creation of a national court of appeals to occupy an intermediate position between the existing circuits and the Supreme Court continues to be considered. Other significant steps—such as the elimination of diversity jurisdiction or raising the $10,000 requirement for such claims—are frequently talked about, but as yet there has been no serious legislative movement on these issues.

It is troubling that the Federal courts are backlogged and that the Congress has responded insufficiently. But it is more disturbing that the recent series of cases cutting off access to the Federal courts conveys the impression of being prompted at least as much by concern about the judicial caseload as by concern for the merits of the cases.

The effect of particular Supreme Court decisions on the judicial workload is never discussed at length in the majority opinions. It is confined to occasional references to "scarce judicial resources" and the "plethora of cases" in the Federal system. However, the issue has been addressed several times explictly in the dissenting opinions, indicating the dissenters' belief that it is motivating the majority or that they are thinking about it themselves.

For example, in 1971, the Court held that a person whose fourth amendment rights were violated by a Federal agent had a cause of action for damages against that agent, grounded directly on the fourth amendment, even though there was no Federal statute creating such a cause of action. *Bivens* v. *Six Unknown Named Police Agents,* 403 U.S. 388 (1971). In dissent, Justice Black argued that the creation of a new cause of action was a legislative function. He then pointed out that even if the Court viewed it as a judicial function, there were "many reasons why we should decline to create a cause of action":

The courts of the United States as well as those of the States are choked with lawsuits. The number of cases on the docket of this Court have reached an unprecedented volume in recent years. A majority of these cases are brought by citizens with substantial complaints—persons who are physically or economically injured by torts or frauds or governmental infringement of their rights; persons who have been unjustly deprived of their liberty or their property; and persons who have not yet received the equal opportunity in education, employment, and pursuit of happiness that was the dream of our forefathers. Unfortunately, there have also been a growing number of frivolous lawsuits, particularly actions for damages against law enforcement officers whose conduct has been judicially sanctioned by state trial and appellate courts and in many instances even by this Court. My fellow Justices on this Court and our brethren throughout the federal judiciary know only too well the time-consuming task of conscientiously pouring over hundreds of thousands of pages of factual allegations of misconduct by police, judicial, and corrections officials. 403 U.S. at 428 (dissenting opinion of Black).

More recently, dissenting in Warth, Justice Douglas noted:

The mounting caseloads of the federal courts is well-known. But cases such as this one reflect festering sores in our society . . . I would lower the technical barriers and let the courts serve that ancient need. They can in time be curbed by legislative or constitutional restraints if an emergency arises. We are today far from facing an emergency. 422 U.S. at 519.

The judicial backlog problem is particularly sensitive where habeas corpus is involved. There is no doubt that prisoners' petitions comprise a substantial percentage of the Federal courts' docket, or that over 90 percent of these petitions lack merit. But this predicament is not new. In reporting tht 1968 legislation, the Senate Judiciary Committee noted:

This title also adds a new section . . .designed to relieve our overburdened federal courts from the growing practice of convicted persons using the habeas corpus procedure as a substitute for direct appeal . . . The

extent to which this process has increased the business of the federal courts is appalling . . . Applications by state prisoners for writs of habeas corpus in the federal courts grew from 127 in 1941 to 981 in 1961 and 4,664 in 1965. The proportion of increase was 675%, from 1941 to 1961 and 3,750% from 1941 to 1965. S. Rep. 107, 90th Congress, 2nd Sess., at 64.

In 1959, Professor Hart of Harvard Law School wrote about a Supreme Court decision on habeas corpus:

The question is one of large import not only for the liberty of Americans under law but for the just and expeditious dispatch of federal judicial business. The federal courts are flooded with these petitions, and taken, together with cases involving cognate questions on direct review of judgments of conviction in state courts, they constitute one of the most important categories of business on the Supreme Court's own dockets. Hart, Forward: The Time Chart for the Justices, 73 Harv. L. Rev. 84, 102–103 (1959).

Ten years earlier, Chief Justice Vinson wrote that—

In each of the past three years, a little less than one-half of the matters received by the Court were applications from prisoners seeking post-conviction relief. Vinson, Work of the Federal Courts, 60 S. Ct v, vii, (1949).

Yet despite these statistics, the Federal courts have continued to function. Some evidence suggests that while the burden on the courts is plainly serious, it is less crushing than unvarnished statistics would suggest. In a comprehensive study of habeas corpus, the Harvard Law Review observed:

Yet it is all too easy to overstate the strain that an expanded habeas jurisdiction and expanded federal constitutional rights put on the judicial system. Most of the petitions were quickly dismissed: less than 500 reached the hearing state, and most of those hearings lasted less than one day. Nor was the burden on the states staggering: many petitions do not even require a response; less than ten percent of the state convictions attacked had to be defended in a hearing, and so few prisoners were released that the burden of retrial must be small. Developments in the Law: Federal Habeas Corpus, 83 Harv. L. Rev. 1038, 1041 (1970).

An empirical study of the handling and effect of habeas petitions in the Federal district court in Massachusetts points to the same conclusion. That study termed the effect of Fay against Noia "slight," and concluded that more than 50 percent of all habeas petitions were disposed of within 50 days after they had been filed. Shapiro, Federal Habeas Corpus: A Study in Massachusetts, 87 Harv. L. Rev. 321, 333, 346–49 (1973).

Moreover, Congress has helped ease the burden by passage of the Federal Magistrates Act, 28 U.S.C. section 636, in 1968. Section 636(b) provides that magistrates may conduct "preliminary review of applications for posttrial relief made by individuals convicted of criminal offenses, and submission of a report and recommendations to facilitate the decision of the district judge * * *" The performance of this function was explicitly intended "to afford some degree of relief to district judges and their law clerks, who are presently burdened with burgeoning numbers of habeas corpus petitions and applications under 28 U.S.C. section 2255. S. Rept. 371, 90th Cong., 1st Sess., 26 (1967).

It is not my intention to minimize the burden placed on the Federal courts by habeas applications or to imply that Congress has taken all necessary steps to respond to the rising caseload. But the problem is not new, it has been recognized and Congress has chosen not to ease the judicial caseload by making radical changes in the habeas corpus statute. What is different now from the past is that the Supreme Court has apparently taken matters into its own hands, alleviating the judicial backlog by striking sharply at the premises underlying habeas jurisdiction. The strong sense which emerges from the majority opinions in Davis, Francis, and Stone is that habeas corpus is not particularly important.

There is a great advantage to approaching the problems of Federal court jurisdiction comprehensively. We need to create additional judgeships; pay Federal judges salaries needed to attract and keep our finest lawyers on the bench; reduce or eliminate diversity of citizenship as a basis for Federal jurisdiction; and generally focus more attention on the impact that our legislation will have on the operation of the courts—perhaps by incorporating a sort of "court impact statement" in committee reports dealing with relevant legislation. If the caseload crisis can be defused, public support for legislation facilitating access to the Federal courts will be enhanced.

But if comprehensive reform cannot be accomplished, decisions like Stone and Francis should still be overruled swiftly and unequivocally. The assertion of constitutional rights—and the existence of a Federal forum to review those claims—is vitally important for the society, as well as for the petitioner. Our willingness to use scarce judicial resources in this way reflects again the high priority this society places on constitutional liberties and individual freedom.

We must not be blinded by caseload statistics. When the Supreme Court restricts access to the lower courts, the impact falls disproportionately on the poor, minorities, and those seeking to challenge the political, economic, and social status quo. Most often, those who find the courthouse door closed are precisely those individuals and groups most in need of "heightened judicial solicitude," in the words of Justice Stone's famous footnote in Carolene Products.

Moreover, in a society committed to peaceful change through the rule of law full and direct access to the courts is a necessity. ACLU Director Arveh Neier has expressed the importance of the Federal courts in the 1950's and 1960's in this way:

It was a turbulent period in American history; there were wide-ranging pressures for social change; many groups of people previously disenfranchised by reasons of race, sex, status, dependency or youth sought the full protections of citizenship. The federal courts were a forum open to them to accommodate those pressures. While the federal courts did not always side with the people who were seeking changes, the very openness of the federal courts and their willingness to hear the claims for full citizenship, had a profound impact. This produced very substantial and very beneficial social changes. The courts channeled the activities of people seeking redress of their grievances into orderly and lawful paths in which claims for benefits became claims for rights. Grievances were adjudicated in the context of the U.S. Constitution.

These principles may seem farfetched when juxtaposed with some frivolous habeas corpus petition by a convicted felon. But these are constitutional rights that we deal with. We balance them away—by whatever rationalizations—at our peril. As Justice, Frankfurter wrote in the landmark habeas corpus case, Brown against Allen:

The meritorious claims are few, but our procedures must ensure that those few claims are not stifled by discriminating generalities . . . For surely it is an abuse to deal too casually and too lightly with rights guaranteed by the Federal Constitution, even though they invoke limitations upon state power and may be invoked by those morally unworthy.

Too often in the past, politicians have conveyed the message that full respect for the constitutional rights of those who commit crimes frustrates effective law enforcement. The inference is that we could somehow reduce the constitutional rights of "bad" people, while leaving intact the rights of law abiding Americans. Surely this is a dangerous delusion. When constitutional rights are shortchanged in the name of the law and order or judicial efficiency, the rights of the innocent will be lost as surely as the rights of the guilty. We maintain a constitutional system only by protesting infringements on constitutional rights—whatever the source, and whoever the target.

We can have a judicial system that accords full respect to constitutional rights and operates efficiently. But to the extent we must choose, I would not dilute the "great writ" of habeas corpus, or other individual rights guaranteed by the Constitution. As the Supreme Court wrote in a 1971 decision:

This basic law and the values that it represents may appear unrealistic or extravagant to some. But the values were those of the authors of our fundamental constitutional concepts. If times have changed, reducing every man's scope to do as he pleases in an urban and industrial world, the changes have made the values served by (the Constitution) more, not less, important.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2254 of title 28, United States Code, is amended—

(1) by redesignating subsections (b), (c), (d), (e), and (f) as subsections (c), (d), (e), (f), and (g), respectively;

(2) by adding immediately after subsection (a) the following new subsection:

"(b) No application for a writ of habeas corpus in behalf of a person in custody pursuant to the judgment of a State court shall

be denied on the ground that such State afforded the applicant a full and fair opportunity to raise and have decided his claim that his rights, privileges, or immunities under the Constitution or laws or treaties of the United States were violated by officers of such State, or any agency or political subdivision thereof, in connection with the investigation, apprehension, processing, or conviction of such person or any appeal relating to the judgment of such State court.";

(3) by inserting "(1)" immediately before "An" in subsection (d), as redesignated by paragraph (1) of this section; and

(4) by adding at the end of subsection (d), as redesignated in paragraph (1) of this section, the following:

"(2) No application for a writ of habeas corpus shall be denied under this section on the ground that the applicant did not raise the claim at trial or in any pretrial proceeding unless after a hearing the court finds that such applicant, after consultation with competent counsel or after a knowing and understanding waiver of the right to counsel, understandingly and knowingly forwent the privilege of seeking to vindicate his claim in the State courts."

SEC. 2. Section 2255 of title 28, United States Code, is amended—

(1) by adding immediately after the second paragraph the following:

"No motion for such relief shall be denied on the ground that such prisoner was afforded a full and fair opportunity to raise and have decided his claim that his rights, privileges, or immunities under the Constitution or laws or treaties of the United States were violated by officers of the Federal Government or any agency or political subdivision thereof, in connection with the investigation, apprehension, processing, or conviction of such prisoner or any appeal relating to the sentence of such court."; and

(2) by adding after the fifth paragraph of such section, taking into account the new paragraph added by paragraph (1) of this section, the following:

"No such motion shall be denied on the ground that the prisoner did not raise the claim at trial or in any pretrial proceeding unless after a hearing the court finds that such applicant, after consultation with competent counsel or after a knowing and understanding waiver of the right to counsel, understandingly and knowingly forwent the privilege of seeking to vindicate his claim in such trial court or in such pretrial proceedings.".

Mr. NELSON. Mr. President, I ask unanimous consent that a statement by Senator MATHIAS, together with other material, be printed in the RECORD.

There being no objection, the statement and material were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MATHIAS

I join my distinguished colleague from Wisconsin (Mr. NELSON), in offering this bill to amend the Federal habeas corpus statute. Specifically, this bill would provide that:

Federal habeas relief shall not be denied to State or Federal prisoners on the ground that the applicant was afforded the opportunity for a full and fair hearing on his claim at the State or Federal trial, and

A defendant, who had not raised a Federal constitutional or statutory claim at his State or Federal trial, shall not be precluded from raising it on Federal habeas unless he had deliberately bypassed his State or Federal remedies.

The purpose of this bill is to insure the continued vitality of the writ of habeas corpus—"the great writ"—which has long been a cornerstone of both English and American jurisprudence. Regrettably, in a series of recent decisions the United States Supreme Court has significantly curtailed the availability of the great writ.

The legislation which we now offer would reverse this disturbing trend by offsetting two of these recent decisions, *Stone v. Powell* 96 S. Ct. 1037 (1976) and *Francis* v. *Henderson* 425 U.S. 536 (1976).

In *Stone*, the court, disregarding years of precedent and practice and without even adverting to the text of the habeas statute to support its conclusions, held that Federal habeas relief is not available to State prisoners to challenge the admissibility of evidence that was alleged to have been seized in violation of the Constitution, if the State had afforded the defendant an opportunity for a full and fair litigation of the claim.

In *Francis*, the court ruled that State prisoners, who did not raise their Federal claims at the State trials, may not subsequently assert them in Federal habeas petitions, unless they show good cause for their failure and actual prejudice resulting from the claimed violation. In so ruling, the court brushed aside its earlier holding in *Fay* v. *Noia*, 372 U.S. 391 (1963), a decision which had been substantially codified by Congress in statute. *Noia* held that a defendant, who had not raised a constitutional issue at his State trial, was precluded from raising it on Federal Habeas only if the court determined that he had deliberately bypassed his State remedy.

In both *Stone* and *Francis* the Court took it upon itself to rewrite significant portions of the Habeas statute. In doing so, it clearly usurped the authority of Congress under article III of the Constitution to delineate the jurisdiction of the inferior Federal courts. The late Justice Frankfurter, in his cogent opinion in *Brown* v. *Allen* 344 U.S. 443 (1953), set forth the constitutional principle that supports Congress' authority to review Habeas Corpus claims. He wrote:

"Congress could have left the Enforcement of Federal Constitutional Rights governing the Administration of Criminal Justice in the States exclusively to the State courts. These tribunals are under the same duty as the Federal courts to respect rights under the United States Constitution . .. is it not for us to determine whether this power should have been vested in the Federal courts . . . (T)he wisdom of such a modification in the law is for Congress to consider, particularly in view of the effect of the expanding concept of due process upon enforcement by the States of their Criminal laws. It is for this court to give fair effect to the Habeas Corpus jurdisction as enacted by Congress . . . by giving the Federal courts that jurisdiction, Congress has imbedded into Federal legislation the historic function of Habeas Corpus adapted to reaching an enlarged area of claims . . . The prior State determination of a claim under the United States Constitution cannot foreclose consideration of such a claim, else the State court would have the final say which the Congress, by the Act of 1867, provided it should not have . . . Congress has the power to distribute among the courts of the States and of the United States jurisdiction to determine Federal claims. It has seen fit to give this court power to review errors of Federal law in State determinations, and in addition to give to the lower Federal courts power to inquire into Federal claims, by way of Habeas Corpus . . . but it would be in disregard of what Congress has expressly required to deny State prisoners access to the Federal courts."

Furthermore, the court in both *Stone* and *Francis* ignored the fact that in the past Congress had considered and consistently rejected legislative efforts which would have watered down the scope of the "great writ." Most recently, in the 93rd Congress, both the House and Senate refused to pass bills which would have limited the availability of the writ of Habeas Corpus by limiting the constitutional claims that could be raised on collateral attack in Federal court by State prisoners.

Equally disturbing is the Court's overruling the longstanding principle that all Constitutional claims are cognizable on Federal Habeas Corpus and that there are no second class Constitutional Rights for purposes of Federal Habeas Corpus. As Justice Brennan aptly noted in his dissent in Stone:

"(T)here is no foundation in the language or the history of the Habeas statute for discriminating between types of Constitutional transgressions, and efforts to relegate certain categories of claims to the status of "second class rights" by excluding them from that jurisdiction have been repulsed. Today's opinion, however, marks the triumph of those who have sought to establish a hierarchy of Constitutional Rights, and to deny for all practical purposes a Federal forum for review of those rights that this Court deems less worthy or important."

As an attorney and as a member of a coequal branch of Government, I am naturally reluctant to support legislation which overrules certain decisions of the Supreme Court. Such action must be taken only after the most deliberate and careful consideration, and only in the most compelling cases. I am convinced, however, that the importance of insuring the vitality of the Habeas Corpus statute is such a case.

The Congress should move promptly to enact the legislation which we now offer and to reassert the strong Federal interest in broad Federal Habeas Corpus review of State court convictions. For, unless the Congress takes such action, the Court's majority may well defeat "the manifest Federal policy that Federal Constitutional Rights of personal liberty shall not be denied without the fullest opportunity for plenary Federal review." (Justice Brennan dissenting in *Stone*)

Regrettably, the Court's recent decisions limiting the availability of the writ of Habeas Corpus, appear to be part of an effort by the Court's majority to severely limit access to the Federal Courts for both civil and criminal litigants. Earlier this year, I introduced S. 35, "The Civil Rights Improvements Act of 1977," which is primarily aimed at offsetting several recent court decisions which have substantially narrowed the scope of "The Civil Rights Act of 1871" (42 U.S.C. 1983)—our most important civil rights statute. I urge my colleagues to support both the bill we now offer and S. 35.

I submit for the RECORD a short section-by-section analysis of this bill, together with a memorandum prepared by the American Law Division of the Congressional Research Service, entitled "Possible Legislative Revision of *Stone* v. *Powell*," and a recent article on *Stone* v. *Powell* from the Harvard Journal on legislation.

SECTION BY SECTION ANALYSIS WITH SUPPORTING COMMENTS OF PROPOSED BILL TO AMEND HABEAS CORPUS STATUTES

The first section would amend 28 U.S.C. § 2254 and restore the law governing federal habeas corpus rights of state prisoners to what it was prior to *Stone* v. *Powell*, 96 Sup. Ct. 3037 (1976). In that case, the Court held that persons convicted of offenses in state courts who were allegedly subjected to illegal and unconstitutional searches and seizures in the obtaining of evidence leading to their convictions could not present their search and seizure claims in federal courts upon petitions for habeas, if the state court has provided them with a full and fair opportunity to litigate the claims in the state trials. The rationale of the Court is not logically limitable to search and seizure cases but it must extend as well to all cases where-

in the federal constitutional claim does not go a violation of rights which relates directly to the possibility of an innocent person being convicted, as in the case of a denial of the right to counsel with the defendant thus being compelled to stand trial unsupported by legal assistance. Thus, confessions and out-of-court identifications are prime candidates for similar exclusions from habeas litigation as are allegations of race and sex discrimination in the selection of grand and petit juries.

This section simply reiterates what the law has always been until it was judicially amended in *Powell* and it spells out that habeas relief shall not be denied on the ground that the applicant was afforded the opportunity for a full and fair hearing on his claim at the state trial.

The section does not, of course, provide any substantive rights; it does not spell out what is an unconstitutional search and seizure. Substantive rights are to be determined in line with judicial interpretations of the Constitution and with other congressional enactments of a substantive nature.

The second section would amend 28 U.S.C. § 2254 to restore the law of habeas as explicated in *Fay* v. *Noia* 372 U.S. 391 (1963), and accepted by Congress in subsequent amendments. *Noia* held that a defendant who had not raised a federal constitutional issue at his state trial was to be precluded from raising it on federal habeas only if the court determined that he had deliberately bypassed his state remedies; that is, if he had, after consultation with competent counsel, or otherwise, understandingly and knowingly forewent the privilege of seeking to vindicate his federal claims in the state courts, perhaps for strategic, tactical, or other reasons, that could be described as a deliberate by-pass, the federal habeas court could refuse to hear his federal claims.

In effect this provision would reverse recent cases in which the Court has held that state prisoners who did not raise their federal claims at the state trials may not subsequently assert them in federal habeas petitions unless they show good cause for their failure and actual prejudice resulting from the claimed violation. *Francis* v. *Henderson* 425 U.S. 536 (1976) and *Estelle* v. *Williams* 425 U.S. 501 (1976).

The final section of the bill amends the statute relating to habeas for federal prisoners (28 U.S.C. § 2255), the substitute motion to vacate a sentence, to make clear that *Stone* v. *Powell* does not apply in such actions, that *Kaufman* v. *United States* 394 U.S. 217 (1969) remains good law, and to preserve the deliberate by-pass standards as well. The process of cutting back was begun in *Davis* v. *United States*, 411 U.S. 233 (1973).

CONGRESSIONAL RESEARCH SERVICE,
July 13, 1976.

To: Hon. Charles Mathias.
From: American Law Division.
Subject: Possible legislative revision of Stone v. Powell.

This is in response to your request for an analysis of *Stone* v. *Powell*, No. 74–1055 (July 6, 1976), in which the Supreme Court held that the lower federal courts were no longer to hear on habeas corpus petitions the contentions of convicted state prisoners that evidence obtained by unconstitutional searches and seizures had been introduced at their trials where the state courts afford the defendants the opportunity for a full and adequate hearing on the Fourth Amendment claim. You were particularly interested in the question whether Congress could alter the decision legislatively and the manner in which this might be accomplished.

The analysis included herein will be directed to the specific question of congressional revision. For additional background, we would refer you to The Constitution of the United States of America—Analysis and Interpretation (Constitution Annotated), S. Doc. 92–82 (1972), 1074–1086 (exclusionary rule), and 384–365, 615–623, 778–780 (habeas corpus). Habeas is treated extensively in P. Bator et al, Hart and Wechsler's The Federal Courts and the Federal System (2d ed. 1973), 1424–1538; in addition, there is a substantial body of law review material, some of which will be referred to herein.

I. THE HISTORICAL DEVELOPMENT

The writ of habeas corpus that we know is considerably changed from the common law writ known to the framers and protected from all but a limited class of suspension by Article I, § 9, cl. 2. That writ was the "Great Writ", the habeas corpus ad subjiciendum, by which a court would inquire into the lawfulness of a detention of a petitioner. The Court early adopted the common law understanding that the writ was unavailable to one convicted of crime by a court of competent jurisdiction. Ex parte Watkins, 3 Pet (28 U.S.) 193, 209 (1830). The only exceptions to the strict jurisdictional standard were claims grounded on illegality in sentencing, Ex parte Lange, 18 Wall. (85 U.S.) 163 (1873), and on conviction under an unconstitutional statute. Ex parte Siebold, 100 U.S. 371, 376 (1879). See *McNally* v. *Hill*, 293 U.S. 131, 136–137 (1934).[1]

Watkins and the cases following upon it interpreted the unilluminating grant of power in the Judiciary Act of 1789, § 14, 1 Stat. 81, to courts of the United States to issue writs of habeas corpus for prisoners in jail under or by color of authority of the United States. Thus, federal habeas jurisdiction over state prisoners did not exist except to summon them as witnesses. Ex parte Dorr, 3 How. (44 U.S.) 103, 105 (1845).[2] But by the Habeas Corpus Act fo 1867, § 1, 14 Stat. 385, Congress empowered the "courts of the United States . . . to grant writs of habeas corpus in all cases where any person may be restrained of his or her liberty in violation of the constitution, or of any treaty or law of the United States . . . ." Justice Brennan, in *Fay* v. *Noia*, *supra*, 415–417, read this broad language as evincing a congressional intent to enlarge the habeas remedy to provide a collateral method additional to and independent of direct Supreme Court review of state court decisions for the vindication of the new constitutional guarantees incorporated in the 13th and 14th Amendments. Accord: *Brown* v. *Allen*, *supra*, 488 (Justice Frankfurter concurring).[3] Whatever the Act was intended to mean by Congress, the courts did not immediately begin to expand the scope of the writ, according it pretty much the scope and meaning previously given it when the 1789 Act was being construed. In re Wood, 140 U.S. 278 (1891); In re Jugiro, 140 U.S. 291 (1891); *Andrews* v. *Swartz*, 156 U.S. 272 (1895); *Bergemann* v. *Backer*, 157 U.S. 655 (1895).

The modern expansion of the writ may be said to have started with *Frank* v. *Mangum*, 237 U.S. 309 (1915), although as viewed from today's perspective the judgment in Frank may seem restrictive. But the law of habeas prior to Frank was, as we stated above, that "if a court of competent jurisdiction adjudicated a federal question in a criminal case, its decision of that question was final, subject only to appeal, and not subject to redetermination on habeas corpus." Bator, op. cit., 483. The expansion that had occurred previously had consisted of enlargements of the concept of jurisdiction. The Frank case work a different expansion.

Frank contended that his conviction had been obtained through mob intimidation of the trial. The state appellate court had made an independent inquiry into the issue and concluded that the evidence did not support the claim. The Supreme Court affirmed a federal district court's refusal to issue a habeas writ, laying down as law this proposition: if it is found that the state tribunals have failed to provide corrective process (in the sense of giving a petitioner a fair opportunity to raise and litigate his constitutional claim) in the state courts, then the federal habeas corpus court may proceed to adjudicate the merits of that claim, but if it is found that a state court of competent jurisdiction has fully and fairly adjudicated the merits of the federal question should be claim, then that decision is immune from collateral attack and alleged error on the merits of the federal question should be reviewed by the Supreme Court on direct review. The lawfulness of the detention to be inquired into by the habeas court is to be determined not by whether, as in Frank, the conviction was procured by mob domination but whether the State's process afforded the defendant adeqaute opportunity to raise and have passed upon adequately the question of mob domination; mob domination was not the issue on collateral review but the fairness of the corrective process.[4]

It is possible that in the case of *Moore* v. *Dempsey*, 261 U. S. 86 (1923), the Court "discredited" or "repudiated" Frank's limitation on the habeas power of the federal courts and settled the power of those courts to determine a convicted defendant's constitutional claims on the merits, giving to state court judgments weight but not conclusive weight.[5] In any event, Moore arose as did Frank in a situation in which it was alleged that mob domination of a trial had procured the conviction unfairly; the appellate court in Moore, unlike the Frank court, conducted no independent inquiry of its own but perfunctorily rejected the claim of mob domination. In an opinion by Justice Holmes, who had dissented from the denial of habeas in Frank, the Court reversed and held that the federal district court was under a "duty" to examine the facts for itself and determine if the allegations of mob domination were true. The brief, ambiguous Holmes opinion will admit of either the interpretation that all federal constitutional claims are cognizable on habeas, regardless of the State's previous consideration of the issues or the interpretation that, consistent with Frank, the consideration by the state courts of the federal constitutional claims was so inadequate that federal court collateral review was appropriate.[6] When read in the context of Holmes' Frank dissent, however, the Moore opinion does seem, at the least, to be saying that, regardless of state corrective process, some federal constitutional claims are so fundamental that they are collaterally reviewable on habeas. See Hart & Wechsler, op. cit., 1469. That the opinion did not go as far as *Brown* v. *Allen*, *supra*, did is true, but that it went further than Frank appears also to be reasonably clear.

No clear rule of law emerged from the cases between *Moore* and *Brown* v. *Allen* in 1953. On the one hand, the Court expanded the "lack of jurisdiction" basis of habeas in several cases, *Mooney* v. *Holohan*, 294 U. S. 103 (1935) (use of perjured testimony to procure conviction would deny due process and oust trial court of jurisdiction and is cognizable on habeas); *Johnson* v. *Zerbst*, 304 U. S. 458 (1938) (denial of effective assistance of counsel in federal court ousts jurisdiction and is cognizable on habeas), before holding in *Waley* v. *Johnston*, 316 U. S. 101 (1942), that the use of the writ was not restricted to those cases where the judgment of conviction is void for want of jurisdiction of the trial court to render it but extends also to those exceptional cases where the conviction has been in disregard of the constitutional rights of the accused and

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where the writ is the only effective means of preserving the defendant's rights. Other cases during the period contain expressions broadening and narrowing the interpretations of Frank and Moore and the scholarly commentary is divided.[7]

In any event, in *Brown* v. *Allen*, supra, eight of the nine Justices either held or assumed that on habeas corpus federal district courts must provide review of the merits of constitutional claims fully litigated in the state court system.[8] Basis of the decision, in Professor Hart's words, op. cit., 106, is "that due process of law in the case of state prisoners is not primarily concerned with the adequacy of the state's corrective processs or of the prisoner's personal opportunity to avail himself of this process . . . but relates essentially to the avoidance in the end of any underlying constitutional error. . . ." In Justice Frankfurter's view, the result in Brown was required by the congressional enactment of the Habeas Corpus Act of 1867 by which Congress had determined not to leave the enforcement of federal constitutional rights governing the administration of criminal justice in the States exclusively to the state courts. While state courts are under the same obligation as federal courts to respect federal constitutional rights, Congress may well have considered, and continued to consider, that the enlargement of federal constitutional rights in the imposition of an expanding due process clause upon the States called for access to the federal courts as another assurance of those guarantees. *Brown* v. *Allen*, supra, 499–500, 507–508.[9]

Ten years after *Brown* v. *Allen*, the Court in its famous trilogy, *Fay* v. *Noia*, supra, *Townsend* v *Sain*, 372 U.S. 293 (1963), and *Sanders* v. *United States*, 373 U.S. 1 (1963), again considerably expanded the availability of the writ. Noia was the principal case, construing the "exhaustion" requirement in habeas and developing standards for determining when a prisoner could be said to have forfeited his right to seek the writ by failing to present his constitutional challenge to state consideration. The point of the "exhaustion" doctrine is to avoid the disruption of federal-state comity that would inhere in upsetting state court convictions without first allowing the States an opportunity to correct constitutional defects. *Darr* v. *Buford*, 339 U.S. 200 (1950).[10]

And it is not good enough that a petitioner has been to the state courts; he must have there presented the same claim he seeks to advance in his federal habeas petition. Id., 203. But once having presented the claims to a state court, as on appeal, he is not required to seek state collateral relief. *Brown* v. *Allen*, supra, 447.

Fay v. *Noia* dealt with the conceptually different but related concept of state procedural default by a prisoner; that is, whether a federal collateral attack can be made on a detention based on a state court judgment resting on an "independent and adequate state ground", i.e., on a ruling that, because of noncompliance with a fair and reasonable state procedural rule, the defendant has forfeited his right to a decision on the merits of a federal constitutional claim. Noia resolved the issues by holding that the requirement of "exhaustion" refers only to remedies still available when habeas is sought and has nothing to do with the effect of a past procedural default in the state courts. Only if it is found that a defendant deliberately by-passed state procedures in the federal courts to hold him to his choice and deny him habeas relief.[11]

Townsend v. *Sain*, supra, dealt with the issue of holding evidentiary hearings by habeas courts and propounded the rule that where the facts are in dispute, the habeas court must hold an evidentiary hearing if the habeas applicant did not receive a full and fair evidentiary hearing in a state court, either at the time of the trial or in a collateral proceeding. Sanders dealt with the question of the deference owed to a previous federal habeas proceeding and broadened the possibility of the prisoner obtaining a new hearing.

Basically, then, from this review, we can observe that the rule of the Court limited in *Stone* v. *Powell* was not a recent innovation but rather traces in full flower back to *Brown* v. *Allen* in 1953 and in substantial part back through consistent broadening of the scope of the writ in the 1930's and 1940's to the Moore decision in 1923. The history of the doctrine thus limited may therefore be quite relevant in any congressional determination to legislate with respect to Powell.

II. CONGRESSIONAL ACTIONS

The Court's decision in *Stone* v. *Powell* must also be evaluated in the context of congressional responses to the judicial interpretations of the scope of the writ of habeas corpus over the years. It is important to note that the scope of the writ, insofar as the statutory language is concerned, has not been altered since 1867.[12]

In 1948, title 28 of the U.S. Code was revised and codified. Judge John J. Parker of the Fourth Circuit was Chairman of the Judicial Conference Committee that drafted the revisions of the Habeas Corpus Act. According to Judge Parker, the object of the revisions was to "put an end to the abuse that has arisen because, under recent decisions of the Supreme Court, it has been possible for prisoners to use the writ to attack the procedure of the courts under whose judgments they are imprisoned. . . . [The decisions] opened wide the door to review by way of federal habeas corpus of every criminal proceeding, state or federal, in which a person convicted of crime was willing to make oath that he had been denied a fair trial." Parker, "Limiting the Abuse of Habeas Corpus," 8 F.R.D. 171 (1948).[13]

The changes were, however, modest. A new proceeding was instituted for persons convicted in federal courts, 28 U.S.C. § 2255, requiring such persons to move to vacate their sentences. See *United States* v. *Hayman*, 342 U.S. 205 (1952). So far as state prisoners were concerned, the revision codified the court holdings requiring exhaustion of state remedies and the absence of an adequate remedy available in the state courts. *Brown* v. *Allen*, supra 447–150.[11]

Following *Brown* v. *Allen*, the Judicial Conference of the United States, again under the leadership of Judge Parker, sought to restrict the scope of the writ. Reporting that the expansion of *habeas* jurisdiction had "greatly interfered with the procedure of the State courts," the Conference recommended that "[w]here adequate procedure is provided by State law for the handling of such matters, it is clear that the remedy should be sought in the State courts with any review . . . only by the Supreme Court. . . ."[14] The recommended bill received the support of the Conference of State Chief Justices, the Association of Attorneys General, the American Bar Association, and the Department of Justice. Twice it passed the House of Representatives (in 1956 and 1958), but the Senate never approved it.[15]

Finally, in 1966, Congress did amend the Habeas Corpus Act, largely to incorporate therein the standards established by the Court in its Noia-Townsend-Sanders trilogy. 80 Stat. 1104. See S. Rept. No. 1797 and H. Rept. No. 1892, 89th Cong., 2d sess. (1966). The amendments principally did three things. (1) They dealt with the problem of repetitious and meritless habeas petitions by prescribing, in line with Sanders, the circumstances under which district judges should exercise their discretion to decline to entertain such applications. (2) They provided that when a prisoner has had his case before the United States Supreme Court on appeal or certiorari, the Court's disposition of the case is conclusive on all legal and factual issues actually adjudicated by the Court; only when a habeas court finds a new and controlling fact which could not have been placed in the record by the exercise of reasonable diligence is the rule of conclusiveness inapplicable. (3) They enumerated and restated the Court's Townsend principles to guide the federal courts in the exercise of their discretion in determining whether to hold an evidentiary hearing.

Again, in 1968, an effort was made to constrict the availability of habeas for state prisoners, as the Senate Judiciary Committee included § 702 in S. 917, 90th Cong., 2d sess., the Omnibus Crime Control and Safe Streets Act, giving to judgments of state courts in criminal cases conclusive effect with respect to all questions of law or fact which were determined or which could have been determined in the action leading to the judgment, except for direct appeals of those judgments. After a spirited floor debate, this section was struck from the bill by a vote of 54 to 27 114 Cong. Rec. 14183 (1968).

The most recent efforts to curb the use of the writ by state prisoners was initiated by then Assistant Attorney General Rehnquist in testimony on the proposed speedy trial bill.[17] He proposed that habeas claims by state prisoners be restricted to claims involving the basic fairness of trial and suggested that petitioners be required to show that a violation of the constitutional right claimed had a substantive effect on the outcome of his trial These proposals and several others were incorporated into a bill drafted by the Justice Department and introduced as S. 567 in the 93d Congress.[18]

The bill is interesting when read in the light of *Stone* v. *Powell*. First, the bill would have limited the constitutional claims that could be raised on collateral attack in federal court by state prisoners to those (1) which were not theretofore raised and determined in a state court, and (2) which there was no fair and adequate opportunity theretofore to have raised and determined in a state court, and (3) which could not thereafter be raised and determined in a state court. The object of these provisions, Attorney General Kleindienst said, "would be to add a significant degree of finality" to state court judgments and overturn the contrary holdings of *Brown* v. *Allen* and *Fay* v. *Noia*. 119 Cong Rec 2224 (1973). Once a state court had ruled on the merits of an issue either on direct appeal or collateral attack the only possible remedy would have been direct review by the Supreme Court. The second and third provisions would have altered the waiver and exhaustion standards previously set out in such decisions as Noia so as to treat failure to utilize an available state remedy as a deliberate bypass barring federal habeas relief.

Second, the bill set out another test that a prisoner who had gotten past the first series must meet. That is, the convicted defendant would be limited to raising constitutional claims to violations of any right "which has as its primary purpose the protection of the reliability of either the factfinding process at the trial or the appellate process on appeal from the judgment of conviction". S. 567 proposed § 2254(a)(1)(iii). The Attorney General explained that this "reliability" test was derived from the standards employed by the Supreme Court to determine whether to accord retroactive effect to its constitutional decisions. If the constitutional right goes to safeguarding the reliability of the trial and appellate process, it is generally accorded retroactive effect. Those types of claims that would be barred by this provision, said the Attorney General, would be (1) claims objecting to the admissibility of voluntary confessions because of failure to comply with Miranda, (2) claims objecting to the admis-

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sibility of evidence obtained through a violation of the search and seizure guarantees, and (3) claims objecting to the admissibility of identifications made in line-ups conducted without counsel in violation of Wade. 119 Cong. Rec. 2225 (1973).

Third, the proposal would have further required a prisoner having gottten past the first two requirements to show "that a different result would probably have obtained if such constitutional violation had not occurred." S. 567, proposed § 2254(a)(1)(iv). This provision was designed to require that a habeas petitioner show only "a probability of acquittal on the actual charge on which a verdict was returned, or that without the violation he would have been convicted only of a lesser included offense. He would not need to show that he would also have been acquitted of all lesser included offenses or that he was in fact innocent." 119 Cong. Rec. 2225 (1973).

Congress took no action on S. 567; as an analysis of *Stone* v. *Powell* will demonstrate, the Court did.

III. STONE V. POWELL ANALYZED

In his opinion for the Court, Justice Powell did not reject the expansion of the scope of habeas corpus which he thought had been accomplished in *Brown* v. *Allen*; that is, federal constitutional claims are generally open to relitigation in collateral actions in federal courts. He did not believe, however, that during the period of expansion the Court had ever "consider[ed] whether exceptions to full review might exist with respect to particular categories of constitutional claims." *Stone* v. *Powell*, supra, slip. op. at 11. He recognized of course, that the Court had on a number of occasions accepted jurisdiction in state prisoner cases in which collateral claims of Fourth Amendment violations were made, had decided these cases on the merits, and had granted relief in some of them on the basis of Fourth Amendment violations.[19] And in *Kaufman* v. *United States*, 394 U.S. 217 (1969), the Court had held that federal prisoners could collaterally litigate search-and-seizure claims under 28 U.S. § 2255, largely on the basis that state prisoners could collaterally litigate search-and-seizure claims on habeas and the rights of the two classes should be parallel. But Justice Powell concluded that the Court had never really closely considered the question and reached an informed, principled decision on the issue; the question thus being considered an open one, he then canvassed the rationales of the exclusionary rule and the principles governing the scope of the habeas writ and announced for the Court the holding that habeas is not available to state prisoners to challenge the admissibility of evidence allegedly unconstitutionally seized, provided that the State afforded the defendant an opportunity for a full and fair litigation of his claim.

(A) The Purpose of the Exclusionary Rule: According to Justice Powell, the primary justification for the exclusionary rule is the deterrence of police conduct that violated Fourth Amendment rights. The rule is not a personal constitutional right; it is not calculated to redress the injury to the privacy of the victim of the search or seizure. The rule is but a "prophylactic" device by which the Court seeks to ensure compliance with the Fourth Amendment. This almost exclusive focus upon the deterrent purpose of the rule is one already well established in the Court's cases, e.g., *United States* v. *Calandra*, 414 U.S. 338 (1974); *United States* v. *Peltier*, 422 U.S. 531 (1975), and it furnished the basis for the Court's refusal to give retroactive effect to its search and seizure decisions. E.g. *Linkletter* v. *Walker*, 381 U.S. 618 (1965). *Mapp* v. *Ohio*, 367 U.S. 643 (1961), extending the exclusionary rule to the States, relied on deterrence but it addressed as well the "imperative of judicial integrity", suggesting that the exclusion of illegally seized evidence prevents contamination of the judicial process. Id., 659. And see *Weeks* v. *United States*, 232 U.S. 383, 391–392, 394 (1914). Indeed, it is difficult to understand the decision in *Elkins* v. *United States*, 364 U.S. 206 (1960), in any sense but a judicial concern for the integrity of the judicial process.[20]

Therefore, the incremental increase in deterrence, if any occasioned by the habeas court's utilization of the exclusionary rule was greatly outweighed in the balance by the harm done to the judicial process through enforcement of the rule. This conclusion was reached upon consideration of several factors.

(B) The Harmful Effect of the Rule: Application of the rule, Justice Powell wrote, "deflects the truthfinding process and often frees the guilty." *Stone* v. *Powell*, supra, slip op. at 23. (1) Reliability. The physical evidence seized by police which is sought to be excluded is typically re liable and often the most probative bearing on guilt. However, the evidence is obtained, it in and of itself is not suspect, not tainted, in the same way that a coerced confession is. (2) Search for Truth. Emphasis upon the admissibility of evidence turns the trial away from what should be its primary goal, the ascertainment of the truth. The evidence if excluded may prevent the attainment of this goal. (3) The question of Guilt or Innocence. Excluding re liable and probative evidence will often permit the guilty to go free; in any event, disputes over admissibility does not contribute to effectuating the goal of convicting the guilty and freeing the innocent.

While the exclusionary rule serves the vital function of enforcing respect for Fourth Amendment values, continued Justice Powell, and the Court will adhere to it in the instance of trials and on direct appeal of trial court convictions, it does not serve the interests so well that the detriment of its enforcement through habeas proceedings is justified.

Thus, one can follow many of the parallels between *Stone* v. *Powell* and S. 567. The accomplishment of the aims of the decision and the bill is attempted in somewhat different fashions but the same aims are firmly fixed. In both instances, the federal habeas role will be diminished by state provision of the opportunity for a litigation of federal constitutional claims. The bill would have precluded search and seizure claims altogether and the decision leaves the possibility that some such cases may still be brought into federal habeas courts upon contentions that the State did not afford a full and fair opportunity for litigating the issue. But what is a full and fair opportunity?

Stone v. *Powell* does not attempt to define the circumstances under which it will be deemed that such an opportunity has been provided. The Court did not, however, remand the two cases before it to the federal courts for evaluation of the fullness and fairness of the opportunity the habeas petitioners had in the trial courts, it simply reversed. Whether this constitutes approbation of the California and Nebraska procedures is unclear. In both instances, trial courts had rejected the claims of the defendants; in the California case, the appellate court had not reached the merits but had decided that the error, if any, had been harmless, while the Nebraska appellate court rejected the claims on the merits.[21] It will be remembered that in Frank the Supreme Court approved the state court's process as adequate when it undertook an independent inquiry and carefully considered the defendant's claims; in Moore, on the other hand, if it be considered consistent with Frank and not an extension of it, the state appellate court's rather perfunctory rejection of the defendant's claim on the record did not immunize the conviction from habeas attack.

The Court's analysis, it may be noted, permits further decisions along the line set out in S. 567. The reliability standard, the irrelevance to the search for truth and the question of innocence, and the purpose to deter are all present with regard to confessions obtained in violation of Miranda and to line-up identifications made in violation of Wade. See, e.g., *Johnson* v. *New Jersey*, 384 U.S. 719 (1966); *Stovall* v. *Denno*, 388 U.S. 293 (1967). The Court's analysis in *Michigan* v. *Tucker*, 417 U.S. 433 (1974), of the Miranda requirements as "prophylactic standards" not themselves rights protected by the Constitution but judicial constructions to protect the right against self-incrimination prepares the way for a *Stone* v. *Powell* holding in a Miranda case.

Whether there are not also other constitutional decisions so to be treated is a question we need not here deal with. But the analysis would not appear to be narrowly limitable.[22]

IV. CONGRESSIONAL ALTERATION OF STONE V. POWELL

Although the Court's opinion in *Stone* v. *Powell* is silent wtih regard to the kind of authority it is exercising, constitutional interpretation or statutory interpretation, and while its language with respect to the exclusionary rule is to some extent both types of interpretation, clearly its decision that a habeas court's power should not extend to hearing search and seizure claims when the petitioner has had an opportunity to raise them previously has to be based upon its construction of 28 U.S.C. § 2254, the habeas statute. True it is that Justice Powell announces that "the Constitution does not require" that state prisoners have the opportunity to present such claims under such circumstances, *id.*, slip op. at 14, but the question here is whether the Constitution permits the exercise of such power by federal courts. A long line of cases previously has required federal courts to litigate such claims, the language of § 2254 is adequately broad, and its constitutionality is so accepted by the Court that when the attorneys general of 41 States joined in an attempt to have the 1867 habeas staute declared unconstitutional the Supreme Court refused even to review the Court of Appeals rejection of the contention. *United States ex rel. Elliott* v *Hendricks*, 213 F. 2d 922 (C.A. 3), cert. den., 348 U.S 851 (1954) See *Ex parte Royall*, 117 U.S. 241, 249 (1886); *Frank* v. *Mangum*, supra, 331. Thus, Justice Powell must be understood as holding, though he did not even cite the statute nor quote the particular language, that a state prisoner convicted at least in part on the basis of evidence seized in violation of the Fourth Amendment but who has been able to raise that question at trial and on appeal, even though he lost, is not "in custody in violation of the Constitution or laws of the United States". 28 U.S.C. § 2254(a).

Indeed, the logic of the Court's opinion with respect to the exclusionary rule is that in no event does the admission at trial of evidence seized unconstitutionally violate a defendant's Fourth Amendment rights. One has a Fourth Amendment right not to have one's privacy invaded by officers not acting in accord with Fourth Amendment requirements. But the violation once accomplished is completed. It does not continue through to the admission of the evidence so obtained. Such admission works no new Fourth Amendment violation. *United States* v. *Calandra*, supra, 354; *United States* v. *Peltier*, supra, 535–539. "The primary meaning of 'judicial integrity' in the context of evidentiary rules is that the courts must not commit or encourage violations of the Constitution. In the Fourth Amendment area, however, the evidence is unquestionably accurate, and the violation is complete by the time the evidence is presented to the court.

. The focus therefore must be on the question whether the admission of the evidence

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encourages violations of Fourth Amendment rights. As the Court has noted in recent cases, this inquiry is essentially the same as the inquiry into whether exclusion would serve a deterrent purpose." *United States* v. *Janis*, supra, slip op. at 25 n. 35.[23]

Mapp v. *Ohio*, supra, 655–656, however, held that the exclusionary rule was binding upon the States because it is "an essential part of the right to privacy" protected by the due process clause of the Fourteenth Amendment. Congress, if it should so decide, would not be precluded by *Stone* v. *Powell* in its statutory construction from concluding that the imprisonment of one pursuant to a state conviction based at least in part on evidence seized in violation of the Fourth Amendment does mean that he is "in custody in violation of the Constitution". The Fourth Amendment guarantee is applicable to the States through the due process clause of the Fourteenth Amendment, *Wolf* v. *Colorado*, supra, and the due process clause independently imposes upon the States a requirement of fundamental fairness. Under § 5 of the Fourteenth Amendment, Congress has the power to enforce "by appropriate legislation" the guarantees of the due process clause.

As for the deterrence issue, it is primarily a question of judgment whether applying the rule in one situation will constitute a significant deterrence of Fourth Amendment violations while applying it in another would have minimal effect. When the matter turns on such judgments, Congress has a special ability to develop and consider the factual basis of a problem that the Court does not have. *Oregon* v. *Mitchell*, 400 U. S. 112, 247–248 (1970) (Justice Brennan concurring and dissenting).

An example of congressional decisionmaking in this area which extended protection beyond that found by the Court to be required by the Constitution is 18 U. S. C. § 2515, in the electronic surveillance statute, mandating the application of the exclusionary rule with respect to evidence not obtained in compliance with the statute. In *Gelbard* v. *United States*, 408 U. S. 41 (1972), the Court held, on the language of § 2515 and its legislative history, that it could be invoked by a grand jury witness as a defense to a contempt charge brought for refusal to answer questions based on information obtained from the witness' communications unlawfully intercepted through wiretapping; in *United States* v. *Calandra*, supra, the Court held that, under the Fourth Amendment exclusionary rule, a grand jury witness could not refuse to answer questions based on unconstitutionally-seized evidence, noting the statutory basis of Gelbard. While § 2515 is addressed to federal law enforcement officials and federal courts, the precedent is just as applicable to the States where Congress has the power to legislate.

Some thought might be given by Congress to the possibility that the Court will soon modify the exclusionary rule itself. One of the arguments raised by the States in *Stone* v. *Powell* was that the Court should permit a "good faith defense" to the exclusionary rule in situations where, for example, police conduct was only in technical violation of constitutional requirements or where police acted in "good faith" in believing they had a right to search. Chief Justice Burger, in a concurring opinion, and Justice White, in dissent, urged adoption of such a modification. And the Court's opinion in *United States* v. *Peltier*, supra, clearly seems to lay the basis for such a holding. Whether Congress should therefore include in any amendment of the habeas statue a mandate to the federal courts to continue enforcing a broad exclusionary rule may also be considered.

Too, Congress may wish to consider structuring the habeas statute in such a way as to limit the major abuses that have evoked so much concern in the scholarly literature and in judicial opinions. In this respect, two suggestions might be made.

(1) In *Mackey* v. *United States*, 401 U.S. 667, 675 (1971), Justice Harlan wrote a lengthy opinion arguing that the Court had gotten itself into a quagmire in its retroactivity rules and that it should instead draw a distinction between cases still open to direct review and cases where the conviction is final in the sense that only collateral relief is available. New constitutional doctrines must be fully retroactive within the former category while on *habeas* cases the courts should generally apply the law prevailing at the time a conviction became final rather than disposing of all such cases on the basis of intervening changes in constitutional interpretation. There may well be substantial merit to this argument and it would prevent the relitigation of many cases that could well be deemed closed.

(2) The problem of successive petitions by prisoners was treated most fully in *Sanders* v. *United States*, supra, and in the 1966 amendments adding subsections (b) and (c) to § 2,244. Congress might wish to consider whether the standards by which a federal habeas court declines to hear a second or successive petition needs to be and can be tightened so as to induce a greater degree of finality.

FOOTNOTES

[1] Justice Brennan's opinion in *Fay* v. *Noia*, 372 U.S. 391 (1963), undertook a lengthy exegis to demonstrate that the common law understanding was actually that "restraints contrary to fundamental law, by whatever authority imposed, could be redressed by writ of habeas corpus." *Id.*, 408. See *id.*, 399–415. But see *id.*, 449–463 (Justice Harlan dissenting). Most of the scholarly commentary is contrary to the Brennan reading of History. E.g., Oaks, "Legal History in the High Court—*Heabeas Corpus*," 64 Mich. L. Rev. 451 (1966); Bator, "Finality in Criminal Law and Federal *Habeas Corpus* for State Prisoners," 76 Harv. L. Rev. 441, 465–474 (1963) (pre-*Noia*); "Developments in the Law—Federal *Habeas Corpus*," 83 Harv. L. Rev. 1038, 1045–1050 (1970). It is unclear why Justice Brennan undertook this effort to establish the historicity of the broad proposition; it had been clearly established in *Brown* v. *Allen*, 344 U.S. 443 (1953), and arguably earlier, it was not in issue in *Noia*, and the dissenters did not call for a reconsideration of *Brown*. Hart & Wechsler, *op cit.*, 1465.

[2] This statement, and the cases, assume that a statute is necessary to confer jurisdiction upon federal courts to grant the writ. *Ex parte Bollman*, 4 Cr. (8 U.S.) 75 (1807). One scholar has argued that the federal courts have the power absent statute as a direct implication of the suspension clause. Paschal, "The Constitution and *Habeas Corpus*," 1970 Duke L.J. 605.

[3] Here, too, the scholarly opinion appears to be against a broad reading of the 1867 Act. E.g., Bator, *op. cit.*, 474–477; Mayers, "The *Habeas Corpus* Act of 1867: The Supreme Court as Legal Historian," 33 U. Chi. L. Rev. 31 (1865).

[4] This standard is, of course, that of the Court with respect to the exclusionary rule question on collateral review in *Stone* v. *Powell*. On *Frank* v. *Mangum*, see Bator, *op. cit.*, 483–487. Compare *Fay* v. *Noia supra*, 420 (Justice Brennan for the Court), with *id.*, 456–457 (Justice Harlan Dissenting).

[5] "Discredited" is Professor Hart's term, "Foreword: The Time Chart of the Justices," 73 Harv. L. Rev. 84, 105 (1959), while "repudiated" is Justice Brennan's. *Fay* v. *Noia*, *supra*, 421. For *contra* views, contending that *Moore* and *Frank* are consistent, see *id.*, 457–458 (Justice Harlan dissenting); Bator, *op. cit.*, 488–489.

[6] "We assume in accordance with [*Frank*] that the corrective process supplied by the State may be so adequate that interference by *habeas corpus* ought not to be allowed. It certainly is true that mere mistakes of law in the course of a trial are not to be corrected in that way. But if the case is that the whole proceeding is a mask—that counsel, jury and judge were swept to the fatal end by an irresistible wave of public passion, and that the State Courts failed to correct the wrong, neither perfection in the machinery for correction nor the possibility that the trial court and counsel saw no other way of avoiding an immediate outbreak of the mob can prevent this Court from securing to the petitioners their constitutional rights." *Id.*, 91. "We shall not say more concerning the corrective process afforded to the petitioners than that it does not seem to us sufficient to allow a Judge of the United States to escape the duty of examining the facts for himself when if true as alleged they make the trial absolutely void. *Id.*, 92.

[7] Compare Bator, *op. cit.* 489–499, who, while recognizing the wavering of the Court, argues that the cases are all basically consistent with *Frank*, with Hart, *op. cit.*, 104–106, who reads the cases as broadening the scope of the writ beyond that in *Frank*.

[8] Three cases were before the Court and on the merits the Court held six to three that defendants' rights had not been violated. There were in effect two opinions of the Court, one by Justice Reed, *id.*, 446, and one by Justice Frankfurter, *id.*, 488. Only Justice Jackson, id., 532 (concurring in result), disagreed with the view that federal *habeas* courts should ordinarily decide the federal constitutional issues for themselves rather than deferring to state court resolution of the issues.

[9] See, favoring *Brown*, Reitz, "Federal *Habeas Corpus:* Postconviction Remedy for State Prisoners," 108 U. Pa L. Rev. 461 (1960); Wright & Sofaer, "Federal *Habeas Corpus* for State Prisoners: The Allocation of Fact-Finding Responsibility," 75 Yale L. J. 895, 897–906 (1966).

[10] "Developments—" *op. cit.*, 1093–1103.

[11] "If a *habeas* applicant, after consultation with competent counsel or otherwise, understandingly and knowingly forewent the privilege of seeking to vindicate his federal claims in the state courts, whether for strategic, tactical, or any other reasons that can fairly be described as the deliberate bypassing of state procedures, then it is open to the federal court on habeas to deny him all relief if the state courts refused to entertain his federal claims on the merits." *Id.*, 439.

The Court has this Term in two cases limited, without addressing, *Noia*, holding in *Estelle* v. *Williams*, No. 74–676 (May 3, 1976), that the failure of a defendant to object at trial to his being compelled to stand trial in prison garb, and in *Francis* v. *Henderson*, No. 74–5808 (May 3, 1976), that the failure of a defendant to challenge the composition of the grand jury that indicted him before trial in accordance with state rules precluded both defendants from raising the issues on *habeas*.

[12] C. Wright, *Law of Federal Courts* (2d ed. 1970), 209.

[13] Judge Parker's cited cases began with *Moore* v. *Dempsey* and included the major cases of the period before *Brown* v. *Allen*.

[14] Judge Parker construed the new § 2254 considerably more restrictively than the Court proved to do. Compare Parker, *op cit.*, 175–177, with *Brown* v. *Allen*, *supra*, 447.

[15] *Hearings on H.R. 5649* before Subcommittee No. 3 of the House Committee on the Judiciary, 84th Cong., 1st sess. (1955), 89–90.

[16] 102 *Cong. Rec.* 940 (1966); 104 *id.* 4675 (1958). The bill would have permitted the issuance of the writ "only on a ground which presents a substantial Federal constitutional question (1) which was not theretofore raised and determined (2) which there was

no fair and adequate opportunity theretofore to raise and have determined and (3) which cannot thereafter be raised and determined in a proceeding in the State court, by an order or judgment subject to review by the Supreme Court of the United States on writ of certiorari."

[17] *Hearings on S. 895* before the Subcommittee on Constitutional rights of the Senate Judiciary Committee, 92d Cong., 1st sess. (1971), 94–121.

[18] An identical bill had been introduced in the Senate and a similar bill into the House near the end of the prior Congress. S. 3833 and H.R. 13722, 92d Cong., 2d sess. (1972). Senator Hruska introduced S. 567 on January 26, 1973, accompanying it with a lengthy memorandum from Attorney General Kleindienst explaining and justifying the bill that had previously been sent to the House Judiciary Committee. 119 *Cong. Rec.* 2220–2226. See Note, "Proposed Modification of Federal Habeas Corpus for State Prisoners—Reform or Revocation?" 61 Georgetown L. J. 1221 (1973).

[19] E.g., *Lefkowitz* v *Newsome*, 420 U.S. 283 (1975); *Cardwell* v *Lewis*, 417 U.S. 583 (1974); *Cady* v. *Dombrowski*, 413 U.S. 433 (1973); *Adams* v *Williams*, 407 U.S. 143 (1972); *Whitely* v *Warden*, 401 U.S. 560 (1971); *Chambers* v *Maroney*, 399 U.S. 42 (1970); *Harris* v. *Nelson* 394 U.S. 286 (1969); *Mancusi* v. *DeForte*, 392 U.S. 364 (1968); *Carafas* v *Lavallee* 391 U.S. 234 (1968); *Warden* v *Hayden*, 387 U.S. 294 (1967).

[20] *Elkins* overturned the "silver platter" doctrine under which evidence illegally seized by state officials could be turned over to federal officials for use in federal trials even though the evidence would have been inadmissible had federal authorities seized it. At the time, while the Fourth Amendment applied to state searches the exclusionary rule did not govern admissibility of the evidence so obtained into state trials. *Wolf* v. *Colorado*, 338 U S 25 (1949) The deterrent effect of excluding the evidence from federal trial was so attenuated that it is hard to believe it would have furnished a basis for decision even if the Court was at the time concerned with deterring state action. Confirmation of these conclusions may be found in *United States* v. *Janis*, No. 74–958 (July 6, 1976), refusing to bar from federal civil trials evidence unconstitutionally seized by state officers.

[21] It appears on the basis of applicable precedents that both appellate courts were wrong and the federal courts so found. But the requirement is of an opportunity, not that the state courts will correctly decide the claim. Petitioning the Supreme Court for *certiorari* is the only avenue of relief from incorrect decisions.

[22] Attorney General Kleindienst thought there were several other claims that would be precluded by the reliability standard of S. 567, including jury trial denial claims. 119 *Cong. Rec.* 2225 (1973).

[23] If the exclusionary rule is not a substantive constitutional right, the serious question is raised about the Court's power to mandate its observance by state courts. If the rule is not a necessary corollary of a constitutional right but simply a judicially created remedial device, the Court's power should be much more limited than otherwise. See Monaghan, "Forward: Constitutional Common Law," 89 Harv. L. Rev. 1, 3–10 (1975).

Stone v. Powell and the New Federalism: A Challenge to Congress

(By Ronald S. Flagg, member of the class of 1978 at Harvard Law School)

The Supreme Court's recent decision in *Stone* v. *Powell* raises serious questions about the wisdom of the Court's developing view of the federal system and the Court's competence to define the jurisdiction of the federal courts. Mr. Flagg challenges the policies underlying the Court's "new federalism" and calls upon Congress to reassert the federal interest in a broad habeas corpus review of state convictions by the federal courts.

INTRODUCTION

The Supreme Court in recent decisions has shown an increasing solicitude for state interests in cases where federal constitutional claims have been raised.[1] Last term, the Court extended its conception of a "new federalism"[2] into the area of federal habeas corpus when it decided *Stone* v. *Powell*.[3] The decision in *Stone*, as well as in many other cases that have come before the Court, reflects the judgments of the Court as to the proper balance between the jurisdiction of the federal and the state courts. In enunciating this "new federalism" the Court has foreclosed the availability of federal relief for unconstitutional or other unlawful acts by state authorities,[4] and it has usurped the power granted to Congress by the Constitution[5] to define the jurisdiction of the federal courts.[6]

Section I of this Note discusses *Stone* and the policy judgments made by the Court in restricting the availability of federal habeas corpus review. Section II examines other recent cases in which the Court has made similar judgments in restricting access to the federal courts generally in other substantive areas. Section III questions the validity of the judgments underlying the Court's opinion in *Stone* and, by implication, in other recent manifestations of the Court's "new federalism." Finally, Section IV calls upon Congress to assert its authority to define the jurisdiction of the federal courts so as to reverse the questionable judgments of the *Stone* decision.

I. STONE V. POWELL: THE POLICIES UNDERLYING THE "NEW FEDERALISM"

In *Stone*, the petitioner Powell had been convicted of murder in a California state court on the basis of testimony concerning a revolver which had been taken from him incident to his arrest for violation of a local vagrancy ordinance. The state courts, both at trial and on direct appeal, rejected Powell's arguments that the vagrancy ordinance was unconstitutional and that the search was invalid. Powell applied for a writ of federal habeas corpus pursuant to 28 U.S.C. § 2254 on the grounds that he was being held in violation of the Constitution. The District Court denied his plea, but the United States Court of Appeals reversed, holding that the vagrancy ordinance was unconstitutionally vague, that the arrest and search were unlawful, and thus that the evidence should have been excluded at trial.[7] The Supreme Court reversed the Court of Appeals' decision, holding that "a federal court need not apply the exclusionary rule on habeas review of a fourth amendment claim absent a showing that the state prisoner was denied an opportunity for a full and fair litigation of that claim at trial and on direct review."[8]

Although the Court's decision involved consideration of Powell's fourth amendment claim, the result in *Stone* was not required by the Constitution. The Court did not hold that the federal courts lack jurisdiction pursuant to § 2254 over a fourth amendment claim,[9] nor did it conclude that no violation of the fourth amendment had occurred. Neither did the Court rest its decision on construction of the federal habeas statute.[10] Instead, as in previous abstention cases,[11] the Supreme Court based its decision on its own balancing of the relative state and federal interests involved.[12]

In reaching its decision in *Stone*, the Court purported to balance the advantages and disadvantages of application of the exclusionary rule on federal habeas review. The Court found that the extension of the exclusionary rule to the states in *Mapp* v *Ohio*[13] was based "principally on the belief that exclusion would deter future unlawful conduct."[14] However, the Court found that the additional deterrence gained by applying the exclusionary rule on habeas review was small in relation to the costs.[15] The Court cited two specific costs. First, "the focus of the trial, and the attention of the participants therein, is diverted from the ultimate question of guilt or innocence that should be the central concern in a criminal proceeding."[16] Second, "the physical evidence to be excluded is typically reliable and often the most probative information bearing on the guilt or innocence of the defendant."[17]

These considerations, however, apply with equal force to the application of the exclusionary rule at trial in the state courts or on direct review by the Supreme Court, as well as on collateral review by habeas corpus. Yet the Court did not relieve the states of their obligation to apply the exclusionary rule in their criminal proceedings at trial or on appeal, but only withdrew the operation of the rule when federal district courts review those same proceedings upon a petition for habeas corpus.[18] This distinction can logically be based only upon judgments about the relative roles of the state and federal judiciaries in adjudicating the constitutional claims of state criminal defendants.

The primary judgment of the Court was that the state courts, with only direct review by the Supreme Court, protect fourth amendment rights as competently as the federal district courts. The majority opinion reasoned:

> "Despite differences in institutional environment and the unsympathetic attitude to federal constitutional claims of some state judges in years past, we are unwilling to assume that there now exists a general lack of appropriate sensitivity to constitutional rights in the trial and appellate courts of the several States. State courts, like federal courts, have a constitutional obligation to safeguard personal liberties and to uphold federal law. . . . Moreover, the argument that federal judges are more expert in applying federal constitutional law is especially unpersuasive in the context of search-and-seizure claims, since they are dealt with on a daily basis by trial level judges in both systems."[19]

The Court listed four other policies which led it to limit the application of the exclusionary rule in the context of federal habeas corpus review: "(i) the most effective utilization of limited judicial resources, (ii) the necessity of finality in criminal trials, (iii) the minimization of friction between federal and state systems of justice, and (iv) the maintenance of the constitutional balance upon which the doctrine of federalism is founded."[20]

These arguments are unpersuasive in light of the federal interest in ensuring the proper adjudication of federal constitutional claims. The Court in *Stone*, as well as in the cases to be discussed in Section II, has redrawn, on the basis of its own policy judgments, the limits of federal jurisdiction more narrowly than the statutory limits prescribed by Congress. As Section III will suggest, the existing statutory regime has already struck a workable and desirable balance between the federal interest in correct adjudication of constitutional claims and the states' interests that the Court promoted in *Stone*. Even if the Court believed that the federal habeas corpus statute did not strike the proper balance, it should have deferred to Congressional definition of the proper jurisdiction of the federal courts.

II. THE NEW FEDERALISM IN OTHER CONTEXTS

In *Stone* v. *Powell*, the Supreme Court restricted the application of the exclusionary

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rule, not by cutting back on the substance of the rule itself, but by forbidding the federal courts to apply it in cases in which those courts previously had jurisdiction under 28 U.S.C. § 2254.[21] The Court based its decision primarily on considerations of federalism and comity.[22]

In his dissent, Justice Brennan expressed the fear that the decision in *Stone* would be used to restrict further the jurisdiction of the federal courts on habeas corpus review in cases involving claims of unconstitutional detention on other than fourth amendment grounds.[23] His concern regarding the potential extension of the rationale of *Stone* is well founded, especially when one examines the wide range of cases in which the Court has relied on similar policies to restrict the access of constitutional claimants to the federal courts.

Francis v. Henderson [24] exemplifies the use of the same federalism rationale to restrict federal habeas corpus in a nonfourth amendment context. In *Francis* the Court held that a state prisoner who failed to make a timely challenge to the racial composition of a grand jury that indicted him could not, after his conviction, bring that challenge in a federal habeas corpus proceeding under 28 U.S.C. § 2254.

The case involved the indictment of Francis, a 17 year old black youth, by a Louisiana grand jury on a charge of felony murder. Two months after the indictment the court appointed uncompensated counsel for him; however, this counsel, who was in failing health and who had not practiced criminal law for several years, took no action for Francis's defense until the day before trial. He offered no challenge to the racial composition of the grand jury that had indicted Francis, and he never informed him that such a challenge was possible. At trial, Francis was convicted of felony murder and sentenced to life imprisonment; his two older accomplices, through plea bargaining, each received 8-year prison terms.

In its decision denying Francis habeas corpus relief, the Supreme Court acknowledged that, under the statute and following its decision in *Fay v. Noia*,[25] "there can be no question of a federal district court's power to entertain an application for a writ of habeas corpus in a case such as this." [26] However, the Court reasoned that "considerations of comity and federalism" [27] require that the federal courts give effect to the state interest in enforcing its criminal procedure when considering whether to overturn state criminal convictions.[28] In addition to comity and federalism, the Court cited the states' interests in finality of criminal judgments and the Court's reluctance to see federal courts "unduly interfere with the legitimate activities of the States" [29] as further reasons for its decision to prevent the federal courts from exercising the power over Francis' constitutional claim.[30]

This concern with "comity and federalism" has led the Court to restrict access to the federal district courts in other contexts in which those courts had the power to exercise jurisdiction under previous statutory interpretation.[31] One such area is civil rights actions under 28 U.S.C. § 1983, the Civil Rights Act of 1871.[32] In *Younger v. Harris* [33] the Court held that for reasons of equity, comity, and federalism, federal courts should abstain from enjoining under § 1983 a pending state criminal prosecution absent a finding of bad faith or immediate, irreparable harm.[34] The Court expressed a desire for "a proper respect for state functions, a recognition of the fact that the entire country is made up of a Union of separate state governments, and a continuance of the belief that the National Government will fare best if the States and their institutions are left free to perform their separate functions in separate ways." [35]

Recent cases have extended the *Younger* doctrine in many directions. For example, in *Miranda v. Hicks*,[36] the Court held that the principles of *Younger* precluded a federal court from enjoining a state criminal prosecution instituted *subsequent* to the proceeding in the federal court. Also, in *Huffman v. Pursue, Ltd.*,[37] the Court invoked equitable restraint to preclude the enjoining of *civil* proceedings initiated by state prosecution. In these cases, the Court denied federal injunctive relief despite the existence of jurisdiction pursuant to 42 U.S.C. § 1983.

This solicitude for the state's interest in exercising its prosecutorial and judicial functions without federal interference, regardless of the impact on a defendant's constitutional claims, also surfaced in *O'Shea v. Littleton*.[38] There plaintiff's brought a civil rights action under § 1983, alleging that a county magistrate and judge had embarked on a continuing intentional practice of racially discriminatory bond-setting, sentencing, and assessing of jury fees. Despite the evidence of past abuses, the Court held that the named plaintiffs could not show that future offenses would be committed against them specifically and therefore lacked standing to bring suit for injunctive relief.[39] In addition the Court found that, even if plaintiffs could satisfy a standing requirement, injunctive relief against defendants' actions would constitute "a major continuing intrusion of the equitable power of the federal courts into the daily conduct of state criminal proceedings" and would be "in sharp conflict with the principles of equitable restraint." [40]

Similarly, the Court has invoked the principles of comity and federalism to restrict the federal district courts from enjoining allegedly unconstitutional practices of state or local executive officials. In *Rizzo v. Goode* [41] a group of individuals and a coalition of community organizations brought actions against the city of Philadelphia and its mayor, alleging a pervasive pattern of illegal and unconstitutional mistreatment by police officers. Suing under § 1983, the plaintiffs sought equitable relief, including appointment of a receiver to supervise the police department and the establishment of civilian review of police activity. The District Court heard evidence on over forty incidents of alleged police brutality, nineteen of which the Supreme Court later assumed *arguendo* to be violations of constitutional rights.[42] The District Court found that public officials in Philadelphia consistently had refused to act to stop the violations. It directed the Police Department to draft "a comprehensive program for dealing adequately with civilian complaints," including "appropriate revision of police manuals and rules of procedure spelling out in simple language the 'do's and don'ts' of permissible conduct in dealing with civilians . . . [r]evision of procedures for processing complaints against police . . . and prompt notification to the concerned parties informing them of the outcome" of complaint procedures.[43]

As it had in *O'Shea*, the Supreme Court found that the named plaintiffs lacked the requisite standing, as they could not demonstrate that future incidents arising from inadequate police disciplinary procedures would harm them specifically rather than other members of the class.[44] The Court also held that the District Court had erred in imputing liability to superior officials for the unconstitutional conduct of individual patrolmen. The Court's opinion in *Rizzo* concluded with its reason, by now quite familiar, for limiting federal injunctive relief for the abuses of state or local officials:

"Thus the principles of federalism which play such an important part in governing the relationship between federal courts and state governments, though initially expounded and perhaps entitled to their greatest weight in cases where it was sought to enjoin a criminal prosecution in progress, have not been limited either to that situation or indeed to a criminal proceeding itself. We think these principles likewise have applicability where injunctive relief is sought not against the judicial branch of the state government, but against those in charge of an executive branch of an agency of state or local governments such as respondents here." [45]

Thus the same principles of federalism and comity on which the Court relied in *Stone v. Powell* have been used in other cases to justify restrictions on the district courts' acknowledged power. The application of these principles has prevented the district courts from vindicating the constitutional claims of state prisoners and others who allege state infringement of constitutional rights.

III. A CRITIQUE OF THE SUPREME COURT'S "NEW FEDERALISM"

An examination of the policies upon which the Court has constructed this "new federalism" reveals the impropriety of the balance the Court has struck. In addition, it suggests strong arguments calling for congressional reassertion of its constitutional power to reopen the federal courts to those claims which recent Supreme Court decisions have foreclosed.

A. *Federal Trial Court Jurisdiction Is Necessary for Proper Enforcement of Federal Constitutional Rights*

Since the Court in *Stone* left the exclusionary rule intact for purposes of its application in state trials, on direct review by state appellate courts, and by the Supreme Court, the Court's assumption must be that the state judiciary checked only by the Supreme Court's discretionary review will suffice to protect the fourth amendment rights of state prisoners. The Court has predicated its judgment on the belief that there is "no intrinsic reason why the fact that a man is a federal judge should make him more competent, or conscientious, or learned with respect to the [considerations of fourth amendment claims] than his neighbor in the state courthouse." [46] This assertion ignores the difference in the institutional setting and outlooks of the state and federal judiciaries. It also overlooks the inadequacy or unavailability of state remedies in many cases.

State judges, who are either locally elected or appointed and who serve terms of limited durations,[47] are subject to greater political pressure from the local citizenry than are federal judges. The concerns of these local constituents are likely to focus more on the guilt or innocence of a defendant than on the constitutional rights of that individual, and state judges tend unduly to reflect the substantive goals of the state criminal law in their decisions rather than the "goals of the Federal Constitution in protecting individual rights from unlawful government action." [48] Federal judges, who enjoy life tenure, however, operate in an institutional setting more insulated from local pressures and less insulated from review by the federal Courts of Appeal and the Supreme Court than their state counterparts.[49]

This distinction in the institutional pressures on state and federal judges was recognized in the debates of the Constitutional Convention,[50] in the debates over ratification of the Constitution,[51] and in the debate in Congress over the Reconstruction legislation which first broadened federal jurisdiction over state actions.[52] These assumptions concerning the bias and inadequacy of the state courts when presented with constitutional claims are a primary rationale for the existence of the inferior federal courts. In fact, state courts may not be as sympathetic to federal constitutional claims as are the

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federal courts.[53] Numerous instances of woeful disregard for federal law in state court proceedings can be cited; such disregard can be corrected only by federal habeus corpus actions.[54]

State remedies also may be inadequate or unavailable. In California, for example, where Powell originally was tried in the state courts, fourth amendment claims are not cognizable in the state's habeas corpus proceedings.[55] Even where available, state remedies may be inadequate or unresponsive to constitutional claims.[56]

Direct review of state court decisions by the Supreme Court provides insufficient federal scrutiny of state processes. First, the Supreme Court cannot possibly review all the state criminal convictions in which constitutional claims are raised.[57] Second, direct review by the Supreme Court will deny the defendant in a state criminal trial the benefit of a federal trial court's role in constructing a record and making findings of fact.[58] As an earlier Court emphasized, "[h]ow the facts are found will often dictate the decision of federal claims." [59] If one accepts the institutional arguments that the federal courts are more sympathetic to federal constitutional claims than state courts, then state criminal defendants should have some chance to have the facts in their cases determined in a federal forum.[60]

Finally, the federal district courts provide potentially more uniform treatment of constitutional claims than do the more numerous state courts.[61] Even before the Supreme Court speaks on a particular issue, there is likely to be a developing uniformity among the eleven Courts of Appeal. While divergences between circuits may appear on a given issue, these help to focus issues for the Supreme Court's ultimate determination. "In any event, the process is more likely to afford uniformity than any state interaction if only because there are fewer jurisdictions to reconcile." [62] Thus, contrary to the Court's assertions in *Stone*, proper adjudication of constitutional claims requires the availability of a federal forum free from the institutional constraints of the state trial and appellate courts.

B. Broad Federal habeas corpus jurisdiction is not inconsistent with "effective utilization of judicial resources"

The Court in *Stone* expressed its desire for "the most effective utilization of limited judicial resources." [63] However numerous habeas corpus petitions are,[64] they represent only a small fraction of total civil filings and consume on the average less than 1% of the federal judge's time.[65] Many petitions are disposed of without the need for a hearing; when a hearing is required, it frequently takes less than one day.[66] Moreover, Congress has responded to any overload caused by habeas corpus petitions by enacting the Federal Magistrates Act.[67] The Act provides for the preliminary screening by federal magistrates of applications for posttrial relief and the submission of a report and recommendation to the district judge to facilitate decisionmaking.[68] Congress also has limited wasteful duplication of effort between the state court and the federal district court by limiting the scope of collateral review to constitutional questions,[69] requiring exhaustion of state remedies,[70] and limiting the situations in which the federal court may redetermine controverted facts.[71]

Even supposing that habeas corpus petitions unduly burden the resources of the federal courts, the Supreme Court should not determine which substantive federal rights should be accorded enforcement priority.[72] If a rising caseload threatens to inundate the federal courts. Congress should act to provide additional resources or reexamine enforcement priorities in a systematic fashion.[73] Selective enforcement of constitutional claims by the federal courts is not an appropriate response.

C. The Interest in Finality in Criminal Trials Does Not Require Further Restriction of Federal Habeas Jurisdiction

The Court in *Stone* [74] as well as in *Francis* v. *Henderson* [75] cited the need for finality in criminal trials as a reason for restricting the habeas jurisdiction of the federal courts. While one many concede the need to establish a point beyond which state convictions will be immune from attack, where that point should be is not self-evident. In a federal system premised on the supremacy of federal law, some federal supervision of the state courts in their determination of federal constitutional claims is necessary. As final arbiter of federal constitutional claims, however, the Supreme Court is incapable of reviewing all state criminal convictions in which such claims have been raised. In order to effect some federal review of these claims, a workable division of labor between the Supreme Court and the lower federal courts is necessary. The habeas corpus statute established a regime which recognized the need for some federal supervision of constitutional claims and the Supreme Court's inability to examine all such claims on direct review.[76]

While finality of state court convictions is important, effective enforcement of constitutional guarantees must take precedence. The habeas corpus statute as previously interpreted adequately accommodated the state's interest in finality by establishing a presumption that the state hearings had been adequate and casting the burden of proving deficiencies upon the petitioner,[77] and by restricting federal collateral review to constitutional claims and violations of federal laws.[78] Thus, prior to *Stone* v. *Powell*, the habeas procedures, while recognizing the state interest in finality of criminal convictions, carried out "the manifest federal policy that federal constitutional rights of personal liberty shall not be denied without the fullest opportunity for plenary federal judicial review." [79]

D. Minimizing friction between the Federal and State judicial systems does not require the elimination of Federal habeas corpus review of Federal constitutional claims

The Court in *Stone* relied on the need to minimize friction between federal and state systems of justice.[80] The federal habeas procedures which the Court curtailed in *Stone*, however, were responsive to the need to accommodate both the state and federal interests at issue. Tension was reduced by requiring the prisoner to exhaust his state remedies prior to application for a writ, thus giving the state courts a chance to address the constitutional claim.[81] As noted above, if a federal court did entertain a habeas petition, it limited its review to federal and constitutional questions; [82] and even then the State's fact-finding process was presumed to be correct.[83]

Since the Supreme Court has appellate jurisdiction over all cases arising under the constitution and laws of the United States,[84] it is impossible to eliminate all federal scrutiny of state criminal procedings. Neither is it wise. In a system where federal law is supreme, some friction between the state and federal courts is inevitable.[85]

Moreover, the procedure which the Court created in *Stone v. Powell* holds the potential for increased intrusion by federal courts into the state judicial process. The Court's decision bars consideration of a fourth amendment claim unless the prisoner was not afforded an "opportunity for full and fair litigation" of the claim.[86] Thus the federal judge, rather than focusing in the first instance on the prisoner's fourth amendment claim, appears to be required to determine the adequacy of the state process, and then to deal with the constitutional questions should inadequacies be found. Though the content of the requirement of an "opportunity for full and fair litigation" is yet unclear, it raises the possibility that federal judges, otherwise precluded from granting redress to prisoners convicted on the basis of illegally obtained evidence, will engage in more searching scrutiny of the state judicial process than is common at present—a result likely to heighten, rather than diminish state-federal friction.[87]

IV. THE NEW FEDERALISM—A CHALLENGE FOR CONGRESS

Federalism concerns the proper relationship between the federal and state governments and thus must take into account in the interests of both. The Court, in its recent enunciation of a "new federalism," has been careful to safeguard the State's judicial,[88] executive,[89] and legislative functions.[90] However, the Court has failed to safeguard the interests of the federal government, especially the major federal interest, whether in habeas corpus petitions or civil rights actions—the enforcement of federal constitutional and statutory rights.

The federal interest theoretically can be protected by the states as well as by the federal government. The Court contends that, in fact, the state courts are equally as capable of enforcing federal rights as the federal courts.[91] The purpose of this Note has been to demonstrate, however, that the argument is far less persuasive than the Court asserts.[92] In its reasoning, the Court ignores the differences in institutional setting and outlook of the state and federal courts. It ignores the inadequacy and unavailability of state remedies, as well as the lack of responsiveness of state institutions. Finally, it ignores the basic assumptions that have led to the provision for inferior federal courts in the first instance and subsequently to the various congressional enactments defining the jurisdiction of the federal courts. The questionable assumptions of the Court's recent decisions manifest a fundamental hostility to the rights asserted themselves.[93]

By redrawing the limits of Federal jurisdiction more narrowly than the statutory limits provided by Congress, the Court has defined the extent to which it believes the federal courts should be available to vindicate constitutional and Federal claims. Congress need not accept this judgment of the Court; it has the constitutional power to define the jurisdictions of the federal courts.[94] Until it can be shown with greater certainty that state forums will give sufficient protection to federal rights, Congress should act to maintain the availability of the federal courts for vindication of those rights.

Congress should act to reverse *Stone v. Powell* by providing that any constitutional claim which can be raised on direct review also is cognizable by federal habeas corpus. Congress also should reverse *Francis* and *Davis* [95] by amending 42 U.S.C. §§ 2254 and 2255 to ensure that a habeas petition brought by a state or federal prisoner can be entertained despite procedural default in the trial court unless the prisoner has deliberately bypassed the appropriate procedures. Only the threat of habeas serves as a "necessary . . . incentive for trial and appellate courts throughout the land to conduct their proceedings in a manner consistent with established constitutional standards." [96]

FOOTNOTES

[1] *The Supreme Court, 1975 Term*, 90 HARV. L. REV. 58, 221 (1976).

[2] As used herein, the "new federalism" is a shorthand expression for this trend in Supreme Court decisions of increasing solicitude for state interests. The term was used in a similar fashion in Note, *Muncipal Bank-*

ruptcy, The Tenth Amendment and The New Federalism, 89 HARV. L. REV. 1871 (1976).

[3] 96 S. Ct. 3037 (1976).

[4] This pattern of Supreme Court decisions limiting the availability of the federal courts to vindicate federal claims extends well beyond the cases discussed in this Note.

Although the pattern is not uniform, it is clear enough: the Supreme Court is making it harder and harder to get a federal court to vindicate a broad range of federal constitutional and other legal rights. . . .

That there is indeed a pattern, and that it is more than accidental, seems clear from the scope and pervasiveness of the phenomenon. Class actions, standing to sue, federal review of constitutional claims in state criminal and civil proceedings, attorneys' fees, [the power of the federal court to fashion] meaningful remedies—in these and other contexts, the Supreme Court has sharply restricted the federal courts' power to protect basic rights. Instead, protection of these rights has been relegated to the state courts, few of which have shown themselves responsive. Society of American Law Teachers, Supreme Court denial of Citizen Access to Federal Courts to Challenge Unconstitutional or Other Unlawful Acts: The Record of the Burger Court 2–3 (October 1976). *See also Causes of Popular Dissatisfaction with the Administration of Justice: Hearings Before the Subcomm. on Const. Rights of the Senate Comm. on the Judiciary*, 94th Cong., 2d Sess. 64–68 (1976) (statement of Aryeh Neier and Burt Neuborne on behalf of the American Civil Liberties Union).

[5] Congressional power to define the jurisdiction of the federal courts derives from Article III, section 1 of the Constitution which states: "The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish." The Constitutional Convention that met in 1787 wrestled with several plans dealing with the inferior federal courts before it settled on the plan embodied in Article III. During the debates, John Rutledge had urged that the state courts would be sufficient to secure national rights, while James Madison had argued for the mandatory establishment of the inferior federal courts. These two positions were compromised, leaving it to the discretion of Congress to establish inferior federal courts. "And it seems to be a necessary inference from the express decision that the creation of inferior federal courts was to rest in the discretion of Congress, that the scope of their jurisdiction, once created, was also to be discretionary." P. Bator, P. Mishkin, D. Shapiro, & H. Wechsler, Hart & Wechsler's The Federal Courts and The Federal System, 11, 12 (2d ed. 1973) [hereinafter cited as Hart & Wechsler]. *See generally*, Reddish & Woods, *Congressional Power to Control the Jurisdiction of Lower Federal Courts: A Critical Review and a New Synthesis*, 124 U. Pa. L. Rev. 45 (1975).

[6] Justice Brennan, dissenting in *Stone*, argued that the "interest balancing approach" used to justify the majority decision is "nothing less than an obvious usurpation of Congress' Article III power to delineate the jurisdiction of federal courts." 96 S. Ct. at 3061 (Brennan, J., dissenting).

[7] 507 F.2d 93 (9th Cir. 1974). The court of appeals concluded that, although the exclusion of the evidence would serve no deterrent purpose with regard to police officers who were enforcing statutes in good faith, it would deter legislators from enacting unconstitutional statutes in the future. 507 F.2d at 98.

[8] 96 S. Ct. at 3052 n.37.

[9] *Id.*

[10] The Court rejected the argument of the dissent that the decision concerned the scope of the habeas corpus statute and was required as a matter of statutory interpretation. "Our decision today is *not* concerned with the scope of the habeas corpus statute as authority for litigating constitutional claims generally." *Id.*

[11] Younger v. Harris, 401 U.S. 37 (1971); Huffman v. Pursue, Ltd., 420 U.S. 592 (1975); Hicks v. Miranda, 422 U.S. 332 (1975). *See* Maraist, *Federal Intervention in State Criminal Proceedings: Dombrowski, Younger, and Beyond*, 50 Tex. L. Rev. 1324 (1972); Note, *Federal Jurisdiction—The Abstention Doctrine As Amended by Hicks v. Miranda: A Legal Definition and Ominous Omissions*, 54 N.C. L. Rev. 247 (1976). *See* also text accompanying notes 32–37 *infra*.

[12] The Court noted that its decision did not mean that the federal courts lack jurisdiction over fourth amendment claims. 96 S. Ct. at 3052 n. 37. Under 28 U.S.C. § 2254(a), federal jurisdiction is only available when the petitioner is held in state custody "in violation of the Constitution or laws or treaties of the United States." The existence of jurisdiction must then mean that where unconstitutionally-seized evidence has been admitted at trial, a violation of the Constitution has occurred. Thus, it is not the Constitution which requires that fourth amendment claims not be cognizable on habeas corpus review.

However, nothing in the habeas corpus statute indicates that the federal courts have the discretion to reject a category of cases over which they have jurisdiction. Thus, one can only conclude that the Court's decision was founded upon the policy considerations it put forward. *See* text accompanying notes 13–20 *infra*.

For further discussion of why the decision cannot be constitutionally based, *see* the dissent of Justice Brennan, 96 S. Ct. at 3057–61.

[13] 367 U.S. 643 (1961).

[14] 96 S. Ct. at 3047 (citing Mapp v. Ohio, 367 U.S. 643, 658 (1961)). *See also* Oaks, *Studying the Exclusionary Rule in Search and Seizure*, 37 U. Chi. L. Rev. 665 (1970).

[15] 96 S. Ct. at 3051.

[16] *Id.* at 3049–50.

[17] *Id.* at 3050. For a discussion of the effect of *Stone v. Powell* on the exclusionary rule, *see* Note, *Fourth Amendment in the Balance—The Exclusionary Rule After Stone v. Powell*, 28 Baylor L. Rev. 611 (1976).

[18] 96 S. Ct. at 3052 n.37.

[19] *Id.* at 3051–52 n.35 (citations omitted). *See* Bator, *Finality in Criminal Law and Federal Habeas Corpus for State Prisoners*, 76 HARV. L. REV. 441, 509 (1963).

[20] 96 S. Ct. at 3050 n.31, (quoting Schneckloth v. Bustamonte, 412 U.S. 218, 259 (Powell, J., concurring)). *See* also Friendly, *Is Innocence Irrelevant? Collateral Attack on Criminal Judgments*, 38 U. Chi L. Rev. 142 (1970).

[21] "[T]he application of the [exclusionary] rule is limited to cases in which there has been both such a showing [that the state prisoner was denied an opportunity for a full and fair litigation of that claim] *and* a Fourth Amendment violation." 96 S. Ct. at 3052 n.37 (emphasis added).

[22] As used in this Note, "comity" refers to the discretionary deference of the federal courts to the state courts. Comity often appears in the guise of the minimization of federal interference with state processes.

[23] 96 S. Ct. at 3062–63 (Brennan, J., dissenting). Justice Brennan's dissent was joined by Justice Marshall. Justice White filed a separate dissent.

[24] 96 S. Ct. 1708 (1976).

[25] 372 U.S. 391 (1963).

[26] 96 S. Ct. at 1710.

[27] *Id.* at 1711.

[28] The Court referred to its decision in Davis v. United States, 411 U.S. 233 (1973), as presenting an analogous concern for the federal interest in the federal rules of criminal procedure. In *Davis*, the Court held that a federal prisoner who failed to make a timely challenge to the racial composition of the grand jury that indicted him could not later seek collateral relief by federal habeas corpus pursuant to 28 U.S.C. § 2255. The Court based its decision on an interpretation of congressional intent under Rule 12(b)(2) of the Federal Rules of Criminal Procedure and 28 U.S.C. § 2255. Rule 12(b)(2) provides that a challenge to the constitutional validity of a grand jury must be made by motion before the trial. The Court held that Congress in enacting § 2255, which provides relief to federal prisoners held in violation of the Constitution, did not mean to undercut the effect of Rule 12(b)(2) by allowing federal prisoners to mount the same challenge prohibited by 12(b)(2) in a post-trial petition under § 2255. 411 U.S. at 242.

[29] 96 S. Ct. at 1711.

[30] The rationale underlying both *Davis* and *Francis* is that the right to raise federal constitutional claims on habeas corpus should be restricted to deter defendants from violating state and federal rules of criminal procedure. However, as the Court recognized in Fay v. Noia, deterrence is only an effective policy against actions done knowingly or intentionally. Prisoners who because of inexperience, poor counsel, or other reasons are unaware of their rights will not be deterred by the Court's new standard, but instead will be trapped in a needlessly "airtight system of forfeitures." 372 U.S. at 432.

[31] *See* Note, *Municipal Bankruptcy, The Tenth Amendment and The New Federalism*, 89 Harv. L. Rev. 1871, 1874–1875 (1976).

[32] 42 U.S.C. § 1983, originally part of the Civil Rights Act of 1871, today reads: "Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any State or Territory, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and laws, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress."

For historical background on § 1983, *see* Monroe v. Pape, 365 U.S. 167 (1961). *See generally* McCormack, *Federalism and Section 1983: Limitations on Judicial Enforcement of Constitutional Protections, Part I*, 60 U. Va. L. Rev. 1 (1974).

[33] 401 U.S. 37 (1971).

[34] *Id.* at 43–57.

[35] *Id.* at 44.

[36] 422 U.S. 332 (1975).

[37] 420 U.S. 592 (1975).

[38] 414 U.S. 488 (1974).

[39] *Id.* at 493–99.

[40] *Id.* at 502.

[41] 423 U.S. 362 (1976).

[42] *Id.* at 367–68. The district judge found five constitutional violations, but the Supreme Court was willing to concede, *arguendo*, that fourteen additional incidents, as to which the district court had made no finding, amounted to constitutional violations. *Id.* at 368.

[43] COPPAR v. Tate, 357 F. Supp. 1289, 1321–22 (E.D. Pa. 1973).

[44] 423 U.S. at 372–73.

[45] *Id.* at 380. Thus, the Court explicitly brought *Rizzo* into the *Younger* line of abstention cases, also citing Huffman v. Pursue, Ltd., 420 U.S. 592 (1975).

[46] 96 S. Ct. at 3051 n.35 (quoting Bator, *Finality in Criminal Law and Federal Habeas Corpus for State Prisoners*, 76 Harv. L. Rev. 441, 509 (1963)).

[47] *See, e.f.*, Cal. Const. art. 6, § 16.

[48] *Developments in the Law—Federal Habeas Corpus*, 83 Hard. L. Rev. 1038, 1060 (1970).

[49] *Id.* at 1061; Chevigny, *Section 1983 Jurisdiction: A Reply*, 83 Harv. L. Rev. 1352, 1357 (1970).

[50] During the debate over the establishment of the inferior federal courts, James Madison noted that an appeal from the state courts

to the Supreme Court may not, in many cases, be a remedy. "What was to be done after improper Verdicts in State tribunals obtained under the biased directions of a dependent Judge, or the local prejudices of an unairected jury?" Hart & Wechsler, *supra* note 5 at 11.

[54] Alexander Hamilton, discussing in *The Federalist* why the adjudication of federal questions should not be left to the states, wrote:

The most discerning cannot foresee how far the prevalency of a local spirit may be found to disqualify the local tribunals for the jurisdiction of national causes; whilst every man may discover that courts constituted like those of some of the states would be improper channels of the judicial authority of the Union. State judges, holding their offices during pleasure, or from year to year, will be too little independent to be relied upon for an inflexible execution of the national laws. The Federalist No. 81, at 510 (B. Wright ed. 1961) (A. Hamilton).

[52] During debate over the Civil Rights Act of 1871, Representative Coburn stated: The United States courts are further above mere local influence than the county courts; their judges can act with more independence, cannot be put under terror as local judges can; their sympathies are not so nearly identified with those of the vicinage: the jurors are taken from the State, and not the neighborhood: they will be able to rise above prejudices or bad passions or terror more easily. Cong. Globe, 42d Cong., 1st Sess. 460 (1871). *See also id.* at 653 (comments of Senator Osborn); Monroe v. Pape, 365 U.S. 167, 172–85 (1961).

[53] "[I]t is difficult to avoid concluding that federal courts are more likely to apply federal law sympathetically and understandingly than are state courts." ALI, Study of the Division of Jurisdiction Between State and Federal Courts 166 (1969). *See also Developments in the Law—Federal Habeas Corpus*, 83 Harv. L. Rev. 1038, 1060–63 (1970); Amsterdam, *Criminal Prosecutions Affecting Federally Guaranteed Civil Rights: Federal Removal and Habeas Corpus Jurisdiction to Abort State Court Trial*, 113 U. Pa. L. Rev. 793, 800–03 (1965); McCormick, *Federalism and Section 1983: Limitations on Judicial Enforcement of Constitutional Claims, Part II*, 60 U. Va. L. Rev. 250, 263–64 (1974); Chevigny, *Section 1983 Jurisdiction: A Reply*, 83 Harv. L. Rev. 1352, 1357–59 (1970); Mishkin, *The Federal "Question" in the District Courts*, 53 Colum. L. Rev. 157, 158 (1953).

[54] An amicus brief submitted to the Supreme Court by the American Civil Liberties Union in *Stone* v. *Powell* cited numerous cases in which fourth amendment claims were presented to state courts and rejected even though the applicable precedents made clear that the fourth amendment had been violated. Amicus Brief by American Civil Liberties Union at 18–21, Stone v. Powell, 96 S. Ct. 3037 (1976). Among the state cases which were reversed on fourth amendment grounds on federal habeas review in 1975 were Patterson v. Lockhard, 513 F. 2d 579 (8th Cir. 1975); Moffet v. Wainwright, 512 F. 2d 496 (5th Cir. 1975); United States *ex rel.* Coleman v. Smith, 395 F. Supp. 115 (W.D.N.Y. 1975); O'Berry v. Wainwright, 394 F. Supp. 591 (S.D. Fla. 1975); Frankboner v. Robinson, 391 F. Supp. 542 (W.D. Va. 1975).

[55] *In re* Wright, 65 Cal. 2d 652, 422 F. 2d 998, 56 Cal. Rptr. 110 (1967). *See also* Reitz, *Federal Habeas Corpus: Post-conviction Remedy for State Prisoners*, 108 U. Pa. L. Rev. 461, 465 (1960) ("The narrow common-law writ of habeas corpus which the states incorporated into their jurisprudence is totally incapable of encompassing the modern issues of due process and equal protection.").

[56] Inadequate state processes are not restricted to the settling of habeas corpus. In Rizzo v. Goode, 423 U.S. 362 (1976), the Supreme Court prevented the district court from providing injunctive relief, saying that the "federal courts must be constantly mindful of the 'special delicacy of the adjustment to be preserved between federal equitable power and state administration of its own law'." *Id.* at 378 (citations omitted).

Yet in its concern for the administration of state law, the Court left unremedied the state's failure to enforce federal constitutional rights. The district judge previously had found that the state remedies (such as Police Department complaint procedures, redress through the Commission on Human Relations or the Police Advisory Board of Philadelphia, criminal prosecution by the Philadelphia District Attorney, and private civil actions against the police) for the unconstitutional police activities at issue were inadequate or no longer in existence. COPPAR v. Tate, 357 F. Supp. 1289, 1292–94, 1319 (E.D. Pa. 1973).

In contrast, no one has ever denied the efficacy of the district court's remedy "or the fact that it effectuated a betterment in the system." 423 U.S. at 381 (Blackmun, J., dissenting). The federal courts have proven adept at meeting the problems posed by the changing nature of litigation from the traditional model of disputes between private parties over private rights to the conception of litigation as a method of carrying out public policy through vindication of constitutional and statutory rights. This facility of the federal courts is attributable partly to the liberal pleading, joinder, and class action provisions of the Federal Rules of Civil Procedure, and the flexibility of response to the problems accompanying such suits, with their concomitant size and complexity, by such means as the appointment of magistrates and masters. *See* Chayes, *The Role of the Judge in Public Law Litigation*, 89 HARV. L. REV. 1281 (1976).

[57] *See* Reitz, *Federal Habeas Corpus: Post-conviction Remedy for State Prisoners*, 108 U. Pa. L. Rev. 461, 464 (1960).

[58] *See* 28 U.S.C. § 2254(d) (1970).

[59] England v. Louisiana State Bd. of Medical Examiners, 375 U.S. 411, 416 (1964). *See also* Townsend v. Sain, 372 U.S. 293, 312 (1963).

[60] As Professor Amsterdam described the situation:

These defendants (in civil rights cases) depend on the federal constitution. . . . Its guarantees turn on questions of fact. The defendants are tried in state courts and the facts are found against them. It was known that the facts would be found against them, and they are. If this was an end of factfinding, the Constitution would be worthless. Amsterdam, *supra* note 53, at 840.

[61] *See Developments in the Law, supra* note 53, at 1061. This same argument applies to the consideration of the availability of federal court review of constitutional claims arising under § 1983. *See* Chevigny, *supra* note 53, at 1357–58.

[62] Chevigny, *supra* note 53, at 1358.

[63] 96 S. Ct. at 3050 n. 31.

[64] After an increase in the number of habeas petitions in the 1960's, the number of petitions has dropped markedly in the last few years. The number of habeas corpus petitions from state prisoners increased from 1,020 in fiscal 1961 to 9,063 in fiscal 1970. Administrative Office of the U.S. Courts, Annual Report of the Director 135, table 17 (1971). Between 1971 and 1974 the number of habeas corpus petitions has declined from 8,372 to 7,626. In 1974, habeas corpus petitions from state prisoners represented less than 8% of the total civil filings in the United States district courts. Administrative Office of the U.S. Courts, Annual Report of the Director. 221–22. tables 49–50 (1974).

[65] Habeas corpus petitions from state prisoners constitute 8% of civil filings but require less than 1% of the average judge's time. Note, *Proposed Modification of Federal Habeas Corpus for State Prisoners—Reform or Revocation*, 61 Geo. L. J. 1221, 1246 (1973). *See also* Shapiro, *Federal Habeas Corpus: A Study in Massachusetts*, 87 Harv. L. Rev. 321, 367–72 (1973).

[66] Yet it is all too easy to overstate the strain that an expanded habeas jurisdiction and expanded federal constitutional rights put on the judicial system. Most of the petitions were quickly dismissed: less than 500 reached the hearing state, and most of those hearings lasted less than one day. Nor was the burden on the states staggering: many petitions do not even require a response; less than ten percent of the state convictions attacked had to be defended in a hearing, and so few prisoners were released that the burden of retrial must be small. *Developments in the Law, supra* note 53, at 1041 (footnotes omitted).

[67] 28 U.S.C. § 636 (Supp. IV 1974).

[68] 28 U.S.C. § 636(b)(3) (Supp. IV 1974). The performance of the magistrate's function was explicitly intended "to afford some degree of relief to district judges and their law clerks, who are presently burdened with burgeoning numbers of habeas corpus petitions and applications under 28 U.S.C. 2255." S. Rep. No. 371, 90th Cong., 1st Sess. 26 (1967).

[69] 28 U.S.C. § 2254(a) (1970).

[70] *Id.* § 2254(b).

[71] *Id.* § 2254(d).

[72] Evaluating the relationship between Congress and the Supreme Court on habeas corpus, Justice Frankfurter wrote:

Congress could have left the enforcement of federal constitutional rights governing the administration of criminal justice in the States exclusively to the State courts. These tribunals are under the same duty as the federal courts to respect rights under the United States Constitution. . . . It is not for us to determine whether this power should have been vested in the federal courts. . . . [*The wisdom of such a modification in the law is for Congress to consider*, particularly in view of the effect of the expanding concept of due process upon enforcement by the States of their criminal laws. *It is for this Court to give fair effect to the habeas corpus jurisdiction as enacted by Congress. By giving the federal courts that jurisdiction, Congress has imbedded into federal legislation the historic function* of *habeas corpus adopted to reaching an enlarged area of claims.* . . .

Congress has the power to distribute among the courts of the States and of the United States jurisdiction to determine federal claims. It has seen fit to give this Court power to review errors of federal law in State determinations, and in addition to give to the lower federal courts power to inquire into federal claims, by way of habeas corpus . . . But it would be in disregard of what Congress has expressly required to deny State prisoners access to the federal courts. Brown v. Allen, 344 U.S. 443, 499–500, 508–10 (1953) (concurring opinion) (emphasis added).

[73] Senator Nelson (D. Wis.) commented during the last congressional term: In my view, the assertion of constitutional rights—and the existence of a federal forum to review those claims—is vitally important for the society, as well as for the petitioner. Our willingness to use scarce judicial resources in this way reflects again the high priority this society places on constitutional liberties and individual freedom. If this society no longer values the constitutional rights to the same degree, that judgment should be reflected by the representatives of the people—Congress—through a decision to restrict the habeas jurisdiction of the federal courts. Congress is also the only body which can address the rising caseload in the federal courts in a sys-

tematic way and make some basic judgments about how scarce judicial resources should be allocated. 121 Cong. Rec. 34695 (Oct. 1, 1976). Oct. 1, 1976).

[74] 96 S. Ct. at 3050 n.31.

[75] 96 S. Ct. at 1711.

[76] *See* Freund, *Symposium: Habeas Corpus—Proposal for Reform*, 9 UTAH, L. REV. 18, 30 (1964).

[77] *See* 28 U.S.C. § 2254(d) (1970).

[78] *See id.* § 2254(a).

[79] Fay v. Nola, 372 U.S. 391, 424 (1963).

[80] 96 S. Ct. at 3050 n.31.

[81] *See* 28 U.S.C. § 2254(b) (1970). *See also* Wright & Sofaer, *Federal Habeas Corpus for State Prisoners: The Allocation of Fact-Finding Responsibility*, 75 YALE L. J. 895, 903 (1966).

[82] *See* 28 U.S.C. § 2254(a) (1970).

[83] *See* Id. § 2254(d).

[84] U.S. CONST. art. III.

[85] Professor Freund has commented that friction between the federal and state courts "is largely a matter of psychology which is self-determining and self-correcting. It seems to me if this is seen as really a problem of internal federal judicial **adm**inistration, there is no reason why state judges should feel offended that review is had by a district judge rather than by Supreme Court justices. If it would help any, one might think of the federal district judges sittting as delegates or masters for the Supreme Court." Freund, *Symposium: Habeas Corpus —Proposal for Reform*, 9 UTAH L. REV. 18, 30 (1964). *See also* Brown v. Allen, 344 U.S. 443, 510 (1953) (Frankfurter, J., concurring).

[86] 96 S. Ct. at 3039, 3052.

[87] *See* Note, *Federal Habeas Corpus for State Prisoners and the Fourth Amendment*, 52 N.C.L. Rev. 633, 642 (1974).

[88] *See* text accompanying notes 32–37 *supra*, regarding *Younger*, *Huffman*, *Hicks*, *O'Shea*, and *Francis*.

[89] *See* text acoompanying notes 41–45 *supra*, regarding *Rizzo v. Goode*.

[90] *See, e.g.*, Warth v. Seldin, 422 U.S. 490, 508 n.18 (1975).

[91] 96 S. Ct. at 3051 n.35.

[92] *See* Section III *supra*.

[93] *See* Stone v. Powell, 96 St. Ct. 3037, 3071 (1976) (Brennan, J. dissenting); Rizzo v. Goode, 423 U.S. 362, 383–84, 387 (1976) (Blackmun, J., dissenting); Warth v. Seldin, 422 U.S. 490, 520 (1976) (Brennan, J., dissenting).

[94] *See* note 5 *supra*.

Congress demonstrated its concern with the continued availability of federal post-conviction remedies late in 1976. In April the Supreme Court had promulgated rules of practice and procedure for post-conviction relief under 28 U.S.C. §§ 2254, 2255. Following objections to the proposed rule by several Congressmen, eight amendments were passed which made it easier for habeas petitioners to get a federal hearing than would have been the case under the Court's proposed rules. Act of Sept. 28, 1976, Pub. L. No. 94–426, 90 Stat. 1334 (1976).

[95] *See* notes 24–30 *supra*, and accompanying text.

[96] Disist v. United States, 394, U.S. 244, 262–63 (1969) (Harlan, J., dissenting).

By Mr. DECONCINI (for himself, Mr. ALLEN, Mr. BAYH, and Mr. KENNEDY):

S. 1315. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes; to the Committee on the Judiciary.

BILINGUAL COURTS ACT

Mr. DECONCINI. Mr. President, on behalf of myself and Senators KENNEDY, BAYH, and ALLEN, I am pleased to today reintroduce the Bilingual Courts Act, which the Senate has passed in the two preceding Congresses on September 30, 1974 and July 14, 1975. This legislation will guarantee to every American who is not fluent in the English language the services of a competent interpreter in any criminal or civil proceeding in a Federal court. Our citizens of Spanish, Puerto Rican, Chinese, native American and other heritages who do not adequately understand English as well as our deaf citizens who must communicate by sign language are in effect denied real justice under the law without this guarantee.

The Bilingual Courts Act establishes this guarantee in its two major provisions. The first part of the bill sets standards, based on constitutional guarantees already enumerated by the courts, for use of interpreters in the Federal courts. In any criminal or civil case, when the judge determines that a defendant, a party or witness cannot understand English sufficiently well to comprehend the testimony, the judge shall order a translation of all proceedings for that person. In a criminal case, an oral simultaneous translation is required. In civil cases, where circumstances warrant, the judge has discretion to order consecutive or summary translation rather than simultaneous. At the judge's discretion, an electronic recording of the proceedings may be kept to verify the translation for the record. When an interpreter is required, the judge shall obtain the services of a local or nearby certified interpreter from a list kept by the district courts, or if none is available, another competent interpreter.

The second part of the act assigns to the administrative office of the courts the responsibility for implementation of the new interpreter rules. The office will identify competent interpreters for lists kept by the district courts, hire full or part-time interpreters for use in districts with high need, purchase necessary equipment, set fee schedules for interpreter services, and carry out other necessary functions. The act will result in the upgrading of the quality and quantity of interpreters in the Federal courts.

In the 93d Congress the Subcommittee on Improvements in Judicial Machinery conducted 2 days of hearings and received testimony in favor of the Bilingual Courts Act from civic leaders, lawyers, judges, persons involved in the administration of justice and from representatives of the administration. J. Stanley Pottinger, Assistant Attorney General for the Civil Rights Division of the Department of Justice, testified that:

The bilingual courts bill represents recognition that a person's ability to comprehend the language of the court is an indispensable element of equality and efficiency in the courts. The Justice Department endorses this legislation.

The Bilingual Courts Act is necessitated not only by a sense of fundamental fairness in our judicial system, but by the Constitution itself. It is mandated by the sixth amendment guarantees of the right to effective counsel and the right of confrontation. Only through the aid of simultaneous translation will the party be able to communicate with his attorney to enable that attorney to effectively cross-examine those English-speaking witnesses, to test their credibility, their memory, and their accuracy of observation in the light of the defendant's version of the facts. Though case law on the subject is sparse, the U.S. Second Circuit Court of Appeals has held, in *U.S. ex rel Negron v. New York*, 434 F.2d 386 (2d Cir. 1970), that it is constitutionally required that a non-English speaking defendant be provided with a simultaneous translation of all courtroom proceedings.

The fifth amendment, providing that "no person * * * shall be deprived of life, liberty or property without due process of law", supports my belief that the Bilingual Courts Act should apply to both criminal and civil proceedings. Surely any legal proceeding that allows a party to an action to be deprived of life, liberty or property without first insuring that he fully understands what is happening at the trial lacks in basic and fundamental fairness and thus violates the due process clause.

The proposals contained in this legislation are certainly not novel. Article 2(a) of the Canadian Bill of Rights, adopted in 1960, guarantees every person the right to the assistance of an interpreter in any proceeding in which he is involved if he does not understand or speak the language in which the case is being heard. In addition, the Constitution of the State of New Mexico explicitly provides that in all criminal proceedings the defendant is entitled "to have the charge and testimony interpreted to him in a language that he understands".

Fundamental fairness, the integrity of the fact-finding process, the potency of our adversary system of justice and the Constitution demand the enactment of the Bilingual Courts Act.

Mr. President, the need is clear. The Senate has twice passed this legislation and I am confident that it will do so again in the very near future. I would hope that this year the House would see its way clear to hold hearings and then favorably act on this vitally important legislation.

I ask unanimous consent, Mr. President, to have the text of the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "Bilingual Courts Act".

CONDUCT OF BILINGUAL PROCEEDINGS

SEC. 2. (a) Chapter 119 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1827. Bilingual proceedings

"(a)(1) In any criminal action, whenever the judge determines, on his own motion or on the motion of a party to the proceedings, that (A) the defendant does not speak and understand the English language with a facility sufficient for him to comprehend either the proceedings or the testimony, or (B) in the course of such proceedings, testimony may be presented by any person who does not so speak and understand the English

language, the court, in all further proceedings in that action, including arraignment, hearings, and trial, shall order an oral simultaneous translation of the proceedings, or an oral simultaneous translation of that testimony, to be furnished by an interpreter in accordance with the provisions of subsection (b) of this section.

"(2) In any civil action, whenever the judge determines on his own motion or on the motion of a party to the proceedings, that (A) a party does not speak and understand the English language with a facility sufficient for him to comprehend either the proceedings or the testimony, or (B) in the course of such proceedings, testimony may be presented by any person who does not so speak and understand the English language, in all further proceedings in that action, including hearings and trial, the court shall order an oral translation of the proceedings to be made by an interpreter in accordance with the provisions of subsection (b) of this section. The judge shall also determine, in the interests of justice, whether the translation shall be simultaneous, consecutive, or summary in nature, except that if a party requests a simultaneous translation, the court shall give the request special consideration.

"(3) In any criminal or civil action, the judge, on his own motion or on the motion of a party to the proceedings, may order all or part of the non-English testimony and the translation thereof to be electronically recorded for use in verification of the official transcript of the proceedings.

"(4) The defendant in any criminal action, or a party in any civil action, who is entitled to a translation required under this section, may waive the translation in whole or in part. The waiver must be expressly made by the defendant or party upon the record and approved by his attorney and by the judge. An interpreter shall be used to explain the nature and effect of the waiver to the non-English speaking defendant or party.

"(5) The term 'judge' as used in this section shall include a United States magistrate and a referee in bankruptcy.

"(b)(1) The district court in each judicial district shall maintain on file in the office of the clerk of the court a list of all persons in that district who have been certified as interpreters by the Director of the Administrative Office of the United States Courts under section 604(a)(12) of this title.

"(2) In any action where the services of an interpreter are required to be utilized under this section, the court shall obtain the services of a certified interpreter from within the judicial district, except that, where there are no certified interpreters in the judicial district, the court, with the assistance of the Administrative Office of the United States Courts, shall determine the availability of and utilize the services of certified interpreters from nearby districts. Where no certified interpreter is available from a nearby district, the court shall obtain the services of an otherwise competent interpreter".

(b) The analysis of chapter 119, of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1827. Bilingual proceedings.".

FACILITIES AND PERSONNEL FOR BILINGUAL PROCEEDINGS

SEC. 3. Section 604(a) of title 28, United States Code, is amended—

(1) by redesignating paragraph (12) as paragraph (13); and

(2) by inserting immediately below paragraph (11) the following new paragraph:

"(12) Under section 1827 of this title, (A) prescribe, determine, and certify the qualifications of persons who may serve as certified interpreters in bilingual proceedings, and in so doing shall consider the education, training, and experience of those persons; (B) maintain an updated master list of all interpreters certified by him, and report annually on the frequency of requests for, and the use and effectiveness of interpreters in bilingual proceedings pursuant to the provisions of this Act; (C) provide, or make readily available to each district court, appropriate equipment and facilities for the translation of non-English languages; (D) prescribe, from time to time, a schedule of reasonable fees for services rendered by such interpreters and, in those districts where the Director considers it advisable based on the need for interpreters, authorize the employment by the court of certified full-time or part-time interpreters; and (E) pay out of moneys appropriated to the judiciary for the conduct of bilingual proceedings the amount of interpreter's fees or costs of recording which may accrue in a particular proceeding, unless the court, in its discretion, directs that all or part of those fees or costs incurred in a civil proceeding in which an interpreter is utilized pursuant to section 1827(a)(2) of this title be apportioned between the parties or allowed as costs in the action;".

APPROPRIATIONS

SEC. 4. There are hereby authorized to be appropriated to the Federal judiciary such sums as may be necessary to carry out the amendments made by this Act.

EFFECTIVE DATE

SEC. 5. The amendment made by this Act shall take effect on the date which is six months after the date of enactment of this Act.

By Mr. CULVER:

S. 1316. A bill to authorize appropriations for fiscal years 1978, 1979, and 1980 to carry out State cooperative programs under the Endangered Species Act of 1973; to the Committee on Environment and Public Works.

Mr. CULVER. Mr. President, today I am taking this opportunity to introduce legislation authorizing continued Federal assistance under section 6(i) of the 1973 Endangered Species Act for State programs protecting endangered or threatened species of fish, wildlife, and plants.

When Congress enacted this important act in 1973, it was apparent that the participation of the States would be essential to the success of our national efforts to preserve fish and wildlife from extinction. Accordingly, section 6(i) of the Endangered Species Act provides funding for cooperative Federal-State agreements that maintain active programs for the conservation of threatened or endangered species. To assist States with the development of appropriate programs, $10 million was authorized under this provision through fiscal year 1977 for allocation by the Departments of the Interior and of Commerce. The Federal share of the costs of these intergovernmental projects may be as high as 75 percent.

To date, 17 States have signed cooperative agreements with the Interior Department under this section of the law and are therefore eligible for Federal assistance. The Department has helped these States to develop and implement recovery programs for over 30 endangered species, including the bald eagle, the California condor, and the American peregrine falcon. It is anticipated that another 13 States will soon participate in this arrangement.

Mr. President, I believe this cooperative effort is vitally important and provides the necessary assistance that many States have needed to enhance their fish and wildlife protection projects. Funding for section 6(i) of the Endangered Species Act expires at the end of this fiscal year, and the legislation which I am introducing would reauthorize financial aid for these State activities under section 6(i) through fiscal year 1980. A total of $3 million would be authorized for each fiscal year.

The Senate Subcommittee on Resource Protection will conduct a hearing on this bill on April 21, 1977, and I am confident we will be able to give this important measure our full and expeditious consideration.

Mr. President, I know that several Senators are concerned about various developments regarding the implementation of the Endangered Species Act. As chairman of the Resource Protection Subcommittee, I hope my colleagues will refrain from using legislation reauthorizing section 6(i) as a vehicle for addressing their particular concerns about other aspects of the act. I believe these broader issues should be examined closely, and the subcommittee will hold comprehensive oversight hearings on the implementation of the endangered species program later this summer.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(1) of the Endangered Species Act of 1973 (16 U.S.C. 1535(1)) is amended to read as follows:

"(1) APPROPRIATIONS.—For the purposes of this section, there are authorized to be appropriated not to exceed the following sums:

"(1) $10,000,000 through the period ending September 30, 1977.

"(2) $3,000,000 for each of the fiscal years ending September 30, 1978; September 30, 1979 and September 30, 1980.".

By Mr. MATSUNAGA:

S. 1318. A bill to permit the State of Hawaii to use the proceeds from the sale, lease, or other disposition of certain real property for any public purpose; to the Committee on Armed Services.

SAND ISLAND

Mr. MATSUNAGA. Mr. President, today I am introducing proposed legislation, identical to H.R. 12003 and H.R. 1895, my bills of the 93d and 94th Congresses, respectively, which seeks to correct an oversight in the law that currently prevents the State of Hawaii from developing 202 acres of prime State-owned land on Sand Island for much-needed industrial purposes.

One of Hawaii's most pressing problems is the shortage of industrial land on Oahu, the State's most populous island. An ideal location for the expansion of industrial activity within the city of Honolulu is Sand Island, which forms the protective seaward perimeter of Honolulu Harbor. Because of its proximity to

the State's business and industrial centers, Sand Island, and particularly the above-mentioned real property which my bill addresses, is greatly needed for the continued development of the State's transportation and commerce. Anticipated uses of the land include improved maritime facilities, bulk fuel storage for Honolulu International Airport, one of the world's busiest, and expansion of Hawaii's most successful foreign trade zone.

However, an oversight in the applicable statutes currently prevents the State from utilizing revenues from the lease or sale of the above-mentioned 202 acres for purposes other than the support of the University of Hawaii. The land, formerly part of the Sand Island Military Reservation, was transferred to the then-Territory of Hawaii by Executive Order No. 10837 in August 1959, with the above stipulation regarding the University of Hawaii. That condition was set forth in Public Law 85–756, signed by President Eisenhower on August 25, 1958, which authorized the President to convey the 202 acres to the Territory of Hawaii by executive order, an action which he carried out a year later.

Since the passage of the legislation and the subsequent executive order, Hawaii has become a State, and the University of Hawaii is now funded directly from the State's general fund. However, the restriction on the use of the 202 acres at Sand Island has not been lifted, an action which requires amendatory legislation.

Through the passage of my bill, Congress would eliminate this outdated restriction on the use of the revenues received from the land, and would give Hawaii the flexibility to use the 202 acres on Sand Island for any public purpose. I emphasize that passage of the legislation would not be to the detriment of the University of Hawaii, the funding of which is now provided directly by the State.

Previous replies from the Department of Defense and the Department of the Interior to requests for executive comments on my previous bills have specified no objections to the passage of this legislation, and I have no reason to believe that the situation has been altered since then. Accordingly, I respectfully request that the appropriate committee or committees and the full Senate undertake the expeditious passage of this corrective and necessary legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1318

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 4(a) of the Act entitled "An Act to provide for the transfer of title to certain land at Sand Island, Territory of Hawaii, to the Territory of Hawaii, and for other purposes", approved August 25, 1958, the State of Hawaii may use for any public purpose the revenue or proceeds from the sale, lease, or other disposition of the lands held by it under a transfer made by Executive Order Numbered 10833 under such Act on August 25, 1959.

By Mr. MATSUNAGA:

S. 1319. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

CITIZENSHIP FOR FILIPINO VETERANS OF WORLD WAR II

Mr. MATSUNAGA. Mr. President, I am introducing today legislation which would grant immediate U.S. citizenship to certain Filipino veterans who fought with the U.S. Armed Forces in World War II.

Immediately following the attacks on Pearl Harbor and Manila by the Japanese Imperial Air Force in December 1941, many natives of the Philippines volunteered for service in the U.S. armed services. They fought with great valor and courage and their enlistment was welcomed by the Government of the United States. Indeed, the U.S. Government made strenuous efforts to recruit Filipinos for service in our Armed Forces.

As an inducement to enlistment, many recruiters assured the Filipinos that they would be eligible for citizenship if they served honorably in the Armed Forces during World War II. In 1942, the Second War Powers Act was signed into law. Among other things, the act waived some of the normal naturalization requirements for aliens who, like the Filipinos, fought with the U.S. forces overseas.

Many Filipino veterans did become American citizens before the Second War Powers Act expired in 1946. Regrettably, however, others were denied citizenship either because they were unaware of the provisions of the Second War Powers Act or because they were discouraged by officials of the U.S. Immigration and Naturalization Service who, allegedly, stopped processing citizenship applications before the Second War Powers Act expired in 1946. In recent years, a number of these veterans have entered the United States on temporary visas and they are seeking U.S. citizenship on the basis of their honorable military service during World War II. Sixty-eight of them, facing deportation, filed suit in the U.S. district court in San Francisco to block the deportation order. Ruling in their favor, Judge Charles B. Renfrew said:

> The court cannot ignore the heroic sacrifices made by these and other Filipinos during World War II. Their courage and valor at Corregidor, during the Bataan Death March, and throughout the Japanese occupation of the Philippine Islands, stand as the finest examples of the dedication of free men opposing and resisting tyranny."

An appeal, filed by the U.S. Department of Justice, is still pending in the Ninth U.S. Court of Appeals.

The Filipino veterans were somewhat disconcerted by the Ford administration's willingness to appeal the decision, and to pursue deportation. After all, as one of them pointed out, the United States had recently admitted more than 150,000 Vietnamese refugees and was then reviewing, on a case by case basis, the cases of American draft evaders and deserters. It is their hope that President Carter will be more sympathetic to the pleas of veterans who "fought for freedom and the American flag."

My bill is consistent with the district court decision in that it would allow Filipino veterans who are already in this country on visitor visas to have their status adjusted to that of permanent resident. In addition, the bill would waive the residency requirements of the Immigration and Nationality Act and allow those veterans and other Filipino veterans who served for at least 3 years in the U.S. Armed Forces during World War II, and were honorably discharged, to become U.S. citizens immediately if they are otherwise qualified for citizenship. Finally, the bill would grant immediate U.S. citizenship to the spouses and dependent children of such veterans.

I strongly believe that enactment of my bill would correct a grave injustice done to Filipino veterans at the end of World War II, and I urge that the measure be given early favorable consideration.

By Mr. STONE:

S. 1320. A bill to amend the Federal Election Campaign Act of 1971 with respect to the filing of reports with State officers; to the Committee on Rules and Administration.

Mr. STONE. Mr. President, today I am reintroducing a bill similar to one that I introduced last year (S. 3780), to amend section 316 (2 U.S.C. 439) of the Federal Election Campaign Act of 1971, which places certain responsibilities with regard to the public availability of Federal campaign finance reports, on the State secretaries of state. This section provides:

> (a) "Appropriate State" defined. A copy of each statement required to be filed with the Commission by this chapter shall be filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the appropriate State. For purposes of this subsection, the term "appropriate State" means—
>
> (1) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of President or Vice President of the United States, each State in which an expenditure is made by him or on his behalf, and
>
> (2) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commission to, the Congress of the United States, the State in which he seeks election.
>
> (b) Duties of State Officers. It shall be the duty of the Secretary of State, or the equivalent State officer, under subsection (a) of this section—
>
> (1) to receive and maintain in an orderly manner all reports and statements required by this chapter to be filed with him;
>
> (2) to preserve such reports and statements for a period of 10 years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only 5 years from the date of receipt;
>
> (3) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, requested by any person, at the expense of such person; and
>
> (4) to compile and maintain a current list

of all statements or parts of statements pertaining to each candidate.

As a former secretary of state of Florida, I am very aware of the problems that State officials have encountered with the State filing requirements. A number of these difficulties surfaced as long as 4 years ago when Francis Valeo, then Secretary of the Senate, wrote to 34 secretaries of state, pursuant to his authority as supervisory officer of Senate elections. The purpose of his letter was to determine the degree of compliance and the extent of the problems that State officials had encountered in administering the act. Seventeen States responded and the replies were printed in "Federal Campaign Disclosure at the State Level With Respect to Elections for the U.S. Senate in 1972."

Two problems that were mentioned frequently were the long period of time that the States were required to preserve the reports—10 years, in most cases—which was creating storage problems, and the expense involved in complying with the section.

Mr. Valeo testified about these difficulties before the Subcommittee on Privileges and Elections of the Senate Rules Committee in 1973, during hearings which the subcommittee held on proposed amendments to the Federal Election Campaign Act. While extensive amendments were made to the act, Federal Election Campaign Act Amendments of 1974, the section relating to the filing of reports with Secretaries of State remains essentially unchanged.

In October 1975, I wrote to all State secretaries of state asking their comments on section 316, with particular emphasis on the report preservation requirement. Thirty-seven States responded. Of these, 33 States expressed the desire to see the report preservation time shortened. Other problems which were mentioned were the need for Federal assistance, and the irrelevance to any one State of much of the documents filed in the States by multicandidate committees.

Shortly after I wrote to State officials, the Federal Election Commission sent a detailed questionnaire to each secretary of state or equivalent State official. As of March 2, 1976, 47 States and the District of Columbia had responded. The results of this survey support the conclusions which I have drawn from my own informal survey and they form the basis for the legislation that I am introducing today.

The first subsection of my bill allows the States more flexibility in determining where the Federal election campaign reports are filed. The FEC survey revealed that 14 of the 47 jurisdictions have one office receiving Federal election reports and another receiving State reports. The comments that I received from State officials indicate that many would like to be able to keep all of their campaign reports—Federal and State—in the office that they had established to receive State reports. However, the way the law is worded, Federal reports must be filed in the office of secretary of state or if there is no secretary of state, with the equivalent State official. This wording has created problems for a number of States which have a secretary of state but which would like to be able to send the Federal reports to the separate board or commission that they set up to handle State reports. In their survey report the FEC recommended that the States be given the discretion of selecting the location of the State office where these reports should be filed and maintained. My bill would allow the Governor of each State to designate the proper office in which to file Federal campaign reports. I note that the 1976 annual report of the FEC recommends this procedure. It is not the intention of the bill to take away from any State secretary of state the duties under the Federal law if that office is the proper one to perform these functions. However, in those States, such as Kentucky, in which the secretary of state's office would be duplicating a job already performed for State reports by a separate State commission, the Governor could designate the commission as the office in which the Federal reports are to be filed. This makes sense administratively, and it also would make public review easier as all election campaign reports would be available at the same location.

The problem of storing all of the Federal reports that have to be filed with the States is one which nearly all the States have mentioned. The present law requires the Commission to preserve reports and statements filed with it for 10 years. My bill would not change this requirement. What the bill would change is the unnecessarily long period of time during which the States are required to preserve their duplicate copies. Currently all reports and statements must be preserved by the States for 10 years, with the exception of reports relating to candidates for election to the House of Representatives, which must be kept for 5 years. Given the fact that the statute of limitations on prosecutions has been shortened to 3 years and that the FEC must preserve all of the reports for 10 years, there is little reason not to allow the States more leeway in this area. To quote from the recommendations at the end of the FEC survey report (p. 13):

> The overwhelming sentiment of most state elections offices was that the requirements for storage of federal reports was much too long. Many of the suggestions seemed to concentrate on retaining records for the term of the office sought or for shortening the Senate record retention period from 10 to 5 years. As a number of State officials have suggested, the Commission could then become the sole repository of these reports after these new time periods elapse.

The 1976 FEC annual report also recommends that the preservation times be shortened.

On the basis of my communications with the secretaries of state and the latest FEC recommendations, the bill shortens to 3 years the time that reports and statements relating to candidates for the House must be preserved. Reports and statements pertaining to Presidential and Vice Presidential candidates may be destroyed after 5 years from the date of receipt. Senate candidates' statements and reports may be destroyed after 7 years. Reports and statements would still be available from the preceding election, which was a matter of concern to a number of States which responded to my proposal for a 5-year retention period for Senate and Presidential candidates. Let me stress that this provision is permissive in the sense that if any State feels that there will be a demand for these records beyond the 7-, 5-, or 3-year period, it may keep them beyond that time. A State is not required to destroy the records, but after 7, 5, or 3 years a State will be free to destroy or retain the reports, as it sees fit.

The bill also specifically allows the States to microfilm the reports and destroy the originals as soon as they are microfilmed. The microfilmed record is then subject to the 7-, 5- or 3-year retention requirement. Twenty-eight States which responded to the FEC survey indicated that they had access to microfilm or microfiche equipment but only two States use it for their Federal reports. Many States are uncertain as to whether the statute allows them to microfilm and whether or not they can then destroy the originals. My bill would eliminate any uncertainty on this question. Allowing the States to microfilm the reports would alleviate their storage problem to a large extent.

Reports filed by multicandidate committees make up the bulk of the papers filed in the States. The FEC survey found that in 29 of the States that responded, 60 percent or more of the reports on file came from national, multicandidate committees. The FEC report concludes (p. 11):

> Most states felt that there was little, if any, interest in multi-candidate committee reports in their states. This relative lack of interest coupled with the almost two to one ratio of multi-candidate to within state reports that have to be received, processed and stored prompted a number of states to comment that the benefits of public access to these multicandidate reports were not worth the cost of maintaining processing, and storing them.

One of the regulations which the FEC proposed last year and which became effective April 13, 1977 allows a multicandidate committee to file reports relating to contributions to, or expenditures on behalf of, Presidential and Vice Presidential candidates only with the Secretary of State in the State in which the recipient and contributing committees have their headquarters. As the explanation accompanying the proposed regulation stated:

> This prevents committees which make one contribution to a Presidential candidate from having to file in every state in which the Presidential candidate files, which would serve no public purpose.

This regulation will alleviate some of the burden of multicandidate committee reports. However, the States will still receive the voluminous reports of committees which contribute to other Federal candidates even though ony one or two pages may relate to that State. Many States have expressed the opinion that these reports should be filed only at the FEC as there is little or no interest in them at the State level. But this may be

because the importance of these reports is not yet understood by the press and others who are interested in a candidate's financial support. Subsection (c) of my bill does not change the site of the filings, but it does give the States the option to sort through the reports and throw away any portions which do not relate to expenditures made in, or to candidates from, that State.

The bill authorizes an appropriation of $500,000 to reimburse the States for their expenses in administering section 316 during the next nonelection/election year cycle. To quote once again from the conclusions reached in the FEC survey (p. 12):

It should be noted that the responsibility for receiving, processing, making available for public inspection and storing these federal reports does, in fact, impose a heavy burden on most state elections offices. For the most part, state election officers have limited staff, money and space with which to perform their normal state elections functions and these federal reporting requirements present an additional burden on already overworked offices, especially during an election period.

After I introduced S. 3780 last year I wrote to the secretaries of state to find out what their expenses were in administering the reporting requirements. Their annual costs ranged from a high of $17,500 to a low of $90. Some States, such as Michigan and Pennsylvania have a full-time employee working on Federal election reports. Other expenses include filing cabinets, storage space, and miscellaneous office supplies. I think the $500,000 authorized in the bill would easily cover all expenses incurred by the States during a 2-year period. If we are serious about giving the public easy access to campaign reporting information, then we should be willing to help the States with the financial burden which it imposes on them.

Finally the bill makes a technical clarification, the need for which was pointed out in 1973 by Mr. Valeo, by adding the words "and reports" or "and statements" at various places in the section.

The Federal Election Commission and, in particular, their Clearinghouse on Election Administration which conducted the survey to which I have been referring, have been very responsive to the problems raised by State election officials. I know that they are doing everything possible within the framework of the act, to ease the burden on the States. But I think they have done as much as they can do without action from Congress. I believe that my bill will solve many of the problems that the States are facing in administering this act.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1320

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 316(a) of the Federal Election Campaign Act of 1971 (2. U.S.C. 439(a)) is amended—

(1) by inserting the words "and report" after the word "statement", and

(2) by striking out "the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer)" and inserting in lieu thereof "the Secretary of State (or the equivalent State officer), or if different, the officer of the government of each State who is charged by State law with maintaining State election campaign reports, to be designated by the Governor of that State".

(b) Section 316(a)(1) of such Act (2 U.S.C. 439(a)(1)) is amended by inserting the words "statements and" before the word "reports".

(c) Section 316(a)(2) of such Act (2 U.S.C. 439(a)(2)) is amended by inserting the words "statements and" before the word "reports".

(d) Section 316(b) of such Act (2 U.S.C. 439(b)) is amended—

(1) by striking out "the Secretary of State, or the equivalent State officer," and inserting in lieu thereof the following: "the Secretary of State (or equivalent State officer), or the officer designated",

(2) by striking out paragraph (2) thereof and inserting in lieu thereof the following:

"(2) to preserve such reports and statements (either in the original filed form or in a facsimile copy by microfilm or otherwise) for a period of 7 years from date of receipt for candidates for the Senate, for a period of 5 years from date of receipt for candidates for the President and Vice President and for a period of 3 years from date of receipt for candidates for the House of Representatives;", and

(3) by striking out paragraph (4) thereof and inserting in lieu thereof the following:

"(4) to compile and maintain a current list of all statements and reports, or parts thereof, pertaining to each candidate.".

(e) Section 316 of such Act (2 U.S.C. 439) is amended by adding at the end thereof the following new subsection:

"(c) If a report filed with the State officer under subsection (a)(2) relates to candidates for election from other States, the duty of the State officer under subsection (b) to preserve and make the report available extends only to those portions of that report which relate to candidates for election in that State.".

(f) There is authorized to be appropriated to the Federal Election Commission the sum of $500,000 for use by the Commission in reimbursing State offices during 1977 and 1978 with whom statements are filed under section 316 of the Federal Election Campaign Act of 1971, for expenses incurred in carrying out their duties under that section. The Commission shall pay a reimbursement to a State upon application made therefor by the Governor and upon proof satisfactory to the Commission that the amount claimed as reimbursement accurately reflects additional cost imposed on the State government as a result of such section 316.

By Mr. EAGLETON:

S. 1321. A bill to extend the deadline for transmittal of U.S. Commission on Civil Rights report on unreasonable discrimination based on age in programs and activities receiving Federal financial assistance, and for other purposes; to the Committee on Human Resources.

Mr. EAGLETON. Mr. President, today I am introducing a bill to authorize an extension of the filing of the U.S. Commission on Civil Rights' report to Congress on unreasonable discrimination based on age in programs and activities receiving Federal financial assistance.

The Older Americans Act of 1975 mandated a study to be conducted by the Commission and to be submitted to Congress not later than 18 months after the enactment date of November 28, 1975; thus, the report would have been due in June 1977. However, appropriations to support the Commission's study were not made available until May 28, 1976, and the project director was not hired until July 1976. Given the 6 months' delay in actual startup time for the study, I believe it is necessary to extend the deadline for the final report by 6 months.

Mr. President, there is strong indication of widespread discrimination against the aged in many of the Federal programs providing such basic necessities as employment, housing, community and health services, and transportation. Evidence of age discrimination as it relates to both hiring of older workers and mandatory retirement can be shown by the increasing number of court cases in which age discrimination is being charged. In health care programs conducted at community and family health centers, only 6 percent of the total registrants are 65 or older despite the fact that these older persons have health care needs perhaps three times greater than those of the young registrants in these programs. Only 2 percent of persons receiving rehabilitation services are 65 or older; and only 8 percent of 25 percent of social services funds expended under the Social Security Act for adult programs are spent on older persons.

This litany of discrimination against the aged is extensive but, as yet, we have no documentary evidence on which to base Federal regulations to deal with the problem. This is the goal of the study to be conducted by the U.S. Commission on Civil Rights.

Mr. President, given the delay in funding, and the extremely broad scope of the study, I urge that Congress grant this modest extension.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307(d) of the Age Discrimination Act of 1975 (42 U.S.C. 6106(d)) is amended—

(1) by striking out "eighteen months" and inserting in lieu thereof "two years"; and

(2) by adding at the end thereof the following new sentence: "The Commission is authorized to provide, upon request, information and technical assistance regarding its findings and recommendations to Congress, to the President, and to the heads of Federal departments and agencies for a 90-day period following the transmittal of its report.".

By Mr. LONG (for himself, Mr. MAGNUSON, Mr. BAYH, and Mr. CASE):

S. 1324. A bill to amend the Regional Rail Reorganization Act of 1973 to require ConRail to make premium payments under certain medical and life insurance policies, to provide that ConRail shall be entitled to a loan under section 211(h) of such act in an amount required for such premium payments, and to provide that such premium payments shall be deemed to be expenses of administration of the respective railroads in reorganization; to the Committee on Commerce, Science, and Transportation.

Mr. LONG. Mr. President, I am introducing an amendment to the Regional Rail Reorganization Act that is designed to correct a problem that has recently arisen with respect to the life insurance coverage of certain retired noncontract employees of the railroads in reorganization. Last year, in Public Law 94-555, the Congress provided that these benefits of retired noncontract railroad workers should be provided for by the so-called "211(h) program." As many of my colleagues are aware, the 211(h) program is a loan guarantee program designed to allow payment of certain important benefits to people who have been affected by the reorganization of the northeast railroad system now rather than having to wait for the various reorganization courts to settle the affairs of the estates of the bankrupt rail carriers. Many of the people eligible for this sort of loan would otherwise have to suffer while they were denied such things as life insurance coverage, pensions, and so forth. The U.S. Railway Association guarantees a loan to ConRail, which in turn pays the eligible recipient the amount owed to him or her by the estate of the bankrupt rail carrier, acting as agent. The amount of the loan is ultimately paid back by the estate.

Unfortunately, with respect to the particular benefits in question here—life insurance coverage for retirees—the reorganization court of one of the railroads in reorganization has ruled that the benefit, is not an expense of administration. Under the existing wording of section 211, this means that ConRail is not eligible for the loan that is needed. The amendment I am introducing will correct this by mandating both that the loan should be made and that it should be an expense of administration, thus assuring repayment. This will treat these benefits in the same manner as we have treated pensions and other categories of section 211 benefits.

By Mr. PEARSON:

S. 1325. A bill to amend section 406(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1376) to provide explicit statutory authority for the payment of "flow-through" subsidy pursuant to an experimental program administered by the Civil Aeronautics Board during the period August 1, 1973, through July 31, 1975; to the Committee on Commerce, Science, and Transportation.

Mr. PEARSON. Mr. President, I introduce for appropriate reference a bill to amend section 406(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1376) to provide explicit statutory authority for flow-through subsidy payments that were made pursuant to an experimental local air service program administered by the Civil Aeronautics Board from August 1, 1973, through July 31, 1975.

Mr. President, during the 2-year period beginning August 1, 1973, the CAB conducted an experimental local air service program in cooperation with Frontier Airlines, a local service air carrier based in Denver, Colo., and with Air Midwest, a Kansas-based commuter air carrier that subsequently has been certificated by the CAB as a local service airline. Under the terms of the experiment, part of the subsidy that would be paid to Frontier Airlines for service to selected points was transmitted through Frontier to Air Midwest in return for scheduled air services performed by Air Midwest at those selected points on Frontier's certificate of public convenience and necessity. This experiment, called the flow-through experiment, was approved by the CAB in CAB Order 74-1-78.

Subsequently, the U.S. Court of Appeals for the District of Columbia Circuit invalidated the "flow through" experiment and vacated the CAB order which authorized Air Midwest to perform Frontier's service responsibilities in return for some subsidy payment. (*Air Line Pilot's Association, International* v. *Civil Aeronautics Board*, 515 F. 2d 1010 (1975)). The court simply found that the Board lacked explicit authority under section 406 of the Federal Aviation Act of 1958 to conduct the experiment.

Unfortunately, the General Accounting Office has found that the CAB is obligated, under the Federal Claims Collection Act of 1966 (31 U.S.C. 951, et seq.), and the regulations adopted thereunder (4 C.F.R. Parts 101-105), to see restitution for all payments made to Frontier for the beneficial use of Air Midwest, the carrier which actually provided the service, pursuant to the "flow through" experiment.

The mechanical application of the Federal Claims Collection Act, in this case, would result in a gross inequity and injustice to the carriers who, in good faith, participated in the Board's experiment to develop improved ways and means to provide small community air service at reduced cost to the taxpayers.

The amount of subsidy payment made to the carriers during the course of the experiment is $240,172, plus an amount withheld by the Board—but actually earned by the carriers—totaling about $22,040.

In an official opinion issued November 24, 1976, the GAO has concluded that the CAB must demand repayment in full of those amounts earned by the carriers for services rendered. The GAO opinion further states that, under existing law, the Board is not empowered to compromise the claim.

Mr. President, the CAB has suggested that legislation be enacted to alleviate these obviously inequitable and anomalous circumstances. It is my judgment that the public interest would be served by legislation that would remove the legal uncertainties that have arisen from the "flow-through" subsidy experiment that was authorized by the Board as an attempt to test the "feasibility and desirability of the flow-through concept" as a program that would have had nationwide applicability.

But for the good faith actions of the Board, an administrative arm of the Congress, this situation would not exist today. The payments were made to the subject carriers on the basis of the Board's determination that service to the local communities could only be provided through the subsidy which the Federal Aviation Act authorizes in such circumstances.

The court of appeals did not hold that subsidy was not appropriate to maintain service; the court simply held that the method of making subsidy payment, as chosen by the CAB, was not a valid exercise of CAB discretion.

Both Air Midwest and Frontier accepted the flow-through subsidy arrangement to maintain operations entirely consistent with the intent of the Federal Aviation Act. The Board's recent certification of Air Midwest as a subsidy-eligible carrier constitutes a reaffirmation that subsidy-assisted service to the subject communities is required by the public convenience and necessity.

Mr. President, the bill I introduce today would relieve Frontier Airlines and Air Midwest of any liability to repay funds earned by them pursuant to the Board's flow-through subsidy experiment. The Civil Aeronautics Board has endorsed the bill as introduced today.

Mr. President, I ask unanimous consent that the text of my bill together with a letter dated April 6, 1977 and addressed to me from CAB Chairman John Robson, an opinion issued by the General Counsel of the GAO, a letter from me to Chairman Robson soliciting views on this legislation in draft form, and the Chairman's response to my letter, all be printed in the RECORD immediately following these remarks.

Mr. President, I urge prompt enactment of this bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1325

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 406(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1376) is amended by deleting the period at the end thereof and by adding the following:

": *Provided*, That nothing in this section shall prohibit the Board from making payments as compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, for the period August 1, 1973 through July 31, 1975, where such payments have already been provided by Board order, to the holder of a certificate authorizing the transportation of mail by aircraft, to the account or for the benefit of any air carrier designated as "air taxi operator" by the Board, which provided air transportation between points named in the holder's certificate in satisfaction of an express condition to the suspension by Board order of the holder's certificate authority to engage in air transportation between those points. In no event shall such payments differ from the amount previously provided by such Board order.".

CIVIL AERONAUTICS BOARD,
Washington, D.C., April 6, 1977.

Hon. JAMES B. PEARSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PEARSON: I am writing you in regard to the operations of Frontier Airlines, a subsidized local service carrier, and of Air Midwest, a Kansas-based commuter carrier recently certificated to provide service between eight local communities in Kansas and Colorado and to the hub airports at Denver, Wichita, and Kansas City. Because of a Court of Appeals decision invalidating a 1974 Board decision awarding subsidy through Frontier to Air Midwest, it appears that the Board is now required to demand that Air Midwest and Frontier Airlines refund

the $240,172 subsidy paid them during court review of the Board's decision. Given the circumstances, the Board believes legislation to relieve the air carriers of the refund obligation may be appropriate.

The Board's staff has consulted with the General Accounting Office on the question of the Board's obligation to attempt to recover the subsidy paid under the vacated Board order. The Acting General Counsel of the GAO issued an opinion dated November 24, 1976 (enclosed) in which he concluded that the Board must make a written demand upon Frontier and Air Midwest for repayment of the full amount of the "flow-through" subsidy. GAO reasoned that the Government has a valid claim for repayment and that the carriers do not appear to have defenses to that claim. The GAO opinion relies on the general proposition that the United States is entitled to recover public moneys which have been wrongfully, erroneously, or illegally paid by its agents, whether by mistake of law or of fact.

Moreover, the opinion states that the Board is obligated under the Federal Claims Collection Act of 1966 (31 U.S.C. 951, *et seq.*) and the regulations adopted thereunder (4 C.F.R. Parts 101–105) to attempt to collect the claim against Air Midwest and Frontier. Furthermore, the Board is not empowered to pass upon the validity of the claim or to compromise it. Accordingly, the Board is required to demand of Air Midwest and Frontier repayment of the $240,172 "flow-through" subsidy disbursed to them.

The Board, pursuant to the GAO opinion, intends shortly to make such a demand on the carriers. The purpose of this letter is to inform you of this intention and to express our view that the possible liability of the carriers for subsidy paid during court review raises the question of whether the public interest would be served by legislation relieving the carriers of that liability. The payments were made to the carriers on the basis of the Board's determination that service to the local communities could only be provided through the subsidy which the Federal Aviation Act authorizes in such circumstances (Section 406(b) of the Act, 49 U.S.C. 1376(b)). The court's decision does not hold that subsidy was not appropriate to maintain service. Both Air Midwest and Frontier, therefore, accepted the "flow-through" subsidy arrangement to maintain operations wholly consistent with the statute. The Board's recent certification of Air Midwest as a subsidy-eligible carrier constitutes a reaffirmation that subsidy assisted service to the communities is required by the public convenience and necessity.

Legislation to relieve the carriers of refund liability would assure that the carriers' financial ability to continue operations would not be impaired by the amount of the refund. If such legislation is deemed appropriate, the Board, of course, stands ready to provide any requested assistance.

Sincerely,

JOHN E. ROBSON,
Chairman.

GENERAL ACCOUNTING OFFICE,
Washington, D.C., November 24, 1976.

JAMES C. SCHULTZ, Esq.,
General Counsel,
Civil Aeronautics Board.

DEAR MR. SCHULTZ: Our advice has been requested concerning whether the Civil Aeronautics Board (CAB) has a claim for the recovery of certain "flow-through" subsidy payments made by the Board under an order which was judicially determined to be invalid. For the reasons set forth hereafter, we believe that the Board does have a claim for recovery of the full amount of subsidy payments already made, which should be pursued against either or both of the air carriers involved. Needless to say, we likewise believe that subsidy amounts withheld should not be paid.

I

The "flow-through" subsidy was purportedly authorized by section 406(a) of the Federal Aviation Act of 1958, 49 U.S.C. § 1376 (a) (1970), which provides:

"The Board is empowered and directed, upon its own initiative or upon petition of the Postmaster General or an air carrier, (1) to fix and determine from time to time, after notice and hearing, the fair and reasonable rates of compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith (including the transportation of mail by an air carrier by other means than aircraft whenever such transportation is incidental to the transportation of mail by aircraft or is made necessary by conditions of emergency arising from aircraft operation), *by each holder of a certificate authorizing the transportation of mail by aircraft*, and to make such rates effective from such date as it shall determine to be proper; (2) to prescribe the method or methods, by aircraft-mile, pound-mile, weight, space, or any combination thereof, or otherwise, for ascertaining such rates of compensation for each air carrier or class of air carriers; and (3) to, publish the same." (Emphasis added.)

The relevant facts are stated below.

In 1970 the CAB suspended the duty of Frontier Airlines, a "certificated" carrier, to serve three Kansas cities, on condition that substituted service be provided. This substituted service was supplied by Air Midwest, a "non-certificated" commuter air taxi operator.

On August 1, 1973, Air Midwest applied to the CAB for an allocation of subsidy funds, under section 406(a) of the Act, *supra*, to support the substituted service it was providing. Apparently recognizing that Air Midwest was not eligible for a direct subsidy due to its non-certificated status, it was proposed that the subsidy be allocated to Frontier, the certificated carrier, which would then pay over the subsidy to Air Midwest. Hence, the subsidy would "flow through" Frontier to Air Midwest. In CAB Order 74–4–77 (April 12, 1974), the Board approved the flow-through proposal, allowing subsidy payments for a 2-year period commencing retroactively as of August 1, 1973, and terminating on July 31, 1975. The CAB Order recognized the unprecedented nature of this subsidy arrangement, describing it as an "experimental program to test the feasibility and desirability of the 'flow-through' subsidy concept * * *." *Id.* at 1. It also rejected objections by several participants in the proceeding that the Board lacked authority under section 406(a) to subsidize services provided by a non-certificated carrier. *Id.* at 4.[1]

Subsequently, in response to petitions to review the CAB subsidy order, the United States Court of Appeals for the District of Columbia Circuit vacated the order. *Air Line Pilots Association, International* v. *Civil Aeronautics Board*, 515 F.2d 1010 (1975) (hereafter referred to as *ALPA*). The court first pointed out that the flow-through subsidy could not be justified as meeting a "need" of Frontier under section 406(b) of the Act, as construed in *Delta Airlines, Inc.* v. *Summerfield*, 347 U.S. 74 (1954), which requires that need be established in relation to the entire operations of a carrier:

"The Board argues that the flow-through subsidy is in literal compliance with the statute because the money is paid to the certificate holder, Frontier. It further argues that the subsidy meets the 'need' of Frontier because, unless Air Midwest is supported, it will stop flying to the three cities, and in that case Frontier will have to reinstitute service itself. In the Board's view, Frontier has a legally cognizable 'need' to be protected against the activation of its contingent obligation to provide service.

* * * * * * *

"* * * the Board erred in approving the flow-through subsidy. The Board wishes to pay Frontier not to reimburse it for expenses, but to keep Frontier from incurring expenses at all. Moreover, in calculating the amount to be paid the Board has reference only to the operating experience of Air Midwest. * * * In wholly ignoring the financial condition of Frontier, the Board violated the dictate of *Summerfield* to look to the need of the carrier to be subsidized. What Frontier's need might be does not appear from the record, but it could be that Frontier as a whole is so successful that even if it were forced to resume service to Hutchinson, Great Bend, and Dodge City, it would not be able to show a need for subsidy." 515 F.2d at 1013.

The Court went on to hold that:

"In any case, the Board has no power to subsidize Air Midwest nor any other non-certificated carrier. Even though the Board may have been correct in finding Air Midwest more efficient at serving the three Kansas cities than Frontier would be and even if, therefore, it is desirable to keep Air Midwest in that service, Congress has not given the Board power to pursue that end by giving public money to Air Midwest." *Id.*

Accordingly, the CAB order was "vacated" by the Court "and the cause remanded to the Civil Aeronautics Board with instructions to deny the request for subsidy * * *." *Id.*

As of the date of the Court's decision—July 11, 1975—flow-through payments had already been made in the amount of $240,172. The Board has withheld the remaining amounts—$22,040—which would have been payable under the flow-through subsidy program.

A memorandum dated July 25, 1975, from a CAB attorney to the General Counsel explores the question of whether flow-through amounts already paid should be recovered. The memorandum notes that under section 3(a) of the Federal Claims Collection Act of 1966, 31 U.S.C. § 952(a) (1970), the CAB "shall attempt collection of all claims of the United States for money or property arising out of * * * [its] activities * * *," and that, as a general proposition, the United States is entitled to recover public moneys which have been wrongfully, erroneously, or illegally paid out by its agents, citing *United States* v. *Wurts*, 303 U.S. 414 (1938). However, the memorandum goes on to discuss three theories which could possibly establish an exception to the requirement for recovery in this case.[2]

One of the three theories explored is that flow-through subsidy payments received prior to the judicial determination of invalidity may be retained in the same manner as payments under non-mail rate orders. See pages 3–5 of the memorandum. However, the memorandum ultimately rejects this theory on the basis that the flow-through subsidy is not analogous to an ordinary rate order for this purpose, and, in any event, the flow-through subsidy order was determined to be "void" rather than "voidable." We concur in the memorandum's discussion and

[1] See also, the Board's Order to Show Cause in the flow-through subsidy application, CAB Order 74–1–78 (January 14, 1974).

[2] The memorandum points out that CAB's authority to compromise claims is subject to the $20,000 limitation contained in 31 U.S.C. § 952(b) (1970). The compromise authority of our Office is subject to the same limitation. Accordingly, since the amount here involved exceeds $20,000, the memorandum and our response are concerned only with the issue of whether a claim exists, rather than whether there are any grounds for compromise.

conclusion on this point, and see no need to restate that analysis here. We will address our views primarily to the other two theories raised, which concern, respectively, "detrimental reliance" and "ratification by specific appropriation."

II

According to the memorandum, it might be argued that Air Midwest should be permitted to retain subsidy payments for its performance of substituted service, at least to the extent that those services were performed in reliance on the CAB order.[3] The memorandum cites, for example, *Missouri Utilities Co.* v. *City of California*, 8 F. Supp. 454 (W.D. Mo. 1934), *appeal dismissed*, 79 F.2d 1003 (8th Cir. 1935), where "the Court indicated that it would be inequitable to require repayment of United States funds even if wrongfully paid, if the recipient had acted to his detriment in reliance upon the ostensible legality of the payments." Memorandum at page 3.

The opinion in *Missouri Utilities* did suggest, by way of *dictum*, that a recipient of Federal funds in a manner consistent with a Federal statute would have the right to rely on the constitutionality of the statute, so that there might be no equitable basis for recovery should the statute be declared unconstitutional. While this case seems to have no bearing on the facts here involved,[4] we recognize that the law is somewhat uncertain concerning whether, and to what extent, theories in the nature of estoppel apply against the United States. Judicial decisions, as well as decisions of our Office and other authorities, have considered the estoppel doctrine applicable to the United States in some circumstances. *See e.g., United States* v. *Georgia-Pacific Co.*, 421 F.2d 92 (9th Cir. 1970); *Smale & Robinson, Inc.* v. *United States*, 123 F. Supp. 457 (S.D. Cal. 1954); 55 Comp. Gen. 911, 931 (1976); 53 Comp. Gen. 502, 506 (1974); see generally, 2 Davis, Administrative Law Treatise, §§ 17.01–17.04 (1958 & 1970 Supp.); Annot., 27 A.L.R. Fed. 702.

However, the great weight of authority (including many decisions which recognize the applicability of estoppel in some contexts) supports the view that estoppel cannot apply to, in effect, sanction payments which are made, or would be made, contrary to a Federal statute or valid statutory regulations. Accordingly, it is our opinion that the strict rule against estoppel in *Federal Crop Insurance Co.* v. *Merrill*, 332 U.S. 380 (1947), and related cases, precludes a defense of estoppel in the instant matter since it involves payments made contrary to statute. *See. e.g.*, 27 A.L.R.Fed. 702, *supra*, § 5; 51 Comp. Gen. 162, 165 (1971). This position has very recently been affirmed by the Court of Claims:

"It is a well-settled principle that the Government has inherent authority to recover sums illegally or erroneously paid, and that it cannot be estopped from doing so by the mistakes of its officers or agents. *See United States* v. *Wurts*, 303 U.S. 414, 415, 58 S.Ct. 637, 82 L.Ed. 932 (1938); *American Fidelity Fire Ins. Co.* v. *United States*, 513 F.2d 1375, 1381, 206 Ct.Cl. 570, 580 (1975); *Fansteel Metallurgical Corp.* v. *United States*, 172 F. Supp. 268, 270, 145 Ct.Cl. 496, 500 (1959). As this court recognized in *Fansteel Metallurgical Corp.* v. *United States*, 172 F. Supp. at 270, 145 Ct.Cl. at 500:

[W]hen a payment is erroneously or illegally made it is in direct violation of article IV, section 3, clause 2, of the Constitution. [case citation.] Under these circumstances it is not only lawful but the duty of the Government to sue for a refund thereof * * *."

Aetna Casualty & Surety Co. v. *United States*, 526 F.2d 1127, 1130 (1975) *cert. denied*, 44 U.S.L.W. 3659 (U.S. May 10, 1976).

While we thus conclude that the estoppel theory is inapplicable here as a matter of law, there is in any case an inadequate factual basis to invoke estoppel in this matter. Even where consideration of estoppel is appropriate, it seems clear that the party seeking to invoke this doctrine must establish that he acted reasonably in relying upon the actions (or inactions) of the party to be estopped. *See, United States* v. *Georgia-Pacific Co., supra; Smale & Robinson, Inc.* v. *United States, supra.*

We do not believe that the airlines can claim reasonable reliance, for purposes of estoppel, on the validity of the CAB order. As noted previously herein, (1) the Board itself described the flow-through subsidy as a novel and experimental concept; (2) the express terms of the statute refer only to payments to certificated carriers; and (3) the Board's authority to grant the flow-through subsidy was subject to legal challenges in its own proceeding and in the subsequent petition for judicial review, which was pending while most of the subsidy payments were made. In this context, it is abundantly clear to us that the airlines accepted subsidy payments with their eyes open, having full notice of the potential legal objection, and thereby assumed the risk that the Board's order would be invalidated. There is no indication that the Board concealed, misrepresented, or in any way attempted to minimize the legal questions concerning its authority. Indeed, the public record known to the airlines spoke for itself.

In sum, we consider the estoppel argument inapplicable to this case as a matter of law and fact.

III

The third theory considered in the memorandum is that the action of Congress in appropriating for section 406 subsidies, with knowledge that the Board was making flow-through subsidy payments, constitutes a "ratification" of such payments. This theory is expressed in two alternative forms: (1) that the appropriations constitute an implied repeal of section 406 insofar as it excludes payments to a non-certificated carrier under the flow-through experiment; or (2) that the appropriations ratify flow-through payments made up to the time of the judicial determination of invalidity.

The Department of Transportation and Related Agencies Appropriation Acts for the fiscal years 1975 and 1976 provide for section 406 subsidies, under the heading "Payments to Air Carriers," as follows:

"For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376), as is payable by the Board * * *."

Pub. L. No. 93–391 (August 28, 1974), 88 Stat. 768, 778; Pub. L. No. 94–134 (November 24, 1975), 89 Stat. 695, 707.

As the memorandum points out, the House and Senate appropriation hearings for each of the 2 fiscal years contain various references to the flow-through subsidy experiment, as well as the pending judicial challenge to it. These references consist of presentations by CAB officials, and exchanges between Board officials and committee members, concerning the nature and status of the flow-through subsidy experiment. None of these references, nor anything else (to our knowledge) in the legislative histories of the appropriation acts, indicates any congressional sentiment concerning the Board's legal authority to pay flow-through subsidies.

The memorandum rejects the first alternative theory that the appropriations implicitly repeal section 406 in relation to the flow-through subsidy. We agree that this theory is without merit. As the memorandum points out, repeals by implication are not favored, citing *Committee For Nuclear Responsibility, Inc.* v. *Seaborg*, 463 F.2d 783 (D.C. Cir. 1971). The memorandum also notes that "it would be rather late in the day" to urge an argument of repeal by implication now since this argument was not even raised in *ALPA*. Actually, we believe that such an argument is necessarily precluded by *ALPA*.

The second alternative of this theory is that the appropriations serve to ratify subsidy payments up to the date of the *ALPA* decision on a *"pro tanto"* basis. The memorandum relies here on *Committee For Nuclear Responsibility, supra*, in which the court held that the enactment of authorization and appropriation legislation for a nuclear test project did not constitute a determination as to the adequacy of the environmental impact statement for the test project under the National Environmental Policy Act (NEPA). The court observed, 463 F.2d at 785–86:

"* * * Congress must be free to provide authorizations and appropriations for projects proposed by the executive even though claims of illegality on grounds of non-compliance with NEPA are pending in the courts. There is, of course, nothing inconsistent with adoption of appropriations and authorizations measures on the *pro tanto* assumption of validity, while leaving any claim of invalidity to be determined by the courts. That is the effect of the authorization and appropriations measures relating to the Cannikin test. This conclusion is established by the general principles just discussed. Nothing in the legislative history leads to a different result. On the contrary, there is an affirmative indication that at least some of the Congressmen voting for the authorization and appropriations measures specifically contemplated that the claim of illegality remained for resolution by the courts. The legislative history indicates that while the impact statement was used as reference material by both proponents and opponents of the test, Congress did not purport to make a binding determination on the issue whether the statement was in compliance with NEPA."

Based on the analysis in *Committee For Nuclear Responsibility*, the memorandum suggests an argument that:

"* * * Air Midwest should be permitted to retain the subsidy payments which it received up until the time of the *ALPA* decision, since Congress, with specific awareness of the Board's experiment, appropriated funds for subsidy payments to be made pending the outcome of the judicial challenge. Nor would the present assertion of this argument by the Board be inconsistent with the failure to interpose it as a defense in the *ALPA* case, since there the issue was the basic legality of the experiment under § 406 and not the question of the Board's *pro tanto* authorization, by Congressional ratification, to make particular subsidy payments to Air Midwest until such time as its ineligibility to receive such payments might be judicially determined."

However, it also points out that applicability of the "*pro tanto* ratification" theory here would depend on the existence of an adequate factual background from which to infer congressional ratification of flow-

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[3] The memorandum indicates that this theory would apply only to $153,059 of the subsidy payments already paid. The remaining $87.113 of the amounts paid represents retroactive payments for which there could have been no reliance on the CAB order.

[4] In the instant case, of course, payments were made in violation of the terms of a statute, concerning which there was no constitutional challenge. *Missouri Utilities* actually supports the view that persons are charged with knowledge of *statutory* requirements.

through subsidy payments pending the outcome of *ALPA*.

As in the case of estoppel, we consider this ratification argument inapplicable, both legally and factually.

Initially, we do not believe that *Committee For Nuclear Responsibility* can be read as supporting any "*pro tanto* ratification" theory of the type described in the memorandum, *i.e., a* ratification of illegal payments made pending the determination of illegality. There was nothing illegal about the underlying purpose for which appropriations were to be used in *Committee For Nuclear Responsibility*—conduct of a nuclear test. The test could not actually take place unless and until an adequate NEPA statement was issued. However, presumably some funds were properly used in preparation for the test prior to issuance of the statement, and, once an adequate statement was issued, funding could proceed. In other words, *Committee For Nuclear Responsibility* has nothing to do with a challenge to the basic use of funds as such; nor does the opinion suggest the possibility of a *pro tanto* ratification in such circumstances.

Turning to the instant case, certainly the CAB appropriations would have been available for flow-through subsidy payments to the extent that such payments were legal under section 406, but the *ALPA* decision holds that the payments were *never* legal. As noted previously, the court in *ALPA* "vacated" the CAB flow-through subsidy order and remanded the cause to the Board "with instructions to deny the request for subsidy * * *." Clearly, therefore, the flow-through subsidy order was void from the outset and all payments made under it were illegal.

We find absolutely no indication of a congressional intent to ratify illegal flow-through payments made prior to the *ALPA* decision. The appropriations are by their terms available for payments of "so much of the compensation fixed * * * under section 406 * * * as is payable by the Board * * *." As a result of *ALPA*, no flow-through subsidy was payable by the Board at any time. In our view, the existence of appropriations for section 406 payments is an entirely neutral fact here. At most, the Congress left determination of the legality of flow-through payments to the court; and the judicial determination, once made, governed all such payments.

IV

The final point addressed in the memorandum is how, and against whom, collection should be effected, assuming that a claim exists. The memorandum indicates that a claim against Frontier Airlines could be collected by offset against other subsidy payments due to Frontier, but that there is no source for offset of a claim against Air Midwest. However, it concludes that, while Air Midwest is clearly liable for a claim, Frontier probably could not be held liable. This conclusion is based on the structure of the flow-through subsidy arrangement, "particularly as perceived by the court in the *ALPA* case," under which Frontier received payment only in nominal capacity:

"In these circumstances, a claim by the United States for money had and received would not be likely to prevail against Frontier, which—with the full understanding of the Board, Frontier and Air Midwest—did not receive these moneys for its own use but solely as a nominee for the intended recipient, Air Midwest."

While this analysis appears correct on the surface, we do not think it is quite so clear that Frontier has no liability. As the memorandum points out, at page 2, the claim is "for restitution of money had and received, to prevent unjust enrichment by the recipient of unauthorized payments of public funds." It seems to us that Frontier, rather that Air Midwest, could well be considered the party unjustly enriched. While Air Midwest at least performed services for which the subsidy was paid, there is ample basis to conclude that Frontier was a real beneficiary of the subsidy as well as the nominal payee.

Under the substituted service arrangement, which led to the flow-through subsidy application, suspension of Frontier's obligation to serve the three Kansas cities was contingent upon Air Midwest's service to those cities. Had Air Midwest been unable to continue service without the subsidy, Frontier's obligation would have been automatically renewed. Moreover, as the *ALPA* court noted, it is not clear that Frontier could have qualified for a subsidy for this service under the appropriate standard, which requires consideration of the carrier's overall operations and financial condition. The court in *ALPA* thus concluded that the flow-through subsidy could not be justified as meeting Frontier's "need" within the meaning of section 406. However, the court does seem to have recognized that Frontier was more than a nominal payee by observing that:

"* * * The Board wishes to pay Frontier not to reimburse it for expenses, *but to keep Frontier from incurring expenses* at all. * * *" 515 F.2d at 1013. (Emphasis added.)

While we cannot instruct the Board on exactly how to seek collection of the claim, we do suggest, in view of the foregoing, that further consideration be given to Frontier's possible liability.

Sincerely yours,

MILTON J. SOCOLAR,
Acting General Counsel.

U.S. SENATE,
Washington, D.C., April 20, 1977.

Hon. JOHN ROBSON,
Chairman, Civil Aeronautics Board, Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing a draft bill to amend section 406(a) of the Federal Aviation Act of 1958 in order to provide statutory authority for the Board's "flow-through" subsidy program conducted from August 1, 1973 through July 31, 1975.

This legislation is apparently necessary in view of the decision of the Court of Appeals holding that the Board had inadequate statutory authority to conduct the "flow-through" experiment.

Of course the attached language is designed to have no substantive effect except to ensure that no inequitable consequences to the detriment of the carriers involved in the experiment, or to the detriment of the communities served during the experiment, will result from the court's decision.

Because the attached draft bill has no prospective substantive effect whatsoever, I hope that the Board will be able to provide me with its views on the proposal at the earliest possible time.

Thank you for your prompt attention to this request.

With kindest personal regards,

Very truly yours,

JAMES B. PEARSON,
U.S. Senator.

CIVIL AERONAUTICS BOARD,
Washington, D.C., April 20, 1977.

Hon. JAMES B. PEARSON,
Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR SENATOR PEARSON: This will respond to your letter of April 20, 1977, requesting the Board's views concerning a proposed amendment to section 406 of the Federal Aviation Act which would provide statutory authority for the Board's flow-through subsidy program conducted from August 1, 1973, through July 31, 1975. The bill would have no prospective effect.

The Board supports the proposed legislation.

Sincerely,

RICHARD J. O'MELIA,
For JOHN E. ROBSON, *Chairman.*

ADDITIONAL COSPONSORS

S. 107

At the request of Mr. PEARSON, the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 107, a bill to avoid reductions in veterans' pensions concomitant to increases in Social Security benefits.

S. 256

At the request of Mr. PEARSON, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 256, the Natural Gas Act Amendments of 1977.

S. 414

At the request of Mr. THURMOND, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 414, to require health warning on certain labels.

S. 418

At the request of Mr. BAYH, the Senator from Minnesota (Mr. ANDERSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Florida (Mr. STONE), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 418, the Displaced Homemakers Act.

S. 514

At the request of Mr. RIBICOFF, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 514, to amend ttile XVIII of the Social Security Act.

S. 689

At the request of Mr. KENNEDY, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 689, a bill to amend the Federal Aviation Act of 1958 to encourage, develop, and attain an air transportation system which relies on competitive market forces.

S. 834

At the request of Mr. SCHWEIKER, the Senator from Delaware (Mr. ROTH) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 834, to amend the Internal Revenue Code.

S. 939

At the request of Mr. BAYH, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 939, the Trade Adjustment Assistance Program amendments.

S. 991

At the request of Mr. RIBICOFF, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 991, to establish a Department of Education.

S. 1141

At the request of Mr. STONE, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 1141, to amend title 38 of the United

States Code to assist veterans with a permanent and total service-connected disability due to the loss or loss of use of one upper and one lower extremity to acquire specially adapted housing.

S. 1246

At the request of Mr. PROXMIRE, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1246, to amend the Housing and Community Development Act of 1974.

S. 1258

At the request of Mr. MAGNUSON, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 1258, providing for the designation of the libraries of accredited law schools as depository libraries of Government publications.

S. 1290

At the request of Mr. HELMS, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 1290, to amend the peanut program.

S. 1290—WITHDRAWAL

At the request of Mr. HELMS, the Senator from Idaho (Mr. MCCLURE) was withdrawn as a cosponsor of S. 1290, to amend the peanut program.

SENATE JOINT RESOLUTION 26

At the request of Mr. CURTIS, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of Senate Joint Resolution 26, to require the Federal Government to end deficit financing.

AMENDMENTS SUBMITTED FOR PRINTING

SUPERVISORY AUTHORITY OF FEDERAL BANKING AGENCIES—S. 71

AMENDMENT NO. 196

(Ordered to be printed and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. PROXMIRE. Mr. President, I am today submitting for printing and reference to the Committee on Banking, Housing and Urban Affairs an amendment to S. 71, recommended by Chairman Burns of the Federal Reserve System. The amendment would accomplish the following:

First. Amend the summary suspension provisions of the Financial Supervisory Act of 1966 to provide the opportunity for a hearing by any person suspended from his position as an officer or director of an insured bank by a bank regulatory agency upon indictment or conviction of a felony involving dishonesty or breach of trust; and to require such agency to find that such suspension is needed to protect depositors or public confidence in the bank. The hearing procedure provided for is necessitated by the decision of the U.S. Court of Appeals in the case of Feinberg against FDIC.

Second. Make it a misdemeanor to willfully refuse to testify or produce records in response to a subpena issued by a bank regulatory agency.

Third. Conform sections 3(a) and 2(a)(5)(D) of the Bank Holding Company Act to section 4(a) of that act. The Federal Reserve would be permitted to extend from 2 to 5 years the time period within which a bank holding company must divest itself of shares in a bank acquired in the course of collecting a debt previously contracted. The 5-year time period is already law in the case of nonbank shares.

Mr. President, I ask unanimous consent that the text of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 196

At the end of the bill add the following:

SEC. 11. Section 8(g) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)) is amended to read as follows:

"(g)(1) Whenever any director or officer of an insured bank, or other person participating in the conduct of the affairs of such bank, is charged in any information, indictment, or complaint authorized by a United States attorney, with the commission of or participation in a felony involving dishonesty or breach of trust, the appropriate Federal banking agency may, if continued service or participation by the individual may pose a threat to the interests of the bank's depositors or may threaten to impair public confidence in the bank, by written notice served upon such director, officer, or other person suspend him from office or prohibit him from further participation in any manner in the conduct of the affairs of the bank. A copy of such notice shall also be served upon the bank. Such suspension or prohibition shall remain in effect until such information, indictment, or complaint is finally disposed of or until terminated by the agency. In the event that a judgment of conviction with respect to such offense is entered against such director, officer, or other person, and at such time as such judgment is not subject to further appellate review, the agency may, if continued service or participation by the individual may pose a threat to the interests of the bank's depositors or may threaten to impair public confidence in the bank, issue and serve upon such director, officer, or other person an order removing him from office or prohibiting him from further participation in any manner in the conduct of the affairs of the bank except with the consent of the appropriate agency. A copy of such order shall also be served upon such bank, whereupon such director or officer shall cease to be a director or officer of such bank. A finding of not guilty or other disposition of the charge shall not preclude the agency from thereafter instituting proceedings to remove such director, officer, or other person from office or to prohibit further participation in bank affairs, pursuant to paragraph (1), (2), or (3) of subsection (e) of this section.

"(2) If at any time, because of the suspension of one or more directors pursuant to this section, there shall be on the board of directors of a national bank less than a quorum of directors not so suspended, all powers and functions vested in or exercisable by such board shall vest in and be exercisable by the director or directors on the board not so suspended, until such time as there shall be a quorum of the board of directors. In the event all of the directors of a national bank are suspended pursuant to this section, the Comptroller of the Currency shall appoint persons to serve temporarily as directors in their place and stead pending the termination of such suspensions, or until such time as those who have been suspended, cease to be directors of the bank and their respective successors take office.

"(3) Within 30 days from service of any notice of suspension or order of removal issued pursuant to paragraph (1) of this subsection, the director, officer, or other person concerned may request in writing an opportunity to appear before the agency to show that the continued service to or participation in the conduct of the affairs of the bank by such individual does not, or is not likely to, pose a threat to the interests of the bank's depositors or threaten to impair public confidence in the bank. Upon receipt of any such request, the appropriate Federal banking agency shall fix a time (not more than thirty days after receipt of such request, unless extended at the request of the concerned director, officer, or other person) and place at which the director, officer, or other person may appear, personally or through counsel, before one or more members of the agency or designated employees of the agency to submit written materials (or, at the discretion of the agency, oral testimony) and oral argument. Within sixty days of such hearing, the agency shall notify the director, officer, or other person whether the suspension or prohibition from participation in any manner in the conduct of the affairs of the bank will be continued, terminated or otherwise modified, or whether the order removing said director, officer, or other person from office or prohibiting such individual from further participation in any manner in the conduct of the affairs of the bank will be rescinded or otherwise modified. Such notification shall contain a statement of the basis for the agency's decision, if adverse to the director, officer, or other person. The Federal banking agencies are authorized to prescribe such rules as may be necessary to effectuate the purposes of this subsection.".

(h)(1) Section 8(h)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(h)(1)) is amended by inserting after "Any hearing provided for in this section" the following: "(other than the hearing provided for in subsection (g)(3) of this section)".

(2) Section 8(h)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(h)(2)) is amended by inserting "or (3)" after "or an order issued under paragraph (1)".

(i) Section 8(j) of the Federal Deposit Insurance Act (12 U.S.C. 1818(j)) is amended by striking out "(e)(5), (e)(7), (e)(8)" and inserting in lieu thereof "(e)(3), (e)(4)".

(j) Section 8(k) of the Federal Deposit Insurance Act (12 U.S.C. 1818(k)) is amended by striking out "paragraph (1) of subsection (g)" and inserting in lieu thereof "paragraph (1) or (3) of subsection (g)".

(k) Section 8(n) of the Federal Deposit Insurance Act (12 U.S.C. 1818(n)) is amended by adding at the end thereof the following new sentence: "Any person who willfully shall fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memorandums, contracts, agreements, or other records, if in such person's power so to do, in obedience to the subpena of the appropriate Federal banking agency, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than 1 year or both.".

SEC. 12. (a) Section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended by inserting after the second sentence the following new sentence: "The Board is authorized upon application by a bank to extend, from time to time for not more than one year at a time, the two-year period referred to above for disposing of any shares acquired by a bank in the regular course of securing or collecting a debt previously contracted in good faith, if, in the Board's judgment, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed three years.".

(b) Section 2(a)(5)(D) of such Act (12 U.S.C. 1841(a)(5)(D)) is amended by add-

ing at the end thereof the following new sentence: "The Board is authorized upon application by a company to extend, from time to time for not more than one year at a time, the two-year period referred to herein for disposing of any shares acquired by a company in the regular course of securing or collecting a debt previously contracted in good faith, if, in the Board's judgment, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed three years.".

TAX SIMPLIFICATION AND REDUCTION ACT OF 1977—H.R. 3477

AMENDMENT NO. 197

(Ordered to be printed and to lie on the table.)

Mr. LAXALT. Mr. President, together with my good friend from Delaware, Mr. BIDEN, I am today submitting an amendment to H.R. 3477 as reported by the Finance Committee. Our amendment will facilitate the employment of the handicapped by reinserting the supplemental 10 percent "jobs tax credit" for the handicapped into the Tax Reduction and Simplification Act of 1977.

The House version of the "jobs tax credit" provided for a credit against employer income taxes equivalent to 40 percent of the first $4,200 of wages paid to additional employees for calendar year 1977 and 1978. The credit had a maximum total of $40,000 and was determined by a formula which made use of the recordkeeping which employees are required to undertake in conjunction with their Federal Unemployment Tax Act—FUTA—returns. The 10-percent supplemental credit for additional wages paid to handicapped employees was allowed for those who were referred upon completion of an individualized, written rehabilitation plan approved by one of the States under the Vocational Rehabilitation Act.

The Finance Committee replaced the Ways and Means jobs tax credit with an option to business of either a 2-percent incremental investment tax credit or a 25-percent credit for each additional employee on the first $4,200 in wages paid with no $40,000 "cap" and no supplemental credit for hiring handicapped employees.

Our amendment would provide a supplemental credit for handicapped employees to be administered in the same way as envisioned by the House. The Joint Committee on Internal Revenue Taxation has estimated an additional revenue cost of our proposal of $25 million for 1978.

A major objective of H.R. 3477 is to attain a prompt reduction in our currently unacceptable rate of unemployment. Needless to say, we endorse this objective. But, we also believe that we should be sensitive to the special difficulties which handicapped individuals face in securing employment.

Our Nation's handicapped do not want charity. They want to work and become productive, contributing members of our society. Only through such work will they attain the better quality of life and the independence to which they are entitled. The only handicap that disabled people have is getting a job—not holding one.

Mr. President, I ask unanimous consent that the text of the Laxalt-Biden amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 197

On page 81, between lines 23 and 24, insert the following:

"(d) Additional 10 Percent Credit for Vocational Rehabilitation Referrals.—

"(1) In general.—The amount of the credit allowable by section 44B for any taxable year (determined without regard to this subsection) shall be increased by the amount determined for such taxable year—

"(A) by substituting '35 percent' for '25 percent' in the appropriate paragraph of subsection (a), and

"(B) by applying such paragraph and subsection (b) separately with respect to the unemployment insurance wages paid to vocational rehabilitation referrals.

"(2) Aggregate wages must increase.—The increase in wages taken into account under paragraph (1)(b) of this subsection shall not exceed the increase in wages taken into account for purposes of that portion of the credit which is determined under subsections (a) and (b) without regard to this subsection.

On page 92, line 24, strike out "(d)" and insert in lieu thereof "(e)".

On page 93, between lines 4 and 5, insert the following:

"(4) Vocational rehabilitation referral.—

"(A) In general.—The term 'vocational rehabilitation referral' means a handicapped individual who has been referred to the employer upon completion of (or while receiving) rehabilitative services pursuant to an individualized written rehabilitation plan under a State plan for vocational rehabilitation services approved under the Vocational Rehabilitation Act.

"(B) Handicapped individual.—For purposes of subparagraph (A), the term 'handicapped individual' means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.".

On page 93, line 5, strike out "(e)" and insert in lieu thereof "(f)".

AMENDMENT NO. 198

(Ordered to be printed and to lie on the table.)

Mr. HASKELL submitted an amendment intended to be proposed by him to the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business taxes, and to provide tax simplification and reform.

NOTICES OF HEARINGS

NEW YORK CITY SEASONAL FINANCING ACT

Mr. PROXMIRE. Mr. President, I wish to announce that the Committee on Banking, Housing and Urban Affairs will hold oversight hearings on the New York City Seasonal Financing Act on May 16, 17 and 18, 1977. The hearings will explore the following subjects, among others:

New York City's progress in carrying out its financial plan, and the likelihood of its achieving a balanced budget in fiscal year 1978 and beyond;

The plan for repayment of the moratorium notes, and its impact on the financial plan;

The prospects for repayment of the Federal loans in fiscal years 1977 and 1978;

The city's plans for borrowing in the private markets and from the Federal Government in fiscal 1978; and

The prospects for New York City's meeting its borrowing needs in the private markets after June 30, 1978, when the Federal loan program ends.

The hearings will begin at 10 a.m. in room 5302, Dirksen Senate Office Building.

Anyone wishing information concerning these hearings should contact Elinor B. Bachrach, professional staff member, room 5300, Dirksen Senate Office Building, 202–224–7391.

PRICE POLICY FOR ALASKAN OIL

Mr. JOHNSTON. Mr. President, on April 15, in accordance with the provisions of the Energy Policy and Conservation Act, the President transmitted to Congress his report on price incentives for the production of crude oil on the North Slope of Alaska. This oil will begin to flow through the trans-Alaskan pipeline later this year. It is anticipated that additional domestic crude oil production from the North Slope of 1.2 million barrels per day will be on stream early in 1978.

The Subcommittee on Energy Conservation and Regulation of the Committee on Energy and Natural Resources will hold a hearing on the issue of pricing policy for Alaskan oil on May 3, 1977. The hearing will commence at 9 a.m. in room 3110 of the Dirksen Senate Office Building.

The subcommittee will hear testimony from the administration, from affected States and from selected private witnesses. Questions concerning this hearing should be directed to Betsy Moler or Ben Copper at 224–0611.

NOMINATION

Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on the nomination of Jay Solomon, of Tennessee, to be Administrator of General Services, on Thursday, April 21, 1977. They will begin at 9 a.m. in room 3302, Driksen Senate Office Building.

DISTRICT OF COLUMBIA MATTERS

Mr. EAGLETON. Mr. President, the Subcommittee on Governmental Efficiency and the District of Columbia of the Governmental Affairs Committee will hold hearings on April 27, 1977, on a number of bills. Persons wishing to testify on any of the proposed legislation should contact the subcommittee staff director Robert Harris in room 6222, Dirksen Senate Office Building by Monday, April 25.

The bills to be heard are as follows:

S. 1060, to restate the charter of George Washington University;

S. 1061, to allow continued Treasury borrowing by the District of Columbia;

S. 1062, to change the fiscal year of the Armory Board;

S. 1063, to allow the issuance of revenue bonds by the District for the building of university facilities;

S. 1101, to terminate District of Columbia borrowing authority from the Treasury for sewage works;

S. 1102, to allow District of Columbia to enter into interstate compacts; and

S. 1103, to allow other States to sue for taxes in the D.C. Superior Court.

DISTRICT OF COLUMBIA JUDGES

Mr. EAGLETON. Mr. President, the Committee on Governmental Affairs will hold a hearing on the nomination of Gladys Kessler, Robert Shuker, Robert Scott, Annice Wagner, and Paul Webber to be Judges of the Superior Court of the District of Columbia. The hearings will be held on April 28, 1977, at 9 a.m. in room 457, Russell Senate Office Building.

Persons wishing to testify on these nominations should contact either Claudia Ingram or Robert Harris at the Governmental Affairs Committee office, 3308 Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

FLOOD INSURANCE

Mr. EAGLETON. Mr. President, since its passage in 1973, the Federal Disaster Protection Act has become a very controversial issue. Many of the regulations imposed by the Federal Insurance Administration make it impossible for cities and their surrounding communities to secure Federal grants and restricts lending to these cities in the designated flood plain area by lending institutions. These cities are then subject to sanctions imposed by the Administrator which will have serious and adverse effects on their economy.

The city of Cassville, Mo., is the most recent city to be affected by this act. Not only is their chance for Federal aid limited, but their very right to govern themselves is threatened by the imposition of land use planning without local participation. As an expression of concern and opposition to the program, the board of aldermen of the city of Cassville has passed the following resolution which I ask unanimous consent to have printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE BOARD OF ALDERMEN OF THE CITY OF CASSVILLE, MO.

The Board of Aldermen of the City of Cassville, Missouri, met in reconvened session at the City Hall in Cassville, Missouri on the 25th day of March, 1977.

Present were the Mayor, J. W. LeCompte, Aldermen Marlee Edie, W. C. Hailey, Gene Schlichtman, W. E. Leonard, City Attorney Joe R. Ellis and City Clerk F. O. Fields.

The proposal of the Department of Housing and Urban Development, Federal Insurance Administration, under the provisions of the Flood Disaster Protection Act of 1973 was discussed by the Board of Aldermen. The Board considered the letter of J. Robert Hunter, Administrator of the Program, dated March 14th, 1977 addressed to Mayor J. W. LeCompte. The letter advised that if the City of Cassville does not pass ordinances containing regulations required by the Federal Insurance Administration prior to April 15th, 1977, that the Administrator will place sanctions upon the City which will restrict federal grants to the City and restrict lending in the designated flood plain area by lending institutions having Federal Deposit Insurance (all area financial institutions have such insurance). Thereupon, having fully reviewed the requirements of the Administrator, the regulations to be imposed upon the City, the sanctions to be imposed and the procedures of the Administrator in developing the flood insurance program for the City of Cassville, Missouri, the Board of Aldermen, upon motion duly made and seconded passed and approved the following resolutions, to-wit:

"Resolved, that the Federal Insurance Administrator has not adequately informed the officials and citizens of the City of Cassville of the commencement of the flood study and the study itself, concerning the nature of the study itself, the general principles to be applied, the use to be made of the data obtained, the areas involved, and the manner in which the study was to be undertaken."

"Resolved, that the Board of Aldermen, the governing body of the City of Cassville, Missouri, and the citizens of the community have not been fully consulted, as required by the provisions of Section 206 of the Flood Disaster Protection Act of 1973, concerning the development of the program. It is resolved further that information relating to the development of the program has not been disseminated in the community as required, and that interested persons have not had the opportunity to bring all relevant facts and technical data concerning the local flood hazard to the attention of the Administrator."

"Resolved, that the regulations to be imposed by the Administrator and the sanctions to be imposed by the Administrator were not fully explained to officials and citizens of the City until March 7th, 1977."

"Resolved, that in the opinion of the Board of Aldermen, the regulations sought to be imposed upon the City by the Administrator will have serious and adverse effect on the economy of the City of Cassville and the surrounding community."

"Resolved, that the regulations and sanctions sought to be imposed by the Administrator will result in the taking of property rights of citizens of the City of Cassville without due process of law."

"Resolved, that the areas that are included in the flood plain map developed by the Administrator for the City of Cassville, Missouri have not historically flooded, and that the Board of Aldermen does not believe that the flood plain map accurately defines the actual flood plain within the City of Cassville, Missouri."

"Resolved, that the citizens of the City of Cassville, Missouri, have through their initiative provided a sound economy through the development of industrial projects, and support for area recreational and agricultural business; that approximately fifty percent of the corporate area of the City has been placed in the flood plain by the Administrator; that all of the industry in the community has been placed in the flood plain area, or will be placed in the flood plain area in the program of the Administrator proposed for Barry County, Missouri; that these industries employ approximately one thousand persons; that approximately seventy five percent of the business and commercial area of the City has been placed in the flood plain by the Administrator; that the program of the Administrator proposed for the City of Cassville and Barry County will affect real property in the City or in the area proposed to be annexed by the City in current annexation proceedings of a value of millions of dollars; all of which the Administrator proposed to regulate as he may deem best to the detriment of the City and it's economy."

"Resolved, that the program of the Administrator takes from the citizens of the City of Cassville, Missouri, their right of self determination, and their right to be governed in local affairs by their elected City, County and State officials."

"Resolved, that the program of the Administrator imposes land use planning without local participation and as dictated by the Administrator upon the City of Cassville."

"Resolved, that a copy of this resolution be forwarded to the elected representatives of the citizens of Cassville in the United States Congress and the United States Senate, as an expression of the opposition of the City to the program of the Administrator, and as a solicitation of support from these offices."

Passed and approved this 25th day of March, 1977.

PLANS INITIATED TO REOPEN ALASKA METHODIST UNIVERSITY

Mr. STEVENS. Mr. President, I appreciate this opportunity to submit for the record the following statement by Dr. P. Gordon Gould regarding Alaska Methodist University.

Alaska Methodist University is the only private 4-year degree institution in the entire State of Alaska. AMU is presently conducting a complete reorganization study which is unique in higher education in our Nation. While other universities have had to close their doors. AMU is the only school to initiate plans to reopen.

Dr. Gould is one of the original founders of Alaska Methodist University. This eloquent statement truly demonstrates the need for public support of AMU to benefit both Alaska and the entire Nation. In the near future, I will be calling upon my colleagues to seek their support for this university.

Mr. President, I ask unanimous consent that the statement by Dr. Gould, "Alaska Methodist University: Pioneers To Meet Human Need in Alaska Through Good Quality Education," be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ALASKA METHODIST UNIVERSITY PIONEERS TO MEET HUMAN NEED IN ALASKA THROUGH GOOD QUALITY EDUCATION

Alaska, geographically located at the apex of the North Pacific Basin and within a few flying hours from every major population area of the Northern Hemisphere is "Uncle Sam's Show Window". This "Show Window" is ideally situated between the two great world powers now contending for the mind and spirit of man. What happens in Alaska has far-reaching consequences both national and international.

Multitudes of oppressed, impoverished, exploited and beleaguered people in underdeveloped countries are hearing the assuring word of our President that the United States is deeply concerned about human rights (human-well-being-issues) in every nation on earth; that our Government would prefer our aid to these nations be used to alleviate human distress rather than expended for instruments of destruction. They look with eager longing not only for aid to be given, but also for some guidelines as to how it shall be administered that their needs be met and their hopes and dreams realized. But unfortunately the United States has no where in all the world to point to a pilot project where such guide lines are developed and might be observed and appraised.

Millions of people from all over the world now visit Alaska each year. Here they have an unprecedented opportunity to observe the performance of our Government (both national and state) in meeting these human issues in which we profess deep concern.

The purpose of a "Show Window" is to display our best wares before the public view. The world's people are looking in our "Show Window". When they return home they report what they have seen. What might they

see if our performance backed up what we proclaim?

Plainly speaking then, Alaska is a gigantic laboratory where our Government may, through its varied agencies, render the kind of aid that would make possible through research, study, planning and performance a demonstration, before the eyes of the world, of a realistic approach to those concerns voiced by our President.

Let us look at this "Show Window" laboratory so amazingly prepared for just such a demonstration before the eyes of the world.

1. As already mentioned it is ideally situated between the two major world powers now contending for the mind and spirit of man.

2. It is fantastically stocked with natural resources upon which the life of man depends. (already the eyes of hungry nations are fastened upon these resources).

3. It is large enough to prevent any easy, off-hand solution to the major issues of human well being now confronting every nation in the world. These issues broadly stated are—a. Child Care; b. Health and Well Being; c. A Wider Spread Of Economic Opportunity; d. More Opportunity For Cultural Sharing; e. Education; f. An Assured Opportunity For Spiritual Advance.

4. It is peopled with persons of varied cultural heritage who now have to learn how to blend their cultural assets and skills in creative ways to serve the common good.

5. It is now passing through what might be called a three-pronged revolution not too different from what other underdeveloped nations are experiencing.

(a) Political—Emerging from Territorial status to Statehood. From a time when all major decisions regarding it were made by others afar off, to a time when self-determination and its attending citizenship responsibilities are the stern facts of life.

(b) Industral—When the exploitation of natural resources are no longer exported for the sole benefit of absentee controllers, but are explored and exploited for the benefit (primarily) of the citizens as a whole.

(c) Social—The restless rising of the common man demanding a place in the sun, a voice in determining his destiny, and a role of integrity as a responsible citizen.

The Land Claims Settlement Act was the catalyst that brought all these things into sharp focus. The demands made by that Act not only place a heavy burden upon Alaska Natives (Aleut, Eskimo, Indian) but also have far-reaching consequences for all other Alaskans as well. There is a tremendous urgency to meet these human issues in a realistic fashion that would provide a more abundant life, not only for native people, but for all other Alaskans too. The dimensions and demands of this task far exceed the capability of any single agency to achieve single handedly. Therefore Federal Aid is urgently needed.

The founding of Alaska Methodist University is an evidence of a commitment on the part of The United Methodist Church and a willingness to pioneer in facing up to this stupendous task, not in a sectarian manner, but as an expression of humanitarian concern not only to be talked about but also to be acted upon in such a manner as would awaken Alaskans in particular, and our nation in general to the critical opportunity for serving the needs of man in a creative fashion that would result in making the abundant life available for all. Alaska's true destiny could never be achieved by imported leadership, nor by draining off its natural resources without regard to the plight of her people, it must be attained through indigenous leadership .... leadership prepared within Alaska for Alaska. Good quality education preparing youth in Alaska for leadership responsibilities seems to be the key to make Alaska become what its name signifies ... The Great Land. It is a matter of history that, in the beginning years of many of our States, the majority of the leadership in those early years came from graduates of the private colleges that were established within their boundaries.

Alaska Methodist University, though beleaguered by financial and other difficulties already has made a considerable contribution to Alaska and our nation. Graduates of the University now serve not only in Alaska but elsewhere as well. The University envisions a future role of far-reaching dimensions as it becomes a center providing good quality education that prepares Alaskans for exercising those skills most urgently required to meet the critical needs of Alaska's present and future.

NATIONAL SERVICE AND CONSCRIPTION POSE HUGE PROBLEMS

Mr. PROXMIRE. Mr. President, during the past few months I have tried to point out that the All-Volunteer Force concept has been working. Military statistics show the Armed Forces have been able to attain their recruiting quotas while improving their personnel quality standards at the same time. Military and civilian attitudes toward the military also improved as the All-Volunteer Forces supplanted the draft.

This success has not been earned without cost. Personnel costs in the Defense Department have increased enough to warrant quick action to remedy the situation. This action should take the form of cutting military frills and halting the alarming trend of grade-creep inflation.

There is no reason to believe that a return to conscription would significantly lessen the personnel costs of the military, unless, of course, we force our young men and women to serve at the terribly low military pay rates of the 1960's. Yet, none of the critics of the AVF have suggested a return to this low pay scale, a situation which was corrected before the Nation turned to the All-Volunteer concept.

Despite these facts, which indicate the AVF can be maintained with minimal policy changes, some observers have urged the abandonment of the AVF and a return to the draft or the institution of a national service requirement. Today I would like to call my colleagues' attention to two recent Washington Post articles which deal with these often-suggested "solutions."

The first article, written by Peter J. Ognibene, discusses the possibility of a "fair" conscription lottery and concludes that no lottery can remove the inherent injustice of a peace time draft. Mr. Ognibene echos my feelings perfectly when he writes:

> Any selection process that inducts some young men into the military but requires nothing of others is by its very nature unfair. Eliminating deferments and establishing a lottery did not do away with selectivity. It merely changed the way in which the few were chosen from the many.

As Mr. Ognibene states, conscription should only be used as a last resort.

The second article deals with another solution being discussed—a national service requirement. Harvard Law School Professor Charles Fried criticizes the idea of a national service for several reasons. He attacks the principle behind the national service as being contrary to our national heritage and right of liberty, while calling the practicalities of operating such a national service a "nightmare." As Professor Fried correctly points out, the costs and administrative headaches of establishing, monitoring, operating, and supervising such a national service would be beyond comprehension. The assets of such an operation would be overwhelmed by the liabilities involved, especially when one considers the service requirement is certain to be vehemently opposed as a breach of personal liberty.

Mr. President, these two articles illustrate the enormous drawbacks to both of the solutions proposed as remedies to the so-called All-Volunteer Forces problem. I ask unanimous consent that both articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 12, 1977]

A FAIR LOTTERY CANNOT CHANGE AN UNFAIR DRAFT

(By Peter J. Ognibene)

The draft was supposedly laid to rest four years ago, but the corpse keeps twitching. In his first visit to Capitol Hill after he was sworn in as Secretary of Defense, Harold Brown told the Senate Armed Services Committee that he favors a Pentagon proposal "to have a standby draft capability."

The chairman of that committee, Sen. John Stennis (D-Miss.), responded with an even stronger pitch for conscription. "Like it or not," he said, "we're going to have to go back to the Selective Service System for obtaining some of our men. The quicker we realize that and get it to the people so they know it, the better."

More recently, Sen. Sam Nunn, the Georgia Democrat who chairs that committee's panel on manpower, argued in these pages that "the All-Volunteer Force (AVF) may be a luxury that the United States can no longer afford." He contends that "the AVF has lived up to few of the expectations of its early proponents" and suggests "the government should begin now to explore possible alternatives to the AVF, such as a national service program for all our nation's young people."

Although the volunteer army does not work perfectly—what in government does?—the military has been getting sufficient numbers of volunteers for active duty. Moreover, the quality of those recruits has been steadily rising. In 1975, for example, 67 per cent of the male volunteers were high school graduates. Last year the percentage was 70.

The present "success" of the volunteer army is linked, no doubt, with the "failure" of the economy to provide civilian jobs for young people. High unemployment rates and recent military pay raises have made marching for Uncle Sam a relatively attractive proposition.

Equally important, but too often ignored by draft advocates, the armed services provide a route of upward mobility for some of society's least advantaged individuals. The military affords them an opportunity to learn skills with which they can earn a livelihood in or out of service.

But because financial incentives have helped make the volunteer army successful, some critics regard these recruits as "mercenaries." What they fail to realize is that conscription itself is an economic institution.

The draft is a tax. Indeed, that is the

central reality of conscription. It takes the labor of 19-year-olds at less than competitive wages to relieve the rest of us of a few dollars' tax burden. The government does not give businessmen patriotic appeals; it pays them the going rate for everything from fighter planes to floor wax. Should it do less for servicemen?

Because conscription is now a fading memory, it is easy to forget just how unfair the draft was. Millions managed to escape military service by getting deferments for college, critical occupations or parenthood. Although the draft lottery closed most of these escape routes, it could not eliminate the fundamental inequity: selectivity.

Any selection process that inducts some young men into the military but requires nothing of others is by its very nature unfair. Eliminating deferments and establishing a lottery did not do away with selectivity. It merely changed the way in which the few were chosen from the many.

Moreover, selectivity does not end with induction. It continues within the armed forces. While the college student may not be able to escape service when selection is by lot, he stands a relatively good chance of avoiding hazardous duty in time of war. Because he will probably score well on Army classification tests, he is more likely to wind up behind the lines as a clerk or technician. The less educated become foot soldiers.

In other words, a fair lottery cannot change an unfair draft.

Universal service is not the answer. For one thing, there is the problem of numbers. Some four million Americans turn 18 every year. The active and reserve forces can use, perhaps, 700,000 of them. What would the rest do?

Put them to work on public projects and you take jobs away from individuals with families to support. The cost, which would run into tens of billions of dollars, would swell an already large budget deficit and produce a small economic return. An underpopulated and embattled country such as Israel may need universal service to survive; the United States, fortunately, does not.

But above all, the draft violates the principle on which this nation was founded—the preservation of individual rights and liberties. Thus, conscription should be used only as a last resort. Short of an all-out war requiring huge armies in the field—an unlikely prospect when one nuclear weapon can wipe out several massed divisions—there can be no compelling case for the draft.

COMPULSORY PUBLIC SERVICE: A BAD PRECEDENT

(By Charles Fried)

Proposals for a program of compulsory public service for all young people have been making the rounds in congressional and editorial circles. One major network news commentator hailed such a program as an idea "whose time has come."

I disagree. In this, the beginning of our third century of liberty, it is shocking that so many should be ready to impose in so drastic and total a way on the liberties of a whole generational slice of the American population. And it is particularly disheartening that the liberties of our young people should be casually disposed of on such ill-conceived and essentially self-serving grounds.

The proposal, which has attracted so much favorable comment, is this: All youths—say at high school-leaving age—would be required to spend a year in some form of public service activity, but this obligation could be discharged by enlistment in one of the military services. The proposal is thought to be good in principle and good in practice. In principle, it is thought to affirm the notion of an obligation of public service. And practically it would help alleviate a problem which is showing up in the volunteer army. It appears that the volunteer army is turning out to be very expensive while still failing to attract recruits of a desirable quality. It is thought that by instituting a general obligation of service, many more will find it worth their while to discharge that obligation in the military, thereby improving the quality of the army and lessening the burden on the taxpayers.

The idea is wrong in principle and would surely be a nightmare in practice.

The idea is wrong in principle because the liberty of young people is worth no less than the liberty of middle-aged politicians and editorializers who would take from them the right to determine how to live their lives during a substantial period of time. I would not wish to denigrate the principle that we all have an obligation to serve our community, but the notion that we may be compelled to do so absent manifest necessity and some clear national emergency, is foreign to our traditions. The shoddiness of the proposal, indeed, reveals itself when we see that it really boils down to a desire on the part of the middle-aged to get something—a high quality defense manpower pool—without paying for it. If the nation needs a military establishment of a particular quality, then the nation as a whole should pay for it, and not force a small segment of the population to contribute its services unwillingly for nothing.

But if the argument of principle doesn't convince, the practicalities should. All one has to do is consider the difficulties of tens of thousands of local school boards in enforcing useful activities on high school students during some five or six weekday hours, to see how unlikely we would be to be able to provide and supervise a meaningful, compulsory year-long, 24-hour-a-day experience for every 18-year-old in the nation. (And make no mistake about it, desired effect of driving large numbers of youths into the military as a preferred alternative.)

I ask those who would casually deprive their fellow citizens of their liberty for a year of their lives, who would administer these programs? Who would determine what constituted appropriate public service alternatives? Who would enforce attendance, and discipline participants who snuck away for an hour, or a day, or a week? Who would keep order in the dormitories? Or would there be dormitories? What about drinking and drugs? Would there be exemptions for students? For persons engaged in essential activities? And so on.

I would have thought the loathing the American people have displayed for multiplication of bureaucracies and regulations would indicate that the last thing in the world the public would want at this point would be a program that turned over every 18-year-old in the nation (man and woman) to wholly undefined, non-existent set of institutions.

TAX RETURN OF SENATOR LOWELL WEICKER, JR., FOR 1976

Mr. WEICKER. Mr. President, in the interest of full financial disclosure, I ask unanimous consent that the joint tax return for 1976 of my wife and myself be printed in the RECORD.

There being no objection, the tax return was ordered to be printed in the RECORD, as follows:

1040 U.S. INDIVIDUAL INCOME TAX RETURN 1976

Lowell P. and Marie L. Weicker, Jr., Round Hill Road, Greenwich, Conn.

Your social security number: 079-26-8422.

Spouse's social security no.: 078-28-7717.

Occupation: U.S. Senator. Spouse's: Homemaker.

First names of your dependent children who lived with you: Scott, Gray, and Brian Bianchi.

Total dependents, 5.

9. Wages, salaries, tips, and other employee compensation (See Statement 1), $44,600.

10a. Dividends $8,916, less exclusion $200, balance, $8,716.

11. Interest income, $941.

12. Income other than wages, dividends, and interest (from line 37), $11,659.

13. Total (add lines 9, 10c, 11 and 12), $65,916.

14. Adjustments to income (such as moving expense, etc., from line 42), $3,000.

15a. Subtract line 14 from line 13, $62,916.

15c. Adjusted gross income. Subtract line 15b from line 15a, then complete Part III, $62,916.

16. Tax, check if from: Tax Rate Schedule X, Y or Z, $5,444.

17a. Multiply $35.00 by the number of exemptions on line 6d, $175.

17b. Enter 2% of line 47 but not more than $180 ($90 if box 3 is checked), $180.

18. Balance. Subtract line 17c from line 16 and enter difference (but not less than zero), $5,264.

19. Credits (from line 54), $11.

20. Balance. Subtract line 19 from line 18 and enter difference (but not less than zero), $5,253.

21. Other taxes (from line 62), $316.

22. Total (add lines 20 and 21), $5,569.

23a. Total Federal income tax withheld, $11,091.

24. TOTAL (add lines 23a through e), $11,091).

26. If line 24 is larger than line 22, enter amount overpaid, $5,522.

27. Amount of line 26 to be refunded to you, $5,522.

LOWELL P. WEICKER, Jr.
MARIE L. WEICKER.

April 15, 1977.

Preparer's signature: Wiendieck and Co., Greenwich, Conn.

INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

30a Net gain or (loss) from sale or exchange of capital assets (attach Schedule D), $-1,000.

32a Pensions, annuities, rents, royalties, partnerships, estate or trusts, etc. (attach Schedule E), $5,159.

36 Other, see statement 5, $7,500.

37 Total, $11,659.

ADJUSTMENTS TO INCOME

39 Employees business expense (attach Form 2106), $3,000.

42 Total (add lines 38 through 41). Enter here and on line 14, $3,000.

TAX COMPUTATION

43 Adjusted gross income (from line 15c), $62,916.

44a If you itemize deductions, check here, and enter total from Schedule A, line 40, and attach Schedule A, $35,840.

45 Subtract line 44 from line 43 and enter difference (but not less than zero), $27,076.

46 Multiply total number of exemptions claimed on line 6f by $750, $3,750.

47 Taxable income. Subtract line 46 from line 45 and enter difference, but not less than zero), $23,326.

CREDITS

51 Foreign tax credit (attach Form 1116), $11.

54 Total (add lines 48 through 53), $11.

OTHER TAXES

58 Self-employment tax (attach Schedule SE), $316.

62 Total (add lines 55 through 61), $316.

SCHEDULE A—ITEMIZED DEDUCTIONS

Medical and Dental Expenses (not compensated by insurance or otherwise).—

1 One half (but not more than $150) of

insurance premiums for medical care. (Be sure to include in line 10 below), $150.

4 Subtract line 3 from line 2. Enter difference (if less than zero, enter zero), 0.

5 Enter balance of insurance premiums for medical care not entered on line 1, $828.

7 Total (add lines 4 through 6c), $828.

8 Enter 3% of line 15c, Form 1040, $1,887.

9 Subtract line 8 from line 7 (if less than zero, enter zero), 0.

10 Total (add lines 1 and 9). Enter here and on line 34, $150.

Taxes.—

11 State and local income, $386.

12 Real estate, $6,752.

13 State and local gasoline (see gas tax tables), $323.

14 General sales (see sales tax tables), $556.

15 Personal property, $75.

16 Sales tax, auto, $376.

17 Total (add lines 11 through 16). Enter here and on line 35, $8,468.

Interest Expense.—

18 Home mortgage, $6,559.

19 Other, see statement 7, $18,564.

20 Total (add lines 18 and 19). Enter here and on line 36, $25,123.

Contributions (See page 15 of Instructions for examples.)

21a Cash contributions for which you have receipts, cancelled checks or other written evidence, $730.

24 Total contributions (add lines 21a through 23). Enter here and on line 37, $730.

Miscellaneous Deductions.—

32. Other, see statement 8, $1,369.

33 Total (add lines 30 through 32). Enter here and on line 39, $1,369.

Summary of Itemized Deductions.—

34 Total medical and dental—line 10, $150.

35 Total taxes—line 17, $8,468.

36 Total interest—line 20, $25,123.

37 Total contributions—line 24, $730.

39 Total miscellaneous—line 33, $1,369.

40 Total deductions (add lines 34 through 39). Enter here and on Form 1040, line 44, $35,840.

DIVIDEND INCOME

1. See statement 2, $8,916.

2. Total of line 1, $8,916.

6. Dividends before exclusion (subtract line 5 from line 2). Enter here and on Form 1040, line 10a, $8,916.

INTEREST INCOME

7. See statement 3, $941.

8. Total interest income. Enter here and on Form 1040, line 11, $941.

FOREIGN ACCOUNTS AND FOREIGN TRUSTS

1. Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by a U.S. financial institution? No.

SHORT-TERM CAPITAL GAINS AND LOSSES

1. See statement 6, (—)$190.

2. Enter your share of net short-term gain or (loss) from partnerships and fiduciaries, (—)$19.

3. Enter net gain or (loss), combine lines 1 and 2, (—)$209.

5. Net short-term gain or (loss), combine lines 3 and 4, (—)$209.

LONG-TERM CAPITAL GAINS AND LOSSES

6. See statement 6, —$530.

9. Enter your share of net long-term gain or (loss) from partnerships and fiduciaries, $1,932.

11. Net gain or (loss), combine lines 6 through 10, $1,402.

12. Long-term capital loss carryover attributable to years beginning after 1969 (see Instruction I), $12,488.

13. Net long-term gain or (loss), combine lines 11 and 12, (—)$11,086.

SUMMARY OF PARTS I AND II

14. Combine lines 5 and 13, and enter the net gain or (loss) here, (—) $11,295.

16. If line 14 shows a loss, a. Enter one of the following amounts: (i) If line 5 is zero or a net gain, enter 50% of line 14; (ii) If line 13 is zero or a net gain, enter line 14; or, (iii) If line 5 and line 13 are net losses, enter amount on line 5 added to 50% of amount on line 13, (—)$5,752.

b. Enter here and enter as a (loss) on Form 1040, line 30A, the smallest of: (i) The amount on line 16a; (ii) $1,000 ($500 if married and filing a separate return); or, (iii) Taxable income, as adjusted (see instruction J), $1,000.

COMPUTATION OF ALTERNATIVE TAX

NOTE: Enter your capital loss carryovers from 1976 to 1977, post-1969, $9,504.

SUPPLEMENTAL INCOME SCHEDULE

Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations.—

See statement 4 (Estate), $5,159.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Computation of Net Earnings from NONFARM Self-Employment.—

See statement 5, $4,000.

Nonfarm Optional Method.—

9 a Maximum amount reportable, under both optional methods combined (farm and nonfarm), $1,600.

Computation of Social Security Self-Employment Tax.—

12 b From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method) $4,000.

13 Total net earnings or (loss) from self-employment reported on line 12, $4,000.

14 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1976 is, $15,300.

16 Balance (subtract line 15c from line 14), $15,300.

17 Self-employment income—line 13 or 16, whichever is smaller, $4,000.

18 Self-employment tax $316.

COMPUTATION OF FOREIGN TAX CREDIT

Schedule A—Taxable Income from Sources Outside the U.S.—

A. Canada. (a) Dividends, $110.

Schedule B—Foreign Taxes Paid or Accrued.—

Total tax withheld at source on: dividends, $11.

Schedule C—Computation of Foreign Tax Credit.—

1 Total foreign taxes paid or accrued, $11.

4 Total foreign taxes available for credit, $11.

5 Taxable income or (loss) from sources outside the U.S., $110.

7 Net foreign source taxable income, $110.

8 Taxable income from all sources, $23,326.

9 Deduction taken on your tax return for personal exemptions, $3,750.

10 Add line 8 and line 9, $27,076.

11 Divide line 7 by line 10, $0.00406.

12 Total U.S. income tax before any credits, $5,444.

13 General tax credit, $180.

15 Add line 13 and 14, $180.

16 Line 12 less line 15, $5,264.

17 Limitation on credit (line 16 multiplied by line 11), $21.

18 Foreign tax credit, $11.

Schedule D—Summary of Credits from Separate Schedules C.—

8 Foreign tax credit (line 6 less line 7). Enter here and on your tax return, $11.

EMPLOYEE BUSINESS EXPENSES

Employer's name: United States Senate, Washington, D.C.

1 Travel expenses while away from home on business:

(b) Meals and lodging, $3,000.

CAPITAL LOSS CARRYOVER

Section A.—Short-term Capital Loss Carryover.—

1 Enter loss shown on your 1975 Schedule D, $328.

2 Enter gain shown on your 1975 Schedule D, 0.

3 Reduce any loss on line 1 to the extent of any gain on line 2, $328.

4 Enter amount shown on your 1975 Form 1040, line 29a, $1,000.

5 Enter smaller of line 3 or 4, $328.

6 Excess of amount on line 3 over amount on line 5, 0.

Section B.—Long-term Capital Loss Carryover.—

7 Line 4 less line 5, $672.

8 Enter loss from your 1975 Schedule D, $13,832.

9 Enter gain shown on your 1975 Schedule D (Form 1040), line 5. If that line is blank or shows a loss, enter a zero, 0.

10 Reduce any loss on line 8 to the extent of any gain on line 9, $13,832.

11 Multiply amount on line 7 by 2, $1,344.

12 Excess of amount on line 10 over amount on line 11, $12,488.

Section A.—Short-term Capital Loss Carryover.—

1 Enter loss shown on your 1976 Schedule D (Form 1040), line 5, $209.

2 Enter gain shown on your 1976 Schedule D (Form 1040), line 13. If that line is blank or shows a loss, enter a zero, 0.

3 Reduce any loss on line 1 to the extent of any gain on line 2, $209.

4 Enter amount shown on your 1976 Form 1040, line 30a, $—1,000.

5 Enter smaller of line 3 or 4, $209.

6 Excess of amount of line 3 over amount on line 5, 0.

Section B.—Long-term Capital Loss Carryover.—

7 Line 4 less line 5 (Note: If you ignored lines 2 through 6, enter amount from your 1976 Form 1040, line 30a), $—791.

8 Enter loss from your 1976 Schedule D (Form 1040), line 13, $11,086.

9 Enter gain shown on your 1976 Schedule D (Form 1040), line 5. If that line is blank or shows a loss, enter a zero, 0.

10 Reduce any loss on line 8 to the extent of any gain on line 9, $11,086.

11 Multiply amount on line 7 by 2, $1,582.

12 Excess of amount on line 10 over amount on line 11, $9,504.

STATEMENT 1.—WAGES, SALARIES, TIPS, ETC.

Employers Name and Address: United States Senate, Washington, D.C. 20510.

Income tax withheld, $11,091.

Wages, Salaries, Tips, etc., $44,600.

STATEMENT 2.—DIVIDEND INCOME

Qualifying

T/U/W Theodore Weicker, 13-6083727, $960.

T/U/A Lowell P. Weicker, 13-6067993, $1,272.

T/U/A Lowell P. Weicker, 13-6083709, $793.

T/U/A Lowell P. Weicker, 13-6029250, $1,903.

T/U/A Benjamin Joy, 04-6007191, $779.

W. Ventures, 06-6132037, $53.

Syntex Corp., $9.

Caterpillar Tractor, $66.

Halliburton Co., $58.

Pacific Pwr. & Lt., $182.

Maryland Cup, $135.

Colonial Penn Group, $13.

Friendly Ice Cream, $28.

IBM, $80.

Massey Ferguson, $110.

Merck & Co., $96.

Heublein, Inc., $192.

Friendly Ice Cream, $19.

American Express, $85.

American Brands, $280.

White Weld Nominee, $15.

IBM, $50.

Heublein, Inc., $21.
Carnation Co., $18.
T/U/A Henry F. Godfrey, 05-6060125, $1,464.
Harnischfeger, $99.
Harnischfeger, $136.
Total dividend income, $8,916.

STATEMENT 3.—INTEREST INCOME

Earnings from Savings and Loan Association and Credit Unions

ARA Services 4, 5/8 6/15/96, $139.
Heublein, Inc. 4, 1/2 1997, $360.
Maryland Cup 5, 1/8 1994, $359.
Zapada 4, 3/4 1988, $83.
Total interest income, $941.

STATEMENT 4.—ESTATES AND TRUSTS

T/U/A Lowell P. Weicker T-127, 13-6029250 Chemical Bank, 277 Park Avenue, New York, N.Y. 10017, $2,629.
T/U/A Benjamin Joy 1954, $280.
T/U/A Lowell P. Weicker, 13-6083709 C/O John H. Howe, 129 Park Ave., Plainfield, N.J. 07060, $318.
T/U/A Henry F. Godfrey, 05-6060125 Industrial N/B. Providence, R.I., $652.
T/U/A Lowell P. Weicker, C/O, John H. Howe, 129 Park Ave., Plainfield, N.J. 07060, $1,280.
Total income from estates and trusts, $5,159.

STATEMENT 5.—MISCELLANEOUS INCOME

Honoraria, $4,000.
Advance book royalties, $3,500.
Total miscellaneous income, $7,500.

STATEMENT 6.—LONG AND SHORT TERM CAPITAL GAINS AND LOSSES

Date acquired; date sold; sales price; and cost or other basis:
100 US Surgical, May 12, 1976, December 9, 1976; $1,043; $1422; long term, —$379.
50 Friendly Ice Cream, March 3, 1972, December 29, 1976; $718; $1,923; long term, —$1,205.
25 Friendly Ice Cream, March 7, 1972, December 29, 1976; $359; $915; long term, —$556.
50 Friendly Ice Cream, April 5, 1972, December 29, 1976; $718; $1,757; long term, —$1,039.
25 Friendly Ice Cream, April 26, 1972, December 29, 1976; $359; $839; long term, —$480.
50 Friendly Ice Cream, June 19, 1972, December 29, 1976; $718; $1,643; long term, —$925.
15 Friendly Ice Cream, November 30, 1972, December 29, 1976; $214; $452; long term, —$238.
25 Syntex Corp., May 2, 1975, May 19, 1976; $704; $1,068; long term, —$364.
15 Syntex Corp., August 12, 1975, May 19, 1976; $421; $529; long term, —$108.
100 Graniteville, February 26, 1976, March 5, 1976; $1,461; $1,651; short term, —$190.
100 Colonial Penn Group, August 1, 1974, February 26, 1976; $2,347; $4,145; long term, —$1,798.
200 National Airlines, May 5, 1975, January 22, 1976; $2,702; $2,223; long term, $479.
3M Zapada Corp., 4 3/4 88, April 3, 1974, February 23, 1976; $1,949; $2,195; long term, —$246.
Condominium-Sarasota, Fla., November 3, 1974, December 21, 1976; $59,550; $53,221; long term, $6,329.
Total capital gains or losses, short term, —$190; long term, —$530.

STATEMENT 7.—ITEMIZED INTEREST EXPENSE

Putnam Trust Co., $2,278.
Putnam Trust Co., $911.
Union Trust Co., $716.
State National Bank, $215.
Burke & Herbert, $1,961.
John Dean, $600.
Fed. S. & L. Bradenton, Fla., $4,628.
1st Fed. S. & L. Alexandria., Va., $6,893.
Senate Employees Credit Union, $362.
Total other interest expense, $18,564.

STATEMENT 8.—ITEMIZED MISCELLANEOUS DEDUCTIONS

Safe deposit box, $12.
Expense of production and conservation of income, $72.
Total, $84.
Other business expenses:
Entertainment, $440.
Gifts, $763.
Insurance, $82.
Total, $1,285.
Total business expense, $1,285.
Miscellaneous other deductions, $1,369.

STATEMENT 9.—RECEIPTED CASH CONTRIBUTIONS

Charities qualifying for 50 percent limitation.—
Other receipted cash contributions, $610.
Miscellaneous organized charities, $120.
Total receipted cash contributions to charities qualifying for 50 percent limitation, $730.
Total receipted cash contributions, $730.

STATE OF CONNECTICUT 1976 CAPITAL GAINS AND DIVIDENDS TAX RETURN

Lowell P. and Marie L. Weicker, Jr.
Home Address: Round Hill Road, Greenwich, Conn. 06830.
1. Gain or loss as shown in Line 30a, Page 2, of Form 1940, $1,000.
3. Total capital gains, $1,000.
5. Taxable gain before exemption, $1,000.
6. Exemption: $200.
7. Net taxable capital gain, none.
8. Enter adjusted gross income from line 15c, Form 1040, only if dividend income is reported on Line 10a of that return, $62,916.
9. If amount on line 8 is $20,000 or more, enter dividends from line 10a of Form 1040, $8,916.
11. Tax Due (7 percent of line 10), $624.
Dividend income: See statement, $8,916.
Interest income: See statement, $941.

CAPITAL GAINS AND LOSSES

Short-term capital gains and losses: See statement, —$190.
Enter your share of net short-term gain or (loss) from partnerships and fiduciaries, —$19.
Enter net gain or (loss), combine lines 1 and 2, —$209.
Net short-term gain or (loss), —$209.
Long-term capital gains and losses: See statement, —$530.
Enter your share of net long-term gain or (loss) from partnerships and fiduciaries, $1,932.
Net gain or (loss), $1,402.
Long-term capital loss carryover attributable to years beginning after 1969, $12,488.
Net long-term gain or (loss), —$11,086.
Summary: Combine lines 5 and 13, —$11,295.
If line 14 shows a loss—Enter the following amounts: —$5,752.
Enter here and enter as a (loss) on Form 1040, line 30A, the smallest of: $1,000.
Computation of alternative tax: Long-term (from Form 4798, Part II or Part V), $9,504.

CAPITAL LOSS CARRYOVER

Part I—Post-1969 capital loss carryovers to 1976

Section A.—Short-term capital loss carryover—
1 Enter loss shown on your 1975 Schedule D (Form 1040), $328.
3 Reduce any loss on line 1 to the extent of any gain on line 2, $328.
4 Enter amount shown on your 1975 Form 1040, $1,000.
5 Enter smaller of line 3 or 4, $328.
Section B.—Long-term capital loss carryover—
7 Line 4 less line 5, $672.
8 Enter loss from your 1975 Schedule D (Form 1040), $13,832.
10 Reduce any loss on line 8 to the extent of any gain on line 9, $13,832.
11 Multiply amount on line 7 by 2, $1,344.
12 Excess of amount on line 10 over amount on line 11, $12,488.

Part II—Post-1969 capital loss carryovers from 1976 to 1977

Section A.—Short-term capital loss carryover—
1 Enter loss shown on your 1976 Schedule D (Form 1040), $209.
4 Enter amount shown on your 1976 Form 1040, $1,000.
5 Enter smaller of line 3 or 4, $209.
6 Excess of amount on line 3 over amount on line 5, 0.
Section B.—Long-term capital loss carryover—
7 Line 4 less line 5, $791.
8 Enter loss from your 1976 Schedule D (Form 1040), $11,086.
9 Enter gain shown on your 1976 Schedule D (Form 1040), 0.
10 Reduce any loss on line 8 to the extent of any gain on line 9, $11,086.
11 Multiply amount on line 7 by 2, $1,582.
12 Excess of amount on line 10 over amount on line 11, $9,504.

1976 CONNECTICUT INCOME TAX STATEMENT 2—DIVIDEND INCOME

Qualifying

(H) T/U/W Theodore Weicker, 13-6083727, $960.
(H) T/U/A Lowell P. Weicker, 13-6067993, $1,272.
(H) T/U/A Lowell P. Weicker, 13-6083709, $793.
(H) T/U/A Lowell P. Weicker, 13-6029250, $1,903.
(W) T/U/A Benjamin Joy, 04-6007191, $779.
(H) W. Ventures, 06-6132037, $53.
(H) Syntex Corp., $9.
(H) Caterpillar Tractor, $66.
(H) Halliburton Co., $58.
(H) Pacific Power and Light, $182.
(H) Maryland Cup, $135.
(H) Colonial Penn Group, $13.
(H) Friendly Ice Cream, $28.
(H) IBM, $80.
(H) Massey Ferguson, $110.
(H) Merck & Co., $96.
(W) Heublein Inc., $192.
(W) Friendly Ice Cream, $19.
(W) American Express, $85.
(W) American Brands, $280.
(H) White Weld Nominee, $15.
(W) IBM, $50.
(H) Heublein Inc., $21.
(H) Carnation Co., $18.
(W) T/U/A Henry F. Godfrey, 05-6060125. $1,464.
(H) Harnischfeger, $99.
(W) Harnischfeger, $136.
Total, $8,916**.

STATEMENT 3—INTEREST INCOME

Earnings from Savings and Loan Associations and Credit Unions:
ARA Services, 4 5/8, June 15, 1996, $139.
Heublein, Inc., 4 1/2, 1997, $360.
Maryland Cup, 5 1/8, 1994, $359.
Zapada, 4 3/4, 1988, $83.
Total interest income, $941**.

STATEMENT 6—LONG AND SHORT TERM CAPITAL GAINS AND LOSSES

Date acquired; date sold; sales price; and cost or other basis:
100 U.S. Surgical, May 12, 1976, December 9, 1976; $1,043; $1,422; long term, —$379.
50 Friendly Ice Cream, March 3, 1972, December 29, 1976; $718; $1,923; long term, —$1,205.
25 Friendly Ice Cream, March 7, 1972, December 29, 1976; $359; $915; long term, —$556.
50 Friendly Ice Cream, April 5, 1972, December 29, 1976; $718; $1,757; long term, —$1,039.
25 Friendly Ice Cream, April 26, 1972; December 29, 1976; $359; $839; long term, —$480.

50 Friendly Ice Cream, June 19, 1972, December 29, 1976; $718; $1,643; long term, —$325.

15 Friendly Ice Cream, November 30, 1972, December 29, 1976; $214; $452; long term, —$238.

25 Syntex Corp., May 2, 1975, May 19, 1976; $704; $1,068; long term, —$364.

15 Syntex Corp., August 12, 1975, May 19, 1976; $421; $529; long term, —$108.

100 Graniteville, February 26, 1976, March 5, 1976; $1,461; $1,651; short term, —$190.

100 Colonial Penn Group, August 1, 1974, February 26, 1976; $2,347; $4,145; long term, —$1,798.

200 National Airlines, May 5, 1975, January 22, 1976; $2,702; $2,223; long term, $479.

3M Zapada Corp, 4¾, 88, April 3, 1974, February 23, 1976; $1,949; $2,195; long term, —$246.

Condominium—Sarasota, Fla., November 3, 1974, December 21, 1976; $59,550; $53,221; long term, $6,329.

Total capital gains or losses, short term, —$190; long term, —$530.

BUDGET COMMITTEE ACTION THREATENS COMMUNITY DEVELOPMENT FUNDS FOR 50 STATES AND WOULD BE A DISASTER FOR HOUSING AND CONSTRUCTION JOBS

Mr. PROXMIRE. Mr. President, recently the Budget Committee in reporting Senate Concurrent Resolution 19, setting forth the congressional budget for fiscal year 1978, took two actions which will be a disaster to housing and community development if not overturned, and which will set precedents as to the proper role and jurisdiction of the Budget Committee which will greatly infringe on the rights and prerogatives of the legislative and Appropriations Committee.

FUNDS FOR EVERY STATE CUT

The Budget Committee determined that $500 million should be cut from the community development block grant funds. It further determined that funds for housing should be cut. In the latter case the effect would be cut back on about 75,000 new housing units. This would mean about 1,500 new starts on the average for each State. That in turn means about 3,000 jobs per State on the average or 150,000 jobs over the country.

WHAT GOOD ARE LEGISLATIVE COMMITTEES IF ACTION STANDS?

The Budget Committee acted in these specific ways before either the authorizing legislation had been passed by the Banking, Housing, and Urban Affairs Committee or the Subcommittee on HUD-Independent Agencies or the Appropriations Committee had determined at what levels of funding and what kinds of housing should be built.

It is one thing for the Budget Committee to set ceilings. It is quite another thing to say where the specific cuts should be made, what proportion of housing there should be in terms of the ratio between new construction and existing units, and the amounts and kinds of units to be built.

What good is the authorizing committee if the Budget Committee without hearings, without detailed testimony, and after spending only a minimum amount of time on the subject, makes these determinations?

CITY FUNDS AND JOBS AT STAKE

But far more than committee jurisdiction and personal pride is at stake here.

What is at stake is $500 million in community development block grant funds, carefully worked out by formula to meet the desperate needs of our cities and especially the needs of the older, decaying, central cities.

I ask unanimous consent that a table showing how the $500 million cut in community development funds would affect each State if the funds were taken from the entitlement cities, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Dollars in thousands]

State	1978 funding		
	As proposed by administration	With $500,000,000 cut	Amount of loss
Alabama	$64,095	$54,575	$9,521
Alaska	5,635	4,999	636
Arizona	26,899	22,314	4,575
Arkansas	32,743	28,648	4,095
California	323,760	275,365	48,395
Colorado	28,306	24,882	3,424
Connecticut	57,025	53,661	3,364
Delaware	8,324	6,932	1,392
District of Columbia	32,051	31,150	901
Florida	113,210	94,623	18,587
Georgia	69,819	60,262	9,559
Hawaii	13,383	11,364	2,019
Idaho	8,801	7,840	961
Illinois	203,472	171,614	31,858
Indiana	57,678	49,060	8,618
Iowa	33,116	28,540	4,576
Kansas	32,496	29,772	2,724
Kentucky	50,661	42,271	8,393
Louisiana	66,663	54,434	12,229
Maine	12,626	11,246	1,380
Maryland	54,950	46,235	8,715
Massachusetts	99,853	87,396	12,457
Michigan	149,323	127,883	21,440
Minnesota	59,523	51,598	7,925
Mississippi	40,257	34,193	6,064
Missouri	83,580	71,013	12,567
Montana	8,109	6,938	1,171
Nebraska	14,687	12,129	2,559
Nevada	4,492	3,747	745
New Hampshire	8,025	6,872	1,153
New Jersey	108,891	95,692	13,199
New Mexico	19,234	17,278	1,956
New York	393,743	339,097	54,646
North Carolina	69,134	60,291	8,843
North Dakota	7,339	6,422	917
Ohio	170,559	144,830	25,729
Oklahoma	38,258	34,291	3,967
Oregon	23,113	19,143	3,970
Pennsylvania	224,941	194,059	30,882
Puerto Rico	88,260	72,324	15,936
Rhode Island	18,916	16,670	2,246
South Carolina	33,045	27,194	5,851
South Dakota	8,710	7,642	1,068
Tennessee	63,221	54,934	8,287
Texas	198,039	167,447	30,592
Utah	15,711	12,945	2,766
Vermont	3,663	3,128	535
Virginia	63,538	56,024	7,514
Washington	46,854	38,987	7,867
West Virginia	24,792	20,193	4,599
Wisconsin	52,212	43,447	8,765
Wyoming	3,281	2,872	409

Mr. PROXMIRE. Mr. President, this is the most likely way the cut would be made. Every State would lose. Every entitlement city would lose. I also have a printout on the way the cut would affect each one of the entitlement cities. I will not burden the RECORD with this long table but it is available from the Banking, Housing, and Urban Affairs Committee or from HUD who provided it at my request.

150,000 JOBS AT STAKE

Further, Mr. President, this action will cost the country about 150,000 jobs. There are about two new jobs for each new housing start. There is one direct job in construction. There is also one indirect job for the goods and services which go with a new housing start—refrigerators, air conditioners, insulation, carpeting, draperies, water heaters, and housing and real estate services.

The action of the Budget Committee was specific. The specific funds cut would mean cutting back 75,000 units from new construction, it said. Cut the money and shift the funds from new construction to existing housing units, it said.

That is a disaster. Unemployment in the building trades is still over 14 percent—double the national average. Housing starts, even with the new figures, are 500,000 units below our national goal of 2.6 million units a year. Assisted housing starts would be about 80,000 this year and perhaps as many as 200,000 next year if the bill is not emasculated. But even those starts are 520,000 to 400,000 units short of the assisted housing goal of 600,000 units a year.

So jobs are at stake. The average State would lose 3,000 jobs as a result of the Budget Committee action.

HOUSING A TEMPTING TARGET DUE TO RIDICULOUS BUDGET METHOD

Let me make one final point. The cut made by the Budget Committee was a very tempting one because of the unique way housing is treated in the budget. The new budget authority for housing is based on the 40-year runout costs for new construction. Thus the so-called $6 billion cut in housing is largely a mirage. For example, an actual outlay of $150 million translates into $6 billion of budget authority. Or, conversely, a cut of $6 billion means a cut in outlays of only $150 million. This is why housing is such a tempting target.

If the same method were used with respect to the debt, the Budget Committee would have to raise the ceiling from $467 billion to $1.3 trillion or by almost 3 times or 180 percent. If the runout costs for the Government obligations the Treasury has sold were in the budget ceiling, in the same way that housing is included in the budget ceiling, we would have to add $800 billion to the ceiling.

I warned about this last February and I ask unanimous consent that a copy of the statement I made then be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senator William Proxmire (D-Wis) warned Wednesday that "Because of a little-known and absurd new budget procedure housing programs of the federal government may soon take it on the chin compared with other priorities. The reason is that money in the budget for most programs is calculated on a one year basis while new budget authority for the major housing programs is now calculated on a 15-, 20- or 40-year basis.'

Proxmire is Chairman of the Senate Banking, Housing and Urban Affairs Committee and Chairman of the Subcommittee on HUD-Independent Agencies of the Senate Appropriations Committee.

"The situation is so absurd that if the obligation of the government to pay back the principal and interest on its outstanding bonds—a solemn, contractual obligation—

were treated the same way housing is treated, $800 billion would have to be added to budget authority and the Congressional ceiling for budget authority would have to be raised from $467 billion to $1.3 trillion or by almost 3 times or 180 percent.

"In the long run there is no way 40-year housing money can compete with one year money for other programs in the budget.

"It is also true that those who devised this phoney budget method of dealing with housing programs were the same people who slapped on the 1973 assisted housing moratorium or carried it out. It was their purpose to destroy the housing programs, and this ridiculous budget method was just one more nail in the coffin.

"Under the new system, which is one of the worst legacies of the Nixon-Ford Administration and its Office of Management and Budget, the odds are raised that housing will be the first program to be cut and the last to be funded. Here's why:

"Suppose the proposed new budget authority upon which Congress sets a ceiling in the Budget Resolution were $10 billion too high. The $10 billion could be cut in one of two ways. It could be reduced by a painful cut of $1 billion in each of 10 different programs—education, military pay, health research or job programs, for example. Or because housing money is calculated on a 40-year basis, a cut of only $250 million in public housing funds or funds for new construction under the rental program called Section 8 would accomplish the same $10 billion reduction ($250 million times 40 years equals $10 billion).

"Given this choice, the temptation to cut housing instead of other programs will be overwhelming. Small cuts in housing outlays can mean 40 times that amount of cuts in budget authority for other programs.

"Conversely, because an increase in most housing programs must be multiplied by 40, housing will stand at the end of the line when the priorities are determined.

"Housing should be treated like every other program—no better and no worse. But for it to be almost the only budget item to get the 15-, 20- or 40-year treatment will put it in an impossible position to compete with other needs."

Mr. PROXMIRE. Mr. President, on jurisdictional grounds alone the action of the Budget Committee should be reversed. But more important, in the name of the cities and housing and jobs, it must be reversed.

I ask unanimous consent that a copy of a letter to Members of the Senate and signed by the ranking majority and minority members of the Housing Subcommittee of the Banking, Housing and Urban Affairs Committee (Mr. SPARKMAN and Mr. BROOKE) and of the Appropriations Subcommittee on HUD-Independent Agencies (Mr. PROXMIRE and Mr. MATHIAS) be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 20, 1977.

The Honorable the UNITED STATES SENATE,
Washington, D.C.

DEAR COLLEAGUE: We are writing to you to join us in restoring the Administration's budget request for housing and community development in the First Concurrent Resolution on the Budget for Fiscal Year 1978.

As you know, the Budget Committee has reported targets that assume cuts below the President's request of $500 million in Budget Authority for Community Development and $6.2 billion for housing assistance to lower income families.

We believe these cuts are unwarranted and should be restored. They not only fly in the face of Carter Administration proposals, but also ignore the recommendations of the Committee on Appropriations and Committee on Banking, Housing and Urban Affairs. They could result in reduced funding for over 500 cities and counties, as well as the loss of 75,000 new housing starts and more than 150,000 construction and related jobs. Accordingly, we shall offer an amendment to restore the Administration's request for $4 billion in community development and $32.8 billion in housing assistance when the Budget Resolution is considered on the floor.

We urge your support for this amendment for the following reasons:

1. Our Committees have considered the Administration's request for funding for the community development program and housing assistance to lower income families for Fiscal Year 1978. The cuts proposed by the Budget Committee would seriously jeopardize the new Administration's pledge to achieve the housing goals set by Congress and to help the Nation's cities, counties and smaller communities carry out needed rehabilitation and development activities.

2. The proposed cutback in housing assistance will not reduce budget outlays for housing in either 1978 or 1979, according to estimates prepared by the Congressional Budget Office. (Unlike other Federal programs, budget authority for housing assistance to low and moderate income families is computed by multiplying the program level times the maximum number of years the contract payments may be made. For the housing assistance program, this may be as many as 40 years. This multi-year treatment grossly exaggerates the budget impact of housing programs compared to other programs.)

The proposed cutback in community development assistance will, because of the lead time required, reduce outlays by only $34 million in 1978 and by $190 million in 1979.

In short, the proposed budget cutbacks of $6.7 billion in housing and community development will reduce total budget outlays by only $34 million in 1978 and by less than $200 million per year in 1979 and 1980.

3. It was argued during the markup of the Budget Resolution that a cutback in community development funding would not be noticed because there were other program funds being made available (for example, CETA and Public Works). But this argument failed to acknowledge that community development funds were requested by the Administration to carry out a new urban initiative, which is very different from the CETA and Public Works programs.

4. It was argued that housing cuts are necessary if we are to head off massive spending commitment in 1980. But the Office of Management and Budget has given its approval to the spending request for housing and has already taken its future budget implications into account.

5. The Budget Resolution has the objective of setting ceilings for the total budget and for major functions. It is not supposed to set funding levels on a program-by-program basis. Nevertheless, the Committee has, in these actions, not only identified the programs to be cut, but, in the case of housing assistance, has even identified the type of housing that is to be curtailed in HUD's assistance programs.

We believe this action goes well beyond the Budget Committee's proper jurisdiction. We believe that the authorizing Committee has responsibility for programmatic decisions and that the Appropriations Committee has responsibility for program spending. The Budget Committee's action, if not reversed now, will establish a precedent that will weaken the entire Committee structure of the Senate.

Sincerely,

EDWARD W. BROOKE,
Ranking Minority Member.
CHARLES MCC. MATHIAS, JR.
Ranking Minority Member, HUD-Independent Agencies Appropriations Subcommittee.
WILLIAM PROXMIRE,
Chairman.
JOHN SPARKMAN,
Chairman, Subcommittee on Housing and Urban Affairs.

GOLDWATER'S ADDRESS AT TAMKANG COLLEGE OF ARTS AND SCIENCES

Mr. GOLDWATER. Mr. President, over the Easter recess when the Senate was not in session, it was my privilege and pleasure to have been invited to address Tamkang College of Arts and Sciences in Taipei, Taiwan. This gave me the chance of visiting this most astounding and unique country which has risen from nothing to one of the world's great producers in a matter of just over 20 years. When one asks the question of why, the answer is that these people are free, and one only needs to look across a relatively few miles and see the mainland of China where the people live in abject poverty, deprived of freedom, living under the tyranny of communism.

As I commented in my remarks to the students at the college, I think it is nothing short of criminal the attitude my country has relative to the free Chinese on Taiwan. Our new President and his administration have not yet acceded to the request of the Ambassador of this country for an audience with the State Department or with the President. To the contrary, both the President and the State Department seem to go out of their way to kowtow to the rulers of Red China. There is no way that I can see any benefit to our country arising outside of a little trade by the so-called normalization of relations between Communist China and the United States. They would use this normalization only to bolster their declining prestige among their own people and as sort of a threat that might be waved at the Soviets poised on their border.

I spoke about these things to the students because I could sense their very deep and immediate concern over the fact that an honorable people like the United States had been acting dishonorably and show every sign of continuing to do that relative to our treaties and obligations to friends that we have had for many, many years. I ask unanimous consent that the remarks I made before this college be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

GOLDWATER'S ADDRESS AT TAMKANG COLLEGE OF ARTS AND SCIENCES

Two years ago, I was here on a sad journey, to say farewell to a friend, a world leader, a gentleman, whose great desires for the ROC obviously are being carried forward—for-

ward in the resolute manner he would have wanted. His pride in his country and his countrymen are now yours. The young of China and your resolute adherence to his concepts of life will make better people of you and—a China you and the world will always be proud of.

My friends often ask me why I have such a respect and affection for China—Free China that is. Well it goes back a long way with us westerns, for the Chinese made great contributions to the building of our land and are still adding daily to our lives. Then when your first young men left their homeland to come to my country to learn to be military aviators it was my pleasure to have been one of their instructors at Luke Air Field in my native Arizona and I have followed their illustrous careers with great pride.

Today I am honored to once again be in Taiwan and to have the opportunity to visit with you. At the outset let me explain to you that in my country there is a law which prevents any American from performing acts of foreign policy with the leaders of other countries. But we have no law which can prevent me, an American from discussing with you concepts of our foreign policy and that is what I want to do today.

It will involve the Republic of China, Communist China and the relationship of my country with both, as it is, as it should be, and I pray, as it will be. But let me, if I can, progress through this subject with as much logic as I can muster. Your concept of living puts forward the family, respect for each other and humankind and the brotherhood of man. Also that faith is the one ingredient without which nothing can succeed. Faith in our word, and in each other. These are the natural philosophies of men dedicated to freedom. They are philosophies not even known to the Communists. The Communists is the enemy of Those Philosophies—These are the basic reasons Communism can never be a permanent substitute for freedom. The basic reason why some day the Chinese who live on the mainland will join you in freedom.

CARTER'S SON

I was amazed to read in your press last week that President Carter, my president who has loudly and consistently and rightly proclaimed his belief in Human Rights would send his son to a part of this world where those rights have not existed for years. My President should have instructed his son to stop in Taiwan on his way back to Washington to see the difference between your freedom and their dominated lives and the results. In fact all Americans who go to the lands of Communism wherever they may be, for whatever reason, should touch base with the land of freedom as they return home.

More, as I progress, let me remind you that free men, you and I, share the words of Confucius "Do not do unto others what you would not have others do unto you." As these words are basic to the philosophy of Confucius, they are basic to the concepts of Christianity and all other creeds of religion. We live by them, or try to, in my country. But are they ever heard in Red China or any other slave country? No, and they never will be.

With those basics before you, I would now like to in as clear a manner as I can proceed to the policies of my country in which you are most concerned and I know you are concerned. You are concerned that neither my President, Mr. Carter nor his Secretary of state Mr. Vance has thus far honored the request of your ambassador in Washington for an audience. And I am concerned. You are concerned not because of the neglect but because it might be an indication that the Carter administration is contemplating an action you feared on the part of President Nixon and Ford, an action which did not take place—the diplomatic recognition of Red China.

Let us look into the recent past and some solid truths to explore this threat. It will be a threat only if my country has forgotten, and let me remind you there is an old saying "What is past is prologue, study the past." If my country has learned nothing else from the recent past, we have learned that no foreign policy can be followed without strong, understanding and lasting public support. It must rest on consensus. It will come only if that policy becomes public policy, only if its broadness becomes available to open appraisal, scrutiny and approval. There is no place for mystery or secrecy in arranging the final design. My country was humiliated in Vietnam because two presidents refused the fighting man victory and were dishonest in their explanations of the design of the policy. We cannot suffer that again, for if we do, we will cease to be a power, we will be attacked by the jackals of the world.

Now a word about "normalization."

NORMALIZATION

If normalization means rejecting a friendly people with whom we have treaties and agreements, then let me tell you that America respects friends and is proud of its 200 years of honorable recognition of the metes and bounds of treaties if it means, as I believe it to mean, an approach to normal business relations then we should be told that. Americans do not treat honor lightly nor with disrespect. I suggest that it is not our responsibility to pursue normalization, whatever the term means. We did not denormalize, nor did the people on Taiwan, the way of life on the mainland. Let the Peoples Republic of China begin that process by the granting of a free way of life tied to the historic philosophy of Chinese living.

Now at this point in my remarks I remind you that I am only discussing aspects of my country's foreign policy. If these remarks and those which follow seem to advocate, they are the advocacies of one American citizen. So let us proceed.

Your original concern came from an unannounced visit of President Nixon to Peiping. I learned of it flying west from Washington to California over my two-way radio and I was asked to keep my mouth shut. I did for I felt it would form a test of the Soviet attitude. It did test them and as we say "they were shook up." That visit was followed by others by Nixon and Ford. Some 9 or 10 visits of Presidents of my country or their Secretaries of State followed and now we learn that once again we will humble ourselves by kow towing visits to that bastion of slavery, Red China.

I can understand very easily your deep and troubled concern. But let me tell you that after that first visit to Peiping and after each of the others and as late as three weeks ago, Dr. Kissinger assured me that neither the freedom of Taiwan nor the sanctity of our treaties were on the agendas nor were they even discussed, that no agreements have ever been made which would endanger our status quo. Let me emphasize this important point, that up to this minute, in the word of a friend, the former Secretary of State, nothing has altered the situation between my country and Taiwan. So I pray that the glamorous binge is over, that from here on in the load is on the shoulders of the Red Chinese to earn the respect of the world.

NO COMMITMENT

But there is another point of concern on which I will touch—The so called "Shanghai Communique" signed at Shanghai by Nixon in 1972. It is not a treaty having ever received the advice and consent of our Senate. It has no commitment in our law. It is ambiguous and does not state any goal of diplomatic relations—only two indeterminate words "understanding" and "contact" are the subject of agreement.

This "communique" having never received implementation, has in the acceptance of International Law "Fallen by the wayside." Now before concluding and I dislike using that word, a brief observation on the "Sino-American mutual defense treaty."

For a little over 100 years the periphery of the Pacific has been the central point of American Foreign Interest. Doubt that? Well, remember that when the unfortunate remark was made in my country causing doubt of that interest, the Korean war resulted. It is not yet over, but the interest of my country in the Pacific remains the same. Not mind you a territorial interest, but an interest of mutuality. An interest to provide the Pacific with our concern over Peace and Freedom. The defense treaty is but a part of that and I have heard nothing in the halls of our Congress nor from Presidents nor from Secretaries of State which indicates any desire to back away from the covenants of that treaty.

So having unburdened myself of the thoughts and concern of one American, let me make one more final observation. The total interest of Red China in whatever is meant by normalization is for their own good. There is nothing mutual in it. They rightly fear the Soviets poised on their North border. Their Government rightly fears a growing reaction of the Chinese who are forced to live under it. So they look to my country. The United States of America in effect joins them as an indication of international acceptance and internal placation.

I feel certain that I speak for the vast majority of Americans when I say "Yes" we want world peace—we want it in every quarter of the world—but we will not formally recognize the enslaving concepts of Communism nor will we engage in the dishonorable act of an abrogation of friendship and mutual respect, with the ROC.

Goodbye for the moment—but a plea from one whose affection for you is unashamedly known and shown. Carry on the teachings of Dr. Sun Yat-sen and the dedicated work of General Chiang Kai-shek.

You stand today as a monument and a tribute to what free people can do.

COURT CURTAILS FCC POWER

Mr. PROXMIRE. Mr. President, I call the attention of colleagues to a recent U.S. Court of Appeals, District of Columbia Circuit, decision involving the Federal Communications Commission. This decision set aside the FCC's rules governing the type of shows that can be broadcast over pay cable television.

This decision needs to be noted because it illustrates the problem of Government regulation of the broadcast industry, a situation which my bill, S. 22, the First Amendment Clarification Act of 1977, is designed to correct.

I introduced S. 22 in January in an effort to provide legislation which would give the United States the full benefit of a free press, electronic as well as printed. Enactment of S. 22 would repeal section 315 of the Communications Act of 1934, which contains the equal time rule and the authorization for the FCC's fairness doctrine.

By eliminating section 315, we can remove Government from where it does not belong—the news regulation and selection business. Fortunately, the courts have already begun to recognize that our current laws allow unwarranted Government regulation of the broadcast indus-

try. The FCC has had some of these unjustified powers removed by court decisions in several recent cases.

Today I am pointing out a case involving the FCC's power to restrict the number and type of television productions that can be shown by cable television. These rules restricted cable television's use of feature films and certain sports events. Ostensibly, these regulations were designed to prevent any siphoning of popular special events from regular television markets.

The court of appeals, however, did not find any evidence indicating the FCC needed any regulatory powers to prevent such siphoning. The court's opinion stated that the FCC had no evidence to support its alleged need to regulate cable television.

The court also found that the FCC had improperly allowed private comments from interested parties with a stake in the issue. According to the court, these comments from private, concerned parties removed the credibility from the FCC's decision process. Consequently, the court instructed the FCC to start over in its evaluation of pay television regulations.

The crux of this court decision is that the FCC has again been found overregulating the broadcast industry. It entered an area in which it did not belong.

Mr. President, one of the reasons I introduced S. 22 was to establish the principle that there is no inherent difference between the print and broadcast media when it comes to first amendment freedoms. We have long allowed the print media to operate without Government regulation, but we have never extended the same right to the broadcast media, despite their long record of responsible reporting, programing, and service to their respective communities.

Government regulation of the broadcast industry has impaired television and radio's ability to provide the best possible news coverage. The real loser in this situation is the American people.

An editorial in the Wall Street Journal of March 29 criticized this situation while praising the court's decision restricting FCC power. The editorial pointed out:

Few federal agencies engage in more dubious activities than the Federal Communications Commission, and that's saying a lot. In the exercise of its congressional mandate it has all too often infringed on both the antitrust laws and the First Amendment guarantee of free speech.

The editorial praised the court decision for striking down an FCC misuse of power in an area where it did not belong. The editorial and the court agreed that the FCC had indulged in overregulation of the broadcast industry.

Mr. President, this type of court decision can help to improve the situation, but it cannot solve the entire problem of overregulation. We must take the FCC out of the regulation business by eliminating the fairness doctrine and the equal time rule. Only then will broadcasters be on an equal footing with the print media under the first amendment.

I ask unanimous consent that the Wall Street Journal editorial of March 29 and a Washington Post article of March 26 describing the court's decision be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 26, 1977]

COURT VOIDS FCC RULES ON PAY TV: THREE-JUDGE PANEL CRITICIZES REASONING BEHIND REGULATIONS

(By Timothy S. Robinson)

A federal appeals court here yesterday set aside the Federal Communications Commission's rules restrictng the type of shows that can be broadcast over pay cable television.

The rules among other things, prohibit cable TV from showing feature-films more than 3 but not less than 10 years old and certain sports events such as World Series and football games shown on regular television within the previous five years. The rules also limit the number of regular season sports events and all types of series shows that can be offered.

In overturning the 2-year-old regulations, the three-judge U.S. Court of Appeals sharply criticized the FCC's reasoning behind the TV regulations, the agency's justification for policing the content of cable television, and the manner in which the specific cable TV rules were adopted.

The court found that the FCC had improperly heard private comments from parties involved in the pay cable television issue. It told the commission that its proceedings were so tainted with these secret comments that it should start anew in considering any pay television regulations.

It is unclear what immediate effect the ruling will have on the burgeoning cable television industry. The use of coaxial cables, instead of standard airwave broadcasting techniques, allows companies to provide to home television viewers, for a small monthly fee, a wide range of special events that are not available on commercial television channels.

Approximately 1 million persons already subscribe to more than 350 cable television systems across the United States, according to FCC and cable television industry representatives.

In the Washington metropolitan area, about 5,400 persons subscribe to Reston's struggling cable television company to view regular programming from Washington and Baltimore's television channels as well as local Reston programming and first-run movies.

Cable television industry representatives praised yesterday's ruling, which appears to re-open the whole spectrum of the types of programs that can appear on their outlets.

"We're elated with the decision. We think it's a true reflection with what we've said all along—the FCC should not be constraining the marketplace," said National Cable Television Association President Robert Schmidt.

An FCC spokesman declined comment on the lengthy opinion late yesterday, saying the agency's attorneys were studying it.

The stated purpose of the FCC rules was to prevent popular special events from being "siphoned" away from the regular television markets in competitive bidding situations between regular networks and pay cable television companies.

In its unsigned opinion, the U.S. Court of Appeals said there was no evidence as to such "siphoning" and that therefore the FCC had no evidence to support its alleged need to regulate the pay cable television industry.

Even if the agency had the specific authority to regulate pay cable television and the evidence to do so, it acted improperly in passing the rules to prevent "unfair competition" between conventional and cable television, the court added. The Justice Department also had challenged the FCC's rules.

The court said that "at a minimum the commission, in developing its cable television regulations, was required to demonstrate that the objectives to be achieved by regulating cable television are also the objectives for which the commission could legitimately regulate the broadcast media."

The court found further that the FCC "had in no way justified its position that cable television must be a supplement to, rather than an equal of, broadcast television. . . . We cannot fathom how the commission reached the conclusion that the balance here should be struck in favor of regulation" of the cable television industry.

The three judges—U.S. Circuit Court Judges J. Skelly Wright and George MacKinnon and U.S. District Court Judge Stanley Wiegel—also found that the rules violated the First Amendment by "serving no purpose" in prohibiting the showing of certain events.

Much of the court's opinion focused on the alleged improper contacts between parties in the case and the FCC commissioners and staff. Others not directly involved in the case—including members of Congress, members of the trade press and representatives of various performing arts groups—also made questionable contacts to discuss alone and in confidence rather than in public the merits of the rules being reviewed by the FCC, the opinion said.

[From the Wall Street Journal, Mar. 29, 1977]

CHIPPING AT THE FCC

Few federal agencies engage in more dubious activities than the Federal Communications Commission, and that's saying a lot. In the exercise of its congressional mandate it has all too often infringed on both the antitrust laws and the First Amendment guarantees of free speech.

It is thus gratifying to see that a federal appeals court in Washington has declared unconstitutional and improper certain FCC restrictions on the type of program materials cable TV companies can acquire. It is to be hoped that this will be the first step in a thorough rollback of the FCC's authority—and, more importantly, congressional interference—in the program content of electronic forms of communication.

The FCC itself has had some misgivings in recent years about how much power it should have over program content. The FCC commissioners have been in a better position than anyone to see the constitutional difficulties that arise when Congress tries to set up a mechanism for restricting the exercise of free speech in a limited area of communications. The concept that the airwaves belong to the public is a justification for technical regulation of broadcasting but wears thin as rationale for rules on program content. When it comes to cable TV there is not even the public ownership argument, except to the extent—not at issue in this case—that cable companies pull some of their programming from broadcasts on the airwaves.

The FCC restrictions on cable that the appeals court rejected are very remote indeed from the public airwaves doctrine. They are mainly designed to protect on-the-air broadcasters from direct competition from cable companies for programming material. They limit the ability of cable firms to bid for first-run movies and certain major sports programs.

In part, the decision rested upon a failure of on-the-air broadcasters to demonstrate that they would in fact be damaged by greater competition from cable TV for program material. The court held that the FCC had taken no pains to find out what the effect of open competition would be.

But it also held that the FCC rules infringed on the constitutional guarantee of free speech and this finding, to the extent that it is upheld by the Supreme Court and extended to other specific actions by the federal government, has importance well beyond the television industry.

The right of free speech is not a gaurantee to broadcasters, newspapers, magazines and the like but to the American people. As electronic communications technology advances, opening up ever more ways of communicating, it becomes increasingly infringement with the free flow of information. Cable TV offers some special opportunities for communication, as do a number of other electronic forms. Congress finds it almost irresistible to try to make its influence felt in this area. It is hoped the courts will continue to erect barriers to that urge.

FINAL FEDERAL ELECTION COMMISSION REGULATIONS

Mr. CANNON. Mr. President, on Wednesday, April 13, 1977, the regulations of the Federal Election Commission were formally promulgated as final regulations.

I ask unanimous consent that the formal notice of the Federal Election Commission, which appeared in the Federal Register on April 13, 1977, be printed in the RECORD.

There being no objection, the notice was ordered to be printed in the RECORD, as follows:

[Title 11—Federal Elections, Chaper 1—Federal Election Commission, (Notice 1977–23)]

PROMULGATION OF REGULATIONS

Agency: Federal Election Commission.

Action: Final Regulation.

Summary: This rule establishes the effective date for Commission regulations implementing the Federal Election Campaign Act of 1971, as amended, that were published earlier. The delay in setting the effective date is the result of the Congressional review period required by statute for Commission regulations.

Effective Date: April 13, 1977.

For further information contact:

Daniel J. Swillinger, Assistant General Counsel, (202–4060).

Supplementary information: The Commission, by this notice, is promulgating its regulations interpreting the Federal Election Campaign Act of 1971, as amended. The regulations were published in proposed form on May 26, 1976, June 25, 1976 and July 9, 1976 in the FEDERAL REGISTER. The regulations were adopted by the Commission and transmitted to the Congress on August 3, 1976, as required by 2 U.S.C. § 438(c), and 26 U.S.C. §§ 9009(b) and 9039(b). The regulations were published in the FEDERAL REGISTER on August 25, 1976 at 41 FR 25932. Because the 30 legislative day review period did not run prior to Congressional adjournment, the regulations were resubmitted to the Congress on January 11, 1977, containing amendments to the August 10, 1976, at 41 FR 38522 and October 18, 1976 at 41 FR 45952 and subsequently adopted by the Commission.

The 30 legislative day period having run on March 30, 1977, the Commission now promulgates the regulations as published on August 25, as amended by the notices of September 10 and October 18. Reprints of the FEDERAL REGISTER publication may be obtained from the Commission's Office of Public Information, 1325 K Street, N.W., Washington, D.C. 20463, (202) 523–4068.

VERNON W. THOMSON,
Chairman for the Federal Election Commission.

11 CFR Chapter I is adopted, effective April 13, 1977, as published on August 25, 1976 (41 FR 35932), with the following changes:

PART 102—REGISTRATION AND ORGANIZATION OF POLITICAL COMMITTEES

1. Section 102.9 is amended by revising (c)(3)(iii); the introductory text of (c)(4); and (c)(4)(ii) to read as follows:

§ 102.9 Accounting for contributions and expenditures.

* * * * *

(c) * * *

(3) * * *

(iii) The particulars of the expenditures; and

* * * * *

(4) When a receipted bill is not available, the treasurer may keep—

* * * * *

(ii) The bill, invoice or other contemporaneous memorandum of the transaction supplied to the committee by the payee containing the same information as referred to in paragragh (3) of this paragraph.

* * * * *

2. The second sentence of § 102.10 is revised as follows:

§ 102.10 Petty cash fund.

* * * If a petty cash fund is maintained, it shall be the duty of the treasurer of the political committee to keep and maintain a written journal of all disbursements, including the particulars of each disbursement from the fund. Such a change would make this section consistent with § 102.9(c)(3)(iii) as revised in subparagraph (1) above.

PART 104—REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

3. In § 104.2,b)(9), the text beginning with "together with the amount, date, and purpose * * *" is deleted and the following substituted therefor:

§ 104.2 Form and content of reports.

* * * * *

(b) * * *

(9) * * * together with the amount, date and particulars of each such expenditure and the name, address of, and office sought by, each candidate on whose behalf such expenditures were made.

* * * * *

PART 114—CORPORATE AND LABOR ORGANIZATION ACTIVITY

4. Paragraph (c)(2) of § 114.4 is revised as follows:

§ 114.4 Nonpartisan communications.

* * * * *

(c) * * *

(2) A corporation or labor organization may distribute or reprint (in whole) any registration or voting information, such as instructional materials, which have been produced by the official election administrators for distribution to the general public. A corporation or labor organization may distribute official registration-by-mail forms to the general public if permitted by the applicable State law. The registration forms must be distributed in a nonpartisan manner, and the corporation or labor organization may not, in connection with the distribution, endorse, support, or otherwise promote registration with a particular party.

* * * * *

PART 134—EXAMINATIONS AND AUDITS; REPAYMENTS

5. Paragraph (c)(2) of § 134.3 is revised as follows:

§ 134.3 Liquidation of obligations; repayment.

* * * * *

(c) * * *

(2) If on the last day of candidate eligibility there are net outstanding campaign obligations, any matching funds received thereafter may be retained for a period not exceeding 6 months after the end of the matching payment period in order to liquidate those obligations. However, as of the date when the amount or amounts of matching funds received after ineligibility equal(s) the amount of the candidate's net outstanding campaign obligations, the candidate shall be obliged to repay to the Treasury that portion of any unexpended balance remaining on that date in the candidate's accounts (less the matching payments so received) which bears the same ratio to such balance as the total amount received from the matching payment account bears to the aggregate of all contributions and matching funds deposited in all the depositories through that date. Repayment shall be made within 30 days thereafter, but not later than 6 months after the end of the matching payment period.

* * * * *

[FR Doc.77–10890 Filed 4–12–77;8:45 am]

SMITHSONIAN WINS APRIL "GOLDEN FLEECE" AWARD

Mr. PROXMIRE. Mr. President, my "Golden Fleece of the Month" award winner for April is the Smithsonian Institution, which spent nearly $89,000 of public funds in producing a dictionary of Tzotzil, an obscure and unwritten Mayan language spoken by 120,000 corn-farming peasants in southern Mexico.

To make matters worse, this dictionary records the specific dialect spoken by only about 10,000 members—or a mere one-twelfth—of this already small group.

To top it off, there are no Spanish definitions in the dictionary and thus, as acknowledged in the volume's introduction, it is essentially useless to even this tiny band of peasants.

All this adds up to spending the taxpayers' money in a way that does not make sense in any language.

Mr. President, as Senators know, I make monthly "Golden Fleece" awards for the biggest or most ironic example of wasting Federal tax funds. These monthly awards are followed by a "Fleece of the Year" winner in late December.

I should point out, too, that I am a member of the Senate Appropriations Committee, which oversees the Smithsonian Institution's budget.

An attempted justification for this expenditure of public funds includes the following statement from the dictionary's introduction:

> General dictionaries of obscure languages are not fashionable, but if the understanding of human cultural behavior is the goal of anthropology, and if language is, in a sense, a "mirror for man," the pragmatic and semantic investigation of man's socially patterned linguistic habits is surely relevant.

Yet that same introduction contains other statements which raise serious doubts about the wisdom of spending tax dollars on such a project. Let me cite some specifics.

First, the dictionary's introduction, which was written by the same person who compiled the volume, contains this passage:

> I have been asked how I secured the information in this dictionary. And aside from the techniques described for the botanical section, I have no answer. I know that sober

and drunk we laughed and groaned and chatted in "the true language" for ten days and ten years, in museums, and on mountain trails, shivering in icy San Cristobal rooms, and basking beneath a Zinacantec sun.

To say the least, this description of "research technique" makes me wonder about the worth of this volume and certainly about spending public funds to support it.

Second, the dictionary's researcher made this comment in the introduction about the absence of Spanish definitions:

My main regret is that this dictionary bears heavy witness to the school of imperialistic anthropology—lacking Spanish definitions, it could have but one use for the Zincantecs, the same alluded to discretely by Don Juan, "You know what we do with paper in Mexico."

This remark speaks for itself. I, for one, do not think we should spend public money to produce "paper" for that purpose.

And finally, the compiler of this volume, in the "acknowledgments" section, uses the phrase "soon to collect dust on library shelves" in referring to this tome. That helps me make my final point. I am not saying the dictionary is useless or without merit. But we must have a set of priorities when it comes to spending public funds. The shortcomings of this work and its limited utility make it, in my view, not worth the public money spent, however, worthy it might be as the object of funding from other sources.

I recognize, of course, that some of the statements I have quoted were made tongue-in-cheek. And I certainly appreciate the candor and sense of humor underlying these remarks. But this does not help much in justifying the Federal funds that were spent on this project.

My criticism, I should emphasize, is of the Smithsonian's lack of judgment in spending taxpayers' money for this purpose and in no way reflects adversely on the competence and skills of the scholar who produced this work.

Let me point out, too, that the Smithsonian Institution has recently been criticized by the General Accounting Office for creating two private corporations to convert millions of the taxpayers' dollars into "private money," which it then allegedly spends outside the reach of Federal restrictions. One of those corporations provided over half the grant money for this dictionary project. This strikes me as a good example of what the GAO report might have had in mind.

I do not know how to say "We've been had" in Tzotzil, but that about sums up my feelings when I learned that Federal funds had been used to help produce this dictionary. For that reason, the Smithsonian Institution is more than deserving of the "Golden Fleece" award for April.

SUPPORT OF MOREHOUSE COLLEGE

Mr. TALMADGE. Mr. President, the Georgia General Assembly, while in session in Atlanta, adopted a resolution which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A RESOLUTION

Commending and urging the support of Morehouse College; and for other purposes.

Whereas, the number of physicians and dentists in rural and urban inner city areas of Georgia are far too few for adequate health care to be given to the people of Georgia who reside in these areas; and

Whereas, existing medical schools are not producing physicians in numbers sufficient to meet the health needs of Georgia's inner city areas and rural communities; and

Whereas, it has been learned that Morehouse College is developing a program in basic medical science which will satisfy some of the requirements of the M.D. degree; and

Whereas, Morehouse College has the will and ability to develop a quality program in basic medical sciences which will substantially increase the number of physicians who will dedicate themselves to serving as primary care physicians and family practitioners in areas of greatest need; and

Whereas, Morehouse College has expressed its intention to exert every effort in the accomplishment of this goal and, further, intends to do all things necessary to develop the above-mentioned program into a degree-granting institution.

Now, therefore, be it resolved by the General Assembly of Georgia that this body hereby commends the administration, faculty and staff of Morehouse College for their concern and commitment in the area of medical education, and hereby pledges its support to the efforts of Morehouse College in the development of the needed financial resources for land acquisition, construction of facilities, curriculum development and other needs for this new medical school, which will train more physicians for our underserved poor and minority communities.

Be it further resolved that this body endorses the campaign for program, endowment and construction funds for the developing School of Medicine at Morehouse College and has evidenced such support by providing funding in the amount of $1,000,000 in the Appropriations Act for Fiscal Year 1978, which funds are contingent upon the availability of federal funding for the establishment of such School of Medicine.

Be it further resolved that appropriate copies of this Resolution be transmitted to the Honorable George Busbee, Governor of Georgia; Liaison Committee on Medical Education of the Association of American Medical Colleges; the National Medical Association; the Medical Association of Georgia; the Georgia State Medical Association; the Atlanta Medical Association; the Medical Association of Atlanta; the Assistant Secretary of Health, Education and Welfare; the Administrator, Health Resources Administration; the Chief of the Institutional Resources Branch of the Department of Health, Education and Welfare; the Subcommittee on Health, Senate Committee on Labor and Public Welfare; the Subcommittee on Health and Environment; and the House Committee on Health and Ecology.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. HUMPHREY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that six such notifications were received between April 8 and April 12, 1977.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

S. 1303: THE LEGAL SERVICES CORPORATION ACT AMENDMENTS OF 1977

Mr. CRANSTON. Mr. President, I am especially proud to be an original sponsor of S. 1303, the Legal Services Corporation Act Amendments of 1977, introduced yesterday by the distinguished chairman of the Subcommittee on Employment, Poverty, and Migratory Labor (Mr. NELSON). The bill contains many provisions on which I collaborated with the Senator from Massachusetts (Mr. KENNEDY), another original sponsor. We are joined by those most steadfast friends of Legal Services, our chairman of the Human Resources Committee, the Senator from New Jersey (Mr. WILLIAMS) and the ranking minority member of the committee, the Senator from New York (Mr. JAVITS), as well as by our newest majority member, the Senator from from Michigan (Mr. RIEGLE).

Mr. President, I was deeply involved in congressional efforts to create the corporation, chaired the confirmation hearings for the present members of the board of directors of the corporation, and have worked to achieve a sufficient level of appropriations for the corporation to enable it to address meaningfully the task for which it was created—providing access to the legal system and equal justice under the law for 29 million low-income Americans.

The corporation's task is a profoundly important one. As Thomas Ehrlich, president of the Legal Services Corporation, stated before the House Judiciary Committee's Subcommittee on Courts, Civil Liberties, and the Administration of Justice:

Equal access to justice and equal justice under law are fundamental promises by our society to all its citizens. The obligation to live according to the law must carry with it the right of access to the institutions that make and enforce laws, and to fair treatment by those institutions. If political liberty means anything, it must mean that.

Mr. President, the history of the legal services program for the poor is a story of a struggle for survival. By 1970 it had

become clear to many of us that partisan political pressures threatened to tear the program asunder. It was equally clear that the program could no longer continue as part of the executive branch. Thus, interest increased in support of the establishment of a new, independent public corporation—not an agency of the Federal Government—to fund legal services programs. A very long and hard battle was fought. The Legal Services Corporation Act of 1974 finally emerged from that struggle.

The Legal Services Corporation that was created by that act has now been operating for almost 2 years. Although no program can operate without difficulties, I can say without exaggeration that the corporation has been a resounding success. The legal services program is no longer immersed in controversy. It is no longer under concerted attack from any source. The energies of legal services attorneys and involved bar groups have been able to be directed full-time to the goal of providing legal services for low-income Americans.

Mr. President, a basic congressional goal in creating the corporation—to insure that the legal services program remained free of partisan politics—has been realized. The corporation is accountable directly to Congress. Policy is set by the board of directors, who have proven themselves to be responsible, moderate citizens who are committed to working with the program to assure its purposes are attained. The corporation and those directly administering legal services projects are able to base their decisions regarding the use of resources on the merits. Thus, the mechanism of the corporation has brought stability and success to the legal services program.

As a result, the legal services program is now a sound and healthy one. Obviously, I do not mean to imply that equal access to our system of justice is now a reality for America's poor. The road that we must travel to achieve that goal is a very long one. But we have made a substantial beginning on our long journey, and it is a journey that we will complete. The enactment of the Legal Services Corporation Act Amendments of 1977 is the next step down the road that we must travel. The amendments proposed in this bill include three provisions designed to smooth that road. I will briefly describe them.

Mr. President, the bill contains authorization of appropriations levels of $225 million for fiscal year 1978 and such sums as may be necessary for the succeeding 4 years. Although the fiscal year 1978 authorization level of $225 million is, if fully funded, a substantial increase over this year's appropriation to the corporation of $125 million, it would provide for services to only a fraction of those eligible and in need of services; it is consistent with the increases recommended by the corporation and the administration; and it is much less than the levels recommended in the bill reported by the House Judiciary Committee to the full House, which authorizes $238 million for fiscal year 1978 and $300 million for 1979. Thus, the increase recommended by our bill for 1978 is a moderate increase for a proven, cost-effective program. In fact, the corporation has completed field evaluations of all of its programs and has found that, with few exceptions, they are operating on a sound professional basis.

In addition, Mr. President, the corporation's authorizations were extended for 5 years in order to assure the corporation, the programs it supports, and the clients it serves, of a stable, on-going program. We believe, as does the corporation, that sound planning can only take place in such a context—we have thus proposed in this bill a longer term authorization in order to remove the program from the continuing uncertainty in which it has operated. The corporation and its board of directors—as well as the Congress—recognize the need for continuing accountability to the Congress and regular review by the Congress. This need can and will be met, however, without the burden of frequent authorization proceedings.

Second, the bill removes the restriction against the corporation's issuing grants or contracts to perform training, research, technical assistance, or clearinghouse activities. This provision was requested by the corporation and is also contained in the House committee's bill. The corporation does not anticipate that this amendment will alter the basic structure of its Office of Program Support or Research Institute on Legal Assistance, the corporation's offices that now perform most of these functions. The amendment would, however, provide greater flexibility and would allow the corporation to insure that every activity it performs is carried out in the most economical and efficient way possible.

Third, the bill would mandate that three of those appointed to fill vacancies in the board occurring before July of 1978 must be eligible clients. The President will have 11 nominations to make during that period. In addition, one of the five appointments to be made before January 1, 1978, must be an eligible client. The bill would also require that the membership of the board be generally representative of the organized bar, the client community, attorneys providing legal assistance, and the general public. There are presently no members of the client community on the board and no women on the board, and we believe that it is imperative that this situation be rectified.

Finally, Mr. President, the bill clarifies that legislative and administrative representation by a paralegal supervised by an attorney on behalf of an eligible client is permitted under the present act and is governed by appropriate legal canons. The bill would also explicitly recognize the principle that legal services attorneys should be constrained by professional standards regarding solicitation of clients to the same extent—but to no greater extent—than private attorneys.

Mr. President, I believe that the Legal Services Corporation Act Amendments of 1977 make moderate and necessary improvements in the present act, and move us closer to equal access to our judicial system for all Americans. I urge the enactment of S. 1303.

THE GENOCIDE CONVENTION AND THE SENATE ETHICS CODE

Mr. PROXMIRE. Mr. President, we in the Senate have just finished passing a long-awaited code of ethics. The bill was necessary and helpful in recognizing our continuing commitment to every level of morality.

Yet we refuse to vote on a treaty—the United Nations Convention on Genocide—whose moral ramifications go far beyond the U.S. Senate. In turning away from this treaty, we are neglecting our commitment to the most fundamental level of human morality—that of a guaranteed right to existence. For over 25 years we have refused to ratify the Genocide Convention, a treaty that would make the intent to destroy a national, ethnic, or religious group an international crime.

That such a treaty is needed is unquestionable. The murder of 6 million Jews in Nazi Germany is only the most obvious example of a frightening attempt at genocide.

Mr. President, at a time in which we act to set standards for our own conduct, I would urge that we consider standards of international conduct. The Genocide Convention gives voice the world's outrage and concern over acts of genocide. In the interest of peace and safety throughout the world, in the hopes of eliminating all future crimes against humanity, I ask that my colleagues join me in support of this vitally important treaty.

HONORING BOB WILLIAMS OF CLEVELAND, OHIO

Mr. GLENN. Mr. President, on Friday, April 29, 1977, many distinguished Clevelanders will join together to honor Bob Williams, an outstanding journalist. It is most fitting that this tribute to Mr. Williams has as one goal the establishment of a scholarship fund for a minority student in journalism.

Bob Williams represents the very best of Cleveland. He joined the Cleveland Call and Post in 1942 and was a key figure at that paper until 1968 when he joined the Cleveland Press as a reporter and columnist. During his distinguished career, he won many awards, including three for outstanding achievement from the National Newspaper Publishers Association.

On behalf of the entire State of Ohio, I am most happy to join in paying tribute to this fine gentleman who has given such excellent service to the community, State, and Nation.

RHODESIA'S TIME

Mr. CASE. Mr. President, the Washington Post on April 19 carried an editorial concerning the situation in Rhodesia. The statement by the Post is, I believe, a significant one. It asks

whether an internal solution inside Rhodesia is a possible alternative of a civil war in that country among the conflicting black factions.

It has been an open secret for some time that the black factions outside Rhodesia, supported and backed by the so-called frontline African states—mainly Mozambique, Zambia, and Tanzania—are opposed to one another. Indeed, the situation is so fraught with peril that there is even a strong possibility that the leaders of these guerrilla factions, most prominently Robert Mugabe, Joshua Nkomo, and Rev. Ndabaningi Sithole, do not have the support of their own organizations. One result of a forced settlement could be a multisided power struggle that might result in a civil war with outside backers taking different sides.

The alternative of an acceptable transfer of power involving the popular Bishop Abel Muzorewa ought not to be overlooked. Given the proper backing from the West and with arrangements suitable to protection of the white minority in Rhodesia, it may be possible to work something out. The key ingredient, though, may be some positive indication of political support from both the United States and Great Britain. A recent Foreign Relations Committee staff report pointed in this direction in suggesting an American temporary mission to Rhodesia which could perform a moderating role between the black organizations there, notably Bishop Muzorewa, and the Smith government. It is not too late to consider heading in this direction.

The Post editorial deserves careful study and I commend it to my colleagues.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RHODESIA'S TIME

The premise of the latest British effort to negotiate a settlement of the racial conflict in Rhodesia is that the situation has changed since January, when the latest effort collapsed. It's an understandable premise. True, in the battlefield, things are about the same: guerrillas are inflicting painful but far from crippling losses on the whites, who can probably hang on for some time. The British have a few new wrinkles in their diplomacy but nothing to alter the basic cause of its ineffectiveness, national weakness. There is, however, a new American President, one who, though untested, starts with a certain credibility among black nationalists. This is what lends interest to the newly announced American readiness to co-sponsor a fresh conference on Rhodesia, if the British (as expected) decide to convene one, and to participate in its actual work.

Given the evident American unwillingness to offer more than words and some money, which is what the last administration offered to no avail, it has to be asked, nonetheless, what purpose will be served by a more prominent American role. It is all very well for Washington to proclaim a commitment to Africa's wellbeing, to peaceable settlement of disputes, and to multiracialism. But will this slow down the guerrillas, who may feel that by fighting they can reap all the power rather than just a share? Will it induce Ian Smith to entrust the white community's welfare to "guarantors" far from the scene and demonstrably reluctant to act? Is it worth a trip to Geneva merely to hold the British government's coat at a new conference?

In fact, a conceivable result of the British-American approach to an "international solution," one including the guerrillas based outside the country, is an intensified drive by Mr. Smith and Bishop Abel Muzorewa to reach an "internal solution," one made with "moderate" blacks at home. Last January, Secretary of State Vance, new in office, dismissed "the so-called internal solution." But suppose Mr. Smith and the Bishop, who is not a puppet but a politician with broad popular support, hatched a quick-majority-rule plan that allowed participation in internationally sanctioned elections even by the guerrilla elements now proscribed. And what if the probable alternative was a sequence beginning with a new conference and ending in a rout of whites, a black civil war, and economic ruin?

Perhaps it will turn out for the worse whatever is now done. But we think there is ample reason to encourage Mr. Smith and moderate nationalists to try to make it come out better, if they can.

FEDERAL INCOME TAX—WHO HURTS

Mr. JAVITS. Mr. President, the income tax deadline has come and gone, and yet the flood of letters from my constituents complaining about the rate of income tax is still at record levels.

From both the macro and the micro point of view, taxes are high. The ratio of personal income taxes to GNP is expected to rise sharply during fiscal year 1978; this ratio will climb from a recent average of 8.3 percent to a full 11 percent—a 32-percent growth rate—by 1982 if our tax laws stay the same.

From the individual point of view, high marginal tax rates of 40 percent or more are paid by millions of middle-class taxpayers whose only reason for having to pay such high rates is that they are earning a living wage. In fact, according to statistics from the Advisory Commission on Intergovernmental Relations, families with average incomes have had greater percentage hikes in both their Federal personal income taxes and their total tax burden than families with twice the average U.S. income.

This fact must work as a substantial disincentive for people to save; since interest rates on savings accounts scarcely keep up with the rate of inflation before taxes. In the higher income levels and higher tax brackets—where millions of professionals find themselves in the 50-percent bracket and higher—the high marginal tax brackets restrain investment and many people have pulled out of the stock market and have opted instead for nonproductive investment vehicles: land, art, precious stones, et cetera.

In this context, I commend to my colleagues an article in the Washington Post, which appeared over the recess and illustrates the tax burden dramatically. It points out that the total tax take for a family with an average income climbed 92.4 percent between 1953 and 1975 and now totals some 22.7 percent of its total income. Although the chief culprits in this tax rise were the social security tax—it climbed 436.4 percent—and the State-local personal income tax—the figure here is 533.3 percent—the fact is that personal income taxes also climbed by more than a quarter and still take the largest bite out of pretax income.

The average family has been most hurt by tax hikes, according to the figures published in the Post. Families with twice the average income had their taxes rise 49.1 percent between 1953 and 1975, and families with four times the national average income saw their tax bills go up 46 percent. Moreover, the point is clear: we are sending more and more of our incomes to the Government, as inflation pushes us into higher tax brackets and as Government strives to keep its books in balance.

One policy recommendation clearly presents itself. We must seek a better solution in personal income taxes. This tax is the largest one directly affecting the consumer. Reducing personal income taxes on a permanent basis should increase after-tax rates of return and thus encourage consumers to spend and save more.

I ask unanimous consent that the article from the April Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE "CHEAPEST OF ALL TAXES" STILL HURTS

(By Peter Milius)

When the House Ways and Means Committee reported out the first income tax bill under the 16th Amendment to the Constitution, it predicted:

"All good citizens . . . will willingly and cheerfully support and sustain this, the fairest and cheapest of all taxes."

The committee had every reason to believe what it wrote was true. That early income tax was only 1 per cent of the first $20,000 of taxable income and gradually rose to a maximum of only 7 per cent on all income over $500,000.

Today, however, the cheer has gone out of taxpaying. The 1 per cent tax is a thing of the past; the Internal Revenue Code has become a bulky joke. The income tax has few defenders—and this is April 15, the day the tax is due.

Yet in some respects, the income tax has a worse reputation than it deserves.

The national tax burden—the percentage of national income taken by federal, state and local taxes combined—has increased tremendously in the last 25 years. But the federal income tax has increased less than other major taxes; by some measures, it has hardly increased at all.

The Advisory Commission on Intergovernmental Relations, an agency here, has calculated that in 1953 the average family had an income of $5,000 and paid 11.8 per cent of it in direct taxes of all kinds—federal, state and local income, federal Social Security, state and local sales and local property taxes.

By 1975, according to ACIR, the average family's income had risen to $14,000—and governments were taxing away 22.7 per cent of that income directly, nearly twice what they took in the 1950s.

In percentage terms, the state and local income burden rose the most—533 per cent—followed by the Social Security tax (436 per cent) and state and local sales taxes (117 per cent). Next came local property taxes, at 81.8 per cent. The federal income tax was last, at 26.3 per cent.

In absolute or dollar terms, the Social Security tax rose the most. In second place, in roughly a tie, were the federal income tax and local property taxes.

Measured another way—for the population as a whole, as distinct from the average fam-

ily—the federal income tax burden has remained virtually unchanged for the last 25 years.

Left to itself, inflation would increase this burden. Inflation means higher incomes, which automatically move people into higher tax brackets. But Congress has periodically cut income taxes in various ways to offset this effect. Thus in 1953 federal income taxes were 10.2 per cent of total national personal income—and in 1975 they were 10 per cent.

These constant percentages mask some important distributional changes, however. The biggest income tax cuts have gone to low-income families, millions of which have been moved off the federal income tax rolls in recent years. To make up for this, income taxes on average- and upper-income families have been allowed to creep up a little.

In this sense, the federal income tax has become more progressive—but most experts say the total federal tax structure has not. This is because the Social Security tax has gone up so much, while the corporate income tax has come down, at least as a percentage of federal revenues.

The Social Security tax is generally regarded by economists as regressive—a tax that, in relative terms, falls harder on the poor than the rich. The Social Security tax in the early 1950s was 1.5 and then 2 per cent for employee and employer on the first $3,600 of each year's wages. Today it is 5.85 per cent on the first $16,500. Social Security collections were about 7 per cent of federal revenues then. They have soared to a little more than 30 per cent today.

The corporate income tax, by contrast, is thought to be borne largely by corporate stockholders, who tend to be in the upper-income regions. The corporate income tax produced 29 per cent of revenues 25 years ago and produces about 15 per cent now.

There are two other important shifts that have taken place in the national tax structure over the last 25 years.

First, state and local taxes taken together have increased almost twice as fast as federal taxes.

That is another way of saying it is not the federal government that has grown so much in this period, but state and local governments. State and local taxes were about 30 per cent of all taxes collected in the early 1950s. They are now about 42 per cent, approaching half.

There also has been a change in the mix of state and local taxes, in that income taxes have gone up in relative importance while the property tax has come down.

State and local governments also are using federal grants to finance more and more of their activities. These grants now make up about 20 per cent of total state and local revenue, as against about 3 per cent in the early 1950s.

The federal money comes mainly from the federal income tax. In this sense, state and local government today is being financed by a more progressive tax mix than in the past.

But that is a minor comfort. According to ACIR, in 1975 the average family still paid 4 per cent of its income in local property taxes—$1 out of every $25. It paid 9.6 per cent in federal income taxes, or roughly $1 out of every $10.

"The fairest and cheapest of all taxes" has become the biggest, and it hurts.

DIRECT TAX BURDENS BORNE BY AVERAGE- AND UPPER-INCOME FAMILIES, 1953 AND 1975

Type of tax	Family with average income			Family with twice average incomn			Family with 4 times average income		
	Tax as percent of family income		Percent increase, 1953–75	Tax as percent of family income		Percent increase, 1953–75	Tax as percent of family income		Percent increase, 1953–75
	1953	1975		1953	1975		1953	1975	
Total	11.8	22.7	92.4	16.5	24.6	49.1	20.2	29.5	46.0
Federal personal income tax	7.6	9.6	26.3	12.8	14.7	14.8	16.6	21.1	27.1
Social security tax	1.1	5.9	436.4	.5	2.9	480.0	.3	1.5	400.0
Local residential property	2.2	4.0	81.8	1.8	3.2	77.8	1.7	2.5	47.1
State-local personal income	.3	1.9	533.3	.9	2.9	222.2	1.2	3.7	208.3
State-local general sales	.6	1.3	116.7	.5	.9	80.0	.4	.7	75.0

Note: Estimates for average family earning $5,000 in 1953 and $14,000 in 1975 assuming all income from wages and salaries and earned by 1 spouse. Estimates for twice the average family: Family earning $10,000 in 1953 and $28,000 in 1975 and assumes that earnings include $105 (interest on State and local debt and excludable dividends) in 1975 and $25 in 1953; also assumes the inclusion of net-long term capital gains of $1,040 in 1975 and $350 in 1553. Estimates for 4 times the average family: Family earning $20,000 in 1953 and $56,000 in 1975 and assumes that earnings in $965 (interest on State and local debt and excludable dividends) in 1975 and $265 in 1953; also assumes the inclusion of net long-term capital gains of $6,400 in 1975 and $1,730 in 1953.

Source: Advisory Commission on Intergovernmental Relations.

CHILD PORNOGRAPHY

Mr. ROTH. Mr. President, the lucrative but immoral business of child pornography exists and continues unharrassed. The wretched practice of displaying children in explicit sexual acts must, for the welfare of our children, be stopped.

To help combat the dissemination of child pornography, I have introduced S. 1011 and S. 1040 which make it a felony to cause or knowingly permit a child under age 16 to engage in specified sexual acts if the person has reason to know that the child's sexual conduct could be photographed or transported in interstate commerce. The bills also make it a felony for any person who knowingly transports or ships child pornography through interstate commerce or receives for the purpose of selling or sells any photograph or film depicting a child engaging in a prohibited act.

Mr. President, until a few months ago, I never realized the magnitude of this type of child exploitation. Unfortunately, the majority of the American public remains unaware of the subject of child pornography. Children are being bought and sold as if they were commodities instead of human beings.

A recent article in the Washington Star outlines some of the problems and traumas experienced by children who are victims of child pornography. There is no room in society for sexual entrepreneurs who lust after money at the expense of innocent children.

Mr. President, I direct my colleagues' attention to portions of this article and hope they will join in the outcry to end this mockery of public decency. Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHILD PORN: IS THE ISSUE FIRST AMENDMENT FREEDOM?

(By Michael Satchell)

"What put me to work," said Lloyd Martin, "was one picture. It was of a man about 30 and maybe an 8-year-old boy performing sex. The look on that boy's face. . . . No amount of words can describe it. It wasn't fear. It was more a look of 'somebody help me.' . . ."

Martin is the head of a special six-officer unit within the Los Angeles Police Department that deals with sexual exploitation of children. His outrage was spawned by one of the more insidious developments in an old and vexing question—when is erotic material truly obscene?

An estimated $1 billion-a-year industry that has thrived by creating new fads and demands, each more explicit and perverse than the last, pornography has now reached what many consider to be its absolute limit—the use and abuse of young children.

Unfettered by regulation, pornography has grown more varied and efforts to control it have failed. That is due to confusing obscenity statutes and to the fight by such groups as the American Civil Liberties Union (ACLU) which believe censorship of such material violates the 1st Amendment protecting free speech.

Now, with children being filmed and photographed in hardcore sex acts, a wide range of individuals and agencies is beginning to organize and fight the trend.

Several States have hurriedly introduced legislation aimed at banning child pornography. None has yet been passed. One bill has been introduced in Congress and a second is being drafted.

For law enforcement officials who have grown largely ambivalent about porn prosecution, and for liberals who abhor censorship in any form, the issue of child pornography teeters on the cutting edge of the 1st Amendment, a litmus test of what is or isn't truly obscence.

"Just a few years ago, it was straight sex between couples," said Robert Kendall, a Justice Department attorney specializing in obscenity prosecution. "Then we escalated to explicit ejaculation, then groups of three and four people, then bisexuality, S&M, bestiality, urination and defecation, then snuff.

"Now, we're going through a very bad stage. Children. In order for pornography to survive, there must be a new product. They'll do anything to make that almighty buck."

While public and judicial attention—and outrage—have largely been focused on such highly visible and well publicized smut vehi-

cles as the movie "Deep Throat" and the magazine Hustler, child porn in the past year or so has moved into the adult bookstores and porno mail order houses largely unmolested by the law. Today, it accounts for as much as 10 percent of the market by some informed estimates.

It has done so largely because of public ignorance, and the fact that obscenity laws, a gray area at the best of times, makes no distinction between kidporn or any other kind.

"The average person has no idea of whats on sale in porno shops because they never go in them" said the LAPD's Martin.

"It's such a distasteful subject that the news media generally doesn't want to touch it. We believe child porn alone is a multimillion-dollar portion of the industry and it's getting bigger. This isn't consenting adults. These are confused, frightened children. To me the crime has no equal."

Dr. Judianne Densen-Gerber, a New York psychiatrist, lawyer and social activist, has been touring the United States recently, shocking community groups by screening a child porn film and displaying hard-core magazine examples of the trend.

An unbiased zealot on this particular subject, her aim is to stir public outrage against this material, not hard to do when she opens her suitcase full of kidporn magazines and screens a film of a young brother and sister pathetically attempting intercourse and other sex acts.

"On occasion, I've recommended pornography for my patients and I've even enjoyed erotic material myself," she said. "But this stuff isn't 1st Amendment material. I'm not going to answer some limousine liberal's free speech argument. I don't think I have to.

"Common sense tells me that this goes way beyond free speech. This is mutilation of children. These aren't consenting adults. They're victims. The 1st Amendment isn't absolute, and if I have to give up a portion of my 1st Amendment rights to stop this stuff, then I'm willing to do it."

Her comments were echoed by a colleague, Fred Cohen, executive director of The Odyssey Institute, an agency founded by Densen-Gerber to help the socially disadvantaged. Odyssey, which specializes in drug addiction and child abuse, is in the forefront of the campaign against child pornography in New York.

Said Cohen: "We have come up against civil libertarians who hate what we are doing and take the adult side that there must be total freedom. We don't care what the adult reads, but what about the trauma to the children involved? The child's rights must take priority."

Authorities say tracking down those producing the books and films is extremely difficult and sometimes impossible. Police argue that if the distributors and salesmen can be quickly and effectively prosecuted, they will refuse to handle child porn, and if no one is willing to sell it, the producers will be forced to quit making it.

The 1st Amendment dilemma was put to Alan Reitman, associate director of the American Civil Liberties Union, which recently felt obliged to publish a position paper on its attitude toward child pornography.

An ACLU committee studied the question, viewed examples of kidporn and decided that while it is all right for authorities to prosecute those producing the material, the ACLU does not support prosecution of porn distributors and adult bookstores selling it.

"There is an important principle of free communication," argued Reitman, emphasizing that he personally found the material repugnant. "If you start making distinctions (between degrees of pornography), you weaken the principle and open the door to further censorship."

Asked about the contention that it is extremely difficult to track down the producers of this material, and that police are generally forced to concentrate on the national distributors and adult bookshop owners, Reitman said:

"Then the police will just have to try harder."

Authorities around the country contacted by The Washington Star said that at virtually any big city adult bookshop, and probably all porn mail order houses, one can view peepshow films or buy books and movies involving children as young as four or five. Police raids tend to push the stuff temporarily behind the counter, but it quickly reappears when the heat is off.

New York Dist. Atty. Robert Morgenthau last week assured a visiting reporter that Times Square, following a series of police raids, had cleaned its shops of child porn. Morgenthau was wrong: Three of the area's dozens of porn shops were visited randomly and each had a selection of hardcore peepshows and movies, along with books involving children.

In the District, one of the few jurisdictions with a law explicitly covering the "lewd exhibition" of children's genitals, both the Justice Department's Kendall and a D.C. police spokesman were equally confident that child pornography wasn't being sold in the capital. A quick survey of 14th street NW turned up child porn books and movies.

Elsewhere, the story is much the same. "It's wide open," complained Nick Ivarone of the Chicago police department. "I've got stuff purchased in this city involving little boys and girls that would make you sick."

Said Robert Leonard of Flint, Mich., president-elect of the National District Attorneys' Association (NDAA): "You can't believe this thing. It's fantastic. We've just formed a special nationwide task force of district attorneys to try and come to grips with it and our preliminary survey shows that it seems to be just about everywhere. I believe prosecution of pornography ought to have a low, if any, priority. But this stuff is a whole different ball game."

Not surprisingly, child porn emulates adult fare, from simple nudity to extreme perversion, with bestiality apparently the only area yet to be exploited.

Magazines such as Lollitots, Nature Boys, and Moppets and Teens purport to be of "cultural, scientific, educational and sociological" value. Prepubescent and early teenage girls and boys are photographed in awkward poses designed for maximum exposure of the genitals . . . all under the guise of being sexually healthy nudist-type publications.

Others, such as Naughty Horny Imps, Children Love, Chicken Hawks and Pre-Teens and Older Men, along with movies with similarly suggestive titles, make no such pretense. They show explicit sex acts between young children of both sexes, and between children and adults, both homosexual and "straight."

The combinations and the activities seem limited only by the pornographer's imagination and the limits to which he, or she, are willing to exploit the children. The kids themselves often seem confused, and in the movies, can sometimes be seen looking off camera, waiting for instructions on how to proceed.

Amazingly, even these items do not push the new outer limits of porn. Two books obtained by Densen-Gerber are virtual primers for incest and pedophilia, actually encouraging it.

One book contains full color photographs of a girl about seven or eight and a man represented as her father. An accompanying pseudo-sociological text extols the joys and virtues of incest "in this enlightend age" with detailed instructions on the physical techniques required to accomplish it. The child's bewildered expression throughout the magazine speaks volumes in support of Densen-Gerber's campaign.

The other publication is simply titled "Lust For Children" and chronicles, in graphic, full-page drawings and text, the adventures of a child molester who spots two young girls in a park. Written and drawn entirely from the man's point of view, it details how he buys them ice cream, lures them to his house, plays various games to win their confidence, then sexually abuses them.

One part of the story instructs the reader to ignore any struggle or protest from the children, stating that little girls are naturally promiscuous and such protest really means they are enjoying it. The message throughout is that child molesting (that expression is never employed) is harmless and fun. The book concludes with drawings of two laughing children happily accommodating their new-found "friend" in a variety of sexual activities.

Although none of those campaigning against child porn claim to have seen any definitive cause-and-effect studies, they say common sense indicates that such books as "Lust For Children" can only encourage the activity they portray.

The LAPD's Lloyd Martin agrees. "Every case (of child molesting) we've ever made out here, the guy's had this material," Martin said. "Take one man who picked up a 5-year-old girl in the park. The guy had two briefcases containing 10 rubber dolls, candy, a tube of Vaseline and a stack of books including Lollitots, Moppets and one called Daddy Loves Little Girls."

Author Robin Lloyd says that during his research for his book on boy prostitution, he collected 264 different boy and girl porn magazines being sold in adult bookstores nationwide, some so exclusive that they dealt with such things as homosexual acts between identical twin brothers.

In Los Angeles, where much of this material is thought to be produced, police conducted a study last year and concluded that over 3,000 youngsters under the age of 14 were being exploited sexually in the city.

"Children have become commodities and are bought, sold and traded for the financial gain of the involved adults," the Los Angeles report states. "Every conceivable sexual act is committed upon these young people, including acts of sado-masochism."

Police investigating the problem believe the children used in kidporn come from various sources. The younger ones, particularly girls, are provided by their parents—drug addicts, porn performers themselves, most often parents having incestuous relationships with their children.

The young teens are sometimes runaways or streetwise youngsters lured into the trade. Some are sent by unwitting parents to religious summer camps run by homosexuals. The children are drawn into the activity, then become too frightened or ashamed to tell their parents. And some children are simply victims.

"We find now that practically all child molesters take polaroid pictures of their victims for their own enjoyment, and for sale," Martin said. "Then a lot of fathers performing incest on their sons or daughters will let them be used in films, or will exchange photographs with others, and these will end up being published."

Last January, a Security, Colo., couple was charged with selling their 12-year-old son for $5,000 for sexual purposes to a Texas man who took the boy to Los Angeles. A social worker in Rockford, Ill., was jailed last year after permitting a pornographer to film his three foster sons. The fee: $150 per child.

Boys and girls from broken and problem homes, runaways or kids allowed to wander without parental supervision are often lured into the trade.

"These kids are easy targets" said Martin. "Their home situation is deplorable. Money doesn't mean much to a lot of these kids. What they crave is love and affection."

Equally depressing is the ultimate effect of this activity on the children themselves. Those studying the problem feel the children will suffer lasting harmful effects and—just like battered children who grow up to beat their own infants—will probably grow up and become sexual abusers themselves.

Said Dr. Vincent Fontana, a child sex abuse expert at New York's Foundling Hospital: "There is a great deal of psychological scarring of these kids, and God only knows where they will end up . . . drug addiction, alcoholism, sexual acting out. As these kids grow up, they're going to have real problems."

Densen-Gerber agreed. "We know psychiatrically how destructive this inappropriate sexuality is to our children. It leads them to join our deviant population of drug addicts, prostitutes, teen-age parents and criminals," she said.

Authorities say that perhaps 70 percent of the child porn market now involves young boys—"chickens" in the vernacular—and adult male homosexuals. A vast and well organized network caters to the "chicken" trade with books, movies and boy prostitutes.

Robert Leonard, the NDAA's president-elect, said investigations into well organized boy prostitution and porn rings are currently under way in Michigan, Louisiana, Tennessee, Pennsylvania, Rhode Island and Virginia.

Several of the rings have operated out of religious-type camps. In Tennessee, the Rev. Claudius Vermilye Jr., an Episcopal priest operating a farm for wayward boys, was charged recently with staging homosexual orgies with the boys and photographing the action for sale to magazines.

Off Traverse City, Mich., a phony religious group set up a camp on North Fox Island in Lake Michigan and flew upwards of 200 boys out to the island for the pleasure of well-heeled homosexuals. In New Orleans, it was a Boy Scout leader staging similar activity with members of his troop.

"On 42nd Street in Times Square and at 53rd and Third Avenue you can watch the hawks waiting to pick up the kids," said Lt. Martin Kennedy of the police public morals division. "You see kids 10, 11 years old. They come downtown from the Bronx to make a buck. These kids take an awful risk—you should see some of the creeps picking them up."

The Los Angeles police study estimated that some 25,000 juveniles under 17 are currently involved in the "chicken" trade in the city. "When we get to them, they usually break down and cry," Martin said. "They are very relieved to be out of it. They often are too scared and ashamed to tell their parents what they've been doing."

There is a distinct sense of anger and frustration among police and prosecutors over the difficulties of prosecuting porn's newest trend. Sexually abusing children is, of course, a very serious crime, but tracking down the offending book and movie producers to press such charges is monumentally difficult.

They point to the obstacles. Pornographers, especially those involved in the seamier aspects such as kidporn, are transient and anonymous. The stuff is quickly produced in private homes or rented motel rooms. Incriminating records aren't kept.

The children have little idea of who is on the other end of the camera, and often it may be their own parents. The distributors operate from a maze of constantly changing phony corporate fronts, with post office box numbers, false names and addresses and the best lawyers money can buy.

A measure of the frustration can be gauged by examining some recent court cases in the obscenity area. Larry Flynt was recently sentenced to serve between 7 and 25 years for publishing Hustler, a magazine specializing in explicit pictures of nude women that in no way approached the fare available in much of the kidporn literature.

In New York and Los Angeles, several cases involving felony distribution of child pornography are pending but three recent court decisions involving hardcore child porn illustrate the disparity in sentencing obscenity defendants.

In San Francisco, the owner of the Kearny cinema was arrested for showing a 45-minute movie, "Young Lolitas Or Youthful Lust," which featured two girls aged about seven and eight having intercourse and oral sex with adult men and women. The man pleaded guilty to a charge of contributing to the delinquency of minors and was placed on probation for two years.

New York police, tired of seeing porno book store salesmen fined $50 or $100 on misdemeanor charges, set up an elaborate undercover adult bookstore in Times Square in an effort to gather evidence against the major distributors. Among eight persons charged with felony distribution of obscene materials, which included child books and movies, was Edward Mishkin, 62, described by the New York District Attorney's Office as "New York's Porn King." Mishkin, with a lengthy record of pornography convictions, pleaded guilty to a felony charge that carried a maximum of seven years in jail. The judge ordered him to spend 25 weekends behind bars.

Chicago authorities took several bookstore owners to court for selling hardcore sex films of children and adults. A three-judge panel found the Illinois obscenity statutes too vague and the cases were thrown out of court.

Today, only six states have laws prohibiting obscene performances by minors. As the tide of child porn rises, several state legislatures are attempting to evade 1st Amendment questions and the cloudy legal aspects surrounding obscenity prosecution and write specific laws prohibiting this particular aspect of child abuse.

HOTLINE FOR INVENTORS IS A PHONE CALL TO TECHNOTEC

Mr. STEVENSON. Mr. President, the following article, which appeared in the Washington Post on April 11, 1977, touches on a critical area of science and technology policy: Matching technological developments with potential users of that technology. It is clear that economic development depends heavily on technological development, and if technology is to serve humanity as effectively as it might, such matchups must exist as early in the development of new technology as possible. A principle concern of the Commerce Committee's new Subcommittee on Science, Technology, and Space will be an examination of questions related to technology innovation and transfer. Mr. President, I ask unanimous consent that the Washington Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 11, 1977]

THE HOTLINE FOR INVENTORS IS A PHONE CALL TO TECHNOTEC

(By Barbara Bright Saguier)

Jim Decker of Modesto, Calif., listed an immersion freeze-heat peeling process for fruits and vegetables on Technotec, Control Data's technology exchange subsidiary. Within a few months, he had negotiated licenses for the new process in Norway, Poland, Spain, Japan and the United States.

"The Poles," said Decker, "are interested in the process to french-fry potatoes and ship them to a Western European market; a Norwegian company is interested in the process for fish."

The Technotec listing cost him only $68 and a few telephone calls. The process inventor, Decker estimates, soon will be earning $200,000 to $300,000 annually from the sales of his quick-freeze immersion machine.

Ed Harvey of Arlington, Va., an electrical engineer and a maker of wooden toys, searched Technotec for queries on woodworking. He found that a group of woodworkers in Caracas, Venezuela, were seeking a process for bending wood without its splitting or cracking.

Harvey's answer to the query required only a week's research here among literature from chemical companies and the USDA, but he provided the Venezuelans with information unavailable in Caracas and earned himself about $350 for the effort.

Matching a technological process and its potential user is the aim of Technotec, a technology transfer operation that is the first to make use of a worldwide computer network.

The technology data is banked and retrieved from the Control Data Corp.'s $1 billion Cybernet network, which has more than 5,000 computer terminals in more than 150 cities in 15 countries.

Technotec was set up a year ago to take advantage of that network and to foster Control Data president William Norris' personal interest in technology transfer. According to Ralph Sheehy, a Control Data spokesman, the purpose of communicating technologies is to prevent time being wasted by "a reinvention of the wheel."

Sheehy calls Technotec "a yellow pages of technology." An inventor of a new process or technique can list his brainchild on Technotec for a year at $100 for a 1,000 character description. Someone looking for the service can search the Technotec data bank, using a telephone or telex connection to a computer terminal, for an average charge of $8 to $10, according to the time involved.

If a searcher finds a process he believes will be useful or a query he believes he can answer, the fee is usually $50 for a contact.

In a single year of operation, Technotec has listed some 11,000 different technologies from 270 countries, according to Sheehy.

The Soviet Union has 47 listings. About 10 U.S. agencies—including NASA (with 37 technologies), the Energy Research and Development Agency, the National Science Foundation and the Maritime Administration—are users of Technotec.

The French atomic energy committee has listed descriptions in energy, chemistry, metallurgy and pollution control. Volkswagen in West Germany has described a portable solar radiation collector and a new pulse measurement instrument for medical use. India has described how to produce baby food from buffalo milk and caffeine from tea waste.

Listings on the Technotec data bank are described not as products but as processes. A search for the Technotec system using the key words "fish . . . freeze . . . food", for

example, turned up the process that Decker listed.

Control Data spokesman say they have no way of knowing how many searchers have used the Technotec system. Philip J. Bifulk, president of Technotec, said that revenues from the Control Data subsidiary are included in the company's product-line category, which last year showed a profit of $500 million. "We do not break down revenue figures below that level," he said.

According to Bifulk, more Americans are looking for foreign technology than there are foreign countries looking for American technology.

Most exchanges on Technotec are still domestic, however. Recently the technology transfer system arranged a waste exchange service in the Minneapolis-St. Paul area to match up companies that have unwanted waste products with those that have a use for the same waste products.

Zinc sludge slurry, from an electro-plating company, was the first item listed—and the next day a paint manufacturer was searching the computer data bank for a waste product he could use as a source of zinc for pigments. He found it: zinc sludge slurry.

MEDICAL CARE

Mr. JAVITS. Mr. President, as the Congress grapples with the rising costs of health care. I believe we must not lose sight of the terrible burden that these costs place on our Nation's older citizens. The causes of cost increases are highly complex and arise from a combination of factors including open-ended, cost-based reimbursement, porliferation of unproven services and technologies, lack of effective planning, rising expectations and consumer demands, and many others.

I believe it is grossly unfair, however, to ask the elderly, when they are living on fixed incomes and are particularly vulnerable to inflationary pressures, to underwrite these mounting costs out of their own pockets after a lifetime of work. I commend the efforts of my colleagues Senators CHURCH and WILLIAMS to roll back the medicare hospitalization deductibles and long-term care coinsurance rates to 1976 levels, and I favor other reforms of medicare such as requiring physicians to accept "assignment" and not bill additionally medicare beneficiaries for the care provided.

A recent commentary in the New York Times details poignantly the financial plight of the elderly and dramatizes the need for medicare reform.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 3, 1977]

MEDICAL CARE

(By Richard Phalon)

Medicare has proved to be something of a Catch-22 for people over age 65. It was originally designed to help take up some of the slack left by private health-insurance plans. Rising medical costs have so eroded the value of Medicare, however, that private health insurance has become more important than ever.

One sign of that is the number of individuals who rely on outside coverage to fill the increasingly large gaps left by Medicare. According to the Health Insurance Institute, some 12 million people over 65 carry one form of health insurance or another. That works out to about 52 percent of the 23 million Americans who carry Medicare cards.

It's easy to understand why outside health insurance has become so important. Medicare was not meant to cover all hospital and doctor bills. Over the years, however, it has increasingly picked up less of the burden in a trend that continued to gather momentum with changes in the law that became effective Jan. 1.

Both the hospital and doctor-fees segments of the coverage work on a system of deductibles and co-payments. A decade ago, for example, the deductible on hospitalization—the amount individuals had to pay before the Federal coverage took over—was $40. Effective Jan 1, the deductible went to $124, up almost 20 percent from a year earlier.

Co-payments—the amount of money individuals have to lay out as their share of hospital bills—have been rising, too. After the $124 deductible has been met. Medicine pays all the ordinary costs of a semiprivate room, covering drugs, laboratory tests, X-rays and the like, for the first 60 days in a hospital.

From the 61st to the 90th day, the patient has to make a co-payment of $31 a day, up from $26 last year and from $10 a day a decade ago.

Beyond the 90th day, a patient can draw on a once-in-a-lifetime reserve of an additional 60 days. The co-payment on those days rose on Jan. 1 from $52 to $62 each, a long, painful way from the charge of only $20 a day that applied in 1968.

Thus, even with the help of Medicare, a hospital stay of five months could mean out-of-pocket costs of $4,650.

Getting insurance to cover the gaps in Medicare is no longer so easy as it once was. Many insurers, including most Blue Cross/Blue Shield organizations, offer packages that cover the deductibles and co-payments or slip into gear after Medicare benefits have been exhausted.

The Guardian Life Insurance Company, for example, has been selling a gap-filling policy that picks up the co-payments from the 61st through the lifetime reserve days, and, among other extras beyond that point pays up to $60 a day for room and board for another year.

According to Gerald Parker, vice president for health insurance, Guardian did well with the policy until 1974, when "we began to take a real shellacking." Then costs rose so quickly that the company began to show "six-figure losses."

The New York State Insurance Commissioner approved a 25 percent rate increase in 1975 and an additional 50 percent increase last year. The annual cost of the policy—$116 in 1966—has jumped to $216 a year and the company is no longer selling to all comers.

Blue Cross and Blue Shield of Greater New York has also had to ask for rate increases to cover the higher cost of deductibles, and—like Guardian Life—has been limiting new enrollments in its Senior Care "medigap" plan to individuals who already carry standard Blue Cross policies.

That will change some time this spring, when Blue Cross plans to open its subscription books for one month to new enrollments. The date has not been set. The cost of the policy will go from $18.72 quarterly to $24.21 quarterly on March 1.

The benefits on Blue Cross medigap policies vary from state to state. The Greater New York plan, for example, both picks up the hospitalization deductible and provides help beyond the lifetime reserve days.

Very few policies of any kind, however, are designed to cover all of the costs of a catastrophic illness, and the shrinking availability of medigap coverage suggests that the best time to buy supplementary health insurance is before age 65.

RADIO FREE EUROPE AND RADIO LIBERTY

Mr. JACKSON. Mr. President, it is heartwarming for us in the Senate to receive evidence of the effectiveness of programs we support. One such bit of evidence came recently when Vladimir Bukovsky, the heroic Soviet human rights advocate, said in Munich that he had kept abreast of the events outside his prison walls by listening to Radio Free Europe/Radio Liberty, Inc., on a makeshift receiver which he secretly built while imprisoned.

While RFE/RL continue to be jammed by the Soviets and certain East European countries, the message gets through to audiences eager to exercise their right to a free flow of information as recognized in the Helsinki accords.

In this connection, Mr. President, I believe by colleagues will be interested in an April 7, 1977, story in the Washington Post by Michael Getler, and an April 9, 1977, editorial from the Washington Star, which discuss the current activities and needs of RFE/RL.

I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 7, 1977]

U.S. BROADCASTS REACH SOVIET JAILS

(By Michael Getler)

MUNICH, April 6—Vladimir Bukovsky has spent almost a third of his 34 years in Soviet prison camps and "hospitals."

In one of those camps during 1968 and 1969, the exiled Soviet dissident said in an interview here today, he was able to hear the U.S.-sponsored Radio Liberty broadcasts on a make-shift radio that had been built secretly in the camp.

The Carter administration has asked Congress for $45 million in additional funds to double the power of transmitters used by Radio Free Europe (RFE) and Radio Liberty as well as the world-wide facilities of the Voice of America.

Soviet efforts to block these broadcasts by electronic jamming "covers the big cities," Bukovsky said, "but it doesn't work so well in the suburbs where this camp was. We could hear quite well."

Bukovsky, who was freed last December in exchange for the release in Chile of jailed Communist leader Luis Corvalan, was here yesterday to talk with employees of Radio Liberty, which broadcasts to the Soviet Union, and Radio Free Europe, which beams broadcasts at five other East European Communist countries.

Bukovsky said his short visit was meant to offer advice to the stations on the content of the broadcasts. But his remarks about being able to hear an otherwise jammed broadcast in the suburbs dramatizes the complicated electronic battle being fought daily in the airwaves between the United States and the Soviet Union over these broadcasts.

The Voice, which is an official part of the U.S. government, sticks mostly to presentation of world news and explanation of U.S. government policies and is not jammed by the Soviets or its allies.

The recently combined RFE/RL operations, however, draw frequent criticism from the

Soviet Union and its allies. They broadcast in 22 local languages—news that is frequently suppressed by local censors or that focuses on the internal affairs and arguments of Communist nations.

The stations, transmitting from West Germany, Portugal and Spain, have been repeatedly denounced by Soviet Communist leader Leonid Brezhnev as a flagrant interference in internal affairs, and are strongly supported by President Carter as one of America's "most valuable instruments" in its commitment to the free flow of information and ideas.

The Radio Liberty broadcasts to the Soviet Union are heavily jammed. The RFE broadcasts to Czechoslovakia and Bulgaria are also heavily jammed as, to a lesser extent, are those to Poland. Only Rumania and Hungary do not jam them.

Most of the transmitters are some 20 years old and are widely viewed as underpowered and outmoded.

The Carter administration's plan to modernize this equipment involves replacing four old 10 kilowatt transmitters in West Germany with 250 kw transmitters and antennas and to add seven of the more powerful 250 kw transmitters in Portugal.

The idea is to help break through the areas of heaviest jamming, to carry the signal further to other areas of Eastern Europe, and to make what is a weak signal now to listeners in some areas stronger and thus more "attractive."

Increasing the power from 10 kw to 250 kw does not mean a 25-fold increase. It means, explains engineering director Earnal Campbell, increasing the original signal sent to listeners by some 15 decibels.

In simple terms, Campbell explains, a single decibel is the slightest change in sound level that a person can perceive.

Campbell says trying to counter more powerful broadcast transmissions with more powerful jamming is not a simple matter.

For one thing, it is hard to black out a large geographic area, which explains why the Communist countries try to focus on the cities. With the higher power, however, the outskirts of places like Prague, Czechoslovakia, are viewed as certain to have better reception.

In addition, at certain hours of the day, transmission from west to east has certain atmospheric advantages that cannot be fully offset by jammers trying to push electronic energy in the opposite direction at the same frequencies.

The RFE/RL broadcasts from West Germany are sent via the low-end of the shortwave radio band. Identical broadcasts are made from Portugal using the high-frequency end of the shortwave band, bouncing the signals off the ionosphere and into Eastern Europe

The high-frequency broadcasts are harder to jam than the low-frequency, and would present even more of a problem with more powerful transmitters.

RFE claims it now reaches some 13 million listeners daily and RL between 3 to 4 million. They say listener ratings have held up despite data from various monitoring techniques that shows that the currently low-powered signal has been declining in relative strength in the last 10 years in some areas as more powerful stations have come on the air.

In 1957, Campbell says, there were less than 10 transmitters of 200 kw or more. Today, he says, there are about 250.

Assuming that Congress approves the money, Campbell estimates it will then take almost three years before the first new station is operating.

The stations also face a potentially sticky situation with the Bonn government, which must approve the new transmitters near here. Bonn has always gone along in the past, but Brezhnev is expected to visit here later this year and is expected to lean on the Germans to oust the U.S.-sponsored stations, which were run with heavy CIA involvement until Congress took over support in 1971.

Strolling through the newsroom here today, Bukovsky said that as important as the U.S. stations were, "they were not perfect."

He said that at times a year or two ago he felt they pulled some punches by not broadcasting the names of arrested dissidents or backing away from discussion of Soviet problems because the State Department regarded it as interference.

"I came here to help," he said. "To tell them to mix information and diplomacy, to keep in mind they are speaking with people and not governments and not to be more timid than President Carter."

Bukovsky, perhaps inadvertently, used the same word Carter did when the President met with the Russian exile last month at the White House and told him that as president he would not be "timid" in his public statements.

Carter's proposal last month for the new equipment came on the heels of a sharp blast from Brezhnev over the President's stand on human rights, making the RFE/RL proposals even more infurating than they would normally have been for the Soviet Union.

The study that led to the proposal was begun by the Ford administration and officials here prefer to think of the timing of the Carter statement on the eve of Secretary of State Cyrus R. Vance's recent trip to Moscow, as "a historical accident."

[From the Washington Star, Apr. 9, 1977]

AMPLIFYING THE VOICE

In the mounting evidence of President Carter's seriousness about human rights, nothing is more welcome than the White House request to Congress for substantial increases in United States-sponsored radio broadcasts to the Soviet Union and Eastern Europe. The President's request is for doubling the transmitting capacity of Radio Free Europe and Radio Liberty and for enlarging Voice of America capacities some 25 per cent.

These offspring of the Cold War have had many ups and downs of popularity, both in this country and abroad, since they were established in the Fifties. To begin with, they were missionary messengers, taking the gospel of democracy to the Iron Curtain benighted, and Americans were all for them.

Then, in the early Seventies, a CIA connection came out, and enthusiasm cooled. Even before that, there had been criticism of the approach. There was too much justifying of American foreign policy, it was said, and too little objective reporting of either world news or life in the United States.

Meanwhile, countries where there were American transmitters chilled and thawed as the ideological tone of their governments changed. The chief examples were Portugal and Spain, where the acceptability of American broadcast installations changed with a succession of political upheavals.

The one constant in the situation was in the audiences. Soviet bloc governments kept protesting and Soviet bloc citizens kept listening.

Radio Liberty and Radio Free Europe have shaken off the CIA label in the last few years. They have also changed their approach to one that stresses straightforward news and news analysis rather than anything tainted with apologetics.

The Voice of America is still charged with explaining official United States policy and with helping non-Americans to understand American ways. Even in the VOA, however, the emphasis is less narrow and self-justifying now than it used to be. The point of all these broadcasting operations is no longer to sell anybody a viewpoint, but to ease tensions by an exchange of ideas.

As American overseas information officers have grown more sophisticated about their work, it has become increasingly clear to them that straight, factual accounts of what's going on in the world make their case better with closed-off Communist societies than elaborately tailored persuasion. And that merely keeping up awareness of life in the outside world for these people is a powerful nourishment to the spirit of freedom.

President Carter is to be applauded for being so perceptive about the way these programs fit in with his hope of encouraging human rights around the world. His proposal to start new such programs beamed at Africa and the Western Pacific compounds the good news.

THE FAIRNESS DOCTRINE

Mr. BAYH. Mr. President, I call the attention of the Senate to an extremely important ruling of the Federal Communications Commission made on April 7 in response to a complaint which Senator ABOUREZK, the Energy Action Committee, and I filed last August.

We contended in our complaint that the networks and several television stations had violated the FCC's fairness doctrine by repeatedly airing oil company advertisements regarding the integration of the oil companies without extending time to others to offer an opposing view. Though the FCC found only one station in violation of the doctrine, its ruling upholds the principles of our position and is of immense importance. It will put stations and networks on notice that in the future so-called institutional advertising must be examined for political content, and when such content exists, other views must also be aired.

Mr. President, many of the very important issues of public policy which will be debated in Congress in the years to come will directly affect many of the largest corporations in the world. Those corporations cannot be permitted to tip the scales of the debate on those issues by instituting self-serving media blitzes. This is exactly what we experienced regarding the oil divestiture issue, and this FCC decision will help insure that we do not have such an experience again.

Mr. President, I ask unanimous consent that articles from the Washington Star and the Wall Street Journal regarding this decision be printed in the RECORD. I also ask unanimous consent that the text of a letter from James F. Flug, executive director of the Energy Action Committee, to the presidents of the three major television networks be printed in the RECORD. This letter contains a very articulate discussion of the many serious issues which are raised by the increased incidence of oil company issue advertising and merits the attention of all Members of Congress.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 8, 1977]

TV STATION IS TOLD TO GIVE OTHER SIDE OF "OPTION" AD ISSUE

WASHINGTON.—The Federal Communications Commission put broadcasters on notice that they must also cover the other side of an issue when they air "option" advertisements.

The FCC found that a television station here violated the commission's fairness doctrine when it carried a large number of Tex-

aco Inc. ads defending integrated oil companies but didn't adequately air the views of those who want to break up the major oil companies.

The ads were challenged by the Energy Action Committee Inc. and two Democratic Senators, Birch Bayh of Indiana and James Abourezk of South Dakota. They contended that WTOP-TV, owned by a Washington Post Co. subsidiary, had broadcast 53 Texaco commercials that opposed divestiture legislation without letting the other side present its viewpoint.

The FCC ordered WTOP-TV to give proponents of divestiture legislation airtime to make their case. The commission calculated that the 53 Texaco commercials totaled 41 minutes, while the station gave only five minutes in news reports to the progress of the divestiture legislation in Congress. The five minutes of news broadcasts didn't "afford a reasonable opportunity for the adequate presentation of contrasting views" the FCC said.

At the same time, the FCC rejected challenges the Energy Action Committee had filed against the American Broadcasting Co. and National Broadcasting Co. television networks and against an NBC-owned station here. The group claimed that they had likewise, violated the fairness doctrine by carrying the Texaco commercials.

But the commission said the Texaco ads weren't carried as extensively on those networks and WRC-TV as on WTOP-TV. NBC also resented considerable news and public-affairs programming on the divestiture issue that gave balanced coverage, the FCC said.

James F. Flug, director of the Energy Action Committee, said the commission's decision gave proponents of oil company divestiture a chance to be heard on television. "Broadcasters will now be responsible for looking beyond the surface of the subtle pseudo-psychological commercials to find the real political messages they contain," he said.

A spokesman for WTOP-TV said he wouldn't comment until he read the FCC decision.

Noting that it wasn't a party to the proceedings, Texaco said, nonetheless, that it was "disappointed" by the reports of the ruling "since Texaco considered that advertisement to be a message providing information to the American public on how the company's operations serve the needs of its customers."

The FCC said that while the Texaco commercial didn't explicitly mention divestiture, it implicitly dealt with the issue by asserting that an oil company "like Texaco" could put many parts of the oil business together efficiently and economically.

[From the Washington Star, Apr. 8, 1977]

WTOP Ruled in Violation on Fairness

(By Stephen M. Aug)

The Federal Communications Commission has ruled that the Washington Post's television station here, WTOP-TV (Channel 9), has violated government fairness standards for broadcasters because of an oil company's commercials.

The ruling is being hailed by groups that want to break up the oil companies, and they say they're going to go further: They'll try to convince the major networks to take some oil company advertising off network news programs.

The FCC decision—by a 6-1 vote with Commissioner Margita White dissenting—results from a complaint filed last August by two Democratic U.S. senators, Birch Bayh of Indiana and James Abourezk of South Dakota, and the Energy Action Committee against WTOP-TV, the ABC and NBC networks and WRC-TV here.

The complaints contended that the networks and stations had broadcast repeatedly Texaco Inc. advertisements aimed at convincing the public that legislation to break up the oil companies was unwise and should be defeated.

Because the commercials advocated only one side of a controversial issue of public importance, the two senators and the energy group argued, the broadcasters were required by the FCC's Fairness Doctrine to offer time to others to give an opposing view.

The commission's decision, handed down yesterday, said that indeed the commercial advocated only one side of the issue of breaking up the oil companies, but that with the exception of WTOP-TV the commercials were broadcast only a few times.

In the case of WTOP, the FCC noted, the station had aired the commercials 53 times for a total of 41 minutes. In its defense the station said it had broadcast contrasting views. But the FCC found that this comprised about five minutes worth of network news reports which "merely discussed the divestiture issue in general terms."

As a result, the FCC said, the station had not adhered to its obligations to be fair. It gave the station 10 days "to fulfill its obligation of presenting a balance of opinion on this issue."

James Lynagh, manager at WTOP-TV, said yesterday that no decision had been made on how the station will comply with the FCC order. "We have not received anything but a copy of the press release," Lynagh said, and "until we have time to read the commission's full determination and review it I will have no comment."

The Texaco commercials in question were also broadcast by WMAL-TV (Channel 7) here, owned by Washington Star Communications Inc. However, WMAL last August agreed to air contrasting views and no complaint was filed against it.

James F. Flug, director and counsel at Energy Action, said the FCC decision "strikes an important blow for the public interest." He said, "No longer will the major oil companies be able to hide behind the facade of 'institutional advertising' as they try to sell the American people on the oil industry's point of view on controversial public issues."

Flug said his group intends to take the matter further. He said Exxon Corp. and Gulf Oil Corp. both have become major sponsors of network news and public affairs programs.

April 8, 1977.

Dear ———:

Since your network newscast Thursday night omitted any mention of the important fairness decision released that day by the Federal Communications Commission, we wanted to be sure that you were aware of it, to offer our assistance to you in implementing it fully, and to raise a broader issue of mutual concern suggested by the rising tide of oil company issue advertising on news and public affairs programming.

The new Commission ruling establishes clearly that, even though what purports to be an "institutional message" relating to the operations of an oil company does not explicitly mention a controversial public issue by name, an obligation under the Fairness Doctrine arises when the assertions in the ad address the "essence" of the issue and "espouse the view" of those on one side of the issue.

In looking at the extent of the Fairness obligation in such circumstances, the Commission drew a line between the broadcast of a "handful" of issue spots and the repeated broadcast of such advertising. In considering the fulfillment of the obligation through news and public affairs programming, it reiterated the distinction between "mere reportage of fact" and news reports that "discussed the merits and advocated" views opposed to those of the ads.

As you probably have noticed, during the pendency of the FCC proceeding regarding the Texaco anti-divestiture ad, oil industry "institutional" advertising, especially on news and public affairs programs, has increased sharply. Exxon now regularly sponsors entire network news shows and all or parts of weekend interview shows. Gulf is placing its ads on news shows on all three networks. Texaco has continued its "institutional" spots, primarily on entertainment programming.

Many of these purportedly "institutional" ads, as did the Texaco "puzzle" ad, address issues which lie at the heart of hotly debated public energy policy questions, such as strip mining, horizontal and vertical divestiture, oil and natural gas pricing, the viability of renewable energy sources, the safety of supertankers. And some of them take positions advocating one side of these issues. These are difficult and complex issues in any context. They are more so when addressed subtly—if not subliminally—and with a soft sell. It is understandable that, like the Texaco ad, they might slip through unnoticed and untagged with a Fairness flag after an "acceptability" process conducted in New York by communications lawyers unfamiliar with current energy debates in Washington and across the nation.

Although we cannot at this point forego any Fairness claims which the repeated broadcast of this advertising might already have generated, our strong preference would be to treat the circumstances of the recent past as history, to draw instruction from them, and to work together with you—and the oil industry—to establish standards and procedures that meet the needs and rights of the networks, the oil industry and the public.

In particular we suggest that you:

1. Re-assess the "institutional" ads recently placed by Exxon, Gulf, Texaco and/or other major oil companies on your network to determine whether they implicitly address controversial energy issues.

2. Provide us with transcripts of these ads so that we can also review them and assist you in identifying any controversial issues implicitly addressed.

3. As to ads repeatedly broadcast which implicitly address controversial issues of public importance, consider whether there has been adequate presentation of contrasting views, and if not, how best to do so without interfering with the news judgment of your news editors and correspondents.

4. Arrange to meet with us—in the presence of oil company representatives if you wish—to discuss how we—and they—can keep your legal or acceptance staffs apprised of current energy issues and the essential sub-issues involved, whether and how we can help you identify implicit issues in proposed ads so that you can fully assess their Fairness implications before they are aired, and how we can assist you in meeting any currently unmet Fairness obligations that you discover.

But beyond any technical questions of the Fairness Doctrine, or formal obligations under FCC rulings, the growing presence of oil company "advocacy" or "issue" ads on news and public affairs programing raises a broader set of very difficult and very sensitive questions for your industry, questions that go to the maintenance of your credibility, protection of the appearance—as well as the fact—of independence, and preservation of your rights to make your own news judgments.

It is my purpose in this area merely to raise those questions, not to prejudge them, nor to advocate answers. The television people to whom I have informally talked agree that these issues merit further and wider consideration within the networks.

Citing examples is perhaps the best way to approach them:

A network newscast sponsored entirely by Exxon, which used most of its spot time to extol the Alaska pipeline, on a night when the lead story showed the President and Secretary of State in Alaska extolling the pipeline, and another story covered the industry's point of view on the natural gas issue;

Another Exxon-sponsored newscast in which two commercial spots, and one of the filmed news stories, covered the industry's point of view on the high cost of oil and gas exploration;

A Sunday interview show with the President's energy advisor, sponsored in part by Exxon with a "message" ad giving the company's position on some of the very issues addressed by the reporters and guest;

Inauguration Day 1977, perhaps the most-watched news night of the year, when Americans could not see coverage of the event on any network newscast that evening without also seeing at least two, and in two cases three, issue-type ads from Gulf Oil;

You and I know, because we know and trust the producers and editors and correspondents on those shows, that in no way is their news judgment, their approach, their selection of material or interviewees, in fact affected by the identity or the opinions of the sponsors. In most cases they do not even known who the sponsors are or what positions those sponsors espouse in their commercials on a particular night.

Yet the news staffs themselves must feel as uncomfortable as I do for them when they encountered examples like those above. For they know that protection of their credibility requires not only the fact of integrity and independence, but, just as important, the appearance of these qualities in full strength. If there is an appearance of conflict of interest, either when an oil company is a major sponsor of a newscast or interview show covering energy issues, or when a particular oil company "message" ad relates to the subject matter of a particular news story or interview, then the credibility of the network, the show, and the correspondents all suffer, because a question may be raised in the viewer's mind as to whether the program content has been affected by the sponsor's positions, especially those advocated in its commercials.

And conversely, what can the editors and correspondents think when, in the exercise of their best professional judgment, they have constructed a story, or a series of stories, that provides a fair, balanced, objective presentation of a complex energy issue, only to find that their work appears on a show with an oil company issue commercial. In reality, proponents of one viewpoint have been able to purchase additional time (occasionally longer than the news story itself) to expound their position slickly, subjectively, and self-servingly. Should news judgments be superceded by advertising judgments?

More broadly—and more painfully—from your point of view, should Exxon/Gulf/Texaco/Shell/Mobil/Arco/Amoco, which together, the polls say, have the lowest public credibility of any institution in American life, be able to purchase a piece of—by rubbing up against—the credibility of Cronkite/Chancellor/Brinkley/Reasoner/Walters, who have the highest trust ratings in our land. And should the network newscasters be required to have their high standing diluted and sullied by their identification with thoroughly untrusted issue claims of "Big Oil." Do these circumstances contribute to public cynicism and discouragement by feeding the American suspicion that nothing is safe from the blandishments and economic power of the major oil companies.

Expressed one last way, should the American people have their access to the day's news, in its most timely and convenient form, conditioned on their willingness to see and hear repeatedly, constantly, incessantly, one industry's point of view on a whole range of debatable issues—not just as to whose motor oil is better—but as to basic facets of our lives—energy, economics, environment.

Some of these questions apply to the advertising of others besides the large, integrated oil companies, but the oil industry's current and future ad campaigns deserve special and immediate attention because:

They have, as a practical matter, unlimited resources to buy expensive TV time, and they are buying more than any other group in America to get their non-product messages across;

On April 20 there will begin an extended national debate on energy issues that may involve hundreds of billions of dollars of additional profits to these companies, major restructuring of their business, major shifts in their power and practices.

With the stakes for them and for the American people so high, we can expect the companies to use every available avenue of persuasion and propaganda to the fullest. You and the other networks will thus be placed in a difficult position—do you accept growing amounts of the lucrative advertising no matter what the potential consequences to your own stature? Or do you stop now and anticipate these sensitive ethical dilemmas, addressing and resolving them before they create further problems?

Again, I do not propose answers now. Perhaps we are talking of an "airline crash" type arrangement where energy issue ads are automatically withheld if there are energy issue stories. Perhaps we are talking about limiting the number of spots that any one sponsor can have on a news or public affairs program. Perhaps we are talking of limiting commercials on news programs to product advertising. Perhaps we are talking about a real test of the Mobil-type arrangement where the issue advertiser agrees to pay for equivalent response time, or about more free access time for all—on or off news programs. We may be talking about all, some, or none of these. But, I think it is vital that you be talking about them now—within your own network, with other networks, with the oil companies, with us, and with the public.

I stress again that in this area—beyond Fairness—you and we need not be talking to the FCC. For these questions persist even if the full panoply of Fairness rules are not triggered, and even when the total network programming over time, by Fairness standards, could not be found "unreasonably" unbalanced. These questions arise because particular newscasts or programs, or series, or ad campaigns create discomfort, dismay, and distrust that is not easily alleviated by other programming on other days or on other shows. These are concerns that are—or should be—mostly yours, but they are ours derivatively; for when your credibility and stature suffer, when your news organizations feel or look compromised, the public has one less place to go for the truth, or for a fair attempt at discerning truth.

Please give us a chance to discuss these matters further when you have had a chance to discuss them among yourselves. But please don't wait too long—April 20 is just around the bend.

We appreciate your attention to these requests and your patience at their length.

Looking forward to meeting with you.

Sincerely,

JAMES F. FLUG,
Director and Counsel,
Energy Action Committee.

UNEMPLOYMENT IN THE CONSTRUCTION INDUSTRY

Mr. JACKSON. Mr. President, on April 19, 1977, I met with several hundred of the nearly 4,000 delegates gathered here in Washington for the National Conference of the Building and Construction Trades Department, AFL–CIO. We discussed at some length the persistent problem of high unemployment in the construction industry and more specifically how the current energy situation has aggravated this already serious dilemma.

Mr. President, I would ask unanimous consent that the statements of Mr. Martin J. Ward, general president, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, and Mr. Roy Johnson, general president of Roofers and Waterproofers International, be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY MARTIN J. WARD, TO THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. Chairman and members of the committee, I am Martin J. Ward, general president of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada.

My international union is made up of some 330,000 craftsmen who live and work in every State and virtually every community in the Nation. We are one of the 17 unions that together comprise the Building and Construction Trades Department of the AFL–CIO.

I am here today representing the nearly 4,000 delegates to the department's national conference some of whom are here in this room with us.

These delegates, in turn, represent over 4 million workers who belong to their local unions.

More than 17 percent of those workers are without jobs. In some parts of the country construction industry unemployment is even worse—reaching levels of 40 and 50 percent of the construction work force.

Yes, more than employees in any other industry, we have a vested interest in legislation that can put all Americans back to work and in legislation that can help restore the nation's economic health and guard against future economic disaster.

Today, it is my task to speak to your committee about one problem that demands your attention and cries out for your remedial action: the continuing energy crisis. It is a crisis that threatens to become a calamity with every passing week of inactivity and non-response.

We have been urging the development of a concerted, comprehensive national energy policy at least since the OPEC oil embargo dramatized the crisis nature of energy shortages three years ago.

I hardly need tell you gentlemen that no meaningful steps have been taken to bring about that national energy policy.

However, the new administration has proposed to move toward such a policy and has revealed its plan to consolidate energy activities into a single department. This has long been one of our recommendations and we fully support the President's proposal.

But mere consolidation will not begin to face up to all the energy-related problems we have failed to come to grips with over the past years.

Even as we meet here this morning the White House can be presumed to be busy putting the final touches on President Carter's energy message scheduled for tomorrow.

For the past week or so the papers have been filled with leaks, rumors and specula-

tion about the content of that message. Much of what I have read is encouraging and some is disturbing. But, no matter what the message will say, the burden of decisions concerning our energy future will fall heavily on the members of this committee and, ultimately, on your colleagues in the Congress.

When OPEC imposed its oil embargo three years ago the nation was stunned at the realization that we were grossly dependent upon foreign countries for much of our energy supply. Together we resolved then to strive for energy independence.

But last year when I came to this committee we were more dependent on foreign nations than ever before. And this year we are still more dependent.

During one week early this year, U.S. oil production of 8.1 million barrels compared with average daily imports of 8.2 million barrels.

Oil imports now constitute one-third of all oil consumed in this country. By 1985, if we continue to drag our feet in developing alternative fuels, that could grow to 50 percent. Even more disturbing is the fact that more and more oil is being brought in from OPEC countries. At the time of the 1973 embargo, about 16 percent of our oil was coming from that area of the world. In 1976, that figure is up to 25 percent and moving higher all the time. In terms of total oil imports, the OPEC cartel provided 48 percent in 1973. Despite our proclaimed energy independence goals, that figure climbed to 59 percent in 1975.

We continue to live in a state of economic anxiety, still not knowing when another embargo or another huge price rise will again produce desperate shortages of fuel to run our industries and our automobiles and to heat our homes.

We know we are running out of domestic oil and natural gas. Production of our own crude oil is lower than it has been for a decade. And we were given a vivid and tragic reminder of the natural gas shortage during this winter's prolonged cold weather.

Yet we continue to look to oil and natural gas for 76 percent of the Nation's energy consumption.

When are we going to stop whistling past this graveyard? When are we going to launch a meaningful national program or self-reliance?

A program of self-reliance is essentially three pronged.

First, conservation of all forms of energy particularly energy produced by our dwindling supply of oil and natural gas.

Second, the full development of nuclear power as a primary source of energy production.

Third, all measures necessary to promote the use of coal in the production of energy.

Conservation simply means the efficient use of all forms of energy. But such use obviously requires leadership from the Federal Government and wise legislation by your committee and the Congress.

Conservation means the manufacture of automobiles that get more mileage per gallon of gasoline, retrofitting of existing homes and buildings and the construction of well insulated homes and buildings that drastically reduce energy consumption, the designing and production of home appliances that use only small quantities of energy.

And conservation does not mean a no-growth policy. On the contrary, an effective conservation program should release more energy for the benefit of the economy as a whole.

But, gentlemen, while on the subject of conservation, I want to urge you to be wary of proposals to conserve energy by raising prices. Such tactics have proved ineffective for both natural gas and oil in the recent past. And where gasoline is concerned, higher prices can have devastating impact on the less advantaged of our citizens.

Conservation is essential to a comprehensive energy program. But we believe that Congress and the administration can find ways to promote conservation that will call for equal sacrifice from all our citizens.

In any event, conservation will not, by itself, come anywhere near solving the energy problem, and that brings us to coal and uranium.

The United States holds about 450 billion tons of coal reserves. This is more than 700 times the Nation's annual consumption of about 600 million tons. Forbes magazine said this coal reserve is "Ten times as much energy as is contained in Saudi Arabia's oil and 2.6 times as much as is available from the entire world's supply of oil."

The Energy Research and Development Administration has estimated that we will need at least 1.2 billion tons of coal a year to reach the goal of energy independence.

As I said last year it would be criminal for this country to allow its rich coal deposits to go unused in the face of the economic disaster that energy shortages would bring down on all of us.

We must use all available means to get the coal to the boilers of industry and to our power-generating plants.

A generation ago, coal provided 48 percent of our energy; today it's down to 20 percent. Yet coal comprises 81 percent of our domestic fuel resources.

We have the technology to mine the coal, to transport it, to burn it and to use it to decrease our dependence on foreign fuels.

But there are problems with which this committee is deeply familiar.

Strip mining will have to be performed with minimum or zero damage to the environment. Sulfur emissions must be reduced to harmless levels. Transportation techniques must be effective and economically feasible.

This Congress must enact legislation that can surmount these obstacles. The 94th Congress, in fact, made some progress but your efforts were either incomplete or blocked by Presidential veto.

We urge you to enact another strip mining bill without delay. It is clear that control of pollutants and development of transportation methods are mere abstractions until we begin to mine the coal that is needed so desperately.

Once a strip mining bill is approved, I hope this Congress will pass legislation clearing the way for the construction of pipelines to carry coal in a slurry mix from the mines to the utilities.

Railroads will not be able to handle the volume of coal that this Nation will need in the years ahead. Pipelines are a proven method of coal transportation and will provide healthy competition for other modes of transporting coal to the boilers.

If we make full use of our coal resources the job of moving the mined coal will be enormous.

Americans for Energy Independence recently cited one example. They pointed out that electric utility companies are now building coal-fired power plants in Texas, Arkansas, and Louisiana. Then they said, "To fuel only these plants after they fire up in the mid 1980's coal trains one mile long will have to leave western coal fields every hour, around the clock, every day of the year."

Gentlemen, as president of the union whose members will build these pipelines, I can assure you that they will be effective in delivering coal economically and safely. Furthermore, I am convinced that public utilities will be inspired to increase plant capacity for producing electricity once they know pipelines will be available to provide them with fuel.

Before I close by setting forth the specific energy resolutions adopted by our national conference I want to say a few things about the third of our three-pronged program of energy self-reliance—nuclear power.

As of January 1, 1977, there were 64 nuclear-powered electrical generating plants in operation. They were producing about 9 percent of our total consumption of electricity.

This productivity will increase dramatically in the decades ahead if we will finally take the steps that are necessary to decrease the lead time involved in nuclear plant construction.

There is some indication that the administration will propose measures to reduce lead time. We hope Congress will act on such legislation promptly.

In addition to the 64 plants on line, another 72 reactors are under construction, 19 have been authorized to begin limited work, and 65 are on order.

It happens that my union accounts for about 25 percent of the man-hours of work on a nuclear power plant. Along with other skilled building tradesmen, many of our men are out of work and itching for the opportunity to build these power plants.

It is in their best interest and in the nation's best interest to get on with the job.

General President Johnson will go into nuclear energy questions raised by recent announcements from the administration.

I would simply like to suggest to the committee that it carefully weigh the supposed risk in developing plutonium against its undisputed benefits to energy and the economy.

It is a hazardous material. But, in our weapons development program, hundreds of tons of plutonium have been handled with safety and security for the past thirty years.

We should not, out of unexamined fear, foreclose any of our long-range energy options.

Strong, bold leadership is desperately needed to help find solutions to our present energy crisis. Legislation for national planning of energy research and development is long overdue. To help meet our energy needs, the Building and Construction Trades Department and its affiliated international unions specifically urge:

1. That Congress adopt President Carter's plan to consolidate energy activities into a single department that would absorb ERDA, FEA, and the FPC. Such a restructuring is badly needed and would provide a more efficient mechanism for creating and implementing energy policy.

2. That Congress enact the Coal Pipeline Act of 1977 (H.R. 1609 and S. 707) to clear the way for the construction of coal slurry pipelines which are essential to the development of our domestic coal reserves.

3. That Congress adopt H.R. 38 and S. 36 to provide loan guarantees for the development of synthetic fuels. Vast coal and oil shale resources which can provide domestic supplies of gas and oil exist. Development is ready to commence if financing can be assured. Minimal governmental involvement through loan guarantees will ensure this development.

4. That Congress adopt H.R. 18 which would expedite the siting and licensing of nuclear power plants. Unpardonable delays as long as five or six years are postponing energy projects and causing large cost increases.

5. That measures be enacted which would expand the Nations uranium enrichment capacity to assure an adequate supply of fuel for nuclear power plants. Congress must assure the scheduled completion of the Clinch River breeder reactor and further develop the breeder reactor program.

6. That measures be enacted which would close the nuclear fuel cycle by developing licensable and commercially viable facilities for the reprocessing of spent fuel and the storage of radioactive wastes and recycling of plutonium.

7. That Congress adopt measures to remove the incentives which presently are encouraging American companies to build refineries overseas.

8. That Congress enact legislation to promote energy conservation in new buildings and the retrofitting of old building to achieve better thermal efficiency.

The building trades industry has been impacted more than any other by our country's failure to resolve its energy problem. This department stands ready to cooperate in any way to help find a solution. It is absolutely imperative that all Americans work together for this country's energy security and economic prosperity.

ENERGY

(By Mr. Roy M. Johnson)

Mr. Chairman and members of the Committee, my name is Roy Johnson and I am General President of Roofers and Waterproofers International.

As President Ward stated, we are here representing the approximately 4,000 delegates gathered here in Washington, D.C. for the National Conference of the Building and Construction Trades Department, AFL-CIO. While addressing myself toward energy, many of my remarks will concern Nuclear Energy.

Out of the confused debate that has developed with respect to the energy crisis, one concept seems to gain more and more acceptance. Everyone seems to agree that we should not waste our energy. As a result, a lot of folks think that we must reduce our national annual growth rate

What is not yet apparent, however, even to many sincere and concerned policy-makers, is that the total energy consumption of our nation must continue to increase in the future, even if we establish extraordinarily successful spartan conservation programs. We obviously can and must eliminate wasteful practices in energy consumption. There is a point, however, beyond which further reduction will seriously impact the job market.

There is absolutely no moral justification for policies that would cause increased unemployment because of energy shortages. So, while energy waste can and must be eliminated, we must never allow one man's concept of conservation to be the cause of another man's unemployment.

At the present time, the building industry is in a depression with unemployment over 17 percent of our total work force. We in the Building and Construction Trades Department fully realize that if there is to be a reduction in unemployment, there must be reasonable growth in the supply of energy. We need to get on with the job of building energy facilities.

As responsible citizens, sort out the facts with respect to our energy future: it becomes more and more obvious that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as well advanced as we find it today. It is ready now to provide much of the energy this nation will need during the next fifty to seventy-five years. If we did not have a large block of nuclear energy available to us for the coming decades, this country would be in critical danger.

Nuclear energy is the safest, cleanest, cheapest, most reliable energy source available. Our conclusions about the safety of nuclear power stations are based on the many years of operation and the large number of our members involved with nuclear power. Not one of our members has died because of radiation exposure. We have had no reports of our members receiving bodily harm from exposure to radiation or radioactive materials. Building tradesmen who construct, operate, and maintain the nuclear plants along with their families are among the population living closest to the operating power reactors. There have been no reported cases of radiation damage to our members' families.

The safety record of the nuclear power industry is excellent, despite the fact some critics continue to play the "what if" game. I simply don't understand those people who become so obsessed with hypothetical hazards of nuclear energy that they refuse to face the facts. A majority of Americans obviously agree. Anti-nuclear initiatives have been overwhelmingly rejected by voters every time they have appeared on the ballot.

Between April 1, 1974 and October 1, 1975, a total of 180,000 megawatts were postponed or cancelled. These cutbacks have impacted the construction industry particularly hard. A recent study has shown that more than half-a-million annual construction jobs will be lost over the next five years on account of these cut-backs. This represents an annual loss of as much as $7 billion in wages. If the electrical utility industry could get its construction program back on its feet, the total number of unemployed in the construction industry might be reduced by as much as 12 percent.

There are various causes for the delays in construction of nuclear power plants, such as tedious licensing procedures and intricate environmental regulations. As I previously mentioned, anti-nuclear referendums and initiatives have also attempted to slow development, but thanks in good part to the state and local Building and Construction Trades Councils, these initiatives have been defeated every time they have appeared on a ballot.

One of the biggest reasons why nuclear power plants are not under construction is that, where funds for capital investment are concerned, the public utilities are going broke. Electric utilities require more investment capital than any other industry—$4 in investment for each $1 of revenue. The bulk of the desperately needed construction cancelled or delayed over the past year was a direct result of the industry's inability to raise capital funds

The utility industry has always been highly capital—intensive and therefore catches the full effects of inflation and the skyrocketing interest rates that go with it. In a recent study conducted by the Technical Advisory Committee of the Federal Power Commission, it was concluded that an average six percent growth over the next fifteen years will require the utilities industry to somehow muster $650 billion for construction. This is more than four times its existing investment and compares with about $145 billion spent in the last fifteen years when growth was over 7 percent.

The Building and Construction Trades Department is particularly alarmed by recent short-sighted proposals to postpone the Clinch River Breeder Reactor and other experimentation on the reprocessing of spent fuel. The only proven technology for significant additional electrical energy in the period after the 1990's is the breeder reactor. Our country can only retain this option by keeping strong the organizations we shall likely have to call on to supply breeder reactors.

The Building and Construction Trades Department questions the basic assumption regarding the extent of our uranium resources in the recent report of the Ford Foundation study group. We believe the U.S. supply of uranium may be so limited that there will be a need to install breeder reactors commercially by the turn of the century if we are to continue using fission energy for addition electrical power. A prestigious committee of the National Academy of Sciences has so concluded in a just completed estimate of our assured uranium supply. Since only the future will tell us what our actual uranium resources are, prudence dictates that we take no steps now that would foreclose our option to operate breeders commercially by the end of this century. There is, in fact, no slack in our schedule for arriving at commercialization—either as regards breeder demonstration or as regards the demonstration of commercial reprocessing. Both are required before the climate will be right for utility executives to commence commercial orders of breeder reactors and from that point it will be another ten years before the first commercial breeders begin to operate.

The design, construction and operation of the Clinch River Breeder Reactor is our only vehicle over the next fews years for creating and maintaining the necessary industrial infrastructure to support a commercial breeder program. A major cutback in the CRBR Program, or a pause in it, would be exceedingly difficult to carry out without destroying the considerable infrastructure that has already been put in place over a number of years. If we were to decide later to resume our preparations for a commercial breeder, we would no longer be able to operate breeder reactors in the year 2000, should that be necessary.

In conclusion, we too are concerned about the possible proliferation of nuclear weapons states, as it could be spurred by the civil use of plutonium. We are certainly aware of the possible contribution of the U.S. moratorium on reprocessing and breeder commercialization to your negotiations abroad. We know that such a moratorium would be at very high costs to our energy future.

DUDLEY D. MILES

Mr. BAYH. Mr. President, I was deeply saddened to learn of the untimely death of Dudley D. Miles at the age of 51 on the evening of April 5 and I join my colleagues and his family in mourning his passing.

Dudley Miles began his career as an attorney in Rawlins, Wyo. He came to Washington 16 years ago to serve as legislative director on the staff of Senator Gale McGee, a position he retained for 10 years. For the past 6 years, Dudley was the chief clerk of the Subcommittee on Agriculture Appropriations and it was in this capacity that I came to know him.

My service on the Senate Appropriations Committee began in the summer of 1972 and I soon recognized that Dudley was extremely competent and well versed in the intricacies of the agriculture budget. Over the years as a member of the Agriculture Appropriations Subcommittee, I had come to rely on Dudley's experience, wise counsel, and helpfulness. Along with his demonstrated professional ability to handle the work of subcommittee, Dudley always retained a warm and cheerful disposition even when the pressures of his work were extreme.

I will miss Dudley in the coming years, and I extend my deepest sympathy to his wife and their three children for the untimely loss that they have suffered.

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business having expired, the clerk will state the pending business.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The assistant legislative clerk read as follows:

A bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit, with instructions.

Mr. ROBERT C. BYRD. Mr. President, I am in no position to say what the outcome of the action on this bill will be, or when it will be concluded. I am hopeful, however, that the final action on the bill can be reached this week. I do not know whether it can be or whether it will be, but I hope that it will be.

I merely take this opportunity to say that rollcall votes are very likely daily tomorrow and Friday on this measure. Certainly if the Senate is to conclude action on it by Friday, it would mean that there would be rollcall votes Friday, and probably they would occur up until the latter part of the afternoon.

If I learn anything more definitive as the day goes on, I will attempt to bring such information to the attention of my colleagues, but for now I think the likelihood is that there will be rollcall votes Friday and that there is some hope that action can be completed on this measure Friday. If action cannot be completed on it Friday, I would still anticipate rollcall votes throughout the day on Thursday and Friday.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SARBANES). Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I ask unanimous consent that Mike Maloof of Senator GRIFFIN'S staff be granted floor privileges during the consideration of the tax bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I ask unanimous consent that Carey Parker of my staff be granted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 16 Leg.]

Allen	Byrd, Robert C.	Kennedy
Baker	Curtis	Long
Bellmon	DeConcini	McClure
Bentsen	Dole	Sasser
Burdick	Goldwater	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The assistant legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. APOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Colorado (Mr. HART), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. MAGNUSON), the Senator from Montana (Mr. MELCHER), the Senator from North Carolina (Mr. MORGAN), and the Senator from Florida (Mr. STONE), are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE), is absent on official business.

Mr. STEVENS. I announce that the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), and the Senator from Delaware (Mr. ROTH), are necessarily absent.

The result was announced—yeas 82, nays 3, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—82

Allen	Cranston	Hayakawa
Baker	Culver	Heinz
Bartlett	Curtis	Helms
Bayh	Danforth	Hollings
Bellmon	DeConcini	Jackson
Biden	Dole	Javits
Bentsen	Domenici	Kennedy
Brooke	Durkin	Laxalt
Bumpers	Eagleton	Leahy
Burdick	Ford	Long
Byrd, Harry F., Jr.	Garn	Matsunaga
	Glenn	McClellan
Byrd, Robert C.	Gravel	McGovern
Cannon	Griffin	McIntyre
Case	Hansen	Metcalf
Chafee	Haskell	Metzenbaum
Chiles	Hatch	Movnihan
Church	Hatfield	Muskie
Clark	Hathaway	Nelson
Nunn	Sarbanes	Stevenson
Packwood	Sasser	Talmadge
Pearson	Schmitt	Thurmond
Pell	Schweiker	Tower
Proxmire	Scott	Wallop
Randolph	Sparkman	Williams
Ribicoff	Stafford	Young
Riegle	Stennis	Zorinsky
	Stevens	

NAYS—3

Goldwater	Johnston	Weicker

NOT VOTING—15

Abourezk	Humphrey	Melcher
Anderson	Inouye	Morgan
Eastland	Lugar	Percy
Hart	Magnuson	Roth
Huddleston	Mathias	Stone

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of the Senators who did not answer the quorum call, a quorum is now present.

Mr. CURTIS. Mr. President, I ask unanimous consent that Bob Lyon and Gene Larimore, of Senator THURMOND'S staff, have the privilege of the floor for the duration of the debate and votes on the tax measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I yield to the distinguished Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent that Judy Hefner, of my staff, have the privilege of the floor throughout the consideration of the tax bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I ask unanimous consent that Linda Gould, of my staff, have the privilege of the floor during the consideration of this measure and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I yield to the distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Caroleen Silver, of my staff, have similar privileges.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Ed Beck and John Brooks, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I make the same request with respect to Aubrey Sarvis, of my staff, and Chester Smith, of the staff of the Committee on Rules, Administration and Standards.

The PRESIDING OFFICER. Without objection, it is ordered.

Mr. HASKELL. Mr. President, I ask unanimous consent that Samantha Senger and Robert Liberatore, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask unanimous consent that Mike Rausch and Ed King, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, I ask unanimous consent that Ed Ryan, of my staff, have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I yield to the distinguished chairman of the Committee on Finance, Mr. LONG.

Mr. LONG. Mr. President, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I wish to speak briefly on the pending motion.

There is in the bill before us an extension and increase in the investment credit. There is also a new provision referred to as a job credit. These proposals are designed to create additional jobs in the United States. If they fail to create any jobs, the cost will be zero.

It happens that I was not an early advocate of the investment credit. Any proposal has some distinct questions and problems involved, but I have seen it operate, and I believe that it is a very useful weapon in promoting our economy and providing jobs for people.

This is how it works: If a businessman or a farmer or a company wished to buy new equipment, he would get a certain tax credit, 10 percent, for having purchased that equipment.

If a weekly newspaper in the State of Nebraska decides to buy a new printing press, yes, they get a tax credit for that. But who gets the benefit, the real benefit? The workmen who are called upon to produce the raw material that goes into a printing press, the workmen who manufacture and design the printing press, the workmen who transport it, and the workmen who install it. Yes, some more activity will be created in the financing and the insuring of this new machine.

If the investment credit does not work, if it is not a sufficient incentive to set these things in motion, no credit is allowed.

When we spend money on other types of projects, we hope for results. In this, one is assured of favorable results or no credit is given; no money flows out of the Treasury.

In the bill before us, this investment credit is increased by two points, from 10 percent to 12 percent.

At this time, I am not going to discuss all the details as to the definition of equipment, and so on, but that is what is at stake here.

The motion of the distinguished Senator from Arkansas (Mr. BUMPERS), which is cosponsored by the distinguished Senator from Massachusetts (Mr. KENNEDY), would strike this from the bill. Make no mistake about it: This is not a provision for the benefit of the taxpayer alone. Coming back to the illustration I stated, if a weekly newspaper buys a new printing press, they have to pay for the printing press. They may have to finance it and pay over a long period of time. This is a little inducement to get them to do that because it will put people to work and promote the economy.

It is true that it is an artificial stimulus, in a sense; but with the high tax rates, Government regulations, and all the roadblocks thrown in the way of enterprise, sometimes we have to resort to these things.

There is another provision, which is new, that we are trying out for 1977 and 1978, and that is called the job investment credit.

It provides that any company that will create a new job, that will add a new employee, will get a credit for it. It is based very much on the same philosophy as the investment tax credit. It has been brought into being because there are some industries that are labor-oriented and not oriented very much to machines. Those companies that cannot expand and buy new machines are sort of left out of the investment credit idea, and this jobs credit relates primarily to businesses and industries that are labor-oriented.

The bill also is written so you cannot have both. You have to choose between the additional investment credit and the jobs credit.

I do not know whether it is going to work. I think it will. There has been evidence submitted by many small businessmen over the country that they would hire additional people if they could get a little credit on their tax. As a matter of fact, I believe it is correct that this proposal originated with organizations of small businessmen, is that not correct, may I ask my chairman?

Mr. LONG. Mr. President, if the Senator will yield——

Mr. JACKSON. Mr. President, will the Senator yield for a unanimous consent request?

Mr. CURTIS. I yield.

Mr. JACKSON. Mr. President, I ask unanimous consent that Mr. Keith Martin, of my staff, be granted the privileges of the floor during the consideration of H.R. 3477, and I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Now, I yield to my distinguished chairman.

Mr. LONG. Mr. President, one of the small business organizations, the National Federation of Independent Businesses, which is the largest of the group, and the other small business organizations are very enthusiastic about this proposal for the jobs credit for employers who hire more people in their businesses.

As I indicated yesterday, I have received postcards from businessmen who wrote in to say they would hire more people if they had this jobs credit. I will discuss that at greater length later on.

Here are 115 responses from businessmen. There were 2,077 form letters mailed out and 115 replied, which, I think, is a pretty good response to a form letter, a 5 percent response. Most people who mail out form letters and hope people will send a card back do not expect anything close to that high a response, but 115 wrote back and about 95 percent of those who wrote back said they would hire more people.

I undertook to have people in my office call these people; to go on down the list and call them. On the average these small businesses said they would hire two additional people, and they told us what they would hire them to do.

Mr. CURTIS. I would like to ask the Senator a question.

Mr. LONG. Yes.

Mr. CURTIS. Suppose their plans fall through and they do not hire someone. Does the Treasury lose?

Mr. LONG. If they do not hire anybody it does not cost the Treasury one red cent.

Mr. CURTIS. Does the distinguished Senator agree with me that the pending motion is to strike from this bill something whose primary purpose is to give jobs to people who do not have a job now?

Mr. LONG. That is the whole idea of it. Most of these jobs would be in small businesses. They would go to people who have little hardware stores—here is a letter from a man with a hardware store who would hire one new employee, for example. Here is a fellow who has a lumber supply yard, and he says he would hire one more. So it goes on down. Some of them would hire as many as 10. Here is a fellow, for example, in the tire supply business. He says he would hire between four and five employees, and so it goes. It averages out to two and a half persons per those employers who wrote in. This is just a small sample.

Mr. CURTIS. I have here the endorsement of the Associated General Contractors, a labor-intensive group, that would hire a lot of people, and they favor this.

Mr. LONG. Keep in mind that most of the people who would be getting these jobs are either on the unemployment rolls now or else on the welfare rolls.

Mr. CURTIS. Yes.

Mr. LONG. Or else they are getting food stamps, so it is not a net cost to the Government. The Government would save money and make money by these people being employed in the small businesses.

Mr. CURTIS. I thank my distinguished chairman.

Mr. BENTSEN. Mr. President, will the distinguished Senator yield for a comment?

Mr. CURTIS. I would be happy to yield.

Mr. BENTSEN. I recall in the debate yesterday one of the proponents of this motion to recommit was saying that an employment tax credit would have an inflationary impact on the economy. Nothing could be further from the truth because what you are talking about is a tax credit to lower the cost of labor. You put people back to work at the same time. You help increase productivity. The investment tax credit provides more modern machinery, more up-to-date capacity to produce products.

We are saying that we should give a tax credit to the labor-intensive companies.

I heard one of the arguments that this results in the hiring of people of a lower wage scale. What is wrong with that? Are not those some of the people we are having the toughest time finding jobs for? These are some of the people who are the least skilled. That is really who we would like to be helping in this situation because we are seeing a lot of them who would much rather have a productive job than be on welfare.

I think one of the most denigrating things you can say to an individual in this country is that society has no productive role for him to fill. But here we have a balanced tax package where we take care of the capital-intensive company and we take care of the labor-intensive company, in trying to put people back to work.

I have supported public service jobs. It costs from $8,000 to $12,000, but too often those are dead-end jobs and do not really add to productivity. But here is a job where you do it through the private enterprise system, where that often leads to further advancement and to a permanent job. I think it is a much better way to approach the problem.

Mr. CURTIS. I thank my distinguished friend.

He has mentioned something that I think merits a bit of emphasis. He points out that this will lead to jobs for people of low income and minimum skills. Now, if someone will give a person who has never had a job, who has never been trained, who has had no experience in reporting for work, a job, and he gets a little credit on his tax bill for it, it is very possible that that individual who is employed and whom the employer takes time to instruct and help, will lead into a position where he is a productive employee, and many jobs will open up to him.

Mr. President, I am about to yield the floor, but this point I want to make as this debate proceeds in the next day or two in reference to this motion, and that is this: We are making a big mistake if we are carried away by a lot of debate and allegations that this is a loophole. It is not. It is a straight-out plan to spend a little money to put people to work in the private enterprise section at a per capita cost many times below what it would cost to put them in a Government-created job.

Mr. President, I yield the floor.

Mr. HASKELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HASKELL. Mr. President, I shall speak briefly on the motion made by the distinguished Senator from Arkansas. What he seeks to do, of course, is to refer the bill, as I understand it, to the committee with instructions to report it out, deleting both the investment tax credit and the jobs credit sections.

Reluctantly I have to oppose my friend from Arkansas on this matter, and I shall briefly state my position.

Mr. President, it seems to me that the economic problem facing the country today is really not one of lagging business activity. All we have to do is look at the annual reports and the quarterly earning statements of listed companies that are being issued and see that business activity, indeed, is very good for those people.

The problem is really one of persistent unemployment at a time of high business activity, and this has been a problem now for more than 28 months, with unemployment in excess of 7 percent. As a matter of fact, it is now 7.3 percent, which means there are 7 million-plus people looking for jobs who cannot find them.

This may well be a new factor in our economic history, this concurrence of high business activity with persistent unemployment, and if it is I think we have to attack the real problem. The problem is unemployment.

I opposed early the administration's economic package since I believed that what they were doing was trying to stimulate general business conditions which I thought was the wrong approach.

I do not believe, really, that the big companies need any additional assistance; therefore, if the Senator from Arkansas had sought merely to delete the 2 percent investment tax credit I certainly would be on his side. But I cannot join him when at the same time he seeks to eliminate the jobs credit.

Mr. President, before the Senate at the moment is a bill from the Finance Committee which would give a credit of a little over $1,000 for a new employee hired but does not provide a so-called cap to limit the total amount of credit any one company can take. The purpose of a cap is to be sure that the very large companies of the Nation do not get a disproportionate amount of the credit. Right now, as the business provision of this bill is structured, the biggest corporations in the country by increasing unemployment could still benefit by taking the optional investment credit.

It is my view that, by and large, the tax code has favored large business at the expense of both middle-sized and small business.

As a matter of fact, I think I am correct when I say the effective tax rate of corporations with assets in excess of $100 million is something in the neighborhood of 34 or 35 percent as opposed to the statutory rate of 48 percent. The small business, on the other hand, being labor intensive and not being able to take advantage of the various and sundry benefits that an equipment intensive business takes, pays the full statutory rate.

The jobs credit, as I intend to seek to amend it, would do two things. It would give a substantial credit for putting someone to work. A substantial credit would be $2,100. This would be a real inducement to people to put people to work.

We have over 7 million people out of work, and we need an inducement for the private sector to do what we are doing in the public service jobs program in the public sector. At the same time I would put on a cap; that is, a company could not take more than $100,000 in credit.

That will eliminate the very large companies from taking full, unlimited advantage, and it will give more advantage to the smaller companies.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. HASKELL. I certainly will yield.

Mr. LONG. Is it not true that most of these people whom we are hoping to put to work are people who are unemployed at the present time?

Mr. HASKELL. The Senator is correct.

Mr. LONG. So if they are unemployed they are either drawing food stamps or unemployment insurance payments or drawing welfare payments. Am I correct?

Mr. HASKELL. The Senator is correct.

Mr. LONG. Some of these poor souls, of course, are youngsters, many of them less privileged, who never had a job in their lives. We hope to get them their first job. With regard to all those people, is it not true that when we have to pay them to hold hide and hair together, anyway, we have to pay some kind of a welfare payment, food stamps or something to help keep them going along, and that it would be cheaper to pay them a subsidy to put them to work rather than pay them for dong absolutely nothing?

Mr. HASKELL. I certainly agree with the distinguished chairman of the Finance Committee that by getting people off the unemployment rolls we are getting economic benefit from their efforts which we are not getting when they are unemployed.

Mr. LONG. Can the Senator think of any worse injury one could do to young people in their formative years, young people who are not able to go through college or who went a year or two in college and for some reason could not keep it up and dropped out, than to have them going on year after year trying to find a job somewhere and being turned down? What does it do to these people's morale? What does it do toward their view of society when they have never really known what it is to get a job and bring home a paycheck even though they have tried?

Mr. HASKELL. Of course, it is devastating and, as I am sure the Senator will agree, it is equally devastating for a man or a woman with a family to support to be out of a job, unable to get a job, and depending upon unemployment insurance.

Mr. LONG. Rather than a person receiving, let us say $2,000, to try to live on welfare, is it not far better for that person to get a job where he or she is making $4,000 or $5,000, low paying job though that may be?

Mr. HASKELL. It certainly is.

Mr. President, the Senator is absolutely correct. If a person can be gainfully employed and receive a living wage, it is much better than receiving a substandard subsistence-maintenance level welfare payment. And that is the Senator's point, as I see it.

Mr. LONG. And it also conditions those persons both in their attitude toward their neighbor and their feeling toward themselves; it gives them a little confidence to think they can make it, that they have a chance to make something out of themselves in this great free enterprise system of ours.

Mr. HASKELL. The Senator is correct.

Mr. LONG. I thank the distinguished Senator.

Mr. HASKELL. I thank the chairman of the committee very much for these observations and questions.

AMENDMENT NO. 198

Mr. President, I point out that the amendment that I shall propose does have a cap of $100,000 and does give the $2,100 credit for each new employee.

I ask unanimous consent to have printed in the RECORD at this point a copy of the amendment which I submit for printing.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 198

On page 90, line 19, strike out "25 percent" and insert in lieu thereof "50 percent".

On page 91, line 2, strike out "25 percent" and insert in lieu thereof "50 percent".

On page 91, between lines 14 and 15 add the following and reletter (c), (d), and (e) accordingly:

(c) TOTAL CREDIT LIMITATION.—The amount of the credit allowable by section 44B for any taxable year shall not exceed $100,000.

Mr. HASKELL. We are not discriminating against middle-sized business because, for example, with my $100,000 cap a firm employing 2,500 people could have a 5 percent growth in employment and still get the maximum. So we are not cutting out, by my proposed amendment, a great segment of American business. We are only cutting out the very large ones.

I echo what the distinguished chairman of the Finance Committee has said previously, that this jobs credit is supported not only by those who are unemployed—obviously it is supported by them—but it has the tremendous support of all small business organizations with which I am familiar.

It is for this reason, because I think we can make of the jobs credit something substantial and something the country needs, I am forced to oppose the distinguished Senator from Arkansas.

I thank the Chair.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, yesterday's action by the Senate deleting the $50 tax rebate for American consumers, but retaining the special tax incentives for business raises a simple question of equity for the average citizen and the good faith of Congress in maintaining a proper sense of proportion between individual and corporate taxes.

I also have serious reservations about both the economic justification for the business tax incentives and the merits of the two provisions themselves—the new jobs credit and the investment credit increase.

But the issue before the Senate now is primarily the equity issue. Simply put, it is not fair to kill the rebate for millions of average taxpayers and families, while enhancing the lucrative tax breaks already available for business. In the present posture of the bill, the Senate would be smashing the Easter eggs we had promised the average citizen, but offering a new golden Easter egg to business. That is not fair, and I hope that the Senate will pull back from its present course by adopting the motion that Senator DALE BUMPERS and I have proposed to delete the business tax breaks from the present bill.

To proceed with the business tax cuts at this time would be especially inflammatory for another reason—the growing burden of Federal taxes on individuals in recent years would be increased still more drastically. Once again, Congress is being asked simply to cut business taxes, while leaving individuals to the increasingly heavy share of Federal taxation they have had to bear.

As the figures indicate, two factors are involved—the sharp decline in the corporate share of the Federal income tax, and the massive increase in social security taxes borne by workers. The figures tell the story. Over the past two decades the ratio of corporate to individual income taxes has steadily declined from 71 percent in 1954 to 31 percent in 1976. During the same period, the ratio of social security taxes on individuals to corporate income taxes has mushroomed astronomically—from 34 percent in 1954 to 224 percent in 1976. Retaining the business tax cuts in the present bill would exacerbate this undesirable trend and send an unfortunate new signal to the hard-pressed average taxpayer.

Mr. President, I ask unanimous consent that a table showing the historical ratio of the corporate income tax, the individual income tax, and the social security tax may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Declining corporate share of Federal taxes

Fiscal year	Indiv. inc taxes $B	Corp. inc. taxes $B	Soc. Sec. Taxes $B	Ratios (percent) (3):(2)	(4):(2)
1954	29.5	21.1	7.2	71.5	34.1
1960	40.7	21.5	14.7	52.8	68.4
1968	68.7	28.7	34.6	41.8	120.6
1976	131.6	41.4	92.7	31.5	223.9

Mr. KENNEDY. Mr. President, although the primary issue in the current debate is the issue of fairness to the average citizen, there are also substantial reasons for rejecting the business tax incentives in the current bill on the basis of economic arguments and the dubious merits of the provisions themselves. For example:

Economically, it is difficult to argue that the economy no longer needs the stimulus of the rebate, but continues to need the business stimulus. The latest Commerce Department survey indicates that capital spending will increase by 12 percent in 1977. As many experts have suggested, the level of business investment in recent years has a good deal less to do with the increase in the investment credit from 7 percent to 10 percent and now to 12 percent, than with the overall state of business confidence in the economy. In this view, investment has been held back lately because of the rebate and associated business fears of inflation. To this extent, the decision to drop the rebate will itself be a stimulus for investment, restoring business confidence and making the 12 percent investment credit redundant.

As a member of the Joint Economic Committee, we heard from Dr. Arthur Burns in the early part of this year, warning about the dangers of the tax rebate in terms of its inflationary signal. The message went out very clearly from Dr. Burns to the business community that if Congress enacted a tax rebate, there would be significant additional pressure for inflation in this country. I did not agree with the substance of Dr. Burns' point, but the alarm he sounded was heard by business. Many of us think that the alarm was a self-fulfilling prophecy, so far as business psychology was concerned. We have now taken steps to effectively dampen those fears of inflation, by eliminating the rebate. So, we have eliminated a significant psychological block for the business community, and I would expect a corresponding improvement in business attitudes and morale, which are likely to be reflected in business investment decisions.

The fresh confidence of the business community in this particular area, based on the relief that it has now received from the inflationary pressures of the tax rebate, will allow business to move forward without the need for additional tax cuts.

In addition, many economists also feel that increased consumer demand, rather than an increase in the investment credit, is the key to increased investment. Unless the demand for goods goes up, firms will be reluctant to increase their capacity to produce.

The strengthening of the economy in the first quarter this year—a key factor in the decision to drop the rebate on the ground that a consumer stimulus is no longer needed—is also persuasive evidence that the proposed business tax incentives are no longer needed either, since strengthening consumer demand will itself be an adequate business incentive.

On the merits, there is little evidence to justify proceeding with either the jobs credit or the investment credit at this time. In this situation, the wisest course would be to refer action on such incentives until they can be examined as

part of the administration's forthcoming comprehensive tax reform proposals, especially the proposals for capital formation. To prejudge these issues now would be a step in the wrong direction.

I think all of us are very sensitive to the importance of developing appropriate mechanisms for new capital formation. It is one of the most important and serious questions that we are facing in this country. It relates to the entire competitive situation of our industries. As the chairman of the Subcommittee on Antitrust, I know that there are few factors which have a greater impact in terms of the growth of competitiveness in our economy than the availability of new capital. Obviously, the investment credit has as one of its important justifications the formation of new capital. But I think it is appropriate that we also consider alternatives for the development of new capital, especially since the results of the boost in credit from 7 percent to 10 percent in 1975 are so unclear. There is no real case for a further boost to 12 percent, which would simply be piling on new and unwarranted tax relief for business at this time.

I also recall the extensive study by the Library of Congress in 1976, which laid out very clearly what is lost through tax expenditures and what results are achieved in new capital formation from various tax incentives. The investment credit is extremely inefficient, producing only 40 cents of new investment for each dollar of revenue loss. An incremental investment credit, with the incentive based upon expanding investment over prior years, has a much more constructive and positive impact on new capital formation according to the Library of Congress study, with up to $2 of new investment produced for each $1 of revenue loss.

We are also asked in this proposal to accept the current investment credit, without the opportunity to consider the concept of a refundable credit. I have had a chance to talk with the chairman of the Committee on Finance about that concept, and, perhaps later in the debate, we can talk about the refundable credit.

With respect to the jobs credit, the extraordinary complexity of the credit and the low level of the credit itself suggest that it is an unwise addition to the Internal Revenue Code. Since the credit is worth only about $600 to a firm hiring a $10,000 worker, it is simply a windfall to firms that are hiring for other reasons. In addition, the 103 percent employment growth factor as a test of eligibility—the credit is available only for employment growth of more than 3 percent above the prior year—means that the credit will be of dubious value in declining or less rapidly growing regions of the Nation.

We talked about that yesterday in terms of the various regions of the country. The Northeast region averaged 1.5 percent employment growth over the past decade. It fails to survive the 3 percent cutoff in order to qualify for the jobs credit. Certainly, there will be some firms in New England that will be able to take advantage of this proposal, but on the whole, they will not.

In terms of the Middle Atlantic States, the average growth is .8 percent. The Midwest has a similar problem, with growth in the 1 to 2 percent range. Yet, in the southern part of this country, the average is 3.2 percent. So they will be able to take advantage of the jobs credit. But large parts of East and Midwest will not.

The jobs credit program, therefore, has important implications in terms of its regional impact. How can we say we are going to provide some important new incentives for jobs? Should we not be sensitive to some of these other factors, particularly when the credit does not help regions of the country that are experiencing the most serious problems of unemployment and the recession? Certainly, that is a matter that ought to be considered.

Mr. BUMPERS. Will the Senator yield for a question?

Mr. KENNEDY. Yes, I am glad to yield for a question.

Mr. BUMPERS. In recent weeks, I am sure the Senator is aware that there has been a great deal of talk in the country by various interest groups with the President about the depressed television industry or the depressed garment manufacturing industry and the shoe industry. Of course, to that, we can add at least American Motors as far as the automobile industry is concerned.

Industries like that, which have been on the decline, that are not investing in capital equipment, and certainly laying off people rather than hiring them, are the industries that need help more than any in the country. Can the Senator tell me what help they would get under this provision?

Mr. KENNEDY. I cannot see any help whatsoever, I say to the Senator. Certainly not in the shoe industry. We have seen heavy loss of employment over the past few years. We have seen serious reversals in other areas, in textiles, in television production, in my own State.

There is little in this particular proposal, Mr. President, that would be beneficial to those industries.

(At this point Mr. MATSUNAGA assumed the Chair.)

Mr. KENNEDY. I do think if we move toward making the investment credit refundable, it would have some advantage to more rapidly growing and newer industries, and it would have obvious advantages to older industries that have been struggling through the economic recession.

As the Senator from Arkansas has pointed out, the investment credit, the great bulk of it, goes to the largest corporations. The jobs credit program is also, basically, a windfall proposal for firms, especially the largest firms, that will receive it, particularly as it has been altered from the House proposal. So I must say that I agree with the implication of the question of the Senator from Arkansas. I really cannot see how this is going to benefit employment situations in my own State, and I doubt very much whether it will benefit any other part of New England.

Mr. BUMPERS. If the Senator will yield further, this is not in the form of a question but just an observation for informational purposes.

Yesterday we heard about what a great benefit this is going to be to the small service station operator and the corner drug store, the small furniture dealer, and so on. I have a table here which indicates that in 1975, if this additional 2 percent investment tax credit had been in effect—I do not know how the costs were extrapolated. We are talking about a cost of about $2.4 billion. I think the Senator would find it interesting that if this 12-percent investment tax credit had been in effect in 1975, 10 percent of that additional 2 percent would have gone to four corporations; namely, A.T. & T., Exxon, General Motors, and U.S. Steel. Based on their 1975 investment tax credits, they would have gotten about 10 percent of the total amount that we are getting ready to dole out to industry if this motion is defeated.

Mr. KENNEDY. Under the present law, I believe A.T. & T. received $750 million in the investment credit for 1975. They are the largest recipient of the investment credit. I think General Motors is No. 2, with $95 million, Exxon is No. 3 with $59 million, and U.S. Steel is No. 4 with $51 million.

It is interesting that we hear a great deal about how this jobs credit is going to help small business, how it will help the small service firms. But when you look at who it really is that we are talking about with the jobs credit, we are talking about Sears, Roebuck, we are talking about Montgomery Ward, and other giant firms. They will not be hiring new workers because of this jobs credit, but they will not mind receiving the windfall in their tax returns.

I think it is appropriate that we lay out exactly what the facts are in this situation. I welcome the chance to do this with the Senator from Arkansas.

With respect to the investment credit, there is no evidence of the effect on investment of the 1975 increase in the credit from 7 to 10 percent. In this situation, Congress would simply be shooting in the dark by increasing the credit to 12 percent at this time.

It is interesting that in the debate yesterday, there was very little discussion about how the investment credit worked in 1975, as a way of justifying the increase to 12 percent in 1977. The limits on the credit and the fact that it is not refundable means that many firms are unable to use it, especially the small firms, the new firms, the rapidly growing firms, and the firms whose profitability was undermined by the recent recession. I personally believe the investment credit would have an entirely different impact if it were refundable.

In addition, as the level of the credit rises, increasing numbers of firms become ineligible for its benefits. Thus, because of the limits on the credit and the fact that it is not refundable, many firms are unable to use it, especially small firms, new firms, rapidly growing firms, and firms whose profitability was undermined by the recent recession.

By whatever measure—equity for taxpayers and consumers, the state of the economy, or the details of the proposed incentives—the business tax reductions in the pending bill have no justification.

I also wish to bring to the attention of my colleagues in the Senate the new figures announced this morning about the state of our economy.

The first quarter GNP, I note this morning, showed real growth of 5.2 percent. In the fourth quarter of 1976, it was 2.8 percent. So the GNP growth rate has gone from 2.8 percent to 5.2 percent.

There are some cautions, obviously, by economists that 5.2 percent may not be as glittering as it looks at first glance. But it is certainly a sign of better growth than anyone had expected.

It is an encouraging sign for the future, and it is in that atmosphere, in that climate, that we are asked to retain these tax incentives for business.

Mr. President, I think that the basic issue we are facing this afternoon is equity. We cannot lose track of that issue, we have repealed the $50 rebate for the 87 million Americans, on the ground that there is now no economic justification for the rebate. But we know that countless people could have used it, especially the low income families who paid extraordinary energy bills over the winter.

In my part of the country they have paid energy bills 35 percent higher because of the harshness of this winter over a year ago. There is the same kind of increase in Ohio, and in Illinois, the heartland of this country.

People who have experienced the burdens of unemployment and recession, who are faced with a difficult time, were promised the $50 rebate. Yet in a matter of moments yesterday, the Senate of the United States wiped that out. It wiped that out, and it wiped out the hopes for all those individuals for this modest sum. And at the same time we debated for hours yesterday afternoon whether to continue the tax breaks for business and industry. I think we have our priorities reversed.

At the end of last year and in the early part of this year, there was no one suggesting that the economy needed incentives for industry. No. We proposed a balanced program for business and consumers. But what we are facing here today, by failing to vote in favor of the Bumpers-Kennedy motion, is an unbalanced program for business alone.

That is the issue, no matter how we disguise it, no matter how many small businessmen and women we talk about taking advantage of the jobs credit program, no matter how we talk about increased productivity through the investment credit. There is only one issue and that is the issue of equity.

I wonder how the Members of this body are going to tell their constituents saying, "Mr. Citizen, you are not going to get your $50 rebate, but we are going to provide an investment credit to the wealthiest corporations and companies in this Nation."

I hope that people are going to be able to justify their votes to their constituents, how their vote reduced the corporate taxes of this country, while increasing taxes to the American public.

That is effectively what we are saying if we do not vote for the Bumpers-Kennedy motion, because as a result of this particular measure the amount of taxes to be paid by individuals is going to increase, and the amount that is going to be paid by corporations is going to decrease.

If we look at how that balance has gone over the period of the last few years, people in my State are saying, "That is enough, why should we keep paying more and more and more in Federal taxes, while in most instances the major companies or corporations, the most powerful ones, are bearing a lighter load."

Mr. President, this situation that we are faced with now, with the continuation of the business incentives, is basically inequitable.

It does not make sense from an equity point of view, it does not make sense from an economic point of view, and it does not make sense from a tax expenditure point of view. It just does not make sense.

I am extremely hopeful that this motion will be carried here this afternoon.

Mr. President, let me summarize again briefly, because so much attention has been given to the jobs credit in this debate, the six major arguments against it:

The employment tax credit provisions passed by the House and approved, in modified form, by the Senate Finance Committee are defective because both the House and Senate versions are incremental credits; employment must increase over the prior year's level by at least 3 percent to qualify an employer for the credit. This incremental feature would:

First, in and of itself, exclude nearly one-half of all employers and 35 percent of the total labor market from the benefits of the program;

Second, discriminate against businesses which for any reason cannot expand their employment;

Third, deny the employment stimulus effects to slow growing regions—such as the Northeast and Midwest and slow-growing industries;

Fourth, provide rapidly growing companies and new companies with a competitive advantage in hiring labor and in selling products;

Fifth, tend to be destabilizing in the economy, since taxes are reduced when the economy is expanding and increased when the economy is contracting; and finally

Sixth, make it possible for some substitution of part-time for full-time employment to occur; the result will be no increase in total hours of employment, but merely a sharing of the work. A firm could fire one $10,000 a year full-time worker, and hire two $5,000-a-year part-time workers, and get the advantage of the credit.

For all of these reasons, I hope the jobs credit will be rejected.

Mr. President, let me sum up by a literary reference. In Coleridge's famous poem, the Ancient Mariner sinned by killing an albatross, and had to wear it around his neck in penance. The business tax incentives have become an albatross around the neck of Congress, and they should be deleted by the Senate.

Mr. BENTSEN. Mr. President, a lot has been said here about a big bonus being given to business without any attention being given to the individual. But we ought to look at the facts in this bill.

We have $14 billion in tax cuts for the individuals in fiscal 1978. We have $2.4 billion in tax cuts for business in fiscal 1978.

Forty-seven million taxpayers in this country get a tax cut through the increased standard deduction. We also simplify the tax returns for millions of U.S. taxpayers.

We raise the standard deduction for individuals to a flat $2,200. We raise it for the married couple to $3,200. This is a substantial tax cut for the American people.

What has happened in the last 3 months that caused the change of position on the proposed tax rebate?

Consumer spending is up. What we are concerned with today is unemployment and inflation. They are twin problems, and we should not neglect one for the other.

What we tried to do with the employment tax credit is to encourage labor intensive companies to hire people.

What we tried to do with the investment tax credit is to encourage American business to modernize its manufacturing capacity.

Where is one of the most industrialized parts of our country? In the Northeast.

Where do we have some of the most antiquated manufacturing capacity? In the Northeast.

What should they be trying to do about it? Modernizing, so they can become competitors in the world markets to hold those jobs and to create jobs.

When they talk about growth and the employment tax credit, and the figures that are cited, they are overall employment figures. But where will most of these people be hired? They will be hired in service industries. And what has happened to the growth of service industries in a State like Massachusetts? Last year there was an increase of 3.3 percent in that State.

What are we talking about in terms of costs for the American taxpayer? We are talking about public service jobs. We are talking about $8,000 to $12,000, often a deadend job.

I voted for public service jobs because I would rather pay a person for working than to pay him for not working. I think one of the last things we can do to a person is tell him society has no productive role for him.

I would much rather do it by the private enterprise system, if we can; where, hopefully, they will have a permanent job and add to productivity.

What we are talking about is trying to fight inflation. If we go back to 1973 and 1974, we saw some of the same things that are beginning to happen here. Today they are talking about the manufacturing capacity having moved up from 78 percent to 82 percent. That does not tell the whole story. That is the overall average. That does not tell you individually what is happening in this industry or that industry.

However, back in the fall of 1973 and in the spring of 1974, we began to see bottlenecks appear in this industry or

that industry and then the leapfrogging of prices from one industry to the other. Yet, you could cite percentages of productive capacity that were certainly far below 100 percent of what had been utilized.

Some of the archaic production that was not competitive should be replaced. American business has not done its job in replacing the antiquated capacity in this country. One of the problems has been cash flow, and that is happening around the rest of the world. How are they doing in replacing their manufacturing? Far and away above what the United States has done. We are the lowest of any major industrialized nation in the world today in replacing productive capacity in this country.

This is a bill that has equity, and this is a bill that gives most of the rewards and the tax cuts to the individual consumer; but at the same time it makes a long-term commitment in the way of investments for American business to do the job it should do and to be competitive in the world: $14 billion in tax relief for individuals in fiscal 1978; $2.4 billion in tax cuts for business in fiscal 1978.

The permanent increase in the standard deduction will result in a revenue loss of $7.6 billion in fiscal 1978. An extension of the individual tax cuts results in a revenue loss of $6.8 billion in fiscal 1978.

I might add that that increased standard deduction benefits about 47 million taxpayers as a permanent tax cut, while the business provisions are only temporary. The increased standard deduction will make about 3.7 million taxpayers nontaxable. It is clearly a great relief to the individual.

The increase in the investment tax credit and the new jobs credit will help moderate inflation. I heard it said earlier that this actually was going to add to inflation by giving an employment tax credit. Think about that. We are talking about a tax credit for hiring an employee, above the 103 percent base. Follow this line of reasoning—that that is going to add to cost. How do you follow that? If you say to American business, to small business, "We are going to cut the costs of your labor," how does that add to cost? It seems to me that that cuts cost; and in a competitive society, that is passed on to the consumer.

If we say to American business, "We are going to give you an investment tax credit so you can lower the cost of your machinery by 12 percent, the cost of production," that is passed on to the American consumer in a competitive society. That lowers cost.

Let us look at this employment tax credit. If this were not so, then I say that we have a panacea here, because we have a way to finance the Treasury. We have a way to take care of all the deficits, if this does not lower costs, by giving this kind of tax credit.

What we should do is put a $600 surtax on the hiring of any employee, because that must work the other way. That is what must really cut inflation, if you follow their line of logic. Since it does not cut inflation or does not affect inflation to lower costs, then let us add a surtax on every employee who is hired, and let us finance the budget that way. But obviously that is not the case. That shows how illogical some of this argument is on the part of the opposition.

The cruelest tax we have today—and it has been said time and time again—is the tax of inflation. That is what we are trying to combat, and we are trying to help small business.

I heard the argument made that the investment tax credit was not going to be utilized properly by service stations and by mom and pop stores, and I think that is right. That is why we have given them an alternative here with an employment tax credit.

I heard some of the people from the Treasury Department argue against the employment tax credit. They said it is going to mean that people of lower incomes are going to be hired. I am delighted. Those are the kinds of folks for whom we have trouble getting jobs, because generally they have been people with lower skill and training. If we look at the classified sections of newspapers, we see many jobs open. But they are skilled jobs; they are jobs that require a lot of training; they are technical jobs. That is not so true in the service industry. In the service industry, there is a tendency to hire more people of lower skills. This means that a lot of people can stand taller, can get off welfare, can lead productive roles, can support their families.

I think this bill is a major step forward and is a balanced bill.

I recently returned from Mexico, where I met with the President of Mexico and the Secretary of Commerce. We talked about business investments, trying to help create jobs there, trying to solve the flow of illegal aliens into our country. We were talking about what it costs for a stove, what it costs for a refrigerator. Those items were two or three times the cost to the American consumer. Why? Because they are not competitive in their manufacturing capacity, because they have raised the tariffs and the barriers to foreign competition, to U.S. competition. That kind of competition is one of the real disciplines on business.

For our business to be able to compete, they have to have the cash flow, and that means an investment tax credit or employment tax credit, so that they can be competitive in world trade, so that we can see that our balance of trade is protected, so that we can see that our dollar is protected.

Mr. President, I believe the arguments are strong in this regard, and I hope that the Senate will overwhelmingly defeat this motion to recommit.

Mr. President, the Finance Committee bill provides substantial tax relief for individuals through the increased standard deduction and the extension of the general tax credit.

In fact, the Finance Committee bill provides over $14 billion in tax relief for individuals in fiscal 1978 as a result of the increased standard deduction and the extension of the existing tax cuts. This compares to only $2.4 billion of tax cuts for business in fiscal 1978. The permanent increase in the standard deduction will result in a revenue loss of $7.6 billion in fiscal 1978 and the extension of the individual tax cuts results in a revenue loss of $6.8 billion in fiscal 1978.

I might add that the increased standard deduction which benefits about 47 million taxpayers is a permanent tax cut while the business provisions are only temporary. In fact, the increase in the standard deduction will make about 3.7 million taxpayers nontaxable. Thus, it is clear that a great bulk of the relief in this bill goes to individuals.

The increase in the investment tax credit and the new jobs credit will help moderate inflation.

The cruelest tax of all these days is inflation. What we are trying to do with the business tax cuts is help small business, and we are trying to help make our manufacturing capacity more competitive in the world so that prices can be lower and we can hold down inflation.

What you are seeing in an increase in the investment tax credit and adoption of an employment tax credit is not something that contributes to inflation. It is something to try to bring about more productivity; to try to bring about more efficiency, to make us more competitive in world trade and to try to make the dollar sounder. That is a better solution, really, than a public service job. I would rather see a fellow paid for working than for not working, but too often public service jobs are dead-end jobs and not productive jobs. But these jobs that we get people into in the service industry are productive jobs and most of those will be by small business. And that is why small business has fought so hard for this concept.

I just came back from Mexico where we met on trade problems with the President of Mexico and the Secretary of Commerce, and they are telling me they had to pay several times what we pay for a stove or refrigerator. One of the reasons is that they are not competitive in world markets. They have built up trade barriers to try to protect local manufacturers. We have the same temptations in this country to build up barriers to protect local manufacturers.

One of the problems you have in this country is that we have been putting a very small percentage of money back into manufacturing capacity compared to other industrial nations in the world, and the country next to us is England, and you can see what kind of trouble they are in today.

Now, there is talk about having 82 percent of our manufacturing capacity utilized today. That really does not give you a true representation because that other 18 percent is the least efficient, the most unproductive; that is the part they put aside first. Business has been dragging its feet on modernizing its manufacturing capacity in this country.

Back in 1973 and 1974 we noticed bottlenecks developing in our economy, in our manufacturing capacity, and there was an immediate increase in inflation.

That is my concern today. When we get above 82 percent capacity, unless we get manufacturers in this country to modernize and increase their manufacturing capacity we are going to see those bottlenecks develop again. Who is going

to pay for it? The consumer is going to pay for it by increased inflation, and that is the sort of thing we ought to be fighting to prevent today, and why I strongly support what I think is a really balanced tax package.

In the past decade there has been a significant increase in the rate of growth of the labor force—the people who either have jobs or are looking for them. Between 1966 and 1976, the labor force grew by 19 million workers, compared to an increase of 9 million between 1956 and 1966. This growth in the labor force has not been matched by a corresponding increase in the rate of growth of the amount of plant and equipment; therefore, the growth rate of the amount of plant and equipment available for each employee has declined significantly. This has reduced the growth of labor productivity—the amount produced per hour worked—and the decline in the growth rate of productivity has reduced the growth rate of real wages.

It is desirable to increase investment to forestall a repetition of the shortages which occurred in certain capital-intensive industries in 1973 and 1974 and which contributed to the high rate of inflation in those years. The affected industries included chemicals, steel and paper along with other industries producing materials used as input by other industries. A high rate of investment in the next few years will help prevent the recurrence of this problem.

In recent years our economy has grown more slowly than that of most other industrial nations. A recent economic study of eight industrialized nations indicates that between 1960 and 1973, annual growth rates ranged from 3.8 percent in the United Kingdom to 10.9 percent in Japan, Canada, France, West Germany, the Netherlands, and Italy all experienced growth rates between 4.8 and 5.9 percent. The U.S. growth rate was only 4.1 percent.

Mr. President, I ask unanimous consent to have printed in the RECORD a table illustrating these very disurbing figures:

There being no objectiion, the table was ordered to be printed in the RECORD, as follows:

Comparison of economic growth rates

[In percent]

Country	Rate of economic growth 1960–73	Rate of growth prior to 1960
United States	4.1	[1] 3.6
Canada	5.1	[1] 5.2
France	5.9	[2] 4.9
West Germany	5.4	[2] 8.2
Italy	4.8	[3] 6.0
Japan	10.9	[3] 8.1
Netherlands	5.6	[4] 5.0
United Kingdom	3.8	[5] 3.3

[1] 1947 to 1960.
[2] 1950 to 1960.
[3] 1952 to 1960.
[4] 1951 to 1960.
[5] 1955 to 1960.

Source: Laurits Christensen, Dianne Cummings and Dale Jorgenson, "Economic Growth, 1947 to 1973: An International Comparison," Harvard Institute of Economic Research, discussion paper No. 521 (processed).

Mr. BENTSEN. Mr. President, one of the reasons for this poor rate of growth in the United States is the low level of investment. The growth rate of capital input in these eight industrialized nations has been lowest in the United States—4.0 percent and highest in Japan—11.0 percent.

Mr. President, I ask unanimous consent to have printed in the RECORD a table on these rates of investment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Role of capital accumulation in economic growth, 1960–73

[In percent]

Country	Growth rate of capital input	Contribution of capital accumulation to economic growth
United States	4.0	1.6
Canada	4.9	2.2
France	6.3	2.6
West Germany	7.0	3.6
Italy	5.4	2.3
Japan	11.5	5.0
Netherlands	6.6	3.4
United Kingdom	4.6	2.2

Source: See preceding table.

Mr. DANFORTH. Mr. President, will the Senator yield for a question?

Mr. BENTSEN. I am happy to yield to the distinguished Senator.

Mr. DANFORTH. If we were to strike the investment tax credit and the employment tax credit from the bill, what would be left in the bill with respect to tax incentives for the private sector or private business?

Mr. BENTSEN. I think that all we would have left would be the extension of the increased surtax exemption which we now have.

Mr. DANFORTH. We would be exactly on the same plane we are on now, would we not?

Mr. BENTSEN. That is correct—for business.

Mr. DANFORTH. And it would be just a question of drifting along with exactly the same provisions in the Internal Revenue Code for business that we have right now, when we have what I think everybody would concede to be an unacceptably high rate of unemployment. Is that correct?

Mr. BENTSEN. That is correct.

Mr. DANFORTH. I think the Senator from Texas was present when Charles Schultze testified before the Committee on Finance. Does he recollect that testimony?

Mr. BENTSEN. I recall being there when he testified. I am not sure I recollect his testimony.

Mr. DANFORTH. He was testifying, of course, about the investment tax credit, not about the jobs credit. But he did point out that it was very important for the private sector to know that there was at least something in the stimulus package for business and for private investment.

Mr. BENTSEN. That is correct. I remember that very well.

Mr. DANFORTH. And without these two provisions, if we just were to strike them, there would be absolutely nothing; is that not correct?

Mr. BENTSEN. That is correct.

Mr. DANFORTH. About 85 percent of the employment in this country right now is private sector employment, not public employment?

Mr. BENTSEN. That is right.

Mr. DANFORTH. My objection to the bill, as a matter of fact, is that it does not go far enough, that it does not have enough in it for the private sector. You and I could perhaps debate that with each other, but if we were to strike this it would be absolutely nothing. We would say that for the 85 percent of the jobs that are provided by the private sector absolutely nothing would be helped by Government.

Mr. BENTSEN. In fiscal 1978 you are talking about $14 billion in tax cuts for individuals; you are talking about $2.4 billion in tax cuts for business.

Mr. DANFORTH. A very, very modest provision as it is.

Mr. BENTSEN. I certainly agree with that.

Mr. DANFORTH. Does the Senator understand any of the arguments in favor of striking these two provisions?

Mr. BENTSEN. I think the logic is overwhelming for keeping the provisions in.

The PRESIDING OFFICER (Mr. METZENBAUM). The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. BENTSEN. I am delighted to yield to the distinguished Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, the question has been raised here by the movers of the motion to recommit the bill to the committee with instructions to strike out the investment tax credit and the employment tax credit as to what benefits the poor will get out of the bill as it now stands.

This was the very intent of the bill, to care for the poorest of the poor, the unemployed, the 7 million-plus men and women who have been unemployed, some of them for over 2 years now. To them the $50 rebate would have meant nothing at all for the reason that they have no tax rebate in the first place. They have been so long unemployed that they have not even been paying taxes.

The employment tax credit will, according to the experts who testified before the committee, create as many as 750,000 to 1.5 million jobs.

According to the administration's report it is encouraging that the economy has been improving to a point where the unemployment rate is now down to 7.3 percent and will be down to 7 percent by the end of the year. But certainly this is not an acceptable unemployment rate. We condemned the previous administration for accepting 7 percent as a tolerable unemployment rate, and here again we

are drifting into an attitude of accepting a 7-percent unemployment rate as being tolerable—tolerable to 7 million-plus men and women who are out of work not knowing where their meal is coming from. Is that tolerable? Mr. President, this body certainly ought to be able to do better than that.

The 2-percent additional investment tax credit, they say, will benefit only the big concerns.

As was so ably pointed out by my colleague from Texas (Mr. BENTSEN) we are trailing so badly in our productive capacity the other developed nations of the world, and we are trailing so badly because we have not replaced our archaic equipment, machinery, with modern machinery. The investment tax credit will give this incentive.

Now, we heard complaints here on the floor earlier, questions being thrown at the managers of the bill, as to what good is this bill going to do "in my State where foreign-made shoes are closing down shoe factories in my State."

It is because of the decrease in the productivity due to archaic equipment and machinery that we have not been able to produce as cheaply as our foreign competitors.

The investment tax credit will permit our shoe factories to replace their old equipment with new so that we can produce at much cheaper cost than our competitors, and once again our factories will begin to hum, we will begin to reemploy those who have been unemployed.

Mr. BENTSEN. Mr. President, I yielded the floor to the distinguished Senator from Hawaii.

The PRESIDING OFFICER (Mr. BUMPERS). Does the Senator from Hawaii wish to retain the floor?

Mr. MATSUNAGA. Yes, I wish to retain the floor. I am just taking over from the Senator from Texas.

The PRESIDING OFFICER. Does the Senator from Hawaii yield to the Senator from Ohio?

Mr. MATSUNAGA. I apologize, Mr. President, for the shift here, but the Senator from Texas had to leave the floor temporarily, and he asked me to speak from here.

The PRESIDING OFFICER. The Senator may proceed.

Mr. MATSUNAGA. I thank the Chair.

Mr. President, in my State of Hawaii the unemployment rate far exceeds that of the national average. It is as high as 8 percent. Most of those who are now unemployed were last employed in the retail, the service, trades or in the construction industry.

(At this point Mr. DECONCINI assumed the chair.)

Mr. MATSUNAGA. The bill as it now stands would provide incentives to small business, particularly the service and, yes, even the construction industry, to employ those who are most in need of work.

I have received many telegrams and letters from my constituent small businessmen in Hawaii, as did the chairman of the Committee on Finance, the Senator from Louisiana, and we have received assurances on the part of small businessmen that if the proposal to give a tax credit for employment goes through they will hire two or three and even more employees in addition to what they now have.

So that to say that this bill does nothing to help the poor and will help only the rich is not in consonance with the facts and with the representations made by those who are awaiting action by Congress on this bill.

Mr. President, I urge that our colleagues not forget the original intent of the bill, that is, to help to stimulate the economy and to create jobs, jobs for the millions of unemployed who have too long been unemployed and who are searching for the opportunity to work again, make a living, get off the unemployment roll, get off the welfare roll, and once again live in dignity.

Mr. President, I yield the floor.

Mr. METZENBAUM and Mr. SCHMITT addressed the Chair.

Mr. MATSUNAGA. Mr. President, the Senator from New Mexico (Mr. SCHMITT) has been asking for some time to be recognized, if the Senator from Ohio will yield.

Mr. METZENBAUM. Mr. President, I may say to the Senator from Hawaii that I took the Chair in order to accommodate the Senator from Hawaii and did come to the floor so that I might speak. I would appreciate being accorded the opportunity to be heard at this time.

Mr. SCHMITT. I am happy to await my turn and let the Senator from Ohio proceed.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. METZENBAUM. I am very grateful to the Senator from New Mexico as well as the Senator from Hawaii.

Mr. President, yesterday and today many distinguished Senators, including the distinguished Senator from Hawaii, the distinguished Senator from Texas, and others, spoke eloquently on the merits of the employment tax credit. I do not rise to address myself to the job credit proposal. As a matter of fact, I could support that part of the bill. My concern is not with that part of the tax measure but with another aspect that of increasing the investment tax credit by 2 percentage points—to 12 percent—until 1980. While the employment tax credit is designed to encourage added hiring in labor-intensive businesses, the second option—that of increasing the investment tax credit to 12 percent—is simply not needed.

For much of my life I have been active in the business community. The company I headed was listed on the New York Stock Exchange, employed over 4,000 people, and was a profitmaking entity in the American business community. In my years of business experience, I can recall no occasion in which our company or any other business corporation expanded its business as a result of an investment tax credit.

Mr. President, Treasury Secretary W. Michael Blumenthal has clearly indicated that the administration no longer believes the business tax reductions proposed in this bill are necessary. I shall quote from his letter to Senator BUMPERS:

> . . . the administration concluded that . . . the business tax reductions should not be enacted in view of the improvements in the current economic situation. It is our view that since the Senate has deleted the rebate you should also delete the business tax reductions in this bill. Neither is now needed in view of the improvements in the economy. In addition, we believe it is important that the business tax relief be removed in order to make it possible to develop a better balanced tax program this fall.

In explaining the administration's position on the tax stimulus measure, the Treasury Department cited the following figures:

First. Unemployment has dropped from 7.8 percent in December to 7.3 percent in March.

Second. Housing starts for March were up 49 percent over the same period last year.

Third. The gross national product for the first quarter showed a 5.2 percent real increase.

Fourth. The wholesale price index rose at a 10.2 percent annual rate for the first 3 months of 1977.

How can anyone realistically say that business needs tax relief wher all of the indicators for our country show that business is doing particularly well at this moment?

Based upon these figures, the administration concluded that neither the rebate nor the investment tax credit should be enacted. I agree.

Further, this week's Business Week states that—

> . . . the economic recovery is gaining new momentum that will carry it well into 1978. . . . Retail sales climbed 2.4 percent in March to $59.6 billion, led by a 4-percent jump in durable goods and a 5-percent gain in auto sales . . . furniture and home furnishing stores scored a 3-percent increase.

There is, however, a more important reason why the business tax credit should not be included in the stimulus package, and that is the question of equity, the question of fairness. How can we on one hand take away $50, and in some cases as much as $200 per family, from the individual taxpayer and then turn around in the same week and grant business an investment tax credit that will benefit the business community by as much as $1.4 billion a year?

In short, the investment tax credit is a misnomer. It is a giveaway. According to a 1976 Library of Congress study, the investment credit will only produce between 35 cents and 45 cents of new investment for every dollar lost to the Treasury.

With 20 percent of the Nation's productive capacity idle, and approximately 7 million persons out of work, more equipment is not the answer. As a matter of fact, if the investment tax credit actually does what its proponents suggest it will do—increase purchases of equipment—unemployment will not decrease but rather increase. Let us take the example of A.T. & T.

A.T. & T. has embarked on a multibillion dollar effort to computerize its service equipment to reduce the need for individual operators and service personnel. That means less employment, not more. But for this, for this reduction in

the number of people that it is going to be able to employ, what did we do for A.T. & T.? We gave A.T. & T. an investment tax credit in 1975 amounting to almost three-quarters of a billion dollars.

This same problem is true in every industry where the installation of new machinery will result in a loss of manpower.

On the one hand, we have in this legislation a provision which ostensibly will help to create jobs; on the other hand, we have a tax giveaway which will actually result in putting in more technological improvements to cause a greater loss of jobs.

A well-run firm will not be induced by tax reductions to invest in additional equipment unless it will be profitable. There is not one businessman in the entire country who would state to the contrary. Where demand is great, market incentives—not Federal subsidies—will cause firms to invest. Businesses do not invest in new equipment when the economy is sluggish and when additional equipment is unnecessary. When they need the equipment, they buy it, because with the new equipment they can make more money.

Mr. President, only yesterday the distinguished chairman of the Finance Committee, Senator LONG, stated that the investment tax credit is that portion of the stimulus package that helps larger companies. I agree with him.

The investment tax credit is targeted to a narrow segment of the economy—capital intensive industry. It does not apply to investments in the housing sector, durable goods, plant or building expansions, real estate, intangible investments in research and development, or manpower training programs. Furthermore, the investment credit formula places many small businesses at a competitive disadvantage. Small businesses, or those operating at either no profit or a loss, must still compete with those competitors who are now able to buy their equipment cheaper.

The practical effect of this tax credit has been that it primarily benefits only the very largest capital intensive corporations. In 1975 more than 70 percent of the investment tax credit benefits went to corporations with assets of more than $100 million. Four corporations—A.T. & T., Exxon, General Motors, and United States Steel—received almost 20 percent of the total investment tax benefits claimed.

In addition to its limited scope, the investment tax credit greatly contributes to the continuing erosion of the Federal tax base. In 1966 the corporate share of the Federal income tax burden was 35 percent. Today it is only 24 percent. The corporate share of the total Federal budget receipts fell from 23 percent to 14 percent in the same 10-year period. This means that increasingly the tax burden has shifted from corporations to the shoulders of the average American family.

The entire question of the investment tax credit serves to further highlight the need for Congress to carefully analyze the interrelationships between tax policy and Federal expenditures.

It is well-known that Congress annually authorizes expenditures of over $400 billion for various Federal programs, but it is less apparent that Federal tax laws indirectly cost the Federal Government approximately $100 billion per year in lost revenues. While much attention is given to balancing the budget by reducing Federal spending, all too little attention is given to the revenue losses caused by our tax policy. There is little difference between a dollar spent and a dollar of income lost.

If we are to achieve President Carter's goal of a balanced budget in 1981, a goal which I support, both Federal expenditures and Federal tax policy must be made to reflect our national priorities.

Mr. President, a careful look at the current economic situation clearly illustrates that increasing the investment tax credit is not in our best national interest. The major problems confronting our economy are unemployment, inflation, and a rising Federal deficit. Clearly, any Federal expenditures should be aimed toward solving these problems. By withdrawing the $50 tax rebate for average American taxpayers, the President pointed to favorable economic indicators and cautioned against the inflationary aspects of the proposal. During my recent visits to Ohio, I found that despite their disappointment, most Ohioans accepted the President's reasoning and were willing to do their share to hold down inflation. If the American people are being deprived of a tax rebate because of economic factors, I believe it is only fair to require our largest corporations to do likewise.

The drain on the Federal Treasury caused by the 10 percent investment tax credit is estimated to be $8.76 billion this year alone. The 2-percent increase will cost the Treasury an additional $1.2 to $1.4 billion. It would drain almost $10 billion from the Treasury—or about one-sixth of the present Federal deficit. We talk about balancing the Federal budget—we talk about tax equity—we talk about tax loopholes. Now I think it is time that our talk be supported by our actions. I, therefore, strongly urge that we eliminate this unwarranted increase in the investment tax credit.

Mr. President, I yield the floor.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. METZENBAUM. I yield to the Senator from Hawaii.

Mr. MATSUNAGA. As I understand the Senator's position, the Senator is opposed to the investment tax credit, but supports the employment tax credit. Do I understand the Senator's position correctly?

Mr. METZENBAUM. The Senator from Hawaii correctly states my position.

Mr. MATSUNAGA. Then may I suggest to the Senator from Ohio that he ought to oppose the pending motion to recommit, for the reason that the motion to recommit would strike out the employment tax credit as well, that portion which the Senator from Ohio supports?

I would strongly urge that the Senator join us in opposing the motion, and offer an amendment to strike out the additional 2 percent investment tax credit.

Mr. METZENBAUM. I advised the chairman of the Committee on Finance earlier today that I would have no difficulty in opposing the motion to recommit on the present basis, provided that the Finance Committee chairman could indicate his support for eliminating the investment tax credit. The chairman of the Committee on Finance did not indicate that he could give me that assurance in the event I made that kind of motion, and I am frank to admit to the Senator from Hawaii that absent that kind of support and assurance, I do not believe that kind of an amendment would be agreed to. It therefore is my view that in order to make my point that the investment tax credit should not be increased, the only possible procedure available to me is to support the motion of the Senator from Arkansas to recommit this measure to the committee.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

Mr. MATSUNAGA. Will the Senator yield further?

Mr. METZENBAUM. I certainly will.

Mr. MATSUNAGA. The Senator from Ohio is certainly concerned, as I am and as the Senator from Arkansas is, about the high unemployment rate today. The Senator spoke of this measure costing as much as $1.4 billion for the investment tax credit and $2.4 billion for the unemployment tax credit. The figures that the Senator cited may not be exact.

The Senator knows that the bill, as originally introduced and as reported by the Finance Committee, is intended to decrease unemployment by as much as 2 percent in the next 2 years. Assuming that we reduce the unemployment rate by 1 percent, the Senator knows that it will mean an additional $16 billion to the Federal revenue. That means that we will be making a profit, Treasury-wise rather than losing.

In addition, we will be eliminating, for every 1 percent of decreased unemployment rate, about $4 billion in welfare and unemployment payments which we now make. It would add up to a $20 billion gain as opposed to about $4.8 billion, or some say $6 billion. The taxpayer, in effect, would be gaining by the passage of his measure.

Once again, I urge the Senator from Ohio to reconsider. Because of his long and wise support of the unemployment tax credit, I urge him to vote against the pending motion and offer an amendment to strike out just the investment tax portion.

Mr. METZENBAUM. Will the Senator from Hawaii yield for a question?

Mr. MATSUNAGA. I yield.

Mr. METZENBAUM. The Senator from Hawaii is a member of the Finance Committee. In the event the Senator from Ohio should decide to vote against recommitting, including the jobs provision and the tax credit, would the Senator from Hawaii be prepared to offer the motion to reduce the investment tax credit to 10 percent?

Mr. BUMPERS. Before that answer is given, will the Senator yield for a parliamentary inquiry?

Mr. METZENBAUM. I yield.

Mr. BUMPERS. Mr. President, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. What will be the parliamentary situation as to the ability of any Senator to offer such an amendment in the event this motion is defeated? In other words, would the committee amendments have to be agreed to en bloc as a substitute before the amendatory process would be in order?

The PRESIDING OFFICER. The answer is no. If the Senate votes no on the motion, then the committee amendments would be taken up seriatum as they appear in the bill. Each committee amendment would be amendable when it is before the Senate.

Mr. BUMPERS. Would the amendment to strike the investment tax credit and jobs portion of this bill be in order prior to the agreement by the Senate for the consideration of all the committee amendments?

The PRESIDING OFFICER. No. If this motion failed, the committee amendments would be taken up one at a time as they appear unless there was a unanimous consent to vary that procedure.

Mr. BUMPERS. But an amendment, the substance of which is the same as this motion, would not be in order until all the committee amendments have been considered; is that not correct?

The PRESIDING OFFICER. Since it is a committee amendment that the Senator is trying to get at, an amendment to it would be in order when the committee amendment is pending.

Mr. BUMPERS. Such an amendment would then simply become an amendment in the second degree; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BUMPERS. I thank the Chair.

The PRESIDING OFFICER. The original House language would remain in the bill unless it was knocked out.

Mr. METZENBAUM. As I understand, the increase from 10 to 12 percent is one of the seriatum committee amendments; is that correct?

The PRESIDING OFFICER. It is a Senate committee amendment that increases it from 10 to 12 percent. The question would come on the committee amendment.

Mr. METZENBAUM. And it is separate and apart from all other amendments?

Mr. BUMPERS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Mr. President, what the Chair just announced seems inconsistent to me. Let me phrase the question this way: If the committee amendment is stricken, then does that not then leave the House language in the bill?

The PRESIDING OFFICER. That is correct.

Mr. BUMPERS. And the House language also contains the 12 percent investment tax credit?

The PRESIDING OFFICER. The Chair is advised that it does not.

Mr. BUMPERS. The House has the 4-percent credit on social security tax, is that correct?

Mr. MATSUNAGA. No.

Mr. METZENBAUM. One further parliamentary inquiry. It is not a fact that the committee amendment is a joint one including both the jobs credit and the increase in investment tax credit, all one and the same?

The PRESIDING OFFICER. That is correct. An amendment to strike part of that amendment would be in order while the amendment is pending.

Mr. METZENBAUM. Therefore, my inquiry to the Senator from Hawaii: Since the Senator from Hawaii is a member of the Finance Committee and knowing the usual procedures on the floor of the Senate, would the Senator from Hawaii, as a member of the Finance Committee, be prepared to offer an amendment to eliminate the increase in the investment tax credit from 10 to 12 percent, assuming that the Senator from Ohio was persuaded that the motion of the Senator from Arkansas to recommit should not prevail?

Mr. MATSUNAGA. In response to the Senator from Ohio, let me say this: I was initially opposed to the additional 2 percent investment tax credit. However, during the hearings, having had experts before the committee, I was convinced that the additional 2 percent was necessary in order to increase the investment in the capital intensive businesses to increase productivity, for one thing, and to increase employment. I was convinced that the additional 2 percent would be an incentive to create more jobs. Figures ran as high as 900,000 jobs. Well, they range anywhere from 500,000 to 800,000 jobs. The employment tax credit estimates ran from 750,000 to 1.5 million.

So I was convinced then that the investment tax credit would be a good thing.

Mr. METZENBAUM. Do I understand the Senator from Hawaii to say that somebody said that by increasing the investment tax credit from 10 to 12 percent it would add 700,000 to 900,000 jobs in this country?

Mr. MATSUNAGA. Yes. That was the testimony before the committee.

Mr. METZENBAUM. I am not certain as to whether the Senator from Hawaii was on the floor at the time I was speaking, and I could well understand his absence. But I pointed out at that time that A.T. & T. in 1975 received almost three-quarters of a billion dollars in investment tax credit, much of it by reason of the fact that they were installing automatic computerized switching equipment which would actually cause a reduction in the amount of employment rather than an increase. I point out to the Senator from Hawaii that much of the time, when business makes installations of new equipment in this day and age, it is a kind of equipment that is labor-saving, that eliminates jobs rather than producing jobs.

Mr. MATSUNAGA. But jobs are created. I remind the Senator from Ohio, in making the new equipment.

Mr. METZENBAUM. Let me point out that that is a one-time kind of job that may be created in making the equipment, but thereafter, hundreds of thousands of people lose their employment.

Let me further point out to the Senator from Hawaii a comment that I made at the inception of the speech I just concluded. That is that I have never met a businessman who told me that he bought a piece of equipment or invested in new capital equipment because he was going to get a tax reduction. As a businessman myself, I bought equipment when I could make a profit out of it. That, in my opinion, is the only basis on which businesses buy new equipment, regardless of the kind of business.

I believe that all this amounts to is a price to be paid in order to get through the jobs credit bill. I do not believe that we ought to take investment tax credit, that started off at 3 percent as a so-called incentive and stimulant to business in 1962, then was taken off for a few years, then came back at 7 percent, then came back again at 10 percent and now at 12 percent. All this amounts to is one more instance of a tax giveaway to the large corporations of America, not even to the small businessmen. What we are doing is saying to the people of this country, "We forgot about you. Forget about the $50 tax rebate. That we took care of yesterday. Today, here is another handout for the large corporations, who certainly do not need it, because their businesses are doing particularly well and their profits are at an all-time high."

Mr. MATSUNAGA. The Senator from Ohio is very convincing and persuasive. I am inclined to believe that if the Senator votes against the motion to recommit and then offers the amendment to strike out the additional 2 percent investment tax credit, he may be able to convince a majority of the Members of the Senate and carry.

I am suggesting that, inasmuch as the Senator from Ohio has indicated his strong support for the employment tax credit, he would be defeating his own end if he were to support the pending motion to recommit.

The suggestion which I make, I think, is one which ought to be accepted by the Senator from Ohio.

Mr. METZENBAUM. If the distinguished Senator from Louisiana, the chairman of the committee, or the distinguished Senator from Hawaii would offer that amendment, then I could well understand and could very well consider not voting to recommit the bill. But absent that, I think my nose counting is good enough to tell me that the elimination of the investment tax credit alone does not have much of a chance. If the chairman of the committee were to indicate his support for it, or if the fight were led for it by a member of the Committee on Finance, then I think it might stand a chance of passage. But with the entire Committee on Finance now voting against cutting it back to the 10-percent figure, I do not believe that, realistically, it would have any chance at all. Therefore, the only way to make my point is to vote to recommit this bill in the hope that somewhere along the line, perhaps we can work out that kind of compromise to make it possible to eliminate the investment tax credit as a price for obtaining the jobs credit.

Mr. BUMPERS. Will the Senator yield for another parliamentary inquiry, if I

may, because there still seems to be a little confusion at this point?

Mr. METZEMBAUM. I yield.

Mr. BUMPERS. I ask the Chair, first of all, if it is the intention of the author of this amendment to delete both the Senate provision, which raises the investment tax credit, and the jobs incentive provision and also, simultaneously, delete the House jobs incentive language?

The motion to recommit is designed to do both of those things. My question is, if this amendment is defeated, the only way to accomplish that same purpose, as I understand it—and I should like the Chair either to agree or disagree on that—is, No. 1, to defeat the committee amendment and then, No. 2, offer an amendment to strike the House language also?

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. I thank the Chair.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. MATSUNAGA. The Senator has the floor.

Mr. LONG. Mr. President, the motion that is being proposed is not, in my judgment—and I am confident I am right about this—the proper way to proceed to do what even the Senator from Ohio would like to do. All one would have to do is simply vote down the committee amendment which would provide the jobs credit and vote to strike that part of the House bill which would provide a jobs credit, and vote down the committee amendment that would provide the investment tax credit. That would be the orderly legislative procedure. It would not be necessary and should not be necessary to move to recommit and report back in a certain fashion.

The motion to recommit and report back should not be made if the objective can be achieved by a simple amendment. Oftentimes, in fact, usually, the motion to recommit and report back is made when no other option is available to achieve the same objective, such as the situation that occurs when a bill has been amended and is no longer subject to amendment. At that point, one has no choice but to move to recommit and report back in the fashion that he would like to have the bill reported back because he has, at that point, been prevented from putting the bill in the condition that he would like to have it by way of amendment.

What the Senator is seeking to do is not orderly legislative procedure. I ask the Senator, does he have the bill drafted the way he would like to have it read now?

Mr. BUMPERS. Let me answer that question with a question: Would the Senator from Louisiana agree to a unanimous-consent request that, if this motion were withdrawn, he would agree to an amendment to take care of both the Senate provision and the House provision in one vote?

Mr. LONG. Mr. President, I do not feel like prejudicing my rights or the rights of any other Senator to insist on a division. I would not be surprised if we could ask for a division and motion—let me ask the Parliamentarian. Is that motion that stands there now divisible?

The PRESIDING OFFICER. Since it is not an amendment, it is not divisible unless it is done by unanimous consent or unless there is an amendment to the instructions.

Mr. LONG. But it would be subject to amendment?

The PRESIDING OFFICER. The instructions are subject to amendment, not the motion itself.

Mr. METZENBAUM. A parliamentary inquiry, Mr. President.

Mr. LONG. Let me say this to the Senator. I think it would be highly improper to agree to a unanimous-consent request that a Senator could not ask for a division of an amendment when not many Senators are here on the floor, because any Senator, as the Senator from Arkansas so well knows, has the right to ask for a division of an amendment. It does not require a majority vote; any Senator can insist that an amendment that is subject to division be divided. The Senator knows that.

Mr. BUMPERS. Is a committee amendment divisible, to strike out an insert?

Mr. LONG. One can divide a committee amendment any way he wants to divide it. One can strike out a single word if he wants to.

Mr. BUMPERS. Let me first ask the Chair, is an amendment to strike out and insert divisible,

The PRESIDING OFFICER. Under rule XVIII, it is specifically nondivisible.

Mr. BUMPERS. All right. Now, my next question is: This procedure which I have chosen to use as mechanism to get at this I do not really understand the objection to. The Senator talks about going at it in an orderly way. We have debated the merits of the investment tax credit and the jobs incentive bill here. The debate would be precisely the same. This way, we reach both the Senate provision and the House provision in one vote. Everybody understands precisely what they are voting on, so I fail to understand what the objection to this procedure is.

Mr. MATSUNAGA. Will the Senator yield for a parliamentary inquiry?

Mr. LONG. The Senator could propose an amendment to strike and insert. As far as the Senator from Louisiana is concerned, I think that it would be orderly legislative procedure to do that.

Mr. BUMPERS. Before the Senator arrived, the Senator from Ohio and the Senator from Hawaii were engaged in debate about that very problem. That was dividing the issue between the investment tax credit and the jobs incentive. The Senator from Ohio has said he favors the jobs incentive provision but is opposed to increasing the investment tax credit.

Now, the motion to strike and insert would not be divisible along that line.

Mr. LONG. A Senator could very well just offer his amendment at that particular place in the bill, just where the investment tax credit appears, just move at that point to strike the investment tax credit and substitute the jobs credit.

Mr. METZENBAUM. Mr. President, a parliamentary inquiry, please.

The PRESIDING OFFICER (Mr. HATHAWAY). The Senator will state it.

Mr. METZENBAUM. I am not clear from the previous responses to the parliamentary inquiries from the Senator from Arkansas and the Senator from Louisiana. Would it be possible when the committee report is made, which has the combined jobs credit tax in it as well as the investment tax credit in it, upon the request of any single Senator, will those two portions be divisible?

I believe there are separate sections, as I understand it; is that correct?

Mr. MATSUNAGA. That is right.

Mr. METZENBAUM. May I have a response?

The PRESIDING OFFICER. Under rule XVIII, it is not divisible, because it is a strike and insert, by the committee.

Mr. MATSUNAGA. Mr. President, will the Senator yield for a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state it.

Mr. MATSUNAGA. Assuming that the motion to recommit is defeated, any Senator may offer an amendment to strike out the investment tax credit; is that not correct, without involving——

The PRESIDING OFFICER. While the committee amendment is pending, the Senator is correct.

Mr. MATSUNAGA. Right. So that there is no question of rule XVIII coming into play at that point.

The PRESIDING OFFICER. The Senator is correct.

Mr. METZENBAUM. That would require the affirmative offering of an amendment to strike.

The PRESIDING OFFICER. Right. So the Senator could, in effect, get division by motion to strike part of it if the committee amendment is susceptible of such a motion.

Mr. LONG. All one would have to do if he did not want the investment tax credit is just vote against it and defeat the committee amendment which proposes to add the investment tax credit. That is all one has to do.

That has not been agreed to. That is just a committee amendment to be voted on by the Senate and one that does not want the investment tax credit has only to vote against that part of it.

Let me say to the Senator that the investment tax credit is not going to become a part of this bill unless it be the view of the Senate that by a majority vote it should be a part of this bill.

I, for one, would like a direct vote on it when we get to it, may I say to the Senator, because I want to know what the view of the Senate is on the investment tax credit, as one who expects to be a member of the conference between the Senate and the House. I want to be able to report to the House of Representatives, if this provision is in the bill, whether this is a weakly held view or a strongly held view in the Senate of the United States, with regard to the investment tax credit.

I do not fully agree with what the Senator from Ohio said about the effectiveness of the investment tax credit. I had my severe doubts about it when it was first proposed. It was my amendment

that reduced the depreciation by the same number of points as the investment tax credit when it started out as a 7-percent investment tax credit. I believed that the basis for depreciation should be reduced by 7 percent on the theory that people should not be permitted to depreciate something they never paid for in the first instance.

That is how it stayed for the first couple of years it was in effect. Thereafter, on the urging of President Kennedy and President Johnson, who succeeded President Kennedy, I eventually relented and went along with the investment tax credit as it now stands, and, later on with the increase.

The reason I did was the experience with that proposal when it was being used to induce business to buy new equipment and stimulate the economy. It not only stimulated the economy, but it overheated the economy. It was absorbing so much of the funds available for investment that it seemed to this Senator that we did not have enough capital available for home building, and things of that sort.

But it really provided jobs and no one can contend that while we had that in effect we did not have reasonably full employment, because during that period we seemed to have more people working every month than we did the month before.

Strangely enough, instead of losing revenue, as some would have anticipated when we vote a tax cut, we gained revenue by about the same amount. We thought we would lose about $5 billion. Instead, we gain $5 billion in corporate tax collections alone.

Then later on under President Nixon, we repealed it. It was overheating the economy and we thought that we ought to repeal the investment tax credit, and we did.

Within a year, the economy was in a slump. The President asked us to reinstate it, and we did, and it played a major part in the recovery that then followed.

So the investment tax credit has been exceedingly effective in stimulating the economy. I do not think we can cite anything that has been done in the fiscal area to try to either stimulate the economy or slow it down that has had more effect than the enactment, the repeal, the reenactment, the rerepeal, the reenactment of the investment tax credit.

Mr. METZENBAUM. Will the Senator from Louisiana yield?

Mr. LONG. Surely.

Mr. METZENBAUM. Is it not a fact that every time the investment tax credit was put on or increased, first by the 3 percent, then 7 percent, then 10 percent, that the stimulus——

Mr. LONG. It has always been 7 percent.

Mr. METZENBAUM. Was it never 3 percent?

Mr. LONG. Seven, always at least seven.

Mr. METZENBAUM. I stand corrected.

Mr. LONG. When it first was enacted, it was a 7-percent investment tax credit. But it was my amendment that provided businesses could not depreciate the 7 percent that they had not paid for. That is why the Senator may have the impression that it was 3 percent, because my amendment had the effect of reducing the tax advantage of that credit.

Mr. METZENBAUM. I appreciate the clarification. Is it not a fact that if there has been a reinstating of the investment tax credit, or the initial passage of the law, that there was a lag period of several years—I think about 2 or 3 years—before the economy started to move up, and that there truly is no cause-and-effect relationship that can be shown by any economist as pertains to this subject? I have done some research in this area and do not find any direct relationship.

It is true our economy has its up and downs. But it is also true, as I previously stated, that I never found an employer, never found a corporation, never found a businessman, who said he hired anybody or bought a piece of equipment because he was going to get an investment tax credit.

I believe it is a fact that, sure, we have had our ups and downs, but that does not mean it came about by reason of the passage of the investment tax credit.

In answering my question, I would be grateful to the distinguished Senator from Louisiana if he would clear up a question I have in mind in the event there is a direct up and down vote on the investment tax credit of reducing it through the 10 percent it presently is. I appreciate his thoughtfulness in suggesting he would like instructions. The Senator from Louisiana has great stature in this body, and the way the Senator from Louisiana indicates he feels often results in Members of the Senate following his leadership.

Am I correct in assuming from the Senator's previous comments on the subject that he would be prepared to indicate to Members of the Senate that whatever way they vote is perfectly agreeable to him and that he is looking for instructions from the other Members of the body, or will he be indicating to them that he feels committed to increase the investment tax credit to 12 percent?

Mr. LONG. If it be the will of the Senate that the 2 percent investment tax credit should be stricken from the bill or that the committee amendment should not be agreed to, I will accept that verdict cheerfully. It is a matter for which I voted. It is a matter to which I became committed when President Carter recommended it. I believe that I had been advocating it even before President Carter recommended it.

For the Senator from Louisiana, at this late date, after having gone out and made speeches to people all over the country saying that this is a good idea and that I think it should be done, to reverse myself makes no sense. That is the kind of thing a politician should do only if it is absolutely necessary, and I do not think that is necessary. The Senate can inform me that it is a good idea or not, and it is a matter of no great moment to me whichever way the Senate votes on the investment tax credit. My view is that we should retain it, and that is the attitude I will take.

I would also like very much to try to see what happens when you provide the kind of incentive that the House provided especially to small concerns, companies that are labor-intensive, to see if they can put people to work. I could cite a thousand examples of that, I believe. Let me indicate one or two that are obvious to me.

In my hometown, one of the main cafeterias is part of a chain across the country, a successful chain. There was a time that when you would get through the line, someone would take your tray, take it to the table, and unload the tray for you. That was a very nice service and a nice convenience. Usually, you would tip them something, but they would be paid in addition. That service has been discontinued.

Nowadays, if you are disabled or not able to handle the tray very well because you have small children with you, for example, they will ring a bell and some little lady who ordinarily would clean up the table after you have left will come and help you with the tray. But you have to ask for the service, to have someone help you with the tray, in the best cafeteria in my hometown, which is a town of about 300,000 people. They have a chain of places like that.

It would be nice if the service could be restored. I would not be at all surprised if this jobs credit might make it possible for a concern such as that to provide the service again, to have somebody help a lady or a gentleman with the tray, to unload the food on the tray after they go through the line.

There was a time when a lady would go shopping, and a young man would help put the groceries in the sack and carry the groceries out to the car. That service seems to be gone nowadays.

It is the same with curb service. That is a phrase that has disappeared from the American vocabulary. There was a time when you could drive up someplace and someone would provide service at your automobile. Perhaps some of those services could be restored if we had the tax incentive.

Here are 115 people from Louisiana who wrote in. They filled out a little card; 2,000 letters were sent out. They were invited to send the card back if they wished; 3 or 4 percent, perhaps 5 percent, said that they did not see any point in this jobs credit. But more than 95 percent said that they would hire more people—some 1 person, some as many as 10 or more; the average was better than 2—if they had the additional incentive that is provided in the House bill.

I find myself thinking more and more, in view of the fact that we have taken out the $50 rebate, that perhaps we would be well advised to beef up this provision, to go as high as the House did. But we should be more careful in drawing it, because the House had a windfall advantage beyond anything we want to recommend. They would not have recommended it if they had given it as much thought as we have. That is, we had the opportunity to second-guess them. So we think we can improve on their handiwork. Under the circumstances, this is something that deserves to be

tried, and we do not think it should be stricken from the bill.

We also should have some experience with this jobs credit, because when we start looking at the welfare problem, we are going to be asking ourselves this question: If you pay about the same amount of money that that welfare check would cost the employer, to encourage him to hire somebody, one, would the employer hire the person and, two, would the person take the job?

We can have some valuable information if we just experiment with what the House is trying to do here. I point out that the House was not in any doubt about their position when they debated the matter and voted on it. Their position was taken on a 4-to-1 margin. This was offered as a substitute for two of the administration's favorite recommendations. This was offered in the House as a substitute for the investment tax credit and for the new proposal by the administration of a 4 percent credit against the payroll tax.

Even though the administration position as well represented by those who agreed with the administration, it was overwhelmingly defeated because people thought there should be an experiment with the jobs credit.

Looking at what was done in that respect, I would think that people would definitely want to see what we can do to make more jobs available and to make the jobs more attractive. How better could we do that than by giving the House effort a trial, to see to what extent these unemployed people could be put back to work?

Mr. President, as I indicated, this little effort that was made by the National Federation of Independent Business, in my judgment, convinces me beyond any reasonable doubt that if the jobs credit proposal is made sufficiently attractive, as the House attempted to do and as we should do in the Senate—the House bill may have resulted in as many as 200,000 to 400,000 jobs—that the estimate will prove to be conservative.

If Senators have any doubt about the matter, here are the names of people in Louisiana who got a letter—just a form letter that most people will not even answer.

Here are the individuals, here are places of business, their names, and just in case someone would like to check on it, here are their telephone numbers, including the long distance calls. Go call them. I have had my staff call them—and I have a memorandum here of what they said. Many of these people are very enthusiastic about their potential of hiring more people in the event this jobs credit goes into effect.

Here is just one response. Here is Mr. T. W. Anthony, president of the Schuylkill Metals Corp., Baton Rouge, La., my hometown, telephone No. 504–775–3040. Here is what he said, he will hire at least 10 new employees. He said:

Now I am either letting work go or working people overtime.

He continues by saying:

But if you put that credit into effect I will hire 10 more people.

Here are many others, more than 100 of them, who responded. That is a pretty good response to get from a form letter. We sent out 2,000 form letters. Five of them responded negatively—let us be fair—about five of them say they think it is a silly idea and they are not going to do anything about it. The other 110 say they will employ somewhere between 1 and 10 people. Now, it averages about better than two people per employer for these small businesses.

You can go call them yourself. Here are the telephone numbers, and they will tell you the same thing they are telling my staff when we called them, these people think they would be hiring more.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CURTIS. If someone hires an individual and he receives this credit, considering that the credit does come out of the Treasury, how much does it cost the taxpayers to put that one person to work?

Mr. LONG. Well, if you should assume that that person is probably on the unemployment rolls now.

Mr. CURTIS. I am going to come to that. But how much in the credit alone?

Mr. LONG. Well, the House figure is the most you could expect would be $1,680. Now, the Senate figure is $1,050.

Mr. CURTIS. All right.

Suppose we took another route and provided public employment, public projects, whose objective is to provide employment. What would that cost?

Mr. LONG. $8,500 or more.

Mr. CURTIS. Yes.

I want to ask something else: If the expenditure of this $1,700 puts the individual to work will that individual be paying any tax?

Mr. LONG. Of course, he would pay tax on his wages.

Mr. CURTIS. If he has dependents and other deductions so that he is not in an income tax bracket, he would still pay social security taxes; would he not?

Mr. LONG. Of course.

Mr. CURTIS. Yes. So the saving over public employment is substantial, several times over.

Mr. LONG. Yes.

Mr. CURTIS. We can expect some tax return from every employee because there will at least be the social security tax, and some of them may get paid enough or their family situation is such that they will be paying some income tax.

Now, in addition to that, what are the chances, in the Senator's opinion, that these individuals who get a job because of this Government incentive may work into a permanent job?

Mr. LONG. Well, Senator, most of these people we are talking about here would very likely be permanent jobs. In other words, one of the responses we had was that of a man who said he had, let us say, two filling stations, and he said, "All right, if I could get this jobs credit I would like to open another filling station, but right now I just do not feel like taking the plunge, taking that risk. If you would do that, that would just be the deciding factor, a litle extra to make me do it."

Here is a man who says he has employees working overtime. At the moment he does not feel like taking the plunge to add more people, but if you would give him this little advantage he would hire more people.

Mr. CURTIS. However, the tax incentive does not go on forever, does it?

Mr. LONG. No.

Mr. CURTIS. How long does it go on?

Mr. LONG. Two years.

Mr. CURTIS. Not fully 2 years, this calendar year and the next one.

Mr. LONG. That is right. It is actually less than 2 years.

Mr. CURTIS. Yes.

Now, suppose this is enacted and no one hires a single person, what is it going to cost the Treasury?

Mr. LONG. Well, it would cost them something.

Mr. CURTIS. I mean under this program here. If no one goes to work it is not going to cost anything so far as the taxpayer is concerned.

Mr. LONG. We would have to assume there would be some situations where someone would hire a person anyway—you have to assume that.

Mr. CURTIS. Yes.

Mr. LONG. So there would be some situations where an employer would have hired someone anyway and where there would be some modest cost to the Government.

But, generally speaking, there will be very little cost, only a minimal cost, unless more people are put to work.

But, Senator, there is one more thing here that really has not been discussed, and that is this: How would you really know whether, by giving a tax advantage to an employer measured against the payroll, that man would put more people to work or not, how would you really know if you never tried?

Mr. CURTIS. That is right.

Mr. LONG. We need to know before we get into the welfare reform area, and the President is going to come down with a welfare proposal, and if he acts as ambitiously to help the poor as I know that man to believe, he is going to come down with a welfare proposal one of these days which will cost vastly more than what it costs with this jobs credit. We are going to be asking the question then, we are going to say, "Well, now, look, do you not think you might be able to help these people more if you would provide some kind of help, either a direct payment or a tax advantage?"

If you are a tax-writing committee, you are going to think first in terms of a tax advantage for an employer to hire somebody and to take these same people who otherwise might be on the welfare rolls and put these people to work, so they would have twice as much income, admittedly they would be working for it, but they would also have the benefit of their pride and the respect of their loved ones for the fine job they are doing in trying to improve their condition as well as the condition of society.

Now, we would like to know whether if you make it sufficiently attractive: First, these people could be persuaded to hire

those hardcore poverty cases or these people who never had a chance to work in a job at all; and second, whether if the job were offered the person could be persuaded to take it.

Now, if we go ahead with this we will have some experience to work from as to whether this type of approach might work. Maybe it will not work but, at least, we would know at some point.

Mr. CURTIS. Is it limited to the balance of this year and next year?

Mr. LONG. That is all.

At some point you would be willing to pay for knowledge, especially if it is the answer to the $64 question, or the $64 billion question really, if you are thinking in terms of the magnitude of the problem.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that Joseph Merriman be permitted the privileges of the floor during the consideration and debate on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I am one of those who, as a member of the Committee on Finance, supported the $50 rebate which the President initially proposed to us, and I would like to say that, it seems to me, the poor and working people of this Nation needed that rebate then and, as far as I am concerned, they need it still, and I cannot see the reason for the argument presented to us in a letter which has been distributed from Secretary Blumenthal, who says that—

> It is our view that since the Senate has deleted the rebate you should also delete the business tax reductions in this bill.

I think, in the first place, sir, it is technically the case that the Senate has deleted the rebate, but we did so at the behest of the Secretary of the Treasury.

Mr. LONG. Yes.

Mr. MOYNIHAN. Two points, Mr. President: first, this has been described as a business tax reduction. But is it not the case that no businessmen will get a penny of tax expenditure under this legislation until an American citizen has a job?

Mr. LONG. That is right.

Mr. MOYNIHAN. This is, this tax expenditure as we now technically call it, is directly dependent on putting people to work?

Mr. LONG. The Senator is correct.

Mr. MOYNIHAN. In additional new jobs?

Mr. LONG. That is correct.

Mr. MOYNIHAN. A second point: if I may ask the distinguished Senator from Louisiana, who has been for many years involved with questions of public welfare and efforts to create employment through job training and through macroeconomic stimulus and through subsidies of various kinds, is it not the case that this is the first time that Congress will have gone out to employers and given then a direct, precise, and concise incentive to add an employee; that this is the first time we have said to the employer, "If you do, if you add a new job, you get a benefit from the Federal Government"?

Mr. LONG. The Senator is correct, and we have talked before in terms of saying, "We will give you a tax advantage if you will buy some more equipment or build a new plant." But we have not said to them before, "If you will put another man on the payroll, we will give you a tax advantage."

Mr. MOYNIHAN. This is after more than a decade. I began my career in Government in the Department of Labor under President Kennedy when we adopted the Manpower Development and Training Act of 1962 and began the manpower report to the President. We are now 15 years into those enterprises and, in the main, the level of what has been seen as normal levels of unemployment have gone up and up and up. Today we are facing an administration which in great good faith is hoping to bring the level of unemployment in this year down below 7 percent—that is what the Assistant Secretary of the Treasury said to us yesterday—below 7 percent as a goal. When I began in this enterprise 7 percent unemployment would have been considered a social disaster; it would have been reminiscent of the great depression. This is what we desire to attain. After 15 years of experimenting and billions of dollars of expenditure, is a 2-year experiment with a direct incentive for adding workers to payrolls not within the range of a reasonable measure of social experiment and position policy?

Mr. LONG. I could not agree more. I do not know about others, but when I see 7 percent of our people out of work that is a matter of deep concern to the Senator from Louisiana. Especially when I think of all these young people, who never had a chance in life and who still do not have a chance, especially the young blacks, but as to the young whites it is tragic enough even there, young people who were raised in poverty, whose families lived in ghettos, who did what they were told to do and tried to be good citizens and have been out for years trying to find a job and still cannot get the job. For Congress to take the attitude, "Now we have only 7 percent unemployed, enough has been done," what have we done? All we have done is just give the people some talk. Now we are going to propose to say enough has been done. Nothing more will be done. We will wait for a tax reform bill. And when are we going to vote on that? We will see the recommendations in October, after the committee gets through with it. That will be a real exercise. And we cannot pass something like that in less than 9 months. So we will get around to voting on that, let us say, come about the following October. So here we will be 2 years and we say, "Well, things look a little better. When we got in unemployment was 7.5. Now we got it down to 7.3. It looks like things are fine. Enough has been done. Meanwhile let us talk about energy."

So then if we had what we thought we were going to seek, not only has the $50 rebate been dropped, and that was subject to a great deal of controversy, but we have been told that nothing is to be done, just forget about it; just forget the whole thing.

I must say that is going from one extreme to the other. How about all these people out of work?

What is the percentage of young people unemployed?

Mr. HUMPHREY. Nineteen percent.

Mr. LONG. I must take issue with my dear friend from Minnesota who said there was 19 percent. What I have here might be a little out of date or a little more up to date, but the latest information I have is that the unemployment rate for teenagers has been running 18 percent.

Mr. HUMPHREY. About 18.8 percent.

Mr. LONG. We are just a percentage point apart. All right.

And the unemployment rate for blacks has been 12 to 13 percent.

Mr. MATSUNAGA. That is adults.

Mr. HUMPHREY. That is adults.

Mr. LONG. That is all blacks, I believe. But for young blacks it has been a lot worse than that.

Mr. HUMPHREY. Forty percent young people.

Mr. LONG. The Senator tells me it is 40 percent.

Here we had all this talk about what we are going to do for these young blacks. Forty percent. Those poor souls, raised in poverty, never knew what it was to have the best of anything, been out of jobs for years, never had a job at all, many of them are still looking. What are we told? It looks like the situation now has improved enough so we can say nothing more need be done.

Mr. HUMPHREY. Mr. President, will the Senator yield at this point?

Mr. KENNEDY. Will the Senator yield?

Mr. LONG. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I love to hear the Senator from Louisiana. When he gets moved and tied into a subject, he is eloquent, brilliant, throughtful, and compassionate. I mean that very sincerely.

Let me say I testified this morning before the Human Resources Committee on the youth employment bill. As we know, the Joint Economic Committee for the past 4 years has conducted intensive studies in youth manpower and the problems of it. We have really gone into it all around the country in field hearings as well as going to the top specialists to get a good picture of what has happened. Youth unemployment in this country is 50 percent of the total unemployed. Almost 50 percent of all unemployed people in the United States are between the ages of 16 and 24. There are young people today who have come into their twenties, who are now 22 or 23, who never had a job. They cannot get unemployment compensation because they never had a job. And they are either living off some form of welfare or ultimately driven to street crime.

We have records that show that the rate of youth unemployment and the rate of youth crime are parallel, just like that. They simply go up and down together. When we get youth unemployment down youth crime comes down.

When youth unemployment goes up, youth crime goes up and they live off the street in what we call the shadow economy.

The worse part of youth unemployment is in the 1980's and 1990's we will happen to have a large number of people who are then middle-aged who never had a chance to learn a work skill and never had a chance to become productive citizens. They get accustomed not to working.

We have ways and means through the economy, of jobs, tax reform, whatever it takes, to get these people to work, not only because we need their production, not only because it helps cut down on the social disturbances that come because of youth unemployment, but because, may I say, it gives them a chance to amount to something, with a sense of dignity, a sense of self-respect.

The Senator was at the meeting, I think, the other day with the President over at the Cabinet room in the White House, when we were talking about the costs and the budget. The biggest problem with the budget deficit is the unemployment in this country compounded by inflation. But as to unemployment, the Senator from Louisiana knows as well as I do that for every 1 percent of unemployment the Government loses about $14 billion in income revenues. For every 1 percent of unemployment the costs to State, local, and Federal Governments added up are another $5 billion in social costs. So for every 1 percent of unemployment it adds up to $19 billion.

If we could reduce unemployment by 3 percent or 2.5 percent, 2.5 percent, we would cut that budget deficit almost down to where it was insignificant and most likely it would have resolved it because if we could put 3 million people back to work, adults and youth, 3 million and put them back to work where they were earning, let's say, even a minimum income of $8,000 to $10,000 a year, the tax revenues that would be generated plus the income that they would receive would do more to repair the budget and its deficit than anything we can do. And for us to go along and pretend everything is just jolly simply because the economic indicators indicate things are better is just to close our eyes to reality; it is just plain closing our eyes to reality. We are political ostriches with our head in the sand and our tail widely exposed. And someone ought to take sharp aim at it and maybe will.

I thank the Senator for his constant concern on this problem, and I mean that, Senator LONG: You are one of the most compassionate Members of this body, and it is not only compassion that is involved here, it is equity and justice for everyone else. For the taxpayer today who is worried about the budget the best thing he can do is to find ways and means to put these young people to work. That will cut our budget. That will improve our revenues. That is the way to get business on Main Street. That will stop the mugging of the elderly and do more than all the cops we can put on the beat.

I remember I used this little example: In my little home town we had serious problems with youth vandalism. A little country town: Crime is not all among the blacks in cities, you know. These were all nice whites, in a little rural village, with two nice big churches, a fine little community, but with a serious problem of vandalism.

Then we got some EDA funds, some community funds that were State funds, some private voluntary funds, and some summer youth program funds, and they put those kids to work developing a lake shore park, building a couple of tennis courts, building a place to park campers along the lake shore, and do you know what happened? Our youth crime problem disappeared. Where we used to run them up every week and put them in the county jail over at Buffalo, Minn., the sheriff said:

We do not have the problem anymore.

Why? Because they had work. I do not care whether they are black, white, thin, tall, purple, or short, if they stand around with nothing to do the chances are they will get in trouble. There used to be an old phrase——

Mr. LONG. "The idle mind is the devil's workshop."

Mr. HUMPHREY. The devil's workshop. And idle hands are even worse. I think whatever we can do to put people to work will be helpful. The public is tired of paying out money and getting nothing out of it. They want to see something that is constructive. They want to see something that is visible. And the individual who gets that check would like to have something he can point to, that "I worked on."

I was down here in Florida. It is an interesting thing to think about the intracoastal waterway, built by the WPA.

The WPA. You know, they did not have any big welfare program under Franklin Roosevelt. They had a work program. You got some commodities, a few potatoes, and so forth, but what little welfare program they had was from the county seat, a little county program. But they had a work program, and it put millions of people to work, and all over America courthouses, parks, water programs, roads, farm-to-market roads, trees were planted, the shelter belts, soil conservation projects—people went to work.

What has gotten into this country? Do you think we are going to repair this country by just printing checks, and saying to people the biggest work that they can do is going to the post office, or maybe just waiting for the postman, and complaining about the delivery?

That computer check system; they ought to have to write them out by hand. If everyone that puts out one of these Government checks had to write them out by hand, they would want to get something back. As far as I am concerned, I would be willing to pay a man $100 or $200 a week doing something, rather than $75 a week sitting on his duff. I would be willing to go along with tax programs to provide incentives to get people jobs, because we will get far more revenue in that way than by their doing nothing.

When I came in, I heard the distinguished Senator from New York (Mr. MOYNIHAN) discussing this matter, and I think it is time for us to bite the so-called bullet and fish or cut bait. Use whatever phrase you want; but we have to do something to put people in this country back to work.

I was not too much interested in that $50 rebate; the Senator knows that. My interest in the rebate was party loyalty. At the time we were discussing the rebate, conditions were much more severe than they are now. At the time of the press confrence, I made it clear that I was reluctantly supporting the rebate. When I got away from here, and had a chance to do a little thinking by myself, I called the President and told him I was not for the rebate.

But I am for work, and lots of it. And I will tell you something: This country is not going to go bankrupt fixing up roads, building up water and sewer systems, improving parks, improving campsites, planting trees, soil conservation, street repairs. The railroads of this country need repair. We have so many things to do that there is an unlimited list. I feel confident that if we have something to do with our money, let us pay people to do something that needs to be done, and have a tax program that gets our business going, modernizes it, makes it effective. That is the only way we are going to cut down on inflation. You cannot play games with it. Increased productivity cuts down inflation. You decrease unit costs when you increase productivity. When you have low productivity, you have high costs, inefficient production, and inflation.

I thank the Senator from Louisiana for his leadership in these matters.

Mr. LONG. Mr. President, it warms my heart——

[Applause from the galleries.]

Mr. HUMPHREY. Charlie Schultze must have heard me.

Mr. LONG. Mr. President, it warms my heart, and it seems like old times, to hear the Senator from Minnesota say what he just said a moment ago. I could not agree more.

As the Senator well knows, we are going to provide some jobs. We are going to provide some jobs, which might not be quite as efficient as a full-time, constructive job, but we hope to provide some jobs on a countercyclical basis in all these cities, in line with the traditions of Franklin D. Roosevelt, to get the people doing some things, building parks and roads and various and sundry things. Some of these will be marginal jobs, and some of the jobs we create here will be marginal jobs, too. If they do not give increased incentive, they are not going to be creative.

But people are not looking at alternatives. If we do not give these people a chance to work for a living, we are going to have to pay to keep them alive, anyway, to pay for their food, to pay for some kind of housing, meager though it may be. We are going to have to pay for hospital care of these people. We cannot allow them to starve; we have to accept at least that much social responsibility. So we will have to pay one way or the other—if not with employment then with welfare costs, and the Senator added a cost that is a hidden one, but

it is there and you cannot deny it, the cost of these people getting into trouble, getting into crime, getting their lives off on the wrong road, because this Government and this society failed to give them an opportunity to make use of their resources.

Mr. President, there is on every Senator's desk——

Mr. KENNEDY. Mr. President, will the Senator yield?

(Mr. STEVENSON assumed the Chair.)

Mr. LONG. I will yield in just one moment.

There is on Senators' desks a message from the Secretary of the Treasury addressed to Senator BUMPERS. It has Senator KENNEDY's name at the top; I guess it is distributed by Senator KENNEDY. The message is that Secretary Blumenthal does not think either the 2 percent investment tax credit—which he recommended—would do any good, nor the jobs credit the House voted him down on by a 4-to-1 margin.

Mr. Blumenthal told me in somewhat different words that he used here that he did not think there would be a single job added by these credits. I wish he would come and answer by telephone, the calls from people calling to say they would employ people. In response to a survey, they got a 5-percent response from Louisiana alone. That is a high return on a form letter. So we called them, and they said, yes, they would employ these people, and specified exactly how they would use them and exactly why they needed these people.

That is why I believe the estimate was conservative when they said this would result in as much as 200,000 to 400,000 jobs. I think it would result in more than that.

When a witness for the National Association of Independent Businesses appeared before the Finance Committee, I asked them if they would poll their members, by letter or however they wanted to do it, and see what responses they got from the people in States represented by members of the Finance Committee.

Here are the kinds of responses they got:

In the State of Colorado, 434 employers said they would employ 1,148 people.

In Alaska, 84 employers said they would employ 251. In Connecticut, 140 employers said they would employ 376. In Delaware, 28 employers said they would employ 94 people. So on down the line it goes. In Wisconsin, for example, 499 employers said they would employ 1,269 people.

Just with Finance Committee people, of the members who wrote in, the kind we have confirmed, they said without a doubt they would employ people.

There are 5,651 employers who said they would employ 15,219 people. Those are just the people who are members of this little association who responded to a form letter. Our tally is that they are ready to do it. The last 15,000 the Secretary of the Treasury can call himself. I will be glad to cooperate and get their telephone numbers if he does not want to bother locating them.

This is something which started out without an administration recommendation. It had some bugs in it. There were some shortcomings in it. I know how people like to say, "Our idea is the best idea and your idea is wrong." The Treasury officials ridiculed first one little thing and then the other about the House measure. Those problems were easy enough to correct. As those matters were corrected, they still continued to pick it apart here and there. In due course, every criticism they could find has been corrected. We now have a provision which the Treasury people themselves would agree that, if we are going to have something of this sort, this is the most workable way to do it.

I yield to the Senator from Massachusetts.

Mr. KENNEDY. I thank the Senator.

We covered some of this ground earlier today and also yesterday.

I must say there are few people who have given as much thought as the Senator from Minnesota to the whole question of the state of our economy. He is a member of the Joint Economic Committee. My respect for him and for his recommendations about how to get people off welfare rolls and onto job rolls is virtually unlimited.

The fact of the matter is what is being described as the result of the investment credit and job credit is not going to do the kind of thing that the Senator from Minnesota either believes it will do or that the Senator from Louisiana suggests his business friends feel it will do.

It just amazes me to keep hearing about those 115 businessmen in Louisiana who are going to go out and employ all these workers.

In effect, what the Senator is doing is asking the business people in Louisiana if they want a tax break. That is what they are being asked. I am surprised that only 5 percent said yes. I am very surprised that only 5 percent would say yes, that is what they want. And those 5 percent would be surprised to learn that what they are supporting now is a pale imitation of what they were asked in the survey. The Senate bill has drastically slashed the benefit of the credit compared to the House bill, but the responses were based on the House bill.

It is interesting to hear the Senator from Louisiana say that what we are talking about is putting people on the job rolls, getting them off the welfare rolls. Who are the principal spokesmen for the working people of this country? The AFL–CIO, the United Automobile Workers? Where do they stand? They oppose this.

It is interesting to note that the Senator from Louisiana says he is representing the interest of those who want to put more people on the work rolls, yet the principal spokesmen for working people feel that these incentives are worthless, a new tax bonanza for business with no effect on jobs.

Mr. LONG. Mr. President——

Mr. KENNEDY. I know the Senator has the floor, but I hope he will let me finish my comments on this point. I know he has the right to take the floor.

Mr. LONG. Could I respond to just one point the Senator made? He might want to respond to that part of my statement as well.

Mr. KENNEDY. Very well.

Mr. LONG. What these people said was if there is a $1,700 job credit, they would expect to hire more people. It is not the employer who gets the money; it is the employee who gets the benefit of it because he is the one who gets the job.

Mr. KENNEDY. I cannot understand why the Senator from Louisiana keeps talking about the people who favor the House provision, when actually we are talking about the Senate provision. There is a dramatic difference. There is three times as much benefit in credit in the House provision compared to the Senate provision. An employer gets a $1,680 credit under the House bill, but only $600 under the Senate bill. I suspect his 115 respondents in Louisiana might feel the rug has been pulled out from under them.

The Senator keeps talking about the replies he received. But when one asks, "Do you want a tax credit?" who will say they do not want one?

It is extraordinary to me that we delude ourselves into thinking that this is something helpful to the unemployed. The principal spokespersons for working people do not want. Quite frankly, they think it is a tax bonanza for business.

That happens to be what the principal spokespersons for the working people of this country have said.

One can say the AFL–CIO does not speak for the working people or the UAW does not speak for the auto workers, or various other organizations do not speak for working people. But the fact of the matter is, their position is clear from their corespondence. The spokesman for the AFL–CIO—and I will make it a part of the RECORD—said:

> We feel there will be no added jobs stimulus from the business tax cut.

Mr. President, I ask unanimous consent that the letters we have received from the AFL–CIO, the UAW, and Public Citizen may be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 20, 1977.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Russell Office Building,
Washington, D.C.

Hon. DALE BUMPERS,
U.S. Senate, Dirksen Office Building,
Washington, D.C.

DEAR SENATORS KENNEDY AND BUMPERS: The AFL–CIO strongly supports your motion to strike the $2.4 billion in new business tax breaks contained in H.R. 3477, now before the Senate.

From the standpoint of equity alone, it is scandalous that serious consideration is being given to initiating new "sweeteners" to businesses while taking away $50 payments to the poor, the aged and the low and moderate income Americans. Certainly if there is no longer any claimed justification for the rebate, as President Carter says, there is also no justification for the additional business tax cuts.

The AFL–CIO opposed the rebate and the business tax sweeteners both in the House and the Senate because we felt the funds could be better spent in direct job-creating programs. We still feel that way because of persistently high unemployment.

We feel that there will be no added job stimulus from the business tax cuts. The 2

percent additional tax credit will provide few if any new additional jobs—just as there has been no clear proof that the present 10 percent investment tax credit created jobs. We also feel that the job tax credit will provide few, if any jobs as companies experiencing growth in the market place—such as General Motors—will receive the government subsidy, while companies in trouble—such as American Motors—will receive nothing.

A full examination of individual and corporate taxes is necessary, and will be undertaken later this year. That is the time for serious consideration of business taxes, individual taxes, and the entire internal revenue code.

We strongly support the Bumpers-Kennedy recommital motion to set aside the $2.4 billion in new business tax breaks.

Sincerely,

ANDREW J. BIEMILLER,
Director, Department of Legislation, AFL–CIO

APRIL 20, 1977.

Hon. DALE BUMPERS and Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATORS BUMPERS AND KENNEDY: The United Auto Workers supports strongly your amendment to delete the business tax reductions from the pending tax bill.

Even before the President's decision to request deletion of individual income tax rebates from the pending legislation, the UAW had expressed its opposition to tax relief for business. It was, and remains, our position that a tax savings based on a company's payroll would result in lost revenue far greater than any potential gain from such a measure. Also, the UAW has long had reservation about the effectiveness of the investment tax credit. The increase in the investment tax credit from seven to ten percent in 1975 cost the Treasury $2.5 billion in fiscal 1976 without any discernible impact on investment.

While the UAW did oppose these business tax reductions as a matter of policy while the individual $50 rebate was still under consideration, we believe the decision to abandon the rebate makes it all the more imperative to defeat the business tax savings.

The gross inequity of maintaining tax breaks for business while denying tax rebates to individuals, when they began as part of a single stimulus package, would heighten—with good reason—the high degree of public distrust of our tax system. You are both very sensitive to the cynical attitude with which the American people view the tax structure. Sadly, much of that cynicism is justified by the perpetuation of gross inequities in our tax system, despite constant lip service to the principle of tax reform. It would be ironic and tragic if, instead of moving toward tax reform, the Congress moved in precisely the opposite direction by approving business tax breaks of no value to the economy while agreeing with the President's decision to abandon the rebate. The UAW commends you for taking the initiative to strike the tax breaks for business from the pending tax bill and shall urge your colleagues to support you in this effort.

Sincerely,

HOWARD G. PASTER,
Legislative Director, UAW.

APRIL 20, 1977.

DEAR SENATOR: We urge you to support the motion by Senator Bumpers to recommit the Tax Stimulus bill with instructions to delete the temporary business tax cuts of Title III. Clearly fairness requires that elimination of the rebate for most Americans be coupled with elimination of the investment credit for corporations.

The business and financial community has waged an all-out publicity campaign to kill the rebate for the average person. Treasury officials testified before the Finance Committee that a principal reason for dropping the rebate was the fact that businessmen perceived that it would enlarge the deficit and thus aggravate inflation and push up interest rates, which expectations can become self fulfilling. Any such concerns about the deficit apply equally to a package of business tax credits totalling $2.4 billion per calendar year.

The other principal reason for the rebate's demise is, of course, that the renewed surge in the economy made it unnecessary. The same applies to the investment credit. Businessmen will increase their capital spending when warranted by consumer demand, low enough interest rates and the absence of excessive inflationary fears. If the recent boost in the investment credit from 7 percent to 10 percent hasn't been sufficient to spur investment another boost to 12 percent certainly won't help.

In the face of the worst unemployment crisis since the great depression the Congress has had to exercise considerable budgetary restraint in voting funds for badly needed direct job creation programs. Now it is about to deny a tax rebate which can amount to several hundred dollars for average families. Many have, in effect, already spent their rebate to pay increased fuel bills or to meet the ever increasing cost of living. Surely another boost in the investment credit, which even most businessmen have conceded will have little impact, should be of a lower national priority.

Indeed the investment credit was added to the stimulus package only as an afterthought. It was intended as a message of psychological reassurance that Washington would not approve substantial individual tax cuts without a sweetener for business. The irony of dropping the bulk of the individual tax cuts while retaining the "add-on" for large corporations will not be lost on the general public.

By the same token the Senate should resist the temptation to take advantage of the budgetary leeway for tax cuts by enacting other hastily considered or ill-advised measures which various Senators may propose. Various proposals to grant special rates of accelerated depreciation to some areas of the country provide especially costly examples of the kinds of unfair and ineffective measures which should be rejected.

Sincerely,

ROBERT M. BRANDON,
WILLIAM PIETZ,
Public Citizen.

Mr. KENNEDY. Mr. President, I do not deny there will be benefits to all those businessmen who will take the jobs credit. But, as I said, I cannot understand why there are so few. Who would ask a Louisiana businessman to look a gift horse in the mouth? Obviously, they will say they would like a tax break.

Mr. LONG. Let me be sure we understand what the Senator is trying to strike out of the bill. Could we understand that the provision he seeks to strike is that in order to get the benefit of this provision a man would have to hire not only more, but he would have to hire 103 percent of what he had in his 1976 base year, last year; that he has to hire 3 percent more than he had last year before he gets any benefit; that it is only then that he gets the benefit, and that benefit is limited to a fraction of what he is paying in wages? In any event, he would have to pay a lot more in wages than he is getting in tax advantage.

Does the Senator understand that is what he is trying to strike?

Mr. KENNEDY. That is exactly what I am saying. The tax break is a windfall. He will hire a new worker for good reasons, having nothing to do with the tax break. And then he will claim the credit as an afterthought. Does the chairman of the Finance Committee believe that any business person in this country are going to invest $10,000 for the salary of a new worker, solely to get back $600 under the jobs credit? That is what the Senator is trying to sell. That is saying it in a different way. The House provision would have offered a larger credit of $1,680, but even that credit would not really affect a hiring decision.

Another potential loophole is that an employer could fire one full-time individual and hire two part-time workers, and be able to take greater advantage of the jobs credit, without increasing the total work roll. There are all kinds of different complexities and potential abuses in terms of that provision.

I think it is unrealistic to believe that industries are going to go out and say, "Because we could get $600 back, we are going to invest $10,000," in a new worker, unless, of course, they planned to do it in the first place. The fact of the matter is, they are going to need a good percentage of that $600 to pay for the accountants and lawyers needed to decipher the complexity of this provision. The Senator from Louisiana knows that as well as I.

Mr. BENTSEN. Will the Senator from Louisiana yield on that point?

Mr. LONG. I yield.

Mr. BENTSEN. I would say to the Senator from Louisiana and the Senator from Massachusetts, that point was carefully considered in the Finance Committee. We paid a lot of attention to it. As the jobs tax credit is now formulated, the vast majority of small businesses will need practically no additional accounting work. They will be able to use figures from the Federal unemployment tax forms which they already submit to the Government. That is what they will be able to make their compilations from. It will be a very simple thing for most businessmen to accomplish.

In addition to that, I ask the Senator from Massachusetts, if the House position were accepted, if we had a larger incentive, would the Senator from Massachusetts accept it?

Mr. KENNEDY. I have indicated before the Committee on Finance that I could not, for the reasons that I outlined then. I do not think a tax credit is really meaningful in addressing the critical problem of unemployment. It is extremely complex, and not an effective job incentive. The House bill is bad enough, but the Senate bill is even worse, so far as a job incentive is concerned.

The 103-percent employment threshold is a special problem for New England. I see from the tables that average employment has increased in Texas by 4 percent. But Massachusetts fails to meet this threshold—our average growth is only 1.2 percent.

Mr. BENTSEN. I want to tell the Senator from Massachusetts that in all the service industries in Massachusetts, it

has increased by 3.3 percent. So in Massachusetts——

Mr. KENNEDY. In Massachusetts, the overall average total is 1.2 percent. In the State of Texas, it is 4 percent. That is a very clear signal. I understand why the Senator from Texas is so strong a supporter for that particular provision. But the fact of the matter is—I do not know what the unemployment rate is in the State of Texas at the present time. What is the level now?

Mr. BENTSEN. 5.7 percent.

Mr. KENNEDY. We would love to be that low in the State of Massachusetts. The areas which have the most persistent and consistent unemployment problem in this country are New England and the Middle Atlantic States and the Midwest. Yet they would be the areas least likely to take advantage of the jobs credit.

The fact of the matter is that, in New England, the average job growth is 1.5 percent. In the Middle Atlantic States—in New Jersey, New York, and Pennsylvania—it is 0.8 percent. We have devised a formula that is not going to be helpful in achieving even the limited goals that have been established. The Senator from Louisiana mentioned that the Senate Finance Committee had worked to get the bugs out of the House bill. But I think he has cut the heart out of the House bill, so far as a jobs incentive is concerned, because they have reduced its impact by two-thirds for firms that take advantage of it.

Mr. BENTSEN. Will the Senator yield for a comment?

Mr. LONG. I yield to the distinguished Senator.

Mr. BENTSEN. The most industrialized part of this Nation is New England. Some of the most outmoded manufacturing capacity is in New England. It does not do us any good just to wring our hands over these problems. We ought to be taking some affirmative action. We are talking about an increased investment tax credit that will encourage industry to modernize its manufacturing capacity to make it more competitive today. We are talking about trying to do something about unemployment by putting a carrot out there, an incentive for private enterprise to hire additional workers, something above what they would normally increase employment by. That is the purpose of the 103 percent base. That is the normal increase in the amount of employment. So there is a carrot out there.

I frankly think that is the better way to do it than the public service jobs. It is often a dead-end job, where there is no promotion, where there is no permanent employment. If we put them in the private enterprise system, we help them increase productivity, we help to lower costs. If we lower the cost of employment, that passes on to the consumer and what we are doing is fighting inflation and helping keep prices down.

Here is what we ought to be concern-in ourselves with, unemployment and inflation. Here is one of the rare times that we come up with something that works at both and is productive in attacking both problems, lowering costs and putting people back to work at the same time, a lot cheaper than a public service job.

Public works jobs—I support those. But they are talking about public works jobs today that will cost $30,000 per employee. There are some advantages to it. We have permanent investments to help the future of our country. I am going to continue to help support public works jobs. But here is the cheapest way I know to get people back to work, to try to increase productivity, to lower unemployment, to try to fight inflation. It is a unique solution. I think we ought to give it a fair change.

I know the Secretary of the Treasury came up and testified against it. I think he is a bright and a very able man, but I do not think that he has not talked to the many small businessmen that we have talked to who say, give us that incentive and we will add the extra worker or the extra two workers.

We have a lot of young people out of work in this country today. Here is one of the ways to help put them back to work. Look at the classified pages and see how many jobs are available. Lots of jobs. But what kind of jobs? Skilled jobs. High training is needed for those jobs.

The Secretary of the Treasury testified that the kind of people they are going to be hiring with this employment tax credit will be those with lower wages, lower income. What is wrong with that? Those are the people we are trying to get back to work and trying to get off the welfare rolls.

I think this is productive legislation to try to accomplish both objectives at the same time, fighting inflation and unemployment.

Mr. LONG. I thank the distinguished Senator.

Mr. President, the eloquence of our able friend from Massachusetts, if I might have the Senator's attention, has really convinced me of one thing: that this is not a big enough jobs credit. It ought to be a larger amount. I apologize for the fact that it is not more than that. The reason, from my point of view, that I voted to make it a low figure was that we are trying to stay within budgetary limitations.

But since the $50 tax credit has been deleted, we have an $11 billion savings and we have more slack in the budget. Therefore, I personally feel more inclined to support the kind of thing that our distinguished friend from Hawaii (Mr. MATSUNAGA) has been advocating. That is that we try to be as generous in the incentive that we provide to the employer who is hiring a new employee as the House of Representatives was in their proposal. Perhaps the Senator from Hawaii would like to describe how he would like to amend the proposal so that it could be even more attractive than what the committee recommended.

Mr. MATSUNAGA. If the Senator from Louisiana will yield, for the information of the Senator from Massachusetts, I do intend to offer an amendment which will raise from 25 percent to 50 percent the tax credit which will be allowed for each new employee employed. The chairman of the committee has agreed to it and so did the author of the committee amendment which is now in the bill as reported by the committee, the Senator from Texas (Mr. BENTSEN). So the impact will be even greater than that which is provided in the House bill, which provides only for a 40-percent credit.

Mr. KENNEDY. May I ask the Senator how much that is going to cost?

Mr. MATSUNAGA. This will cost an additional $1.1 billion added to the $2.4 billion, which will bring it up to $3.5 billion.

This is the thing I must emphasize, that for every 1 percent of unemployment we reduce, it will mean additional revenue of $16 billion and also a saving of about $4 billion annually in terms of welfare payments and unemployment compensation. So that will mean a total savings and earnings to the Federal Treasury of $20 billion, as compared to an expenditure of $3.5 billion.

So, in effect, this could be accomplished without any cost to the taxpayer.

The statement made earlier by the Senator from Massachusetts that we are giving a bonanza to the businessmen is not in fact true, for the reason that under the employment tax credit, the employer gets no tax credit until and unless he employs new employees, and take those unemployed off the unemployment roll.

This is the real essence of the unemployment tax credit. It is something which has not been tried in the United States. It is something which has been tried in Europe and which has worked. So that I think we ought to dare to try something new.

Mr. KENNEDY. It looks like even more of a business bonanza. The jobs credit in the committee bill cost $1.2 billion a year. The Senator says that by doubling the credit, the revenue cost will be another $1.1 billion, or double the current cost.

But how can that be? If the cost is only doubled, it means that no more new workers will be hired at 50 percent than would have been hired at 25 percent. The revenue loss from hiring workers with the 25-percent credit is simply doubled. Either the revenue estimate is mistaken, or the estimate is based on what I suspect, that the jobs credit is not a jobs incentive at all.

If I may ask a brief question, with the additional billion dollars, does not that violate the budget resolution?

Mr. MATSUNAGA. No, it does not, for the reason that we have, as the Senator knows, withdrawn the $50 rebate which would have amounted to $10 plus billion.

Furthermore, I say to the Senator from Massachusetts that we are not bound by any restrictions this time around, that we will be bound, of course, after the Budget Committee sets in the ceiling in May.

Mr. KENNEDY. I believe that since the $50 rebate affects only the 1977 resolution, the withdrawal of the rebate gives no leeway for the Senator's proposal, which affects the 1978 resolution. That resolution is currently awaiting Senate action, after being reported by the Budget Committee. We are not bound yet, but the Budget Committee and the Finance Committee have cooperated in proposing limits for 1978, and I doubt that there is

room for such a large additional revenue loss.

Mr. McCLURE. Will the Senator yield on that question?

Mr. LONG. On the budget resolution, we would not be bound by the 1978 figure until it has been agreed to. It is my understanding that we are not bound even by the 1978 budget resolution until we have the second resolution.

Mr. KENNEDY. I understand it has been reported, it is on the calendar.

Mr. LONG. We cannot violate something that is not the law, the Senator knows that.

Mr. KENNEDY. Would the Senator agreed it would violate the limit if the budget resolution is accepted?

Mr. LONG. I assume that if we pass this, we will amend the budget resolution—this is the same Senate.

Mr. McCLURE. If the Senator will yield on the question of the budget resolution, I think it should be said that if the action applies to 1977, it would come under the third concurrent resolution.

I think there is room under that with the subtraction of the rebate scheme, because there was about $6-and-a-fraction billion on the revenue side and $2-and-a-fraction billion on the outlay side contemplated in that $50 rebate.

So there is some room to make some shifts in the Third Concurrent Resolution.

As far as the First Concurrent Resolution, the 1978, it has been voted out of the Senate Budget Committee, but not acted on by the Senate, certainly subject to whatever action the Senate might wish to take.

I do not think we ought to shy away from it on the basis of a budgetary limitation at this time. I do not think that is real.

Will the Senator yield briefly on a couple of other points?

Mr. LONG. Yes.

Mr. McCLURE. I want to comment about the Senator from Minnesota's concern about youth unemployment because a great many of us from liberal to conservative, Republican and Democrat alike, are focusing on that question. I have introduced legislation along the same lines that many others have dealing with that question.

If we look at the young people in our country today, the age group of 16 to 19 is only 10 percent of our labor force, but comprises 25 percent of the unemployment.

The age group expanded from 16 through 24 is only one-fourth of our labor force, but it is almost half of the unemployment of the United States.

I think we must deal with that question, and I hope we will. But when we look at the question of how we deal with gross statistics, not individual, or not individual groups within our society, how are we going to create the necessary jobs between now and 1980?

I think if we just look at the composition of the labor force, it is very obvious that between now and 1980 we must create at least 12 million new jobs. Where are they going to come from? Who is going to pay for them? Will they all be public employees? Will they all be public service jobs? Or will there be a place for them in the arrangement that provides 8 out of 10 jobs now, and that is the private sector? And if they are to be in that, at what cost?

If we are to create 12 million jobs at the current rate of investment behind each job in the economy, it will take $1.5 trillion of investment.

Certainly, our tax system ought to consider what it takes to trigger, or induce, or encourage, the investment of $1.5 trillion to create those necessary jobs between now and 1980. If we do not do that, the unemployment rate we are all concerned about is going to go up, not down.

I commend the Senator from Louisiana for his leadership and understanding of this relationship in our economy. I wish others did, too.

I hear some comments made about the beneficiaries of an investment tax credit being a corporation. It seems to me that Sears, Roebuck is not just a name on a facade. It is a group of people that work. They are a group of people that work in that store, they are a group of people who work to supply the goods that move through it. I cannot understand the insensitivity of people who say we must not help Sears, Roebuck in spite of the fact that it is people that are helped.

I hold no stock in Sears, Roebuck, but there will be no jobs unless various business enterprises have the opportunity to invest and create the job opportunities for people. It is not just Sears, Roebuck or Montgomery Ward or Exxon or General Motors. It is the people that work for them, the people that work for their suppliers, the people that work in the steel mills, the people that work in the rubber companies. They are the ones who will be benefited if we create investment opportunities for the businesses of this country.

There is no alternative for it, if the business does not make those investments, except public service jobs or welfare. That is the choice we are confronting.

I agree with the Senator from Minnesota that I would rather put people to work than put them on public welfare. That is our choice.

I do not understand these people who fail to perceive, even though they may make loud speeches, that jobs are created only when somebody can invest.

Mr. LONG. Mr. President, I agree with the Senator.

Now, with reference to a letter we have here which the Senator from Massachusetts so generously distributed to us, this letter from these great labor organizations, I admire those people. They are very fine people. I admire them for who they are and what they do.

But let us understand, what is the program?

They did not want to put anybody to work by giving a businessman an incentive. When George Meany came before our committee a year or so ago, he said:

I want to make it clear that we favor the 12 percent investment tax credit.

George Meany told us that. I almost fell out of my chair. What was George Meany doing saying that?

I said:

Why would you favor this, haven't you always been against the investment tax credit for business?

He said:

Well, we made a deal, we agreed that if business would go along with us on something we wanted, and what we wanted is in the bill, we would ask you to vote for the 12 percent investment tax credit.

Frankly, if I do say it, that is the AFL's attitude toward putting somebody to work by way of a tax advantage. In other words, if they could make a deal with us so that they are going to get something they want, they will go along with it. But they feel something should be in it for them when we do that.

I think we are going to do right by those fellows. We are creating jobs, and some of them of a make-work nature, costing us more than $8,000 a job to put their fellow to work.

We are not turning them down cold. We are buying a lot of their programs. But at the same time, we do not have enough money in this country to put all these people to work on make-work jobs at $8,500 a job. That would truly bankrupt us and put us down at the bottom of the ocean.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McCLURE. If we can indeed create productive enterprise, create these jobs so that they are producing more wealth for the country rather than the leaf-raking jobs which are the deadend public service jobs, then there is a greater opportunity to share in this wealth throughout the entire economy. All workers in this country will share if there is greater productivity. But if all you do is create public service jobs that do not create greater productivity, the only people who benefit from that are the ones who are actually holding jobs. The others have no chance to benefit from the increased economic activity.

Mr. LONG. That is correct.

Furthermore, the American Federation of Labor does not speak for the kind of people for whom we are trying to provide these jobs—not these little people who work in the mom and pop grocery stores and the little cafeterias and restaurants and television repair shops and filling stations, the various little service stores around this country, the little wholesale establishments.

I am talking about little Main Street, USA. I am not talking about big Main Street. I am talking about little Main Street, across the United States. Of course, there are a lot of jobs in the larger cities. They do not have these people. I wish they did, because that would be an indication that these people at least had one good job at one time in their lives when they could afford to pay union dues. I would like to see them join a union and have the kind of job the average member of organized labor has. Regretfully, organized labor is not in a position to speak for these people. They have sympathy for these people, ordinarily. Frankly, when we try to speak for these people, organized labor has its own ideas about this.

In the first place, they want the mini-

mum wage paid to everybody, then they have the prevailing wage, then they want them to join the union. That is all right so far as this Senator is concerned, but it is sometimes hard to comply with because sometimes an employer cannot afford to pay that much.

If the employer cannot afford to pay $4,000 in a marginal job, maybe we can make it sufficiently attractive by a tax advantage so that his cost is covered against other taxes that he owes and, therefore, he would have the capability of employing that person. That is not the kind of thing organized labor ordinarily is interested in.

Mr. McCLURE. I understood the Senator to say a moment ago that there is a letter from the Secretary of the Treasury in which he indicates that the investment tax credit is not being effective in creating new jobs.

Mr. LONG. Yes, there is a letter from the Secretary of the Treasury. I assume that it has been placed in the RECORD. He says:

As you know, the Administration concluded that the $50 rebate and the business tax reductions should not be enacted in view of the improvement in the current economic situation. It is our view that since the Senate has deleted the rebate you should also delete the business tax reductions in this bill. Neither is now needed in view of the improvements in the economy.

I wonder whether we are in that good shape. I thought things had turned a little for the better, but I did not know that the recession was all over. I thought the situation was still pretty grim.

Mr. McCLURE. I say to the Senator from Louisiana that the Secretary of the Treasury turned from an economic stimulator to an inflation fighter in 48 hours. He might similarly change his mind about this particular incentive as well.

Whether it is the investment tax credit or the wage credit provision, it seems to me that we still have a problem of high unemployment rates. We should be dealing with the question of high unemployment rates. Even if the economic situation is bettering, let us talk about the people who are involved in a 7.9-percent rate, and let us do something directly and immediately to solve that problem, or at least work on that problem in the short run, while the economy improves in the long run, to take care of the unemployment rates in 1978, 1979, and 1980.

Certainly, there is a short run problem as well, and it seems to me that the wage tax credit will work on the short run. That is all it is designed to be, as I understand it, under the House proposal. As the Finance Committee has suggested, it is an experimental program of short duration, to see how it will work.

If the economy is recovering, as many of us hope it is, and some indications are that it is, then this will phase out at exactly the time the economic recovery takes over and supplants the need.

Mr. LONG. I will read the last sentences of the Secretary's letter, because I find this amusing:

Neither is now needed in view of the improvements in the economy.

Does anyone think that the Secretary had in mind the 40 percent of young blacks who never had a job in their lives, or the old people, when he said that neither is needed?

I will read the remainder of it:

In addition, we believe it is important that the business tax relief be removed in order to make it possible to develop a better balanced tax program this fall.

If you remove it, what do you have? You have $6 billion for people who do not itemize. So that is zero for the business community in the bill; zero to provide incentives to hire somebody. For all the poor souls who do not make enough money to pay any tax, including the 40 percent of young blacks, many of whom never had a job in their lifetime, it will be great news to them to know that this is a balanced bill. They do not have anything now, and they are not going to get anything, including a job, in the future.

For certain taxpayers, mainly middle-income people who have the good fortune to have a job, have fairly simple lives, so they can just take the standard deduction, have no particular business problems that cause them to have to itemize, the result is that they get a tax cut.

One might ask, for the good Lord's sake, why? Just for the purpose of simplification. If that is the case, why can we not postpone the whole fool thing and let it wait for the tax reform, for which recommendations are to come in October? Maybe they should save the whole thing and get a sweetner for the so-called tax reform bill.

If you want to create a job, why not provide some tax incentive or tax reward for someone who puts people to work? That is what those of us on the committee are contending in saying that we would like to reward a fellow who actually employs somebody.

Mr. McCLURE. The tax credit might provide additional jobs, as the wage tax credit might. Certainly, the increase in the standard deduction is of no benefit to the person who is unemployed. He has no income against which it can be taken, so there is no benefit to that person.

I hope we can move in this direction. I am not wedded to the precise language in this bill or this particular provision. Perhaps somebody has a better idea. I know that the Senator from Kansas (Mr. DOLE) had a wage subsidy proposal which has been endorsed by several of us who support that. I think this wage tax incentive is largely in the same direction as the one the Senator from Kansas had in mind. But it is important that we move to work on the margins of employment now, to get a job for some people who otherwise will remain unemployed or will remain on the welfare rolls, while various people study alternatives.

There is about an $18 billion swing for every 1 percent change in the unemployment rate. That $18 billion in our budget could be put to far better use than simply paying welfare and having reduced income to the Federal Treasury.

Again I commend the Senator from Louisiana and the Finance Committee for at least working on this matter, instead of trying to ignore it and assuming that it either does not exist or that it will go away.

It was suggested by the Senator from Minnesota that we should not have our heads in the sand because that exposes a certain part of our anatomy that makes a great target for somebody who might shoot at us.

It was also suggested by someone that we had to rise to the occasion and we ought not to have our feet set in concrete.

Well, I would say that if you have your feet set in concrete and your head in the sand, it is awfully hard to rise to the occasion. [Laughter.]

Mr. LONG. I thank the distinguished Senator.

I believe we have covered this subject fairly well today. But let me just summarize this one point. This little poll to which I made reference, taken by the National Federation of Independent Businesses, was mailed out to approximately 70,000 employers. That was just a sample because we, on the Committee on Finance, said we would like to know how many of their members would write in and actually make a commitment to hire somebody if they would write them.

All right. So of those 70,000 polled, 5,651 employers said yes, they would expect to hire somebody and, to be specific, they would expect to hire 15,219 employees.

But that takes into account all of these many businesses who are not going to bother to fill out a card and send it in to some little association, but who, if the opportunity were provided and the incentive were provided, when they make their plans and look at that situation, would decide they would by all means take advantage of this, particularly when they see their neighbor, in competition, providing additional service to the customers of that business.

So that there is great potential in using the tax system to reduce the cost of hiring an additional employee and to put more people to work.

I do think, Mr. President, that if we are going to reduce taxes by $6 billion in ways that tend to simplify the law, but have no assurance that it will do anything of a substantial nature in putting people to work, then we ought to have passage of this provision in the bill that would definitely add additional employees to the rolls.

I think, Mr. President, we will probably want to vote on this matter sometime tomorrow, and I have discussed this with Senators, and I think that sometime early tomorrow afternoon would be a good time to vote and, perhaps, at that time we might reach an agreement.

Mr. BUMPERS. Let me say to the distinguished Senator from Louisiana I talked to the majority leader earlier and suggested that we vote at a time certain tomorrow. We will come in at 12:30 tomorrow, and morning business should be over by 1. I am agreeable to voting, say, at 2 o'clock tomorrow afternoon.

Mr. LONG. That would be all right with the Senator from Louisiana.

I would like, if there be no objection, to propose a unanimous-consent agreement to that effect. I would like to ask the acting Republican leader what he thinks about that matter.

Mr. CURTIS. I would not want to do that without conferring with the leadership here. My guess is we can vote sometime tomorrow, but to fix it right now I cannot do that. It was my understanding that we were not coming in until 2 o'clock. We will be in session very late tonight.

Mr. LONG. Well then, I would suggest that we more or less agree, without a unanimous-consent agreement, to have a tentative agreement that we will try to vote in the early part of tomorrow afternoon, around 2 o'clock.

The motion is subject to a motion to table, but I think the Senator would prefer to have a straight vote on his motion, and we can vote on it, and I think sometime about 2 o'clock will be fine.

Mr. BUMPERS. If it is agreeable with the Senator, unless there is some objection to a unanimous-consent request, let us leave it to the majority leader, with the understanding that we will vote at 2 o'clock tomorrow afternoon. In his unanimous-consent request last night he carried the orders over to tomorrow, as I recall, and he said he would come in at 12:30 tomorrow. That is already in the RECORD. That would give us another hour to talk about it.

Mr. CURTIS. I would rather not have an order entered this evening.

Mr. LONG. I am informed there would be objections to entering a unanimous-consent agreement at this time, but I would suggest that Senators make their plans to vote early tomorrow afternoon on this matter.

INCREASING THE INVESTMENT TAX CREDIT: AN IDEA THAT HAS COME, AND GONE

Mr. HUMPHREY. Mr. President, I have always viewed our Federal tax system as a fragile beast of burden. If we abuse it, or make it unfair, the people will react in kind by withdrawing their faith and their participation. If we nurture it, it shall serve us well.

That is why we in Congress must respond with sobriety and full awareness of what is at stake as we consider whether or not to enact an increase from 10 to 12 percent in the investment tax after having eliminated the $50 per person tax rebate.

In my mind, and in that of most Americans, there is no doubt that the rebate and the investment tax credit increase were two sides of the same coin—a coin designed to stimulate the economy out of a sluggish recovery.

When President Carter first proposed a special temporary stimulus component for consumers and industry to the tax bill, there was widespread agreement as to need. In the subsequent quarter, however, the recovery has perked up significantly; we are all familiar with the statistics on industrial production, personal income, capital investment, and housing starts, to name a few examples. Some of us are still unsatisfied with the rate of progress, particularly with regard to unemployment, but there is a general consensus that our economic recovery has perked up. In the interest of balance, President Carter wisely recognized that a tax cut designed to increase consumer spending should be complemented by a modest increase in the tax incentive to stimulate investment. But, now that the changes in the pace of economic recovery have convinced the President and Congress to eliminate the tax rebate, I believe that we should follow through completely and eliminate the proposed increase in the investment tax credit.

While the equity and balance arguments are convincing to me in and of themselves, I believe that a strong case for its elimination can be made on purely economic grounds. The investment tax credit is one of the largest tax expenditures currently included in our tax laws. It amounts to about $10.5 billion in this fiscal year alone.

Mr. President, I have supported and continue to support the investment tax credit. I believe it is especially useful as a countercyclical measure during times of deep recession when capital spending decisions are being deferred. However, the whole rationale for abandoning the rebate was that our economy is bouncing back. If this is true for the rebate it is also true for the proposed increase in the investment tax credit. With so many indicators pointing upward, I believe that investments will be made without providing any additional tax incentive. The 2-percent increment to the investment tax credit we are considering will, in my opinion, be a windfall to business, taking roughly $2.4 billion from the pockets of our taxpayers and producing virtually nothing in terms of investment that would not have occurred otherwise.

I believe we should also be aware of the potential impact of the increased investment tax credit on employment if it does in fact, increase investment. This is particularly crucial in view of the fact that the production recovery that is underway is by no means an employment recovery. Our unemployment rate today is virtually the same as it was a year ago. A recent study by Dr. Robert Caen, a University of Chicago economist, reported last year in the Wall Street Journal, found that an investment tax credit "hikes unemployment marginally for at least 3 years after it is instituted, because it lets companies substitute more automated equipment for workers." Certainly this analysis should encourage us to take a very skeptical view toward increasing the investment tax credit in our high unemployment economy.

Furthermore, even under the most optimistic assumption, $2.4 billion in tax stimulus to business is not going to have much impact once it has trickled down through our $1.5 trillion economy. This is particularly true when there is not even a pretense that this tax reduction will be targeted at additional capital that would not be invested without this economic sweetener.

Recent economic developments have also convinced me that we do not need to add to the $10.5 billion we will spend for the investment tax credit this year. Business investment plans are up markedly since early winter when the President framed his original proposal.

Private surveys show a remarkable increase in planned capital expenditures. Typical is the survey conducted by Rinfret Associates, Inc., which reported last fall that real capital expenditures would rise in 1977 by 2 percent in real terms, according to the respondents to our survey. This rise in capital expenditures in 1977—is enough to assure continued economic expansion but not enough to assure a robust or vigorous economic expansion. But RAT's latest survey released March 19 concluded that—

> In real terms (nominal adjusted for inflation) private capital expenditures are slated to increase eight percent in 1977. Capital expenditures were a laggard in the economic recovery. They are no longer.

The most recent Commerce Department estimates confirm this dramatic shift in investment plans. It now projects a 7-percent increase in real plant and equipment spending in 1977 over 1976.

Finally, let me point out that the majority of American business people feel the change in the investment tax credit will not be important in their investment decisions. According to the latest "Outlook Survey" of the Nation's Business magazine, 57 percent of the business executives interviewed said the investment tax credit under consideration would not be important to their investment decisions and 22 percent said it would be of little importance. In fact, 93 percent of the executives interviewed did not feel it would have a very significant bearing on their investment decisions.

Mr. President, if the economy does not need it, if it has the potential of reducing employment, if it raises basic questions of equity among consumers, if the administration feels it is unnecessary, and if 80 percent of our business executives say it will have little or no impact on their investment decisions, why in the world are we even debating the proposal?

Mr. President, I have looked long and hard at the Finance Committee's desire to keep the business portion of the tax cut in the revised bill. But from no perspective that I can find is such a course justified.

PERMANENT TAX CUTS NEEDED

Mr. ROTH. Mr. President, I applaud the President's decision to withdraw his $50 tax rebate proposal. I think it is extremely refreshing to have a President who is flexible and candid enough with the American people not to try to push a $10 billion mistake through the Senate.

However, I strongly disagree with the President that no further action is needed. While we have recovered from the depths of the 1975 recession, our economic growth is still sluggish and unemployment is at intolerable levels. We must take action now to stimulate the economy and reduce our high levels of unemployment.

The best way to stimulate long-term economic growth and create permanent new jobs is through a permanent tax rate reduction. The administration says that we should wait until October or January of next year to consider permanent tax cuts. But I believe that we cannot afford to wait until next year to put America back to work again.

According to the Congressional Budget

Office, the permanent tax cut that I am proposing would increase GNP by $43 billion and create 920,000 taxpaying jobs by the end of next year—if we act now. This permanent tax cut approach will provide the economic growth needed to create real jobs in the private economy, not temporary, make-work public service jobs.

I believe the President is making a serious mistake by opposing these efforts to create almost 1 million jobs in the private economy, and I urge him to reconsider his position on permanent tax cuts for the American people.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated.

By Mr. JACKSON:

S. 1326. A bill to designate the Thaddeus Kosciuszko Historic Route, and for other purposes; to the Committee on Environment and Public Works.

By Mr. JACKSON (by request):

S. 1327. A bill to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATHAWAY:

S. 1328. A bill entitled "The Career Education Implementation Incentive Act of 1977"; to the Committee on Human Resources.

By Mr. LEAHY:

S. 1329. A bill to amend the provisions of the Federal Advisory Committee Act; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON:

S. 1326. A bill to designate the Thaddeus Kosciuszko Historic Route, and for other purposes; to the Committee on Environment and Public Works.

THE THADDEUS KOSCIUSZKO HISTORIC ROUTE

Mr. JACKSON. Mr. President, I am introducing for appropriae reference a bill to designate the Thaddeus Kosciuszko Historic Route.

The Thaddeus Kosciuszko National Memorial, located at 301 Pine Street, Philadelphia, Pa., was established in 1972 by Public Law 92-524. This memorial recognizes the great Polish patriot and soldier whose genius as a military engineer contributed materially to the collapse of British strategy and the success of the American Revolution.

Mr. President, the purpose of the measure I am introducing today is to recognize further the accomplishments of General Kosciuszko by designating the Kosciuszko Historic Route.

The route would extend from upper New York State, including Fort Ticonderoga, Saratoga, and West Point and through Philadelphia to Ninety-Six and Savannah, Ga. The route would be identified by markers or other appropriate means and would recognize those sites where military victories and accomplishments are credited to the military genius of Gen. Thaddeus Kosciuszko of Poland. Establishment of the historic route is both a proper and logical means of honoring a man whose talents helped the cause of American freedom and independence.

By Mr. HATHAWAY:

S. 1328. A bill entitled "The Career Education Implementation Incentive Act of 1977": to the Committee on Human Resources.

THE CAREER EDUCATION IMPEMENTATION ACT OF 1977

Mr. HATHAWAY. Mr. President. I am introducing a bill today to provide Federal incentives to States, and to local educational agencies and other public and private nonprofit educational institutions, to develop and implement comprehensive career education programs and activities.

This bill, which is called the Career Education Implementation Incentive Act, allocates money to States for the purpose of encouraging the implementation of career education programs and activities in elementary and secondary schools, and in institutions of postsecondary education. The bill authorizes $25 million for the fiscal year 1979, the first year in which it takes effect, and $50 million in the fiscal year 1980, $100 million in fiscal 1981, $50 million in fiscal 1982, and $25 million in fiscal 1983. Since the purpose of the program is to provide seed money as an incentive to State and local agencies and institutions, it is clearly intended that the categorical grants authorized in this bill will not be extended beyond the end of fiscal 1983. This is in keeping with my feeling that too many categorical incentive programs—including some which were clearly beneficial when first enacted—are permitted to live on long after their usefulness has ended. If career education has been incorporated into State and local educational goals and programs by the time this program terminates, it will have done its job, and further seed money will no longer be necessary. If it has not, then it will be time to reevaluate the utility of this approach.

The Federal/State matching requirement is also drawn with that goal firmly in mind. For the first year of its existence the program will pay up to 100 percent of the cost of planning and implementing the provisions of the bill. In subsequent years the State matching requirement will gradually increase until, in the final year of the authorization, the Federal Government will have become the junior partner in the arrangement, paying no more than 25 percent of the cost of the program.

In order to insure that various types of educational institutions are able to share equitably in these career education incentives, States will be required to pass through at least 60 percent of their allocations the first year, and at least 70 percent in subsequent years, to local educational agencies, and at least 15 percent in each year to public and private nonprofit institutions of postsecondary education.

In addition to the State grant program, this bill will set aside money for model and demonstration grants, and for evaluation and training programs, administered at the Federal level by the Office of Career Education. The bill also authorizes a set-aside for career education information gathering, storage and dissemination functions identical to those authorized for fiscal 1978 in the Education Amendments of 1976 (P.L. 94-482).

A more complete section-by-section analysis of this bill will be included at the end of my remarks.

Mr. President, this bill has its origins in a measure which I sponsored in the Senate last year as a separate title of S. 2657, the Education Amendments of 1976. At the suggestion of Chairman CARL PERKINS of the House Education and Labor Committee, however, the Senate title was reduced by the Conference Committee to a single-year authorization of $10 million, for the fiscal year 1978, for State career education planning and Federal information gathering purposes. Chairman PERKINS and his House colleagues made that request because the House did not have a career education bill of their own in conference, and they wanted the opportunity to work on such a measure themselves in the Education and Labor Committee. They have now done so in exemplary fashion, as is demonstrated by the fact that their resulting legislation, H.R. 7, passed the House by the overwhelming vote of 398 to 14 just before the Easter recess.

Because of the strong House support for H.R. 7, I have waited until their action was final to introduce a companion measure in the Senate, in order to be able to incorporate certain of its elements into this bill.

I did so because it was clear to me last year that the career education goals of Congressman PERKINS are substantially the same as my own, and thus it seemed advisable to avoid unnecessary duplication of effort wherever possible.

Still, there are several key differences between my bill and H.R. 7, and it would be useful to point them out at this time.

Perhaps the most significant difference between my bill and H.R. 7 involves the extension of career education incentive programs to institutions of postsecondary education. Under H.R. 7, federally supported career education is to be limited to elementary and secondary schools. However, I believe that such a limitation ignores one of the central problems career education is seeking to solve: that too many graduates or leavers of our entire educational system, up to and including postsecondary, are quite simply ill prepared to enter the world of work. And while applying career education to postsecondary settings can admittedly be more difficult to accomplish than at the elementary or secondary level, some of our best and most com-

prehensive experimental career education programs to date have been developed in postsecondary settings.

In addition, the effective years and authorization levels in this bill are somewhat different from those of H.R. 7. For example, H.R. 7 does not apply to specifically designated fiscal years, but rather to a floating 5-year period which begins in the first year in which funds are appropriated. My bill refers specifically to the fiscal years 1979 through 1983, since current Office of Education planning authorizations for Career Education will run out at the end of fiscal 1978. Also, while I agree with the House approach of reaching a high authorization level relatively quickly, then phasing out the Federal commitment to this incentive program, the highest level is reached more gradually in this bill than in H.R. 7, since as a practical matter, budget and appropriations planners in the administration and in Congress are likely to be reluctant to provide large sums of money at as early a stage as is contemplated in H.R. 7.

The bill I am introducing today also includes additional authority for the Commissioner to make model and demonstration grants, conduct evaluation studies, and perform information gathering and dissemination functions, which authority is not specifically contained in H.R. 7.

HISTORY OF CAREER EDUCATION

"Career education" in the form we know it today had its inception as a formal educational program in the late 1960's. At the beginning of this decade, it was given a high priority among federally funded educational research programs by Commissioner of Education Sidney P. Marland.

In enacting the Vocational Education Amendments of 1968 (20 U.S.C. 1241 et seq.) Congress first emphasized the need to bridge a gap that was felt to exist between education and work. Early in 1971, Commissioner Marland coined the term "career education" and elevated it to the status of major educational reform.

The Education Amendments of 1972 established the National Institute of Education—NIE—as separate from the Office of Education—OE—and both departments adopted career educaiton as a priority item. In the case of NIE, career education research was written into its enabling legislation. In OE, the first career education research and development programs were funded under Parts C and D of the Vocational Education Act, and new statutory authority was created by the Special Projects Act as part of the Education Amendments of 1974 (20 U.S.C. 1865), which authorized additional demonstration programs and created within OE an Office of Career Education.

FUNDING HISTORY OF CAREER EDUCATION

Federal funds allocated for research and demonstration under the various statutory authorities are as follows:

THE VOCATIONAL EDUCATION ACT

Prior to its recent amendment in Public Law 94–482, part C of this act authorized projects for research and training, and part D authorized model programs and projects. Under these authorities, over 100 research and model career education projects have been established at local education agencies—LEA's—in the 50 States. A recent GAO study could find no apparent distinctions between projects funded under part C and those using part D dollars.

During fiscal years 1972–75, OE obligated approximately $36 million to the States under part C and about $38.5 million under part D for career education programs. In fiscal year 1976 these programs were cut back considerably, with no funds spent under part C and only $8 million under part D for career education.

NIE EXPENDITURES

Beginning in mid-1971, OE initiated four multiyear career education projects under the authority of the Cooperative Research Act. In August 1972, these were transferred to NIE. Through fiscal year 1975, NIE estimates that approximately $42 million of its appropriations were allocated to the four projects.

In addition, NIE has taken on several projects initially started up by OE under its educational laboratory and research and development center programs, spending $7.6 million through fiscal year 1975. Finally, NIE had originated 85 new career education projects of its own through the end of fiscal year 1975, spending another $7.6 million. Approximately $14 million was spent on all NIE career education projects in fiscal year 1976, and an equal amount is estimated for fiscal year 1977.

OFFICE OF CAREER EDUCATION

The third major source of Federal career education funding has been the Special Projects Act, enacted in the Education Amendments of 1974. Those amendments authorized $15 million each year for career education, of which approximately $10 million has been spent in each fiscal year since the enactment of those amendments.

NON-FEDERAL SPENDING

Projects and programs funded under each of these authorities have varied widely, and few generalizations can be made about successes or failures from the Federal perspective. However, it is important to note that State and local governments have contributed considerable resources of their own in this area. Part C and D funds referred to above have been matched on a dollar-for-dollar basis. And many States and LEA's have enacted legislation and/or initiated additional career education programs of their own.

As of the end of fiscal year 1975, for example, OE had cited nine States as having made significant progress in career education. Even a State as small as Arizona had set aside over $22 million of its own education funds for this purpose.

NEW AUTHORIZATIONS

Finally, the Education Amendments of 1976 (P.L. 94–482) contains a new authorization, for fiscal year 1978 only, of $10 million to be used for comprehensive State planning for career education, and for Federal information gathering, storage, and dispensing. Up to $2 million may be set aside for this latter purpose. The balance is to be distributed to the States, with at least $100,000 going to each State and the remainder distributed on the basis of population.

NATIONAL SUPPORT FOR CAREER EDUCATION

Career education has managed to create for itself a broad base of support across the educational and ideological spectrum. Strong support was communicated to the Carter transition team from the National Conference of State Legislators, the American Personnel and Guidance Association, the U.S. Chamber of Commerce, the National PTA, the Southern Superintendents for Educational Progress, the National Association of Elementary School Principals, the American Society for Training and Development, the Council of Chief State School Officers, and educational representatives of the cities of Baltimore, Dallas, New Orleans, and the State of Illinois.

In other forums, career education has received strong support from the National Education Association, the American Vocational Association, the NAACP, the American Association of Secondary School Principals, the American Association of Junior Colleges, and numerous other institutional and individual educators and associations. A recent Commissioners Conference on Career Education held in Houston, Tex., drew an astonishing 8,500 participants.

CAREER EDUCATION ISSUES AND PRIORITIES

Issues and priorities considered important by groups and interests which support career education include the following:

First. Career education is necessary because many individuals leave the educational system today without the basic academic, occupational, and decision-making skills, as well as the work attitudes, necessary to adapt to the changing economic and social world outside that system. A figure commonly used is "2–3 million leavers per year at all levels" who lack such skills. Also cited by many is a recent HEW-commissioned survey indicating that perhaps as many as one in five adults today are functionally "illiterate" in basic coping skills necessary to perform simple daily tasks.

Second. Even within the schools, many students fail to see meaningful relationships between what they learn and what they will need to do when they leave. American Personnel and Guidance Association cites poll data indicating that 78 percent of 11th grade students claim to need more career guidance than they currently receive.

Third. These serious deficiencies can only be remedied by a virtual revamping of our educational system to give more emphasis to career awareness, exploration, and preparation skills, from the elementary level through college, and by changing much of our basic educational curriculum so that even basic skills—the "three R's"—are taught where possible through references to real-world experiences.

Fourth. In too many educational settings, an unhealthy dichotomy has grown up between academic skills and manual skills, with primacy given to the former

and the latter relegated to second-class status. As a result, many students pursue education for skills for which no job opportunities exist, invest too many public and private resources in their education, and become overqualified for the majority of available jobs.

Fifth. Education has become too isolated from the community where its "product" will have to work and live—and members of that community must therefore be brought into the educational system—and conversely, students brought into the community—through comprehensive programs of career education.

Sixth. The growing need for and presence of women in the work force has outdistanced our educational responsiveness to the needs of that group, including the need to avoid sex stereotypes. Career education has the potential, as a new approach to overall work and life preparedness, to overcome such stereotypes.

Seventh. Nor does education respond to the needs of the poor or the minority students, giving precedence instead—and lavishing far more attention on—the middle class, more generally college-bound student. Career education is needed for all students to break down the barriers that separate our system into multiple tracks, relegating the preponderance of individuals in certain social and economic classes to an inferior status, and too often insulating those in the "academic" track from the experience they will need when they leave school and enter the real world.

NEED FOR THIS BILL

Current levels of funding support are significant, but diverse. Adding the section 406 money to the NIE resources and the vestigial vocational education funding, a total of over $30 million in Federal funds are being spent on career education in the current fiscal year, with prospects of up to $10 million more under the new fiscal year 1978 planning authority.

But while there is a relatively large aggregate amount spent by various branches of HEW each year on career education, very little of that is actually within the control of State and local governments, thereby frustrating the efforts of many to initiate or replicate career education projects on their own. While the seed money previously available under part C and D of the Vocational Education Act was relatively unstructured in this regard, that money is rapidly drying up and will soon be unavailable, if current trends continue, leaving all major creative efforts in the hands of Federal administrators, researchers and other employees. If we expect States effectively to implement career education programs and activities they have developed to date under model and demonstration grant authorities, there must be some additional incentives available.

In addition, the GAO, the American Institutes for Research, and other program analysts have delineated several areas of immediate concern which are not being adequately addressed in most current career education projects, and which will also require the availability of new resources.

Included in this list are better evaluation techniques; better training of teachers, counselors, and other education personnel to take advantage of, and develop, career education resources—particularly in secondary and postsecondary institutions, where researchers have found greater resistance to career education than in elementary schools; additional development of career education curriculum in college-level teacher training programs; need for better information and materials gathering, storage, and dispersal techniques at the Federal, regional, and local levels, including information about the techniques of career education, as well as about trends and developments in the labor marketplace. In that regard, while some individuals and organizations have complained of inadequate materials, indications are that an abundance of information and materials is available or is being constantly developed for most aspects of career education. The problem seems more to be one of effective access to such information than any lack thereof.

Finally, to the extent current Federal research and development, including WIE research, is to lead to on-line implementation of techniques and materials found to be effective, additional resources will have to be made available to familiarize States and local education agencies and schools with results of such research, and to provide the incentive for such implementation. We should include here the reality of fiscal problems faced in school financing in most jurisdictions, which rarely leave room in the State or local budget for new projects funded entirely out of State or local resources. If the results of major NIE research efforts in such areas as school-based or experience-based career education prove to be worthy of implementation, Federal authorizations should be available to provide the incentive to do so.

Mr. President, I ask unanimous consent that the text and section-by-section analysis of my bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1328

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Career Education Implementation Incentive Act of 1977".

STATEMENT OF CONGRESSIONAL FINDINGS

SEC. 2. The Congress hereby finds and declares that—

(1) a major purpose of education should be to prepare every person to pursue a career suitable to that person's maximum potential ability;

(2) it is the obligation of all educational agencies and institutions, including but not limited to agencies and institutions of elementary and secondary education, higher education, adult education, employment training and retraining, and vocational education, to make available such preparation to all persons;

(3) each State or local agency or institution of education should therefore be encouraged to expose every person to the widest variety of career options through programs of career education.

PURPOSE

SEC. 3. It is the purpose of this Act to provide federal incentives to States, for five years, to enable state and local education agencies and institutions to develop and implement career education programs and activities for individuals of all ages, and to improve and expand existing programs and activities, in order to improve the awareness, exploration, planning and decisionmaking skills of such individuals with regard to career opportunities and career development throughout the lifetimes of such individuals.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. (a) There are authorized to be appropriated for the purpose of this Act $25,000,000 for fiscal year 1979, $50,000,000 for fiscal year 1980, $100,000,000 for fiscal year 1981, $50,000,000 for fiscal year 1982, and $25,000,000 for fiscal year 1983.

(b) (1) From the sums appropriated pursuant to this Act, the Commissioner shall reserve—

(A) an amount not to exceed 1 per centum thereof for the administration of this Act, for making model program grants pursuant to section 8 and for the support of such other special or demonstration projects as he deems necessary to carry out the purposes of this title, and

(B) an amount not to exceed $2 million per annum for the purpose of carrying out section 9 of this Act.

(2) From the remainder of the sums appropriated under this Act, the Commissioner shall reserve such amount, not to exceed 1 per centum thereof, as he may determine necessary and shall allot such amount among the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, according to their relative need for assistance under this title.

(3) From the remainder of the sums appropriated, the Commissioner shall allot to each State an amount which bears the same ratio to such sums for such year as such State's population, aged twenty-one or younger, of all the States, except that no State shall be allotted from such sums less than $100,000.

(C) (1) Any funds allotted to a State under subsection (b) (3) for which a State has not applied or for which a State application has not been approved shall be reallotted by ratably increasing the allocations of each of the States which have approved applications.

(2) If the sums appropriated for any fiscal year are not sufficient to make the allotments of the minimum amounts specified in subsection (b) (3), such minimum amount shall be ratably reduced. If additional sums became available during a fiscal year for which such allotments were reduced, such allotments shall be increased on the same basis as they were reduced.

STATE APPLICATIONS

SEC. 5. Any State desiring to receive the amount for which it is eligible for each fiscal year under this Act shall submit to the Commissioner an annual application for such funds, which shall include assurances that—

(1) the State will designate a State officer or agency for the purpose of administering funds expended pursuant to the provisions of this Act;

(2) without in any way interfering with the curriculum decision-making authority of local educational agencies or public or private non-profit institutions of postsecondary education in the State, the State will encourage all such agencies and institutions

to develop or expand career education programs and activities, in order to integrate career education into the regular education programs of such agencies and institutions;

(3) from among the agencies and institutions so encouraged, the State will identify all such agencies and institutions which desire to develop or expand their career education programs and activities, and the State will develop a plan to allocate funds and provide necessary technical assistance to such agencies and institutions for that purpose;

(4) of the amount received pursuant to this Act for the fiscal year 1979, the State will pass through no less than 60 percent to local educational agencies and no less than 15 percent to public and private institutions of postsecondary education for carrying out the purposes of this Act, and of the amounts received pursuant to this Act for the fiscal year 1980 and for each subsequent fiscal year, the State will pass through no less than 70 percent to local educational agencies and no less than 20 percent to public and private institutions of postsecondary education for carrying out the purposes of this Act;

(5) the State will expend, from its own sources, for any fiscal year for which funds are received under this Act, an amount equal to or exceeding the amount which such State expended for career education during the preceding fiscal year;

(6) the State officer or agency designated to administer this program will employ such staff as are necessary to provide for the administration of this Act and programs of career education funded under this Act including a person or persons experienced with respect to problems of discrimination in the labor market and stereotyping effecting career education (including bias and stereotyping on account of race, sex, or handicap), and including at least one professional trained in guidance and counseling who shall work jointly in the office of the principal staff person responsible for such administration and coordination and in the office of the State educational agency responsible for guidance and counseling, if any such office exists;

(7) such agency will continuously review the plan submitted under section 6 and will submit such amendments thereto as may be deemed appropriate in response to such agency's experience with the program;

(8) not less than 15 percentum of that portion of a State's grant for any fiscal year which is not reserved pursuant to section 8(b)(1) will be used for programs described in section 7(a)(3)(B); and

(9) the funds received under this Act will be used in accordance with the provisions of section 7.

STATE PLAN

SEC. 6. Each State desiring to receive funds appropriated pursuant to this Act for the Fiscal Year 1980 and subsequent fiscal years, shall, at the time of submission of its annual application for the fiscal year 1980, submit to the Commissioner, a State plan which shall—

(1) set out explicitly the objectives the State will seek to achieve by the end of each fiscal year up to and including the fiscal year 1983 in implementing the purposes of this Act:

(2) set out the methods by which the State will seek each year to achieve these objectives with all recources available, and describe the methods by which the funds received under this Act will be used, in accordance with section 7, to implement the overall objectives of this Act; and

(3) set forth policies and procedures which the State will follow the assure equal access of all students (including the handicapped and members of both sexes) to career education programs carried out under the State plan; and

(4) provide proposed criteria to the Commissioner for evaluation of the extent to which the State will achieve the objectives set out in the State plan.

USE OF FUNDS

SEC. 7. (a) Subject to the provisions of section 8, funds received under this Act may be used by a State only for the following activities:

(1) employing such additional State educational agency personnel as may be required for the administration and coordination of programs assisted under this Act;

(2) providing State leadership for career education, either directly or through arrangements with private and public agencies and organizations (including institutions of higher education), in—

(A) conducting inservice institutes for education personnel;

(B) training local career education coordinators;

(C) collecting, evaluating, and disseminating career education materials on an intrastate and interstate basis;

(D) conducting statewide needs assessment and evaluation studies;

(E) conducting statewide leadership conferences;

(F) engaging in collaborative relationships with other agencies of State government and with public and private organizations representing the business-labor-industry-professional community and organizations representing the handicapped, minority groups, and women; and

(G) promoting the adaptation of teacher-training curricula to the concept of career education by institutions of higher education located in the State;

(3) making grants to local educational agencies and to public and private nonprofit institutions of postsecondary education for the purpose of—

(A) Improving the career awareness, exploration, planning, and decision-making skills of individuals through the adaptation of career-oriented concepts to curriculum design and classroom techniques;

(B) developing and implementing comprehensive career guidance, counseling, placement, and followup services utilizing counselors, teachers, parents, and community resource personnel;

(C) developing and implementing collaborative relationships with organizations representing the handicapped, minority groups, and women and with the business-labor-industry-professional-government community, including the use of personnel from such organizations and that community as resource persons in schools and for student field trips into that community;

(D) developing and implementing work experiences for students whose primary purpose is career exploration, provided that such work experiences are related to existing or potential career opportunities and do not displace other workers who perform such work;

(E) employing coordinators of career education in local educational agencies or in combinations of such agencies;

(F) training of local career education coordinators;

(G) inservice education of teachers, counselors, school administrators, and other education personnel aimed at helping them to understand career education, and to acquire competencies essential for carrying out their roles;

(H) conducting institutes to acquaint school board members, community leaders, and parents with the nature and goals of career education;

(I) purchasing instructional materials and supplies for career education activities;

(J) establishing and operating community career education councils;

(K) establishing and operating career education resource centers serving both students and the general public;

(L) adopting, reviewing and revising local plans for coordinating the implementation of the comprehensive program; and;

(M) conducting needs assessments and evaluations; and

(4) reviewing and revising the State plan

(b) Grants to local educational agencies and public and private nonprofit institutions of postsecondary education pursuant to subsection (a)(3) from funds received under this Act shall be made on the basis of applications approved by the State educational agency, and shall, to the extent practicable, be made in accordance with equitable distribution criteria established by the State educational agency, having due regard for the special needs of agencies and institutions serving large numbers of disadvantaged students, and of agencies and institutions serving sparsely populated areas or serving relatively few students.

(c) To the extent consistent with the number of children enrolled in private nonprofit elementary and secondary schools within the State, as regards services provided under paragraph (2) of subsection (a), and within the school district, as regards a grant made to a local educational agency under paragraph (3) of such subsection, after consultation with appropriate private school officials, provision shall be made for the effective participation on an equitable basis of such children and the teachers of such children in these services and in the programs funded with these grants.

MODEL PROGRAMS

SEC. 8. From funds reserved under section (4)(b)(1)(A) of this Act, the Commissioner is authorized to make grants directly to State and local educational agencies, institutions of postsecondary education, and other nonprofit agencies and organizations to support projects to demonstrate the most effective methods and techniques in career education and to develop exemplary career education models.

SEC. 9. (a) The Commissioner shall provide, either directly or by grant or contract, for—

(1) the gathering, cataloging, storing, analyzing, and disseminating of information related to the availability of, and preparation for, careers in the United States, including information concerning current career options, future career trends, and career education;

(2) the ongoing analysis of career trends and options in the United States, using information from both the public and private sectors, including such sources as the Bureau of Labor Statistics, the Department of Commerce, the Tariff Commission, economic analysts, labor unions, and private industry;

(3) the publication of periodic reports and reference works using analysis prepared pursuant to this section and containing exemplary materials from the career education field, including research findings, results and techniques from successful projects and programs, and highlights of ongoing analyses of career trends in the United States; and

(4) the conduct of seminars, workshops, and career information sessions for the purpose of disseminating to teachers, guidance counselors, other career educators, administrators, other education personnel, and the general public information compiled and analyzed under this section.

(b) In carrying out the provisions of this section, and to the extent practicable, the Commissioner shall (1) make use of existing offices, centers, clearinghouses, and research capabilities, (2) coordinate among the offices, centers, clearinghouses and research capabilities in carrying out his career information responsibilities, and (3) use the

career information capabilities of the Education Division.

PAYMENTS

SEC. 10. (a) The Commissioner, upon receipt of an application for the fiscal year 1979 and each subsequent fiscal year which the Commissioner finds to be in compliance with section 5, and upon finding the State to be in compliance with sections 6 and 7 for the fiscal year 1980 and each subsequent fiscal years, shall pay to the State the amount which it is entitled to receive for each such year under this Act.

(b)(1) Any State receiving funds for the fiscal year 1979 under this Act may reserve not more than 20 percent of such funds for services performed pursuant to section 7(a)(2) and not more than 5 percent for the purposes of paragraphs (1) and (4) of section 7(a). Not less than 60 percent of such funds shall be distributed to local educational agencies and not less than 15 percent of such funds shall be distributed to public and private institutions of postsecondary education for carrying out the purposes of this Act.

(2) Any State receiving funds for the fiscal year 1980 and for susbequent fiscal years may reserve not more than 10 percent of such funds for services performed pursuant to section 7(a)(2) and not more than 5 percent for the purposes of paragraphs (1) and (4) of section 7(a). Not less than 70 percent of such funds shall be distributed to local educational agencies and not less than 15 percent of such funds shall be distributed to public and private institutions of postsecondary education for carrying out the purposes of this Act.

(3) In the fiscal year 1979, funds available under this Act to a State may be used, subject to the provisions of paragraph (1), to pay the entire cost of carrying out programs under this Act. In subsequent fiscal years, subject to the provisions of paragraph (2), funds available under this Act may be used to pay (A) not more than 75 percent of such costs in the fiscal years 1980 and 1981, (B) not more than 50 percent of such costs in the fiscal year 1982, and (C) not more than 25 percent of such costs in the fiscal year 1983.

FEDERAL ADMINISTRATION

SEC. 11. (a)(1) The Office of Career Education created pursuant to section 406 of the Education Amendments of 1974 shall be the administering agency within the Office of Education for the review of the State plans, applications, and reports submitted pursuant to this Act. In addition, the Office of Career Education shall perform a national leadership role in furthering the purposes of this Act.

(2) In reviewing the plans, applications, and reports submitted pursuant to this Act, the Office of Career Education shall provide technical assistance to those States having plans, applications, and reports needing improvement. The Office shall also provide technical assistance, as requested by the States, to all participating States, Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(b) The National Advisory Council on Career Education created pursuant to section 406 of the Education Amendments of 1974 shall perform the same functions with respect to the programs authorized under this Act as it is authorized to perform with respect to the programs authorized under that section.

(c) The National Institute of Education shall continue its complementary efforts in career education, including product and program development, evaluation, and research. The Office of Education shall cooperate with the Institute in identifying research and development priorities and, either directly or through arrangements with private and public agencies and organizations (including institutions of higher education), in disseminating the products and findings of research and development undertaken by the Institute.

(d) Section 406(g)(1) of the Education Amendments of 1974 is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) not less than twelve public members broadly representative of the fields of education, the arts, the humanities, the sciences, community services, business and industry, and the general public, including (1) members of organizations of handicapped persons, minority groups knowledgeable with respect to discrimination in employment and stereotyping affecting career choices, and women who are knowledgeable with respect to sex discrimination and stereotyping, and (ii) not less than two members who shall be representative of labor and of business, respectively. A majority of the members selected pursuant to subparagraph (B) shall be engaged in education or education-related professions."

DEFINITIONS

SEC. 12. For purposes of this Act the term—

(1) "career education" means educational programs and activities through which educational agencies and institutions, and individual educators, counselors, and other individuals, seek to improve the awareness of students of all ages of career opportunities which are, or may in the future become, available to them, and to improve the ability of such students to take advantage of such career opportunities. "Career education" includes, but is not necessarily limited to, activities which involve career awareness, exploration, planning, and decision-making, which activities are free of or are designed to eliminate bias and stereotyping (including bias or stereotyping on account of race, sex or handicap).

(2) "handicap" or "handicapped" means mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired persons, or persons with specific learning disabilities, who by reason thereof require special education and related services;

(3) "State" shall mean the States, the District of Columbia, and the Commonwealth of Puerto Rico;

(4) "State board of education" shall mean the governing board or boards designated pursuant to State law for the administration, or for the supervision of administration, of elementary and secondary education in local educational agencies and other agencies in each State; and

(5) "local educational agency" has the meaning given it by section 403(6)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 244(6)(B)).

SECTION-BY-SECTION ANALYSIS

Section 1. This section provides that the short title of the bill will be the "Career Education Implementation Incentive Act of 1977".

Section 2. This section sets out a statement of Congressional findings regarding the need for career education.

Section 3. This section provides that the purpose of his act is to provide Federal incentives to States for five years to enable State and local education agencies and institutions to develop and implement career education programs and activities for individuals of all ages, and to fulfill a number of other needs having to do with career education.

Section 4. This section authorizes appropriations for this Act, according to the following schedule: $25,000,000 for the fiscal year 1979, $50,000,000 for the fiscal year 1980, $100,000,000 for the fiscal year 1981, $50,000,000 for the fiscal year 1982, and $25,000,000 for the fiscal year 1983. This section also authorizes the Commissioner to reserve up to 1 percent of the appropriation in any fiscal year for making model and demonstration program grants, and up to $2 million in each fiscal year for the purpose of gathering, storing and disseminating information about career education and careers. This section also sets out a formula for the allocation of State grants based upon the population of each State aged 21 and younger, provides for a minimum grant of $100,000 to each State, and provides for a ratable reduction of such grants in any year in which the appropriation does not permit such minimum grants.

Section 5. This section requires States desiring to receive funds under this Act to file annual applications for such funds, including assurances that the State will designate an appropriate administrative entity, will encourage all local education agencies and other appropriate agencies and institutions to participate, without interfering in the curriculum decision-making authority; will pass through certain minimum percentages of the funds received to such agencies and institutions, pursuant to the requirements of section 10; will ensure that at least 15% of the grant will be devoted to career planning and guidance functions; and other assurances.

Section 6. This section sets out the requirements for State plans for career education, which are required to be submitted with the annual application for each year commencing with the fiscal year 1980. The plan must set out the objectives the State hopes to attain, and the methods to be used to attain those objectives; set forth policies for assuring equal access for all students to career education programs; and provide proposed criteria for the evaluation of the State's own effort.

Section 7. This section sets out a comprehensive list of the uses to which States may put funds received under this Act. This section also requires due regard to the special needs of agencies and institutions serving disadvantaged students, and of agencies and institutions serving sparsely populated areas. This section also sets out criteria for meeting the career education needs of children enrolled in private elementary and secondary schools.

Section 8. This section authorizes the Commissioner to make direct grants to State and local educational agencies and institutions to develop model and demonstration career education projects.

Section 9. This section authorizes the Commissioner to provide career education information services, identical to the services already authorized to be performed in the fiscal year 1978 by the career education provisions of the Education Amendments of 1976 (Public Law 94-482).

Section 10. This section authorizes payments to States under the provisions of this Act, and requires States to pass through at least 60 percent of those funds the first year, and 70% in subsequent years, to local educational agencies, and requires that at least 15% in each year be passed through to public and private institutions of postsecondary education.

Section 11. This section authorizes the administration of this program by the Office of Career Education, authorizes that Office to provide technical assistance to the States, and authorizes the National Advisory Council on Career Education to give advice regarding the implementation of this Act. This section also authorizes the National Institute of Education to continue to play its complimentary role in career education.

Section 12. This section defines several terms used in the Act, including the term career education.

AMENDMENTS SUBMITTED FOR PRINTING

TAX SIMPLIFICATION ACT OF 1977—H.R. 3477

AMENDMENT NO. 199

(Ordered to be printed and to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed to the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

NOTICE OF HEARINGS

THE CIVIL RIGHTS COMMISSION AUTHORIZATION FOR FISCAL YEAR 1978

Mr. BAYH. Mr. President, on behalf of Senator EASTLAND, I wish to announce that the Committee on the Judiciary will hold a hearing on S. 1231, to raise the limitation on appropriations for the U.S. Commission on Civil Rights, in room 2228 Dirksen, the Judiciary Committee hearing room, at 2 p.m. on April 27, 1977. All persons desiring to submit statements should contact Nels Ackerson or Ben Dixon of the staff of the Subcommittee on the Constitution, 102B Russell Building, 202/224-8191.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. I ask that morning business be closed.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The clerk will state the pending business.

The assistant legislative clerk read as follows:

A bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The PRESIDING OFFICER. The clerk will state the pending motion.

The assistant legislative clerk read as follows:

A motion by Mr. BUMPERS, for himself and Mr. KENNEDY, that H.R. 3477 be recommitted to the Committee on Finance with instructions to report it forthwith with the House-proposed section 302 and the Senate-proposed substitute for the House proposed section 302 stricken.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow at the hour of 1 p.m. the Senate resume consideration of the pending motion by Mr. BUMPERS and Mr. KENNEDY to recommit with certain instructions and that the committee report back forthwith, that there be 1 hour of debate on that motion tomorrow beginning at 1 p.m., with the time equally divided between and controlled by Mr. LONG and Mr. BUMPERS; and that at the close of the hour a vote occur on the motion up or down, with a motion to lay on the table at that time to be in order.

Mr. BAKER. Mr. President, reserving the right to object, the majority leader has previously announced, and I only wish to reiterate, that the request as stated has been cleared with the distinguished senior Senator from Nebraska, the ranking Republican member of the Finance Committee, and there is no objection on our side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia. The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. This would mean, then, Mr. President, that at the hour of 2 o'clock p.m. tomorrow, a vote would occur on the motion to recommit. It would be an up-or-down vote unless a Senator moves to table, in which event such tabling motion would occur at that time, at 2 o'clock p.m.; am I correct?

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, there are various matters here that have been cleared on both sides of the aisle. I ask unanimous consent that the Senate go into executive session to consider three nominations which were reported from committees earlier today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The Committee on Energy and National Resources reported two nominations, which I understand have been cleared on both sides.

Mr. HANSEN. Mr. President, if the distinguished majority leader would yield, let me observe that I was at the committee meeting this morning to which the distinguished majority leader has referred, and those nominations were both reported out unanimously.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The clerk will state the first nomination.

FEDERAL ENERGY ADMINISTRATION

The assistant legislative clerk read the nomination of David J. Bardin, of New Jersey, to be a Deputy Administrator.

Mr. BAKER. Mr. President, reserving the right to object, there is no objection on this side to this nomination or the next succeeding nomination.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The assistant legislative clerk read the nomination of Joan Mariarenee Davenport, of New Jersey, to be an Assistant Secretary of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, the third nomination has been reported by the Committee on Banking, Housing, and Urban Affairs. I understand it is cleared on both sides of the aisle.

Mr. BAKER. Mr. President, there is no objection to the confirmation of this nomination.

The PRESIDING OFFICER. The clerk will state the nomination.

The assistant legislative clerk read the nomination of Chester Crawford McGuire, Jr., of California, to be an Assistant Secretary of Housing and Urban Development.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate tomorrow.

Mr. HANSEN. Mr. President, may I observe that the Committee on Energy and Natural Resources, I think, proposes not to reconvene until next Tuesday. If there were any change in plans, I would have to respectfully object that that unanimous-consent proposal exclude the Committee on Energy and Natural Resources, because I would like to be present on the floor.

Mr. ROBERT C. BYRD. Very well. Mr. President, I change my request to authorize that all committees of the Senate with the exception of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate tomorrow.

Mr. HANSEN. I do not think there will be any meeting.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

ADDITIONAL FUNDS FOR HOUSING ASSISTANCE

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Wisconsin (Mr. PROXMIRE) I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 3843.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator PROXMIRE, I move that the Senate insist upon its amendment and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PROXMIRE, Mr. SPARKMAN, Mr. WILLIAMS, Mr. BROOKE, and Mr. GARN conferees on the part of the Senate.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene this evening at 8:30, at which time there will be a quorum call. At the hour of 8:42 p.m., the Members of the Senate will proceed in a body to the Hall of the House of Representatives to hear an address by the President of the United States before a joint session of the House of Representatives and the Senate.

Following that address, the Senate, under the order previously entered, will automatically stand in recess until the hour of 12:30 p.m. tomorrow.

After the two leaders have been recognized under the standing order on tomorrow, there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 o'clock p.m., with statements therein limited to 5 minutes each.

At the hour of 1 o'clock p.m., the Senate will resume consideration of the Bumpers-Kennedy motion to recommit with instructions to the committee the tax bill, and there will be 1 hour of debate. At the close of the 1 hour, at 2 o'clock p.m., the vote will occur either on a motion to table the motion to recommit, or up or down on the motion to recommit. That will be a rollcall vote. Other votes will occur during the afternoon tomorrow on amendments to the bill if it is not to be recommitted, or if it is recommitted and reported. Votes will also occur on motions with relation to the measure. It is possible that the Senate will stay in until a reasonably late hour tomorrow, and also on Friday there will be rollcall votes on the same measure.

RECESS UNTIL 8:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business at this time before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 8:30 p.m. today.

The motion was agreed to; and at 5:49 p.m., the Senate took a recess until 8:30 p.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. STONE).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, following the address of the President the Senate will automatically stand in recess until the hour of 12.30 tomorrow afternoon. However, the doors of the Chamber will remain open in the event any Senators wish to return to the Chamber for coats or hats, and so forth.

JOINT SESSION OF THE TWO HOUSES—MESSAGE OF THE PRESIDENT OF THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate now proceed to the Hall of the House of Representatives to hear the President's address.

The motion was agreed to, and, at 8:42 p.m., the Senate, preceded by the Sergeant-at-Arms, Frank N. Hoffmann, the Secretary of the Senate, J. Stanley Kimmitt, and the Vice President, proceeded to the Hall of the House of Representatives to hear the address by the President of the United States.

(The address by the President of the United States, this day delivered by him to the joint session of the two Houses of the Congress, appears in the proceedings of the House of Representatives in today's RECORD.)

RECESS UNTIL 12:30 P.M. TOMORROW

At the conclusion of the joint session of the two houses, and in accordance with the order previously entered, at 9:41 p.m. the Senate recessed until tomorrow, April 21, 1977, at 12:30 p.m.

NOMINATIONS

Executive nominations received by the Senate April 20, 1977:

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. John Quint Henion [redacted], U.S. Army.

IN THE NAVY

Vice Adm. Robert E. Adamson, Jr., U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 20, 1977:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Chester Crawford McGuire, Jr., of California, to be an Assistant Secretary of Housing and Urban Development.

DEPARTMENT OF THE INTERIOR

Joan Mariarenee Davenport, of New Jersey, to be an Assistant Secretary of the Interior.

FEDERAL ENERGY ADMINISTRATION

David J. Bardin, of New Jersey, to be a Deputy Administrator of the Federal Energy Administration.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, April 20, 1977*

The House met at 3 o'clock p.m.

The Chaplain, the Reverend Edward G. Latch, D.D., offered the following prayer:

The Lord is my Shepherd.—Psalms 23: 1.

O Thou singing Shepherd of our seeking souls, who hast promised to lead us in the paths of righteousness for Thy name's sake, lead us this day in Thy wholesome ways that we may guide our Nation along the roads of peace, justice, and good will.

Grant strength and wisdom to our President and his Cabinet, to our Speaker and the Members of Congress, to our Chief Justice and members of the Supreme Court. Bless the moral and military leaders of our country and may those who are the directors of business and labor learn to get along together walking in the ways of righteousness and working for the highest good of our beloved land.

Grant us the courage to develop a sound energy program for the good of all and may our people respond with willing hearts to make the program work.

Hear Thou our prayer, O Lord, and grant us strength and wisdom as we work this day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 12, 1977:

H.R. 4800. An act to extend the Emergency Unemployment Compensation Act of 1974, and for other purposes.

On April 18, 1977:

H.R. 5717. An act to provide for relief and rehabilitation assistance to the victims of the recent earthquakes in Romania.

On April 19, 1977:

H.R. 3365. An act to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendment numbered 1 to the bill (H.R. 1828) entitled "An act relating to the effective date for the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. TALMADGE, Mr. RIBICOFF, Mr. HARRY F. BYRD, JR., Mr. HANSEN, and Mr. DOLE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1269. An act for the relief of Camilla A. Hester.

RESIGNATION AS MEMBER OF COMMITTEE ON INTERNATIONAL RELATIONS

The SPEAKER laid before the House the following resignation as a member of the Committee on International Relations:

WASHINGTON, D.C.,
April 19, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby resign my seat on the House Committee on International Relations.

Sincerely,

BERKLEY BEDELL.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION OF HON. WYCHE FOWLER, JR., AS A MEMBER OF COMMITTEE ON INTERNATIONAL RELATIONS

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by direction of the Democratic Caucus, I offer a privileged resolution (H. Res. 501) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 501

Resolved, That Wyche Fowler, Jr. of Georgia be, and he is hereby, elected to the Committee on International Relations, to rank number 22d thereon; and to the Committee on Small Business.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING ESTABLISHMENT OF OFFICE OF PARLIAMENTARIAN OF HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I send to the desk a resolution (H. Res. 502) and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 502

Resolved,

ESTABLISHMENT

SECTION 1. There is hereby established in the House of Representatives an office to be known as the Office of the Parliamentarian, hereinafter in the resolution referred to as the "Office".

PARLIAMENTARIAN

SEC. 2. The management, supervision, and administration of the Office shall be vested in the Parliamentarian, who shall be appointed by the Speaker of the House of Representatives without regard to political affiliation and solely on the basis of fitness to perform the duties of the position. Any person so appointed shall serve at the pleasure of the Speaker.

STAFF

SEC. 3. (a) With the approval of the Speaker, or in accordance with policies and procedures approved by the Speaker, the Parliamentarian shall appoint such attorneys and other employees as may be necessary for the prompt and efficient performance of the functions of the Office. Any such appointment shall be made without regard to political affiliation and solely on the basis of fitness to perform the duties of the position. Any person so appointed may be removed by the Parliamentarian with the approval of the Speaker, or in accordance with policies and procedures approved by the Speaker.

(b)(1) One of the attorneys appointed under subsection (a) shall be designated by the Parliamentarian as Deputy Parliamentarian. During the absence or disability of the Parliamentarian, or when the office is vacant, the Deputy Parliamentarian shall perform the functions of the Parliamentarian.

(2) The Parliamentarian may delegate to the Deputy Parliamentarian and to other employees appointed under subsection (a) such of the functions of the Parliamentarian as the Parliamentarian considers necessary or appropriate.

COMPENSATION

SEC. 4. (a) The Parliamentarian shall be paid at a per annum gross rate established by the Speaker but not in excess of the rate of basic pay determined from time to time under subsection (b) of section 3 of the Speaker's salary directive of June 11, 1968 (2 U.S.C. 60a note).

(b) Members of the staff of the Office other than the Parliamentarian shall be paid at per annum gross rates fixed by the Parliamentarian with the approval of the Speaker or in accordance with policies approved by the Speaker, but not in excess of the rate of basic pay set forth in subsection (a).

EXPENDITURES

SEC. 5. In accordance with policies and procedures approved by the Speaker, the Parliamentarian may make such expenditures as may be necessary or appropriate for the functioning of the Office.

EFFECTIVE DATE

SEC. 6. This resolution shall take effect as of March 1, 1977, and shall continue in effect until otherwise provided by law.

Mr. WRIGHT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution may be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WRIGHT. Mr. Speaker, this resolution establishes an office of Parliamentarian. While the duties of the Parliamentarian are set forth in law, the existence of the office has heretofore been recognized only in annual appropriation measures. This resolution, when made permanent law, will constitute the authorization for future appropriations.

The resolution does not change the present nature, size, or duties of the office. All functions prescribed in existing law remain the same. Appointment of the Parliamentarian by the Speaker and the nonpartisan nature of the office will continue as before.

Present practices regarding employment of personnel in the office will continue. All employees in the office have traditionally been appointed with approval of Speaker. The resolution also permits a deputy to sign vouchers and other necessary papers in absence of the Parliamentarian.

In 1968 the pay of the Parliamentarian was fixed at a rate which was specifically limited in application to the incumbant, Lewis Deschler. Presently there is no authority in law for the Speaker to raise pay above that amount which existed at time of the resignation of the former Parliamentarian in 1974. This resolution would rectify that situation.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT TODAY DURING 5-MINUTE RULE TO MARK UP H.R. 6112, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1977

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs may be permitted to sit today during the 5-minute rule to mark up H.R. 6112, the Housing and Community Development Act of 1977.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

OFFICIAL OBJECTORS FROM DEMOCRATIC SIDE

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to announce the official objectors from the Democratic side.

For the Consent Calendar, the Democratic official objectors for the 95th Congress will be the gentleman from Utah, Mr. McKAY; the gentlewoman from Maryland, Ms. MIKULSKI; and the gentleman from Texas, Mr. GAMMAGE.

For the Private Calendar, the Democratic official objectors for the 95th Congress will be the gentleman from Massachusetts, Mr. BOLAND; the gentleman from Minnesota, Mr. OBERSTAR; and the gentleman from Pennsylvania, Mr. ERTEL.

NINTH QUARTERLY REPORT OF COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

In accordance with section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the ninth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council activities during the fourth quarter of 1976 in monitoring both prices and wages in the private sector and various Federal Government activities.

JIMMY CARTER.

THE WHITE HOUSE, *April 20, 1977.*

RESIGNATION AS MEMBER OF NORTH ATLANTIC ASSEMBLY

The SPEAKER laid before the House the following resignation as a member of the North Atlantic Assembly:

WASHINGTON, D.C.,
April 18, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Earlier I had agreed to attend the North Atlantic Assembly meetings in Brussels because of my continuing interest in the Assembly. However, I now find that because of other commitments, I just cannot make the trip in May.

I do hope to attend future North Atlantic meetings whenever possible because I have become deeply involved in the work of the Assembly.

Sincerely,

JACK EDWARDS.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

APPOINTMENT AS MEMBER OF NORTH ATLANTIC ASSEMBLY

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Chair appoints as a member of the U.S. group of the North Atlantic Assembly, the gentleman from California, Mr. DEL CLAWSON, to rank after the gentleman from Illinois, Mr. FINDLEY, to fill the vacancy thereon.

PERMISSION FOR SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY OF THE COMMITTEE ON GOVERNMENT OPERATIONS TO SIT TODAY AND TOMORROW DURING 5-MINUTE RULE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Legislation and National Security of the Committee on Government Operations may be permitted to sit today and tomorrow while the House is operating under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Texas can tell us whether the minority side concurs in this request?

Mr. BROOKS. I did not discuss it with them, but they are right now in the committee room.

Mr. BAUMAN. Does the gentleman know of any problem?

Mr. BROOKS. No; I do not.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

NEED FOR A NONPARTISAN EVALUATION OF PRESIDENT'S ENERGY PROGRAM

(Mr. TREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TREEN. Mr. Speaker, President Carter will address us tonight on the energy crisis. His program deserves a fair, reflective, and impartial response by the Congress and the American people. It also deserves and, I believe, will receive a nonpartisan evaluation by those of us on the Republican side of the aisle.

It will be tempting to immediately attack that part of the President's program which we do not like; to score points back home by condemning aspects of the program which may adversely impact our constituents.

The energy crisis is real, it is serious. How we deal with it will have enormous consequences. The President's program will be controversial. It will incite furious public debate. We, Members of Congress, have a special responsibility to encourage a calm and deliberate reaction by the American people so that a rational debate may ensue, and hopefully, so that parochial interests will be submerged by national interests.

This is not to say that we should not critically examine the President's proposals nor offer our own. That is our prerogative and our duty. We should not, however, shoot from the hip or get ourselves publicly committed without an opportunity for serious and careful study of the President's program. Immediately following the President's speech tonight, we will be besieged by the media for an instant analysis, the kind of analysis for which we often criticize the news media.

Mr. Speaker, my plea is simply this: The energy problem is far too serious and much too complex for superficial treatment by either the Congress or the American people. In this situation we simply must avoid a rush to judgment.

UNVOTED-FOR INCREASES IN EXPENSES

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I think the Members of the House will be interested to know that the collection of unvoted-for increases in expenses to the taxpayers of this country has been increased today by another $450,000, and 27 net position increases in employees of the House of Representatives.

These increases continue a House tradition. They follow our $13,000 pay increase, our $5,000 increase in official office allowances, the $47,000 salary limit of our staff aides. Now, Mr. Speaker, we have created all these new positions, including nine additional page positions with one page overseer, five additional doormen, and one deputy doorkeeper who will be paid between $33,000 and $42,000.

I know that all of the Members will be delighted that the Democrats on the House Committee on Administration are continuing to spend the taxpayers money without the need for Members to vote on it.

THE PUBLICATION OF "DESCHLER'S PRECEDENTS"

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, just before we recessed for Easter an event occurred of great importance to the integrity of the legislative process of this House. Notwithstanding our having waited patiently no less than 40 years for the occasion, the event has gone virtually without notice.

I refer to the publication of Deschler's Precedents," the first volume of which was quietly delivered to each Member's office. I am sorry that "Judge" Deschler, our distinguished former Parliamentarian, did not live to see his work in published form so he could personally autograph and deliver the first volume to Members as he no doubt would have wanted to do.

The precedents are essentially the rulings of the Speaker or Chairman of the Committee of the Whole in the interpretation of the established rules of the House. They are an attempt to expedite

business and protect the minority in its rights, and at the same time enable the House to take action in accordance with the will of the majority. The publication of the precedents provides Members with the tools to become more effective legislators and makes the knowledge of parliamentary procedure and techniques accessible to all and not just a few.

This is why I attach such importance to the publication of "Deschler's Precedents." I should like to commend our present Parliamentarian, William Holmes Brown, and his assistants, Charles Johnson and Peter Robinson, for their invaluable contribution to this project. Without their tireless efforts Mr. Deschler's dream may never have materialized. Bill Brown is himself a great parliamentarian, and it will be under his guidance that the remaining volumes of "Deschler's Precedents" will be published.

We thank Bill Brown not only for this contribution but also for the immeasurable assistance he gives to all our Members.

"DESCHLER'S PRECEDENTS" AND THE PARLIAMENTARIAN'S OFFICE

(Mr. RONCALIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO. Mr. Speaker, I have been waiting for lo these many years to rise in avid support of the eminent minority whip, the gentleman from Illinois (Mr. MICHEL), and I am happy to find an occasion to do so today. I, too, wish that Lew Deschler were alive to enjoy the results of his many, many years of devotion to this institution. I share the observations made regarding officials in the Parliamentarian's Office.

PROVIDING FOR CONSIDERATION OF H.R. 5840, EXPORT ADMINISTRATION AMENDMENTS OF 1977

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 493 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 493

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5840) to amend the Export Administration Act of 1969 in order to extend the authorities of that Act and improve the administration of export controls under the Act, and to strengthen the antiboycott provisions of that Act. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, this is the normal open rule with 1 hour of debate. The only exception to the normalcy is that it provides for the bill to be read by titles instead of by sections.

I know of no opposition. We had none in the Rules Committee or before the Rules Committee. I know there is some controversy on the bill it brings up.

Therefore, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I agree with the statement just made by the gentleman from Missouri that there is no controversy about this rule but there is some controversy about the bill.

I hasten to point out this afternoon the only controversy that we are going to talk about, the Arab boycott of Israel, will probably cause us to overlook a very important part of this legislation to which I think the House should pay some attention. I have reference to sections 116 and 117 providing for a special report on multilateral export controls.

Several years ago I was privileged to serve on a committee of this House which went into the problem of attempting to limit the export from this country of certain strategic materials. Since that time I am sad to say we have had a continuing shrinking of the number of items on the strategic list and today I wonder what items are remaining on it. Certainly if we have this investigation, we ought to be able to find out whether this COCOM list really exists in fact at present and what good it is doing.

Hopefully they can upgrade it rather than remove more items from the list. Hopefully they will upgrade it and make it more meaningful, because I am not one who favors the export of strategic materials to nations who may or may not be our friends in the future.

Mr. Speaker, I have no request for time and reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATTA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 399, nays 2, not voting 32, as follows:

[Roll No. 139]

YEAS—399

Abdnor	Dicks	Kindness
Addabbo	Diggs	Koch
Akaka	Dodd	Kostmayer
Alexander	Dornan	Krebs
Allen	Downey	Krueger
Ambro	Drinan	LaFalce
Ammerman	Duncan, Tenn.	Lagomarsino
Anderson, Calif.	Early	Latta
Andrews, N.C.	Eckhardt	Le Fante
Andrews, N. Dak.	Edwards, Ala.	Leach
Annunzio	Edwards, Calif.	Lederer
Applegate	Edwards, Okla.	Leggett
Archer	Eilberg	Lehman
Armstrong	Emery	Lent
Ashbrook	English	Levitas
Ashley	Erlenborn	Lloyd, Calif.
Aspin	Ertel	Lloyd, Tenn.
AuCoin	Evans, Colo.	Long, La.
Badham	Evans, Del.	Long, Md.
Badillo	Evans, Ga.	Lott
Baldus	Evans, Ind.	Lujan
Barnard	Fary	Luken
Baucus	Fascell	Lundine
Bauman	Fenwick	McClory
Beard, R.I.	Findley	McCloskey
Beard, Tenn.	Fish	McCormack
Bedell	Fisher	McDade
Bellenson	Fithian	McDonald
Benjamin	Flippo	McEwen
Bennett	Flood	McFall
Bevill	Florio	McHugh
Bingham	Flowers	McKay
Blanchard	Flynt	McKinney
Blouin	Foley	Madigan
Boggs	Ford, Tenn.	Maguire
Boland	Fountain	Mahon
Bolling	Fowler	Mann
Bonior	Fraser	Markey
Bonker	Frenzel	Marks
Brademas	Frey	Marlenee
Breaux	Fuqua	Marriott
Breckinridge	Gammage	Mathis
Brinkley	Gaydos	Mattox
Brodhead	Gephardt	Mazzoli
Brooks	Giaimo	Meeds
Broomfield	Gibbons	Metcalfe
Brown, Calif.	Gilman	Michel
Brown, Mich.	Ginn	Mikulski
Brown, Ohio	Glickman	Mikva
Broyhill	Gonzalez	Miller, Calif.
Buchanan	Goodling	Miller, Ohio
Burgener	Gore	Mineta
Burke, Calif.	Gradison	Minish
Burke, Fla.	Grassley	Mitchell, Md.
Burke, Mass.	Gudger	Mitchell, N.Y.
Burleson, Tex.	Guyer	Moakley
Burlison, Mo.	Hagedorn	Moffett
Burton, John	Hall	Mollohan
Burton, Phillip	Hamilton	Montgomery
Butler	Hammer-schmidt	Moore
Byron	Hanley	Moorhead, Calif.
Caputo	Hannaford	Moss
Carney	Hansen	Mottl
Carr	Harkin	Murphy, Ill.
Carter	Harrington	Murphy, Pa.
Cavanaugh	Harris	Murtha
Cederberg	Hawkins	Myers, Gary
Chappell	Heckler	Myers, Michael
Chisholm	Hefner	Natcher
Clausen, Don H.	Heftel	Neal
Clawson, Del	Hightower	Nedzi
Clay	Hillis	Nichols
Cleveland	Hollenbeck	Nix
Cochran	Holt	Nolan
Cohen	Holtzman	Nowak
Coleman	Horton	Oakar
Collins, Ill.	Howard	Oberstar
Collins, Tex.	Hubbard	Obey
Conable	Huckaby	Ottinger
Conte	Hughes	Panetta
Conyers	Hyde	Patten
Corcoran	Ichord	Patterson
Corman	Ireland	Pattison
Cornell	Jacobs	Pease
Cornwell	Jeffords	Pepper
Cotter	Jenkins	Perkins
Coughlin	Johnson, Calif.	Pettis
Crane	Johnson, Colo.	Pickle
D'Amours	Jones, N.C.	Pike
Daniel, Dan	Jones, Okla.	Pressler
Danielson	Jones, Tenn.	Preyer
Davis	Jordan	Pritchard
de la Garza	Kasten	Pursell
Delaney	Kastenmeier	Quayle
Dellums	Kazen	Quie
Dent	Kelly	Quillen
Derwinski	Kemp	Rahall
Dickinson	Ketchum	Railsback
	Keys	Rangel
	Kildee	Regula

Reuss	Sisk	Vander Jagt
Rhodes	Skelton	Vanik
Richmond	Slack	Vento
Rinaldo	Smith, Iowa	Volkmer
Risenhoover	Smith, Nebr.	Waggonner
Roberts	Snyder	Walgren
Robinson	Solarz	Walker
Rodino	Spellman	Walsh
Rogers	Spence	Wampler
Roncalio	St Germain	Watkins
Rooney	Staggers	Waxman
Rose	Stangeland	Weaver
Rosenthal	Stanton	Weiss
Rostenkowski	Stark	Whalen
Rousselot	Steers	White
Roybal	Steiger	Whitehurst
Rudd	Stockman	Whitley
Runnels	Stokes	Whitten
Ruppe	Stratton	Wiggins
Russo	Studds	Wilson, Bob
Ryan	Stump	Wilson, C. H.
Santini	Symms	Wilson, Tex.
Sarasin	Taylor	Winn
Satterfield	Thompson	Wirth
Sawyer	Thone	Wright
Scheuer	Thornton	Wydler
Schroeder	Tonry	Yates
Schulze	Traxler	Young, Alaska
Sebelius	Treen	Young, Fla.
Seiberling	Trible	Young, Mo.
Sharp	Tsongas	Young, Tex.
Shuster	Udall	Zablocki
Sikes	Ullman	Zeferetti
Simon	Van Deerlin	

NAYS—2

Harsha	Poage

NOT VOTING—32

Anderson, Ill.	Forsythe	Price
Bafalis	Goldwater	Roe
Biaggi	Holland	Shipley
Bowen	Jenrette	Skubitz
Daniel, R. W.	Martin	Steed
Derrick	Meyner	Teague
Devine	Milford	Tucker
Dingell	Moorhead, Pa.	Wolff
Duncan, Oreg.	Murphy, N.Y.	Wylie
Edgar	Myers, Ind.	Yatron
Ford, Mich.	O'Brien	

The Clerk announced the following pairs:

Mr. Teague with Mr. Anderson of Illinois.
Mr. Wolff with Mr. Devine.
Mr. Shipley with Mr. Bafalis.
Mr. Price with Mr. Robert W. Daniel, Jr.
Mr. Biaggi with Mr. Wylie.
Mr. Ford of Michigan with Mr. Forsythe.
Mr. Murphy of New York with Mr. Jenrette.
Mr. Moorhead of Pennsylvania with Mr. Goldwater.
Mrs. Meyner with Mr. John T. Myers.
Mr. Dingell with Mr. Holland.
Mr. Yatron with Mr. Milford.
Mr. Roe with Mr. O'Brien.
Mr. Steed with Mr. Skubitz.
Mr. Edgar with Mr. Tucker.
Mr. Bowen with Mr. Martin.
Mr. Duncan with Mr. Derrick.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL MIDNIGHT, FRIDAY, APRIL 22, 1977, TO FILE REPORT ON H.R. 2

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight, Friday, April 22, 1977, to file a committee report on H.R. 2, to provide for the cooperation of the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations and the acquisition and reclamation of abandoned mines, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

EXPORT ADMINISTRATION AMENDMENTS OF 1977

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5840) to amend the Export Administration Act of 1969 in order to extend the authorities of that Act and improve the administration of export controls under that Act, and to strengthen the antiboycott provisions of that Act.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5840, with Mr. EVANS of Colorado in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. WHALEN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before us, H.R. 5840, a measure to extend the Export Administration Act of 1969 and to make improvements in that act, is a very serious and important piece of legislation. The Export Administration Act, as the Members know, safeguards the national interest by providing authority to restrict exports under certain conditions.

The act expired last September 30 because parliamentary maneuvering prevented the calling of a conference to resolve the differences between the Senate and House versions in the last session, and since September 30 the Department of Commerce has been using the Trading With the Enemy Acts to carry out the Export Administration's functions.

Since the Committee on International Relations has the responsibility for acting on this legislation, the committee has made a special effort to investigate fully the various problems and questions that have been raised regarding export controls.

Mr. Chairman, the committee has requested several studies from the Congressional Research Service. Two of our subcommittees held hearings on specific aspects of export control issues.

The full committee then held 8 days of hearings on the Export Administration Act in 1976 and 5 days in 1977.

H.R. 5840 thus reflects hard and serious work by the committee. We have produced what we believe to be a very worthwhile bill.

True, there are sections that are controversial; but we have tried to make it as noncontroversial as possible.

The first 18 sections of H.R. 5840 are aimed principally at improving the export licensing process. Included in these sections are:

A 2-year extension of the act, through September 30, 1979; provision for a specific authorization for appropriations after fiscal year 1977; fiscal year 1978 and 1979 authorizations totaling $14,033,000; an increase in the penalties for violation of the act; a clarification of congressional access to information collected under the act; a directive to consider means to simplify the U.S. control list; strengthening of the intent of Congress that licenses be processed within a 90-day period.

Many of these 18 sections were developed, for the most part, pursuant to hearings before the Subcommittee on International Economic Policy and Trade. The full committee owes a vote of thanks for the hard work and thought the subcommittee and its chairman, the gentleman from New York (Mr. BINGHAM), have put into these amendments.

Mr. Chairman, title II strengthens the existing policy statement in the act that declares it to be U.S. policy to oppose boycotts of countries friendly to the United States. The committee strongly favored this strengthening of our resistance to the Arab boycott of Israel through prohibiting U.S. compliance with secondary and tertiary boycotts.

Mr. Chairman, this antiboycott section prohibits any U.S. person from taking any action in support of a boycott against a country which is friendly to the United States and which is not itself the object of an embargo by the United States. The prohibited actions include:

Refraining from doing business with the boycotted country or its nationals or with any other U.S. person;

Refraining from employing or otherwise discriminating against any U.S. person;

Furnishing information with respect to business relationships with the boycotted country;

Honoring or processing a letter of credit containing a condition compliance with which would be prohibited by this law; and

Using a foreign person to circumvent the prohibitions of this law.

However, to avoid interference with a primary boycott, these prohibitions do not apply to specific actions regarding, for example, compliance with boycotting country import rules prohibiting the importation of goods or services produced by the boycotted country or the shipment of goods on boycotted country ships or, two, compliance with import and shipping documentation regarding positive statements of origin, the name of the carrier and route, and the name of the supplier (negative certificates of country of origin can be complied with during the first year after the issuance of the rules and regulations); further, compliance with transshipment requirements;

compliance with the designation, "unilateral selection" by the boycotting country of a product or person to be involved in a specific aspect of a transaction, unless the person has actual knowledge that the sole purpose of the designation is to implement the boycott; and finally, the refusal of a U.S. person or an organization such as a bank to honor a letter of credit in the event the beneficiary fails to comply with the conditions thereof, unless those conditons are in support of a foreign boycott.

Mr. Chairman, this section is highly technical, and I would suggest that we look at it very carefully and at the specific language. However, I must point out that this section further specifies that the President may waive requirements of this law in instances where those requirements would require a U.S. person resident in a foreign country to take an action in that country which would be prohibited by the act.

Mr. Chairman, these provisions do not supersede or limit the U.S. antitrust laws.

Rules and regulations implementing these prohibitions shall not take effect until 120 days after enactment of this bill, and shall provide a grace period through and until December 31, 1978, for contracts entered into as of April 1 of this year. The grace period can be extended, Mr. Chairman, to an additional year in cases where a U.S. person has attempted to remove offending clauses from a contract, and a U.S. person receiving a request to take any action prohibited by this bill shall report that request to the Secretary of Commerce. The Secretary shall have the authority to require the reporting of other boycott-related actions as the Secretary deems appropriate. Such reports shall be made public, except that information of a proprietary or of a confidential nature shall not be disclosed.

Mr. Chairman, I have outlined the major provisions in this bill.

Mr. Chairman, this bill represents nearly a year's work by the Committee on International Relations. Having considered the various interests involved in export control policy, and having gone through this legislation and an informal conference last year, we feel that this is a good bill.

I urge the House to support it.

Mr. SISK. Mr. Chairman, will the gentleman yield for a question?

Mr. ZABLOCKI. Mr. Chairman, I would be delighted to yield to the gentleman from California for a question.

Mr. SISK. Mr. Chairman, I appreciate my colleague, the gentleman from Wisconsin (Mr. ZABLOCKI) yielding to me.

The gentleman recalls, of course, the questions that were raised in the Committee on Rules at the time this matter was before us regarding the matter of charges, which I am sure my colleague is aware of, currently, about the substantial loss of jobs as results of this legislation.

I am not making that as a charge, of course, but, at that time a number of my colleagues and I had indicated that we would hope that the gentleman from Wisconsin and the members of his committee would be prepared to give us some fairly good figures, or the best figures possible, in connection with the possible loss of jobs in connection with this legislation.

Let me ask the gentleman from Wisconsin this particular question, Mr. Chairman:

Did the CIA set a figure—and, of course, the gentleman from Wisconsin does not have to answer if I get out of line there—but did the CIA testify as to their findings in connection with any matter concerning the possible loss of jobs due to the language in title II?

Mr. ZABLOCKI. Mr. Chairman, as the gentleman from California knows, the CIA is responsible for the collection of foreign intelligence. Therefore the CIA has not testified to the committee or its subcommittees as to the number of jobs that would be lost domestically. Neither has it testified concerning the allegations that jobs would be lost if this bill were passed.

But I might add that indeed I am concerned and all of the members of the committee have always been concerned as to the effect of the proposed legislation on our national economy and on our employment situation.

I must say that I have heard and I have read that this legislation would cause the loss of 500,000 jobs. Now, no one who testified before the committee claimed that it would involve the loss of 500,000 jobs.

We have had the Secretary of Commerce and we have had other executives testify before us. The total of 500,000 jobs as the advertisement that appeared in the Wall Street Journal several days ago stated is sheer nonsense and the worst sort of scare tactics. I would submit the 500,000 jobs is probably the total number of jobs that resulted from all U.S. trade with all of the Arab nations, and no one is claiming that this bill will terminate U.S. trade with the Middle East and with the Arab nations in total. So even if all trade did cease, then and only then would 500,000 jobs be involved.

But I might say that the judgment of the committee and the gentleman in the well has been that there could be some small job losses. When I appeared before the Rules Committee, I said we would come in with a figure and, indeed, we tried to obtain a figure. This proved to be impossible. However, as I said the other day, there are those who will testify that there will be losses of jobs which, therefore, would add to unemployment. On the other hand there are those who testified that, indeed, this legislation will enhance trade and will create jobs.

To give the gentleman an answer as to my best judgment, the possible loss of jobs would appear to be something substantially less than the amount that was in the newspaper, possibly no loss at all—maybe several hundred jobs, but in no case would any job loss be more than several thousand. That is my best judgment, in answer to the gentleman's question.

Mr. SISK. Mr. Chairman, let me say that I deeply appreciate the comments of my colleague, the gentleman from Wisconsin. I know how dedicated he is. Let me say, Mr. Chairman, that I, for one, have supported the general position taken by title II. I am totally opposed to yielding to the boycott threats of any nation, so I have a great deal of sympathy. Yet, on the other hand, there is a great number of charges being tossed about here and there.

I know my colleague, the gentleman from New York (Mr. BINGHAM) has been on his feet here possibly to comment. We have had some indication that there had been some testimony, and that is why I raised the question, to the effect that normally, let us say, a billion dollars of trade was calculated into 120,000 or 125,000 jobs. I do not know.

Did the gentleman have any testimony that indicated such figures? There again we are talking simply about what the impact would be, let us say, if per se there were substantial losses of trade? I understand that our trade last year was somewhere in the neighborhood of $9 billion to $10 billion in the petrochemical area, but, if we calculate that out, it would look like there could be—assuming, of course, that in fact we lost the business—a big loss of jobs.

I am inclined to agree with my friend that I know of no real substance to some of these statements that have been made, but I do think we have an obligation here on the record to try to make it clear that in fact regarding present unemployment, we do not propose to create a worse situation.

Mr. ZABLOCKI. Let me assure the gentleman and my colleagues on the committee that if I thought this bill would cause substantial job loss in the United States, I would not be supporting the bill. But if the gentleman wants a specific answer to the formula that was referred to by the gentleman from New York, I yield to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. I thank the gentleman from Wisconsin, the chairman of the committee.

We have researched the hearings, and there is no basis on which a precise estimate can be made of any probable or likely job loss as a result of title II, any more than there is as a result of the export controls that are imposed under the Export Administration Act itself, that is, the refusal to sell certain strategic goods to the Communist countries. There is a relationship that was indicated in some of the Commerce Department testimony that the loss of $1 billion in trade would result in the loss of about 10,000 jobs, but there is no indication whatever that there would be a loss of $1 billion in trade as a result of this measure. There is good reason to believe that the enactment of this legislation would open up additional trade in the Arab world as the boycott became less effective, and that would result in an increase in jobs. So the result might very well be no net loss.

I would just like to add that, just as the Chairman has stated he would not support the bill if we expected any substantial job loss, Mr. George Meany, who would certainly be concerned about jobs, is on record in strong support of this legislation.

Mr. SISK. Mr. Chairman, I appreciate the comments of my colleague, the gentleman from New York. I thank the gentleman for his contribution.

Mr. WHALEN. Mr. Chairman, I yield myself 8 minutes.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the distinguished gentleman from Michigan, the ranking minority member of the International Relations Committee.

Mr. BROOMFIELD. Mr. Chairman, I support this legislation.

Mr. Chairman, during my long service on the House Committee on International Relations, I can hardly recall a single piece of legislation that was as closely lobbied, debated, analyzed, compromised, and as carefully written at H.R. 5840.

The bill before the House represents the committee's best effort to legislate in a very difficult and controversial area. The fact that it was reported out of committee unanimously suggests, to my mind, that we have succeeded in meeting the legitimate concerns of all parties involved. Of course there have been compromises, Mr. Chairman. I am sure there are Members on the floor who would prefer to see even more stringent provisions against compliance with a boycott directed against a country friendly to the United States. And there will be others who maintain that H.R. 5840 goes too far in its present form. Such honest differences of opinion are, however, inherent in our legislative process.

As we consider H.R. 5840, I think it is important to bear in mind that this legislation is the end product of long and careful deliberation. The committee has made a conscientious effort to hear and accommodate all parties—the administration, Members of Congress, business groups, the American-Jewish community—with a stake in the boycott issue.

The bill that has emerged is evidence of our determination to combat the insidious practice of secondary and tertiary boycotts directed against friendly governments. It is a clear statement of our refusal to permit American commerce to be held hostage to the political whims of foreign nations. At the same time, it is an effort to achieve these commendable ends without unduly jeopardizing our position in the international marketplace.

I think the gentleman from New York (Mr. BINGHAM) is to be commended for identifying this issue, sponsoring this legislation, and working so hard to bring about a broadly acceptable, effective, and responsible piece of legislation.

As my colleagues on the floor are aware, the Export Administration Act—which has in effect become the anti-Arab Boycott Act—has been a difficult and contentious issue for well over a year. The primary problem has continually been how to deal with an issue that is repugnant to American ideals—the secondary and tertiary Arab boycott of Israel—without placing unreasonable and punative restrictions on American industy.

I would also add, Mr. Chairman, that this bill has been fine tuned through lengthy negotiations by the interested parties. I would hope the House can avoid any amendments that might tend to unravel the language and balance that has been achieved in committee.

Finally, at a time when this country is increasingly concerned with human rights and the dignity of man, I do not see how Congress could fail to appreciate the odious nature of the economic warfare being waged against Israel. H.R. 5840 is a clear statement that the United States not only refuses to participate in discriminatory economic practices, but will also actively oppose them with every means at its disposal.

Mr. WHALEN. Mr. Chairman, I too rise in support of H.R. 5840. This particular measure, as has been pointed out, has two titles. The first title extends the Export Administration Act and attempts to improve it. The second title deals with foreign boycotts. H.R. 5840 extends the Export Administration Act, which expired last September 30, to September 30, 1979. At the same time it authorized $14,033,000 to enable the Commerce Department to administer this particular act.

The two titles to which I have referred seek to identify problems in international commerce and to provide remedies for these problems. Let me take each title in turn.

Title I deals with four major problems in connection with the operation of the Export Administration Act. First, since the first Export Control Act was passed in 1949, its provisions have become blurred and, as a result, its objectives now are unclear. This act contains three provisions designed to make the objectives more precise: First, it states that exporting is a right, not a privilege; second, it changes the focus of the law from purely recipient countries to commodities as well; and third, it changes the designation of recipient countries from merely Communist nations to any country whose receipt of strategic materials may endanger our own national security.

Second, the Bingham subcommittee received complaints from businessmen that there have been undue delays on the part of the Commerce Department in either accepting or rejecting export license applications. This bill would provide a 90-day limitation within which the Commerce Department must act upon license applications.

Third, there also have been complaints from businessmen that decisions on the part of the Commerce Department have been arbitrary due to the absence in the law of communication requirements. This bill does two things to correct this: First, it requires that the Commerce Department, in denying an application, state the reasons for this denial, subject of course to security limitations; and second, it also requires that the Commerce Department report twice yearly to the Congress. In this way this bill gives the opportunity to the appropriate committees to engage in responsible oversight activities.

Fourth, there have been complaints that the informal agreement with which the United States is involved with other major Western nations has been operated inequitably. I am referring of course to the so-called COCOM. American business firms contended in subcommittee hearings that items for which they have been denied export licenses by this country have been granted to foreign competitors by other members of COCOM. What this bill does is require of the Commerce Department that it undertake a study of the operation of COCOM and report its findings to Congress not later than December 31, 1978.

Next, let us examine title II of the bill which deals with foreign boycotts. The committee in bringing out H.R. 5840 recognizes that a primary boycott is a valid and legitimate instrument which may be used by one country against either actual or perceived enemies. We recognize that in no way does this fall under the jurisdiction of U.S. law. We also recognize that we cannot force a foreign country to do business with a company in our country with which it does not want to engage in commerce. The problems that this title deals with is those instances where foreign countries impinge on U.S. domestic policy by requiring an American individual or an American firm, in order to obtain business from those countries to discriminate against other American citizens or other American business firms.

There are eight proscribed actions which this bill details. I am not going to outline them for the Members. If anyone wishes to refer to them, they are found on pages 22, 23, and 24 of the bill.

However, Mr. Chairman, let me touch on three of the more difficult issues with which the committee dealt. The first issue was the question of certificates of origin.

Now, in the past many of the boycotting countries have asked American firms to certify that the goods which they were shipping were not produced in the boycotted country. This is known as a negative certificate of origin. Most Arab states have gotten away from this practice and now are requiring a positive certificate of origin which simply requires that the American firm state the country or countries in which the commodity or good was produced. H.R. 5840 provides that negative certificates may be continued for 1 year only. In the policy section of this measure we have urged the administration to do everything it can to negotiate with the remaining countries that engage in this practice so that it will be discontinued. Then at the end of the year all negative certificates of origin are are barred by the bill.

The second problem deals with unilateral selection. That occurs where a boycotting country prescribes certain components from a contractor or supplier in the United States. This is often normal business practice, even within our own domestic economy. This procedure is permitted by the bill with this exception; the exception being when the supplier from the United States has actual knowledge that the sole purpose of the selec-

tion is to further the boycott. I repeat: Actual knowledge that the sole purpose of this selection is to further the boycott. It seems to me that this gives a great deal of latitude, a great deal of flexibility to the supplier.

If enacted, this measure would be enforced by the Commerce Department. It seems to me if there are any charges made against a company for allegedly violating the unilateral selection provision, it would be up to the Commerce Department to prove that the American company, indeed, did have actual knowledge.

The third issue has to do with the application of conflicting laws—our own laws, and those of the host country. Recognizing that U.S. citizens residing in a boycotting country may be confronted with this problem, the committee provides that the President shall have authority to adopt regulations waiving the provisions of this bill in instances where American citizens are caught between conflicting laws.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WHALEN. Mr. Chairman, I yield myself an additional 2 minutes.

Mr. Chairman, let me make one final comment. This has to do with the question of jobs. As the chairman, the gentleman from Wisconsin (Mr. ZABLOCKI) has pointed out, we cannot tell with any precision how many jobs might be gained or might be lost as a result of the adoption of this measure. I think we have to remember three points, however. First, many Arab States ignore their own boycott provisions.

Second, America is the world's technological leader, that being the case, the United States will continue as a natural source of supply to Arab countries, as it has in the past.

Third, as a result of passage of this bill, it is very possible that some jobs might be gained in particular areas: By those companies, for example, who no longer fear selling to Israel or by those companies who may be removed from the blacklist, in which case they might be in a position to sell to certain Arab States.

Finally, Mr. Chairman, the point we must remember is that we are dealing with a principle.

That is, we are seeking to avoid unwarranted intrusion in our own domestic economy by foreign purchasers who require American firms as a condition of doing business to discriminate against other American citizens and other American firms.

Mr. Chairman, I urge that this body adopt H.R. 5840.

Mr. ZABLOCKI. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, H.R. 5840 would extend the Export Administration Act through September of 1979, make certain needed refinements in the procedures for licensing of exports that are restricted for national security purposes, and strengthen U.S. laws regarding compliance by U.S. firms with foreign boycotts.

This bill has been subject to an unusually long and thorough process of consideration by the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, and the full International Relations Committee. That process extends back into the 94th Congress, when the Subcommittee on International Trade and Commerce, as it was then called, and the International Relations Committee held hearings over several months on both the export control and antiboycott aspects of legislation similar to that now before the House.

The 94th Congress, many of you will recall, passed by a large majority a bill similar to H.R. 5840. That bill, however, died at the end of the 94th Congress because an objection was raised in the Senate to the appointment of conferees. An informal conference was held, however, and agreement was reached between the Senate and House on a bill. Nevertheless, the Export Administration Act expired on September 30, 1976 and the authority to carry out export controls for national security purposes and to require reporting of foreign boycott requests have since been carried out under Executive order pursuant to the Trading With the Enemy Act.

The informal House-Senate compromise bill worked out but not enacted by the 94th Congress served as the basis for legislation I introduced at the beginning of this Congress, H.R. 1561, which is the predecessor to H.R. 5840. H.R. 5840 is a clean bill reflecting revisions made by the International Relations Committee in H.R. 1561. Additional hearings were held by the full committee on H.R. 1561 prior to committee action.

In this unusually extensive consideration, every opportunity has been available for individuals and groups interested in any aspect of this legislation to make their views known to the committee and to appear as witnesses. In the course of its hearings, the committee and subcommittee heard from dozens of industry, administration, and other witnesses.

Mr. Chairman, some aspects of this bill are rather complicated and controversial. Extensive effort has been required to work out language which is workable and which satisfies as many of the concerns of those that will be affected as possible. I want particularly to thank Mr. WHALEN, the ranking minority member of the Subcommittee on International Economic Policy and Trade, Mr. HAMILTON, Mr. ROSENTHAL, and Mr. SOLARZ for their efforts to improve and refine this legislation. The result is, I think, a better bill than the one we brought to the floor last year.

I will not take the time of the House, Mr. Chairman, to describe all the provisions of this bill. The Members have the report of the committee, and the gentleman from Wisconsin, the distinguished chairman of the full committee (Mr. ZABLOCKI) and others have described the intent and effects of the various provisions.

Let me emphasize, however, a few important aspects of this legislation. First, Title I of the bill for the first time specifically authorizes funds for the carrying out of the export control function.

As the committee report indicates, the Commerce Department in the past has gone directly to the Appropriations Committee for funds for export controls without any specific or periodic authorization. The export process is an extremely important one both to our national security and to our economy and our business community. It is a complicated process which, despite persistent efforts at efficiency by the Commerce Department, continues to encounter problems. The committee felt it could better exercise its oversight and legislative responsibilities over the export control process and bureaucracy by periodically authorizing funds for this purpose. Furthermore, specific authorization of funds brings this area of expenditure into full compliance with clause 2 of rule XXI of the rules of the House.

The committee report explains in detail the basis of the $14,033,000 proposed to be authorized for fiscal years 1978 and 1979. Suffice it to say here that this is a figure worked out with the close cooperation of the Congressional Budget Office and represents a figure which the committee feels is the minimum necessary to carry out all of the provisions of this program including increased attention to any compliance by U.S. firms with foreign boycotts which is prohibited by this legislation.

Another provision of title I—section 103—makes several adjustments in the policies governing U.S. export controls. The most important of these are clarification of the weight to be given to the fact that a product which the United States may wish to restrict from export for national security reasons may be freely available elsewhere, and the removal of the notion from the act that export controls should apply exclusively to Communist countries.

In hearings that the Subcommittee on International Economic Policy and Trade has held on export controls, we have found that U.S. products have sometimes been withheld from export even when freely available in other countries. We have, of course, a multilateral coordinating body that meets in Paris to try to coordinate our export controls with those of the major European nations and Japan. But such coordination is not possible, and when products are being sold by other countries no purpose is served by prohibiting those very same products to be exported by American firms. The Export Administration Act contained conflicting language on foreign availability, and we have attempted to clarify it.

The Communist nations have long felt that our export controls discriminate against them. This is an issue that they will undoubtedly raise in Belgrade this summer when the Communist and free world nations meet to discuss progress that has been made by all parties in trying to live up to the final act of the Conference on Security and Cooperation in Europe—the so-called Helsinki agreement. Strict national security controls on exports, of course, continue to be needed and imposed with respect to our

trade with Communist nations. They will be continued under this legislation. But by removing specific reference to Communist countries, we have removed the notion that Communist countries are the only nations with respect to which export controls may be needed and imposed, thereby removing the aspect of the export control legislation which might be regarded as discriminatory.

Mr. Chairman, quite clearly title II, which contains prohibitions against American compliance with foreign boycotts, is the aspect of this legislation that is of most interest and, in some cases, concern to the Members, and I have several things to say about it.

First, there is no doubt that the Arab boycott of Israel is a very real thing—that it imposes real and concrete constraints on American business. Boycott requirements show up in thousands and tens of thousands of trade documents every year. We know that as a fact from the reports which American firms are required to file with the Commerce Department when they receive any boycott request.

There are, of course, particular Arab countries, particular transactions, and particular American companies that are never or rarely involved in the boycott. This fact, however, adds to its insidiousness and its disruption of American business relations since one firm may have a problem with it while his competitor may not.

The boycott, Mr. Chairman, has been directed by the Arab countries against Israel since the very founding of the Jewish state. It differs from other economic boycotts, such as our own against Cuba, in that some Arab countries in some circumstances require companies in third countries such as the United States to abide by the boycott as a condition for doing business in Arab territory.

H.R. 5840 does not attempt to intrude upon the direct Arab boycott of Israel. It is clearly the right of any sovereign nation directly to boycott another nation. What this legislation attempts to do is to remove American firms from the web of the boycott by requiring them to refuse to comply.

Mr. Chairman, a requirement by any nation that American firms boycott another country friendly to the United States violates the principle that we have long maintained and protected—namely, that American firms should be free to do business wherever they wish without outside political pressures and constraints.

But not only does the Arab boycott affect the freedom of American foreign trade, it even injects a discriminatory aspect into our domestic trade. Some Arab countries, for example, require the American firms with which they do business directly to refrain from doing business with other American firms that deal with Israel. This is known as the tertiary boycott.

Mr. Chairman, one criticism that has been made of title II of this legislation is that it would impose and attempt to enforce American laws upon the Arab nations. Yet the Arab boycott, to the extent it is implemented by the laws of the Arab nations, is an imposition of Arab laws on American commerce.

I want to emphasize that the antiboycott provisions of H.R. 5840 now before the House are, in my judgment, considerably improved over the proposal that was brought before the House and approved in the last Congress. It is improved especially in that it is more precise in prohibiting compliance with the secondary and tertiary aspects of foreign boycotts, and in avoiding any possible interference with the primary aspects of foreign boycotts.

I think, also, Mr. Chairman, that this bill is improved in that it is clearer and somewhat more detailed in spelling out what Americans are prohibited from doing. This is certainly necessary and desirable in a bill that involves potential criminal penalties for violation, though experience with the Export Administration Act indicates that administrative penalties are used far more frequently than criminal prosecutions.

The business community has continued to criticize this legislation for being too vague, but I suspect it would never be possible to achieve language clear enough to satisfy the opponents of this legislation. They complain that the prohibitions of the act will force them to exercise extreme caution in entering into business arrangements with boycotting countries. Such caution, of course, should be exercised to avoid compliance with boycott requirements and possible violation of the prohibitions proposed in this legislation.

Finally, Mr. Chairman, it has been charged that this legislation will result in the loss of large volumes of United States-Arab trade and American jobs. I think these estimates and charges are grossly exaggerated. I will have more to say on this issue at a later point. But I would emphasize here that as recently as a few weeks ago AFL–CIO President Meany endorsed the strongest possible legislation prohibiting American compliance with foreign boycotts. Certainly we are all concerned about any possible loss of American jobs. But certainly no one is more concerned than Mr. Meany, and I'm certain that Mr. Meany satisfied himself completely that there would be no substantial loss of American jobs before he endorsed this kind of legislation.

Mr. Chairman, I am proud to have been one of the initial sponsors of antiboycott legislation in the Congress, going as far back as 1965 when I was a member of the Banking and Currency Committee which then had jurisdiction over such legislation. We have waited long enough for the State Department to try to end this intrusion on U.S. commerce by quiet diplomacy. That diplomacy has had little success. Particularly since 1974 the scope and impact of the boycott on Americans, to say nothing of Israel, has greatly increased rather than subsided. I strongly believe that it is time that we end this instrusion into our freedom of trade. I believe the time for this leigslation prohibiting American compliance with foreign boycotts has come.

Briefly, Mr. Chairman, title II of this bill would prohibit any American willfully from taking certain actions, or agreeing to take certain actions to comply with a foreign boycott. Specifically, those actions refraining from doing business with any other American or foreign person; refraining from employing or otherwise discriminating against any person on the basis of race, religion, sex, or national origin; furnishing information about the race, religion, sex, or national origin, or about the business or charitable relationship of any person; and using any foreign person to circumvent these prohibitions.

Importantly, however, these prohibitions are tempered and refined in this year's bill, H.R. 5840, with a number of exceptions designed to permit reasonable and common trade practices to continue, and to take account particularly of the special problems that might be faced by U.S. subsidiaries and affiliates actually located in boycotting countries.

The exemptions include compliance with import and export restrictions of boycotting countries, and compliance with unilateral requests by boycotting countries for particular subcontractors or product components provided such request is not solely for the purpose of enforcing a boycott.

Both the prohibitions and exceptions would apply both to U.S. companies and U.S.-controlled subsidiaries and affiliates abroad. Wherever an American subsidiary or affiliate, however, might come into conflict with a specific foreign law, provision is made for a Presidential waiver of the requirements of this proposed law to allow compliance with the foreign law.

Mr. Chairman, this legislation would preempt all existing laws having to do with foreign boycotts—a very important improvement over last year's bill since at least six States now have strong antiboycott laws which have raised great uncertainty in business circles. H.R. 5840 would provide us with a uniform policy on foreign boycotts rather than varying State policies which would greatly inhibit trade.

Finally, Mr. Chairman, a grace period until December 31, 1978, is provided in this bill to permit companies to renegotiate existing contracts that may include boycott provisions and bring them into compliance. A grace period of 1 year from the enactment of this legislation is provided for the use of negative certificates of origin, after which only provision of positive certificates of origin will be permitted.

Mr. Chairman, I believe this is a clear bill, a workable bill, and a fair bill. I believe it takes maximum account of the views and needs of the Congress, the administration, and the business community. All of these groups undoubtedly have certain dissatisfactions with it, because it consists of a great many compromises. But I believe it will greatly reduce American compliance with foreign boycotts without unduly inhibiting trade with the Middle East or costing American jobs, and that it will improve our complicated export licensing system with full preservation of our national security. I urge my colleagues to join me in support of H.R. 5840.

Mr. WHALEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I disagree, substantially, with the comments that have been made up to now concerning title II of this bill. During the 5-minute rule I hope I will have an opportunity to explain why I feel that title II is, first of all, unnecessary and, second, very harmful to the short-term and long-term interests of both the United States and the State of Israel.

I take this opportunity, instead, to devote my attention and, hopefully, draw the attention of other Members to an important part of existing law; and, in connection with my statement, I would like to ask, later on, a question of the gentleman from Wisconsin (Mr. ZABLOCKI), the chairman of the Committee on International Relations, in order to clarify some legislative intent on this important language.

The language I refer to relates to controls on the export of agricultural commodities.

We are all aware, I am sure, of the increasing importance of agricultural exports to our Nation's trade balance and to our ability to pay for certain imports, oil and otherwise.

We are also aware of the destructive impact of the brief soybean embargo in 1973 and the protests from the agricultural community over restraints on grain sales to the Soviet Union and Poland in 1975.

While section 4(f) of the act provides that the authority of the section with regard to agricultural commodities cannot be exercised without the approval of the Secretary of Agriculture, it also states that he cannot approve the exercise of such authority when a commodity is in excess supply except to the extent the President determines the exercise of such authority is required to effectuate the clauses in the declaration of policy pertaining to furthering the foreign policy and national security of the United States. So it seems to me that the question we face is: How do we determine whether a control is essential to the foreign policy and national security of the United States? Should we restrict the export of an agricultural commodity for anything short of an overriding foreign policy or national security interest?

My review of the legislative history of this act sheds very little light on what the Congress originally meant by these phrases.

My review of the February 17, 1949, House debate on the Export Control Act of 1949 indicates that the foreign policy and national security clauses were not considered high priority issues at that time. There is an almost total absence of any legislative history.

In the original debate, Mr. Cole, of Kansas, said, in part:

> I may say to the gentleman that in the hearings before the committee, evidence was produced that this bill was necessary, according to its proponents, to protect the domestic economy from excessive drain. The latter two provisions of the declaration were not given much consideration. . . .

The latter provisions that Mr. Cole referred to were clauses B and C of the Declaration of Policy concerning foreign policy and national security.

Mr. Chairman, I include at this point an excerpt from the declaration of policy in the hearings previously referred to:

DECLARATION OF POLICY

SEC. 3. The Congress makes the following declarations:

(1) It is the policy of the United States both (A) to encourage trade with all countries with which we have diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest, and (B) to restrict the export of goods and technology which would make a significant contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States.

(2) It is the policy of the United States to use export controls (A) to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand, (B) to the extent necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities, and (C) to the extent necessary to exercise the necessary vigilance over exports from the standpoint of their significance to the national security of the United States.

Mr. Chairman, one indication of the historical view of controls can be found in the December 23, 1969, House debate on the conference report on the bill to extend the authority of the Export Administration Act. On that occasion our colleague, the gentleman from Ohio (Mr. ASHLEY), said:

> The conferees wish to make clear the intent of Congress that an item which is available from free world nations other than the United States shall be freely exportable from the United States without licensing requirements unless overriding national security considerations still require that the item be controlled.

It seems reasonable to me to assume, based on the history of congressional debate and President Carter's statements of last year about export controls, that exports of agricultural commodities should be restricted only in the case of the most overriding foreign policy and national security concerns.

Mr. Chairman, may I ask the distinguished chairman of the Committee on International Relations, the gentleman from Wisconsin (Mr. ZABLOCKI), if he agrees with my interpretation of this language, inasmuch as I feel that interpretation is vital to legislative history to provide guidance to the President of the United States.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has expired.

Mr. WHALEN. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois (Mr. FINDLEY).

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the chairman of the committee.

Mr. ZABLOCKI. Mr. Chairman, I would like to state that in general I am in accord with the remarks of the gentleman from Illinois.

I think it is one thing to impose export controls on agricultural products for short supply situations and another thing to impose them for foreign policy reasons.

Imposing export controls for domestic short supply reasons should be done only under the most pressing circumstances, and consideration should be given to the impact such controls would have on the long-term interests of U.S. foreign agricultural sales.

As for imposing export controls on agricultural commodities for reasons of U.S. foreign policy, I think even tougher standards should be applied. It is not with whim that the Government should interfere with the normal process of marketing U.S. agricultural products abroad. There should be a clear and overriding national security or foreign policy interest—substantially overriding the interest of U.S. agricultural sales—before such controls should be contemplated and imposed.

I feel that section 105 of this bill reflects this attitude and puts the executive branch on notice that the Congress will look with a skeptical eye to controls placed on agricultural exports for foreign policy purposes. The President needs flexibility to impose such export controls if necessary, but he should be cautious of using this authority.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. FINDLEY) has again expired.

Mr. ZABLOCKI. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. PEASE).

Mr. PEASE. Mr. Chairman, I urge support of H.R. 5840, the Export Administration Act amendments. As a member of the International Relations Committee, I am aware of the time and energies that went into this bill. It is the product of many hearings and lengthy discussions in markup sessions.

I am particularly pleased to have had substantive input into title I. In committee, we sought to simplify, to bring some commonsense, to the administration of U.S. export policies. I think we succeeded. Let me cite two examples from title I.

Section 104 of the bill establishes a simple procedure that would allow farmers and other agricultural exporters to make firm sales commitments to foreign governments. Currently, farmers can contract with foreign governments for food sales, but the U.S. Government can effectively cancel those contracts by declaring an embargo on the particular food item before the food is shipped. Under this bill, farmers could apply to the Commerce Department for permission to store foodstuffs in the United States for future shipment overseas. Once that permission was granted, the contract would be binding, and the shipment could not be halted by any subsequent embargoes.

Second, section 107 of the bill directs the Commerce Department to conduct a study to determine if the international exchange of technical information by the scientific and academic communities poses any threat to national security. Originally, the bill required such a study, but it also required American colleges and universities to immediately begin informing the Commerce Department of

all projects and exchanges of technical data. It may be that such exchanges do threaten national security, but I do not think it is advisable to ask educational institutions to spend time and energy providing this type of information until we are sure that the problem exists and the information is needed. The committee has altered the language to mandate a study to identify the scope of the problem before trying to legislate a solution.

These examples demonstrate that considerable effort has been made in H.R. 5840 to "streamline" the administration of our export policies and to open up the export-licensing procedures. I urge approval of this constructive legislation.

Mr. WHALEN. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. LAGOMARSINO), a member of the committee.

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 5840, amendments to the Export Administration Act.

You and my distinguished colleagues are well aware of the great care with which the Committee on International Relations examined the question of foreign boycotts. Persuasive arguments were made for a strict law which would prohibit any activity which could be interpreted as supporting a foreign boycott. Equally persuasive arguments were presented for a more moderate approach to prohibit foreign boycotts, but to do so in such a way as to prevent an unacceptable or dampening effect on the American economy. I believe this bill, H.R. 5840, represents a significant achievement in supporting the interests of both sides.

It is a compromise and, as such, does not completely fulfill the wishes of either one side or the other. Yet, it addresses the needs of both. It prohibits discrimination by one U.S. person against another U.S. individual on the basis of that individual's race, religion, sex, ethnic, or national origin in order to comply with or support a foreign boycott. It also reaffirms the legitimacy of a U.S. person's obligation to comply with the local laws of the country in which he is a resident, as those laws apply to his activities within that country. This provision is essential to permit American business interests to continue their legitimate activities in other countries. However, it is not intended as a means whereby that company can circumvent the boycott prohibitions of this measure.

Unilateral selection is one of the most delicate issue in the amendments to the Export Administration Act. It is permitted in his bill except where the U.S. person has "actual knowledge" that the sole purpose of such a selection is to implement a boycott. The joint statement by the Business Roundtable and Antidefamation League of B'nai B'rith offers support for allowing unilateral selection under these conditions. Their position provides that it is acceptable to permit unilateral selection of goods that in the normal course of business are identifiable by source.

Again, the compromises reached in this bill do not satisfy everyone completely. But H.R. 5840 does attack the worst aspects of discrimination against Americans, while at the same time preserves our important diplomatic and economic relations with the Arab States.

An equally important provision of this bill, especially to business people within the State of California, is that which provides for Federal preemption of State laws prohibiting certain types of boycott-related activities. This single, uniform law will insure that regulation of foreign commerce will be consistent for American business in whichever State a company might be located.

Mr. Chairman, it is my firm belief that the United States can and must be a moderating and stabilizing influence in the Middle East. To do that, I believe we must maintain our relations with both Israel and the Arab nations on a nondiscriminatory basis. I feel that with passage of H.R. 5840 we will reinforce our close ties with Israel and avoid an economic confrontation with the Arab states.

Mr. Chairman, I urge passage of H.R. 5840.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, I rise to speak in support of H.R. 5840, which extends the authority of the Export Administration Act of 1969.

This bill has two main purposes—to improve the export licensing process and to strengthen the U.S. policy against foreign boycotts. It is that second purpose which I would like to address today.

Title II strengthens the antiboycott policy in the Export Administration Act. While this policy statement is aimed at all foreign boycotts of countries which are friendly to the United States, the urgency for strengthening the policy at this time is the Arab boycott of Israel.

The Arab nations have been conducting an economic boycott of Israel since the first days of the Jewish state in 1948. The purpose of the boycott is to prohibit commercial relations with any person which is substantially involved in commercial intercourse with the state of Israel.

In 1965, the U.S. Congress wrote into the Export Administration Act an antiboycott policy. That stated that it is U.S. policy to oppose restrictive trade practices or boycotts fostered by foreign countries against other countries friendly to the United States and that it is U.S. policy to encourage U.S. concerns to refuse to take any action which has the effect of furthering or supporting such boycotts.

Having set forth its policy on this matter, the Congress turned its attention to other issues, and the policy statement languished in the bureaucracy. The failure of the executive branch actively to attempt to implement the policy was not a serious matter during the latter 1960's, because at that time U.S.-Middle East trade relations were, for the most part, a one-way street—the shipment of oil to the United States—so there was not substantial opportunity for the boycott to be applied against U.S. concerns. However, this situation dramatically changed with the quadrupling of world oil prices in 1973. Business opportunities in the Middle East suddenly shot skyward, and the impact of the Arab boycott of Israel on the activities of U.S. companies suddenly became a real threat.

Even with this turn of events, however, the executive branch did little to carry out the antiboycott statement in the Export Administration Act. For that reason, beginning in 1975, various congressional committees initiated hearings on the effect of the Arab boycott. These included lengthy hearings during 1975 and 1976 before the Subcommittee on International Trade and Commerce, chaired by Congressman JONATHAN BINGHAM, and during 1976 and 1977 before the Committee on International Relations. It was not until numerous hearings and the introduction of various bills that the executive branch in 1976 finally moved to beef up the reporting requirements and the rules and regulations regarding compliance with boycott requests. But even these efforts were half-hearted, so the Congress has had to consider additional legislation to establish a strong U.S. antiboycott policy.

The Arab boycott of Israel takes various forms. In its most far reaching form, it would require a person who wants to have commercial relations with an Arab nation to not have commercial relations with Israel. It has also taken the form of requiring firms to discriminate in their employment practices, but there are only a handful of documented cases, and this form does not appear to be one of the intended aspects of the boycott. Probably the most serious impact from the U.S. point of view arises from the requirement that companies not deal with "blacklisted" companies.

Title II of H.R. 5840 is aimed at stemming the secondary and tertiery aspects of foreign boycotts. It is not aimed at affecting a primary boycott, which is a recognized tool of international economic warfare. In pursuit of this goal, this legislation would prohibit a U.S. person, pursuant to a request or requirement of a foreign boycott: To refrain doing business with the boycotted country or its national, or with any other person; to discriminate in employment practices; from furnishing information with respect to business relations with the boycotted country; and, using a foreign subsidiary to circumvent the law.

In order not to interfer with a primary boycott and to minimize the impact this legislation may have on U.S. business interests in the Middle East, the bill provides for various exceptions to these prohibitions. These prohibitions include: Compliance with boycotting country import rules regarding the importation of goods or services produced in the boycotted country; compliance with positive statements of origin, the name and nationality of the carrier and route of shipment, and the name of the supplier and nationality of the carrier and route of shipment, and the name of the supplier of the shipment; compliance with "unilateral selection" of the product to be involved in a particular aspect of a transaction, unless the U.S. person has actual knowledge that the sole purpose of the selection is to implement the boycott.

In addition to these explicit exceptions to the prohibitions, title II provides for the option of a Presidential waiver to prevent a U.S. person operating overseas to be caught between this law and the laws of the country in which it is resident. However, this waiver is not intended to be used to grant blanket exemptions from the prohibitions of this law.

For contracts entered into as of April 1, 1977, the rules and regulations issued pursuant to title II do not go into effect until January 1, 1979. The purpose of this grace period is to provide time for many existing contracts, which were signed before it was illegal to comply with boycott requests, to expire. For those that run for a longer period of time, the purpose is to provide sufficient time for the U.S. person to attempt through negotiations to remove any provisions that are in conflict with this law. For persons unable to successfully achieve such renegotiations, the law does give the Secretary of Commerce the authority to extend the grace period of 1 additional year.

Some six States have enacted anti-foreign boycott laws. Because this is an area of foreign policy and foreign trade, it is properly under Federal jurisdiction, and this bill would preempt all State laws aimed at stemming the impact of foreign boycotts.

Mr. Chairman, I have touched only on the most important aspects of the anti-boycott legislation. There are many other issues dealt with in the legislation which I do not have time to go into here. However, I hope I have demonstrated to the Members that: First, this is a very complex area which requires precisely worded and carefully drawn legislation, and, two, that the Committee on International Relations has spent the better part of a year developing what is a good piece of legislation. Much work and thought has gone into the drafting of this bill. We have consulted with all interested parties, and, while none may be totally satisfied with this bill, the major participants in the discussions are supporting it.

Much effort and some compromise has been put into title II of H.R. 5840, and I urge the Members to support it as reported by the committee.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 5840, a bill to amend the Export Administration Act of 1969. A major focus of these amendments to the act concerns measures to strengthen its antiboycott provisions. They are contained in title II of H.R. 5860.

This bill passed the Committee on International Relations by unanimous vote. This vote was possible in part, because of a series of successful amendments to title II of the bill which were based on extensive and productive negotiations among several members of the committee, including the chief sponsors of the original version of title II, and representatives of the White House, State Department, and Commerce Department.

I believe that in a cooperative spirit we have reached a workable compromise, one we can support, one which tries to minimize confrontation at home and abroad and one which promotes the national interest.

Competing interests will prevent many groups from enthusiastically endorsing this compromise but we believe we have made a reasonable accommodation among groups with sharply conflicting interest and that further efforts to change the language of title II in any substantial way should be avoided.

Mr. Chairman, I fully support this legislation. One disturbing, although apparently not widespread, feature of the Arab boycott of Israel is that it has come to include, in some cases, discrimination against persons or firms on the basis of race or religion or national origin.

The bill we have before us categorically prohibits any American person from discriminating in this manner. There are no exceptions, no deferred effective dates and no Presidential waiver, and there should be none.

A second very disturbing feature of the Arab boycott of Israel is the attempt to force U.S. companies to direct their business away from Israel and blacklisted firms.

This bill in its present form also prohibits general boycotts by U.S. firms of friendly countries and blacklisted persons.

I think all of us here enthusiastically support these efforts to legislate provisions to deal with discrimination and to deal with other important practices relating to the secondary and tertiary boycotts.

Mr. Chairman, I supported this legislation in the last Congress. But I believe that H.R. 5840 is an improved piece of legislation.

One reason it is improved is because of the cooperative spirit with which the Secretary of State and Secretary of Commerce have approached the legislation in recent hearings before the committee. Another reason is that the bill's chief sponsors have tried to perfect the language and they have succeeded in part.

The points of issue in this bill are not over how the discriminatory aspects of the boycott are dealt with, but over the extent to which this law will inhibit American business and political relations in the Middle East.

H.R. 5840 tries to address these concerns. It does not in any way conflict with the principal goals of this legislation. Rather, it refines sections of the bill which in the judgment of many could have proved counterproductive and could have the unintended effect of worsening relations with states in the Middle East, sharply cutting our trade there and even adversely affecting the atmosphere we hope can be preserved this year to help promote peace negotiations for a settlement of the Arab-Israeli conflict.

Mr. Chairman, this bill recognizes—

The need for the executive branch and the Commerce Department to have a degree of flexibility in interpreting sections of the bill which are written broadly and whose ramifications are largely unknown at present;

The desire to try to make more of a distinction between active compliance with boycott procedures and passive action which might, in and of itself, be construed as compliance;

The need to create procedures that are firm against the secondary and tertiary boycotts but which are not so cumbersome and imprecise that small businesses are scared out of the market. Larger firms and those with a dominant market position can usually find ways to keep business going. None of us want to support legislation that has the effect of discriminating against small firms;

The desire to seek compromise and avoid confrontation among many groups all of whom have persuasive arguments on their side;

And finally the need to disrupt U.S. trade as little as possible and, therefore, hold to a minimum the shift of jobs and sales overseas.

Mr. Chairman, everyone working on this issue on this committee and in the executive branch and even in parts of the Middle East have, over the last few weeks, tried to reduce the confrontational aspects of this legislation. They all recognized the far-reaching implications of this bill, and I think we have succeeded, in part at least, in reducing the confrontations this bill presents.

I believe that this bill is a fair but firm piece of legislation, one which is designed to be tough, and rightly so, on the issues of discrimination and practices associated with secondary and tertiary boycotts, but one which is also designed to try to permit continuing economic and political relationships with a part of the world we cannot ignore.

Secretary of State Vance told the Committee on International Relations when he returned from the Middle East that he believed that carefully directed legislation and diplomatic action can protect our political and economic interests in the Middle East.

We have tried in H.R. 5840 to produce what the Secretary calls "carefully directed legislation." I think we have largely succeeded.

I believe H.R. 5840 gives the President the necessary flexibility. Any more restrictive language, I feel, will serve no useful purpose and could prove counterproductive. I urge support for title II of H.R. 5840 without further amendment.

Mr. ZABLOCKI. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, in light of some of the objections that have been raised to title II of the bill outside of this Chamber, I thought it might be useful to make an effort to put it in perspective.

Mr. Chairman, the antiboycott provisions of this legislation, in my judgment, are very carefully constructed to distinguish between the right of the Arab countries to engage in a primary boycott against Israel, on the one hand, and the right of our own country to protect American citizens and corporations from the insidious impact of secondary and tertiary boycotts, on the other hand.

Mr. Chairman, when we adopted the Export Administration Act in 1969, we established as the policy of this country that we would attempt to discourage American firms from cooperating with foreign boycotts of friendly countries.

The problem was that no provision was made in that law to penalize those citizens or corporations that chose to consciously flaunt the established policy of our country. As a consequence, there were many American firms which honored this policy in the breach rather than the observance, as a result of which those corporations which were good corporate citizens were put at a competitive disadvantage with those corporations that were not.

This bill, by making it illegal for American firms to cooperate with the secondary or tertiary boycotts against Israel, would assert the primacy of principle over profits. For these reasons, I think it merits the support of this House.

Mr. WHALEN. Mr. Chairman, I yield 9 minutes to the gentleman from Illinois (Mr. MICHEL), the distinguished minority whip.

Mr. MICHEL. Mr. Chairman, during the long debate over antiboycott legislation, we have been told time and time again that what we are confronted with here is a moral issue, an issue of conscience. I agree with that assessment.

Where I disagree with the proponents of this legislation is with the view that there is only one moral issue at stake here. There is really more than one. Any legislation which takes away thousands of jobs from Americans must be viewed as one involving serious moral questions. The legislation before us unfortunately will have that result.

That is not just my opinion, Mr. Chairman. It is a view shared by many businessmen. And I do not mind beginning with a citation or two from my own district.

Caterpillar Tractor Co. is the dominant industry in my district. They produce quality products known the world over. Last year their sales volume worldwide was in excess of $5 billion. Their net contribution—now get this—to a favorable U.S. balance of payments during the last 3 years has amounted to $4.8 billion.

If my memory serves me correctly, Mr. Chairman, that is just about the amount the American taxpayer has been asked to ante up for foreign aid or military assistance to Israel. Actually I think the total U.S. aid to Israel in the past 3 years comes to $5.3 billion.

This again, mind you, is just one company's contribution and I have no qualms about speaking up for them here when they are to be so adversely affected by what we are proposing in this bill.

During the past 3 years Caterpillar Tractor has sold $700 million of its products to Arab countries and $60 million to Israel. They do business with both sides because they produce a quality product and both sides want them.

Caterpillar Tractor has long been among the companies most actively involved in promoting freer trade and the removal of obstacles to trade, of which international boycotts are a prime example.

They have maintained good business relationships with both Israel and the Arab nations. They sell to and through independent, locally owned dealers in these countries.

A substantial and growing number of Caterpillar employees in the United States owe their jobs to the business they are doing with the Arab world. In 1976 the level of Caterpillar jobs was approximately 3,000. For each of these jobs it is estimated that two more jobs are generated with supplier firms so that is a total of 9,000 jobs for just one company's transactions.

Stabilizing employment is an important objective of this company, the Caterpillar Tractor Co., just as it is an important social and economic goal of the United States.

What have we been talking about in this economic stimulus and jobs programs? We have been talking about putting people to work, having people productively employed. Despite high U.S. unemployment in the past 3 years, Caterpillar with over 60,000 employees has had to lay off less than 200 employees. Caterpillar could not have achieved this record of employment stability over the past few years had not increased sales to the Middle East made up for relatively flat markets in the United States, Europe, and Japan.

It is in the best interest of the United States—and of firms like Caterpillar—to export products both to Israel and to the Arab nations. It is due to this ability that Caterpillar has been able to export as much as it has.

Now, if I may go beyond the special interest of my own district, there are studies and good authority for pointing out what would happen without this trade. Conceivably the United States could stand to lose $16 billion in outstanding service and construction contracts in Saudi Arabia alone this coming year, plus another $4 billion a year in sales of direct civilian exports, and $9 billion in military goods and services.

Dr. Richard D. Robinson, professor of international management at the Alfred P. Sloan School of Management at MIT has come up with these figures and translates them into something like 200,000 jobs in this country.

And here again, we are talking only about one Arab country, Saudi Arabia. If we took into account all 18 Arab countries, the figure according to Professor Robinson could be as high as a half million jobs in the United States.

I do not understand a morality that demands hundreds of thousands of families all across this Nation be faced with the distinct possibility of having a breadwinner unemployed in order to satisfy somebody else's allegedly higher moral views.

So, Mr. Chairman, let us put this debate in proper perspective. This is not a debate where morality and sensitivity of conscience are on only one side of the issue. The fact of the matter is that certain provisions of H.R. 5840 make uncertain the future of hundreds of thousands of Americans working for companies who now do business in Arab nations.

These provisions would put in jeopardy billions of dollars of national income.

These provisions would seriously damage U.S. influence in negotiations for a Middle East peaceful settlement.

It seems to me that any legislation that disregards these questions in the name of some allegedly higher moral purpose does not command the respect and most certainly not the assent of those of us who believe that jobs and income and peace also involve moral questions.

H.R. 5840 does, however, embody certain laudable provisions which I endorse.

Do other nations have a right to demand that Americans discriminate against U.S. individuals on the basis of race, religion, sex, or national origin? The answer should be no and H.R. 5840 correctly says so.

Do other nations have the right to ask U.S. companies or individuals to furnish information about any other U.S. person or about his or her contributions to charities or freedom organizations that might support the boycott curbs? The answer should be no and H.R. 5840 correctly says so, although I would prefer the Senate version which permits furnishing of normal business information in a commercial context.

Insofar as discrimination against U.S. citizens or groups is concerned, there can be no question that we support the strongest possible legislation to make certain every nation is aware we do not tolerate such actions in this country.

But another important question still lingers, Mr. Chairman, and it goes right to the heart of this bill:

Do other nations have the right to decide for themselves what goods they will import into their own territory. My answer—one agreed to by experts in international law—is yes, but H.R. 5840 garbles up this time-honored international practice.

Let us examine for a moment two unacceptable provisions of this bill:

H.R. 5840 permits a "negative certification" of origin for 1 year, but bans such certification thereafter. This is, in effect, placing the burden on the shoulders of American business and American workers. What guarantee do we have that after 1 year such "negative certification" will not be demanded by the Arabs? None.

Who will be hurt when and if the year ends and the Arabs demand such certification which American companies, under such law, cannot provide? I will tell you: American workers and their families. We are fooling ourselves if we believe we can bluff the Arabs with a threat. And it is the height of immorality to use somebody else's job to back up a threat. And that is precisely what H.R. 5840 does.

What we should do, is allow the President, after 1 year of experience with this bill, to extend negative certification beyond this time limit if economic national interest dictates this extension?

H.R. 5840 permits compliance with a designation by a boycotting country of a specific component, carrier or subcontractor as long as the U.S. person has no "actual knowledge" that the sole purpose of the designation is to implement the boycott.

This provision is supposedly designed to allow a U.S. company to comply with the request of a buyer that a specific component be included on equipment the buyer orders. This provision is, however, guaranteed to lose jobs for Americans because we all know that this "knowledge" will be widespread and will effectively stop any American concern from dealing with an Arab country.

Mr. Chairman, let me conclude by saying there is an unspoken assumption underlying this debate and I believe it is time that it came out in the open.

There is fear, a very real fear, present in the House that those who question or vote against H.R. 5840 will be labeled less than friendly to the nation of Israel.

I can only say that the very worst kind of approach that can be taken on this legislation is to make it one in which a hard line is drawn between those who support and those who do not, with the former being labeled "pro-Israel" and the latter being labeled "anti-Israel." Such line-drawing is overly simplistic and inaccurate.

I have no apologies to make for the number of times I have supported the State of Israel with my votes on the floor of this House.

As a matter of fact, during the Johnson administration when one Gamel Abdul Nasser of Egypt was telling us to go "drink from the sea" it was my amendment to the foreign aid bill that year that prohibited shipments of grain to Egypt and it was adopted by an overwhelming vote of this House.

It is my view that the United States will never permit the original borders of the State of Israel to be violated by an aggressor nation. We are committed as a nation to preserve the State of Israel as a bastion of democracy in the Middle East. Israel will remain independent, strong and free because the United States of America will continue to support the Israelis' determined fight for their national existence.

In short, Mr. Chairman, let us get this issue out of the way once and for all. A commitment to support Israel does not demand a constant repetition of that support. It does not mean showing good faith from time to time by making symbolic gestures or engaging in ringing rhetoric. True support of Israel means that we keep the United States of America strong, for without a strong America, Israel will surely be destroyed. And we cannot have a strong America by legislating away hundreds of thousands of American jobs.

You do not strengthen Israel in the long run by weakening the United States. And the moral commitment to Israel's freedom is not enhanced by the dubious morality of sacrificing American families for the purpose of what amounts to another symbolic gesture.

If there is any lesson that Israel itself has taught the world in the past 25 years, it is that insofar as national interests are concerned, "No. 1" always comes first. In Israel, Israel is No. 1. That is as it should be and the bravery and fortitude of the Israeli people have made the fact known to the world.

Well, the same is true in the United States: The interests of the United States are our primary concern. We should support and aid Israel because it is in the interest of the United States to do so. But we should remember what the Israelis have taught us and the world: When our our interests, economic or otherwise, are at stake, we come first. There is no other way to do it. If Israel did it any other way, it would have ceased to exist years ago.

And so let us at the very least pay to the Israelis the tribute of having learned from them and reject this needless, punitive, and dangerous legislation, that is certainly not in our country's best interest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHALEN. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, I listened with interest to the remarks of the gentleman from Illinois (Mr. FINDLEY) with regard to the provisions of this bill dealing with agricultural controls. The gentleman from Illinois (Mr. FINDLEY) made the statement that only when the overriding requirements of national security demanded should we allow export controls of agricultural products. He refers to my good friend, the gentleman from Wisconsin (Mr. ZABLOCKI) and asks, "Is that not true?" The gentleman from Wisconsin (Mr. ZABLOCKI) answered him by saying, "The Congress will look with a jaundiced eye at any effort to control agricultural products."

That is all well and good, but this bill, Mr. Chairman, does not do that. What this bill actually does is it says that in 30 days if the Congress does not disapprove of the action, then the export controls stay on.

What I am intending to do, Mr. Chairman, is offer an amendment to place the burden and the monkey on the right people's back and ask the Congress of the United States that at the end of 30 days if the Congress does not approve of such action, then the export controls go off.

Mr. ZABLOCKI. Mr. Chairman, I might say to the gentleman from Kansas (Mr. SKUBITZ) that he has made a very good case, and we fully understand his sincerity. But the present legislation and the provisions of this bill tighten the controls. I am sure the gentleman must agree on that basis that it does.

Mr. FRENZEL. Mr. Chairman, in regards to the much discussed antiboycott provisions of the bill, we all realize the insidious effects of boycotts. I agree that the United States must strengthen its commitment to opposing foreign boycotts against nations which are friendly to us. Hopefully, the provisions of this bill will be an effective means of preventing intentional compliance with a boycott without harming the position of U.S. companies in the international markets. Also, since this bill preempts State laws, it will restore some order to this field.

Mr. Chairman, due to the widespread interest in the antiboycott provisions of the Export Administration Act, the main provisions relating to the administration of export controls have been getting little attention. I regard these provisions as a vast improvement over present export administration policies and procedures, and support the bill's immediate passage.

I believe that the improvements in the present export licensing process and in export control criteria are a welcome reversal in procedures and standards which have crept into the law, and into regulations, over the past several years. Congress has in the past unwisely set up obstacles to export expansion which have reduced the ability of U.S. companies to compete abroad and have limited the number of export-related jobs created in the United States.

This bill improves the export licensing process, which currently causes numerous, often unnecessary and unexplained delays. All applications not acted upon within 90 days will be considered approved unless more time is specifically determined to be necessary and this determination is explained to the applicant by the Department of Commerce. In addition, all license denials will have to be fully justified on a statutory basis to the applicant.

Another major improvement is a shift in the criteria for controlling exports for reasons of national security. The Secretaries of Commerce and Defense are directed to no longer focus these controls solely on Communist nations, but rather on all nations, based on each nation's relationship to the United States, and, to a greater extent than at present, on the commodity or technology being exported. The bill specifically states that goods which are freely available from other countries should not be subject to U.S. export controls except for overriding national security reasons.

The Secretary of Commerce is to review and improve the present export administration policies and procedures, particularly in terms of simplifying export control standards. Further efforts are being made to improve export administration by requesting additional studies by the Department of Commerce, including an indepth analysis of the administration of multilateral export technological information on national controls carried out by COCOM, a monitoring of the effects of exchanges of security and foreign policy, and an evaluation of the effects of authorized technology exports on the international trading position of the United States and on the U.S. economy. Hopefully, these studies will lead to further improvements in this area over the next several years.

One additional point worth mentioning is the additional assistance which will be given to agricultural exports by allowing foreign purchases of U.S. agricultural products to be stored in the United States without being subject to subsequently imposed "short supply" limits. Any such Presidentially imposed limits will be subject to possible congressional review and veto.

Mr. Chairman, I support this bill as an enormous improvement over existing law, and I urge that it be promptly passed.

Mr. BADILLO. Mr. Chairman, I rise in support of H.R. 5840, the Export Ad-

ministration Act amendments which will once and for all declare publicly that the United States will have no part in a disgraceful, exclusionary and discriminatory boycott against Israel, our firmest friend in the Middle East.

This bill, which will prohibit American firms and persons from complying with any boycott imposed by any country, will also have the force of law by providing penalties, including the suspension and revocation of export authority for anyone who violates these provisions. The bill bars Americans from refraining to do business with a boycotted country; refraining from employing or otherwise discriminating against any American citizen regardless of race, religion, sex, or national origin; furnishing to foreign countries the religion, sex, race, or national origin of any person; and other provision which will make our position quite clear, and leave no loopholes for American businessmen and corporations to sneak through.

The antiboycott policy we have right now has not worked in dealing with the Arab countries. Arab demands have increased, the pressure has gotten heavier, and American firms have capitulated to that pressure in increasing numbers. The bill is written so that American businesses will not suffer, but is also written so that our country's reputation will not suffer either from being in the embarrassing position of stating one thing in our policy and doing another thing in our laws.

Recently I led a fight in this Chamber to have strong human rights language added to our multinational lending institutions authorization. The argument I used at that time in favor of strong human rights language is the same argument that is relevant to this antiboycott legislation. One of the cornerstones of our democratic philosophy is that all people are equal—that we cannot as a country, discriminate against any citizen. We have spent many years honing our laws and perfecting those mechanisms that will prohibit discrimination. Under those circumstances, how can we as a nation speak boldly about human rights, and at the same time countenance bigotry in other nations' policies, simply for economic gain or political expediency.

This legislation is good. It not only reinforces our country's commitment to human rights and freedom, but also reaffirms our awareness of the role that Israel plays in bringing those freedoms to the Middle East. I cannot urge my colleagues too strongly to add their support to mine for the passage of this fine piece of legislation.

Mr. WIRTH. Mr. Chairman, I rise in strong support of the antiboycott provisions of H.R. 5840, the Export Administration Act Amendments.

Until this time, American policy concerning foreign boycotts did not have the force of law. The Export Administration Act stated that the United States was opposed to participation in these boycotts on the part of American businesses, but compliance with the act was totally voluntary. While the boycott was in its infant stages, this policy was acceptable. But since the escalation of oil prices, and the resulting increases in the buying power of participating countries, it has become clear that stronger measures are necessary.

The amendments we are considering today are very strong measures. We are not attempting to interfere in the internal affairs of other nations; in fact, special mention is made in the legislation of local laws and the need to honor them. What we are concerned about are secondary boycotts, which affect the conduct of business in the United States.

There is a broad base of support for this legislation. I was pleased to receive a copy of a joint statement of principles from the Business Roundtable and the Anti-Defamation League of B'nai B'rith concerning the boycott, outlining their many areas of agreement. Both groups recognized the sovereign right of other nations to regulate their own commerce. And, more importantly, both agreed that the boycott of Israel was affecting business among American companies, and therefore required regulation. Mr. Speaker, I ask unanimous consent that the joint statement appear at this point in the RECORD.

Similarly, Secretary of State Cyrus Vance when testifying on legislative proposals last month, reaffirmed the administration's commitment to the enactment of this type of legislation.

Mr. Chairman, I hope that our action here today will receive wide support in the American business community. By giving official American policy regarding the participation in secondary boycotts the force of law, we are providing a concrete and readily discernible basis for refusal to comply in the future. And I know we all share a sense of repugnance at the acquiescence in a scheme that runs contrary to our traditions and our ideals.

AD HOC COMMITTEE OF ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH AND THE BUSINESS ROUNDTABLE—JOINT STATEMENT OF PRINCIPLES RE FOREIGN BOYCOTT LEGISLATION

INTRODUCTION

Increasing concern has been developing as to the extent to which Arab Boycott policies are affecting the traditional freedom of American citizens, residents and enterprises to determine, without external compulsion, the persons with which, and the localities where, they do business.

A number of federal and State laws currently exist to protect American citizens and residents in their freedom to make business decisions. These laws, however, vary in their application and effectiveness and only deal in part with the specific problem. For this reason we feel it appropriate that there be uniformity of applicable law to deal with the complex issues inherent in international boycotts which are fostered by foreign governments. In addition to protecting American citizens and residents from discrimination and economic compulsion, any such laws, to be effective, must also recognize the fundamental principle of international law that a foreign country may regulate and restrict its trade and access with other countries for political and economic reasons and may determine how business is to be conducted within its territories in its own national interest. Similarly, there is no principle requiring the United States or any other country to cooperate or assist in regulations or restrictions which are inimical to its fundamental ethical principles or deemed contrary to its national interest.

PRINCIPLES

We believe that the following principles should guide any legislation in this area:

(1) No U.S. person may discriminate against a U.S. individual on the basis of that individual's race, religion, sex, or ethnic or national origin in order to comply with, further or support a foreign boycott.

(2) No U.S. person may furnish information with regard to or reflective of a U.S. individual's race, religion, sex, ethnic or national origin, or presence or absence on a blacklist for the use of a foreign country, its nationals, or residents in order to comply with, further or support a foreign boycott.

(3) No U.S. person may refrain from doing business with or in a foreign country, or with its nationals or residents pursuant to an agreement with another foreign country, its nationals or residents in order to comply with, further or support a foreign boycott.

(4) No U.S. person may refrain from doing business with any other U.S. person pursuant to an agreement with a foreign country, its nationals or residents in order to comply with, further or support a foreign boycott.

For purposes of (3) and (4) above, an agreement need not be in writing and may be implied by a course of conduct.

Agreements which have the prohibited effect on a U.S. person would be violations of applicable law irrespective of where such agreements are entered into.

Any such legislation should not, however, prevent a U.S. person from: (a) complying or agreeing to comply with the laws or regulations of a foreign country (i) prohibiting import of goods from, or produced by a national or resident of, another country, (ii) prohibiting shipment of goods by a carrier of another foreign country or by a route other than as specified by such country or its nationals or residents, (iii) dealing with import and shipping document requirements of such country regarding country of origin, name of carrier, route of shipment and name of supplier except that no information furnished in response to such requirements should be stated in negative, blacklisting or similar exclusionary terms, (iv) dealing with export requirements of such country relating to shipment or transshipment of goods from such country to any other country, its nationals or residents; (b) dealing with immigration or passport requirements of such country provided that information furnished in response to such requirements should not be furnished in a manner which is in conflict with principles (1) and (2) of this statement; or (c) complying with a unilateral selection by a foreign country, or any national or resident (including a U.S. person) thereof of one or more specific persons to be involved in one or more distinct aspects of a transaction, including a seller, manufacturer, subcontractor, insurer, carrier, financial institution or freight forwarder. In order to ensure the continued efficacy of international commercial letters of credit, such legislation should not provide a legal right for any person to demand and enforce payment under a commercial letter of credit other than on the basis of compliance with its terms.

The provisions of the foregoing paragraph are not designed to violate the intent of the principles set forth in paragraphs (1) through (4) of this statement, but they are intended to protect a U.S. person against prosecution under the legislation as a result of such person's observance of the laws and regulations of a foreign country with respect to such person's activity directed to or within such country or a unilateral and specific selection of a supplier of goods or services. Such provisions should not, however, be formulated so as to permit a U.S. person, if a bank, insurance carrier, freight agent or other

export service organization, to act as a conduit for information which would not be permissible if furnished directly.

Subject to the foregoing, any legislation should apply to U.S. nationals and residents and to domestic corporations. Legislation should also apply to foreign corporations to the extent of their activities within the U.S. and to any foreign subsidiary of any domestic company which is 50% or more owned by such domestic company with respect to its activities which affect the foreign trade of the U.S. The legislation should not apply, however, so as to require any U.S. person to contravene the laws, regulations or official policy of a foreign country with respect to such person's activities within such country. In no event should a U.S. person utilize any foreign person, whether or not affiliated with such U.S. person, to evade the application of the legislation to the import or export of goods or services into or from the U.S.

It is appropriate that the American public, as well as the Congress and concerned agencies of the U.S. Government, be informed as to requests affecting the freedom of choice of U.S. persons, provided the identity of reporting persons is not publicly disclosed except where there is a violation of the law. Therefore, reporting of boycott requests should be required, but only to the extent necessary for effective enforcement of legislation and to inform our government of the actions of foreign governments affecting U.S. persons.

The legislation, in order to establish uniform rules relating to foreign commerce, should preempt state laws concerning the acts or transactions governed by the legislation.

The legislation should provide a reasonable period of transition to allow for adjustment of existing practices.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise today to urge my colleagues to vote in favor of H.R. 5840, the Export Administration Act amendments. This bill reflects long hours of hard study and intense discussion by the Committee on International Relations of which I am a member.

In addition to the significant steps this bill takes toward terminating possible American business compliance with the Arab boycott, it also further clarifies and details the policies and procedures of the Export Administration Act.

I feel particularly strong about section 118 of title I which calls for a study of the economic impact of industrial technology exports from the United States whose export requires a license under the Export Administration Act.

I sponsored this amendment in committee because many experts believe that the technological lead American industry enjoyed following World War II is being eaten away by Japanese and Western European industrial gains made through American technological exports. Such changes could have a deleterious effect on the future competitiveness of American-based industry and American jobs.

I believe that it is time this problem was carefully studied so that appropriate action may be taken if found necessary. Section 118 provides for such a study.

To reiterate, I urge all of my fellow Members to support enactment of H.R. 5840 and would like to commend to their attention section 118 of title I.

Mr. WAXMAN. Mr. Chairman, it is with some measure of reluctance that I wish to express support for this legislation, the Export Administration Act Amendments of 1977. More than 2 years ago, many of us in the Congress renewed an effort to pass a law which makes compliance with the Arab boycott illegal. We nearly succeeded. Although such a bill, H.R. 15377, passed both the House and Senate last year, the appointment of conferees was filibustered in the other body on orders of then-President Ford. The legislation died in the waning hours of the last Congress. In response to this performance, Jimmy Carter in his second debate with Gerald Ford on October 6, 1976, stated that the administration's efforts to block this legislation were disgraceful. He pledged support for the strongest possible antiboycott legislation. He dismissed the contentions of those who claimed these provisions would jeopardize trade with the Arab League nations by saying:

It is not a matter of diplomacy in trade with me. It's a matter of morality.

I therefore anticipated and fully expected, based on the record of the campaign, that the President would support the compromise agreement on the antiboycott legislation which was reached by the House and Senate conferees last autumn. Instead, and in apparent response to the powerful lobbying efforts of the Business Roundtable, the oil companies, and our arms manufacturers, the administration has worked to weaken that compromise. The effect has been to create a series of loopholes in this bill which may yet allow, unless the most diligent enforcement is undertaken, continued compliance by American business with some of the Arab boycott's discriminatory demands. I am particularly concerned with two provisions. The first is the exception provided for unilateral selection. Under this amendment, an American firm could comply with a boycotting country's selection of subcontractors and products unless the American firm has actual knowledge that the sole purpose of such designation is to implement the boycott.

I am seriously concerned that under the guise of normal business procedures, discriminatory demands against U.S. firms can continue to be imposed. Indeed, business as usual in the Middle East in the past has been marked by the Arab League's designation of certain American companies and products for exclusion from trade opportunities. The burden established under this amendment for an American firm to resist these demands may well be too stringent to prevent the continuation of the boycott.

Second, this legislation permits the President to waive the requirements of the bill for U.S. citizens in Arab League countries, if these requirements are incompatible with local law. In other words, if an Arab League country prohibited the importation of boycotted goods, U.S. nationals in that country would be similarly constrained if the President granted this waiver. The Presidential waiver, therefore, could easily be used to allow our citizens in these countries to continue to act as agents of the Arab League in enforcing their boycott. It is precisely this situation which the legislation seeks to terminate as far as businesses in the United States are concerned, and I very strongly regret that this may be allowed to continue overseas.

I am also disturbed that important sectors of the business community have chosen to work for the defeat of this legislation. They have seriously misread the principles which must guide our international economic relationships. They are prepared to sacrifice other, less powerful American businesses who may not wish to succumb to these pressures in their scramble for Arab oil money.

The United States has consistently supported a policy which this legislation seeks at last to write into law. More than 10 years ago, the Congress explicitly stated in an amendment to this same law that it is the policy of the United States to oppose restrictive trade practices and foreign-imposed boycotts and to refuse to take any action which encouraged these activities.

The Congress enunciated this policy, because it clearly recognized that the existence of boycotts, such as the Arab boycott, are repugnant to many of our basic values. The Arab boycott in particular not only works to erode the operation of a free market, but also systematically denies any of our citizens basic protections against discrimination.

Responsibility for implementing this clear policy direction was given to the Department of Commerce. Since 1965, however, its record has been one of acquiescence to and encouragement of the Arab boycott in the United States. On September 7, 1976, the Commerce Subcommittee on Oversight and Investigations, of which I am a member, released its report, "The Arab Boycott and American Business." This study—the most comprehensive review ever of the boycott's impact on the United States—is a damning indictment of the Commerce Department's response to the boycott. Our report documented—

That for more than a decade, the Commerce Department circulated trade offerings from Arab League countries which contained boycott demands;

That for more than a decade, the Commerce Department formally advised American exporters that they were not prohibited from complying with the boycotts' demands;

That since 1965, the Department refused to require American firms to report whether or not they had complied with the boycott; and

That until December 1975, banks, freight forwarders, and insurers were excluded from even the Department's minimal boycott regulations.

These policies had the direct and significant effect of greatly expanding the impact of the Arab boycott on our economy. More than 1,500 American corporations are currently blacklisted by the Arab League. In 1974 and 1975 alone, more than $4.5 billion in goods were sub-

ject to boycott restrictions. More than 90 percent of all trade agreements with the Arab League are currently in compliance with the boycott's provisions. Almost all the letters of credit issued by banks in order to underwrite exports to the Arab League contain discriminatory demands.

It is, therefore, painfully apparent that instead of promoting policies which would work to limit the boycott's effect on the United States, the Department of Commerce consistently subverted and obstructed the implementation of our Nation's antiboycott policy.

What is also clear is that all these trends have been accelerated in response to the shift of economic and political power to the OPEC nations since the 1973 quadrupling of oil prices.

In effect, the boycott has driven a wedge into the American business community, separating those who are prepared to comply with the boycott's demands in order to enjoy the growing trading opportunities with the Arab League from those who would reject its demands, because of their discriminatory and anticompetitive nature.

Only by making compliance with the boycott illegal can the American business community and the American people be protected against its pernicious influence. Only by removing the boycott as a condition of trade with the Arab League can there be removed the competitive advantage secured by complying with it.

The heart of this issue is whether the United States will allow itself to be blackmailed—politically and economically—as a condition of furthering our relationships within the Arab world. By passing this amendment, we will be making it clear that there are basic principles which must be respected, and which must form the framework of future ties.

I believe the mutual desire for each other's goods and services will overcome any potential this legislation might have to jeopardize our trade with the Arab world. Even today, the boycott is suspended for firms whose products are needed in the OPEC countries—precisely because it is more to their advantage to ignore it than enforce it. By prohibiting compliance with the boycott, we can only encourage this trend.

Mr. Chairman, if the policy of the Congress had been enforced a decade ago, we would not now be confronted with the dilemma posed by the boycott, nor would we need this legislation today.

Therefore, Mr. Chairman, even though I do have some reservations over this legislation, I believe its merits—particularly its explicit prohibitions against complying with the secondary and tertiary aspects of the boycott—outweigh its serious deficiencies. I very much hope the House conferees will not permit any further weakening of this legislation, and that those interested Members will continue to work with me to insure the effective implementation of this legislation once it is enacted.

I also wish to attach, for the further consideration of my colleagues, my additional views to our subcommittee's report, "The Arab Boycott and American Business":

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS, REPORT, "THE ARAB BOYCOTT AND AMERICAN BUSINESS"

ADDITIONAL VIEWS OF REPRESENTATIVES HENRY A. WAXMAN, JOHN E. MOSS, ANTHONY TOBY MOFFETT, JAMES H. SCHEUER, RICHARD OTTINGER, ANDREW MAGUIRE

The subcommittee's report, "The Arab Boycott and American Business," is the most comprehensive congressional review of the nature, scope, and impact of the Arab boycott on the United States since anti-boycott provisions were added to the Export Administration Act in 1965.

The subcommittee's investigation has opened the wall of secrecy which has surrounded much of the Arab boycott. The barest outlines of the scope of the boycott, and its gross economic impact on the United States, are now available. Billions of dollars in trade have been subjected to the boycott's discriminatory trade practices. But strikingly absent from this report—and obscured even today by Commerce Department policies—is the answer to the question of how many businesses have changed their business practices in order to comply with the boycott's restrictions and have in effect become tools in the Arab's economic warfare against the State of Israel. Specifically: To what extent have businesses agreed to terminate their direct relationships with Israel in order to obtain contracts in the Arab world? To what extent have businesses agreed to refuse to deal with other American companies which have relationships with or are otherwise sympathetic to Israel? These questions remain unanswered because the Commerce Department has refused to prohibit compliance with these so-called secondary and tertiary aspects of the Arab boycott—even though there is a greater awareness of these activities, and even though their frequency and intensity is growing, and not diminishing.

Despite this inevitable shortcoming, this report is a damning chronicle of evasion and subversion by several administrations and, to a lesser extent, by the business community of the clear Congressional mandate opposing boycotts and restrictive trade practices. At the same time, this report repeatedly emphasizes that the profound issues raised by the Arab boycott—legal, political, economic, moral—remain unresolved to this day. It is our hope that this document will serve as a major impetus toward the passage of legislation which would at last prohibit business in the United States from complying with the Arab boycott.

Such a desire surely embraces the spirit of the law. As the Export Administration Act unequivocally states,

"It is the policy of the United States (A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries * * * and (B) to encourage and request domestic concerns engaged in * * * export * * * to refuse to take any action, including the furnishing of information or the signing of agreements, which has the effect of furthering or supporting the restrictive trade practices or boycotts * * *"

The Congress' meaning in establishing this policy in 1965 was clear. It reflected the judgment that compliance with the Arab boycott was repugnant to cherished American principles regarding freedom from discrimination and the operation of a free market. It sought to assure that this Nation would not compromise its basic values in the search for expanded trade opportunities throughout the world.

Nevertheless, the subcommittee's report has documented that the Department of Commerce, which was charged with enforcing this mandate, consistently undermined this policy to the extent that, over the years, the Arab boycott has been allowed to proceed with the full acquiescence and indeed the tacit encouragement of the U.S. Government. In particular:

For more than ten years, the Commerce Department's reporting forms of boycott requests explicitly stated that U.S. exporters are "not legally prohibited from taking any action" in support of the Arab boycott. Such a statement represented a clear signal to all U.S. exporters that compliance with the boycott carried no sanctions whatsoever.

Again, for more than ten years, the Commerce Department circulated to American businesses notices of trade opportunities which contained boycott demands. The Commerce Department circulates such notices in order to encourage trade with other countries. By promoting trade opportunities which were contingent upon compliance with the boycott, however, the Commerce Department played an active, and central, role in promoting the Arab boycott in the United States.

Although the Export Administration Act requires all boycott requests, including the furnishing of information or the signing of agreements, to be reported to the Commerce Department, for over ten years the Department chose not to require U.S. exporters to report whether or not they had complied with such requests—even though the Department had the clear statutory authority to compel such information. Such a policy prevented the Department and anyone else from ascertaining the boycott's scope and its impact on the American economy.

Although the operations of banks, freight forwarders, and insurance companies are essential components of all export transactions, it was not until December 1975 that the Department's boycott regulations were broadened to encompass these concerns. For over a decade, in other words, letters of credit, insurance policies, and transportation arrangements for billions of dollars in exports were not subject to even minimal antiboycott requirements.

A distressingly clear pattern of passivity to, promotion of, and disinterest in enforcing the antiboycott policy of the United States by the Department of Commerce over a ten-year period is therefore plainly evident. Indeed, the four policies which are mentioned above were terminated only after vigorous initiatives were undertaken by members of this Subcommittee, and others in the Congress, with former Commerce Secretary Rogers Morton.

Even then, our efforts were vigorously rebuffed at first. In order to effectively ascertain the nature, scope, and impact of the Arab boycott on the United States, this Subcommittee subpoenaed from the Commerce Department boycott requests which exporters received from Arab League countries—and which were required by law to be reported to the Department. For months, this Subcommittee was forced into contesting an unfounded claim of statutory privilege which Secretary Morton sought to exercise over these reports, which this Subcommittee urgently needed if it were to fulfill its oversight responsibilities. Renowned scholars came before the Subcommittee and testified that Secretary Morton's position had no legal basis whatsoever under the statutes he cited or the Constitution.

But more importantly, Commerce Secretary Rogers Morton's four-month refusal to provide documents was consistent with the Administration's decade-long policy of acquiescence in and promotion of the Arab boycott. As the Subcommittee's report shows, the subpoenaed materials reveal that the Department exercised virtually no control over attempts by the Arab League to enforce boycott provisions against American business—although it had both the Congressional policy mandate and the statutory authority to implement it. Rather than correct these shortcomings over time, the Department failed to take any remedial steps.

We are forced to conclude that Secretary Morton's refusal for five months to comply with the Subcommittee's subpoena for Arab boycott information was nothing less than an attempt to cover up the Department's grave abdication of its responsibilities under the Export Administration Act.

There is therefore no question in our minds, after reviewing the entire record which the Subcommittee has developed, that the Commerce Department, with the approval of the highest levels of several Administrations, obstructed over a ten-year period the effective implementation of the antiboycott provisions of the Export Administration Act as expressed by both the Congress and by successive Presidents and Secretaries of State. Second, in that the Commerce Department has failed to move against the secondary and tertiary aspects of the Arab boycott, it may be fairly stated that such an obstruction is continuing unto this day.

This is, in our judgment, a matter of the most serious concern to the Congress and the American people.

The business community has exhibited an ambivalent response to the competing pressures which the existence of the boycott evokes. On the one hand, the pressure to comply with the boycott is enormous. The records indicate that upwards of 90 percent of all transactions subject to boycott demands were ultimately in compliance with them. Only in 2-3 percent of all cases has the boycott been deliberately evaded. Nevertheless, in coordination with the American Jewish Congress, more than two dozen corporations have publicly pledged to refrain from complying with the boycott.

On the other hand, in the absence of an express prohibition of compliance with the Arab boycott, and in the presence of government policies which actively encourage compliance with it in order to improve our balance-of-payments with the Arab oil-producing states, noncompliance with the boycott can only place those who adhere to such a policy at a competitive disadvantage. As Federal Reserve Chairman Arthur Burns has stated.

"The time has come for the Congress to determine whether it is meaningful or sufficient merely to "encourage and request" U.S. banks not to give effect to the boycott. It is unjust, I believe, to expect some banks to suffer competitive penalties for responding affirmatively to the spirit of U.S. policy, while others profit by ignoring this policy. This inequity can be cured if Congress will act decisively on this subject." (Letter to Rep. Benjamin Rosenthal, June 3, 1976.)

This dilemma, however, extends beyond the choices faced by the business community. The Subcommittee's report documents that at least $4.5 billion in trade with the Arab League in 1974 and 1975—and probably much more—has been held hostage to the Arab boycott. The Subcommittee staff further indicates that nearly half if not more of all trade with the Arab League—involving billions more—is currently being subject to boycott demands. It is clear that despite the increased attention which has been focused on the boycott, its influence appears to be growing and not diminishing.

The higher level of scrutiny has also revealed that the boycott is not monolithic or impermeable; rather, it has consistently been applied in an arbitrary and capricious manner. Ostensibly, the boycott's blacklist contains those firms who have contributed to Israel's economic growth or have an affiliation with another blacklisted firm. Since 1948, the Chase Manhattan Bank has served as Israel's agent in handling government bonds in the United States. General Electric supplies the Israeli Air Force with jet engines for the Kfir aircraft—Israel's first military jet. Despite the crucial role these two corporations play in Israel's economic and military security, both firms are not blacklisted and do extensive business in the Arab world. TWA, Myles Laboratories, and IBM are among the firms which do substantial amounts of business with both Israel and the Arab nations. Moreover, experience since the Arab oil embargo has been that obeisance to restrictive trade practices neither ensures improved trade relationships nor guarantees immunity from further economic reprisals. France, which went to extraordinary lengths to accommodate OPEC demands after the Yom Kippur War, has not had as great an increase in trade with the OPEC nations as the Netherlands and West Germany, which pointedly refused to alter their relationship with Israel.

It is therefore apparent that these corporations and countries, and others like them, are able to operate in such a manner precisely because their services are as indispensable to Arab needs as they are to Israel.

Therein, we believe, lies the key to breaking the Arab boycott's influence on our economy and society. American goods and services are the most sought after in the world. We currently account for 18 percent of all world trade. The Arab nations, who so desperately want to develop their societies, are increasingly relying on American resources. The United States now accounts for 40 percent of the additional trade which the OPEC nations have undertaken since the quadrupling of oil prices in 1973. This relationship, instead of being characterized by discriminatory demands that are alien to our traditions and law, should instead dictate that, as a condition of its continuance, no such demands will be tolerated.

It remains that compliance with the Arab boycott is still not prohibited by law. We therefore urge that the Export Administration Act be amended to prohibit all agreements to refrain from doing business (1) with a foreign country friendly to the United States, and (2) with a company or supplier boycotted by a foreign concern, thereby furthering a foreign-imposed boycott or restrictive trade practice. We also urge the Congress to amend the Export Administration Act to prohibit business from furnishing the information the Arab League uses to enforce its boycott demands. Both of these recommendations are contained in the Subcommittee's report.

Whether the Congress will finally declare these practices illegal is another facet of the long-standing debate over whether the conduct of our foreign policy—in which economic relationships are the substructure—will be consistent with our ideals. It does little good—indeed it does much harm—to voice opposition to the boycott while winking at compliance with its demands. Both our credibility and our true intentions are called into question. Rather than mortgage our principles—both domestically and in our support for the State of Israel—it is time that we exercise the leverage and suasion we command in the Persian Gulf. Rather than succumb to discriminatory demands imposed by foreign governments against American citizens, it is time this Nation repudiate them once and for all.

This is our hope, and the policy to which we are committed.

HENRY A. WAXMAN.
JOHN E. MOSS.
ANTHONY TOBY MOFFETT.
JAMES H. SCHEUER.
RICHARD OTTINGER.
ANDREW MAGUIRE.

Mr. DRINAN. Mr. Chairman, I am pleased to rise in support of H.R. 5840 which would extend the Export Administration Act through September 30, 1979, and bring to an end American complicity in the insidious Arab economic boycott of Israel. Our Nation's policy of opposing restrictive trade practices is established by statute. The repugnance of an economic boycott directed against one of our stanchest allies is much greater when it results in widespread discrimination within the American business community. As the committee notes in its report:

> This type of boycott is clearly against the spirit and intent of U.S. law, including the civil rights and equal opportunity laws and the antitrust laws.

It is the Arab boycott's pervasive and discriminatory impact within the United States which makes the enactment of H.R. 5840 so essential.

We have all seen the excellent report on American boycott compliance issued by the Interstate and Foreign Commerce Subcommittee on Oversight and Investigations last September. That report indicated that American firms were acquiescing to boycott demands in more than 90 percent of all cases. As a result, more than 1,500 American companies appearing on the Arab blacklist are unable to do business with Arab countries or with other American firms which have agreed to comply with the regulations of the Arab Boycott Office. Such regulations prohibit an exporter from doing business with a blacklisted firm.

Thus, American firms desiring to do business with the Arab states are presently faced with the unpleasant choice of succumbing to discriminatory demands or suffering a loss of business to other American companies. A uniform ban on compliance with boycott demands would end this dilemma and place all firms on an equal competitive footing in seeking business in the Middle East and elsewhere.

Title II of the legislation before us today constitutes a fair and practical solution to the intolerable situation we confront today with regard to boycott compliance. The bill would prohibit most forms of compliance with boycott demands, including the furnishing of information and the refusal to do business with Israel or with American companies blacklisted by the Arab League. Stringent civil and criminal penalties are authorized to be imposed for violations of these provisions.

I am pleased to note that this antiboycott title, carefully worked out by Congressmen ROSENTHAL and BINGHAM, and other members of the International Relations Committee, incorporates to a great extent the provisions of H.R. 5913 which I introduced in April 1975 along with 28 cosponsors in the House. That bill, like the one before us today, prohibited boycott compliance and established tough penalties for violations. One significant characteristic of H.R. 5913 contained in the bill before us is the inclusion of foreign subsidiaries and affiliates of domestic firms within its scope. Thus, American firms will not be able to evade the provisions of the act by channeling their Arab business through subsidiary firms.

I would be remiss if I did not mention my objections to some of the exceptions placed in the antiboycott section at the urging of the Business roundtable. The most important of these is the so-called unilateral selection exception. This pro-

vision permits Arab contractors to continue to specify the names of acceptable subcontractors to their American suppliers, even if such specification is based on discriminatory criteria. While this exception is disallowed if the American firm knows that the sole purpose of the designation is to implement the boycott, I fear that it may constitute a serious loophole for effective antiboycott enforcement.

I also question the wisdom of permitting the President to waive noncompliance requirements based on circumstances brought to his attention by a particular firm. I am certain that President Carter, who strongly opposes American compliance with the Arab boycott, will not abuse that provision. But its presence offers boycott participants another potential avenue of escaping the requirements imposed by this legislation.

On balance, however, H.R. 5840 is a strong antiboycott bill which I can enthusiastically support. I am hopeful that we will pass this bill by an overwhelming margin this afternoon to encourage the House conferees to hold fast to the provisions of H.R. 5840 in conference.

Mr. BRODHEAD. Mr. Chairman, I rise in strong support of title II of the Export Administration Act Amendments of 1977. This title will prohibit American citizens and companies from intentionally and knowingly complying with secondary or tertiary boycotts. Existing policy and current law have been totally ineffective in combating the Arab boycott of Israel. Since 1965, when the U.S. antiboycott went into effect, Arab pressure on American business to comply with the boycott has steadily increased. Today the Arab blacklist includes more than 1,500 American firms and individuals. Discrimination against American Jews and blatant violation of American policy as enunciated in the Export Administration Act are widespread. American firms have complied with the Arab boycott against Israeli companies and individuals, and with boycotts against other American companies that have such associations or are Jewish-owned or managed. Many American banks have honored letters of credit from Arab nations that specify compliance with Arab boycott regulations.

The Arab boycott of Israel is inimical to American principles of free trade and fair play as well as to freedom of religion and freedom of association. It is high time that Congress acted on this matter. We should firmly establish the principle in this country. The United States must end its acquiescence in the discriminatory practices of the Arab nations. We must stand up for what we know is right. Mr. Chairman, I urge my colleagues to join me in supporting the antiboycott provisions of this legislation.

Mr. RYAN. Mr. Chairman, as a member of the House International Relations Committee, and a participant in the drafting of the amended version of the legislation which is before us today, I want to make a few clarifying remarks with respect to title II of this bill. I realize that all the Members are not as close to this bill as are members of the committee, and they are not aware of the way in which this bill developed. It is a result of intense negotiations among the committee members who have sought to incorporate the views of various interested groups into a legislative package which would prohibit certain actions and at the same time continue our U.S. export activities.

I have asked, as early as the first hearings before the International Relations Committee: "What will be the economic impact of this bill?" I have still not received a satisfactory answer to this very basic issue. We do not know whether the impact on jobs and business will be severe or slight. Accordingly, I urge the Commerce Department to monitor the impact of this legislation and advise us immediately if it has an unexpected negative economic result.

Yesterday, for the first time, I was told some supporters of the bill believe it will help employment. At best, that statement is misleading and to date unsubstantiated. To the contrary, an American corporation today, April 20, is canceling a $10 million contract with a Middle Eastern country because it is apprehensive it will be impossible to draw upon a letter of credit without violating the provisions of section 4A(a)(1)(E). This bill has yet to become law and it is already having a chilling effect upon our exporting community. We would be naive and foolish to think that this legislation will create jobs.

While I fervently believe that U.S. persons, either individuals or corporations, who intentionally refrain from doing business in compliance or furtherance of a foreign boycott, should be prosecuted—I do not think unnecessary and burdensome litigation should result just to clarify the meaning of this legislation. There is a significant lack of precise language in this bill providing U.S. exporters with a clear understanding of what they can and cannot do. Because of this, I believe that the litigation from this bill may be staggering. With this possibility in mind, I hope the conferees will make every effort to incorporate precise language in their report.

This brings me to another point. I am somewhat concerned that the legislative history of this bill is not as clear as it should be. Before markup of the bill in the International Relations Committee, there were several meetings of an ad hoc group of committee members which proposed substantive suggestions later adopted at the formal markup session as a substitute amendment for title II. While I participated in these frank and very constructive discussions, nonetheless I am bothered by the fact that these meetings were not on the record.

Because the legislative development of this bill is not readily apparent, I want to make a few clarifying comments about certain specific sections of the bill.

The committee bill makes it unlawful to willfully take, or agree to take, specified actions to comply with, further, or support certain boycotts. The committee report, at page 5, states that the purpose of title II is to prohibit U.S. citizens from "intentionally or knowingly" complying with certain secondary or tertiary boycott requirements. It is my understanding that regulations issued by the Department of Commerce are to prohibit intentional compliance with a foreign boycott against a country friendly to the United States, which itself is not the object of a boycott under U.S. law. What this means is that the regulations are to provide a requirement that a corporation or individual will not be presumed guilty of an offense under this legislation based upon ministerial or administrative error or mistake.

This is an offense new to general law and we want to make it clear that a culpable state of mind is a necessary element. That is to say, penalties should be imposed only when the individual or corporation intentionally or knowingly engages in a course of conduct to further the boycott.

Section 4A(a)(1)(G) makes it unlawful to pay or otherwise implement a letter of credit containing a prohibited condition or requirement. The report states that this provision is not intended to preclude detailed examination of the letter's provisions to establish whether it contains a prohibited condition. It is my understanding that if the letter of credit does contain such a prohibited requirement, the U.S. exporter could be informed by the bank, and given the opportunity to take appropriate corrective action to negotiate the unlawful provisions out of the letter of credit and there would be no violation of this section.

The reporting requirements of section 4A(b) of the bill are intended to remove many of the unnecessary reporting requirements under existing law in order to lessen the paperwork burden of reporting by U.S. exporters and processing by the Department of Commerce. The Department of Commerce will have to revise its reporting procedures in view of this bill and require reports only where they are necsesary and serve a useful information purposes. For example, I do not think it is useful to require more than one report for any transaction as in the case of reporting each order of an installment contract separately. In these types of situations, one report should be enough to keep us informed.

I support this bill, and urge immediate enactment because delay only increases the confusion and uncertainty in our exporting community. In doing so, however, we must be prepared to take corrective action if this legislation has unintended consequences. Finally, I support this bill because I abhor the use of an economic boycott by any country as a weapon, especially when such a boycott impinges not only on our foreign trade but on our domestic trade between American firms conducting business in the United States.

Mr. ZABLOCKI. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Export Administration Amendments of 1977".

Mr. ROSENTHAL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think it is appropriate that someone respond to the remarks of the gentleman from Illinois, because I think there are legitimate questions raised. The intensity of his argument and the emotion of his feelings obviously show that he is concerned about this title of the bill. The gentleman from Illinois is the same Member of the House, if I am correct, who circulated or made available the two-page ad that appeared in the Wall Street Journal last week. The ad was paid for by Dresser Industries. Dresser Industries, one of the Fortune 500 companies, is primarily engaged in the manufacture of mining and drilling equipment; it has a large position in the Middle East. In that ad, Dresser cited a Professor Robinson who estimated that if this bill were passed, if this legislation became law, some 500,000 American jobs would be put in jeopardy.

That statement hardly deserves comment because it is an absurdity on its face. Professor Robinson apparently assumes that every contract or deal in the Arab world would terminate immediately upon the passage of this legislation.

That is fantastic.

I think that there are four logical reasons why there will be minimal, if any, disruptions in our trade. In the first instance, the Arabs have shown themselves, and I say it respectfully, to be pragmatists in past business dealings. They have secondarily acquiesced to U.S. law in the past, specifically the November 1975, Executive order outlawing compliance with discriminatory religious and racial requests. Third the Arab businessmen with whom I have spoken dislike the boycott, since it restricts their activities with many large American firms. Fourth, many European countries are also resisting compliance with boycott and some may well follow the American lead.

Professor Robinson also uses highly distorted figures of the Arab trade at risk. Civilian sales to Saudi Arabia last year, according to the Commerce Department, were $2.7 billion, not the $4 billion he claims. Civilian service contracts amounted to $750 million last year. Robinson uses the figure of $16 billion, which must represent every contract ever entered into or even contemplated.

Robinson also includes military contracts of $9 billion. These contracts have always been concluded in complete disregard of the Arab's own boycott laws. In other words, the very same military supplies from companies that do business with Israel also are readily accepted in the Arab countries. Second, most of these are concluded by the U.S. Government, which does not honor the boycott requests.

The interesting fact is that passage of this legislation could even create jobs, because many of the firms which have resisted business opportunities in Israel, once this law is passed and, hopefully, once there is some kind of amelioration within the Arab countries, those very companies could increase their trade in Israel. Moreover, there are presently 1,500, many of them large American corporations, such as RCA and Xerox, that are on the Arab blacklist; once this legislation becomes law and there is, hopefully, a change in attitude, those companies will have an opportunity to do business in Arab States.

Another comment that the very distinguished gentleman from Illinois makes is that the gentleman sees the vote on this bill as being a vote for or against Israel. I do not see it that way at all. It is a vote for or against fundamental American principles. The fact of the matter is, I say to my friend, the gentleman from Illinois, that this boycott has very little impact in Israel, very little impact. Surely the primary boycott has some effect; but the secondary and tertiary boycotts have such a minimal effect. They have had an effect on some highly sophisticated technological trade and some electronics equipment; but what has occurred is that foreign nationals for the first time in 200 years have been able to tell American companies who they can do business with. It is an outrageous, offensive kind of thing.

The Congress said in 1965 that we should stop this and we all sat back and hopefully waited for the regulations from the Commerce Department to put an end to this.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. ROSENTHAL was allowed to proceed for an additional 5 minutes.)

Mr. ROSENTHAL. Finally, Mr. Chairman, in 1976 the Congress said, "Look, we have lived with this situation for 11 years. Now we are going to have to pass implementing legislation." That is the need for this. It is no longer a concern of what effect it has extraterritorily, but it is a concern for how American business is conducted. What has happened is that American bank, insurance companies and trading firms have become the enforcers of the boycott and we have foreign nationals with the use of advocacy and letters of credit telling American firms with whom they can do business. I would hope we can all almost unanimously support this legislation, if not totally unanimously, because there is not one of us in this Chamber who wants to permit foreign nationals to tell Americans with whom they can do business. If we accept that principle, which is grounded not only in morality, but found in American tradition, if we accept that, then the rest of the world will follow suit.

I believe, and I have had many, many conversations with distinguished Arab leaders, that they would like to get rid of this boycott, if they can find a graceful way to do it, I believe that the secondary and tertiary boycott have proved to be a dud. It has proved to be a very, very ineffective weapon in the economic warfare against Israel.

So, I would urge not only the gentleman from Illinois, but everyone in the Chamber, to stand firm for American principles. Nobody wants to reduce any jobs. My judgment is that there will be a minimal, if any, disruption. The fact of the matter may well be that if these 1,500 American companies and individuals that have been excluded are afforded the opportunity for entering into the Arab markets, the net effect could be an increase in American production and in American jobs.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would like to associate myself with the gentleman's remarks and say that I think it has been proved that there is no better foundation for good and profitable business than a just and equitable marketplace. I think that is what this bill seeks to do.

Mr. ROSENTHAL. I thank the gentlewoman.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I have a letter, which I know my colleague has seen, signed by a Mr. Irving Shapiro, who apparently is chairman of the Business Round Table, concerning the joint statement that was made by his group and the B'nai B'rith. In this letter, which was addressed to the President, he says:

> I am dismayed that recent developments in the Congressional consideration of pending anti-boycott bills reveal an almost consistent disregard of positions originally advanced by the Administration and compatible with the Joint Statement, in favor of the adoption of excessively restrictive and unrealistic standards. I am firmly convinced that many of the provisions, as they presently stand, will severely hinder American interests, both in the Mid-East and at home, while having no beneficial impact upon the restrictive trade practices the laws are supposed to attack.

What are my colleague's comments on this letter?

Mr. ROSENTHAL. Let me respond to that. Mr. Shapiro, who is chairman of the board and chief officer of E. I. du Pont de Nemours, deserves a lot of credit for bringing together the Round Table and the Anti-Defamation League. They worked very hard and achieved a statement of principles. The Business Round Table, I think, is composed of over 150 of the chief executive officers of major Fortune 500 companies.

They accomplished a great deal. Each side had very, very distinguished lawyers. They agreed on 90 to 95 percent of the provisions of this bill. When lawyers get together, there have to be some areas of disagreement. There was disagreement among us, but we did reach an agreement. We reached an agreement with the administration. The administration supports this legislation as it stands now.

As the gentleman knows, we can argue for years, ad nauseum. We can always find another lawyer who finds a new loophope or another exception. I can tell the gentleman that the Business Round Table is to be commended for their forthright approach to this legislation, but

there had to be some areas of disagreement.

Mr. KAZEN. If the gentleman will yield further, the only thing is that this actually is a very strong, strong indictment of what we are fixing to pass here, when he says that in his opinion it will hinder American interests.

Mr. RYAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, members of the commitee, this is probably the most—I do not know whether the word "peculiar" is appropriate—piece of legislation I have come across in a good many years. I say peculiar respectfully, because it is an effort to do something which is almost impossible to do.

I am reminded of the comment made by a colleague of mine some years ago, who said of a very difficult effort that it was like trying to nail jello to a tree.

I think of that in connection with this, because we are trying to do a particular kind of thing which, legislatively, is almost impossible to do. We are trying to reduce or to harness a religious prejudice which has existed for almost 2,000 years between the Arab world and the Jewish world. The Arab world today, in varying countries within the Arab world, encourages, supports, and uses a boycott based upon religion to pursue business matters on an international basis.

This legislation, then, is an effort to combat that kind of rotten prejudice that still exists in the world as it relates to the United States.

It becomes more difficult, when we consider the more we try to oppose it here in the Congress and restrict the flow of free trade—and this bill does make an attempt to restrict the flow of free trade, based upon certain conditions—the more we attempt to restrict that in this country, the more we force the Arabs to deal with other countries, such as West Germany, Japan, and other manufacturing nations who are intensely competitive today with the United States.

The result is that we have a bill here which attempts to clear up legislation already on the books and which has produced some severe problems for the international business community, and, consequently, for tens of thousands of people in this country whose jobs rely on the acceptance or rejection of a particular contract.

What happens is this: Company A says, "I am about to sign a contract with 'X' Arab country for $17 million."

"X" Arab country is ready to complete the contract. Now the company president goes to the bank and says, "May I borrow $70 million on the strength of this proposed contract?" And the corporate counsel of the bank may then say, "Well, that is possible, except for one thing. If we become the principal on this particular contract, we are liable to have trouble with the State of California or the State of New York, whose attorney general says, 'You may be in violation of the State law that affects antiboycott legislation.' "

At this point, the corporate counsel of the bank says, "I do not think we should loan the money."

At this point, the man who had the contract says, "It is too late now to try to renegotiate with another bank because the West Germans picked it up for the same price and the United States has lost that many jobs, that much revenue, that much work."

That particular situation actually did happen. It happened to a businessman of my acquaintance in San Francisco. He is concerned about it, and so am I.

Then should we get rid of the antiboycott legislation? Of course not.

How do we work it out? We try to make it better than it was. That is where the problem lies. We spent several weeks in the Committee on International Relations, trying to work out these various problems which exist. They involve the Carter administration. They involve those who protect, I believe, the more Jewish viewpoint of the Anti-defamation League, of the Businessmen's Round Table. They involve other elements. They involve the State chamber of commerce in California. They involve persons who object to some of these amendments but who have no objection to the idea of the bill and who have no objection to the idea of creating antiboycott legislation to resist the kind of prejudice which exists in the Arab world.

The CHAIRMAN. The time of the gentleman from California (Mr. RYAN) has expired.

(By unanimous consent, Mr. RYAN was allowed to proceed for 4 additional minutes.)

Mr. RYAN. Mr. Chairman, let me give the Members an example. In the beginning of the title, it refers to the intent to comply with the boycott. The question is: Does the company and the officers thereof intend to comply? What is willful? We have tried to add to that and make that more clear. The committee bill now makes it unlawful to willfully take or agree to take specified actions to comply with further or support certain Arab boycotts.

Our committee report at page 5 states that the purpose of title II is to prohibit U.S. citizens from "intentionally or knowingly" complying with certain secondary or tertiary boycott requirements. I wanted the word, "willfully," and we fought over that. I lost on that one, but it is at least more clear now with the compromise words.

It is my understanding that the regulations issued by the President are to prohibit intentional compliance with a foreign boycott against a country friendly to the United States, which is not a boycott under the U.S. law. What this means is that the regulations are to provide a requirement that a corporation or an individual will not be presumed guilty of an offense under this legislation based upon ministerial or administrative error or mistake.

In other words, the language simply says, "From now on you aren't presumed guilty until they prove you are." That is an extremely important point in this legislation. There are other matters of this kind that are part of this legislation and that constitute at the present time the makeup of the bill.

Mr. Chairman, let me make one more point about the present condition of this bill, because it is different in nature from most pieces of legislation that come through here. We will not find too many Members who actually oppose the bill itself totally. I think that has been obvious here today. More importantly, how this bill moves out of this House is extremely important because the Senate version is different. I cannot think of a bill in recent memory that has passed through this House and through the conference committee that revolves more around how it comes out of the House. In that regard, that factor has more effect upon the ultimate effect of this legislation, because unless there is some kind of tenuous balance struck this year through this bill, we will not have legislation which is vital to the interests of both sides, represented in this legislative battle here on the floor.

It is my feeling that this bill is probably in as good a shape as it possibly can be as it comes out of this House. There has been a great deal of work done on it by many distinguished colleagues of different persuasions concerning the matter as far as policy is concerned.

So, Mr. Chairman, I think the best alternative here today is for us to vote for this legislation on the floor, recognizing its flaws, because unless this legislation does pass in the form it is in now, or close to it, all those elements involved in the dialog here today and that are represented here today will lose and lose substantially by not having a bill passed. For that reason I support the legislation as presently written.

Mr. MICHEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in order to make an inquiry of the gentleman from New York (Mr. ROSENTHAL). The gentleman mentioned blacklisting.

One of the concerns I have with this legislation is that section 4A, subtitle (a)(1)(E) would prohibit American companies from furnishing information on their own business relationships. As the section is written, there is a prohibition which will make it practically impossible for any American company to have its name removed from an Arab blacklist, in my judgment.

Let me give the Members an example. Sears, Roebuck & Co. is on the blacklist because some Arab bureaucrat had the mistaken impression that a British company, Sears Holding, Ltd., was in some way affiliated with Sears, Roebuck. Sears, as far as I know, has no department stores located in the Middle East. If, however, it were to try to open stores in Arab countries, it would first have to have its name taken off the blacklist.

This bill would make that impossible because it outlaws giving Arab boycott offices any information concerning a business relationship with Sears Holding, Ltd.

Why should Sears not be able to state that? Why should Sears not be able to open a store in Saudi Arabia, for example? How does this help Israel or anybody else? The prohibition hurts the United States. It prevents job opportunities from being created.

We can use Caterpillar Tractor again to show how this provision can be car-

ried to extremes. The U.S. Government has officially endorsed the OECD declaration and guideliness for multinational corporations which, among other things, calls for greatly increased disclosure of information about the extent of the MNC's transnational activities. In response to this Caterpillar now lists all of its overseas subsidiaries and affiliates in its annual report. Carried to its logical extreme this legislation could prevent Caterpillar—and other companies who have been asked by the United States to support the OECD guidelines—from distributing this kind of general information to Arab customers, since it reveals the extent of our business relationships in other nations and the absence of any direct business relationship with Israel. Do we want to go to that extreme?

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from New York, but before doing so I would like to pose several additional questions to which I would appreciate an elaborated response, if nothing else, but in his extension of remarks.

I believe they do deserve answers.

I have a question about the grace period provided in this bill: It states that rules and regulations issued pursuant to H.R. 5840 will become effective 120 days after enactment. I believe we can do ourselves all a favor by taking an approach similar, in this respect, to that taken by the Senate bill, S. 69. That bill provides for proposed rules and regulations to be issued within the next few months, and for there to be a subsequent 120-day period during which public comment would presumably be permitted. This is an extremely complex issue, full of implications for Americans of all persuasions. It seems to me that we should not then impose new rules and regulations without first determining whether they actually do what this legislation calls for. I would like your view or the chairman's, on whether you would be willing to accept this Senate proposal that the public be allowed to comment on these rules and regulations before they take effect?

And a related question is this: H.R. 5840 provides that this legislation shall not affect contracts in existence prior to March 1. But the bill will not be signed and rules and regulations written until several months from now. This leaves contractors in an unworkable situation. Contracts dated after March 1 are subject to the legislation, but they have no guidelines on how to conduct their business. What should they do?

I think we need to clarify the intent of this legislation regarding the brand X tire problem. We know that Caterpillar has once had a delivery refused in Libya because the machine included a black listed component—a Motorola alternator. If next week Caterpillar receives an order from a Libyan buyer which requests that the alternator be produced by Delco-Remy several questions arise: First, can Caterpillar comply with that request, and fill the order, without running afoul of this law? Second, is Caterpillar deemed, by virtue of its past experience, to have "actual knowledge" that this is a boycott-related request? Third, must Caterpillar inquire of the buyer why he has requested the Delco-Remy part, to determine whether it is a boycott-related request? And fourth, if Caterpillar knows—or surmises—that the request is boycott-related, how is the company to determine whether its "sole purpose is to implement the boycott"?

The provisions in H.R. 5840 relating to compliance with local laws are another prime example of the deficiencies and the illusory nature of some of the compromises that are embodied in this bill. The bill allows a U.S. person resident in another country to get a Presidential exemption relieving him of any liability if he complies with a local law that conflicts with H.R. 5840. But what the bill gives, the report takes away by making it extremely difficult to obtain a Presidential waiver. The report says:

> Waivers should be granted as narrowly as feasible and only after both private and diplomatic efforts have been made to remove objectionable provisions.

What is the practical application of this? Are we telling our oil companies and our construction companies, and others who have U.S. personnel working in the Arab world that they must disobey local law in order to comply with this provision of H.R. 5840? It sounds to me like we are. We provide an escape through a Presidential waiver mechanism that is so tight as to be practically useless. Equally important, what Arab project would wait for the U.S. bureaucracy to grind out such waivers, when they could instead turn to our foreign competitors who are aggressively seeking Arab contracts. Is this not just another poorly disguised attempt to impose an embargo on American business in the Arab world?

Let us take the problem one step farther. In another back door attempt to eliminate the effectiveness of this local law compliance exception, the committee report restricts its application to U.S. persons resident in the boycotting country. Suppose that 16 months from now U.S. law, under this bill, prohibits provision of negative certificates of origin. And suppose that an Iraqi buyer proposes to buy a Caterpillar tractor produced in France and asks for certification that the goods are not made in Israel. The French plant manager, of a French corporation, which happens to be a subsidiary of an American corporation is faced with a quandry. Should he comply with the laws of his own country which allow him to provide the negative certification? This would guarantee the sale and be consonant with French trade policy which strives to maximize trade with the Arab world. Or, must he comply with H.R. 5840, which as now written would prohibit providing that negative certification? My question is this: How can our American corporations maintain their welcome in foreign nations when we in Washington tell them that they should ignore local law and let Washington call the shots? I think it is an untenable position for them to be in; and for us to advocate. And I would like to hear the indignation that would arise from this House of Congress if another country tried to dictate the behavior of its companies' subsidiaries in the United States.

Mr. ROSENTHAL. Mr. Chairman, I think the gentleman has elucidated a classic example of the type of problems American companies have had with these boycotts. The fact is that Sears is on the blacklist because to some Arab official it appeared to be affiliated with a company that had a name similar to Sears. Sears, of course, never could understand why its name appeared on the blacklist.

However, the furnishing of information aids and abets the boycotters and the blacklisters. There is not just 1 blacklist; there are as many as 21 blacklists. They are supposed to be coordinated from Damascus, but every single Arab country has its own blacklist. What develops is that in each country there is a cottage industry, and American companies are offered the inducement to buy their way off the blacklists. As individuals or as companies, they are offered the opportunity of buying their way off a blacklist.

Therefore, the committee, in its wisdom, felt that we ought not to continue to permit American companies to furnish any inormation because the furnishing of information is, in itself, honoring the blacklist.

It is similar to saying to someone who wants to rob you, "Tell me in advance or give me an affidavit as to how much money you have and then I will make a decision whether you should be robbed or not."

This is one of the ways in which blacklisting can be prevented, by saying that American firms cannot furnish information as to compliance with the boycott.

Mr. MICHEL. Mr. Chairman, may I say this to the gentlemen from New York (Mr. ROSENTHAL): Ford Motor Co., I believe, is on the blacklist. Ford recently sold one of its divisions to another American company that is not on the blacklist. This division now has the opportunity to sell its products to the Arab markets, but this bill could prevent that from happening; is that not true?

Mr. ROSENTHAL. No, I do not think so.

Mr. MICHEL. How does the gentleman reac' it?

Mr. ROSENTHAL. If the company is independent of Ford, there is no problem whatsoever.

The fact of the matter is that the Arabs do business with many companies such as Hilton Hotels or Hughes Aircraft, which also do business with Israel.

Mr. MICHEL. However, the gentleman would prohibit Ford from giving them any information which spells out the new kind of conditions that prevail.

Mr. ROSENTHAL. The United States of America cannot allow some foreign bureaucratic blacklist office to decide what American companies can be certified for doing business in another part of the world. It simply is an intolerable situation. That kind of conduct aids and abets the boycott and must be terminated.

If we can prevent that information from being disseminated, this boycott will collapse of its own weight.

Mr. MICHEL. I do not see how anyone is ever going to clear that sort of thing up if we are preventing American business and industry from submitting the kind of information they have to clear themselves.

Mr. ROSENTHAL. May I say to the gentleman that the Arabs will not ask for that kind of information once they know it is against American law for companies to furnish the information. They could not enforce the boycott after that.

This is a simple, elementary way to end the enforcement of the boycott.

Let me tell the gentleman a little story. We had a hearing last year of the subcommittee that I chair, the Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs in which an officer of Morgan Guaranty Bank testified that they refused to honor 25 letters of credit.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MICHEL) has expired.

(On request of Mr. ROSENTHAL and by unanimous consent, Mr. MICHEL was allowed to proceed for 4 additional minutes.)

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield further?

Mr. MICHEL. I yield to the gentleman from New York.

Mr. ROSENTHAL. To continue, Mr. Chairman, they were requested to honor 25 letters of credit that would have required the furnishing of information about religious affiliation. Morgan Guaranty, to their credit, said:

No, we are not going to do it. We are simply not going to honor these letters of credit.

They sent the letters back to the Arab importers. When they returned, that information request had been stricken from 24 of the 25 letters.

In other words, once an American firm resisted compliance with the boycott, then the boycott people themselves withdrew their boycott requests.

That is exactly what is going to happen after this legislation becomes law.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, my colleague, the gentleman from New York (Mr. ROSENTHAL), I think has covered the situation very admirably. However, let me point out that in the agreement that was reached between the Business roundtable and the Anti-Defamation League, in which there is now some question about some aspects of it, on this point that agreement is absolutely clear. This was included among those principles that should guide the legislation, according to the Business roundtable.

It said: "No U.S. person may furnish information with regard to or which is reflected by the U.S. individual's presence or absence from a blacklist for the use of a foreign country, its nationals," and so on.

In other words, the basic principle that the gentleman from New York (Mr. ROSENTHAL) has just outlined was very clearly contained in the Business roundtable agreement.

Mr. MICHEL. Mr. Chairman, let me go on to another area and pose several questions if, for no other reason, than to establish legislative history.

With respect to unilateral selection, I think that if we discuss that, we ought to look at the views expressed by the parties primarily interested in the administration's position as expressed in Secretary Vance's letter to Chairman ZABLOCKI, which is that an American company should be allowed to comply with the unilateral and specific selection by a boycotting country or national or resident thereof without regard to the purpose underlying the request.

The position of the ADL-Roundtable statement of principles is that—

Legislation should not, however, prevent a U.S. person from complying with the unilateral selection by a foreign country or any national or resident, including a U.S. person thereof, or one or more specific persons to be involved in one or more aspects of a transaction, including a seller, manufacturer, subcontractor, insurer, carrier, financial institution, or freight forwarder.

Would the gentleman explain to me this anomaly: The Carter administration's proposed language of unilateral selection makes no reference to the reason for the unilateral selection, resulting, presumably, in the view that this is just a foreign policy application of the legislation.

The ADL roundtable makes no reference to the reason. This compromise was agreed to by the Jewish lobbying organizations that have pushed the hardest for the legislation as I understand. Yet the legislation requires American organizations to inquire into the motives of their Arab customers. Why are we going further in the legislation, as we are, than what those special interest groups were really calling for?

Mr. BINGHAM. If the gentleman will yield for a moment, no, the provision we have here is the result of the compromise. It is the kind of a situation which is, frankly, a very difficult one. Just before the gentleman from Illinois raised his question I was in private discussion with another Member who said that the provision we have here would be impossible to use against any company because it would require knowledge that this was the sole reason for the specification.

What we have done here is to try to cut somewhere between a total loophole which would allow the specification of the components, even though the manufacturer knew that the reason for the specification was connected with the boycott, on the one hand, or, on the other hand, not allowing any specification of components at all because that would open up a loophole.

In other words, this provision was worked out with the representatives in the White House. It does represent a compromise and both sides are going to criticize it.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—EXPORT ADMINISTRATION IMPROVEMENTS AND EXTENSION

EXTENSION OF EXPORT ADMINISTRATION ACT

SEC. 101. Section 14 of the Export Administration Act of 1969 is amended by striking out "September 30, 1976" and inserting in lieu thereof "September 30, 1979".

AUTHORIZATION OF APPROPRIATIONS

SEC. 102. The Export Administration Act of 1969 is amended by inserting after section 12 the following new section 13 and redesignating existing sections 13 and 14 as sections 14 and 15, respectively:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 13. (a) Notwithstanding any other provision of law, no appropriation shall be made under any law to the Department of Commerce for expenses to carry out the purposes of this Act for any fiscal year commencing on or after October 1, 1977, unless previously and specifically authorized by legislation.

"(b) There is hereby authorized to be appropriated to the Department of Commerce $14,033,000 (and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs) for fiscal year 1978 and 1979 to carry out the purposes of this Act.".

CONTROL OF EXPORTS FOR NATIONAL SECURITY PURPOSES; FOREIGN AVAILABILITY

SEC. 103. (a) Section 4(b) of the Export Administration Act of 1969 is amended—

(1) by striking out the third sentence of paragraph (1);

(2) by striking out paragraphs (2) through (4); and

(3) by inserting the following new paragraph (2) immediately after paragraph (1):

"(2)(A) In administering export controls for national security purposes as prescribed in section 3(2)(C) of this Act, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors as the President may deem appropriate. The President shall periodically review United States policy toward individual countries to determine whether such policy is appropriate in light of the factors specified in the preceding sentence. The results of such review, together with the justification for United States policy in light of such factors, shall be reported to Congress not later than December 31, 1978, in the semiannual report of the Secretary of Commerce required by section 10 of this Act, and in every second such report thereafter.

"(B) Rules and regulations under this subsection may provide for denial of any request or application for authority to export articles, materials, or supplies, including technical data or any other information, from the United States, its territories and possessions, to any nation or combination of nations threatening the national security of the United States if the President determines that their export would prove detrimental to the national security of the United States. The President shall not impose export controls for national security purposes on the export from the United States of articles, materials, or supplies, including technical data or other information, which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, unless the President determines that adequate evidence has been presented to him demonstrating that the absence of such controls would prove detrimental to the national security of the United States. The nature of such evidence shall be included in the semiannual report required by section 10 of this Act. Where, in accordance with this paragraph, export controls are imposed for national security purposes notwithstanding foreign availa-

bility, the President shall take steps to initiate negotiations with the governments of the appropriate foreign countries for the purpose of eliminating such availability.".

(b)(1) Section 4(h) of the Export Administration Act of 1969 is amended by striking out "controlled country" in the first sentence of paragraph (1) and in the second sentence of paragraph (2) and inserting in lieu thereof "country to which exports are controlled for national security purposes".

(2) Section 4(h)(2(A) of such Act is amended by striking out "controlled" and inserting in lieu thereof "such".

(3) Section 4(h)(4) of such Act is amended—

(A) by inserting "and" at the end of subparagraph (A); and

(B) by striking out the semicolon at the end of subparagraph (B) thereof and all that follows the semicolon and inserting in lieu thereof a period.

(4) The amendments made by this subsection shall become effective upon the expiration of ninety days after the receipt by the Congress of the first report required by the amendment made by subsection (a)(3) of this section.

(c) Section 4(h) of such Act is amended—

(1) in paragraph (1)—

(A) in the first sentence by striking out "significantly increase the military capability of such country" and inserting in lieu thereof "make a significant contribution to the military potential of such country"; and

(B) in the second sentence by striking out "significantly increase the military capability of such country" and inserting in lieu thereof "make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such such country"; and

(2) in paragraph (2)(A), by striking out "significantly increase the military capability of such country" and inserting in lieu thereof "make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country".

(d) Section 6(b) of such Act is amended by striking out "Communist-dominated nation" and inserting in lieu thereof "country to which exports are restricted for national security or foreign policy purposes".

EXEMPTION FOR CERTAIN AGRICULTURAL COMMODITIES FROM CERTAIN EXPORT LIMITATIONS

SEC. 104. Section 4(f) of the Export Administration Act of 1969 is amended—

(1) by redesignating such section as section 4(f)(1); and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Upon approval of the Secretary of Commerce, in consultation with the Secretary of Agriculture, agricultural commodities purchased by or for use in a foreign country may remain in the United States for export at a later date free from any quantitative limitations on export which may be imposed pursuant to section 3(2)(A) of this Act subsequent to such approval. The Secretary of Commerce may only grant such approval if he receives adequate assurance and, in conjunction with the Secretary of Agriculture, finds that such commodities will eventually be exported and that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities.

"(B) The Secretary of Commerce shall grant or deny approval under subparagraph (A) within 30 days after receiving an application for such approval. Unless the Secretary denies approval within 30 days, approval shall be deemed to be granted and the applicant shall be notified that approval has been granted.

"(C) The Secretary of Commerce is authorized to issue such rules and regulations as may be necessary to implement this paragraph.".

CONGRESSIONAL REVIEW OF EXPORT CONTROLS ON AGRICULTURAL COMMODITIES

SEC. 105. Section 4(f) of the Export Administration Act of 1969, as amended by section 104 of this Act, is further amended by adding at the end thereof the following new paragraph:

"(3) If the authority conferred by this section is exercised to prohibit or curtail the exportation of any agricultural commodity in order to effectuate the policies set forth in clause (B) of paragraph (2) of section 3 of this Act, the President shall immediately report such prohibition or curtailment to the Congress, setting forth the reasons therefor in detail. If the Congress, within 30 days after the date of its receipt of such report, adopts a concurrent resolution disapproving such prohibition or curtailment, then such prohibition or curtailment shall cease to be effective with the adoption of such resolution. In the computation of such 30-day period, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.".

PERIOD FOR ACTION ON EXPORT LICENSE APPLICATIONS

SEC. 106. Section 4(g) of the Export Administration Act of 1969 is amended to read as follows:

"(g)(1) It is the intent of Congress that any export license application required under this Act shall be approved or disapproved within 90 days of its receipt. Upon the expiration of the 90-day period beginning on the date of its receipt, any export license application required under this Act which has not been approved or disapproved shall be deemed to be approved and the license shall be issued unless the Secretary of Commerce or other official exercising authority under this Act finds that additional time is required and notifies the applicant in writing of the specific circumstances requiring such additional time and the estimated date when the decision will be made.

"(2)(A) With respect to any export license application not finally approved or disapproved within 90 days of its receipt as provided in paragraph (1) of this subsection, the applicant shall, to the maximum extent consistent with the national security of the United States, be specifically informed in writing of any substantial questions raised and negative considerations or recommendations made by any agency or department of the Government with respect to such license application, and shall be accorded an opportunity to respond to such questions, considerations, or recommendations in writing prior to final approval or disapproval by the Secretary of Commerce or other official exercising authority under this Act. In making such final approval or disapproval, the Secretary of Commerce or other official exercising authority under this Act shall take fully into account the applicant's response.

"(B) Whenever the Secretary determines that it is necessary to refer an export license application to any interagency review process for approval, he shall first, if the applicant so requests, provide the applicant with an opportunity to review any documentation to be submitted to such process for the purpose of describing the export in question, in order to determine whether such documentation accurately describes the proposed export.

"(3) In any denial of an export license application, the applicant shall be informed in writing of the specific statutory basis for such denial.".

EXPORTS OF TECHNICAL INFORMATION

SEC. 107. Section 4 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection:

"(j) The Secretary of Commerce shall conduct a study of the problem of the export, by agreements for scientific or technical cooperation or exchange entered into by any United States person (including any college, university, or other educational institution) and by publications or any other means of public dissemination, of technical data or other information from the United States, the export of which might prove detrimental to the national security or foreign policy of the United States. Not later than 12 months after the enactment of the subsection, the Secretary shall report to the Congress his assessment of the impact of the export of such technical data or other information by such means on the national security and foreign policy of the United States and his recommendations for monitoring such exports without impairing freedom of speech, freedom of press, or the freedom of scientific exchange. Such report may be included in the semiannual report required by section 10 of this Act.".

CERTAIN PETROLEUM EXPORTS

SEC. 108. Section 4 of the Export Administration Act of 1969, as amended by section 107 of this Act, is further amended by adding at the end thereof the following new subsection:

"(k) Petroleum products refined in United States Foreign-Trade Zones, or in the United States Territory of Guam, from foreign crude oil shall be excluded from any quantitative restrictions imposed pursuant to section 3(2)(A) of this Act, except that, if the Secretary of Commerce finds that a product is in short supply, the Secretary of Commerce may issue such rules and regulations as may be necessary to limit exports.".

EXPORT OF HORSES

SEC. 109. Section 4 of the Export Administration Act of 1969, as amended by sections 107 and 108 of this Act, is further amended by adding at the end thereof the following new subsection:

"(l)(1) Notwithstanding any other provision of this Act, no horse may be exported by sea from the United States, its territories and possessions, unless such horse is part of a consignment of horses with respect to which a waiver has been granted under paragraph (2) of this subsection.

"(2) The Secretary of Commerce, in consultation with the Secretary of Agriculture, may issue rules and regulations providing for the granting of waivers permitting the export by sea of a specified consignment of horses, if the Secretary of Commerce, in consultation with the Secretary of Agriculture, determines that no horse in that consignment is being exported for purposes of slaughter.".

TECHNICAL ADVISORY COMMITTEES

SEC. 110. (a) Section 5(c)(1) of the Export Administration Act of 1969 is amended by striking out "two" in the last sentence thereof and inserting in lieu thereof "four".

(b) The second sentence of section 5(c)(2) of such Act is amended to read as follows: "Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any articles, materials, and supplies, including technical data or other information, and (D) exports subject to multilateral controls in which the United States participates including proposed revisions of any such multilateral controls.".

(c) Section 5(c)(2) of such Act is further amended by striking out the third sentence and inserting in lieu thereof the following: "The Secretary shall include in each semiannual report required by section 10 of this Act an accounting of the consultations undertaken pursuant to this paragraph, the use made of the advice rendered by the technical advisory committees pursuant to this paragraph, and the contributions of the technical advisory committees to carrying out the policies of this Act.".

PENALTIES FOR VIOLATIONS

SEC. 111. (a) Section 6(a) of the Export Administration Act of 1969 is amended—

(1) in the first sentence, by striking out "$10,000" and inserting in lieu thereof "$25,000"; and

(2) in the second sentence, by striking out "$20,000" and inserting in lieu thereof "$50,000".

(b) Section 6(b) of such Act is amended by striking out "$20,000" and inserting in lieu thereof "$50,000".

(c) Section 6(c) of such Act is amended by striking out "$1,000" and inserting in lieu thereof "$10,000".

(d) Section 6(d) of such Act is amended by adding at the end thereof the following new sentence: "In addition, the payment of any penalty imposed under subsection (c) may be deferred or suspended in whole or in part for a period of time no longer than any probation period (which may exceed one year) that may be imposed upon such person. Such a deferral or suspension shall not operate as a bar to the collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.".

AVAILABILITY OF INFORMATION TO CONGRESS

SEC. 112. (a) Section 7(c) of the Export Administration Act of 1969 is amended by adding at the end thereof the following new sentences: "Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and any information obtained under this Act, including any report or license application required under section 4(b), shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction. No such committee or subcommittee shall disclose any information obtained under this Act which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest.".

(b) Section 4(c)(1) of such Act is amended by inserting immediately before the period at the end of the last sentence thereof "and in the last two sentences of section 7(c) of this Act".

SIMPLIFICATION OF EXPORT REGULATION; AND LISTS

SEC. 113. Section 7 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary of Commerce, in consultation with appropriate United States Government departments and agencies and with appropriate technical advisory committees established under section 5(c), shall review the rules and regulations issued under this Act and the lists of articles, materials, and supplies which are subject to export controls in order to determine how compliance with the provisions of this Act can be facilitated by simplifying such rules and regulations, by simplifying or clarifying such lists, or by any other means. Not later than one year after the enactment of this subsection, the Secretary of Commerce shall report to Congress on the actions taken on the basis of such review to simplify such rules and regulations. Such report may be included in the semiannual report required by section 10 of this Act.".

TERRORISM

SEC. 114. Section 3 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new paragraph:

"(8) It is the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territory or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To achieve this objective, the President shall make every reasonable effort to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before resorting to the imposition of export controls.".

SEMIANNUAL REPORTS

SEC. 115. (a) Section 10 of the Export Administration Act of 1969 is amended by adding at the end thereof the following new subsection:

"(c) Each semiannual report shall include an accounting of—

"(1) any organization and procedural changes instituted, any review undertaken, and any means used to keep the business sector of the Nation informed, pursuant to section 4(a) of this Act;

"(2) any changes in the exercise of the authorities of section 4(b) of this Act;

"(3) any delegations of authority under section 4(e) of this Act;

"(4) the disposition of export license applications pursuant to sections 4 (g) and (h) of this Act;

"(5) consultations undertaken with technical advisory committees pursuant to section 5(c) of this Act;

"(6) violations of the provisions of this Act and penalties imposed pursuant to section 6 of this Act; and

"(7) a description of actions taken by the President and the Secretary of Commerce to effect the policies set forth in section 3(5) of this Act.".

(b)(1) The section heading of such section 10 is amended by striking out "QUARTERLY".

(2) Subsection (b) of such section is amended—

(A) by striking out "quarterly" each time it appears; and

(B) by striking out "second" in the first sentence of paragraph (1).

SPECIAL REPORT ON MULTILATERAL EXPORT CONTROLS

SEC. 116. Not later than 12 months after the enactment of this section, the President shall submit to the Congress a special report on multilateral export controls in which the United States participates pursuant to the Export Administration Act of 1969 and pursuant to the Mutual Defense Assistance Control Act of 1951. The purpose of such special report shall be to assess the effectiveness of such multilateral export controls and to formulate specific proposals for increasing the effectiveness of such controls. That special report shall include—

(1) the current list of commodities controlled for export by agreement of the group known as the Coodinating Committee of the Consultative Group (hereafter in this section referred to as the "Committee") and an analysis of the process of reviewing such list and of the changes which result from such review;

(2) data on and analysis of requests for exceptions to such list;

(3) a description and an analysis of the process by which decisions are made by the Committee on whether or not to grant such requests;

(4) an analysis of the uniformity of interpretation and enforcement by the participating countries of the export controls agreed to by the Committee (including controls over the re-export of such commodities from countries not participating in the Committee), and information on each case where such participating countries have acted contrary to the United States interpretation of the policy of the Committee, including United States representations to such countries and the response of such countries;

(5) an analysis of the problem of exports of advanced technology by countries not participating in the Committee, including such exports by subsidiaries or affiliates of United States businesses in such countries;

(6) an analysis of the effectiveness of any procedures employed, in cases in which an exception for a listed commodity is granted by the Committee, to determine whether there has been compliance with any conditions on the use of the excepted commodity which were a basis for the exception; and

(7) detailed recommendations for improving, through formalization or other means, the effectiveness of multilateral export controls, including specific recommendations for the development of more precise cirteria and procedures for collective export decisions and for the development of more detailed and formal enforcement mechanisms to assure more uniform interpretation of and compliance with such criteria, procedures, and decisions by all countries participating in such multilateral export controls.

REVIEW OF UNILATERAL AND MULTILATERAL EXPORT CONTROL LISTS

SEC. 117. The Secretary of Commerce and the Secretary of State, in cooperation with appropriate United States Government departments and agencies and the appropriate technical advisory committees establish pursuant to the Export Administration Act of 1969, shall undertake an investigation to determine whether United States unilateral controls or multilateral controls in which the United States participates should be removed, modified, or added with respect to particular articles, materials, and supplies, including technical data and other information, in order to protect the national security of the United States. Such investigation shall take into account such factors as the availability of such articles, materials, and supplies from other nations and the degree to which the availability of the same from the United States or from any country with which the United States participates in multilateral controls would make a significant contribution to the military potential of any country threatening or potentially threatening the national security of the United States. The results of such investigation shall be reported to the Congress not latter than December 31, 1978.

TECHNOLOGY EXPORT STUDY

SEC. 118. (a) The President, acting through the Secretary of Commerce, the Secretary of Labor, and the International Trade Commission, shall conduct a study of the domestic economic impact of exports from the United States of industrial technology whose export requires a license under the Export Administration Act of 1969. Such study shall include an evaluation of current exporting patterns on the international competitive position of the United States in advanced industrial technology fields and an evaluation of the present and future effect of these exports on domestic employment.

(b) The results of the study conducted pursuant to subsection (a) will be reported to the Congress within one year after the date of enactment of this Act.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. SKUBITZ

Mr. SKUBITZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKUBITZ: Page 8, line 13, strike out "If the Congress," and all that follows through line 21 and insert in lieu thereof the following:

"Any such prohibition or curtailment shall cease to be effective not later than the end of the 30-day period beginning on the date it first becomes effective unless—

"(A) such prohibition or curtailment is modified during such 30-day period, in which case the modified prohibition or curtailment shall cease to be effective not more than 30 days after the end of the original 30-day period;

"(B) such 30-day or 60-day period, as the case may be, ends before the end of the 30-day period beginning on the date the prohibition or curtailment is reported to the Congress (excluding in the computation of such 30-day period any days on which either House of Congress is not in session because of an adjournment sine die), in which case the prohibition or curtailment shall cease to be effective not later than the end of such 30-day period; or

"(C) the Congress adopts a concurrent resolution approving the prohibition or curtailment before such prohibition or curtailment ceases to be effective, except that any subsequent modification of a prohibition or curtailment so approved which results in an increased curtailment of exports shall be deemed a new exercise of authority for purposes of this paragraph and shall be subject to all the requirements and limitations of this paragraph.".

Mr. SKUBITZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SKUBITZ. Mr. Chairman, on page 8 of this bill, H.R. 5840, the committee has dealt with the subject of congressional review of export controls on agricultural commodities. They have offered a new paragraph to section 105, section 4(f) of the Export Administration Act of 1969, which reads, as follows:

(3) If the authority conferred by this section is exercised to prohibit or curtail the exportation of any agricultural commodity in order to effectuate the policies set forth in clause (B) of paragraph (2) of section 3 of this Act, the President shall immediately report such prohibition or curtailment to the Congress, setting forth the reasons therefor in detail.

Mr. Chairman, this sounds like the Congress is to take some action, but then it is followed up with this language:

If the Congress, within 30 days after the date of its receipt of such report, adopts a concurrent resolution disapproving such prohibition or curtailment, then such prohibition or curtailment shall cease to be effective with the adoption of such resolution.

What does that mean? That means that if the President acts, then this body has 30 days to disapprove. But if this Congress does nothing at all, then the prohibition stays in effect.

Mr. Chairman, my amendment is a simple one. As I said before, what I am trying to do is place the monkey on the right person's back, and that is the Congress of the United States. My amendment provides that the President may extend an embargo on agricultural products for 30 days. It goes a step further. If it is modified in any way, then it goes on for another 30 days. But then at the end of that time, the Congress must act affirmatively. It must either approve or disapprove. If it does not approve, then the controls expire.

This strikes me as a much fairer and more appropriate way to deal with the question of agricultural exports. Some of us had our experiences in the past with the export controls that were placed on grain. We had our experiences when they were placed upon soybeans.

Certainly I agree that the President must be free to make foreign policy decisions, but at the same time the exportation of agricultural products is of such great concern to the farmers of this country that the Congress should have the last say as to whether or not these export controls should stay in effect. Therefore, the points of my amendment are very, very simple. Any prohibition or curtailment of agricultural exports shall not be effective more than 30 days, and if the President modifies them for another 30 days, at the close of that time this body, and this body alone, must take affirmative action to keep the controls in effect; otherwise they disappear. Hence, the difference between the provisions in my amendment and this bill is that the bill provides nothing except that it comes back to Congress and Congress can weasel its way out by doing nothing and keeping the controls in effect, whereas my amendment says that Congress must act.

That is what I thought that side of the aisle wanted to do for the past six years. On a number of occasions when I sat on this side, I supported provisions in amendments that were offered on that side giving back to the Congress the authorities that they had given to the executive department, and that is what I want to do here today. I hope my amendment is supported.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of the Skubitz amendment to require congressional approval of any embargo on an agricultural commodity within 30 days of the President's order. Ideally, this legislation would disallow any export controls on agricultural commodities except for extreme national defense demands. In other words, no agricultural embargoes for economic reasons. The language of the gentleman from Kansas advances a step in the right direction. It requires the Congress to ratify Presidential embargo on agricultural products. In the absence of such ratification, the embargo is lifted after 30 days. The only unfortunate aspect of this language is that most damage to farm income caused by an embargo occurs within the first 30 days of its imposition.

The American farmer plays a pivotal role in the economic and social well-being of our Nation and the world. The farmer must have a free market and a fair price for agricultural goods if we plan to maintain our favorable balance of trade and advance toward prosperity at home and abroad.

The farmer has been eager to embrace the concept of a free world market for his commodities instead of a Government-subsidized economy. He has made massive investments in land, machinery, and technology. As a result of this new worldwide thrust in U.S. farm policy, farmers increased total acreage for major crops from 291 million acres in 1969 to 355 million acres in 1976.

In view of the increased Government spending and controls as well as falling productivity in the private sector throughout this same period, there has been incredible achievement in our farm communities.

In return the farmer only asks for fair treatment and unrestricted access to markets both at home and abroad. This amendment would help guarantee the promise of a free market for farm products. It was a mistake to embargo grain exports in the past. It would be a mistake to embargo grain exports in the future.

Allow me to emphasize very briefly the importance of our agricultural exports: In 1976 the U.S. agricultural trade balance totaled $12 billion. Nonagricultural trade, however, accumulated an $8 billion deficit. Our Nation is fortunate that its farmers were able to offset the trade losses in other commodities. With America's greatest trade strength, the farmer, awaiting the outcome of this legislation, I urge Congress to adopt Mr. SKUBITZ' amendment to reduce the damaging impact of agricultural embargoes.

Mr. SEBELIUS. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I wish to associate myself with the remarks of the gentlewoman from Nebraska (Mrs. SMITH) and the gentleman from Kansas (Mr. SKUBITZ).

Mr. ZABLOCKI. Mr. Chairman, I rise reluctantly in opposition to the amendment. I certainly realize and sympathize with the motivation of the gentleman from Kansas. After all, we realize that in the past there were some instances of export controls on some agricultural commodities. The most recent and most serious was the embargo on soybeans in 1973.

Mr. Chairman, there is general agreement that this was a mistake. There is agreement both in the Congress and the executive branch that it was a mistake. But officials are now very, very careful about imposing such export controls. I submit we have a former colleague of ours who is now the Secretary of Agriculture. We know of his deep concern about and his interest in what is in the best interest of our agricultural economy. Can any of us imagine that he would willy-nilly support the imposition of any embargoes?

I submit that our committee has given careful consideration to this problem. We have language in the bill—I refer the gentleman to section 105. I would have to say that his amendment would reverse the veto so that an export control placed on agricultural commodities would have to be lifted after 30 days unless before the end of that period the Congress

passed a concurrent resolution approving the export control. That would have called for a positive action on the part of the Congress.

As I understand the amendment would also permit the President to modify any export control measure during the 30-day period. This would have the effect of extending the control for another 30 days before a positive action would have to be taken.

Under the International Relations Committee language, there could be a concurrent resolution at any time that would protest the embargo. Now given the current reluctance, as I said earlier, of the Secretary of Agriculture Mr. Bergland to approve export controls on farm products, except I might say under extreme circumstances, this amendment is unnecessary. I think it unnecessarily ties the President's hands.

If the Congress does not approve of an export control it can readily pass a resolution of disapproval and I think this is all the protection we need.

Also I might say to the gentleman from Kansas, has he thought this through? This amendment would allow any smart exporter to vitiate the export controls because he could simply withhold his orders for 30 days and then report and file them after the export control is lifted.

And does the farmer thereby gain? Will this really do him, the farmer, a benefit? I would submit that the answer must be "No."

Therefore I would hope that the committee would not accept the gentleman's amendment.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, there is a lot of difference between the gentleman's language and my amendment. At the end of 30 days we let the action stay in effect in the control, and if the President would see fit to modify it or alter it we would permit another 30 days. But where we really differ is in the bill where it says that the Congress within 30 days after the date must disapprove, now if the Congress sits here and does nothing then the authority stays on. And I have been sitting here too long and watching this body act not to know that this is exactly what is going to happen, and within 30 days we cannot get anything done.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, Mr. ZABLOCKI was allowed to proceed for an additional 2 minutes.)

Mr. ZABLOCKI. Mr. Chairman, I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, all that my amendment does is simply say that the Congress must act affirmatively and say that it approves what the President is doing. I thought that was what this body was for. I thought it was a body that wanted to regain some of its authority, that wanted to have something to say about the foreign policy of this country. Here is our chance to take that stand.

Mr. ZABLOCKI. Mr. Chairman, I might say to the gentleman from Kansas, I cannot possibly imagine any Member of Congress that is unhappy with an embargo on agricultural exports who would not within 30 days, as a matter of fact, within a week or 10 days, introduce a resolution of disapproval.

I appreciate the gentleman calling it my amendment, but I must be honest. I am not the author of this amendment. I am very happy to associate myself with the intent of this provision.

Therefore, I hope that the gentleman from Kansas will agree that we do not unduly tie the hands of the President with the committee amendment.

I also hope the gentleman from Kansas will understand and reconsider the position on the gentleman's amendment and go along with the committee amendment. In the meantime and until that happens, I urge a "no" vote on the amendment of the gentleman from Kansas.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. The gentleman from Ohio (Mr. PEASE) offered an amendment to the Export Administration Act in committee, which represents an excellent advance. The Skubitz language is an even more promising advance, and for that reason I support it.

In addition to the comments made by the gentleman from Kansas (Mr. SKUBITZ), which I endorse in support of the amendment, I would like to call attention to the unique similarities between the Skubitz language and the war powers legislation, legislation that I know my good friend, the gentleman from Wisconsin (Mr. ZABLOCKI) supports enthusiastically, just as I do. The War Powers resolution recognizes the need to give the President the opportunity to respond promptly, but for a short-stated period of time to an emergency situation. The Skubitz language will do exactly the same thing. Under the war powers legislation the President could not continue to use military force on foreign territory after the expiration of a short period of time, unless the Congress gave him legislative endorsement for that further involvement.

The same would apply with the Skubitz language and I heartily endorse the Skubitz amendment.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Skubitz amendment. I am not a member of the International Relations Committee, but I have been listening for better than 2 hours, with complete interest, to this debate. I find it fascinating; and I support the amendment of the gentleman from Kansas (Mr. SKUBITZ), because I think it is the better procedure. Domestic beef growers have been trying for the past 4 years to get the President of the United States to do something about the importation of agricultural products detrimental to American producers, the importation of beef detrimental to the price of livestock. We have tried in the western States to effect some prices by adjustment of importation quotas which is next to impossible under present procedures.

I would rather see the burden put upon Congress to act, rather than the language of the committee bill. This may not be a very seasoned opinion, but it is my reaction after listening to both sides regarding the Skubitz provision, and the overall complexities of H.R. 5840.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. SKUBITZ).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. SEBELIUS

Mr. SEBELIUS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SEBELIUS: Page 8 after line 21, insert the following:

"(4)(A) Notwithstanding any provision of law, whenever the President of the United States or any other member of the executive branch of the Federal Government suspends or causes a suspension of export sales of corn, wheat, soybeans, grain sorghum, or cotton, the Secretary of Agriculture shall make payments described in subsection (B) and (C) to any farmowner or operator who has in storage at the beginning of the suspension any amount of the commodity for which export sales have been suspended; except that no such payments may be made with regard to any such commodity unless, at the close of the calendar month preceding the calendar month in which the suspension is initiated, the price received by producers of such commodity was less than the parity price.

"(B) The first payment described in subsection (A) shall become payable at the initiation of the suspension of export sales of the commodity concerned. Such payment shall be made at a rate of 10 per centum of the parity price per bushel or bale of the commodity concerned which was produced by the farm owner or operator and which is held in storage by him at the time of the initiation of the suspension; except that, for each bushel or bale of such commodity held by an owner or operator in excess of twenty thousand bushels, or five hundred bales, the rate of payment shall be 5 per centum of the parity price per bushel or bale of such commodity.

"(C) In addition to the payment described in subsection (B), the Secretary shall make payments to such farm owners or operators for each thirty-day period during which the suspension of the commodity concern is in effect, except that no payment shall be made in addition to the one described in subsection (B) with respect to the first thirty-day period of the suspension. The rate of each such payment shall be 3 per centum of the parity price per bushel or bale of the commidity concerned which was produced by the owner or operator and which is held in storage by him at the beginning of the thirty-day period for which the payment is made; except that, for each bushel or bale of such commodity held by an owner or operator in excess of twenty thousand bushels or five hundred bales, the rate of payment shall be 2 per centum of the parity price per bushel or bale of such commodity."

Mr. SEBELIUS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ZABLOCKI. Mr. Chairman, I desire to reserve a point of order against the gentleman's amendment.

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order against the amendment.

Mr. SEBELIUS. Mr. Chairman, I wish to commend the International Relations Committee for efforts to simplify U.S. policy on export controls and to reduce emphasis upon political ideology as the basis for export controls as opposed to national security. I want to thank Chairman ZABLOCKI for reserving his point of order against this amendment, because I am very much interested in this. I think my chances of having the point of order overruled are like the chances of a hummingbird flying to the planet Mars with the Washington Monument tied to its tail. However, I feel so strongly about this and the need to bring the embargo problem of the farmer to the attention of the Nation.

Mr. Chairman, I am especially interested in title I of the act and specifically in regard to agricultural exports. The act contains the provision that if export controls are placed on agricultural commodities for foreign policy reasons, the President shall justify the controls to Congress and within 30 days of receiving the report, Congress may veto export controls by concurrent resolution.

Mr. Chairman, the purpose of my amendment is to carry the intent of this provision one step further and to provide equity and consideration to the man whose job it is to feed this Nation and to help feed a troubled and hungry world.

If it is in our national interest to suspend agricultural export sales for any number of reasons, and if these suspensions or export controls are punitive and discriminatory to the farmer, then I believe it is also in our national interest to provide the farmer equity. If we are going to embargo the farmer's product in the interest of fighting inflation, conducting foreign affairs or any number of other reasons, social, or economic, we should have to pay for it. That is what my amendment is all about.

This legislation is intended to increase the realization that should future Government intervention in exports occur, there is a price that has to be paid and that price is in truth an investment in our national interest. My amendment would assure the farmer minimum financial protection if Government interference or special interest pressure should cause future disruption in U.S. farm exports.

Should the executive branch of Government deem it in the national interest to suspend export sales of grain, national interest equity payments to farmers who still own their grain would be required.

This initial payment would become payable when export sales of grain and cotton are suspended. The payment would be 10 percent of the parity price per bushel or bale of the commodity concerned. Payments for holdings beyond 20,000 bushels or 500 bales for an individual producer would be reduced to 5 percent.

For each additional 30-day period the suspension is in effect, there would be additional payments in the amount of 3 percent of the parity price per bushel or bale of the commodity withholding in excess of 20,000 bushels or 500 bales at the rate of 2 percent of the parity price per bushel or bale.

I wish to stress that these payments, or investments in our food and fiber production capability, in no way cover the precipitous decline in grain prices that farmers have experienced during Government intervention in grain exports the past few years. However, during this time of fiscal restraint, these equity payments will at least enable the farmer to maintain his economic position during future such suspensions.

Mr. Chairman, in the past the farmer has been told it is in the national interest to maximize food production. He received assurances from the executive branch of our Government of free access to export markets. Despite record production costs, he responded in good faith.

Unfortunately, suspensions of export grain sales disrupted supply and demand marketing, effectively depressed grain prices in some cases below production costs, denied grain producers a fair and equitable price for their product, and imposed additional storage costs on grain producers who cannot market their products without a fair economic return.

I submit to my colleagues that equity payments to the farmer are also in the national interest and in return become investment's in this Nation's ability to fight hunger, stem inflation, provide jobs, improve our balance of payments, pay for foreign oil, and alleviate hunger and malnutrition.

I do not want equity payments. What I really want is for the Government to stop embargoing grain shipments. We have to have this as a tool. I think that all should know and understand that the farmer cannot sit there and hold his grain without being compensated for it. I am asking for equity.

I urge consideration and support for this amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Wisconsin make a point of order against the amendment?

Mr. ZABLOCKI. Yes, Mr. Chairman.

The CHAIRMAN. I would inquire of the gentleman from Kansas as to whether or not he concedes the point of order.

Mr. SEBELIUS. I stated to the chairman that I felt I should not, because the chance of being sustained is as good as that hummingbird I spoke of going to Mars with the Washington Monument tied to its tail. So, I would just submit the point of order for the Chair to rule upon.

The CHAIRMAN. The gentleman from Wisconsin will state his point of order.

Mr. ZABLOCKI. Mr. Chairman, apparently the amendment the gentleman from Kansas (Mr. SEBELIUS) has presented is a parity amendment pending in the part of the bill before the Agriculture Committee.

Mr. SEBELIUS. That is right.

Mr. ZABLOCKI. It is not germane to section 105, which deals solely with existing authority of the President to limit export controls for foreign policy purposes under the Export Administration Act.

Second, the amendment gives the President new authority where export controls are imposed for new purposes uner a new act.

And, third, this new authority deals solely with domestic matters which are within the jurisdiction of another country.

As I said, it is a parity amendment.

Lastly, this is a farm subsidy issue, not an issue of foreign affairs.

This bill does not deal with agricultural parity, it does not deal with support controls.

Therefore, Mr. Chairman, I submit that the amendment is not in order.

Mr. SEBELIUS. Mr. Chairman, I would like to respond, to this extent: I acknowledge the validity of many of the statements the Chairman has made. To me, personally, and to the farmers of my district, I think this is the time and this is the place.

The CHAIRMAN. The Chair is ready to rule.

H.R. 5840 is a bill to amend the Export Administration Act of 1969 in order to extend the authorities of that act, improve the administration of export controls under that act, and to strengthen the antiboycott provisions of that act.

Section 105 of the bill as amended amends the procedure by which the Secretary of Commerce can notify the Congress of the exercise of authority curtailing exports of agricultural products. It thereafter gives the Congress a certain period of time within which to disapprove if it so chooses.

The amendment offered by the gentleman from Kansas (Mr. SEBELIUS) goes beyond the purview of the title and the section to which offered, in that it would require payments by the Secretary of Agriculture to any farmowner or operator who has in stowage at the beginning of the suspension any amount of the commodity for which export sales have been suspended.

For the reasons stated by the Chair and the reasons given by the gentleman from Wisconsin, the point of order is sustained.

Are there any other amendments to title I of the bill?

AMENDMENT OFFERED BY MR. M'KINNEY

Mr. McKINNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McKINNEY: Page 12, immediately after line 18, insert the following new section 110 and redesignate existing sections 110 through 118 as sections 111 through 119, respectively:

PROHIBITION OF CERTAIN PETROLEUM EXPORTS

SEC. 110. Section 4 of the Export Administration Act of 1969, as amended by sections 107, 108, and 109 of this Act, is further amended by adding at the end thereof the following new subsection:

"(m) Notwithstanding any other provision of this Act and notwithstanding subsection (u) of section 28 of the Mineral Leasing Act of 1920, no domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to such section 28 (except any such crude oil which (1) is exchanged in similar quantity for convenience or in-

creased efficiency of transportation with persons or the government of an adjacent foreign state, or (2) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States) may be exported from the United States, its territories and possessions, during the 2-year period beginning on the date of enactment of this subsection.".

Mr. McKINNEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. McKINNEY. Mr. Chairman, on Monday night, President Carter gloomily outlined the imminent perils of our growing energy shortages to the American people. Among the specific goals which the President proposed to ward off the impending national catastrophe was a reduction in foreign oil imports from the present 8 million barrel per day level to 6 million barrels per day by 1985. The President also proposed development of a 1 billion barrel strategic petroleum reserve within the same timeframe, while simultaneously preventing profiteering by big, integrated oil producers.

In contrast to the President's admirable goals, we have before us a bill (H.R. 5840) which, as written, could be used to justify the exportation of 400,000 barrels per day of Alaskan oil. The necessary success of what the President has proposed makes it incumbent upon us to correct such inconsistencies. It would be incomprehensible to expect that the administration and this Congress can convince the American people of severe supply shortages while we simultaneously export nearly a half million barrels of oil per day to Japan. I, for one, Mr. Chairman, cannot tell my constituents on the one hand to button up, pay more and use less while on the other hand we are exporting 400,000 barrels of excess Alaskan crude.

I heartily endorse each of the goals outlined by the President, and the amendment which I offer today will enhance the feasibility of attaining those goals. My measure, which amends section 4 of the Export Administration Act of 1969, essentially provides that no domestically produced crude from Alaska's North Slope shall be exported for 2 years. The amendment will further insure the fulfillment of our specific intent in passing the Trans-Alaska Pipeline Authorization Act—TAPS Act—the domestic distribution of Alaskan oil.

Mr. Chairman, my amendment is the product of 2 years of extensive research in this area. Since my initial contact with FEA, FPC, and the Department of the Interior, I have communicated with industry executives, conferred with agency and department heads and have solicited every responsible viewpoint regarding Alaskan oil distribution. Each new piece of information I receive only strengthens my conviction that exportation of Alaskan oil to Japan is inevitable unless we act to plug the loophole.

In Monday's address the President stated that despite the absence of long gasoline lines "our energy problem is worse tonight than it was in 1973." You may recall, Mr. Chairman, that in 1973, passage of the TAPS Act included a provision which states:

The early development and delivery of oil and gas from Alaska's North Slope to the domestic markets is in the national interest because of growing domestic shortages and increasing dependence upon insecure foreign sources.

Monday night, President Carter emphasized that our continued reliance upon insecure foreign sources represents a serious danger to the economic and political independence of the United States. Clearly, Mr. Chairman, the exportation of Alaskan oil, especially if exchanged for additional OPEC supplies as has been proposed, will perpetuate the dangers to which the President referred, and will increase our dependence upon OPEC by nearly one-half million barrels of oil every day.

The only rationale, as unconvincing as it may be, for an exchange or export agreement with Japan is to provide the North Slope producers with a 50 cent to $1 per barrel savings in transportation costs. Not only are these savings of little significance when considered against the resulting increase of foreign imports, they are also unnecessary, based upon economic findings by the FEA. In a report released last Friday, the FEA presented at least two scenarios which include domestic distribution as well as: An adequate wellhead price for the producer; a price to the refiner which is cost competitive with imports and a cost to energy-starved consumers of the Midwest and Mid-Atlantic States not in excess of present oil prices. These financial scenarios are FEA's own, Mr. Chairman, and are not embellished with my personal interpretation of that report. In fact, I received personal assurances from FEA officials last week that indeed such pricing proposals can be immediately implemented.

We are all concerned with providing more jobs in our struggling industries. Why then should we create more work for the foreign tanker industry by transporting the oil to Japan, while our own merchant tanker fleet suffers through hard times. I have further been assured by top FEA officials that sufficient American tanker capability already exists to transport the Alaskan crude through the Panama Canal to the gulf coast for refining and distribution.

Furthermore, Mr. Chairman, substantial doubt exists regarding the legality of exporting Alaskan oil under any conditions. As dictated by section 28(U) of the Mineral Leasing Act—as amended by the TAPS Act—the President can only approve the export of North Slope crude if he determines it will benefit the national interest. As you may recall, the 93d Congress, in approving the TAPS Act, determined that the national interest would best be served by distributing the North Slope crude domestically. Section 202, subsection (a) of the TAPS Act states:

The earliest possible construction of a trans-Alaska oil pipeline from Alaska's North Slope to Port Valdez in that state will make the proven and potential reserves of low-sulfur oil available for domestic use and will best serve the national interest.

In addition, subsection (a) of 202, to which I referred previously, states that domestic distribution of North Slope is in the national interest due to our increasing dependence upon insecure foreign sources. Yet despite these plainly worded provisions, Mr. Chairman, many still contend that the President has the authority to determine the export of Alaskan oil will best serve the national interest.

I find this contention particularly ironic for the very presence of an export clause in the pipeline law, according to the legislative history, was prompted by the desire to limit export decisions made in contrast to domestic distribution alternatives. Yet when the oil begins to flow next October, that apparently limiting export clause will be used to sanction open-ended exportation simply because no alternative exists against which to measure the national interest. No alternative, that is, except reduced production which no one discusses in serious terms.

Be that as it may, the intent of my amendment is to insure that alternatives to export are considered so the present uncertainty does not become the gaping hole through which the American public will lose one-half million barrels of domestically produced oil every day.

Despite the obvious inequity of encouraging sacrifice while exporting "excess" oil, I have received strong indications that the administration intends to do just that. I trust, Mr. Chairman, that neither you nor any of my other distinguished colleagues will ignore this opportunity to correct this inequity through support of my amendment. It would indeed be a disgrace to undercut our efforts toward increased energy self-sufficiency before they have a chance to begin.

Mr. Chairman, in closing, I would simply state that it is impossible for me to believe that we can make the American people believe there is a fuel crisis in this country, that we tonight can go back to our constituencies and say, "Yes, we must do something, we must do as the President asks," and that then your constituents and mine will be happy when they pick up the newspaper on the next day and see that we are shipping oil to Japan.

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and members of the committee, I rise in opposition to this amendment because it is not only unnecessary; it is potentially counterproductive, particularly in terms of the interests of millions of American industry consumers in the Northeast and in the southern sections of our country.

Under existing law, no Alaskan oil can be exported out of the country unless the President first makes a determination that it will not diminish the total supply of petroleum available in the United States. In other words, the only circumstances under which the President can

permit Alaskan oil to be shipped out of the United States is if, in effect, there is a swap whereby a comparable amount of oil is brought into the country. Even under those circumstances, if the President makes such a determination, the Congress has the right—in spite of the fact that it will not result in a diminution of the total amount of petroleum available in our own country—to veto it anyway. Consequently, Mr. Chairman, this amendment is totally unnecessary because nobody has to be concerned that the export of Alaskan oil is going to diminish the amount of petroleum available in our country. The only circumstances under which oil can be exported would be if it does not result in a diminution of supplies.

Second, I think the amendment is potentially counterproductive because to the extent that there is a surplus of Alaskan oil above and beyond what consumers on the west coast can utilize, the fact is that it may potentially cost substantially more to ship Alaskan oil than it would cost the east coast to import that oil from overseas, in the context of a swapping arrangement in which the oil we export from Alaska is replaced by oil we import from elsewhere.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, as I mentioned in my rather speeded up remarks, the FEA itself has come out with two scenarios of transactions on this oil which would not increase the cost. The problem is that the northeast is 98 percent or almost totally dependent on foreign oil.

The fact of the matter is that we are dependent on getting that foreign oil through the grace of continued peace in the Middle East, the Russian Navy, and no more financial blackmail from OPEC.

I think to allow ourselves to remain in this condition and not force another system of transportation when it is available is just incredulous.

Added to all of that, I still do not see how we can explain to any citizen in this country what you expect him and I expect him to go through in the matter of energy conservation and then having him turn around to see that American oil is being shipped to Japan. He is not going to tolerate it, he is not going to stand for it, and he is not going to believe us.

Mr. SOLARZ. Mr. Chairman, I find the gentleman so persuasive that I have no doubt whatsoever he would be perfectly capable of convincing any of his constituents who care to listen that there is nothing wrong with permitting Alaskan oil to go to Japan if the condition for permitting that is the bringing in of a comparable amount of oil from elsewhere in the world.

However, I did not say that shipping Alaskan oil to the east coast would necessarily be more expensive than importing oil to the east coast from elsewhere in the world. I did say that potentially it might be more expensive. Right now we just do not know, and I do not think we ought to put consumers on the east coast in that kind of potentially vulnerable position.

Finally, Mr. Chairman, may I say to the gentleman that if, in fact, the Congress believes it would be unwise to permit Alaskan oil to be sent overseas, in spite of the fact that an equal amount is coming in from elsewhere, we would retain the right to veto the permission for such exportation.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, there is a flaw in that reasoning, and as I understand it, it is this: Alaskan oil is so-called acid oil, and to refine it requires a particular adjustment in a refinery.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Ohio.

Mr. SEIBERLING. As I was about to say, Mr. Chairman, oil from the Middle East or from other sources may not be the same chemically.

So if we were suddenly cut off and had to go to Alaskan oil our refineries might not be able to handle it right away and we would not have the transportation system set up internally in the country to move that oil from the west coast to the east coast. So, how do we get around those two problems?

Mr. SOLARZ. There is nothing that requires us to replace the oil with oil from the Middle East. It could come from Venezuela, or from Canada, or other parts of the world that produce oil as well.

Second, if in fact it turned out to be no more expensive, or possibly less expensive to bring the Alaskan oil to the east coast than it would be to import oil from elsewhere in the world to the east coast, I would hope that the President would not give permission for Alaskan oil to be exported. And if he were foolish enough to do that, then I would be among those who would vote against such action.

Were it to turn out that it is more expensive because of the shipping expenses to bring oil from Alaska to the east coast, then I do not think we should be denied the opportunity to give Japan oil.

Mr. SEIBERLING. But we may have gotten ourselves out on a limb and cannot use the Alaskan oil when we most need it, that is my concern.

Mr. YOUNG of Alaska. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Connecticut to prohibit any export of Alaskan crude oil for the next 2 years. As the Representative for the State of Alaska, I am acutely aware of the history of Alaskan oil development and want to assure my colleagues that it never has been the intent of the State's political leadership to see our oil go anywhere except to American consumers. Events however, seem to be pointing to the export of some North Slope crude oil to Japan.

The predicted west coast oil surplus that is generating pressure for oil exports to Japan is hardly a new phenomena. The possibility of a surplus became evident in 1974. To refresh my colleagues' memory, in 1973 it was widely expected that the west coast could effectively use the entire throughput of the Trans-Alaska Pipeline. In the wake of the Arab Oil Embargo, however, oil consumption patterns suddenly changed and projections then indicated that Alaskan oil would generate an excess supply on the west coast.

Nevertheless, efforts began almost immediately to correct the situation. Congress addressed the matter through hearings and private industry came forth with proposals to bring surplus Alaskan oil to mid-continent markets. Standard Oil of Ohio—Sohio—unveiled its California-to-Texas pipeline in late summer, 1974. Subsequently, other firms proposed the Northern Tier Pipeline to move Alaskan oil from Puget Sound into the upper Midwest and the Trans-Provincial Pipeline to land Alaskan oil in British Columbia and pump it to Edmonton where it could be hooked into the pipeline network that serves the Midwest and Plains States. Finally, the Federal Government commenced studies regarding the possibility of bringing Alaskan oil in tankers through the Panama Canal to gulf and East coast ports.

But export proponents tell us these efforts have been for naught. Despite 3 years of warning, despite 3 years of planning, despite untold numbers of studies, despite the existence of at least four concrete proposals to transport extra Alaskan oil to needy domestic markets, we are being told that this extra oil must go to Japan. Frankly, I can't accept that answer.

The Sohio project, scheduled for completion in 1978 if it gets all the necessary Federal and State approvals, has been inching through our bureaucracy for nearly 3 years. Yet the Federal Power Commission part of its approvals—it must get an OK to convert an unused gas line to an oil line—will only start next month. I find it incomprehensible that we must export precious domestic oil because bureaucratic fiddlers have failed to act expeditiously on a critical project.

Lest I seem too harsh on the Federal Government, I want to mention that the intransigence of certain States has also been a factor. California, particularly its Air Resources Board, has fought the Sohio project every step of the way. Indeed, segments of California officialdom have been so crass as to suggest that they would approve Sohio's project in return for assurances of greater natural gas supplies. I hate to think of Alaskan oil going to Japan because a few officials in one State are dragging their feet on a nationally vital project. In Washington, local officials have fought the Northern Tier proposal. However, the recent comments of Governor Ray indicate that the State recognizes the national need for systems to bring Alaska oil to needy domestic users. And problems in Canada, obviously beyond our control, are affecting Trans-Provincial.

Apparently we find ourselves in an uncomfortable position: Alaskan oil will begin to flow in 3 months and the systems to move the extra oil from the west coast inland have been stymied by red-tape and/or opposition. Therefore, some observers say, export of this extra oil to Japan is the only alternative.

Let me reaffirm my opposition to such export and explain why passage of this amendment is necessary. First, we need to hold some feet to the fire so that one or more of these three pipeline projects is approved and approved very soon; passage of this amendment demonstrates the Congress will not tolerate exports nor tolerate further delays to projects which can obviate the need for exports. Second, interim methods do exist to bring Alaskan oil to eastern markets.

FEA and the Maritime Administration have found that U.S. flag tankers can be used to take Alaskan oil from Valdez through the Panama Canal to U.S. ports. Obviously this will cost a little extra. However, these extra dollars will be kept in our economy, these dollars will not go into the OPEC treasury.

Mr. Chairman I urge passage of this amendment. Let us keep our Alaskan oil for Americans.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

I agree with the position of the gentleman from Alaska on this matter. However, I would like to point out that in 1973 some of us were opposing the Alaskan Pipeline bill because we wanted a line built through Canada. We said at the time that there is going to be a surplus on the west coast, and the oil companies said, "Oh, that isn't so." Now it is clear that they were wrong about that.

Mr. YOUNG of Alaska. I will say to my good friend, the gentleman from Ohio, that is perfectly clear on the record. May I say, though, that if it had been built through Canada, it might not be built today, and there would not be a surplus, and we would not be in a position of solving some of this energy dependence that we have on foreign countries.

We can argue the pros and cons after the fact, but I will say to my good friend, the gentleman from Ohio, that I think he will agree that we must build this distribution system. This will put their feet to the fire. It will require this administration, that really wants to solve the energy problem, to get on with the show and go ahead and get the job done.

Mr. SEIBERLING. I agree, under the situation we are in now, but it could have been avoided had the line been built through Canada to the Midwest, which is an oil short region.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman for yielding.

Is it conceivable, however, that this amendment would bar the United States from taking advantage of the swap arrangement that might be to our financial advantage?

Mr. YOUNG of Alaska. To my knowledge, whether we take advantage of the swap arrangement or not is a moot question because if we do not at this time utilize that surplus to build the additional distribution system, then we have lost the chance and the golden opportunity ever to build it.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

I can assure the gentleman that the FEA has come up with two scenarios which will deliver it at the same price. Also they have admitted in my office a week ago Friday that there are enough Jones bottom ships right now to take that oil through the Panama Canal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose this amendment for one simple reason: I think this debate is premature. We are going to hear from the President this evening on his proposal for a comprehensive energy program. It would seem to me that it would be disrepectful, to say the least, for us now to take a stand on this matter which would foreclose the President and the Congress from taking a different position later on, should it seem wise to offer to do it. This debate should be occurring at the time and only at the time that the President has made a finding that there should be exports to Japan, and then the Congress can debate the question of whether or not that would be wise. But for us on an Export Administration Act, which is primarily procedural, to make a substantive decision in the energy field is the wrong move at the wrong place and the wrong time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I simply would like to associate myself with the remarks the gentleman from New York (Mr. BINGHAM) just made.

I am new in this Chamber, but it seems to me that there are arguments on both sides as to how that Alaskan oil ought to be transported to the Midwest and the Northeast and the South. Surely, as a Congressman from a Midwest State, there is a lot to be said for a pipeline to get it directly into the Midwest. However, again as a newcomer, it seems to me that this is a policy decision of major import that requires a lot of study, a lot of input, and a lot of discussion by some committee of this Congress, and that now and here is not the time and the place to make this kind of decision and commit the Congress to a course of action which it may not wish to pursue.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. McKINNEY).

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to title I?

Mr. BAUMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do so to make an observation to which the gentleman from Wisconsin might wish to respond. Not being a member of the committee I read carefully the provisions of title I and the changes it makes in the current export control law. It was my impression that the entire statute was originally enacted to control trade with Communist countries. I see however that the law is being changed by this bill to give to the President a great deal of discretion in trading with Communist countries based on certain factors that are written into title I and in addition any other factors that he might consider appropriate.

I had understood that the law has operated in some respects as an absolute ban on certain types of trade with Communist countries. Now the bill changes this to make it pretty much an act of judgment by whatever administration is in power, so strategic trade with Communist countries or other goods which could be used against us could in fact be authorized by the administration if it made that judgment.

I make that statement knowing the President of the United States endorsed the asinine statement by the Ambassador to the United Nations that the Cuban Communist troops in Angola lent stability to that country. I suppose that lends stability in the same way that a prisoner is given stability by the cell in which he resides.

It seems to me if this new provision is to be so interpreted by the administration that will in fact encourage further trade with Cuba, a country that is exporting communism and violence and death all over Africa. If that is the case then we ought to seriously consider whether this provision and this broadened discretion is indeed to the benefit of the United States.

I wonder what response the gentleman from Wisconsin might have to that?

Mr. ZABLOCKI. Mr. Chairman, if the gentleman will yield, if the gentleman had been here, and I presume he was here, he would have heard my explanation of the bill.

Mr. BAUMAN. I listened very carefully to that.

Mr. ZABLOCKI. I made it clear then that this bill does not change the basic law as to trading with Communist countries. It does give some discretion compared with the law which expired last September. But there was discussion about having a requirement for a review of that law for national security purposes. Furthermore, there were some questions before the Rules Committee as to trading with Communist countries was indeed lessened to an extent so as to be of concern.

I have before me some 12 pages of very fine print of a computer listing of certain products, manufactured goods and other strategic commodities the exportation of which is restricted. I can assure the gentleman that this law does not weaken the restrictions with respect to trading with Communist countries.

Let me assure the gentleman that it is also the concern of the gentleman

from Wisconsin that we do not weaken our position and our policy in this legislation as far as the security of our country is concerned.

Mr. BAUMAN. I share that concern, but the point I want to make is that if Communist control of a nation is not the only factor to be considered and the President is allowed to bring in other factors, does not this in fact weaken the law which forbids certain types of trade, if the President decides to go ahead and do it?

Mr. ZABLOCKI. The present law does not limit only trade with Communist countries, but to any country if such trade would affect our national security.

Mr. BAUMAN. I hope the gentleman is correct in what he says, but I have grave reservations as to the policy which this present administration has expressed toward trade with Communist countries. While I support title II of the bill and its antiboycott provisions, I do not think we should weaken restrictions against Red trade.

The CHAIRMAN. There being no further amendments to title I, the Clerk will read title II.

The Clerk read as follows:

TITLE II—FOREIGN BOYCOTTS

PROHIBITION ON COMPLIANCE WITH FOREIGN BOYCOTTS

SEC. 201. (a) The Export Administration Act of 1969 is amended by redesignating section 4A as section 4B and by inserting after section 4 the following new section:

"FOREIGN BOYCOTTS

"SEC. 4A. (a)(1) For the purpose of implementing the policies set forth in sections 3(5) (A) and (B), the President shall issue rules and regulations prohibiting any United States person from willfully taking or agreeing to take any of the following actions to comply with, further, or support any boycott fostered or imposed by a foreign country against a country which is friendly to the United States and which is not itself the object of any form of embargo by the United States, if such action is taken or agreed to be taken pursuant to an agreement with, a requirement of, or a request from or on behalf of the boycotting country:

"(A) Refraining from doing business with or in the boycotted country, with any business concern organized under the laws of the boycotted country, or with any national or resident of the boycotted country. The absence of a business relationship with or in the boycotted country, with any business concern organized under the laws of the boycotted country, or with any national or resident of the boycotted country, does not alone establish a violation of rules and regulations issued to carry out this subparagraph.

"(B) Refraining from doing business with any person (other than the boycotted country, any business concern organized under the laws of the boycotted country, or any national or resident of the boycotted country). The absence of a business relationship with a person does not alone establish a violation of rules and regulations issued to carry out this subparagraph.

"(C) Refraining from employing or otherwise discriminating against any United States person on the basis of race, religion, sex, or national origin.

"(D) Furnishing information with respect to the race, religion, sex, or national origin of any other United States person.

"(E) Furnishing information about whether any person has, has had, or proposes to have any business relationship (including a relationship by way of sale, purchase, legal or commercial representation, or supply) with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person which is known or believed to be restricted from having any business relationship with or in the boycotting country.

"(F) Furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of, any charitable or fraternal organization which supports the boycotted country.

"(G) Paying, honoring, advising, confirming, processing, or otherwise implementing a letter of credit which contains any condition or requirement compliance with which is prohibited by rules and regulations issued pursuant to this paragraph.

"(H) Using a foreign person, including a subsidiary or affiliate, in order to circumvent the rules and regulations issued pursuant to this paragraph.

"(2) Rules and regulations issued pursuant to paragraph (1) shall provide exceptions for—

"(A) compliance with requirements (i) prohibiting the import of goods or services from the boycotted country or of goods produced, or services provided, by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country, or (ii) prohibiting the shipment of goods to the boycotting country on a carrier of the boycotted country or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

"(B) compliance with import and shipping document requirements with respect to a positive designation of country of origin (except that, during the 1-year period beginning on the date on which rules and regulations issued pursuant to paragraph (1) first become effective, a negative designation of country of origin may be furnished), the name and nationality of the carrier and route of shipment, and the name of the supplier of the shipment;

"(C) compliance with export requirements of the boycotting country relating to shipments or transshipments of exported goods to the boycotted country, to any business concern organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

"(D) compliance with the designation by the boycotting country, by a business concern organized under the laws of the boycotting country, or by a national or resident of the boycotting country, of a specific person to be involved in a particular aspect of a transaction, including the specific person who is to act as seller, manufacturer, subcontractor, insurance carrier, financial institution, or freight forwarder, except that this exception shall not apply in any case in which the United States person has actual knowledge that the sole purpose of the designation is to implement the boycott; and

"(E) the refusal of a United States person to pay, honor, advise, confirm, process, or otherwise implement a letter of credit in the event of the failure of the beneficiary of the letter to comply with the conditions or requirements of the letter.

"(3) The President may grant exemptions from any requirement of the rules and regulations issued pursuant to paragraph (1), other than rules and regulations issued to carry out paragraph (1)(H), in order to permit compliance with a specific provision of the laws of a foreign country which requires the taking of an action in that country which would, in the absence of such an exemption, be prohibited by such rules and regulations.

"(4)(A) Nothing in this subsection may be construed to supersede or limit the operation of the antitrust laws of the United States.

"(B) The rules and regulations issued pursuant to paragraph (1) shall preempt and supersede any provision of law or regulation of any State or political subdivision thereof which is directed to compliance with, furtherance of, or support for any boycott fostered or imposed by a foreign country against another foreign country; and no State or political subdivision thereof may establish, continue in effect, or enforce any such provision of law of regulation.

"(5) Rules and regulations pursuant to this subsection and section 11(2) shall be issued and become effective not later than 120 days after the date of enactment of this section, except that rules and regulations issued pursuant to this subsection shall provide a grace period during which the rules and regulations issued pursuant to paragraph (1) will not apply to actions taken pursuant to a written contract or other agreement entered into on or before April 1, 1977. Such grace period shall end on December 31, 1978, except that the Secretary of Commerce may extend the grace period of not to exceed 1 additional year in any case in which the Secretary finds that good faith efforts are being made to renegotiate the contract or agreement in order to eliminate the provisions which are inconsistent with the rules and regulations issued pursuant to paragraph (1).

"(b)(1) In addition to the rules and regulations issued pursuant to subsection (a) of this section, rules and regulations issued under section 4(b) of this Act shall implement the policies set forth in section 3(5).

"(2) Such rules and regulations shall require that any United States person receiving a request for the taking of any action prohibited by the rules and regulations issued pursuant to subsection (a)(1) shall report that fact to the Secretary of Commerce, together with such other information concerning the request as the Secretary may deem appropriate for the effective enforcement of those rules and regulations. In addition, such rules and regulations may also require that any United States person receiving a request for the taking of any other action referred to in section 3(5) but not prohibited under subsection (a)(1) shall report that fact to the Secretary of Commerce, together with such other information concerning the request as the Secretary may require for such action as the Secretary may deem appropriate for carrying out the policies of that section. Any person reporting a request pursuant to either of the two preceding sentences shall also report to the Secretary of Commerce whether he intends to comply and whether he has complied with such request. Any report filed pursuant to this paragraph after the date of enactment of this section shall be made available promptly for public inspection and copying, except that information regarding the quality, description, and value of any articles, materials, and supplies, including technical data and other information, to which such report relates and the identity of any party to any business transaction to which such report relates (including the identity of the United States person filing such report unless a charging letter or other document has been issued initiating procedings against such person), shall be kept confidential if the Secretary determines that disclosure thereof would place the United States person involved at a competitive disadvantage. The Secretary of Commerce shall periodically transmit summaries of the information contained in such reports to the Secretary of State for such action as the Secretary of State, in consultation with the Secretary of Commerce, may deem appropriate for carrying out the policies set forth in section 3(5) of this Act.".

(b) Section 4(b)(1) of such Act is amended by striking out the next to the last sentence.

(c) Section 7(c) of such Act is amended by striking out "No" and inserting in lieu thereof "Except as otherwise provided by the fourth sentence of section 4A(b)(2) and by section 6(c)(2)(C) of this Act, no".

STATEMENT OF POLICY

SEC. 202. (a) Section 3(5)(A) of the Export Administration Act of 1969 is amended by inserting immediately after "United States" the following: "or against any United States person".

(b) Section 3(5) of such Act is amended by striking out "(B)" and all that follows through "(C)" and inserting in lieu thereof the following: "(B) to discourage and, in specified cases, to prohibit United States persons engaged in the export of articles, materials, supplies, or information from taking or agreeing to take actions to comply with, further, or support boycotts fostered or imposed by any foreign country against a country friendly to the United States or against any United States person, (C) to discourage the use of negative certificates of origin (and accordingly the President should negotiate with other countries for the purpose of eliminating such practice), and (D)".

ENFORCEMENT

SEC. 203. (a) Section 6(c) of the Export Administration Act of 1969 is amended—

(A) by redesignating such section as section 6(c)(1); and

(B) by adding at the end thereof the following new paragraph:

"(2)(A) The authority of this Act to suspend or revoke the authority of any United States person to export articles, materials, supplies, or technical data or other information, from the United States, its territories or possessions, may be used with respect to any violation of the rules and regulations issued pursuant to section 4A(a) of this Act.

"(B) Any administrative sanction (including any civil penalty or any suspension or revocation of authority to export) imposed under this Act for a violation of the rules and regulations issued pursuant to section 4(A)(a) of this Act may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code.

"(C) Any charging letter or other document initiating proceedings for the imposition of administrative sanctions for violations of the rules and regulations issued pursuant to section 4A(a) of this Act shall be made available for public inspection and copying.".

(b) Section 8 of such Act is amended by striking out "The" and inserting in lieu thereof "Except as provided in section 6(c)(2), the".

DEFINITIONS

SEC. 204. Section 11 of the Export Administration Act of 1969 is amended to read as follows:

"DEFINITIONS

"SEC. 11. As used in this Act—

"(1) the term 'person' includes the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof; and

"(2) the term 'United States person' includes any United States resident or national, any domestic concern (including any subsidiary or affiliate of any foreign concern with respect to its activities in the United States), and, with respect to its activities which affect the foreign commerce of the United States, any foreign subsidiary or affiliate of any domestic concern which is controlled in fact by such domestic conern, as determined under regulations by the President.".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. DODD

Mr. DODD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DODD: Page 26, at the end of line 4, insert the following new sentence: "The President shall promptly report to the Congress any exercise of the authority granted by this paragraph."

Mr. DODD. Mr. Chairman, my amendment is a very simple and straightforward one which would allow Congress to be ever vigilant that the antiboycott provisions of this act are being adhered to as closely as possible, and that no President can make glaring loopholes in this measure.

My amendment would require the President to promptly report to Congress any exercise of the authority he has in this act to grant exemptions from the antiboycott policy to American firms under the most limited of conditions.

In the best of all possible worlds, I would prefer that no exemptions be allowed to our antiboycott provisions. Each time such an exemption is granted, there is a possibility that American principles of justice and fairness will be compromised.

But there may be extreme cases where a limited exemption might be necessary, so our distinguished colleagues on the International Relations Committee who drafted this bill allowed for this Presidential flexibility.

However, in their report, our colleagues made it clear that any exemptions or waivers "should be granted as narrowly as is feasible and only where both private and diplomatic efforts have failed to obtain the waiver of the objectionable requirements" foreign law might impose on American firms regarding boycotts.

Mr. Chairman, my amendment would insure that no President could alter the intent of Congress by secretly granting many exemptions or wholesale waivers of the antiboycott language in this act.

My amendment will enable Congress to more effectively exercise its responsibilities to oversee the workings of the executive branch, and it will prevent any unintential surrender by us of this important "check" in our Government's system of "checks and balances."

Mr. Chairman, I think it is clear that our colleagues on the International Relations Committee, and the majority of this House, are firm in their convictions that both the spirit and the letter of our antiboycott legislation be complied with as far as possible.

I want to thank the members of the committee, especially the gentleman from New York (Mr. BINGHAM) and the gentleman from Ohio (Mr. WHALEN), for their guidance and support in helping me to draft this amendment, and for their appreciation of our mutual concerns that this act be very explicit about strong enforcement of this law.

My amendment will facilitate this strong enforcement through greater disclosure of our Government's efforts to combat the existence of these despicable boycotts throughout the world. Mr. Chairman, I urge adoption of this amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, we have had an opportunity to examine the gentleman's amendment, and I have had the opportunity to consult with my colleagues on the committee. While it was the intention of the committee that any waiver by the President would be reported to the Congress, it does seem to be an improvement in the bill to require that specifically.

Therefore, I commend the gentleman for this amendment and we would accept it.

Mr. WHALEN. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Ohio.

Mr. WHALEN. Mr. Chairman, we on the minority side have had an opportunity also to examine the amendment and find it acceptable.

Mr. DODD. With that, Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. DODD).

The amendment was agreed to.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of title II of this legislation which attempts to curb the harmful effects in this country of the Arab boycott.

I think it is extremely important for the U.S. Government to protect all Americans—American citizens and American businesses—from interference by outside governments and outside forces.

I think it is intolerable that Arab countries have been able, for quite some time, to dictate business practices in the United States and to dictate which companies in the United States American companies can deal with. They have also tried in some instances to require American companies to discriminate against American citizens.

Having introduced the first antiboycott bill in the House in 1975, I compliment the committee and the members of the committee for their success in bringing this legislation to the floor.

I must, however, express a certain regret that there was a compromise with the principle of protecting Americans and that the administration was not willing to accept clear and unequivocal prohibitions against foreign dictation of business practices within the United States.

Specifically, I am concerned with a few provisions of this legislation including one that allows the President to waive virtually all of the prohibitions against participation in a boycott. As I read this legislation, section 4A(a)(3) would allow the President to waive even

the prohibition against discrimination against American citizens on the basis of race, religion, sex, and national origin. I cannot imagine any reason for permitting a waiver of those prohibitions and for allowing discrimination.

Mr. Chairman, I am also concerned with section 4A(a)(2)(D) which would allow, in essence, any company to engage in the boycott so long as that company did not have "actual knowledge" that the "sole purpose" of the action of the Arab country was to engage in a boycott. I do not know how any lawyer would prove in a criminal case, beyond a reasonable doubt, that a company had violated this provision. It is extremely difficult, it would seem to me, to prove that the only purpose for which an Arab country acted in selecting a shipper, supplier, or the like, was to implement the boycott. Making the standard "primary purpose" instead of "sole purpose" would have strengthened the bill substantially.

The term "actual knowledge" also seems far too restrictive and may well be impossible to prove. "Reason to know" would be a much more reasonable test.

I am concerned that we have created in this bill an exception that will swallow up the very important prohibitions against boycott participation contained in this bill.

Mr. BINGHAM. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I would be happy to yield to my distinguished colleague, and to congratulate him for his leadership on this bill.

Mr. BINGHAM. Mr. Chairman, I thank the gentlewoman.

I, too, share in the gentlewoman's concern. This legislation, in part, is the result of compromise. I think there are people on both sides who are dissatisfied with some of the elements in this compromise, but it does result from extensive labor. I think if it turns out in the course of time that this is a major change in American policy and American control over business activities, if it turns out in the course of ensuing months after enactment of this legislation that some real loopholes have been created, we will always be in a position to move to close those loopholes.

I do share some of the concerns the gentlewoman has expressed, but this is the product of compromise.

Ms. HOLTZMAN. I would say to my friend from New York that ordinarily I would not be so concerned by imperfections in this bill because the antitrust laws should provide a strong additional weapon against boycott activity within the United States. However, as a result of the action taken by the Justice Department's proposed settlement in the Bechtel case, which abandons the position that the antitrust laws fully prevent cooperation in the boycott, the only need we may have left to rely on is this legislation. For that reason, I wish that there had been no compromise with principle.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the bill before us today, H.R. 5840, the Export Administration Amendments of 1977.

This measure represents extensive efforts of the Congress, the executive branch, and the private sector working together to reach a compromise that would be acceptable to all interested parties. H.R. 5840 is a reasonable and effective response to the need for antiboycott legislation.

As a cosponsor of this legislation, I have sought to prevent the discriminatory practices that have resulted in the United States from compliance with the Arab boycott. The primary boycott of Israel is not in question; it being the right of any nation to refuse to do business with another. However, the secondary and tertiary boycotts force individuals and businesses to adopt business practices that pit one American against another because of racial, ethnic, or religious backgrounds.

This country was founded on principles that seek to protect all citizens against unfair, discriminatory practices. The Arab boycott is an attack not only on those who are perceived to be friendly to Israel, but to all citizens who are dedicated to ethical standards in all phases of life including business. To uphold our Nation's lofty traditions, it is incumbent upon us to outlaw compliance with any attempt by a foreign country to intrude in our domestic commerce.

Believing that Federal legislation is the only effective means to combat such practices, I have enthusiastically supported the efforts over the last year of our colleagues, the gentlemen from New York, Representatives BINGHAM and ROSENTHAL, and other members of the International Relations Committee who have led the fight to enact this legislation. Their efforts have benefited from the enterprising and creative efforts of the Anti-Defamation League and the Business Roundtable in working to reach an agreement on the value and content of this legislation.

While U.S. policy opposes such restrictive trade policies and boycotts, we must not only discourage such acts, but we should also prohibit them. I urge the adoption of these amendments to outlaw the disclosure of discriminatory information and participation in the restrictive trade practices of foreign nations. The legislation before us is the result of extensive deliberation and negotiation by this and the last Congress and reflects the concerns of the President and the executive branch. While not as restrictive as some may have liked, it represents a constructive step forward in ending the divisive effects of discriminatory boycotts.

Mr. Chairman, I reiterate that the primary boycott is an issue between the Arab States and Israel. But the secondary and tertiary boycotts are tantamount to blackmail. Accordingly, I urge my colleagues to join in support of H.R. 5840, in order to strengthen U.S. policy against compliance with foreign boycotts.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to title II. I think the discussion we have had here this afternoon makes it very clear that title II deals with a nonproblem. It has been said by proponents of title II that the Arab boycott has not been effective in its primary effect; the secondary and tertiary aspects of the Arab boycott have not been effective, and therefore the question arises, why in the world would this body see fit to fix upon the U.S. business community this complexity of rules and regulations and requirements to deal with in its effort to continue to do business with the Arab world? I am puzzled as to any adequate answer to that question.

One effect of this title, however, is going to be to reduce U.S. jobs. That is beyond doubt, and I think it is really absurd for anyone to argue that this title conceivably could create additional jobs for U.S. industry. Just today, I had a call from the Harris Corp., a large conglomerate which does business in many countries, notifying me that because of the prospect that title II will become law—and we will and must recognize that it likely will become law—their firm has decided not to try to get a contract worth approximately $10 million with a certain Arab country. They made that decision based on the difficulty they have had already in trying to comply with Commerce Department regulations on the Arab boycott.

Mr. Chairman, the boycott is a recognized instrument of foreign policy and is supported or opposed by the United States, depending on circumstances.

For example, the United States supports the United Nations boycott of Rhodesia and maintains its own boycott of Cuba but opposes the Arab boycott of Israel.

U.S. opposition to the Arab boycott of Israel has resulted in title II of H.R. 5840, the antiboycott provisions of the Export Administration Act.

Most of the provisions in title II of H.R. 5840 are reasonable attempts to avoid unacceptable intrusions of foreign boycotts into the foreign and domestic commerce of the United States.

However, other provisions impose severe limitations on U.S. international business and attempt potentially dangerous restrictions on the sovereign right of foreign countries to regulate their own imports and exports. These provisions of title II, if enacted in their present form could risk a substantial loss of American jobs and trade with the Middle East countries as well as threaten confrontation with the Arab world at a time when the United States is attempting by its leadership to bring peace to that area of the world, a peace badly needed by Israelis and Arabs alike.

The most objectionable provisions of title II are:

First. Section 4A(a)(2)(D) which permits U.S. exporters to comply with a boycotting country's unilateral selection of all the companies to be involved in supplying the goods and services contained in a specific transaction except in any case in which the U.S. company had actual knowledge that the sole purpose of the selection is to implement the boycott. The provision is highly restrictive because Arab countries ban imports from hundreds of companies in other countries that they say aid Israel's economic de-

velopment. Consequently, American suppliers having "actual knowledge" that the Arab purchaser failed to specify a particular company because it was on his country's "black list" would have to give up the business entirely. If the American suppliers failed to do so, then under this provision it would constitute a criminal act. This provision also impacts adversely on the jobs of American citizens. A major U.S. corporation with over 3,000 employees plus 6,000 employees with supplier firms have jobs dependent on sales to Arab countries. Under this provision those 9 million jobs involved with one major U.S. corporation are placed in jeopardy.

Second. Section 4A.(a)(2)(B) permits U.S. exporters to give only positive certifications of country of origin to importing countries. It, however, provides that rules and regulations might permit a 1-year grace period for negative certifications. This is an arbitrary deadline for negotiating an end to negative certifications. If after that time, certain countries refused to accept positive certifications, presumably American exporters would no longer be able to sell to those markets. This is a highly punitive provision against American trade and confrontational with respect to the Arab world. It represents a direct U.S. interference in the Arab's primary boycott of Israel, which the bill's proponents assert is not their intention. The President should be permitted an unlimited waiver of this provision, if he believed that it would serve the national interest.

Third. Section 4A(a)(3) authorizes the President to grant exemptions from U.S. antiboycott law to permit U.S. firms in Arab countries to comply with specific provisions of foreign laws when they are in conflict with the provisions of this bill. The exemption is so hedged with qualifications as to make it practically unavailable. The House report proposes that, as a preliminary, both the private U.S. parties concerned and the State Department must first negotiate with the Arab countries to waive their conflicting laws. Since the Arab countries have ample substitute sources of supply—the United States provides less than a fifth of their imports—and since American businesses will be very adversely affected if they must request special "extraterritorial" treatment for their operations in the Arab countries, the Presidential waiver could be illusory.

Fourth. Section 4A.(a)(1)(E) prohibits U.S. companies from furnishing information on their past or present—as well as future—business relationships in the boycotting country or with anyone restricted from doing business there. To deny them this freedom is unjust. Companies, mostly small and medium sized, intending to do business in Arab nations for the first time could be barred from entry in that market if they were prohibited from furnishing information on their business relationships in that area. Further, companies already on the blacklist would have no means available to remove their names, if, for example, they were blacklisted by mistake.

These provisions of title II contain broad prohibitions which would, in effect, make it virtually impossible for U.S. firms to do any substantial business with Arab countries without violating both U.S. civil and criminal laws. The bill does provide specific exceptions to permit U.S. firms to conduct certain limited transactions with or in Arab countries. However, the exceptions are so qualified that U.S. firms currently doing business in the Middle East will find it more difficult, if not impossible, in most instances to continue their operations, and firms trying to do business in that area for the first time may find it impossible to do any business without violating U.S. law.

The restrictive provisions of title II could cause enormous losses of business for U.S. firms. The fact is that U.S. firms supply less than one-fifth of the Arab's imports. Even this share has required the greatest effort on the part of U.S. companies in the face of intense competition from Europe and Japan.

These restrictive provisions of title II adversely impact on U.S. domestic and foreign commerce as well as the income and jobs of millions of Americans.

But important as are these economic considerations, they are dwarfed by another which towers above all else.

Title II is a major step backward in the achievement of conditions for a just peace. It will promote confrontation among all major parties necessary to reach a peace agreement in the Middle East—Israel and its neighbors, and between the Arab States and the United States.

What we urgently need is not confrontation, but conciliation.

Mr. KOCH. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the bill.

Mr. Chairman, I strongly support H.R. 5840, the Export Administration Amendments of 1977, which we are considering today. I have long advocated the passage of legislation to deal with foreign boycotts of nations friendly to the United States and those American companies who trade with our friends. Together with Representative JAMES H. SCHEUER I have introduced legislation both in the last Congress and again in this Congress to prohibit American companies from participating in the Arab boycott of Israel. I have also supported the efforts of Congressmen BENJAMIN S. ROSENTHAL, JONATHAN B. BINGHAM, and STEPHEN SOLARZ, who have been among the leaders in proposing comprehensive boycott legislation. I commend them and the other members of the International Relations Committee for their productive efforts in writing and reporting this important legislation. I particularly commend Chairman CLEMENT ZABLOCKI of the International Relations Committee for his fine job in supporting and managing this bill.

As my colleagues should be aware, the Arab boycott of Israel far exceeds traditional economic boycotts of one nation against another. The boycott involves three levels of economic coercion—the primary boycott, a refusal by Arab states to deal commercially with the State of Israel or its nationals; the secondary boycott, the refusal to deal with non-Israeli supporters of Israel; the tertiary, or extended secondary, boycott, a refusal to do business with firms or individuals which are not themselves supporters of Israel, but which do business with others who are considered to do business with those considered to be supporters of Israel, thus putting American companies who want Arab business in the position of boycotting other U.S. firms.

Both the secondary and tertiary boycotts carry with them not only an implied conflict with U.S. antitrust law, but also with domestic civil rights laws. Because Israel is not only a sovereign state, but also one established for the purpose of providing a homeland for the Jews, religious faith has become a basis for the Arab boycotters to judge who are those considered to be supporters of Israel. Thus, in order to do business with the Arabs, an American firm may refrain from hiring, assigning or promoting persons, because of their Jewish faith, a clear religious discrimination. Although the Arabs claim that their boycott is not directed against a religion but is only an economic extension of their war against Israel, firms are blacklisted for their Jewish or Zionist affiliations as much as for any other reason. In fact, as the September 1976 report of the Subcommittee on Oversight and Investigation of the Interstate and Foreign Commerce Committee shows, some firms are blacklisted without any reason given. In such cases one can only guess at the real reason.

In attempting to involve domestic American companies in conspiracies and boycotts against other American companies to further their political and economic campaign against Israel, the Arab boycotters strike not only at the political policies of the United States, as a staunch supporter of the State of Israel, but also at the laws by which the United States is governed and the basic principles underlying them.

The essence of the question facing the United States is a moral one—will we allow foreign powers to dictate that one American businessman discriminate against another in violation of our laws and fundamental principles for the sake of trade with that foreign power? If legislation is not passed to deal with the Arab boycott, the fundamental rights of all Americans will suffer.

But opponents of such legislation argue that American business will suffer if new legislation is passed. They say that the United States will lose business to other countries who do not forbid their companies from participating in the boycott. This argument is specious on two counts. First, there is no assurance that trade will be lost if a strong antiboycott stance is taken. In fact, data in the subcommittee report appears to indicate that negative effects would be minimal, if they occurred at all. The Netherlands and West Germany have reportedly taken strong anti-Arab boycott positions, yet Arab trade with both those countries has not declined, but has grown substantially in recent years. On the other hand France's pro-Arab stand has netted minimal rewards in trade. But, second, and most importantly, the fundamental moral issue involved here transcends mere considerations of possible lost trade. The United States should not abandon its moral stance here just as it

did not do so in the recent aircraft bribe scandals. When the United States adopted a policy to forbid aircraft manufacturers and others from offering bribes to foreign purchasers of their products, there were those who said American business would suffer. Yet because a moral issue was involved, the United States adopted a firm stand against such payments and the results have not been catastrophic. In the final analysis, it seems that in all nations, including the Arab states, sound business judgments based on quality and price of goods prevail over other considerations in determining from which market they will buy. Although no one can predict the exact impact a strong anti-Arab boycott stand will have, it appears from available data that, so long as the United States maintains a competitive advantage in quality and price, business will not suffer.

This bill does not outlaw completely and absolutely every aspect of the boycott, but it does make the United States' position clear and it does outlaw a great many of the worst practices. Both the Secretary of State and the President have reiterated their commitment to preventing all discrimination based on race, religion, or national origin. The administration, the House International Relations Committee, and the many interested organizations have all had to reach a difficult and complex compromise in writing and agreeing to this bill.

Some of the exceptions permitted by the bill make it less than perfect in my opinion. For instance, one provision allows a purchaser unilaterally to select subcontractors and component parts. However, I commend the committee for narrowing this exception so that it cannot be used, when the company knows that the purpose of the unilateral selection is to implement the boycott.

The bill would also permit companies to divulge information concerning the race, religion, or sex of its employees for passport reasons. I believe this exception is wrong and should not be in the bill.

The bill also permits positive certification of origin—that is, a statement about where the goods were manufactured. This is vastly superior to complying with a requirement to state that the goods were not made in a particular country, such as Israel, but it is still odious. However, in spite of some limitations, this bill is superior in many respects to the counterpart bill being considered in the Senate. I urge those Members who will serve on the conference committee for this bill to fight for the stronger antiboycott provisions contained in this bill.

In the long run the President is the person to whom we must look for effective implementation of this antiboycott legislation. The bill provides the President power to create exceptions and exemptions "in the interest of the United States." I hope the President reciprocates our trust in him by using such exemptions sparingly, if at all.

During his campaign for the Presidency, President Carter called the Arab boycott "an absolute disgrace." During the consideration of this legislation, at the urging of the administration, the Congress has moderated its legislative proposal to deal with the boycott. It will now be up to the President to do something to end American complicity in this disgraceful boycott.

Mr. FORD of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

Mr. FORD of Tennessee. Mr. Chairman, I rise today to give my wholehearted support to H.R. 5840, the Export Administration Amendments of 1977, and especially to title 2 of the bill which deals with foreign boycotts. This bill passed the 94th Congress by a vote of 318 to 63, with my support, but final action was prevented because of Senate refusal to call for a conference on the bill.

Ever since Israel was established in 1948 the Arab States have refused to do business with it. This practice is deplorable but beyond our reach. The Arabs have done much more, however, by extending this boycott to third parties who do business with Israel. The end result may be for there to be two types of firms in every industry—those that sell to Israel and those that do not. In 1965 Congress adopted an amendment to the Export Control Act of 1949 proclaiming U.S. policy to be in opposition to boycotts imposed by foreign countries against other countries that are friendly to the United States and in support of U.S. companies that refuse to cooperate with such boycotts.

Unfortunately, this policy has been ineffective. Since 1965 there has been a steady increase in Arab demands that U.S. firms comply with the boycott. Especially since 1973, when the oil embargo and resulting higher oil prices greatly increased the Arab States' purchasing power, the Arab nations have used American firms as their agents in perpetrating this boycott.

Congressman ROSENTHAL points out in the committee report, however, that the boycott is larger than an economic one—it is a racial one as well. Senate investigators have uncovered numerous instances where American individuals or companies were apparently denied business with Arab nations solely because they or their officers were Jewish.

We cannot tolerate this action any longer. The ineffectiveness of the current weak laws on this subject fly in the face of the administration's commitment to human rights. This commitment is morally right and consistent with the desires of the American people. Those who oppose this legislation say that it will cost us a great deal of money in lost trade. If we refuse this antiboycott legislation, how can we continue to champion human rights? How can we tell the world or the American people that we are not moral cowards but that we are economic cowards? I believe that we cannot.

The Washington Post in an editorial on Sunday April 17 put it well. I would like to quote the last paragraph from it:

> The United States seeks Arab friendship, in diplomacy as well as commerce. To build the kind of sturdy, long-lasting relationship that American interests require, however, American virtues must be respected from the outset. To say that legislation will make Arabs turn away from America is to ignore the self-interest of Arabs as well as Americans in a stable agreement on trade rules. Arabs buy many of the same American weapons sold to Israel, for instance. Fortunately, American business and American diplomacy have enough else of value to offer Arabs—the world's best technology and know-how on the one hand, leadership in the drive for peace on the other. Americans do not have to humiliate themselves to win Arab good will.

The CHAIRMAN. Are there further amendments to title II? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. EVANS of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5840) to amend the Export Administration Act of 1969 in order to extend the authorities of that act and improve the administration of export controls under that act, and to strengthen the antiboycott provisions of that act, pursuant to House Resolution 493, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MICHEL. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. MICHEL moves to recommit the bill H.R. 5840 to the Committee on International Relations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

Mr. MICHEL. Mr. Speaker, am I not entitled to 5 minutes?

The SPEAKER. The Chair will inform the gentleman that on a straight motion to recommit there is no debate.

The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BINGHAM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 364, nays 43, not voting 26, as follows:

[Roll No. 140]

YEAS—364

Abdnor	English	McHugh
Addabbo	Erlenborn	McKay
Akaka	Ertel	McKinney
Alexander	Evans, Colo.	Madigan
Allen	Evans, Del.	Maguire
Ambro	Evans, Ga.	Mahon
Ammerman	Evans, Ind.	Markey
Anderson, Calif.	Fary	Marks
	Fascell	Marlenee
Anderson, Ill.	Fenwick	Marriott
Andrews, N.C.	Fish	Mathis
Andrews, N. Dak.	Fisher	Mattox
	Fithian	Mazzoli
Annunzio	Flippo	Meeds
Applegate	Flood	Metcalfe
Armstrong	Florio	Mikulski
Ashley	Flowers	Mikva
Aspin	Foley	Miller, Calif.
AuCoin	Ford, Tenn.	Miller, Ohio
Badillo	Fountain	Mineta
Bafalis	Fowler	Minish
Baldus	Fraser	Mitchell, N.Y.
Barnard	Frenzel	Moakley
Baucus	Frey	Moffett
Beard, R.I.	Fuqua	Mollohan
Beard, Tenn.	Gammage	Moore
Bedell	Gaydos	Moss
Beilenson	Gephardt	Motti
Benjamin	Giaimo	Murphy, Ill.
Bennett	Gibbons	Murphy, Pa.
Bevill	Gilman	Murtha
Bingham	Ginn	Myers, Gary
Blanchard	Glickman	Myers, Michael
Blouin	Goldwater	Natcher
Boggs	Goodling	Neal
Boiling	Gore	Nedzi
Bonior	Gradison	Nichols
Bonker	Grassley	Nix
Brademas	Gudger	Nolan
Breaux	Guyer	Nowak
Breckinridge	Hagedorn	Oakar
Brinkley	Hamilton	Oberstar
Brodhead	Hanley	Obey
Brooks	Hannaford	Ottinger
Broomfield	Harkin	Panetta
Brown, Calif.	Harrington	Patten
Brown, Mich.	Harris	Patterson
Brown, Ohio	Harsha	Pattison
Broyhill	Heckler	Pease
Buchanan	Hefner	Pepper
Burke, Calif.	Heftel	Perkins
Burke, Fla.	Hightower	Pettis
Burke, Mass.	Hillis	Pickle
Burlison, Mo.	Holland	Pike
Burton, John	Hollenbeck	Pressler
Burton, Phillip	Holt	Preyer
Butler	Holtzman	Pritchard
Byron	Horton	Pursell
Caputo	Howard	Quayle
Carney	Hubbard	Quie
Carr	Huckaby	Quillen
Carter	Hughes	Rahall
Cavanaugh	Hyde	Railsback
Cederberg	Ireland	Rangel
Chappell	Jacobs	Regula
Chisholm	Jeffords	Reuss
Clausen, Don H.	Jenkins	Rhodes
	Johnson, Calif.	Richmond
Clay	Jones, N.C.	Rinaldo
Cleveland	Jones, Okla.	Risenhoover
Cohen	Jordan	Roberts
Coleman	Kasten	Rodino
Collins, Ill.	Kastenmeier	Roe
Conable	Kemp	Rogers
Conte	Keys	Roncalio
Conyers	Kildee	Rooney
Corman	Kindness	Rose
Cornell	Koch	Rosenthal
Cornwell	Kostmayer	Rostenkowski
Cotter	Krebs	Roybal
Coughlin	Krueger	Rudd
D'Amours	LaFalce	Ruppe
Daniel, Dan	Lagomarsino	Russo
Danielson	Latta	Ryan
Davis	Leach	Santini
de la Garza	Lederer	Sarasin
Delaney	Leggett	Sawyer
Dellums	Lehman	Scheuer
Dent	Lent	Schroeder
Derwinski	Levitas	Schulze
Dicks	Lloyd, Calif.	Sebelius
Diggs	Long, La.	Seiberling
Dingell	Long, Md.	Sharp
Dodd	Lujan	Shuster
Downey	Luken	Sikes
Drinan	Lundine	Simon
Duncan, Tenn.	McClory	Sisk
Early	McCloskey	Skelton
Eckhardt	McCormack	Skubitz
Edwards, Calif.	McDade	Slack
Eilberg	McEwen	Smith, Nebr.
Emery	McFall	Snyder
Solarz	Traxler	White
Spellman	Treen	Whitehurst
Spence	Trible	Whitley
St Germain	Tsongas	Whitten
Staggers	Tucker	Wilson, Bob
Stangeland	Udall	Wilson, C. H.
Stanton	Ullman	Wilson, Tex.
Stark	Van Deerlin	Winn
Steed	Vander Jagt	Wirth
Steers	Vanik	Wright
Steiger	Vento	Wydler
Stockman	Volkmer	Wylie
Stokes	Walgren	Yates
Stratton	Walker	Young, Alaska
Studds	Walsh	Young, Fla.
Stump	Wampler	Young, Mo.
Taylor	Watkins	Young, Tex.
Thompson	Waxman	Zablocki
Thone	Weaver	Zeferetti
Thornton	Weiss	
Tonry	Whalen	

NAYS—43

Archer	Findley	McDonald
Ashbrook	Flynt	Mann
Badham	Gonzalez	Michel
Bauman	Hall	Montgomery
Burgener	Hammer-schmidt	Moorhead, Calif.
Burleson, Tex.	Hansen	Poage
Clawson, Del	Ichord	Robinson
Cochran	Johnson, Colo.	Rousselot
Collins, Tex.	Jones, Tenn.	Runnels
Corcoran	Kazen	Satterfield
Crane	Kelly	Smith, Iowa
Dickinson	Ketchum	Symms
Dornan	Lloyd, Tenn.	Waggonner
Edwards, Ala.	Lott	Wiggins
Edwards, Okla.		

NOT VOTING—26

Biaggi	Forsythe	Murphy, N.Y.
Boland	Hawkins	Myers, Ind.
Bowen	Jenrette	O'Brien
Daniel, R. W.	Le Fante	Price
Derrick	Martin	Shipley
Devine	Meyner	Teague
Duncan, Oreg.	Milford	Wolff
Edgar	Mitchell, Md.	Yatron
Ford, Mich.	Moorhead, Pa.	

The Clerk announced the following pairs:

Mr. Shipley with Mr. Teague.
Mrs. Meyner with Mr. Milford.
Mr. Le Fante with Mr. Robert W. Daniel, Jr.
Mr. Yatron with Mr. O'Brien.
Mr. Price with Mr. Devine.
Mr. Boland with Mr. John T. Myers.
Mr. Mitchell of Maryland with Mr. Bowen.
Mr. Moorhead of Pennsylvania with Mr. Forsythe.
Mr. Murphy of New York with Mr. Duncan of Oregon.
Mr. Derrick with Mr. Martin.
Mr. Biaggi with Mr. Edgar.
Mr. Ford of Michigan with Mr. Hawkins.
Mr. Wolff with Mr. Jenrette.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to announce at this time that this evening there will be a joint session. A certain number of seats will be set aside for the Senate. The leadership of the House would appreciate it if we would respect those seats because it has been embarrassing in the past when Senators have arrived that seats have not been available for them.

The Chair would also like to note the fact that there will be no guests on the floor of the House Chamber this evening. The seats will be reserved for Members of the House, for the Members of the Senate, for the diplomatic corps, and for the members of the Cabinet.

THE CONCORDE IS TOO NOISY FOR BRITAIN, DULLES, AND NEW YORK

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, I was interested to read in this morning's New York Times that an official body in Britain, the Noise Advisory Council which reports to the British Secretary of State for the Environment, has found that the Concorde supersonic airplane exceeds the British statutory noise limitation on 72 percent of its takeoffs from London's Heathrow Airport. The Noise Advisory Council reported:

> The measurement program has illustrated that the aircraft is considerably noisier than any other commercial airliner and that it reverses the trend towards the development of less noisy aircraft and towards an alleviation of the aircraft noise program.

Mr. Speaker, this new information reinforces our determination that the United States, and particularly the New York area, should not allow itself to be bullied into permitting the Concorde to land here, if the British Government itself now fully admits that the airplane is too noisy. There is presently a great deal of pressure, both diplomatic and commercial, by the French and British, to obtain landing rights for the Concorde at Kennedy Airport in New York. Yet the conclusions of this British study indicate that the Concorde is too noisy for Britain. And it is too noisy for New York, too.

The Washington Post reported that the study said:

> The manufacturers' hopes and promises of reduced noise in commercial service haven't been achieved and it seems unlikely that any further significant improvement will be obtained.

The report also stated that the noise level, which was tested at a distance of 3 miles from the airport "is due largely to the type of engine installed in the Concorde and it is doubtful if there is any scope for improvement in this area."

This study confirms that the Concorde is noisier than other aircraft and that there is no chance to improve its noise performance so as to make it acceptable to those who must live or work within miles of the airports where it lands. The British study showed that the Concorde created noise levels greater than 110 decibels, which is the statutory noise limit for Britain, according to the Times article. Unofficial monitoring showed levels of up to 124 decibels at some distance from the monitoring stations.

All of these readings are of interest, because I have recently received a letter from the Federal Aviation Administration summarizing the Concorde operations at Dulles Airport for 6 months of 1976. This summary shows that Concorde has exceeded not only the British standard of 110 decibels, but also the average levels of perceived decibels which had been predicted for Concorde in the Environmental Impact Statement approved by the Secretary of Transportation prior to the 16-month test period at Dulles. At takeoff, the Concorde has been measured at 119.8 decibels, which is greater than the 119.5 decibels that had been predicted in the EIS. On approach, the EIS had predicted 116.5 decibels would be heard on the average, but Concorde has actually been recorded at an average of 117.9.

Mr. Speaker, it is now dramatically clear that the Concorde is too noisy for Britain, too noisy for Dulles Airport and its environs, and too noisy for New York. I will continue to urge, indeed we must demand, that the Port Authority of New York and New Jersey continue to refuse permission to the Concorde to land, and that the President and the U.S. Secretary of Transportation support the local decision to bar the Concorde.

I am appending a copy of the letter I recently received from John L. McLucas, Federal Aviation Administrator and two of the articles which appeared in today's newspapers:

FEDERAL AVIATION ADMINISTRATION,
Washington, D.C., March 28, 1977.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in further response to your letter of February 22 regarding Federal Aviation Administration (FAA) noise abatement programs, proposed financing legislation, and the future use of supersonic transport aircraft.

With respect to your inquiry on FAA noise abatement programs, I have summarized our most significant programs and new proposals. For convenience, they are presented in Enclosure A. After reviewing this material, I believe you will agree with me that the FAA has developed an aggressive program to treat the issue of aviation noise.

In regard to the status of former Secretary of Transportation Coleman's financing proposal, the FAA is currently reviewing this proposal as it is embodied in the proposed "Aircraft Noise Reduction Act of 1977." Our recommendations will be forwarded to the Department of Transportation upon completion of this review process.

Regarding your question on supersonic transport aircraft, a decision on their future use will be made at the conclusion of the 16-month Concorde demonstration periods. The results of the noise level monitoring experiments for the Concorde flights are summarized in Enclosure B.

Sincerely,

JOHN L. MCLUCAS,
Administrator.

ENCLOSURE A

SUMMARY OF FAA NOISE ABATEMENT PROGRAMS

Regulation (FAR) Part 36, as amended, sets forth the maximum permissible noise levels for aircraft type certification and requires that existing non-FAR 36 domestic, subsonic aircraft exceeding 75,000 pounds maximum weight reduce their noise emissions to specified levels or below. Stepwise compliance is required over an 8-year period starting January 1, 1977. Without this action, we have determined that approximately 50 percent of the noncomplying aircraft would still be in operation by 1990.

The recently promulgated FAR Part 36-XYZ is more demanding than FAR Part 36. The XYZ regulation applies where applications for type certificates were made after November 5, 1975.

We are in the initial stages of developing an approach to defining and addressing the future longer term needs in the area of aviation noise abatement. The objective of this effort is to be able to describe future composition of the fleet and its associated technology needs, certification levels, and cperation procedures. With this information we will be able to gauge the impact of these factors on the environment and hence assess the need for future environmental standards.

We have encouraged state and local governments to join with the FAA in the abatement of aviation noise impacts by appropriate land use planning, zoning strategies, et al. In an effort to encourage the airport proprietor to undertake positive noise abatement planning action, the FAA is developing a pilot program which will award grants for generally applicable noise abatement plans.

In the area of operating procedures, in December of 1976, the FAA promulgated a standardized approach involving the use of minimum certified flaps. Using this type of approach, aerodynamic drag is reduced and the resulting decrease in engine thrust reduces fuel use and increases noise reduction benefits.

Regarding takeoff procedures, the FAA is in the process of evaluating different departure procedures after the aircraft reaches 1500 feet. The issue is complicated since each airport is unique in terms of its surrounding geography and land use. The FAA expects to complete regulatory actions on this subject by January 1, 1978.

Recent FAA studies reveal new procedures which improve safety through reduced low altitude flying time, standardize high performance aircraft arrival procedures, equalize the arrival delay through the regulation of traffic flow, and provide departures for unrestricted climb to cruise altitude. The new procedures will soon be made final in an FAA Order or local-flow traffic management and will apply to all airports where high performance aircraft operate.

In response to the Department of Transportation's Climatic Impact Assessment Program findings, the FAA initiated an 8-year High Altitude Pollution Program (HAPP). HAPP is designed to provide information to avoid environmental problems from all types of long range aircraft. As part of the Federal stratospheric program, it is coordinated with efforts of the National Aeronautics and Space Administration, National Oceanic and Atmospheric Administration, Environmental Protection Agency, National Science Foundation, Department of Defense, and Energy Research and Development Agency. The expected output from 1976 activities is the review and analysis of immediacy of need for the regulation of the fleets to the year 1990.

ENCLOSURE B

SUMMARY OF CONCORDE OPERATIONS

297 Concorde operations were conducted at Dulles since their initiation on May 24 through November 30, 1976.

Noise measurements have been made at 31 sites on and around Dulles Airport. Most of these measurements were taken in populated areas; however, sites approximating the FAR Part 36 approach and takeoff measuring points were also used.

Noise levels measured were approximately those predicted in the Environmental Impact Statement:

	Average measured EPNdB	*Predicted EPNdB*
Takeoff	119.8	
Approach	117.9	
Takeoff	119.5	
Approach	116.5	

698 Concorde complaints have been received for the 297 operations. 90 complaints or 13 percent were releated to arrival noise. 608 complaints or 87 percent were related to departure noise. The incidence of complaints was highest in September when there were 186.

Concorde accounted for 0.3 percent of total tower operations at Dulles.

Structural vibration studies conducted by NASA at Sully Plantation and in typical residences showed that Concorde caused more vibration in the structures than other aircraft but not as much as nonaircraft events such as doors closing.

One sonic boom was recorded as the Concorde approached the U.S. coastline. Flight procedures have been changed to assure that there will be no recurrence.

Monitoring of emissions at Dulles has shown that Concorde produces more emissions than other aircraft. However, emissions from all aircraft cannot be distinguished from the ambient at the passenger terminal.

This project is continuing; further analysis will be made at appropriate intervals.

[From the New York Times, Apr. 20, 1977]

BRITISH GOVERNMENT'S ADVISERS FIND CONCORDE NOISY

(By Joseph Collins)

LONDON, April 19.—The Brtish Government's advisers on aircraft noise, in a report made public today, found that the supersonic Concorde airliner exceeded the statutory noise limit on 72 percent of its takeoffs from London's Heathrow Airport. They said it was regrettable that Concorde had been exempted from noise regulations.

After an investigation of the first eight months of Concerde's commercial operation, the Noise Advisory Council, an official body set up by the Secretary of State for the Environment, reported:

"The measurement program has illustrated that the aircraft is considerably noisier than any other commercial airliner and that it reverses the trend towards the development of less noisy aircraft and towards an alleviation of the aircraft noise nuisance problem."

The Department of Trade took issue with the findings and said that another report, by the Civil Aviation Authority, due out next week would show that less than 5 percent of takeoffs had exceeded the limit in the first full year of operation.

STUDY OF 97 SCHEDULED FLIGHTS

The Noise Advisory Council's working group on air traffic noise wrote its report in late 1976 after having studied the first 97 scheduled Concorde flights out of London. The plane is in service between London and Bahrein and, since May 1976, between London and Washington.

The investigation was based on fixed monitoring points at the end of the main runways, where the statutory noise limit is 110 perceived decibels. Unofficial monitoring away from the fixed stations has shown readings of 124 decibels or more.

Commenting on the contention of the makers and operators of Concorde that the plane would become less noisy as pilots gain experience, the report observed:

"The working group understands that there is no likelihood of any significant improvement in Concorde's noise performance in operation and that no measures are in hand to reduce further its noise at source."

In fact, the report said, Concorde is noisier now than it was during test flights in 1975, when it was found to exceed the noise limit somewhat less frequently than it did on scheduled flights.

The report said Concorde was noisier than other commercial jet planes and measures should be taken to alleviate the noise. It suggested that Concorde should be banned from landing and taking off during the night, evening and early morning hours. A Civil Aviation Authority spokesman countered that the plane did not use Heathrow during these periods.

The working group also said British Airways should balance out the noise from Concorde by reducing the number of flights by noisy subsonic aircraft.

[From the Washington Post, Apr. 20, 1977]

BRITISH STUDY SAYS CONCORDE ENGINES ARE EXCESSIVELY NOISY

LONDON, April 19.—A British government study says the supersonic Concorde generated excessive noise during 72 per cent of its takeoffs from London's Heathrow Airport over an eight-month period and "it seems unlikely" the noise can be significantly reduced.

The report, prepared by the Noise Advisory Council for Environment Minister Peter Shore, recommended a ban on night takeoffs and landings.

The study said that not only is the plane "considerably noiser" than subsonic commercial aircraft, but the noise spreads out over a much wider area.

The Noise Advisory Council's report was certain to be welcomed by environmentalists and persons living around New York's Kennedy Airport who are fighting to keep the plane from landing there.

"The manufacturers' hopes and promises of reduced noise in commercial service haven't been achieved and it seems unlikely that any further significant improvement will be obtained," the Noise Council's report said.

The noise level tested at a distance of three miles from the airport "is due largely to the type of engine installed in Concorde and it is doubtful if there is any scope for improvement in this area," it said.

THE NEW LOOK ARMY: AN ANALYSIS—APRIL 1977

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 60 minutes.

Mr. STEIGER. Mr. Speaker, on March 28, Newsweek magazine published an article written by David M. Alpern and Tony Fuller entitled "The New-Look Army." It is an unfortunate piece of work. Any fair person examining the story can arrive at only one conclusion: Either the authors are incompetent to be writing for such a prestigious journal or they have exercised no restraint about indulging in the worst forms of yellow journalism.

Mr. Speaker, the pervasiveness of their bias has prompted me to prepare a paragraph by paragraph analysis of the Alpern and Fuller article for the benefit of my colleagues. Certain of the authors' tactics are consistent throughout:

One. The facts and examples selected to represent the issue are serious distortions of the truth—the authors consistently use the "worst case" example, rather than provide the reader with generally accepted "best estimates" or ranges.

Two. The authors usually portray only one side of the argument.

Three. In an effort to grab attention, they ignore the vast body of information—in fact the overwhelming majority of the data—which would have proven their conclusions wrong.

Four. In their eagerness to be vivid, they make innuendoes and suggestions which must inescapably lead the reader to the wrong conclusion.

Five. They misquote some and take other statements out of context.

The failure to provide a fair picture of the all-volunteer force—AVF—and draft issues is perplexing in light of recent balanced presentations. A few examples include pieces by John Finney (New York Times, Mar. 6, 1977), Vernon A. Guidry, Jr. (Washington Star, Jan. 27, 1977), Harry Trimborn (Los Angeles Times, Mar. 20, 1977) and Pat Towell (Congressional Quarterly, Mar. 26, 1977).

The apparent lack of awareness by Alpern and Fuller of important, detailed studies compiled by RAND in 1976, the Defense Department—DOD—in its December 17, 1976, transition document, and the Congressional Budget Office in its 1977 budget issue paper is astonishing.

Then, too, the authors failed to talk with people who could have given them insights necessary for writing a balanced, accurate article. For instance, they failed to contact 11 key individuals—present and past Defense Department officials and the 2 leading civilian experts on military manpower—who could have given them precise facts with which to work. My office has talked with each of the following individuals who could have, if given the chance, given Alpern and Fuller a factual picture of the state of today's military: Dr. Richard Cooper at RAND; Martin Binkin, Brookings Institution's noted expert in this area; Martin Hoffmann, former Secretary of the Army; Norman R. Augustine, former Under Secretary of the Army; Donald Brotzman, former Assistant Secretary of the Army for Manpower and Reserve Affairs; Roger Kelley, former Assistant Secretary of Defense for Manpower and Reserve Affairs; David Taylor, former Assistant Secretary of Defense for Manpower and Reserve Affairs; Vice Admiral John G. Finneran, Deputy Assistant Secretary of Defense for Military Personnel Policy; Dr. Al Martin, Director of Accessions and Retentions at the Pentagon; I. M. Greenberg, Deputy Assistant Secretary of Defense for Manpower and Reserve Affairs; and Stephen Herbits, former Special Assistant to the Secretary of Defense and one-time member of the Gates Commission.

I find it inconceivable that a magazine of the stature of Newsweek would feature such a slapdash, sloppy, and slanted piece. If doubts are raised in the minds of potential recruits about the possibility of enlisting—and if unwarranted doubts are raised in the minds of many Americans about the quality of our defense force—Newsweek bears a burden or responsibility that should weigh heavily on its editors.

Mr. Speaker, my analysis follows:

ANALYSIS OF THE DISTORTIONS AND INACCURACIES IN NEWSWEEK'S "THE NEW-LOOK ARMY"

A disheveled, rain-soaked recruit stumbles through the inoculation line at the Army's Fort Dix training camp. He mumbles incoherently and waves his arms. "Hey you, dummy, get outa here. I say get outa here" bawls an angry sergeant—only slightly less disgusted with the young G.I. than with the new-style Army that accepted him in the first place. "He don't even speak English," the veteran noncom complains. "I had one come through the other day, he had open-heart surgery. And there was another with metal pins in his legs. Sergeants may always bitch, but I've been in the Army sixteen years and this is the worst I've ever seen, I swear."

The not-so-surprising complaint of the sergeant about the quality today's recruit versus that of his predecessors 15 years ago is refuted time and again. Newsweek could have talked to Army Chief of Staff Bernard Rogers, who has said today's Army is the best he has seen in the 34 years he has served. Maj. Gen. DeWitt C. Smith, Jr., commandant of the U.S. Army War College and a participant in the D-Day crossing of the English Channel, says today's Army "is far better" than the conscripted force of World War II. Col. Robert Ainsworth, head of the Army recruiting for Wisconsin and upper Michigan, has said:

The active Army has been tremendously successful beyond our fondest hopes in both quality and quantity.

Beyond that, the scene Newsweek described could just as well have taken place in 1957 or 1967 as 1977. There is nothing unusual about a senior noncommissioned officer sounding off on the low performance of a junior enlisted man. It is the age-old complaint that "they broke the mold after they made me."

From boot-camp firing ranges to Congressional hearing rooms to the corridors of the Pentagon, the nation's four-year-old experiment with all-volunteer armed forces is the target of tough questions and mounting criticism. Is it really working? Does it cost too much? Can it stand up to combat? A recent Gallup poll indicated that Americans by a clear 54–36 margin opposed any return to military conscriptions. But the problems of a voluntary force are serious enough to start politicians talking about the draft once again, and President Carter himself said last week that he had an open mind on the subject. "This is something that is constantly under assessment," he told the town meeting at Clinton, Mass. "If I consider as President that a restoration of the draft is necessary for the security of our nation, I will not hesitate one day to recommend it to the Congress."

The All-Volunteer Armed Forces may be the target of tough questions and mounting criticism, but similar questions and criticism could more properly be directed at the lazy journalism of Alpern and Fuller. Most of the griping has come from old-line soldiers and hidebound Members of Congress who have opposed the volunteer concept from the beginning and who refuse to acknowledge the fact it is working. A few longtime critics of the Volunteer Army saw the opportunity to go on the attack during the transition between the Ford and Carter administrations. Unquestioning reporters have rushed to report the "doom and gloom" analyses of those that they

know—or should know—have been predicting the failure of the Volunteer Army since before it went into effect.

Even the Army's sharpest critics begrudgingly admit it has been successful, but then they proceed to pick away at those few shortcomings which legitimately need attention. The only reason "the problems of a voluntary force are serious enough to start politicians talking about the draft once again" is that the critical politicians have been critical all along. With the advent of a new administration, many of these people see the opportunity to erode confidence in the Volunteer Army and seek a return to compulsory service. A new President would seem derelict in his duties if he did not agree to reassess a program which has been subject to some controversy. Furthermore, by using the quote without also noting that no responsible official, including supporters of AVF, has expressed hesitation about returning to the draft in the event of war, the authors blow the issue way out of proportion. I am confident that when President Carter and his staff look at the facts, they will find the volunteer military has been a great success.

> Even high Pentagon officials who continue to tout the all-volunteer force—AVF in military jargon—concede that its prospects are hazy. The program is working as of now . . . but I'm less certain about the future, said Gen. George S. Brown, chairman of the Joint Chiefs of Staff, at recent Senate hearings on AVF's troubles.

Pentagon officials need to look down the road, recognize potential problems, and prepare for the future. The key to the continued success of the Volunteer Army is sound management on the part of the high Defense Department officials. Virtually every top Pentagon official has acknowledged that management is perhaps the single most important element of AVF's continued progress.

> Some critics complain about the fast-rising wages and pensions required to attract and retain personnel—already 58 per cent of the Defense Department's $98 billion budget.

This statement is misleading. Moreover, the statement later in the piece about pay rising "193 percent in the lowest enlisted grades between 1964 and 1973"—giving the reader no further background—is deliberately distorting.

In the years following World War II, the draft was systematically used to hold down recruit pay. From 1946 until 1964—the year selected by Alpern and Fuller—the basic pay of a recruit at the entry level rose a mere $3, from $75 a month in 1946 to $78 a month in 1964. For a recruit, the monthly compensation package in 1964, including allowances, was worth only $133.50. With pay depressed below a subsistence level, it became a national scandal. The process of ending that disgraceful situation provides Alpern and Fuller with the deceptively high percentage used in the article.

After a modest increase in 1965 and long before the volunteer force became national policy, a law was enacted in 1967 which tied military pay increases to civil service increases. Civil service increases were tied to civilian private sector wage hikes in 1962. Virtually every commentator on military pay policy has noted that this legislation, having no relation whatever to the volunteer force, is primarily responsible for increases in the active duty personnel portion of the defense budget. Yet, Alpern and Fuller make no mention of it.

Although the pay increases of the late 1960's were large in percentage terms, in real dollars they simply raised the first-term soldier from the subsistence level to the poverty level. The widespread poverty among junior members of the Armed Forces under the draft was a major factor in the 1971 debate on the pay raise enacted in conjunction with the move toward the volunteer force. The most cursory review of the debates associated with that legislation would have shown Alpern and Fuller that even many opponents of the volunteer force joined in supporting those pay raises in an attempt to end the embarrassing situation of poverty in the Armed Forces. To paraphrase the quote Alpern and Fuller attribute to Moskos: What kind of society compels its young people to serve in enforced poverty while the rest of society avoids the tax burden of paying soldiers a decent wage?

The Senate Appropriations Committee has published a number of charts comparing military with civil service pay. Had Halpern and Fuller read these charts, they would have seen that military pay for the lowest three enlisted grades still lags behind the pay of their civil service counterparts. Given the gap between civil service and private sector pay, Alpern and Fuller would have been more accurate had they described an increasing gap between military entry pay and compensation for similar positions in the civilian sector.

The young men and women in today's military have gotten the same cost-of-living increases, about 5 percent annually, that all Federal employees receive each October. Still, some 62,000 of them are eligible for food stamps and other public assistance.

The authors should have attended Senator NUNN's hearings, rather than quoting his press releases about Dr. King's study. Then, they would have heard Marty Binkin, a renowned expert on military pay policy, testify that military pay at the entry level is now falling behind the rate of inflation. Purchasing power for military personnel has eroded 7 percent since 1972.

Despite all the peripheral information given by Alpern and Fuller, they have ignored one of the most important and well-publicized sets of figures about the draft. Out of our $100 billion-plus defense budget, if we returned to the draft right now, the savings would be about $300 million. If we were to return to the policy of forcing people to serve at substandard pay, thereby reducing recruit pay to the minimum wage, the savings would be only $1.7 billion. For the Army, the estimated cost savings in fiscal year 1977 if we returned to the draft is only $23.3 million. Are these relatively small savings worth the turmoil of a return to the draft? If people depend on Newsweek for this information, they will never be able to make an informed choice, because Newsweek has failed to give them crucial facts.

It is a gross and mischievous deception in an article about the volunteer force to attribute 58 percent of the defense budget to personnel costs without a further breakdown. As a matter of fact, the active duty military personnel share of the Defense Department budget has actually gone down from 31 to 27 percent since the end of the draft. Among personnel costs not relating to the volunteer force are retired pay, $7.3 billion; civilian pay, $16.5 billion; military pay excluding junior enlisted, $21.6 billion; and personnel support, $3.8 billion. All these are fiscal year 1976 figures.

Obviously, civilian wages are not attributable to the volunteer military. Pensions, which have risen dramatically in recent years, are a direct result of policies developed for a conscripted army. They have never been reformed and have virtually no relation to the volunteer force. It is interesting that the supporters of the draft cited by Alpern and Fuller, such as Senators STENNIS and NUNN, have done virtually nothing to assist in reforming the military retirement system, despite repeated calls for legislative reform from the Pentagon and an almost universal belief that the current system is a poor management device. Furthermore, pensions simply do not have a relation to first-term enlistments.

In actuality, the active duty payroll portion of the defense budget has decreased every year since the 1971 pay raise was enacted. That fact is easy to find—for anyone interested in looking.

> Others cite a decline in quality of incoming troops and the growing proportion of blacks in the service—now 22.2 per cent of the Army, twice the black representation in the population at large. Prof. Charles C. Moskos Jr. of Northwestern University, a specialist in military sociology, worries that ghetto youth will become "cannon fodder" and asks: "What kind of a society excuses its most privileged members from defending it?"

The racial question is a vivid scare issue without substance, but it is on the minds of many volunteer Army critics. The criticism is not a valid one. Admittedly, the number of blacks as a percent of non-prior-service enlisted accessions increased significantly from fiscal year 1964 to fiscal year 1974, but it has decreased since fiscal year 1974. This was noted in the DOD transition document. Servicewide, the percentage of blacks in fiscal year 1976 was 16.9, compared to 10.6 percent in fiscal year 1964 and 20.9 percent in fiscal year 1974.

Nonetheless, even if the figures were otherwise, the U.S. Government should not under any circumstances set a quota system or deny equal opportunity to any group. As George Will said in his January 30 column, "Profile of an Army":

> Obviously a moderately larger percentage of blacks than of whites finds that the armed forces provides an attractive opportunity. So what? The Government has no reason—and no right—to worry about whether there are "too many" blacks in the armed forces.

Professor Moskos was far off base in suggesting today's Army, as contrasted to

its draft-era counterpart, makes ghetto youth "cannon fodder." One of the strongest critcisms of the draft was that it forced into the Army—and in many cases the infantry—those from the lower economic class, while their more affluent peers first received various deferments, and even when those were reduced, had the benefit to a disproportionate degree of friendly doctors and lawyers able to spare them from serving.

The percentage of blacks in combat arms in the Army is remarkably similar to their share of the Army population. The black representation in combat arms was 23.4 percent in fiscal year 1976; their representation in the Army was 23.7 percent in fiscal year 1976. The number of blacks in combat arms decreased from fiscal year 1975 to fiscal year 1976.

Leading Members of the Congressional Black Caucus, such as Congressmen PARREN MITCHELL and RONALD DELLUMS, have not hesitated to criticize the paternalism of those who would deny blacks the opportunity to enlist in the Armed Forces. Representative DELLUMS was quoted in the October 17, 1976, Washington Post as saying:

Black volunteers understand what joining the military means. If through the exercise of free choice by individuals, there are more blacks in the service than in the population, we should expect a proportionately greater sacrifice . . .

Why did not Alpern and Fuller provide any indication of those feelings in their article?

Today's Volunteer Force is remarkably representative of the Nation as a whole. The 10 most populous States, with 53 percent of the Nation's male youths, have 53 percent of the recruits; the 20 most populous States, with 75 percent of the Nation's male youths, produce 75 percent of the recruits. The Pentagon's most recent study shows that from a family income standpoint, it is hard to imagine a more representative force: 26.3 percent of families and 26.9 percent of recruits are in the under $8,000 income bracket; 29.3 percent of families and 35.1 percent of recruits are in the $8,000–$13,999 bracket; 22.3 percent of families and 22 percent of recruits are in the $14,000–$19,999 bracket; and 21.8 percent of families and 16 percent of recruits are in the $20,000 plus bracket. These figures show that this is hardly a nation that "excuses its most privileged members from defending it," as is so glibly suggested.

More bothersome are demographic trends that indicate that there simply may not be enough young volunteers available in future years to maintain the armed forces at their authorized level of 2.1 million—800,000 in the Army alone. Army Reserve and National Guard units are already nearly 100,000 men short of full strength. In a crisis, one Senate report estimated, it would cost an astonishing $29 billion to raise current force levels to those of the Vietnam era. And with the Selective Service System reduced to a single vestigial office in Washington, it would take four months just to get the first of a new crop of draftees into basic training.

Newsweek properly pointed out that the pool of potential volunteers will shrink in coming years. This is a problem which can be managed, and DOD manpower officials have testified that they are looking at the several options available now to maintain proper strength levels. The active duty recruiting record to date is a good one. However, I am sure there are a number of people at the Pentagon who would not mind seeing the volunteer concept scuttled, if for no other reason than that a draft makes it easy to expand forces without a major public debate.

The Senate report quoted above by Newsweek was prepared by a strong critic of the volunteer concept. The $29 billion figure is speculative at best. Beyond that, it ignores the fact that any cost would be draft related and irrelevant to the volunteer force. It is unfair to suggest otherwise. Alpern and Fuller also showed their bias by taking the worst case estimate that military strength would have to be raised from 2.1 to 3.5 million, an increase two-thirds again the size of the current force. It is misleading to present a worst case without presenting any of the more realistic assessments accepted by the national security community.

There is justification for preparing a standby draft mechanism in the event of armed conflict. In my opinion. Selective Service System supporters deliberately downplay its ability to work draftees through the system. There is no reason why it should take 4 months to get people into the pipeline. When we became involved in World War I in 1917, the first registration was held 17 days after enactment of a draft bill and the first inductions came within 4 months. In 1940, only 63 days elapsed between draft law enactment and first inductions. This was done with virtually no standby planning organization and without maintenance of any standby machinery. Why should it take 4 months today? The structure of a new system prepared by DOD during the Ford administration is waiting to be implemented. It can supply people as fast as military reception stations can process and begin to train them. Slots can be filled as soon as is possibly needed.

THE QUESTION OF QUALITY

Until recently, AVF was doing quite well. Launched by President Nixon in 1973, after sentiment against the war in Vietnam made the draft politically untenable, the system has managed to attract enough recruits to active duty—in part because of high civilian unemployment. Aptitude-test scores run higher than in the larger, draft-fed Army of the Vietnam era. The number of high-school graduates—another index of quality—also held steady through 1975 at 62 per cent, though it has now dropped to a worrisome 45.5 per cent. In recent combat exercises, some units of the new Army have excelled. The 101st Airborne Division successfully airlifted 3,000 men, 348 helicopters and 2,500 trucks to Germany in one Nato operation. The "almost unanimous" assessment of top generals, says Army Secretary Clifford L. Alexander Jr., is that "this is the best Army they've seen."

Army Secretary Clifford L. Alexander, Jr.'s statement that it is the "almost unanimous" assessment of top generals that "this is the best Army they've seen" should have opened the paragraph on quality. It was preceded by a lot of misinformation. The very first sentence of the paragraph is in error. The AVF is still doing well. Distortions and a lack of information, rather than fact and analysis, have marked the current debate in the media.

By using the last quarter' figures, Alpern and Fuller gave only a snapshot of the overall picture, and an inaccurate one at that. Recruiting is a highly seasonal enterprise, and the high enlistment period comes in the summer months after high school and college graduation. A "snapshot" taken in those months would show a highly optimistic picture. Senator JOHN CHAFEE, in remarks which appear in the March 30 CONGRESSIONAL RECORD, raised some excellent points on this question:

During the final 3 months of 1976, recruitment dropped to 95% of the goals. Some suggest that this represents a new trend leading to the conclusion that 4 years of success have ended. But brief periods of recruitment difficulty have occurred in the past with no permanent consequences.

In fact, with a 5% recruitment shortfall in late 1976, the military fell only one-third of 1% below desired force levels.

Another measure of recruiting strength, from superficial analysis, is the number of recruits who have signed up to join the military at a later date when their training slot becomes available. If recruiting shortfalls are significant, future recruitment presumably would be very slow. Yet, the Army has a "delayed entry pool" twice last year's level and seven times the level of January 1974.

Maj. Gen. Eugene Forrester, commander of the U.S. Army Recruiting Command—USAREC—told me last week that there were 48,479 recruits in the delayed entry pool as of April 11. Over 70 percent of the recruits needed for the week of July 4 are already committed to enter under this program.

Anti-Vietnam war sentiment played a part in the decision to end the draft, as the authors said. However, there were many of us who had long-held feelings that the draft was inequitable and unjustifiable in a society based on individual freedom and equal opportunity for all.

Moreover, the modern controversy over selective service was not initiated during the Nixon administration, as Newsweek intimates, but by Adlai Stevenson in his 1956 campaign. Interestingly enough, Stevenson's volunteer force proposals were opposed by Nixon at that time. In 1964, BARRY GOLDWATER proposed a volunteer force. Even though the Vietnam escalation had not yet begun, the President did not directly challenge GOLDWATER on this. Instead, he ordered a DOD study on the feasibility of a volunteer force. While the results of the study—which were generally favorable to the volunteer force—were submerged in the burgeoning war, the movement to end the draft continued to gain bipartisan support. In 1968, an end to the draft was pledged not only by Nixon, but by GEORGE MCGOVERN during his belated primary campaign. Again in 1972, support for the volunteer force was bipartisan, so both Nixon and MCGOVERN supported an end to conscription.

Many people forget that for most of the Nation's history, we have had a volunteer military. The draft is a 20th-century phenomenon, and in only 30 of the 200 years of our history have young men been subject to conscription. We may

have grown accustomed to it, but that does not mean that it is fair or that it must be perpetuated. It is typical of government to create a bureaucracy and refuse to eliminate it when it is not justified.

The authors leave a wrong impression with the readers by selecting unemployment as their only example of why enough recruits are being attracted, even while using the phrase in part. Using journalistic license doesn't excuse the omission of the fact that most experts feel the level of unemployment is an overrated factor in attracting sufficient quantities of high quality recruits. Vice Adm. John Finneran, Deputy Assistant Secretary of Defense for Military Personnel Policy, testified recently before a House subcommittee that 74 percent of all volunteers were either working or in school when they enlisted. The December 17 DOD document offers specific information showing negligible impact:

Rough estimates indicate that for every 1 percent reduction in the general unemployment rate, another 21,000 individuals in the qualified and available military manpower pool would be able to obtain civilian employment. Taking a worst case approach—namely, that each of these individuals is in such an attractive job that DoD cannot compete for them—the qualified and available pool is reduced by 21,000. For example, assume that general unemployment is reduced from 8.1% to 5.1%. The impact on supply would be a reduction of 63,000 males, reducing the male supply in the 1985–1990 adjusted pool from 0.919 to 0.856 million males. The revised demand/supply ratio then becomes 1 in 2.9, about the same ratio experienced in the successful 1975/1976 period.

These projections, when combined with past experience, indicate that enlistment supply need not be a problem, even during the mid and late 1980s. To the extent that there is a problem, its resolution comes in (1) making more efficient use of the current supply pool (i.e., relaxing physical standards for enlistment, etc.) and (2) reducing demand (i.e., reducing attrition, more females, etc.).

Newsweek suggests the level of high school graduates has dropped to a worrisome level; in fact, the servicewide high school graduate comparison between 1964 and 1976 shows the services are doing quite well. In 1964, 68 percent of volunteers had graduated from high school; in 1976, the figure was 69 percent. Soldiers with 1 or more years of college now make up 11.5 percent of the Army, compared to 12 percent in fiscal year 1972. The number of volunteers with test scores in the top two of four mental categories has risen from 42 percent in 1964 to 44.1 percent in the most recent quarter. Perhaps more important, the number in category IV, the lowest mental category, has been dramatically reduced—from almost 20 percent in fiscal year 1974, and an average of 22 percent between 1960–64, to about 8 percent today.

When they discuss the quantity and quality of recruiting, Alpern and Fuller ignore the fact the recruiting budget has been slashed every year, at the direction of the House Defense Appropriations Subcommittee. During debate on the fiscal year 1976 defense appropriations bill, it was pointed out how difficult the committee was making it for the recruiting force. The committee members—many traditionally opposed to the AVF—responded that they had great confidence that the sums they were recommending were adequate. In view of the cutbacks mandated in the appropriations legislation, it is remarkable the services have done as well as they have in attracting a high quality force.

But the view from the field is not always so self-congratulatory, especially in the training camps where the newest recruits are stationed. "We just don't get the quality any more," said Sgt. George Griffin recently as he watched a squad of infantry trainees at Fort Benning, Ga., display antics worthy of the Keystone Cops. One man took careful aim with his M–16 rifle and buried its muzzle in the dirt. Another—against orders—peeked over the window ledge of a building under attack and got clouted in the head by an "enemy" grenade. And a third took cover behind a pine tree so scrawny "it could be split by a peashooter," the sergeant groaned.

This paragraph is very vivid—but very one-sided—journalism. An advocate of a particular position—be he reporter or politician—can always find someone to say what he needs to justify a stand or an assumption. Anyone who thinks "the view from the field, * * * especially in the training camps where the newest recruits are stationed" ever has been self-congratulatory—or ever should be—does not know the military very well. Boot camp is where the young men and women are developed as soldiers and as individuals. Basic training would not be needed if they all possessed the necessary skills and maturity on enlistment. Any sergeant who trained recruits and draftees 5, 10 or 20 years ago—and any individual who went through that training—can recount instances similar to those cited in the Newsweek piece. The point is this; basic training is meant to turn them into soldiers. Commanders today say they have never seen a better force.

Quick exits, however, cut the number of troublemakers. The result has been a drop in reported cases of drug abuse (from 17,000 two years ago in the Army, for example, to 15,000 today) and in incidents of racial violence (59 in 1973 against only three last year). "I get a guy who says, 'I can't stand whites,' I just wash him out," reports Col. Jack Farris, who runs infantry training at Fort Benning.

While Newsweek correctly notes the reduction in problems the Army has faced by quickly discharging troublemakers, the magazine is guilty of low journalistic ethics in its deliberate distortion of the remarks of Col. Jack Farris. As Colonel Farris told Newsweek in a letter to the editor, he was severely misquoted. His actual statement was this:

I get a guy who says, "I can't stand whites" or "I simply can't live with blacks." I just wash him out. There's no use waiting for trouble to begin.

To the credit of Tony Fuller, he has personally apologized to Colonel Farris. Colonel Farris' office told my staff that Tony Fuller had recorded the quote correctly, but that an editor had truncated the colonel's remarks.

The problem with the paragraph goes beyond that, though. Newsweek, in noting only a small reduction in drug abuse, leaves the eyebrow-raising impression that drug use is still excessively high.

The authors do not note two important facts: Drug use has shifted from hard to soft drugs, and the number is high because self-help programs are meeting with great success. Trust in the Army's handling of drug abuse is encouraging many more young offenders to turn themselves in.

Also unmentioned are many other positive factors. For example, between fiscal years 1974 and 1976, absence-without-leave rates were down 48 percent—and are the lowest since 1960—desertion rates were down 59 percent and are the lowest in 10 years. Crimes against property are at the lowest level since early 1971 and crimes of violence are the lowest in recent years. Careful selectivity portrays unbalanced information.

MORE WASHOUTS, LESS TROUBLE

Complaints come from almost all levels in the chain of command. "Some of these guys you can explain things to 50 times, yell and scream and they still don't understand," says Col. Ross Franklin, a staff officer at Fort Benning. "We can train all the . . . cooks you want, but when it comes to (handling) some of these (sophisticated) weapons it's a different story." A Senate study found that 37 per cent of all military recruits are now mustered out as unwilling or unfit before their first hitch is over, as against 25 per cent four years ago.

Alpern and Fuller once more give a distorted view of what the Army is doing. There is a higher attrition level among first termers because the Army is trying to identify problems and avoid greater ones down the line. The expedited discharge program was put into effect in 1974 at the urging of the House Appropriations Committee, which suggested the services would save money by discharging marginal performers in their first year of service. The Army feels those with early discharges are more likely to have positive reflections about their military experience than their draft-era counterparts, who often returned home feeling stigmatized and bitter about their service. Disciplinary problems are down, and the men are not burdened with the bad discharges that often saddled them with problems in civilian life because they were unable to fit into a system in which they were forced to serve.

Newsweek gives no credit to USAREC's positive efforts to upgrade quality, and thereby reduce early attrition. As I mentioned earlier, the level of non-prior-service high school graduates is up slightly from the fiscal year 1964 period. Perhaps more important, the number of individuals joining the Army in the lowest mental categories is decreasing. No category IV non-high-school graduate is permitted to enlist.

It is also important to keep in mind that the concept of attrition is new. During the draft, soldiers who did not measure up had to be retrained and continued to have problems throughout the period they were forced to serve. The result was an overabundance of forcibly retrained misfits who created problems for their peers, for the Army and for the Nation's defense. This new mechanism gives commanders a new option which strengthens the overall quality of their

units and reduces disruptions and disciplinary problems. The evidence suggests some commanders may be too liberal in applying this policy, but there is also evidence that the Army is refining its application and making it the effective tool it can be. At USAREC last week, I was told of a number of units that have attrition rates almost identical to those of the draft era. Overall, the implication left by Alpern and Fuller that high attrition is worse for the Army is exactly opposite of measureable experience.

The number of blacks in Army green has more than doubled since 1964. Minorities, including Hispanics, constitute almost 30 percent of today's Army. "It will be a black man's Army and black men will have to fight the wars," griped black Pfc. Gregory Young recently in a mess hall at Fort Campbell, Ky. But Army Secretary Alexander, himself black and a National Guard veteran, argues that the shifting racial balance is less a problem for the military than an indictment of the society that it serves. "There still is discrimination out there—in case anyone has forgotten," he says, flatly ruling out the idea of imposing racial quotas on recruits in the future.

Secretary of the Army Cliff Alexander best responded to those who complain about the number of blacks in the Army by saying it is "immaterial. Who is going to play God and set a quota?" Young black males have the highest unemployment rate of any segment of the American population. Many of them have recognized they will be given equal opportunity for advancement in the Army and will be given the chance to learn a skill. Today there is also an active effort among the services to increase their black officer content. Such an effort has long been needed, and I am pleased it is underway now.

Few Americans today enlist out of patriotism or a yen for the military life. For some it is simply the last refuge from a bad civilian scene. "My girl's old man wouldn't let me see her and I almost slugged the guidance counselor at school," said Bobby (Munch) Croyts, 17, a Pittsburgh highschool dropout at Fort Dix." "The Army ain't as rough as the street," explained fellow recruit Juan Hernandez, 17, of Cleveland. Many more are attracted by increasingly generous pay and allowances. A private with two years' service receives $6,915 a year, up to $5,400 in Federal matching funds for education after discharge and the prospect of a pension that provides half pay after twenty years' service. "I went downtown to Newark and there was a longer line at the Army office than at the welfare office," recalled recruit Carl Walker, 18, at Fort Benning.

In this paragraph, Alpern and Fuller would have us believe a large proportion of enlistees sign up to escape a "bad civilian scene." In reality, the number is miniscule.

The facts are these. A 1976 Department of the Army survey found the main reason for enlisting was educational opportunity or job skill training—49 percent. The opportunity to travel made up another quarter of enlistments. Pride in country applied to 12 percent, about the same as 5 or 10 years ago. Only one in 20 enlisted for economic opportunity. Other high ranking enlistment reasons included challenge and adventure, the chance to do something different, interest in an Army career, financial benefits and job security.

Pay is clearly more attractive than it was a decade ago, but why did Newsweek cite the $6,915 salary for a married private with 2 years of service, instead of the actual pay rate at the entry level? And why did Newsweek not add that few recruits actually receive a full salary, since they have to live in open bays rather than draw housing allowances?

As for retirement pay, studies have shown that few enlistees join because of the retirement benefits they would be eligible for if they put in 20 years in the service. The average 18-year-old is not thinking that far down the line. It would be futile in any case, since Army policy limits reenlistment for a second term to only a small share of first termers. Grouping retirement costs as part of the AVF is one of the most superficial and blatant misrepresentations used by draft advocates.

A SINKING SHIP?

Life in the volunteer Army is a mixture of old and new. Much-heralded experiments involving long hair and barracks with semiprivate rooms are fading away. And old-fashioned alcoholism is now as great a problem as drug abuse. But with more men entering at age 17 and 18, rather than in their 20s, a summer-camp air oftens prevails and sergeants complain about "baby-sitting." Stress on the financial rewards also has stirred interest in unionization—a potential threat to discipline, Defense Secretary Harold Brown warned last week—although supporters say their main concern is wages and benefits.

We have another set of misguided assumptions and observations erroneously tied by the authors to the volunteer force. The age issue, for instance, is a bogus one. The average age of today's soldier is not that much different from that of his draft-era counterpart. There is no more "baby sitting" by sergeants now than there was 5 or 10 years ago. Dr. William King, the AVF opponent, said in his report.:

The military services require young and vigorous personnel, thus necessitating personnel turnover and continuing requirements for new enlistees from the 17–21 age group.

Alcoholism is a careerist problem, and it is been one as long as we have had an Army. This reference again reflects the lack of precision exemplified throughout the piece by the Newsweek writers.

It is also incorrect to tie unionization interest to the Volunteer Army. Every European army with a union relies on conscription to fill its ranks. England and Canada, however, have voluntarism and no unions. One thing we can be sure of—if we have a draft, the pressures for unionization will mount.

Pay has already risen sharply—193 per cent in the lowest enlisted grade between 1964 and 1973—and the cost of providing such competitive salaries is drawing yelps from Capitol Hill. Georgia's Sen. Sam Nunn complains that AVF is a "sinking ship that is becoming increasingly costly to keep afloat." Rep. Les Aspin of the House Armed Services Committee warns that the escalating cost of military pensions ($34 billion a year by 2000, he says) could eventually produce "a New York City type of fiscal problem." Pentagon leaders reply that Congress itself wanted to raise military pay scales, even before AVF was born. Still, recruiting is costly and the Pentagon is planning an $86.6 million advertising campaign in 1976. Gen. Bernard W. Rogers, Army chief of staff, said last month that it might take up to $750 million in special benefits to bring the undermanned reserves up to strength.

I discussed the pay issue earlier in this analysis and will not repeat the points here. The one legitimate point is that pension reform is in order. A bill has been pending on Capital Hill since 1974 to do just this.

Recruiting is not inexpensive, but we still have recruiting—and recruiting costs—even if there is a draft. The Army will always need to attract 3-, and 4-, and 6-year enlistees for those jobs which require long training. The important thing is that a successful recruiting program reduces costs. If high quality recruits are brought into the services in sufficient numbers, attrition and costs will go down and retention, professionalism and stability will increase. From personal observation, I have concluded that we have a top-notch recruiting operation in USAREC. Gen. Gene Forrester has done a remarkable job, especially considering that congressional budget cuts have reduced the number of recruiters by 1,300 from fiscal years 1975 to 1977. In early 1975, criteria for recruiting personnel at all levels were strengthened, and the recruiting command now has the choice of the best Army personnel. This may be the reason the Army has been able to upgrade its recruit quality so substantially over the past couple of years while still nearly meeting the required numbers of recruits. General Forrester notes that fulfilling their desired number of nonprior Service high school graduate enlistees can mean an annual savings of $135 to $150 million to the Army. There has been criticism of recruiting adevtrising. Yet, USAREC points out that it spends only $165 per accession in its advertising. Yet, USAREC points out that spend twice that, $330 per accession.

General Forrester is a strong, dynamic leader, and I am impressed with what he has done as commander of USAREC. He told me one of the Newsweek reporters talked with him before the story was written. It is extremely unfortunate that the only part of the interview Newsweek chose to use was a quote attributed to "one top general" about the possible use of women in combat situations. While not as serious as the distortion of Colonel Farris' quote, the selected reference does not reflect Forrester's interview.

The reserve problem is a real one. The transition document noted that the bulk of the shortfalls are in the Army Reserve and Army National Guard. They currently have a 44,000 shortfall, with an expectation this will rise to 108,000 by fiscal year 1978. The Individual Ready Reserve—IRR—has even bigger problems. IRR strength is expected to drop from 469,000 in fiscal year 1976 to 398,000 in fiscal year 1982. In light of the absence of the draft and the emphasis on the Total Force concept, immediate attention by Pentagon officials is warranted.

Admiral Finneran told the Defense Appropriations Subcommittee recently that Pentagon manpower planners had concentrated on meeting active duty strength levels until just recently. They worried less about the Reserve Forces, because there were still draft-induced

volunteers, as well as draftees who had completed their active duty, who were fulfilling their 6-year obligation. New management initiatives are needed immediately in this area. In its transition paper, the Pentagon said more resources and DOD management attention will be required. The Army has included in its fiscal year 1978 budget both manpower and funding to place full-time recruiters and trainers in Selected Reserve units. Admiral Finneran said other options are under study.

The $750 million figure remains unsupported, and no one has outlined what it contains. The amount seems unjustified in light of the management options available before that money would have to be spent. Such alternatives as extending the reserve obligation, making it equal for women and men, and developing special programs in cooperation with active units or with local officials for community improvement projects are a few of the many options that could be implemented inexpensively and make the reserves more attractive and more effective. I am convinced that a reserve draft need not be considered, since the Pentagon has not even tried these other means to rejuvenate the reserves.

Part of the Pentagon's recruiting problem is the antimilitary sentiment spawned by Vietnam. "I've had men spit on," reports recruiting Sgt. Reginald Burton. A more serious concern for the future is purely demographic. Martin Binkin of the Brookings Institution estimates that the number of men turning 18 will have dropped 15 per cent by 1985 and 25 per cent by 1992. If this happens, he calculates, one of every three qualified and available men would have to volunteer just to maintain the present force level—an unlikely prospect if the economy improves.

One glib quote, and another sweeping generalization, simply do not make it. All indications are that the "antimilitary sentiment spawned by Vietnam" has diminished greatly. A March Louis Harris poll showed the public's confidence in the military had risen from 23 to 27 percent in the last year. Only medicine, higher education, the White House, the U.S. Supreme Court, organized religion and television news ranked higher. While not ranking at the top, the military does outrank the press, federal, state and local government, Congress, organized labor and major companies in the public's perception.

The resurgence in popularity of the Army's Reserve Officers Training Corps is another positive sign. ROTC participation fell from 177,000 at its peak in 1967 to a low of 33,000 in 1973, when anti-Vietnam sentiment was highest on the Nation's college campuses. For the third consecutive year, ROTC enrollment has increased, up by about two-thirds over 1973. Campuses that dropped ROTC because of antiwar demonstrations are welcoming the program back. These include Princeton, Dartmouth, and MIT. ROTC cadets are of a higher quality too, with 36 percent making the dean's list. All of this is clear evidence of the drop in antiwar feeling.

What are the alternatives? One suggestion is to lower the required strength of the armed forces, or the standards for enlistment. "The services discourage recruitment of high school dropouts because up to 40 percent are washouts," says Aspin. "For every ten (they) refuse, they are losing six potentially successful servicemen." He also proposes taking men with lower IQ scores, arguing that "they need a certain proportion of low-IQ recruits to do jobs that present little challenge."

In their approach to alternatives to AVF, Alpern and Fuller again put the least desirable alternative first and put it in the least desirable light. They look at only half the picture, completely ignoring the problem of people who are overqualified for positions.

Just what are the alternatives? At this point, reducing the strength of the armed services does not seem advisable. However, small adjustments in standards for enlistment could significantly broaden the pool of potential recruits. Requirements, such as height, were revised during the draft era, and there is no reason why they could not be today. A RAND study has shown that if maximum and minimum weight limits were relaxed 10 percent, 5 percent more men would be eligible to serve and the annual shortfall of quality recruits would be reduced by 11,000. The number of category IV high school graduates could be increased. The CBO's January 1977 analysis of manpower costs noted that category IV high school graduates were less likely to drop out of the service than nongraduates in the first three mental categories. Only 28 percent of them leave the service in the first 3 years, Pentagon officials say. This compares well with the 19 percent level for high school graduates in category I.

Another idea is to take in greater numbers of women and give them a broader range of assignments. Already, women account for 6.6 per cent of all volunteers in the Army—up from 1.1 per cent in 1970—and the women are drawing all but the most dangerous combat assignments. "The bottom line on that is whether we're ready to see women coming home in body bags," says one top general. "I don't think we are."

As the military becomes more technologically advanced, more jobs open up for women. Except in some physical requirements, women are doing as well as men. Their number in the Army has increased six-fold since 1970, as Newsweek said. However, that is still only 6.6 percent of the Army's total force. Servicewide, the figure is about 5.5 percent. There will be 120,000 women in the military by the end of 1977, but the CBO suggests the number could be increased by an additional 100,000 over the next 5 years. That would still put them at less than 10 percent of the total force.

Alpern and Fuller's approach is again deeply troubling to any fairminded reader. Their review of alternatives, beyond those which to any reader carry negative implications, is unbelievably cursory. They completely overlook a variety of other options. For instance, CBO found 95,000 uniformed personnel in commercial and industrial operations and said that conversion of half those positions to civilian or contractor personnel would permit a reduction of 50,000 in military manpower with no harm to combat strength. The annual enlistment requirement would be cut by 10,000 in the long run.

CBO also proposed the services reconsider their position that no more than 40 percent of the enlisted force should have more than 4 years of service. Reenlistment is denied to many enlisted personnel who would like to continue their military careers. CBO pointed out that the reenlistees have increased productivity because of their experience. Allowing additional extended terms of services without retirement would stabilize the force.

A Defense Department study is underway to determine whether there might be a role in some job slots for those with disabilities who would not otherwise qualify for military service. Consideration is also being given to revising present training procedures. Some 18 percent of our Armed Forces at any one moment are involved in training as students, instructors, or support personnel. Others are in transit or on temporary assignment. The average stay on a base is only about 15 months. CBO has said that minor revisions would permit a significant number of these individuals to fill needed job slots. The key is good management. As DOD officials said in the transition document:

An alert, flexible, and competent management approach promises to be the best guarantee for the successful sustainment of the AVF.

"PEOPLE ARE TALKING"

Finally, there could be a return to the draft in some form. Senate Armed Services Committee chairman John C. Stennis concedes that such a move would be politically impossible now, but he predicts that the public will eventually see it as the most practical way to get a credible military force. "It's a process of a year or two, but more and more people are talking about it, Stennis says. Senator Nunn has proposed a Vietnam-style lottery to choose recruits equitably, or a mandatory period of national service that would permit men to choose between military duty and Peace Corps, Vista or other public-service work.

The two men quoted in this paragraph are longtime opponents of the volunteer concept. Beyond that, Senator STENNIS has acknowledged his consistent resistance to the volunteer concept, but he has said the "matter is not proven yet" as to his hope that the selective service will return.

Senator NUNN's views are well-known, dating back at least to March 1973 in his first term in the Senate. As a proponent of national service, it is understandable that he has called the hearings and said the things he has. The unfortunate thing is that Newsweek has ignored all the favorable comments on the Volunteer Army made by experts testifying before the Nunn subcommittee. To be specific, Dr. Richard Cooper has spent 4 years as head of the defense manpower division of Rand and is the country's leading expert outside of the Department of Defense on military manpower. He testified before the Nunn subcommittee, but was completely ignored in the article. The other top civilian expert, Marty Binkin of Brookings, has told me he was misquoted by Alpern and Fuller, who managed to side-step the positive thrust of his remarks.

Such a program could cost up to $50 billion, however, and critics, including Senator William Proxmire of Wisconsin, argue that

it would be a nightmare of administrative and disciplinary problems. Less costly and controversial might be a draft for the reserves only, with less than six months of active duty—a suggestion outlined last month by Amy Chief of Staff Rogers.

A mandatory national service program, as favored by Senator NUNN and others, would be a nightmare, as Senator BILL PROXMIRE has said. Dr. King has claimed that a minimally coercive—just what is meant by that euphemism?—national service system could cost less than $8 billion annually. Compulsory service, he said, would cost more than $16 million. Rand researcher Cooper puts the likely figure at $25 billion or $40 billion. Others say it could cost as much as $50 billion.

Much has been written in opposition to a compulsory national service program, but none is referred to here. I, for one, believe a program of mandatory national service is completely counter to the spirit of individual freedom fostered in the nation over our 200 years of existence—and the American spirit of voluntarism which inspired President Kennedy to propose such programs as the Peace Corps and Vista. To the degree that these programs have been so successful, it is because they have attracted men and women of all ages who wanted to make a contribution to their fellow human beings at home and abroad. They have been committed, enthusiastic and involved. No mandatory program is going to come close to matching the record of achievement and the degree of good will volunteers have brought wherever they have been. Our Nation was founded on the premise that the state should serve the individual, not the individual the state. Mandatory national service is a dangerous concept to even contemplate for a nation with our commitment to personal freedom. Its implementation goes against everything the Nation stands for, and I hope those flirting with the idea will weigh all of its potential consequences.

None of these solutions is ideal, but the evidence suggests that AVF will need help from somewhere before very long.

The authors' closing cliche is ironically true. To continue to succeed, the AVF needs constructive criticism from the outside and good management from the inside. The Pentagon is showing a willingness to meet the management challenge head on, though it still has some distance to go in this regard. What is tragic is that AVF is not getting constructive criticism; rather, it is getting sandbagged by an unfair story in a magazine many of us have come to respect. One can only wonder what Newsweek was trying to accomplish in its distorted presentation.

VETERANS GROUPS SUPPORT BILL TO DENY BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is recognized for 15 minutes.

Mr. HAMMERSCHMIDT. Mr. Speaker, a few days before the Congress recessed for its district work period I introduced a bill that would deny automatic veterans benefits to those individuals who receive upgraded military discharges under the reduced standards of the Carter special review program. I am reintroducing that legislation today, with additional cosponsors totaling 21.

I might also add that this legislation has received the specific endorsement of more than a half-dozen major veterans organizations, even though we have not yet reached the point of scheduling committee hearings. This is an indication to me of the strong backing this bill will have among the veterans of this country, and I also believe the great majority of our citizenry will applaud it as just. I emphasize again that my legislation is not designed to deny any of the affected veterans the benefits they would have earned if there were never a Carter special review program. Recipients under the program will be able to petition the Veterans' Administration for an individual review of their case, using traditional standards. Those veterans, for instance, who had a meritorious case and were being stymied by the backlog of existing Discharge Review Boards would be able to qualify for benefits.

But I must emphatically restate my strongly held view that the military discharge system, even during Vietnam, has been a fair system. Consequently, it would be wrong to extend veterans entitlements to many thousands of people who would not be eligible for them under the standards that millions of others have been judged, and have met. As an example, under the Carter program, it is not only conceivable, but likely, that an individual who deserted years ago, and remained away from his unit until this month, could be attending school using veterans benefits by next month. This deserter, who could easily qualify for an "automatic upgrade" under the Carter administration's giveaway criteria, will be enjoying all the benefits that his military counterparts earned through discipline and sacrifice. And the irony is that honorably discharged veterans, who were deserted by these others, are now going to be among those required to foot the bill, through taxes, of putting the deserter and nonperformer through school, as well as having to make room for them at the Veterans' Administration hospital. This is ludicrous, and I am happy to note that the major veterans organizations, and so many of my colleagues, feel as strongly about it as I do.

The veterans of this country are understandably angry and frustrated by the priorities of this administration, and I cannot feel any other way myself. Perhaps the most poignant comment among the many letters I have received came from Disabled American Veterans National Commander Frank J. Randazzo, who wrote asking:

Just whose wounds are being "healed" and whose wounds are being "rubbed with salt" by President Carter's preoccupation with the welfare of Vietnam-era draft evaders, military deserters, and holders of less than honorable discharges?

Commander Randazzo went on, with some very eloquent insight, to point out that:

Compassion is a noble sentiment but it should not be lavished in a capricious, unjust fashion. Do you have any doubt as to the reaction of the Carter Administration if the DAV should request that all pending claims for increases in VA service-connected disability compensation benefits by Vietnam combat-disabled veterans be "blanketly" approved?

R. D. "Bulldog" Smith, National Commander of the VFW, wrote me that:

It is inconceivable that we should reward those who have disgraced this Nation and themselves while at the same time the unemployment rate among honorably discharged Vietnam veterans is inordinately high. . . . The President's reduced standards criteria makes a mockery of the honorable discharge and is an affront to those who possess such.

C. L. Kammeier, executive director of the Marine Corps League, mentioned that one single chapter of his organization collected more than 20,000 signatures in opposition to the Carter pardon-amnesty, program, and indicated that organization's belief that my legislation is in "the best interests of this Nation."

Thomas A. Heaney, the national president of the Fleet Reserve Association, pointed out that the majority of the members in that organization have served in two or more of our Nation's wars, and wrote that:

As military careerists we are proud of the service we render to our Nation in peace and war. We are even more proud of the service performed by millions of Americans who have answered their Nation's call in times of need. We feel that the President's programs for amnesty and military discharge review are a slap in the face of those who served honorably.

Mr. Heaney went on to wonder why an administration that does not support a meaningful jobs for veterans program or the continuation of the GI Bill can justify spending tax dollars for the military discharge review program.

Harold B. Say, legislative director of the Veterans of World War I, noting that costs for caring of veterans have increased at a time when the Veterans' Administration budget has faced difficulties, stated that the Veterans of World War I "Feel that to treat ex-service people who dodged or evaded duty on the same basis as veterans with honorable discharge would be highly unfair to the veteran who carried out his orders."

Mr. Speaker, these endorsements of my legislation speak for more than 3 million citizens, all of whom have served our country honorably and well. If we also consider that the American Legion has condemned the principles of the Carter discharge program in a letter to Secretary of Defense Harold Brown, while postponing legislative action pending a meeting of their executive committee next week, this means that more than 6 million veterans have already expressed their adamant concern.

I thank the leaders of these veterans' organizations for their letters of support, and I wish to insert the letters into the RECORD at this time. I would also like to publicly express my hope, given the great interest already shown, that the Veterans' Affairs Committee will hold hearings

immediately on this most important and timely matter. The letters follow:

DISABLED AMERICAN VETERANS,
Washington, D.C., April 15, 1977.

Hon. JOHN P. HAMMERSCHMIDT,
U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN HAMMERSCHMIDT: On behalf of the 530,000 members of the Disabled American Veterans I wish to inform you of the unflinching support of our organization for H.R. 6136, a bill which you recently introduced in the Congress. This measure would prevent the automatic granting of veterans benefit entitlement to those individuals who will have their less than honorable military discharges "upgraded" by President Carter's special discharge review program.

Our endorsement of this bill stems from the same feelings and beliefs which prompted your sponsorship—a desire to insure that those Vietnam Era veterans whose military service was less than honorable are not placed on an equal footing (for VA benefit purposes) with those men and women who served this Nation faithfully, honorably and well. Nor do we believe it fair that less than honorable service Vietnam Era veterans should receive greater consideration from their government than did those veterans with similar discharges from prior wars.

H.R. 6136 would not deny VA benefits and services to Veterans whose discharges have been upgraded by President Carter's special program, but only required that any VA benefit entitlement sought by these veterans be governed by existing laws and regulations.

Quite frankly Mr. Hammerschmidt, the DAV is hard pressed to understand this most recent gesture on the part of President Carter. Compassion is a noble sentiment but it should not be lavished in a capricious, unjust fashion. Do you have any doubt as to the reaction of the Carter Administration if the DAV should request that all pending claims for increases in VA service-connected disability compensation benefits by Vietnam combat disabled veterans be "blanketly" approved?

There is no doubt in my mind and it leads me to ponder on just whose wounds are being "healed" and whose wounds are being "rubbed with salt" by President Carter's preoccupation with the welfare of Vietnam Era draft evaders, military deserters and holders of less than honorable discharges.

We in the DAV are therefore most heartened when a Federal legislator publicly voices a concern for what is right, just and equitable. Your sponsorship of H.R. 6136 and the leadership role you have assumed in this matter indicates that you are such a legislator. Please be assured that the DAV National Membership both supports and appreciates the stand that you have taken on this very important issue.

With warm personal regards, I remain,
Sincerely yours,

FRANK J. RANDAZZO,
National Commander.

VETERANS OF FOREIGN WARS,
Washington, D.C., April 15, 1977.

Hon. JOHN PAUL HAMMERSCHMIDT,
Ranking Minority Member, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. HAMMERSCHMIDT: The Veterans of Foreign Wars of the United States applauds your introduction of H.R. 6136 with more than 20 co-sponsors, to amend Title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam Era, under less than honorable conditions, are administratively upgraded under temporarily revised standards. However, we believe your bill should be amended to further deny veterans' preference in Civil Service employment and participation in veterans' jobs programs administered by the Secretary of Labor. It is inconceivable to me that we should reward those who have disgraced this nation and themselves while at the same time the unemployment rate among honorably discharged Vietnam veterans is inordinately high.

Millions of Americans in war and peace have demonstrated their patriotism and honest and faithful service in defense of this nation, and such service is attested to by an honorable discharge. The President's reduced standards criteria makes a mockery of the honorable discharge and is an affront to those who possess such. Our current Resolution No. 406, entitled "Character of Discharge", passed by the voting delegates to our last National Convention held in New York City in August of 1976, enjoins the Veterans of Foreign Wars to commit the full force of our organization in opposition to lowering the requirements for an honorable discharge, or to demean in any way the special significance appertaining to the concept of honest and faithful service.

In addition to the foregoing, the upgrading of more than 432,000 less than honorable discharges, issued during the period August 4, 1964 through March 28, 1973, could cost the federal government more than 100 million dollars in veterans' benefits for individuals whose conduct and behavior while on active duty reflect neither loyalty to the United States of America, nor honor to themselves and the uniform they once wore. This, in a budgetary atmosphere wherein we must fight for adequate funding to care for those veterans who served honorably and who are in many instances maimed or scarred for life. Additional costs to be incurred by the Department of Defense and the General Services Administration could put a price tag of millions of dollars on this ill-begotten illaudable program.

Given the foregoing, it is hoped the Veterans' Affairs Committee will timely advance your bill and that it will be passed quickly by the House of Representatives.

Sincerely,

R. D. "BULLDOG" SMITH, Jr.,
Commander-in-Chief.

FLEET RESERVE ASSOCIATION,
Washington, D.C., April 18, 1977.

Hon. JOHN P. HAMMERSCHMIDT,
U.S. House of Representatives, Washington, D.C.

DEAR MR. HAMMERSCHMIDT: On behalf of my 132,586 Shipmates of the Fleet Reserve Association, I express our wholehearted support of your pending legislation, H.R. 6074. As we understand the provisions of the measure, it would bar the automatic granting of veteran's benefits to those deserters and service malcontents whose less than honorable discharges are upgraded under President Carter's ongoing military discharge review program.

As career enlisted personnel, active duty and retired, of the United States Navy, Marine Corps and Coast Guard, we do not understand the rationale for the President's action in upgrading the discharges of those whose military service did not meet the criteria for a military discharge of at least "under honorable conditions". The majority of our members have served in at least two of our nation's past four wars. As military careerists we are proud of the service we render to our nation in peace and war. We are even more proud of the service performed by millions of Americans who have answered their nation's call in times of need. We feel that the President's programs for amnesty and military discharge review are a slap in the face of those who served honorably.

We wonder why an Administration which does not support a meaningful jobs for veterans program and the continuation of GI bill educational opportunities can justify spending tax dollars for the military discharge review program. We feel that those who received less than honorable discharges, especially the military deserters, should have the circumstances of their individual cases reviewed under the laws and regulations established for that purpose prior to the President's new program.

Our support for your legislation is not being expressed by this letter alone. I have addressed the enclosed letter to the 2,200 key association officers of the Association's national, regional and local Branch levels requesting them to contact their individual representatives in the U.S. Congress. I have asked them to express their support of H.R. 6074 and urge their Congressmen to actively support the measure.

Mr. Robert W. Nolan, our National Executive Secretary, heads our Washington, D.C. offices. He has already been in contact with members of your staff and will continue to assist them in building support for the passage of your bill. Do not hesitate to call on us for any additional action that we may take.

I thank you for introducing this legislation and assure you of our full support. With best personal regards I remain in,

Loyalty, Protection and Service,

THOMAS A. HEANEY,
National President.

NATIONAL HEADQUARTERS,
MARINE CORPS LEAGUE,
Arlington, Va., April 6, 1977.

Hon. JOHN PAUL HAMMERSCHMIDT,
U.S. House of Representatives, Washington, D.C.

DEAR MR. HAMMERSCHMIDT: In accordance with instructions of the National Commandant of the Marine Corps League, Edward A. Schramm of Hazlet, New Jersey, this letter represents a block vote of the Marine Corps League and its Auxiliary, representing over 17,000 members, in support of your legislation, HR 5852 which would amend Title 38 of the U.S. Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions.

One of the most vocal issues to date within this organization is the action of the President regarding the granting of pardons to draft evaders and amnesty for those who served under less than honorable conditions during the Vietnam conflict. As a matter of interest, the Virginia Beach Detachment of the Marine Corps League, located in Virginia Beach, Virginia, collected 20,000 signatures this past December/January from local residents in opposition to the amnesty/pardon issue.

Your effort toward sponsoring legislation to preclude veterans benefits for those with "bad paper" is considered to be in our best interests, and in the best interests of this Nation.

Sincerely,

C. L. KAMMEIER,
Executive Director, By direction of the National Commandant, MCL.

OFFICE OF THE ASSISTANT
SECRETARY OF DEFENSE,
Washington, D.C., March 22, 1977.

TO VETERANS AND MILITARY RELATED ORGANIZATIONS:

The following announcement concerns Armed Forces Day observances planned for 1977. In the past, many of your local chapters have participated in military/civilian community observances, and are invited to do so again this year. If appropriate, please include the announcement in your next publication. "Armed Forces Day, May 21, 1977." Armed Forces Day 1977 is Saturday, May 21. Military installations will be conducting obsrevances during the week starting

Monday, May 16 and ending Sunday, May 22, 1977.

The theme for this year's Armed Forces Day is "Peace Through Readiness." Military installations across the country, in coordination with neighboring civilian communities, are planning special ceremonies and exhibits in those communities as well as installation Open Houses.

Army, Navy, Air Force, Marine Corps and Coast Guard units will participate in daily observances in Washington, D.C. during this week.

Organizations and groups desiring additional information or who desire to participate may contact the Information Officer of a local military installation.

D. J. MAYNARD,
Captain, U.S. Navy, Director for Community Relations.

NATIONAL CAPITAL OFFICE, NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA,
Washington, D.C., April 12, 1977.

Hon. JOHN PAUL HAMMERSCHMIDT,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HAMMERSCHMIDT: The Non Commissioned Officers Association of the USA (NCOA), representing more than 150,000 active, retired, reserve, guard and veteran Noncommissioned and Petty Officers of the U.S. Armed Forces, salutes you for sponsoring in the 95th Congress the bill, H.R. 5852 "to amend title 38 of the U.S. Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions."

Please be advised that the Association supports your proposal. We have written the chairman of the appropriate committee requesting permission to testify on the bill if hearings are scheduled.

If this office can assist you in this matter, please feel free to call upon us. We stand ready to serve.

With every good wish, we remain,
Respectfully,
C. A. "MACK" MCKINNEY,
Director of Legislative Affairs.

VETERANS OF WORLD WAR I OF THE U.S.A., INC.,
Alexandria, Va., April 13, 1977.

Hon. JOHN PAUL HAMMERSCHMIDT,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR REPRESENTATIVE HAMMERSCHMIDT: This letter is to say to you that we are in fullest accord with your H.R. 6074 as applicable to benefits received by veterans with specified degrees of discharge.

We feel that to treat ex-service people who dodged or evaded duty on the same basis as veterans with honorable discharge would be highly unfair to the veteran who carried out his orders.

Cost of caring for deserving veterans has continually increased. We do not want honorably discharged veterans to find the VA system short of money for their care. We do not think it is appropriate to afford funds for those who in war time shirked their duty and then by regrading of their discharges would possibly be put in a situation legally to obtain benefits from funds needed for use in caring for honorably discharged veterans.

If desired you may use this letter of our position in hearing records on your bill.

Sincerely,
HAROLD B. SAY,
Legislative Director.

LEGISLATION ASKING PRESIDENT TO RESIST EFFORTS TO BAN MEAT, MILK, AND POULTRY FROM WHITE HOUSE FOOD DAY DINNER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 5 minutes.

Mr. SEBELIUS. Mr. Speaker, according to the April 16 issue of the Washington Post, a daily newspaper serving the Washington metropolitan area, a special White House dinner is planned for tomorrow evening commemorating Food Day for 1977.

I believe President Carter and his administration should be commended for sponsoring this event whose purpose I understand is to encourage American citizens to eat a nutritious diet.

However, upon reading the entire Post article I was concerned to discover Food Day for 1977 is to be publicized by holding a supper at the White House at which beef, poultry, and milk have been banned.

Mr. Speaker, I would agree with the goals of striving to make all Americans recognize we should eat nutritious foods. However, the activitist organizers of this event, Center for Science in the Public Interest, apparently are in the business of blaming agriculture for the poor quality of the American diet.

When the President of the United States offers the use of the White House for a symbolic event that bans meat, milk, and poultry, I believe it contributes to the ignorance and misinformation some food faddists disseminate about American livestock and poultry products.

As a result, I wish to report to my colleagues that I offered a resolution this afternoon within the Livestock and Grains Subcommittee calling on the President to resist efforts to ban meat, milk, and poultry from the White House Food Day dinner on April 21.

I would like to commend to the attention of my colleagues the following resolution that was agreed to by Mr. JOHNSON of Colorado, Mr. THONE, Mr. HAGEDORN, Mr. COLEMAN, and myself and sent to the White House.

COMMITTEE ON AGRICULTURE, LIVESTOCK AND GRAINS SUBCOMMITTEE RESOLUTION OFFERED BY MR. SEBELIUS

Whereas the animal production industry is the basis of the American diet, and

Whereas animals serve as a means of bringing to us energy which is trapped in vegetable materials in ways that we could not otherwise retrieve, and

Whereas meat and other animal-source proteins have all the eight essential amino acids needed by the human body, and in the correct ratio for immediate use by the human system, and

Whereas plant-source foods are deficient in one or more essential amino acids and cannot individually satisfy the human body's protein needs, and

Whereas on-the-plate meat consumption averages less than 3 ounces per day and provides about 25 grams of protein which is less than half the average adult Recommended Daily Dietary Allowance (56 grams for men, 46 grams for women) as determined by the National Research Council, and

Whereas a 3½ ounce (100 grams) serving of meat also provides substantial quantities of the Recommended Daily Allowances for various B vitamins, iron, and zinc, plus phosphorus, potassium, and essential micronutrients, and

Whereas the feeding of grain to livestock does not cause starvation or malnutrition in needy countries, and

Whereas ruminants such as beef and dairy cattle and sheep play a vital role in converting millions of acres of rangeland, hay, nonedible plant fiber and humanly nonedible waste products and by-products from other agriculture operations into animal protein, milk, and fiber, and

Whereas in addition to providing meat with high quality protein, essential vitamins, and minerals, livestock are a virtual "pharmaceutical factory" of medicines and other health aids, and

Whereas it has been publicly reported that at the World Food Day dinner at the White House scheduled for April 21, 1977 President Carter will abstain from eating livestock and poultry products and consume an entirely vegetarian diet composed of black bean soup, broccoli-nut casserole, wheat muffins, te.. and fruit juice, and

Whereas every American's life contains products almost without number that derive from meat animals—from leather goods and hair brushes to phonograph records and ball bearings, and

Whereas the meat industry, as the largest segment of U.S. agriculture and food production, would suffer additional injury by an apparent endorsement of a meatless diet, and

Whereas serving a strict vegetarian dinner on this occasion would amount to discriminatory endorsement of a segment of food faddism and sanction a meatless diet, and

Whereas the publicity surrounding this affair will be used to discredit livestock products as a leading food item,

Be it therefore resolved that the Livestock and Grains Subcommittee of the House Committee on Agriculture respectfully petitions President Carter to reconsider his participation in a formal event which denigrates our livestock and poultry industry; to instead use his office to promote American livestock and poultry; and thus include in his menu at the Food Day dinner on April 21 an appropriate portion of tasty and nutritious meat, dairy, and poultry products.

LEGISLATION TO ADD PORTION OF ESCATAWPA RIVER TO NATIONAL WILD AND SCENIC RIVERS SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, today I am introducing a bill to determine the feasibility of adding a portion of the Escatawpa River in Alabama and Mississippi to the National Wild and Scenic Rivers System. I am extremely serious about this legislation. I have been working on it for several years, and this bill is similar to H.R. 9157, which I introduced in the last Congress. I urge my colleagues in the House to consider my bill and support me in my efforts.

Most of you probably know that I have long been in the forefront in developing waterways in and around the Port of Mobile, Ala., including the Tennessee-Tombigbee Waterway, the Coosa-Alabama

Waterway project, the Warrior-Tombigbee project, and Theodore Channel. These waterway development projects are necessary to the commercial and industrial growth of our area, they will add to our recreational resources, and they will provide much-needed jobs and more efficient transportation. All the same, as we develop these waters we must also insure that we leave at least one small, relatively untouched stream for the pure enjoyment of our people and to protect an ecological system unique to our area in southern Alabama.

The Escatawpa River is an important part of Alabama's natural heritage. I am familiar with almost every portion of the river, having canoed in its waters and having flown over it; and I assure you it is one of the most beautiful and unspoiled rivers you will ever see. The purpose of my bill is to protect the river itself from harmful environmental changes and to protect it in its present state for future generations. I pledge that I will work to keep restrictions on the adjoining land at a minimum and there will be ample opportunity for public input into decisions on how different segments of the river will be protected.

As you all know, the process of adding a river to the National Wild and Scenic Rivers System is a lengthy one, but I am committed to my proposal for the Escatawpa River. I solicit your support in every way possible to insure passage of my bill to provide a study of the Escatawpa River for inclusion in the system.

HEW'S INACCURATE MEDICARE REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, last year we added a freedom of information amendment to the Government in the Sunshine Act of 1976 and like most Members of this House, I voted for it. I would do so again. But as the Washington Star commented in its March 27, 1977, editorial:

> There is nothing wrong with government in the sunshine, so long as the sunshine lights up the entire picture.

I am alluding now to the release on March 14, by Secretary of HEW Joseph A. Califano, Jr., of the names of physicians in solo practice, physicians groups, and laboratories for whose services medicare paid $100,000 or more in 1975.

In doing this, Secretary Califano was responding to press demands for the information.

What the press got was a document filled throughout with inaccuracies. What emerged in the sunlight misinformation from HEW was the revelation that the Bureau of Health Insurance does not much know who is being paid how much and for what services.

The HEW release gave the names of 409 physicians, 1,752 groups, and 58 laboratories for whose services medicare paid $100,000 or more.

Of the 409 physicians listed as individual practitioners, 166 were checked by the American Medical Association in 30 States and the District of Columbia. Of the 166 checked, 65.7 percent, or 2 out of three, were the victims of misinformation.

And I use the word "victims" advisedly. For what happened is that some of the press checked first to make sure HEW was accurate but most of the press did not.

The results were disgraceful. The physicians victimized by published misinformation have reported harassment by angry patients, crank telephone calls, threats, verbal assaults by angry colleagues, criticism by employees, threatened losses to their hospitals of philanthropic support, continuing embarassment within their communities and, in one case, the possibility of sharp cuts in appropriations by a State legislature.

Observed the Washington Star:

> The figures sometimes are misleading, the HEW list includes payments to doctors as well as to patients, but patients don't always pay the doctor; sometimes they spend their medicare reimbursements for something besides doctor bills.

The Star continued:

> The point is that raw statistics often can give someone a raw deal. In this instance, the error was compounded by the news media which in some cases didn't bother to go beyond the statistics in their first stories, and in other cases gave more prominence to the seemingly spectacular payments than to the explanation that the payments frequently didn't all go to one person.

The Star is correct. In two out of three cases either the doctors were not solo practitioners, had not been paid what HEW said they had, or were wrongly listed on both scores.

One of my own physician-constituents, Dr. Richard Patterson, is a specialist in obstetrics and gynecology at the Holzer Clinic in Gallipolis. HEW said he received $133,796 in medicare payments. As it happens, the Holzer Clinic consists of 40 physicians. In 1976 all of them together received $173,000 from medicare. For reasons best known to HEW, Dr. Patterson was inaccurately reported as having received nearly 80 percent of that sum—to his great embarrassment.

Little of the press coverage bothered to say that these medicare payments do not represent net profit to the recipients but must go to pay for rent, equipment, personnel, and all of the other overhead costs of operation.

Let me cite just two other cases that occurred in Ohio.

Dr. E. W. Peters of Cleveland was listed as receiving $882,458. Dr. Peters, one of 5 founders of the Euclid Clinic, retired from practice in November of 1968. He cannot imagine how this amount could have been listed under his name—nor can I.

Dr. Peters said:

> I have gotten a lot of kidding, but when I explain I feel people have accepted my explanation. However, I have several times had the feeling that some people are just being polite and not saying anything because they feel the information might be correct. And, sadly, I have heard a number of derogatory remarks about the medical profession in general as a result of this release.

At the Euclid Clinic, which was not even listed by HEW, Administrative Director Frank Sopyla met March 23 with the local medical carrier who insists that all the information it fed to HEW was under the name of the Euclid Clinic. In any case, Mr. Sopyla said, the amount seems high by at least $100,000.

Also in Cleveland, Dr. Houshang Makipour was listed as receiving $2,338,434 during 1975. But Dr. Makipour was not even a full member of the eight-physician gastroenterology department of the Cleveland Clinic—which was also not even listed. No one at the Cleveland Clinic can figure out how HEW even got hold of his name, much less began crediting payments to him. As for the amount:

Dr. Leonard Lovshin, the director of professional affairs at the clinic, lists the amount as "absolutely ludicrous," since the total billings for the department for 1975 were $1,400,000 and only 20 percent of their patients are covered by medicare. The treasurer of the department corroborates this.

Mr. Speaker, I believe in Government that operates in the sunshine and I believe in a free press with free access to information from the Government.

But this sort of thing makes a mockery of both concepts.

It is as bad to disseminate inaccurate or false information to the press as it is for the press to assume blithely that everything it receives in a Government release is accurate and true.

I suggest to Mr. Califano that his apology is long overdue to the physicians whose reputations he has inadvertently damaged through the sloppy bookkeeping of an HEW agency for which he is responsible.

And I further suggest that he act promptly to assure no further repetition of such incidents.

With permission, I should like to append to my remarks the editorial published in the Washington Star:

[From the Washington Star, March 27, 1977]

A SLOPPY PIECE OF WORK

That Medicare information put out a couple of weeks ago by the Department of Health, Education and Welfare (at the demand of several news organizations, including *The Star*) was darn startling.

It indicated that 409 physicians around the country received $100,000 or more during 1976 from payments for Medicare patients. When that news hit the streets of Topeka, Peoria, Baltimore, Washington and a few hundred other places, the local citizenry was given the impression that the doctors were really cleaning up on Medicare payments.

But were they?

Perhaps some. But in response to complaints from outraged doctors, who in many instances had been badgered and sometimes called crooks by furious citizens, the American Medical Association undertook a study of the list. As of a few days ago, the AMA had checked 129 of the 409 and found a 70 percent rate of error.

Some figures, according to AMA, were simply wrong. But the biggest error was the listing of physicians who are in group practice as solo practitioners. For example, a Kansas doctor, who is chief of a 20-member group practice, was listed as the recipient of $544,014 but says he was responsible for billings of only $12,522. An Oregon doctor, who is the salaried director of a hospital and has

no private practice, was listed as receiving $103,686 which evidently went to the hospital.

The AMA's check included three District of Columbia physicians reported as receiving more than $100,000—Charles A. Hufnagel, John W. McTigue and George E. Schreiner—who were erroneously listed in the HEW release as solo practitioners when in fact they shared the proceeds with associates.

The figures sometimes are misleading in another respect. The HEW list includes payments to doctors as well as to patients, but patients don't always pay the doctor; sometimes they spend their Medicare reimbursements for something besides doctor bills.

The point is that raw statistics often can give someone a raw deal. In this instance, the error was compounded by the news media which in some cases didn't bother to go beyond the statistics in their first stories, and in other cases gave more prominence to the seemingly spectacular payments than to the explanation that the payments frequently didn't all go to one person.

Similar errors and misleading impressions, in approximately the same proportion, have been found by AMA in Medicaid payment lists released the past several years.

HEW produced the Medicare list to satisfy requests from the press under a Freedom of Information amendment to the Government in the Sunshine Act of 1976.

Now there is nothing wrong with government in the sunshine, so long as the sunshine lights up the entire picture. HEW has an obligation not to produce misleading or erroneous information. And news organizations have an obligation to go beyond raw statistics, particularly when we have initiated an inquiry.

Perhaps some doctors have abused the Medicare program, but it seems obvious that many who haven't were tarred with the same brush.

Dr. James H. Sammons, executive vice president of AMA, claims that the Medicare episode "has got to be the sloppiest performance in the history of American bureaucracy." Well, maybe not the sloppiest, but it certainly ranks high.

ECONOMIC DEVELOPMENT ADMINISTRATION SUCCESS STORY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, during the past year the Economic Development Administration has been in the news because of the job thrust upon it of administering the Local Public Works Act.

This agency, which has the job of promoting economic development in disadvantaged areas in the country, found itself spending $2 billion—as much as it had spent in the previous 10 years—and being told by Congress to shovel it out for construction projects within the following 4 months.

The Economic Development Administration did just that, and was suddenly criticized for not having made all of the right decisions.

It is worth remembering that the job of EDA is economic development, and not administering pork barrel programs dreamed up by a Congress trying to prove its interest in fighting unemployment.

One of the striking aspects of dealing with EDA is that, unlike most Federal agencies, they spend little effort in promoting themselves. While some agencies solicit hundreds of applications for each one available, EDA has a preapplication process to sharply limit the amount of wasted effort. EDA employs no massive public relations office to build a constituency, but simply does it job and has done it well.

These remarks are prompted by a letter from the regional planner for Lebanon, N.H., describing an industrial park which will provide more than 200 new jobs less than 2 years after EDA made a public works grant to extend water and sewer facilities to it. This is a real success story and demonstrates the good work that EDA does. Thus, an EDA grant of $160,000 will provide 200 permanent jobs in the private sector.

The ultimate irony in reporting a success story like this is that while Congress last year gave EDA $2 billion to spend on construction projects with little regard for economic growth criteria, and is about to hand it another $4 billion to shovel out, it has grossly underfunded EDA's traditional programs. While EDA is authorized $1.6 billion for fiscal year 1977 its actual appropriation is $422 million. There is no serious congressional or administration effort to fully fund this agency so that it can do its real job.

If ever we needed a demonstration of the way Congress does things for publicity rather than as the result of sound factfinding and decisionmaking, this is it.

The letter from Jim Wechsler, the executive director for the local planning region, follows:

UPPER VALLEY LAKE SUNAPEE COUNCIL,
Lebanon, N.H., April 6, 1977.

Hon. JAMES C. CLEVELAND,
Congressman from New Hampshire, Rayburn House Office Building, Washington, D.C.

DEAR JIM: I thought you would be interested in this little follow-up to an EDA project that I have been involved with here, particularly in view of some of the flak EDA activity sometimes engenders.

As you know, we've had the Lebanon Industrial Park on the Etna Road in Lebanon in existence for many years, and, since the early 1960's, had managed to attract six industries filling about half the space. Filling the remaining lots was difficult because of a lack of water and sewer lines. In the fall of 1976, the City of Lebanon completed its extension of water/sewer lines to the park, a project the city could never have afforded on its own, made possible only because of EDA participation in the funding. The result has been amazing.

In the fifteen months since work began in early 1976, we have attracted six new industries—as many as in the previous fifteen years. While some of these are still in the design or construction stages, we are estimating that by the end of this year, when all should be moved in, they will have added nearly $1 million to the city's assessed valuation; provided more than 200 new jobs; and had numerous other spin-off benefits for the region. (There's just one lot left, eight acres out of the original ninety-three, and that should go soon. Needless to say, we're now thinking of an additional industrial area, and have had good cooperation from EDA's Concord office in initial discussions of funding for that—which I think can also be filled pretty rapidly.)

Anyway, this little note may add to your file for the day when you have to defend EDA programs and their cost-effective ratio, either in committee or otherwise.

With best wishes,

JAMES M. WECHSLER,
Executive Director.

THE CASE FOR A PERMANENT TAX RATE REDUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, last week President Carter announced that he was abandoning his rebate proposal, because the economy no longer needs the "quick-fix" it was designed to provide. As a strong opponent of the rebate since it was first proposed, I congratulate the President for having the political flexibility to abandon it. Now we should move forward on a program of permanent tax rate reductions that will assure growth in our economy without inflation, and reduce the Nation's unemployment.

I am disappointed that President Carter has said he will veto any permanent tax rate reduction at this time. This is unfortunate, because I think the President is basing his decision on a false assumption. He assumes that a permanent tax rate reduction will prevent him from making permanent tax reforms later this year, and that it would sacrifice future revenues needed to balance the budget. While these are sincere concerns on his part and those of others, they are, however, demonstrably wrong.

In the first place, a permanent tax rate reduction now certainly does not preclude further tax reform. Over the years Congress has been responsible for complicating the tax code to such an extent that the people and even its best tax experts cannot understand it. Furthermore, certain biases have been built into the code over the years against investment which must be corrected. Consequently, there is a very serious need for tax reform and tax simplification which is unrelated to the present need for tax reduction.

I also believe—as President Kennedy did in the early 1960's and Treasury Secretary Mellon in the 1920's—that when tax rates are too high you actually increase tax revenues by lowering the rates. This only happens, however, when marginal rates are reduced, because marginal rates of taxation—the tax on each additional dollar that is earned—are what affect the future investment decisions of individuals and businesses.

The fact is that people do not care about gross wages or gross profits, they care about after-tax income. Thus, the rate of taxation is very crucial to their decision of whether to work or take leisure, or to invest in profitmaking enterprises or tax-free municipal bonds. These trade-offs are not based on the total burden of taxation—which varies according to exemptions, deductions, and credits—but on the marginal rate of taxation. This may be illustrated by assuming a tax system in which the government took 10 percent of your wages the first day, 20 percent the second, 30 percent the third, 40 percent the fourth, 50 percent the fifth, 60 percent the sixth, and 70 percent the seventh. How many people do you suppose would work the last 2 or even 3 days of the week? Not very many, I suppose.

And it is the same with capital. If the after-tax return is not enough to justify the risk of investing one's resources

in a capital, they will put them in tax shelters, like municipal bonds, instead. And if there is no new capital investment there will be no new jobs created or new productive capacity, eventually leading to higher prices and higher unemployment. This is exactly what has happened in Great Britain and in New York, as a result of high tax rates.

The whole thing boils down to a question of incentives, the incentive to work, produce, hire, and invest. Taxation is a disincentive. If taxes were levied at the rate of 100 percent, obviously there would be no production, work, or investment at all—and therefore no tax revenues. Conversely, at a zero-percent tax there is the greatest incentive to produce. Given the government's need for revenue, the trick is to write the tax code so that revenues are maximized while disincentives are minimized. As Adam Smith said in The Wealth of Nations, the first maxim of taxation is that "the subjects of every State ought to contribute towards the support of the Government, as nearly as possible, in proportion to their respective abilities." His fourth maxim was that "every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the State." Otherwise, "it may obstruct the industry of the people, and discourage them from applying to certain branches of business which may give maintenance and employment to great multitudes."

In considering any reduction in taxes, the Government must of course be assured that its revenues will not be reduced so much as to deprive it of the revenues it needs for legitimate purposes. But high taxes affect the prosperity of the country itself, because in the final analysis taxes are only partly borne by the individual or property taxed. Ultimately they fall upon the consumer. High taxes mean high prices and a high cost of living. A tax reduction, therefore, results not only in an immediate saving to the individual or property directly affected, but an ultimate saving to all people in the country. It can safely be said that a reduction in the income tax reduces expenses not only for the income taxpayer, but of the entire 210,000,000 in the United States. It is for this basic reason that the question of tax reform is not how much each individual taxpayer reduces his direct contribution, the real question is to determine what plan results in the least burden to the people and the most revenue to the Government.

Up until 1963, the highest marginal tax rate on individuals was 91 percent on incomes over $200,000. Clearly, this was a strong disincentive to earning taxable income of more than $200,000. Thus, rather than leading to increased Government revenues, this high tax rate was actually reducing them.

In 1963, President Kennedy proposed a reduction of the top rate from 91 percent to 70 percent. This change was enacted the following year by Congress. It is interesting, therefore, that beginning in 1964 the percent of total tax revenues derived from incomes over $100,000 actually went up, and continued to go up until the inflation resulting from spending for the Vietnam war began to push everyone's income up into high marginal brackets. The following table demonstrates what happened:

Percent of Federal tax revenues paid by incomes of $100,000 and above

1963	5.1
1964	6.3
1965	7.6
1966	7.5
1967	8.5
1968	9.2

The reason for this is simple: At a 91-percent tax rate, very few investments would look as profitable as tax-free municipal bonds. At a 70-percent rate, there are probably quite a few that might make sense. At even lower rates, there would be even more incentive to invest one's money and time on earning profits, rather than seeking out more tax shelters. A recent Wall Street Journal editorial illustrates this by example:

Consider what would happen to a "good" rich person who refuses to use loopholes and prefers hard work to sailing yachts. He decides to invest $1 million of his capital in a widget factory in New York City, which will employ hundreds. He will run it himself, arranging the financing, assembling the personnel, finding the markets, and so forth. Give him a year to get off the ground, but say he is lucky enough in the second year to make a 10% profit on his invested capital. This is after his workers have paid federal, state and local income taxes and the widget company has paid property taxes, license fees, etc.

Of the $100,000 profit, the city clears away roughly $5,700, leaving $94,300. The state clears away about 10 percent of that, leaving $84,870. The IRS, levying at progressive rates, snatches $38,000, leaving $46,870. Our good rich person then pays this to himself as a dividend.

Being rich, our man is of course in the highest personal income-tax brackets, and after paying 4.3 percent to the city ($2,015) has $44,855 left. The state clips him for 15 percent of that ($6,728) and leaves him $38,-127. Uncle Sam "nicks" him for 70 percent of that, which is $26,689, leaving him with $11,438.

Thus, on the investment of $1 million in capital and two years hard work in assembling an enterprise that is risky to begin with, this lucky fellow who turned a profit of $100,000 has $11,438 to spend. He has given up two years on his yacht to gain $5,-719 in annual income. If he had invested in tax-free municipals, he would have gained roughly $60,000 in annual income and could have remained on his yacht instead of fighting New York City traffic, City Hall, and the widgetmakers union.

People at every income level have to make the same kind of decision as the hypothetic millionaire above. A working man, for example, may realize that by working overtime he will be pushed up into a higher tax bracket and decide that his leisure time is worth more than the after-tax wage he would receive. Professional people like doctors are even more accutely aware of this tradeoff and in many cases decide to take off a couple of months of work, rather than earn additional income because it is taxed at such a high rate.

When you take the cumulative effect of all these work and investment decisions which are made on the basis of marginal tax rates, the loss of tax revenue and additional wealth is staggering. A reduction in marginal tax rates, therefore, would enrich the country as a whole, as well as leading to increased tax revenues.

The dismal performance of capital spending in the recent recovery clearly attests to the fact that there is a fundamental problem of disincentives in the Nation's economy. Every statistic indicates that demand is growing and money available for plant expansion. It is a fact that interest rates are much lower than they have been historically at this stage of recovery. Something is holding back business, and it can only be its uncertainty of being able to earn a sufficiently high after-tax profit on its investments. This uncertainty is compounded, of course, by a fear of inflation and of Government policies harmful to business, such as price controls and environmental regulations.

When business decides not to expand its plant capacity, this translates directly into lost jobs. It also affects the productivity of labor itself, which translates into real wage rates. Unless real productivity increases there cannot be an increase in real wages or a company would soon be out of business.

Thus there are many facets to the disincentive problem caused by high tax rates which must be corrected to assure our Nation's economic growth and prosperity. The sooner Congress acts, the better off we will be.

SUPPORTING THE DEBT COLLECTION PRACTICES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO), is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on April 4 of this year, the House of Representatives passed the Debt Collection Practices Act, H.R. 5294, and sent it on to the Senate. As I emphasized on the day of the House vote, this bill is badly needed since there is no effective regulation of debt collectors.

Thirteen States have no debt collection laws at all, and altogether 24 States, with a combined population of more than 80,000,000 have either no laws or ineffective laws.

This legislation can have a profound effect on American consumers. During last year alone approximately $4 billion in debts were turned over to debt collection agencies.

The goal of this legislation is to stop unethical debt collectors from using abusive tactics. In essence this means that every individual whether or not he owes a debt, has the right to be treated in a reasonable and civil manner. The bill is not meant to allow people to avoid paying legitimate debts. This legislation is intended to protect consumers without putting any unnecessary burdens on the debt collector.

Since the House vote on April 4, there has been widespread reaction and discussion on the merits of the legislation, much of it in the press. My office has also received a continuous influx of consumer written testimony supporting the need for this legislation. I now offer a copy of the Chicago Daily News editorial of April 11 which offers support for the Debt Collection Practices Act.

A LEASH ON PREDATORS

U.S. Rep. Frank Annunzio (D) of Chicago has earned a vote of thanks from Americans beyond his constituency for successfully shepherding through the House a bill to halt the more despicable practices of debt collectors—like midnight telephone calls, threats of bodily harm and false claims of action in behalf of the government.

No one can dispute the right of creditors to take ethical action to collect money honestly owed them by deadbeats, and this right is not inhibited by the Annunzio bill. But it is high time that the animals in the business are leashed, especially because their prey often is among the weakest, most vulnerable segment of the society.

It is to their credit that the major, reputable collection organizations, such as the American Collectors Assn., support the bill. The worst practitioners give all a bad name. If the legislation gets through the Senate and is signed, such collectors will be subject to a fine of $5,000 and a sentence of a year in jail.

Opponents of the bill argued that it entered an area more properly left to the individual states to control. But Annunzio argued convincingly that state regulation over all has been ineffective. The legislation covers only independent debt collectors involved in interstate activities and does not apply to banks, retailers, credit unions, finance companies and lawyers. Thus there's still plenty of room—and need—for state enforcement.

The Senate will hold hearings on the bill later this month. We hope it follows the House lead.

Mr. Speaker, the indicators are all there for favorable consideration of the Debt Collection Practices Act, and I urge my colleagues in the Senate to carefully consider the overwhelming amount of evidence in support of this legislation, the number of unprotected American consumers in States across the country, and the endorsement the bill received from industry representatives themselves. The bill has been drafted with an eye for sure enforcement and clear remedies for lack of compliance. Its best feature is the fact that it represents a single Federal law to regulate debt collectors and will not be accompanied by any further regulations from any Federal agency.

AMENDING THE TRADE ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. DENT) is recognized for 30 minutes.

Mr. DENT. Mr. Speaker, I am today introducing a bill to amend the Trade Act of 1974 to reimburse the States for the amount of State unemployment insurance benefits paid to workers eligible to receive trade readjustment allowances.

As you know, I was very vocal in expressing my opposition to the Trade Act of 1974, the practical application of which has not served to mitigate my reservations. In fact, as always, the practical application of the act has served to bring new problems to the surface, one of which should interest every Member of the House who has had workers and industries certified for trade readjustment assistance—hereinafter referred to as TRA—benefits, and every Member of the House who is concerned about the high costs of Government spending.

The issue at hand deals with the provisions in the Trade Act of 1974 that shift the financial responsibility for unemployment caused by international trade agreements from the Federal Treasury, where it legitimately belongs, to State unemployment compensation funds, resulting in a hidden cost to the States that will ultimately total hundreds of millions of dollars.

Let me explain. Under the Trade Act of 1962, States that paid workers determined to be unemployed as a consequence of increased imports were reimbursed by the Federal Government for the unemployment compensation benefits paid to these workers. Reimbursement was, and is, an appropriate approach inasmuch as these workers were unemployed as a consequence of national policy decisions in an international forum, and for no other reason. Such dislocation and unemployment was inherently recognized and expected in the Trade Act of 1962 and in other subsequent trade arrangements, such as the Canadian-American Automotive Agreement.

It surfaced as an even greater issue in deliberations on the Trade Act of 1974, primarily because of the inordinate number of industries affected by imports, and because of complaints that TRA qualifying guidelines were far too stringent. In dealing with this aspect of the law, the guidelines were liberalized, but the burden for supporting the cost of these TRA benefits was shifted to the States, who have absolutely nothing to say about our trade policy. I pursued this matter in my own State of Pennsylvania and found the following, staggering information:

Under the Trade Act of 1962, 1,040 Pennsylvania workers received a total of $1,066,600 of TRA benefits from the State of Pennsylvania, reimbursed by the Federal Treasury, from 1962 through April 3, 1975.

Since the passage of the Trade Act of 1974 through April 2, 1977, 32,780 Pennsylvania workers have qualified for TRA benefits and have received a total of $80,236,355. Of that, $22,557,780 came from the Federal Treasury; the remainder, $57,678,575 came out of Pennsylvania's unemployment compensation fund. This is the case in virtually every State in the country.

This raises two very important issues:

First. The cost this Nation bears as a consequence of its trade policies is vastly understated, and, in fact, hidden. In addition to the revenues lost to communities and State as a consequence of unemployment due to imports, we also pay out enormous amounts of money for these trade policies at both State and Federal levels. Now, if you call the TRA office of the Department of Labor and ask them what the cost of the TRA program is, they will report that under the new act from April 1975 through January 31, 1977, 192,954 workers received benefits totaling $192.4 million. Of that amount, Pennsylvania received $22,557,780. They are right. That is the Federal cost. It is staggering in itself. What they do not tell you is that the real cost to the country is approximately three times that because the States pay these same workers unemployment compensation. In the case of Pennsylvania, the State paid unemployment compensation benefits of $57,678,575, for which it should not be responsible, and for which it will not be reimbursed. And that is only through April 2, 1977. Petitions to the Department of Labor are increasing on a daily basis, and believe me, we have yet to see what unrestricted imports cost this Nation. It is estimated that TRA benefits are increasing by approximately $10 million a month. I suggest that the total payments of TRA, by both State and Federal Treasuries will easily approach hundreds of millions of dollars on a yearly basis.

Second. The upshot of this shifting of costs is that it lends itself to easy misrepresentation of a program to which many look as part and parcel of the rationale to continue our present trade policies. It is easy to say that the damage of imports is minimal because we have only paid out of the Federal Treasury a small amount of dollars, ignoring that the major burden of the cost is State borne, and also ignoring that more than half the claims for TRA are denied. Moreover, some of the highest unemployment rates are evidenced in those areas where the most workers have applied for and received TRA benefits.

Thus far the Department of Labor, as of March 31, 1977, has certified 617 petitions for a total of 192,954 workers. Over one-half of these workers are in the States of Michigan, Missouri, New York, Pennsylvania, Wisconsin, and Ohio.

I am not for a moment suggesting the dissolution of the TRA program. For many workers, it represents the difference between bread on the table and nothing. I am suggesting that the TRA program was never meant to be a supplemental welfare system, or an excuse for categorically relinquishing more of this country's production jobs in the name of free trade. Moreover, it is grossly inequitable at a time when States are experiencing serious financial difficulties, to expect States to pay for national trade decisions. This bill will put the financial burden where it belongs—back on the Federal Treasury—and if that high cost is able to be seen for what it is, then perhaps, those who make the trade decisions will pay closer attention to what their decisions are costing this country, and those of us who are committed to fiscal responsibility will realize the direct impact that trade policies have on unemployment and its concurrent problems.

H.R. 6384

A bill to amend the Trade Act of 1974 to reimburse the States for the amount of State unemployment insurance benefits paid to workers eligible to receive trade readjustment allowances

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 232 of the Trade Act of 1974 is amended by adding at the end thereof the following new subsection:

"(g) (1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

"(A) he receives a trade readjustment allowance, or

"(B) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e) of this section) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed for such payment to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary on the basis of reports furnished to him by the State agency.

"(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law.".

(b) Subsection (a) of section 241 of such Act is amended to read as follows:

"(a) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each cooperating State (1) the sums necessary to enable such State as agent of the United States to make payments provided for by this chapter, and (2) the sum reimbursable to the State pursuant to section 232(g). The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State from the Adjustment Assistance Trust Fund established in section 245 in accordance with such certification. Sums reimbursable to a State pursuant to section 232(g) shall be credited to the account of such State in the Unemployment Trust Fund and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.".

(c) The amendments made by this section shall apply to unemployment insurance (as defined in section 247(12) of the Trade Act of 1974) paid for weeks beginning after the date of the enactment of the Trade Act of 1974.

HELSINKI'S UNFULFILLED PROMISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

Mr. DRINAN. Mr. Speaker, I am pleased to begin today "Helsinki's Unfulfilled Promise," a project which my office will be coordinating during the 94th Congress on behalf of Soviet Jewish families and individuals who are being forcibly detained within the U.S.S.R. as a result of the Soviet Government's repressive emigration policy. This effort, conducted with the cooperation of the Union Council on Soviet Jewry's Boston Chapter, Action for Soviet Jewry, is a direct outgrowth of the Soviet Union's blatant violations of the human rights provisions of the Helsinki Final Act.

For the next several months over 100 Members of Congress will be rising to address the House of Representatives concerning many cases; each case is an example of the continuing repression by the Soviet authorities of Jews whose sole crime is a desire to be reunited with their families. Last year this program was inaugurated by my distinguished colleague, Mr. EILBERG, under the title of "Orphans of the Exodus." It met with great success as 70 Members of Congress spoke on behalf of 72 individuals and families being detained in the Soviet Union. Remarkably, 17 percent of those families and individuals subsequently received permission to emigrate from the U.S.S.R.

Mr. Speaker, it is for precisely this reason that we must continue to speak out for the nearly 200,000 Jews who have applied for permission to emigrate as well as for those whose fear of reprisal has prevented them from requesting permission to leave. If we do not voice our vigorous opposition to this repression and harassment then we are little more than accomplices to these repugnant actions. Contrary to Soviet assertions, the issue of human rights is not simply an internal affair. We have a right to expect the U.S.S.R. to honor the basic human liberties explicitly spelled out in the Helsinki agreement and the Universal Declaration of Human Rights, to both of which the Soviet Union is a signatory.

In recent weeks, the Soviet Government has embarked on a deliberate policy of increased repression of Soviet Jews. This policy, which includes open invitations to anti-Semitism, included the arrest on March 15 of one of the Soviet Union's most prominent Jewish activists, Anatoly Scharansky.

Mr. Scharansky originally applied for exit visa in 1973, and shortly thereafter lost his job. His subsequent requests for permission to emigrate were all denied. He has been harassed continually by the KGB; over the last 2 years, he has spent more than 100 days in jail. He was once arrested for 15 days merely for asking why he could not obtain an exit visa.

On July 4, 1977, Mr. Scharansky was married. The next day, his wife Natalia received an ultimatum from the Soviet Government: She had to leave the country that day or never be allowed to leave in the future. In the hope that her husband would soon join her, Natalia Scharansky left for Israel, and she has been separated from her husband ever since.

Anatoly Scharansky is one of the leaders of the Moscow's "refusednik" community. He has acted as a liaison to the Western press for Soviet Jews who wish to emigrate, and is a founding member of the Soviet group to monitor the Helsinki agreement. On March 15, 1977, he was arrested and accused of treason and espionage, the first Soviet Jew since the Stalin era to be charged with this capital offense.

During my visit to Moscow in the summer of 1975, Anatoly Schransky acted as my host, introducing me to other members of the Jewish community in Moscow. It is absolutely inconceivable that he has acted as a spy for the American intelligence agencies. Yet this patently false charge was made against Mr. Scharansky and several other leaders of the "refusednik" community in the official Soviet Government newspaper Izvestia on March 4. The same edition of that publication charged Senator HENRY JACKSON, Congressman DANTE FASCELL, and myself with participation in these "subversive activities." Mr. Scharansky's arrest for suspicion of espionage constitutes a very serious escalation of the Soviet Government's continuing campaign of harassment of the Jewish community. Never before has a "refusednik" been charged with offenses of this magnitude.

Recently Soviet dissident and Nobel Laureate Andrei Sakharov called the arrest of Mr. Scharansky a challenge to the United States and "an attempt to blackmail the new administration, before the visit of Secretary of State Vance, to give up its principled stand on defending human rights all over the world." Mr. Sakharov and other victims of Soviet repression believe that the Kremlin is unleashing an especially vicious crackdown in an attempt to persuade the United States that talking about human rights is counterproductive, and might jeopardize agreements in other areas. But Mr. Sakharov warned that the absence of vigorous American criticism of these measures will only lead to further repression:

> Any hesitation will have tragic consequences.

Just prior to this arrest, Mr. Scharansky told American journalists that he fervently hoped President Carter would continue his strong criticism of human rights violations in the Soviet Union. Echoing remarks which I have heard from many Soviet Jews, Mr. Scharansky said:

> Only pressure from the West can bring about our freedom.

The only sensible response to the recent increase in Soviet repression is an increase in our own condemnation of these acts, which clearly violate a number of international agreements.

As seems so often to be the case, the increasingly oppressive policies of the Soviet Government have fallen most heavily upon the Jewish community. Mr. Scharansky himself said recently that the atmosphere "smelled of a pogrom." The March 4 Izvetsia article charged two Jewish officials of the U.S. Embassy in Moscow of acting as the contacts for Scharansky and the other Jewish "intelligence agents," a blatant appeal to anti-Semitism. In recent weeks, Soviet prime time television has featured on two occasions a scurrilous film entitled "Traders in Souls," attacking Jewish activists as "soldiers of Zionism," and then providing their names and addresses, presumably to encourage viewers to take action against them. Another recent Soviet film shown on television charges a Jewish conspiracy to kill Lenin and asserts that Jewish funds supported Hitler's invasion of the U.S.S.R. These anti-Jewish actions culminated in the arrest of Mr. Scharansky, which Israeli Foreign Minister Yigal Allon called:

> A new dimension in the persecution of the emigrant activist movement, in fact against all Jews—a grave and worrisome dimension such as we have not known in the last 25 years.

This is, indeed, a moment of grave crisis for the Soviet Jewish community as a whole, and Anatoly Scharansky in particular. The need for immediate action on behalf of Anatoly Scharansky and other Soviet Jews could hardly be

more urgent. It is in response to this need that I ask all those concerned with human dignity to raise their voices in protest over Mr. Scharansky's arrest and the harassment of the Soviet Jewish community. We cannot remain silent until the promise of the Helsinki agreement is truly fulfilled.

NATIONAL CLIMATE PROGRAM ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of California. Mr. Speaker, I am pleased to announce the introduction today of a revised and perfected bill to establish a national climate program. The improvements in the National Climate Program Act of 1977 are based upon excellent testimony given before the Subcommittee on the Environment and the Atmosphere April 4–6. We have also benefited from suggestions during a very useful roundtable discussion with representatives of Federal agencies who will be cooperating in the national climate program.

Subcommittee deliberation on the revised bill is scheduled on Monday, April 25, at 10 a.m. in room 2325, Rayburn House Office Building. The bill is cosponsored by Chairman OLIN TEAGUE of the Science and Technology Committee and by Representative LARRY WINN, JR. I would like to call to my colleagues' attention that at some time in the markup process we may want to introduce a clean bill, at which time I will seek additional cosponsors.

The legislation includes programs of climate research, monitoring, prediction, and the validation of climate theories, as has been recommended in recent years by a number of advisory groups, both in and out of Government. The importance of climate information services to farmers, water resource and energy officials, and other information users is emphasized.

I hope for and expect the most expeditious congressional action and administration support. I have encouraged staff to cooperate extensively with the Senate Subcommittee on Science, Technology, and Space and with several other interested senatorial offices. The progress of our action will be followed as we move to subcommittee and full committee consideration and beyond.

Testimony by John F. O'Leary, Federal Energy Administration chief, in the hearings April 4, estimated that the additional heating costs of the last winter ranged from $4.3 to $7.8 billion. With better climatic forecasts, over half of these costs could have been saved. According to O'Leary, the climate will be "of central relevance to the mission of the Department of Energy" and "an improvement in our understanding of climatological processes could be of enormous value in carrying out that mission."

The implications of climatic fluctuations for food and fiber production are as dramatic as for energy demand and supply. In a March 24 colloquy with me before the House Agriculture Committee, Secretary of Agriculture Bob Bergland pledged his cooperation in developing long-range climate investigations. Referring to the lack of information on climate, Mr. Bergland said:

> We need to know. That's the point. We need to know what is going to happen as best we can, rather than leave things to chance.

Mr. Speaker, I hope you and my other colleagues will follow and support this national climate program legislation as we progress in House action.

FINANCIAL DISCLOSURE STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, following a practice I first established in 1963, I am placing in the CONGRESSIONAL RECORD today a statement on my financial condition for the calendar year 1976. This report also includes the amount of Federal, State, and real estate taxes paid in 1976.

Mr. Speaker, the long campaign to obtain public financial disclosure by Members of Congress has finally been achieved this year with the adoption of new House and Senate rules on public disclosure. These provisions will be written into permanent law, and my financial disclosure statement next year will be filed under the procedures required by the new standards governing disclosure.

Statement of financial condition, Dec. 31, 1976

Cash, account with the Sergeant at Arms, House of Representatives (including Jan. 1, 1977, salary)	$1,404.12
Cash	65.55
Securities	None
Residential real estate:	
Arlington house and lot	82,400.00
Less mortgage	29,161.92
Equity	53,238.08
House, Sun Prairie, Wis.	29,000.00
Plus improvements	1,766.00
Lot	1,200.00
Total	31,966.00
Less 1st mortgage	17,699.63
Less 2d mortgage	4,500.00
Total	22,199.63
Equity	9,766.37
Household goods and miscellaneous personality	7,000.00
Miscellaneous assets, deposits with U.S. civil service retirement fund through Dec. 31, 1976, available only in accordance with applicable laws and regulations	45,856.07
Additional retirement fund deposit 1976	1,130.00
Cash surrender, value of life insurance:	
On the life of Robert W. Kastenmeier	None
On the life of Dorothy C. Kastenmeier	544.00
Donaldson Run deposit	400.00
Automobiles:	
1976 Oldsmobile	4,200.00
1966 Ambassador	100.00
1973 Ford LTD	1,500.00
Total assets	125,204.19
Income for calendar year 1976 (in addition to congressional salary, allowances, and reimbursements honorariums (2):	
League of Women Voters	300.00
National Milk Producers Federation	300.00
Sale of stock, net gain	33.47
Rent gross (before deductions, for expenses, etc. Sun Prairie)	1,972.50
Income total	2,605.97
Taxes paid:	
1976 Federal income tax	8,380.00
1976 Wisconsin State tax	3,308.53
1976 real estate taxes, town of Sun Prairie	782.58
1976 real estate taxes, city of Sun Prairie	37.77
1976 real estate taxes, county of Arlington, Va.	1,632.96
Total 1976 taxes paid	14,141.84

PROPOSED EQUAL PAY LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

Ms. HOLTZMAN. Mr. Speaker, I am introducing legislation today to plug a loophole in the Equal Pay Act that would allow unjustifiable wage discrimination.

Four years ago a Federal appeals court construed the Equal Pay Act to permit an employer to pay different salaries to men and women even though they perform the same services. The court allowed salesmen who sold men's clothes to be paid higher salaries than saleswomen who sold women's clothes in the same store.

In permitting this discrimination, the court relied on an exception to the Equal Pay Act, which is to mandate equal pay when "based on any other factor than sex." The "other factor" here was the claim that the sale of men's clothing was more profitable than the sale of women's clothing. The Supreme Court refused to review this case.

I believe this interpretation of the other factors clause is an unwarranted departure from the purpose of the Equal Pay Act which is to mandate equal pay for equal work. It allows wholesale sex discrimination in wages simply on the assertion of vague, hard-to-ascertain "business reasons."

I, therefore, propose in my bill to narrow the "any other factor provision" by specifically excluding economic profitability as a factor upon which employers can base a wage differential between employees. My bill would, however, retain the other exceptions to the Equal Pay Act which permit wage differentials based on merit or seniority systems, measures of quantity and quality of production, or other factors not based on sex. Thus, employers would remain free to establish reasonable, work-related or seniority based pay scales.

Discrimination in wage practices is one of the fundamental abuses that must be ended in order to secure equal treatment for women in America. Women now make up 40 percent of the work force. Yet in the retail sales industry, for example, female retail sales workers earned

only 51.9 percent of what male retail sales workers made, as of late 1974. By limiting the other factor provision in the Equal Pay Act, we can help these women achieve the economic equality that is long overdue.

I urge my colleagues to support this important legislation.

The text follows:

H.R. 6399

A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that Act may have wage differentials based on sex of the employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 (d) (1) (iv) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)(1)(iv)) is amended by striking out "other factor other than sex" and inserting in lieu thereof "other factor (other than sex), but economic profitability, to the employer, of goods produced, handled, sold, or otherwise worked on in such jobs shall not be such a factor".

PRESSURE AGAINST OPEN WORLD TRADE DUE TO DISRUPTIONS CREATED BY HIGH OIL PRICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, in recent months, there has been growing concern about various new restraints to open and relatively free world trade. The European Community and Japan have reached an "agreement" to cut down Japanese steel exports to Europe by 2.6 million metric tons. European and Japanese understandings on shipbuilding competition and the trade in ball bearings have been reached. Brazil has liberally applied a law to protect "infant industries" from competition—even when the infants are the children of major multinational corporations. Now the United States is being criticized for considering "protection" for its shoe, color television, and sugar industries. Pressures are on to renegotiate the multifiber agreements to further control the level of trade in textiles.

All of these types of developments are particularly discouraging at a time when the multilateral trade negotiations, which seek to expand world trade, are underway in Geneva.

Why does there appear to be a growing difficulty in open world trade at the present time? I believe that much of the explanation can be found in the incredible economic pressures placed on the various national economies by high oil prices. The explosion in oil prices has been the primary reason for many nations developing trade deficits.

To counter these developments, more and more nations have attempted to increase export earnings—sometimes in violation of fair trading procedures. Others have found it necessary to restrict imports—and many have tried both increased exports and decreased imports. The results are severe pressures on continued open world trade and the exchange of products in the most efficient and rational manner.

While there are many reasons for seeking to develop new sources of clean energy and to conserve existing energy supplies, I believe that the need to remove the distortion of high-priced energy imports from world trade is one of the most important. Only if new and lower priced forms of energy are developed within the various nations of the world, will we be able to free ourselves from a continuing round of trade restraints and retaliations.

Following is data which has just been provided to me by the Department of Commerce on the import/export situation of various nations. Four of the fifteen nations composing the following list would have had trade surpluses in 1975, if the amount they spent on oil in 1975 were the same amount they spent in 1973. The enormous jump in the trade deficits of the sample of developing nations is largely due to the jump in the price of oil.

This data reveals another disastrous byproduct of the energy crisis and is another reason for supporting the President in a tough policy of energy conservation and the development of domestic sources of coal and solar energy.

The data follows:

TOTAL TRADE OF SELECTED COUNTRIES AND TRADE IN PETROLEUM, OTHER NONMANUFACTURES, AND MANUFACTURES, 1970 AND 1973–75

[Billions of dollars]

Country	Total trade			Petroleum and products			Nonmanufactures excluding petroleum			Manufactures		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
United States, total:												
1970	42.7	40.0	2.7	0.5	2.8	−2.3	11.3	10.0	1.3	30.8	27.2	3.6
1973	70.8	69.5	1.3	.5	7.6	−7.1	23.2	15.1	8.1	46.6	46.8	−.2
1974	97.9	100.3	−2.3	.8	24.3	−23.5	30.2	18.5	11.7	66.1	57.5	8.6
1975	107.1	96.1	11.0	.9	24.8	−23.9	31.1	17.7	13.4	74.1	53.6	20.5
1976	114.8	120.6	−5.9	1.0	31.8	−30.8	32.3	21.6	10.7	80.0	67.3	12.7
European economic community, total:												
1970	112.0	116.1	−4.1	3.0	10.8	−7.8	17.3	35.3	−18.0	91.7	70.0	21.7
1973	209.9	213.8	−3.9	6.4	22.4	−16.0	34.3	61.2	−26.9	169.2	130.2	39.0
1974	274.1	291.2	−17.1	11.4	55.1	−43.7	42.7	74.4	−31.7	220.0	161.7	58.3
1975	295.7	297.7	−2.0	11.5	51.9	−40.4	46.7	77.0	−30.3	237.5	168.8	68.7
Japan total:												
1970	19.3	18.9	.4		2.8	−2.8	1.0	10.4	−9.4	18.3	5.7	12.6
1973	36.8	38.1	−1.3	.1	6.7	−6.6	1.5	19.8	−18.3	35.1	11.7	23.4
1974	55.6	62.0	−6.4	.2	21.1	−20.9	2.1	26.3	−24.2	53.3	14.7	38.6
1975	55.8	57.9	−2.1	1.6	21.0	−19.4	.3	25.1	−24.8	53.9	11.7	42.2

TOTAL TRADE OF SELECTED DEVELOPING COUNTRIES AND TRADE IN PETROLEUM, OTHER NONMANUFACTURES, AND MANUFACTURES, 1970 AND 1973–75

[Millions of dollars]

Country	Total trade			Petroleum and products			Nonmanufactures excluding petroleum			Manufactures		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
Brazil:												
1970	2,739	2,845	−106	16	286	−270	2,329	458	1,871	394	2,101	−1,707
1973	6,199	6,992	−793	82	984	−902	4,769	1,054	3,715	1,348	4,954	−3,606
1974	7,951	14,163	−6,212	109	3,226	−3,117	5,741	1,728	4,013	2,101	9,209	−7,108
1975	8,669	NA	NA	191	NA	NA	6,078	NA	NA	2,400	NA	NA
Hong Kong:												
1970	2,514	2,905	−391	7	82	−75	163	794	−631	2,344	2,029	315
1973	5,051	5,631	−580	10	147	−137	329	1,507	−1,178	4,712	3,977	735
1974	5,907	6,710	−803	19	406	−387	389	1,828	−1,439	5,499	4,476	1,023
1975	6,019	6,757	−738	18	414	−396	362	1,915	−1,553	5,639	4,428	1,211
India:												
1970	2,026	2,094	−68	11	161	−150	939	690	249	1,076	1,243	−167
1973	2,961	3,146	−185	34	436	−402	1,347	852	495	1,580	1,858	−278
1974	3,906	5,167	−1,261	20	1,446	−1,426	1,759	1,252	507	2,127	2,469	−342
1975	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Republic of Korea:												
1970	835	1,983	−1,148	5	133	−128	184	742	−558	646	1,106	−460
1973	3,225	4,240	−1,015	31	296	−265	470	1,541	−1,071	2,724	2,403	321
1974	4,460	6,844	−2,384	101	1,020	−919	554	2,177	−1,623	3,805	3,647	158
1975	5,081	7,271	−2,190	95	1,339	−1,244	831	2,179	−1,348	4,155	3,753	402

Note: Manufactures are defined as chemicals, machinery, transport equipment, metals, consumer goods, and all other manufactures except mineral fuel products, processed food, and oils and fats. Figures do not always add because of rounding.

Source: United Nations, Yearbook of International Trade Statistics.

THE TOBACCO PRICE SUPPORT PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, the old cliche "one man's tax deduction is another man's loophole" should be revised in the beginning of each Congress to read: what "one man sees as a proper Federal expenditure, another sees as a subsidy."

Since the establishment of the U.S. Department of Agriculture almost 200 hundred years ago, it has been charged with the responsibility of promoting agricultural pursuits for the betterment of its farmers and all the country's citizens.

Along the way certain crops were deemed basic agricultural commodities by the Congress, and over the years special attention has been given to these crops due to their importance in the physical and economic survival of the country as a whole. These commodities are wheat, corn, rice, cotton, peanuts, feed grains, and tobacco.

However, over the past several years a strange convolution has taken place with reference to one of these crops; namely, tobacco. Expenditures authorized and appropriated by the Congress to the Department of Agriculture for all tobacco programs are now referred by antitobacco legislators as subsidies. This is a demeaning definition I suppose, although I must say in all fairness, if tobacco expenditures are subsidies, all moneys appropriated by the Congress are subsidies regardless of the end use.

A subsidy, as I understand it, is something, when normally money is given to a person or persons over and above what the marketplace will supply, to induce them to perform tasks not normally undertaken by choice.

Mr. Speaker, I say categorically there are no subsidies given to tobacco growers to induce them to raise tobacco and no subsidies are given to manufacturers to induce them to supply tobacco products. The subject of subsidies on tobacco appears to rise most often in discussion of the tobacco price support program, which is in reality a loan program, and I might say the most successful program of its kind ever carried out by the Department of Agriculture. Over $4 billion has been loaned to tobacco growers since 1946 and to date over $3.4 billion has been repaid with interest. In the same period of time, only $57 million in principal has been writen off by the Government. This is a record in which I believe any corporation in the country would take pride.

In connection with the foregoing, C. N. "Kirk" Wayne, vice president of Tobacco Associates, authored a recent story in the Tobacco Observer outlining the operation of the tobacco price support program, which I have added to these remarks in order to give further amplification to the actual operation of the program. I especially recommend its reading by those who have been led to believe that the tobacco loan program is a subsidy program. The following is a reprint of the Kirk Wayne article:

TOBACCO SUPPORT PROGRAM ECONOMICAL, SUCCESSFUL

(By C. N. (Kirk) Wayne, Jr., Vice President, Tobacco Associates)

A most misunderstood, misinterpreted program is the U.S. government's price support plan for tobacco farmers.

Because of unfair and erroneous statements about it, the program is consistently mentioned by opponents of tobacco who claim it is a subsidy to cigarette manufacturers. It is not.

What the price support system does is stabilize tobacco prices for farmers so that they can get a reasonable return on their investments. It mandates quotas limiting the poundage a farmer can sell or the acreage he can use for tobacco growing.

Without such a support system, tobacco—at least for awhile—probably would be grown in such volume as to make its price ruinously cheap for farmers.

Then prices would most likely wildly fluctuate, providing little security for the average tobacco farmer.

The minimum price tobacco can be sold at is determined each year by the Secretary of Agriculture based on the prices paid by farmers for goods and services. Prices at which tobacco is sold depends upon demand both domestic and foreign. Any tobacco which doesn't bring the guaranteed price at the auction warehouse floor is delivered to producers' cooperatives. They in turn advance the support price to the grower.

Money to make these advances is loaned to the cooperatives by the U.S. Department of Agriculture through its Commodity Credit Corporation. Tobacco is the collateral.

It is processed, stored and sold later when demand is higher. It can be stored for up to ten years without significant financial loss due to deterioration. As the collateral securing the loan for each year's crop is sold, the proceeds are used to repay Commodity Credit Corporation for the loan, plus interest.

Cost of the price support program for tobacco has been minimal compared to the cost of all farm commodity price support agricultural operations.

In all collateral sales to date, the unpaid principal charged off as program losses totals only $57 million. More than half of this loss was on the loans for only two years' crops.

Total cost has been about 0.12 percent of the amount of all farm commodity price support operations incurred by the U.S.D.A. since the inception of price support programs 43 years ago.

Thus, the tobacco price support program is one of the least expensive and most successful of the farm commodity programs.

Stabilizing the price of tobacco means that when a farmer goes to a bank to borrow money to plant it, the bank can lend with confidence knowing that the tobacco will sell for a guaranteed price.

The price support system also is used as leverage to keep the quality of U.S. tobacco high. As a condition of price support, farmers are made to eliminate undesired insecticides, so that U.S. tobacco now has the lowest levels of residue of any major tobacco-growing nation.

AID TO SUDAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

Mr. BONKER. Mr. Speaker, today I am introducing an amendment to the fiscal year 1978 economic aid authorization bill which will create both a new aid program to the Sudan and a model of how to implement the new directions aid policy for rural development. With the material that follows—a discussion of the model, the proposed bill and report language, I hope to give a concrete response to the obvious need for an overall rural development strategy and to force the common perception away from issues and politics to processes and systems at work. This proposal has been designed with the cooperation of AID and Sudan Government officials and is based on the research of many international, national and private groups. I hope it will merit your support.

The proposal follows:

FISCAL YEAR 1978 SUDAN AID PROGRAM PROPOSAL OF CONGRESSMAN DON BONKER

I. THE THEORY

It is no secret, indeed, it has become commonplace knowledge that a generation of bilateral and multilateral development assistance programs have not prevented the continued widening of income gaps between the rich and poor. International statistics clearly show that the non-oil LDC's are falling ever farther behind the West. They also show that within most LDC's the gaps between rich and poor, between urban and rural, and between one region or class and another also continue to grow.

Why? Congress considered this issue in 1973 and legislated what is now termed the New Directions policy. Bilateral aid projects were to be directed at the poor rural majority with emphasis on the poorest and on improving their capacity to participate in development. Sec. 102b of the Foreign Assistance Act enumerated the critical problems: food production, nutrition, population, health, education, and human resource development.

In December 1975, Congress added to Sec. 102 two new parts, c and d, which explicitly call for a coherent strategy rather than a simple transfer of resources.

"(c) Assistance under this chapter should be used not simply for the purpose of transferring financial resources to developing countries, but to help countries solve development problems in accordance with a strategy that aims to increase substantially the participation of the poor. Accordingly, greatest emphasis shall be placed on countries and activities which effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort.

"(d) For the purpose of assuring that development assistance furnished under this chapter is increasingly concentrated in countires which will make effective use of such assistance to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance), the President shall establish appropriate criteria to assess the commitment and progress of countries in meeting the objectives set forth in subsection (c) of this section and in other sections of this chapter. In establishing such criteria, the President shall specifically take into account their value in assessing the efforts of countries to—

"(1) increase agricultural productivity per unit of land through small-farm labor-intensive agriculture;

"(2) reduce infant mortality;

"(3) control population growth;

"(4) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers; and

"(5) reduce rates of unemployment and underemployment.

The President shall endeavor to bring about the adoption of similar criteria by international development organizations in which

the United States participates. Presentation materials submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year 1977, shall contain detailed information concerning the steps being taken to implement this subsection.".

AID has responded to a measurable degree in refocusing specific projects toward specific needs of the rural poor in most societies. Roy Prosterman of the University of Washington Law School has monitored this evolution, and as the recent CBO study indicates (p. 22), movement between FY73 programs and FY77 programs is encouraging. Less encouraging is the absence of change from FY77 to FY78, maintaining a C+ plateau by Prosterman's rating. But this movement does not itself constitute a development strategy. What we have at present is a collection of bandaids applied to visible problems. Some of them will improve specific conditions. But en masse they treat symptoms not causes.

The question of why income gaps grow has yet to be answered. Without answers, the processes that create and sustain such poverty will continue to do so. The key to understanding begins with language. When we reduce things to "issues" and "problems", we are denying the empirical reality of a system at work, of man-made processes interacting over an historical period. In the real world, individual problems all bear on each other. AID has begun to use the concept of integrated development, but it has not moved with any visible haste or measurable success to articulate a coherent overall strategy for development of the poor. Without such a strategy, foreign development projects can be marginally successful at best.

To advance such a discussion, I would like to propose a pilot program for a single country that will demonstrate to the Executive branch what is meant by a development strategy for people. Development for people, as opposed to development for production and profit, begins where poor people are. If AID activities really are to help the poor in a significant fashion, they must be devised from the perspective of the poor and with their participation. This raises the following concrete issues.

People do not live at or below subsistence levels because they like to but because one or more key elements of productive and remunerative growth are missing. The peasant (to focus on the poor rural sector) must have the physical means to produce a surplus beyond subsistence. He must have an incentive to do so; insecure land tenure is a common disincentive. And he must have the ability to trade or sell the surplus for something he can perceive as worth the effort. A corollary to these three theorems is that changes in the nature of production cannot be seen to threaten subsistence security in any appreciable way. The basic flaw of international development efforts at the local level is the enormous stress given to theorem one (seeds, techniques, skills, health, etc.) and the relative oblivion shown toward theorems two and three. All the health, technology, skill and education in the world are not going to improve a farmer's standard of living if he cannot market his surplus in a way that does not rob him of the value of this surplus.

There is a growing body of literature on micro-development issues reaching conclusions of this sort. Close at hand is GAO's report of November 1975 (ID–76–2) on disincentives to agricultural production in LDC's. Oxford University economist Keith Griffin's Political Economy of Agrarian Change (1974) is a light survey. But the best overall discussion of micro-deveolpment is now Patterns of Poverty in the Third World (Praeger, 1975, and an $8.00 paperback) by English sociologist-theologian Charles Elliott.

It is a beautiful demonstration of systems analysis showing how market, state, and group interests work to exclude most of the poor from every avenue of life improvement. It should be required reading for every AID official.

To translate theory to practice, I have sought a LDC where AID is just beginning a program so that pre-existing efforts are not disrupted. In addition, I sought a country open to foreign development assistance and explicitly reevaluating and restating its commitment to a more equity centered development path. I have selected the Sudan. The analysis that follows and the projects that are suggested for support represent a sample of an operational model which can address the rural development needs of many LDC's. It does not deal with the national and international processes which also work against equitable growth for the rural poor, but it is a start.

The comments that follow are based on the major 1976 ILO report Growth, Employment, and Equity—A Comprehensive Strategy for the Sudan, on ten current unpublished reports from the involved international and national bodies and their private consultants, and some 20–30 published and unpublished articles. An AID rural development research team now in Sudan will add new insights. So will the current thinking of Hunting Technical Services, Ltd. (London), the premier analysts of Sudan's rural needs. The final and precise content of the projects, it is understood, will be worked out in the normal collaborative fashion between AID and a foreign government.

II. THE SUDAN

The Sudan is the largest country in Africa and with a population of 15.2 million (1974) would not seem to have a land shortage. Some 200 million acres are said to be arable and only 15 million are under cultivation. But the nomadic nature of farming and cattle raising over much of the Western half of the country serves to diminish that surplus. So, too, does "overgrazing, overcultivation, excessive burning and firewood collecting (which) together produce the symptoms of decertification." As Jon Tinker summarized it in the February 24 issue of New Scientist, "Over the whole breadth of the Sudan, desert conditions are advancing southwards at 5–10 kilometres a year."

Sudan's economy is agricultural. This sector produces 38% of GDP, 95% of exports, and more than 50% of government revenues. Historically, cotton has been the principal export; until 1974 it was more than 50% of total export value. The economic distortions and vulnerabilities of monoculture export agriculture have not been significantly addressed. Since the end in 1972 of a debilitating civil war between the predominantly Moslem north and the multi-ethnic Christian southern region, the government of President Nimeiri has been struggling against growing trade and budget deficits to lay down basic transportation infrastructure and expand production by irrigated agricultural projects in the north and center where economic (and political) conditions are most feasible.

The formal sector, defined by ILO to mean "organized agriculture, manufacturing, construction, commerce, and services, covers 1.6 million workers or 20 to 25% of the total labor force." The modern urban sector is no more than 100,000. Open unemployment is said to be 5%, low by LDC standards. But an estimated one million men and women (not counting the nomads) move every year long distances just to survive or to gain a bit above subsistence by being seasonal migrant laborers picking cotton or pursuing other agricultural activity. Women are in integral part of the work force in traditional agriculture which occupies 70–80% of the society. ILO estimates of the total work force run from 4.7 to 7.3 million in 1973. Overcoming such a degree of ignorance would seem an appropriate early activity in a human centered development plan.

As in most LDC's income is significantly skewed toward the urban and modern sectors. The national per capita income in 1974 was $230. A 1967–8 survey found 49% of total income going to the top 20% of households and about 15% going to the bottom 40% of households. By many rough measurements, average income in the Southern region (3 million in 1973) and in the Western regions. (4.3 million) are drastically lower than the central and northern regions. The government is openly committed to redressing these regional imbalances, and the AID programs proposed below are designed to assist this effort.

President Nimeiri's attempts to pursue a socially responsible mixture of public and private enterprise are constrained by powerful internal and external forces which must be noted. Development resources serve as the most tangible means of political integration, suggesting expenditure in the South and West. But the most powerful economic forces, the too large bureaucracy, and the other modern urban interests dictate the current preponderant social service and economic investment in Khartoum and the richer regions surrounding the capitol. Now Sudan is launching a six year development plan (1977–1983) requiring about $2.6 billion in foreign resources. Most of this will come from Arab states which will insist on investing in capital-intensive export agriculture—not likely to be of great assistance to the maority of Sudanese in traditional agriculture.

For FY78 AID has proposed (on p. 481 of the Africa presentation) an indeterminate $5 to 10 million spread over multiple problems of production, technology, and training. The Harvard University pilot program of integrated rural development in Abyei District of South Khordofan Province has a number of positive elements and should be incorporated into the alternative I set forth; not least is the kind of cross cultural insights made possible by the presence of an anthropologist, a practice AID should dramatically increase.

But the overall AID discussion is one of problem solving, little more than tokenism given the size of the challenge. There is no discussion of the concrete forces creating and sustaining poverty and of the processes that need to be created to begin to change the situation. This must be the core of any new AID program if it is to fulfill the congressional mandate.

III. THE ALTERNATIVE

To assist the traditional agriculturalist to raise his income one must first understand the basic elements of his predicament. Granting the need for analysis of regional variations, the issues are these. The 1968–73 drought merely accelerated a long term ecological collapse precipitated by overgrazing—itself the combination of improved veterinary care, the digging of pumped wells and surface reservoirs, and traditional cultural imperatives. Land deterioration means inability to subsist. Absence of alternatives means a steady stream of migrant workers who must trade labor for subsistence, an unequal exchange that drains potential from the traditional sector and keeps wages low in the monetized sector.

But most debilitating would seem to be the shall system by which most lending and marketing is done at the local level. In a pattern common the world over producers borrow on crops due and buy needed merchandise from the same set of entrepreneurs. The moneylenders set the prices, weights, and all other terms. A survey from 1968–69 of tenant farmers at the Gezira cotton plantations showed the average gross profit of the moneylenders (as a percentage of the harvest value) to be 47 percent for dura (the staple grain), 72 percent for wheat, 65 percent for groundnuts, and 76 percent for luba. The subsistence farmer is producing in reality far beyond his subsistence needs, but he cannot market it and retain the proceeds.

The core of a solution is thus to build in the Western region and in the Southern region essentially separate economies, as inward looking and self-sufficient in productive activity and exchange but not in resources, as possible. The Sudan government can continue political integration but at the same time attack the problems of the traditional sector on its own terms. This means the integration of:

(1) anti-desertification measures and the allocation of permanent tenure (and therefore responsibility for upkeep) among nomads and sedentary farmers;

(2) a region by region study of and then reconstitution of credit and marketing systems based on the cooperative efforts of producers and government authorities. Usury is not in keeping with Islam;

(3) the training and stationing of agricultural extension officials (preferably local farmers) tightly linked to growing centers of appropriate technology;

(4) a region by region analysis of and then sponsorship of local light industry to produce the appropriate technology, to provide local employment in slack seasons to diminish the migrations, and to provide the kind of consumer goods that would give the farmer incentive to produce more.

The sum of these activities would be the creation of an economic surplus that (save government taxation) would be invested back in the region by the producers—to his continuous enrichment and that of the region. Without these activities, the village merchants and the nature of the exchanges between groups at different stages of modernization and with very different economic power will all serve to continue the present processes that leave traditional agriculture continuously impoverished.

Therefore, for FY78 I propose the following alternative AID programs totalling $24 million.

(1) $6 million as a contribution toward the $15 million needed for the ably planned Sudan government program of desert encroachment control and rehabilitation (DECARP). This involves "the establishment of grazing cooperatives, range seeding, firelines, small scale irrigation, town perimeter afforestation, sand dune stabilization, and shelterbelt establishment." Five provincial centers will be set up. UN agencies and the FAO collaborated in the planning. It is an imperative project for Sudan. U.S. aid would provide additional momentum for other donors and reap more benefits at the September, 1977 U.N. conference on decertification.

(2) $8 million divided equitably among the provinces of the South and the West to pursue collaborative projects of economic analysis with multidiscipline teams to:

(a) study farmer incentives, land tenure issues, marketing and credit practices, appropriate technological needs, new productive possibilities based on available resources, consumer needs and desires, migration motives and costs (especially social and psychological), and the interaction of cultural norms and economic activities;

(b) create strategies for the implementation of credit and market transformations, secure land tenure, adaptive technologies, and new local industry (cheap cement and lime plants, cheesemaking, the HTS tool bar, school needs, et cetera).

(3) $5 million in agricultural extension training to raise Sudanese capabilities in traditional agriculture by:

(a) providing visiting faculty and library resources to appropriate technical institutes and schools;

(b) creating alternative curriculum, mobile courses, short courses to train selected local citizens (as opposed to high priced government officials who will want to be restationed frequently);

(c) integrating, assisting, adding to the efforts of intermediate technology centers in the Sudan.

(4) $5 million in primary health care within the framework designed by the Government of Sudan and WHO for the period 1977–1983.

[In millions]

In sum:	
Antidesertification	$6
Research and strategy creation of appropriate technology, credit and market systems	8
Agricultural extension training	5
Primary health care	5
	24

SUDAN AID PROGRAM AMENDMENT

DEVELOPMENT ASSISTANCE

In SEC. 103. FOOD AND NUTRITION (a) strike "$550,000,000 for the fiscal year 1978"

And insert in lieu thereof

"$563,000,000 for the fiscal year 1978"

In renumbered SEC. 105 HEALTH strike "$104,900,000 for the fiscal year 1978"

And insert in lieu thereof

"$109,900,000 for the fiscal year 1978"

In renumbered SEC. 107 TECHNICAL ASSISTANCE strike "$100,000 for the fiscal year 1978"

And insert in lieu thereof

"$106,000,000 for the fiscal year 1978"

In renumbered SEC. 107 add the new subparagraph

"(7) programs to help less developed countries prevent or reverse severe environmental damage."

FISCAL YEAR 1978 SUDAN PROGRAM

PROPOSED LANGUAGE FOR THE FOREIGN AID BILL REPORT

The FY 78 bilateral aid program to the Sudan has been created as an attempt to spell out more clearly what the New Directions aid policy, (defined in Sections 102c and 102d of the FAA of 1961) means in operational terms. It can thus serve as a model applicable to many rural development situations. The Congress intends that foreign assistance efforts cease reducing poverty to a collection of symptoms and instead face the processes that cause and sustain it. In part that means an overall strategy that addresses not just improving the physical means of production at the local level (as current projects now overwhelmingly do) but also improving the farmer's incentive to produce and, equally, his ability to trade or sell his surplus to his greater advantage.

The proposed FY 78 program for Sudan is aimed at improving the life quality and income of people in the poor rural areas of the Western and Southern regions. It intends to create relatively self-sufficient regional economies by the integration of four activities: (1) anti-desertification measures including the allocation of permanent tenure where appropos; (2) region by region reconstitution of credit and marketing systems based on the cooperative efforts of producers, government authorities and others; (3) improvement of agricultural knowledge systems for traditional agriculture with an emphasis on self-participation and appropriate technology; and (4) improvements in the local health environment. Ideally the results will include the sponsorship of local light industry to produce the appropriate technology, to provide local employment in slack seasons, to diminish the current massive migrations, and to provide the kind of consumer goods that would give the farmer incentive to produce more. The sum of such activities would be the creation of an economic surplus that (save government taxation) would be invested back into the region by the producers—to their continuous enrichment. Without such changes, the current processes of exchange will continue to impoverish the poor and drain any surplus out of the region.

Contingent upon further and final negotiations between AID and the government of Sudan, the present $5–10 million preliminary AID proposal may be enlarged up to a total of $24 million for FY 78 to be allocated among four project areas, each to be carried out in normal collaborative fashion.

(1) Up to $6 million to improve the relationship of people with their resource and enviromnental base, with particular consideration given to the government's antidesertification plan DECARP.

(2) Up to $8 million to study the total marketing enviromnent and technological base of the traditional sector and to develop programs and resource allocations to implement strategies for credit and market transformations, secure land tenure, adaptive technologies, and new local light industry.

(3) Up to $5 million to improve agricultural knowledge systems for the traditional farm sector with special emphases on appropriate technologies and on improving the linkages among small farmers, extension efforts, and research activities.

(4) Up to $5 million to primary health care programs in the two regions with emphases on training local paramedical resources and on systems analysis of local health environments.

In each project maximum effort should be made to involve and train local personnel who will remain in place and who will be the most appropriate teachers of the first and future generations. In addition, the minimum of outside resources should be used in any aspect so that the habit of self-sufficiency is engrained and activity does not stop when external aid ceases.

Because the development of production and of life quality in the rural world cannot be accomplished without the producers as willing active participants reaping an equitable measure of the rewards of production, project area two is of paramount importance. Absence of significant progress in this area will be understood as failure to fulfill Congressional intent and to meet the objectives of New Directions and policy. Biannual reports to the Congress on the status of this project would be appropriate.

LIKE THE GREEKS AT MARATHON, WE MUST STAND FAST

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on repeated occasions since the beginning of the new administration, I have expressed my gratification at President Carter's strong statements on the issue of human rights in other countries. It has long been my firm belief that, while the United States cannot reform every despot in the world, it need not condone nor should it aid violations of human rights in those countries over which it has any influence, especially its allies.

The situation in Cyprus serves as a good illustration of my point. Seizing upon the opportunity offered by the Greek junta's attempt to inspire an uprising and takeover of Cyprus by Greek Cypriots, an attempt which failed and fortunately led to the return of democratic rule in Greece, Turkey in an unwarranted response invaded the island and set into motion its own evil machinations, using American-supplied military forces intended for NATO defense. The Republican administration at that time did not want to link American aid to human rights by cutting off our aid to Turkey until an acceptable settlement of the Cyprus situation was reached, but the Congress exercised its own power to place an embargo on arms to Turkey, thereby

preventing the United States from aiding the Turkish occupation and providing a strong incentive for Turkey to rethink its Cyprus policy.

Naturally, the Turkish Government reacted, as other human-rights violators have reacted when challenged, by denouncing the United States for interfering in the internal affairs of another country and by retaliating against U.S. interests within Turkey; to wit, the closing of American military bases. The charge is simply untrue. First and most importantly, respect for human rights is a principle that transcends national borders; second, conflicts between members of the NATO Alliance are of legitimate concern to the United States; and finally, American military equipment was used to carry out the invasion. By placing an arms embargo on Turkey, the Congress went on record as dissociating this country with the expansionist and repressive ambitions of Turkey, just as I trust it would have expressed outrage had the Greek junta succeeded in its attempt to seize Cyprus.

Turkey would like nothing more than to stall and stall on negotiations over Cyprus, thereby gaining the legitimacy that longevity would give to its control of the island. But the arms embargo provides a positive incentive for Turkey to back down. Naturally, the United States does not gain by having its overseas bases closed, particularly one with the great strategic advantage that those in Turkey have, but the Turkish Government also has much to lose by a continued disruption of relations. And, our country has much to gain by associating itself and our allies with humanitarian and democratic principles. The United States is, for example, regretting its misguided support of the Greek junta now that a democratic government has returned to that country.

It is, therefore, with great sorrow that I have noted that the Carter administration, after a 3-month review of the situation in Cyprus, has indicated its desire to avoid a linkage of renewed military aid to Turkey with Turkish concessions on Cyprus. In electing to follow his predecessor's policy on this matter, President Carter is moving away from the encouraging statements he made on human rights during the campaign and his first 2 months in office. Moreover, Carter has decided to back the controversial $1 billion aid and defense package that Kissinger negotiated with Turkey last year and to ask Congress to relax the arms embargo to allow the sale of $175 million in military hardware.

The reasoning behind the President's decision is to allow flexibility in our negotiating position. My feeling is that this will only work to the advantage of Turkey and its continued occupation of Cyprus. The fact is that Congress finds the current situation there unacceptable, and it has stated that, unless the situation improves, it will not allow military aid or sales to Turkey. This gives Turkey a simple choice: Make concessions on Cyprus or give up a renewal of the military aid and sales that it badly wants.

On a related and more general policy development which greatly disturbs me, the Senate Foreign Relations Committee has rejected language passed by the House that would require U.S. representatives to the World Bank and other international financial institutions to vote against approval of loan applications from countries which violate human rights. The committee followed the President's wishes in rejecting this requirement, and, as in the Turkish aid matter, his position is that such a requirement would undermine flexibility in our foreign relations. I disagree. I feel that no significant progress will be made in improving human rights in those countries with strategic and economic interests common to the United States unless we make it clear that progress with the latter will be predicated upon a satisfactory record on the former. Therefore, I welcomed President Carter's refreshingly strong statements on human rights, which he now appears to be backing away from.

Only firm and positive American action will persuade the Turks to agree to a reasonable solution to the situation in Cyprus. Like the Greeks at Marathon, we must stand fast.

DESCRIPTION OF BILLS INTRODUCED BY EDWARD I. KOCH IN THE 95TH CONGRESS

(M. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on January 4 at the outset of the 95th Congress, I inserted in the RECORD a list of the legislative proposals that I planned to introduce in the opening months of this Congress. Almost all of those bills have now been introduced; however, there are seven listed without numbers. The latter are being circulated among the agencies and other experts for comments and will be introduced in the near future. Of course, there are other worthwhile bills initiated by others which I have cosponsored, but all of the bills I have listed below are ones that I have taken a primary role in developing.

While taking an idea and developing it into an actual piece of legislation is in many cases no simple task, the simple introduction of legislation is only the beginning of the legislative process in the Congress.

Most pieces of legislation require hearings and subsequently the appropriate subcommittee and committee must mark up the legislation, and if favorably disposed, must report the legislation to the House. Often the subcommittee and committee will act on worthwhile legislation on their own initiative. However, it often takes public interest to impress upon the committee that the legislation has sufficient support and merit to warrant hearings and legislative consideration. Most of the bills listed will only become law if constituents who are concerned take an active interest in seeing that these bills progress.

Of the approximately 20,000 bills introduced in the House every Congress, about 6 percent receive hearings and are reported from committee, about 5 percent are passed, and 3 percent signed into public law. Obviously, not all of the bills that I am introducing this month will become law in the 95th Congress, but I hope that some will and I shall do my best to make that come about.

The following is a brief description of the bills:

TAXES AND TAX RELIEF

H.R. 435—to increase to $1,500 the personal income tax exemptions of a taxpayer, including the exemption for a spouse, for dependents, for old age and blindness. Chairman Al Ullman, Ways and Means Committee.

H.R. 436—to provide that blood donations shall be considered as charitable contributions deductible from gross income. Chairman Al Ullman, Ways and Means Committee.

H.R. 437—to disallow the business expense tax deduction for first-class air and rail travel in excess of the coach fare for such travel. Chairman Al Ullman, Ways and Means Committee.

H.R. 440—to provide that landlords using an accrual method of accounting may not deduct real property taxes on their property until such taxes are paid. Chairman Al Ullman, Ways and Means Committee.

H.R. 441—to allow a credit to tenants or houses or apartments for their proportionate share of the taxes and interest on mortgage paid by their landlords. Chairman Al Ullwan, Ways and Means Committee.

H.R. 850—to give tax equity to single taxpayers and working married couples. Chairman Al Ullman, Ways and Means Committee.

HUMAN RIGHTS AND FOREIGN POLICY

H.R. 450—to eliminate "maintenance of internal security" as a purpose for which military assistance may be furnished. Chairman Clement Zablocki, International Relations Committee.

H.R. 950—to provide that the place of birth of an individual issued a U.S. passport shall not be disclosed in the passport and to eliminate the requirement that the passport of an individual seeking entry into the United States disclose such individual's place of birth. Chairman Clement Zablocki, International Relations Committee.

H.R. 1505—to prohibit U.S. companies from participating in the boycott of another U.S. company or a country friendly to the United States, or providing certain information, in response to a foreign country's request. Chairman Clement Zablocki, International Relations Committee.

H. Res. 36—to urge the leaders of the Soviet Union to remove all obstacles to emigration and to the free exercise of religious and cultural rights and expressing congressional support of "Solidarity Sunday" to achieve this goal. Chairman William Lehman, Subcommittee on Census and Population.

H. Res. 37—requesting reports from the President and from the Commission on Security and Cooperation in Europe concerning the freedom of the citizens of the Socialist Republic of Romania to emigrate and the status of minorities in the Socialist Republic of Romania. Chairman Charles A. Vanik Subcommittee on Trade, and Chairman Clement Zablocki, International Relations Committee.

H. Con. Res. 22—expressing the request of the U.S. Government that the Government of the U.S.S.R. provide Valentyn Moroz with the opportunity to accept the invitation of Harvard University. Chairman Lee Hamilton, Subcommittee on Europe and the Middle East.

URBAN ENVIRONMENT

H.R. 446—to establish a Commission on the Humane Treatment of Animals. Chairman, W. R. Poage, Subcommittee on Livestock and Grains.

H.R. 953—to authorize the Secretary of the Treasury to provide loan guarantees for the debts of municipalities. Chairman Henry S. Reuss, Committee on Banking, Finance and Urban Affairs, and Chairman Al Ullman, Ways and Means Committee.

H.R. 955—to authorize the Secretary of

Transportation to make grants for the construction of bikeways in urbanized areas and to connect urban areas with local, State, and national parks. Chairman James J. Howard, Subcommittee on Surface Transportation.

H.R. 2448—to authorize money for grants to be awarded by the Secretary of HEW for the development of alternatives to scientific experimentation and testing of toxic substances on live animals. Chairman Ray Thornton, Subcommittee on Science, Research and Technology.

H.R. 2828—to provide for loans for the establishment and/or construction of municipal, low-cost, nonprofit clinics for the spaying and neutering of dogs and cats. Chairman W. R. Poage, Subcommittee on Livestock and Grains.

H.R. 3668—to provide for payments in lieu of taxes to local governments based upon the amount of certain tax exempt property owned by the United States within such locality. Chairman L. H. Fountain, Subcommittee on Intergovernmental Relations.

H.R. 5256—to modify the Highway Trust Fund, to create a Unified Transportation Trust Fund from which funds will be available for both mass transportation and highway purposes. Chairman James J. Howard, Subcommittee on Public Works and Transportation.

H.R. ____—to increase employment in the private sector.

H.R. ____—to ensure that citizens injured in motor vehicle accidents involving a member of the diplomatic community receive just compensation for their injuries.

HEALTH, EDUCATION, AND WELFARE

H.R. 92—to improve and make more effective the provision of nursing home service under medicare and medicaid—introduced with Representative Pepper. Chairman Paul G. Rogers, Subcommittee on Health and the Environment and Chairman Don Rostenkowski, Subcommittee on Health.

H.R. 443—to provide for supportive day treatment and in-home services to troubled children and families. Chairman James C. Corman, Subcommittee on Public Assistance.

H.R. 448—to provide equal employment opportunity for handicapped individuals. Chairman John Brademas, Subcommittee on Select Education.

H.R. 449—to require that operators of a schoolbus be at least 18 years of age. Chairman John H. Dent Subcommittee on Labor Standards.

H.R. 452—to improve the survey and certification process, ratesetting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under medicaid, and provides for medical, psychological, and social assessment of long-term care patients under medicare and medicaid. Chairman Paul G. Rogers, Subcommittee on Health and the Environment and Chairman Dan Rostenkowski, Subcommittee on Health.

H.R. 453—to expand home health care and homemaker services provided under medicare and medicaid. Chairman Dan Rostenkowski, Subcommittee on Health and Chairman Paul G. Rogers, Subcommittee on Health and the Environment.

H.R. 952—to amend the Social Security Act to replace existing Federal public assistance and welfare programs with a single program under which all residents of the United States are guaranteed an adequate minimum income, with incentives to work for those who are able to do so, and for other purposes. Chairman Thomas S. Foley, Committee on Agriculture, Chairman Al Ullman, Committee on Ways and Means.

H.R. 954—to increase the excise tax on cigarettes and establishes a trust fund for research programs at the National Cancer Institute. Chairman Al Ullman, Committee on Ways and Means and Chairman Harley O. Staggers, Interstate and Foreign Commerce Committee.

H.R. 1136—to revise and expand various provisions relating to home health and other long-term care services under medicare—introduced with Rep. Pepper. Chairman Henry Reuss, Committee on Banking, Finance and Urban Affairs, Chairman Harley O. Staggers, Committee on Interstate and Foreign Commerce, and Chairman Al Ullman, Committee on Ways and Means.

H.R. 1114—to provide additional programs as assistance for health personnel training programs—introduced with Representative Pepper. Chairman Paul G. Rogers, Subcommittee on Health and the Environment.

H.R. 2449—to establish a commission to study the results of racial integration of public schools, the use of busing to achieve racial integration of the public schools, and other questions relating to the quality of public schools. Chairman Carl Perkins, Subcommittee on Elementary, Secondary and Vocational Education and Chairman Don Edwards, Subcommittee on Civil and Constitutional Rights.

H.R. 2450—to establish research programs and treatment centers for the study and treatment of problems associated with human fertility, sterility and the reproductive process. Chairman Paul G. Rogers, Subcommittee on Health and the Environment.

H.R. 4573—to provide for the protection of the public health from unnecessary medical exposure to ionizing radiation by providing for the licensure of radiologic technologists; directs the Secretary of HEW to prescribe radiation standards for diagnostic and other X-ray equipment manufactured before August 1, 1974, and to conduct regular inspections of all X-ray equipment. Chairman Paul G. Rogers, Subcommittee on Health and the Environment.

H.R. 6120—to provide access to voting places for handicapped voters—introduced with Representative Cohen. Chairman Frank Thompson, Jr., House Administration Committee.

H.R. 6327—to provide for the use of electronic teleprinting devices by the Senate and House of Representatives to enable deaf persons and persons with speech impairments to engage in toll-free communications with Members of Congress.

H.R. —To establish a system for promoting the creation of independent living centers for handicapped individuals, and for other purposes.

ARTS AND HUMANITIES

H.R. 429—to establish a library services matching grant program to provide for Federal matching of private contributions made to public libraries for operating expenses. Chairman John Brademas, Subcommittee on Select Education.

H.R. 438—to provide that the 4-percent excise tax on the net investment income of a private foundation shall not apply to a private foundation organized and operated exclusively as a library, museum, or similar educational institution. Chairman Al Ullman, Ways and Means Committee.

H.R. 439—to allow a tax credit for certain donations of the artist's own work to public institutions. Chairman Al Ullman, Ways and Means Committee.

H.R. —making appropriations to carry out the grant program established in the Museum Services Act during fiscal year 1978. Chairman Sidney R. Yates, Subcommittee on the Interior.

SOCIAL SECURITY

H.R. 442—to reduce from 20 to 10 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record. Chairman James A. Burke, Subcommittee on Social Security.

H.R. 444—to provide that support and maintenance—in cash or kind—furnished to an eligible individual by members of his or her immediate family shall be disregarded—and shall not serve to reduce his or her supplemental security income benefits—to the extent that it does not exceed $200 a month. Chairman James C. Corman, Subcommittee on Public Assistance.

PRIVACY

H. R. 430—to make it an unlawful employment practice for an employer to request papers or information from an employee or applicant for employment with regard to the military service of the individual, unless such a request is directly job related or involves a question of prior criminal convictions. Chairman Augustus Hawkins, Subcommittee on Employment Opportunities.

H.R. 433—to restrict the disclosure of information in the possession of telephone companies or telegraph companies concerning members of the news media. Chairman Lionel Van Deerlin, Subcommittee on Communications.

H.R. 434—to prohibit the use of polygraphs (lie-detectors) for employment purposes. Chairman Don Edwards, Subcommittee on Civil and Constitutional Rights.

H.R. 1984—to extend to the private sector and State and local governments privacy safeguards now in effect for Federal agency records on individuals—introduced with Representative Goldwater. Chairman Don Edwards, Subcommittee on Civil and Constitutional Rights.

H.R. 1985—to require the individual's consent or notice to the individual and judicial review before the individual's financial, telephone, or credit records are disclosed to state and local governments or persons in the private sector, but with no notice to the individual where it would jeopardize a criminal investigation. Chairman Fernand St Germain, Subcommittee on Financial Institutions and Chairman Don Edwards, Subcommittee on Civil and Constitutional Rights.

CIVIL LIBERTIES, THE COURTS, CRIMINAL JUSTICE AND GOVERNMENT

H.R. 432—to decriminalize personal use and possession of marijuana. Chairman Paul G. Rogers, Subcommittee on Health and the Environment.

H.R. 2998—to prohibit discrimination on the basis of affectional or sexual preference. Chairman Peter W. Rodino, Jr., Judiciary Committee and Chairman Carl Perkins, Committee on Education and Labor.

H.R. 3361—to permit Federal regulatory agencies to award costs of participation where there is a showing that the applying party could substantially contribute to the fairness of the proceeding. Chairman George E. Danielson, Subcommittee on Administrative Law and Governmental Relations.

H.R. 3752—to amend the Federal Election Law to provide that payments made or obligations incurred with respect to campaign items, such as buttons and bumperstickers, shall not be considered to be contributions to Presidential campaigns under such laws. Chairman Frank Thompson, Jr., House Administration Committee.

H.R. —to prohibit the sexual exploitation of children and the transportation in interstate or foreign commerce of photographs or films depicting such exploitation.

H.R. —to provide for the payment by the United States of attorneys' fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction or plea of nolo contendere.

H.R. —to amend title 28, United States Code, to improve certain procedures in class actions.

WANTED: AN AMERICAN CULTURAL RENAISSANCE

(Mr. KOCH asked and was given permission to extend his remarks at this

point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the arts form an integral part of America's life. They bring vitality to the American spirit and are an essential ingredient of a rich and meaningful urban existence. Congress created the National Endowment for the Arts in recognition of the important role the arts should play in America. The Endowment has done a magnificent job with the limited funds they have, but more still needs to be done. To respond to this need, I have been working on legislation that will help remedy the financial difficulties artists, performers and our cultural institutions are facing.

The problem is of particular concern to me because of the important role the arts play in New York City. The city's museums, libraries and cultural events generate a distinctive and creative atmosphere that is central to the spirit of the city. However, the national impact of New York City's culture has often been overlooked. For instance, the Joffrey Ballet and the New York Philharmonic each traveled to 23 cities outside New York, and performed before a collective audience of 633,750 people.

The Metropolitan Opera is heard by 5 million Americans on the 20 Saturdays its performances are broadcast across the country. Its perfomance of La Boheme on March 15 was viewed live on national television by millions of Americans. In addition, the opera tours to 8 cities a year, something it has been doing since its creation in 1883.

The Metropolitan Museum of Art estimates that it does more lending than any other institution in the country; last year it made short-term loans of 1,777 art objects to 233 institutions. Additional funding ought to be provided for these and similar institutions throughout the United States, because the return on such an investment is so great. Money for the Chicago Symphony or the New York City Ballet brings cultural awareness to cities and countries all over the country.

I have introduced three bills that would help alleviate the difficulty artists and institutions promoting the arts are now facing: First, H.R. 439, which would provide for a tax credit for certain contributions of literary, musical, or artistic compositions. A similar provision was dropped during the House-Senate conference on the 1976 Tax Reform Act. My bill, H.R. 439, would allow a 30-percent tax credit. This bill includes many safeguards against potential misuse of the proposal; only art-related income can be credited, and the income that is credited may not exceed 50 percent of the artist's total income. There is a limit of 10,000 dollars on the tax credit that can be received.

The bill addresses a pressing problem. Donations to museums have dropped dramatically since the tax laws were revised in 1969. At one point before 1969, the Museum of Modern Art received 41 pieces of art from 17 different artists. In 1975 they received none. This bill would not only assist the artist but it also would be of great benefit to a public which often does not get the chance to see and appreciate the works of living American artists. It is inequitable that if an artist decides to give a painting to a friend, the artist is subject to the gift tax provisions of the law based on the fair market value of the painting, yet if he wishes to donate it to a museum he only receives a tax credit for the cost of materials. I want to restore dignity as well as financial solvency to the contemporary artist, for Congress accords them little of either presently.

I have also introduced H.R. 438 which provides that the 4-percent excise tax on the net investment income of a private foundation shall not apply to a private foundation organized and operated exclusively as a library, museum, or similar educational institution. Over the years several institutions have been established by wealthy donors which have since been turned over to governing bodies that tried to represent the public's interest. However, the Treasury Department treats these museums as "operating foundations" rather than "publicly supported" organizations. This technicality forces them to pay a 4-percent excise tax that normally does not apply to museums or libraries. Because of this tax museums such as the Isabella Stewart Gardner Museum and the Henry Francis DuPont Winterthur Museum in Delaware are faced with increasing costs and are consequently forced to charge higher admission fees. The Frick Collection in New York had to begin charging admission for the first time because of the difficulties paying this tax posed. My bill would help alleviate this financial burden, would lead to lower admission fees, or in certain cases no admission fees at all, and thereby make these museums more accessible to the public.

Today I am introducing a bill which would make appropriations to carry out the grant program established under section 206(a) of the Museum Services Act for fiscal year 1978. This bill would appropriate $25 million for programs enabling museums to construct displays, develop an experienced staff, and meet administrative costs. It would also fund programs that will help museums in forming cooperative exhibition efforts by meeting the cost of transportation of collections and identifying and locating collections available for loans. It also provides funds for programs to assist museums in conserving their artifacts and art objects as well as programs that attempt to reach special groups in our society such as urban neighborhoods and Indian reservations. These are all vital functions of a museum, which will not be carried out unless Congress provides the needed funds.

A related and important area of concern for me is the needs of the public library system in the United States. Millions use the resources of their public library every year. It provides research data, cultural events, and reading facilities that are currently threatened with termination because of skyrocketing costs. I have introduced H.R. 429, which would provide for Federal matching grants to equal private contributions, which would pay for the operating expenses of public libraries. Sixty percent of any given private contribution will be spent in any given branch library that the donor may designate. In addition, 50 percent of the Federal matching funds will be spent in libraries that serve low income areas. The first provision is designed to assure the donor that the impact will be felt in a specific loan branch while allowing the central library system to use contributions to provide general support services to branches. The second provision is intended to compensate for the lower amount of contributions that would be expected from areas where services are still highly valued.

I want to clarify that this bill is in no way meant as a substitute for full funding under the Library Services and Construction Act. Full funding under that act must be the Congress first priority in aiding our Nation's libraries. My bill is designed to supplement existing library programs that are not available for general operating expenses. It is hoped that it could add to the excellent service that is already being provided and that it could make the difference in keeping libraries open in places where financial conditions make this difficult. Without such assistance many libraries throughout the country will be unable to provide minimal services and thousands of Americans will be denied the chance to enrich their lives through the use of the library.

President Carter has, by his example, rekindled interest in the arts in America. He has also indicated his support for measures which would aid artists and institutions promoting the arts. I applaud his leadership in this area and I look forward to working with him in an effort to create an American cultural renaissance. I hope my colleagues will join in this endeavor.

OUTPATIENT REHABILITATION SERVICES AND MEDICARE

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, today I am introducing a bill to amend title XVIII of the Social Security Act—the medicare program—to clarify the treatment of rehabilitation services and to rectify what I think is a longstanding oversight in the statute by recognizing outpatient rehabilitation facilities as medicare providers within the program.

Presently, title XVIII covers rehabilitation services to medicare beneficiaries only when provided in rehabilitation hospitals or acute care hospitals on an outpatient care basis in either type of facility. However, because medicare provides only limited coverage of services provided by free-standing outpatient facilities, the availability of comprehensive outpatient rehabilitation services for medicare patients is significantly restricted.

This legislation defines inpatient and outpatient rehabilitation services to clarify the appropriate objectives and components of each, and to determine the standards necessary to become a medicare provider. Also, the bill defines the outpatient rehabilitation services eligible for medicare reimbursement.

Medicare is designed to provide medical services to the Nation's aged and disabled population at reasonable cost. Rehabilitation services are instrumental in aiding individuals to regain their

abilities and to restore them to the highest degree of functioning possible.

The cost-benefits of extensive rehabilitation services initiated at the earliest point of treatment decrease, and in some instances prevent, further costs due to recurrence of illness or disability. Medicare patients who use rehabilitation centers generally undergo long periods of treatment. Typically they need to overcome disabling conditions produced by traumatic injuries, neurological disorders and cardiac problems. Rehabilitation is often essential to avoid recurrent hospitalization or admission to a nursing home. Often these services can be provided on an outpatient basis. However, only hospitals are eligible for medicare reimbursement for a full range of rehabilitation services.

Presently, freestanding rehabilitation centers are limited to payment for physical therapy and speech therapy. Moreover, comprehensive medical rehabilitation services are covered if given in a home health agency or skilled nursing facility, but not in an outpatient rehabilitation center. The net result is that medicare patients are forced to receive care at a hospital, pay for the services themselves, or forgo them completely.

The extension of coverage under medicare to outpatient rehabilitation facilities is consistent with a variety of improvements made in the medicare program in recent years which encourage outpatient care and discourage high cost, inpatient hospital care.

Mr. Speaker, at this time I would like to insert the text of the bill and to thank the national organizations which have assisted me in the preparation of this legislation including the Association of Rehabilitation Facilities, the American Congress of Rehabilitation Medicine, the Academy of Physical Medicine and Rehabilitation:

H.R. 6411

A bill to amend title XVIII of the Social Security Act for the purpose of including outpatient rehabilitation services among the benefits of the medicare program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1832(a)(2) of the Social Security Act is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and", and by inserting the following new subparagraph after subparagraph (C):

"(D) outpatient rehabilitation services."

(b) Section 1835(a)(2) of such Act is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (D), and by inserting the following new subparagraph after subparagraph (D):

"(E) in the case of outpatient rehabilitation services, such services are or were medically required."

(c) Section 1861(u) of such Act is amended by inserting "rehabilitation facility," immediately after "home health agency,".

(d) Section 1861(z) of such Act is amended by inserting "rehabilitation facility," after "care facility,".

(e) Section 1861 of such Act is amended by adding the following new subsections at the end thereof:

"Rehabilitation Facility

"(aa) The term 'outpatient rehabilitation facility' means a public or private institution (or a district part of an institution) which—

"(1) is primarily engaged in providing a program of diagnostic, therapeutic, and restorative services to outpatients addressed to be rehabilitation of injured, disabled, or sick persons;

"(2) maintains adequate clinical records on all patients;

"(3) has bylaws in effect with respect to its staff or physicians;

"(4) has a requirement that every patient must be under the care of a physician;

"(5) in the case of an institution in any State in which State or applicable local law provides for the licensing of rehabilitation facilities, (A) is licensed pursuant to such law, or (B) is approved by the agency meeting the standard established for such licening;

"(6) has in effect an overall plan and budget that meets the requirements of subsection (z); and

"(7) meets such other requirements as the Secretary finds necessary in the interests of the health and safety of patients served by the institution.

"Outpatient Rehabilitation Services

"(bb) The term 'outpatient rehabilitation services' means services by a rehabilitation facility furnished under a medically directed plan related to the achievement of specific outcomes regarding functional capacity or the prevention of deterioration in the disabling condition of the patient; including any one or more of the following:

"(1) physician services, including diagnostic, evaluation, and therapeutic services;

"(2) physical therapy, occupational therapy, inhalation therapy, and speech therapy;

"(3) prosthetic and orthotic devices, including testing, fitting, or training in the use of prosthetic and orthotic devices;

"(4) social and psychological services;

"(5) nursing care provided by or under the supervision of a professional nurse;

"(6) supplies, appliances, and equipment, including the purchase or rental of equipment; and

"(7) such other services as are medically necessary for the mental and physical restoration of the patient, or for the prevention of his deterioration, and are ordinarily furnished as outpatient services by a hospital."

"Inpatient Rehabilitation Services

"(cc) The term 'inpatient rehabilitation services' means services furnished under a medically directed plan related to the achievement of specific outcomes regarding functional capacity or the prevention of deterioration in the disabling condition of the patient which plan may include the following services:

"(1) bed and board;

"(2) physician services, including diagnostic evaluation, and therapeutic services;

"(3) physical therapy, occupational therapy, inhalation therapy, and speech therapy;

"(4) prosthetic and orthotic devices, including testing, fitting, or training in the use of prosethetic and orthotic devices;

"(5) social and psychological services;

"(6) nursing care provided by or under the supervision of a professional nurse;

"(7) drugs, biologicals, supplies, appliances and equipment, including the purchase or rental of equipment; and

"(8) such other diagnostic or therapeutic services or items, furnished by a hospital or by others under arrangements with them made by the hospital, as are ordinarily furnished to inpatients either by such hospital or by others under such arrangements.".

NATIONAL ELECTRONICS WEEK

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, it is with great pleasure that I am introducing a joint resolution in the House today to proclaim the first week in May as National Electronics Week.

Few industries have demonstrated the leadership in technological change as well as in economic growth as has the electronics industry. The economic health of the industry is due, in large part, to the combined efforts of manufacturers, sales representatives, and distributors. It is appropriate that the first week in May be designated as National Electronics Week, because it is during that period that the entire industry will be gathering together to present the NEWCOM Show. The show exemplifies the diversity and dynamism of the electronics industry, and the cooperation of all segments of that industry to work together.

In the last few years, the electronics industry has become a major force in both the economic and social life of the country. From heavy manufacturing to leisure activities to office work, the electronics industry has spurred productivity, enhanced efficiency and minimized waste.

I urge my colleagues to join with me in congratulating the electronics industry on past successes and on wishing them well in the future. At this point I would like to insert the text of the resolution:

JOINT RESOLUTION

Authorizing the President to proclaim the week beginning May 1, 1977, and ending May 7, 1977, as "National Electronics Week"

Whereas the electronics industry in the United States has traditionally provided innovative technology which has increased the productivity and improved the management of business and industry in the United States; and

Whereas the electronics industry in the United States has made important contributions to the economic progress of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the week beginning May 1, 1977, and ending May 7, 1977, as "National Electronics Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

PRESERVATION OF PINES BARRENS NATIONAL ECOLOGICAL RESERVE

(Mr. FLORIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FLORIO. Mr. Speaker, as this new Congress begins, and as a new administration begins with it, many of us are looking forward to an era of creative government—an era when many critical human needs can be addressed with a spirit of cooperation in the search for imaginative and enlightened domestic policies.

As a citizen and Representative of the Nation's most urbanized State, I believe that one of the most critical needs is to renew the commitment of the Federal Government to help a safe, healthful, and humane living environment for our

urban populations. Nearly three-quarters of us live in urban places in the United States, and yet we have, of late, too often failed to provide the tools needed by our urban States and localities to maintain an environment worth looking at and living in.

Most assuredly, this has not been our intention. In the pellmell growth of metropolitan areas during the 1950's and 1960's we recognized that the quality of life of those caught up in this growth was diminishing rapidly. Among the early responses to this problem was the establishment by Congress in 1958 of the Outdoor Recreation Resources Review Commission. The Commission's report, issued in 1962, helped to bring about the recognition that natural beauty, ecological balance, and the healthful use of leisure times are essential in an urban nation. More specifically, the Commission's report affirmed the right of all Americans—including urban Americans—to the protection of landscape resources which possessed important ecological, scenic, and recreational values. Many new land conservation programs were enacted by Congress as a result of that report, and many programs already in place were expanded. In effect, the report and the enactments it spawned established the Federal Government as a full partner in the effort to preserve outstanding landscapes during a period of rapid economic growth and urban expansion.

It is worth asking at this juncture—at the beginning of a new Congress and a new administration—whether we are fully living up to the goals and expectations we created 15 years ago. To be sure, the Congress in its last session was able, finally, to increase the Land and Water Conservation Fund. This can help, but even an expanded fund can hardly be expected to reduce the arrears accumulated over the past years of inaction as well as meet the new demands that will be placed upon it.

As a result, State and local governments, lacking resources of their own to preserve large ecological, scenic, and recreational areas, will continue to apply to the Congress for the inclusion of such areas into the National Parks System—itself seriously in arrears in manpower and money.

As the Congress struggles to deal with these demands, it is becoming clear that however hard we try to provide National Parks to serve urban populations, the process is ultimately self-defeating. The enormous cost for land acquisition, development and management, if applied fairly to all urban areas, is simply not sustainable. Even now, the National Park Service is seriously overextended, its capacity to manage existing urban parks as well as natural areas in question. Though we have succeeded in establishing a few urban parks, the effort has not uniformly met urban needs, nor has the distribution of Federal funds for the purpose been fair and equitable. In the end, the effect of such a procedure has been to deny, for lack of funds and manpower, the protection of many crucial landscape resources.

It is my view that Federal policy in this regard is at a turning point. It is becoming obvious that another way must be found to meet the burgeoning demand for the preservation of outstanding landscapes to provide a humane living environment for an urban population. It is essential that all levels of government fully exercise their capabilities in a new kind of cooperative effort to the end that such landscapes can be protected with means other than outright purchase for inclusion in the National Park System. The alternative to national park designation ought to be something other than the relegation of outstanding landscapes to indiscriminate development.

Unless a new kind of Federal policy to deal with this problem can be formulated, it is certain that many treasured landscapes will simply be lost. One such area for which this fear is very real is the Pine Barrens in my home State of New Jersey. The Pine Barrens are, according to a recent report of the Bureau of Outdoor Recreation, among the most outstanding natural areas in the country—a relict biota of the last ice age containing many rare and unusual species of plants and animals in an ecosystem still undergraded by development. The preservation of this 1,500 square mile area, almost miraculously spared from suburban sprawl in the densely populated Northestern urban corridor, is essential for many reasons.

Ecologically, the Pine Barrens are critical: the area overlies the major part of an aquifer which stores some 17.7 trillion gallons of water—an amount equal to 10 years of rainfall. But because of the highly porous soil and the shallow depth of the aquifer, this giant underground reservoir could be easily polluted should urban sprawl take place, endangering essential water supplies for an expanding population.

Scenically, the Pine Barrens provide a vast open space, laced with waterways—a remote, quiet, unbroken forest of pine and oak, unusual in such an urbanized region. Recreationally, the Pine Barrens provide boating, hunting, fishing, hiking, nature study, and camping to some 50 million people who live within striking distance of the area. There are inherent economic values associated with this landscape, too. The unusual combination of soils, water table, and climate make the Pine Barrens first in the Nation in blueberry production, and third in cranberry production.

Taken together, all these values have persuaded the Bureau of Outdoor Recreation that the Pine Barrens meet Department of Interior criteria for what is called "national significance." This means, in effect, that the area could qualify as an addition to the National Park System either as a "natural area" or as a "national recreational area."

But what would be its chances were this vast resource to be proposed as a national park? Fifteen hundred square miles constitutes nearly 1 million acres of land, land located in an area where per-acre value typically is calculated in the thousands of dollars. The brutal reality is that despite the importance of this place, the cost of acquisition would simply be unsupportable. An alternative might be to isolate a smaller section within the Pine Barrens for a national park designation. But this would fail to provide adequate protection for the ecosystem as a whole, and for the aquifer which this ecosystem so beneficially provides. Moreover, at whatever size, traditional national park management might not be appropriate for an area in which existing communities and the indigenous agriculture, among other land uses, are valued and should be maintained.

On April 26, I will, therefore, introduce a bill for the protection of the Pine Barrens, not as a national park, but in a way which calls upon a Federal-State-local partnership to produce a program for protecting this landscape resource by using the specific capabilities of each level of government for the role each is best suited to play. Under the bill the Federal Government would provide financial and technical support for the delineation of a Pine Barrens ecological reserve and for the development and implementation of an areawide management plan and program.

The program would require New Jersey to establish a land management commission broadly representative of all those who have a stake in the conservation of the Pine Barrens. This commission, augmented by a citizens' advisory body, which will have a significant role as a prerequisite for Federal assistance, would be empowered by the State of New Jersey to oversee the regulation of land uses and the control of developments of areawide significance.

The role of municipal governments within the Pine Barrens would be to help frame, and to lead in the sensitive implementation of a management plan which while conserving ecological, scenic, and recreational values, nevertheless allows the area to be a living landscape—a place where the land is not to be locked up as though in a museum, but where appropriate growth and change can be accommodated. Finally, my bill would require that all other Federal programs—grants, loans, and direct activities—would have to be consistent with an approved land management plan.

This approach to protecting the resource values of the Pine Barrens in New Jersey represents, I believe, a new and fruitful policy departure of interest and importance to other urban States. It can be a departure which will reestablish the Federal Government in its position as a full partner in the conservation of areas which, through meeting many criteria for national park status, are not best suited for outright acquisition or the traditional national park management. The text of this bill follows:

H.R. —

A bill to provide for the establishment of a Pines Barrens National Ecological Reserve in the State of New Jersey, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act, together with the following table of contents, may be cited as the "New Jersey Pine Barrens National Ecological Reserve Act":

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purpose.
Sec. 3. Definitions.
Sec. 4. Assistance for plan development.
Sec. 5. Plan guidelines.
Sec. 6. Establishment of reserve; acquisition and transfer of lands.
Sec. 7. Grants for management.

Sec. 8. Compliance by Commission.
Sec. 9. Other Federal programs affecting the reserve.
Sec. 10. Citizens Advisory Committee.
Sec. 11. Authorizations.

FINDINGS AND PURPOSE

SEC. 2. (a) Findings.—The Congress finds that:

(1) The Pine Barrens area in southern New Jersey, containing some 970,000 acres of undeveloped pine-oak forest and a wide diversity of rare plant and wildlife species, is a unique ecological resource.

(2) The Pine Barrens area, located in the middle of the northeastern megalopolis of the United States, provides an excellent outdoor laboratory for scientific research, environmental education, and interpretive activities, and opportunities for a great diversity of recreational use and enjoyment for some 50 million people.

(3) The natural attractiveness and undeveloped condition of the Pine Barrens area is currently threatened with ecological downgrading because of encroaching residential, commercial, and industrial developments.

(4) The continuation of such developments within the Pine Barrens area will result in the permanent loss of its unique scientific, educational, recreational, and environmental values.

(5) The Federal Government, in recognition of the national significance of the natural resources of the Pine Barrens area, should provide assistance (pursuant to appropriate requirements) to the State of New Jersey to undertake a program to preserve and enhance the natural resources of the area.

(b) Purpose.—The purposes of this Act are to—

(1) encourage and assist the State of New Jersey in developing and administering a plan for a Pine Barrens National Ecological Reserve to be established under this Act in order to protect, preserve and enhance the ecological integrity, natural beauty, and recreational potential of the New Jersey Pine Barrens,

(2) to provide financial and technical assistance, pursuant to appropriate requirements, to the State for developing and carrying out such plan,

(3) to acquire and transfer to the State of New Jersey certain critical lands to be included in the Reserve, and

(4) to insure the consistency and coordination of all Federal programs affecting the natural resources of the Reserve.

DEFINITIONS

SEC. 3. For the purposes of this Act:

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "State" means the State of New Jersey.

(3) The term "Governor" means the Governor of the State of New Jersey.

(4) The term "Commission" or "Management Commission" means the management commission established by the State as provided in section 4(b)(3).

(5) The term "plan" means the documentation prepared and other actions taken by the Commission pursuant to the requirements of section 5.

(6) The term "Bureau of Outdoor Recreation Report" means the report prepared by the northeastern regional office of the Bureau of Outdoor Recreation, Department of the Interior, published in 1976 and entitled "New Jersey Pine Barrens: Concept for Preservation".

(7) The term "Reserve" or "Pine Barrens National Ecological Reserve" means the Pine Barrens National Ecological Reserve established under this Act.

ASSISTANCE FOR PLAN DEVELOPMENT

SEC. 4. (a) Grants.—Subject to the provisions of subsection (b), the Secretary is authorized and directed to provide grants to the State for the development of a plan for the preservation, protection, and enhancement of the natural resource values of the Pine Barrens. Such grants shall constitute not more than 75 percent of the costs of developing such plan. The remaining 25 percent shall be borne by the State in a manner and with such funds as shall be satisfactory to the Secretary.

(b) REQUIREMENTS FOR GRANTS.—The Secretary shall make grants under this section in such manner as he may deem appropriate, but the full amounts available for such purpose shall be disbursed not later than one year of the date that funds for such purpose first become available if before the expiration of such one year period—

(1) the State has demonstrated to the satisfaction of the Secretary that such amounts will be used to develop a plan meeting the requirements of section 5;

(2) the State has established a Pine Barrens management study area, the boundaries of which generally correspond to the boundaries of the Reserve to be established under section 6(a)(1);

(3) the State has established, through legislative action (to the extent necessary), a management commission consisting of twelve members each of whom has demonstrated expertise in national resource planning or management and at least four of whom are not residents of the Pine Barrens area;

(4) the State has empowered and required the management commission to—

(A) establish detailed boundaries for a Pine Barrens National Ecological Reserve to be established under section 6(a)(1);

(B) regulate land uses within or affecting such Reserve and to regulate land uses within or affecting the area in which such Reserve is to be established in the interim before the Reserve is so established;

(C) establish and enforce development standards for development within, or affecting such Reserve, and issue permits as a prerequisite for development within or affecting such Reserve;

(D) acquire land and interests in land within the Reserve by eminent domain or otherwise;

(E) develop recreational facilities and undertake recreational programs within the Reserve;

(F) coordinate governmental programs affecting the natural resource values of the Reserve;

(G) coordinate management policies for Federal and State land within the Reserve (including lands which were owned by Federal, State, or local governments before establishment of the Reserve);

(H) take such other actions as may be necessary as determined under regulations of the Secretary, for the comprehensive management of the Pine Barrens area in order to preserve, protect, and enhance its natural resource values; and

(I) take the actions referred to in this section after—

(i) consultation with the Pinelands Citizen Advisory Committee established under section 10, and

(ii) pursuant to such requirements respecting participation in decisonmaking by interested persons and the public as may be appropriate (as determined under regulations promulgated by the Secretary).

PLAN GUIDELINES

SEC. 5. (a) GUIDELINES.—The Secretary shall establish and publish guidelines for a plan for the conservation, protection, and enhancement of the natural resource values of the Reserve to be established under section 6. Such guidelines shall be reviewed from time to time by the Secretary (but not less frequently than every three years) and shall be revised as may be necessary. Such guidelines shall require that the plan provide for—

(1) a resource assessment which—

(A) determines the overall ecological carrying capacity of the Pine Barrens, with special reference to (i) water supply and water quality; (ii) natural hazards, including fire; (iii) endangered, unique, and unusual plants, animals, and biotic communities; (iv) ecological factors relating to the protection and enhancement of blueberry and cranberry production and other agricultural activity; (v) air quality; and (vi) other appropriate consideration affecting the ecological integrity of the area;

(B) includes an assessment of scenic, aesthetic, and open space resources of the Pine Barrens together with a determination of overall policies required to maintain and enhance these resources; and

(C) includes an assessment of the outdoor recreation resources and potentials together with a determination of policies required to utilize, protect and enhance these resources and potentials;

(2) a determination of the detailed boundaries of the area to be established as the Pine Barrens National Ecological Reserve and the identification and mapping (based on such determination and on the assessments under paragraph (1)) of—

(A) major areas within the Pine Barrens which are of critical ecological importance (including the "Plains as described on pages 2 and 21 of the Bureau of Outdoor Recreational Report), and

(B) areas of scenic, open space, and recreational significance;

(3) an areawide land-use capability map and statement of policies for management of the Pine Barrens, based upon the actions described in paragraphs (1) and (2);

(4) a recreational use and management program which is based on such land-use capability map and policy statement and includes—

(A) the coordinated utilization of (i) public conservation and recreation lands and (ii) other appropriate lands dedicated to such uses which are owned by private non-project organizations;

(B) the planned acquisition of additional sites for such purposes as parking, camping, interpretive facilities, picnic grounds, and other intensive-use areas;

(C) the acquisition of temporary or permanent public access agreements with private landowners to provide public rights-of-way over private land for footpaths, hunting, fishing, the "right to roam", and such other access as may enhance recreational opportunity; and

(D) such other elements as will carry out the purposes of this Act;

(5) a landscape management plan (based on such land-use capability map and policy statement) which will utilize the full constitutional authority of the State to regulate the use of land and water, including—

(A) the acquisition of scenic and conservation easements or development rights by eminent domain or otherwise;

(B) the transfer of development rights;

(C) the establishment of development performance standards and the use of development project review processes; and

(D) other methods (including methods involving compensation to landowners, methods not involving compensation, and any combination of methods) best suited to preserve, protect, and enhance the natural resource values of the Reserve consistent with the purposes of this Act;

(6) a process to coordinate, in a manner consistent with the purposes of this Act, governmental programs for housing, transportation, water resources, water pollution control, wastewater treatment, solid waste disposal, air quality control, and such other programs as affect the natural resource value of the Pine Barrens; and

(7) a program to provide for the maximum feasible public participation in the management of the Pine Barrens National Ecologi-

cal Reserve including the establishment of a Citizens Advisory Committee which meets the requirements of section 10.

(b) Technical Assistance.—The Secretary shall provide technical assistance to the Commission in developing and implementing the plan described in subsection (a).

(c) Submission and Approval of Plan.—(1) If the State adopts and submits to the Secretary a plan within 18 months after the time that funds are first made available to the agency for planning and if the Secretary determines that such plan meets the requirements of subsection (a), he shall approve such plan. If such plan does not meet such requirements and is disapproved by the Secretary, the Commission may, within 3 months of such disapproval submit a revised plan to the Secretary for his approval. If the Secretary disapproves the plan or revised plan he shall advise the Commission of his reasons for doing so together with his recommendations for revision.

(2) The State plans shall be revised from time to time to the extent necessary to take into account changes in circumstances or any change in the guidelines promulgated by the Secretary under this section. Such revisions shall be submitted to the Secretary for his approval or disapproval in the same manner as the original plan. The Secretary may disapprove the plan at any time if he determines that it does not meet the requirements of subsection (a).

(3) For provisions respecting action by the Secretary following failure of the State to submit a plan or disapproval by the Secretary of a plan, see section 8.

ESTABLISHMENT OF RESERVE; ACQUISITION AND TRANSFER OF LANDS

SEC. 6. If the State has in effect a plan approved by the Secretary under section 5 and if the Commission has indicated its intention to implement such plan, the Secretary is authorized to—

(1) establish, by publication in the Federal Register, the Pine Barrens National Ecological Reserve as an area of approximately 970,000 acres located in the State of New Jersey and within the "land and water line" appearing at Plate D of the Bureau of Outdoor Recreation Report.

(2) acquire not more than 50,000 acres of ecologically critical lands (including the "Plains" area as described in section 5(a)(2)), and such other lands as he may select based on the Bureau of Outdoor Recreation Report and the resource assessments made by the Commission; and

(3) transfer, in his discretion, lands acquired under paragraph (2), and other Federal lands within the Reserve, to the State at whatever time he deems appropriate, subject to the retention by the United States of a reversionary interest to be exercised as provided in section 8.

GRANTS FOR MANAGEMENT

SEC. 7. (a) GRANTS.—(1) Following approval of the State plan under section 5 and within 30 days of the establishment of the Reserve under section 6, the Secretary shall publish regulations for making grants to the Commission pursuant to the requirements of this section and such other requirements as may be necessary to carry out the purposes of this Act.

(2) Such grants shall be for not more than 75 percent of the costs incurred by the Commission for the purposes described in paragraph (3). The remaining 25 percent of such costs shall be borne by the State in a manner and with such funds as shall be satisfactory to the Secretary.

(3) Grants under this section may be used for—

(A) the acquisition in fee title of limited numbers of low-acreage, intensive-use sites in the Reserve in furtherance of recreational objectives;

(B) compensating landowners in the Reserve for public access agreements across private lands in the Reserve;

(C) making other forms of compensation to landowners in the Reserve as may be required; and

(D) providing payments in lieu of taxes to local governments where acquisition of property in the Reserve has resulted in actual revenue loss.

Payments under subparagraph (D) may not duplicate payments in lieu of taxes made under the provisions of other State or Federal law. Such payments under subparagraph (D) shall be made on a five-year declining schedule, after which no such payment shall be made.

(c) Termination.—No grant may be made under this section after the date ten years after the establishment of the Reserve.

COMPLIANCE BY COMMISSION

SEC. 8. (a) Termination of Assistance.—The Secretary shall conduct a continuing review of the management of the Reserve established under section 6 and shall, after giving notice and opportunity for presentation of views by the State, terminate any financial assistance extended under section 7 and withdraw any unexpended portion of such assistance if—

(1) the State plan is disapproved by the Secretary under section 5(c), or

(2) he determines that the State is failing to adhere to, and is not justified in deviating from, the approved plan.

(b) Reversion to Federal Control.—(1) In transferring Federal lands to the Commission under section 6, the Secretary shall retain a right of reverter to be exercised in any case in which the Secretary determines that the Commission has failed or refused to carry out an approved plan and that such failure or refusal substantially impairs the ability of the Commission to carry out the purposes of this Act.

(2) In any case in which no plan has been approved by the Secretary under section 5 within the 21 month period specified therein or in any case in which the Secretary has exercised the right of reverter as provided in paragraph (1), he may—

(A) manage the Federal lands within the 970,000 acre area described in section 6(1) (including any Federal lands which revert to the Secretary and other Federal lands referred to in paragraph (3) of this subsection, as a National Ecological Reserve in accordance with the purposes of this Act if he determines that such management is feasible and appropriate, or

(B) in any case in which the Secretary determines that management of such lands as a National Ecological Reserve in accordance with such purposes is infeasible or inappropriate (or both), he may dispose of the Federal lands which have reverted to the Secretary or manage such Federal lands and any other Federal lands in such area for such other purposes as may be appropriate.

(3) In any case in which no State plan has been approved within the requisite period and a determination is made by the Secretary under paragraph (2)(A), the Secretary is authorized to establish the area described in section 6(1) as a federally managed National Ecological Reserve and—

(A) acquire by donation, purchase with donated or appropriated funds, or exchange other lands and interests in lands within the boundaries of the Reserve,

(B) enter into agreements with local governments having jurisdiction over such lands for the management by such governments of such lands in a manner consistent with the purposes of this Act, or

(C) take any combination of the actions referred to in subparagraph (A) and (B).

OTHER FEDERAL PROGRAMS AFFECTING THE RESERVE

SEC. 9. (a) PRIORITIES AND COOPERATION.—All Federal departments and agencies should, to the maximum extent practicable, and in consultation with the Secretary, give priority to projects or activities within the Pine Barrens National Ecological Reserve which further the purposes of this Act and shall cooperate and participate with the Secretary, the Commission, the State, and with appropriate local governments in carrying out such purposes.

(b) Consistency and Compliance With State Plan.—(1) Each Federal agency conducting or supporting activities directly affecting the Reserve shall conduct or support those activities in a manner which is, to the maximum extent practicable, consistent with the approved State plan.

(2) Any Federal agency which shall undertake any development project in the Reserve shall insure that the project is consistent with the approved State plan.

(3) Any applicant for a required Federal license or permit to conduct an activity affecting the Reserve shall provide in the application to the licensing or permitting agency a certification that the proposed activity complies with the approved State plan and that such activity will be conducted in a manner consistent with such plan. At the time of such application, the applicant shall furnish to the Commission a copy of the certification, with all necessary information and data. The Commission shall establish procedures for public notice in the case of all such certifications and, to the extent it deems appropriate, procedures for public hearings in connection therewith. At the earliest practicable time, the Commission shall notify the Federal agency concerned that the Commission concurs with or objects to the applicant's certification. If the Commission fails to furnish the required notification within six months after receipt of its copy of the applicant's certification, the State's concurrence with the certification shall be conclusively presumed. No license or permit shall be granted by the Fderal agency until the Commission has concurred with the applicant's certification or until, by the Commission's failure to act, the concurrence is conclusively presumed, unless the Secretary, on his own initiative or upon appeal by the applicant, finds after providing a reasonable opportunity for detailed comments from the Federal agency involved and from the State, that the activity is consistent with the objectives of this Act.

(c) State and Local Governments.—State and local governments submitting applications for Federal assistance under other Federal programs affecting the Reserve shall indicate the views of the Commission as to the relationship of such activities to the approved plan.

Such applications shall be submitted and coordinated in accordance with the provisions of title IV of the Intergovernmental Coordination Act of 1968 (82 Stat. 1098). Federal agencies shall not approve proposed projects that are inconsistent with an approved plan, except upon a finding by the Secretary that such project is consistent with the purposes of this Act.

(d) Interim Protection.—During the period following the date of the enactment of this Act and preceding the date on which the Secretary establishes the reserve under section 6, no department or agency of the United States shall assist by loan, grant, license, or otherwise in the construction of any project which have a direct or indirect adverse effect (as determined by the Secretary) on the ecological or aesthetic values of the area to be established as the reserve.

(e) Air and Water Pollution.—Nothing in this Act shall in any way affect requirements (1) established by the Federal Water Pollution Control Act, the Clean Air Act, or the Federal Disaster Relief Act of 1973, or (2) established by the Federal Government or by any State or local government pursuant to such Acts. Such requirements shall be incorporated in any plan developed pursuant to this Act.

(f) Federal Management.—For purposes of this section, a Federal management of the

Reserve under section 8(b)(2)(A) shall be treated as an approved State plan and in the case of such Federal management, all references in this section to the Commission shall be treated as references to the Secretary.

CITIZENS ADVISORY COMMITTEE

SEC. 10. (a) No State plan shall be approved under section 5 unless there is established a Pinelands Citizen Advisory Committee (hereinafter in this section referred to as the Committee) which meets the requirements of this section. Such Committee shall be composed of thirteen members appointed by the Governor of New Jersey for terms of :lve years as follows:

(1) two members to be appointed from recommendations of the New Jersey Department of Environmental Protection;

(2) two members to be appointed from recommendations of the New Jersey Department of Agriculture,

(3) four members to be appointed from the membership of National or local conservation organizations, and

(4) five members representing the general public, of which no fewer than three shall be from among the permanent residents of the Pine Barrens area.

The Governor shall designate one member of the Committee as Chairman and any vacancy shall be filled in the same manner in which the original appointment was made.

(b) Members of the Committee shall serve without compensation as such, but the Secretary may pay expenses reasonably incurred by the Committee and reimburse members for reasonable expenses incurred in carrying out their responsibilities under this Act on vouchers signed by the Chairman.

(c) The management commission established under the State plan, shall from time to time but at least semiannually, meet and consult with the Committee on matters relating to the reserve and with respect to carrying out the duties of the management commission under the State plan.

(d) Unless extended by the Governor, the Committee shall terminate ten years after the date of the establishment of the reserve.

AUTHORIZATIONS

SEC. 11. There are authorized to be appropriated $500,000 to be used for purposes of section 4, $25,000,000 to be used for purposes of section 6, and $25,000,000 to be used for purposes of section 7 (including establishment and operation of the Committee under section 10).

THE RELATIONSHIPS BETWEEN FLUCTUATIONS IN UNEMPLOYMENT AND CRIMINAL BEHAVIOR

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, the Honorable William J. Page, Jr., secretary of Florida's Department of Health and Rehabilitative Services, recently wrote me about his concern for the relationship between fluctuations in unemployment and criminal behavior, especially among young people.

Enclosed is a report on "Occupational Guidance, Counseling, and Placement Services for Youthful Offenders," which I think might be of interest to our colleagues and to all who read this RECORD.

As chairman of the former House Select Committee on Crime, I became aware that there is a close relationship between unemployment and youth crime and I therefore, request permission to include in the RECORD this report prepared by the planning coordination unit of the Youth Services Program Office of Florida's Department of Health and Rehabilitative Services.

OCCUPATIONAL GUIDANCE, COUNSELING, AND PLACEMENT SERVICES FOR YOUTHFUL OFFENDERS

BACKGROUND INFORMATION

Youthful offenders are in the age group (16–19 years) with the highest unemployment rate. Compared with others in their age group, youthful offenders are at a greater disadvantage in obtaining employment because of their history of delinquent behavior and retarded educational achievement. The average youth entering a state training school for delinquents is achieving at the fifth grade level in reading and math when he should be functioning on the tenth grade level.

Recent evaluations of the educational programs in training schools show that the youth leaving these programs adjust more successfully if they work rather than attend school. Unfortunately, they are encountering greater difficulty in finding jobs. In fiscal years 1973–74, 48% of the youth leaving training schools obtained employment, while only 28% where able to get a job when furloughed in 1975.

Considering these facts and the abundant documentation showing a relationship between the availability of jobs and the level of criminal activity, the Youth Services Program Office of the Florida Department of Health and Rehabilitative Services sought funding to address the problem of unemployment for offenders furloughed from Florida's four training schools for delinquent youth.

The Occupational Guidance Counseling and Placement Program was a pilot project funded with Comprehensive Employment and Training Act (CETA), Section 106, funding through the State Manpower Services Council. Funding was originally sought for the amount of $200,000 with which to establish job counseling and placement services for the youth (16 years and older) in each of the State's four training schools. Funding was obtained in the amount of $20,000 with which to operate a pilot project for the youthful offenders furloughed to Miami from the Florida School for Boys at Okeechobee.

Of the $20,000 funded through the CETA grant, $17,000 was budgeted for the salaries ($8,500 each) of the occupational counselor assigned to the Florida School for Boys at Okeechobee and the placement coordinator assigned to the Youth Services district field office in Miami. The remaining $3,000 was budgeted for travel expenses of the two staff members and the Planner and Evaluator assigned to the project by the Youth Services Program Office. All other budgetary needs were provided through "in-kind" resources.

The objectives of the project were:

1. To provide counseling and informational services that assist clients in developing an awareness of the world of work and the employability skills necessary in obtaining and maintaining employment.

2. To establish linkages and assist the Florida Department of Health and Rehabilitative Services, public schools, Florida State Employment Service and Manpower programs in their efforts to place clients in jobs/job training programs upon their return to the community.

The guidance and counseling component that operated in the training school was basically concerned with job preparation. The occupational counselor conducted frequent group guidance sessions and worked with clients to help develop decision making and employability skills necessary for obtaining and maintaining employment. He also provided clients with information on employment opportunities in the local community (Miami).

The occupational counselor and placement coordinator worked closely together to maintain continuity in their efforts to prepare clients for and assist them in obtaining employment or returning to school. Many clients were encouraged to return to school to take vocational classes to strengthen their educational background as needed in preparation for employment. The placement coordinator worked closely with the Youth Services parole counselors who have primary responsibility for the placement of youth returning from the training school. A large proportion of the Coordinator's time was spent contacting prospective employers and establishing linkages with agencies and organizations that could assist clients in job placement.

EVALUATION METHODOLOGY

The approach to evaluating this project was to clarify relevant informational needs and to collect, analyze and report the information to meet the needs. The information needs centered around the placement and follow-up of clients once they returned home to Miami. The following evaluation questions reflect the kind of information considered most relevant for program decision-making.

1. How many clients were served and what type of placement did they receive?

2. Was the project staff helpful in placing clients?

3. Were the clients who were placed initially (within a month of furlough) in the same placement one month later?

4. Were the clients not initially placed, subsequently placed?

One evaluation constraint was the short time period to evaluate the project. Though funded for the 1975–1976 fiscal year, the project was not scheduled to begin until August 15. Even that date was too early because additional "red tape" delayed the start of the project until late in September when the two staff members were hired. Furthermore, the original placement coordinator resigned and a new one had to be hired. The first group of clients were furloughed in October and placed in November 1975.

Fortunately, additional funds ($2,588.48) were provided to extend the project from June 30, 1976 to September 30, 1976 to allow for a longer period of evaluation. Unfortunately, the project ended July 31 as a result of both staff members leaving their positions when the State Manpower Services Council decided not to refund the program.

RESULTS

All students 16 years of age or older from Miami who expressed an interest in employment following their return home were picked up as clients within their first month in training schools. Of the 131 students picked up as clients, 70% were black, 19% white, and 11% of hispanic background.

Upon return home, clients were officially terminated from the project after obtaining a school or job placement or after having been in the community one month without finding a placement. Nevertheless, the placement coordinator continued to assist these clients and their parole counselors in their efforts to arrange an appropriate placement.

The original plan was for 100 new clients to be picked up during the project year and for 90 to be terminated in the community. As indicated, a total of 131 students were served in this project with 80 being officially terminated. Fifty-one (51) clients were in the training school, yet to be furloughed, when the project was terminated in July 1976.

Of the 80 clients that were terminated, five were terminated while in the institution because of interprogram transfers that reassigned them to community based treatment programs. Thus, 75 clients were furloughed to Miami for placement.

The following statistics reflect the findings

concerning placement and followup for those terminated in the community.

1. About half (48%) of the clients were placed in a job or in school within a month of their date of furlough from the training school. Twenty-seven percent (20 clients) were placed in jobs and 21% (16 clients) were placed in school. Two percent (four clients) of those placed in jobs also returned to school.

2. Sixty-five percent (65%) of the clients placed in jobs obtained full-time employment while 35% went to work part-time.

3. The placement coordinator was directly responsible for almost half (45%) of the job placements that clients obtained when furloughed. The coordinator located the employer and also arranged the job interview for the client.

4. The placement coordinator arranged an average of 3 interviews for each client that was referred for a job interview. Seventy-four percent of the clients returning to the community were referred for job interviews.

5. One third (31%) of the 39 clients who were not placed during their first month in the community were placed during their second month at home. This increases the total percentage of clients placed following furlough from 48% (after one month) to 65% (after two months). The table below gives the percentage of clients placed within one month of their furlough from the training school as compared with the percentage placed within two months of furlough.

Percentage placed within 1 month

Type of placement:	
Job	27 (N = 20)
School	21 (N = 16)
Neither	52 (N = 39)
	N = 75

Percentage placed within 2 months

Type of placement:	
Job	40 (N = 29)
School	25 (N = 19)
Neither	36 (N = 27)
	N = 75

The percentage of clients placed in jobs increased from 27% to 40%. The difference is probably best attributed to the difficulty these youthful offenders encountered finding jobs upon return to the community. The lack of job opportunities is also an explanation for the 36% still without a placement after two months at home.

6. Clients maintained their placement better when placed in jobs than when placed in school. All of the clients placed in jobs when furloughed were still working one month later while only 80% of the clients placed in school were still attending school.*

DISCUSSION AND RECOMMENDATIONS

The results indicate that this project was instrumental in helping youthful offenders obtain and maintain employment in their home community upon return from the training school. The placement coordinator was valuable in contacting employers and arranging job interviews. The value of the guidance and counseling component in the training school is probably reflected most in the number of clients that obtained employment even after the full services of the placement coordinator had been terminated after one month at home.

There still was a sizable portion of the first two months at home but this is more a reflection of the lack of job opoprtunities in the community. Considering the fact that all of these youths were picked up as clients because of their desire to get a job, it is noteworthy that 25% saw the value of returning to school.

In addition to the high unemployment rate among youth and the difficulty in getting employers to hire unskilled, poorly educated youth with a history of delinquency there were other obstacles that made placement of the clients difficult. For example, age proved to be an obstacle in getting clients enrolled in certain job training programs, including manpower training programs, because a minimum age of 18 years was usually required. Public schools were often resistive to having clients return to their programs because of past behavior. Placement of clients in the months of June and July was a greater problem because school was not in session and there was an increased number of youth in the employment market.

The placement coordinator had to devote a large portion of her time to seeking community support and educating the public about the need and value of hiring these youths. With additional time, greater support would have been achieved and better linkages established with agencies such as the public schools and job training programs.

A grant application was resubmitted to the Manpower Services Council to obtain funding to extend and expand the project into the next fiscal year. The grant request was denied because it "was not appropriate for section 106 funding for Fiscal Year 1977." According to the Office of Manpower Planning, the pilot project had shown the validity of the idea and it was recommended that funding be pursued from local manpower prime sponsors or state general revenue.

The following recommendations are presented in light of project results and the inability to obtain further funding.

1. Each district of the Florida Department of Health and Rehabilitative Services should be provided with the services of an employment and job training coordinator for youth. In addition to coordinating district services for job conuseling, training, and placement of youth, the district coordinators should work closely with CETA "Prime Sponsors" and the "Balance-of-State Prime Sponsor" in planning for the provision of services to fill gaps in providing employment and training for youthful offenders.

2. The Youth Services Program Office of the Department of Health and Rehabilitative Services should place special emphasis in all of its programs on the career education, vocational training and the employment of youth. Treatment programs should provide a job development program that includes the provision of occupational information and career counseling services. Emphasis should be placed on the use of existing resources, including the DHRS Office of Vocational Rehabilitation and the Florida Department of Education.

*Data was available on 14 of the 20 clients placed in jobs within one month of their return home and on 15 of the 16 clients placed in school.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. O'BRIEN (at the request of Mr. RHODES), for April 19 and 20, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PURSELL) to revise and extend their remarks and include extraneous material:)

Mr. HAMMERSCHMIDT, for 15 minutes, today.

Mr. SEBELIUS, for 5 minutes, today.

Mr. EDWARDS of Alabama, for 5 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

Mr. CLEVELAND, for 5 minutes, today.

Mr. KEMP, for 10 minutes, today.

(The following Members (at the request of Mr. FOWLER) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. DENT, for 30 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. BROWN of California, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Ms. HOLTZMAN, for 15 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FLORIO, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,127.

(The following Members (at the request of Mr. PURSELL) and to include extraneous matter:)

Mr. ROBINSON in two instances.

Mr. COUGHLIN in two instances.

Mr. MOORHEAD of California.

Mr. YOUNG of Florida in five instances.

Mr. SARASIN in two instances.

Mr. MCKINNEY.

Mr. DORNAN in 10 instances.

Mr. PURSELL in two instances.

Mr. HYDE in two instances.

Mr. HAMMERSCHMIDT.

Mr. MCCLOSKEY.

Mr. SNYDER.

Mr. SYMMS in two instances.

Mrs. HOLT in two instances.

Mr. ANDERSON of Illinois.

Mr. HILLIS.

Mr. MADIGAN.

Mr. WALKER.

(The following Members (at the request of Mr. FOWLER) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. MOAKLEY.

Mr. LUKEN in 10 instances.

Mr. JACOBS in two instances.

Mr. EARLY.

Mr. DENT.

Mr. RICHMOND in two instances.

Mr. EDWARDS of California.

Mr. BRADEMAS in five instances.

Mr. ROYBAL.

Mr. LONG of Maryland in five instances.

Mr. EILBERG in 10 instances.

Mr. PATTISON of New York.

Mr. LEDERER.

Mr. CARNEY.

Mr. HAMILTON.

Mr. ROSENTHAL in two instances.

Mr. BLANCHARD.
Mr. ROE.
Mr. DRINAN in two instances.
Mr. CHARLES H. WILSON of California.
Mr. ADDABBO.
Mr. WIRTH.
Mr. AMMERMAN.
Mr. FRASER in two instances.
Mr. PREYER in two instances.
Mrs. SCHROEDER.
Mr. ROGERS in five instances.
Mr. BYRON.
Mr. APPLEGATE.
Mr. RANGEL.
Mr. WON PAT.
Mr. MINETA.
Mr. HARRINGTON.
Mr. TEAGUE.
Mr. FISHER in 10 instances.
Mr. FLIPPO.
Mr. AUCOIN.
Mr. MAGUIRE.
Mr. DELLUMS.
Mr. GAMMAGE.
Mr. ROBERTS.
Mr. PANETTA.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1269. An act for the relief of Camilla A. Hester; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 489. An act to authorize supplemental military assistance to Portugal for the fiscal year 1977, and for other purposes.

RECESS

The SPEAKER. Pursuant to the order of the House on Monday, April 18, 1977, the Chair declares the House in recess until approximately 8:40 p.m.

The House stands in recess.

Accordingly (at 6 o'clock and 38 minutes p.m.), the House stood in recess.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 46 minutes p.m.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 196 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The SPEAKER of the House presided.

The Doorkeeper, the Honorable James T. Molloy, announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to escort the President of the United States into the Chamber the gentleman from Texas (Mr. WRIGHT), the gentleman from Indiana (Mr. BRADEMAS), the gentleman from Washington (Mr. FOLEY), the gentleman from Georgia (Mr. FLYNT), the gentleman from Arizona (Mr. RHODES), the gentleman from Illinois (Mr. MICHEL), and the gentleman from Illinois (Mr. ANDERSON).

The VICE PRESIDENT. Pursuant to the order previously entered into, I appoint the following Senators as a committee on the part of the Senate to join with a like committee on the part of the House to escort the President into the House Chamber: The Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from California (Mr. CRANSTON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Texas (Mr. BENTSEN), the Senator from Washington Mr. JACKSON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Tennessee (Mr. BAKER), the Senator from Alaska (Mr. STEVENS), the Senator from Texas (Mr. TOWER), the Senator from Nebraska (Mr. CURTIS), the Senator from Wyoming (Mr. HANSEN), and the Senator from Indiana (Mr. LUGAR).

The Doorkeeper announced the Ambassadors, Ministers, and Charges d'Affaires of foreign governments.

The Ambassadors, Ministers, and Charges d'Affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 9 o'clock and 1 minute p.m., the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, I have the high privilege and the distinct honor of presenting to you the President of the United States.

[Applause, the Members rising.]

ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The PRESIDENT. Mr. President, Mr. Speaker, Members of the Congress, and distinguished guests:

The last time we met as a group was exactly three months ago today, on Inauguration Day. We've had a good beginning as partners in addressing our nation's problems.

But in the months ahead, we must work together even more closely to deal with the greatest domestic challenge that our nation will face in our lifetime. We must act now—together—to devise and to implement a comprehensive national energy plan to cope with a crisis that otherwise could overwhelm us.

This cannot be an inspirational speech tonight. I don't expect much applause. It is a sober and a difficult presentation. During the last three months, I have come to realize very clearly why a comprehensive energy policy has not already been evolved. It has been a thankless job, but it is our job, and I believe that we have a fair, well balanced and effective plan to present to you. It can lead to an even better life for the people of America.

The heart of our energy problem is that we have too much demand for fuel. It keeps going up too quickly while production goes down and our primary means of solving this problem is to reduce waste and inefficiency.

Oil and natural gas make up about 75 percent of our consumption in this country, but they only comprise about 7 percent of our reserves. Our demand for oil has been rising by more than 5 percent each year, but domestic oil supplies have been dropping lately more than 6 percent. Therefore, our imports have risen sharply—making us more and more vulnerable if our supplies are interrupted—but early in the 1980's even foreign oil will become increasingly scarce. If it were possible for world demand to continue rising during the next few years at the rate of 5 percent a year, we could use up all the proven reserves in the entire world by the end of the next decade.

Our trade deficits are growing. We imported more than $35 billion worth of oil last year, and we will spend much more than that this year. The time has come to draw the line.

We could continue to ignore this problem, as many have done in the past—but to do so would subject our people to an impending catastrophe.

That is why we need a comprehensive national energy policy. Your advice has been an important influence as this plan has taken shape. Many of its proposals will be built on the legislative initiatives that you have taken in the Congress in the last few years.

Two nights ago, I spoke to the American people about the principles behind our plans and our specific goals for 1985:

To reduce the annual growth rate in energy consumption by more than 2 percent;

To reduce gasoline consumption by 10 percent;

To cut imports of foreign oil to less than 6 million barrels a day, less than half the amount that we will be importing if we did not conserve;

To establish a strategic petroleum reserve supply of at least a billion barrels, which will meet our needs for about 10 months;

To increase our coal production by more than two-thirds, to over 1 billion tons a year;

To insulate 90 percent of American homes and all new buildings; and

To use solar energy in more than two and a half million American homes.

Now I hope that the Congress will adopt these goals by joint resolution as a demonstration of our mutual commitment to achieve them.

Tonight I want to outline the specific steps by which we can reach those goals. The proposals fill into these central categories: First, conservation; second,

production; third, conversion; fourth, development; and of course, fairness or equity, which is a primary consideration in all our proposals.

We prefer to reach those goals through voluntary cooperation with a minimum of coercion. In many cases, we propose financial incentives, which will encourage people to save energy and will harness the power of our free economy to meet our needs.

But I must say to you that voluntary compliance will not be enough—the problem is too large and the time is too short.

In a few cases, penalties and restrictions to reduce waste are essential.

Our first goal is conservation. It is the cheapest, most practical way to meet our energy needs and to reduce our growing dependence on foreign supplies of oil.

With proper planning, economic growth, enhanced job opportunities and a higher quality of life can result even while we eliminate the waste of energy.

The two areas where we waste most of our energy are transportation and our heating and cooling systems.

Transportation consumes 26 percent of all our energy—and as much as half of that is waste. In Europe the average automobile weighs 2,700 pounds; in our country, 4,100 pounds.

Now the Congress has already taken fuel efficiency steps and set standards which will require new automobiles to have an average efficiency or miles per gallon of 27.5 by 1985 instead of the 18 among new cars today. The entire fleet of cars is only 14 miles per gallon at this time.

To insure that this existing Congressional mandate is met, I am proposing, first of all, a graduated excise tax on new gas guzzlers that do not meet Federal mileage standards. This tax will start low and then rise each year until 1985. In 1978, for instance, a tax of $180 will be levied on a car getting only 15 miles per gallon, and for an 11-mile-per-gallon car the tax will be $450. That is at the beginning. By 1985, the taxes on these wasteful new cars with the same low mileage, 15-miles-per-gallon or 11-miles-per-gallon, will have risen to $1,600 and $2,500.

All of the money collected by this tax on wasteful automobiles will be returned to consumers through rebates on automobiles that are more efficient than the mileage standard. We expect both better efficiency and also more automobile production and sales under this proposal. We will insure that American automobile workers and their families do not bear an unfair share of the burden. And of course, we will also work with our foreign trading partners to see that they are treated fairly.

Now I want to discuss one of the most controversial and most misunderstood parts of the energy proposal—a standby tax on automobile gasoline. Gasoline consumption represents half of our total oil usage.

We simply must save gasoline and I believe that the American people can meet this challenge. It is a matter of patriotism and a matter of commitment.

Between now and 1980 we expect gasoline consumption to rise slightly above the present level. For the following five years, when we have the more efficient cars on the road, we need to reduce consumption each year to reach our targets for 1985.

I propose that we commit ourselves to these fair, reasonable, and necessary goals and at the same time write into law a gasoline tax of an additional 5 cents per gallon that will automatically take effect each year that we fail to meet our annual target in the previous year. As an added incentive, if we miss one year but are back on the track the next year, then the additional tax should come off. And if the American people respond to this challenge, we can meet these targets, and under these circumstances, this gasoline tax will never have to be imposed. I know and you know that it can be done.

As with other taxes, we must minimize the adverse effects on our economy. We must reward those who conserve and penalize those who waste. Therefore, any proceeds from the tax—if it is triggered by excessive consumption—should be returned to the general public in an equitable manner.

I will also propose a variety of other measures to make our transportation system more efficient.

One of the side effects of conserving gasoline, for instance, is that State governments, which have a limited amount of tax per gallon, collect less money through gasoline taxes. To reduce their hardships and to insure adequate highway maintenance, we should compensate States for this loss through the highway trust fund.

The second major area where we can reduce waste is in our homes and buildings. Some buildings waste half the energy used for heating and cooling. From now on, we must make sure that new buildings are as efficient as possible, and that old buildings are equipped—or "retrofitted"—with insulation and heating systems that dramatically reduce the use of fuel.

The Federal Government should set an example. I will issue an executive order establishing strict conservation goals for both new and old Federal buildings—a 45-percent increase in energy efficiency for new buildings, and a 20-percent increase in efficiency for old buildings by 1985. We also need incentives, though, for those who own homes and businesses so that they will conserve.

Those who weatherize buildings to make them more efficient would be eligible for a tax credit of 25 percent of the first $800 invested in conservation, and 15 percent of the next $1,400.

If homeowners prefer, they may take advantage of a weatherization service which will be required from all regulated utility companies to offer. The utilities would arrange for contractors and provide reasonable financing to the homeowners. The customer would pay for the improvements through small, regular additions to the monthly utility bills. In many instances these additional charges would be almost entirely offset by lower energy consumption brought about by energy savings.

Other proposals for conservation in homes and buildings include first, direct Federal help for low-income residents; next, an additional 10 percent tax credit for business investments in conservation; third, Federal matching grants to nonprofit schools and hospitals; and public works money for weatherizing State and local government buildings.

While improving the efficiency in our businesses and homes we must also make electrical home appliances more efficient. I propose legislation that will for the first time impose stringent efficiency standards for household appliances by 1980.

We must also reform our utility rate structure. For many years we have rewarded waste by offering the cheapest rates to the largest users. It is difficult for individual States to make such reforms because of the intense competition among States for new industry. The only fair way is to adopt a set of principles to be applied nationwide.

I am, therefore, proposing legislation which would require the following steps over the next two years: first, phasing out promotional rates and other pricing systems that make natural gas and electricity artificially cheap for high-volume users and which do not accurately reflect actual costs; next, offering users peak-load pricing techniques which set higher charges during the day when demand is great and lower charges during the day when demand is small; we also need individual meters for each apartment in new buildings instead of one master meter. Tests have shown that this will save 30 percent of electrical costs in the apartment building.

Plans are already being discussed for TVA, the whole system, to act as a model in implementing such new programs as I have described to conserve energy.

One final step toward conservation is to encourage industries and utilities to expand what is called cogeneration projects, which capture the steam which is now wasted from electrical power production. In Germany, for instance, 29 percent of total energy comes from cogeneration. In this country formerly it was about 19 percent, but now it is only 4 percent in the United States.

I propose a special 10 percent tax credit for investments in cogeneration.

Along with conservation, our second major strategy is production and rational pricing.

We can never increase our production of oil and natural gas by enough to meet our demand, but we must be sure that our pricing system is sensible, that it discourages waste and encourages exploration and new production.

One of the principles of our energy policy is that the price of energy should reflect its true replacement cost. As a means of bringing supply and demand into balance over the long-run. By realistic pricing it is especially important for our scarcest fuels, oil and natural gas. However, proposals for immediate and total decontrol of domestic oil and natural gas prices would be disastrous for our economy and also for working Ameri-

can families, and would not solve the long-range problems of dwindling supplies.

The price of newly discovered oil will be allowed to rise, over a three-year period, to the 1977 world market price, with allowances from then on for inflation. The current return to producers for previously discovered oil, that which already exists, would remain the same, except for adjustments because of inflation.

Because fairness is an essential strategy of our energy program, we do not want to give producers windfall profits beyond the incentives that they do need for exploration and production. But we are simply misleading ourselves, if we do not recognize the replacement costs of energy in our pricing system.

Therefore, I propose that we phase in a wellhead tax on existing supplies of domestic oil, equal to the difference between the present controlled price of oil and the world price, and return that money collected by this tax to the consumers and the workers of America.

We should also end the artificial distortions in natural gas prices in different parts of the country which have caused people in the producing States to pay exorbitant prices, while creating shortages, unemployment and economic stagnation, particularly in the Northeast. We must not permit energy shortages to divide or balkanize our country.

We want to work with the Congress to give gas producers an adequate incentive for exploration, working carefully toward deregulation of newly discovered gas as market conditions permit.

I propose now that the price limit for all new gas sold anywhere in this country be set at the price of the equivalent energy value of domestic crude oil, beginning next year, 1978. This proposal will apply both to new gas and to expiring intrastate contracts. It would not affect existing contracts presently in effect.

We must be sure that oil and natural gas are not wasted by industries that could use coal. Our third strategy will be, therefore, conversion from scarce fuels to coal wherever possible.

Although coal now provides only 18 percent of our total energy needs, it makes up 90 percent of our energy reserves. Its production and use do create environmental difficulties, but I agree we can cope with them through strict strip-mining and clean air standards.

To increase the use of coal by 400 million tons, or by 65 percent—we now use about 600 million tons—in industry and utilities by 1985, I propose a sliding scale tax, starting in 1979, on large industrial users of oil and natural gas. Fertilizer manufacturers, crop dryers and so forth which must use gas, will be exempt from the tax. Utilities would not be subject to the tax until 1983, because it will simply take them longer to convert to coal.

I will also submit proposals for expanded research and development in coal. We need to find better ways to mine it safely and to burn it cleanly, and to use it to produce other clean energy sources like liquefied and gasified coal. We have already spent billions of dollars on research and development of nuclear power, but very little on coal. Investments here can pay rich dividends.

Even with this conversion effort, we still face a gap between the energy we need and the energy that we can produce or import. Therefore, as a last resort we must continue to use increasing amounts of nuclear energy.

We now have 63 nuclear power plants, producing about 3 percent of our total energy and we also have about 70 more working power plants which are licensed for construction. Domestic uranium supplies can support this number of plants just by the most conservative estimates for another 75 years, at least. Effective conservation efforts can minimize the shift toward nuclear power. There is no need to enter the plutonium age by licensing or building a fast breeder reactor such as the proposed demonstration plant at Clinch River.

We must, however, increase our capacity to produce enriched uranium fuel for light water nuclear power plants using the new centrifuge technology, which consumes only about one-tenth the energy of existing gaseous diffusion plants.

We must also reform the nuclear licensing procedures. New plants should not be located near earthquake fault zones or near population centers, safety standards should be strengthened and enforced, designs standardized as much as possible, and we need more adequate storage for spent fuel supplies.

However, even with the most thorough safeguards, it should not take ten years to license a plant. It only takes three years to license, design, and build a plant in a country like Japan. I propose that we establish reasonable, objective criteria for licensing, and that plants which are based on a standard design not require extensive individual design studies before the license is granted.

Our fourth strategy is to develop permanent and reliable new energy sources.

The most promising of course is solar energy, for which most of the technology is already available. Solar water heaters and solar space heaters are ready now for commercialization. All they need is some initiative to initiate the growth of a large new market in our country.

Therefore, I am proposing a gradually decreasing tax credit, to run from now through 1984, for those who purchase approved solar heating equipment. Initially, it would be 40 percent of the first $1,000 and 25 percent of the next $6,400 invested to provide solar heating for homes.

Increased production of geothermal energy can be insured by providing the same tax incentives as exist for gas and oil drilling operations.

Our guiding principle, as we develop this plan, was that above all it must be fair.

None of our people must make an unfair sacrifice.

None should reap an unfair benefit.

The desire for equity is reflected throughout our plan: in the wellhead tax, which encourages conservation but is returned to the public; in a dollar-for-dollar refund of the wellhead tax as it affects home heating oil, particularly in the Northeast; in reducing the unfairness of natural gas pricing; in ensuring that homes will have the oil and natural gas they need, while industry turns toward the more abundant coal that can also suit its needs; in basing utility prices on true cost, so every user pays a fair share; in the automobile tax and rebate system, which rewards those who save our energy and penalizes those who waste it.

I propose one other step to insure proper balance in our plan. We need more accurate information about the supplies of energy, and about the companies which produce energy.

If we are asking sacrifices of ourselves, we need facts that we can count on. We need an independent information system that will give us reliable data about energy reserves and production, emergency capabilities and financial data from the energy producers.

I happen to believe in competition, and we don't have enough of it right now.

During this time of increasing scarcity, competition among energy producers and distributors must simply be guaranteed. I recommend that individual accounting be required from energy companies for production, refining, distribution, and marketing—separately for domestic and foreign operations. Strict enforcement of the antitrust laws based on this data may prevent the need for divestiture. Profiteering through gas tax shelters should be prevented and independent drillers should have the same intangible tax credits as the major corporations.

The energy industry should not reap large unearned profits. Increasing prices on existing inventories of oil should not result in windfall gains but should be captured for the people of our country.

We must make it clear that from now on to everyone that our people through their government will now be setting the energy policy for our country.

The new Department of Energy that the Congress is already considering should be established without delay. Continued fragmentation of government authority and responsibility of our energy's program for this Nation is both dangerous and unnecessary.

Two nights ago, I said that this difficult effort which I have outlined would be the moral equivalent of war. If successful, this effort will protect our jobs, it will protect our environment, it will protect our national independence, it will protect our standard of living, it will also protect our future. Our energy policy will be innovative but it will be fair and predictable. It will not be easy. It will demand the best of us—our vision, our dedication, our courage, and our sense of common purpose.

This is a carefully balanced program, depending for its fairness on all its major component parts. It will be a test of our basic political strength and ability.

But we have met challenges before and our Nation has been the stronger after the challenge was met. That's the responsibility that we face, you in the Congress, the members of my own administration, and all the people of our country.

I am confident that together we will succeed. Thank you very much.

[Applause, the Members rising.]

At 9 o'clock and 34 minutes p.m., the President, accompanied by the committee of escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber in the following order:

The members of the President's Cabinet.

The Ambassadors, Ministers, and Charges d'Affaires of foreign governments.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses now dissolved.

Accordingly, at 9 o'clock and 41 minutes p.m., the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 9 o'clock and 41 minutes p.m.

ADJOURNMENT

Mr. HALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agree to; accordingly (at 9 o'clock and 42 minutes p.m.) the House adjourned until tomorrow, Thursday, April 21, 1977, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1302. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report covering the transition quarter on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, material, and the production of lumber and timber products, pursuant to section 712 of Public Law 94–212; to the Committee on Appropriations.

1303. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–21, "To order the closing of the public alley system in Square 551, bounded by Florida Avenue, 1st, Q, 3d, and R Streets, NW. (S.O. 74–152)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1304. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–22, "To order the closing of Portner Place, NW., between U and V Streets, NW., and of the public alleys in Square 204, bounded by 14th, U, 15th, and V Streets, NW. (S.O. 75–280)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1305. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–23, "To order the closing of 9th Street, NE., between G and H Streets, NE., and of the public alleys in Squares 912 and 934, bounded by G, 8th, H, and 10th Streets, NE. (S.O. 74–268)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1306. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–24, "To order the closing of Clifton Street, NW. between University Place, NW. and the north-south public alley in Squares 2662 and 2663 (S.O. 71–220)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1307. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–25, "To order the closing of Neal Place, NW. between 4th and 5th Streets, NW.; of 4th Street, NW., between Neal Place and O Street, NW.; and of public alleys in Square 512, bounded by 4th, N, O, and 5th Streets, NW. (S.O. 74–208)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1308. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–27, "To amend the Police Regulations of the District of Columbia to allow outdoor sidewalk cafes in districts zoned R and SP upon approval of the Board of Zoning Adjustment," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1309. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–28, "To abolish the Board of Consumer Goods Repair Services," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1310. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of an application by the city of Fort Collins, Colo., for a loan under the Small Reclamation Projects Act, as amended, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

1311. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

1312. A letter from the Chairman, Interstate Commerce Commission, transmitting the Commission's report on rail transportation services on the Delmarva Peninsula, pursuant to section 302 of Public Law 94–555; to the Committee on Interstate and Foreign Commerce.

1313. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Canal Zone Code with respect to the appointment and service of probation officers and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and the Judiciary.

1314. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Newark, N.J., Federal Office Building, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1315. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing alterations at the Agriculture South Building, Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1316. A letter from the Acting Comptroller General of the United States, transmitting a report on the well-being of older people in Cleveland, Ohio (HRD–77–70, April 19, 1977); jointly, to the committees on Government Operations, and Education and Labor.

1317. A letter from the Comptroller General of the United States transmitting an evaluation of the rationale and methodology used by the Department of the Interior and the Federal Energy Administration to estimate the impact of H.R. 25, the proposed Surface Mining Control and Reclamation Act of 1975 (EMD–77–37, April 15, 1977); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 5675. A bill to authorize the Secretary of the Treasury to invest public moneys and for other purposes (Rept. No. 95–159, pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. Report of the Committee on the Judiciary pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 95–214). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 4049. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the U.S. Railway Association with amendment (Rept. No. 95–215). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VANIK (for himself, Mr. GIBBONS, Mr. ROSTENKOWSKI, Mr. JONES of Oklahoma, Mr. MIKVA, Mr. PIKE, Mr. HOLLAND, Mr. JENKINS, Mr. STEIGER, Mr. VANDER JAGT, and Mr. FRENZEL):

H.R. 6370. A bill to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the chairman and vice chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 6371. A bill to amend the Tariff Schedules of the United States; to the Committee on Ways and Means.

By Mr. AMBRO:

H.R. 6372. A bill to amend the Internal Revenue Code of 1954 to provide that certain organizations which are dedicated to honoring and preserving the memory of former Presidents will not be treated as private foundations; to the Committee on Ways and Means.

By Mr. ANDERSON of California:

H.R. 6373. A bill to extend the age limitation before which certain passenger vessels can qualify for operating-differential subsidies from 25 to 30 years; to the Committee on Merchant Marine and Fisheries.

By Mr. BEVILL:

H.R. 6374. A bill to amend title 39, United States Code, to alter the organization structure of the U.S. Postal Service, to revise the procedure for adjusting postal rates and services, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM:

H.R. 6375. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. BONIOR:

H.R. 6376. A bill to provide for the regulation of certain detergents in the Great Lakes region of the United States; to the Committee on Public Works and Transportation.

By Mr. BONKER:

H.R. 6377. A bill to provide certain authorizations for the project for navigation improvement of Grays Harbor and Chehalis River and Hoquiam River, Washington; to the Committee on Public Works and Transportation.

By Mr. BROOMFIELD:

H.R. 6378. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of California:

H.R. 6379. A bill to establish a nonprofit center for long-term environmental research and for other purposes; to the Committee on Science and Technology.

By Mr. BROWN of California (for himself, Mr. TEAGUE, and Mr. WINN):

H.R. 6380. A bill to establish a national climate program, and for other purposes; to the Committee on Science and Technology.

By Mr. BURKE of Massachusetts (for himself, Mr. FRASER, Mr. LOTT, Mr. PEPPER, Mr. ROSE, Mr. STEERS, Mr. TREEN, and Mr. WINN):

H.R. 6381. A bill to provide that certain persons who were originally appointed as SSI hearing examiners under pre-1976 provisions of title XVI of the Social Security Act shall without any restriction be deemed appointed as administrative law judges; jointly, to the Committees on Post Office and Civil Service, and Ways and Means.

By Mr. COUGHLIN (for himself, Mrs. HECKLER, Mr. MCCLORY, Mr. MARKS, and Mr. NEAL):

H.R. 6382. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. DELLUMS (for himself, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. CARR, Mr. CONYERS, Mr. DIGGS, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. GLICKMAN, Mr. HARRINGTON, Mr. HAWKINS, Mr. KASTENMEIER, Mr. MCCLOSKEY, Mrs. MEYNER, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. NIX, Mr. NOLAN, Mr. PATTISON of New York, Mr. ROSENTHAL, and Mr. STARK):

H.R. 6383. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 6384. A bill to amend the Trade Act of 1974 to reimburse the States for the amount of State unemployment insurance benefits paid to workers eligible to receive trade readjustment allowances; to the Committee on Ways and Means.

By Mr. DINGELL (for himself, Mr. BROYHILL, Mr. NOWAK, Mr. STEED, Mr. GILMAN, Mr. MCEWEN, Mr. FLIPPO, Mr. MILFORD, Mr. PRESSLER, Mr. BAFALIS, Mrs. LLOYD of Tennessee, Mrs. SMITH of Nebraska, Mr. LATTA, Mr. FREY, Mr. MARRIOTT, and Mr. HAGEDORN):

H.R. 6385. A bill to amend the Clean Air Act to establish certain motor vehicle emission standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN:

H.R. 6386. A bill to amend the Federal Reserve Act and the Federal Deposit Insurance Act to extend the 2-year prohibition on employment of bank regulators by insured banks and member banks to include bank holding companies; to the Committee on Banking, Finance and Urban Affairs.

H.R. 6387. A bill to amend the act of September 24, 1959, to limit congressional members of the Advisory Commission on Intergovernmental Relations to single 2-year terms; to the Committee on Government Operations.

H.R. 6388. A bill to amend the Employment Act of 1946 to limit the terms of membership on the Joint Economic Committee; to the Committee on Rules.

By Mr. EDWARDS of Alabama:

H.R. 6389. A bill to amend the Wild and Scenic Rivers Act; to the Committee on Interior and Insular Affairs.

H.R. 6390. A bill to amend the Internal Revenue Code of 1954 with respect to certain annuity contracts; to the Committee on Ways and Means.

By Mr. FLOOD:

H.R. 6391. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.R. 6392. A bill to require the Secretary of Transportation to establish mandatory operating procedures to reduce noise, conserve fuel, and improve the degree of safety in the operation of civil turbojet powered aircraft in the United States, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. GONZALEZ:

H.R. 6393. A bill to amend title 38 of the United States Code in order to require that all Federal retirement or annuity payments be disregarded in determining annual income under the veterans' pension laws; to the Committee on Veterans' Affairs.

By Mr. HAMMERSCHMIDT (for himself, Mr. ROSE, Mr. GILMAN, Mr. RINALDO, and Mr. KETCHUM):

H.R. 6394. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veterans' Affairs.

By Mr. HARRINGTON (for himself, Mr. HOWARD, Mr. HUGHES, Mr. JENRETTE, Mr. KEMP, Mr. KOSTMAYER, Mr. LENT, Mr. LOTT, Mr. MARKEY, Mr. Mr. MOAKLEY, Mr. NIX, Mr. PIKE, Mr. RODINO, Mr. ROSE, Mr. ST GERMAIN, Mr. SOLARZ, Mrs. SPELLMAN, Mr. VAN DEERLIN, Mr. WHITEHURST, Mr. WON PAT, Mr. YOUNG of Alaska, and Mr. AKAKA):

H.R. 6395. A bill to amend title XI of the Merchant Marine Act, 1936, to allow guarantees for fishing vessels to equal 87½ percent of actual cost; to the Committee on Merchant Marine and Fisheries.

By Mr. HARRINGTON (for himself, Mr. AUCOIN, Mr. BADILLO, Mr. BEARD of Rhode Island, Mr. BOLAND, Mr. DE LUGO, Mr. DOWNEY, Mr. EMERY, Mr. FASCELL, Mr. FUQUA, and Mr. HAWKINS):

H.R. 6396. A bill to amend title XI of the Merchant Marine Act, 1936, to allow guarantees for fishing vessels to equal 87½ percent of actual cost; to the Committee on Merchant Marine and Fisheries.

By Mr. HEFNER (for himself, Mr. JONES of North Carolina, Mr. MARTIN, Mr. NEAL, and Mr. PREYER):

H.R. 6397. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. HILLIS:

H.R. 6398. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from active military service under less than honorable conditions are administratively upgraded under the revised standards as implemented by the Department of Defense's special discharge review program; to the Committee on Veterans' Affairs.

By Ms. HOLTZMAN:

H.R. 6399. A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that act may have wage differentials based on sex of the employees; to the Committee on Education and Labor.

By Ms. HOLTZMAN (for herself, Mr. BRODHEAD, Ms. BURKE of California, Mr. CONTE, Mr. FISH, Mr. HOWARD, Mr. KOCH, Mr. MCHUGH, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. PATTERSON of California, Mr. PATTISON of New York, Mr. RANGEL, Mr. ROE, and Mr. STOKES):

H.R. 6400. A bill to amend titles IV, XI, and XIX of the Social Security Act to increase the Federal matching rate for purposes of reimbursement to States under the programs of aid to needy families with children and medical assistance; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. JOHNSON of California (for himself, Mr. ROBERTS, and Mr. DON H. CLAUSEN):

H.R. 6401. A bill to authorize appropriations for the administration of the Deepwater Port Act of 1974; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. KOCH:

H.R. 6402. A bill making appropriations to carry out the grant program established in the Museum Services Act during fiscal year 1978; to the Committee on Appropriations.

By Mr. KOSTMAYER:

H.R. 6403. A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Delaware River as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 6404. A bill to amend the Urban Mass Transportation Act of 1964 to extend the period during which Federal operating assistance is provided under section 17 of such act; to the Committee on Public Works and Transportation.

By Mr. LEGGETT (for himself, Mr. FORSYTHE, Mr. RUPPE, Mr. DE LA GARZA, Mr. BREAUX, Mr. MCCLOSKEY, Mr. BOWEN, Mr. AUCOIN, Mr. EMERY, Mr. OBERSTAR, Mr. HUGHES, Mr. TRIBLE, and Mr. AKAKA):

H.R. 6405. A bill to amend the Endangered Species Act of 1973 regarding the requirements for State cooperative programs thereunder and to authorize appropriations through fiscal year 1981 to carry out such programs; to the Committee on Merchant Marine and Fisheries.

By Mr. LUNDINE (for himself, Mr. ASHLEY, Mrs. COLLINS of Illinois, Mr. CORNWELL, Mr. EDWARDS of California, Mr. ERTEL, Mr. KASTENMEIER, and Mr. WATKINS):

H.R. 6406. A bill to provide for a program, to be carried out through the Secretary of Labor, of projects and an advisory council to promote economic stability by increasing productivity, improving job security, encouraging retention of jobs in lieu of cyclical layoffs, and promoting the better use of human resources in employment; jointly to the Committees on Banking, Finance and Urban Affairs, and Education and Labor.

By Mr. MADIGAN:

H.R. 6407. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. MAGUIRE:

H.R. 6408. A bill to amend the Public Health Service Act to encourage the formation of comprehensive medical practices, to encourage medical training in such practices, to encourage the study of systems of delivery of health care, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAZZOLI:

H.R. 6409. A bill to amend the Marine Mammal Protection Act of 1972 to allow the commercial tuna fishing fleet to continue operations while exercising due care to reduce incidental porpoise mortality to insignificant levels approaching near zero; to the Committee on Merchant Marine and Fisheries.

By Mr. MAZZOLI (for himself, Mr. RODINO, Mr. BAUMAN, Mrs. HOLT, Mr. STEERS, Mr. FRASER, Mr. FAUNTROY, Mr. MARKS, Mr. DELLUMS, Mr. MCKINNEY, Mr. HARRIS, Mrs. MEYNER, Mr. FISHER, Mrs. SPELLMAN, Mr. WHALEN, Mr. STARK, Mr. APPLEGATE, and Ms. MIKULSKI):

H.R. 6410. A bill to establish an actuarially sound basis for financing retirement benefits for policemen, firemen, teachers, and judges of the District of Columbia and to make certain changes in such benefits; to the Committee on the District of Columbia.

By Mr. MIKVA:

H.R. 6411. A bill to amend title XVIII of the Social Security Act for the purpose of including outpatient rehabilitation services among the benefits of the medicare program; jointly, to the committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. MINETA (for himself, Mr. PHILLIP BURTON, Mr. JENRETTE, Mr. COUGHLIN, Mr. BROWN of California, Mr. HUGHES, Mr. SCHEUER, Mr. WALGREN, Mr. ANDERSON of California, Mr. MCCLOSKEY, Mr. MURPHY of New York, Mr. LEGGETT, Mr. PRITCHARD, Mr. FORD of Michigan, Mr. HARRIS, Mr. LUNDINE, Mr. KILDEE, Mr. WEISS, Mr. CORMAN, Mr. GILMAN, Mr. BONIOR, Mr. SIMON, Mr. FORSYTHE, and Mr. SOLARZ):

H.R. 6412. A bill to amend title 5, United States Code, to provide that Japanese-Americans shall be allowed civil service retirement credit for time spent in World War II internment camps; to the Committee on Post Office and Civil Service.

By Mr. MINETA (for himself, Mr. LONG of Maryland, Mr. BOLAND, Mr. GRADISON, Mr. BLANCHARD, Mr. MOAKLEY, Mr. EDGAR, Mr. LEHMAN, Mr. WHITEHURST, Mr. BRODHEAD, Mr. EILBERG, Mr. STARK, Mr. HANNAFORD, Mr. KOSTMAYER, Mr. RICHMOND, Mr. WIRTH, Mr. ROSE, Mr. STEERS, Mr. ERTEL, Mr. HAWKINS, Mr. RYAN, Mr. WAXMAN, Mrs. SPELLMAN, Mr. NIX, and Mr. BAUCUS):

H.R. 6413. A bill to amend title 5, United States Code, to provide that Japanese-Americans shall be allowed civil service retirement credit for time spent in World War II internment camps; to the Committee on Post Office and Civil Service.

By Mr. MINETA (for himself, Mr. DANIELSON, Mr. JOHN L. BURTON, Mr. PATTERSON of California, Mrs. BURKE of California, Mr. EDWARDS of California, Mr. SISK, Mr. LLOYD of California, Mr. HYDE, Mr. WRIGHT, Mr. ROYBAL, Mr. CHARLES H. WILSON of California, Mr. DELLUMS, Mr. JOHNSON of California, Mr. DRINAN, Mr. MITCHELL of Maryland, Mr. AKAKA, Mr. WEAVER, Mr. BALDUS, Mr. PANETTA, Mr. SHARP, Mr. FAUNTROY, Mr. DERRICK, Mr. HEFTEL, and Mr. KREBS):

H.R. 6414. A bill to amend title 5, United States Code, to provide that Japanese-Americans shall be allowed civil service retirement credit for time spent in World War II internment camps; to the Committee on Post Office and Civil Service.

By Mr. NEAL (for himself, Mr. AUCOIN, Mr. TSONGAS, Mr. PATTISON of New York, Mr. CAVANAUGH, Mr. BLANCHARD, Mr. HANNAFORD, Mr. EVANS of Indiana, Mr. LUNDINE, Mr. VENTO, Mr. BARNARD, Mr. WATKINS Ms. OAKAR, Mr. STANTON, Mr. HYDE, Mrs. FENWICK, Mr. HOLLENBECK, Mr. STEERS, and Mr. LEACH):

H.R. 6415. A bill to extend and amend the Export-Import Bank Act of 1945; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NIX (for himself, Mrs. FENWICK and Mr. SKELTON):

H.R. 6416. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

By Mr. NIX (for himself and Mr. LEDERER):

H.R. 6417. A bill to designate the birthday of Martin Lurther King, Jr., as a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 6418. A bill to amend chapter 5 of title 37, United States Code, to make permanent the special pay provisions for reenlistment and enlistment bonuses, and for other purposes; to the Committee on Armed Services.

By Mr. RICHMOND:

H.R. 6419. A bill to establish the Federal Municipal Bond Guarantee Administration to guarantee municipal bonds, and to provide that the interest on certain Government obligations shall be taxable income; jointly, to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. RICHMOND (for himself, Mr. BADILLO, Mr. BINGHAM, Mr. CAPUTO, Mr. CORRADA, Mr. DICKS, Mr. DIGGS, Mr. DOWNEY, Mr. FAUNTROY, Ms. HOLTZMAN, Mr. JENRETTE, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PRICE, Mr. SCHEUER, Mr. SIMON, and Mr. SOLARZ):

H.R. 6420. A bill to amend the U.S. Housing Act of 1977 to enable local public housing agencies to enter into security arrangements designed to prevent crimes and otherwise insure the safety and well-being of public housing tenants; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RICHMOND (for himself, Mr. BEDELL, Mr. BLANCHARD, Mr. BONIOR, Mr. BONKER, Mr. COUGHLIN, Mr. FISH, Ms. HOLTZMAN, Mr. HOWARD, Mr. HUGHES, Mr. KASTENMEIER, Ms. KEYS, Mr. LAFALCE, Mr. MCKINNEY, Mr. MOAKLEY, Mr. MOFFETT, Mr. NOLAN, Mr. OTTINGER, Mr. PATTISON of New York, Mr. ROSENTHAL, Mr. SIMON, Mr. STUDDS, Mr. TRAXLER, and Mr. WEISS):

H.R. 6421. A bill to establish within the Federal Energy Administration a program of Federal matching grants to assist States and localities in providing solar energy systems for public buildings and facilities; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RICHMOND (for himself, Mr. CHARLES WILSON of Texas, and Mr. CHARLES H. WILSON of California):

H.R. 6422. A bill to establish within the Federal Energy Administration a program of Federal matching grants to assist States and localities in providing solar energy systems for public buildings and facilities; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RICHMOND (for himself, Mr. BLOUIN, Mr. COHEN, Mr. DELANEY, Mr. HORTON, Mr. JONES of North Carolina, Mr. LUNDINE, Ms. MEYNER, Mr. NOLAN, Mr. PANETTA, Mr. PATTISON of New York, Mr. ROBINSON, Mr. ROSE, Mr. SCHEUER, and Mr. WALGREN):

H.R. 6423. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

By Mr. RISENHOOVER:

H.R. 6424. A bill to protect the health and welfare of the Nation's meat and dairy producers and consumers; to the Committee on Agriculture.

H.R. 6425. A bill to provide for the adjustment of geographic boundaries of standard metropolitan statistical areas for the purpose of Federal assistance programs; to the Committee on Government Operations.

H.R. 6426. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

H.R. 6427. A bill to amend title 28, United States Code, to allow certain civil actions against the United States to be prosecuted in the district courts of the United States; to the Committee on the Judiciary.

H.R. 6428. A bill to prevent the discharge in bankruptcy of debts becoming due within 5 years of filing in bankruptcy on educational loans provided for in Federal loan programs; to the Committee on the Judiciary.

H.R. 6429. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

H.R. 6430. A bill to amend title 18 of the United States Code to provide the death penalty for certain destructive acts to airports, airplanes, and related things and places; to the Committee on the Judiciary.

H.R. 6431. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

H.R. 6432. A bill providing for an emergency off-system bridge replacement program; to the Committee on Public Works and Transportation.

H.R. 6433. A bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs; to the Committee on Ways and Means.

H.R. 6434. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

H.R. 6435. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

H.R. 6436. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself and Mr. KOCH):

H.R. 6437. A bill to establish an Agency for Consumer Protection in order to secure within the Federal Government effective protection and representation of the interests of

consumers, and for other purposes; to the Committee on Government Operations.

By Mr. ROYBAL:

H.R. 6438. A bill to authorize financial assistance for service, employment, and redevelopment centers; to the Committee on Education and Labor.

By Mr. SAWYER (for himself, Mr. BAUCUS, Mr. CONABLE, and Mr. PURSELL):

H.R. 6439. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. SISK (for himself and Mr. PANETTA):

H.R. 6440. A bill to amend the Public Health Service Act to provide financial assistance to medical facilities for treatment of certain aliens; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK (for himself, Mr. FISHER, Mr. GILMAN, Mrs. HECKLER, Mr. TRAXLER, and Mr. VENTO):

H.R. 6441. A bill to amend the Immigration and Nationality Act to facilitate the adoption of more than two children; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 6442. A bill to amend title II of the Social Security Act to provide that the remarriage of a widow, widower, or parent shall not terminate his or her entitlement to widow's, widower's, or parent's insurance benefits or reduce the amount thereof; to the Committee on Ways and Means.

H.R. 6443. A bill to authorize the Secretary of the Interior to amend the repayment contract of the Mirage Flats Irrigation District and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. THONE (for himself and Mr. RAILSBACK):

H.R. 6444. A bill to create a body corporate known as Daughters of Union Veterans of the Civil War, 1861–1865; to the Committee on the District of Columbia.

By Mr. THONE (for himself, Mr. FAUNTROY, Mr. NEDZI, Mr. MURPHY of Pennsylvania, Mr. ERTEL, Mr. MAZZOLI, Mr. DERWINSKI, Mrs. FENWICK, Mr. ABDNOR, Mr. MONTGOMERY, Mr. MURPHY of Illinois, Mr. LAFALCE, Mr. JOHN T. MYERS, Mr. BADILLO, Mr. ANDREWS of North Dakota, Mr. PRESSLER, Mr. BAUCUS, Mr. BURGENER, Mr. COLLINS of Texas, Mr. EDWARDS of Oklahoma, Mr. SEBELIUS, and Mr. WINN):

H.R. 6445. A bill to amend the Internal Revenue Code of 1954 to authorize a tax credit for certain expenses of providing higher education; to the Committee on Ways and Means.

By Mr. TRAXLER (for himself, Mr. HEFTEL, Mr. ERTEL, Mr. NEAL, Mr. ST GERMAIN, Mr. CAVANAUGH, Mr. MAGUIRE, Mr. MURPHY of Illinois, Mr. BRODHEAD, Mr. LENT, Mr. FAUNTROY, Mr. JOHN L. BURTON, Mr. MATHIS, Mr. VOLKMER, Mr. FASCELL, Mrs. SPELLMAN, Mr GAYDOS, Mr. SISK, Mr. FARY, and Mr. PRITCHARD):

H.R. 6446. A bill to provide for the monthly publication of a Consumer Price Index for the Aged and Other Social Security Beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. TRAXLER (for himself, Mr. LEDERER, Mr. ROSE, Mr. ZEFERETTI, Mr. THOMPSON, Mr. BROWN of California, and Mr. KOCH):

H.R. 6447. A bill to provide for the monthly publication of a Consumer Price Index for the Aged and Other Social Security Beneficiaries, which shall be used in the provision of the cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. UDALL (for himself and Mr. ROE):

H.R. 6448. A bill to provide for limited public financing of congressional general election campaigns, to provide that candidates receiving public funds in Presidential elections may accept certain contributions and make increased expenditures, and for other purposes; to the Committee on House Administration.

By Mr. VANDER JAGT:

H.R. 6449. A bill to amend section 709 of title 32, United States Code, to provide increased job protection for certain civilian National Guard technicians, and for other purposes; to the Committee on Armed Services.

H.R. 6450. A bill to provide recognition to the Women's Air Force Service Pilots for their service to their country during World War II by deeming such service to have been active duty in the Armed Forces of the United States for purposes of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. WAMPLER:

H.R. 6451. A bill to establish a National Agricultural Research, Extension, and Teaching Policy Advisory Board, and for other purposes; to the Committee on Agriculture.

By Mr. WHITEHURST (for himself, Mr. CHAPPELL, Mr. HUGHES, Mr. LAFALCE, and Mrs. SPELLMAN):

H.R. 6452. A bill to give the Food and Drug Administration greater discretion in the control of food additives; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST (for himself and Mr. AMMERMAN):

H.R. 6453. A bill to require the Secretary of the Interior to make a comprehensive study of the wolf for the purpose of developing adequate conservation measures, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITEHURST (for himself, Mr. BADHAM, Mr. GILMAN, Mrs. HECKLER, and Mr. NEAL):

H.R. 6454. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare economic impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies; to the Committee on Rules.

By Mr. WHITEHURST (for himself and Ms. HOLTZMAN):

H.R. 6455. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself and Mrs. HECKLER):

H.R. 6456. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

By Mr. WIRTH (for himself, Mr. HANNAFORD, Mr. BENJAMIN, Mr. HIGHTOWER, Mr. HYDE, Mr. NEAL, Mr. VENTO, Mr. WALGREN, and Mr. WEISS):

H.R. 6457. A bill to prohibit the use of Federal funds for certain activities designed to support or defeat any legislation or legislative issue on the ballot in any State; to the Committee on the Judiciary.

By Mr. WON PAT:

H.R. 6458. A bill to provide countercyclical fiscal assistance funds for Guam and the Virgin Islands; to the Committee on Government Operations.

H.R. 6459. A bill to regulate certain interstate commerce and to assure that essential maritime transportation is provided, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 6460. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to provide social security coverage (for both benefit and tax purposes) with respect to wages paid certain nonimmigrant alien residents of the Republic of the Philippines while in Guam; to the Committee on Ways and Means.

By Mr. BEDELL (for himself, Mr. JOHN L. BURTON, Mr. DELLUMS, and Mr. MILLER of California):

H.J. Res. 396. Joint resolution to support the goals of the U.S. Delegation to the Law of the Sea Conference in reaching an equitable and effective international agreement; to the Committee on International Relations.

By Mr. BURLISON of Missouri (for himself, Mr. CARR, and Mr. PATTERSON of California):

H.J. Res. 397. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and the Vice President of the United States; to the Committee on the Judiciary.

By Mr. RISENHOOVER:

H.J. Res. 398. Joint resolution to designate the square dance as the national dance of the United States; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (for himself, Mr. FUQUA, Mr. WINN, Mr. BROWN of California, Mr. FREY, Mr. MILFORD, Mr. PURSELL, Mr. HARKIN, Mr. RUDD, Mr. AMBRO, Mr. DORNAN, Mr. KRUEGER, Mrs. LLOYD of Tennessee, Mr. DOWNEY, Mr. WALGREN, Mr. FLIPPO, Mr. GLICKMAN, Mr. GAMMAGE, and Mr. TONRY):

H.J. Res. 399. Joint resolution requesting the President to proclaim the period of July 16 through 24 of each year as U.S. Space Observance; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST (for himself and Mr. COUGHLIN):

H.J. Res. 400. Joint resolution calling for a wildlife preserve for humpback whales in the West Indies; to the Committee on International Relations.

By Mr. WHITEHURST (for himself, Mr. BONIOR, and Mr. WEISS):

H. Con. Res. 197. Concurrent resolution calling for a regional conservation treaty to protect northern hemisphere pinnipeds; to the Committee on International Relations.

By Mr. BURKE of Massachusetts (for himself, Mr. D'AMOURS, Mr. LUKEN, and Mr. TUCKER):

H. Res. 503. Resolution expressing the sense of the House of Representatives with respect to the President's action of April 1, 1977, regarding import relief for the nonrubber footwear industry; to the Committee on Ways and Means.

By Mr. KOSTMAYER:

H. Res. 504. Resolution concerning com mittee hearings on the future telecommunication policy of the Nation; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTTL:

H. Res. 505. Resolution directing the Committee on Ways and Means to investigate and study the feasibility of increasing the Social Security Trust Fund through the imposition of a severance tax on certain natural resources and, if such tax is found to be feasible, to direct such committee to draft legislation based on the findings of that investigation and study; to the Committee on Rules.

By Mr. SAWYER:

H. Res. 506. Resolution to express the disapproval of the House of Representatives with respect to a proposed increase by the Small Business Administration in the size of businesses, in certain industries, which are eligible for Government procurement contract assistance under the Small Business Act; to the Committee on Small Business.

By Mrs. SMITH of Nebraska:

H. Res. 507. Resolution to authorize the President to issue a proclamation designating the first week in April each year, as National Rural Health Week; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 6461. A bill for the relief of Francisco Munoz; to the Committee on the Judiciary.

H.R. 6462. A bill for the relief of Jose Munoz; to the Committee on the Judiciary.

By Mr. McKAY:

H.R. 6463. A bill providing for reinstatement and validation of U.S. oil and gas leases Nos. U-12871, U-12872, U-12874, U-12875, U-12876, U-12876, U-12877, U-12878 and U-12881, and U-13666; to the Committee on Interior and Insular Affairs.

PETITIONS, ETC.

Under clause I of rule XXII,

88. The SPEAKER presented a petition of the city council, Santa Fe, N. Mex., relative to providing funds for low-cost spaying and neutering clinics; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5970

By Mr. CORNWELL:

Page 22, line 2, strike out "1½" and insert in lieu thereof "3".

By Mr. ERTEL:

Page 28, after line 2, insert the following new section:

SEC. 810. (a) Notwithstanding any other provision of law, and except as provided in subsection (c), no action may be taken to effect or implement—

(1) the closure of any military installation;

(2) a reduction in the authorized level of civilian personnel at any military installation by more than one thousand or 50 per centum, whichever is smaller, in any twelve-month period; or

(3) any construction, conversion, or rehabilitation at any military facility other than a military installation referred to in paragraph (1) or (2) (regardless of whether such military facility is a military installation as defined in subsection (d)) which will or may be required as a result of any relocation of civilian personnel to such military facility by reason of any closure or reduction in force to which this section applies,

unless and until the provisions of subsection (b) are complied with.

(b) No action described in subsection (a) with respect to the closure of, or a reduction in force at, a military installation may be taken—

(1) unless the Secretary of Defense or the Secretary of the military department concerned—

(A) notifies Congress in writing that such military installation is a candidate for such a closure or significant reduction in force;

(B) after complying with subparagraph (A), complies with all terms, conditions, and requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the proposed closure or reduction in force; and

(C) after complying with subparagraph (B), notifies the Committees on Armed Services of the Senate and House of Representatives of the final decision to carry out the proposed closure or reduction in force and submits to such committees a detailed justification for such decision, including statements of the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences of such closure or reduction in force; and

(2) until a period of sixty days has elapsed following the date on which the justification required by paragraph (1)(C) is received by such committees.

(c) This section shall not apply to the closure of a military installation or a reduction in force at a military installation if the President certifies to the Congress that such closure or reduction in force must be implemented for reasons of national security or a military emergency.

(d) For purposes of this section:

(1) The term "military installation" means any camp, post, station, base, yard, or other facility under the authority of the Department of Defense—

(A) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

(B) at which not less than five hundred civilian personnel are authorized to be employed.

(2) The term "civilian personnel" means direct-hire, permanent civilian employees of the Department of Defense.

(e) This section shall apply with respect to the closure of any military installation and any reduction in force at any military installation which is first publicly announced on or after January 1, 1976.

Page 28, line 3, strike out "810" and insert in lieu thereof "811".

By Mr. HUGHES:

On page 28, after line 2, insert the following new section (and redesignate section 810 as 811):

SEC. 810. (a) No officer who is on a retired list of the Army, Navy, Marine Corps, or Air Force in the grade of colonel or captain (Navy), or above, and no former officer of the Army, Navy, Marine Corps, or Air Force who served in such grade at any time during the 12-month period preceding his separation from the armed forces may, during the 3-year period beginning on the date such officer is discharged or released from active duty, be employed by, or accept compensation for employment from, any person who is or has been a party to any contract for the provision of goods or services to the United States if such officer or former officer, while serving on active duty in the grade of colonel or captain (Navy), or higher, during the 3-year period ending with such discharge or release from active duty, participated personally and substantially, through decision, recommendation, investigation, or otherwise, in the awarding of such contract.

(b) Any person who violates subsection (a) shall be assessed a civil penalty of the amount of compensation received by such person in the course of, or as a result of, such violation.

(c) This section shall apply to any retired officer or former officer described in subsection (a) who is discharged or released from active duty after the end of the six-month period beginning with the date of enactment of this section.

By Mr. LE FANTE:

(Offered to the Amendment Offered by Mr. COHEN.)

Strike out paragraph (2) of subsection (a) of the proposed section 810 and insert in lieu thereof the following:

(2) a reduction in the authorized level of civilian personnel at any military installation—

(A) by more than one thousand or 50 per centum, whichever is smaller, in any twelve-month period; or

(B) by more than 250 in any twelve-month period, if the average rate of unemployment in the labor market area (as determined by the Secretary of Labor) in which the military installment is located is in excess of 8.5 per centum when measured over the three-year period ending with the date of the first public announcement of such reduction by the Department of Defense; or

By Mr. GARY A. MYERS:

Page 28, after line 2, insert the following new section:

SEC. 810. (a) (1) Each civilian officer or employee of the Department of Defense and each member of the Armed Forces who performs a decision-making function in the handling of any contract, or any bid or proposal for any contract, for which funds are authorized to be appropriated under this Act shall provide for the record a written statement identifying any significant financial interest he has in the contract or the person submitting the bid or proposal, as the case may be. Notwithstanding any other provision of law, if such officer, employee, or member has a significant financial interest in any such contractor, the statement required by this subsection shall be made available to the public.

(2) The Secretary of Defense shall take appropriate disciplinary action (which may include removal from office, termination of employment, or separation from the Armed Forces, as appropriate) against any civilian officer or employee of the Department of Defense or any member of the Armed Forces who knowingly violates paragraph (1).

(b) (1) Not later than the end of the 90-day period beginning on the date of enactment of this Act, the Secretary of Defense shall issue regulations to implement this section. Such regulation shall define "significant financial interest" and "decision-making function" for purposes of this section.

(2) The Secretary of Defense shall submit a report to the Congress not later than June 1, 1978, and annually thereafter, concerning the administration and enforcement of this section during the preceding calendar year.

Page 28, line 3, strike out "810" and insert in lieu thereof "811".

By Mr. QUAYLE:

Page 25, line 24, insert "(a)" after "Sec. 808.".

Page 26, after line 15, insert the following new subsection:

(b) (1) The Secretary of Defense may not conduct any test, experiment, or study involving the use of any chemical or biological agent on civilian populations unless local civilian officials in the area in which the test, experiment, or study is to be conducted are notified in advance of such test, experiment, or study, and such test, experiment, or study may then be conducted only after the expiration of the 30-day period beginning on the date of such notification.

(2) Paragraph (1) shall apply to tests, experiments, and studies conducted by Department of Defense personnel and tests, experiments, and studies conducted on behalf of the Department of Defense by contractors.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of April 6, 1977, page 10838:

H.R. 1101. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a medical deduction, without regard

to the three percent floor, for those expenses paid for the medical care of the taxpayer, his spouse, or any dependent of the taxpayer, if that individual is mentally retarded or handicapped.

H.R. 1102. January 4, 1977. Ways and Means. Establishes on the books of the Treasury a fund to be known as the "United States Olympic Fund." Allows an individual taxpayer to designate that $1 of any overpayment of his tax, or $1 of any contribution which he makes with his return be available to such fund.

Provides that amounts in the fund shall be available as stated in appropriation Acts, to the United States Olympic Committee, for specified purposes.

H.R. 1103. January 4, 1977. Ways and Means. Directs the Secretary of Labor to reimburse States for unemployment compensation paid to a member of a group of employees certified by the Secretary as having a significant number or proportion of members totally or partially unemployed, or threatened with such unemployment, primarily due to the inability of an employer to obtain an adequate supply of natural gas.

H.R. 1104. January 4, 1977. Post Office and Civil Service; House Administration. Expands to cover the legislative branch the prohibition of the employment by any public official of any relative of such public official in an agency in which such official serves or over which such official exercises jurisdiction or control.

H.R. 1105. January 4, 1977. Armed Services. Makes it unlawful for any individual or organization to enroll, or attempt to enroll, any member of the Armed Forces serving on active duty in any organization which would act as a representative of such member with respect to terms and conditions of service in the Armed Forces. Sets forth penalties for violations of this act.

H.R. 1106. January 4, 1977. Veterans' Affairs. Provides that the Administrator of Veterans' Affairs shall establish the Fort Mitchell Regional Veterans' Cemetery in Russell County, Ala., if the Russell County Commission donates land in the Fort Mitchell area and the Administrator and the Commission mutually agree to pay for it.

H.R. 1107. January 4, 1977. Education and Labor. Amends the Civil Rights Act of 1964 to include as an unlawful employment practice discrimination on the basis of physical handicap.

H.R. 1108. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit air carriers from denying air transportation to physically handicapped individuals solely because of such handicap.

H.R. 1109. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1110. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide a limited, refundable tax credit to persons age 65 or over for the real property taxes, or 25 percent of the rent, they pay for their principal residences.

H.R. 1111. January 4, 1977. Judiciary; Education and Labor. Removes the authority of any United States court to make any decision, enter any judgment, or issue any order whose effect would be to require a pupil to attend a public school other than the one nearest his residence.

Forbids any Federal department, agency, officer, or employee empowered to extend financial assistance to any program or activity to withhold or threaten to withhold such funds in order to induce implementing or continuing a plan or program whose effect would be to assign a pupil to a public school other than the one nearest his residence.

H.R. 1112. January 4, 1977. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on articles assembled abroad with components produced in the United States.

H.R. 1113. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to include in the coverage provided under such programs the services of licensed (registered) nurses.

H.R. 1114. January 4, 1977. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist in the development of additional personnel training programs in geriatrics.

Amends the National Labor Relations Act to make it an unfair labor practice for an employer to discriminate against any employee who has given testimony before any congressional committee or Federal agency or department.

H.R. 1115. January 4, 1977. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to eliminate age limitations with respect to the requirement that all personnel actions affecting employees or applicants for employment in Federal agencies, the United States Postal Service, or the District of Columbia government be taken without regard to such employees' or applicants' age.

H.R. 1116. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to remove the limits on the number of home health visits covered by Medicare. Expands the coverage of Medicare to include periodic chore services, hospital outreach services, and coverage of health and supportive services furnished in elderly day care centers.

Requires the establishment of a review plan which is adapted to meet the non-institutional nature of home health services.

H.R. 1117. January 4, 1977. Interstate and Foreign Commerce; Ways and Means. Establishes within the Department of Health, Education, and Welfare a Home Health Clearinghouse to consolidate information on services and benefits available to the elderly.

Creates in the Department an Assistant Secretary for Elderly Health.

H.R. 1118. January 4, 1977. Education and Labor. Directs the Secretary of Health, Education, and Welfare to make grants to States having approved comprehensive plans for providing counseling assistance to the elderly, such grants to be distributed on the basis of statewide need and priorities. Permits the use of grants to fund preretirement and career counseling programs, referral services, community activities, and counseling for families of sick and disabled senior citizens.

H.R. 1119. January 4, 1977. Education and Labor; Judiciary. Amends the Older Americans Act of 1965 to authorize the Commissioner of the Administration on Aging to make grants to public or nonprofit private agencies or organizations for the purpose of providing legal assistance to individuals who are 60 years of age or older and who are unable to afford legal assistance in connection with their eligibility for home health care pursuant to Title XVIII (Medicare), Title XIX (Medicaid), and Title XX (Grants to States for Services) of the Social Security Act.

H.R. 1120. January 4, 1977. Ways and Means. Amends Title XX (Grants to States for Services) of the Social Security Act to reallot unused social services funds to States which will use such funds during the succeeding year in preventing or reducing inappropriate institutional care.

Allocates additional Federal matching funds for multipurpose senior center programs. Directs the Secretary of Health, Education, and Welfare to clarify and standardize the eligibility requirements applicable to the provision of assistance to multipurpose senior centers.

H.R. 1121. January 4, 1977. Banking, Finance and Urban Affairs. Amends the National Housing Act to direct the Secretary of Housing and Urban Development to give special emphasis to insuring mortgages covering medical practice facilities which are primarily for the purpose of providing preventive, diagnostic, and treatment services to elderly outpatients, and to insure mortgages made in connection with senior centers offering health, nutritional, recreational, and social facilities to elderly persons, regardless of whether such centers offer housing facilities.

Amends the Housing and Community Development Act of 1974 to authorize additional grants for the construction or maintenance of a senior center providing recreational, health, and nutritional services.

H.R. 1122. January 4, 1977. Ways and Means. Authorizes a tax deduction, under the Internal Revenue Code, for any taxpayer who contributes the right to use any real property owned by the taxpayer to a tax-exempt organization for use by a multipurpose senior citizen center or outpatient geriatric clinic.

H.R. 1123. January 4, 1977. Education and Labor; Interstate and Foreign Commerce; Ways and Means. Amends the Older Americans Act of 1965 by specifying the amount authorized to be appropriated in fiscal year 1978 for purposes of informational exchange on the subject of retraining programs for older Americans. Allows the Secretary of Health, Education, and Welfare to make grants under such Act to cover the cost of administering and operating multipurpose senior centers.

Declares it the sense of Congress that any Federal legislation establishing a national health insurance program should include specified provisions relating to the availability of home health service.

H.R. 1124. January 4, 1977. Appropriations. Appropriates a supplemental amount for carrying out the home health services provisions of the Health Revenue Sharing and Health Services Act. Appropriates specified sums for the purpose of making multipurpose senior center grants under the Older Americans Act of 1965.

H.R. 1125. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XI (General Provisions) of the Social Security Act to provide that any patient of a nursing home or intermediate care facility which is participating in the hospital insurance program under Title XVIII (Medicare) or Title XIX (Medicaid) of the Social Security Act shall have the right to terminate any contract entered into for his or her care in such home or facility upon giving the home or facility at least 30 days' written notice. Prohibits such a facility from requiring any patient to turn over to it any periodic benefit check or other income received after the patient has given such notice.

H.R. 1126. January 4, 1977. Interstate and Foreign Commerce. Amends the Health Revenue Sharing and Health Services Act and the Social Security Act to allow the Secretary of Health, Education, and Welfare to make grants and loans to fund home health services, annual health fairs, community care services, and mobile health facilities for the elderly. Expands the medical coverage of the Social Security Act to include preventive health care, diagnostic services, hearing aids, food care, dental care, vision aids, and specified care and services for the elderly.

Amends the Public Health Service Act to require that $20,000,000 be obligated for grants and contracts for emergency medical services systems for the elderly.

H.R. 1127. January 4, 1977. Ways and

Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for one comprehensive physical examination a year, dental care including dentures, eye examinations including eyeglasses, hearing aids including examination, treatment of foot conditions, and immunizations under the supplementary medical insurance program.

Sets forth measures to safeguard against consumer abuse in the provision of these items and services.

H.R. 1128. January 4, 1977. Interstate and Foreign Commerce. Amends Title XIX (Medicaid) of the Social Security Act to prohibit any expenditure to an individual to the extent to which an entity (other than a member of the individual's family) would be liable for payment for such care and services but for a provision of a contract or a State law which has the effect of limiting or excluding such liability. Allows a State to impose a lien against the estate of a deceased individual after the death of his surviving spouse on account of medical assistance paid on his behalf.

H.R. 1129. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to require automatic sprinkler systems in all skilled nursing facilities and intermediate care facilities certified for participation in the Medicare or Medicaid programs unless a waiver of such requirement is granted in accordance with conditions set forth in this Act.

Establishes a program of low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems.

H.R. 1130. January 4, 1977. Interstate and Foreign Commerce; Ways and Means. Establishes a Long-Term Care Services program under the Medicare program of the Social Security Act to provide home health, homemakers, nutrition, long-term institutional care, day care, foster home, and outpatient mental health services. Specifies that these services shall be delivered by community long-term care centers under the direction and control of a State long-term care agency.

H.R. 1131. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to authorize reduced air fares for persons 60 years of age or older.

H.R. 1132. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exempt from excise tax buses purchased by tax exempt organizations or by other persons for exclusive use in furnishing transportation for a State or local government or a tax exempt organization (currently, transportation must be limited to students and employees of schools).

H.R. 1133. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide that the charitable deduction allowed for expenses incurred in the operation of a motor vehicle shall include the depreciation, operation and maintenance costs allocable to such operation and shall be determined in the same manner as for a business related deduction.

H.R. 1134. January 4, 1977. Ways and Means. Removes the limitation on the amount of outside income which an individual may earn while receiving benefits under Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act.

H.R. 1135. January 4, 1977. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to make the provisions, formerly applicable to persons between 40 and 60 years of age, applicable to anyone 40 years of age or older.

H.R. 1136. January 4, 1977. Banking, Finance and Urban Affairs; Interstate and Foreign Commerce; Ways and Means. Amends title XI (General Provisions) of the Social Security Act to authorize the establishment of an experimental program to provide in-home care for elderly individuals.

Amends title XVIII (medicare) to provide for in-home care, day care centers, and extended and intermediate care for the elderly under the supplementary medical insurance program. Amends title XVIII to provide for the creation of an alternative reimbursement formula which will allow specified hospitals to provide long-term care without applying proportional allocation of overhead costs to all patients in such facilities.

H.R. 1137. January 4, 1977. Education and Labor. Directs the Coordinating Council on Juvenile Justice and Delinquency Prevention to organize and convene a National Conference on Learning Disabilities and Juvenile Delinquency.

Directs the Conference to formulate methods of disseminating extant knowledge and the results of ongoing research related to learning disabilities and handicaps to appropriate agencies and individuals.

H.R. 1138. January 4, 1977. Education and Labor. Authorizes grants to assist States in providing high quality education in elementary and secondary schools and in equalizing educational opportunity within each State. Directs that States expend a portion of their grant in providing services to children enrolled in private nonprofit elementary and secondary schools.

H.R. 1139. January 4, 1977. Education and Labor. Amends the National School Lunch Act to extend through fiscal year 1982 food service programs for children in service institutions and the special supplemental food program.

Amends the Child Nutrition Act of 1966 to extend through fiscal year 1982 provisions to assist schools without a food service program and schools without the facilities to prepare or receive hot meals.

H.R. 1140. January 4, 1977. Government Operations. Establishes the Department of Education within the Executive branch of the Federal Government to take over specified functions of the Department of Health, Education, and Welfare and all of the functions of the Education Division of the Department of Health, Education, and Welfare.

Establishes the Federal Interagency Committee on Education to coordinate all Federal programs affecting education.

H.R. 1141. January 4, 1977. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to reduce the age at which railroad employees and their spouses become eligible for annuities under such act.

H.R. 1142. January 4, 1977. Science and Technology. Amends the Federal Nonnuclear Energy Research and Development Act of 1974 to authorize the Administrator of the Energy Research and Development Administration to guarantee loans for the development of synthetic fuels from domestic coal resources.

H.R. 1143. January 4, 1977. Veterans' Affairs. Provides that monthly social security benefit payments shall not be considered income for the purposes of determining the eligibility of veterans receiving a pension prior to June 30, 1960, and the eligibility of veterans for a non-service-connected disability pension.

H.R. 1144. January 4, 1977. Ways and Means. Amends the Social Security Act to provide that an individual who would be fully qualified at age 62 for benefits under the Old-Age, Survivors, and Disability Insurance program may qualify for disability benefits under such program if such individual has 40 quarters of coverage, regardless of when such quarters were earned.

H.R. 1145. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to eliminate the reduction in disability insurance benefits which is presently required in the case of an individual receiving workmen's compensation benefits.

H.R. 1146. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such act.

H.R. 1147. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act by entitling an individual to child's insurance benefits in the case of a child whose benefits were terminated by marriage and who becomes divorced before attaining age 22.

H.R. 1148. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to specify that entitlement of an employee's survivor to an annuity under the Railroad Retirement Act of 1937 will not prevent a lump-sum death payment from being made on such employee's wage record under title II provided that the survivor is not also entitled to a death payment under the Railroad Retirement Act.

H.R. 1149. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to decrease from 60 to 45 the entitlement age for otherwise qualified women to receive widow's insurance benefits.

H.R. 1150. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase to $750 the amount of lump-sum death payment allowed thereunder.

H.R. 1151. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) and title XVIII (medicare) of the Social Security Act and the Railroad Retirement Act to make an individual eligible to participate in the hospital insurance program if such individual was eligible to participate in such program on the basis of disability during a coverage preceding the first month in which he is under the disability on the basis of which he currently claims entitlement to such benefits.

H.R. 1152. January 4, 1977. Ways and Means. Interstate and Foreign Commerce. Amends title XVIII (medicare) of the Social Security Act to provide for optometric and medical vision care under the supplementary medical insurance program.

H.R. 1153. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exempt corporations organized solely to provide reserves and deposit insurance for credit unions from the income tax.

H.R. 1154. January 4, 1977. Ways and Means. Amends the policy of Congress to restrict to 750,000,000 pounds the annual aggregate importation of fresh, chilled, or frozen beef, goat, or sheep meat after December 31, 1974. Prescribes a formula for adjustment of such quota. Directs the Secretary of Agriculture to allocate such quota among supplying countries according to certain criteria.

H.R. 1155. January 4, 1977. Interstate and Foreign Commerce; Judiciary. Amends the Federal Trade Commission Act to prohibit the application of a per se rule of illegality under the antitrust laws in the case of territorial market allocation agreements made as part of a licensing agreement: (1) for the manufacture, distribution, and sale of a trademarked soft drink product; or (2) for the distribution or sale of a trademarked private label food product.

H.R. 1156. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends title XI (general provisions) of the Social Security Act to require the participation of optometrists in the activities of the National Professional Standards Review

Council and of local professional standards review organizations.

H.R. 1157. January 4, 1977. Interstate and Foreign Commerce; Public Works and Transportation; Ways and Means; Merchant Marine and Fisheries. Directs the Secretaries of Transportation and the Treasury to promulgate cargo security regulations. Establishes an Office of Cargo Security within the Department of Transportation. Creates an Interagency Council on Cargo Security to coordinate governmental activities in the field of cargo security.

H.R. 1158. January 4, 1977. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to reduce the age at which railroad employees and their spouses become eligible for annuities under such act.

H.R. 1159. January 4, 1977. Judiciary. Removes the jurisdiction of the Supreme Court of the United States and the Federal district courts over any case arising out of any State statute, ordinance, rule or regulation, which relates to voluntary prayers in public schools and public buildings.

H.R. 1160. January 4, 1977. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to insure that burials in national cemeteries be permitted on weekends and holidays.

H.R. 1161. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1162. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to decrease from 60 to 50 the entitlement age for otherwise qualified women to receive widow's insurance benefits. Eliminates actuarial reduction and disability requirements by directing that such individual shall be entitled to a widow's insurance benefit for each month, beginning with the first month in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: she remarries, dies, or becomes entitled to an old-age benefit equal to or exceeding the primary insurance amount of her deceased husband.

H.R. 1163. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to limit the application of the Tax Reform Act's elimination of the sick pay exclusion for persons who have not retired on total disability, to taxable years beginning after December 31, 1976.

H.R. 1164. January 4, 1977. Banking, Finance and Urban Affairs. Amends the National Housing Act to establish a guaranteed loan program for the acquisition and installation of solar energy heating and cooling systems in dwelling units.

H.R. 1165. January 4, 1977. Science and Technology; Agriculture. Amends the Solar Heating and Cooling Demonstration Act of 1974 to establish a program of solar thermal conversion technology demonstration in nonresidential agricultural structures. Directs the Administrator of the Energy Research and Development Administration to administer such program, with the assistance of studies conducted by the Secretary of Agriculture.

H.R. 1166. January 4, 1977. Agriculture. Amends the Consolidated Farm and Rural Development Act to authorize the Secretary of Agriculture to make and insure loans under such act for the solar heating or cooling of residential structures of family farms.

H.R. 1167. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an amortization deduction for qualified solar heating and cooling equipment placed in service for nonresidential structures. Makes qualified solar heating and cooling equipment eligible for the investment credit.

H.R. 1168. January 4, 1977. Banking, Finance and Urban Affairs. Authorizes the Federal Energy Administrator to make grants to States and localities for the construction, purchase, and installation of solar energy systems in public buildings.

Directs the Secretary of Housing and Urban Development to prescribe standards governing the operation of such equipment.

H.R. 1169. January 4, 1977. Agriculture. Directs the Secretary of Agriculture to conduct a study and institute a pilot project regarding anaerobic digesters and to issue reports relating to such study and project. Defines "anaerobic digester" as any combination of machines, devices, and structures whose combined functions include anaerobic digestion. Authorizes the Secretary to make grants to specified small farmers for the construction of digesters which shall have been proven to be safe and efficient.

H.R. 1170. January 4, 1977. Banking, Finance and Urban Affairs. Amends the United States Housing Act of 1937 to authorize the Secretary of Housing and Urban Development to make contributions to enable public housing agencies to enter into security arrangements designed to prevent crimes and insure the safety and well-being of tenants.

H.R. 1171. January 4, 1977. Education and Labor; Post Office and Civil Service. Establishes within the Department of Labor a Mid-career Development Service, through which the Secretary of Labor is authorized to make loans and grants for training designed to upgrade the work skills of middle-aged persons. Authorizes specified studies and programs designed to aid in retraining older workers in needed job skills, alleviating the effects of local mass lay-offs and promoting work opportunities in the community and in the executive branch of the Federal Government.

H.R. 1172. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) for the Social Security Act to decrease from 20 to 5 the number of years a divorced woman must have been married to an insured individual in order for her to qualify for wife's or widow's benefits on his wage record.

H.R. 1173. January 4, 1977. Judiciary. Requires specified minimum prison sentences for felons using or carrying a firearm during the commission of a felony which may be prosecuted in a Federal court. Subjects such felons to possible increased sentence as dangerous special offenders.

H.R. 1174. January 4, 1977. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to increase the Federal share for specified types of mass transportation projects under such Act.

H.R. 1175. January 4, 1977. Veterans' Affairs. Provides that recipients of veterans' pensions and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits.

H.R. 1176. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1177. January 4, 1977. Interstate and Foreign Commerce. Creates an Emergency Coal Administration in the Federal Energy Office of the President to increase the production, transportation, and conversion of coal as a source of energy.

H.R. 1178. January 4, 1977. Judiciary. Amends the Civil Rights Act of 1964 by prohibiting any department, agency, officer or employee of the United States from using the withholding of Federal funds to coerce changes in the racial distribution of teachers or students within a school system when a freedom of choice system, as defined by this Act, is used for the assignment of students.

Prohibits Federal courts from requiring school boards to make changes in the racial distribution of teachers or students when students are assigned in conformity with such a system.

H.R. 1179. January 4, 1977. Ways and Means. Amends Title IV (Aid to Families with Dependent Children) of the Social Security Act: (1) to revise eligibility requirements for grants; (2) to revise the procedure for adjusting the amount of grants; (3) to authorize Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) to require States to provide evidentiary hearings; and (5) to impose criminal sanctions for misuse of grants by recipients.

H.R. 1180. January 4, 1977. Judiciary. Requires specified organizations which employ lobbyists to register and file quarterly expense reports with the Comptroller General. Makes such reports available to the public. Establishes civil and criminal sanctions to enforce this Act.

H.R. 1181. January 4, 1977. Judiciary. Directs the President to appoint, by and with the advice and consent of the Senate, additional district court judges to specified judicial districts of the United States.

H.R. 1182. January 4, 1977. Judiciary. Establishes within the judicial branch a United States Commission on Sentencing to promulgate sentencing guidelines.

Specifies factors to be considered by a sentencing court in imposing a term of imprisonment.

Requires courts to disclose in open court and in the record reasons for imposing imprisonment.

Sets forth guidelines for court of appeals review of sentences.

H.R. 1183. January 4, 1977. Judiciary. Directs the Attorney General to make grants to qualified State programs for the compensation of victims of crime.

Establishes an Advisory Committee on Victims of Crime to advise the Attorney General with respect to the administration of such grant program and to the compensation of victims of crime.

H.R. 1184. January 4, 1977. Agriculture. Establishes a Food Research Advisory Committee within the Department of Agriculture to oversee agricultural research activity.

Directs the Secretary of Agriculture to convene annual Conferences on Food Research and Development.

H.R. 1185. January 4, 1977. Agriculture. Establishes a Commission on the Humane Treatment of Animals to study the treatment of animals.

H.R. 1186. January 4, 1977. Armed Services. Provides that no veteran may be denied care or treatment under the CHAMPUS program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration facilities.

H.R. 1187. January 4, 1977. Banking, Finance and Urban Affairs. Requires any person who makes a federally related mortgage loan to maintain facilities to insure availability of information concerning such mortgages, and to provide adequate notification of foreclosure proceedings.

H.R. 1188. January 4, 1977. Banking, Finance and Urban Affairs. Authorizes the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings into community centers, senior citizen centers and specified educational, medical or social service centers.

Directs the Secretary to serve as a na-

tional clearinghouse for local agencies by providing information on possible alternative uses for closed school buildings.

H.R. 1189. January 4, 1977. Banking, Finance and Urban Affairs. Amends the National Housing Act to direct the Secretary of Housing and Urban Development to give special emphasis to insuring mortgages covering medical practice facilities which are primarily for the purpose of providing preventive, diagnostic, and treatment services to elderly outpatients, and to insure mortgages made in connection with senior centers offering health, nutritional, recreational, and social facilities to elderly persons, regardless of whether such centers offer housing facilities.

Amends the Housing and Community Development Act of 1974 to authorize additional grants for the construction or maintenance of a senior center providing recreational, health, and nutritional services.

H.R. 1190. January 4, 1977. Banking, Finance and Urban Affairs. Requires the developers of all federally assisted condominium projects to disclose specific information on proposed new condominium construction or conversion to condominium units of existing structures.

Establishes the office of Assistant Secretary for Condominiums in the Department of Housing and Urban Development. Authorizes the Secretary of Housing and Urban Development to make grants to State and local governments to establish similar programs.

H.R. 1191. January 4, 1977. Banking, Finance and Urban Affairs. Amends the Federal Fire Prevention and Control Act of 1974 to authorize the Administrator of the National Fire Prevention and Control Administration to make grants to voluntary fire departments to enable them to purchase firefighting equipment which they cannot afford due to post-1972 inflation.

H.R. 1192. January 4, 1977. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to authorize the Secretary of Health, Education, and Welfare to make grants to a local education agency which demonstrates that: (1) for bona fide budgetary reasons it has been forced to reduce the expenditure of funds for essential elementary and secondary education services, making it impossible to maintain such services at a quality level; and (2) it or the local government unit responsible for providing its revenues has made bona fide efforts to raise the revenue necessary to support essential elementary and secondary educational services and maintain quality education.

H.R. 1193. January 4, 1977. Education and Labor. Amends the Higher Education Act of 1965 to authorize the Commissioner of Education to make grants to institutions of higher education for the development and operation of student internship programs in the office of elected officials at the local, State, and Federal levels of government.

H.R. 1194. January 4, 1977. Education and Labor. Establishes in the Office of Education a National Student Financial Assistance Data Bank to provide information on available financial assistance to students at institutions of higher education.

H.R. 1195. January 4, 1977. Education and Labor. Amends the Higher Education Act of 1965 to require recipients of Federal aid to higher education to give senior citizens access, on a space available basis, to scheduled courses and programs.

H.R. 1196. January 4, 1977. Education and Labor. Directs the Secretary of Health, Education, and Welfare to make grants to States having approved comprehensive plans for providing counseling assistance to the elderly, such grants to be distributed on the basis of statewide need and priorities. Permits the use of grants to fund preretirement and career counseling programs, referral services, community activities, and counseling for families of sick and disabled senior citizens.

H.R. 1197. January 4, 1977. Education and Labor. Amends the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

H.R. 1198. January 4, 1977. Education and Labor. Amends the National Labor Relations Act to include as an unfair labor practice an employer's discharge of or discrimination against an employee because such employee gave testimony before a Congressional committee or a federal department or agency.

H.R. 1199. January 4, 1977. Education and Labor. Amends the Comprehensive Employment and Training Act to reduce from 100,000 to 50,000 the minimum population of local governments which may be prime sponsors in the comprehensive manpower program.

H.R. 1200. January 4, 1977. Education and Labor. Amends the Civil Rights Act of 1964 to include as an unlawful employment practice discrimination on the basis of physical handicap.

H.R. 1201. January 4, 1977. Education and Labor. Amends the Comprehensive Employtics Commission to review the present method of collecting and analyzing employment and unemployment information and statistics, to identify weaknesses in such method, and to formulate any necessary or appropriate new methods of collecting and analyzing such information and statistics.

H.R. 1202. January 4, 1977. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to direct the Secretary of Labor to enter into agreements with local governments forced to reduce the number of public safety officers due to severe financial hardship in order that such governments may increase the number of public safety officers to adequate levels.

H.R. 1203. January 4, 1977. Government Operations. Establishes the Department of Education within the Executive branch of the Federal Government to take over specified functions of the Department of Health, Education, and Welfare and all of the functions of the United States Office of Education.

Establishes the Federal Interagency Committee on Education to coordinate all Federal programs affecting education.

H.R. 1204. January 4, 1977. Government Operations. Establishes a Department of Senior Citizens Affairs. States that the Department shall serve as a clearinghouse for information related to the problems of the elderly and shall assume specified responsibilities from other government agencies.

H.R. 1205. January 4, 1977. Government Operations. Amends the Budget and Accounting Act, 1921, to require that all departmental budget requests made to the Office of Management and Budget with respect to any fiscal year be submitted to the Congress along with the President's budget for such year. Requires officials requested by the appropriate committees of the Congress to testify before such committees on the President's budget and on such departmental budget requests.

H.R. 1206. January 4, 1977. House administration. Establishes within the Information Systems of the Congress an office to compile and disseminate information to the public relating to pending legislative proposals. Directs the Committee on House Administration to establish and administer such system.

H.R. 1207. January 4, 1977. Interior and Insular Affairs. Designates specified lands in the following national forests as components of the National Wilderness Preservation System: (1) Umatilla National Forest, Washington and Oregon; (2) Inyo and Sequoia National Forests, California; (3) Coronado National Forest, Arizona; (4) Tongass National Forest, New Mexico; (5) Wasatch and Uinta National Forests, Utah; (6) Cibola National Forest, New Mexico; (7) Los Padres National Forest, California; (8) Mendocino National Forest, California; (9) Angeles and San Bernadino National Forests, California; and (10) Williamette National Forest, Oregon.

Directs the Secretary of Agriculture to review the suitability of designating as Wilderness other specified National Forest System lands.

H.R. 1208. January 4, 1977. Interior and Insular Affairs. Prohibits mining activities within any area of the National Park System. Repeals specified existing provisions which permit moving in national parks, monuments, and memorials.

H.R. 1209. January 4, 1977. Interior and Insular Affairs. Establishes the Hudson River Compact Commission. Authorizes the Commission to negotiate a compact relating to the preservation and continued use of the lands and waters of the Hudson Riverway.

H.R. 1210.—January 4, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish within the District of Columbia a National Law Enforcement Heroes Memorial.

H.R. 1211. January 4, 1977. International Relations. Amends the United Nations Participation Act of 1965 to revise the formula by which appropriations may be authorized for United States contributions to the United Nations and affiliated agencies, except the International Atomic Energy Agency and the International Civil Aviation Agency.

Prohibits the President from making payments to the United Nations in excess of such formula out of funds appropriated prior to this Act.

Declares it the sense of Congress that the President should direct the Ambassador to the United Nations to take steps to assure that assessments among the member nations take into consideration the wealth of the oil producing nations.

H.R. 1212. January 4, 1977. International Relations. Amends the Mutual Security Act of 1954 to require the President, upon approval of any munitions export license, to notify Congress of the total dollar amount of the items in the approved application. Amends such Act to prohibit issuance of such export license if the Congress objects to its issuance by concurrent resolution within 20 days of receipt of the President's notification of approval, unless the President certifies that a state of emergency exists which requires the granting of such license in the national security interests of the United States.

H.R. 1213. January 4, 1977. Interstate and Foreign Commerce. Establishes a National Foreign Investment Control Commission to restrict or prohibit foreign ownership or control of certain domestic securities or resources deemed essential to the national or economic security of the United States. Prohibits foreign ownership or control of specified types of securities. Authorizes the Commission to determine which securities or resources are essential and to regulate their acquisition. Requires the Commission to maintain a National Registry of Foreign Investment which indicates all foreign holdings in domestic interests or resources. Imposes a penalty for failure to comply with this Act.

H.R. 1214. January 4, 1977. Interstate and Foreign Commerce. Establishes a program of financial and technical assistance for the development of resource recovery systems in the Environmental Protection Agency. Directs the Administrator of the Environmental Protection Agency to regulate wastes which are hazardous to health.

Establishes criteria for approval and implementation of State and regional discarded materials plans. Creates a nonprofit corporation to assist in stimulating the market for resource recovery facilities.

Authorizes financial and technical assist-

ance to States and localities for the removal of sludge and waste from waters and shorelines.

H.R. 1215. January 4, 1977. Interstate and Foreign Commerce. Require that electric utility rate charges for a subsistence quantity of electric energy provided to residential consumers not exceed the lowest rate charged any other electric consumer.

H.R. 1216. January 4, 1977. Interstate and Foreign Commerce. Amends the Flammable Fabrics Act to extend the provisions of that act to construction materials used in interiors and to require the Secretary of Commerce to determine toxicity standards or promulgate other regulations, when there is determined to be a danger from toxic byproducts produced by the burning of such substance.

H.R. 1217. January 4, 1977. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to expand the problems for the treatment of burn injuries, research on burns, and the rehabilitation of burn victims by establishing additional burn centers and burn units and by supporting research and training programs in the treatment and rehabilitation of burn injury victims.

Authorizes funds for the continuation of present burn treatment programs and authorizes the appropriation of additional funds for such expanded programs.

H.R. 1218. January 4, 1977. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to offer reinsurance to any insurer or pool against liability for damages arising from medical malpractice. Directs the Secretary to conduct a comprehensive study of the problems that arise from medical malpractice litigation.

Authorizes the Secretary to establish a National Medical Malpractice Reinsurance Development Fund.

Establishes a Federal Medical Malpractice Reinsurance Advisory Board.

H.R. 1219. January 4, 1977. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to colleges and universities to assist them in the establishment and operation of programs for the training of physicians' assistants.

H.R. 1220. January 4, 1977. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to schools of medicine to assist such schools in meeting the costs of developing and conducting special training programs to prepare qualified veterans of the Armed Forces to perform services as medical assistants in long-term health care facilities.

H.R. 1221. January 4, 1977. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish a National Diabetes Advisory Board to insure the implementation of a long range plan to combat diabetes. Authorizes the Secretary to make grants to scientists who have shown productivity in diabetes research for the purpose of continuing such research. Authorizes, under the Public Health Service Act, the appropriation of specified sums for the purposes of making grants to centers for research and training in diabetic related disorders.

H.R. 1222. January 4, 1977. Interstate and Foreign Commerce. Amends the Community Mental Health Centers Act to establish the Office of Mental Health and Disability Advocacy Services. States that such Office shall enter into contracts with States to assist them in meeting the costs of establishing and maintaining programs of mental health advocacy services for patients in mental health facilities.

H.R. 1223. January 4, 1977. Judiciary. Authorizes individuals to whom the proceeds of a child support order are payable to register such order in any court in any State in which the individual responsible for making such payments resides.

Allows courts in which such an order is registered to entertain contempt proceedings against an individual who fails to comply with support order in the same manner as if such court originally issued the order.

H.R. 1224. January 4, 1977. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to require that comprehensive State plans which must be submitted in order to receive certain assistance thereunder contain a comprehensive program relative to the special problems of prevention, treatment, and other aspects of crimes against the elderly.

H.R. 1225. January 4, 1977. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to condition certain assistance to States, local governments, and agencies thereunder on the adoption of a law enforcement officers' bill of rights.

H.R. 1226. January 4, 1977. Judiciary. Makes it a Federal crime for any person to assault or kill any firefighter or law enforcement officer on account of such firefighter's or officer's performance of duty.

Stipulates that any person: (1) conspiring to commit an offense in violation of this Act; or (2) transporting or aiding in transporting, or receiving or aiding in receiving, in interstate commerce any dangerous weapon knowing or intending that it will be used to commit an act in violation of this Act shall be punished the same as a person committing such an Act.

H.R. 1227. January 4, 1977. Judiciary. Increases the maximum fine and the maximum term of imprisonment which may be imposed for: (1) damaging, destroying, or disabling any civil aircraft; (2) damaging, destroying, disabling, or placing any destructive substance near any aircraft part with the intent to damage, destroy, or disable any such aircraft; (3) damaging, destroying, disabling or placing any destructive substance in or near any aircraft facility with such an intent; or (4) incapacitating a crew member of an aircraft with such an intent.

H.R. 1228. January 4, 1977. Judiciary. Requires specified minimum prison sentences for felons using or carrying a firearm during the commission of a felony which may be prosecuted in a Federal court. Subjects such felons to possible increased sentence as dangerous special offenders.

H.R. 1229. January 4, 1977. Judiciary. Amends the Legal Services Corporation Act to direct the Corporation to provide financial assistance to qualified programs designed to furnish legal assistance to eligible older persons in connection with any determination relating to eligibility or payment for home health services or specified health-related hearings under the Social Security Act.

H.R. 1230. January 4, 1977. Judiciary. Grants an exemption from antitrust liability to professional retail pharmacists who negotiate collectively for reimbursement for dispensing prescription drugs under a government or private prepaid prescription program.

H.R. 1231. January 4, 1977. Judiciary. Grants a Federal charter to the Gold Star Wives of America.

H.R. 1232. January 4, 1977. Judiciary. Grants a Federal charter to the Italian American War Veterans of the United States.

H.R. 1233. January 4, 1977. Judiciary. Grants a Federal charter to the Athenia Veterans Post, Inc.

H.R. 1234. January 4, 1977. Merchant Marine and Fisheries. Amends the National Environmental Policy Act to require the filing of supplemental environmental impact statements with respect to individual Outer Continental Shelf leases prior to preproduction exploration and development and prior to commencement of production activities.

H.R. 1235. January 4, 1977. Post Office and Civil Service. Repeals the Postal Reorganiza- employee health benefits plans from reducing benefits or excluding any class of provider of health services unless the Civil Service Commission gives notice of, and conducts hearings relative to, the proposed change within prescribed time limits.

H.R. 1236. January 4, 1977. Post Office and Civil Service. Repeals the Postal Reorganization Act. Reenacts provisions relating to the Postal Service which were in effect immediately prior to the enactment of such act.

H.R. 1237. January 4, 1977. Post Office and Civil Service. Applies to the United States Postal Service provisions requiring that buildings built, leased, or financed by the United States be designed and constructed to insure ready access and use by the physically handicapped.

H.R. 1238. January 4, 1977. Post Office and Civil Service. Extends to 25 years the period during which preferential mail rates shall apply to publications mailed by any veterans' organizations.

H.R. 1239. January 4, 1977. Post Office and Civil Service. Prohibits any Federal employee from interfering with Postal Service employees' communication with any Member or committee of Congress in connection with any matter pertaining to the Postal Service.

H.R. 1240. January 4, 1977. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to increase the Federal share for specified types of mass transportation projects under such Act.

H.R. 1241. January 4, 1977. Public Works and Transportation. Directs the Secretary of the Treasury to determine for each fiscal year the amount of taxes attributable to each State which are paid into the Highway Trust Fund. Directs the Secretary of Transportation to insure that each State will be apportioned an aggregate amount of at least 80 percent of the amount of such taxes in Federal-aid highway program funds.

H.R. 1242. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to authorize reduced rate air transportation for persons between the ages of 12 and 21, inclusive on a space-available basis.

H.R. 1243. January 4, 1977. Public Works and Transportation. Authorizes the Secretary of Transportation, with the approval of the Secretary of the Treasury, to guarantee any person against loss of principal and interest on securities, obligations, or loans issued to enable certain motor carriers engaged in express service to refinance existing obligations and for other corporate and related purposes consistent with their responsibilities as common carriers.

H.R. 1244. January 4, 1977. Public Works and Transportation. Amends the Federal Aviation Act of 1958 and the Interstate Commerce Act to authorize free or reduced transportation rates for persons over age 65 and handicapped individuals and their attendants. Amends the Urban Mass Transportation Act of 1964 to give funding priority under such Act to public bodies which offer reduced rates to such individuals. Authorizes the Secretary of Transportation to prescribe standards for facilities funded under such Act to insure ready access to such facilities by these individuals. Amends the Older Americans Act of 1965 to authorize a grant program for special transportation research and demonstration projects for such individuals.

H.R. 1245. January 4, 1977. Public Works and Transportation. Directs the Secretary of Transportation to require that all projects

receiving Federal financial assistance for mass transportation purposes be designed and operated so that such transportation facilities, equipment and services can be utilized by elderly and handicapped persons.

H.R. 1246. January 4, 1977. Public Works and Transportation. Directs the Administrator of the Environmental Protection Agency to establish research and demonstration programs for the control of sludge. Authorizes financial assistance for sludge removal programs. Establishes a permit program to control hazardous sludge.

H.R. 1247. January 4, 1977. Public Works and Transportation. Authorizes the Administrator of the Environmental Protection Agency to provide financial and technical assistance to States and localities for the construction or acquisition of sewage sludge disposal facilities.

H.R. 1248. January 4, 1977. Public Works and Transportation. Amends the Federal Water Pollution Control Act to authorize the Administrator of the Environmental Protection Agency to accept certification by State water pollution control facilities of responsibility for treatment projects within such State.

Authorizes financial assistance to State programs so certified an amount not to exceed 2 percent of the Federal allotment for waste treatment works projects.

H.R. 1249. January 4, 1977. Rules. Requires review of Federal programs to determine if they warrant continuation. Requires the President to conduct such review of the programs covered by the annual budget. Requires Congress to make such review every four years.

H.R. 1250. January 4, 1977. Rules. Creates a Congressional Joint Committee on Foreign Investment Control in the United States to study the manner in which the National Foreign Investment Control Commission established by the Foreign Investment Control Act of 1975 fulfills its functions.

H.R. 1251. January 4, 1977. Small Business. Amends the Small Business Act to provide additional assistance to farming and agriculturally related small business concerns.

Amends the Small Business Investment Act of 1958 to create a control financing program for small business.

H.R. 1252. January 4, 1977. Science and Technology. Authorizes and directs the Secretary of Commerce to make grants to local fire departments to pay up to one-half the cost of purchasing firefighting equipment.

H.R. 1253. January 4, 1977. Science and Technology. Authorizes and directs the Secretary of Commerce to make grants to local fire departments to pay up to 90 percent of the cost of purchasing heat-protective firefighting suits and breathing apparatus.

H.R. 1254. January 4, 1977. Veterans' Affairs. Changes the authority of the Administrator of Veterans' Affairs with regard to expenditures to correct structural defects in dwellings securing loans guaranteed or insured by the Administrator.

H.R. 1255. January 4, 1977. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to assist certain totally disabled veterans, including hemiplegics, in acquiring suitable housing units with special fixtures.

H.R. 1256. January 4, 1977. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to make scholarship grants to individuals who are medical students or who are accepted at an approved medical school and who agree to practice at a Veterans' Administration facility after the completion of their professional training.

H.R. 1257. January 4, 1977. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs, in providing therapeutic and rehabilitation activities, to provide for the participation of patients and members in Veterans' Administration health facilities in the assemblage of poppies or other similar projects carried out at such facilities, which are sponsored by a national veterans service organization or its auxiliary.

H.R. 1258. January 4, 1977. Ways and Means. Amends the Internal Revenue Code of 1954 to establish lower tax rates on employees, employers, and the self-employed for purposes of old-age, survivors and disability insurance after fiscal year 1977.

Decreases the tax rate on self-employment, employee, and employer income for purposes of hospital insurance.

Amends Title II (Old-Age, Survivors, and Disability Insurance) in order to provide that one-third of the costs of the program shall hereafter be borne by the Federal Government.

Increases the earnings counted for benefit and tax purposes.

H.R. 1259. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to require that in the case of an individual whose income tax prepayments exceed such individual's liability for the income tax with respect to any taxable year, interest shall be allowed and paid at a rate of five percent upon the excess portion of each such tax prepayment.

H.R. 1260. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to require an automatic cost-of-living adjustment in the income tax rates, the amount of the standard deduction, personal exemption, and depreciation deduction, and the rate of interest payable on certain obligations of the United States.

H.R. 1261. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax credit equal to one half the amount paid for health insurance premiums up to a maximum credit of $250.

H.R. 1262. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude $7,500 from the gross income of any individual who has attained the age of 65 at the end of the taxable year.

H.R. 1263. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide a $5,000 tax exclusion for persons aged 65 or over for amounts received as an annuity, pension, or other retirement benefit, and for all persons receiving retirement benefits under a public retirement system.

H.R. 1264. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide a limited exclusion from gross income of interest on savings deposits paid or accrued by an individual taxpayer.

H.R. 1265. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to increase the deduction for individual retirement savings.

H.R. 1266. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow the amortization of up to $5,000 in expenses incurred for an addition to the taxpayer's principal residence and a limited deduction for other improvements to his principal residence.

H.R. 1267. January 4, 1977. Ways and Means. Entitles taxpayers, under the Internal Revenue Code, to elect to take a deduction with respect to the amortization of any qualified school or hospital property, which was purchased from a tax-exemption organization, based on a period of 180 months.

H.R. 1268. January 4, 1977. Ways and Means. Amends the Internal Revenue Code with respect to the retirement income credit.

H.R. 1269. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a deduction for depreciation on capital expenditures incurred in connecting a sewage line from the taxpayer's residence to a municipal sewage system.

H.R. 1270. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide a limited, refundable tax credit to persons age 65 or over for the real property taxes, or 25 percent of the rent, they pay for their principal residences.

H.R. 1271. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow income tax deduction for 25 percent of the rent paid for the taxpayer's principal residence. Applies to rent paid for mobile home sites for individuals whose principal residence is a mobile home.

H.R. 1272. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for 25 percent of the rent paid for the taxpayer's principal residence.

H.R. 1273. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to disallow the deduction of oil company advertising expenses incurred for purposes other than the sale of products or services.

H.R. 1274. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a deduction for donations of blood to charitable organizations in an amount equal to $25 for each pint donated.

H.R. 1275. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to prohibit the taking of a business deduction for expenses paid or incurred to advertise alcoholic beverages.

H.R. 1276. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a medical care deduction for the costs paid for the custodial care of a dependent suffering Down's syndrome.

H.R. 1277. January 4, 1977. Ways and Means. Authorizes a tax deduction, under the Internal Revenue Code, for any taxpayer who contributes the right to use any real property owned by the taxpayer to a tax-exempt organization for use by a multipurpose senior citizen center or outpatient geriatric clinic.

H.R. 1278. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude from the income tax, pensions paid to retired policemen and firefighters, or to their dependents, widows or other survivors to the extent that such benefits are based on full-time service for a governmental entity.

H.R. 1279. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude certain payments to volunteer firemen and rescue workers from their gross income.

H.R. 1280. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude certain payments to volunteer firemen and rescue workers from their gross income.

H.R. 1281. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exempt nonprofit volunteer firefighting or rescue organizations from the excise tax on sales of special fuels, automotive parts, petroleum products, and communication services.

H.R. 1282. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide an additional $750 tax exemption for certain volunteer firefighters.

H.R. 1283. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction by volunteer firefighters for their firefighting clothing expenses.

H.R. 1284. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a credit against the income tax, instead of the existing deduction, for the State and local sales taxes paid or accrued by the individual.

H.R. 1285. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for State and local taxes paid or incurred for the furnishing of public utility services.

H.R. 1286. January 4, 1977. Ways and Means. Amends the Internal Revenue Code

to provide that payments to independent municipal sewer services shall be treated as deductible real property taxes where they are billed independently from property taxes.

H.R. 1287. January 4, 1977. Ways and Means. Authorizes a taxpayer, under the Internal Revenue Code, to elect to treat qualified architectural and transportational barrier removal expenses which are paid or incurred during the taxable year as expenses which are not chargeable to capital account. Deems such expenses so treated as allowable tax deductible expenditures.

H.R. 1288. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase by 15 percent the monthly benefits and lump-sum death payments payable under such Title.

H.R. 1289. January 4, 1977. Ways and Means. Establishes, as a new executive agency, the Social Security Administration.

Revises the administration of Old-Age, Survivors, and Disability Insurance, Medicare, and Supplemental Security Income under the Social Security Act. Transfers the responsibility for administering these programs and the health standards provisions of the Federal Coal Mine Health and Safety Act from the Department of Health, Education, and Welfare to such newly established Administration.

H.R. 1290. January 4, 1977. Ways and Means. Amends the Social Security Act to provide that an individual who would be fully qualified at age 62 for benefits under the Old-Age, Survivors, and Disability Insurance program may qualify for disability benefits under such program if such individual has 40 quarters of coverage, regardless of when such quarters were earned.

H.R. 1291. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to make all benefits based upon the attainment of age payable at age 60, subject to actuarial reduction.

H.R. 1292. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1293. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 1294. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to allow, under specified circumstances, persons who have acquired retirement credits under both the civil service and the old-age, survivors, and disability insurance system to exchange such credits between the two systems in order to obtain maximum benefits based on their combined service.

H.R. 1295. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to allow a State to terminate social security coverage for policemen and firemen without affecting the coverage of other public employees.

H.R. 1296. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that the remarriage of a widow, widower, or parent shall not terminate his or her entitlement to widow's, widower's, or parent's insurance benefits or reduce the amount thereof.

H.R. 1297. January 4, 1977. Ways and Means. Prohibits any reduction in old-age insurance benefits under the Social Security Act of an insured individual by reason of the fact that such individual receives outside earnings from either wages or self-employment.

H.R. 1298. January 4, 1977. Ways and Means. Amends the program of Supplemental Security Income for the Aged, Blind, and Disabled of the Social Security Act to require the Secretary of Health, Education, and Welfare, in determining the value of the house of an applicant for benefits under such Title, to take into account the current market price of homes in the area in which the applicant's home is located and to periodically review such determinations.

H.R. 1299. January 4, 1977. Ways and Means. Amends Title XVIII (Medicare) of the Social Security Act to authorize payment for emergency inpatient hospital services furnished outside the United States, to a qualified individual whose principal residence is within the United States, without regard to where the emergency occurred.

H.R. 1300. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to require that reports and payments by the States for voluntary agreements for coverage of State and local employees shall be made to the Secretary of the Treasury on a calendar-quarter basis no more frequently than the fifteenth of the second month following each calendar-quarter.

H.R. 1301. January 4, 1977. Ways and Means. Amends the Tariff Schedules of the United States to repeal the duty imposed on articles assembled abroad with components produced in the United States.

H.R. 1302. January 4, 1977. Education and Labor; Banking, Finance and Urban Affairs. Amends the Fair Labor Standards Act of 1938 to authorize the Secretary of Labor to investigate any proposed business closing or relocation and to provide assistance to certain employees and local governments affected by such action.

Denies specified tax benefits to a business closing or transferring an operation upon certain findings by the Secretary.

Establishes a National Employment Relocation Administration within the Department of Labor and a National Employment Relocation Advisory Council.

H.R. 1303. January 4, 1977. Education and Labor; Ways and Means. Amends the Employee Retirement Income Security Act of 1974 to repeal the provision permitting pension plans providing annuities before normal retirement age to pay such benefits in a form other than one having the effect of a qualified joint and survivor annuity.

Requires a plan to provide a survivors annuity to the spouse of a participant who dies before the earliest retirement age.

Amends the Internal Revenue Code to make similar revision with respect to requirements for qualifying pension trusts thereunder.

H.R. 1304. January 4, 1977. Interior and Insular Affairs; Rules. Amends the Outer Continental Shelf Lands Act to require submission of proposed oil and gas leases by the Secretary of the Interior to the Congress. Stipulates that such lease shall be issued only if neither House of Congress passes a resolution of disapproval within 90 days of such submission.

Establishes procedures governing congressional action or resolution to disapprove such leases.

H.R. 1305. January 4, 1977. Interior and Insular Affairs; Science and Technology. Establishes a National Energy and Conservation Corporation to undertake programs of exploration, development, and production of public land and tideland oil, natural gas, oil shale, and coal resources. Directs the corporation to administer programs consistent with objectives of land use planning, conservation, and environmental protection.

H.R. 1306. January 4, 1977. Interstate and Foreign Commerce; Interior and Insuar Affairs. Establishes a Bureau of National Resource Information and a National Resource Information System within the Department of Commerce to maintain information and statistics on natural resources.

Requires major natural resource companies engaged in commerce to file reports with the Bureau.

Directs the Secretary of the Interior to compile an inventory of all mineral reserves in the public lands of the United States.

H.R. 1307. January 4, 1977. Interstate and Foreign Commerce; Ways and Means. Establishes within the Department of Health, Education, and Welfare a Home Clearinghouse to consolidate information on services and benefits available to the elderly.

Creates in the Department an Assistant Secretary for Elderly Health.

H.R. 1308. January 4, 1977. Judiciary; Banking, Finance and Urban Affairs. Amends the Civil Rights Act of 1968 to prohibit sex discrimination in the sale, rental, financing, or provision of brokerage services for housing and to prohibit housing intimidation based on sex or marital status.

Amends the National Housing Act to prohibit marital status discrimination in the extension of mortgage assistance.

H.R. 1309. January 4, 1977. Public Works and Transportation: Government Operations. Amends the Public Buildings Act of 1959 and the Federal Property and Administrative Services Act of 1949 to require the Administrator of General Services, when acquiring or managing space necessary for Federal agencies, to: (1) utilize space in buildings of historic, architectural, or cultural significance where feasible: (2) encourage the location of commercial, cultural, educational, or recreational activities within or near public buildings; and (3) encourage the public use of public buildings outside of regular Federal working hours.

Requires reports by the Administrator to Congress on Federal agencies' activities on standards relating to accessibility of the physically handicapped to public buildings.

H.R. 1310. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends title XI (general provisions) of the Social Security Act to require that skilled nursing facilities covered by the medicare program and intermediate care facilities covered by the medicaid program, adopt a statement of the rights and responsibilities of the patients who are receiving treatment in such facilities.

H.R. 1311. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (medicare) of the Social Security Act to provide payment for certain clinical psychologists' services under the supplement medical insurance program.

H.R. 1312. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, and physical examination, and related routine laboratory tests.

H.R. 1313. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (medicare) of the Social Security Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical health insurance program.

H.R. 1314. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to extend coverage to include expenses incurred in providing diagnosis of uterine cancer, if the individual receiving the

test has not had such a test on a routine basis during the preceding six months.

H.R. 1315. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to provide payment for diagnostic tests and examinations given for the detection of breast cancer under the supplementary medical insurance program.

H.R. 1316. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title II (Old-Age, Survivors', and Disability Insurance) of the Social Security Act to extend Medicare hospital coverage to include drugs. Establishes a Formulary Committee within the Department of Health, Education, and Welfare to prepare and maintain a listing of qualified drugs.

H.R. 1317. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to include in the coverage provided under such programs the services of licensed (registered) nurses.

H.R. 1318. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to require skilled nursing facilities participating in the Medicare program to comply with relevant provisions of the 1973 edition of the Life Safety Code of the National Fire Protection Association.

H.R. 1319. January 4, 1977. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) and Title XIX (Medicaid) of the Social Security Act to require automatic sprinkler systems in all skilled nursing facilities and intermediate care facilities certified for participation in the Medicare or Medicaid programs unless a waiver of such requirement is granted in accordance with conditions set forth in this Act.

Establishes a program of low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems.

H.R. 1320. January 4, 1977. Government Operations. Amends the Buy American Act by defining unreasonable cost of American goods as greater than the price of foreign-made goods plus 50 percent. Permits States or their political subdivisions to enact laws giving preference in procurement to American-made goods.

H.R. 1321. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to limit the application of the Tax Reform Act's elimination of the sick pay exclusion for persons who have not retired on total disability, to taxable years beginning after December 31, 1976.

H.R. 1322. January 4, 1977. Interior and Insular Affairs. Transfers the Mar-A-Lago National Historic Site from the United States to the Marjorie Merriweather Post Foundation of the District of Columbia.

H.R. 1323. January 4, 1977. Interstate and Foreign Commerce. Amends the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to promulgate safety standards for school bus external warning devices.

H.R. 1324. January 4, 1977. Public Works and Transportation. Amends the Interstate Commerce Act to authorize the Interstate Commerce Commission to issue certificates of public convenience and necessity to aid in construction of certain coal pipelines. Allows certified pipeline carriers to exercise the power of eminent domain in the United States district courts to acquire rights-of-way.

Prohibits the transportation of coal by carriers who have a financial interest in such coal.

H.R. 1325. January 4, 1977. Public Works and Transportation. Amends the National Traffic and Motor Vehicle Safety Act of 1966 to authorize motor carrier employees to request the Secretary of Transportation to conduct an investigation regarding motor carrier safety regulation violations. Prohibits discrimination against employees who request such an investigation. Prohibits discrimination against employees who refuse to operate equipment because of an apprehension of death or serious injury to themselves or others.

H.R. 1326. January 4, 1977. Education and Labor. Directs the Secretary of Health, Education, and Welfare to develop and implement youth camp safety standards, including standards for day camps, resident camps, and travel camps.

Establishes the Advisory Council on Youth Camp Safety within the Department of Health, Education, and Welfare.

H.R. 1327. January 4, 1977. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by directing the Secretary of Labor to: (1) render on-site consultation and advice to any employer, upon the request of such employer, concerning compliance with the Act; and (2) establish programs for the education and training of employers and employees concerning hazards in particular industries.

H.R. 1328. January 4, 1977. International Relations. Repeals the provision of the Agricultural Trade Development and Assistance Act of 1954 that allocates food aid commodities among those countries that are and those countries that are not seriously affected by inability to produce or purchase sufficient food for their immediate requirements.

H.R. 1329. January 4, 1977. Education and Labor. Amends the Occupational Safety and Health Act to prohibit the issuance of a citation to an employer if at all times 30 days prior to an inspection or investigation such employer employed ten or fewer employees.

Exempts an employer charged with a second violation under this Act from the assessment of a civil penalty if his first violation was of a non-serious nature and he was charged with fewer than ten violations.

H.R. 1330. January 4, 1977. Interstate and Foreign Commerce. Amends the Public Health Service Act to direct the Secretary of Health, Education, and Welfare to make grants to health agencies of States or their political subdivisions, or to any qualified nonprofit agency for programs of prenatal health care for adolescents, health care for infants of adolescent mothers, family planning services, social services and funds to purchase adoption services for adolescent mothers.

H.R. 1331. January 4, 1977. Post Office and Civil Service; Rules. Grants certain employment preference within a Federal agency to agency employees who have been affected by a closing, relocation, or reduction in services.

Directs the Chairman of the Civil Service Commission to assist specified employees affected by such agency reorganization in finding substantially equivalent employment.

Subjects certain agency closings, relocations, and reductions in services to the same Congressional oversight as a reorganization plan submitted by the President.

H.R. 1332. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude from gross income amounts received under tuition-remission programs at institutions of higher education.

H.R. 1333. January 4, 1977. Banking, Finance and Urban Affairs. Amends the Flood Disaster Protection Act of 1973 to: (1) abolish prohibitions against the granting of Federal financial assistance and secured loans for aquisition or construction in a flood hazard area, unless the community in which such area is located is participating in the national flood insurance program; and (2) repeals the requirement that a community tentatively identified as having special flood hazards apply for participation in the program.

H.R. 1334. January 4, 1977. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to establish a national adoption information exchange system, utilizing computers and other data processing methods to assist in the placement of children who are awaiting adoption, and in locating such children for prospective parents.

H.R. 1335. January 4, 1977. Education and Labor. Includes within the coverage of the Occupational Safety and Health Act of 1970 State and local government employees where a pattern or practice of unsafe or unhealthful working conditions or imminent dangers exists.

Subjects State and local governments to the safety and health standards imposed upon employers by such Act.

H.R. 1336. January 4, 1977. Judiciary. Grants a Federal charter to the American Political Items Collectors, Incorporated.

H.R. 1337. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide that the constructive retail sales prices for computing the manufacturers excise taxes on heavy buses, trucks, and bus and truck chassis and bodies shall be based on the highest price such articles are normally sold for by manufacturers and producers.

H.R. 1338. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to exclude from gross income interest on industrial development bonds used to provide drydocks for servicing (not manufacturing) vessels.

H.R. 1339. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to permit the payment of child's insurance benefits to certain qualified minor children legally adopted by an individual entitled to old-age or disability insurance benefits.

H.R. 1340. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to make an annual report to Congress on the effects of inflation or deflation on taxpayers' income tax liabilities.

H.R. 1341. January 4, 1977. Interior and Insular Affairs; Merchant Marine and Fisheries. Authorizes the Secretary of the Interior to make payments to local governments based on the amount of public lands within the boundaries of such governmental units.

H.R. 1342. January 4, 1977. House Administration. Amends the Federal Election Campaign Act of 1971 by requiring radio and television stations to provide free broadcast time to eligible candidates for election to Federal office.

H.R. 1343. January 4, 1977. Public Works and Transportation. Amends the Local Public Works Capital Development and Investment Act of 1976 to increase the amount authorized to be appropriated under such Act.

H.R. 1344. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow a credit against the income tax for 30 percent of the aggregate amount paid during the taxable year for tuition and fees for education of the taxpayer or any other individual at a postsecondary, nonprofit educational institution.

H.R. 1345. January 4, 1977. Ways and Means. Amends Title IV (Aid to Families with Dependent Children) and Title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act, and the law relating to veterans' pensions to provide that recipients of supplemental security income benefits, recipients of aid or assistance under the various

Federal-State public assistance and medicaid programs, and recipients of assistance or benefits under the veterans' pension and compensation program and specified other Federally assisted programs including the food stamp program and the public housing program, will not have the amount of such benefits, aid, or assistance reduced because of post-1973 increases in monthly social security benefits.

H.R. 1346. January 4, 1977. Interstate and Foreign Commerce; Public Works and Transportation. Limits the power of the Federal Government to determine the navigability of waters of the United States which are located within a single State in determining the application of specified laws to such waters.

H.R. 1347. January 4, 1977. Judiciary. Repeals the Gun Control Act of 1968.

H.R. 1348. January 4, 1977. Education and Labor. Repeals the Occupational Safety and Health Act of 1970.

H.R. 1349. January 4, 1977. Agriculture. Requires, under the Federal Meat Inspection Act, that imported meat and meat food products made in whole or part from imported meat be labeled "imported" or "imported in part" at all stages of distribution until reaching the ultimate consumer.

Prohibits the importation of any dairy product into the United States unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Agriculture.

H.R. 1350. January 4, 1977. Judiciary. Removes Federal court jurisdiction over school assignment.

H.R. 1351. January 4, 1977. Education and Labor; Judiciary. Stipulates that failure of an educational agency to attain a racial balance within its schools or the assignment of a student to the school nearest his home shall not constitute a denial of equal educational opportunity or equal protection of the laws.

Sets forth limitations on the use of judicial remedies, transportation of students, desegregation plans and allocation of Federal resources to achieve equal educational opportunity.

H.R. 1352. January 4, 1977. Judiciary; Education and Labor. Eliminates the jurisdiction of Federal courts to issue busing orders based on race, color, religion or national origin.

Prohibits any Federal agency from inducing such busing through withholding or threatening to withhold Federal assistance.

H.R. 1353. January 4, 1977. Judiciary; Education and Labor. Eliminates the jurisdiction of Federal courts to issue busing orders based on race, color, religion or national origin.

Prohibits any Federal agency from inducing such busing through withholding or threatening to withhold Federal assistance.

H.R. 1354. January 4, 1977. Judiciary; Education and Labor. Imposes a moratorium on the implementation of Federal court orders that require local educational agencies to transport students and on the implementation of certain desegregation plans. Extends the moratorium until Congress establishes a uniform standard for the use of busing.

H.R. 1355. January 4, 1977. Education and Labor. Amends the Service Contract Act of 1965 to extend its applicability to contracts performed in the Panama Canal Zone.

H.R. 1356. January 4, 1977. Education and Labor. Amends the National Foundation on the Arts and the Humanities Act of 1965 to: (1) authorize the Chairman of the National Endowment of the Arts to award grants to specified groups for projects designed to make unused or underused railroad passenger depots available to communities for cultural activities; (2) require the Chairman to establish an advisory council for consultation with respect to the awarding of such grants.

H.R. 1357. January 4, 1977. Judiciary. Declares that the name and symbol "Tree City USA" is the property of the United States to be used in conjunction with the Arbor Foundation and its cooperators.

Authorizes the Secretary of Agriculture to establish and collect use and royalty fees with respect to such symbol.

Authorizes injunctive relief and specifies criminal penalties for unauthorized use of such symbol.

H.R. 1358. January 4, 1977. Science and Technology. Establishes an Energy Extension Service in the Energy Research and Development Administration to assist in the development of energy conserving practices.

Establishes criteria for the development of State energy conservation implementation plans. Directs the Administrator of Energy Research and Development to develop energy conservation plans for Federal programs.

H.R. 1359. January 4, 1977. Agriculture. Requires, under the Food Stamp Act of 1964, that any food or food product to be purchased with food stamps be approved by the Secretary of Agriculture and Congress as having a high nutritional value, and to be so labeled. Eliminates any requirement that an eligible household purchase a minimum amount of food stamps in order to participate in the food stamp program.

H.R. 1360. January 4, 1977. Judiciary. Requires specified minimum prison sentence for felons using or carrying a firearm during the commission of a felony which may be prosecuted in a Federal court. Subjects such felons to possible increased sentence as dangerous special offenders.

H.R. 1361. January 4, 1977. Veterans' Affairs. Provides that recipients of Veterans' pensions and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits.

H.R. 1362. January 4, 1977. Ways and Means. Directs the Secretary of Health, Education, and Welfare to pay all costs (including related administrative expenses as well as the cost of the actual aid, assistance, or benefits involved) incurred by any State or local government or agency thereof in carrying out a welfare or public assistance program.

H.R. 1363. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow volunteer workers in Veterans' Administration hospitals an income tax deduction equal to the number of hours of services worked multiplied by $2.00 or the minimum hourly wage applicable under the Fair Labor Standards Act, whichever is greater.

H.R. 1364. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow volunteers, aged 65 or more, working for charitable organizations, to take an income tax deduction equal to the number of hours worked multiplied by either $2.00 or the applicable minimum hour wage under the Fair Labor Standards Act, whichever is greater.

H.R. 1365. January 4, 1977. Post Ofice and Civil Service. Amends the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to specify when an adjustment in the rate of pay for Members of Congress proposed during any Congress shall take effect.

H.R. 1366. January 4, 1977. Banking, Finance and Urban Affairs. Directs the Secretary of Housing and Urban Development to require any lease or rental agreement entered into or renewed by a person aged 62 or over with respect to a dwelling unit assisted by a Federal housing program shall contain provisions entitling such person to terminate, without penalty, the lease or rental agreement if such person or his or her spouse dies or incurs any mental or physical disability during the period of the lease or rental agreement.

H.R. 1367. January 4, 1977. Interior and Insular Affairs. Amends the Outer Continental Shelf Lands Act to require that leases under such Act be issued or transferred only to United States citizens and domestic corporations.

H.R. 1368. January 4, 1977. Judiciary. Requires specified minimum prison sentences for felons using or carrying a firearm during the commission of a felony which may be prosecuted in a Federal court. Subjects such felons to possible increased sentence as dangerous special offenders.

H.R. 1369. January 4, 1977. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs: (1) to arrange for educational and vocational counseling for eligible veterans; (2) to accelerate the monthly educational assistance allowance of veterans who apply therefor; and (3) to authorize payment for nonaccredited courses which meet certain criteria.

H.R. 1370. January 4, 1977. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay a supplemental tuition allowance to eligible veterans for their "excess tuition costs" as determined by deducting from the actual or estimated tuition costs for the veteran for that year an amount equal to the national tuition average for that year.

H.R. 1371. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax a limited amount of specified higher education expenses, including tuition, fees, books and supplies, incurred by the taxpayer for himself and any dependents.

H.R. 1372. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax deduction for 25 percent of the amounts paid to rent their principal residences.

H.R. 1373. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide a limited exclusion from gross income of interest on savings deposits paid or accrued by an individual taxpayer.

H.R. 1374. January 4, 1977. Ways and Means. Amend the Internal Revenue Code to provide: (1) a new limited income tax deduction for loss from theft; (2) a limited income tax deduction for amounts paid for certain anti-theft devices; and (3) unlimited income tax deductions for medical expenses paid for the taxpayer, his spouse or his dependents, and for anyone's funeral expenses, where the expenses are attributable to a death or injury arising from certain crimes.

H.R. 1375. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the reasonable and necessary expenses incurred when commuting to and from work on mass transportation facilities.

H.R. 1376. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to allow handicapped individuals who are blind or cannot use mass transportation an income tax deduction for any taxicab fares paid for their transportation.

H.R. 1377. January 4, 1977. Ways and Means. Amends the Internal Revenue Code to provide a $5,000 tax exclusion for persons aged 65 or over for amounts received as an annuity, pension, or other retirement benefit, and for all persons receiving retirement benefits under a public retirement system.

H.R. 1378. January 4, 1977. Ways and Means. Amends the Internal Revenue Code of 1954 to exempt from the excise tax imposed on the use of civil aircraft, aircraft which are owned and operated by the Civil Air Patrol if such aircraft are used in search and rescue missions by the Patrol.

H.R. 1379. January 4, 1977. Education and Labor; Ways and Means. Authorizes the Secretary of Health, Education, and Welfare to make grants to the States for the equaliza-

tion of public elementary and secondary education within each State.

Amends the Internal Revenue Code to allow an income tax credit for the tuition paid by an individual for the enrollment or attendance of a dependent at a private nonprofit elementary or secondary school.

H.R. 1380. January 4, 1977. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1381. January 4, 1977. Armed Services. Makes it unlawful for any individual or entity to solicit to enroll or enroll any member of the armed forces in any labor organization or for any member of the armed forces to join, or encourage others to join any labor organization. Sets forth penalties for violations of this Act.

H.R. 1382. January 4, 1977. Judiciary. Amends the Hobbs Act to impose penalties for interfering with commerce by willfully causing property damage of at least $2,000 at or near a factory, construction site, or other place where work or business of an employer or owner is carried on or where such employer or owner transports, stores, or maintain property.

Stipulates that a violation of such provision or of the provision prohibiting interference with commerce through robbery, violent acts, or extortion shall not be nullified or mitigated by certain factors.

H.R. 1383. January 4, 1977. Merchant Marine and Fisheries. Amends the Marine Mammal Protection Act of 1972 to prohibit the issuance of permits thereunder which authorize the taking of marine mammals in connection with fishing.

Amends such Act to grant the Secretary of the Interior exclusive jurisdiction over such Act.

H.R. 1384. January 4, 1977. Post Office and Civil Service. Provides, under the Legislative Reorganization Act, that pay adjustments for Members of Congress may take effect no earlier than the beginning of Congress next following the Congress in which they are approved.

H.R. 1385. January 4, 1977. Veterans' Affairs. Provides that recipients of Veterans' pensions and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits.

H.R. 1386. January 4, 1977. Veterans' Affairs. Directs the administrator of Veterans' Affairs to pay a pension to eligible veterans of World War I or to the widows or children of such veterans. Establishes maximum incomes at which point no pension is to be paid.

H.R. 1387. January 4, 1977. Veterans' Affairs. Entitles Veterans of the Mexican border period and of World War I and their widows and children to pensions on the same basis as veterans of the Spanish-American War and their widows and children. Increases the pension rate for all these veterans and their survivors.

H.R. 1388. January 4, 1977. Veterans' Affairs. Directs the Secretary of the Army to establish one or more national cemeteries in the central west coast area of Florida, and to acquire such land as may be necessary for such establishment.

Directs the Administrator of the General Services Administration, upon request, to transfer to the Department of the Army without reimbursement or transfer of funds any Government-owned land in the central west coast of Florida which the Secretary may determine suitable for a national cemetery.

H.R. 1389. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors', and Disability Insurance) of the Social Security Act to increase to $4,800 the amount of outside earnings which is permitted an individual each year without any deduction from benefits.

H.R. 1390. January 4, 1977. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide that any individual who is entitled to a monthly benefit under such title for the month preceding the month in which such eligible individual dies shall be entitled for the month in which he dies to a prorated benefit based upon a specified formula.

H.R. 1391. January 4, 1977. Ways and Means. Amends the Social Security Act to maintain the inpatient hospital deductible under the medicare program at the level which was applicable during calendar year 1976.

H.R. 1392. January 4, 1977. Judiciary. Provides that a certain individual be classified as a child under the Immigration and Nationality Act.

H.R. 1393. January 4, 1977. Judiciary. Authorizes the Secretary of the Treasury to pay a certain individual a specified sum representing the value of personal property abandoned in Vietnam during the evacuation.

H.R. 1394. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay sums of money to certain individuals in full settlement of their claims against the United States.

H.R. 1395. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain corporation in full satisfaction of its claims against the United States.

H.R. 1396. January 4, 1977. Judiciary. Provides that a certain individual is conditionally admitted to the United States for permanent residence.

H.R. 1397. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of his claim for refund of amounts paid by him to the Internal Revenue Service.

H.R. 1398. January 4, 1977. Judiciary. Specifies the tax treatment of a certain corporation under the Internal Revenue Code.

H.R. 1399. January 4, 1977. Judiciary. Provides that certain individuals be classified as children under the Immigration and Nationality Act.

H.R. 1400. January 4, 1977. Judiciary. Provides that a certain individual is classified as a child under the Immigration and Nationality Act.

H.R. 1401. January 4, 1977. Judiciary. Deems a certain individual to have died on his 60th birthday in order to make his widow eligible for an annuity.

H.R. 1402. January 4, 1977. Judiciary. Provides that a certain individual be considered lawfully admitted to the United States for permanent residence.

H.R. 1403. January 4, 1977. Interior and Insular Affairs. Authorizes the Secretary of the Interior to convey the interest of the United States in specified lands in Adams County, Mississippi, to certain citizens.

H.R. 1404. January 4, 1977. Ways and Means. Directs the Secretary of the Treasury to admit, duty free, specified articles for the use of a certain college.

H.R. 1405. January 4, 1977. Judiciary. Provides that a certain individual be considered lawfully admitted to the United States for permanent residence.

H.R. 1406. January 4, 1977. Judiciary. Provides for the classification of a certain individual as a child under the Immigration and Nationality Act.

H.R. 1407. January 4, 1977. Judiciary. Specifies the tax treatment of a certain individual under the Internal Revenue Code.

H.R. 1408. January 4, 1977. Judiciary. Provides that a certain individual is conditionally admitted to the United States for permanent residence.

H.R. 1409. January 4, 1977. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1410. January 4, 1977. Judiciary. Provides that a certain individual be conditionally retained in the United States as a permanent alien resident.

H.R. 1411. January 4, 1977. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1412. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 1413. January 4, 1977. Judiciary. Directs the Secretary of Housing and Urban Development to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 1414. January 4, 1977. Judiciary. Authorizes classification of a certain individual as a widow for purposes of Civil Service retirement.

H.R. 1415. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain college and a certain association in full settlement of their claims against the United States.

H.R. 1416. January 4, 1977. Armed Services. Specifies the rental charge of a certain individual's quarters at the United States Naval Academy.

H.R. 1417. January 4, 1977. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1418. January 4, 1977. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1419. January 4, 1977. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1420. January 4, 1977. Judiciary. Provides that a certain individual be conditionally admitted to the United States for permanent residence.

H.R. 1421. January 4, 1977. Judiciary. Declares certain individuals lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

H.R. 1422. January 4, 1977. Judiciary. Provides that a certain individual be conditionally admitted to the United States for permanent residence.

H.R. 1423. January 4, 1977. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1424. January 4, 1977. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 1425. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 1426. January 4, 1977. Judiciary. Provides that a certain individual be conditionally admitted to the United States for permanent residence.

H.R. 1427. January 4, 1977. Judiciary. Provides that a certain individual be deemed eligible for a civil service survivor annuity as of August 26, 1969.

H.R. 1428. January 4, 1977. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1429. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 1430. January 4, 1977. Judiciary. Authorizes classification of certain individuals as children for purposes of the Immigration and Nationality Act.

H.R. 1431. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a sum to a certain individual in full settlement of such individual's claims against the United States.

H.R. 1432. January 4, 1977. Judiciary. Provides that a certain individual be conditionally admitted to the United States for permanent residence.

H.R. 1433. January 4, 1977. Judiciary. Consents to the employment of a certain retired U.S. Army Officer by a certain corporation owned by the Indonesian Government, in accordance with the Constitution.

H.R. 1434. January 4, 1977. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1435. January 4, 1977. Judiciary. Provides that a certain company is relieved of liability for a certain sum to the United States.

H.R. 1436. January 4, 1977. Judiciary. Relieves a certain individual of all liability to the United States previously imposed for postage on certain mailings.

H.R. 1437. January 4, 1977. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 1438. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individuals claims against the United States.

H.R. 1439. January 4, 1977. Judiciary. Directs the Secretary of the Treasury to entertain the claims of a certain individual for replacement, by reason of nonreceipt, of certain Treasury checks.

H.R. 1440. January 4, 1977. Judiciary. Provides that certain individuals be classified as children under the Immigration and Nationality Act.

H.R. 1441. January 4, 1977. Judiciary. Waives the six-year time limit for filing claims with regard to the Correction of Military Records for a certain individual.

H.R. 1442. January 4, 1977. Judiciary Directs the payment of a claim by a member of the United States Air Force for household effects destroyed by fire while being transported at Government expense.

H.R. 1443. January 4, 1977. Judiciary. Provides that a certain individual shall be held lawfully admitted to the United States for permanent residence.

H.R. 1444. January 4, 1977. Judiciary. Provides that a certain individual shall be considered lawfully admitted to the United States for permanent residence.

H.R. 1445. January 4, 1977. Judiciary. Provides that a certain individual be held and considered to have been promoted to captain in the Regular Navy, and to have been retired in that grade.

H.R. 1446. January 4, 1977. Judiciary. Provides that a certain individual is conditionally admitted to the United States for permanent residence.

H.R. 1447. January 4, 1977. Judiciary. Provides that a certain husband and wife may file a claim for credit or refund of any overpayment of Federal income taxes paid for 1965 and 1966.

H.R. 1448. January 4, 1977. Judiciary. Provides that a certain sum will be paid to a particular construction company in full settlement of all claims against the United States arising out of a certain construction contract.

H.R. 1449. January 4, 1977. Judiciary. Provides that a certain individual be considered lawfully admitted to the United States for permanent residence.

H.R. 1450. January 4, 1977. Judiciary. Provides that a certain individual be considered lawfully admitted to the United States for permanent residence.

EXTENSIONS OF REMARKS

IT NEED NOT HAPPEN HERE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. RANGEL. Mr. Speaker, this evening President Carter will present his energy policy before a joint session of Congress. The formulation of a national energy policy is of utmost importance to all Americans. We have built a society based upon a cheap inexhaustible supply of energy and now we must redesign our society and technology to eliminate waste and inefficiency. If we do not change our patterns of conspicuous consumption of energy, we will have to pay dearly. In the short run, our economy will falter due to ever-increasing energy prices, and we will be precipitously vulnerable to an oil embargo, thus severely handicapping our freedom of action in foreign affairs. In the long run, we face a total breakdown of our society as we know it, a return to a preindustrial society, and an unstable world order.

These consequences need not be suffered if we act quickly and prudently to reduce our consumption through a vigorous campaign of energy conservation in order to buy us the time needed to develop environmentally sound alternative sources of energy.

The following is an essay from the April 25 issue of Time magazine by the noted science writer Isaac Asimov. Mr. Asimov paints a grim picture of the world in the year 1997 based on the premise that we failed to heed the warnings of the mid-1970's with respect to the energy shortage. It need not happen if we act now.

The essay follows:

THE NIGHTMARE LIFE WITHOUT FUEL

(Americans are so used to limitless energy supplies that they can hardly imagine what life might be like when the fuel really starts to run out. So Time asked Science Writer Isaac Asimov for his vision of an energy-poor society that might exist at the end of the 20th century. The following portrait, Asimov noted, "need not prove to be accurate. It is a picture of the worst, of waste continuing, of oil running out, of nothing in its place, of world population continuing to rise. But then, that could happen, couldn't it?")

So it's 1997, and it's raining, and you'll have to walk to work again. The subways are crowded, and any given train breaks down one morning out of five. The buses are gone, and on a day like today the bicycles slosh and slide. Besides, you have only a mile and a half to go, and you have boots, raincoat and rain hat. And it's not a very cold rain, so why not?

Lucky you have a job in demolition too. It's steady work. Slow and dirty, but steady. The fading structures of a decaying city are the great mineral mines and hardware shops of the nation. Break them down and re-use the parts. Coal is too difficult to dig up and transport to give us energy in the amounts we need, nuclear fission is judged to be too dangerous, the technical breakthrough toward nuclear fusion that we hoped for never took place, and solar batteries are too expensive to main on the earth's surface in sufficient quantity.

Anyone older than ten can remember automobiles. They dwindled. At first the price of gasoline climbed—way up. Finally only the well-to-do drove, and that was too clear an indication that they were filthy rich, so any automobile that dared show itself on a city street was overturned and burned. Rationing was introduced to "equalize sacrifice," but every three months the ration was reduced. The cars just vanished and became part of the metal resource.

There are many advantages, if you want to look for them. Our 1997 newspapers continually point them out. The air is cleaner and there seem to be fewer colds. Against most predictions, the crime rate has dropped. With the police car too expensive (and too easy a target), policemen are back on their beats. More important, the streets are full. Legs are king in the cities of 1997, and people walk everywhere far into the night. Even the parks are full, and there is mutual protection in crowds.

If the weather isn't too cold, people sit out front. If it is hot, the open air is the only air conditioning they get. And at least the street lights still burn. Indoors, electricity is scarce, and few people can afford to keep lights burning after supper.

As for the winter—well, it is inconvenient to be cold, with most of what furnace fuel is allowed hoarded for the dawn; but sweaters are popular indoor wear and showers are not an everyday luxury. Lukewarm sponge baths will do, and if the air is not always very fragrant in the human vicinity, the automobile fumes are gone.

There is some consolation in the city that it is worse in the suburbs. The suburbs were born with the auto, lived with the auto, and are dying with the auto. One way out for the suburbanities is to form associations that assign turns to the procurement and distribution of food. Pushcarts creak from house to house along the posh suburban roads, and every bad snowstorm is a disaster. It isn't easy to hoard enough food to last till the roads are open. There is not much in the way of refrigeration except for the snowbanks, and then the dogs must be fought off.

What energy is left cannot be directed into personal comfort. The nation must survive until new energy sources are found, so it is the railroads and subways that are receiving major attention. The railroads must move the coal that is the immediate hope, and the subways can best move the people.

And then, of course, energy must be conserved for agriculture. The great car factories make trucks and farm machinery almost exclusively. We can huddle together when there is a lack of warmth, fan ourselves should there be no cooling breezes, sleep or make love at such times as there is a lack of light—but nothing will for long ameliorate a lack of food. The American population isn't going up much any more, but the food supply must be kept high even though the prices and difficulty of distribution force each American to eat less. Food is needed

for export so that we can pay for some trickle of oil and for other resources.

The rest of the world, of course, is not as lucky as we are. Some cynics say that it is the knowledge of this that helps keeps America from despair. They're starving out there, because earth's population has continued to go up. The population on earth is 5.5 billion, and outside the United States and Europe, not more than one in five has enough to eat at any given time.

All the statistics point to a rapidly declining rate of population increase, but that is coming about chiefly through a high infant mortality; the first and most helpless victims of starvation are babies, after their mothers have gone dry. A strong current of American opinion; as reflected in the newspapers (some of which still produce their daily eight pages of bad news), holds that it is just as well. It serves to reduce the population, doesn't it?

Others point out that it's more than just starvation. There are those who manage to survive on barely enough to keep the body working, and that proves to be not enough for the brain. It is estimated that there are now nearly 2 billion people in the world who are alive but who are permanently braindamaged by undernutrition, and the number is growing year by year. It has already occurred to some that it would be "realistic" to wipe them out quietly and rid the earth of an encumbering menace. The American newspapers of 1997 do not report that this is actually being done anywhere, but some travelers bring back horror tales.

At least the armies are gone—no one can afford to keep those expensive, energy-gobbling monstrosities. Some soldiers in uniform and with rifles are present in almost every still functioning nation, but only the United States and the Soviet Union can maintain a few tanks, planes and ships—which they dare not move for fear of biting into limited fuel reserves.

Energy continues to decline, and machines must be replaced by human muscle and beasts of burden. People are working longer hours and there is less leisure; but then, with electric lighting restricted, television for only three hours a night, movies three evenings a week, new books few and printed in small editions, what is there to do with leisure? Work, sleep and eating are the great trinity of 1997, and only the first two are guaranteed.

Where will it end? It must end in a return to the days before 1800, to the days before the fossil fuels powered a vast machine industry and technology. It must end in subsistence farming and in a world population reduced by starvation, disease and violence to less than a billion.

And what can we do to prevent all this now?

Now? Almost nothing.

If we had started 20 years ago, that might have been another matter. If we had only started 50 years ago, it would have been easy.

ADVICE FROM A CONSTITUENT

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. JACOBS. Mr. Speaker, what follows is sage advice from a constituent:

Come home often enough to keep your head on straight but stay up in Washington long enough to keep me from losing mine . . . along with what little savings I've got left in the bank after Congress bought so many things for me that I didn't want!

DWAYNE LAWS.

INDIANAPOLIS, IND.

EXCESSIVE GOVERNMENT REGULATION

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mrs. HOLT. Mr. Speaker, excessive Government regulation is of concern to me, as it ought to be of everyone in this country. For this reason, I am asking that a letter I have received from a constituent be inserted in the RECORD. I believe my colleagues will be interested in why a million dollar business is going out of operation:

APRIL 1, 1977.

HON. MARJORIE S. HOLT,
Longworth House Office Building,
Washington, D.C.

MY DEAR MRS. HOLT: I have been a resident of Anne Arundel county since 1964 when I was transferred to duty in Washington by the Navy. In 1969 I resigned from the Naval Service and formed a deep sea diving firm that over the years has employed up to 40 divers with gross revenues that have averaged around $1,000,000 per annum.

* * * * *

It is with regret that I now inform you that this firm is being dissolved and that my family and I are moving from the State of Maryland.

* * * * *

Of primary importance are three areas: (1) OSHA and its effects on future overhead, (2) Insurability has already been affected as a result of pending OSHA regulations of the diving industry, and (3) the recent voiding of the East Coast Offshore Petroleum leases.

Recall our correspondence in the spring of 1976 concerning OSHA's attempt to place Emergency Temporary Standards (E.T.S.) on the diving industry. Since that time the E.T.S. has been stayed by the U.S. Fifth Circut Court of Appeals. OSHA has proceeded to develop permanent standards which will be published sometime in the near future. I have enclosed a copy of the history of OSHA's actions in regards to the diving industry, and I strongly urge you to read this report.

The proposed standard will cause otherwise unnecessary expenses to add equipment, personnel, and administrative burdens beyond the means of the average small diving contractors. At the present time some diving equipment manufacturers are requiring letters of indemnification from diving contractors prior to shipment of life support equipment.

The insurability of my company, which has had an exemplary safety record, has also been affected by this proposed legislation. Assigned risk workman's compensation coverage is inadequate for diving contractors due to the need for coverage against claims under the Longshoreman's and Harbor Worker's Act and the Jones Act. In December of 1976, my insurance carrier elected not to renew our policies. After extensive inquiries, I was able to obtain quotes for coverage from the London market only. The stipulation for this coverage however, was a requirement for a deposit premium of $190,000 versus $37,000 quoted in 1974. Such a sum is not available to firms of our size. Although I can not document the fact, discussions with insurance representatives indicate that OSHA's forthcoming involvement in the diving industry has had an effect on various underwriter's decisions to no longer insure in this industry.

As a result of minimum Federal expenditures in the public works domain over the past three years, value of business in the marine construction field has been low. We had, therefore, expended a large effort at obtaining future work from the offshore petroleum industry.

The recent cancellation of the East Coast Offshore Lease Sale became the "last straw" in my efforts to continue operating a business in this climate of government regulations, red tape and indecision.

* * * * *

Sincerely yours,

HARTER UNDERWATER CORP.
JOHN V. HARTER,
President and Treasurer.

ATTACHMENT NO. 1

In the early 1970's OSHA conducted a study into the necessity of regulating the safety and health of commercial diving. Testimony before several hearings convinced them that the industry was not in need of regulation, and further, that no agency in government, especially OSHA, possessed the necessary expertise to write such regulations.

One argument was, and partially is now, that up to their involvement in diving, OSHA has never attempted to regulate all facets of an entire industry. Rather they had (wisely so) only dealt with particular, specific hazards which cross many industrial/work place activities (e.g., ladders, guardrails, electrical equipment, etc.) With the commercial diving industry, however, an attempt was being studied on regulating everything: training, medical exams (including specific physical tests), tools, systems, decompression techniques, operational modes and conduct, etc.

Their present attempt, which began in November, 1975, is just such an effort. At that time, acting in response to a petition filed by the United Brotherhood of Carpenters and Joiners (AFL-CIO), OSHA held a two-day hearing in Washington to assess the situation. Based on testimony at that hearing, OSHA determined that divers were "in immediate peril" and in need of regulation. Suspending the normal rule-making procedure specified under the OSHA Act, the agency issued on June 15, 1976, an "Emergency Temporary Standard" which was to go into effect on July 15, 1976—30 days later.

The Association of Diving Contractors had, since November of 1975, been attempting to discuss with OSHA any Standard they planned to issue. Each and every attempt was ignored by OSHA. The only time the industry ever got near to the planned document was when ——— the OSHA standards officer, met with several ADC members to discuss the proposed document in the spring of 1976 [but] refused to let the industry representatives see the actual draft or even read the wording. Instead he agreed to summarize OSHA's position.

As a result of this attitude of OSHA coupled with the content of the E.T.S., the ADC filed before the U.S. Fifth Circuit Court of Appeals for a Stay Order. Two days before the E.T.S. was to go into effect, on July 13, 1976, the Court granted the ADC request and issued a Temporary Stay Order against the implementation of the E.T.S. This was followed in August, 1976, by the Court's issuance of a permanent order pending a decision on the merits of the case. At this time the Court added "we conclude that the appellant's (ADC) chances of prevailing on the merits are good."

The ADC based their successful court challenge on the fact that the E.T.S. was a technically unsound, unworkable document, that such regulation would have a serious

adverse effect on the industry, that the Secretary (of Labor) had exceeded his authority and that "no emergency existed."

Because the OSHA Act requires the agency to issue a Permanent Standard within six months of issuance of an E.T.S., OSHA began the normal rule-making procedure in August, 1976. The ADC argued that since the E.T.S. had been stayed by the Court, no such urgent timetable existed, and that OSHA instead should begin finally to sit down with all interested parties to discuss the need and substance of any regulation. OSHA insisted, however, that the six-month deadline still applied, and that because of this they had to move rapidly.

OSHA began their efforts by conducting a hearing before the Advisory Committee on Construction Safety and Health on 9–10 August 1976 in Washington, D.C. The ADC had a delegation present at this meeting. We challenged the fact that OSHA was asking this Committee to discuss and approve a document (the E.T.S.) which had been stayed by the court, with virtually no chance of success on the merits. The OSHA solicitor stated that it was OSHA's intention to use the E.T.S. as a base from which to arrive at a later Permanent Standard. After one full day of discussion, the Advisory Committee agreed that they were unable to render a decision and requested that OSHA provide them a more definitive document at a later date. OSHA agreed and the Committee set another hearing for 26–27 August 1976. The ADC was provided an advance copy of the new draft proposal and generated a written submission for the Committee to supplement their physical testimony. As a result of the ADC input, the Committtee recommended over fifty substantive changes in the OSHA document, some of which OSHA ultimately ignored.

On November 5, 1976, OSHA published in the Federal Register "Proposed Permanent Standards for Commercial Diving Operations" At the same time and in the same issue of the Federal Register, they formally withdrew the E.T.S. This latter act surprised the ADC legal counsel, as only shortly before, OSHA had made a routine submission to the Court indicating a continued desire to try the case on the merits. It was apparent that OSHA withdrew the E.T.S. because they were unable to meet the six-month deadline for a Permanent Standard as laid down by the Act. We were then faced with the complicated issue of a Proposed Permanent Standard based by law on the E.T.S., which was simultaneously withdrawn, thus removing the urgent timetable.

Further, since the Court had already ruled that the E.T.S. would probably not stand on the merits for the reasons stated in the ADC petition, we could see no technical or other merit in having the new document using the E.T.S. as a base. OSHA has never commented on this point of argument. Upon publishing the November 5, 1976, Proposed Standard, OSHA also set dates for formal public hearings to be held in New Orleans in December, 1976, and January, 1977.

The ADC provided over thirty witnesses who testified at these hearings. These people consisted of scientists, doctors, insurance and legal experts, management, diving supervisors and divers themselves. Also appearing at the invitation of the ADC, but testifying as a "neutral" was Commander S. A. "Jackie" Warner of the United Kingdom Department of Energy, the man responsible for the diving regulatory effort in that country. In addition to these people, even OSHA-sponsored witnesses testified to the fact that OSHA had done a poor job of standard writing, both from a philosophical and practical point of view.

The formal record pertaining to OSHA's effort on diving regulations closed on February 28, 1977, resulting in a stack of paper over five feet high, spanning almost two years of involvement.

Under Section 6(b)(4) of the OSHA Act, the agency is required to publish a standard within six months of the close of the record. We have been informed by sources in OSHA that publication will not take place for "many months yet."

Finally, in conjunction with the issuance of the November 5 document, OSHA also issued an Inflationary Impact Assessment prepared by the Agency with information obtained in a survey conducted by Arthur Young and Company. Perhaps the most damaging (to OSHA's case) testimony that the ADC presented at the public hearings was a critique of this assessment. The ADC critique was prepared by Professor Arnold Levine of Tulane University of New Orleans and Virginia Simons, an economist from the New Orleans area. * * *

The President's Council on Wage and Price Stability also issued a report severely criticizing OSHA's efforts at diver safety.

Several outstanding issues have been raised as a result of OSHA's continuing effort:

1. OSHA has never conducted a study as to diving accidents and their causes. Thus, there is no proof that their regulations will save lives. The only such study which exists has been conducted by the U.K. Department of Energy, and their findings are in direct conflict with the OSHA legislative mandate.

2. This is OSHA's first attempt at regulating an entire industry. Diving in particular is a unique industry in the OSHA frame of operations. This is because while the diver is exposed to the greatest hazards, when he is underwater, he is outside of the direct control of the employer. Even if he could be seen and found to be acting in an unsafe manner, he could not be recalled to the surface immediately because of possible decompression problems.

3. The Federal courts have ruled (562 F2 1213) that in Jones Act liability litigation the simple act of receiving an OSHA citation may be interpreted as negligence on the part of an employer. This fact may make our industry uninsurable.

5. In OSHA's Inflationary Impact Assessment, the Agency made the startling statement that "it is expected that a number of small firms may be forced to go out of business" as a result of the Standards. They have never withdrawn and appear willing to accept such a statement.

TRIBUTE TO MR. FLORINDO PICCININI, A LEADER IN THE ITALIAN-AMERICAN COMMUNITY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. HYDE. Mr. Speaker, perhaps the single most important quality which makes our country so distinct from all others is its unique ethnic composition. I feel particularly fortunate to represent a congressional district which possesses a very diverse ethnic constituency. And I am proud that the ethnic groups in my district have tried to preserve much of the culture and traditions of their homeland. It is not only good for them and for their descendants, but it is a wonderful opportunity for all of us to learn about the customs and traditions of all countries.

I would like to pay tribute today to one of my constituents from Cicero, Ill., who understands perhaps more than many of us, the importance of preserving the heritage of his homeland.

Mr. Florindo Piccinini emigrated from Italy to the United States in 1920. Soon after he arrived in Cicero he helped organize and charter the Unione Operaia Di Mi A, a social club for the Italian community in my district.

Mr. Piccinini was elected president of this organization in 1930 and has been reelected every year for the past 47 years. The membership of Unione Operaia Di Mi A is now over 500 strong and includes a ladies' auxiliary. Its headquarters, located at 5116 W. 14th Street in Cicero, is open daily so that the membership can socialize and discuss community issues.

The club's many varied activities which includes dinners and dances, gives its members and many of its non-Italian friends, the opportunity to learn more about the Italian people and their heritage and customs.

Social clubs of this type are an important thread in the fabric of our American way of life, and we are most fortunate to have in our country the best of many worlds.

I congratulate Mr. Piccinini for his many contributions to the Italian-American community of Cicero, Ill., and pay tribute to him for his many years of service to the Unione Operaia Di Mi A.

YESHIVA UNIVERSITY HONORS PHILADELPHIA COMMUNITY LEADERS

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. LEDERER. Mr. Speaker and my fellow colleagues of the House, I wish to commend to your attention a tribute to eight dedicated community leaders of my hometown, Philadelphia.

On Sunday, April 24, 1977, the Yeshiva University will present its National Scholarship Program Awards to eight Philadelphians. These awards are in recognition of the outstanding leadership of these people in the fields of education, humanitarianism, and communal causes. At a time when our country faces many problems and needs leadership and dedication on all fronts, I think it only fitting that we take this time in the Congress today to pay tribute to these exemplary community leaders.

The National Scholarship Program Awards will be presented to:

Morton L. Amon of Congregation Beth El Suburban.

Morton Diamond of Congregation Ner Zedek-Ezrath Israel.

Edward Fishman and Jack Persky of Congregation Beth Tifilath Israel of Pennypack Park.

Kalman Silver of Congregation Sons of Israel.

Joseph Yondorf of Congregation Shaare Shanayim GNJC.

Thelma Berman and Morton Mozenter of Congregation Beth Chaim.

The awards will be presented by Dean Jacob Rabinowitz of Yeshiva University at a testimonial brunch to be held at Temple Beth Tifilath Israel of Pennypack Park in Philadelphia. This annual

testimonial is sponsored by the Greater Philadelphia Friends of Yeshiva University made up of over 100 rabbis and other alumni of the Yeshiva who now live in the Philadelphia area.

The award recipients were selected by their respective congregations and their rabbis who attended the Yeshiva—Rabbis Samuel Wohlgelernter, David M. Wachtfogel, Charles Lacks, Bernard Rothman, Arnold Feldman, and Maurice E. Novoseller. Their congregations will make donations in honor of the recipients to the Yeshiva University Scholarship Fund. In this way, needy students will be better able to continue their studies at that fine university.

The dedication of these eight Philadelphians serves as a guiding light to all Americans. More importantly, it will serve as an inspiration to the students, the leaders of tomorrow, who will benefit from their dedicated work.

THE 50TH ANNIVERSARY OF MSGR. JOHN POWERS' ORDINATION

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. MOAKLEY. Mr. Speaker, I would like to take this opportunity to commemorate the 50th anniversary of Msgr. John Powers' ordination into the priesthood. The monsignor has long been an invaluable citizen of the city of Boston, and it is only fitting that we recall his years of public service on this anniversary.

Monsignor Powers, born in Lowell, Mass., the son of John and Catherine Powers, was first ordained into the priesthood by the late Cardinal William O'Connell, at the Cathedral of Holy Cross in 1927. This ceremony, 50 years ago, marked the beginning of a long and honorable career of service to the citizens of Boston and the Commonwealth of Massachusetts.

The monsignor's career is filled with charitable deeds known to many thousands of Bostonians.

He began his life of devoted service as curate for St. Joseph's Church in the west end of Boston. He then served as pastor of St. Agnes' Church in Middleton and St. Vincent's Church in South Boston.

His next assignment was to be pastor of the Chapel of Our Lady of Good Voyage on the waterfront of Boston. Here, Monsignor Powers became known as the "Waterfront Priest." Those were rough years, filled with difficult work. There were numerous troubles on the waterfront, with many confrontations between the unions and the waterfront businesses. Monsignor Powers was chosen to mediate the disputes. He labored over difficult decisions, arbitrating to the best of his ability. In time, he became the official arbiter for the Boston Shipping Association and for the International Longshoreman's Association.

The monsignor also continued in his efforts to provide the most troubled of his parishioners with strong spiritual guidance. He became the chaplain of the Charles Street Jail, of the Boston Juvenile Court, and of Boston's Port Authority. On March 13, 1956, John Powers was elevated to the rank of domestic prelate.

Monsignor Powers continues his influence in Boston today. His fame as the waterfront priest is legend. More importantly, his reputation as arbiter over difficult situations was severely tested and sustained during Boston's periods of racial tension in which he worked diligently for harmony in our torn community.

I am personally indebted to Monsignor Powers for his years of service to the citizens of Boston. His work is to be commended, and his integrity saluted. I place his accomplishments and our gratitude before my colleagues in the U.S. Congress, because we need more citizen participation of the quality displayed by Msgr. John Powers.

Fifty years is too long a time before receiving public recognition and thanks for the work he has done for our community. I only hope that monsignor can continue his fine record of public service and devotion to God for years to come.

EXPORTS AND THE ARAB BOYCOTT

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. BLANCHARD. Mr. Speaker, I am pleased to be able to cast my vote today in favor of legislation to strengthen the antiboycott provisions of the Export Administration Act.

Although I, like many other Members of this body, would have supported even stronger language, I believe H.R. 5840, the Export Adminstration Act amendments, will do much to put into practice, in our dealings with Arab countries, the high ideals which have characterized our country's foreign policy at its best.

It was those ideals which I sought to express in my own antiboycott amendment to the International Banking Act last year, which was accepted in the House but, because of inaction by the Senate, failed to become law.

The provisions of H.R. 5840 which bar domestic companies from discriminating in employment or otherwise against any American on the basis of race, religion, sex, or national origin and also from participating in many other boycott-related activities are long overdue, and I welcome them.

The record of Congress and the previous administration in this area following disclosures of the severity of the boycott in February of 1975 was, charitably stated, unfortunate.

It has been a record filled with misleading statements and remarkable events—the most remarkable no doubt being the recommendation of a contempt citation by a House subcommittee against the then Secretary of Commerce—and I sincerely hope that we can now put it behind us.

American technology remains the finest in the world today, and it will always be in demand wherever there is a market for quality products. We should not, and do not, have to compromise the principles we stand for, and humiliate ourselves, to sell our goods overseas.

I hope that the House will stand firm on this matter, so that the antiboycott language which is finally written into law will be a clear statement to all who may have had reason over the last 2 years to question our conviction.

DEL CLAWSON LEAVING CONGRESS

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. MOORHEAD of California. Mr. Speaker, over this last weekend one of the most respected Members of the House of Representatives announced that he would not be a candidate for reelection in 1978. The Southeast News published in Los Angeles County, Calif., carried an article commending DEL CLAWSON for his many years of exemplary service to the people of the district and the Nation. A copy of that article follows:

DEL CLAWSON LEAVING CONGRESS WITH HIS HEAD HIGH

(By Bill Godfrey)

Del Clawson has served the Southeast area faithfully for the past 14 years in Congress. He plans to step down at the completion of his present term next year.

It is typical of Clawson that he would make his announcement early in his last term in order for his party to lay plans for an effective campaign in 1978. He has always been a "party man", working within the party organization to get things done.

Clawson beat a strong Democratic contender for the seat made vacant in the old 23rd Congressional District when Clyde Doyle died. His victory was considered such an upset that it made headlines across the country. The area had been—and still is—a Democratic stronghold.

But Del's low-key approach to politics made him many long-lasting friends among both Republicans and Democrats.

After Reapportionment cut away much of his traditional voting strength in 1973, removing all but the city of Downey in his old district, Clawson took the changes in stride. He won new friends and new supporters to put him back in office twice more with relative ease.

It is also typical of him that he didn't forget his friends just because the courts changed the boundary lines of his district. He was as much in demand as a luncheon and dinner speaker as ever, even though many of his audiences couldn't vote for him.

Although not involved in the scandals that wracked Congress in recent years, Clawson nonetheless was affected by them. He spoke on several occasions of his concern for the moral problems facing Congress.

His honesty and integrity captured the attention of the leadership of the Republican

Party when he first was put on the powerful Rules Committee, and then more recently was made a member of the Republican Policy Committee.

Del will be around for the remainder of this year and next. After that here's hoping he receives a well-deserved rest.

VETERANS' BENEFITS

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. HILLIS. Mr. Speaker, I am today introducing a measure which is designed to deny veterans' benefits to those Vietnam-era veterans who receive an upgraded discharge under the administration's special discharge review program implemented April 5, 1977. According to the Defense Department, during the first week of this program over 10,000 veterans applied to have their discharges upgraded. If this rate continues, 240,000—or half of those eligible—will have applied for an upgraded discharge by the time the program is due to terminate October 5, 1977. The budgetary impact on the Veterans' Administration could be well over $100 million. Although this is reason enough for Congress to deny these veterans entitlement to VA benefits, it is not the only reason, nor is it the most important reason.

Throughout the history of our Nation we have paid honor to those who served in our Armed Forces. While past Presidents have at times seen fit to grant amnesty to those who refused military duty, never before have they been entitled to receive veterans' benefits. This country has in the past forgiven those who refused military duty. However, it has always kept a sharp distinction between those who served honorably and those who failed, or refused to serve honorably. There are a number of people who believe that the Vietnam veteran who deserted, or the young man who evaded the draft illegally, did so out of moral commitments against the war and therefore should be respected. I cannot agree. Let there be no mistake about it—our best men are the ones who responded to their country's request for military duty. We must continue to recognize this fact. That is the underlying reason why Congress must enact legislation as soon as possible to insure that veterans who receive an upgraded discharge do not get even $1 in VA benefits.

On April 6, I joined with Congressman JOHN PAUL HAMMERSCHMIDT and 16 other cosponsors in introducing a measure identical in intent to the bill I am introducing today. Since that time, I have received support from constituents, newspapers, and local veterans' organizations in my district. Grassroots support for denying VA benefits to those veterans who received undeserved and unearned upgraded discharges is growing. This support from different sectors of our society is due to the belief that any individual who opposes a law should use every legitimate peaceful means at his disposal to change that law, and if those efforts are unsuccessful, be prepared to obey the law or face the consequences. If we do not abide by this basic principle, we undermine the nature of our judicial system.

President Carter made a mistake in approving the Department of Defense's special discharge review program. Congress will be making a greater mistake in allowing his decision to stand unchallenged.

JUDGE HJALMAR ANDERSON: IN THE GREAT TRADITION OF PUBLIC SERVICE

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. SARASIN. Mr. Speaker, on April 30 the people of the town of Redding, Conn., will gather to pay tribute to an outstanding individual who has devoted almost four decades to public service to his community and State. Judge Hjalmar Anderson is a truly remarkable man who has earned the respect and admiration of all who know him and I wish to bring his record of long and devoted service to the attention of my colleagues in the House of Representatives.

Judge Anderson is being honored at a testimonial in recognition of his 34 years as Republican Town Committee Chairman in Redding and his 37 years as judge of probate for the town of Redding, among other distinctions, but also for epitomizing the very best in the great tradition of public service.

A lifetime resident of the local area, son of Swedish-born parents who settled in the Georgetown, Conn., area, Hjalmar Anderson also represents success in the time-honored American mold. Educated in local schools through high school, and with 2 years training in commercial law, Judge Anderson entered public life in 1938 when he ran for judge of probate and local representative to the Connecticut General Assembly, winning both. Four years later, Judge Anderson took over leadership of the Redding Republican Town Committee.

Thus was laid the foundation for a remarkable career that continues to this day with the judge's continuing service as a justice of the peace. Some aspects of that career bear noting:

Mr. Anderson served continuously as Redding judge of probate for 36 years until reaching the mandatory retirement age of 70 in 1974. This is a position of great importance and sensitivity in small New England towns, dealing as it does with people's wills and the disposition of property, the guardianship of children, and the protection of the mentally incapacitated. Yet with meager formal legal training, Judge Anderson presided for 36 years and never had a decision reversed.

The judge also served as leader and spokesman for the Republican Party in Redding for 34 years until stepping down in 1975. Politics can cause ill feelings and successful political leaders frequently make enemies, yet Hjalmar Anderson is looked upon with almost universal respect and affection by all who know him. His political acumen and steadying hand were recognized on a wider basis, and he was elected for two terms as chairman of the Fairfield County Republican Organization.

Over these years he also served in the State legislature, on the town board of selectmen, as moderator of the town meeting, member of the board of education and of the board of tax review. In addition he devoted hours of service to community and charitable affairs, conducted a successful real estate business, and became an acknowledged expert on antiques.

A remarkable man and a remarkable career, fully deserving of the high praise and accolades in which I am proud to join.

GENERAL TOFTOY'S DEFENSE CONTRIBUTIONS RECALLED

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. FLIPPO. Mr. Speaker, although it has been 10 years today since the death of Maj. Gen. Holger N. Toftoy, former commanding general of Redstone Arsenal in Huntsville, Ala., the memory of him is still keen in the minds of Americans who recognize his accomplishments in the development of our Nation's guided missile system.

Fifth District Alabamians feel a particular fondness for General Toftoy. He believed in us—in the potential of north Alabama as a breeding ground for remarkable strides in our Nation's space program. The technical and administrative ability he displayed in the space effort in north Alabama is exemplary.

Known as the father of the Army's guided missile system, his foresight and ensuing achievements abide yet in the annals of scientific history, particularly his significant role in the development of the famous Redstone missile.

Another reason General Toftoy will long be remembered even when an additional 10 years have elapsed is his prominent part in the recruitment of the German rocket scientists following World War II. Their technical knowledge combined with his own abilities did so much to foster the success of the United States in the missile field.

General Toftoy commandeered the launching of the first U.S. rocket flight while he was chief of the Rocket Branch of the Research and Development Division of the Ordnance Corps. Later he served as Director of the Ordnance Missile Laboratory at Huntsville and then was commanding general of Redstone Arsenal from 1954 to 1958. Until his retirement in 1960 he served as commanding general of the Aberdeen Proving Ground in Maryland.

It is a distinct honor for me to highlight General Toftoy's achievements to-

day and recognize him as a truly great American. For the fruits of his labors, this country will forever remain indebted to him.

A SPECIAL INSTITUTE FOR THE AGING

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. WIRTH. Mr. Speaker, the values, virtues, and special problems associated with age and aging are beginning to get considerable attention in Congress, the press, and health and social circles.

In Denver, there is a special effort being made to devote energy, expertise, and experience to the study of aging. The Davis Institute for the Care and Study of Aging, currently nearing completion, has begun this effort.

Unlike the usual nursing home facility, the Davis Institute is being specially designed to help patients regain self-sufficiency, while engaging in a therapeutic program. The concept of integration rather than isolation of the aged holds a lot of promise. I would like to share with my colleagues the following article about the Davis Institute:

DAVIS INSTITUTE FOR THE CARE AND STUDY OF AGING

All but unnoticed, a complex of two handsome red brick buildings is being built and completed on the grounds of Denver General Hospital.

The official name of the facility is The Davis Institute for the Care and Study of the Aging.

Unofficially, it marks the first concentrated effort to set up an innovative program for treating the problems of aging and to study means of preventing or forestalling the onset of those problems.

The physical plant plays a major role in the proposed programs.

It will serve in-patients and out-patients.

"The reason for the in-patient facility," Dr. Eric Pfiffer, director of the facility, said, "is to handle people with more than one problem—to study them thoroughly and to observe them with an eye to increasing function."

There is a second reason—to provide rehabilitation.

"Self-care is critical," Pfiffer commented.

Unlike the usual nursing home accommodations, each living unit within the Davis Institute has been designed to help the patients regain self-sufficiency and to support a therapeutic program planned to help them live outside an institution.

According to the director, an example of the many kinds of patients who could be admitted to the in-patient facilities is an elderly person who has been living in a nursing home and would like to move to private quarters. He or she would be assigned to a double room.

Another type might be a couple who would be assigned a suite after either the husband or the wife has suffered a stroke. There, with the professional staff and perhaps the assistance of a son or a daughter, the couple would learn to handle the problems the changed status imposes. The couple would be there as long as necessary to build confidence within themselves and to learn the ways of compensating for handicaps.

The 70-bed hospital unit will be made up of double rooms and one- and two-bedroom units all with private baths especially equipped for the elderly.

The entire effect will be homelike.

In walking through the still uncompleted facility, the unit rooms look surprisingly small. There is a reason for it.

Patients will be, as part of the therapy, urged to socialize—to share with others rather than to withdraw within themselves.

"For that reason televisions in the units or rooms will be discouraged," Pfiffer said, "in favor of having people gather in the lounges to share programs."

Lounges have been designed to accommodate the almost life-size screens of large TV sets and to provide the stimulus for interaction among in-patients.

It would have been simpler to deliver meals to individual rooms and units, but Pfiffer and his staff believe it is important to create social occasions for people who often withdraw from contacts.

According to Dr. Abraham Kauvar, the facility will confine itself to those who can be rehabilitated.

"We will have to work with those people with the capacity of coming back," he said. "For someone with the problems of aging and cancer there is nothing we can offer them. If, however, they have arthritis we could work with them."

The entire purpose of the program as presently conceived is to prevent or slow down the onslaught of the mental and physical problems of aging and to equip those already afflicted with the tools for self-care. In the process, the staff hopes to learn valuable information for the future.

The Davis Institute plans to open Aug. 1.

USE THE EQUAL OPPORTUNITY TO COMBAT REDLINING

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ROSENTHAL. Mr. Speaker, I want to urge consumer, civil rights, and housing groups around the country not to overlook the antidiscrimination provisions of the new Federal Equal Credit Opportunity Act in their fight against "redlining."

Some mortgage lenders systematically exclude certain neighborhoods and geographic areas from mortgage investment without considering the creditworthiness of individual applicants. This kind of credit discrimination has become known as "redlining" and is unquestionably the single greatest threat to neighborhood preservation and urban development. "Redlining" is generally thought of as credit discrimination on the basis of geography. However, why one locality and not another? The answer is simple: At the bottom of every documented instance of "redlining" is some sort of racial, ethnic or age discrimination.

The new Equal Credit Opportunity Act strictly forbids loan discrimination, and makes it easy for borrowers to sue mortgage lenders to halt "redlining" practices.

The new law went into effect on March 23, 1977, and prohibits loan discrimination on the basis of sex, marital status, race, color, religion, national origin, age, receipt of income from public assistance programs, and a borrower's efforts to exercise Consumer Protection Act rights. The law also requires lenders to tell a borrower why they were turned down for a loan, to keep detailed records for 25 months on all loan applications, and to maintain financial records under both names of married couples.

If borrowers want further information about how to use the Equal Credit Opportunity Act to combat loan discrimination, they should contact: Office of Saver and Consumer Affairs, Board of Governnors of the Federal Reserve System, Washington, D.C. 20551.

The following list indicates which Federal agency enforces the Equal Credit Opportunity Act for a particular kind of lender:

For Information About the Lending Practices Of:

National Banks: Contact Comptroller of the Currency Consumer Affairs Division, Washington, D.C. 20219.

State Member Bank: Contract Federal Reserve Bank serving the area in which the State member bank is located.

Nonmember Insured Banks: Contact Federal Deposit Insurance Corporation Regional Director for the Region in which the nonmember bank is located.

Savings Institutions Insured by the FSLIC and Members of the FHLB System (except for Savings banks insured by FDIC): Contact The FHLBB's Supervisory Agent in the Federal Home Loan Bank District in which the institution is located.

Federal Credit Unions: Contact Regional Office of the National Credit Union Administration serving the area in which the Federal Credit Union is located.

Creditors Subject to Civil Aeronautics Board: Contact Director, Bureau of Enforcement Civil Aeronautics Board, 1825 Connecticut Avenue, N. W., Washington, D.C. 20428.

Creditors Subject to Interstate Commerce Commission: Contact Office of Proceedings, Interstate Commerce Commission, Washington, D.C. 20523.

Creditors Subject to Packers and Stockyards Act: Contact Nearest Packers and Stockyards Administration area supervisor.

Small Business Investment Companies: Contact U. S. Small Business Administration, 1441 L Street, N. W., Washington, D.C. 20416.

Brokers and Dealers: Contact Securities and Exchange Commission, Washington, D.C. 20549.

Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks and Production Credit Associations: Contact Farm Credit Administration, 490 L'Enfant Plaza, S.W., Washington, D.C. 20578.

Retail, Department Stores, Consumer Finance Companies, All other Creditors, and All Nonbank Credit Card Issuers (Lenders operating on a local or regional basis should use the address of the F.T.C. Regional Office in which they operate): Contact Federal Trade Commission Equal Opportunity, Washington, D.C. 20580.

IN RECOGNITION OF MR. RICARDO ZAZUETA

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ROYBAL. Mr. Speaker, today I would like to bring to my colleagues' attention the recognition given by the U.S. Civil Service Commission to Mr. Ricardo Zazueta, National Director of SER-Jobs for Progress, Inc. Not only is Mr. Zazueta

one of the two individuals given this special award this year, but he is also the first Hispanic American to receive such an honor.

The special citation presented to Ricardo Zazueta from the Commission reads as follows:

For developing a closer relationship between Hispanic groups and Federal agencies; for increasing managers' awareness of their EEO responsibilities; and for strengthening the Commission's field leadership in advancing the Spanish-speaking program. Participating in most of the ten field conferences held to date, he has played a vital role in articulating to Federal managers the employment concerns of Hispanic Americans.

SER has done a commendable job in the area of training and development of Hispanic Americans for the past decade in more than 60 cities throughout the country. The efforts of Mr. Zazueta and the SER network should be commended for the effective services they are providing to the Spanish speaking in order to alleviate the drastic problem of unemployment.

RULES AND PROCEDURES OF SELECT COMMITTEE ON ETHICS

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. PREYER. Mr. Speaker, on March 22, 1977, the Select Committee on Ethics, which I am privileged to chair, held its first business meeting. At that meeting, the select committee adopted rules of procedure incorporating all applicable House rules, and agreed to procedures for issuing advisory opinions and regulations, pursuant to its authority under House Resolution 383.

Mr. Speaker, for the benefit and information of the Members, I insert in the RECORD at this point the text of the select committee rules and the procedures for issuing advisory opinions.

The material follows:

RULES OF THE SELECT COMMITTEE ON ETHICS

RULE I: RULES OF THE HOUSE

The Rules of the House shall be the rules of the Select Committee so far as applicable. The procedure in the Select Committee shall follow the procedure of the House.

RULE II: COMMITTEE MEETINGS

(a) The Chairman of the Select Committee may call and convene, as he considers necessary, meetings of the Select Committee for the consideration of any bill or resolution pending before the Select Committee or for the conduct of other Select Committee business. The Select Committee shall meet for such purpose pursuant to that call of the Chairman.

(b) If at least three Members of the Select Committee desire that a special meeting of the Select Committee be called by the Chairman, those Members may file in the offices of the Committee Clerk their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the Clerk of the Select Committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Select Committee may file in the offices of the Committee their written notice that a special meeting of the Select Committee will be held, specifying the date and hour of, and the measure or matter to be considered at that special meeting. The Select Committee shall meet on that date and hour. Immediately upon the filing of the notice, the Clerk of the Committee shall notify all Members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(c) If the Chairman of the Select Committee is not present at any meeting of the Committee, the ranking Member of the majority party on the Select Committee who is present shall preside at that meeting.

(d) The Select Committee may not sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

(e)(1) Each meeting for the transaction of business, including mark-up of legislation, of the Select Committee shall be open to the public except when the Committee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: Provided, however, that no person other than Members of the Select Committee and such Congressional staff and such departmental representatives as the Members may authorize shall be present at any business or mark-up session which has been closed to the public. This paragraph does not apply to open Select Committee hearings, which are provided for by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the Select Committee shall be open to the public except when the Select Committee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: Provided, however, that the Select Committee may, by the same procedure, vote to close one subsequent day of hearing.

RULE III: COMMITTEE PROCEDURES

(a) One-third of the Members of the Select Committee shall constitute a quorum for the purpose of transacting Committee business, other than reporting a measure or recommendation when a majority of the Committee must be present. However, testimony may be taken and evidence received at any meeting at which there are present not fewer than two Members of the Committee.

(b) A record vote may be ordered by one-fifth of the Members present or, in the apparent absence of a quorum, by any one Member.

(c) A Member may vote by special proxy only on a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. In order to be considered a valid and duly executed proxy, the proxy authorization shall be in writing, shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the Select Committee, and shall designate the person who is to execute the proxy authorization. If it is desired to give a proxy for sessions on succeeding days, it must be so stipulated in the proxy, and if not so stipulated, it cannot be voted. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. All executed proxies shall be turned over to the Clerk for inclusion in the official records of the meeting after they have been voted. Points of order as to the validity of proxies must be made at the time the proxies are voted.

RULE IV: RECORDS OF COMMITTEE ACTION

(a) A complete record of all Select Committee action shall be kept which shall include a record of the votes on any question on which a record vote is demanded.

(b) There shall be made available for inspection by the public, at reasonable times in the offices of the Select Committee, a record of the votes on any question on which a record vote is demanded, a description of the amendment, motion, order, or other proposition on which a record vote is demanded, and the name of each Member voting for and each Member voting against such amendment, motion, order or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

(c) All Select Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as Chairman of the Committee; and such records shall be the property of the House and all Members of the House shall have access thereto, except that in the case of records respecting the conduct of any Member, officer, or employee of the House, no Member of the House (other than a Member of such committee) shall have access thereto without the specific prior approval of the Select Committee.

RULE V: HEARING PROCEDURES

(a) Members of the Select Committee shall be advised and a public announcement shall be made of the date, place and subject matter of any hearing to be conducted by the Committee at least one week before the commencement of that hearing, unless the Chairman determines that there is good cause to begin the hearing at an earlier date, in which event he shall make public announcement at the earliest possible date. Any announcement made under this paragraph shall be promptly published in the Daily Digest of the Congressional Record.

(b) Each witness who is to appear before the Select Committee shall file with the Committee, at least 24 hours in advance of his appearance, a written statement of his proposed testimony and limit his oral presentation at his appearance to a brief summary of his statement. The requirement of this rule may be waived, in whole or in part, by the Chairman, without objection, or pursuant to a motion duly adopted.

(c) Select Committee Members may question witnesses only when they have been recognized by the Chairman for that purpose. Each Committee Member shall be allowed 5 minutes to question a witness until each Member who so desires has had such opportunity. The Chairman shall, insofar as practicable, recognize alternately on the basis of seniority those majority and minority Members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the discretion of the Chairman.

(d) Whenever any hearing is conducted by the Select Committee on any measure or matter, all Members shall be entitled to recommend in writing to the Chairman the names of witnesses to appear. The Minority Members of the Select Committee shall be entitled, prior to completion of the hearings and upon request to the Chairman by a majority of them, to call witnesses selected by the Minority to testify with respect to

that measure or matter during at least one day of such hearings.

(e) No point of order shall lie with respect to any measure reported by the Select Committee on the ground that hearings on such measure were not conducted in accordance with the provisions of Rule XI, clause 2(g); except that a point of order on that ground may be made by any Member of the Select Committee which reported the measure if, in the Select Committee, such point of order was (A) timely made and (B) improperly overruled or not properly considered.

RULE VI: BROADCAST OF COMMITTEE MEETINGS AND HEARINGS

The Select Committee, by majority vote, may permit any of its public hearings or meetings to be televised, broadcast by radio, or photographed subject to the following requirements:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by television and radio media shall not be installed in, or removed from the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting, between the witness level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Select Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearings by other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstrusive manner.

RULE VII: PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the Chairman to report or cause to be reported promptly to the House any measure approved by the Select Committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the Select Committee on a measure which has been approved by the Select Committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the Clerk of the Select Committee a written request, signed by a majority of the Members of the Select Committee, for the reporting of that measure. Upon the filing of any such request, the Clerk or Counsel of the Committee shall transmit immediately to the Chairman of the Committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the Select Committee unless a majority of the Select Committee was actually present.

(2) With respect to each record vote on a motion to report any bill or resolution, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the Select Committee report.

(c) If, at the time of approval of any measure or matter by the Select Committee, any Member of the Select Committee gives notice of intention to file supplemental, Minority, or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that Member, with the Clerk or Counsel of the Select Committee. All such views so filed by one or more Members of the Select Committee shall be included within and shall be part of, the report filed by the Select Committee with respect to that measure or matter. The report of the Select Committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, Minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, Minority, or additional views are included as part of the report.

This subparagraph does not preclude—

(i) the immediate filing or printing of a Select Committee report unless timely request for the opportunity to file supplemental, Minority, or additional views has been made as provided by this section, or

(ii) the filing by the Select Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by the Select Committee upon that measure or matter.

(d) A measure or matter reported by the Select Committee shall not be considered in the House until the third calendar day (excluding Saturdays, Sundays, and legal holidays) on which the report of the Select Committee upon that measure or matter has been available to Members of the House. If hearings have been held on any such measure or matter so reported, the Select Committee shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House.

(e) If, within seven calendar days after a measure has, by resolution, been made in order for consideration by the House, no motion has been offered that the House consider that measure, any Member of the Select Committee which reported that measure may be recognized in the discretion of the Speaker to offer a motion that the House shall consider that measure, if the Select Committee has duly authorized that Member to offer that motion.

RULE VIII: POWER TO SIT AND ACT

For the purpose of carrying out any of its functions and duties, the Committee is authorized to sit and act at such times and places as it considers appropriate whether the House is sitting, has recessed, or has adjourned.

RULE IX: AMENDMENT OF THE RULES OF THE SELECT COMMITTEE

The Rules of the Select Committee may be modified, amended, or repealed, by a majority vote of the Select Committee, provided that two legislative days written notice of the proposed change has been provided each Member of the Select Committee prior to the meeting date on which such changes are to be discussed and voted upon.

PROCEDURES FOR ISSUING ADVISORY OPINIONS

1. Acceptance of Requests for Advisory Opinions: The Select Committee will accept requests from Members, officers, employees or spouses of those individuals affected by House Rules. Corporations, businesses, or individual citizens may ask for clarification or information concerning House Rules, but responses to these requests would be on an informal basis.

2. Submission of Requests for Advisory Opinions: All requests for advisory opinions must be in writing and state the factual situation to which the Select Committee will be responding.

3. Response to Requests for Advisory Opinions: All responses to such requests will be in writing and directed only toward the specific situation in question.

Requests will be addressed by the Committee in the following manner:

(a) The Select Commitee will exercise discretion in responding to any request in order to assure the privacy of the individual.

(b) Those cases which involve the application of House Rules to a particular situation and do not require new interpretation or policy decisions will be answered by letter signed by the Chairman and Ranking Minority Member. The Chairman and the Ranking Minority Member may designate another Member of the Committee to assume this responsibility in their absence.

(c) Those cases which involve interpretation of House Rules or the "breaking of new ground" will be considered by the full Committee.

(d) Advisory Opinions which have widespread application or involve new interpretation will be published in the Congressional Record and distributed to the Members. Again, the privacy of the individual will be fully protected by the Committee.

THE DICKEY-LINCOLN HYDROELECTRIC PROJECT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. DRINAN. Mr. Speaker, we are all aware of the very great need for energy which this country will increasingly experience in the coming years. This week, President Carter will be focusing on the steps which we must take to reduce our energy dependence on the Arab nations and other foreign countries. Yet amidst this new awareness in the energy area, we must also adhere to the President's third overriding principle which he recently referred to in his address to the Nation—that is, we must protect the environment as well.

The Dickey-Lincoln hydroelectric project is one energy proposal which I believe should be scrapped in deference to the environment. Scheduled to be constructed in the wilds of Maine, the Dickey-Lincoln dam would result in the flooding of 88,600 acres of wildlands and deer yards. The damage to the environment in that area would be incalculable, and all for less than 1 percent of New England's energy supplies.

It is never easy to stop a major project for which a great deal of money has been expended. It is doubly difficult given the energy shortage in New England. But after the completion of numerous analyses on Dickey-Lincoln, I think it has become clear that the costs outweigh the benefits. I therefore believe that the project should no longer be built, and I have informed the President of my opposition. The letter to President Carter, signed by 12 Members of Congress, follows, along with a fine letter in opposition which I received from Mr. Allen H. Morgan of the Massachusetts Audubon Society. I am also including several editorials which appeared in the Boston Globe on this issue:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 5, 1977.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are as disappointed by your decision to remove the Dickey-Lincoln project from your list of projects recommended for deletion of funding in FY 1978, as we were supportive of your original action February 21.

The Dickey-Lincoln project has been, is and will continue to be economically and environmentally unacceptable, regardless of what stage it is in. In size, in cost, and in damage to the environment, the project is enormous. We oppose any further funding of Dickey-Lincoln on economic, energy, and environmental grounds.

ECONOMICS

1. The cost of the project has tripled since it was authorized twelve years ago in 1965. The Corps of Engineers now estimates that it would cost $669 million to construct at 1976 prices; other estimates go higher.

2. An updated analysis of the benefits and costs of Dickey-Lincoln, based on the latest figures available from the Corps of Engineers and the Federal Power Commission, was completed this spring by A. Myrick Freeman, Professor of Economics at Bowdoin College, Maine. (Enclosed) His report states: "One surprising conclusion which emerges from this new data is that despite rising oil prices the economic case for Dickey-Lincoln is getting weaker . . . the benefit-cost ratio is declining because the costs of building Dickey-Lincoln are rising faster than the costs of building and operating alternative sources of power."

At the time the project was authorized, its benefit-cost ratio, as computed by the Corps of Engineers, was 1.81 to 1.00. A recent benefit-cost ratio by the Corps, using the discount rate of 6⅜% applied by the federal government in evaluating new water resource projects, shows a ratio of 1.2 to 1.0. A Corps economic efficiency analysis shows a comparative ratio of only 1.02 to 1.00.

3. A major economic resource will be destroyed: 106,000 acres (166 square miles) of prime timber land. Seven Islands Land Company, which manages most of this land for private owners, estimates that approximately 200,000 cords of wood could be produced annually on a sustained yield basis. The estimated value of this resource to the state's economy is $40 million per year. If this figure were included in the project's cost-benefit ratio, the ration would fall below 1 to 1, even if the 3¼% discount rate were used.

ENERGY

The proponents of the Dickey-Lincoln project justify its enormous cost on the grounds that it will provide needed electricity to New England. This argument is faulty for several reasons:

1. Dickey-Lincoln will generate very little electricity for its size and cost. Since the St. John River has a low flow for most of the year, the Dickey dam will have only a 15% annual capacity factor. This means that it can be operated an average of only 3–4 hours per day; if it ran continuously it would run out of water in 35 days. The total electricity output of Dickey-Lincoln would be only about 1% of the electricity generated in New England in 1986, when the project would be fully operational.

2. The growth rate of peaks in energy demand is slowing, according to NEPOOL (New England Power Pool) because of higher prices and energy conservation programs, including rate structure changes, thus reducing the need for peaking generators such as Dickey-Lincoln.

3. Most important, Dickey-Lincoln will not be needed even in 1986. A NEPOOL forecast dated December 31, 1976 states that New England has a present reserve margin of 49% above peak demand. (Peak demand in 1976 was 14,000 MGW, capacity was 21,000 MGW). The forecast predicts that in 1986 the Pool will have a reserve margin of 30% over peak demand, without Dickey-Lincoln. (The report predicts a 24,000 MGW peak demand and a 31,800 MGW capacity. Furthermore, Dickey-Lincoln would only offer about 800 MGW of peaking power).

4. Other hydropower alternatives which are economically feasible and environmentally sound exist in New England. An Army Corps of Engineers survey counts over 3,000 already existing dams in the region, very few of which currently produce electricity.

Some study and field work have been completed by the Mitre Corporation and the Maine Hydroelectric Corporation which indicate that small site dams could be retrofitted with turbine generators for $600–$2000 per kilowatt.

ENVIRONMENTAL CONSEQUENCES

The Dickey dam would be 2 miles long and 335 feet high. In total volume it would be the eleventh largest dam in the world, larger than Egypt's Aswan Dam. In addition to the two dams, five dikes would be constructed to prevent the reservoir from spilling over into adjacent watersheds. Total acreage required is 127,000 acres. Numerous studies have documented the environmental consequences of the Dickey-Lincoln project:

1. It would destroy finally and irrevocably the great free-flowing St. John, the longest wilderness river in the Northeast.

2. Some of the best white-water canoeing, surpassing the already overused Allagash Waterway in its magnificent rapids, would be lost forever.

3. It would wipe out some 267 miles of streams, including the outstanding brook trout fishery of the upper St. John, the Little Black and the Big Black Rivers.

4. It would inundate 17,600 acres of deer-yards, critical winter habitat for over 2,000 deer, with the attendant disruption of as many as 30,000 hunter days each year.

5. It would flood the habitat of moose, bald eagles, and many rare and endangered species of plants and animals.

6. The project would create a 57-mile long, 88,000 acre reservoir, whose water level would fluctate approximately 22 feet in an average year, with a 17,700 acre (27 square mile) "bathtub ring". At minimum lake level, there would be 50 square miles of bathtub ring. Maine already has over 3,000 lakes, many of superlative quality; the recreational value for the reservoir was considered so lowly by the Northeast Regional Office of the Bureau of Outdoor Recreation that it declined to do serious recreational studies for the project.

PUBLIC AND POLITICAL OPPOSITION

1. A survey conducted in 1975 by Congressman Emery of Maine disclosed that two-thirds of his constituents opposed the project. Petitions in opposition circulated by the Maine Natural Resources Council have been signed by over 30,000 persons, including 17,000 Maine residents.

2. The President of the Maine Senate, Joseph Sewall (Mr. Sewall requested he be quoted as follows: "Unless it were proven by competent engineers that Dickey-Lincoln was essential to the development of tidal power"), and the Maine Senate Minority Leader, Gerard Conley, both oppose the project.

3. The Maine Young Democrats and the Americans for Democratic Action adopted resolutions against the project.

4. The Boston Globe, the major newspaper of New England, the Bangor Daily News, the Kenebec Journal, and the Maine Times, all have taken editorial positions against Dickey-Lincoln, the Globe reversing its former position supporting the project.

5. All major American, Canadian, local and regional environmental groups oppose the project, including:

LOCAL AND REGIONAL GROUPS

Appalachian Mountain Club.
Conservation Law Foundation of New England.
Federation of Western Outdoor Clubs.
Maine Natural Resources Council—the "umbrella" environmental coalition in Maine, with 28 Statewide and 98 Regional and local Affiliates.
Massachusetts Council of Sportsmen's Clubs.
Massachusetts Forest and Park Association.
Northeast Audubon Society.
Sierra Club—New England Chapter.

NATIONAL GROUP

American Canoe Association.
American Rivers Conservation Council.
Environmental Policy Center.
Friends of the Earth.
Friends of the St. John (Coalition).
National Audubon Society.
National Wildlife Federation.
Sierra Club.
Trout Unlimited.
Union of Concerned Scientists.
The Wilderness Society.

INTERNATIONAL GROUPS

Alberta Wilderness Associates.
Canada-United States Environmental Council.
Canadian Coalition for Nuclear Responsibility, Ontario.
Canadian Environmental Law Association.
Canadian Nature Federation.
Conservation Council of New Brunswick.
Energy Probe, Ontario.
Greenpeace Foundation.
National Survival Institute.
Saskatoon Environmental Society, Saskatchewan.
Save Tomorrow Oppose Pollution, Alberta.
Societé Vaincre la Pollution, Quebec.
SPEC (Society for Poilution and Environmental Control), British Columbia.
Yukon Conservation Society.

Respectfully yours,

PAUL E. TSONGAS, M.C., DAVID F. EMERY, M.C., TOBY MOFFETT, M.C., ROBERT F. DRINAN, M.C., EDWARD J. MARKEY, M.C., CHRISTOPHER J. DODD, M.C., SILVIO O. CONTE, M.C., JAMES M. JEFFORDS, M.C., STEWART B. MCKINNEY, M.C., JAMES C. CLEVELAND, M.C., ROBERT N. GIAIMO, M.C., and GARY E. STUDDS, M.C.

MASSACHUSETTS AUDUBON SOCIETY,
Lincoln, Mass., April 7, 1977.

Hon. ROBERT F. DRINAN,
Congress of the United States, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN DRINAN: Your letter of March 28 had just arrived on my desk when I also received some calculations done by Dr. James MacKenzie of our Scientific Staff, which compare the energy savings by spending the cost of building the Dickey-Lincoln Dam Project on energy conservation measures—namely installing attic and wall insulation and installing storm windows.

His calculations use a figure of $668 million—a recent estimate of the Dickey-Lincoln construction. He also used the predicted energy production of Dickey-Lincoln of 1.2 billion kw hours, or 4.1 trillion BTU.

It works out, using average figures supplied us by contractors, that if $668 million is spent on installing attic insulation it would save 43 times as much energy as Dickey-Lincoln would ever produce—similarly $668 million spent on wall insulation would save 7.5 times as much energy as Dickey-Lincoln would produce—and for storm windows the figure is somewhat over 4 times what Dickey-Lincoln would produce.

We tried to figure out the number of jobs that these three different kinds of energy conservation would generate and we hesitate to quote those figures because they are so difficult to calculate without leaving ourselves wide open to challenge. In other words, what are reasonable assumptions for how rapidly one contractor can install insulation vs. another? But in any event, our calculations (which I don't want quoted for the reasons stated above) indicated that the attic insulation would create almost 50% more jobs than Dickey-Lincoln, the wall insulation over twice as many; the storm windows somewhat less than Dickey-Lincoln.

It seems to me that these are significant figures which should be entered into the debate on this subject.

ALLEN H. MORGAN,
Executive Vice President.

A COST/BENEFIT COMPARISON BASED ON THE DICKEY-LINCOLN HYDROPOWER PROPOSAL

	Cost (millions)	Energy produced (billion kWh)	Energy saved (trillion Btu)
Dickey-Lincoln (1976)	$668	[1] 1.2	None
Conservation alternatives:			
Attic insulation (9-in fiberglass, contractor installed at 30 cents per square foot)	668	None	[2] 177
Wall insulation (foam installed at 70 cents per square foot)	668	None	[3] 31
Storm windows ($30 each, installed)	668	None	[4] 18

[1] Equal to 4,100,000,000,000 Btu.
[2] 43 times as much as Dickey-Lincoln.
[3] 7.5 times as much as Dickey-Lincoln.
[4] More than 4 times Dickey-Lincoln.

[From the Boston Globe, Feb. 23, 1977]

THE CANCELED DAMS

President Carter opened a political can of worms when he announced over the weekend that 19 dam, reservoir and irrigation projects would be deleted from his revised budget for the next fiscal year.

The amount involved is small (on the scale of Federal budgets)—only $270 million in a total of $459.4 billion, or a tiny fraction of 1 percent. Even the ultimate total cost of the 19 projects, more than $5 billion over a period of about 10 years, is a modest amount in the context of total Federal spending.

Certainly the President was aware that he could ruffle congressmen and governors from the states involved. He must also be aware that he was cutting back on work for the construction industry, which has a national unemployment rate of 15 percent and local unemployment rates that run far higher in some areas.

But the message of the cutbacks is clear. No sacred cows among public works projects. As though to underline that intent the President added the 19th name of deleted projects at the last minute—a dam in Georgia.

Controversy has marked many of the projects involved, perhaps none quite as much as the lone New England proposal, the Dickey-Lincoln dam project in Maine.

The Dickey-Lincoln project got its first serious legislative boost in 1965 when the U.S. Senate voted $227 million for the project—without debate. It was attacked then primarily by private utilities who challenged the need for it and claimed that, whatever the benefits, it would be too costly. Last October the Army Corps of Engineers estimated the cost of the project at $668 million for a two-dam project that would deliver electric power only at hours of peak demand—and possibly only during part of the year.

The dam project has subsequently been challenged by increasing numbers of environmentalists on the grounds that it would be unacceptably disruptive to wildlife displaced or destroyed by the 90,000-acre lake that would be created by the larger of the two dams.

It has lost some liberal support on the grounds that the project had failed to go through full environmental review and had not proved itself economically. Even some friends of public power for New England who envision it as a "yardstick" for measuring the performance of private utilities, question whether a dam complex that can at best supply electricity at periods of peak demand is in any way useful for making judgments about fossil or nuclear power plants run by private utilities.

Elsewhere in the country, much of the protest about the Carter cutbacks has come from areas where there have been serious drought problems in recent months—but the water projects in those areas cannot bring rain, only store it.

The Carter Administration is not adamant on the cutbacks. If Congress reinstates funds for the projects, there will be no attempt to impound the money. But the Administration has said it is time to take a close look at the justification for all capital projects of this sort.

Historically, river and harbor projects have been local pork barrels with entirely inadequate cost-benefit studies. The Dickey-Lincoln project has certainly failed to prove itself on that score. Those projects that can be justified should be reinstated. But the Administration is right to remind Congress that such projects should not be taken for granted.

[From the Boston Globe, Mar. 3, 1977]

RETHINKING DICKEY-LINCOLN

President Carter's deletion of funds for the proposed Dickey-Lincoln dam project on the St. John's River in Maine has forced everyone to rethink the issues that originally justified the project. That rethinking process leads us to the conclusion that the project, which once seemed valid, no longer is so. We backed the project in the past on what appeared to us good grounds. We now urge Congress to take account of changed circumstances and to vote no funds for Dickey-Lincoln.

Initial supporters of the project viewed it as a means of introducing significant amounts of public and cheaper power into New England. Dickey-Lincoln was to become New England's Tennessee Valley Authority, producing low-priced electricity itself and forcing private utilities, by competition and by example, to lower their rates. New England power costs are the nation's highest.

But Dickey-Lincoln never lived up to its original promise. Even in the planning stage, it was never to become a massive source of electricity. As now designed, it would include two dams that between them would provide electricity only at hours of peak demand, since rainfall in the St. John watershed is inadequate to sustain continuous operation.

The concept of competition from publicly owned utilities has been given a much better chance to prove itself with the development of a wholesale electric company organized by the municipal light departments in Massachusetts. This wholesale company now has the authority to construct electric generating facilities either by itself or in partnership with private companies—and is already doing both.

Dickey-Lincoln was conceived in an era before there was full awareness of the real value of the natural environment—which is no one's fault. No power project can be built without some disruption of the locale but Dickey-Lincoln would create a lake covering 90,000 acres—a lot of land for a project that would perform its function only intermittently. The costs to wildlife are immeasurable. Added to them are the losses from displaced forestry operations.

The dam project itself has become a potential sink for money. When the first supporting legislation passed in 1965, the cost was estimated at $227 million. Last year the Corps of Engineers recalculated it at $068 million. The real cost could easily be about $1.3 billion—double the Engineers' estimate.

Dickey-Lincoln was once seen as an idea whose time had come. Now President Carter has provided an opportunity to see it for what it is—an idea whose time has gone.

PETER KIRK OF EUROPE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ROSENTHAL. Mr. Speaker, Sir Peter Kirk, of the British House of Commons, died last weekend in London at the early age of 48. His death represents an enormous loss to his own country and to

the cause of a united Europe for which he worked so energetically.

I first met Sir Peter in 1973 when he led a delegation from the European Parliament to Washington for meetings with a House delegation. Those meetings have now flowered into a full and regular parliamentary exchange which marked its tenth meeting last September in Washington. Sir Peter was here for that meeting and made his usual exemplary contribution to the important discussions on human rights, political relations and social and economic developments concerning both the European community and the United States.

Sir Peter Kirk had many friends in the Congress, some of whom did not even know him. For he was the true friend of all those committed to a better understanding of the crucial importance of American-European relations. He worked vigorously for that understanding. His death, indeed, is a tribute to the vigor which he devoted to all he did. Sadly, his heart was not an adequate match to the spirit.

FINANCIAL DISCLOSURE BY REPRESENTATIVE LONG

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. LONG of Maryland. Mr. Speaker, although not required to do so by law, I make a yearly disclosure of my income, taxes, assets, and liabilities.

For 1976, I paid net taxes totalling $21,057.79; my gross income was $56,046.74. My Federal income taxes were $14,764.14; State and local income taxes were $3,295.96; property and sales taxes were $2,996.69.

My major source of income in 1976 was $44,600 annual salary as a Congressman. Other taxable income included a small annuity of $1,981.10 from the Teachers Insurance and Annuity Association; $5,781.84 from congressional allowances in excess of official expense; and net rents of $3,683.80 from my farm in Harford County. In 1976 I accepted no outside earned income for speeches or services and followed my long-standing practice of accepting no gifts of any kind, however small or in whatever form—not even flowers or fruit.

My real property consists of my home in Ruxton, Md., purchased in 1946, currently mortgaged for $7,660, and my 112-acre farm in Harford County, purchased in 1965 for $118,000. I owe $11,500 in short-term notes to the Mercantile Safe Deposit and Trust Co. of Baltimore.

My contributions to the Federal retirement system for 1976 were $3,568.44. Total contributions to the retirement system since I was elected to Congress have accumulated to $39,106.20. This is not a liquid asset.

Other assets include a 1976 Buick, a 1977 Plymouth station wagon, home furnishings, and a small checking account sufficient to pay current expenses.

BROADCASTING CONGRESS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, the House is now in the midst of an in-House broadcast test to determine the feasibility and advisability of such a system both as an information source for Members and as an additional source of information for the public about our proceedings. This 90-day test, begun on March 15, will conclude in mid-June. Under the terms of House Resolution 404, adopted on March 15, the Rules Committee will then evaluate the impact of the test on our proceedings and recommend to the House whether such coverage should be made available to the public.

During the last Congress, our Rules Subcommittee on Broadcasting surveyed State legislatures and found that 44 have at least partial broadcast coverage of their proceedings. Almost without exception, the reports on public broadcasting of the legislature were favorable. In the April 12, 1977, Washington Post, Neal R. Peirce wrote about the broadcast experience in these State legislatures and how it bears on the decision we will soon make. He concludes his article with the following paragraph:

The time seems ripe for the proud barons of Capitol Hill to take a leaf from the experience of their "junior" partners in the state legislatures, where the experiment with television has been tried—and proven successful.

Mr. Speaker, at this point in the RECORD I include the full text of the Peirce article, and commend it to the reading of my colleagues. The article follows:

[From the Washington Post, April 12, 1977]

CAN TELEVISION GET INTO CONGRESS?

(By Neal R. Peirce)

While Congress continues to block broadcast coverage of its debates, the legislatures of 44 states—including Maryland and Virginia—now permit radio microphones and television cameras in their official sessions.

The total blackout of floor debates continues on Capitol Hill 53 years after the first bill to allow radio coverage was introduced, 33 years after the first bill to allow television cameras.

But the broadcast experience in most state legislatures is positive. Television and radio coverage is heping legislators to increase interest in lawmaking, heighten understanding of issues—and even improve their own image.

"Broadcasts of our debates have done more than anything else to sensitize citizens to what's going on in Tallahassee" says Florida state Sen. Kenneth Myers.

Viewer response seems to be equally enthusiastic. One Nebraska citizen wrote that he was "as addicted to" the television coverage of his state legislature "as some people are to soap operas." Another said television coverage "has altered my opinion of the quality of the legislature and given me heightened respect for the service these people perform."

Many legislators initially feared that television would make a circus of floor proceedings, turn members into performers and encourage glibness and demogogery instead of deliberation. Privately, many feared that they wouldn't present a positive image on television.

In isolated instances, those fears have been borne out. After Florida started televising its sessions, 88 per cent of the capitol press corps said the cameras led to more grandstanding.

But in most states television coverage has produced change for the good. At a minimum, decorum has improved: Florida legislators, for instance, dress better and no longer eat during sessions. "Instead of acting like publicity-hunting candidates," one Southern state senator noted, "the legislators put their best foot forward by removing them from their desks."

The substance of legislating has also improved. Connecticut legislators, for instance, stopped scheduling debate and committee meetings simultaneously and ceased rushing through stacks of bills on the last day of their session. "The same individuals who sloppily conducted or participated in committee meetings are now so well prepared, and are so conscious of their staff effort and opportunity, that I think we have progressed light years," a Connecticut legislator claims.

Spurred by the state's pioneering "sunshine law," Florida has the nation's most extensive electronic coverage of the legislature: a nightly hour-long wrap-up broadcast over nine public television stations during the annual 60-day sessions, plus a fair amount of coverage on commercial television news shows.

Public television stations in most states cover legislative action on a smaller scale, through a weekly half-hour or hour format including footage of floor action and committee hearings interspersed with commentary. The most succesful show is probably New York's 30-minute weekly "Inside Albany" program, which also covers the governor and courts. Pennsylvania last year started a similar weekly program, "The People's Business: Harrisburg Report."

A problem with public television broadcasts is that audiences are small and heavily weighted toward highly educated people interested in public affairs. And because public stations must rely on legislative appropriations, there's always the danger of retaliation by disgruntled legislators.

Commercial stations have both audiences and financial resources superior to those of the public television stations. But in most states their record on televising—or even reporting on—legislatures is dismal. Despite high profits, television executives generally refuse to purchase cameras to cover the legislatures. Viewers are lucky if their local television stations even send reporters to the state capital.

When the CBS outlet in Los Angeles closed its Sacramento bureau on Christmas day, only one station—KNBC in Los Angeles—was left with a camera crew permanently assigned to California's state capital. The other 66 California television stations, according to California Journal editor Ed Salzman, "have decided that the state government stories are too dull and too complicated to broadcast."

While Congress continues to drag its feet on the broadcasting issue, other leading world legislative bodies—including the parliaments of West Germany, Japan, Denmark, Norway, Finland, Sweden and Holland—have permitted television coverage.

But there could be a breakthrough in Congress this session. Senate Majority Leader Robert C. Byrd (D–W. Va.) says he supports network coverage of Senate sessions "on a selective basis." Pressures are building to provide live television and radio coverage of House floor sessions through a network pool of ABC, CBS, NBC, and PBS. Speaker Thomas P. O'Neill, then Majority Leader,

kept a measure authorizing such broadcasts from coming to a vote last session. This year, O'Neill has introduced a test of closed-circuit coverage to member's offices.

Younger congressmen in particular argue that televised sessions could help Congress improve its poor performance ratings with the public and regain some of the visibility—and power—that has been shifting to the executive branch ever since Franklin Roosevelt's fireside chats. President Carter's plans to take his positions to the people on national television will likely shift the power balance to the White House even further if Congress doesn't act.

Opponents of televised Capitol Hill debates raise the same tired arguments previously heard in the states—that the cameras will prompt grandstanding and place members in an unfavorable light. But now the evidence is in from the states: Television actually enhances a legislatures stature, and often its effectiveness.

The time seems ripe for the proud barons of Capitol Hill to take a leaf from the experience of their "junior" partners in the state legislatures, where the experiment with television has been tried—and proven successful.

NARBERTH COUPLE DENIED ENTRY BY THE SOVIET UNION

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. COUGHLIN. Mr. Speaker, it is with dismay that I must bring to the attention of my colleagues yet another incident of Soviet disregard for basic human rights.

According to an April 19 Philadelphia Inquirer article, Mr. and Mrs. Arnold Silvers of Narberth, Pa., were expelled from the Soviet Union allegedly for attempting to bring "Zionist scribblings" into Moscow.

The Soviet news agency Tass reported that the Silvers, who live in my congressional district, were detained Sunday when they arrived from New York at Moscow's international airport. Although the Silvers have not confirmed the Tass story as yet, Soviet officials purportedly found leaflets, handbills, and appeals addressed to Soviet Jews in one of their suitcases. Mr. and Mrs. Silvers were just beginning a 1-week vacation in the Soviet Union which was to include visits to Moscow, Kiev, and Leningrad when they were expelled. They returned home on Monday.

Both Arnold and his wife, Florence, are very active in the local Jewish community and are directors of the Har Zion Temple, a conservative Jewish congregation in Narberth. Mrs. Silvers is also a founder of the local Soviet Jewry Council prominent in efforts to publicize the oppressive policies directed against Soviet Jews.

During the last 2 years, about 25 Americans have been expelled from the Soviet Union for attempting to bring in what the Soviet officials consider contraband, mostly materials aimed for the Soviet Jews.

In light of the Helsinki Accord where the Soviet Union pledged to respect human rights and to allow freer international exchanges and travel, the continued Soviet violations of American and Soviet citizens' rights are very disturbing. The American people must continue to press the Soviet Union to honor its international agreements and fully acknowledge that certain human rights are not purely "internal affairs" but basic rights of all people.

I am inserting in the CONGRESSIONAL RECORD the article which appeared in the April 19, 1977, edition of the Philadelphia Inquirer at this point:

NARBERTH COUPLE EXPELLED FROM SOVIET UNION

(By Howard S. Shapiro)

A Narberth lawyer and his wife were expelled from the Soviet Union yesterday for attempting to bring "Zionist scribblings" into Moscow, according to the official Soviet news agency, Tass.

Arnold J. Silvers and his wife, Florence, were detained Sunday, when they arrived from New York at Moscow's international airport. Tass said Soviet officials had found leaflets, handbills and appeals, apparently addressed to Soviet Jews, in a suitcase. Mr. and Mrs. Silvers were beginning a one-week tour of the Soviet Union.

Silvers, who is in his 50s, is a former national president of Brith Shalow, a Jewish fraternal organization. Mrs. Silvers is a founder of the local Soviet Jewry Council, which tries to publicize the plight of Soviet Jews. Both are active in local affairs in the Jewish community and are directors of Har Zion Temple, a conservative Jewish congregation in Narberth.

Details of the Silver's detention and expulsion were sketchy. A son, Nate, said that both were unharmed and safe in Helsinki, Finland, yesterday afternoon, and would return home Monday.

"I just happened to be in the city (yesterday) and I was doing some work at my father's office. Some friends from Philadelphia called and told me, and they (the Silvers) called at about 3:15," said the younger Silver, 20, a sophomore majoring in accounting at Syracuse University.

He would not answer any questions about the nature of his parents' trip or the details of their detention. "I really cannot tell you that," he responded several times. "When they get back into the city they will have something to say."

About 25 Americans have been expelled from the Soviet Union during the last two years for attempting to bring in what Soviet officials consider contraband, mostly material aimed at Soviet Jews.

The Silvers, of Pawn Hill Lane near Sprague Road in Narberth, departed Saturday afternoon from Kennedy International Airport in New York on a Finnair Boeing 747 and were to arrive in Moscow Sunday afternoon.

The trip, booked through Bartlett Travel in center city, was a package trip to Moscow, Leningrad and Kiev and included airfare, sightseeing, theater tickets and hotels.

"They are just terrific people," Rabbi Gerald I. Wolpe of Har Zion said. "They are very, very charitable, and involved in every cause that is legitimate and worthwhile."

A friend who works with the couple on the Soviet Jewry Council said that "they just went over for vacation, and took the things that you'd normally take when you go to the Soviet Union for vacation. They did not take any aidlurim (prayer books) or religion articles of any kind."

Silvers, whose law practice is at One East Penn Square, concentrates on negligence and estate law. Mrs. Silvers works in the office as a paralegal.

HEAD START: AN INVESTMENT IN OUR FUTURE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. PICKLE. Mr. Speaker, when the Johnson administration initiated the Head Start program 12 years ago, it was conceived as a way to prevent the potential waste of our Nation's human resources. Head Start is still alive today, providing educational opportunities to millions of children, because of the dedication of the many people who have worked hard and believed in this program.

Mrs. Lyndon Johnson, who served as the first national chairman of the program and indeed was the inspiration for the project, recently spoke to the Region VI Head Start Conference in Dallas and shared her memories of the program's infancy and its development.

Mrs. Johnson points out in her speech that only 18 percent of the potential participants are able to attend the program. As the House begins its serious discussions on our national priorities that will shape the Federal budget for next year, I hope that my colleagues will take note of Mrs. Johnson's remarks:

MRS. LYNDON B. JOHNSON—REMARKS FOR THE REGION VI HEAD START CONFERENCE

Friends of Head Start—

Thank you for that beautiful and moving introduction.

The word "Head Start" is, for me, one of the most thrilling and personal words in the vocabulary of the Johnson years in the White House. I was there at its birth and watched it closely through its growing pains, so I am happy to see it has matured into this strong strain of accomplishment. It is reflected here in the faces of you, the educators and the parents and graduates themselves.

For me, Head Start began one day when a small group of believers—some social workers, Sargent Shriver and I sat in the Red Room of the White House to explore whether something of this kind really could work or not.

Our hope with Head Start was to rescue the next generation, to throw a life-line to families who—except for the number of children—were lost in a sea of too little of everything—jobs, education and hope. If it could be done, it might mean a real break-through in education for the thousands of children who became drop-outs in the third and fourth grades.

In its most materialistic terms, it was the taxpayer's insurance program against costs of delinquency and truancy—for a small welfare roll in the future.

It was a heady afternoon for all of us, everyone talking excitedly, but one line still stands out to me—the bare-bones description: "What we are trying to do is to take human material that may be potential waste and transform it into usefulness."

The speaker was talking of the whole war on poverty of which Head Start was only one program—but Head Start was the program which always excited me most and, so, with the urging of Sargent Shriver, I became its first national chairman.

Despite the pitfalls and the frequent disappointments and the cutbacks that came, I see its rewards more vividly today than I did back in the program's infancy.

Near my home the little Head Start project across the river from the Ranch meets in the Lutheran Church—where your friend and mine, Kent Bohls, is the director. Some twenty children attend. Before Head Start came to our part of the world, there was no opportunity for pre-school education. And, if your family was poor or your cultural opportunities meager, it was just too bad. You started at six—and some of the children on an uneven basis. It seemed you were somehow defeated before you even began.

Some of the happiest hours of Lyndon's days of retirement were spent dropping in on those children and watching them color a picture, or try writing their name, or standing up to say the pledge of allegiance.

I remember one really hot day when everything was going wrong at the Ranch. (And those of you who have lived on a ranch know there are days like that). We hadn't had any rain for weeks and none was in sight. All day long the men who worked on the Ranch had been struggling with the heavy irrigation pipes in the fields. Lyndon was thoroughly exasperated and disgusted with the weather and everything in general, and he exclaimed: "This has been an awful day!"

"Oh no sir," one of the men who had been hauling pipe spoke up, "this has been a wonderful day. My little boy came home from Head Start today and he has already learned how to write his name."

Knowing the alphabet, being able to write your name, not being afraid of a policeman, knowing that those big brick buildings—which will one day be school—are not cages but places of color and fun and learning something new each day! All these fairly simple steps seem so small—unless you are denied them.

Thinking on the years of Head Start my mind is filled with a hundred memories:

A day in the East Room of the White House when a little Mexican American boy named Pancho was hoisted up to Lyndon's shoulders—it was the start of a movie we had just shown for the first time about Head Start trying to explain the value of the program to thousands of people through one little five year old boy from California.

Some of you doubtless saw the film—or perhaps, as Lyndon said at the time, you have been knowing "Panchos" all of your life.

This Pancho's health problems were discovered in a Head Start physical check-up and then corrected. From a drab, dull-eyed—thought-to-be-backward child—Pancho was transformed to a bright-eyed eager youngster. He was full of so much spirit that he was into the big bowl of strawberries on the White House dining table the minute the reception began!

I remember a few days later walking through some of the one-room schools that still exist in Appalachia where families have been, for generations, literally land-locked in those hills. I think of Gertie Moss—a school superintendent in Canada Township, North Carolina, and "pure gold," in my book. "One of the things the government has done," she said, "is to provide a bowl of hot cereal and milk to about thirty children who don't have anything to eat at home before they come to school. By about the second month they begin to take notice, get lively—start learning."

There was another day in the crowded ghetto of a New Jersey town, where the drug stores in the neighborhood bore the signs "Bedbug Spray Sold Here." From the endless rows of colorless flats emerged each day, small children who walked a few blocks to the basement of a public school to Head Start. Not an ideal place, but an improvement over the life they had been living. Some of them had vocabularies of about 50 words, others less. Their world was so distant from the school teaching staff that it was obvious the parent program had to be used to make it work at all. And quite wisely, parents were hired to be the translators of these children to the teaching staff.

I have never liked statistics, unless you cloak them in flesh and blood and you have certainly done that for me tonight.

The end of the story of Head Start has not been reached. I hope it never will be. But we saw one chapter, the four proud young Head Start gradautes of some 11 years ago from Lorenzo, Texas who led the Pledge of Allegiance. Listen to their record:

Cynthia Watson, high school senior with a history of above average academic records. Among Cynthia's honors are state finalist in track, head cheerleader, basketball player, treasurer of the student council, FHA vice president, homecoming maid, and queen of her sorority. Between these jobs, she is a member of the high school band. Her mother started as a volunteer worker and teacher aide, and is now a part-time staff member at Texas Tech. All of this is due to career development training for parents. The Watsons are a real Head Start family.

Roy Puente, president of the student council, a national honor society member, Spanish club vice president, FHA high award in 1976.

Lilia Ybarra, another senior with an impressive record of above-average grades, treasurer of FHA, student council representative, regional finalist in track, class favorite, annual and newspaper staff member, and time for basketball, too.

Darell Lawson, a sophomore, who continues to exhibit the Lorenzo High School slogan, Head Start—Future Success! A varsity football player, band member and a member of the student council.

A satisfying aside is that someone told me "Head Start united our town." A proud record—and I am assured by Superintendent Andrews and Dr. Riley, there are thousands of Head Start graduates with similar records.

So, the years have counted. The lives of six million children have been touched by Head Start in a most significant way. And, the lives of millions more in their families have been, too. What we have learned from Head Start is really three-fold:

(1) When you educate a Head Start child that education stretches out to a whole family.

(2) It stands out that the real heart and genius of Head Start is not found in Washington, or in the regional office in Dallas, but in the firm hold it has taken at the grass roots and the quality of the leadership there.

(3) We know Head Start has become an established part of the fabric of life in this country. Head Start works.

What is the outlook for Head Start? I cannot predict it. But I feel that so much has been accomplished with the past that a civilized society can only help it grow.

We know that only 18 percent of the potential Head Starters are able to attend the program, for the simple fact that there is never enough money to go around for all the needs of this unfinished democracy.

But, I firmly believe the future of this country will only be as good as the investment we make in the education of the present generation.

As a citizen, as a taxpayer, I can think of no wiser investment. I hope Head Start will be a permanent word in the national vocabulary.

I am thrilled that it has been such a happy and gratifying word in yours.

And, you will be happy, though not surprised, to hear that Joe Califano, the Secretary of Health, Education, and Welfare, who was one of Lyndon's top assistants at the White House in our day, is a Head Start booster. "There is no chance Head Start will be abandoned," he told me. And, I for one, will be watching it grow with anticipation and hope.

AIR FORCE COMMENDATION MEDAL AWARDED TO SGT. WILLIAM J. CLECKNER

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. CARNEY. Mr. Speaker, I would like to take this opportunity to pay tribute to Sgt. William J. Cleckner of 162 Market Street, Cortland, Ohio, who recently received a citation from the U.S. Air Force, commending him for his meritorious service.

I congratulate this fine young man on his dedication and outstanding service in behalf of this Nation. At this time, I would like to insert an article from the Western Reserve Democrat, pertaining to Sergeant Cleckner's award:

SERGEANT CLECKNER RECEIVES COMMENDATION MEDAL

Sgt. William J. Cleckner, son of Edward Cleckner, 162 Market St., Cortland, and the late Mary Lou Cleckner has recently received a citation from the United States Air Force, commending him for his meritorious service, while assigned to the Clinical Records Section of the U.S. Air Force Hospital at Langley Air Force Base in Virginia.

Sgt. Cleckner has many awards and citations to his credit for his performance at all installations where he has been assigned. A few of the awards include, the Air Force Good Conduct Medal, National Defense Medal, Outstanding Unit Citation. Outstanding NCO and the Tactical Air Command Certificate of appreciation in recognition of resourcefullness and devotion to duty.

While stationed at Hickam Airfield in Hawaii he was with the 1957 Communications Group as a ground radio operator. He was responsible for the in-station handling of all messages between aircraft in flight and controlling agencies.

His duty performed during the President's trip to the Far East was a contributing factor to Hickam AFB receiving letters of appreciation from Major General Werbeck, Commander of AFCS and Brigadier General Yost, former Commander of Pacific Communications for outstanding communication support.

Sgt. Cleckner has been credited with consistently demonstrating an outstanding ability to carry out assigned tasks with accurate professionalism. He has provided support for the President and Vice President of the United States, Secretary of State, top military leaders and communication for planes covering the astronauts splashdown.

Col. James Hightower, Hospital Commander and Director of Base Medical Service, presented "the Air Force Commendation Medal" to Sgt. Cleckner at Langley Air Force Base. The citation that accompanied the award read as follows "Sergeant William J. Cleckner distinguished himself by meritorious service while assigned to the Clinical Records Section, United State Air Force Hospital, Langley Air Force Base, Virginia, from Sept. 9, 1975 to Dec. 10, 1976. During this period, the sustained superior job performance and knowledge demonstrated by Sergeant Cleckner resulted in superior report-

ing accuracy to the Office of the Surgeon General, Tactical Air Command. The distinctive accomplishment of Sergeant Cleckner reflect credit upon himself and the United States Air Force."

HEARINGS ON EDUCATION OF THE HANDICAPPED

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. BRADEMAS. Mr. Speaker, on April 25 and May 2, 1977, the Subcommittee on Select Education, which I have the honor to chair, will hold hearings on the proposed extension of Public Law 91–230, the Education of the Handicapped Act, that is, those programs providing discretionary authority to the Department of Health, Education, and Welfare to fund special projects dealing with early childhood education, resource centers, services for deaf-blind children, research, innovation, and training.

During 1975, part B of the Education of the Handicapped Act was extended and amended by Public Law 94–142, the Education for All Handicapped Children Act, which mandates that all handicapped children have available to them by September 1, 1980, a free appropriate education. The programs and resources supported by these other parts of the Education of the Handicapped Act will assist State and local schools to meet the commitment to educate handicapped children.

At our hearings on the extension of this important education measure, the Subcommittee on Select Education of the Education and Labor Committee will hear testimony from witnesses representing parents, educational institutions, representatives of the administration, and other public witnesses.

The hearings on April 25 will take place in room 2175, Rayburn House Office Building, and that of May 2 in room 2261, Rayburn House Office Building. The hearings both days will commence at 9:30 a.m.

A list of witnesses scheduled to appear follows:

WITNESS LIST

MONDAY, APRIL 25, 1977

Panel—Organizations representing handicapped

Paul A. Marchand, Director, Governmental Affairs, National Association for Retarded Citizens, Washington, D.C.

Frederick Weintraub, Director, Governmental Relations, Council for Exceptional Children, Reston, Virginia.

Richard Dowling, Director, Department of Governmental Affairs, American Speech & Hearing Association, Washington, D.C.

Administration—Department of Health, Education and Welfare

Mary Berry, Assistant Secretary for Education, and Edwin W. Martin, Jr., Deputy Commissioner for Bureau of Education for the Handicapped.

Accompanied by Linda Chavez, Special Assistant to Deputy Assistant Secretary for Legislation (Education).

Panel—Programs funded under part C, section 625, regional education programs

Roy L. Pierce, Program Director, Program for the Deaf, New Orleans, Louisiana.

Ron Lafayette, Coordinator, Seattle Community College, Program for the Deaf, Seattle, Washington.

Robert Lauritsen, St. Paul Technical and Vocational Institute, St. Paul, Minnesota.

Ray L. Jones, Director, California State University at Northridge, Center on Deafness, Northridge, California.

Demonstration of reading machine for the blind

Ray Kurzweil, President, Kurzweil Computer Products, Inc., Cambridge, Massachusetts.

Accompanied by Barry Unger, Executive Vice President.

MONDAY, MAY 2, 1977

Panel—Arts education

Vivienne Anderson, Chairperson, National Committee, Arts for the Handicapped, Acting Asst. Commissioner for Instructional Services, Albany, New York.

Phyllis Wyeth, Arts Advocate, National Bloomingdale, Delaware.

Jean Kennedy Smith, National Chairperson, Very Special Arts Festivals, Executive Committee, Alliance for Arts Education, New York, New York.

Henri Viscardi, President, Human Resource Center, Alberton, Long Island, New York.

Harold Russell, Chairman, President's Committee on Employment for the Handicapped Washington, D.C.

Panel—Projects funded by the Bureau of Education of the Handicapped

Don Weston: Part C, Section 622, Centers & Services for Deaf/Blind Children—Director, Division of Special Education, Texas Education Agency, Austin, Texas.

Mary W. Wood: Part C, Sec. 623, Early Education—Project Director, Rutland Center, Division of Exceptional Children, University of Georgia, School of Education, Athens, Georgia.

Timothy Crowner: Part C, Sec. 624, Research, Innovation, Training and Dissemination—Centers and Services—Project Director, Madison Public Schools Program for Severely Handicapped Children and Youth, Madison, Wisconsin.

William C. Chasey: Part D, Sec. 634, Training of Physical Educators and Recreation Personnel for Handicapped Children—Project Director, Special Training Project, National Consortium for Physical Education of the Handicapped, Washington, D.C.

Mary Moore: Part E, Section 641, Research and Demonstration—Project Director, Department of Special Education, University of Pittsburgh, Pittsburgh, Pennsylvania.

Deborah Murphy: Part G, Section 661, Research, Training & Model Ctrs.—Project Director, Learning Disabilities, Oklahoma Childrens Services Demonstration Center, Hillside School, Cushing, Oklahoma.

SOME THOUGHTS ON THE NATURE OF MILITARY PENSIONS

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. HAMMERSCHMIDT. Mr. Speaker, I noted recently a most interesting "letter to the editor" of the Washington Post regarding military pensions. The letter was from the executive vice president of the Retired Officers Association and I believe that it clarifies the true nature of military pensions.

When I hear some say that we need to overhaul the existing pension system because it is getting so "out of line," I think immediately of the fact that retired military personnel have clearly fulfilled their obligations and commitments to the defense of this country and are therefore entitled to those benefits promised to them. I believe it is important that this side of the story be told.

As the author of the Post letter said: "Military retirees have nothing to apologize for."

I submit these comments for the serious consideration of my colleagues:

MILITARY PENSIONS: "NOTHING TO APOLOGIZE FOR"

"Runaway Military Pensions" by Michael D. Mosetting (Op-Ed, March 1) is nothing more than a rehash of two intellectually dishonest stories sent out over the Associated Press wire.

First of all, military "retired pay" is not a "pension." Webster defines "pension" as "a gratuity granted as a favor." Military retired pay is a significant element of the military career package. It is unlike any other retirement system in the public or private sectors. It is not solely paid for services rendered but, in addition to its deferred compensation aspects, it is a retainer payment that keeps recipients under the Uniform Code of Military Justice and subject to recall to active duty.

Your writer says military retired pay is "the single fastest growing item in the Defense Department budget." He bases his statement on a comparison of 1964 figures and those of today. What he conveniently forgets to mention is that use of the 1964 date provides a distorted base; the 1964 retired population (410,853) largely reflects the abnormally small standing forces maintained prior to World War II, while the present number of military retirees (1,096,184—not the 2.1 million in your article), is a result of the large standing forces this nation required over the last three decades.

Retired pay costs are not out of control, as Mosettig alleges. They reflect the realities of an inflating economy. Average retired pay is $6,648—only slightly above the poverty level for a family of four. How can you tell the retiree who has given 20, 30, or more of the best years of his life that his poverty level retired pay is out of line? Every dime was earned through honest service in the defense of the United States and the free world.

Your writer suggests that "within 25 years, the annual cost of military pensions could reach $30 billion or more in constant dollars." Using the same inflation factor (5 percent annually), your $5,000 automobile will cost about $17,000 and an Army private would be making over $25,000. Ludicrous, isn't it, that the writer who should put those figures into perspective for the reader didn't even try?

We certainly do recognize that compensation needs to be reviewed from time to time to insure that it continues to be based on conditions today and is designed to attract quality men and women to make the sacrifices necessary in our defense in the future. Logic dictates a fair remuneration for this important segment of our society.

By selective omission of pertinent facts, the writer managed to imply that most mili-

tary personnel voluntarily retire after 20 years service, regardless of age. To be objective, he should have mentioned that only one of every 10 individuals who enter the military service ever reach retirement eligibility. Not only is the military career more hazardous than the civilian occupation, but it also demands a unique degree of dedication to duty even above self and family. Few are able and willing to stay in service, despite the possibility of early retirement. Consider, too, that many who have served honorably are forced out early—some prior to retirement eligibility—victims of the "up or out" policy that is designed to keep only the best leaders. Others, having served 20 or more years, are retired involuntarily to keep the ranks filled with young, vigorous personnel.

Serious factual inaccuracies were repeated in stating that the military retiree "gets from 50 to 75 per cent of active duty pay as pension." Military retired pay is computed on base pay, not on active duty pay. The military equivalent of active duty pay for purposes of compensation comparison is Regular Military Compensation (RMC). RMC is defined in law as the sum of basic pay plus quarters allowance plus subsistence allowance plus federal tax differential. For retirement at 20 years service, military retired pay is between 33 and 40 per cent (depending on grade) of RMC. The maximum possible retired pay for 30 or more years of service is between 49 and 51 percent of RMC. Therefore, the range of retired pay as a percentage of "salary" is 33 to 61 per cent—not your 50 to 75 per cent.

Military retirees fulfilled the provisions of their contract stipulated by the American people through the Congress. Military retirees have nothing to apologize for.

At the very time President Carter has granted amnesty to those who refused to serve their country in time of war, it is a gross paradox that some short-sighted persons would suggest the American people renege on the benefits promised those who served their nation faithfully.

DONALD C. FOSTER,
Colonel, USAF, retired; Executive Vice President, the Retired Officers Association.

VETERANS EDUCATION DAY PLANNED IN PHILADELPHIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. EILBERG. Mr. Speaker, Saturday, April 23, has been proclaimed as "Veterans Education Day in Philadelphia," in an effort to acquaint area veterans with the educational benefits available to them under the GI bill of rights.

William F. Gormley, executive director of the city's veterans advisory commission, presented the proclamation to Richard Shaffner, assistant chief of the State's department of education, and Joseph Baker of the Veterans' Administration, in ceremonies at city hall.

Pennsylvania ranks fourth in the Nation in veteran population but it rates 46th among the States in the percentage of its veterans who are taking advantage of the GI bill provisions.

Federal, State, and local organizations, including representatives from area colleges and vocational schools, will conduct a day-long counseling session at the Philadelphia Athletic Club to explain the educational benefits of the GI bill.

CONFLICT OF INTEREST

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. SNYDER. Mr. Speaker, President Carter established guidelines requiring all of his appointees to divest themselves of corporate holdings to prevent the appearance and the possibility of self-serving skulduggery by high level public officials. Such guidelines could effectively diminish the possibilities of flagrant conflicts of interest, but only if they are applied. If the guidelines are ignored—if exceptions are made to the ground-rules—the nobility behind them becomes rather stained and their effectiveness rather tarnished.

Apparently the President did just that—he made an exception and allowed Charles Duncan, the newly confirmed Deputy Secretary of Defense, to retain his sizable holdings of Coca-Cola common stock.

The Spotlight recently published a series of articles questioning the propriety of such a decision and I think it is a subject that should be considered. Although the stories were picked up and carried by a national wire service, many of our liberal friends in the press have effectively ignored the stories, so I share one now with my colleagues and readers of the RECORD:

DEFENSE DEPUTY KEEPS COKE STOCK DESPITE CONFLICT

(By Mark Allan and Tracey Ehre)

Charles W. Duncan, recently confirmed deputy secretary of defense, was allowed to retain his more than $12 million worth of Coca-Cola common stock, despite the fact that the multinational Coca-Cola Company does extensive business with the Department of Defense and with other government agencies that go far beyond the superficially harmless sale of soft drinks.

The Spotlight has learned that the sale of soft drinks is far from the only activity of Coca-Cola. Among its other business dealings Coca-Cola owns and sells through its food division both Snow Crop and Minute Maid Orange Juice and through a subsidiary corporation presently located in New York State sells both Taylor Wines and Great Western Champagne.

The Defense Personnel Support Center in Philadelphia, which is a division of the Department of Defense (DOD), has confirmed that Snow Crop orange juice, Minute Maid orange juice, and Taylor Wines (of which there are 63 separate varieties) are all purchased by the Department of Defense.

At recent White House state dinners President Carter has served Taylor Wines.

The Spotlight is attempting to obtain figures on exactly what quantities of these food products are purchased by DOD as well as whether the White House is actually paying for supplies of Taylor Wines, which are produced by the President's good friends in the Coca-Cola Company.

The Spotlight has determined that the Coca-Cola Company is a direct importer and distributor of both coffee and tea.

According to company spokesman John White, the firm may quite possibly sell these products to DOD also. The Spotlight has not yet been able to file a request for information with DOD on these possible transactions.

These findings raise a serious question of conflict-of-interest on the part of Deputy Secretary Duncan. But there is another division of Coca Cola where the potential for the abuse of defense contracting procedures is even greater. This little-known division, headquartered in Milwaukee, is known as Aqua-Chem, Inc., and it had established itself as a substantial defense contractor even before the coming of the Carter Administration.

According to figures supplied by DOD, this Coca Cola subsidiary had received 54 separate contracts in excess of $10,000 each between fiscal years 1970 and 1976. According to Coca Cola, this firm, which was acquired in 1970, is a manufacturer of equipment for purification of domestic water and industrial waste water, solid waste incineration, and packaged steam generators.

Aqua-Chem, which had only $57,000 in DOD contracts in the year immediately prior to its acquisition by Coca Cola immediately increased its defense contracting to almost $1.5 million in 1970. Indeed, during the seven fiscal years for which DOD provided data, the company accumulated contracts worth well in excess of $6 million, and in 1975 was awarded a single contract for $3,144,000 by the Naval Facilities Engineering Command for the construction of water supply treatment and storage facilities in Guantanamo Bay, Cuba.

Moreover, the DOD has acknowledged that there may have been even more contracts awarded to Aqua-Chem during this period. The Spotlight is still waiting for information requested from the individual branches of the armed forces. It has been confirmed that the company has also done some work for the Environmental Protection Agency under an Aqua-Chem subsidiary, Cleaver Brookes. Additional data has been requested on other government contracts that many have been awarded to Aqua-Chem and its subsidiaries—all of which were owned by Coca Cola during the years 1970 through 1976.

Information on all contracts that have been awarded since the beginning of the current fiscal year which began on October 1, 1976 has been requested.

That serious questions exist regarding conflict-of-interest in the appointment by President Carter of former Coca Cola President Duncan as deputy defense secretary appears beyond dispute. The exemption granted to Duncan from the Carter-Mondale conflict of interest guidelines (Spotlight, April 18) and particularly the provision that permits him to maintain absolute control over his more than $13 million in the company's common stock must now be re-examined by both Congress and the President.

Whether the President—whose closest advisors and some of whose key cabinet appointees are intimately linked to Coca Cola—could have possibly been ignorant of this multi-national corporation's highly diversified interests is doubtful.

It appears highly unlikely, in light of Carter's close association with Coca Cola Chairman J. Paul Austin, who was one of his most ardent supporters in the 1976 presidential campaign, that the President could have been ignorant of the activities of this mammoth Atlanta-based corporation whose very existence is vital to the economy of Georgia.

Given this information the statements issued in the February 9 White House press release which stated that "Mr. Duncan's. . . . disqualification on matters affecting the firm in question (i.e., Coca Cola) would rarely inhibit" his actions, seem out of touch with reality.

The myth of Coca Cola as merely a soft-drink manufacturer has been destroyed. And how could Duncan possibly disqualify himself from matters affecting the vital interests of this firm?

PANAMA CANAL DEVELOPMENTS ARE WORRISOME

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ROBINSON. Mr. Speaker, on April 14, here in Washington, President Carter addressed the permanent council of the Organization of American States and promised to pursue a new Panama Canal treaty. He told the OAS representatives:

In the first days of my own administration, just a few weeks ago, I directed a new approach to our negotiations with Panama on a new Canal treaty. In the light of the changes which I discussed before, the Treaty of 1903, which combines (defines) our relationship with Panama on the Canal, is no longer appropriate or effective.

I am firmly committed to negotiating in as timely a fashion as possible a new treaty which will take into account Panama's legitimate needs as a sovereign nation and our own interests and yours in the efficient operation of a neutral Canal, open on a nondiscriminatory basis to all users.

The President is certainly correct in describing his post-election, protreaty attitude as a "new approach." Millions of Americans can well recall when Mr. Carter accused President Ford of having "directed his diplomatic representatives to yield to the Panamanians full sovereignty over the Panama Canal Zone at the end of a certain period of time" during last year's televised Presidential campaign debate of October 6 in San Francisco.

Candidate Carter went on to say:

I would never give up complete control or practical control of the Panama Canal, but I would continue to negotiate with the Panamanians.

He wound up his statement before a nationwide television audience by declaring:

I would not relinquish practical control of the Panama Canal Zone anytime in the foreseeable future.

The President's "new approach" is confirmed by a report by Don Oberdorfer of the Washington Post indicating that the Carter administration is seeking to conclude negotiations with Panama on a new treaty by summer, "hoping for Senate ratification before 1978, an election year in which the controversial treaty could become an issue."

Mr. Carter is reported to have advised his Democratic leadership on Capitol Hill that he regards the treaty as a "high priority matter."

Also, to help sell it to the understandably skeptical American people, Oberdorfer reports that Panama has hired two former Presidential campaign aides "to plan and execute a nationwide public relations drive backing a new Panama Canal treaty."

The former aides, identified as F. Clifton White of the 1964 Goldwater campaign staff and Joseph Napolitan of the 1968 Humphrey campaign staff, are now associated with former Democratic National Chairman Lawrence F. O'Brien in running Public Affairs Analysts of New York, the company handling the drive.

They are apparently charging Panama $150,000 to $200,000 for the first 6 months of this year to publicize Panama's views to some 6,000 "influential" politicians, journalists, academicians, and business personnel, as well as to monitor the activities of groups opposing a canal treaty.

Mr. Speaker, these latest developments cannot help but be deeply alarming to millions of Americans who recognize the strategic necessity of maintaining undiluted American control over this waterway. As a member of the House Defense Appropriations Subcommittee, I visited Panama briefly earlier this year where I obtained a firsthand look at the situation.

The mission in general reinforced my conviction that we should not dilute our sovereignty there in any respect. The canal continues to be important to our national defense, the mobility of our naval forces, and to international trade.

It would be foolhardy to permit a volatile, unstable Panamanian government to become involved in the management of the water artery. Americans must bear in mind that the dictatorial leader of Panama gives consideration to friendly advice from Castro. We cannot chance having a Communist Cuban calling the shots on which U.S. or other vessels use the canal, or at what cost.

It is important that we consider the contrast between the language of the existing treaty—and our historic view of it—with the position of our negotiators in the current talks.

The treaty of 1903 granted us, in perpetuity, rights over the Canal Zone of the highest order—power and authority which the United States would possess, in the words of the treaty, "if it were the sovereign."

The purpose of this grant, of course, was for—again in the language of the treaty—"construction, maintenance, operation, and protection" of a canal across the isthmus.

Any review of the circumstances which led to the signing of that treaty between the United States and the young Republic of Panama makes evident that the United States never would have undertaken the canal project at that time and place—Guatemala, in fact, was the preferred location—if it were not for this broad grant of territorial authority, explicit in both extent and term.

While there were revisions in 1936 and 1955, the basic element of the original document—control amounting to sovereignty over the Canal Zone in perpetuity—has remained undisturbed.

In 1964, however, President Johnson proposed, in his words, "the negotiation of an entirely new treaty," recognizing the sovereignty of Panama and abandoning by abrogation of the existing treaty the element of perpetuity in our rights with respect to the zone and the canal.

In national policy statements since that time, the perpetuity language of the 1903 treaty has been dismissed as unrealistic and unreasonable in an international agreement. In fact, the entire treaty has been dismissed from the minds of our negotiators as if it were not a binding document. We have not been engaged in negotiating modifications in this treaty, as was the case in 1936 and again in 1955. This valid international agreement is not even the basic working paper of the talks, as it should be. Instead, as the Department of State in its summary of current policy sets forth, the negotiations involve "how soon and under what arrangements will U.S. jurisdiction terminate."

We are not negotiating the modification of rights granted to the United States in perpetuity. We are assuming, in our base position, their nullification.

As to the reasonableness of perpetual grants, I think it pertinent to recognize that an unique concept is not involved here. At law, rights in property are transferred routinely on a basis of perpetuity. Absent reservations in the agreement of transfer, the grantor divests himself of all right, title, and interest in the property for all time. This is understood as realistic and reasonable. If, at some future time, the grantor develops a desire to recapture all or a portion of his interest, the terms of the original divestment are not subject to challenge. They are a reality on which the acquiring party can stand.

I believe the United States should never acknowledge any cloud on our title to the Canal Zone, as conveyed to this country by the Republic of Panama in the treaty of 1903, any more than we do, for example, with respect to our acquisition of the Virgin Islands from Denmark, or, for that matter, the Louisiana Purchase, the purchase of Alaska, or any one of the other territorial acquisitions arrived at by international agreement.

It is known that the Panamanian government continues to agitate to end all U.S. jurisdictional rights there no later than 3 years after a new treaty enters into force and to abolish the Canal Zone and the Canal Zone government from the very first day of the entry into force of the new treaty.

These terms are now and should remain totally unacceptable to the American people. In some form or fashion, this Congress must do a better job of educating the negotiators in the Carter administration to the fact that a sell-out of historic U.S. sovereign rights in Panama will not be tolerated.

THE BATTLE AGAINST INFLATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report of Wednesday, April 20, 1977, into the CONGRESSIONAL RECORD:

THE BATTLE AGAINST INFLATION

The battle against inflation is heating up. Despite 7% unemployment and substantial unused industrial capacity in the economy, the inflation rate rolled along at a 9.1% annual rate for the three months ending in February. Wholesale prices jumped 1.1% in March, the sharpest increase since October 1975. It is distressingly clear that the high unemployment and wasted capacity are not helping to cool off inflation. Once implanted in the economy, inflation is proving remarkably difficult to root out.

A number of pending government decisions may have an unfavorable impact on the course of inflation. These include decisions to increase milk price supports, tariffs on television sets, sugar and shoes, and prices for natural gas. A boost in the minimum wage is also being considered. This does not mean that no action should be taken where it is required in the interests of equity or efficiency. However, the cumulative effect of such action on inflation must be assessed. Experience dictates that any price increases should be put into effect gradually. Also, we should never permit several potentially inflationary actions to take hold simultaneously.

This week, in a major policy turnabout, President Carter abandoned his $50 tax rebate plan, and clearly shifted the focus of his economic policy away from unemployment and toward holding down the rate of inflation. He presented an anti-inflation program with the modest goal of gradually slowing the rate of wage and price increase. He played down government intervention in wage and price decisions, rejected any "shock mechanism" to affect wages and prices, and called for a collaborative effort by business, labor and government over a period of years.

In my view the government must consider taking these steps to fight inflation:

1. Buffer Stocks: Carefully managed buffer stocks of oil, food and metals would help stabilize prices. The stockpiling of certain commodities, whose prices fluctuate and often drift upward, would tend to restrain increases in prices.

2. Bottlenecks: Bottlenecks and shortages could be avoided by alert monitoring, and corrective steps should be taken, ranging from changes in import regulations to alterations in defense procurement and tax policy.

3. Energy Program: The energy program will have to be handled carefully. Steps must be taken to limit the impact of the inevitable rise in energy prices. Production must be stimulated and wasteful use of energy curbed.

4. Jobs: Persons who cannot get jobs even in a high employment economy will have to be assisted. Training and work programs can help them become productive citizens.

5. Investment and Productivity: Increased investment in plant, equipment, research and development is needed to increase capacity, cut costs and expand productivity. Production is still the best weapon against inflation. Some form of labor-management committee, charged with finding ways to augment productivity and hold down wages and prices, could also be useful.

6. Tax Reduction: Further reductions in taxes could support the fight against inflation. For example, cutting the payroll tax for employers and employees would reduce costs and wage demands at the same time.

7. Competition: Competition could be stimulated with stiff anti-trust action, deregulation, and freer trade.

8. Monitor Impact: The government should monitor rigorously the inflationary impact of new legislation, programs and regulations.

9. Government as Consumer and Regulator: The government should be a prudent consumer by demanding competition in procurement contracts, discouraging cost-plus contracts and "shopping around" for the best buy. The government should also try to eliminate practices in government which either push prices upward, restrict output or create shortages.

10. Spotlight on Wage-Price Increases: The government should systematically and publicly spotlight the inflationary impact of wage negotiations and price decisions, and insist that big business and big labor work together in these matters. Labor management committees could serve as a forum to discuss the problems of inflation, employment and productivity.

Other steps should also be taken. No anti-inflationary policy can succeed without the appropriate mix of fiscal and monetary policy, the two most important tools that government has to control inflation. Continued emphasis must be placed on spending restraint and a balanced budget. It may be that even tougher measures will be necessary to conquer the inflationary tendencies of the American economy, but such measures should not be tried until the powers of persuasion and example have been used. While there are disagreements on the steps to be taken, a consensus seems to be developing that affirmative, voluntary measures—but not outright, rigid controls—should be adopted by government, business and labor.

Everything is at stake in this effort to bring down inflation. If we fail, there will be slow growth, high unemployment, big deficits and no progress on the social agenda. If we succeed, there is a good chance that we shall reach the cherished goals of jobs, growth and a higher standard of living for everyone.

REALISM IN POLLUTION CONTROL

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ROBINSON. Mr. Speaker, Prof. S. Fred Singer of the department of environmental sciences at the University of Virginia is a former Deputy Assistant Administrator of the Environmental Protection Agency, as well as a former Deputy Assistant Secretary of the Interior.

Last year, when amendments to the Clean Air Act of 1970 were under consideration, he wrote an article which appeared in the Miami Herald under date of June 13, 1976.

As his observations remain pertinent in connection with consideration of pending legislation in this area, I take the liberty of bringing his article to the attention of the House at this time, as follows:

JUST HOW MUCH POLLUTION IS TOO MUCH?

(By S. Fred Singer)

As Congress wrestles with the Amendments to the Clean Air Act of 1970, it is well to keep some truths in mind. No one, not even the most extreme environmentalist, would argue that we should clean up the environment just for its own sake. Nor would the most hardnosed polluter deny that there are real economic benefits to be gained from a cleaner environment. The reasonable man, somewhere in the middle, will ask himself: How much do we gain by spending money and resources? Some steps must be taken, but even if it were technically possible, it does not make economic sense to remove all of the pollutants from the natural environment. There must be an optimum degree of pollution, and the question is, how can we tell when we are there?

The idea is of course to have some knowledge of the costs involved in clean-up and of the benefits that are to be gained. The costs are relatively easy to specify. They involve various pieces of capital equipment, perhaps a catalytic converter on a car, or a scrubber to remove sulfur dioxide from smokestacks. Then there are operating, maintenance, and also inspection and enforcement costs. The benefits are more difficult to specify and put into dollar terms. One has to quantify improved health and esthetics, reduced damage to equipment, buildings, crops and animals, as well as the direct economic benefits to many industries from cleaner water and air.

There is, of course, much controversy on the details of how to measure costs, and especially on how to measure benefits, and different people hold different views. But let us assume that we can reach agreement on the dollar costs and dollar benefits for various strategies of cleaning up the environment and for various degrees of cleanup. Where do we go from here? How do we weigh costs vs. benefits? There is a major fallacy in how costs and benefits are often compared.

Suppose someone offered you a program where you would get $90 worth of benefits for every $100 of cost invested. Would you do it? Of course not—unless they happen to be someone else's dollars and the benefits accrued to you. But let us eliminate such crass inequities and assume that the political process leads to rational economics. How would you react to benefits worth $110? Should you jump at this opportunity and adopt this environmental program? The only prudent answer is: No, not before you look at alternatives which may be even better. You may find a program which will give you, say, $100 of benefits for only $10 of cost. You would then have $90 left over to invest in other projects which advance the welfare of society—not necessarily through pollution control.

This kind of thinking is standard textbook stuff for economists, but it has not penetrated widely among politicians, lawyers, and even scientists. A case in point is the $550,000 landmark study by the prestigious National Academy of Sciences, which attempts to express in dollar terms all the benefits and costs of controlling emissions from automobiles. This year-long study, completed in September 1974, was sponsored by the Senate Committee on Public Works, which also wrote the 1970 Clean Air Act that sets very tight numerical standards for the emission of carbon monoxide, hydrocarbons, and nitrogen oxides from automobiles.

Their numbers have been criticized, with much justification, for being inadequately supported by scientific data, for being technically and economically difficult to achieve, and above all, for being excessively strict in terms of the benefits to be gained. The NAS study, however, endorses the 1970 Act and sees "no substantial basis for changing the standards." It claims that the standards are justifiable in cost-benefits terms. It reaches this conclusion by finding "that the benefits in monetary terms . . . are commensurate with the expected cost of about $5

billion to $8 billion per year." But the NAS report does not spell out explicitly that alternative approaches costing only a small fraction of the cost can achieve a substantial fraction of the benefits.

The point to operate is not where the benefits equal the cost, i.e. where net benefits are zero, but at the point where the benefits exceed costs by the greatest possible amount. This greatest value of net benefits occurs where the marginal benefits equal marginal (or incremental) costs. In any investment program one must always ask the question about the marginal dollar. Will an additional dollar of cost yield an additional dollar of benefits? At the point where benefits are equal to costs, an additional dollar of cost is likely to yield only a few cents' worth of benefits.

In the case of automobile pollution there are several strategies that are preferred to the present approach from a cost-benefit point of view. For example, a modest relaxation of the present numerical emission standards for just nitrogen oxides (NOX) would make it possible to use much cheaper technology—or even existing engines.

In fairness to EPA it should be pointed out that they have sought an amendment to the Clean Air Act to ease the statutory nitrogen oxide standard for cars now scheduled for imposition in 1978. But the governing legislation does not grant EPA the authority to take economic facts into account. On the other hand, the recent discovery that the use of catalytic converters on cars creates sulfuric acid mist—a new health hazard—may force a complete rethinking of our current approach. It is for these reasons that President Ford's proposal makes eminent sense—namely to "freeze" present automobile emission standards for five years. One can only hope that Congress will keep in mind that imposition of the much tighter statutory standards on 1978 cars will not make an appreciable impact on ambient air quality, but will certainly raise costs and waste gasoline.

A specious argument is often advanced that the money spent on pollution control recycles in the economy, creates jobs and new industry, and therefore represents no loss in the real welfare of the population. To the extent that the benefits exceed the costs by a large margin the nation benefits from pollution control. But when the marginal dollar of pollution control can only purchase less than a dollar's worth of benefits, the nation loses productive resources which could have been used to advance the standard of living of the population. And of course, it is always the consumer who pays in the end, even though the initial costs are borne by the automobile industry or by electric utilities. These costs are passed along through price increases, in some cases with the full blessing of regulatory commissions. Since the less affluent in our population need transportation, any excess pollution control expenditures hit them particularly hard through price increases.

That is why consumer organizations above all should have the greatest interest in making sure that the nation operates as efficiently as possible, that productivity is at the highest possible level, and that all kind of waste is minimized, and especially waste in public expenditures and for pollution control.

In March 1973, Sen. Philip Hart called for a reexamination of environmental standards and for proper cost-benefit analyses. "If it can be credibly said . . . that we have caused the expenditure of billions to no purpose or to questionable purposes, the clean air cause will be dealt a blow from which it will be difficult to recover." In fact, the whole cause of environmental protection may be set back by unreasonable or unworkable programs.

ENERGY

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. SARASIN. Mr. Speaker, tonight we will receive President Carter's energy message. All indications are that it will contain some bitter medicine for our country's energy addicts and that its emphasis will be on conservation.

While I can certainly agree with the President that we must pursue all methods which will reduce the tremendous amount of energy wasted every day by Americans, we must not, however, limit our search for a solution to this single aspect of the problem. A truly national energy program must be more comprehensive.

I have received an excellent overall synopsis on energy which was prepared by the Congressional Action Committee of the Greater Waterbury Chamber of Commerce which I believe addresses itself to the total energy problem and provides a reasonable approach which Congress would be well advised to enact.

I am including the report for my colleagues' use and information:

GREATER WATERBURY CHAMBER OF COMMERCE POLICY STATEMENT ON ENERGY

Implementation of sound management techniques for energy organization, and production of sufficient supplies of energy are both necessary to meet the energy requirements of business and consumers. To accomplish effective energy planning and development activities, the Chamber offers the following five-point program:

1. Establishment of a cabinet-level energy department, coordinating energy functions now dispersed in a variety of agencies. Present lack of consolidation and coordination produces waste, duplication of efforts, fragmented authority and needless costs and conflicts. The department should assume all energy activities associated with policy, research, and regulation, including management of mineral-rich lands now under the jurisdiction of the Department of the Interior. Since regulatory functions would be placed in a department that operated programs to be regulated, an internal system of administrative judges and an appeals board not responsible to the department head should also be established to preserve the credibility of the regulatory processes. A comprehensive energy and natural resources department would therefore serve to increase governmental efficiency, create improved governmental accountability to the public, and help produce adequate domestic energy supplies, eliminating dependence on foreign sources.

2. Develop immediate conservation efforts to reduce dependency on foreign oil and promote fuel and dollar savings. Tax credits for insulation materials and related devices and for solar and geothermal heating equipment should be available for residential, commercial and industrial facilities. Implementation of conservation measures would further involve considerable private investment and provide jobs for the production and installation of conservation equipment. Greater incentives must also be developed in transportation to encourage carpooling and use of public transportation. A major comprehensive media effort would be beneficial in portraying the benefits and cost savings associated with conservation.

3. In addition to investment opportunities to promote conservation, investment tax credits should be offered to firms involved in research and development of alternate sources of energy, including nuclear, solar and geothermal. Federal loans and grants are also needed for planning and financing public facilities required for development of federally-owned reserves of oil, gas, coal, and other energy sources.

4. Permanent deregulation of natural gas and gasoline to promote competition in our private enterprise economy and permit American energy corporations to compete more favorably with foreign producers. Deregulation would encourage investment needed for further petroleum exploration and remove the costly regulatory requirements for the estimated 200,000 businesspeople operating neighborhood gasoline stations.

5. With a need for greater and diversified energy research, legislation calling for vertical and horizontal divestiture of the petroleum industry must be defeated. Without integrated oil companies, the cost-effectiveness of operations would be significantly reduced and petroleum research and development capabilities would be severely jeopardized. Divestiture could therefore lead to decreases in domestic petroleum investment and consequent increasing dependence on foreign oil producers. National interest in energy development requires full use of proven organizational resources.

With the above recommendations, the Nation can insure present and future energy supplies meet the needs of American consumers and businesses while preserving the spirit of the free enterprise system.

NEW FREEDOM OF INFORMATION ACT CASE LIST

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. PREYER. Mr. Speaker, as chairman of the Government Information and Individual Rights Subcommittee, I would like to call the attention of the Members to an extremely useful list of court decisions under the Freedom of Information Act, which has just been provided to me by the Department of Justice's Freedom of Information Committee. One of the significant features of the Freedom of Information Act is its granting of the right to citizens to go to court to obtain review of agency denials of information. This review is an important check on the improper withholding of documents from the public. In addition, the resulting court cases provide both the Government and the public with guidance on interpreting the FOIA.

Copies of this updated list of cases pending or decided under the Freedom of Information Act can be obtained from the Government Information and Individual Rights Subcommittee, B-349C, Rayburn House Office Building, Washington, D.C. 20515. Copies can also be secured by writing Mr. Robert L. Saloschin, chairman, Freedom of Information Committee, room 5234, Department of

Justice, Constitution Avenue at 9th Street, Washington, D.C. 20530.

I want to commend Mr. Saloschin of the Office of Legal Counsel who, as chairman of the FOI Committee, has put together this compilation, which updates the earlier June 1976 edition of the FOI case list. The list is cross-referenced for easy use. It is a valuable research tool for those interested in effectively using the act.

TOP ECONOMIC PRIORITY FOR THE NATION

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ADDABBO. Mr. Speaker, a delegation of my constituents from Forest Hills recently met with White House aides to discuss issues they felt to be of top economic priority for the Nation.

These interested citizens stated their viewpoints enthusiastically, and whether or not all of the Members of the House would agree with all or any of the positions taken by these citizens, I think it would be instructive for the membership to see how people view the top three economic issues when given an opportunity to present their ideas to a top Presidential aide.

I want to compliment the White House on its willingness to meet and listen to groups of interested citizens. That is the basic premise of democracy and it is good to see it restored to the White House which, for so many years, had been less than accessable to most Americans.

I include a letter to President Carter from the members of the Adlai E. Stevenson Reform Democratic Club as part of the RECORD:

MARCH 23, 1977.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As a group of ordinary citizens from Forest Hills, Queens, New York, concerned for our city and our country, we earnestly urge on the Executive and the Congress the following priorities:

1. Attain full employment *now.* 8,000,000 unemployed (and there are that many for it is intolerable to exclude from the unemployed those not seeking work out of despair) is an unbearable burden on the nation. Unemployment in two years has cost us $200 billion in direct loss of production of goods and services which the country needs grievously. We cannot wait for years for "recovery". We call for immediate action to achieve in this year, 1977, a job for every man and woman who can work, and to exert the same all-out effort and dedication as though the country were at war. Every American stands to gain from full employment!

2. Federalize welfare now. The strain on our cities must be eased lest they sink beyond recovery. We should do this without delay. It must not be a case of "too little, too late" Furthermore, without Federal action, local insufficiency of resources threatens to bring about breadlines and souplines in our cities—a course already recommended by a public official in New York. Aside from the inhumanity involved, such a sad condition in our great cities could hardly serve us well in the world.

3. Encourage labor organizations, especially in the South. It is about time that the positive role of unions be recognized in our economy. Labor organization in the South is the only way to preserve jobs in our northern cities against cheap competition. The Federal government should act to eliminate right-to-work laws and should compel J. P. Stevens & Co., to respect the rights of its employees and to bargain with their union.

We pledge our help in these tasks.

Respectfuly yours,

ADLAI E. STEVENSON,
Reform Democratic Club.

TRIBUTE TO "DUTCH" HAMANN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. EDWARDS of California. Mr. Speaker, on March 27 the world was shocked by the worst airplane crash in history. Hundreds of people lost their lives and thousands more were very personally saddened by the tragic loss of relatives and friends. I am among those who grieved for the loss of dear and longtime friends. Two such friends were "Dutch" and Frances Hamann from San Jose, Calif. Mort Levine, editor of the East San Jose Sun, wrote an editorial on Mr. Hamann which seems to me to express the affection and admiration that all local people felt for these two civic minded and "can-do" citizens:

"DUTCH" HAMANN . . . THEY DON'T MAKE THEM LIKE THAT ANYMORE

(By Mort Levine)

His name was Anthony P., but you wouldn't have known it except for the fact that newspapers have a thing about nicknames and want to always shove them in the middle of a name and between quotations marks. "Dutch" Hamann he was to one and all. And whether you cussed him or praised him, it was likely done to the extreme.

His fiery death in the Tenerife airport collision last week was a tragic loss of a man who gave of himself so unstintingly that his retirement several years ago only meant a change of duties not a change of pace.

As San Jose's manager for two boisterous decades, Dutch is credited (and/or blamed) for the shape which our valley took in its most explosive growth era, 1950–1970. But, although he came to symbolize expansion above all else, he actually understood, believed in, and could very logically explain the need for what he and his city were doing.

Something that is widely forgotten today as history gets revised (and some of its movers get reviled), Hamann was not alone in his belief that San Jose should grow and sprawl out as fast and far as it could. He had his city council with him 100%. He had the community with him by well over two-thirds . . . that was the margin for passing bond issues financing the growth. And Dutch's well-trained bond issue committees did their work well time and again.

Even though the animosity between San Jose and its smaller city neighbors reached feverish heights, Dutch always got along well personally with everyone. It was his rare talent as a compromiser and reconciler that often broke the logjam of opposed political forces.

Some might say that Dutch was the product of an era.

He grew up in the America that prized a "can-do" attitude. In that special kind of booster mystique that came out of the 1920s, the highest status went to the salesman—rather than to the administrator, the engineer or the lawyer. Today a city manager is much more likely to come from those ranks. And some of the specialized skills and characteristics city managers need, Dutch didn't possess. His internal operations in San Jose raised eyebrows and sometimes raised hackles on the part of more fastidious San Joseans.

But for the leadership group in San Jose, Dutch was absolutely the right man and the right time. He was a man who could get the job done. Vigorously aggressive in "selling" the city to outsiders and to its own citizens, Dutch never flagged in his enthusiasm and pride in San Jose's accomplishments.

Back when the late Look magazine was still selecting its annual All-American city for major achievements, San Jose won it for its social concerns and racial equality. Even though, the main focus for Dutch was the physical growth, major new buildings, and population expansion, the recognition that San Jose was still among the best places in the country to live, made him extremely proud.

Although he symbolized much that the main stream of America admires, and he was a stereotyped figure to his enemies, the reality was that Dutch Hamann was a unique mixture of very human qualities. He had a rare combination of talents and the good fortune to be in a position to use them to the fullest. You could battle him hard (as our newspapers did frequently). But you couldn't help but like and respect him.

IS PHILANTHROPY AN ENDANGERED SPECIES?

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. PURSELL. Mr. Speaker, on March 28, 1977, the First Annual Michigan Legislative Seminar on Philanthropy was held in Ann Arbor, Mich., which is in my congressional district. I would like to share with my colleagues a summary of that seminar:

[The First Annual Michigan Legislative Seminar on Philanthropy]

IS PHILANTHROPY AN ENDANGERED SPECIES?

Private voluntary financial support is part of the fabric of American Life, but can be indelibly affected by legislative actions. This was the conviction of lawmakers, fund raisers, charitable foundation personnel, trustees and concerned citizens who attended the First Annual Michigan Legislative Seminar on Philanthropy.

More than 100 participants considered the question, "Is philanthropy an endangered species?" while affirming its importance to society at the conference held in Ann Arbor, March 27–28. The conference was co-sponsored by the Development Councils of The University of Michigan and St. Joseph Mercy Hospital, and organized by Michael Radock, U-M Vice President for University Relations and Development, and Barbara B. Janes, St. Joseph's Director of Development and Public Relations.

As far as known, this was the first such statewide effort in the country to initiate a comprehensive positive dialog between lawmakers and the private non-profit sector on

issues of public policy and the preservation of philanthropy.

Speakers included two current members and a former member of the House Ways and Means Committee; Congressman William Brodhead, Congressman Guy Vander Jagt, and the Honorable Martha Griffiths. Other speakers included were: Michigan State Majority Leader William Faust, Michigan Assistant House Republican Leader John S. Mowat, Washington D.C. attorney John Holt Myers, and National Health Council representative Barney Sellers. Governor William G. Milliken was honorary seminar chairman, and U-M Regent Emeritus Robert P. Briggs served as chairman of the sessions. For many years Briggs was Executive Vice President of Consumer Power Company in Jackson, Michigan and more recently was Commissioner of Finance for the State of Michigan.

THE IMPORTANCE OF PHILANTHROPY IN SOCIETY TODAY

Governor Milliken, in a message to the participants, stated, "Philanthropy has played a major role in the development of the nation and the state, and our great institutions—churches, universities, hospitals, health, welfare, and cultural agencies—owe their existence and survival to strong conscientious private support. Government cannot, and should not, entertain the notion of usurping the charitable process."

"This view of the importance of philanthropy is shared by many in government," Chairman Briggs pointed out.

Considering the delivery of human services through charitable organizations, Congressman Vander Jagt said, "In a democracy, human needs do not go unmet." He added that the government should "foster" private philanthropy as an alternative to government "transfer payments" from those who earn to those who do not. "America is great because of what people do for themselves," he added.

"Charity forms the foundation of productivity and prosperity of free enterprise, motivated by compassion for human needs, contributing to a better today and tomorrow."

Philanthropy is an important cornerstone of the American way of life to many, as illustrated by former Congresswoman Martha Griffiths who described the positive effects in Washington from an outpouring of letters when lawmakers were considering earlier legislation affecting philanthropy.

This desire to help one's fellow man was further illustrated by Chairman Briggs who said, "Almost $27 billion was contributed from private sources in 1975—and nearly six billion volunteer hours. Volunteer time alone is estimated to be worth more than $25 billion."

"Our citizens give of their resources and talents for the betterment of our society and it is refreshing to note that government recognizes the objective as complimenting the efforts of government and being uniquely capable of responding quickly and flexibly to fill new needs and by experimenting with new and untested methods in meeting existing needs.

The role of philanthropy is clear, it is recognized and our mission is to see that impediments are not permitted to appear that will place in jeopardy the necessary life blood of philanthropy, contributed dollars and services", he emphasized.

During 1974–75, he noted that contributions grew at a rate of 6.5%, outstripped by a 9.2% level of inflation. In addition, universities, hospitals, and other labor-intensive non-profit organizations face rates for human services that are increasing even more rapidly. The Commission on Private Philanthropy and Public Needs (Filer Commission) found that the budgets of non-profit institutions and agencies need to grow at an annual rate of at least 11%, partly because of their reliance on personnel, and partly because of the unique services they render.

John Holt Myers, an advisor to the Filer Commission, pointed out that the issue of tax subsidy vs. the charitable tax deduction was firmly supported.

"All of the Commission recommendations point toward greater public participation in charitable activities and more accountability. The report recommends standardization of state laws with reciprocal privileges through a federal law that would prevent much of the duplication and confusion that now exists due to the proliferation of multiple and dissimilar state laws."

Myers further commented on former Secretary of the Treasury William E. Simon's January 18 proposals to Congress for legislation on private philanthropy based on the report of the Filer Commission. According to Myers, these would extend the negative aspects of the Commission's recommendations and ignore the positive recommendations. These negative recommendations have to do largely with regulation and reporting, and virtually ignore the Commission's recommendations with respect to increasing and improving the private support of charitable institutions. He warned that these proposals could impose crippling restrictions and reporting requirements upon public charities.

Myers states that Secretary Simon's proposals did not act on the basic Filer Commission recommendations with respect to encouraging charitable giving and increasing and broadening its base. The most important of these recommendations was that those who utilize the standard deduction be permitted in addition to deduct their charitable contributions. A second was to provide a special bonus deduction to those reporting less than $30,000 of adjusted gross income. He said, "No mention was made of the important recommendation that the present unlimited estate tax deduction for bequests to charity be retained."

TAX REFORM

"Tax Reform," Myers said, is a relative term more accurately referred to as tax change, which may be either good or bad."

Congressman Brodhead stated that tax reform was one of the centerpieces of President Carter's campaign. "The idea is developing that simplification of the tax system is desirable. Largely, that might consist of the elimination of many exemptions, deductions, and credits. If the charitable deduction is eliminated, the ability to raise funds would be very substantially reduced."

The Federal Charity Disclosure Legislation sponsored by Congressman Charles H. Wilson, (HR 41), was described by Myers as "not regulatory in substance." No attempt is made in the bill to pre-empt any state legislation affecting fund raising. "Further," Myers said, "disclosure of fund-raising costs can be misleading, particularly for organizations such as universities and hospitals which have heavy administrative costs for other purposes."

Congressman Vander Jagt stated, "The House Ways and Means Committee would be a better body to analyze the recommendations of the Wilson Bill."

FUND RAISING IN MICHIGAN

Michigan is one of the more than 30 states that have enacted laws regulating fund raising, according to William Faust, Senate Majority Leader. "It has some of the highest standards for charitable organizations in the country," he said. Senator Faust is convinced that state licensure adds a "seal of approval" which imparts integrity, but he believes that a Federal pre-emptive disclosure and reporting law would be acceptable to the State of Michigan.

Michigan Assistant House Republican Leader, John S. Mowat commented that of the annual charitable dollars contributed in Michigan (a billion dollars for churches and 800 million for other non-profit organizations) only 8 to 9% comes from foundation grants. "This fact should tell us of the importance of individual contributions," he said. Mowat also recognized and supported the possibility of preemptive federal legislation. However, he cautioned against any law or regulations which would add appreciably to the administrative costs of the organizations.

RECOMMENDATIONS

Myers, speaking for many of the participants, summarized; "Legislators should not impose significant burdens on all charities. Everyone should not be penalized for the actions of a few."

Congressman Brodhead, who described philanthropy as "a unique way of meeting the needs of society that should not be restricted by governement action," also said that, "The charitable deduction on income tax must be maintained as well as freedom from bureaucratic control. Questions raised about the ethics of charitable organizations should be resolved through self-regulation and self-control to preclude the possibility of additional state and local regulations."

The seminar participants strongly endorsed the following recommendations:

1. Any federal law that is passed to regulate fund raising should be administered by the Internal Revenue Service (currently responsible for oversight of tax-exempt organizations) rather than through the Postal Service.
2. A federal law should pre-empt state and local laws.
3. Whatever system of reporting and accountability is developed should not add unreasonable costs, thereby reducing the effectiveness of contributed funds.
4. Congress should not enact legislation that would reduce incentives for giving.
5. Legislative language should be definitive so that regulatory agencies cannot impose rules beyond the intent of the legislation.

ITALY'S WORLD AIRLINE PICKS PHILADELPHIA INTERNATIONAL AIRPORT FOR ROME-UNITED STATES FLIGHTS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. EILBERG. Mr. Speaker, I am delighted to be able to report the resumption of service between Rome and Philadelphia by Alitalia Airlines—an action which Philadelphia's Mayor Frank L. Rizzo has called a "major impetus" to the growth of international traffic at Philadelphia International Airport.

In a public statement, the mayor expressed his pleasure at the decision, and pledged that the city would intensify its marketing efforts to attract additional airlines and passengers to our great new airport facilities.

Alitalia, Italy's world airline, began direct single plane service between Philadelphia and Italy on Sunday, April 17.

To mark the occasion, a representative of the mayor presented a miniature replica of the Liberty Bell to the pilot of the Alitalia aircraft upon its arrival at Philadelphia Overseas Terminal. The pilot was to deliver the Liberty Bell to Umberto Nordio, director general of Alitalia, in Rome.

The new route will utilize wide-bodied DC–10 jets three times a week to Rome and Milan until June 16 when a fourth direct flight to Rome will be added. All flights are via Boston.

According to Enrico M. Striano, director of Alitalia's North American Division, the service demonstrates the Italian airline's "commitment to providing passengers and cargo with the best possible service between Philadelphia and Italy."

MEDICAL FREEDOM OF CHOICE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. SYMMS. Mr. Speaker, the problem of a "drug lag" in the United States is a very real problem and one to which this Congress should address itself. The mass of economic, medical, and pharmacological literature points to the "effectiveness" provisions of the 1962 amendments to the Food, Drug and Cosmetic Act as being primarily responsible for the "drug lag" which this country is experiencing.

The following article, "Dilemmas of the Drug Lag," appeared in the April 1977 edition of Drug Therapy. The author is Rita Ricardo Campbell, Ph.D., who has been a member of the National Advisory Drug Committee—NADC—and the National Advisory Food and Drug Committee—NAFDC—which were top-level advisory committees to the Food and Drug Administration.

Dr. Campbell traces the background of the drug lag and describes some of the difficulties the FDA has created. Her conclusion is that the 1962 amendments should be repealed. On March 16, 1976, I introduced the medical freedom of choice bill in the 94th Congress and I reintroduced the legislation on January 4 of this year. The medical freedom of choice bill repeals the "effectiveness" provisions from the 1962 amendments.

I urge my colleagues to read the following article and to help in correcting the FDA's regulatory abuses by joining the 87 Members who have already cosponsored the medical freedom of choice bill, H.R. 54.

The article follows:

DILEMMAS OF THE DRUG LAG

(By Rita Ricardo Campbell, Ph. D.)

(Note.—Dr. Campbell is Senior Fellow, Hoover Institution, Stanford University, Palo Alto, California.*)

William Wardell first used the phrase "drug lag" to define (as of December 1971) the lag or lead time between the different marketing dates of the same drug in the United States and Great Britain. He was describing the effect of the 1962 FDA omnibus law that regulates drug development in this country.

Wardell (Oxford education, British practice) first became aware of his new American colleagues' innocence of British drugs in March 1971, when, on hospital rounds, he discovered accidentally that his colleagues were ignorant of the bronchodilator Alupent (metaproterenol), available in Great Britain in 1963 but not approved in the United States until 1975. The preliminary draft of his speech (to the Fifth International Pharmacological meeting, San Francisco, June 1972) on comparative marketing dates of new drugs in Great Britain and the United States had been circulated for comment for at least 6 months prior to delivery. Yet the term was not used in an article published in 1971 by FDA's then Associate Commissioner Jennings, although he wrote directly on the subject of drug development and FDA regulations.[1]

Wardell's position was supported by the now-famous correspondence of Dr. Dripps and othr well-known medical scientists, including deBakey and Nobel prizewinner D. W. Richard, who were among the signers of the first and last of a series of four letters (February 29, 1972–September 24, 1973) charging that a drug lag existed in the United States as compared to Great Britain.

DRUG-LAG DILEMMA

During 1973–1974, Wardell specifically documented the extent of the drug lag.[2] By September 27, 1974, the position of FDA had shifted from one that denied the existence of a drug lag to one of acknowledgment. Richard Crout, head of the Bureau of Drugs, in testimony to the Senate Health Subcommittee, stated: "The data cited by Dr. Wardell are correct. There were no approvals in hypertensive drugs in the first decade after the amendments (of 1962). There were no approvals in the cardiovascular area in the years between 1967 and 1972, and . . . the . . . gap . . . was limited to the cardiovascular and pulmonary (areas)."[3]

On November 2, 1975, Senator Kennedy, Chairman of the Senate Subcommittee on Health, stated: "There are fundamental defects in our nation's current regulatory procedures for prescription drugs . . . lack of any follow-up, once the drugs have reached the market. . . . Badly needed drugs are delayed from joining the fight against disease. . . ."[4]

During debate in February 1976, FDA Commissioner Schmidt agreed that an aerosol form of the steroid beclomethasone (Vanceril) that had been available for several years in Great Britain was an effective antiasthmatic not yet approved in the United States.

PRESCRIBING DILEMMA

In April 1976, an article in the New England Journal of Medicine called attention to the status of propranolol[5] (Inderal), which at that time, although available for other indications, was still not approved by the FDA for the treatment of hypertension. The authors pointed out that propranolol is used to treat hypertension in several advanced countries and also ". . . is being widely used by practitioners [in the United States] for this purpose."[6]

The whole tone of the article is that since propranolol has been successfully used in Great Britain for a 10-year period in antihypertensive therapy, it should be more widely prescribed for this condition in the United States. In many patients, propranolol has fewer side effects than some of the other drugs currently used in the United States for hypertension, and although these side effects are not life threatening, their absence is highly valued by patients. One potential side effect, for example, is impotence. It is, of course, not illegal to prescribe an FDA-approved drug for an indication that has not been approved by FDA; however, in a malpractice suit, such prescribing might be held against the physician. The history of pharmaceuticals contains many examples of second uses of drugs that become more important than the initial indication Government regulations should encourage innovative use of drugs already approved as "safe." Meanwhile the lack of beta blockers for antihypertensive therapy has made it difficult for the U.S. physician to tailor treatment to his patient's unique biology and thus have greater assurance of patient compliance to a drug regimen that could be life saving.

ETHICAL DILEMMA

What of the ethics of insisting on extensive trials for a drug already proved safe and effective elsewhere? If controlled clinical trials are required in the United States before a specific indication for a drug such as propranolol can be approved, even if that drug has been approved and well-tested abroad, how can one justify a placebo control group? What about the patient? Would the "fully informed" patient be willing to chance being placed in the placebo group?

In May 1975, FDA's regulation to accept controlled clinical double-blind studies on new drugs conducted outside of the United States became law. It was anticipated ". . . to promote the public safety by eliminating unnecessary duplication of human research and to expedite the availability to the American public of important new drugs being studied abroad."[7]

However, the current effectiveness of this regulation appears to be small. Once companies establish overseas research plants and hire research scientists, it is difficult to reverse the process. For example, on January 21, 1977, "G. D. Searle & Co. said it introduced a cardiovascular drug in Mexico called Duloctil. The agent, generically known as suloctidil, is prescribed primarily for older patients to relieve painful walking and coldness in hands and feet caused by poor circulation. Suloctidil is already sold in Belgium. . . . After initial marketing in Mexico . . . the concern plans to introduce the drug in France, West Germany, Australia, Southeast Asia and other parts of Latin America. Then U.S. marketing approval will be sought."[8]

TOWARD ALTERNATIVES

It is especially worrisome that FDA appears again to be unaware of the costs to the American society in the loss of potential net benefits from nonacceptance of new, effective, and relatively safe drugs, and even questions whether there ever was, or there is, a drug lag. The associate director of the new drug evaluation program of FDA, D'Aguanno, stated in a British publication[9] that "the possible adverse effects of 'drug lag' became a matter of considerable discussion and some study in the USA. After extensive analysis it has been concluded that, despite the fact that a significant number of drugs marketed in other countries are not available in the USA, there are no therapeutic breakthroughs currently marketed in other countries for which an acceptable alternative therapy does not exist in the USA. There are, however, a number of drugs marketed elsewhere which represent modest therapeutic gains over available therapies in the USA."

As an economist, I appeal again, as I did in my monograph *Drug Lag: Federal Government Decision Making*,[10] that the public interest requires "an in-depth study of the benefits and costs of the present United States regulatory system of drugs" and also of the several new alternative legislative options now being discussed; for example, better postmarket surveillance and reduction of the pounds of paper submitted in support of one NDA, as by the use of certified summaries.

The passage of the new medical device legislation has widened the impact of FDA's regulations. This may mean a new lag in marketing of medical devices. Although FDA now permits use of foreign clinical data in support of an NDA, it has never seriously considered accepting as even partial supportive evidence the stastical experience of large numbers exposed to a new drug in a country similar to the United States, such as Great Britain, which happens to require even stricker postmarket surveillance. If the

Footnotes at end of article.

populations of the United States and Great Britain are not too disparate, it seems that the use over a 5-year period of an often-prescribed drug, and, therefore, accepted in that country as yielding a net therapeutic benefit, could be at least supportive evidence for acceptance of the drug in the United States. To ignore these data raises ethical questions on how to conduct double-blind trials with placebo controls when the results, at least among scientists in Great Britain, are considered to be known.

Scientists as well as physicians do not agree as to what is the preferred therapy for a given condition of a given seriousness, partly because their relevant data bases may differ, but also because their value judgments differ. Political pressures and the fear of adverse publicity, not logic, appear to be dominating government decisions on the marketing of drugs. Repeal of the 1962 amendments would permit the physician/patient to choose among relatively safe therapeutic options tailored to the patient's unique needs, would decrease the administrative costs of FDA, and would increase the net benefit to society.

FOOTNOTES

*In the spring of 1972 and into January 1975, Dr. Campbell was a member of the National Advisory Drug Committee (NADC), and from January 1975 through September 1975, a member of the newly merged National Advisory Food and Drug Committee (NAFDC). These were top-level advisory committees to the Food and Drug Administration (FDA).

[1] Jennings J: Government regulations and drug development: FDA. *Drug Discovery* (Advances in Chemistry Ser. No. 108, 247-256), American Chemical Society, 1971.

[2] Wardell WM: Introduction of new therapeutic drugs in the United States and Great Britain: An international comparison, *Clin Pharmacol Ther* 14:773-790, 1973; British usage and American awareness of some new therapeutic drugs. *Clin Pharmacol Ther* 14: 1022-1034, 1973; Therapeutic implications of the drug lag. *Clin Pharmacol Ther* 15:73-96, 1974.

[3] U.S. Senate, Joint Hearings; Committee on Labor and Public Welfare—Subcommittee on Health, and Committee on Judiciary—Subcommittee on Administrative Practice and Procedure, Transcript, September 27, 1974, mimeo, pp. 69, 70.

[4] Kennedy E: [Keynote] Address, press release of speech before the Tulane Medical Symposium on Principles and Techniques of Human Research and Therapeutics, New Orleans, November 2, 1975, mimeo, pp. 3, 4a.

[5] Propranolol was approved in 1968 for three rare cardiovascular conditions and in 1973 for treatment of angina.

[6] Holland OB, Kaplan NM: Propranolol in the treatment of hypertension. *N Engl J Med* 294:930-936, 1976.

[7] *Federal Register* 40 (69):16054, 1975.

[8] *Wall Street Journal*, January 21, 1977, p. 26.

[9] D'Aguanno W: Development and use of new drugs. *Pharmaceutical Journal*, January 1 and 8, 1977, pp. 8, 9.

[10] Campbell RR: *Drug Lag: Federal Government Decision Making*. Hoover Institution Press, Stanford University, p. 44.

SIR PETER KIRK

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. FRASER. Mr. Speaker, the death of Sir Peter Kirk in London last weekend is a tragedy for the House of Commons, for the European Parliament, and for European-American relations.

Sir Peter was one of the leaders in the parliamentary exchange between the Congress and the European Parliament. He was here most recently last September as a member of the Parliament's delegation for the 10th meeting with a congressional delegation. At the time of his death, Sir Peter was actively preparing the London meeting of the two delegations which will take place in July.

The heavy responsibilities of Sir Peter for both his constituency in the House of Commons and his work in the European Parliament were undoubtedly related to his untimely death at the age of 48. He was, for example, in addition to this dual mandate, also chairman of the European Conservation Group of the European Parliament. In this capacity, he was working with full energy for the forging of ties among several conservative parties in the community in preparation for the first direct elections to the European Parliament, scheduled for next spring.

Sir Peter's great devotion to a united Europe will remain embodied in a stronger European Parliament for which he worked so well and so long.

CONSUMERS GET REPRESENTATION AT SUGAR NEGOTIATIONS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. DRINAN. Mr. Speaker, I am pleased to report that the Department of State has agreed to place a consumer representative on the U.S. delegation at the international sugar negotiations which opened on April 18 in Geneva. In the past, American negotiators have been accompanied only by industry trade advisers at meetings to draft and implement international commodity agreements. The voice of the American consumer has never been heard at these crucial sessions. As a result, treaties such as the International Coffee Agreement protect the producers against falling prices while failing to protect consumers against price escalation.

The State Department's decision to depart from previous policy by permitting consumer representation at the negotiations to draft a new international sugar agreement is a long-overdue response to congressional criticism dating back to 1975. In reporting the International Coffee Agreement to the full Senate for ratification in August 1975, the Senate Committee on Foreign Relations noted the lack of consumer representation on the advisory group which accompanied the U.S. delegation and expressed the hope that consumer interests be represented at future commodity negotiations.

On February 22, 1977, the House Government Operations Subcommittee on Commerce, Consumer, and Monetary Affairs, on which I serve, held a hearing on the escalating price of coffee. During that hearing, I asked the State Department witnesses to invite a consumer representative to all future meetings of the International Coffee Organization. Assistant Secretary Julius L. Katz refused to commit himself to satisfy that request, but agreed to look into it.

On March 30, 1977, 15 other Members of Congress joined me in writing to Secretary Vance to ask that he invite a qualified consumer representative to serve in an advisory capacity to the U.S. delegation during the Geneva negotiations to formulate an international sugar agreement. The text of the letter follows:

WASHINGTON, D.C.,
March 30, 1977.

Hon. CYRUS R. VANCE,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: It is our understanding that an American delegation will participate in discussions designed to produce an International Sugar Agreement beginning on April 18 in Geneva.

The outcome of these negotiations will have a significant impact upon American consumers who purchase approximately 11 million tons of sugar in various forms each year. Each one cent increase in the wholesale price of a pound of sugar costs American consumers more than $200 million in added food costs. It is imperative that any new sugar agreement protect consumers against a reenactment of the Sugar Boom of 1974 when prices rose 400 percent in less than a year, peaking at 64 cents per pound.

International commodity agreements negotiated by the Department of State in recent years have been notorious for their neglect of consumer interests. The International Coffee Agreement, drafted in 1975, provides for quotas to insure a floor price and operates to maximize coffee consumption without giving consumers any source of relief from the excessive prices currently charged by coffee producers.

At negotiations preceding the formulation of the International Coffee Agreement, the United States was represented by a delegation which included trade advisors from the domestic coffee industry. It is our understanding that advisors representing the domestic sugar industry will participate in the delegation which will attend the upcoming negotiations at Geneva. We believe it is imperative that a representative of American retail consumers participate in the delegation as well. We therefore request that you invite a qualified consumer representative to serve in an advisory capacity to the United States delegation at Geneva next month and in any future meetings of an International Sugar Organization.

Cordially yours,

Robert F. Drinan, Frederick W. Richmond, Millicent Fenwick, Joshua Eilberg, Augustus F. Hawkins, James H. Scheuer, Herman Badillo, Edward I. Koch, Peter W. Rodino, Robert N. C. Nix, Richard L. Ottinger, Leon E. Panetta, Parren J. Mitchell, Herbert E. Harris, Allen E. Ertel, and Thomas J. Downey.

On April 6, 1977, I sent a telegram to Assistant Secretary Katz asking for the names of any consumer representatives or trade advisers which would accompany the U.S. delegation to Geneva. Mr. Katz responded on April 9 that the composition of the delegation had not yet been finalized. On April 18, the day the negotiations opened, I was pleased to re-

ceive the following telegram from Assistant Secretary Katz:

TELEGRAM

Congressman ROBERT F. DRINAN,
House of Representatives,
Washington, D.C.:

In my telegram of April 9 I promised to inform you of the names of the consumer advisors on the delegation to the negotiations for an international sugar agreement as soon as they were available.

They are:

Dr. Carmen Busquet, Secretary of Consumer Affairs, Commonwealth of Puerto Rico.

Mrs. Joan Braden, Consumer Affairs Coordinator, Department of State.

Professor Steward Lee Richardson, Jr., Chairman, Department of Marketing, Louisiana State University, and President, Consumer Federation of America.

You also asked for the names of all trade advisors. They are:

Richard W. Blake, National Sugar Beet Growers Federation, Greenley, Colorado.

David C. Carter, United States Beet Sugar Processors Association, Washington, D.C.

Charles Harry Falk, New York Coffee and Sugar Exchange, New York, New York.

Horace D Godfrey, American Sugar Cane League, New Orleans, Louisiana.

Edward B. Holyrode, Hawaiian Sugar Planters Association, Washington, D.C.

Andrew J. Mair, American Farm Bureau Federation, Washington, D.C.

Charles Azerow of Sucrest Corporation representing United States Cane Sugar Refiners Association, Washington, D.C.

Henry Francis Wanning of the Coca Cola Co., representing Industrial Sugar Users, Atlanta, Georgia.

These are all the non-governmental advisors accredited at the present time. Some of the industry advisors may be replaced by others representing the same trade or industry group. However, no more than one representative from each association will be accredited at any given time. Only officially accredited members of the delegation are authorized to participate in conference sessions.

JULIUS L. KATZ,
Assistant Secretary of State for Economic and Business Affairs.

It is my understanding that only one of the three consumer advisers will be in Geneva at any time during the 6 week-long set of negotiations. Thus, the consumer presence will obviously be overwhelmed by the large number of industry representatives. Nevertheless, the presence of any consumer voice at all constitutes a major step forward. I am certain that the presence of these consumer advisors will help to prevent the formulation of an international sugar agreement which would serve to "rip-off" American consumers by raising sugar prices to the excessive level they reached in 1974 and 1975. Rather, I am hopeful that any agreement resulting from these negotiations will insure adequate supplies of sugar available to consumers at a reasonable price.

The presence of consumer advisors at these negotiations marks the beginning of a new, more enlightened approach toward American participation in international commodity agreements. We must insist that this approach be furthered through the appointment of other qualified consumer representatives to all forthcoming commodity meetings which exert an impact upon consumer prices. As the Geneva sugar negotiations continue, I will provide my colleagues in the House with periodic status reports. I am certain that we will all be interested in reading the report of the three consumer advisers when they return from Geneva.

PRIVATE COLLEGES ARE OFFERING LOAN PLANS TO HELP PARENTS PAY TUITION COSTS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. COUGHLIN. Mr. Speaker, I am reintroducing today with four more cosponsors my measure to provide tax credits to help meet the soaring costs of tuition and fees at our institutions of higher learning. A total of 46 colleagues are sponsoring my measure in this Congress.

For those of you familiar with the history of this legislation, I will not bore you with a detailed litany. I only want to note that similar bills passed the Senate in four of the past five Congresses while the House never has been permitted to vote on the legislation.

I am inserting in the CONGRESSIONAL RECORD an article by Sam W. Pressley which was published in the April 17, 1977 edition of the Philadelphia Sunday Bulletin.

His story again illustrates—if there is one among us who ever harbored any doubts—the financial crunch on the middle-income Americans who want to educate their children at colleges and universities.

Moreover, it shows how difficult circumstances are becoming with private institutions beginning to provide their own loan plans to aid hard-pressed parents. Bryn Mawr College, in my congressional district, has created a loan program. Other universities in the East and the West also are offering these loans.

I also am inserting a chart which lists tuition costs and other expenses of colleges and universities in the Philadelphia area. The dollar figures speak far more eloquently than I could of the escalating costs of higher education and the need to provide a measure of assistance to the middle-class Americans—traditionally, the segment of our population which pays the most taxes, provides the stability our Nation enjoys and which, just as often, is forgotten in the talk of "tax reform" and "social justice."

COLLEGE LOANS AID AFFLUENT

(By Sam W. Pressley)

Bryn Mawr College conducted its annual spring rite on Friday.

The private, four-year college on Philadelphia's Main Line sent out letters telling student applicants whether or not they had been accepted for admission in the fall.

But along with 250 of the acceptance letters to those requesting financial aid—something new was added.

Included were brochures informing the students' parents that they could take advantage of a new way of paying for a college education: a Parent Loan Plan.

Several private colleges, aware that their tuition rates are higher than those of public colleges are offering to make loans to families earning between $15,000 and $75,000, at interest rates from 8 to 8.5 percent.

Significantly, this new type of student aid program would make it easier for middle-income families to meet soaring college costs by offering long-term repayment plans.

The plan would enable eligible parents to pay four years of college costs in monthly installments of principal and interest spread out over a six to eight year period. Payments start shortly before the student enters college.

The parent loan plan is a "godsend" to many American families caught in the "middle income crunch," says Jerrold Gibson, director of fiscal services at Harvard University.

The Ivy League university in Cambridge, Mass., pioneered the loan program a year ago.

"Today," says Gibson, "many middle-income families are either too poor to afford ever rising college costs or too rich to qualify for financial aid."

Bryn Mawr is the only Philadelphia area college which has decided to implement the plan this fall. The University of Pennsylvania, Princeton University and Haverford College are considering it.

Most government-subsidized or guaranteed financial aid programs are closed to the relatively affluent.

And in the past, middle-income families either had to borrow at high interest rates to send their sons or daughters to private college; seek low-cost alternatives such as community colleges, or simply forego college for their children.

"In this country, we've been saying a long time about how college should be made available to anyone who wants it, regardless of income," said Deborah Wolk, a financial-aid officer at Bryn Mawr.

But, she said, over the last few years, middle-income families have found it difficult keeping up with the rising costs of living and college costs.

Specifically, the Bryn Mawr program will be geared to this fall's incoming freshman class, but also will be made available to upperclass students, according to Paul Klug, the college's controller.

Other private colleges starting the loan program are Cornell University, Ithaca, N.Y.; Yale University, New Haven, Conn.; Amherst College, Amherst, Mass.; Massachusetts Institute of Technology (MIT), Cambridge, Mass.; and Stanford University, Stanford, Calif., according to the Richard C. Knight Insurance Agency in Boston.

The Knight agency has been retained by the private colleges to administer the program, which involves running credit checks and insuring the loans.

Without such plans, the private colleges fear the middle-income family student will be "squeezed" out of private higher education and the student body will be comprised of the rich who can afford the big bills and the low-income family student who qualifies for subsidized grants from the government and scholarships.

"For most middle-income families," reports the Chronicle of Higher Education, in Washington, D.C., "the problem is not that they don't have the money for college. They don't have it in one lump sum."

Under the Bryn Mawr plan, for example, parents who borrow $6,000 per year, over four years, could pay $360 a month in 80 monthly installments. The maximum repayment term is eight years, with interest on the loans being tax deductible.

For many private colleges and middle income families, the new loan program couldn't arrive at a better time.

Next fall, the highest college costs and the greatest tuition increases will take place at private colleges, according to a recent study by the College Scholarship Service (CSS), the financial-aid arm of the College Entrance Examination Board, in Princeton, N.J.

In the academic year 1977–78, reports CSS, students at private, four-year colleges will face a 6.3 percent increase in tuition and fees.

At Bryn Mawr, for example, tuition and fees will be raised from the current annual rate of $4,225 to $4,275 per year.

In comparison, the College Scholarship Service reported that the average tuition and fees charge at public, four-year colleges will remain virtually unchanged.

Why the disparity?

Essentially, the majority of private institutions earn 70 to 80 percent of their operating revenue from tuition, according to the Washington, D.C.-based Higher Education General Information Systems Office, in the U.S. Office of Education.

Tuition provides about 25 percent of operating revenue at most public-supported institutions, says the Office of Education.

And that's why public colleges cost less.

AREA COLLEGE COSTS

Following are 1977–78 (tuition and fees, room, board and other) charges at Philadelphia area colleges and universities.

College	Tuition and fees	Room board, and other [1]	Total
U of P	$4,450	$3,125	$7,575
Princeton U	4,650	2,875	7,495
Bryn Mawr C	4,725	2,440	7,165
Haverford C	4,420	2,550	6,970
Swarthmore C	4,100	2,460	6,560
Phila. C. of Art	3,630	2,600	6,230
Villanova U	3,150	2,975	6,125
Widener C	3,260	2,340	5,600
Phila. Musical Acad	2,800	2,600	5,400
Spring Garden C	2,660	2,660	5,320
Rosemont C	2,970	2,100	5,070
Drexel U	3,400	1,600	5,000
St. Joseph's C	2,400	2,500	4,900
LaSalle C	2,550	2,325	4,875
Phila. C. Textiles-Sci	2,450	2,425	4,875
Eastern C	2,940	1,710	4,650
Phila. C. Pharmacy-Sci	2,425	2,175	4,600
Harcum Jr. C	1,800	2,795	4,595
Valley Forge Mili. Jr. C	2,215	2,330	4,545
Pa. Academy Fine Arts [2]	1,310	3,200	4,510
Gwynedd Mercy C	2,150	2,100	4,250
Peirce Jr. C [2]	1,960	2,125	4,085
Chestnut Hill C	2,000	2,050	4,050
Temple U	1,300	2,700	4,000
Manor Jr. C [2]	1,650	2,050	3,700
Rutgers U., Camden, N.J	900	2,650	3,550
U. of Del	978	2,335	3,313
Glassboro State C.[2]	882	2,195	3,077
Lincoln U.[2]	1,068	1,982	3,050
Cheyney State C.[2]	950	1,800	2,750
West Chester State C	888	1,610	2,498

[1] Other includes the college's annual costs for books, laundry clothing, recreational services, and incidentals.
[2] Data are for 1976–77 academic year.

Source of data: College Scholarship Service, Princeton, N.J.

FEDERAL ANNUITY AND VA BENEFITS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. GONZALEZ. Mr. Speaker, I am reintroducing a bill that I proposed in the last Congress that would discount any Federal annuity when determining VA benefits.

I am hopeful that the Veterans' Affairs Committee will consider this legislation and take a long, hard look at the problems confronting our veterans, especially the elderly, when they receive an increase in other Government annuities including social security benefits.

Those receiving veterans benefits are in a catch-22 situation. They receive an increase in benefits, generally to offset the increase in the cost of living and then find that their VA pensions are cut. They then find themselves continually trying to live in today's economy with yesterday's income as the Government continues to give with one hand and take away with the other.

I do not believe that Congress meant for this type of situation to develop and I feel that we must give this matter serious and immediate consideration.

A veterans' benefits should not be reduced since he is essentially being repaid for the service that he gave to his country in time of need. We must remove the veteran from his current position of financial insecurity and assure him that he should and will receive the benefits that he justly deserves.

LOREL POLLACK: THE VOICE OF AMERICA TO SOVIET JEWS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. HYDE. Mr. Speaker, many of my colleagues are already familiar with the work of Mrs. Lorel Pollack, a constituent of mine from Oak Park, Ill., but for those who are not, I believe her achievements deserve mention in the CONGRESSIONAL RECORD.

Mrs. Pollack is chairman of the Chicago Action for Soviet Jewry, an organization she founded to provide encouragement, support, and hope to thousands of oppressed Russian Jews.

Mrs. Pollack began her campaign to publicize the plight of Soviet Jews in 1971, and since that time she has helped educate and enlighten many of us to the problems of Jews living in Russia. Perhaps, more importantly, through her personal letters and phone calls to the "refuseniks"—those Soviet Jews who have been denied exit visas—Mrs. Pollack has let them know that we in the free world are aware of their circumstances and are dedicated to the cause of human rights. Many of the Soviet Jews whom Mrs. Pollack personally contacted, were allowed to emigrate only after her tireless efforts in their behalf.

I take great pride in paying tribute to Lorel Pollack for all that she has done—and will continue to do—to advance the cause of human rights and justice for thousands upon thousands of Soviet Jews.

Following are two recent articles about Mrs. Pollack, one from the Chicago Tribune and one from People magazine. I know my colleagues share my pride in her accomplishments to date, and join me in wishing her continued success in her very inspiring and fulfilling work.

The articles follow:

[From the Chicago Tribune, Mar. 27, 1977]

RUSS JEW ASKS: WHAT'S MY CRIME?

(By Jeff Lyon)

The voice coming out of the desktop telephone speaker was crackling like a broadcast from wartime London.

It was fitting As it fought through the static, the voice was a reminder that if the Nazi floodcrest of those times has receded, the water table of human wickedness remains high.

"I am . . . very glad . . . to hear from you, Lorel," Naum Salansky said. He spoke the words like a man fingering suitcoats on a rack, with the deliberation of someone new to English. "The situation is without change," he sighed before the crackle drowned him out.

Lorel Pollack grimaced at the bad connection. She considered hanging up and trying again. But it had taken two hours to reach Salansky in Vilnius, Lithuania. It might take that long a second time, and there would be no guarantee of a better line. So she pressed on.

"No change?" she asked.

"No," Salansky replied in a reedy voice. "Tomorrow will be the next interrogation. And before, it was a week ago another one. It is now more than three months in this investigation work and still now I haven't any information about what is my crime."

Salansky, 41, is a noted Soviet physicist. He is also Jewish and has been denied an exit visa to emigrate to Israel. He's been appealing this.

In December, he was accused of "slanderous fabrications" against the Soviet Union's policy toward Jews. The accusations stem from a seminar in Jewish culture he conducted in his own home.

He has been interrogated repeatedly. His apartment has been ransacked. Searchers confiscated the letters from his mother, who is sick with cancer in Israel.

Salansky's voice crackled out of the speaker again. "My health and the health of my wife is not well," he said. "It is a very serious hard time for us, and the health is not well."

"Is she more ill than she has been?" Lorel Pollack asked.

"The heart is not well. She is only 37, but the heart is not well."

"I am so sorry to hear that," Lorel Pollack said. "But maybe we will hear something new and good soon. We are bringing your message to Cyrus Vance, as you asked us. We are trying to help you because we are your friends and we're concerned and worried about you."

Lorel Pollack is chairman of the Chicago Action for Soviet Jewry. On her desk in her seventh floor office at 618 S Michigan Av., is a thick sheaf of green computer paper with the names of 1,100 Russian families, including the Salanskys. These families are "refuseniks," Soviet Jews who have been refused exit visas.

Merely being Jewish in the Soviet Union is hard enough. The religion and the culture may not be taught. One's internal passport, the document Soviet citizens must use to travel within the country, carries a designation that the bearer is Jewish. No other religion is so treated.

And then there are those guilty of the double crime of being Jewish and wanting to leave.

Some are allowed to go. Others aren't. And life for them becomes dreadful. They lose their jobs. Their homes are vandalized. They are harassed by the secret police [KGB]. Their children are beaten on the playgrounds and ridiculed by teachers in the classroom.

And many refuseniks are put in prison.

"It is bad. Things are getting very bad," Lorel Pollack told me when I walked into her office before the Salansky call.

Several weeks ago, a letter from a refusenik appeared in the government publication Izvestia. The writer said he was repenting his traitorous deeds and accused several of the most prominent and outspoken Jewish activists in Moscow of working with the Central Intelligence Agency to undermine the Soviet state.

The letter claimed the activists had tried to steal state secrets and named some U.S. Embassy officials and American newsmen as their CIA contacts.

Soon after the letter appeared, several activists were arrested, including mathmatician Anatoly Scharansky, the gutsy spokesman for the Moscow Jewish group that has been publicly monitoring the Soviet failure to live up to the Helsinki accord.

Scharansky, a charismatic figure of courage who once reported his KGB tail to superiors for getting drunk and falling asleep on the job, may be charged with espionage. His fate is unclear.

"These Moscow activists enjoyed a certain amount of immunity from the worst persecution for years," Lorel Pollack said. "Up to now, they were protected by their ties to the West because they were well known and had established relations with the foreign correspondents.

"They had been a source of strength and encouragement to their fellows in the Soviet Union," she said, asserting that the Kremlin may be trying to intimidate and demoralize the rest of the Jewish activists.

It will make Chicago Action and its 20 counterpart volunteer organizations in such other cities as Philadelphia; San Francisco; and Montgomery, Ala., work all the harder.

Their activities include an intensive lobbying effort to get congressmen and senators to pull whatever strings they can on behalf of the refuseniks. They prod the media to publish the most dramatic cases of repression.

At the heart of Chicago Action is Lorel Pollack, an energetic woman who traces her Jewish heritage back to Don Yitzak Abravanell, a Sephardic Jew who served in the court of Ferdinand and Isabella of Spain. Lorel Pollack's grandfather escaped Russia by swimming across a river in peasant woman's clothes as Czarist soldiers shot at him.

"The Jews in Moscow are in shock," she says. "They say it is almost like being thrust back into the dark days of Stalin."

But she thinks there are some things that will continue to sustain the 3 million Soviet Jews. One is a certain grim courage; the other is an improbable sense of humor.

"The Jews there tell a lot of jokes," she says. "You die if you don't hang onto your humor."

It is noon and Lorel Pollack is talking to Salansky. She is asking him if he and his family will be able to celebrate Passover, which begins next weekend.

"We will try to do it. We will try. We have matzos. We were able to prepare it here," Salansky's crackling voice answers.

"Naum," Lorel Pollack says. "At our home, we will set aside a place at our Seder table to remember you and all our friends in the Soviet Union. I'll try to call you during the holiday. Our love to you. Shalom."

A very faint voice answered "Shalom." And then the static took over.

FOR DOZENS OF OPPRESSED SOVIET JEWS, LOREL POLLACK IS THE VOICE OF AMERICA

They call themselves "refuseniks"—Soviet Jews who have applied to leave the USSR and have paid for it in persecution. For many of these would be refugees, virtual prisoners in a hostile society, Lorel Pollack and hope are synonymous. Consider the testimony of Dr. Irma Chernyak, a Soviet mathematician who emigrated to Israel in 1975. "Immediately after applying for an exit visa I was thrown out of my job," he recalls. "My telephone was cut off. I was alone. Then one evening I went home and found Lorel. She came like a light in the darkness—like someone from another planet."

Actually, Mrs. Pollack is profoundly terrestrial—a 43-year-old Jewish mother from Oak Park, Ill., who has adopted the refuseniks like so many orphans. Working out of a cramped office in Chicago's Spertus College of Judaica, or the surburban home she shares with her ad executive husband, Sheldon, and their two sons, she offers aid and encouragement to those whose visas are still in doubt. Keeping the overseas circuits humming, she has run up phone bills of $300 and $400 a month before the irritated Soviets began taking out the telephones of some refuseniks. "Those calls were cheap," Mrs. Pollack maintains. "I always assume that the secret police listen in, and that everything I say to my friends I say to the KGB too. So I end up sending direct messages to the Soviet government for a mere four dollars a minute. I tell them, in effect that this person is known, and if you harass or arrest him all hell will break loose in the Western press."

The descendant of a Russian refugee grandfather (who fled the czar's troops dressed as a woman), Lorel was born and brought up in Oak Park. Though she taught kindergarten in Jewish schools, she was neither devout nor politically active. Her conversion came at a 1971 meeting of her Hadassah group. "The speaker was saying, 'You can write. You can call,'" she remembers. "I saw all these people in the audience nodding in agreement, but no hands went up. Suddenly I found myself on my feet saying, "Why sure, we can call Russia!'"

Using phone numbers provided by a loosely strung global network of Jewish volunteer groups, Lorel placed her first call that November. It was to Vladimir Slepak, now a member of the committee monitoring the Helsinki agreement, which, like Jimmy Carter, has been challenging the Soviet position on human rights. As Lorel's involvement deepened, she began devoting up to 60 hours a week to the refuseniks, phoning, writing and lobbying furiously in their behalf all over the Midwest and in Washington. For awhile she slept in the kitchen to grab the phone so that late calls wouldn't wake up her family. Once, in 1972, she got through to a refusenik (now in Israel) moments after the KGB had broken into a Moscow dinner party and arrested New York Congressman James Scheuer. Lorel called the *New York Times* and the wire services, and western newsmen were hounding Soviet officials with queries even before the embarrassed Soviets could notify the U.S. embassy of Scheuer's detention.

Though Lorel has cut down on her phone contacts with the refuseniks—partly out of fear that Moscow might retaliate by isolating them entirely—she still believes that some calls should continue. "Sometimes we wonder if it helps," she admits, "but the people on the other end always tell us to keep it up. And the Russians do fear U.S. opinion," she adds proudly. "In 1969 the Soviet Union allowed almost no Jews to emigrate. Now the figure is a fairly steady 1,000 a month."

AG RESEARCH AND EXTENSION EARN THEIR KEEP

HON. JOSEPH S. AMMERMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. AMMERMAN. Mr. Speaker, a recent headline in one of my State's most important agricultural journals, the Pennsylvania Farmer, quickly caught my eye. It reads, "Ag Research and Extension Earn Their Keep."

There is little question in my mind that our cooperative extension service and agricultural research are two of our most important agricultural programs. I have observed that firsthand in a longtime acquaintance with one of the Nation's best ag research programs, as well as a highly effective cooperative State extension service, operated by the Pennsylvania State University.

Yet both of these activities are in financial trouble across the Nation, caught in a vise between constant or declining budgets on the one hand, and the inexorable push of inflation on the other. I was surprised to learn that my neighboring State of New Jersey is actually proposing to cut its ag research funds by $1 million this year.

The extension program is undergoing a continuing decline in the purchasing power of the resources it receives. We saw the loss of 453 professional positions nationwide in fiscal 1976, and a further decline of at least 500 is expected in fiscal year 1977. In Pennsylvania alone 40 such positions have been lost as a result of the funding crunch.

Mr. Speaker, I want to make known my intention to work to provide sufficient financing to maintain these vital services, and in my opinion that will require more funds. I am informed, for example, that the Carter administration's $115 million fiscal year 1978 request for the extension service represents no change in the funding level from fiscal year 1977, would mean a 13.5-percent decline in real dollars over the last 5 years, and would necessitate the loss of still another 500 professional positions. I plan—and I urge my colleagues to do likewise—to work hard to convince our Appropriations Committee of the need to provide enough additional funds to maintain the purchasing power of the research and extension service budgets.

At this point I would like to include in the RECORD the Pennsylvania Farmer article that I referred to earlier:

AG RESEARCH AND EXTENSION EARN THEIR KEEP

State officials are playing games with ag research and extension funds again.

In Pennsylvania, the cooperative extension service has been forced to "collapse" 40 key positions due to the appropriation droughts of recent years; and ag research has been seriously stunted. Now comes word from Governor Shapp that he has no plans to correct the matter.

In New Jersey, a major battle looms over a $1 million slash in ag research funds. And there is the ominous word that extension funds also have felt the executive axe.

Why this annual hijinks continues is beyond our comprehension. There are few places where the tax buck earns a higher return. There are few public agencies or institutions that perform a greater service.

Article after article in recent issues of this magazine has documented the work of ag research and extension. They include:

The release of the Tetrastichus julis parasitic wasp in Pennsylvania to control the cereal leaf beetle that threatens the state's 375,000-acre oat crop.

Field seeding tomatoes in New Jersey with a "plug" mixture to hasten germination and shorten field time between planting and harvest.

No-tilling corn in crown vetch to save 70 pounds of nitrogen per acre.

Halving fuel requirements in New Jersey greenhouses by solar energy and new insulation techniques.

Blood profiling of dairy cattle to help spot health problems in Pennsylvania herds.

In the March 12 issue alone editors printed dozens of recommendations from extension specialists, ranging from minor elements in cropland to planning new potato storages to controlling nutsedge in corn.

This is technical know-how that helps farmers grow that better crop or store that better potato. In the long run, it'll also keep them in business . . . a $2.3 billion business in Pennsylvania and New Jersey alone.

Information on ag research and extension funding problems are fragmented in our other states, but we can report that in Pennsylvania, the governor completely ignored a special request of $800,000 to restore extension services to the 1970–71 level. And in his proposed budget for the 1977–78 fiscal year, Mr. Shapp, squeezed out a mere 1.9% increase for ag research and extension. In these inflationary times that's like throwing a bucket of water to a drowning man.

The University estimates inflationary cost increases at 7.7%, so ag research and extension will slip even further in the economic quicksand if the governor has his way.

How bad is it? In 1934, Pennsylvania's Cooperative Extension Service ranked 25th among the states in support from state funds. That year 42.4% of total extension expenditures were provided by the state. In 1976, the Keystone State ranked 50th as state support plummeted to 26.4%.

The whole land grant college program got its lumps in the governor's budget, actually. And Penn State President John W. Oswald came charging off Mount Nittany earlier this month to lay the facts before the Senate and House Appropriations Committees. They make the ultimate decisions.

Penn State seeks an $18,648,000 increase in appropriations for the whole University system—research as well as resident instructions; the main campus with its 31,777 students as well as the Hershey Medical Center with its 479 future doctors; and Behrend College, Capitol Campus, King of Prussia and 17 Commonwealth campuses with their 21,107 pupils.

That works out to only $368 more per pupil even if the whole bag of cash were being laid on the students . . . which it isn't. Ag research, the cooperative extension service, fuel and utilities, student aid and such mandated benefits as social security and retirement programs also are covered in the budget request.

What the governor recommended in way of extra dollars was $3,002,000.

Dr. Oswald came to the Assembly hearings with enough facts and charts to choke a computer. Rampant inflation happens to be Penn State's biggest financial problem. And President Oswald stated it well.

While Commonwealth appropriations to Penn State increased $74 million between 1971–72 and 1976–77, he said net purchasing power increased just six-tenths of 1%. Yet during the same period enrollment increased 15%.

In terms of 1971–72 dollars, that means appropriations per full-time student declined from $1398 five years ago to $1218 during the current college year.

Even if the total appropriation requested by Penn State was approved by the General Assembly, the number of dollars in 1971–72 purchasing power would be $1323 per pupil in the upcoming college year—still $65 shy of the 1971–72 school days.

But back to ag research.

"Conservative calculations place the current potential economic values to the Commonwealth of Penn State's applied research development in agriculture and food production at a minimum of $118 million annually," Dr. Oswald testified. And we think him modest.

And about extension.

Dr. Oswald, an old aggie, pointed out that extension continues to be a primary source of information for Pennsylvania's billion-dollar agricultural industry. For specifics, he mentioned the Pesticide Certification Program with 16,000 signed up the first year and another 29,000 to go.

We cannot help but wonder how dairymen James and Furry Eshelman of Bedford county, Pa., would have made out with their near epidemic of repeat breeders if Penn State hadn't provided a blood profiling service as part of its research.

By drawing blood and sampling the feed, we report in the March 12 issue, scientists found the cows had an excessive calcium intake but were not getting enough phosphorus or magnesium.

The Eshelman's reworked their rations, and the problem all but disappeared.

Such demand for first-aid from ag research and extension specialists is endless—by orchardists with fire blight, potato growers with late blight, farmers trying to pick and choose herbicides for their corn crop. You name it.

And with farmers tightening their belts this year due to their own problems with inflation and income, this help becomes even more critical.

This is the year for the state legislators to pump in those extra dollars . . . to bring ag research, extension and the full land grant college system up to 1971–72 standards.

That's not asking for more. It's only asking for as much as we once had.

JOINT FINANCIAL STATEMENT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mrs. SCHROEDER. Mr. Speaker, continuing a practice I have followed since my election to Congress in 1972, I am releasing information from my 1976 Federal and State income tax returns.

I and my husband, filing jointly, paid $19,359 in Federal income and self-employment taxes and $2,329 in Colorado State taxes. Our 1976 gross income was $77,948.

I am also releasing a joint financial statement with my husband showing net worth as of December 31, 1976, of $139,929.

Details from our tax returns are set out below:

Line 9 of my joint personal Federal income tax return, form 1040, filed with my husband, James, shows my congressional salary of $44,600. Line 10c shows net dividends of $631. Line 11 shows interest income of $1,778. Line 12 shows other income of $30,939 consisting of: the net income from my husband's law practice of $29,006; income from the rental of our house in Denver of $1,061; net losses on stock and from partnership investments of $3,874; and my net income from honoraria and fees of $4,746.

Our total income as noted on line 13 was $77,948. Line 14 shows $5,077, adjustments to income that included certain congressional expenses in excess of amounts reimbursed, such as travel expenses, an allowance for living expenses while attending Congress in Washington, and payments to my husband's individual retirement account. Line 15 shows an adjusted gross income of $72,871.

Form 1040, schedule A, shows total deductions of $15,095 on line 40, consisting of medical expenses of $150; State and local taxes of $2,366; interest expense of $4,715; charitable contributions of $3,332; miscellaneous congressional expenses of $4,332; and political contributions of $200.

The total Federal income tax and self-employment taxes due and paid, as shown on line 22 was $19,359. In addition my husband and I paid State income taxes to the State of Colorado of $2,329.

All receipts and expenditures of campaign funds have been handled by the Schroeder for Congress Committee, which has, in accordance with Federal laws, filed periodic reports with the Federal Election Commission and the Colorado secretary of state. The committee has also filed appropriate Federal tax returns.

I include the following:

Joint Financial Statement: James W.—JWS—and Patricia Schroeder—PS—December 31, 1976

ASSETS

A. Bank savings and other deposits—excluding current checking account balances and miscellaneous cash on hand on December 31, 1976; and deposits credited to PS Federal Retirement Fund and JWS Individual Retirement Account.

Patricia Schroeder (PS)	$26,417
James W. Schroeder (JWS)	7,614
Joint (JT)	176
Total	34,207

B. Securities—excluding stock owned in closely-held, family-owned companies without readily ascertainable market value and in JWS HR–10 plan trust.

100 Colorado National Bankshares, Inc. (PS)	[1] 1,578
200 Goodyear (JWS)	4,750
200 Rival MFG Co. (JWS)	4,050
100 Public Service Co. of Colo. (JWS)	1,900
50 RCA (JWS)	1,343
1500 Timpte Inds Sub SF Debs (JWS)	1,470
100 Purex (JWS)	1,900
80.6 Affiliated Fund (JWS)	684
230.7 Founders Growth Fund, Inc. (JWS)	1,089
1 "E" Bond (JT)	25
Total	18,798

C. Miscellaneous—excluding JWS law partnership investment and capital account.

1.2 percent limited partnership interest in Larimer Square, Associates (JT)	8,084
Life insurance cash value (JWS)	2,740
Total	10,824

D. Personal property:

Automobiles (1973 Olds and 1969 VW)	2,500
Miscellaneous (estimated)	17,500
Total	20,000

E. Real estate:

1440 High, Denver, Colo.	68,000
4102 Lester Ct., Alexandria, Va.	66,300
	134,300
Total assets	218,129

LIABILITIES

A. Real estate mortgages:
1440 High, Denver, Colo. (Capital

[1] Purchased July 25, 1972.

Federal Savings, Denver, Colo.)	15,600
4102 Lester Court, Alexandria, Va. (B. F. Saul Mortgage Co., Bethesda, Md.)	48,600
Total	64,200
B. Other—excluding current credit card, utility and miscellaneous accounts payable December 31, 1976, paid monthly as due.	
Bank Loan (JWS) (United Bank of Denver)	5,000
C. Contingent:	
Federal and state taxes estimated due in excess of withholding	9,000
Total liabilities	78,000
Net worth	139,929

SLICING THE USDA'S BUREAUCRACY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. SYMMS. Mr. Speaker, the examples of governmental waste and inefficiency are numerous and the excessive Federal bureaucracy has become a very popular topic in Washington these days. It is my hope that this talk and interest can be transformed into true reform and that we can begin curbing and cutting back on the Federal Government's budget. The best line of defense against inflation and unemployment is a balanced budget. The best way to get to a balanced budget is to cut back on the ever-enlarging Federal Government bureaucracy.

The following article on the U.S. Department of Agriculture's Bureaucracy appeared in the April 16 issue of the Packer newspaper. I urge my colleagues to read the article that follows and ask themselves how many other Government agencies have the same problems.

The article follows:

SLICING USDA'S BUREAUCRACY

Much attention has been given in recent years to the excessive federal bureaucracy and the frustrations involved in trying to cut it down to an efficient size. President Carter seems to be serious in his efforts to finally do something about it, but only time will tell.

A good place to start, according to a recent article in the Wall Street Journal, is the U.S. Department of Agriculture (USDA), which with 80,000 full-time employees, has one bureaucrat for every 34 U.S. growers, which appears to us to be a gross oversupply of manpower.

Admittedly, we have not conducted our own investigation into the subject, but our observations over the years would confirm some of what the Journal reports.

This is not to say, of course, that all USDA employees are "loafers." In fact some segments of the USDA, such as the Beltsville (Maryland) research station, are actually understaffed and underfunded. The industry also is aware of the financial problems of the Perishable Agricultural Commodities Act, which is funded by the produce industry and thus is not a taxpayer burden.

Nevertheless, it does appear that many USDA programs have been kept alive long after they were necessary. The Journal reported, for example, that one employee, whose annual pay is $28,000, spent the entire year trying to assess the adequacy and timeliness of the department's fats and oils publications. This year he is planning another study, this one designed to justify the use of satellites to forecast crop production.

The department is also reportedly one of the government's top three publishers, with a $16 million annual printing bill. Part of that goes to print 28,000 type of forms used internally to keep track of department activities.

The report also states that "dead weight" is rewarded at the USDA, rather than abolished. An internal memo shows that of the 45,000 employees eligible last year for merit pay increases, 44.956 received them.

Motivation is difficult for many employees, according to the article, because their tasks seem pointless. One USDA man in the department's Agriculture Marketing Service spent much of last year drafting a standard for watermelons, including sketches illustrating a good one.

"He concedes that the standard which defines a bad melon in terms of its deformities and disfiguring spots is rarely used by growers or retailers. Anyway, he said, most consumers know a good watermelon when they see one," according to the Journal.

The report went on to say that Ava Rodgers, the department's deputy assistant administrator for home economics, spends half her time traveling the country to coordinate activities of 4,000 home economists. Asked to describe a typical day in her office, Rodgers said, "I've answered the phone a couple of times this morning. That's about it. It's a normal day" She is paid $33,700 a year.

Such a bureaucratic mess has at least one consolation—it offers an excellent lesson in the advantages of the free enterprise system. Private companies, who have the profit motive as an incentive, cannot afford to keep the waste and "dead weight" around. They must be efficient to stay alive and prosperous. The government, on the other hand, has grown accustomed to large deficits and the easy solution of printing money.

The situation also raises many questions, such as whether the government is involved in too many areas that should be left to private industry.

We would venture to say that the agriculture department budget and programs could be cut by 33 per cent without losing effectiveness. The ideal thing to do with some of the money saved would be to beef up steadily dwindling agricultural research funds. This would be a great service to consumers and farmers alike and would be an efficient use of taxpayers money.

MR. AND MRS. FRANCIS PARRISH RETIRE

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. APPLEGATE. Mr. Speaker, this past March, Mr. and Mrs. Francis Parrish retired from the auditor's office of Harrison County, Ohio, after 18 dedicated and loyal years. Mr. Parrish was the county auditor while his wife, Pauline, served as deputy auditor.

During their employment they kept all of Harrison County's financial records in order and updated. They always managed the office with a high degree of efficiency and served the people of Harrison County well.

Their dedication, civil mindedness, and willingness to promote and manage the financial affairs of the county will be greatly missed.

NEW LOOK AT FEDERAL DOCUMENTS

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. BYRON. Mr. Speaker, on May 12 and 13, 1977, the College of Public Affairs of American University will sponsor a Federal Publishing, Printing, and Information Policy Institute.

This institute will address such questions as what are the policies that affect publishing, printing, and information services of the Federal Government? What are the problems? How can they be solved? What are the economics behind them? And, is the public interest maintained?

This institute will be of benefit to all who have an interest in Federal publishing, printing, and information policy, including users, librarians, publishers, printers, Federal editors, micropublishers, information specialists and others both within the Federal agencies and in the private sector.

The cosponsors of the institute are the American Society for Information Science, the Association of American Publishers, the Government Documents Roundtable of the American Library Association, the Graphic Communications Computer Association, the Information Industry Association, the National Association of Government Commmunicators, and the Printing Industries of America.

I would like to enter into the RECORD at this point a copy of the program of this institute, since I am sure that it will be of interest to many of my colleagues and the other readers of the RECORD. I would encourage interested individuals to contact the Institute on Federal Publishing, Printing and Information Policy, College of Public Affairs, the American University, Washington, D.C. 20016 (202/686-2513). The Institute Director is Prof. Lowell Hattery, who is to be commended for his foresight and dedication in putting this outstanding program together.

The program of the institute follows:

NEW LOOK AT FEDERAL DOCUMENTS—PROBLEMS AND SOLUTIONS

For the first time the views of all interested parties will be brought together to focus on a single, baffling, multifaceted problem—moving Federally developed information to the user expeditiously, economically and effectively. At the forum, experts from printing, publishing, information sciences and the user community—government and private—will share their viewpoints. Participants will take part in the discussion.

Background papers, along with other relevant documents, will be distributed to participants to achieve better knowledge, understanding and assessment of Federal policies.

PROGRAM

May 12, 1977:

8:00-9:00, Registration.

9:00-9:15, Federal Publishing, Printing and Information—System Looking for a Policy; Lowell H. Hattery, Institute Director and Professor of Management and Public Administration.

9:15-10:00, GPO Policy—Past, Present, Future, Thomas McCormick, Public Printer,

U.S. Government Printing Office. A National Information Policy, Quincy Rodgers, Former Executive Director, Committee on the Right of Privacy, the Domestic Council.

10:45-11:00, Coffee.

11:00-12:00, An "Ideal" Federal Printing Program, Frederick Dyer, Former Director, Program Analysis, U.S. Navy Publications and Printing Service.

Discussant, James Murray, Former Chief, Publishing Services, U.S. Internal Revenue Service.

12:00-1:15, Lunch.

1:15-2:45, Federal Document Availability, James Adler, President, Congressional Information Service, Dr. Mabel Deutrich, Assistant Archivist, U.S. National Archives and Records Service; William T. Knox, Director, National Technical Information Service.

2:45-3:00, Coffee.

3:00-4:30, Government Documents and the Library, Bernard Fry, Dean, School of Library Science, Indiana University, Bloomington, Indiana.

Disscussants: Bernadine Hoduski, Special Library Assistant, U.S. Congressional Joint Committee on Printing; Marylou Knobbe, Librarian, Metropolitan Washington Council of Governments.

May 13, 1977:

9:00-10:30, Federal Micropublishing Policy, Henry Powell, Manager, Federal Programs, Bell & Howell.

Discussants: Jim Livsey, Director, Library and Statutory Distribution Service, U.S. Government Printing Office; James Meredith, Chief, Learning Resources Center, Governor's State University, Park Forest South, Ill.; Stevens Rice, Vice President, Editorial Development, University Microfilms, Inc., Ann Arbor, Mich.

10:30-10:45, Coffee.

10:45-12:00, Future of Printing: Impact of Technological and Other Changes; Gilbert Bassett, Executive Director, Graphic Arts Technical Foundation, Pittsburgh, Pa.

Discussants: Paul Howerton, Consultant, Information Science & Technology; Hans Nickel, President, International Computaprint Corp., Fort Washington, Pa.

12:00-1:15, Lunch.

1:15-2:00, What Is a "Government" Publication: A Legal Inquiry, Charles Lieb, Attorney, Paskus, Gordon and Hyman, New York, N.Y.; Copyright Counsel Association of American Publishers.

2:00-3:15, Pricing Government Publications, Henry Lowenstern, Associate Commissioner, Bureau of Labor Statistics.

Discussants: Robert E. Ewing, President, Van Nostrand Reinhold Company, New York, N.Y.; H. William Koch, Director, American Institute of Physics, New York, N.Y.

3:15-4:00, Opportunities for Change, E. R. Lannon, Acting Director, Office of Advanced Systems, U.S. Social Security Administration.

4:00-4:30, Closing Remarks—Discussion, Lowell H. Hattery, Institute Director.

ROSA CARTER, NEW PRESIDENT OF UNIVERSITY OF GUAM

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. WON PAT. Mr. Speaker, on April 3, 1977, Dr. Rosa Carter became the third president of the University of Guam. This marks the first time in the 25-year history of the University of Guam that a woman has held the position of president. Dr. Carter is also only the second native Guamanian female to earn a doctoral degree. I would like to take this opportunity to extend my congratulations to Dr. Carter and bring to the attention of my colleagues some of the accomplishments of this fine woman. The following is from the March 1977 issue of the Guam Teacher Corps Newsletter:

For the first time in the 25 year history of the University of Guam, a woman has been selected President. Dr. Rosa Roberto Carter has been named President of the University of Guam. She succeeds Dr. Antonio C. Yamashita.

On Wednesday, March 9, 1977, the Board of Regents announced the selection of Dr. Rosa Roberto Carter as the next President of the University of Guam effective April 3, 1977. Board Chairman, Mr. Mark Pangilinan said that Dr. Carter was selected unanimously by the Regents.

Board Chairman Mr. Pangilinan said that the task of selecting a President for the University was not an easy one for the Board as the other applicants have meritorious qualifications. But the Regents felt that in selecting Dr. Carter, it has chosen the candidate who will be most effective in providing the kind of leadership which the University of Guam needs to enhance the advancement of higher education in Guam and to foster public confidence in and support for the institution and the academic community.

A native of Guam, President Carter received her B.A. in history and elementary education from Northern State Teachers College, Aberdeen, South Dakota; her M.S. in counseling and guidance from the University of Northern Colorado, and her Ph.D. in educational administration from Bowling Green State University, Ohio. Dr. Carter formerly served the University of Guam as Director of Admissions and Registration and as a faculty member for 12 years.

She is a member of several civic and professional organizations.

She is married to Mr. Lee D. Carter, Assistant Professor at the University of Guam.

OUR NATION SALUTES MISS HEATHER ROBIN GANCARCIK OF CLIFTON N.J., FOR HER VOLUNTEER WORK WITH THE YOUTH DEPARTMENT OF THE DIOCESE OF PATERSON

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ROE. Mr. Speaker, lest there be any doubt the American Dream and the ability of future generations to cope with the challenges that lie ahead, I would like to call to the attention of you and our colleagues here in the Congress the story of a young lady in my congressional district, Miss Heather Robin Gancarcik, who personifies the youth of America in their dedication to people, purpose and progress that has placed our country, second to none, among all nations throughout the world. The spirit of '76—the inspiring, pioneering, enterprising spirit of our forefathers in the founding of America over 200 years ago—continues to be held steadfast within the principles and ideals of our youth.

Miss Gancarcik is a young lady who resides in my congressional district and at the young age of 12 years has drawn the admiration and appreciation of all of us for her volunteer work with the youth department of the Diocese of Paterson. Her standards of excellence and initiative in seeking to help her fellow man have truly enriched our community, State, and Nation.

Heather's outstanding contribution to our American way of life was brought to my attention through a letter addressed to me by an American Women's Committee to Help Honor Heather. I am pleased to share the pride of the people of our community so eloquently expressed in the preamble of the committee's letter to me which stated:

Our purpose in writing this letter is to tell you about a little girl that lives in our home town which is in your district. A girl that comes but once in a lifetime, a girl who we believe typifies the ideal American. A young energetic girl so different, good, unselfish with so much love it makes one proud to be an American. . .

Mr. Speaker, I would like to insert at this point in our historical journal of Congress a recent news article that appeared in a local newspaper which was forwarded to me by the committee to tell the story of Heather Gancarcik and let our people know that Heather and her deeds are appreciated and not taken for granted. The news article reads, as follows:

TWELVE-YEAR-OLD CLIFTON GIRL SPENDS HOLIDAY TIME AT YOUTH DEPARTMENT

PATTERSON.—An enterprising 12-year-old Clifton girl has found an excellent way of utilizing free time during school holidays.

She is Heather Robin Gancarcik, daughter of Joseph Gancarcik and the late Mrs. Gregg Gancarcik, and she is a sixth grade student at SS. Cyril and Methodius School.

Heather thought she "had too much time" on her hands during the school holidays so she offered her services to the diocesan Youth Department here.

At the office, she has performed many light clerical functions, assisting with filing, typing, stapling, the operation of the photostat machine, helping in the print shop, and being a good "gofor" for the CYO staff, according to Dr. Daniel Graser, department director.

Dr. Graser paid high tribute to Heather, indicating "she is indeed a well mannered young lady with a strong desire to be of public service."

Heather is a member of Girl Scout Troop 348 in Clifton and a member of the Clifton Girls' Club. She also belongs to the school-sponsored Human Rights Club and the Junior Sodality. Her many activities include classes in cheerleading, baton twirling, swimming, gymnastics, sewing, cooking, jazz, and acrobatic dancng.

She told Father Stephen Salata of the Youth Department staff that her favorite subject in school is English and that she has written several poems. Father Salata said the CYO staff was so impressed with her vitality that they got together and asked Dr. Graser to present Heather with a small check in appreciation for her cheerful services.

"This is my first paycheck," Heather said accepting the money.

Asked what she really likes to do. the most, she replied, "anything that helps keep me busy and helps other people at the same time."

Otherwise, she said, she likes to go horseback riding, engage in active sports, such as basketball; cook, sew and play the organ.

Mrs. Angie Naelon and Miss Dottie Boyko of the CYO administrative staff, both agree that "Heather's presence is like a breath of fresh air."

Mr. Speaker, it is indeed a privilege to seek this national recognition of Heather and ask that you join with me in saluting her unselfish, diligent endeavors to be of help to others, and by her good deeds, help make our country a better place to live in. We do indeed salute Heather Gancarcik for the difference she is making toward the future of America, adding to the quality of life for all of our people.

A-7E AIRCRAFT: LOW COST AND HIGH CAPABILITIES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. TEAGUE. Mr. Speaker, during the consideration in the House tomorrow of H.R. 5970, Department of Defense authorizations for fiscal year 1978, an amendment will be made to delete funding for the A-7E light attack aircraft.

Before my colleagues vote on this amendment, I would like to make available to them several statements made by Admiral Turner, Deputy Chief of Naval Operations for Air Warfare, in testimony before the Senate Appropriations Committee on March 10, 1977.

Admiral Turner straightforwardly points out the low costs and high capabilities of the A-7E—good reasons for defeating the amendment and thereby continuing production of the A-7E, which the Navy needs in order to maintain the effectiveness of its carrier forces.

SUBJECT OF HEARING: AIRCRAFT PROCUREMENT, NAVY (APN)

A-7E CAPABILITY

Senator INOUYE. Is it not true that in the A-7E the Navy has a light attack aircraft capable of carrying very large loads of air-to-surface weapons to distant targets, for which the weapon control systems in the airplane provide highly accurate target impacts?

Admiral TURNER. The A-7E is a very capable light attack aircraft with excellent range and payload characteristics. It is capable of carrying and delivering most of the Navy's air-to-ground ordnance with extremely high accuracy.

A-7E DOLLAR VALUE

Senator INOUYE. It is my understanding also that the unit price of the A-7E is low—as combat aircraft costs go these days—so that this aircraft does in fact offer a high measure of target destruction potential for the dollar investment? In other words, is the A-7E very cost effective?

Admiral TURNER. With a flyaway cost of approximately $5.0M, the A-7E is the least expensive carrier-based tactical aircraft in production today. In view of its demonstrated capability and reliability, the A-7E would have to qualify as a very cost effective and very satisfactory light attack aircraft.

A-7E PROCUREMENT HALT

Senator INOUYE. Was it the Navy's decision to cancel A-7E procurement for Fiscal Year 1978?

Admiral TURNER. No. The decision to cancel A-7E procurement originated in the Office of the Secretary of Defense.

A-7E PROCUREMENT APPEAL

Senator INOUYE. Did the Navy appeal or reclama the decision to cancel the procurement of the A-7E?

Admiral TURNER. Yes, sir, the Navy did submit a reclama to the OSD decision to terminate A-7E procurement. The Navy requested the procurement of the six aircraft which were deleted from the FY-78 budget. That reclama further stated a requirement for the procurement of 36 A-7Es subsequent to the FY-77 buy to preclude a light attack force level shortfall.

THE REGIONAL ENERGY PERSPECTIVE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. HARRINGTON. Mr. Speaker, I would like to share with my colleagues a recent article by Amitai Etzioni entitled, "The American OPEC Versus New York." This article appears at a particularly opportune moment since it deals with an issue central to the energy message that President Carter will deliver in joint session this evening.

Mr. Etzioni convincingly reports on the massive regional redistribution of income that is occurring as energy-poor New England imports its energy supplies from producing States in the South and West. Unless extraordinary remedial measures are instituted, future energy cost increases will only exacerbate this situation. That means, of course, that those States least able to afford the increases will again foot the energy bill while producing States which are comparatively well off will reap windfall profits. This violates the spirit of regional cooperation that has been evident over the first 200 years of our Nation's history and has social and economic consequences too serious to ignore. It will be one of the fundamental criterion against which Massachusetts and New England evaluate the President's proposals.

To better inform my colleagues on this most important issue I submit Mr. Etzioni's story from New York magazine for insertion in the CONGRESSIONAL RECORD:

THE AMERICAN OPEC VERSUS NEW YORK

(By Amitai Etzioni)

New York finds itself squeezed, this time, by an American OPEC. A coalition of energy-producing states is about to reap enormous fortunes, while energy-consuming states will pay through the nose. The point, hidden by the recent focus on the coming increases in the costs of all the main sources of energy, is that not all parts of America will be hit equally. President Carter is about to unveil to the public and send to Congress his energy policy, already heralded as his administration's single most important item of domestic policy, one which will affect every facet of American life. While the details of the policy will not be known until Congress is through tinkering with the legislative aspects of the program and until its impact works its way through the economy, much attention is focused on its key features; the higher costs of oil, gas, and electricity to be generated in order to encourage individuals and corporations to conserve energy and rely more heavily on coal; a negative view of autos and a favorable view of mass transit; a reluctant acceptance of nuclear energy as a measure of last resort; and a long succession of increases in the energy costs in the future, rather than one big jump.

The point, though, is to repeat that these "nationwide" changes will be much harder on some parts of the nation than on others—indeed, some will swim in money all the way to the bank. Quite simply, any societal change of the magnitude of President Carter's energy policies will mean a "reallocation" of wealth. New York is on the allotted "from" end, while quite a few other states are on the allotted "to" end. And what we are paying for is not just the oil, gas, or coal but, in effect, the tax bill of our fellow citizens who happen to reside in states which float on energy resources.

Leading the group is the American Saudi Arabia—rich in oil, thinly populated—the cold deserts of Alaska. The state already has banked $900 million for the sales of oil leases in 1969. This would not go very far in New York City, but it amounts to $2,250 per Alaskan. Notice we are dealing here not with personal income generated for the citizens but moneys set aside for the state to spend on various public services or to use to replace taxes. Next, Alaska expects to collect almost 20 percent on top of the $8 or so per barrel to flow into the soon to be completed pipeline. At the estimated rate of 1.2 million barrels a day, this amounts to an annual gush of nearly $700 million. This compares to $287 million, the state revenues before the oil "crisis" rained its black gold on Alaska.

Texas, Louisiana, and Oklahoma make up the other main oil sheikhdoms of the American OPEC. Not only do royalties and tax revenues flood into the coffers, but the intensified oil drilling, pumping, refining, and shipping make for more jobs and more local expenditures, which in turn spur all other local businesses. True, some of this largess trickles over into other states and regions, but the first and foremost benefits are local. Indeed, a recent study, "Southern Growth Trends and Future Growth Issues," shows that while the rest of the country suffered a recession, the South suffered much less, and the oil-rich states within it actually prospered. They experienced rapid growth of population, income, and employment, while New York languished. For example, between June, 1975, and June, 1976, the whole Northeast added a net 7,000 new jobs, compared to 521,000 in the South.

As for the future, the American oil sheikhs will attract industry by lower local costs of gas and oil, secure uninterrupted supplies, and lower taxes. Already the energy costs in the Northeast are a staggering 97 percent above the national average. A million BTU's of heat created by natural gas cost $1.23 in New England, compared to 33 cents in the Southwest. With oil revenues flooding in, Texas imposes no tax on personal income or corporate profits, and other taxes are comparatively low.

The American OPEC differs from the foreign one in that the states to benefit from the rising energy prices include not just those states which pump oil and gas, but also those that mine coal. Take Montana: It makes the coal it exports dearer by 30 percent by imposing a "severance" tax on it. This will yield an estimated $39 million in 1977, a hefty sum for a state which is also getting 50 percent of the royalties obtained for all coal extracted on huge federal lands in the state. With a population of only 730,000, the state faces an embarrassment of riches. Funds are flowing everywhere—school improvements, better parks, and so on. Other coal states—such as those in Appalachia—are still poverty-stricken, partly because in the past they let the corporations carry away their coal with litle or no local taxes. But they, too, are catching on.

Still other states, now hit by escalating energy costs, have at least a glowing future. South Carolina is touted as a leader in nuclear-power development. Florida, Arizona, and other Sunbelt states can bask in the

hope of becoming major beneficiaries of the least polluting, least labor-intensive, and most nearly inexhaustible energy source: the sun.

By contrast, New York—together with New England—is stuck for the foreseeable future with high dependency on oil and gas, costliest of the energy sources. For this and other reasons, New York electricity rates are among the highest in the nation. If scarcity requires converting utility plants to coal, an expensive undertaking, New York will have to bear more of the expense than states already relying heavily on coal or those which have their own supplies of gas and oil. There simply is no equal national sharing of these bounties. Sure, New York may benefit from a few oil leases off Long Island, and it may try to recycle its garbage—even set up windmills. But by and large, our energy future is one of costs which will be higher than those paid by many states, and continued pressure from industries and individuals who will threaten to move unless we offer them this or that concession.

Those of us who wish to stick around will have to work longer for whatever we buy. Instead of paying these higher prices to the Arabs, Norwegians, Scots, and Canadians, we shall be paying them to some of our fellow Americans to keep their taxes low and services high.

What can we do? One school of thought urges us, albeit not exactly in these words, to breathe less. If we would just lower our clean-air code a few notches, we are told, Con Edison could burn a lower-grade (higher in sulfur) oil, or even use coal, and we would save millions. Similarly, if we accept the risks and build more nuclear reactors, we may bring enegy costs under control one day. (However, according to Con Ed, even sites now under consideration will not be ready before mid-1990 or so.)

The principal alternative is to tighten our personal and public energy belts. It is not a question of just giving up candy but of truly cutting calories in our energy consumption. Turning off the pilot light, using lower-intensity bulbs, or turning off the lights in rooms you are not in—and damn the electric toothbrush—will save but a relatively few kilowatts per hour. More consequential: Drive less, and slower; walk more; insulate homes and apartments better; close schools in December and January; set thermostats lower; check each appliance for its BTU use; note the differences between self-defrosting refrigerators and the old type, between clothes driers which run for set periods and those which stop once the clothes are dry, between smooth-top and "open" ranges, between dishwashers which have a power dry-cycle and those which do not.

But even if we were to accept higher pollution, take more risks, and use less energy, we ought also to have a good long talk with our fellow states. Subject: the meaning of union. Object lesson: You have for years let us pick up the tab on your poor, sick, old, and many of the nation's immigrants. We have long shouldered an unequally high share of the nation's welfare bill. Why, even the Arabs put some of their riches into an inter-Arab welfare fund. Now that you can afford it, why not help us out by supporting the federalization of welfare and Medicaid, thereby reducing our burden immensely? While you're at it, why don't you support equal national standards for welfare payments? This way, if we must put up with your luring away our industries and middle classes, you'll also get to keep your share of the poor.

And if you are so inclined, you could buy for all families whose income is below, say, $7,500 a year a book full of energy stamps, to be used for purchases of electricity or heating fuel. This would ensure that at the least the poor and near-poor would not be set back too badly by the new energy costs.

We could back up our requests with some political muscle by getting together with the other Northeast states, all in similar predicaments. This might entail turning the Coalition of Northeastern Governors into something more potent than a set of initials which read CONEG, roughly the present status of the group. We would be ill-advised, though, to escalate things to a point where we speak, like Business Week, of the Second War Between the States, let alone call them the "American OPEC" to their faces. Governor David Boren of Oklahoma has already warned us that this phrase gives him a "complex." We are not exactly in a good position to aggravate the American energy-rich.

Finally, while we had better not mention our position as the nation's financial and cultural capital lest the energy-rich seek to buy and cart away those institutions, let us just ask them how they would feel were we to charge extra for our natural resources, such as they are or may one day be? Is not the purpose of union to share and share alike?

TRIBUTE TO KARL KATSU NOBUYUKI

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ANDERSON of California. Mr. Speaker, on April 28, 1977, a very special individual will be honored at a banquet in the city of Gardena, Calif. Karl K. Nobuyuki, commu ity resources administrator for Gardena, is leaving to assume his new duties as national director of the Japanese American Citizens League.

Karl Katsu Nobuyuki was born on May 20, 1945 in Gila Rivers, Camp A, a relocation camp in Arizona during one of the darker periods of natio al policy toward any minority group in our country's history. His family moved to Los Angeles after the conclusion of World War II, and Karl grew up in East Los Angeles, graduating from Bishop Mora Salesian High School in 1963.

After obtaining an Associate of Arts degree from East Los Angeles College in speech/communications, Nobuyuki attended the University of Southern California. He obtained his A.B. degree in 1971, with the speech/communications major. Karl's outstanding academic record was reflected in his many awards, including a Bank of America Outstanding Student Award, a Forensics Scholarship to USC, and an Arthur J. Baum Scholarship Award. In addition, Karl was an active member of the debate team, and was a national finalist in the All Inter-Collegiate Forensics Events, and a runner-up in the Phi Rho Pi debate championships.

After working as a retail clerk and as program director for Go For Broke, Inc., a self help organization which he helped to establish, and as a consultant for affirmative action programs, La Raza Associates, Karl moved to the South Bay area. In 1971 he began to work for the city of Gardena as director of the Department of Youth and Community Services. He was responsible for reorganizing the department and expanding its services to include a broad range of services.

In 1974, Karl became the city of Gardena's first full-time grants administrator, and in 1975 added the duties of public information officer to his already busy schedule. In the same year his title became the city's Community Resources Administrator, where he served until his appointment by the Japanese American Citizens League.

The JACL is an organization consisting of over 100 chapters in 36 States. As a human rights organization, it should prove to be a line of work especially fitted to Karl Nobuyuki's talents and interests. Besides his varied official duties, Karl has long been an active and involved member of his community.

A commissioner on the Los Angeles County Manpower Advisory Council, Karl is Boy's vice president of Gardena Friends of Richard, third vice president of Japanese American Community Services, and is area chairman of the Boy Scouts of America, Explorers. In addition, he is actively involved with the Asian American Voluntary Action Center; the American Red Cross, Gardena chapter; the Mexican American Civic Organization; the Manpower Planning Council of Torrance; and the Japanese American Citizens League, Gardena chapter.

When Karl Nobuyuki moves to assume his new job in San Francisco, he will leave behind many friends and admirers in the city of Gardena and the South Bay area. However, we are pleased that he will be able to utilize his considerable talents and energy on a national level.

My wife, Lee, joins me in congratulating Karl Nobuyuki on his new position as national executive director for the Japanese American Citizens League. I am sure that his lovely wife, Hiromi, and their two children, Craig and Brian, must be very pleased and proud of Karl's latest advancement.

THE ODDS ARE 50–50 THAT YOUR PRIVACY WILL BE INVADED

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. KOCH. Mr. Speaker, there has been increasing concern among the public about the inadequacy of present privacy safeguards on records maintained on individuals by the private sector and on Government access to such records. Indeed a recent Harris poll reports that a 75- to 10-percent majority of Americans thinks that privacy safeguards similiar to those imposed on the Federal Government handling of records by the Privacy Act of 1974 should be applied to the private sector.

The application of such safeguards to the private sector, as well as State and local governments, is what the Privacy Protection Study Commission was set up to study by the Privacy Act of 1974. Representative GOLDWATER, JR., and I were the prime cosponsors of the Privacy Act of 1974 and are proud to have been named as the congressional appointees to

the Commission. After 2 years of extensive hearings and study, the Commission will issue its final report on June 10, 1977.

At that time, BARRY GOLDWATER and I intend to introduce legislation implementing recommendations of the Commission. The legislation will provide proper privacy safeguards for records in such fields as consumer credit, banking, insurance, education, medicine, employment, and research and statistics.

In line with this increasing concern, Businessweek has run a special supplement on the issue. The article covers the issue excellently, and therefore I would like to bring the article to the attention of my colleagues by inserting it into the RECORD:

PROTECTING YOUR PRIVACY

The odds are 50-50 that your privacy will be invaded . . . and before the year is out. Personal records or files concerning you or your family may be secretly gathered, distorted, or in some way misused. Such abuse could cost you a new job, a promotion, or an extension of credit. And it could taint your reputation or hurt you in other ways.

There are more sensational abuses of privacy, of course: the 1-in-100 chance of being wiretapped or "bugged" or even of being spied on by a Peeping Tom—or a wrongful police break-in such as the infamous "Collinsville raid," when Federal narcotics agents 'raided' the Illinois home of Mr. and Mrs. Herbert Giglotto. But the real need today is to safeguard the immense amount of personal information stored in vast files and computer data banks. The threat here is distortion and misuse.

These things can happen to anyone. President Carter appeared in a Justice Dept. file on a Sumter County (Ga.) school investigation. He was supposed to have told the parents of a black child that the child should leave an integrated school or the child's family would be forced to leave its farm. The file came to light in 1976 but proved to be totally false. Even the alleged accuser denied making the charge. The point: It was in the file and subject to misuse.

"Abuse of privacy is an issue that deeply worries more and more people," says Frank T. Cary, chairman and chief executive of International Business Machines Corp. Cary, who admits that computers and data banks have added to the problem, is a leading proponent of safeguarding employee privacy.

The scope of the problem is immense:

THE FILES

The federal government has 17 files on the average individual and sometimes more on executives whose companies deal with the government. The states have almost as much paperwork, and private business is not far behind. Sears, Roebuck & Co. alone has 24 million active credit accounts. Equifax Inc., the giant Atlanta-based credit reporting company, prepares up to 35 million reports a year, including more than 60% of all insurance investigations. "The numbers don't prove abuses," says Ronald L. Plesser, general counsel for the Privacy Protection Study Commission of Congress, "but they show the scope of the problem."

THE LEAKS

Too many files can be seen by too many people. A new study shows that personal medical records, including those of a psychiatrist or psychologist, are often seen by credit investigators, employers, and others. In a current case, a young St. Louis-area executive lost a good job offer because a long-outdated medical file was seen by a personnel manager.

Another new report shows that computerized medicare data—details on family and money affairs—are also not secure. "The problem of leaks of private records is serious in government and business alike," says Representative Barry M. Goldwater Jr. (R-Calif.), who is involved in privacy legislation.

THE LAWS

The Freedom of Information Act (as amended in 1974) (FOIA) and the Privacy Act of 1974 permit individuals to write for copies of personal records collected by federal agencies, to correct any inaccuracies in those records, and, within limits, to control disclosure of them to other agencies. "But these laws leave large gaps," warns Goldwater.

He cites a recent case: "A businessman wrote a rubber check at age 19, and seven years later was denied credit, without recourse, because of an outdated private credit report. In this situation, the privacy law gives no protection." The Tax Reform Act of 1976 prohibits the Internal Revenue Service from some of these excesses. The IRS, for instance, can no longer see your bank account without first notifying you, but it still can pry deeply into private affairs.

Because state and local governments are outside the scope of such federal laws, "this is a broad area for abuse," says Representative Edward I. Koch (D-N.Y.), who has cosponsored privacy legislation with Goldwater. And in the private sector, the only federal laws that apply are the Fair Credit Reporting Act of 1970, which gives the citizen a chance to correct false credit reports, and the Buckley Amendment, a law that lets parents and children (18 and older) see school and college records. But the FCRA gives limited protection, and the Buckley Amendment, though it looks good on paper, in practice presents problems to many families seeking enforcement.

IBM's Cary suggests that individual companies develop policies to protect their employees' privacy, adding: "CEOs should be aware, too, that they themselves are vulnerable." Privacy experts say that more business executives should be aware that they might successfully sue when their privacy has been violated. They also should resist signing waivers of privacy rights on license, insurance, and other applications.

Sometimes a breach of privacy can cause considerable anxiety, if nothing more. Dr. Wendell Ames, a Rochester (N.Y.) public official, tells about the problems his shotgun collection caused him: "I registered it with the Bureau of Alcohol, Tobacco, & Firearms, as required," says Ames, "and began to get sales literature from gun sellers. My worry was that anybody, including crime figures, could find out about my guns." Though the bureau no longer sells mailing lists, Ames notes: "I still don't know who can find out. If nothing else, it cost me $1,200 for an alarm system."

WHEN GOVERNMENT ABUSES YOUR RIGHTS

Governmental abuses of privacy rarely make the news, although the Nixon White House inspection of some individuals' tax returns produced headlines almost as big as those generated when former Senator Sam Ervin cited invasion of privacy as one of his personal indictments of the Nixon Administration. Indeed, the IRS may be more squarely in the middle of privacy disputes right now than any other agency. "Despite all the talk about privacy laws," says Goldwater, "an agency—HUD, for example—can get detailed personal information about you from the IRS."

A first major step designed to shelter individuals from IRS excesses, the Tax Reform Act of 1976, puts restraints on the agency's disclosure of personal files to the White House and the rest of government. Requests to the IRS must be made in writing and signed by the President, his delegate, or the top official of the requesting agency. Still, an individual's 1040 form can be disclosed.

Under new laws that became effective on Mar. 1, not only is the IRS restrained from invading private bank records without notice, but the taxpayer, in turn, can order the bank not to disclose his records except by court order—which means that the taxpayer can go to court and argue against the action. Previously, the law provided no such notice.

The IRS is bound by the same new rule, if it seeks personal records held by an individual's accountant, lawyer, or stockbroker, or a credit union, credit card issuer, or savings and loan company.

Sheldon S. Cohen, a Washington tax lawyer and former IRS commissioner, notes that despite the new laws, the IRS retains wide latitude to investigate. "They can verify your tax return information by going to third parties who know you," he says. "There is a lot of leeway." Moreover, the Tax Reform Act applies only to an IRS quest for information, and other federal agencies can invade even private bank accounts without giving notice. Some executives, say privacy experts, have successfully resisted such forays by means of quiet understandings with friendly bankers.

SELF-PROTECTION

A contest with the IRS can be quite lopsided. "If you are called in for an audit," says Cohen, "you normally have no right to see the IRS work papers. You'd have to go to court first." Conversely, any information a taxpayer gives to his tax preparer, including a CPA, cannot be withheld from the IRS.

"This is not like the client-lawyer relationship where information is privileged," notes CAP James B. Swenson, a partner in Price Waterhouse & Co., the accounting firm, and a specialist in government-related problems.

Swenson's firm counsels would-be clients who have failed to file tax returns for a year or longer to see a lawyer promptly. "We'll tell him to tell the lawyer before discussing his case with us," Swenson says. "This protects his information to a degree because of the client-lawyer privilege." An executive who, upon audit, is accused by the IRS of some costly negligence might similarly see a lawyer before seeing his CPA.

Military service records create privacy abuses when personnel managers see "SPN" numbers on veterans' discharge papers. SPN—Separation Program Note—code numbers were placed on service separation Form DD 214, which accompanies the formal discharge, from World War II until 1974. The SPN numbers stand for such things as antisocial, apathetic, bed wetter, homosexual tendencies, indebtedness, and poor personal relationships. "They're subject to abuse," says Representative Koch. "You apply for a job, show an honorable discharge—but it has an SPN code, and that could damn you."

David Addelstone, Washington (D.C.) attorney specializing in military law, tells of a recent case in Seattle where a young executive lost a job opportunity when the employer mistook an entirely innocent number for an SPN code meaning "homosexuality." Says Addlestone: "There are many cases."

AN ABUSIVE CODE

One solution for a veteran is to contact his or her service branch in Washington and request a new Form DD 214 with no SPN code. The service will comply, or if a request is for just the meaning of an SPN code appearing on a DD 214, will furnish the meaning. Koch warns, however, that some employers demand permission to seek a veteran's SPN code. "The veteran will apply for

a job and be asked to waive his right to have his SPN number kept confidential," Koch explains. "This is a classic abuse of privacy." He suggests that such waivers be resisted.

Licensing information and other state records also are subject to abuse. Personal information given for boating, driving, hunting, and other licenses, along with records of auto violations and lesser offenses, are often combed by credit investigators. "They're used in reports of all kinds," says Alan F. Westin, a Columbia University professor and an authority on privacy.

A marijuana charge or a reckless driving record dating back to college days may be used against a junior executive who long since has become a solid citizen. Says a 35-year-old Cincinnati sales supervisor: "I got a call one day to come into the office. The company had found out about an arrest because of a 'reinvestigation' when I applied for a management-level job. It was football weekend stuff, just raising Cain. I might have lost the job I had."

Mailing-list companies, Westin adds, use state license files to compile highly specialized lists and then make sales pitches by mail, phone, or door-to-door.

THE THIRD PARTY

Federal laws offer little help for such abuses. The most practical suggestion: Take special precautions in filling out license applications. "Give minimum information," warns Robert Ellis Smith, editor of *Privacy Journal*, a Washington newsletter. "Fill out any license form with the expectation that credit investigators will read it." Files maintained by the Veterans Administration contain many personal references that Smith says "might involve gossipy, misleading information." The Federal Trade Commission and the Securities & Exchange Commission, among other agencies, have background files on executives whose companies have been under investigation. "There is too much room for this information to slip around," says Smith. "An executive may want to see his file, amend incorrect parts, and, if possible, restrain any disclosure."

Goldwater—who, with Koch, is pushing for privacy laws on the state and local government level, as well as in the private sector—suggests certain practical steps to enforce your rights. His advice is similar to a series of recommendations formulated by the American Civil Liberties Union:

Make a written request to the agency, and ask for copies of the records needed, making your request as specific as possible. A reply should be received within 10 business days and the records sent within 30 business days.

If these deadlines are not met, write again before taking further action.

If the agency still does not send the records, write a letter stating that you are filing an appeal, and attach copies of all your earlier correspondence. If the agency does not comply within 20 business days, a suit can be filed. The FOIO and the Privacy Act entitle you to a review in federal district court. And if the agency fails to justify withholding your records, it must pay your court costs and legal fees, in addition to turning over the records.

If the records are false and damaging, ask for the right to change them or make additions. The agency should respond within 10 business days and take action within 30 business days.

If the agency refuses to change your record, a concise statement explaining why it is wrong can be filed, and this becomes a part of the record itself, to be seen by anyone who later reads it.

The Privacy Act requires that an agency receive your permission before disclosing records to another government agency, but numerous exceptions water down the provision, and legal advice may be needed.

Generally, you will not need a lawyer when seeking records or filing appeals, short of your going into federal court.

HOW TO UNBUG YOUR EMPLOYER

Telephone recording, taping, and room "bugging" make headlines when executives are discovered doing it, as shown by the recent press coverage of an in-house conflict in a large car rental company. But by far the greatest number of serious abuses of privacy in business occur in paperwork.

Background checks for employment of executives can be far-reaching, and there is little law that protects the applicant, says Goldwater. An executive who declined a job with a Connecticut manufacturer complains: "A guy called the golf club about me and made other so-called discreet inquiries about my wife. I damn well resented it."

RESUME-PEDDLING

The fact that employees have no legal right to see their own personnel files adds to abuses, partly because there is no chance to rebut false information. "When a former employer has been contacted," says Koch, "you can be the victim of an old vendetta by a former supervisor."

Recently a candidate for a key job in a Southwest corporation was passed over because his personnel file included the phrase, "has larcenous tendencies." His original file had been improperly summarized, and investigation showed that a prank played in the ninth grade had been the basis of the damning phrase.

"Headhunters" (executive search firms) routinely get resumes, and many are kept for future use. A danger is that an unethical recruiter may use a resume for job openings without permission. Gardner W. Heidrick of Heidrick & Struggles Inc., a leading Chicago-based recruiting company, warns that an executive is wise to "guard against having his name peddled."

One safeguard, says Heidrick, is to deal with a member of the Association of Executive Recruiting Consultants, a group of 40 leading search firms. Advises John F. Schleuter, executive director of the AERC, "Never send a resume to a recruiter who phones at the office. Wait until you've met him and checked his firm." When you do hand over a resume, as an added safeguard type a statement at the bottom saying that the resume may be shown to third parties only with permission.

NASTY NEIGHBOR

Insurance investigations have been in the limelight in recent weeks, capped by a Mike Wallace CBS-TV show that added to the negative publicity about abuses of privacy. The general complaint leveled at such companies as Equifax, Hooper-Holmes, American Service Bureau, and other reporting services is that many reports are done hurriedly or by unskilled agents.

Another line of criticism is that questioning neighbors can be misleading or destructive. A case in point is that of James C. Millstone, assistant managing editor of the St. Louis Post-Dispatch. An insurance investigator interviewed a disgruntled neighbor, who accused Millstone of being "a hippie" and user of marijuana. "The investigator embellished his report," says Millstone. "My wife and I had several bad months." Millstone had to go into federal court to clear his name—and, incidentally, win damages.

Equifax, which does more than 60% of all insurance investigations, says that only a small fraction of 1% of their reports are inaccurate and that they send reports initially to only one customer. The same report is sent to a second insurance company or other client only if a rejected applicant applies elsewhere within three months.

COSTLY LAWSUIT

Solutions to privacy abuses involving credit, insurance, and preemployment applications rest partly on the Fair Credit Reporting Act. The law stipulates that when a credit agency investigates an applicant, he must be informed. But in practice, this amounts to a routine notice appearing on the application form. An applicant who is turned down must be told which, if any, credit reporting company investigated him and the nature of the report. If the report proves false, it must be corrected or a "reinvestigation" made.

It is now the policy of Equifax and some other companies to give individuals copies of their own reports upon request. A drawback is that sources such as neighbors are deleted, and a court action might be needed to get the names.

Suing a credit reporting company, a field investigator, a past employer, or anyone else who has abused one's personal privacy is often difficult and costly, though such suits are more often successful than in the past. Says Ralph K. Winter, a practicing lawyer and a Yale University law professor: "You might, for example, get a court order restraining your present employer from giving out unfavorable information to another company, if you wanted to change jobs. But you'd have a tedious and doubtful action for defamation."

"Your best case is in libel or slander," advises Winter, "if the information against you is patently false, obviously damaging, and if proof is easy." Sometimes, he notes, the threat of a suit may bring the wanted result.

NO WAIVERS

Finding a lawyer who will work on a contingency fee basis is one possibility, partly because some lawyers are intrigued by the emerging practice in privacy cases. Generally, a lawyer experienced in libel, slander, and defamation actions would be logical, and there are some "FOIA lawyers" in Washington.

"Remember," says Washington lawyer Addlestone, "that the FOIA and the Privacy Act—if you have a government case—provide for attorney fees if you win the case." Generally, for any privacy action, a fee based on $50 an hour would be common, with the total bill running to $5,000 or more.

On a less costly plane, limiting the personal information you give out, where possible, and resisting any waivers of your privacy rights are practical, day-to-day ways to protect your privacy. If you sign a waiver permitting an application or other paper to be passed along, privacy experts suggest that you insist on a 30-to-60 day time limit, if possible. Insist also that the waiver be specific as to who will receive the information.

MORE ON PRIVACY

Data Banks and A Free Society, by Alan F. Westin, summarizes many facets of the personal privacy problem (Quadrangle) . . . Robert Ellis Smith's *Privacy Journal*, a newsletter, keeps up to date on court cases, legislation, and personal cases (P.O. Box 8844, Washington, D.C. 20003, $45 a year) . . . Copies of summaries of the Privacy Act and Freedom of Information Act may be available at your regional office of the American Civil Liberties Union . . . If seeing a student's records under the Buckley Amendment poses a problem at a local school, write HEW, room 514-E, Washington, D.C., 20201, for guidance.

SEVENTEEN FEDERAL FILES YOU MAY BE IN WHERE FILED AND TYPE OF FILE

Internal Revenue Service: Tax (1040).

Social Security Administration: Regular account.

Veterans Administration: Military service record.

Bureau of Alcohol, Tobacco & Firearms: Gun collections.

Clerk of Congress or Federal Election Commission: Political contributions over $100.

Coast Guard: Boat registrations.

Defense Intelligence Agency: Executives in companies with military contracts.

Federal Aviation Administration: Applicants for and holders of private plane licenses.

Federal Communications Commission: Ham operators, boat radio licensees.

Federal Trade Commission: Many top executives, multipurpose files.

Health, Education & Welfare Dept.: Parents of students seeking student loans.

Justice Dept.: Families of juvenile facing drug or similar charges in a court.

Securities & Exchange Commission: Corporate insiders.

Small Business Administration: Loan applicants.

State Dept.: Passports.

Treasury Dept.: Banking transactions over $10,000.

White House: Advisory commission appointees, candidates for federal jobs.

Data: Privacy Protection Study Commission.

AT IBM, PRIVACY IS A TOP PRIORITY

"CEOs should put employee privacy higher on their lists. Many don't appreciate that employees will respond greatly." Ironically, the words are those of Frank T. Cary, chairman and chief executive of International Business Machines Corp., whose products have made vast piles of personal information so easy to handle—and so easy to abuse.

Cary explains that IBM gives priority to employee privacy. "We keep personal information to a minimum," he says. "We also segregate personal information and make only part of it available to the supervisor. And we let employees see their own files. As for outsiders, we give them private information only with the approval of the employee."

Employee privacy at IBM begins with the hiring process. Applicants are asked to supply certain basic facts. But the company does not inquire about the employment of an applicant's spouse or about family members who have worked for IBM. Information about earlier treatment by a psychiatrist or psychologist is not sought, and although court convictions in the five years before hiring are considered pertinent, arrest records are not.

Formerly, outside credit agencies were used to investigate job applicants. Now, IBM personnel check references when necessary—but only with the applicant's approval.

STRICT RULES

The line supervisor or manager, Cary explains, gets such job-related information as performance ratings and past sales records. But facts unrelated to work—medical benefits, life insurance, and similar items relating to company benefit programs—are kept in the main personnel files or in the payroll department.

Outsiders wanting information are given only routine facts—verification of employment, job title, place of work, and hiring date—as a matter of course. Information about wages, job history with the company, and such are revealed only if the employee gives an O.K. Attorneys, creditors, and others who want special information must deal with the same strict rules, unless the law requires disclosure.

"The employees' right to see their personal files is a key part of our program," says Cary. The whole personnel folder is open to employee inspection, including performance appraisals.

KORYNE HORBAL'S SCALLOPED POTATOES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. FRASER. Mr. Speaker, Koryne Horbal of my district has recently been appointed by President Carter to the National Commission on the Observance of International Women's Year. The Commission will sponsor a series of statewide women's meetings, culminating with a National Women's Conference in Houston, Tex., November 18–21, 1977. The objective of these meetings is to determine barriers preventing women from full participation in society, and to make recommendations for change. Minnesota's meeting will be held in St. Cloud the first week in June.

Koryne has also been nominated but not yet formally appointed to the position of U.S. representative to the U.N. Commission on the Status of Women. She is presently Chair of the women's caucus of the Democratic National Committee and one of Minnesota's Democratic national committeewomen. She has worked hard and effectively to increase the participation of women in politics and to expand the scope of that participation. Koryne worked for the DFL party, unpaid, for more than 17 years. However, she has shifted from making drapes for the DFL office to advising President Carter on women's issues. And she also makes great potato salad—from scratch.

I think Koryne's story is a good one to share with my colleagues. She is a Minnesota role model for feminists in politics—a group I hope will increase across the country. Accordingly, I would like to insert in the RECORD excerpts from a fine article on the Minneapolis winter meeting of the State's DFL feminist caucus. The article, by John Fleming, appeared in Metropolis, a Minneapolis publication, February 15, 1977. The title of the article is "Sexual Politics at the Capitol." The section discussing Koryne is headed, "Koryne Horbal and the DFL Machine." Excerpts follow:

KORYNE HORBAL AND THE DFL MACHINE

(By John Fleming)

The best thing about the recent conference of the DFL feminist caucus at the Women's Club in Minneapolis was the elevation of Koryne Horbal to superstardom. The next best thing was Governor Perpich's speech. . . .

This year's conference was the first held at the Women's Club. . . .

After the luncheon, Governor Perpich arrived to deliver his speech. The audience clearly expected something special from the Governor. Perpich was, after all, the first Governor to formally address the feminist caucus, and in his State of the State address to the Legislature the previous week he had made a point of declaring his interest in the concerns of women and minority groups. After entering the ballroom and receiving a standing ovation, Perpich said, "I can't think of any cause I'd rather see succeed than yours," and the audience rose again and applauded for a long time; it was an electric moment. In his brief speech, Perpich said that he planned "a determined effort to promote more women at all levels of state government. We're not doing this because it's the political thing to do, but because it's the right thing to do." He concluded the speech by promising to appoint a woman to the state Supreme Court when the next vacancy occurs. As Perpich walked through the crowd after the speech, dozens of women left their chairs to shake his hand.

The Governor's speech was a tonic for the members of the feminist caucus—a "demonstration of our clout" was the way Linda Donaldson, a caucus official, put it. Perpich's visit and the happy reception given his speech in some ways confirmed what Gloria Steinem said at a fund-raiser in Minneapolis last fall: The effectiveness of Minnesota feminists in lobbying, electoral politics, and education of women is a model for the rest of the country.

By the end of the conference, one anecdote—frequently and elaborately repeated—had become a matter of political myth, like the stories of Jimmy Carter making his bed while campaigning in Iowa. It was the story of Koryne Horbal's phone call.

Horbal was acclaimed by various speakers as the "embodiment of Minnesota feminism" and "one of the five most powerful women in American politics" and "our Kissinger." She is State Coordinator of the DFL feminist caucus and a representative to the Democratic Party's National Committee. As the story went, Horbal was preparing scalloped potatoes "from scratch" in her kitchen one evening early this year when the phone rang: It was long distance from Georgia. "Be in Plains by 11 tomorrow morning," the man on the phone said, "Jimmy wants your advice." Horbal flew to Georgia the next morning to join four other Democratic Party women meeting with Carter. In the month following her trip to Plains, Horbal has shuttled regularly between Minneapolis and Washington. She's met with Carter six times. Her status as a presidential adviser and national political figure will be assured, I suppose, when that recipe for scalloped potatoes becomes as widely known as Bella Abzug's love of floppy hats.

However, along with the optimism and self-congratulation that characterized the conference, there was also a curious undercurrent of insecurity. It occasionally surfaced when the twelve women legislators (the most ever) elected to the Minnesota House and Senate were hailed: Several times it was pointed out that not all of them are strong supporters of the Equal Rights Amendment (ERA) and the Supreme Court decision permitting abortions. Although the feminist caucus is less than five years old, its expectations have been lowered in the last few years. Mary Ziegenhagen, an original member of the caucus, recalled that in 1973 she was predicting in speeches that the Minnesota Legislature would be one-third women by 1980. "At the rate we're going," she said, "we'll be lucky to make that number by the year 2000."

Horbal's speech—the feminist State of the State address—was strangely understated. She discussed the failure of the New York and New Jersey legislatures to ratify the Equal Rights Amendment (38 states must ratify the ERA by 1979 in order for it to become part of the Constitution; so far 35 have approved it). She referred to accounts in the press that "the women's movements is dead." She worried about restrictions being placed on abortion services—"a woman's right to choose" was the expression she used. The Supreme Court giveth, but it can also take things like abortions away, Horbal said. "It is a highly political body. . . ."

However, Horbal also found much to be pleased with: That two women have cabinet-level positions in the Carter administration, that Ronnie Brooks is an aide to Gov-

ernor Perpich, that Sandra Gardebring is director of the Pollution Control Agency (PCA), that the "evolution of the Barbie doll into the Bionic Woman" is happening. The main question facing feminists, Horbal said, is "Do we work on the issues now in the public domain? Or do we also function as the cutting edge? . . . Will we go establishment?" Concluding her speech by quoting Rollo May (*The Courage to Create*), Horbal talked of "bringing a humane and feminist sensitivity to government," and she declared herself "cautiously optimistic" about the future of the women's movement.

Jimmy Breslin's description of political power as "smoke on blue mirrors"—power as the manipulation of symbols and signs—came to mind as I listened to Horbal talk about her career in the DFL Party one morning in the week following the conference. Normally, Horbal is full of energy. This morning, however, she was in a meditative, not-quite-somber mood. She talked about power as an alchemist might talk about gold. "My power is two things," she said. "First, the power I've accumulated. Second, what people perceive my power to be. Since I've been to Plains and Washington, my power has changed. Power comes to me now because people think I have it. I gather power through loyalty—that's the name of the game, it never changes—my loyalty to other people and their loyalty to me.

"I come from a family that didn't have a lot, in Northeast Minneapolis. We're Polish. When I graduated from high school, I had to go to work, I had to take care of a father at home while my mother was in a sanitarium. When I got into politics, it became an extension of my education, a place where I could really move up and get some power. The Party has been my vehicle for gathering self-power."

In 1968, when Horbal was DFL Chairwoman, she helped prepare a study called "Women in the DFL Party: Present but Powerless." It created "an incredible awakening among the women of the Party," she said. "After that, I became an advocate for women, I gained a different constituency, my role in the Party changed. I was no longer 'The lovely and gracious Koryne Horbal,' as I'd been introduced at 18,000 Party meetings before. I was controversial." As DFL Chairwoman, Horbal wasn't paid; the Chairman was. She made the drapes for the DFL offices. A truism among feminists, Horbal said, is that "The trail-blazers—the significant feminists—don't get the good government jobs." After seventeen years of work in the DFL Party, Horbal has never had a salaried job in government.

When the Minnesota Legislature is in session, Horbal is a familiar presence. "It's reached the point where a lot of legislators are frightened of me," she said. "When I have a meeting with one of them, I'm prepared, I have my mental agenda, I know exactly what I want. I'm willing to make the tough calls. We want votes, but more often it's leadership we want, for someone to get up on their feet and say something."

Sitting at her kitchen table and drinking coffee on the morning I talked with her, Horbal looked like an average Columbia Heights wife-and-mother. She was barefoot. The house was spotless. That Horbal is the "embodiment of Minnesota feminism" is probably true. She also represents, perhaps, an even larger idea: Minnesota's capacity to assimilate threatening social movements and make them safe. "In Minnesota," Horbal said, "the word 'feminist' is no longer dangerous. Now, it's very easy to say. . . ."

Horbal was busy that day at the caucus office in St Paul. A photographer and I wanted her to come with us to the Capitol for a picture. She agreed. Although she dislikes being photographed, Horbal posed on the Capitol's broad front steps, in the rotunda beneath the dome, and in front of a statue of Governor John A. Johnson ("Aren't there any women statues?" she wondered). As we drove back to her office, Horbal talked about her family's recent move from Coon Rapids to a new house in Columbia Heights. Her daughter was harassed in school the day before by a gang. Her husband, a contractor, was working on a job in South Dakota.

Driving to the Capitol, taking the photos, and driving back took over an hour. When we arrived at her office, Horbal stayed in the car several minutes and talked some more. She said President Carter was not fully meeting his pledge to hire women for major jobs in the administration. In spite of vigorous efforts by women and minority groups, Horbal said, the Carter Cabinet strongly represents the "old boy" network, the multinational corporations, the established foreign policy and economics think-tanks. Two women have high-level White House jobs: Midge Costanza is an assistant to the President, and Martha Mitchell is an assistant for special projects. "There's an old trick they like to play," Horbal said. "They'll try to send me to the highest woman, they'll want me to see Costanza. Well, I don't want to see Costanza. When I want something, I want the top. To get anything done, you've got to see the top person." As she left the car, Horbal made one prediction: The ERA will pass this year.

ANNUAL NATIONAL CHAMPIONSHIP IN INDIVIDUAL SPEAKING EVENTS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. FISHER. Mr. Speaker, the following information about the Annual National Championship In Individual Speaking Events has been brought to my attention by the hosts of the 1977 tournament at George Mason University, Fairfax, Va.

I take this opportunity to welcome the participants in the championship tournament to the 10th Congressional District in Virginia and to recognize their achivements in intercollegiate forensics.

The article follows:

THE ANNUAL NATIONAL CHAMPIONSHIP IN INDIVIDUAL SPEAKING EVENTS

The Ancient Greeks defined "forensics" as public argument. That definition has been extended by the modern communicator and now includes a myriad of events. Although debate is still a part of modern forensics, it only accounts for one area of speech activity. The other portion is known as individual events. This area includes persuasive speaking, informative speaking, rhetorical criticism, after-dinner speaking, impromptu speaking and extemporaneous speaking, as well as the interpretive events such as oral interpretation of prose and poetry. During the school year, students travel to hundreds of colleges and universities in all parts of the United States in order to compete in various intercollegiate forensics tournaments. The forensics year culminates in the Annual National Championship in Individual Speaking Events. Founded in 1971 by Dr. Seth C. Hawkins of Southern Connecticut State College, this tournament is the official championship for anyone who has qualified as a finalist in approved tournaments during the year. In 1972, the National Forensic Association was founded as a non-profit organization and became the sponsoring agency for the championship tournament. The purpose of the organization is the professional development of intercollegiate competition in individual speaking events. The popularity of the championship tournament has grown tremendously since its inception. In 1971, the tournament was hosted at Ada, Ohio by Ohio Northern University and had a total of 21 schools entered. In 1975, at California State University at Los Angeles, approximately 130 schools attended, entering over 1500 entries.

This year, the tournament will be held at George Mason University in Fairfax, Virginia. Over 150 colleges and universities are entered with well over 1950 programs being performed. Thirty-five states as well as the District of Columbia and Canada will be represented. To exemplify the national distribution, a brief examination of the Executive Council will suffice:

Dr. Jack Howe, California State University at Long Beach.

Prof. Catherine Beaty, Parkersburg Community College, W. Va.

Prof. Al Montanaro, State University of New York, Plattsburgh.

Prof. Mike Leiboff, Mansfield State College, Pennsylvania.

Dr. Michael Kelley, California State University at Los Angeles.

Charles W. Letzgus, Student Representative, Ohio University.

Prof. Donald F. Peters, Tournament Director, Niagara University, Niagara, New York.

Host: Dr. Bruce B. Manchester and Prof. Janet Bury, George Mason University, Fairfax, Va.

George Mason University is proud to welcome the defending champions, Eastern Michigan University, as well as all potential champions from every section of the United States.

The time and effort expended by the people involved in intercollegiate forensics is a tribute to the beauty of the communicative arts and a continued belief in the power of free speech.

NATIONAL INSTITUTE FOR OCCUPATION SAFETY AND HEALTH

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. LUKEN. Mr. Speaker, yesterday I testified before the Labor-HEW Subcommittee in reference funds for construction of the permanent NIOSH research facility being appropriated in this fiscal year. The temporary NIOSH facility has been located in Cincinnati for the past decade and I believe it is of the utmost importance that the permanent facility be retained in Cincinnati.

The reasons for this belief are contained in my testimony and I would like to share this view with my colleagues so that they will also be aware of the importance of NIOSH and disruptive effect relocation of the facility would have on the efficiency and effectiveness of NIOSH programs:

TESTIMONY

(Remarks of the Honorable THOMAS A. LUKEN before the subcommitee on Labor—Health, Education and Welfare of the House Appropriations Committee concerning the National Institute for Occupation Safety and Health April 18, 1977)

Mr. Chairman, members of the subcommittee, I thank the subcommittee for allowing

me the opportunity to testify on the fiscal 1978 budget for the National Institute for Occupational Safety and Health. The Subcommittee has already received testimony from appropriate agency officials concerning this subject. As a Member of Congress representing Cincinnati, Ohio, it is my hope that I might provide additional insight into NIOSH on a local level and its need for an adequate budget.

I would like to state at the outset that my concern with the NIOSH budget for this fiscal year is two-fold. First, I believe the Institute's overall operating budget should be such as to allow not only the execution of existing programs but also research and development of new ones. And second, I believe this fiscal year's appropriations should contain funds for construction of a permanent NIOSH facility.

With respect to the later point, we are currently awaiting the recommendations of a private consultant on a site study authorized by this Committee to determine the best location for a permanent NIOSH research facility. The temporary facility has been located in Cincinnati for the past decade. This is the third study for this purpose. It was my hope that by the date of this testimony the recommendations of the consultant would have been finalized and transmitted to the Secretary of Health, Education and Welfare; however, this is not the case, which complicates the appropriating of funds for construction once again.

I stress several points in reference to this site selection effort. First, that such a determination should be made as soon as possible; second, that construction funds for this facility should be appropriated in this fiscal year; and third, that for the benefit of NIOSH and the programs it develops for the nation, the Congress should carefully reveiw this third study to ensure the results reflect the best interest of NIOSH and the people NIOSH was created to serve. It is imperative that in addition to the construction appropriation, this Committee sees fit to appropriate adequate funds for development of new NIOSH programs and the continuation of existing programs while the site issue is being settled. Both the Ford and Carter budget proposals fall short of this goal. I would like to take a few moments to briefly describe some of the programs NIOSH has developed while located in Cincinnati to illustrate the importance of an adequate operating and research budget as well as the suitability of Cincinnati as the location for NIOSH.

NIOSH conducts programs of research, standards development, technical assistance, and manpower development primarily under two laws: The Occupational Safety and Health Act of 1970 and the Federal Coal Mine Health nad Safety Act of 1969. NIOSH also has general research authority under the Public Health Service Act.

NIOSH initiated a number of programs during 1976 to ensure that the Institute would be able to respond more quickly to the ever increasing number of occupational safety and health crises. For example, NIOSH currently issues from 8 to 10 intelligence bulletins a year as new information on potentially dangerous chemical substances is received. Within 2 to 4 weeks, the bulletin goes out to the occupational safety and health community with information on the chemical, including its known toxicity to man and animals, known producers and users, estimated extent of occupational exposure, and further NIOSH action planned. Since 1971 NIOSH has transmitted 65 recommended standards on such substances to OSHA and is developing them at a rate of 24 a year. Cincinnati is currently suffering exposure to carbon tetrachloride in the City's drinking water because the federal government has not developed standards, as described above, on this substance. This is just one example of the need for this type of program in this country and highlights the necessity for adequate funding for its continuation.

The substances for which documents are being developed in fiscal 1977 include anesthetic gases, fibrous glass, polychlorinated biphenyls, nickel, coal tar products, and flurocarbons. All of these substances present serious threats to the health of large numbers of Americans and the continued development of programs such as this is essential to control the hazards such substances present.

With the assistance of NIOSH regional industrial hygienists, the Hazard Evaluation and Technical Assistance Branch has improved its ability to respond to requests for health hazard evaluations from employers and employees representatives. Their goal is to make an initial field investigation within one month after the request is received and issue final report within 7 months. During fiscal 1978, NIOSH plans to complete about 150 health hazard evaluations as well as 80 nonmandated technical assistance efforts.

NIOSH also is conducting 40 industry wide studies into hazards faced by talc workers, lead workers, plywood, paper and pulp workers, printers, painters, dentists and steelworkers as well as others. Laboratory research is directed to 70 hazardous substances and physical agents which are the subject of new or updated criteria documents and standards. The programs given special emphasis in fiscal 77 include energy research, occupational carcinogens, women in the workplace, occupational respiratory disease, safety, analytical methods research, and research and training grants. All of these programs are of the utmost importance to the American worker and the American consumer. They should not be cut-back or disrupted. In the fiscal 1978 budget NIOSH requested to continue to emphasize women in the workplace, occupational respiratory disease, safety, and control technology. The occupational carcinogen program will continue at its current level and the research and training program will be reduced.

These all important NISOH programs, although commendably developed and executed, continue to be hampered by the lack of permanent facilities. It is imperative that NISOH be settled in a permanent facility so that it may continue this work at maximum operating efficiency.

This history of NIOSH operations centers around Cincinnati. The predecessor programs of NIOSH have been organized and reorganized since the Office of Industrial Hygiene and sanitation was established in the Public Health Service in 1914. The Division of Industrial Hygiene, at it was then known, located its field office in Cincinnati in 1950. In the summer of 1967 the program, now called the Division of Occupational health, transferred to Cincinnati. Although the headquarters was transferred back to Washington in 1968, the main research facility was retained in Cincinnati.

Most of NIOSH's growth and development has been conducted in Cincinnati. The City of Cincinnati is considered the home of NIOSH. The City has already invested over $1 million in the facility as a sign of good faith in having the facility retained there as previously indicated. The personnel for the facility are located in Cincinnati and consist of an array of expertise which would take years to reassemble should the facility be relocated.

I quote from this Committee's report dated June 8, 1976 when I state, "(T)he Committee has been told repeatedly by government witnesses that the single greatest problem facing the institute is the recruitment of top level scientific personnel. The Committee feels that the location of the Institute's major research facilities should provide as large a positive factor as possible in attracting top level scientific expertise to the institute and that the quality and relative potential for recruitment of the graduates of the schools of medicine, public health, industrial hygiene and engineering in each of the various locations being considered should be weighed heavily."

I ask the Committee what more positive factor could one obtain than the existence of such scientific personnel already located and working in Cincinnati for the benefit of NIOSH with scholastic consultation and support from local educational facilities. These educational facilities are already conducting internship programs for the purpose of training potential scientific personnel in NIOSH related programs.

I realize that this Committee believed it necessary to conduct this third study. I do not take issue with that decision, I do believe, however, that the time has come for NIOSH to have a permanent home. For reasons of consistency, continuity and efficiency, I believe that the permanent facility should be constructed in Cincinnati.

I can also state that this belief is shared by the employees of NIOSH who have advised me that relocation of this facility would be devastating to NIOSH programs.

NIOSH's extraordinary talent has already done a superlative job in research and development of occupational safety programs, some of which I described in this statement. The job which is being accomplished could be even more extraordinary when the issue of the permanent site is settled. NIOSH can continue to grow and develop as it has in the past without suffering loss of personnel or disruption of programs should the permanent site be in Cincinnati.

In sum, I will state that in my opinion the burden of proof should be as to why NIOSH should be moved from Cincinnati, not why Cincinnati should retain it. We must come to a decision on this issue and ensure, through proper budgeting, that NIOSH does not suffer in the interim.

FOOD AND POPULATION: VII

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. RICHMOND. Mr. Speaker, one of America's most distinguished political analysts, Richard Strout, has recently addressed himself to congressional efforts to deal with the global problem of population growth. Writing in the Christian Science Monitor of April 8, 1977, Mr. Strout asks:

What's the use of sending foreign aid to poor countries that don't reduce their birth rate?

According to the FAO, even after a generation of developmental assistance, most nations are chronic importers of food. While 45 nations either exported food or were self-sufficient in 1950, only 19 nations did so in 1974, with 4 countries accounting for over 90 percent of the exports.

Even though agricultural production has increased dramatically in many countries, accelerated population growth has placed most countries in precarious food positions.

The future does not look better. For example, international development as-

sistance during 1976 totalled about $40 billion. Should the 900 million couples in the less-developed nations in 1990 each produce 4 to 6 children (as parents in the LDC's say they now desire), there will be an additional 3.6 to 5.4 billion children added to the population of the less developed nations in the generation following 1990.

At current assistance levels, less than $10 would be available to each of these children. Even should assistance be doubled, tripled, or quadrupled, it would hardly make a dent in the burgeoning demands of such a population. Thus, it is not selfishness or a lack of charity that calls for population control. It is sheer common sense.

Too often, however, discussions of mankind's population problem focus only on the poorest parts of the world. But before Americans congratulate themselves for reducing their birth rate from 25 to 14 in the past generation, and before too many national magazines and newspapers tell us we have no population problem, we should examine the facts.

The Environmental Fund, in a special release on this matter, has performed a useful public service in pointing out that the United States now adds more people to its population each year than any other nation in the world save India and China. Each year, an additional 3.4 million Americans are added to our population. If this continues, the U.S. population will double in a short 41 years. If we continue to be unwilling to face this problem forthrightly, our country will soon no longer be either rich or secure. For example, while we now have about 2.1 acres of arable land per person in this country from which to support our standard of living, a doubling of our population would destroy millions of acres of valuable farmland as more schools, hospitals, homes, freeways, and shopping centers are built. The available arable land per person would most certainly fall far below the current world average of 0.8 acres.

The editorial by Mr. Strout and the material released by the Environmental Fund follow:

[From the Christian Science Monitor, Apr. 8, 1977]

WHY AID NATIONS THAT DO NOT CURB BIRTHS?

(By Richard L. Strout)

WASHINGTON.—What's the use of sending foreign aid to poor countries that don't reduce their birthrate? Congress is asking this question.

"It is obvious to any rational observer," Foreign Relations Committee chairman Sparkman (D) of Alabama told the Senate the other day, "that no amount of aid is going to lift the burden of poverty from the third world unless effective measures are taken to curb population growth."

Such measures aren't being taken, declares Justin Blackwelder, president of the Environmental Fund. He told a House committee on foreign aid appropriations last week that the United States presently makes millions available to countries for family planning programs. Theoretically they welcome such assistance. But not really, asserts Mr. Blackwelder. The countries accept the family planning money because the United States, the United Nations and the World Bank tie the funds into a package loosely labeled "maternal health and child care and family planning."

The recipient governments are delighted with money for "public health," but the family planning item is just an afterthought, he alleges. "If they were genuinely interested in lowering birthrates they would already have programs to do so themselves," he says. "Sri Lanka has done this." Mr. Blackwelder asserts that most of the others haven't.

Has the time come for tightening up on foreign aid? The Environmental Fund, an independent, nonprofit population organization, and the Rockefeller brothers' fund say yes; they have endorsed linkage: "If you want foreign aid show that you will support population control," they say.

Or, as the Environmental Fund's spokesman puts it:

"The U.S. should rethink its whole foreign aid program. We should announce now, that we will increase aid to those countries which make a genuine effort to reduce the birthrate, and that we will cut off aid to those who do not choose to do so."

Their new approach is not isolated.

In a proposal cosponsored by 200 House members, Rep. James Scheuer (D) of New York would establish a select House committee to make a two-year study of "major adverse effects" of international population growth and to decide what, if anything, to do about it. Particularly, it appears, he would do this in the context of U.S. aid. American-funded family-planning programs abroad now cost $143 million annually, and will rise to $177 million next year. Are they doing their job?

Another congressman, Rep. Frederick W. Richmond (D) of New York, quotes a "Gallup-Kettering poll in African, Latin American, and Asian nations—the number of children couples generally desire in most of the developing world is between 4 and 6." If better sanitary conditions increase the survival rate in these countries that means, explains Mr. Richmond, "the doubling of national populations every 15 to 30 years—a condition that is intolerable."

The United States has a lively problem at its own back door. The growth rate of Mexico is 3.5 percent, one of the highest on earth. Mexico's 60 million people, with 25 percent unemployment or underemployment, will double by 2000. Who will feed them? Where will they go? One estimate is that "10 percent" of Mexico's population is already in the United States illegally. The U.S. Immigration Commissioner publicly declares that he can't hold back the horde—the situation is "out of hand." America's ho-hum attitude to the situation is an interesting feature.

The earth has 4 billion people, it is estimated, one-fourth of whom are desperately poor. For the fifth time the 26 nations of the International Development Association (associated with the World Bank) are just getting ready to raise money for long-term development assistance to poor countries. It's no small amount. The so-called IDA "fifth replenishment" is to raise $7.6 billion, of which the U.S. will supply $2.4 billion, subject to congressional approval.

The IDA program has been successful: it promotes development programs in nations with the greatest poverty. The oil-rich countries are now joining in: Kuwait is down for $180 million; the United Arab emirates, $50 million; Saudi Arabia (contributing for the first time) a hefty quarter billion (in U.S. dollars).

Political strings are not tied to programs. Their goal is to raise standards of living by channeling financing resources to valuable projects. A side effect is that birthrates normally decline, if living standards rise. But that takes time. There is deepening frustration when the social benefits of some bold expensive development program are absorbed and eroded by rapid immediate population growth.

THE ENVIRONMENTAL FUND

It is widely believed, and often stated, that Brazil, Mexico, the Philippines, Pakistan and Bangladesh have high rates of population growth, and that the United States has a very low rate.

It is true that the United States growth rate is somewhat lower than that of most of the underdeveloped countries, but it also has a larger population. Accordingly, if we look to see which countries are increasing their population the fastest in actual numbers of people added each year, the United States is the third highest in the world, surpassed only by China and India.

Russia, with a population substantially greater than the United States population, is growing considerably (25%) slower than the United States.

FIGURES AND SOURCES

Country	Population, 1976 (millions)	Growth rate (percent)	Annual increase (millions)
(1) China [1]	964.4	2.4	23.1
(2) India [2]	652.7	2.6	17.0
(3) United States [3]	222.7	1.5	3.3
(4) Indonesia [4]	142.6	2.3	3.2
(5) Brazil [5]	109.9	2.8	3.1
(6) U.S.S.R. [5]	256.6	9	2.3
(7) Bangladesh [5]	82.8	2.7	2.2
(8) Pakistan [5]	73.3	2.9	2.1
(9) Mexico [5]	61.3	3.5	2.18
(10) Nigeria [5]	64.6	2.6	1.7
(11) Philippines [5]	44.7	2.9	1.3

[1] Foreign Demographic Analysis Division, U.S. Department of of Commerce, "Intermediate Model," 1975.
[2] "World Population: 1973," ISPC, U.S. Bureau of the Census.
[3] Population: 215,700,000, official U.S. Census; 5,300,000, official U.S. Census undercount; 1,700,000, INS (400,000 legal immigrants, 1,300,000 illegal immigrants—minimum INS estimate); a total of 222,700,000. Population mid-1977 of the United States is 226,000,000, growing at 1.5 percent, or by 3,400,000 people per year.
[4] "World Population: 1975," ISPC, U.S. Bureau of the Census.
[5] Ibid.

NATURAL GAS

HON. BOB GAMMAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. GAMMAGE. Mr. Speaker, as we embark upon the consideration and implementation of President Carter's comprehensive national energy program, I urge my colleagues to examine the April 18, 1977, Oil and Gas Journal's editorial entitled "Gas-deregulation Foes Misjudge Impact of Higher Prices."

It is important to note the increase in the wellhead price of new natural gas to $1.44 per mcf may encourage increased natural gas from older and less costly fields, but such an artificially low price cannot and will not encourage increased production from the higher cost frontier areas, where the preponderance of estimated natural gas reserves are located.

This editorial, in conjunction with additional recent figures released by the American Gas Association indicating natural gas reserves declined in the lower 48 States for the ninth year in a row, and 90 percent of all gas wells completed were in localities where 30 percent of the estimated gas resources are thought to be, outlines the necessity to

decontrol the wellhead price of new natural gas.

GAS-DECONTROL FOES MISJUDGE IMPACT OF HIGHER PRICES

The U.S. is in danger of denying itself additional supplies of natural gas if it follows the advice of two government officials.

The merits of new-gas deregulation are being assailed by arguments which are both contradictory and irrelevant.

The Federal Power Commission's supply analyst, Gordon Zareski, questions whether consumers would get any real benefit from free-market prices for new reserves in frontier areas and in deeper horizons. Further, he doubts that the remaining reserves potential is large enough to justify exploitation through decontrol.

FEA Administrator John F. O'Leary largely agrees with this reasoning. Prices higher than the current $1.44/Mcf ceiling for interstate sales probably wouldn't bring forth enough new gas to eliminate the shortage, according to O'Leary. He warns of skyrocketing prices, in interstate and intrastate markets, if new gas is decontrolled.

If the President and Congress base natural-gas pricing policy on these arguments, it will be a great mistake.

Both Zareski and O'Leary acknowledge that the increase in the interstate ceiling from 52c last July has spurred new drilling in areas which lack a strong intrastate market. If this price hike has vastly improved incentives in the Rocky Mountains, for example, and in the federal offshore domain, why wouldn't a further increase help even more?

Just as added prospects have become attractive at $1.44, others would be placed on that list at $2, $2.25, or some higher price under decontrol. Decontrol would open up small, shallow reserve packages that were marginal at lower prices as well as larger reserves at great depths which couldn't be touched for less than $2.

The form of gas-price determination, contrary to Zareski's view, is not "almost irrelevant" because the resource base is finite. What is irrelevant is the argument that since the undiscovered potential might be small, removal of price controls wouldn't be worthwhile.

If reserves turn out to be smaller than government and industry experts believe, then the consumer will not pay a big premium to find that out.

One thing is certain. Under price controls, the consumer will never know whether the remaining potential is small or large. Any regulated price limits exploration to those prospects that appear profitable at that rate—and discourages conservation of this premium fuel at the same time.

Higher prices might not solve the gas shortage overnight, but that criticism—leveled by O'Leary—misses the point. No one claims that decontrol would elicit all the gas that consumers are willing to buy at present regulated prices.

It is true that new-gas decontrol would raise rates for that specific increment of gas that could have been developed at $1.44 in areas where the intrastate market is not a factor. But that would not necessarily mean a net increase in the cost to consumers.

In no instance will removal of price ceilings result in prices that are higher than any available alternatives—whether SNG, LNG, fuel oil, or electricity. What regulation supporters ignore is the high cost of failure to remove controls—namely, higher unit prices for dwindling flowing-gas supplies plus substitutes that are twice as expensive as the free-market price for gas.

Finally, O'Leary expresses the fear that decontrol would trigger escalation clauses in old contracts and cause interstate pipelines to bid outrageous prices for new supplies which could be averaged in with cheap gas. This is not an argument against decontrol. It is an argument for backing decontrol legislation such as that introduced by Rep. Bob Krueger (D-Tex.).

The President and Congress should not be misled by tangential or fallacious reasoning which ignores the benefits of deregulation and hides the costs of continued controls.

Interstate regulation has undeniably created the present shortage of gas in the U.S. Deregulation, with appropriate safeguards, would do more than any other single energy-policy move to end that shortage.

OUTSTANDING SERVICE RECOGNIZED

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. STOKES. Mr. Speaker, Members of the House, I would like to bring to your attention turning point in the lives of two men who between them have logged over 44 years of dedicated service to their communities. On Monday, January 3, Mr. Herman Botelho and Mr. Jack Vassalo retired from the San Benito County Board of Supervisors.

Jack and Herman will be sorely missed by the members of the board and the people of San Benito for their wit, wisdom, and evenhandedness in dealing with issues that confronted them during their tenure in public office. Fortunately, they will continue to be active as private citizens in the life of San Benito County.

I would like to chronicle for you the fine accomplishments of these men:

JACK VASSALO

Jack Vassalo was born in Sydney, Nova Scotia, and was raised in Boston where upon graduation he worked for the Boston Herald newspaper. In 1940 he first came to the city of Hollister in San Benito County where he lived for three years before the call to duty brought him into the U.S. Army.

It was during World War II that Jack met Edna. They were both stationed in Africa, and upon returning to the United States in December of 1945, they married and settled in Hollister. For twelve years Jack worked at Tiffany Motors before entering the furniture business in December of 1957. It was in 1964 that he began his distinguished tenure as the Fifth District's Representative on the San Benito County Board of Supervisors.

He served as Chairman of the Agency Formation Commission, as Director of the California Council on Criminal Justice, as a Director of Health Planning, and as a Commissioner of the County's Veterans Memorial Park. In addition, he is a member of the American Legion and of the Veterans of Foreign Wars, past President of San Benito County Chamber of Commerce and past Secretary of the Hollister Rotary Club. Jack, Edna and their daughter, a teacher in the local school, reside today at the family home in Hollister.

HERMAN BOTELHO

Herman Botelho is a native Californian, born in Santa Clara, and a resident of San Juan Bautista since April of 1920. He and his brother Anthony have been in the growing and shipping industry for many years.

His long history of community involvement started in 1944 when he began what came to be ten years of service as a member of the San Juan Union School Board of Trustees. During that period he became the city's leading citizen by being elected City Councilman in 1946 and Mayor in 1949, an office he held until he stepped down in 1962.

It was in September of 1963 that Herman was appointed to fill the unexpired term of Curtis Archibald as County Supervisor of District Two. He gave up his positions on the San Benito County Planning Commission and the 33rd District Agricultural Association Board of Directors to devote himself to his new duties. As Supervisor, he distinguished himself as the Board's representative and later Chairman of the Monterey Bay Unified Air Pollution Control Board.

Herman is a member of the Knights of Columbus, the Hollister Elks Lodge, the prestigious Commonwealth Club of California, and is past Chairman of the San Juan Service Club.

Jack and Herman have become good friends during their thirteen years of joint service on the San Benito County Board of Supervisors. Together they fought the battles and shared the victories and defeats. Their presence on the Board will be missed, but their accomplishments will be remembered fondly by the people they served. I congratulate them on a job well done.

LET'S HEAR IT FOR THE LOBBYISTS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. FISHER. Mr. Speaker, the American Association of School Administrators has been conducting a series of regional workshops for school administrators who are interested in learning the mechanics of the legislative process. One of the educational tools included in the manual distributed at these Washington Workshops on the Road is an article entitled "Let's Hear It for the Lobbyists" by Roy H. Millenson.

I am introducing this article into the RECORD today in the hope it will be helpful to others interested in the subject:

LET'S HEAR IT FOR THE LOBBYISTS

(By Roy H. Millenson)

For some time now, considerable energy has been expended in the Congress in shaping controls for lobbyist activity in Washington. It now looks as if some legislation will finally be coming to the floor for a vote. And just in time too, for less than two years ago Congress enacted a law making lobbyists more needed than ever before. Persons desiring Federal funds for a pet project, whether education for handicapped children, subsidies for shipping, or research to cure some devastating disease, are now finding it more necessary than ever to employ a hired guide to lead them through the federal funding maze.

An explanation. On July 12, 1974, President Ford signed into law the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344), popularly known as the budget reform law. The purpose was to give some order to the chaotic budget process and to give Congress a bigger say in setting federal spending policies. It also established limits on the President's impoundment powers. In all, a very worthwhile endeavor. But an unfortunate byproduct has been to make the funding process much more complex and even more remote from everyday citizen contact and comprehension.

Before the budget reform law, an individual or a group (such as a local citizens' association) desiring federal funding for a pro-

gram for, say, the education of handicapped children would, barring vetoes, have to worry about touching base with Congress only twice. First, there was the authorizing legislation necessary to establish the program and authorize appropriations for it—to follow our example, this could be a bill like the Education of the Handicapped Act. Second, it was necessary to persuade Congress to appropriate the funds. However, since authorizing bills usually are effective for several years, the chief concern boiled down to the annual appropriations. This entailed getting in touch with Congressmen and Senators once each year to persuade them to support needed funding.

But now, under the new law, you can't tell the budget plays without a program—and without a lobbyist. Congress now establishes its own overall budget figures in a multi-step process and anywhere along the line a program can lose out. Let's see how it works.

By March 15 of each year, the authorizing committees and the appropriation committees in both the House and the Senate must report their recommendations for budget levels to their respective budget committees. If a program is omitted from these recommendations, it is one Ides of March which will be long remembered.

Having passed that obstacle, one must next look to May 15 which is the deadline for adoption of the first budget resolution by the House and by the Senate. If the desired funding level is included in that resolution, all to the good. If not, chances for funding drop almost to nil.

The next step is the appropriation bill. Very great difficulty would be experienced in securing approval of an amount in the appropriation bill which is in excess of the first budget resolution. No such obstacle existed before.

But we're not out of the woods yet. Once the appropriation bill has passed, the Second Budget Resolution is hiding around the corner. Not only can it modify the first resolution based on changed circumstances but it also might require the appropriations committees, through a reconciliation process, to alter the amount previously approved for programs in appropriations bills approved by the Congress.

After all this, Mr. John Q. Citizen thinks the process has now run its course and he's home free—the appropriation has been enacted into law and, sure enough, there's the money he wanted for educating those handicapped youngsters or doing research into that disease or subsidizing his business.

Sorry! John Q. can still be forced back to "Go." Although the President may have signed the appropriation legislation, he has now spelled out in law a means by which he can impound expenditures for an individual program, holding back dollars that appeared to be about to flow toward a long-awaited goal. So it's back to Congress again to get it to negate the impoundment.

Although it is relatively simple to stimulate one or two citizen mail campaigns on particular issues in any year experience has demonstrated that, with some few exceptions where outstanding concerns are involved, people will not pursue their Representatives and Senators five or six times during the year at each step of the legislative process—even if they understand the process. And the new budget law has added as many as five new steps to Congressional funding procedures. Also six, instead of four, committees are now involved. Finally, through the impoundment control section of the law, the President is given an additional chance at bat to score against funding which he might oppose.

While these new procedures are indeed complex and frustrating and, as yet, not sufficiently understood, there is waiting in the wings a corps of lobbyists who have mastered the federal funding process and, who, for a fee, will pursue a legislative goal with dogged persistence. So let's hear it for the lobbyists! You're going to need them.

DEFENSE AUTHORIZATION BILL

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. McCLOSKEY. Mr. Speaker, tomorrow when we consider the defense authorization bill, I will offer an amendment to delete $332.7 million for two oil tankers and $52.7 million for three oceangoing tugs.

The Merchant Marine Act of 1936 provides that our merchant marine shall be "capable of serving as a naval and merchant auxiliary in time of war or national emergency."

At a time when there are large numbers of good, fast, modern tankers laid up around the world, as well as a large number of civilian tankers capable and desirous of serving the Navy, it seems almost incredible that the Navy would want to divert money from combatant ships to support ships of this kind. The facts are as follows:

First. The two Navy oil tankers will cost $161 million each. Good new civilian tankers can be purchased for $10 to $17 million today.

Second. The three Navy tugs will cost $17.5 million each. Comparable civilian tugs cost $3 to $5 million. There are over 1,000 U.S. civilian tugs which can do the same job the Navy ships will do.

Third. Cost of military tugs with Navy crews last year were in excess of $10,000 per day. Comparable civilian tugs were chartered at $2,884 per day.

Fourth. The 1972 Navy/MARAD study of use of civilian tankers concluded that substantial savings could be gained by using merchant marine ships and that tests of the *Erna Elizabeth*, a civilian tanker, showed that civilian vessels were adequate for this task.

Fifth. In November 1975, GAO did a study on the Navy harbor tugs—not the ocean tugs which are in the fiscal year 1978 DOD authorization bill. It concluded that "greater reliance on the commercial sector for tugboat services with a concurrent deactivation of Navy tugboats could bring about significant savings to the Department of Defense."

Sixth. For fiscal year 1976, the Navy states that 39 percent of the Navy's ocean tug requirements were point-to-point towing—the kind which requires no special military features at all. Yet only 3 percent of the Navy's ocean tug services were performed by commercial tugs. There is no question but that commercial tugs could perform the point-to-point towing.

Seventh. The Navy has provided the following cost information: Navy tug operating costs, (approximate) $10,000 per day. MSC tug (military operation but manned with Civil Service crews), (approximate) $6,200 per day. Chartering a commercial tug by the Navy (this figure includes capital depreciation; the Navy operating costs do not), (average) $2,884 per day.

Eighth. Construction costs of commercial tugs are substantially less than Navy tugs. The total program cost for the Navy tug of about 5,000 horsepower is $17 million. Commercial tugs of this size can be purchased for $3 to $5 million. The Navy tugs include many extra features. However, many of them are in modular form and could be placed aboard commercial tugs. In any event, these extra features would not be needed for point-to-point towing.

The $17 million construction cost breakdown is as follows:

[In millions]

Construction cost	$9.7
Changes	.9
Electronics	1.8
Escalation growth	2.8
Testing	.2
Outfitting	.8
Engineering	.8
Total	17.0

Ninth. The Navy indicates it can get by with 12 ocean tugs (four are under construction now). The United States has slightly over 1,000 ocean-going tugs of between 4,000 and 9,000 horsepower. The capacity clearly exists in private industry to meet the Navy's needs.

Tenth. The Navy does not need these big tugs for most of its operations. Basically, they are only needed for war time. Yet, because they are available, they are used for many operations which could be performed by smaller tugs. If private industry with its larger inventory were used more extensively, savings could be achieved by matching tug size and speeds to the particular mission.

Eleventh. The Navy has four of these fleet tugs under construction now; rather than building more immediately, this would be a good time to hold up and evaluate the program.

Twelfth. The case for eliminating the fleet oilers is also clear. There are over 30 million deadweight tons of tankers idle on the world market. We should not be building new tankers of any kind in the face of this surplus.

Thirteenth. In 1972 a joint Navy/MARAD study entitled "The Role of Merchant Ships in Wartime Defense Missions" concluded that—

> A potential savings from using merchant ships for wartime underway replenishment are large enough to justify further, more detailed analysis and fleet testing. In addition to the $610 million savings to the Government from using simpler merchant designs in peacetime, an additional savings of $130 million would arise if ships to support two attack carrier groups deploying one month after D-Day were chartered only when war occurs. In peacetime, these ships would earn revenues which defray much of their cost to the Government.

This detailed analysis and testing has not been done, and more funding for fleet oilers should not be provided until it is.

Fourteenth. Merchant ships can perform capably. In 1972 a test was conducted using the merchant vessel *Erna Elizabeth* to participate in naval underway replenishment missions. By all accounts, the ship performed well; however, there has been no further testing

or utilization of merchant vessels for this purpose.

In its report, the Armed Services Committee states:

The shipbuilding program indicates no sense of purpose to achieve a balanced fleet of the appropriate numbers and kinds of ships required by the Navy of the future.

I have attached the full text of my amendment:

AMENDMENT TO BE OFFERED TO H.R. 5970, DOD AUTHORIZATION BILL BY MR. MCCLOSKEY

On page 2, lines 22 and 23, strike "for the AO fleet oiler program, $322,700,000; for the fleet tug program, $52,700,000;".

THE COMPREHENSIVE MEDICAL PRACTICE ACT OF 1977

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. MAGUIRE. Mr. Speaker, I am reintroducing the Comprehensive Medical Practice Act of 1977, a bill that provides a major opportunity to move health care in the United States in a direction that meets the needs of patients more adequately and at lower cost than is presently the case. I introduced this bill originally last year, and have been encouraged by the response and comments I have received.

I. STATEMENT OF THE PROBLEM

Medical costs are increasing at a 14-percent-compounded rate every year. The cost of medical care will soon reach the point where any serious illness will be a financial catastrophe for the average citizen. Medical costs in the United States last year exceeded $118 billion, of which $40 billion came from the Government.

While many of these increased costs are unavoidable, many could be avoided under a more rational medical care delivery system.

In our investigations on the Oversight Subcommittee of the Interstate and Foreign Commerce Committee, we have found evidence that a large number of surgical procedures were being performed which were not medically necessary. We found that a large number of laboratory tests were being performed which were not medically necessary, were inaccurate, or for which charges were made in great excess of their actual cost. We have been told during hearings on national health insurance conducted by the Health and Environment Subcommittee that there are wide variations in the rates of hospitalization and durations of hospital stays throughout the United States. For example, patients in New England stay in the hospital 30 percent longer than in California. The control of quality in medicine is primitive. The individual practicing physician taking care of patients outside the hospital has a difficult time maintaining up-to-date information on pursuing additional education. He also has little opportunity for informal education with his fellow physicians because he is, for the most part, by himself or with his patients.

Medicine in the United States is practiced primarily in a fragmented system with much duplication and poor management; most physicians practice almost in a vacuum. Efforts in preventive care and patient education which would be so cost-effective to society as a whole, are not performed in the individual practitioner's office. He cannot get paid for it, he does not have time for it, and he is not interested in it.

Physicians and other health professionals have little or no exposure to alternatives to the solo practice method for delivering medical care; they have almost no expertise in the efficient management of our scarce health care resources.

Information regarding the efficiency and effectiveness of alternative methods for delivering health care is scarce. We are moving toward a national health insurance program in this country, yet we desperately need information comparing various methods of organizing and delivering medical care to make reasoned decisions regarding how to set up such a national health insurance program.

It is these problems that the Comprehensive Medical Practice Act is designed to solve.

II. ADVANTAGES OF A COMPREHENSIVE MEDICAL PRACTICE

In the bill that I am proposing, I wish to promote formation of practices of groups of physicians so that they may deal with many of the problems mentioned above. Rates of hospitalization and rates of surgery are decreased in group practices. Group practices emphasize ambulatory care.

Because of the integrated nature of group practices, quality programs can be set up, time can be taken by the physicians for additional education, and an informal network of discussion and referral within the practice leads to high-quality, up-to-date medical care.

The size of the comprehensive medical practice allows for efficient management of patients and referrals within the organization. This leads to efficient, integrated, quality care, effective use of preventive medicine, patient education, and the use of less expensive physician extenders.

I have concluded that the encouragement of the formation of comprehensive medical practices will lead to higher quality medical care at lower total cost.

III. MEDICAL CARE AT LOWER TOTAL COST

Provisions of the bill.

The bill defines a comprehensive medical practice as one which consists of several practitioners of whom half are in the primary specialties of family medicine, primary pediatrics, and primary internal medicine, while the others may represent the specialties needed to provide adequate overall care for the patients the practice serves. A comprehensive medical practice is one which offers a variety of medical services reasonably expected to meet the majority of medical needs of the local population. This means that an individual can go to a comprehensive medical practice in his area and usually expect to receive all his medical needs. He will not have to go from doctor's office to doctor's office, to hospital, to laboratory, to X-ray, in order to find answers to his medical questions. This also means that preventive health and patient education can be offered in these practices.

My bill requires that a readily identified individual be primarily responsible for each patient so that the patients will always know whom to call when they have a medical problem. This will lead to continuity of care and a formation of a long-term relationship between the patient and the physician. The bill requires that a single medical record system be kept and that the equipment, facilities and personnel be shared so that efficient use is made of these. It also requires that the comprehensive practices meet accreditation standards set up by the American Group Practice Association and the Joint Commission of Accreditation of Hospitals. This provision will assure that medicaid mills and other unscrupulous or lesser quality groups will not qualify. These accreditation standards also require that proper equipment and personnel are available and that an active and effective quality assurance program is ongoing. I am requiring that the comprehensive medical practice have a unitary administrative structure which assures that the patient will have an individual to go to when he has complaints regarding either the cost of his medical care or its quality.

The bill establishes funding for grants and contracts for feasibility studies for the formation of comprehensive medical practices with the emphasis on making sure that these practices conform with the planning act and that the practices which serve medically underserved areas or nonmetropolitan areas be given priority. Also, grants and contracts and loan guarantees for planning and initial development costs, and direct loans and loan guarantees for operating costs are included.

I have included provisions for expansion of existing group practices, including the formation of satellites. In this country today we have many large, fine practices of medicine and we should encourage them to move out, particularly in the medically underserved areas, and to offer the same high quality care to these individuals as they do to the patients they now serve. This provision allows for grants and contracts for feasibility studies for initial operating costs for planning and projects. Again, the emphasis is to look at medically underserved areas and to patient population areas which are presently not served by a comprehensive medical practice.

The bill contains a malpractice reinsurance program whereby comprehensive medical practices which meet the standards of this bill will be reimbursed for malpractice by the Federal Government.

The bill contains provisions that under title XIX, the comprehensive medical practices receive reimbursement rates of 125 percent of the highest rate pre-

vailing in a State so that the rural practices will have a chance to meet their costs and comprehensive medical practices will be encouraged. Payment of physician extenders, under title XIX, is also included so that the comprehensive medical practices may use the most efficient personnel for delivering the services.

IV. EDUCATION AND TRAINING

The bill contains provisions for training of health professionals in comprehensive medical practices and for teaching of health professional students about the various methods of delivering medical care so that medical students, nursing students, and other professional health students will be exposed to comprehensive medical practices. It offers grants for management training and assistance and for continuing medical education of practice personnel.

V. RESEARCH INTO QUALITY AND EFFICIENCY

The bill provides provisions for research into various methods for delivering medical care with reports to Congress on how the formation of comprehensive medical practices and other alternative forms of delivering medical care may affect the quality and cost of medical care for our Nation.

We are requiring the comprehensive medical practices to cooperate with research studies so that their cost and effectiveness can be studied. At the end of 3 years the Secretary is directed to report to Congress the results of these studies so that Congress can benefit from this information in designing future national health insurance programs.

VI. NATIONAL HEALTH SERVICE CORPS AND STUDENT LOANS

The bill requires the assignment of National Health Service Corps personnel to integrated medical practices wherever possible and provides for student loan forgiveness for practicing in an integrated practice. While I am reintroducing this bill today, I earnestly seek the views and comments of my colleagues as well as those interested in the fostering of timely and innovative approaches to the delivery of health care. For example, perhaps screening and counseling procedures as part of a program of preventive measures might be included; some of the recent work on physician aggregation in the context of multispecialty group practice, both prepaid and fee-for-service, suggest this approach as a further way of preparing for national health insurance.

In summary, I believe the bill promotes the formation of high quality comprehensive group practice as one approach to the provision of high quality care and hopefully reduced costs. These practices should make medical care less costly, more convenient, and closer to the needs of our citizens; the bill mandates studies to see that this actually is the case. The bill is written in such a way as to encourage expansion of medical practices into rural and other medically underserved areas and is built upon the strengths of our present health care system.

GOLDEN ANNIVERSARY FOR GOVERNOR AND MRS. JOHNS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. FUQUA. Mr. Speaker, Sunday marks the golden wedding anniversary for former Governor and First Lady of Florida, the Honorable and Mrs. Charley E. Johns.

It will be a special day of warm feeling for the friends of this distinguished couple, not because of position or honor, but because of the people they are.

It will also be a day when all of us, their friends, will say another prayer for their son, Jerome, and his family. This young man, a distinguished public servant in his own right, lies in the hospital recuperating from a very serious accident and it will be toward his recovery that Governor and Mrs. Johns' thoughts will be directed.

Few people can match the exciting and exacting life which has been that of the Charley E. Johnses. Few families have given more of themselves in service to others.

Governor Johns' father was once sheriff of Bradford County, Fla., and later was killed in the line of duty as a deputy sheriff in Nassau County, Fla.

Markley Johns, the Governor's brother, died after being designated president of the 1933 Florida Senate and it was his brother's ambition to complete that service—an aspiration realized when he became president of the 1953 Senate.

Tragedy was to strike our Sunshine State and fate again guided the life of Mr. and Mrs. Johns.

Gov. Dan McCarty died on September 28, 1953, after completing less than 9 months in office and Governor Johns, as president of the Senate, assumed the leadership of our State.

It was an administration that spurred highway construction and freed the Overseas Highway from tolls. At the conclusion of McCarty's term, he resumed his place as Senator from Bradford and Union Counties, serving through 1966—a total of 28 years as a legislator and chief executive.

During that career, Governor Johns was a strong advocate of prison reform.

It is fascinating to note that this good friend and gentleman was a railroad conductor and retains his seniority, but has been in the general insurance business for the past 40 years. He is also president of the Community State Bank of Starke.

Sunday has been designated by the Bradford County Commission as Governor and Mrs. Charley E. Johns Day.

It would be impossible to recount all of the contributions to others made by this couple and their family. Governor Johns served in the Florida House of Representatives for 2 years, beginning in 1935, and was then elected to the Senate to serve his other 26 years as a public official.

Those who know him can attest to the fact that no man has ever been more gentle nor compassionate when it comes to concern for others. It can also be said that he is as tough as nails when it comes to battling for his principles, convictions, and friends.

Mrs. Johns is a gentle and beautiful lady who made everything worthwhile.

I consider it a very real personal privilege to pay this tribute. And for all those who cannot be with them Sunday, for them and for me, no words of tribute or gratitude could ever prove adequate.

FOREIGN INVESTMENT IN THE U.S. FISHING INDUSTRY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. AuCOIN. Mr. Speaker, the evidence continues to mount to suggest that this country's attitude toward foreign investment in the commercial fishing industry might ultimately become the undoing of the 200-mile coastal fishing limit.

Most recent is a letter which I received from the Director of the National Marine Fisheries Service in response to a protest I raised over the acquisition by a Japanese-owned U.S. corporation of the fishing vessel *Misty Moon*.

The letter states clearly that while the agency "sympathize(s) with your concerns, the parties are privileged under present law to enter, with the Maritime administration's approval, into the proposed transaction."

The letter goes on to state, however, that "the Fishery Conservation and Management Act of 1976 has, indeed, caused change in many of the conditions surrounding alien investment in domestic concerns privileged to own vessels entitled to operate in the U.S. zone as domestic fishing vessels. The pre-existing legal and administrative provisions for dealing with this situation have not, however, changed. Quite possibly, they no longer adequately accommodate the concerns and intent involved in enactment of the Fishery Conservation and Management Act."

The concern to which the agency refers is one that led this Congress to enact the 200-mile law 1 year ago. That concern was the fact that foreign vessels were sweeping the sea clean of stocks essential to the well-being of the U.S. fishing industry and the American people, without regard to sustained yield practices.

The 200-mile law put an end to that, so we thought, by expressly prohibiting foreign vessels from fishing for U.S. stocks not declared surplus to U.S. needs. Now we find that instead of a prohibition all we may have caused is a temporary setback for nations bent on gaining access to U.S. fisheries.

The proof lies in the fact that the *Misty Moon* expects to fish for Pacific coast salmon—a species specifically reserved for U.S. fishermen under the 200-

mile act, and, in fact, in such short supply that even American fishing groups are clamoring for a fair share.

I say to my colleagues that we are seeing just the tip of the iceberg. Unless we set forth rules now governing foreign investment in our fisheries the goals of the 200-mile law will be less laudable than laughable.

This is the reason I introduced H.R. 2564 and why I intend to work hard for its enactment. I hope my colleagues will join me.

CIVIL SERVICE RETIREMENT CREDIT FOR JAPANESE AMERICAN WORLD WAR II INTERNEES

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. MINETA. Mr. Speaker, today I am introducing a measure aimed at redressing a serious transgression from the principles of equality and justice upon which this Nation was founded.

In 1942, President Franklin Roosevelt issued Executive Order 9066 which forced the removal of 110,000 Japanese Americans from their homes on the west coast and incarcerated them in internment camps in the interior of the United States. Two-thirds of these persons were American citizens by birth and the remainder were barred from becoming citizens. The only reason for their removal was their Japanese ancestry.

Many of the Japanese Americans who suffered the stress of confinement, lost property, and the humiliation of being regarded as traitors by their own government had previously served this Nation as Federal employees. Others joined the U.S. Civil Service subsequent to their release from the detention and internment camps. Many more went on to serve and defend the United States in the Armed Forces. These people overcame a hostile environment and worked in the camps as teachers, cooks, policemen, medical personnel, military personnel, carpenters, and plumbers. They performed services in the camps which the Federal Government would have otherwise had to provide. Although they were compensated a small amount per month and technically were Federal employees, they received no fringe benefits and were denied the opportunity to participate in any retirement plans.

Although the detention and internment of Japanese Americans occurred more than 30 years ago, we should not allow ourselves to ignore the memory of those dark events. It would only bring further injustice to those denied their human and constitutional rights in the past and would deny the painful but important lessons to be taken from those times.

It is not too late to provide a means of acknowledgment for the suffering and auguish caused Americans of Japanese ancestry during World War II. The legislation I have introduced will, in some measure remedy this inequity in that it will allow for the crediting of time spent by Americans of Japanese ancestry in these camps under the Federal Civil Service Retirement System. In addition, my bill would insure that those who have already retired will also be covered. Legislation was enacted in the 92nd Congress which provided credit under the Social Security Act for the time spent by persons of Japanese ancestry in internment camps. However, Federal Civil Service employees are not eligible for work retirement credit through the social security system for the time they are employed by the Federal Government.

I am pleased to note Mr. Speaker, that this bill currently has 70 cosponsors. In addition, it has the support of a number of national organizations including the Japanese American Citizens League; American Federation of Government Employees; American Postal Workers Union, AFL–CIO; National Jewish Civil Service Employees, Inc.; National Association of Postmasters of the United States; National Post Office Mail Handlers, Watchmen, Messengers and Group Leaders Division of the Laborers' International Union of North America AFL–CIO; National Treasury Employees Union; National Association of Retired Federal Employees; National Federation of Federal Employees; and the Asian and Pacific American Federal Employee Council.

Through the adoption of a measure, such as the one I have introduced, we can achieve a form of equity on two bases. In the narrow sense, we can provide to Federal employees the same treatment afforded to present and future social security recipients interned during World War II. On a broader scale, we can provide some redress for the wrongful and deplorable actions of some 30 years ago—taken in the name of "the national security"—which deprived 110,000 individuals of their civil and human rights.

THE 200TH ANNIVERSARY WORSHIP SERVICE, BALDWIN MEMORIAL UNITED METHODIST CHURCH

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mrs. HOLT. Mr. Speaker, the Baldwin Memorial United Methodist Church of Millersville, Md., is celebrating its 200th anniversary this year. With humility and thanksgiving, the congregation marked the occasion last Sunday with a worship service at which the sermon was preached by Bishop James K. Mathews of the Baltimore Annual Conference.

This event has special significance for my family, because the first services of the congregation in 1777 were conducted at the home of John Sewell, from whom I am descended. Bishop Francis Asbury, the famous circuit rider who established many Methodist societies and chapels in Maryland, often preached at the Sewell home.

Those were the years of the American Revolution, but last Sunday the congregation was remembering those who had preached the Word of God in their parish over a period of 200 years. It is truly wonderful that the good work of this church continues even today, preaching the Gospel to a world that has lost much of its religious faith.

In the 200th Anniversary Worship Service, the people asked God to "continue to lead us in carrying out the responsibilities which our heritage places upon us as Christians and citizens of these United States." I believe that this is a prayer that many of us should utter daily.

I urge the Congress to join me in commending the Bicentennial Committee of the Baldwin Memorial United Methodist Church for the fine work it is doing to emphasize this heritage.

The committee is led by Rev. W. Kenneth Lyons, Jr., pastor of the church. It includes Mrs. Edith Duker, Edmund J. Dunnavant, Mrs. Mary Gottwals, Robert H. Hopper, Mrs. Catherine Hutchins, Mrs. Donelle Lyons, Mrs. Carolyn Miller, Mrs. Ruth Twigg, Mrs. Elizabeth Wilson, Patrick R. Wright, and Donad J. Yeskey, Jr.

THE SACCHARIN BAN

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. McKINNEY. Mr. Speaker, during the recent hearings on the Food and Drug Administration's proposed saccharin ban, held by the Subcommittee on Health and the Environment, I submitted testimony outlining many of my concerns and my reasons for cosponsoring the Martin bill to provide for an appeals process. Since that time the FDA has modified its original announcement and has proposed to permit the sale of saccharin by reclassifying it as a nonprescription drug to be sold over the counter. However, the FDA reaffirmed its intention to ban the artificial sweetener as an ingredient in food and beverages.

That the FDA should modify its original position only further adds to the confusion surrounding this issue and exacerbates emotions. And the statement of FDA Commissioner Donald Kennedy that a "moderate" use of saccharin by every American—the amount in one large diet soft drink taken daily over a lifetime—might lead to 1,200 additional cases of bladder cancer per year, raises serious questions over agency handling of this issue and its responsibility to fully inform the public.

In light of these developments, I believe my testimony remains pertinent and therefore insert it in the RECORD at this point.

The testimony follows:

STATEMENT OF THE HONORABLE STEWART B. MCKINNEY, M.C.

Mr. Chairman:

I too was stunned by the Food and Drug Administration's announcement of its pro-

posed ban on saccharin. The agency releases and the media coverage added to the general bewilderment for everything seemed so bizarre: the massive dosages administered to the rats in the Canadian study upon which the FDA based its ban; the comparable amounts of saccharin that would have to be consumed by humans; scientists debating the merits of the Canadian tests, pointing to other studies that prove the artificial sweetener to be completely harmless; and, of course, the asides that FDA is in industry's pocket and is using saccharin as the means to kill the Delaney Amendment.

While many of the proposals offered by constituents and colleagues to reverse the FDA decision sounded appealing, one thing I have learned from past dealings with the FDA is: be careful, move with deliberate speed. I have learned that few people know the intricacies and vagaries of the Food, Drug and Cosmetic Act. A person can become hopelessly ensnared in that law and find himself in great difficulty if he proceeds from gut reaction. I have found this to be true with respect to the saccharin controversy. Indeed, the more I study this issue the more fascinating it becomes in terms of the countervailing arguments to every premise set forth.

For example, the attention of public outrage has been directed at the Delaney Amendment to the Food, Drug and Cosmetic Act which requires the FDA to act against any substance shown to cause cancer in humans or animals, no matter how remote the risks may seem. Without question, such an unequivocal requirement leaves no room for evaluation of conflicting scientific evidence, nor does it give the FDA any flexibility to assess test data in terms of dosage, for example, and ask whether it makes sense to issue a blanket ban. In effect, the law admits no qualifications, while providing no guidelines.

Many bills have been introduced to amend the Delaney clause, to "make it more in touch with the realities of today's modern science." However, from my research I gather that even if the Delaney Amendment did not exist, the FDA would still have the authority, under the general food additive provisions of the Food, Drug and Cosmetic Act, to ban saccharin as a harmful substance in the food supply. Thus, changes in the language of the Delaney clause would not necessarily insure continued availability of saccharin to consumers and I am concerned that the public may be deluded into thinking that simple repeal of or an amendment to the Delaney clause is the answer.

I believe there is fairly widespread recognition that outright repeal of the Delaney Amendment would be a disservice to the American people. There is no question but that the clause has served our citizens well over the years by protecting them from additives which have been proved dangerous. Indeed, many believe the Delaney language is essential to prevent scientists from having discretion to decide whether the benefits derived from a cancer-causing agent outweigh the risks. Even if all the evidence is in defining acceptable risks to public health and weighing them is an extremely difficult job for there is no universally acceptable scientific basis for such discretion. Moreover, there is no known minimal dose below which a carcinogen can be considered safe and the effects of repeated exposure to carcinogens, even in minute quantities, may not show up for as much as 40 years. Congress then must not act precipitously on this issue and great care must be taken to insure that proposals to amend the Delaney clause are faithful to the basic concept of protecting the public interest.

Frankly, I am worried about the approaches embodied in some of the legislation introduced to resolve this issue. For example, to require all food additive safety tests to be based upon the probable human consumption (i.e., quantity) of the foodstuff or to insert the words, "in reasonable quantities," after "it is found to induce cancer when ingested," can, I believe, only invite further trouble. Such measures have been proposed, of course, because the rats in the Canadian tests were fed such large amounts of saccharin that a human being to ingest a comparable dose might have to drink 800 diet colas per day, or consume 1.5 million packages of artificial saccharin per year. These incredible amounts have met with vast ridicule. However, apparently cautious toxicologists as a matter of practice employ doses in the range of that utilized in the Canadian study before deciding whether a substance is safe. Defining and determining "reasonable amounts" for additives could involve us in endless controversy.

In addition, to require all food additive safety tests to be based upon the cumulative effect of the food additive in the human diet is to tread into the unknown. While indeed saccharin has been used by Americans for approximately 80 years—and much has been made of this fact to prove its safety—until very recently this artificial sweetener was not consumed in significant amounts.

It was during World War II that saccharin came into widespread use and it is expected that, should the suggested problems anticipated by use of this artificial sweetener prove true, increased bladder cancer will be occuring in the children born to mothers who consumed saccharin during World War II. It is estimated that it takes 20 to 40 years for tumors to appear. Because bladder cancers usually do not appear until about the age of 50 or after, it will be some 15 or more years before we can know the actual effect of saccharin use, since those children are now only 35 years old. Only time can provide us with the evidence we need concerning human consumption of saccharin, its interaction with body enzymes, and its carcinogenic propensities. At this time we do not have data regarding the cumulative effect of this particular food additive, much less others presently in use or which may be developed, and it would be dangerous to incorporate such a requirement in the law.

In addition, I cannot support measures amending the Food, Drug and Cosmetic Act to specifically bypass existing statutes and permit the sale and use of saccharin. Such a special legislative exception for saccharin would set a dangerous precedent. Should other additive controversies erupt, similar legislative exemptions would be sought for those agents as well, resulting in the hopeless undermining of the regulatory process. It is not nor can it be the role of Congress to make scientific judgments governing individual food additive decisions.

However, I do believe the saccharin controversy illustrates the need for incorporating an appeals process under the Food, Drug and Cosmetic Act—an appeals process not just for saccharin but for other additives and/or food substances which have been banned in the past and others which may be banned in the future. Hence I have joined my colleague, Congressman James Martin of North Carolina, in co-sponsoring his legislation to provide a mechanism for such an appeals process and to allow for reconsideration of an adverse determination by the FRA. Under this measure, the Secretary of Health, Education, and Welfare would be granted discretion to consider the benefits as well as potential risks of an additive in determining whether to grant approval for its use.

The Martin legislation does not repeal the Delaney clause. Rather, it insures a degree of flexibility in FDA decision-making by allowing an appeal of a proposed ban, something which is absent in the current testing procedure. And in making the finding regarding the public risks and benefits of a food additive, the Secretary of HEW can take into account the best evidence and expert judgment possible. Hence an opportunity would be available for evaluation of the scientific validity of tests and other pertinent animal feeding studies and human epidemiological studies. The FDA could then authorize continued use of the agent only if the Secretary found that the public benefits of such use clearly outweigh public risks.

Essentially the Martin proposal provides a vehicle for providing alternatives to the FDA other than banning a product when adverse test results are reported. If public benefits are then determined to outweigh public risks, the Secretary of HEW could authorize alternatives to reduce human exposure without a total ban. This could lead to restricted use; possibly the sale of saccharin products would be permitted when accompanied by a health warning, such as we have on cigarettes; or some other alternative devised.

To grant flexibility in FDA decision-making raises the question of government's role in protecting the public. Surely no one objects to government action in halting the production of Kepone or other such deadly chemicals that destroy the human nervous system. In that case the evidence was clearly before us in the bodily deterioration of many of our citizens. What, then, is the government's role in protecting the public from an agent not considered dangerous by its users where there is conflicting test data regarding its safety? Without question, flexibility in weighing the benefits against the risks of a food additive is a tremendous responsibility, a very delicate procedure with far-reaching ramifications. However, I believe the additive section of the Food, Drug and Cosmetic Act would be strengthened by the inclusion of the Martin bill. Should the dangers of a food substance be clearly delineated and test data conclusive, the Secretary of HEW would have little difficulty in reaching his determination. In cases like saccharin, however, where test results vary and the scientific community is divided on the question of its safety and efficacy, then the ensuing public uproar can only lead to an undermining of the effectiveness of our food safety laws and the governing regulatory agency. An appeals process is necessary so that the issues can be openly debated. In this way, not only will the public be educated on the possible hazards of the substance but they might also find renewed confidence in government and regulatory agencies.

INTENT OF HOUSE IN MODIFYING WATER POLLUTION CONTROL ACT AMENDMENTS

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. ROBERTS. Mr. Speaker, following our April 5 debate on the Water Pollution Control Act Amendments—H.R. 3199—several Members of the House have inquired as to the intent of certain elements of that legislation. They express fear that our actions will result in voluminous new EPA rules and regulations which will have the effect of further stifling that agency's construction grants program. It is imperative, therefore, that

we make clear, to the maximum extent possible, the intent of the House in proposing and adopting various modifications of the Water Pollution Control Act Amendments.

One such question stems from section 5 of that legislation. This section deals with the mechanics of combining step 2—design—and step 3—construction—grants. Under present procedures, the Environmental Protection Agency requires communities seeking wastewater treatment facilities to proceed through three separate steps prior to initiation of construction. A community asks for grant funds to conduct a feasibility study and to prepare a facility plan. This is known as step 1. Once the facility plan has been prepared, the community must submit a second application and undergo considerable time and effort in obtaining a step 2 grant to cover cost of designing the project. This process requires that a community comply with several hundred pages of regulations prior to authority to proceed with this step. Finally, after step 2 has been accomplished the community comes back with an application for money to begin construction. This is step 3, and the process by which construction funds are obtained is a near duplication of the numerous reviews and approvals accomplished prior to step 2.

Under the House bill passed earlier this week, a grantee on projects totaling less than $1 million, would be authorized to submit a single application for financial assistance covering both design—step 2—and construction—step 3. Instead of two grants, a single award will be made. This will reduce paperwork and processing time by a range of 4 months to 1 year.

This amendment has the support of the mayors, engineers, contractors, manufacturers, EPA, and virtually everyone associated with the construction industry.

However, this same group, and others who are on the firing line in the carrying out of the water pollution control program, have raised an important question. Does the House intend that the combining of step 2/step 3 grants be regarded as synonymous with the combining of step 2/step 3 contracts? While there is widespread support for combining grants, there is equally widespread concern that the language of section 5 also authorizes and endorses grantee reliance upon single contracts awarded to the same company to both design, construct, and, perhaps equip, a treatment facility.

As my colleagues are aware, the Federal Procurement Regulations (41 CFR 1-18.112) stipulate that—

> No contract for construction of a project shall be awarded to a firm or person that designed that project, except with the approval of the head of the procuring agency . . .

I feel certain that the House of Representatives has no desire to reverse this policy.

Accordingly, it is the opinion of the Water Resources Subcommittee of the House Public Works and Transportation Committee that the combining by EPA of step 2, and step 3 construction grants does not constitute blanket authority to that agency to approve single contracts for both design and construction. While this approach may be appropriate on a few selected projects, it is envisioned that the waste water construction grant process will continue to be carried out in the traditional manner. That process is to have plans and specifications prepared by independent engineers. Construction is then performed by independent construction contractors installing power equipment and materials purchased from independent manufacturers. This is the system used on the Federal highway program and it is a system which discourages even the potential for conflicts of interest.

Certainly our legislation is not intended to stimulate companies which manufacture certain equipment or systems to acquire engineering design firms as subsidiaries and then instruct those firms to plan projects in a manner that guarantees installation of the parent corporation's materials in the project.

Combining step 2 and step 3 grants is intended to eliminate one step in EPA's grant issuance process. This will accelerate small projects costing $1 million or less—projects which are estimated to comprise between 25 and 30 percent of all EPA grant awards.

CIVIL ENERGY FROM LASER FUSION: A GROWING REALITY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. PURSELL. Mr. Speaker, today I am inserting the seventh installment of my series on laser fusion. I would like to discuss the need for civilian research and development in the area of laser fusion.

In the part of the country I come from, the great manufacturing State of Michigan, people are fully aware of the role of industry in the American system. Automobiles, to cite the major example, are made by strong and aggressive industrial organizations, not Government agencies.

We know, too, that research and development was a university function—with the example of the University of Michigan in my district, one of the outstanding institutions of higher learning in the world—and an industrial function long before it was a Government function.

World War II, uavoidably, forced the establishment of research and development facilities which simply did not fit into the industrial structure of the Nation, even though industrial groups managed some of them. Universities managed the rest, such as the magnificent institutions as the Argonne National Laboratory in Chicago which fathered nuclear reactors for power and the weapons laboratories such as Livermore and Los Alamos. These are Government-funded facilities. The Lawrence Livermore Laboratory and the Los Alamos Laboratory are maintained for defense purposes, most of their work is classified. Therefore, they necessarily concentrate on the military application of nuclear energy, and I must say, they have done a superb job in keeping this country ahead in nuclear weapons.

The strength of America in research and development is in all three areas—Government, universities and industry. All must be utilized in maintaining this country's leadership of the free world and in sustaining our own system of individual freedom and economic opportunity in an orderly and just society. We cannot keep our Nation going without a continuing search for and constructive application of new knowledge.

The essence of the search for knowledge is freedom of investigation. It is the source of this Nation's technological strength. The lesson was clear in the testimony given March 4 before the Subcommittee on Fossil and Nuclear Energy Research, Demonstration and Development of the Committee on Science and Technology. The witness was my own constituent, Dr. Henry J. Gomberg, chairman and chief executive officer of KMS Fusion, Inc., of Ann Arbor, supported by his company's executive scientist, Nobel Laureate, Dr. Robert Hofstadter.

They testified to the lack of scientists in industry and the universities seeking the civilian applications for laser fusion.

It is clear now, from work done since 1971 by KMS, and since 1974 in the Government nuclear weapons laboratories, that laser fusion has great promise for civilian applications, particularly as a new source of energy. Unfortunately, ERDA holds rigidly to a policy of keeping laser fusion research work in only Government laboratories.

Dr. Gomberg, referring to testimony prepared by ERDA for the same subcommittee, quoted the major program milestones for the Government's in-house laser fusion program as providing "immediate benefits in weapons technology development, near-term benefits in weapon effects simulation, and lay the groundwork for potential long-term benefits in civilian power technology development."

He agreed with the characterization of the program managed by the ERDA Division of Laser Fusion as an "orderly low-risk approach to feasibility demonstration," pointing out that the majority of the base program is in the weapons laboratories, with industry in a supporting role to the single government-dominated weapon-oriented effort to exploit laser fusion technology to meet the Nation's energy needs.

Dr. Gomberg's criticism of this approach was mild. He acknowledged that he was treading dangerous ground because his company's work is totally dependent upon Government funding. But it is the technological spearhead type of work undertaken by KMS which our country needs. He makes it very clear that we need something more than an orderly low-risk approach, and Dr. Gomberg was equally emphatic that we must have more than one approach, and certainly one not determined by military requirements.

It was his position that the potential for beneficial civilian application of laser fusion is just as great as the military

application. A new source of civil energy is certainly important to national security. But while we wait for military application and civil energy, Dr. Gomberg cites cancer therapy as one application ready for study now by an international team. His company has proposed this study to ERDA but the matter is apparently too far down the military-headed list of priorities.

Not being a member of the subcommittee dealing with this problem, I am taking this opportunity to present to my colleagues in the House my very strong views on the necessity for industrial participation in laser fusion development for civil energy purposes. I want to associate myself with Dr. Gomberg's views, but also go beyond that.

First, if what Dr. Gomberg attests is true, then I think we are confronted with a bureaucracy which hides behind national defense and defies the will of Congress as expressed in authorization and appropriation bills over the past 2 years. The effectiveness of the Congress as a coequal branch of a Government of balanced power depends largely upon control of the purse strings. I think we should examine the record on this matter.

In the conference report to accompany H.R. 14236, report No. 94–1297, public works appropriation bill, fiscal year 1977, it was stated:

> The conferees agree that no less than $10,000,000 of the total amount for the laser fusion program is to continue to ongoing research and development work at KMS during fiscal year 1977.

However, ERDA reduced the amount to $7 million and changed the KMS "ongoing research and development work" to, in the words of the agency's press release "* * * perform research to fabricate target pellets for use in laser fusion experiments," and then to test the pellets "using the ERDA-owned laser system at KMS." The release did not explain that these pellets were for laser fusion experiments to be conducted in the Government laboratories primarily for weapons work and possibly not at all for civil energy.

This was not the ongoing KMS program. This was a program which Dr. Gomberg had advised my predecessor, the Honorable Marvin L. Esch, by letter of December 23, 1976, had been proposed by ERDA in the spring, prior to the passage of the Public Works Appropriations Act. The contract was announced on December 2.

Since the first authorization by the Joint Committee on Atomic Energy in the spring of 1975, the intent of Congress has been clear that the industrially initiated approach to laser fusion being pursued in the KMS laboratories be funded by ERDA. The agency has completely distorted the program to serve its own objectives and support the Government in-house effort.

Early this month, the Los Alamos Scientific Laboratory announced a successful experiment in obtaining thermonuclear neutrons with a gas laser. The accomplishment is significant for civil energy laser fusion, analogous to the May 1974 experiment of KMS. Fourteen months ago, KMS arranged with the Max Plank Institute in Germany to import a gas laser for similar purposes. ERDA denied the funds, $50,000 initially, $200,000 in total.

I have touched the high spots of the record of the Government's handling of the development of laser fusion for civil energy. There is much more in the documentation of the committees and subcommittees of both Houses of Congress, in the files of Michigan Senators and Representatives, at the Ann Arbor offices of KMS, and doubtless in the files of the old Atomic Energy Commission, which from the fall of 1969 until the spring of 1971, banned the work by KMS, and now in the files of ERDA.

This is not a good record. My hope is that the new Department of Energy will have a better record, but we in Congress must continue our vigilence and insure that all reasonable avenues of scientific research are pursued especially in the development of energy.

CAN A LIBERAL BE ANTICOMMUNIST?

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. DORNAN. Mr. Speaker, it has often been stated by some self-styled liberals that those Americans who view communism as a threat to the liberties and security of America are naive doomsayers and alarmists who imagine a Red behind every bush. According to their own interpretation of world events, these purblind liberals insist that Communists desire peace and friendship above all else. If only the United States were to trust the Soviets, to placate the Soviets with gifts, and to negotiate away our antagonistic weapons systems, all would be well with the world. This "liberal" interpretation of East-West relations holds that the two superpowers can work together and that the Soviets and the Americans should be traveling the same road hand in hand. Those who do not agree with this interpretation are pitiful provincials whose opinions should be borne with sufferance and not a little humor.

These spurious statements have been so well publicized that many Americans believe them to be truly representative of the beliefs of all liberals. If someone calls himself a liberal, then he must embrace these fallacious tenets.

But contrary to public opinion, there are liberals who do see the real threat the Soviets pose—although they do not yet see the connection between their two philosophies. These realistic liberals belong to the Committee on the Present Danger which has recently published a report entitled "What Is the Soviet Union Up To?"

Few would describe this committee's members as conservative or accuse them of being naive provincials. Included among its members are some of the most outstanding liberal Americans of recent years: Lane Kirkland, Dean Rusk, Eugene V. Rostow, John P. Roche, and Elmo Zumwalt. Their experience and sophistication cannot be impugned and their liberal credentials are impregnable. And yet these men and their colleagues on the committee see the Soviet threat clearly and say so.

The report which I have mentioned warns of the very real and present danger posed by the Communists. The report notes the inherent differences in the Soviet and American systems and the long term goals of the Communists. The attainment of a Communist world order is the ultimate Soviet objective and the attainment of that goal requires the reduction of the United States to a state of impotence. The informed liberals who drafted the report know further that the Communists use many strategies: Economic, diplomatic, political, ideological, and military.

> In theory and in practice, Soviet grand strategy conceives military power as only one weapon (albeit a central and indispensable one) in a large arsenal of means of persuasion and coercion.

These open-eyed liberals also know the right solution to the threat of world Communist domination: Vigilence and strength on the part of America.

Because I believe that many of my colleagues will not listen to those whom they believe to be naive doomsayers and alarmists, I would like to call their attention to the text of this report and the list of members of the Committee on the Present Danger. What they ignore when mouthed by tough-minded conservatives, they may hear when mouthed by tough-minded liberals.

The text follows:

WHAT IS THE SOVIET UNION UP TO?

A rich, democratic and seemingly secure country such as the United States tends to conceive its national aspirations in domestic terms: full employment, less inflation, better health care, a higher standard of living and improved opportunities. International objectives are defined primarily in broad terms, such as enduring peace, preservation of human rights and a freer flow of people and goods. Both at home and abroad, our open, democratic society, with its many centers of decision-making and limited constitutional government, is committed to these objectives.

The Soviet Union is radically different from our society. It is organized on different principles and driven by different motives. Failure to understand these differences and to take them seriously constitutes a grave danger to the democratic societies. We tend to think of others as being like ourselves and likely to behave as we would under similar circumstances. This habit of "mirror-imaging" leads many Americans to ignore, to rationalize or to underestimate the Soviet challenge.

There are many reasons why the Soviet Union is different from the United States, but the most important are rooted in its history and geography, its economic conditions and structure, and its political system and ideology.

Notwithstanding its vast territory and rich mineral resources, the Soviet Union can only with difficulty support its population. Its extreme northern latitude makes for a short agricultural season, a situation aggravated by the shortage of rain in areas with the best soil. Its mineral resources, often located in areas difficult to reach, are costly to extract. Its transportation network is still inadequate. These factors have historically been among those impelling Russia—Tsarist and Soviet alike—toward the conquest or domination of

neighboring lands. No empire in history has expanded so persistently as the Russian. The Soviet Union is the only great power to have emerged from World War II larger than it was in 1939.

Soviet economic deficiencies and their effects are aggravated by the character of the regime and the lengths to which it goes to maintain its hold. Except for brief periods in its history, Russia has been governed by small elites unresponsive to the needs and dsires of the population at large. After the Bolshevik Revolution of 1917, power bec'me even more concentrated than under the Tsars.

Soviet Russia today is a country in which a ruling elite and those whom it designates live comfortably, while the remaining 250 million citizens not only have few material advantages but are deprived of basic human liberities. This elite can enjoy its monopoly of advantages only so long as it is able to keep the deprived population under effective control—a significant relaxation of that control could spell the end of its favored status and advantages. The elite, however, is not guided merely by self-serving motives. The Soviet leadership asserts that it is the vanguard of a revolutionary society which has discovered the fundamental laws of history. The openly stated ultimate Soviet objective is the worldwide triumph of Communism. This triumph would give the Soviet elite ready access to the world's resources, both human and material; it would also do away with all external challenges to its privileged position by eliminating once and for all alternative political and social systems.

Through its highly authoritarian regime, the Soviet ruling elite is able to coordinate and pursue its international objectives in a relatively coherent manner. This is not to say that it has set "time-tables" or drawn up specific "blueprints" for conquest or domination. Such precise schedules are simply not possible in an unpredictable world. It does mean, however, that the Soviet elite, as directed by the Politburo, c'n exercise total control of the country's political institutions, economic resources and media and set for itself short-term as well as long-term objectives, disregarding the wishes of its own population. By varying its tactics to suit changing circumstances, it can pursue these objectives in an organized and decisive manner, taking advantage of every opportunity to enhance its power in the world.

Because Russia was the first country to experience a Communist revolution and because it is likely to remain the most powerful Communist state, the Soviet elite believes that in a Communist world it should lead and dominate.

However, the Soviet elite now indicates, perhaps for tactical reasons, that it is prepared to accept less. Some outside observers believe that it may have no choice but to acquiesce in the compromise ideal of a polycentric global Communist community in which the Soviet Union is not so much the directing center as the first among equals. In any event, the notion of a stable world order in which nations based on differing political principles cooperate rather than contend is alien to Soviet psychology and doctrine. According to Soviet theory, "peaceful coexistence" is not a concept involving a stable world order, but a strategy that adapts the methods of waging international conflict to the era of nuclear weapons, an era which, because of its inherent dangers, more than ever before calls for the patient and prudent pursuit of global objectives.

The attainment of the ultimate Soviet objective—a Communist world order—requires the reduction of the power, influence and prestige of the United States, the country which the Soviet leaders perceive as the central bastion of the "capitalist" or enemy camp. They see the global conflict as a drawn-out process with the Soviet Union and America the two principal contenders. In that contest they see their task as isolating America and, despite temporary reverses for their side, reducing it to impotence.

In its global activities the Soviet Union pursues a "grand strategy" involving the use of a great variety of means to attain the ultimate end: the reduction of any potential opponent's ability to resist. These means include economic, diplomatic, political and ideological strategies against a background of military strength, to be used separately or together as instrumentalities of power. The Soviet eagerness to increase its trade with the Western world or to participate in arms limitation negotiations does not preclude politico-military campaigns to outflank and envelop centers of non-Communist influence, such as the long and patient Soviet efforts to penetrate and dominate the Middle East, and now the drive, supported by client states, to establish regimes friendly to Soviet domination in Africa.

It would be incorrect to see the US-USSR rivalry exclusively in terms of the military balance. The conflict extends across the spectrum of political, cultural and economic relations. Propaganda is a weapon. Trade is a weapon. In theory and in practice, Soviet "grand strategy" conceives military power as only one weapon (albeit a central and indispensable one) in a large arsenal of means of persuasion and coercion.

The peoples of the Soviet Union have suffered enormously in past world wars. Their rulers would doubtless prefer to gain their objectives without another. But they believe they can survive and win a war if it comes and therefore are not unwilling to risk confrontation in order to attain their objectives.

The principal medium-term objectives of Soviet grand strategy include:

1. Strengthening the Soviet economy through a process of intensive modernization as an essential prerequisite to the improvement of the country's military capacity. This aim is to be achieved in part by heavy borrowing of capital and technology in the advanced "capitalist" countries, and in part by accelerating the integration of the economies of the Communist countries. The desire for access to foreign capital, credit and know-how has been an important factor in the support by the Soviet elite of Western emphasis on "detente."

2. Multiplying and tightening the links connecting Western Europe to the Soviet Union and its dependencies, and concurrently cutting it adrift from the United States. The partial or total integration of West European economies into an expanding Communist economy would give the Soviet bloc that level of productive and technological capacity which it requires to be able to deal with the United States from a position of potentially intimidating strength. With this vital objective in mind, the USSR has acquiesced in the adoption by the leading West European Communist parties of more flexible programs and tactics. The experiences of Chile and Portugal show that only through such an approach can Communist parties have a chance of coming to power and paving the way for Soviet hegemony in Western Europe. They hope to profit from a growing perception in Western Europe of a decline in United States will and power and a concurrent illusion that the Soviet threat has ended. This would bring about the fatal weakening of NATO and help ease the United States out of Europe.

3. Undercutting the economic links connecting the "capitalist" world, and especially the United States, with the countries of the Third World, on the assumption that lack of access to the raw materials, labor and markets available in these countries would throw the industrialized democracies into a series of fatal convulsions. Particular attention is paid to energy resources, especially oil. The USSR wishes both to make oil more costly (in part to profit from its own oil exports) but more importantly to be in a position to control oil supplies necessary to the West and thus to be able to exert political and economic pressure.

4. Containing and isolating China, which the USSR presently does not fear as a military power but about which it has profound, almost atavistic anxieties as a long-term threat. Although Moscow still hopes to mend relations with the post-Mao regime, the Soviet leadership fears that unless China is dismembered through the separation of border regions (such as Manchuria and Tibet) and the creation of buffer states, it will pose a growing long-term threat. The USSR still maintains an estimated 45 divisions in Siberia along the border with China.

Although the pursuit of these four aims calls principally for the use of economic and political measures, the ultimate instrument—and the backbone of Soviet strategy—is military power. The principal instrument at its disposal with which it can realistically expect to surpass the United States, its allies and friends in overall strength is military power.

To be sure, at present the Soviet Union lags behind the United States in both productive capacity and many areas of weapons technology, but our lead in these particulars may not last forever. Moreover, the USSR can compensate for current deficiencies with other advantages. Its leadership is not restrained by democratic dissent, legislative limitations or public opinion in expending the country's resources on the military, and it can and does commit a disproportionately high share of its limited resources to its objectives.

It can also mobilize its population at will, whether to undergo compulsory military training or to participate in civil defense. Nor is it inhibited internally in the way it disposes of these forces; it can send military aid or dispatch its military forces to any part of the world where opportunity beckons. It can also influence client states to take similar action. These inherent advantages cause the Soviet leadership to rely heavily on military policy as an instrument of grand strategy not only in the strictly military sense of subduing and conquering, but also in the political sense of intimidating potential opponents.

The Soviet military buildup of all its armed forces over the past quarter century is, in part, reminiscent of Nazi Germany's rearmament in the 1930s. The Soviet buildup affects all branches of the military: the army, the air force and the navy. In addition Soviet nuclear offensive and defensive forces are designed to enable the USSR to fight, survive and win an all-out nuclear war should it occur.

The SALT I arms limitation agreements have had no visible effect on the Soviet buildup. Indeed, their principal effect so far has been to restrain the United States in the development of those weapons in which it enjoys an advantage. Nor has the self-imposed restraint by the United States in the past decade in the development and deployment of its strategic nuclear forces evoked similar restraint on the part of the USSR. On the contrary: the Soviet Union has shown a determination to forge ahead with the development and deployment of all weapons which promise to enhance its global military posture. Neither Soviet military power nor its rate of growth can be explained or justified on grounds of self-defense.

By its continuing strategic nuclear buildup, the Soviet Union demonstrates that it does not subscribe to American notions of nuclear sufficiency and mutually assured deterrence, which postulate that once a certain quantity and quality of strategic nuclear

weapons is attained, both sides will understand that further accumulation or improvement becomes pointless, and act accordingly. Soviet strategists regard the possession of more and better strategic weapons as a definite military and political asset, and potentially the ultimate instrument of coercion. The intensive programs of civil defense and hardening of command and control posts against nuclear attack undertaken in the Soviet Union in recent years suggest that they take seriously the possibility of nuclear war and believe that, were it to occur, they will be more likely to survive and to recover more rapidly than we.

In recent years, the Soviet Union has been increasing its military expenditures at an annual rate of at least 3 to 4% while the United States has until recently been decreasing its military expenditures at a rate of 3%, taking inflation into account in both cases. The experts disagree as to whether the Soviet Union is already ahead of the United States in military strength, either overall or in particular theaters. However, we are convinced, and there is widespread agreement among knowledgeable experts, that if past trends continue, the USSR will within several years achieve strategic superiority over the United States. The USSR already enjoys conventional superiority in several important theaters.

Superiority in both strategic and conventional weapons could enable the Soviet Union to apply decisive pressure on the United States in conflict situations. The USSR might then compel the United States to retreat, much as the USSR itself was forced to retreat in 1962 during the Cuban missile crisis. As an example, one could conceive of another war in the Middle East in which the USSR, having acquired local conventional superiority and overall nuclear superiority, could compel the United States to withdraw its influence from that area.

Soviet pressure, when supported by strategic and conventional military superiority, would be aimed at forcing our general withdrawal from a leading role in world affairs, and isolating us from other democratic societies, which could not then long survive.

Thus conceived, Soviet superiority would serve basically offensive aims, enabling the USSR to project its power in various parts of the globe without necessarily establishing a major physical presence in any single country. Soviet strategic superiority could lead the USSR to believe that should it eventually succeed in isolating the United States from its allies and the Third World, the United States would be less likely, in a major crisis, to lash out with strategic nuclear weapons, in a desperate attempt to escape subjugation.

The Soviet doctrine calls for ambitious goals; Soviet actions confirm that it continues persistently to pursue those goals. Its resources are limited, it confronts major internal difficulties, and its forays into world politics often experience setbacks. Nevertheless, it is driven by internal, historical and ideological pressures toward an expansionist policy which, given its enormous military might, makes it a uniquely dangerous adversary. There is no evidence that SALT, expanded economic and cultural relations, the Helsinki agreement, or any of the other features of "detente" have weakened the Soviet drive. Its objectives are global, its instrumentalities varied, and its ability to pursue long-term objectives while exploiting short-term opportunities remains unchanged.

To ignore declared Soviet intentions and demonstrated Soviet capabilities in an erroneous conviction that we have enough to defend ourselves and that there is always "time" to strengthen ourselves could prove to be fatal shortsightedness. In the nuclear age "enough" may not be enough, and "time" may run out unless our efforts keep pace.

We live in an age in which there is no alternative to vigilance and credible deterrence at the significant levels of potential conflict. Indeed, this is the prerequisite to the pursuit of genuine detente and the negotiation of prudent and verifiable arms control agreements that effectively serve to reduce the danger of war.

Weakness invites aggression, strength deters it. Thus, American strength holds the key to our quest for peace and to our survival as a free society in a world friendly to our hopes and ideals.

The preceding statement, "What Is the Soviet Union Up To?", was drafted and unanimously approved by all 17 officers and members of the Executive Committee of the Committee on the Present Danger:

Richard V. Allen, President, Potomac International Corp.; former Deputy Assistant to the President for International Economic Affairs.

Henry H. Fowler, Partner, Goldman, Sachs & Co.; former Secretary of the Treasury.

Edmund A. Gullion, Dean, Fletcher School of Law and Diplomacy.

Rita E. Hauser, Attorney, Stroock & Stroock & Lavan; former Representative to the Human Rights Commission of the United Nations.

Max M. Kampelman, Attorney, Fried, Frank, Harris, Shriver & Kampelman; President American Friends of the Hebrew University.

Lane Kirkland, Secretary-Treasurer, AFL-CIO.

Charles Burton Marshall, School of Advanced International Studies, Johns Hopkins University; former Member, Policy Planning Staff, Department of State.

Paul H. Nitze, Chairman, Advisory Council, School of Advanced International Studies, Johns Hopkins University; former Deputy Secretary of Defense.

David Packard, Chairman of the Board, Hewlett-Packard Co.; former Deputy Secretary of Defense.

Richard E. Pipes, Professor of History and Director, Russian Research Institute, Harvard University.

John P. Roche, Professor, Fletcher School of Law and Diplomacy; Special Consultant to President Johnson.

Eugene V. Rostow, Professor of Law, Yale Law School; former Under Secretary of State for Political Affairs.

Dean Rusk, Professor, School of Law, The University of Georgia; former Secretary of State.

Charles Tyroler, II, President, Quadri-Science, Inc.; former Director of Manpower Supply, Department of Defense.

Charls E. Walker, Charls E. Walker Associates, Inc.; former Deputy Secretary of the Treasury.

Richard J. Whalen, Author and Journalist.

Elmo R. Zumwalt, Jr., Admiral, U.S.N. (Ret.); former Chief of Naval Operations.

DEFENSE PRIORITIES

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 20, 1977

Mr. WALKER. Mr. Speaker, my fellow Pennsylvanian, the Honorable Marc Lincoln Marks, addressed the 29th annual military ball at Gannon College in Erie, Pa., on April 16. His remarks to this group of ROTC cadets are particularly cogent in terms of the bill we are to consider tomorrow, the military procurement and research and development authorization for fiscal year 1978. I include Mr. Marks' suggestions in the CONGRESSIONAL RECORD for the benefit and use of my colleagues:

REMARKS BY MARC LINCOLN MARKS

Ladies and gentlemen, I am most honored that I have been selected as the guest speaker at this 29th Annual Military Ball sponsored by the Gannon College ROTC Cadet Battalion.

I see before me tonight fine examples of the dedicated men and women who have so much to contribute to a vital U.S. Army. I commend your enthusiasm and vigor, and wish you well in your endeavors that lie ahead.

As active participants in Army ROTC, you carry forward the American tradition of military training in civilian colleges. Ever since 1819, our institutions of higher learning have contributed well-prepared, intelligent young officers to serve the nation in war and in peace.

During the turbulent Vietnam war years, the role of ROTC and its presence on America's campuses became a matter of controversy. Some colleges went so far as to discontinue their affiliation with ROTC.

There were some who argued in opposition to the long tradition of military instruction in civilian colleges. In their opinion, instruction in warfare had no place in a liberal arts environment. Curiously, those individuals who protested their abhorrence to militarism and the creation of a war-making elite were also the ones who wanted to isolate the training of our future officers and remove them from a broad-based educational atmosphere.

Fortunately, this kind of opposition to ROTC seems to have subsided now that America again is at peace.

ROTC enrollment presently is continuing to rise, and, according to Major General Charles Rogers, the Deputy Chief of Staff for ROTC, there is a "real rewakening" of interest in ROTC. The Department of Defense estimates that ROTC will produce over 10,000 officers for the Army, Navy, and Air Force in 1977. As far as the Army is concerned, at any one time about 70 percent of the second lieutenants and 51 percent of the Regular Army officers on active duty are ROTC products.

It is certain that the importance of Army ROTC will continue to increase in this era of the All-Volunteer Army. The diversity of background, the strong liberal arts training, and the spirit and commitment of ROTC cadets will insure the quality leadership our Army needs.

I have no doubt that you will respond well to the tasks your country will require you. My concern is that the policymakers in Washington plan carefully the role you and others will play in carrying out our defense commitments.

I think we lawmakers and the planners in the Pentagon should give more thought to overall policy objectives. Although I have only been in Washington for a short time, I sense that perhaps too much emphasis is given to individual weapons system rather than to structuring and setting the priorities of a coherent global defense posture.

For example, there has been a lot of debate about whether the B-1 bomber represents a wise expenditure of our tax dollars. While there clearly are important decisions to be made in this regard, I think there are essential questions we first must resolve about what missions there are in the present and the future for manned strategic aircraft in our defense inventory. In other words, let's develop our strategic objectives first, and then consider the weapons systems in light of those objectives.

This problem will be brought home to the House of Representatives next week when we are scheduled to consider the Military Procurement Authorization bill for Fiscal

Year 1978. The bill contains a procurement and research budget of more than $35.9 billion. This figure, set by the House Armed Services Committee, is about $61 million more than the Carter Administration requested.

Certainly $35.9 billion is a staggering amount of money, especially at a time when the public seems to be clamoring for reduced Federal spending.

I am not opposed to spending large sums of money for defense, if such expenditures are necessary to maintain our security. I think most Americans share this view.

What does concern me, however, is that such outlays be well-planned, tailored to meet specific goals, and cost-benefit efficient. In a time of scarce fiscal resources and competing budgetary priorities, we cannot afford to settle for anything less. Reports of defense cost-overruns, equipment that fails to perform according to specifications, and purchases of weapons that lag behind advances in the technological state of the art justly trouble our citizens and undermine confidence in the defense establishment.

As I approach the upcoming votes on the Military Procurement bill, I suppose most of my constituents would give me the following advice: "Make sure you vote to keep us strong militarily. Don't let us fall behind the Russians. But, be careful how you spend my money. Buy what we need, but don't go overboard. Try to get the most bang for the buck."

I will try to respond to these concerns and balance the competing considerations as I listen to the Floor debate and cast my votes on the amendments that are offered when the bill is before us. I will do what I can to insure that our national interests remain secure.

What troubles me is that there will be much time consumed debating whether certain programs should be terminated, maintained, or expanded, but less discussion of a cohesive defense strategy to which they relate. I am afraid that concentration on the technical aspects of this defense budget may obscure the policy questions that should be aired and answered.

When we talk about the defense budget, attention generally is focused on nuclear weapons and the impact of the SALT talks. Interestingly, however, we spend almost 70 percent of our defense dollar on general-purpose ground, naval, and air forces.

Within the context of the important general-purpose forces segment of the defense budget, I would like to point out two areas that highlight the problem I have been discussing.

One of the most controversial issues with respect to conventional forces has been the future of the U.S. Navy. The Navy holds two basic missions—sea control and power projection ashore. Sea control in a wartime situation would keep sea lanes open to allies and allow the United States to project power ashore in the form of carrier and/or amphibious operations.

As with strategic forces, there have been charges that the naval balance is shifting dangerously against the United States. A report by the Potomac Associates think tank points out that this position has been underscored by the recent growth of the Soviet navy, the more frequent presence of Soviet warships in areas distant from the U.S.S.R., and open Soviet proclamations of a more active role for Soviet naval power, especially in a series of articles by Soviet Naval Chief Gorshkov.

In response to these developments, the Ford Administration sought and obtained increased shipbuilding funds, as a first step toward a proclaimed goal of a 600-ship force by the late 1980s. The current force level is just under 500, and ship construction since 1968 has not even been at a replacement level. Full aceptance of the 600-ship goal would mean a major reversal of priorities, and would more than double shipbuilding budgets.

The trend toward greater emphasis on combat ships is continued by the procurement bill approved by the House Armed Services Committee. While the Committee reduced the Carter Administration's request for auxiliary ships, such as tankers and tugs, it increased the number of attack submarines and approved funds for the power plant of a nuclear-powered strike cruiser the Administration had not requested.

I am sure that the wisdom of these additions and reductions will be discussed when the billis on the Floor. No doubt the costs, specifications, and capabilities of the vessels in this part of the legislation will be examined.

I think that the policies we are attempting to implement through decisions on these vessels also should be examined. Are we, in fact, trying to reach a goal of 600 ships? If so, how will these ships be deployed? What sea lanes are we trying to keep open? What, for example, are our naval interests off the coasts of Africa? In the Indian Ocean? What role do our allies play in our global naval posture?

In my opinion, the answers to these sort of questions will determine our priorities concerning submarines, carriers, destroyers and frigates, and support craft. By defining objectives and shaping the tools to carry them out, we can get the most value from our defense dollars.

It is essential that Congress address itself to the task of establishing a comprehensive, national policy on the missions and fleet requirements of the Navy. Indeed, the Center for Defense Information has gone so far to declare that, "The most pressing American military problem is to define the Navy of the future and what must be done to build for it."

Authorizing naval procurements for next year is not a sufficient response to that challenge.

I suppose I've talked long enough about the Navy now, in front of an Army ROTC audience! It's time to turn to the second area of the general-purpose forces part of the budget I want to discuss—U.S. NATO forces.

There is no doubt that the U.S. commitment to NATO will continue to remain strong. Vice President Mondale reassured our Western European allies about this during his trip to Europe in January. "While we are going to find economies in the defense budget," he said, "it will not be reflected in cuts in NATO muscle." The Vice President also stated that the United States would make no unilateral withdrawal of troops from Europe.

The bill reported by the House Armed Services Committee does not contain any cuts with respect to the U.S. role in NATO.

In past Congresses, during consideration of the military procurement legislation there has been heated debate over amendments to reduce the number of U.S. troops stationed in Europe. While it is possible that someone again might offer an amendment to bring about some troop reductions, I don't think the issue has the force it once did. Further, the Carter Administration's opposition to such cutbacks tends to take the steam out of efforts in this regard.

I would like to see Congress focus on the qualitative aspects of our NATO commitment. How best can we respond to the threats posed by the Warsaw Pact?

The Warsaw Pact has a 220,000-man advantage over NATO in combat manpower, and a 12,000-tank edge in terms of armor. The prospect of a quick, non-nuclear Communist Bloc attack on Western Europe continues to trouble NATO planners.

I believe the time is at hand for a re-examination of how we intend to handle this challenge. What part do U.S. ground forces in Europe play in an invasion scenario? Are they adequately equipped to carry out their mission? Can we meet a tactical threat from the Warsaw Pact, or would we be forced to respond with nuclear weapons? These are among the basic questions we need to answer.

With policies firmly established on these matters, then more intelligent decisions can be made concerning the shopping list for weapons. The role of the new main battle tank and the development of new precision-guided "smart" anti-tank weapons can be placed in better perspective once our overall objectives are made more precise.

The future of the Navy and the quality of our commitment to NATO are two examples of areas where Congress needs to work with the Administration to develop long-range, cohesive policy objectives. In my opinion, the creation of more clearly defined defense strategies will bring more lucidity to the weapons procurement process. It will help us make more sense out of what we are buying and why we are buying it. And this, in turn, will allow us to see more clearly how the defense budget relates to our other priorities.

These are some of the general thoughts in my mind as I approach my first votes on military procurement. I intend to do all that I can to guarantee that our country remains strong and secure in the face of any foreign aggression.

Thank you.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 21, 1977, may be found in the Daily Digest section of today's RECORD.

MEETINGS SCHEDULED

APRIL 22

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear public witnesses.

1114 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nomination of Jordan J. Baruch, of New Hampshire, to be an Assistant Secretary of Commerce.

5110 Dirksen Building

Foreign Relations
International Operation Subcommittee
To hold hearings on proposed fiscal year 1978 authorizations for the USIA and Department of State Cultural Exchange Program.
4221 Dirksen Building

Human Resources
To hold hearings on the nominations of Graciela Olivarez, of New Mexico, to be Director of the Community Services Administration, and Wayne L. Horvitz, of District of Columbia, to be Director of the Federal Mediation and Conciliation Service.
4232 Dirksen Building

9:45 a.m.
*Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 1 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Foreign Claims Settlement Commission, International Trade Commission, and the Legal Services Corporation.
S-146, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on proposed housing and community development legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Government Affairs
To mark up S. 826, to establish a Department of Energy in the Federal Government to direct a coordinated national energy policy.
3302 Dirksen Building

Governmental Affairs
Subcommittee on Governmental Efficiency
To receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
6226 Dirksen Building

Joint Economic
To hold hearings to receive testimony on issues which the United States will present at the forthcoming economic summit conference in London on May 7.
1202 Dirksen Building

11:00 a.m.
Foreign Relations
Foreign Assistance Subcommittee
To continue hearings on proposed fiscal year 1978 authorizations for the Security Assistance Program.
4221 Dirksen Building

1:00 p.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of the Interior, to hear public witnesses.
1114 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Marine Mammal Commission, Renegotiation Board, and the SEC.
S-146, Capitol

Select Intelligence
Closed business meeting.
S-407, Capitol

2:30 p.m.
Appropriations
Labor-HEW Subcommittee
To hold hearings to receive testimony on fiscal year 1978 budget estimates for the Railroad Retirement Board.
S-128, Capitol

APRIL 25

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation.
Until 1 p.m. 4232 Dirksen Building

9:30 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.
1114 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the nominations of John Howard Dalton, of Texas, to be President of GNMA; William J. White, of Massachusetts, to be a member of the Board of Directors of the New Community Development Corporation; and Ruth Prokop, of the District of Columbia, to be General Counsel of HUD.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1250, proposed fiscal year 1978 authorization for the Coast Guard.
5110 Dirksen Building

Energy and Natural Resources
To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
3110 Dirksen Building

Environment and Public Works
Subcommittee on Water Resources
To hold hearings on proposed fiscal year 1978 authorizations for river basin projects.
4200 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.
2228 Dirksen Building

Select Ethics
To hold an open business meeting to discuss committee organization, to be followed by a vote to close the meeting to discuss certain classified business.
1417 Dirksen Building

APRIL 26

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on proposed fiscal year 1978 authorizations for the Legal Services Corporation.
Until 11:30 a.m. 424 Russell Building

9:30 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.
S-146, Capitol

Human Resources
Subcommittee on Labor
To hold hearings on S. 995, to prohibit discrimination based on pregnancy or related medical conditions.
Until noon 4232 Dirksen Building

Select Small Business
To hold hearings on problems of small business as they relate to product liability insurance.
1202 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

*Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings to receive testimony in connection with delays and congestion occurring at U.S. airports-of-entry.
5110 Dirksen Building

Environment and Public Works
Subcommittee on Water Resources
To hold hearings on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

11:00 a.m.
Select Small Business
To resume hearings on S. 972, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers.
S-126, Capitol

2:00 p.m.
Appropriations
Legislative Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Legislative Branch, on funds for the Senate Financial Office.
S-128, Capitol

Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.
S-146, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

APRIL 27

8:00 a.m.
Agriculture Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

8:30 a.m.
*Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the

Toxic Substances Injury Assistance Act.
235 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

Human Resources
Subcommittee on Labor
To continue hearings on S. 995, to prohibit discriminating based on pregnancy or related medical conditions.
Until noon 4232 Dirksen Building

Select Small Business
To hold hearings on proposed fiscal year 1978 authorizations for programs of the Small Business Administration.
424 Russell Building

Veterans' Affairs
To hold hearings on S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.
Until 12:30 p.m. 318 Russell Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Judiciary.
S-146, Capitol

Appropriations
Transportation Subcommittee
To continue hearings in proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Energy and Natural Resources
To consider pending calendar business.
3110 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To consider S. 708, to revise and strengthen standards for the regulation of clinical laboratories.
Until noon 1318 Dirksen Building

Judiciary
Subcommittee on Juvenile Delinquency
To hold hearings on S. 1021 and S. 1218, to amend and extend programs under the Juvenile Justice and Delinquency Prevention Act.
2228 Dirksen Building

Rules and Administration
To mark up S. 708, to improve the administration and operation of the Overseas Citizens Voting Rights Act of 1976, and to consider proposed authorizations for activities of the Federal Election Commission for fiscal year 1978.
301 Russell Building

Select Intelligence
To hold hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Japan-United States Friendship Commission, and the office of the Special Representative for Trade Negotiations.
S-146, Capitol

Judiciary
To hold hearings on S. 1231, to increase authorizations for the Civil Rights Commission for fiscal year 1978.
2228 Dirksen Building

Select Intelligence
To continue hearings on proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 28

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
154 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To consider S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children, and proposed legislation to extend the Child Abuse Prevention and Treatment Act.
Until 10:30 a.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Renegotiation Board, and SBA.
S-146, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on proposed fiscal year 1978 authorization for the SEC.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on proposed fiscal year 1978 authorizations for the Nuclear Regulatory Commission.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To hold hearings on biomedical research programs.
Until 12:30 1202 Dirksen Building

Select Intelligence
To conclude hearings on proposed fiscal year 1978 authorizations for Government intelligence activities, to be followed by a closed session to this proposed legislation.
S-407, Capitol

10:30 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To hold hearings on H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 2:00 p.m. 4232 Dirksen Building

APRIL 29

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 2 p.m. 1202 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportaiton
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
6202 Dirksen Building

Human Resources
Labor Subcommittee
To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related conditions.
Until noon 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee.
To hold hearings on proposed budget estimates for fiscal year 1978 for the Judiciary and F.C.C.
S-146, Capitol

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearings on rural housing legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Parks and Recreation
To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.
3110 Dirksen Building

MAY 2

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S.275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

10:00 a.m.
Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committee and subcommittee.
301 Russell Building

MAY 3

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building
*Commerce, Science, and Transportation
Consumer Subcommitee
To hold hearings on proposed legislation amending the Federal Trade Commission Act.
5110 Dirksen Building
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building
Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:30 p.m.
Banking, Housing, and Urban Affairs
To mark up S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building

MAY 4

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation to amend the Federal Trade Commission Act.
235 Russell Building
Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on H.R. 5306, Land and Water Conservation Fund Act amendments.
3110 Dirksen Building
Rules and Administration
To hold hearings on S. 1072, to establish a universal voter registration program, S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendations from the FEC submitted March 31.
301 Russell Building

MAY 5

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
*Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved.
5110 Dirksen Building
Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for the public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Select Small Business
To hold hearings to investigate problems in development of timber setasides.
424 Russell Building

MAY 9

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

MAY 10

9:30 a.m.
*Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
5110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 11

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building
Rules Administration
To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act; S. 15, 105, 962 and 966, President's message dated March 22, and recommendations of the FEC submitted March 21.
301 Russell Building

MAY 12

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and ETC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 13

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 17

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on fed-

erally guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on Federally guaranteed loans to New York City.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 24

9:30 a.m.
Select Small Business
To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 25

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

MAY 26

9:30 a.m.
Select Small Business
To continued hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the cable TV system.
235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building

HOUSE OF REPRESENTATIVES—*Thursday, April 21, 1977*

The House met at 11 o'clock a.m.

Rev. Lawrence J. Seyler, St. Philips Chapel, New Hope, Pa., offered the following prayer:

From the cowardice that shrinks from new truth;
From the laziness that is content with half-truth;
From the arrogance that thinks it knows all truth;
O God of Truth, deliver us.

Gracious God, we give thanks for this good land and its people. We are grateful for these Representatives who have dedicated themselves to public service. Grant them wisdom and strength to serve our country and our world, wisely and honorably. Give them the will to listen to the concerns of this people, but also the courage to lead us, that our prospects for equality, liberty, justice, and peace may be enhanced. Assist us all that we may pass on our rich heritage, reasonably intact, so that generations to come may also give Thee thanks. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 3843) entitled "An act to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes," disagreed by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. SPARKMAN, Mr. WILLIAMS, Mr. BROOKE, and Mr. GARN to be the conferees on the part of the Senate.

TRIBUTE TO REV. LAWRENCE SEYLER

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute.)

Mr. KOSTMAYER. Mr. Speaker, it is a privilege to have with us today the Reverend Lawrence Seyler to offer the prayer as we begin this session of the House of Representatives.

Reverend Seyler is a graduate of the University of Richmond and the Crozer Theological Seminary. He and his wife Catherine, who is also with us have four children, two of whom, Linda and David Seyler, are here.

Larry Seyler is the vicar of St. Philips Chapel in New Hope, Bucks County, Pa. He is my pastor, and my friend and I am sure my colleagues have received a blessing from his words.

EASTWOOD BAPTIST CHURCH

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, I would like to take a moment to bring attention to a historic occasion for some residents of New York's 32d Congressional District. They are, this week, celebrating the 50th anniversary of a beautiful community landmark, the Eastwood Baptist Church.

Eastwood Baptist Church was founded September 13, 1926, at a meeting of the Baptist City Missionary Society. The first service was held January 9, 1927, in the Palace Hall, James Street and Stafford Avenue. For several Sundays thereafter, the services were at Eastwood Hose Co. 2, 117 South Edwards Avenue.

On March 14, 1927, those attending a meeting voted to accept a proposal of the Onondaga Social and Missionary Union to buy property at 3212 James Street, home of former Senator John A. Nichols. The name Eastwood Baptist Church was taken April 13, 1927, and a decision was then reached on incorporation according to New York State law.

The Nichols mansion served as the

main meeting place of the congregation until 1954, when a beautiful, new red brick and white building was dedicated. The Nichols mansion was torn down 5 years later to make way for the Clara B. Thorpe Christian Education Building, which was dedicated in 1960.

Sharing in this week's anniversary events are the church's nursery school, its day care center, its creative arts and crafts unit, and its Boy Scout Troop 7. Also, former pastors attending the festivities are Rev. Nicholas Titus of Mystic, Conn., and Rev. Hugh Miller of Poughkeepsie. Elaborate displays of church artifacts are set up, as is a picture display revealing church history.

The highlight of the anniversary celebration will come at this Sunday's worship service, which will mark a celebration of thanksgiving to God for the past 50 years and a commitment to future ministry. The mortgage of the Clara B. Thorpe Building will be burned.

I am sure that we all join in sending Rev. Dr. Ronald E. Vallet and his entire congregation our heartfelt warm wishes on this historic occasion.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT TODAY DURING 5-MINUTE RULE

Mr. EVANS of Indiana. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs, may be permitted to sit today during the 5-minute rule to mark up H.R. 6112, the Housing and Community Development Act of 1977.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, do we understand there is a guarantee that the committee will not be meeting at 4:30 when there is a conference of some substance involving the Banking and Currency Committee. Can the gentleman assure us that the business of H.R. 6112 will be finished by that time, and if not completed the committee will adjourn prior to the conference?

Mr. EVANS of Indiana. Well, it is my understanding that it is the intention of the committee to be finished well before 4 o'clock. As the gentleman knows, we will be meeting at 1:30 this afternoon to mark up the bill and we are ready to proceed on title II, which is a much shorter title and there is not a great number of additional amendments, in my understanding, remaining to the bill.

It is also my understanding this request has been cleared with the ranking minority member of the House Committee on Banking, Finance and Urban Affairs.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I am fully aware of what the committee is doing in this proposed markup session. Like the gentleman in the well, I was in attendance yesterday also.

My concern is that we have a guarantee that those of us who are conferees from the Banking, Finance and Urban Affairs Committee to the conference on the supplemental housing bill (H.R. 328) will be completed by then and, if not completed, the committee will adjourn say at least by 4 o'clock. Can the gentleman give that assurance?

Mr. EVANS of Indiana. Well, if the gentleman will permit me, I do not have the ability to give an ironclad guarantee that the committee will have finished its business by 4 p.m. this afternoon. That is the intention of the chair, as the gentleman is well aware, and I am sure that intention can be met. Beyond that, I cannot speak for the chairman.

Mr. ROUSSELOT. I appreciate the gentleman's comment. I am aware that the ranking minority member, Mr. STANTON, had been informed of the proposed committee markup session but many of us are also concerned about the committee terminating its business even if it had not completed the final draft of the Housing and Community Development Act of 1977 in time for those who are conferees to attend the 4:30 meeting.

Also, of course, the committee meeting will be in conflict with the House consideration of two important legislative bills (H.R. 4877) supplemental appropriation conference report and (H.R. 5970) the Department of Defense authorization for fiscal year 1978. We have a lot of discussion in the Congress about the Defense budget and here we are again, with a bill being marked up at the same time two important bills are on the floor. It is just too bad that we keep everybody running back and forth between the floor and committee chambers. Again, I have an obvious objection to trying to be in two places at once. It is just not a very good legislative practice.

Mr. Speaker, I thank the gentleman and I withdraw my reservation of objection.

Mr. EVANS of Indiana. All right, I thank the gentleman from California.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SOME CAUTIONS ON PRESIDENT CARTER'S SUGGESTION TO USE MORE COAL

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIMON. Mr. Speaker, last night in a generally excellent address the President suggested that we ought to be using about 50 percent more coal. I concur with that. He is correct, but we have to be careful that we do not do two things: One is to devastate our lands. The second is the devastation of our coal miners. On land we are moving, through strip mine legislation. What is being done for the coal miners? I would point out they have twice as many fatalities as any other major industry and three times as many injuries as the national industrial average. And that does not count black lung disease. Our friends who own the coal mines suggest they are now taking care of the devastation called black lung disease, or pneumoconiosis. In the last 4 years 106,000 coal miners have applied for black lung benefits under the part C provisions where the coal mines pay, and of the 106,000 coal miners who have applied for black lung benefits from coal mines, the coal mines have paid—as of today—138 coal miners.

Mr. Speaker, I hope we keep these coal miners in mind.

AMERICAN BUSINESSMEN SEEK BLOOD MONEY

(Mr. BAUMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BAUMAN. Mr. Speaker, I do not think American citizens can take any great comfort in the spectacle of American businessmen grovelling before Fidel Castro, standing and applauding this murderous bearded dictator who, for 16 years, has held in imprisonment the once free people of Cuba. Some years ago, I believe it was Nikolai Lenin who made the statement that—

> The capitalists will sell us the rope we use to hang them.

Certainly, some of our businessmen and perhaps the administration are making clear that they are willing to go along with this Communist Cuban Government which now is financing—I assume with the help of the Soviet Union—thousands of troops and advisers in perhaps 15 different nations. These Communist troops and agents are responsible for the callous murder of whites and blacks, missionaries and others, who are being slaughtered by Cuban trained and directed guerrilla forces.

If that is the kind of people we as a nation are prepared to do business with, and if our businessmen are comfortable with blood money, Americans ought to consider exactly the moral state in which we now find ourselves.

SELECTIVE AMNESIA?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, a curious form of selective amnesia seemed to hit members of the majority last night after the President's speech. Time and again I heard Democratic spokesmen praise the President for presenting a comprehensive energy plan, for all the world as if such a plan had never before been presented.

The fact is, of course, that President Ford presented to the Congress and the American people a comprehensive energy program. I can fully understand that the press of business and the shock of hearing some of the President's more dubious proposals may have erased the memory of President Ford's comprehensive plan from the minds of the majority spokesmen.

I also understand, Mr. Speaker, judging by recent statements made by the Vice President that it is evidently considered unfair for members of the minority, in or out of office, to respond in any way to Presidential actions except to

applaud. I therefore hope that my little reminder that President Carter's attempt to create a comprehensive plan, as unoriginal as it is questionable, will not be seen by the Vice President or by members of his party as a sign that I am being unfair.

May I add that this sudden attack of selective amnesia also served to help the majority forget—at least when its spokesmen were not smiling into the television cameras—that it is the majority's lack of action, lack of purpose, lack of imagination and lack of insight and courage that has led to the disgraceful record of the Congress in the field of energy. I hope they recover their memory quickly, and learn from the lessons of the past.

One further point: Why is the CIA releasing previously classified information just as the President needs such information to support his own political thesis? It seems very curious to me that the CIA should just happen to do that at this time.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 141]

Andrews, N.C.	Fraser	Neal
Armstrong	Gammage	Pike
Ashley	Gaydos	Price
Bonker	Gibbons	Roe
Brown, Calif.	Hall	Rose
Chisholm	Harsha	Rosenthal
Conyers	Koch	Ruppe
Corman	LaFalce	Sawyer
Derrick	Long, La.	Scheuer
Derwinski	McEwen	Seiberling
Devine	Mattox	Shipley
Diggs	Mikva	Sisk
Dodd	Milford	Teague
Eckhardt	Mineta	Tsongas
Fish	Moakley	Udall
Ford, Mich.	Moorhead, Pa.	Yatron
Forsythe	Myers, Ind.	Young, Alaska

The SPEAKER. On this rollcall 382 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AD HOC COMMITTEE ON ENERGY

Mr. WRIGHT. Mr. Speaker, pursuant to clause 5 of rule X, I offer a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 508

Resolved, (a) That pursuant to rule X, clause 5, the Speaker is authorized to establish an Ad Hoc Committee on Energy to consider and report to the House on the message of the President dated April 20, 1977 (H. Doc. 95–128), on other messages or communications related thereto, and on any bill or resolution which the Speaker may sequentially refer thereto which the Speaker determines relates to the substance of the President's message: *Provided, however*, That this paragraph shall not preclude initial reference to the ad hoc committee of a bill or resolution incorporating the recommendations of the committees with subject-matter jurisdiction over the substance of the President's message.

(b) The ad hoc committee shall be composed of thirty-seven Members of the House appointed by the Speaker from those committees of the House which he determines have subject-matter jurisdiction over the substance of the President's message, and from such other committees as the Speaker may determine so as to insure the expeditious consideration and reporting of appropriate legislation. The Speaker shall designate one of the Members as chairman.

SEC. 2. (a) The provisions of rule XI, clauses 1, 2, and 3 shall apply to the ad hoc committee in the same manner as to a standing committee.

(b) Any bill and accompanying report of the ad hoc committee shall be subject to the rules of the House in the same manner as though such bill and report had been reported from a standing committee.

SEC. 3. To enable the ad hoc committee to carry out the purposes of this resolution, such committee is authorized to utilize the services of the staffs of those committees of the House from which Members have been selected for membership on the ad hoc committee.

SEC. 4. The ad hoc committee shall expire upon completion of the legislative process, including final disposition of any veto message, with respect to all legislation referred to the ad hoc committee.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I yield myself such time as I may consume. This resolution authorizes the Speaker to appoint an ad hoc committee to receive the messages and the recommendations of the President of the United States with respect to the energy problems of this country.

The precedent is clear. Essential parts of this resolution follow precisely the language that was utilized in House Resolution 97 creating the Ad Hoc Select Committee on the Outer Continental Shelf which was agreed to on January 11 of this year.

The purpose of the ad hoc energy committee would be to draw together an interdisciplinary group from various committees of regular jurisdiction in order to provide one general comprehensive overview. This device should facilitate an opportunity, heretofore lacking, for the House to work its will in achieving a comprehensive energy policy. It is not anticipated that the creation of this ad hoc committee would render any less effective any of those standing committees of the House which now possess jurisdiction over various facets of the energy problem.

It is anticipated that, upon receipt from the President of specific legislative recommendations to carry out his energy plan, this ad hoc committee to be appointed by the Speaker might hold hearings and might make recommendations, but that the several components of the recommended legislation would be referred to the standing committees of the House according to their respective jurisdictions under the Rules of the House. Those committees then would be charged by the Speaker with the responsibility of holding hearings, considering the legislation, marking up sections of a bill, and returning those respective sections to the ad hoc committee.

After these deliberations had been completed, it is expected that a rule would be sought under which the entire program might be considered by the House in a manner whereby each separate section of the bill could be managed on the floor by the appropriate spokesman from the committee which drafted that specific section of the bill. It would be further anticipated, however, that the first right of recognition to offer an amendment on the floor to any such section would repose with the ad hoc committee.

So this is an effort to permit the House to look at the energy problem as one composite problem and to treat it as one problem, but to do so without robbing or emasculating the jurisdiction of the Standing Committees of the House.

Mr. Speaker, I now yield 30 minutes to the distinguished minority leader, or such part of that time as he may consume, and reserve to myself the remainder of the time. I yield to the gentleman from Arizona for purposes of debate only.

Mr. RHODES. I thank my good friend, the majority leader.

Mr. Speaker, this is a very important piece of legislation.

It is a select committee which needs to be formed. I am glad that it is being formed. I for one have had a resolution in for quite some time to form a Select Committee on Energy. I must admit that I did not quite have in mind the format that this committee is taking, but nevertheless I am pleased at the progress which is being made today.

Actually what I had in mind was a select committee which would take one subject and one subject only, proceed to hold hearings and markup a bill and bring it to the floor. Of course, that one subject was to provide a national energy policy for this country. I think this country needs a national energy policy worse than it needs anything else today. I am of course hopeful that out of the work which will be performed we will have such a policy evolve.

I must admit I am not completely sure of the efficacy of the method which has been outlined—very ably, I might say—by the gentleman from Texas. I recognize the difficulties in overlapping jurisdictions of the various standing committees but there are times of course when the national interest must transcend our rather parochial feelings about the jurisdictions of our own committees, and to me this is such a time. This is a time in my opinion when the overriding interest of the country in having a national energy policy is so apparent that the parochial devotion which many have to committee jurisdiction should be put aside.

I intend to appoint Members to the committee from the Republican side who will want legislation, and not those who do not want it. Personally, I intend to do everything that I can to facilitate the work of this committee and the work of the other committees that are involved and to bring forth as rapidly as possible a workable, adequate national energy policy.

I must tell my good friend, the gentleman from Texas, and the Members of

the House, that I naturally reserve the right to "view with alarm" and possibly not to approve all of the workings of the committee, but I hope it will be done in such a bipartisan way that all of us can join in supporting the results of its work. That is my hope and my promise and it is the end toward which I will work.

I also hope it will be possible that we can receive some assurance that the rights of the minority as set forth in the rules of the House pertaining to the operation of the committees will be protected. Of course there are no clear provision of the rules so far as I know which pertain to select and joint committees, but I hope it will be the policy of whoever may be made chairman of this committee, and of the majority leadership, to make sure that the rights of the minority as set forth in the rules in other instances will also apply to this committee.

I congratulate the Speaker and the majority leader for providing that the staff will come from existing committees and that we will not have a large staff which will be put together for this purpose only, because too many times staffs like this have a tendency to prolong their lives beyond reason. In fact it has been said wisely that there is nothing so permanent as a temporary staff in the House of Representatives. I am pleased that there will not be such a staff.

Mr. Speaker, I assume the gentleman from Texas may want me to yield the rest of my time. Does the gentleman have any request for time?

Mr. WRIGHT. Mr. Speaker, yes, I have two requests on this side for time, but the gentleman from Arizona is perfectly free to yield such portions of his time as he wishes, either now or later.

Mr. RHODES. I suggest as a means of operation, if the majority leader will concur, that I yield time now. I have four requests and I suggest that I yield to three gentlemen who have made requests for time, and keep one additional member to speak just before the last speaker on the gentleman's side.

I yield now 5 minutes to the gentleman from Illinois (Mr. ANDERSON), who will be the designee on the minority side as the ranking minority member of this committee.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the distinguished minority leader for yielding me this time. I doubt that it will require the full 5 minutes for me to say what I have to say on this occasion. I certainly would not, however, want this moment to pass without making it clear that the resolution that is now before us covers a subject matter in which I have long been interested, not only as the former ranking member of the Joint Committee on Atomic Energy, but I think, more importantly, because of the effort that it represents to try to bring together the forces responsible in this Congress for fashioning various parts of an energy program, to bring them together in a coherent fashion that would enable us to act intelligently, expeditiously, yes, even with dispatch, on the very important questions that were laid before the Congress and the Nation in the President's address of last evening; so very early in this first session of the 95th Congress I did address letters, not only to the distinguished Speaker of the House, but to the majority leader, to the chairmen, and the ranking members of most of the committees that will have representation on this ad hoc committee, as well as the distinguished minority leader, in which I urged that we should have a select committee that would be prepared to deal with the energy problem.

As the minority leader has indicated, the legislation now before us represents a compromise among the divergent views that have been expressed by various Members on both sides of the aisle as to how we could best accomplish the rather sensitive, rather delicate job of alleviating the fears of some Members and some committees, that we were doing the unthinkable; that is, trespassing upon their original jurisdiction and competence to handle various parts of the energy problem.

Mr. Speaker, I think as we heard last evening, and as most of us would agree, the energy crisis involving the Nation today is one that is unique. We have seen Presidential initiative in sending to the Hill legislation that would create a Department of Energy and, incidentally, I joined as one of the coauthors of that legislation, because I think there is a need to pull together the disparate elements of the executive branch into a single department to work on this very important problem. Even so, I think it is necessary for the House of Representatives to do the same thing.

We had an opportunity in the 93d Congress, actually, two Congresses ago, when the Select Committee on Committee Reform presented its recommendations, I think, to do a better job, to create a permanent energy committee, a committee that would have gathered in the jurisdiction of a number of committees and in more permanent fashion enabled us to centralize the responsibility and the authority for energy legislation; but this House chose not to act favorably on that particular proposal.

So, therefore, the proposal that is before us today is, I think, the best that we could do at this time to see if we cannot overcome jurisdictional rivalries.

I heard the distinguished chairman of the Committee on Interior and Insular Affairs say recently that the time had come for committee chairmen to forget about going to war over their turf. I hope very much that will be the attitude of the committee chairmen here in the House.

We have some precedent in the Budget Committee which was created in a previous Congress to give us an overview of the Federal budget. Likewise, it seems to me that the role of this new Ad Hoc or Select Committee on Energy is to provide a much-needed overview of the energy problem.

The majority leader has explained that this will not in any way interfere with the original jurisdiction of standing committees of the House to consider initially and to make recommendations and to frame legislative proposals on how we should deal with energy, but I think that if the ad hoc committee is to serve a useful purpose at all, it must not only be a coordinating mechanism which will seek to put back together into a single resolution or bill or piece of legislation these various recommendations and proposals, but also have the authority to offer recommendations and proposals of its own as a substitute, if necessary.

So, Mr. Speaker, in conclusion, I welcome this proposal, limited as it is, and hope very much that we will have today an overwhelming approval of the resolution so that we can begin and put in motion the very important work of this Ad Hoc Committee on Energy.

Mr. RHODES. Mr. Speaker, I now yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, principally I wanted to take this time, because we are dealing in somewhat uncharted parliamentary areas, to pose a question perhaps in the form of a parliamentary inquiry to the Chair.

As the gentleman from Texas has pointed out, this particular ad hoc committee is being created under a relatively new power given to the Speaker of the House under rule X. It has been exercised before, but never quite in the same form as is proposed by this resolution.

The question I have deals with the possibility of a dispute in jurisdiction among committees. Quite obviously, the President's proposal deals with a number of different facets of the energy program that the Chair obviously will refer after consultation, I assume, with the appropriate committees. However, there is no appeal of the Chair's referral of these matters provided in rule X. If I recall properly, under the Bolling-Hansen proposals, there was proposed such an appeal procedure, but when finally adopted it was left out of the rule.

However, clause 4, rule XXII, of the House allows any committee on its own motion to come in and move that a matter be re-referred from another committee. The question I am really posing for the Chair is, in the unlikely event that any event that any committee of the House has a dispute about the reference of various parts of this legislative package, would in fact rule XXII apply so that an appeal would lie as to the reference?

The SPEAKER. With regard to the gentleman's parliamentary inquiry, the Chair could, of course, refer any bill jointly to two or more committees, as the gentleman from Maryland is well aware, or he could refer the bill sequentially from one committee to another after the first committee has completed the legislation.

But, in the final analysis, the Chair does feel that the provisions relating to re-referral in rule XXII would apply here as with any other committee provided for or established under rule X.

Mr. BAUMAN. I thank the Speaker for his answer.

Mr. RHODES. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Speaker, I am advised by the minority leader that due to the constraints of this resolution, he is unable to appoint a Member from the oil shale areas to this committee. I would like to point out to the House that in the President's message, no mention was made of oil shale.

It seems to me to be a great inconsistency to talk about acquiring a billion barrels of oil at a cost of some $15 billion when we have 600 billion recoverable barrels of shale oil deposit in Colorado, Utah, and Wyoming, and we are doing nothing to develop those oil shale deposits. As a matter of fact, the Government is placing hindrances in the way of its development.

The $15 billion we are going to spend to acquire and store oil could be spent to develop oil shale production facilities that would have ongoing consequences well into the future. Given the nature of the emergency which we are facing, it seems inconceivable to me that we would ignore this process.

Obviously, it is going to be developed some day, and I am afraid it is going to happen, and it will be developed in a rush and emergency fashion that will do untold damage, with untold consequences to the environment and the areas where those of us live who represent those areas.

Mr. Speaker, I would ask the majority leader if it is possible to have somebody on his side, who comes from the oil shale areas, either from Colorado, Wyoming, or Utah, to be appointed to this committee; because it seems to me we are ignoring the great potential and that we are ignoring this critical resource if we do not have somebody on that committee. I do not know if it is possible, but I would urge the majority leader to do so.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. I thank the gentleman for yielding. The appointments to be made to the ad hoc committee will be made by the Speaker of the House. Appointments relating to Members of the minority party would be made on the recommendation of the minority leader.

I feel certain that the minority leader, as well as the Speaker, will be attempting by every means possible to get a broad, general cross section of the membership to serve on the committee.

I cannot make any commitment to the gentleman because I do not possess the power to make an appointment, nor has the Speaker confided in me as to whom he will appoint, nor have I asked the Speaker to confide in me as to whom he will appoint.

The SPEAKER. The time of the gentleman from Colorado (Mr. JOHNSON) has expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentleman from Colorado (Mr. JOHNSON) in order that I might continue my answer to his question.

Mr. JOHNSON of Colorado. I yield further to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. I earnestly believe that there is on the part of the Speaker and, additionally, on the part of the minority leader, a true desire to create, insofar as it is possible to do so, a committee that will be broad in its viewpoint. I sincerely trust that its membership will possess the capacity to elicit information from a variety of sources and evaluate that information in an atmosphere of open-minded inquiry. I hope it will be a committee that is not set in concrete for or against any particular mode of energy and a committee, I might say, whose members would live up to the prayer that was offered by our guest chaplain today when he prayed:

From the cowardice that shrinks from new truth,
From the laziness that is content with half-truth,
From the arrogance that thinks it knows all truth,
O God of Truth, deliver us.

Mr. JOHNSON of Colorado. I thank the gentleman.

Mr. RHODES. Mr. Speaker, I have only one speaker remaining, and I now suggest, if the majority leader desires to do so, that he yield some time.

Mr. WRIGHT. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. DINGELL), the distinguished chairman of the subcommittee.

Mr. DINGELL. Mr. Speaker, I want to commend the Speaker of the House and I want to commend the majority leader for having brought before the House what I regard as a fair and effective proposal. I support it. I urge my colleagues to do likewise.

I pledge my best efforts for fair and expeditious consideration of the President's proposals on energy.

Mr. Speaker, I support this resolution to establish an Ad Hoc Committee on Energy, pursuant to rule X, clause 5, to expire at the end of this Congress. I also want to commend the Speaker for taking time to consult with Members, including myself, in the development of this resolution. I pledge my cooperation.

It is my understanding that the resolution does not deviate from rule X, clause 5, except that it provides for sequential referral of the President's energy proposal and the appointment of Members from other than the standing committee. Procedurally, I understand that the new committee will quickly organize and possibly hold general hearings on the President's energy message, but the legislation itself will be parceled out to the standing committees. When these committees complete their work and report the parcels out, they will be sequentially referred to the ad hoc committee. That committee will not, according to the Speaker's April 20, 1977, letter to Members, be authorized to change the bill as reported by the standing committees. But it can recommend amendments for consideration on the floor.

The Speaker's letter states his intention to recommend that the bill reported by the standing committees be considered as an original bill, with the ad hoc committee amendments, if any, made in order. This procedure should insure that all Members, not just those on the ad hoc committee, will have an opportunity to offer amendments.

Each standing committee will manage on the floor those parts or titles of the bill that fall within their jurisdiction. In conference, representatives of the standing committees, presumably including some not on the ad hoc committee, will have primary responsibility to settle differences relating to their portions of the bill.

I believe that this procedure is fair and wise. It should help to expedite matters and give all an opportunity to participate in the process.

There are, however, two matters that I want to discuss.

First, I note the Speaker plans to place a reporting deadline on the standing committees. I do not object to this, but I urge flexibility, it will be needed.

We all know that the President's proposal will be complex and controversial. It will require considerable hearings and probably extended markup. And, I pledge most expeditious processing of the legislation in the subcommittee I have the honor to chair. Each standing committee will seek to move expeditiously. But other matters are also pending and Members have duties on other committees. The Budget Act deadline of May 15 for authorization bills must be met. In addition, a considerable amount of legislative and appropriation bills will soon reach the floor. These matters will make it difficult to schedule meetings and obtain needed quorums. It can be done, but I caution that too hasty action may result in ill-conceived legislation that will be difficult to pass on the floor. Quality is as important, if not more so in the long run, as speed.

Second, I think it important to keep the staff level of the ad hoc committee low. We really do not have time to educate a large staff; nor do we need them. Each standing committee has the staff expertise it needs. I will urge that the ad hoc committee rely on that expertise to the greatest extent possible.

Again, I wish to commend the Speaker for his leadership on this resolution. I look forward to working with him on this energy legislation.

I insert at this point in the RECORD the Speaker's letter of April 20 supporting the creation of the Ad Hoc Committee on Energy, I urge my colleagues to join our Speaker in that endeavor.

The Speaker's letter follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 20, 1977.

DEAR COLLEAGUE: As you know, it is my intention to create a new ad hoc committee to facilitate consideration of the President's energy message. To this end, I have asked Jim Wright to call up a resolution tomorrow establishing the committee.

The committee will be created around the President's speech. This will afford the committee an early opportunity to organize and perhaps hold general hearings.

Sometime next week the President will send his actual legislative recommendations to the Congress. This legislation will first be parcelled out among the appropriate standing committees just as if no ad hoc committee existed. I will place a reporting deadline on consideration of the bill by the standing committees.

At the conclusion of this period, the legislation will be sequentially referred to the ad hoc committee. The committee will not have authority to change the recommendations reported by the standing committees. It will have authority to recommend amendments for consideration on the floor.

When this measure goes to the Rules Committee, I will recommend that the legislation reported by the standing committees be considered as an original bill, with the ad hoc committee amendments in order thereto. I will further recommend that on the Floor

each standing committee manage those portions of the bill that fall within its jurisdiction.

Of course, when the House finally goes to conference with the Senate on the energy legislation, primary responsibility will rest with representatives of each of the standing committees to settle differences relating to its portion of the bill. Throughout the process, it is my intention to protect the prerogatives of the standing committees, drawing on their experience and expertise.

What the ad hoc committee adds is an opportunity for comprehensive consideration of our national energy policy. It can function as a conference committee of the House to facilitate resolution of competing claims. This should help smooth matters on the floor.

The membership of the ad hoc committee will be proportionate to the standing committees' jurisdiction over the legislation. In addition, I will do my best to see that every interest and region is fairly represented.

I hope that you can join me in supporting this attempt to respond innovatively and responsibly to the President's recommendations. Dealing with them will be among the most difficult and important challenges facing the Congress in this generation.

With every good wish,

Sincerely,

THOMAS P. O'NEILL, Jr.

Mr. WRIGHT. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I want to compliment the leadership for this very innovative, ingenious and, I hope, very successful mechanism.

I wish to ask the gentleman from Texas about one matter which was not included in the President's energy message last night, and I wish to know whether it will be included in the scope of this new committee and this new plan; namely, mass transit. To what extent, if Congress determines that mass transit is an integral part in solving our energy problems—as I believe it clearly is—will this ad hoc committee and this new mechanism be able to deal with it?

Mr. WRIGHT. In response to the question posed by the gentlewoman from New York (Ms. HOLTZMAN), it is my understanding that the Speaker would intend to refer to this ad hoc committee only those specific legislative recommendations coming from the White House at anytime during the existence of the ad hoc committee pursuant to the President's requests with regard to this energy program.

Now, it is conceivable that the President may include in those specific legislative requests some matter relating to mass transit. The majority leader has no knowledge as to that. Beyond the fact that I have seen a list of somewhat generalized recommendations, I have no specific knowledge, but I must report to the gentlewoman that the recommendations, are indeed broader in their general scope and more numerous in their specificity than what was capable of being recited in summary form during the 30-minute address last evening.

In the event nothing should come from the President pursuant to this matter relating to the subject of mass transit, there is certainly nothing to prevent the committee of standing jurisdiction from taking action with respect to mass transit legislation.

The SPEAKER. The time of the gentlewoman from New York (Ms. HOLTZMAN) has expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentlewoman from New York (Ms. HOLTZMAN) so that I may address that subject a bit further.

If the gentlewoman will yield further, there is absolutely nothing in this resolution which would prevent the committee with jurisdiction concerning mass transit—and in this instance I believe that to be the Committee on Public Works and Transportation—from taking action and bringing it as a separate matter to the House floor.

Ms. HOLTZMAN. Mr. Speaker, I thank the majority leader for his elucidation.

Mr. WRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I would like to determine the procedure that will be followed. Will the standing committees be hearing testimony and moving simultaneously with the ad hoc committee, or will they commence their work after the ad hoc committee finishes its deliberations?

I am very much concerned about the time factor. I think if we are going to pass an energy bill, the sooner we pass it the better. As we move closer to the end of the year and closer to November of next year, it will become increasingly difficult. I feel the success of our effort depends very, very much upon the speed with which we can move on the total package.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the majority leader.

Mr. WRIGHT. Mr. Speaker, in response to the gentleman's question, it is my understanding that the standing committees to which would be referred the various component parts of the energy program would act first, and that they would not only be free but would be encouraged to hold hearings, to perfect language, and to adopt markups, bringing back to the ad hoc committee such language as in their best judgment would carry out the intent of the President's requests. Thereupon the ad hoc committee would have the privilege of deliberating, consulting, and considering the issues. The ad hoc committee would then perfect at its option any amendments which its members might desire to offer on the floor of the House.

Mr. VANIK. Then, as I understand it, Mr. Speaker, the alternative would be to offer such an amendment on the floor on the recommendation of the committee? As to any alternatives that may have been developed by the ad hoc committee, the committee would have the privilege of introducing those alternatives?

Mr. WRIGHT. The gentleman is correct.

Mr. VANIK. Mr. Speaker, let me ask the gentleman one further question.

With respect to the appointment of conferees, will the conferees come from the basic committee, or will they be coming from the ad hoc committee? We have developed a relationship with our counterparts in the other body, and I think, for example, that on the Committee on Ways and Means we have a very creditable record in dealing with the other body.

Would that be affected in any way by the development of this ad hoc committee resolution? The Speaker, in his letter, I believe, addresses himself to this issue.

The SPEAKER. The time of the gentleman from Ohio (Mr. VANIK) has expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio (Mr. VANIK) in order that I may respond as best I can to his question.

When the House finally goes to conference with the other body on this energy legislation, as has been indicated by the Speaker, primary responsibility for settlement of matters in disagreement in connection with specific parts of the legislation would rest with representatives of each of the standing committees relating to their respective portions of the bill.

With regard to a creature as diverse as this ad hoc committee is bound to be, conceivably a situation may arise where it would not always be possible to yield in every instance to the wishes of one or two particular Members; but to the very best of that committee's ability, I am quite sure that a good faith effort will be made to protect the rank and privileges of those standing committees of jurisdiction, insofar as it is possible to protect them, given the very nature of the conference committee, whose fundamental purpose is to achieve compromise.

The SPEAKER. The time of the gentleman from Ohio (Mr. VANIK) has expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield further, within that framework I have just described and within the limitations which necessarily must apply to any conference committee, I am sure that every effort will be made to protect the rights of the standing committees of the House and of their members, even through the conferring process.

Mr. VANIK. Mr. Speaker, I thank the gentleman.

Mr. MAHON. Mr. Speaker, will the gentleman yield for a question?

Mr. WRIGHT. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, as I understand it, the various legislative committees of the House will be charged with working out the details that have been explained here today.

As I understand it, this would in no way be an appropriations bill; it would authorize appropriations, but it would not, in any sense, provide for an appropriation.

Mr. WRIGHT. Mr. Speaker, the gentleman is exactly correct. The jurisdiction of this ad hoc committee, as, indeed, the jurisdictions of those committees to whom these matters would be sequentially referred, is subject to authorization. There is no intent to confer upon this ad hoc committee, nor upon any of the other committees by means of this resolution, any of the powers that inure properly to the Committee on Appropriations.

Mr. MAHON. Mr. Speaker, I thank the gentleman.

Mr. WRIGHT. Mr. Speaker, I have no further requests for time at this moment.

Mr. RHODES. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I rise in support of House Resolution 508 to create an Ad Hoc Committee on Energy.

I realize that the creation of this committee will result in a rather unusual procedure with respect to consideration of legislation.

Mr. Speaker, if I can have the attention of the majority leader, I understand the actual legislative recommendations, when they are received by the Congress over the next several weeks will be referred to the appropriate standing committees for hearings and markup. When the various standing committees have completed their deliberations, the different portions of the President's package will be referred to the ad hoc committee, which will not have the authority to change the standing committees' reported legislation, but will have authority to recommend amendments for consideration on the floor from the ad hoc committee. Is that correct?

Mr. WRIGHT. If the gentleman will yield, the gentleman is exactly correct.

Mr. BROWN of Ohio. Mr. Speaker, I fully approve retaining basic legislative authority in the standing committees since these committees, such as the Committee on Interstate and Foreign Commerce on which I serve, have years of experience in dealing with energy legislation, experience which should be drawn on in the consideration of the President's proposals, just as it was drawn on in the consideration of past Presidents' proposals.

Mr. Speaker, I will look with interest at the progress that the Congress, dominated as it is by members of the majority party, makes with energy programs proposed by a Democratic President compared to the progress that was made with the proposals presented by previous Presidents.

Mr. Speaker, slightly more than 2 years ago President Ford submitted to Congress the so-called Project Independence, which had virtually identical goals to the goals enunciated by President Carter Monday and Wednesday nights. In addition, Mr. Speaker, Project Independence and President Carter's so-called national energy plan have many substantive similarities, such as urging utilization of more of our coal resources, reform of our poorly structured energy pricing system, and heavy emphasis on the need for conservation.

If I might, Mr. Speaker, I would like to quote from the President's 1975 state of the Union message with respect to the economy and energy.

The national energy policy goals and principles announced by President Ford are as follows:

Near-Term (1975–1977): Reduce oil imports by 1 million barrels per day by the end of 1975 and 2 million barrels by the end of 1977, through immediate actions to reduce energy demand and increase domestic supply.

Second:

Mid-Term (1975–1985): Eliminate vulnerability by achieving the capacity for full energy independence by 1985. This means 1985 imports of no more than 3–5 million barrels of oil per day, all of which can be replaced immediately from a startegic storage system and managed with emergency measures.

Third:

Long-Term (Beyond 1985): Within this century, the U.S. should strive to develop technology and energy resources to enable it to supply a significant share of the Free World's energy needs.

Then principles or directions:

Provide energy to the American consumer at the lowest possible cost consistent with our need for secure energy supplies.

Make energy decisions consistent with our overall economic goals.

Balance environmental goals with energy requirements.

Rely upon the private sector and market forces as the most efficient means of achieving the Nation's goals, but act through the government where the private sector is unable to achieve our goals.

Seek equity among all our citizens in sharing of benefits and costs of our energy program.

Finally:

Coordinate our energy policies with these of other consuming nations to promote interdependence, as well as independence.

President Carter's proposal was not quite phrased in the same way, but it might well have been typed on the same typewriter as President Ford's.

But, Mr. Speaker, the basic differences between the plan submitted last night by President Carter and the plan submitted by former President Ford are that the Carter plan overemphasizes one side of the energy equation, that is, the demand side. It fails to address the supply or the production side. Also, the Ford plan was structured in separate pieces in such a fashion that failure to pass one or more of the blocks of his various legislative proposals did not make impossible the workability of the other parts. Congress did, in fact, enact in the Energy Policy and Conservation Act many of the suggestions of President Ford, including the strategic petroleum reserve and the international energy program, which President Carter, of course, endorsed last night.

The SPEAKER. The time of the gentleman has expired.

Mr. RHODES. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. BROWN of Ohio. The Carter program, on the other hand, seems to be so intertwined, so inextricably intricate, that it appears the various parts will only operate successfully if the package as a whole is enacted. This is particularly true because of the interrelationship of the various tax and rebate portions of the package—and the package is certainly heavy with taxes, on top of taxes, on top of taxes.

The estimate arrived at by my subcommittee staff was that the taxes run about $25 to $30 billion.

I went to the Joint Economic Committee yesterday and asked the same question of a member of the majority staff of that committee, and his response was that the cost that had been figured out was $45 billion in additional taxes.

Mr. Speaker, the Nation will be watching with interest to see whether this Congress, controlled as it is by the Democratic majority, can address itself successfully to the proposals of a Democratic President to solve our serious energy problems in the national interests, even in the world's interest. Let us hope for more success than in the past.

Mr. RHODES. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. WRIGHT. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. ULLMAN) the distinguished chairman of the Committee on Ways and Means.

Mr. ULLMAN. I thank the gentleman for yielding.

Let me state the way I think this works, and I would like to have the chairman's comments. The bill will be drafted in such a way that those portions under the jurisdiction of the Committee on Ways and Means will be referred directly to the Committee on Ways and Means so that we can immediately proceed on hearings in the normal manner, and markup of the bill, and that at some point there will be an allocation of time made by the Speaker for the committee to act. I hope that we can do it as expeditiously as possible because I think time ultimately might destroy us. It does take some time to do it, and I think that should be a very judicious decision. The Committee on Ways and Means then—and I am using this only as an example because it relates to other committees that have jurisdiction as well—within that time frame will report the bill, having latitude to introduce a clean bill as we normally do if necessary in order to clean up the procedure, and then that will be referred to the ad hoc committee but not for amendment. There will be no authority in the ad hoc committee to amend the legislation as sent by us or other committees of jurisdiction. The committee, however, will look at the package, and if there are discrepancies in the way it operates, will attempt to correct those discrepancies in this manner by deciding on amendments that they will offer at the appropriate time when the matter is brought to the floor. I would understand that the Speaker also would set time limits on the ad hoc committee as to when that action would have to take place.

Then on the floor the appropriate committees would handle their own legislation just as they would their ordinary business. I do not know whether a rule would be requested but in our instance we would want amendments to be offered only by the Committee on Ways and Means and by the ad hoc committee. We are very jealous, obviously, of the taxing authority, but the authority of the ad hoc committee would be limited to making amendments on the floor, and hopefully those amendments could be as

much in the nature of making the program work rather than restructuring it. In other words, I would hope that the ad hoc committee would not begin going through the whole series of decisions made by the Committee on Ways and Means in arriving at a very tough complicated tax decision, but would limit themselves as much as possible to those matters that might create discrepancies in the way the package comes together procedurally.

Presumably there would be separate votes on the different bills as brought out by the different committees. Then when a bill comes back from conference, it is my understanding also that the committees of jurisdiction would have the primary conference responsibility—I would hope the exclusive conference responsibility—to provide the mechanism for the conferees to get together with the joint committee to see if there are discrepancies between them and, if need be, go back, but with the committee's jurisdiction having the basic conference responsibility.

Is that substantially in accordance with the understanding of the chairman?

Mr. WRIGHT. The gentleman's description of the process which this resolution contemplates is quite substantially in conformity with the way it is understood by the majority leader and the way in which I am cetrain it is intended by the Speaker. There are, of course, questions raised by the gentleman which neither the majority leader nor any other Member could hope to answer with absolute finality at this moment, such as the kind of rule that might be granted by the Committee on Rules. But within the framework of intent, I believe the gentleman has correctly stated the situation.

It would be the purpose of the leadership to see that this kind of workable system shall be pursued to the end that we may produce legislation that will be harmonious with the wishes of those who are the best authorities in the House on specific subject matter, but at the same time will preserve to this broad-based group the right to insure that, unlike the headless horseman, the House is not riding off in many diverse directions at once.

This, after all, is a fundamental function of the ad hoc committee—to achieve a consistency of policy. It certainly would seem useful, for example, to see that the House is not mandating greater fuel efficiency in automobiles at the very time that it mandates the accomplishment of things that make more difficult the achievement of efficiency in automobiles, or to see that the House is not mandating the increased production of a certain mineral at the same time it promulgates solecisms that would make more difficult the production of that mineral.

In other words, it is the intent by this device to provide a broad base of understanding in order that the well of knowledge and experience existing in each committee, as in the gentleman's committee with respect to tax legislation, might be tapped and utilized to the fullest. Then the broader group, the ad hoc committee, shall come together to reconcile and harmonize what has been done by the various committees to the end that they shall serve the same purpose and move in the same direction, the common goal being energy efficiency for the United States, including conservation of our dwindling reserves by discouraging wasteful consumption to purchase time during which we can bring on additional production of the types that will lead us to energy sufficiency in the future.

I cannot think of another challenge that faces the House or the Congress with a more stringent or more severe testing of its statesmanship and its wisdom. It tests and challenges our ability to submerge petty differences, to rise above sectionalism and balkanization, of which the President spoke last night. This is a test of our common ability to produce a program that will indeed serve the interests of the United States and result ultimately in national energy sufficiency.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Speaker, then let me say to the gentleman within that frame of reference I will support the legislation, and the basic frame of reference is finding a method of coordination in the Congress while at the same time jealously guarding and protecting the prerogatives of the individual committees involved. I think what we do here may very well set the pattern for what might be done elsewhere, so I would hope that we will very jealously guard the prerogatives of the committees. This is a coordinating mechanism. We need to move forward together, and on that basis I support the gentleman.

Mr. WRIGHT. I thank the gentleman from Oregon for his comment.

Mr. STEIGER. Mr. Speaker, will the majority leader yield for a moment?

Mr. WRIGHT. Of course I yield to my friend, the gentleman from Wisconsin.

Mr. STEIGER. Mr. Speaker, I appreciate the gentleman's yielding.

I must say I commend the Speaker and the majority leader and the minority leader for this effort.

I am not as jealous as my chairman of the prerogatives of the standing committees, and if I had any disappointment at all it would be that in the mechanism being created by this resolution it was possible to go even further in order to create the ability of the House of Representatives to have a rational, cohesive, and comprehensive committee to deal with all aspects of energy policy.

I understand very well that it is not possible now, but may I ask the majority leader to clarify for me one aspect of the question asked by the chairman of the Ways and Means Committee. The ad hoc committee being created, as I understood the question asked of the gentleman, was to be limited to the amendments which were relatively minor, to correct imbalances or conflicts only, or does the select committee, or the ad hoc committee, whatever the title is, have an ability to focus in an amendment for the House the policy for energy in this country?

Mr. WRIGHT. The gentleman from Wisconsin (Mr. STEIGER) has asked the majority leader to respond to a question of opinion. I can only say to the gentleman that there is nowhere in this resolution a stricture, a hobble or a confinement, either explicit or implicit, upon the ad hoc committee which would prohibit it from offering any recommendations that it may deem desirable and necessary to make this whole package make sense. That is its purpose. Otherwise, there would be no need for an ad hoc committee. We want one energy policy. We want a comprehensive energy policy. We want an energy policy that moves consistently and purposefully in an orderly direction. That is the purpose of the ad hoc committee.

It is an innovative procedure. I should like to commend the Speaker for the innovation, the initiative, that brings forth this kind of procedure. We hope it will work. It will be an imperfect instrument, to be sure, because it will be composed of imperfect creatures. But to the extent of our abilities, I believe we can rise to the challenge that the American public expects of us and create an energy program that will conserve, that will produce and that will make this Nation energy sufficient. That is what the American public looks to us to do.

I should like to suggest to my colleagues that I believe the American public may be ahead of us. I think the American public is ready to do those things that are necessary, once it understands that it is being told the truth, the stark, harsh, total reality, and that those sacrifices that are requested of it are evenly and fairly distributed. I do not think we need to question the willingness of the American public or its patriotism to do those things. They look to us for the leadership that will call on them for those things.

Mr. WYDLER. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield 1 minute to the gentleman from New York for purposes of debate.

Mr. WYDLER. Mr. Speaker, I just want to get clear in my own mind. I understand that at the end of the normal legislative procedure the matters in this legislation will be referred to the select committee and the select committee will have the right to suggest amendments to the legislation. Does that imply that no other amendments are going to be allowed other than those allowed in the legislation, that a rule will be sought to limit the legislative amendments to those selected by the select committee?

Mr. WRIGHT. Mr. Speaker, may I reply to the gentleman this way. I cannot answer that question. The answer would depend entirely upon the kind of rule that is granted by the Committee on Rules. I would assume that the rule granted by the Committee on Rules will be governed by the circumstances that exist at the moment. I do not think I can answer that question at this point; I should not want to attempt to.

Mr. WYDLER. Mr. Speaker, if the gentleman will yield further, I under-

stood this would be one piece of legislation, finally, so that we know there is only going to be one decision to be made and that decision can be made now, as well as later. I just want to know if the Members are going to be allowed to offer amendments to the legislation when it comes to the floor of the House.

Mr. WRIGHT. Mr. Speaker, within the limited time remaining, I would say I am certain that the rights of the House will be protected. Surely, what the Committee on Rules would do under these circumstances we cannot know until we see the components and the complexities of the legislation. Nor can we know at this time what we shall ask the Committee on Rules to do, whether to grant an entirely open, a semiopen or semiclosed rule, a rule open to all amendments, or to certain specific amendments, or to amendments applicable only to certain sections or provisions of the bill.

Surely it would be premature to try to foreclose all the rights and options of judgment that might exist at that time. But I would suggest to the gentleman that it will be the purpose of the leadership to see to it that the rights of the majority shall be protected against the exclusive presumptions of any minority and the rights of all minorities against the intolerance of any majority and that the rights of the membership to work its will shall be protected to the maximum extent of our ability so to do. I hope that is a satisfactory answer.

Mr. GOLDWATER. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. If I have time remaining, I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Speaker, in response to the gentleman's question, I was somewhat confused. If I could, I would like to give an example as to what I think the question was.

The question was, can the select committee make substitute amendments to the total package. For instance, if the Committee on Science and Technology decided in its final package as presented to the select committee, wanted to completely take all monies out of, say, nuclear research and development, and put those moneys into conservation, that would be a major change.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. RHODES. Mr. Speaker, if the gentleman desires to do so, I will yield whatever time I have remaining back to the gentleman from Texas for his disposition.

Mr. WRIGHT. I thank the gentleman.

Mr. GOLDWATER. Would the gentleman yield further?

Mr. WRIGHT. I yield.

Mr. GOLDWATER. Could the select committee therefore offer an amendment to reverse that action which the Science and Technology Committee took on the research and development aspects of the program?

Mr. WRIGHT. On the floor, if the amendment is germane under the rules of the House, and if the Rules Committee has offered to the House the kind of rule that makes the amendment in order, and if the Members of the House in their wisdom have adopted that rule, yes, that could be done.

Mr. GOLDWATER. So, in other words, the select committee could offer any amendment, regardless of how it may impact on the total package?

Mr. WRIGHT. The House will work its will in the adoption of the rule and in the adoption of amendments.

Mr. GOLDWATER. What the gentleman is saying is, he does not preclude that possibility from happening?

Mr. WRIGHT. I do not preclude that possibility. I do not.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. WRIGHT. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, this question deals not with procedure, but with a very concrete aspect of the President's message of last night. The President called for an increase annually in the production of coal, as we return to that resource, of roughly 400 million tons per year.

In the Interior Committee, we have just come through 3 months of hearings. I serve on the Subcommittee on Energy and Environment, before which evidence was presented by the EPA to the effect that a report will be filed tomorrow which will result in the reduction of 100 million tons, over a period of time, of coal production. Would the gentleman from Texas support referral of this strip mining bill to the ad hoc committee so that we could have what he has so eloquently described as one energy policy, taking into account all the matters that should be considered?

Mr. WRIGHT. Not unless it were included in the President's message.

Mr. BAUMAN. He mentioned that specifically.

Mr. WRIGHT. The legislation to be referred to this ad hoc committee, I would say to my friend from Maryland, will be that legislation which is submitted to the House by the President pursuant to his message of last evening. I have no way of knowing the confines within which that description would limit, so I just have to answer the gentleman in that way.

Mr. BAUMAN. It appears to the gentleman from Maryland that one of the major elements of the President's program will be excluded from the jurisdiction of a committee that is charged with the comprehensive energy policy. To me, that works at cross purposes.

Mr. WRIGHT. It is my understanding that the President intends to include in his message a number of recommendations to increase the production of coal, and to make easier the production of coal, to facilitate conversions to coal, and to make more expeditious decisions with respect to the building of nuclear plants and other things of that type. But I should not presume to preempt the President's recommendations, nor to delineate by prophecy what specific provisions will be requested of us. Be it enough now to suggest that we are creating a mechanism by which the House, hopefully, can put into place a workable and effective energy program.

Mr. BAUMAN. I wonder if I could ask, within the program, is it possible later to consider delay by this House of the strip mining bill until such time as this ad hoc committee is given a chance to consider it? That is because this bill is completely contrary to what the President has recommended. That is the very least we ought to ask if we are sincere about our energy policy.

Mr. WRIGHT. The gentleman, of course, would have the privilege to present his views at any time with respect to the scheduling of that or any other legislation. All I am capable of dealing with right now, and all that we have before us right now, is this resolution creating an ad hoc committee. I believe it to be a good resolution and I believe it will move us in the right direction.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 4877, MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR ENDING SEPTEMBER 30, 1977

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 4877) making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House on April 6, 1977.)

Mr. MAHON (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. MAHON) is recognized for 30 minutes, and the gentleman from Michigan (Mr. CEDERBERG) is recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I will yield myself such time as I may consume.

Mr. Speaker, the $29 billion contained in the conference agreement on the supplemental appropriation bill, 1977 represents the largest supplemental appropriation bill to be passed by the Congress since the World War II period. Members were advised of this when the bill was considered by the House on March 16. The conference agreement which provides pay act costs, traditional supplementals, and regular fiscal 1977 appropriations, involves over 500 appropriation accounts and touches almost every department and agency of the Government.

The Senate amended the House bill in 237 instances, a large number by any yardstick.

Mr. Speaker, while it is not possible to address the action of the conferees on each item before the committee of conference, I do believe it appropriate to speak of the general parameters of the measure before us. This bill, as passed by the House on March 16, contained a grand total of some $27.9 billion. While there were certain amendments agreed to by the House this was the magnitude of the measure when it was sent to the other body.

The bill as passed by the other body totaled some $32.8 billion, an increase of about $5 billion over the House passed bill. The other body considered about $699 million in budget estimates which were transmitted by the President too late to be considered in connection with the House bill. A very large proportion of the net addition made by the other body can be accounted for by the $4 billion amendment for the waste treatment grant program administered by the Environmental Protection Agency. There were many increases and decreases of a relatively lesser magnitude throughout the bill. As I indicated, Mr. Speaker, there were 237 amendments to the bill.

The conference agreement aggregates some $29 billion which is about $1 billion over the House-passed bill and about $3.8 billion under the bill as passed by the other body. The conference agreement is some $4.7 billion in budget authority under the requests submitted by the President.

Included among the net increases of $1 billion over the House bill are amounts of $500 million for the EPA waste treatment facility program and $75 million for Indian health facilities.

The conference agreement also provides funds in addition to the House bill for emergency drought assistance. These items were transmitted to Congress too late for inclusion in the House bill. Included are $50 million for the Federal Crop Insurance Corporation; $75 million for rural water grants; an increase of $150 million in the amount available for water and sewer facility loans; $100 million for drought assistance under the Agricultural Stabilization and Conservation Service; and $100 million for drought assistance under the Bureau of Reclamation.

Mr. Speaker, the largest single item in this $29 billion bill is some $13 billion in budget authority which is actually long term contract authority for assisted housing. The next largest category is some $5.9 billion of programs in the Labor-HEW area. This includes certain health and education programs for which the authorization bills were not completed in time last year to permit inclusion of the applicable appropriations in the regular bill. The third largest item is some $2 billion for pay act costs for civilian and military personnel.

As I indicated there are hundreds of appropriation items in the pending measure. The bill involved all 13 of the Appropriations Subcommittees and all 13 subcommittees were represented on the committee of conference. The measure no doubt is not perfect from the standpoint of any of the 41 conferees or from the standpoint of an individual Member. It is certainly not satisfactory from my standpoint with respect to several matters but all legislation is a matter of compromise and we did the best we could under the circumstances.

I feel compelled to restate my special concern about the $200 million in the bill under the Community Services Administration to pay people's fuel bills. I think this is a very unfortunate and dangerous precedent. The program is not specifically authorized and it was not requested. In my judgment it is a program in which there are latent inequities and the program is clearly susceptible to gross abuses. It promises to cause divisiveness and animosity among people in our communities.

It is advertised as a temporary program but we have had ample lessons in temporary Government programs. And I submit that $200 million is but a drop in the bucket compared to the ultimate exposure of such a program. There is no question but that we are all sympathetic to what inflation and the energy crisis is doing to us but I just do not believe that undertaking to pay people's fuel bills under this program is a viable or prudent solution to this whole problem and I hope the matter can be sidetracked or reversed. It is just another case of throwing money willy-nilly at our problems. We spend a lot of time doing that.

Mr. Speaker, the conferees have reported 91 of 237 Senate amendments in disagreement. Ninety are in technical disagreement. The one item reported in true disagreement is an unauthorized unbudgeted Senate add-on for snow removal costs incurred by local governments last winter in parts of four States. This item is amendment numbered 35 in the HUD chapter of the bill which is handled by the able and distinguished gentleman from Massachusetts (Mr. BOLAND).

The House conferees just could not accept such a proposition and at the appropriate time, I shall offer a motion to insist on the disagreement of the House to this Senate amendment. There will be further discussion of the matter after the conference report is disposed of and when the items in disagreement are considered in sequence.

Mr. Speaker, I also wish to advise the House that at the appropriate time after the consideration of the conference report on this bill, I will present a concurrent resolution to correct a legislative citation in the original text of the bill. The improper citation is in the HEW sections under the heading "Assistant Secretary for Human Development." The concurrent resolution will simply direct the Clerk to change section "202" of the Rehabilitation Act to section "203". Section 202 relates to rehabilitation research and section 203 pertains to rehabilitation training. The citation error was not discovered until after both the House and Senate passed the bill and there was no way the conferees could handle the matter. The intent of the House and Senate is abundantly clear and well documented. The concurrent resolution is purely technical and I mention it at this time simply for the information of Members.

Mr. Speaker, we have talked recently about the necessity for restraint in dealing with our national resources, particularly our energy resources. Among our resources is our fiscal capability, and the bill does not reflect adequate restraint, in my opinion, in dealing with the fiscal matters which provide for funding the country at this time. However, it is too late for amendments to be considered in regard to that aspect of the matter.

Mr. Speaker, the conference report is available to Members. The record is there as to the action taken by the conferees.

I shall not take additional time at this moment. The members of the committee on both sides of the aisle who worked on this bill are here and we would be pleased to respond to any questions. Under leave to revise and extend, I offer a summary of the major items in the bill for insertion in the RECORD at this point:

Major items in the conference agreement on the supplemental appropriation bill, 1977, are:

Increased paycosts for military and civilian personnel	$2,045,676,530
Commodity Credit Corporation	710,000,000
Farmers Home Administration: Water and sewer facility loans	150,000,000
Agricultural Conservation Program: contract authority	100,000,000
Food Stamp Program	720,000,000
Inter-American Development Bank	316,000,000
Annual contributions for assisted housing (contract authority)	13,112,405,000
Housing for the elderly or handicapped (limitation on loans)	100,000,000
Housing payments (appropriation to liquidate contract authority)	411,500,000
Federal Housing Administration Fund	1,801,344,000
Environmental Protection Agency: Construction Grants	1,000,000,000
Veterans' Administration: Compensation and pensions (by transfer)	588,450,000
Bureau of Land Management: Payments in lieu of taxes	100,000,000
Land and Water Conservation Fund	140,743,000
Forest land management	233,005,000
Health Resources Administration	414,846,000
Occupational, vocational and adult education	221,855,000
Higher education	3,187,168,000
Public assistance	1,225,197,000
Community Services Administration	282,500,000
Military Construction	117,126,000
Bureau of Reclamation: Drought Emergency Assistance	100,000,000
Coastal energy impact fund	115,000,000
Payment to the Postal Service Fund	500,000,000
Payment to civil service retirement and disability fund	232,643,000
Federal Buildings Fund	125,000,000

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a table showing in detail the amounts in chapter VII of the bill, as agreed upon by the conferees.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(The table referred to follows:)

H.R. 4877—CHAPTER VII

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY RECOMMENDED IN CONFERENCE

Department or activity	1976 comparable appropriation	1977 appropriation to date	Supplemental request	House bill	Senate bill	Conference agreement
CHAPTER VII						
DEPARTMENT OF LABOR						
Labor-Management Services Administration:						
Salaries and expenses	$45,885,000	$48,319,000	$1,435,000	$892,000	$892,000	$892,000
Employment Standards Administration:						
Salaries and expenses	87,407,000	92,952,000	4,658,000	3,053,000	3,053,000	3,053,000
Special benefits	289,100,000	317,818,000	19,131,000	19,131,000	19,131,000	19,131,000
Subtotal, Department of Labor	(1)	(1)	25,224,000	23,076,000	23,076,000	23,076,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE						
HEALTH						
Health Services:						
Home health services	3,000,000	----------	3,000,000	3,000,000	3,000,000	3,000,000
National Health Service Corps	20,000,000	----------	25,354,000	25,354,000	25,354,000	25,354,000
Emergency medical services	33,625,000	----------	33,625,000	40,125,000	40,125,000	40,125,000
Subtotal	(1)	(1)	61,979,000	68,479,000	68,479,000	68,479,000
Center for Disease Control:						
Occupational safety and health training centers	----------	2,200,000	----------	(1,000,000)	(1,000,000)	(1,000,000)
Venereal disease	19,840,000	18,000,000	----------	(7,000,000)	(7,000,000)	(7,000,000)
Immunization	4,960,000	13,000,000	----------	(3,000,000)	(4,000,000)	(4,000,000)
Subtotal	(1)	(1)	----------	(11,000,000)	(12,000,000)	[3] (12,000,000)
National Institute of Arthritis, Metabolism and Digestive Diseases	179,801,000	209,000,000	----------	7,500,000	13,700,000	10,600,000
National Institute of Environmental Health Sciences	37,780,000	49,141,000	----------	2,000,000	2,000,000	2,000,000
Total, National Institutes of Health	(1)	(1)	----------	9,500,000	15,700,000	12,600,000
Alcohol, Drug Abuse and Mental Health Administration:						
Mental Health Research	95,908,000	105,908,000	----------	2,000,000	2,000,000	2,000,000
Alcoholism:						
Research	11,808,000	11,808,000	----------	2,000,000	2,000,000	2,000,000
Project grants	68,408,000	12,859,000	55,549,000	55,549,000	64,822,000	60,149,000
Grants to States	55,500,000	----------	55,500,000	55,500,000	64,200,000	56,800,000
Subtotal, Alcohol, Drug Abuse and Mental Health	(1)	(1)	111,049,000	115,049,000	133,022,000	120,949,000
Health Resources:						
Health planning and resources development	112,500,000	125,000,000	----------	----------	5,000,000	5,000,000
Health Professions Education:						
Institutional assistance:						
Capitation	101,100,000	----------	97,700,000	119,100,000	119,100,000	119,100,000
(MOD)	(82,902,000)	(----------)	(91,100,000)	(101,100,000)	(101,100,000)	(101,100,000)
(VOPP)	(18,198,000)	(----------)	(6,600,000)	(18,000,000)	(18,000,000)	(18,000,000)
Subtotal, institutional assistance	101,100,000	----------	97,700,000	119,100,000	119,100,000	119,100,000
Health teaching facilities	----------	----------	----------	25,000,000	26,000,000	26,000,000
Student assistance:						
Loans	24,000,000	----------	20,000,000	24,000,000	24,000,000	24,000,000
Loan repayments	5,358,000	----------	2,000,000	2,000,000	2,000,000	2,000,000
National Health Service Corps scholarships	22,500,000	----------	35,000,000	39,000,000	40,000,000	40,000,000
Health professions scholarships	3,500,000	----------	1,000,000	1,000,000	1,000,000	1,000,000
Shortage area scholarships	642,000	----------	400,000	400,000	400,000	400,000
Subtotal, student assistance	56,000,000	----------	58,400,000	66,400,000	67,400,000	67,400,000
Special educational assistance:						
Family medicine	15,000,000	----------	39,000,000	39,000,000	39,000,000	39,000,000
Primary care	----------	----------	15,000,000	15,000,000	15,000,000	15,000,000
Project grants (VOPP)	6,790,000	----------	5,350,000	5,350,000	5,350,000	5,350,000
Physician/dental extenders	8,000,000	----------	10,500,000	10,500,000	10,500,000	10,500,000
Area health education centers	12,000,000	----------	14,000,000	14,000,000	14,000,000	14,000,000
Disadvantaged assistance	7,286,000	----------	8,000,000	10,000,000	10,000,000	10,000,000
Foreign medical graduates	----------	----------	1,000,000	1,000,000	1,000,000	1,000,000
National Advisory Commission on Graduate Medical Education	----------	----------	1,000,000	1,000,000	1,000,000	1,000,000
Special projects (MOD)	30,793,000	----------	14,850,000	14,850,000	14,850,000	14,850,000
Manpower initiatives	11,189,000	----------	7,000,000	10,000,000	10,000,000	10,000,000
Supply and distribution reports	----------	----------	1,000,000	1,000,000	1,000,000	1,000,000
Start-up assistance	3,000,000	----------	3,000,000	3,326,000	3,326,000	3,326,000
Financial distress	5,000,000	----------	3,000,000	3,000,000	4,000,000	3,500,000
Planning grants: Manpower shortage areas	----------	----------	----------	400,000	400,000	400,000
Emergency medical training	----------	----------	----------	6,000,000	6,000,000	6,000,000
Subtotal, special education assistance	97,058,000	----------	122,700,000	134,426,000	135,426,000	134,926,000
District of Columbia medical and dental	9,050,000	----------	----------	8,900,000	8,900,000	8,900,000
Dental health education	8,442,000	----------	6,200,000	8,000,000	8,000,000	8,000,000
Allied health	28,321,000	----------	8,000,000	24,000,000	26,400,000	24,000,000
Public health	20,520,000	----------	8,000,000	18,000,000	20,520,0	20,520,000
Program management (guaranteed loans)	----------	----------	1,000,000	1,000,000	1,000,000	1,000,000
Total, health resources	(1)	(1)	302,000,000	404,826,000	417,746,000	414,846,000
Total, health	(1)	(1)	475,028,000	597,854,000	634,947,000	616,874,000

See footnote at end of table.

H.R. 4877—CHAPTER VII—Continued

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES—Continued

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY RECOMMENDED IN CONFERENCE—Continued

Department or activity	1976 comparable appropriation	1977 appropriation to date	Supplemental request	House bill	Senate bill	Conference agreement
CHAPTER VII—Continued						
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
EDUCATION						
Elementary and Secondary Education:						
Indochinese refugee assistance	$15,000,000			$18,500,000	$16,000,000	$18,500,000
Emergency school aid:						
Special programs and projects	40,750,000	$35,750,000			10,000,000	10,000,000
Magnet schools					25,000,000	7,500,000
Education for the handicapped:						
Special studies			$1,735,000	1,735,000	1,735,000	1,735,000
Occupational, Vocational, and Adult Education:						
Vocational Education:						
Academic year, 1976-77:						
State programs:						
Work study	9,849,000	2,462,000	7,387,000	7,387,000	7,387,000	7,387,000
Cooperative education	19,500,000	4,875,000	14,625,000	14,625,000	14,625,000	14,625,000
Innovation	8,000,000	2,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Programs for students with special needs	20,000,000	5,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Consumer and homemaker education	40,994,000	10,249,000	30,745,000	30,745,000	30,745,000	30,745,000
Programs of national significance:						
Innovation	8,000,000		8,852,000	8,852,000	8,852,000	8,852,000
Curriculum development	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000
Personnel development	10,000,000		10,000,000	10,000,000	10,000,000	10,000,000
Bilingual vocational training	2,800,000		2,800,000	2,800,000	2,800,000	2,800,000
Special studies			600,000	600,000	600,000	600,000
Subtotal, 1976-77			97,009,000	97,009,000	97,009,000	97,009,000
Academic year, 1977-78:						
State programs:						
Basic grants		347,680,000	19,039,000	38,039,000	38,039,000	38,039,000
Program improvement		93,670,000	4,760,000	9,510,000	9,510,000	9,510,000
Programs for students with special needs			20,000,000	20,000,000	20,000,000	20,000,000
Consumer and homemaker education			40,994,000	40,994,000	40,994,000	40,994,000
Advisory councils		4,316,000	750,000	750,000	750,000	750,000
Programs of national significance		24,650,000	1,253,000	2,503,000	2,503,000	2,503,000
Bilingual vocational training			2,800,000	2,800,000	2,800,000	2,800,000
Subtotal, 1977-78	(1)	(1)	89,596,000	114,596,000	114,596,000	114,596,000
Total, vocational education	(1)	(1)	186,605,000	211,605,0000	211,605,000	211,605,000
Adult education:						
Indochinese refugee assistance	10,250,000			10,250,000	10,250,000	10,250,000
Subtotal, occupational, vocational, and adult education	(1)	(1)	186,605,000	221,855,000	221,855,000	221,855,000
Higher education:						
Student assistance:						
Basic educational opportunity grants	1,325,800,000		1,903,900,000	1,903,900,000	1,903,900,000	1,903,900,000
Supplemental educational opportunity grants	240,093,000		240,093,000	240,093,000	260,093,000	250,093,000
Work-study	390,000,000		390,000,000	430,000,000	390,000,000	390,000,000
Direct loans:						
Federal capital contributions	321,000,000			300,000,000	321,000,000	310,500,000
Loans to institutions	2,000,000		800,000	800,000	800,000	800,000
Incentive grants for State scholarships	44,000,000		44,000,000	60,000,000	60,000,000	60,000,000
Subtotal, student aid	(1)	(1)	2,578,793,000	2,934,793,000	2,935,793,000	2,915,293,000
Special programs for the disadvantaged	70,331,000		70,331,000	85,000,000	85,000,000	85,000,000
Institutional assistance:						
Strengthening developing institutions	110,000,000		110,000,000	110,000,000	110,000,000	110,000,000
Language training and area studies	16,000,000	3,000,000	13,300,000	13,300,000	16,000,000	14,650,000
University community services	12,125,000		12,125,000	12,125,000	16,125,000	14,125,000
State postsecondary education commissions	3,500,000		3,500,000	3,500,000	3,500,000	3,500,000
Veterans cost of instruction	23,750,000		23,750,000	23,750,000	23,750,000	23,750,000
Cooperative education	10,750,000		10,750,000	10,750,000	13,750,000	12,250,000
Subtotal, institutional aid	(1)	(1)	173,425,000	173,425,000	183,125,000	178,275,000
Personnel development:						
College teacher fellowships	1,000,000		100,000	100,000	100,000	100,000
Public service fellowships	4,000,000		4,000,000	4,000,000	4,000,000	4,000,000
Mining fellowships	3,000,000		3,000,000	3,000,000	4,500,000	4,500,000
Graduate facilities, intercultural center				6,100,000		
Subtotal, higher education	(1)	(1)	2,829,649,000	3,206,418,000	3,212,518,000	3,187,168,000
Library resources:						
College library resources	9,975,000		9,975,000	9,975,000	9,975,000	9,975,000
Training and demonstration	1,500,000		1,500,000	2,000,000	4,000,000	3,000,000
Unde graduate instructional equipment	7,500,000		7,500,000	7,500,000	7,500,000	7,500,000
Guidance counseling and testing					3,000,000	3,000,000
Subtotal, library resources			18,975,000	19,475,000	24,475,000	23,475,000
Special projects and training:						
Teacher Corps	37,500,000		37,500,000	37,500,000	37,500,000	37,500,000
Office of Education, salaries and expenses	101,284,000	115,784,000	4,145,000	4,145,000	4,145,000	4,145,000
Student loan insurance fund	201,787,000		32,312,000	32,312,000	32,312,000	32,312,000
National Institute of Education:						
Research and development	58,800,000		78,300,000	58,300,000	58,300,000	58,300,000
Program administration	11,200,000		11,700,000	11,700,000	11,700,000	11,700,000
Subtotal, National Institute of Education	70,000,000		90,000,000	70,000,000	70,000,000	70,000,000

See footnotes at end of table.

H.R. 4877—CHAPTER VII—Continued

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES—Continued

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY RECOMMENDED IN CONFERENCE—Continued

Department or activity	1976 comparable appropriation	1977 appropriation to date	Supplemental request	House bill	Senate bill	Conference agreement
CHAPTER VII—Continued						
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
EDUCATION—Continued						
Assistant Secretary for Education:						
Fund for the improvement for postsecondary education	$11,500,000	----------	$11,500,000	$11,500,000	$11,500,000	$11,500,000
Salaries and expenses	21,000,000	$20,446,000	1,680,000	1,430,000	1,430,000	1,430,000
Subtotal, Assistant Secretary for Education	32,500,000	20,446,000	13,180,000	12,930,000	12,930,000	12,930,000
Total, education	(1)	(1)	3,214,101,000	3,624,870,000	3,668,470,000	3,627,120,000
Social and Rehabilitation Service:						
Public assistance	17,240,950,000	18,040,850,000	1,225,197,000	1,225,197,000	1,225,197,000	1,225,197,000
Program administration	60,378,000	62,895,000	6,334,000	1,334,000	1,334,000	1,334,000
Total, Social and Rehabilitation Service	(1)	(1)	1,231,531,000	1,226,531,000	1,226,531,000	1,226,531,000
Social Security Administration:						
Special benefits for disabled coal miners	999,778,000	913,897,000	48,068,000	48,068,000	48,068,000	48,068,000
Special Institutions:						
Gallaudet College	22,831,000	40,840,000	958,000	958,000	958,000	958,000
Howard University	86,558,000	82,409,000	5,684,000	5,684,000	5,684,000	5,684,000
Assistant Secretary for Human Development:						
Aging, model projects	13,800,000	12,000,000	----------	2,700,000	2,700,000	2,700,000
Rehabilitation:						
Special projects	9,965,000	15,600,000	----------	1,300,000	1,300,000	1,300,000
Training	22,200,000	25,000,000	----------	5,500,000	5,500,000	5,500,000
Construction	----------	----------	----------	----------	250,000	250,000
Subtotal, Human Development	(1)	(1)	----------	9,500,000	9,750,000	9,750,000
General Departmental Management:						
Departmental management	89,511,000	89,511,000	3,940,000	2,390,000	3,940,000	3,040,000
Office of the Inspector General	(----------)	(----------)	(1,040,000)	(1,040,000)	(1,040,000)	(1,040,000)
Planning, National Health Insurance and Welfare reform	(----------)	(----------)	(2,900,000)	(1,350,000)	(2,900,000)	(2,000,000)
Total, Department of Health, Education, and Welfare	(1)	(1)	4,979,310,000	5,515,855,000	5,598,348,000	5,538,025,000
RELATED AGENCIES						
Community Services Administration:						
Emergency energy conservation	27,500,000	27,500,000	----------	82,500,000	82,500,000	82,500,000
Emergency energy/fuel assistance	----------	----------	----------	200,000,000	200,000,000	200,000,000
National Commission on Libraries and Information Sciences, White House Conference on Libraries	----------	----------	3,500,000	3,500,000	3,500,000	3,500,000
Occupational Safety and Health Review Commission:						
Salaries and expenses	5,769,000	6,280,000	177,000	(2)	177,000	177,000
Railroad Retirement Board:						
Rail transportation protective account	40,000,000	40,000,000	25,000,000	(2)	25,000,000	25,000,000
Subtotal, related agencies	(1)	(1)	28,677,000	286,000,000	311,177,000	311,177,000
Total, Labor-HEW chapter	(1)	(1)	5,033,211,000	5,824,931,000	5,932,601,000	5,872,278,000

[1] Subtotals not comparable because of amounts previously appropriated for other items under these accounts in Public Law 94-439.

[2] Budget request transmitted too late to be considered by the House.

[3] To be funded out of unobligated balances from the swine flu appropriation.

Mr. BRINKLEY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Speaker, I would like to refer to the Subcommittee on Labor-Health, Education, and Welfare, chaired by the gentleman from Pennsylvania (Mr. FLOOD), and inquire of the full committee chairman, the gentleman from Texas (Mr. MAHON), as to whether it is the intention of the conferees that Mercer Medical School funds are to be used as provided in the Senate report.

As the chairman will recall, it is a moderate amount which triggers a great deal of money in State funds and in local bonds for the medical school in Macon, Ga.

Mr. MAHON. Mr. Speaker, I would say to the gentleman that I conferred with the gentleman from Pennsylvania (Mr. FLOOD), the chairman of the subcommittee. He is on the floor at this time, and it is the understanding of the committee that the Senate report would be controlling and that the funds would be available for this Mercer University project.

Mr. BRINKLEY. Mr. Speaker, I thank the chairman.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, I was one of the conferees, and I signed the report.

(Mr. YATES asked and was given permission to revise and extend his remarks.)

Mr. Speaker, I urge approval of the conference report before the House today. The bill includes $44,495,000 for management of lands and resources by the Bureau of Land Management; $800,000 for an urban recreation study by the Bureau of Outdoor Recreation, including a study of the proposed Bartram Trail; $140,743,000 for acquisition of lands to be included in the National Park System, the Fish and Wildlife System, and the Forest Service System. This $140,743,000 is the land acquisition portion of a total of $273,048,000 for the first increment of the Bicentennial land heritage program requested by President Ford and approved by President Carter.

For resource management of the Fish and Wildlife Service, the bill includes $15,475,000. The managers on the part of both the House and the Senate are in agreement that operations and maintenance of wildlife refuges should have higher priority than construction of new facilities.

For the National Park Service, $100,855,000 is provided. This includes $90,855,000 for renovation and construction of facilities in the parks. The managers on the part of both the House and the Senate are concerned with the emphasis being placed by the Park Service on the development of visitor orientation and interpretive services, rather than improvement of the resources itself.

The conferees agreed to provide $4,500,000 for roof repairs and reconstruc-

tion of the John F. Kennedy Center for the Performing Arts and urge immediate attention to this needed improvement. Because of the litigation which has been in process for some time, no repairs have been made. As a result the interior of the building has suffered damage from water leaking through the roof. It is important that repairs be made in a timely manner so that further deterioration and degradation of this facility does not occur.

The sum of $10 million was provided for coal mine subsidence control in Pennsylvania, Illinois, and West Virginia. In addition, funds are provided for construction of a metallurgy research center on the Ford Douglas Military Reservation in Salt Lake City, Utah.

The sum of $10,140,000 is provided for operations of Indian programs, and $34,200,000 for the Office of Territorial Affairs. For the Trust Territory of the Pacific, $22,460,000 is provided, including $10 million to offset losses of airport construction grants; $4 million is made available for resettlement on the Enewetak Atoll of the natives who were evacuated from these islands prior to the atomic and nuclear tests in order that they may safely return to their homeland.

The sum of $272,805,000 is provided for the Forest Service. This includes over $200 million for forest firefighting, over $33 million for recreation facilities in the national forests, and over $50 million to produce timber from the Forest Service lands which will be needed in order to attain the goal of additional housing starts for the Nation's people.

For the Federal Energy Administration, $58,301,000 was provided, including $27,500,000 for State grants for weatherization assistance to low-income homeowners.

The sum of $76 million is provided for Indian health services and Indian health facilities, and $18 million is provided for the challenge grant program to be divided evenly between the National Endowment for the Arts and the National Endowment for the Humanities.

Mr. Speaker, I rise in support of the conference agreement and I urge that the agreement be adopted by the House.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, this specific language of Senate amendment 187 grants a permanent special authority to the Director, OMB, to place five positions in grades 16 through 18 of the general schedule of title 5, United States Code. The establishment of these positions would be without regard to the provisions of existing law which place supervision and control over supergrade positions with the Civil Service Commission. The standards, controls, and limitations relating to these matters are spelled out very specifically in title 5.

I understand from the Senate committee's report that these positions are to be available only during the President's reorganization project. However, the language of the Senate amendment is open ended and does not limit the positions to that purpose.

Permanent special supergrade authority should be granted only in the most unusual circumstances and only when fully justified.

In the instant case, the need for this special supergrade authority is unclear. There is no evidence of record that the Civil Service Commission has denied or would deny a request from OMB for five supergrade positions from the Government-wide pool for the purpose of carrying out the President's reorganization project.

I see the distinguished gentleman from Oklahoma and would like to ask him what his understanding was about Senate amendment 187.

Mr. STEED. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Speaker, in response to the question, may I say that when the matter first came up on the House side, since it was not authorized, the House omitted it. It went to the other body, and the plea was made to put it back in. We agreed to it in conference on the assurance that these positions are temporary slots. They are to be paid out of a specified item in the OMB budget. They are to be used solely for the reorganization work which the President has set up, and the only reason we are going this way instead of letting them come through the regular legislation committee process is because of the urgency. They said they had to have them in order to get these people on board and working on the reorganization.

There will be absolutely no misunderstanding anywhere that I know of about these five slots terminating once the reorganization work is terminated.

Mr. MAHON. Mr. Speaker, I think it very wise that this question and answer be made a part of the legislative history of this bill, and I commend the gentlewoman from Colorado (Mrs. SCHROEDER) for raising this issue.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Speaker, the section of the conference report dealing with funds for the National Railroad Passenger Corporation includes language stating that the "conferees are disturbed by the lackadaisical approach of Amtrak in its dealings with the Congress regarding its budget needs and in other matters."

My experience in dealing with Amtrak officials on choosing a site for a new St. Louis rail passenger terminal, for a time, bore this statement out. In recent weeks, however, Amtrak officials have demonstrated to me a growing recognition of the problems and a willingness to improve their relations with the Congress. At least in the St. Louis case, they are working hard to respond to the views of Members of Congress and, particularly, their constituents.

I am pleased at the progress made so far and hope it will continue so that Amtrak and the Congress can work together cooperatively to provide the best possible service to the Nation's railroad passengers.

Mr. MAHON. Mr. Speaker, I am pleased to have yielded to the gentleman from Missouri and his views will receive the attention of the Appropriation Committee.

Mr. CEDERBERG. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this conference report that we are considering would appropriate more than $29 billion in additional budget authority for fiscal year 1977. In addition, this bill contains $1.8 billion by transfers, increases in limitations, and contract authority. It is important to note the effect this bill will have on the impact on the Federal deficit in this and future fiscal years. The outlays figures, as provided by CBO, are estimated to be: $7.450 billion for fiscal year 1977; $4.268 billion for fiscal year 1978; $1.430 billion for fiscal year 1979; $.640 billion for fiscal year 1980; $.407 billion for fiscal year 1981; and in future years, $14.729 billion, most of which is for the assisted housing program.

This supplemental does show a decrease of $4.7 billion from the budget request, but I believe that is misleading. My colleagues will find the $5.9 billion was cut from two accounts, EPA construction grants—$3.5 billion and HUD assisted housing programs—$2.4 billion. Aside from these two programs, this bill is actually $1.2 billion over the budget.

In addition, there is the issue of what can be considered legitimate program reductions, as opposed to deferral of congressional action until a later time as would be the case of EPA construction grants, and the $275 million reduction for drought assistance which require authorizing legislation.

The major program increases over the President's budget estimates—items over $20 million in changes—in the conference report total $2 billion, and include increases of $710 million for Commodity Credit Corporation; $119 million, Forest Service; $75 million, Indian Health Facilities; $113 million, Health Resources Administration; $433 million, Office of Education; $228 million, Community Services Administration; $117 million, military construction; and $119 million, for the General Services Administration.

If this Congress wants to cut the administration's budget request, and thus assist Carter on the road to fulfilling his campaign promise of a balanced budget, let us make substantive program cuts instead of making cuts in one bill but restoring them in another. This will surely occur with the EPA, and disaster assistance programs.

This $29 billion bill, which far exceeds 10 of the 13 regular appropriations bills

for fiscal year 1977 in total figures, looks rather suspicious to me. I wonder if this administration wants to load fiscal 1977 so that fiscal year 1978 will not look so bad. Perhaps the administration has a new formula for creating balanced budgets within 4 years that I am not aware of.

I commend the President for withdrawing his request for an $11 billion rebate program which had, in my mind, very dubious merits.

However, I want to remind my colleagues that this is not a real savings that can be used for existing or new programs.

Former President Johnson was a past master at the art of making small initial budget requests and large supplemental requests when attention is then focused on the next fiscal year's budget.

But the executive branch is not the only culprit. For example, in the 1977 agriculture appropriation bill, $710 million was cut from the budget request. Now we find it in this supplemental.

Supplementals should not be used for funding new programs or expanding old ones, as in the case of the assisted housing program, and I would urge President Carter, in the spirit of "open and honest government," to make his requests in the regular bills and use the supplemental method for only those programs whose original budget estimates fell short. The supplemental route has gotten so out of hand that even the Washington Post noticed this bill with a front page story yesterday.

Another matter concerns me and that is the ever increasing number of authorized permanent positions.

Supplemental requests in the January budget would have funded 8,219 additional permanent positions. The Carter budget requests considered in this bill provide an additional 1,492 positions. This is in addition to the Carter increase of 1,007 permanent positions in the economic stimulus appropriations bill.

Before Carter was sworn in as President he gave orders to cut more than 70 positions from the White House staff. In a Washington Post article of January 30, Jody Powell cited Carter's repeated pledge to cut the size of the White House staff and said of those efforts:

> So the President can speak from a position of strength when he asks for sacrifices from others in government.

Yet the Carter White House, according to a March 31 news story in the Washington Post, now has 490 full-time employees, which is about 20 less than the end of President Ford's term. It further stated that 175 have been hired on detail from other Federal agencies making the Carter White House 30 percent larger than Ford's.

If this, and the additional request of 2,499 permanent positions, is a "position of strength," I shudder to think of what the Federal bureaucracy will look like by 1980.

I would urge my colleagues on the other side of the aisle, to join me in assisting our President fulfill his campaign promise of what he can do in arresting unrestrained growth in salaries and number of personnel.

Mr. Speaker, I would like to discuss briefly section 304 of H.R. 4877, which as passed the House provided that:

> None of the funds appropriated or otherwise made available in this act shall be obligated or expended for the termination or deferral of any project, activity, or weapons system approved by Congress, except specific projects, activities, or weapons systems for which, and to the extent, budget authority has been rescinded or deferred as provided by law.

Section 304 was stricken on the Senate floor on the motion of the chairman of the Senate Committee on Appropriations, who made it clear that he did not oppose the section, but wanted further study and discussion by the conference committee. The Senate conferees agreed to the House language, and the joint explanatory statement of the committee of conference says:

> The conferees agree that this provision does not in any way change current or future rescission and deferral procedures under the Impoundment Control Act of 1974 (Title X of Public Law 93-344). Preparation and submission of rescissions and deferrals by the Executive Branch, and consideration thereof by the Congress can continue under the Impoundment Control Act, that is, "as provided by law".
>
> Section 304 would require, and the conferees direct, that rescissions and deferrals be promptly submitted under the Impoundment Control Act when termination or deferral is proposed for any project, activity, or weapons system which involves funds appropriated in this Act. It is intended that the provision be applicable only to those projects, activities or weapons systems that are clearly approved by Congress. It is not intended that the provision modify or affect the application of the Impoundment Control Act in any way.

The language of section 304, and the joint explanatory statement, should be clear. However, as the sponsor of the amendment which was adopted by the House Committee and which added section 304, and as a House conferee, I would like to add some background and practical examples which should totally eliminate any doubt as to how the conferees intend this section to operate.

The Impoundment Control Act of 1974, title X of Public Law 93-344, established procedures and definitions for rescissions and deferrals. In defining a deferral, section 1011(1) of that act explicitly refers to "withholding or delaying the obligation or expenditure of budget authority (whether by establishing reserves or otherwise) provided for projects or activities." And in defining the contents of special messages proposing deferrals, section 1013(A)(2) of that act refers to "The specific projects * * * involved." Similarly, in defining a rescission, section 1012(A) of that act cites "the termination of authorized projects or activities", and in defining the contents of special messages proposing rescissions, Section 1012(A)(2) also refers to "the specific project * * * involved."

On at least eight occasions, the previous administration proposed rescissions or deferrals for individual projects, activities or weapons systems which had been approved by Congress, but not identified as individual items in appropriation bills. I will include these proposals at the conclusion of my remarks.

The current administration has changed this practice, taking the position in a number of instances that rescissions and deferrals do not need to be submitted unless projects, activities, or weapons systems are identified as specific items in an appropriation bill.

This practice is a departure from the letter, spirit, and application of the Impoundment Control Act. Section 304 is intended to require, as the Impoundment Control Act was intended to require, that a rescission or deferral be promptly submitted whenever it is determined that the obligation of budget authority is to be delayed, or budget authority will not be used, for projects, activities, or weapons systems for which the budget authority was approved by Congress, whether identified in a bill, committee or conference report, or by the committee in floor debate.

There is nothing new in this process. Executive agencies must now go to the reports and floor debate to determine which projects, activities, or weapons systems are approved by Congress, but not identified as specific items in appropriations bills.

The process does not apply to the many hundreds of activities which are identified in the agencies' budget justifications, and which are generally considered to be approved unless, and to the extent, it is specified to the contrary by committee or conference reports, or by the committee in floor debate.

The process does not prevent or preclude the study or reevaluation of projects, activities, or weapons systems, but does require that a deferral be submitted when it is determined that obligation of budget authority for a project, activity, or weapons system is to be delayed for any reason.

The process does not change reprograming procedures, but does require that a rescission or deferral be promptly submitted whenever it is determined that the obligation of budget authority is to be delayed, or that budget authority will not be used, for projects, activities, or weapons systems for which the budget authority was approved by Congress.

Section 304 is limited to funds in this supplemental. While many of the projects, activities, and weapons systems are themselves funded in other appropriation acts, this supplemental does include pay supplementals which will be directly applied to the administration of many of those projects, activities, and weapons systems, and would therefore apply to deferrals and terminations thereof.

Finally, Mr. Speaker, I want to say that section 304 should not lead to higher Federal spending. President Carter has promised to balance the Federal budget by the end of his first term. Surely his overwhelming majorities in the House and the Senate will support his proposals to restrain Federal spending. Surely we in the Congress would not want the President to restrain Federal spending through administrative terminations and deferrals.

That is not the American way.

Indeed, under section 304—and perhaps under similar sections in 1978 appropriation bills—I look forward to a constructive partnership between the President and his congressional majorities, to restrain Federal spending and balance the Federal budget, with full consultation, and within the letter and the spirit of the law.

That is the American way.

I include the following:

INSTANCES WHERE RESCISSIONS OR DEFERRALS WERE PROPOSED FOR PROJECTS, ACTIVITIES, OR WEAPONS SYSTEMS WHICH WERE NOT SPECIFICALLY IDENTIFIED IN APPROPRIATION BILLS

November 18, 1974, H. Doc. 93-385: Proposed deferral of $43,945,000 for 76 individual construction projects of the Corps of Engineers.

November 18, 1974, H. Doc. 93-385: Proposed deferral of $900,000 for 2 projects within the loan program of the Bureau of Reclamation.

November 18, 1974, H. Doc. 93-385: Proposed deferral of $17,955,000 for 12 construction and rehabilitation projects of the Bureau of Reclamation.

November 18, 1974, H. Doc. 93-385: Proposed deferral of $14,503,000 for 12 projects for flood control on the Mississippi River and tributaries.

November 26, 1974, H. Doc. 93-389: Proposed rescission of $13,500,000 for procurement of the UH-1H aircraft.

November 26, 1974, H. Doc. 93-389: Proposed rescission of $248,000,000 for procurement of 24 A-7D's, and 12 F-111's.

November 26, 1974, H. Doc. 93-389: Proposed deferral of $13,000,000 for acquisition of a new computer capability in the controlled thermonuclear research program.

May 13, 1976, H. Doc. 94-494: Proposed deferral of $688,430 for a replacement facility for the Salt Lake City Metallurgy Research Center.

I would also like to talk briefly about section 306 of H.R. 4877, which would deny use of funds in the bill for the administration of the President's program to pardon persons who evaded the draft during the period of the Vietnam war. Subsequent to House passage of section 306, the so-called Myers amendment, questions have been raised as to whether there are any funds in the bill for activities which would be involved in the pardon program, and therefore as to the effectiveness of the amendment.

My colleagues in the House should know that there are indeed funds in the bill for activities which would be involved in the administration of the pardon program, and that the amendment will have an effect on the pardon program, if the administration observes the law.

The Appropriations Subcommittees receive detailed justifications from the executive agencies. While much of this detail is not repeated in committee or conference reports, as a general rule the appropriations requested, and the justifications in explanation thereof, are considered approved unless and to the extent it is specified to the contrary by committee or conference reports, or by the committee in floor debate.

Based directly on the language of the President's Executive Order 11967, issued January 21, 1977, administration of the pardon program will clearly and directly involve the Attorney General and his offices, the Office of the Pardon Attorney, and the Immigration and Naturalization Service. Also necessarily involved, though not specified in the Executive order, would be the Executive Office of the President, particularly the White House Office and the Office of Management and Budget.

The Department of Justice requested, and the House and Senate approved, a pay supplemental of $900,000 for "general administration." Within this amount were $27,000 for the Offices of the Attorney General, and $9,000 for the Office of the Pardon Attorney.

The Department of Justice also requested a program supplemental of $1,595,000 for "general administration." Within this amount were $18,000 for the Offices of the Attorney General, and $6,000 for the Office of the Pardon Attorney. The House approved $1,435,000, and the Senate concurred. The reduction of $160,000 was not applied against any particular activity, and therefore the program supplemental approved by Congress would be available for those two activities involved in the administration of the pardon program.

For the Immigration and Naturalization Service, the Department requested, and the House and Senate approved, a program supplemental of $2,000,000, and a pay supplemental of $8,515,000. Pay supplementals were also approved for the White House Office, $632,000, and the Office of Management and Budget, $572,000.

I think that there cannot be any doubt as to the effect of the amendment, or of the intent of Congress. During House debate, prior to the adoption of the amendment which added this section, the gentleman from West Virginia (Mr. SLACK), the chairman of the subcommittee concerned, stated that—

> In my judgment . . . this amendment would make it impossible to administer the program. . .

The House then approved the amendment, and the Senate has concurred.

During the past few years we have heard a great deal of talk about respect for Congress. It will be very interesting to see what happens with this amendment.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

As I understand, this so-called supplemental bill is $2 billion over what the House passed: is that correct?

Mr. CEDERBERG. $1,200,000,000.

Mr. ROUSSELOT. $1,200,000,000. Did we decide which taxpayers were going to sacrifice the most to support this add-on expenditure that we have here?

Mr. CEDERBERG. No, but we are going to assure the gentleman that his constituents from California will pay their fair share.

Mr. ROUSSELOT. I am sure they will. That is what is bothering me. I remember the time, as the gentleman does, when the so-called supplemental appropriation bill was usually only $2 or $3 billion. Can we be assured that this is the last supplemental bill we will have this year?

Mr. CEDERBERG. I would not bet on it. Under the new Budget Act we praised ourselves in the full Committee on Appropriations that we were not going to have any more supplementals. Now we wind up with the largest supplemental since World War II.

I do not think the press is very interested. Some of them are up there. But when we talk about an appropriations bill of $29 billion, it never gets anyone's attention.

Mr. ROUSSELOT. I appreciate the comments of my colleague, the gentleman from Michigan. I am sorry that we have not been able to trim more of this.

Mr. CEDERBERG. Just look at the speeches we have been hearing about reorganization. We are going to reduce the number of personnel in the Federal bureaucracy. There are 9,800 new people in this bill.

Mr. ROUSSELOT. I remember the White House was going to reduce their personnel by one-third, but they have already increased it by one-third.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Would the gentleman want to venture an estimate of how big a supplemental appropriation bill it is going to take when we get this whole army of energy bureaucrats on the job that the President was calling for last night?

Mr. CEDERBERG. No, last night one commentator said this was a bureaucrats' dream, and I think this is what is going to happen. It will be a bureaucrats' dream.

Mr. ROUSSELOT. It will be a citizens' nightmare.

Mr. MAHON, Mr. Speaker, I yield to the gentleman from Texas (Mr. DE LA GARZA) such time as he may consume.

Mr. DE LA GARZA. I thank the gentleman.

I would like to ask a question if I might of the appropriate subcommittee. When the supplemental appropriation bill came before the House, the request had $1.3 million for the Federal law enforcement training center. This was cut out by the House committee and was not in the bill as it left the House. The Senate now recommends $1 million appropriation in this respect under amendment 180. I would like to find out if the House would insist or could insist on the retention of their deletion in not increasing this $1 million that was not approved by the House when the bill left the Chamber.

Mr. MAHON. Mr. Speaker, this matter was before the subcommittee headed by the gentleman from Oklahoma (Mr. STEED), and I yield to the gentleman for a response.

Mr. STEED. Mr. Speaker, when the matter was before the subcommittee originally, some question was raised by the gentleman from Texas. In order to

give ourselves an opportunity to learn more about it, we did eliminate it, and when it went to the Senate the need for the money was renewed and the Senate agreed to approve it. In conference it was pointed out that under the law the training center is obligated to contract with any agency that wants to use its facilities and in order to do that the school has to meet certain financial obligations. This is a matter of permitting the school to carry out its requirements under the law.

The decision as to whether or not the Immigration and Naturalization training personnel will be taken from existing schools and sent to this Federal school is not a matter that is under the jurisdiction of our subcommittee, but we did feel since the decision was being made for the INS to exercise its right to use this school, that it would be incumbent upon us to provide the school with the funds it has to have to comply with the law.

We were told in passing that the place to be vacated by the students in the gentleman's district is being retained and will be used by INS for other purposes and that the economic report of this change will be minimal. I am sure the gentleman knows more about that than I do. But the decision to make this change rests with the INS and that jurisdiction is in another subcommittee. I was unable to go into it any deeper than I am telling the gentleman here today.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield further?

Mr. MAHON. I yield further to the gentleman.

Mr. DE LA GARZA. Is it my understanding that no public hearings were held on this request?

Mr. STEED. The only hearings we have, of course, are with the Treasury Department people and they include all the officials representing the school itself. We had no contact with the Immigration and Naturalization Service. The school contracted with agencies of the Government and our job is to keep the school in a financial position to comply with its contracts under the law.

What the Senate did I do not know, but they seemed to have more information about what the intent of INS was than we did, and that was that they were going to retain the facilities in the district of the gentleman from Texas and that it would be increased and that the economic impact would be minimal. We have had no formal hearing on that point.

Mr. DE LA GARZA. If the gentleman will yield further just briefly, I appreciate the fact that the gentleman mentioned. The actual fact is that we have now a new Commissioner-designate for Immigration and we yet do not know what his intentions are or will be in respect to these funds. The matter is that if we appropriate the funds I feel that the school, which comes under the jurisdiction of the gentleman from Oklahoma, will utilize this and we may in effect be forcing something on the new Commissioner of Immigration that he might not be willing to go along with. So I would very respectfully recommend if possible under the rules that my colleagues here in the House agree with me and that we refrain from allowing this modest amount of funds, I must admit, in order to allow the new Commissioner of Education and the Appropriation Subcommittee of the Appropriations Committee to study this matter more than apparently it has been studied.

I might add, not because of the lack of action of the gentleman from Oklahoma, but the reluctance of the agency to come up with clear and appropriate statements of what their intentions are with regard to the Immigration Service to the INS.

Mr. STEED. Let me emphasize to the gentleman, we are not involved in the policy of the INS. This is just another agency that had the right under the law to use the facilities of this training center, if they so desire. If the new head of INS does not want to make this change, he is not required to under this law.

Mr. Speaker, I am in sympathy with the gentleman from Texas. I would think the gentleman's case has to be made with the new head of the INS and not with us. We have no choice but to make a school live up to the requirements of the law. If the INS decides to use it, it is their decision. So the whole decision that the gentleman is concerned about is with the INS and not with the center.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield further?

Mr. MAHON. I yield further to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Speaker, the gentleman from Oklahoma is very modest as far as the powers of the prestigious Committee on Appropriations. The gentleman and the gentlemen in this committee and eventually we, the House, can do and undo and we should not be subject to some center that says this is the amount and perfunctorily we should give it to them. I would hope that within the scope of the jurisdiction of the committee they would agree with me, if possible; if not, I apologize for taking the time, but this is the only forum I have at this time. Perhaps we should go to the appropriate subcommittee and later to the INS, but at this time I have to avail myself of the forum that is presented to me at this time.

Mr. STEED. Mr. Speaker, I hope the gentleman understands, we are talking about the responsibility of a school. If they refuse to seek the funds to carry out a deal with the INS, they would be in the embarrassing position of already having the money and carrying out the same kind of agreement with about 31 other Government agencies; so the decisionmaking process just did not come within our jurisdiction.

Mr. DE LA GARZA. Mr. Speaker, I appreciate the cooperation and the time of the gentleman.

Mr. CEDERBERG. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, the conference report contains $29.1 billion, which ostensibly puts the bill $4.6 billion under the Carter budget, $3.8 billion under the Senate, and $1.2 billion over the House version.

However, these figures need to be put in perspective in order to come up with a more accurate perspective of the actual spending involved. As I stated when the supplemental was originally considered on the floor, when you eliminate the 40-year contract authority for the section 8 housing program, where there is essentially a paper reduction, and the waste treatment construction grant program, where funding is simply delayed until after the authorizing legislation is enacted, we see that the conference report is actually some $1.2 billion above the Carter budget.

Moreover, when the waste treatment funds are excluded, the conference report is not $3.8 billion under the Senate, but only $300 million under, compared with the $1.2 billion by which it exceeds the House version.

The Labor-HEW chapter contains nearly $5.9 billion, which places it some $840 million over the Carter budget. This chapter is also $48 million over the House version and $50 million under the Senate.

Among the key items in the Labor-HEW chapter where changes have been made from the original House version, a total of $5.8 million was added for alcoholism, of which $4.5 million goes for special projects and $1.3 million for formula grants as a hold harmless payment to insure that no State loses money under the new formula adopted last year.

The sum of $1 million was added to expand the School of Veterinary Medicine at Tuskegee Institute. This brings up to four the total number of veterinary schools which have received special earmarked funding in this bill. This is clearly a bad example to set, because the more frequently you use a special earmark to please this Senator or that Congressman, the more of a pattern you will be establishing whereby everybody else will be expecting similar treatment, and rightly so. It is the old pork barrel approach being applied to health and education, but I submit that the potential dangers resulting from decisions based on political pull rather than merit are much more serious in the health and education fields than in the public works area.

The Senate added $35 million for emergency school aid, and we end up with $17.5 million. There was no budget request or funds included in the House version for this item. $7.5 million of this amount will be used for magnet schools, pairing of schools, and neutral site schools, and $10 million will go for so-called special desegregation assistance projects. None of these funds would be used for emergencies resulting from court orders.

For student assistance under higher education, the conference report contains a reduction of $40 million from the original House amount for the work study

program. This is due to a late discovery of unspent funds remaining from the 1976 appropriation. The direct loan program ends up at $310.5 million, a $10.5 million reduction from last year's amount. This represents the beginning of a gradual phaseout of new capital contributions for this program, timed to coincide with increases in the revolving fund. A total of $28 million in additional funds from the revolving fund will be available in the coming academic year compared to the present, so even with this reduction in new capital contributions, there will still be an increase in total funding for loans. Actually we should have made a greater reduction than we did in new capital contributions, but the Senate was reluctant. This was the program you will recall, where President Carter proposed no new capital contributions.

The $25 million over the House bill is included for the Railroad Retirement Board to fund benefit payments required by the Rail Reorganization Act of 1973. This will bring the total for the year to $65 million.

Before concluding my remarks, I want to mention two other items. First, the Senate accepted the $200 million added by the House to subsidize fuel bills, so this item did not go to conference. The Senate included some report language designed to provide guidance to the Community Services Administration for the administration of the program, but frankly, if I were CSA, the Senate language would not be all that helpful. The net result is that we still do not know for certain how this program will operate, nor whether the intent of the House language that people who have already paid their fuel bills also receive assistance will be carried out.

In view of the message we just heard on the part of the administration that says we will give serious thought in the future to people needing help because of increasing fuel bills, mark my word, this $200 million is a drop in the bucket. The food stamp program 6 years ago began at $200 million and has gone to $600 million. In a few years, I venture it will be at $2 or $4 or $6 billion.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, let us here and now solemnly agree that we have to do everything in our power to prevent this program from growing, as the gentleman has indicated. I have the same concern the gentleman does, and I hope we resolve that we will not permit this to happen.

Mr. MICHEL. Mr. Speaker, I would be happy to certainly join with the gentleman in that kind of resolve. As the gentleman knows, it was against our wishes that it was retained in the subcommittee and in the full committee the gentleman joined in defeating us by a two-vote margin. Unfortunatey, we lost again on the floor of the House.

We would remind everyone that we did not have 1 day of hearings on the justification for any appropriation and under what kind of rules and regulations we would have to administer such a program.

Then, during the amendment process in the House nobody could determine just who would be eligible and who would not. Conceivably, under one stretch of the imagination, 38 million people in this country currently would qualify for subsidization of their most recent winter fuel bills to some extent.

But, be that as it may, one other area troubles me. There are two amendments in the Labor-HEW chapter being reported in technical disagreement because the appropriations action contravenes the language of the authorizing legislation. The first has to do with the alcoholism formula grants to the States, where the formula is in effect being altered to insure that no State receives less than the amount they received last year. The second waives the requirement of the emergency school aid law that not more than 5 percent of the total appropriation be allocated for special projects.

I point this out because of the flack that has been raised on previous occasions when we have sought to overcome authorizing language in order to reduce funds. When there is increased spending, little is said, but when spending reductions are proposed, all sorts of pious protestations are made about the integrity of the authorizing language. I think the record ought to show that this action today represents an additional precedent which we ought to be able to rely upon for any future action we may wish to pursue. I would further suggest that the absence of opposition to these two amendments by the authorizing committees involved represents acceptance on their part of the action being undertaken.

Mr. CEDERBERG. Mr. Speaker, I yield back the balance of my time.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts (Mr BOLAND).

Mr. BOLAND. Mr. Speaker, chapter V of the conference report on the 1977 supplemental appropriations bill dealt with some very tough issues. I am happy to say that we were able to reach agreement with the Senate on all but one issue—disaster relief. I understand that at the proper time, the gentleman from Indiana (Mr. BRADEMAS) is going to offer a preferential motion to recede and concur in the amendment of the Senate numbered 35. I will address the issue and explain why the House should insist on its position at that time.

But let me take just a minute to touch on the major items that were in conference. The largest item, of course, was the Environmental Protection Agency's waste treatment facilities construction grants program. As the Members will recall, when this supplemental bill was first before the House Mr. TRAXLER offered an amendment reducing the amount for that activity from $1,000,000,000 to $500,000,000. That was done at the request of the Committee on Public Works and Transportation. The Senate increased the amount to $4,500,000,000. I spoke to the chairman of the Committee on Public Works and Transportation, Mr. JOHNSON, before we went to conference because I knew the Senate was firm in their position. He told me he understood the problems the House conferees would face and he hoped that we would not exceed $1,000,000,000. And that is exactly the figure the conferees came back with. I will include a table showing the distribution of the $1,000,000,000 by State at the end of my remarks.

We had to accept the Senate formula for distributing the funds provided in this bill but there really is not any significant difference from the House formula. I want to make one point here. Our accepting the Senate formula in no way should be considered an endorsement for their position. The Committee on Public Works and Transportation, in conference on the authorizing bill, will determine the distribution of funds subsequently provided.

The conference agreement does not provide funding for the National Commission on Neighborhoods or the National Institute of Building Sciences. The two items were both added by the Senate. When and if the National Commission on Neighborhoods is authorized, the committee will consider providing funds.

The House conferees did accept the Senate amendments adding $10,045,000 for the assistance for health manpower training institutions of the Veterans' Administration and $1,000,000 for the emergency homeowners' relief fund administered by HUD.

We have included $100,000,000 for the popular section 202 housing for the elderly or handicapped program. This is $50,000,000 below the amount recommended by the Senate.

The bill also includes $13,112,405,000 for the annual contributions for assisted housing program. This will provide for an additional 134,200 units of subsidized housing in fiscal year 1977. A total of 235,000 units were provided in the regular bill.

Thank you, Mr. Speaker.

The table referred to follows:

EPA construction grants, fiscal year 1977 supplemental distribution by State

Alabama	$10,906,000
Alaska	4,759,000
Arizona	6,345,000
Arkansas	10,807,000
California	82,391,000
Colorado	8,031,000
Connecticut	12,195,000
Delaware	3,966,000
District of Columbia	3,966,000
Florida	35,792,000
Georgia	19,929,000
Hawaii	6,940,000
Idaho	4,065,000
Illinois	52,151,000
Indiana	21,713,000
Iowa	11,005,000
Kansas	12,195,000
Kentucky	14,971,000
Louisiana	12,493,000
Maine	5,453,000

Maryland	37,874,000
Massachusetts	27,662,000
Michigan	46,897,000
Minnesota	15,070,000
Mississippi	7,535,000
Missouri	19,830,000
Montana	3,272,000
Nebraska	6,147,000
Nevada	3,272,000
New Hampshire	6,742,000
New Jersey	47,591,000
New Mexico	3,272,000
New York	105,294,000
North Carolina	20,722,000
North Dakota	3,272,000
Ohio	55,522,000
Oklahoma	13,484,000
Oregon	8,328,000
Pennsylvania	46,698,000
Rhode Island	3,966,000
South Carolina	13,088,000
South Dakota	3,272,000
Tennessee	14,872,000
Texas	43,030,000
Utah	5,057,000
Vermont	3,272,000
Virginia	22,011,000
Washington	15,368,000
West Virginia	21,614,000
Wisconsin	19,929,000
Wyoming	3,272,000
American Samoa	298,000
Guam	992,000
Puerto Rico	8,923,000
Pacific Trust Territories	1,983,000
Virgin Islands	496,000
Total	1,000,000,000

Mr. WEISS. Mr. Speaker, although I am voting for H.R. 4877 (Supplemental Appropriations Act) because of the many vital programs which it funds, I must express my strong opposition to the manner in which this measure comes to us from the conference committee.

When the House acted on H.R. 4877 on March 16, it appropriated approximately $28 million for many valuable programs such as those on food stamps, housing, refugee assistance, pollution control, and education. The conference committee version retains these programs, which is why I am voting for it. But so much of H.R. 4877 has been revised that it is difficult to recognize it as the legislation which I voted for only a month ago.

H.R. 4877 under this conference committee version contains over $800 million in funding which was never considered by the House. House language earmarking refugee assistance funds for use in aiding refugees from the Soviet Union and Eastern Europe has been deleted and $12.5 million for funding a military medical school of uncertain value—the Uniformed Services University—has been added. Also over $100 million has been added for the agricultural conservation program—another increase not considered by the House before. This revised version of H.R. 4877 adds over $1 billion more than the House originally appropriated.

It is apparent that H.R. 4877 as passed by the House on March 16 has been changed to an excessive degree. In my mind the conference committee version barely reflects the position the House adopted when it originally passed this legislation.

There is something amiss when the whole House must reconsider legislation which it authored in a form that makes that legislation totally different. It is not appropriate, in my judgment, for a handful of Members of Congress under the title of conferees to be able to redraft legislation in this manner.

I would hope that the House would be more jealous of its legislative prerogatives than to allow this kind of procedure to be repeated. If not, many of us will simply refuse to vote affirmatively for this kind of appropriation measure in the future.

Mr. PEPPER. Mr. Speaker, I strongly favor the Uniformed Services University. This university is now a going institution. A long way toward completion are all of its structures. It has an excellent faculty and a fine first year class. I believe that the medical personnel of the uniformed services should be trained, as are the officers of those services, in an institution of the uniformed services. It is so important that the spirit to be found in the leaders of the uniformed services, inculcated in their respective academies, also be in the medical personnel of the Armed Services, so essential to the welfare of the personnel of those services. Furthermore, of the greatest importance to the civilian population of the country is that we not impose upon the already overburdened medical schools, preparing physicians for civilian service, the training of the medical personnel in the Armed Services. Every Member of this House I am sure is constantly besieged by applicants to get in our ordinary medical schools who cannot get in, or have great difficulty being admitted, because those institutions can take only a very few of the hundreds or thousands of applicants who apply for admission. This uniformed services university will set apart a separate institution for the training of medical personnel for the Armed Services and leave the full capacity of our civilian medical schools to be devoted to medical personnel to serve our civilian population.

Mr. Speaker, I include a statement I made in favor of the Uniformed Services University before the Subcommittee on Defense and the Subcommittee on Military Construction of the Committee on Appropriations of the U.S. Senate on March 21, 1977, with these remarks in the body of the RECORD:

STATEMENT BY CONGRESSMAN CLAUDE PEPPER

Chairman McClellan, Chairman Johnston, I appreciate your allowing me to come before your Subcommittees on such short notice. I just want to speak briefly on the Administration's proposal to abolish the Uniformed Services University of the Health Sciences.

I appreciate the fact that this proposal was put forward in the spirit of fiscal responsibility, but I believe there is a strong case for keeping the university open.

We are told there will be savings on construction costs—perhaps as much as $100 million. But estimates of completing the buildings now stand at $72.6 million—$13.2 million under what Congress has appropriated. This may be one of the few cost *under*-runs experienced by the Defense Department in recent memory! Moreover, it is estimated that closing the school could cost between $40 million and $60 million.

We hear that the cost of graduating a medical student from the Uniformed Services University is much greater than through the Defense Department scholarship program. And, as you know, the General Accounting Office did a comparison of these costs based on years of expected service in the military, and found that the cost to the Defense Department is somewhat lower through the scholarship program. But what does not receive as much attention is the fact that other Federal programs—primarily through the Department of Health, Education, and Welfare, pick up the rest of the tab for these scholarship students, so there is not a saving to the Federal Treasury.

Moreover, it has been demonstrated that the *total* cost for graduating a civilian medical school student is somewhat higher than for a student at the military medical school.

As my colleagues are aware, the Administration indicates we will save $14 million in operating costs in fiscal year 1978, and as much as $28 million a year by fiscal 1982. Yet the GAO, in its report last May, indicated that some 379 scholarship graduates each year would be needed to replace 175 graduates yearly of the University, because of the difference in the length of time each is required to serve. The additional Defense Department scholarships needed would cost some $12 million annually. And it is possible that it would cost as much as $27.6 million with the additional Federal assistance that could be requested by civilian schools

Moreover, we are all aware that tuition at civilian medical schools is rising rapidly. The cost of these Defense Department scholarships will no doubt continue to rise.

The Administration believes it can make up its physician shortage through recruitment, with the use of scholarships, Variable Incentive Pay and other steps. But we have seen that the Department has not yet met its physician needs through recruitment. Moreover, we know that a substantial number of these recruits are graduates of foreign medical schools.

We have heard discussions about greatly reducing the number of foreign medical graduates who are allowed to practice medicine in this country. Should this happen, it stands to reason that DOD would have an even more difficult time recruiting physicians. And our civilian medical schools would be hard put to produce enough physicians to serve both the civilian and military populations.

We could argue the question of cost-savings for the rest of the week. Everybody has his own set of figures. The fact is, it is difficult to assess what the cost factors will be with any certainty. But there are other aspects that must be taken into account.

If we close down this school, we will have displaced 32 first-year medical students who have planned their careers around the University. They will, no doubt, have difficulty being accepted at civilian schools as second-year students. The staff and faculty of the University, many of whom gave up tenured positions elsewhere, will have their lives disrupted. The costs of settling the obligations can be expected to be substantial.

The school is operating. The curriculum has been established. The buildings will be finished soon. The students and faculty have made plans for their futures. Why disrupt them now—why, after the Congress has acted, change our minds now? It would be a sad state of affairs for Congress to take an about-face at this late date.

This University was created to produce a core of career-minded physicians—doctors trained in the tradition of the services, who understand the special needs of military personnel and their families, and who are trained to deal with war-time situations.

Finally—and this is an area of great concern to me—I believe this University is needed as much by civilians as the military. If we close down the school, there will be

that much more pressure on the civilian medical schools. I am constantly beset by people who want to go to medical school, but there simply aren't enough spaces.

For almost 30 years, I have fought in the Congress for Federal aid to medical education. We simply must do what we can to ensure that this Nation has enough trained doctors and health care personnel to meet the needs of all our citizens—those in the military and those in the cities and towns all around this country.

If we ask the civilian schools to give us their physicians for the military—and if, as I mentioned, foreign medical graduates are prevented from practicing here we will run the risk of having too few doctors to serve the rest of our population.

As Chairman of the Select Committee on Aging, I am determined to see that our older citizens have the benefit of medical care. It is they who most need the assurance that there are enough well-trained doctors to meet their needs. I believe that we should go ahead with our plans for this University, and I am hopeful that we will be able to accomplish this goal.

Thank you.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 264, nays 142, not voting 27, as follows:

[Roll No. 142]

YEAS—264

Addabbo	Caputo	Fary
Akaka	Carney	Fascell
Alexander	Cavanaugh	Fisher
Allen	Chappell	Flippo
Ambro	Chisholm	Flood
Ammerman	Clausen, Don H.	Flowers
Anderson, Calif.	Clay	Foley
Annunzio	Cochran	Ford, Tenn.
Applegate	Cohen	Fowler
Ashley	Coleman	Fraser
AuCoin	Collins, Ill.	Fuqua
Badillo	Conte	Gaydos
Baldus	Conyers	Gephardt
Baucus	Corman	Giaimo
Beard, R.I.	Cornell	Gilman
Bedell	Cornwell	Ginn
Bellenson	Cotter	Gonzalez
Benjamin	D'Amours	Gore
Bennett	Danielson	Hamilton
Bevill	Davis	Hanley
Biaggi	de la Garza	Hannaford
Bingham	Delaney	Harkin
Blanchard	Dellums	Harrington
Blouin	Dicks	Harris
Boggs	Diggs	Hawkins
Boland	Dingell	Hefner
Bolling	Dodd	Heftel
Bonior	Downey	Hightower
Bonker	Drinan	Holland
Bowen	Duncan, Oreg.	Holtzman
Brademas	Early	Horton
Breaux	Eckhardt	Howard
Breckinridge	Edgar	Huckaby
Brinkley	Edwards, Calif.	Ireland
Brodhead	Eilberg	Jeffords
Brooks	Emery	Jenkins
Brown, Calif.	English	Jenrette
Burke, Calif.	Ertel	Johnson, Calif.
Burke, Mass.	Evans, Colo.	Jones, N.C.
Burlison, Mo.	Evans, Del.	Jones, Okla.
Burton, Phillip	Evans, Ga.	Jones, Tenn.
Byron		Jordan
Kastenmeier	Murphy, Pa.	Sisk
Kazen	Murtha	Skelton
Kildee	Myers, Gary	Skubitz
Koch	Myers, Michael	Slack
Krebs	Natcher	Smith, Iowa
Krueger	Nedzi	Solarz
LaFalce	Nichols	Spellman
Le Fante	Nix	St Germain
Lederer	Nolan	Staggers
Leggett	Nowak	Stark
Lehman	O'Brien	Steed
Levitas	Oakar	Steers
Lloyd, Calif.	Oberstar	Stokes
Lloyd, Tenn.	Obey	Stratton
Long, La.	Ottinger	Studds
Long, Md.	Patten	Thornton
Lundine	Patterson	Tonry
McCormack	Pattison	Traxler
McDade	Pease	Udall
McFall	Pepper	Ullman
McHugh	Perkins	Van Deerlin
McKay	Pettis	Vanik
McKinney	Pickle	Vento
Madigan	Pike	Volkmer
Maguire	Poage	Walgren
Mahon	Pressler	Walsh
Mann	Preyer	Watkins
Markey	Rahall	Waxman
Marks	Rangel	Weaver
Marlenee	Reuss	Weiss
Mattox	Richmond	Whalen
Mazzoli	Roberts	White
Meeds	Rodino	Whitehurst
Metcalfe	Rogers	Whitley
Meyner	Roncalio	Whitten
Mikulski	Rooney	Wilson, Bob
Miller, Calif.	Rose	Wilson, C. H.
Minish	Rosenthal	Wilson, Tex.
Mitchell, Md.	Rostenkowski	Wolff
Mitchell, N.Y.	Roybal	Wright
Moakley	Ryan	Yates
Moffett	Santini	Young, Mo.
Mollohan	Scheuer	Young, Tex.
Moorhead, Pa.	Seiberling	Zablocki
Moss	Sharp	Zeferetti
Murphy, Ill.	Sikes	
Murphy, N.Y.	Simon	

NAYS—142

Anderson, Ill.	Frey	Mottl
Andrews, N.C.	Gibbons	Neal
Andrews, N. Dak.	Glickman	Panetta
	Goldwater	Pritchard
Archer	Goodling	Pursell
Armstrong	Gradison	Quayle
Ashbrook	Grassley	Quie
Aspin	Gudger	Quillen
Badham	Guyer	Railsback
Bafalis	Hagedorn	Regula
Barnard	Hammer-schmidt	Rhodes
Bauman		Rinaldo
Beard, Tenn.	Hansen	Risenhoover
Broomfield	Harsha	Robinson
Brown, Mich.	Heckler	Rousselot
Brown, Ohio	Hillis	Rudd
Broyhill	Hollenbeck	Runnels
Buchanan	Holt	Russo
Burgener	Hubbard	Sarasin
Burke, Fla.	Hughes	Satterfield
Burleson, Tex.	Hyde	Schroeder
Burton, John	Ichord	Schulze
Butler	Jacobs	Sebelius
Carr	Johnson, Colo.	Shuster
Carter	Kasten	Smith, Nebr.
Cederberg	Kelly	Snyder
Clawson, Del	Ketchum	Spence
Cleveland	Keys	Stangeland
Collins, Tex.	Kindness	Stanton
Conable	Kostmayer	Steiger
Corcoran	Lagomarsino	Stockman
Coughlin	Latta	Stump
Crane	Leach	Symms
Daniel, Dan	Lent	Taylor
Daniel, R. W.	Lott	Thone
Derwinski	Lujan	Treen
Dickinson	Luken	Trible
Dornan	McClory	Vander Jagt
Duncan, Tenn.	McCloskey	Waggonner
Edwards, Ala.	McDonald	Walker
Edwards, Okla.	Marriott	Wampler
Erlenborn	Martin	Wiggins
Evans, Ind.	Mathis	Winn
Fenwick	Michel	Wirth
Findley	Miller, Ohio	Wyder
Fithian	Montgomery	Wylie
Flynt	Moore	Young, Fla.
Fountain	Moorhead, Calif.	
Frenzel		

NOT VOTING—27

Abdnor	Fish	Gammage
Dent	Florio	Hall
Derrick	Ford, Mich.	Kemp
Devine	Forsythe	McEwen
Mikva	Roe	Thompson
Milford	Ruppe	Tsongas
Mineta	Sawyer	Tucker
Myers, Ind.	Shipley	Yatron
Price	Teague	Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Dent for, with Mr. Teague against.

Mr. Florio for, with Mr. Milford against.

Mr. McEwen for, with Mr. Hall against.

Mr. Ford of Michigan for, with Mr. Devine against.

Mr. Price for, with Mr. Forsythe against.

Mr. Thompson for, with Mr. John T. Myers against.

Mr. Shipley for, with Mr. Ruppe against.

Until further notice:

Mr. Yatron with Mr. Young of Alaska.

Mr. Mineta with Mr. Tsongas.

Mr. Roe with Mr. Fish.

Mr. Mikva with Mr. Abdnor.

Mr. Gammage with Mr. Sawyer.

Messrs. HYDE, RUSSO, GLICKMAN, RISENHOOVER, HILLIS, WIRTH, WINN, LENT, GOODLING, HAMMERSCHMIDT, LUKEN, and ANDREWS of North Carolina changed their vote from "yea" to "nay."

Mr. PRESSLER changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore (Mr. BENNETT). The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: On page 4, line 20, strike $10,000,000 and insert $60,000,000.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 3 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 4, line 21, insert: *"Provided*, That $50,000,000 shall be made available only upon enactment into law of authorizing legislation."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 5, line 9, insert:

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

For an additional amount to carry out the Agricultural Conservation Program, $100,-

000,000, to incur obligations for the period ending September 30, 1977, and to liquidate such obligations for soil and water conserving practices in major drought areas as designated by the President or the Secretary of Agriculture: *Provided*, That not to exceed 1 per centum of the amount herein may be withheld and allotted to the Soil Conservation Service for services for its technicians in the designated drought areas: *Provided further*, That emergency assistance herein authorized shall be made available in accordance with standards and criteria as developed and approved by the Secretary of Agriculture.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows:

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

For an additional amount to carry out the Agricultural Conservation Program, $100,000,000, to incur obligations for the period ending September 30, 1977, and to liquidate such obligations for soil and water conserving practices in major drought or flood damaged areas as designated by the President or the Secretary of Agriculture: *Provided*, That not to exceed five per centum of the amount herein may be withheld with the approval of the State committee and allotted to the Soil Conservation Service for services of its technicians in the designated drought or flood damaged areas.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 6, line 11, insert:

"MILITARY PERSONNEL"

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 8 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 6, line 12, insert:

MILITARY PERSONNEL, ARMY

For an additional amount for "Military personnel, Army", $1,167,000, to remain available for obligation until September 30, 1978.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein.

The SPEAKER pro tempore. The gentleman from Texas (Mr. MAHON) is recognized for 30 minutes, and the gentleman from Alabama (Mr. EDWARDS) is recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Speaker, here we are, and I, frankly, did not expect to be here to talk about this again. This is the Military Medical University that we debated at some length in 1975. I am very much opposed to it, and I stated in 1975 that when we made the effort on two different occasions and did not prevail, that would be the last I would have to say about it. I intended to stay in that posture, but when the President in his budget amendments for fiscal year 1978 terminated the Military Medical University, that is to say, he knocked out the funds in the Ford budget of 1978. So while I have not raised the issue, he has, and I think that it should be debated. I think that the President should have his "day in court," so to speak, and so I find myself back up here before the House once again on this issue.

What has happened is that the Senate has put $12,465,000 into this bill, the supplemental bill, to cover expenses of military personnel, Army, Navy, Air Force, and civilian salaries in the operation and maintenance account defense agencies for 1978. According to our rules, it is not germane; it is legislation on an appropriation bill; it is not authorized; and in fact it is inconsistent with the Budget Control Act. Yet all we can do with it now is to debate it when it is brought back in technical disagreement.

I will ask for a vote when this debate is over, so once again, we can pass judgment on the President's judgment. It should not be in this bill in the first instance because it should come, if it is going to come, in the appropriation bill for fiscal year 1978, but the Senate felt very strongly that they wanted to say to the President now that this is going to continue and they felt very strongly, that this was necessary because of the unrest at the university due to the President's action, that some effort should be made now to pass judgment on it. So while I opposed it strenuously in conference, I felt that in the final analysis this was the place to make the pitch, and this was the place to have the vote, and this was the place to make the final determination.

There is one incomplete building out there that will be occupied in August. There is another building that is about 17 percent complete. Other uses can be made of these facilities. But the big argument will be and is the relative cost to graduate a medical student at the university out at Bethesda as opposed to the graduation of a medical student through the scholarship programs. There have been a number of studies made on this subject. The General Accounting Office, in May 1976, estimated that under the scholarship program, it would cost $36,784 in fiscal year 1984 to graduate one student. They estimated that to send a student through the Military Medical University would cost $189,980 in fiscal year 1984, a tremendous increase over the scholarship program.

We had our surveys investigations staff run a further study on this, and they reported to our committee in April of this year, just a few days ago. According to their figures and their estimates, in fiscal year 1982, the total cost per graduate in the scholarship program would be $67,237, and to graduate a student at the Military Medical University would cost $196,000 in fiscal year 1982.

Economically there is no way to justify the university.

It is going to be argued, and it has been argued, that this does not include all the costs as far as the scholarship program is concerned, and the answer to that is it does not. The General Accounting Office concluded in its May 1976 report that nondefense Federal subsidies to civilian medical schools were not included, and they were not included because the Federal assistance was provided before and has been provided since the establishment of the scholarship program, and because the Federal assistance would continue regardless of whether the scholarship program continues or is completely abandoned.

Looking at it strictly from the matter of dollars and cents, there simply is no way to justify this Military Medical University. It will be argued that it is now under construction, with one building now almost complete, and that it is too late to turn back now. Well, the President thinks it is not too late, and I am inclined to support the President on this issue.

Mr. Speaker, there is a lot more that I could say on it, but it is a very simple issue. It is one we all have had before us many times. I think anything I say now will have been heard before. I am sure there will be others that wish to talk about it, and if there is a need for colloquy, I will be glad to enter into it with anyone.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Speaker, I am opposed to this expenditure for many reasons. First, the Defense Department does not want this military medical school to be continued. The basic question is this: Does this undertaking provide us with the most cost effective method of procuring military physicians? There is overwhelming evidence that it does not. There is no evidence that it does.

The Defense Manpower Commission, the General Accounting Office, the House Committee on Appropriations surveys and investigations staff and the Defense Department have all concluded that we should terminate this experiment.

The GAO report in May 1976, submitted a comprehensive cost effectiveness study of the university and the scholarship program. The GAO analysis showed that in 1984, which will be the first full year of simultaneous operation of both the scholarship program and the medical school, the differential will be $21,000 for a scholarship student, but $26,000 at least for the graduates of this military medical school. The GAO pointed to alternatives.

I think that the myths that have surrounded this can be easily refuted. Is the university a less expensive way of procuring physicians for the Armed Services, rather than a scholarship program? First of all, the university will produce at most only 9 percent of all the physicians that the military needs. If it is 9 percent of the total personnel, it is far easier and

far less expensive to place students under the military scholarship program in fully accredited medical schools.

The Committee on Armed Services has a 5-page letter under date of June 15, 1976, and there the GAO calculates the cost in a way differently from a previous study. But that study does not refute the fact that the school at Bethesda will increase the cost nor that it is not desired by the Defense Department.

There is a second myth. Can the medical schools across the country absorb those that are needed by the military? The answer is clearly yes.

Will the 34 students now in their first year at this unique medical military school be absorbed in other medical schools? The answer is clearly yes.

Is there a physician shortage right now in the Defense Department? The answer is no.

Will the Defense Department be unable to get sufficient physicians without this school? The answer is no.

The Defense Department has testified against this school. If we want to go along with President Carter and the OMB and DOD and all the authorities, we will vote to defund this school.

Mr. BEARD of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. DRINAN. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Speaker, is the gentleman stating that there is no shortage at this particular time of physicians, or did I misunderstand?

Mr. DRINAN. No; the number of physicians is growing significantly. Furthermore, with the variable incentive pay now available in the military, the DOD has stated that there is a very convincing argument that physician retention rates will increase significantly over the next several years.

Mr. BEARD of Tennessee. I understand it a little better than when the gentleman said there were no shortages as far as physicians go, because the fact of the matter is that there is an absolute, critical shortage of physicians in the military, to the point it is beginning to become an acute problem; so I just do not want anyone in this body to have the wrong idea.

Mr. DRINAN. Mr. Speaker, if the gentleman will listen to the facts, I was just coming to it. As of January 1 this year, the Defense Department had filled 11,080 of the 11,648 authorized physician slots for fiscal year 1977.

So, there is no shortage. There are some 500 slots that are not filled out of almost 12,000.

Mr. BEARD of Tennessee. I can show the gentleman another set of figures, and will be glad to, that the Defense Department, on the different branches of service, shows a critical shortage.

The SPEAKER pro tempore (Mr. BENNETT). The time of the gentleman from Massachusetts has expired.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, apropos to the colloquy that just took place, Admiral Finneran who is the chief recruiter for the military, testified before our committee on March of this year, that there is in fact a significant backlog of doctors waiting to come into the Armed Forces at this time. I think nobody argues that there is not going to be a shortfall in the future.

The problem is that the shortfall is estimated to be in the neighborhood of 500 to 700 physicians, and is not going to be significantly reduced by the few doctors that this university will turn out. In our committee investigation, the staff has suggested that the wise thing to do is to increase the scholarship program by about 200 or 250 students per year. That is the best way and the most sensible way, the most economical way, to find and keep the doctors that we need for the military.

Mr. Speaker, I yield 5 minutes to the gentleman from Maryland (Mr. STEERS).

Mr. STEERS. Mr. Speaker, I must state at the outset that I have a special interest. I am the only Congressman in whose district this medical school is. Notice that I do not say, "in whose district this medical school will be." It is there on the grounds of the Bethesda Naval Medical Center, and I have inspected it.

I want to emphasize why I am going to read some factual quotations, because I want to refute absolutely what the gentleman from Massachusetts (Mr. DRINAN) has said, and I want to make very clear that I am in no way impugning his honor or his veracity, but I am afraid that he is utterly mistaken, and I will show the Members why. On February 22, the Secretary of Defense, who is against this medical school, stated that the first building—and I quote—"is 75 percent completed."

That is February 22 of this year. On the 11th of April, also this year, I got an answer from the office of the Assistant Secretary of Defense. Maj. Gen. Benjamin Baker, the Deputy Assistant Secretary of Defense for Health Resources and Programs, as follows: "Your information regarding appropriations, obligations, and expenditures is correct."

I next quote verbatim from the letter I addressed to Secretary Brown, in which I brought out five reasons why I thought he had made an egregrious error in trying to stop this medical school. I realize, of course, it being in my district, that everything I say is suspect. That is why I want to emphasize that practically all of my remarks are quotations from other origins. I sincerely am strongly for this university, but I do not believe that is particularly relevant.

Mr. Speaker, in the letter to Secretary Brown, I said:

> Construction contracts have been let for a total of $72.6 million.

Incidentally, this letter was signed by the entire House Metro Caucus, which includes northern Virginia, and the District of Columbia, as well as the Maryland suburbs. It was also signed by the entire Maryland delegation, House and Senate.

I also said:

> It is our understanding that approximately $66 million is the figure for how much has been obligated.

Those two figures are $66 million and $72.6 million. If we divide the smaller by the larger, we get 91 percent. Those are the two figures which are verified in the letter I just quoted from the office of the Assistant Secretary of Defense.

The last thing I want to quote from is a letter dated April 19, 1977, from the gentleman from Massachusetts (Mr. DRINAN) and I repeat my admiration for the gentleman. I am looking directly at his Dear Colleague letter of that date. He says:

> The main building of the Bethesda Campus is 17 percent complete . . .

It has gone from either 75 percent complete, according to the Secretary of Defense, who was talking about the physical completion, and it has gone from the 91 percent obligated, which is what the relevant figure is, in terms of what it will cost the Federal Government. It has suddenly collapsed to 17 percent.

I submit to the Members that the gentleman from Massachusetts (Mr. DRINAN) has done one of two things. He has either been totally mistaken, or he is so careless as to have a typographical error. I suggest to the Members that he has not addressed himself carefully enough to this project or he would not be guilty of such an unbelievable error to say that the building went from 75 percent or 91 percent down to 17 percent. I think he will have to acknowledge that his figure of 17 percent is totally in error.

I would point out that this whole argument, to a degree, centers around whether or not those figures are credible.

The SPEAKER pro tempore. The time of the gentleman from Maryland (Mr. STEERS) has expired.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 1 additional minute to the gentleman from Maryland (Mr. STEERS).

Mr. STEERS. Mr. Speaker, this whole argument revolves around whether or not the figures we are discussing are credible. I submit to the Members that the figures of the gentleman from Massachusetts (Mr. DRINAN) simply are not credible and they are in line with the points of his argument.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. STEERS. I gladly yield to the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. I thank the gentleman for yielding.

Mr. Speaker, I think what the gentleman is suggesting is a misconstruction of the letter.

The first building is scheduled for completion in the near future but the main building is only 17-percent complete.

However, I do think that is irrelevant, because the gentleman has not addressed the policy question. He has not answered Secretary Brown of the Defense Department, who is utterly opposed to this nonuniversity medical school.

Mr. STEERS. Mr. Speaker, I think I have shown the relevance of the figures. They show that the gentleman from Massachusetts (Mr. DRINAN) is in error.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I rise in support of the motion offered by the gentleman from Texas and in support of the House conferees.

I have been chairman of a subcommittee of the Committee on Armed Services which has been conducting extensive hearings, under oath, incidentally, in an effort to come to the relative facts with regard to this medical school. I would like to try to set those facts out now before Members.

But first of all, there are, I think, two basic questions involved here. The first question goes to the essential prerogatives of the Congress of the United States. This Congress has voted on 10 successive occasions to establish the Armed Forces Medical School.

The question is whether the Executive can simply by the stroke of a pen, in a budget recommendation, wipe out something formally decreed by Congress or whether some more extensive action is required. If he can wipe out the medical school of the Armed Forces which Congress has established because he thinks it is not cost effective, then tomorrow he can wipe out West Point, and the day after wipe out Annapolis, and after that even the National Institutes of Health.

I believe very strongly that Congress has more authority in matters of this sort than the Secretary of Defense has recognized. And I think we ought to let the Secretary know it in no uncertain terms.

Mr. Speaker, the second question is whether this body is concerned with quality medical care for the men and women who have decided to enlist in the Armed Forces of the United States.

Testimony given under oath before our committee was that when this issue was first brought up in the Department of Defense, the budget functionary who proposed this "massive" reduction of $14 million admitted that the only concern he had was the $14 million figure. He never considered the health of the men and women in the armed services; he never suggested that the matter ought to be discussed first with the Assistant Secretary for Health, or with the Surgeons General of the various services, who know something, after all, about what the medical services require and something about the status of doctors in the armed services at the present time. They were never consulted. It was purely a budget decision. Yet the Pentagon decision included the flat assertion that the needs of the armed services for doctors could be met through the scholarship program with a surplus of 20 percent, and at a lower cost.

The fact of the matter is that those figures simply were not borne out by the facts in the sworn testimony before our subcommittee. We have had a shortage of doctors in the armed services for some time, and the fact is we anticipate a larger shortage in the future because the draft of doctors has ended.

With this medical school or university of the health services, if you will, is designed to do is to provide a nucleus of career-oriented doctors for the armed services. Yes, we may be able to pick some doctors up off the streets and get them in the service for a couple of years. And with a scholarship we might be able to get them in and keep them in for 2 or 3 years. But the record shows that scholarship students, two-thirds of them are out of service the minute their obligation is ended.

Dr. Custis, the retired Surgeon General of the Navy, testified that only 2 percent of those scholarship doctors remain in the services permanently.

But to supply quality medicine we need to establish a career-oriented nucleus of doctors, and that is what this college will do.

Mr. ICHORD. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield briefly to the gentleman from Missouri.

Mr. ICHORD. Mr. Speaker, I just want to emphasize that the gentleman in the well has hit the central point, and that is to provide doctors oriented toward military medicine.

Mr. STRATTON. Mr. Speaker, I thank the gentleman from Missouri (Mr. ICHORD). He is absolutely right.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I appreciate the gentleman's yielding.

The gentleman is making a very excellent point. But could the gentleman, for the benefit of the House, in view of the fact that he sat in on all the hearings, tell us of the experience that the committee has had at the school in recruiting the finest teachers and faculty from all over the United States?

The gentleman might point out that these people left their universities, their contracts have expired, and they are now at the school. I think the gentleman should touch on that subject. Perhaps he could get more time and give the House more information on that.

Mr. STRATTON. Mr. Speaker, the gentleman is correct, but unfortunately I do not have very much time remaining.

The SPEAKER pro tempore. The time of the gentleman from New York (Mr. STRATTON) has expired.

Mr. MAHON. Mr. Speaker, I yield 1 additional minute to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I appreciate the gentleman's yielding me 1 additional minute.

Let us get to the bottom of this cost argument. We had the construction personnel up before us, and we found that no matter what we do with these medical school buildings, whether we complete them or tear them down or reconfigure them, the cost will run between $40 million and $60 million just for buildings alone.

Now when it comes to computing the cost of the scholarship student versus the medical school graduate—and the gentleman from Alabama (Mr. EDWARDS) has referred to this—they left out the fact that we are going to have to increase these medical scholarships not by 200 but 1,500 to get all the people we need. That will be an added cost. In addition they forgot that private school tuition costs are rising very, very sharply.

They also forget to add in the "capitation" grants that the Federal Government pays to the medical school every time a student goes to a private school. That is also a proper charge against the Government.

Taking those figures into account, as the chairman of our committee, the distinguished gentleman from Illinois (Mr. PRICE), who cannot be with us here today, got the GAO to admit, the total cost of a scholarship student in a private medical school ends up at the $32,000 a service year compared to $26,000 for the scholarship student.

Mr. Speaker, we simply cannot get the doctors we need for career positions in our armed services without the amendment of the gentleman from Texas (Mr. MAHON) which keeps the Armed Services Medical School in existence.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I rise in support of our chairman's motion to recede and concur in the Senate amendment to provide funding for the Uniformed Services University of the Health Sciences.

If many of the arguments for and against the school have a familiar ring, there is good reason. We have been here before. In 1972, in 1974, and most recently in 1975, the House specifically considered the establishment of this medical school.

Two years ago, when this matter was extensively debated, it was the consensus of proponent and opponent alike that the final decision on the school should be made then. The Congress voted to support the establishment of the school as it had on all previous occasions. Today, we are witnessing a replay of the 1975 debate. Those who oppose the school have no new facts or figures which support their position.

Why are we again debating the merits of this program?

Is the school having difficulty with its building program? No. In fact, the construction program is expected to be completed for $13 million under the $85.8 million which the Congress has previously funded for the planning, design, and construction of the total medical school. Construction time schedules are being met. The first building, which is 90 percent complete, will be ready for the incoming class this September. The second and final building, which is due to be finished in September 1978, is also proceeding on schedule.

We are not reconsidering this matter because of substantial construction overruns. To the contrary, there is actually a cost underrun.

Is the school having difficulty gaining academic accreditation or attracting faculty or students? No.

The school has been academically accredited by the Liaison Committee on Medical Education, the organization which accredits all civilian medical schools.

The establishment of the Uniformed Services University has attracted the attention of many teachers/scientists—some of whom are world renowned—who are interested in joining the school

as faculty members. Fifty-six full-time faculty appointments have been made. Virtually all department chairs are filled and the core faculty of the basic science departments onboard. Another 150 doctors from the three local military hospitals, the military research institutes, and the National Institutes of Health have volunteered their services to the school. They cost the university nothing. These volunteer teachers are willing to teach in addition to carrying out their regular workload.

Student interest in the school is nearly overwhelming. Last year, the first year the school considered students for admission, over 1,700 applications were received. Thirty-two fine, highly motivated young women and men were accepted and are right now in the midst of completing their first year of medical training at the school. This year 2,500 applications were received for an anticipated 68 vacancies in the incoming class.

Academically, the school is not experiencing a problem.

Is the school no longer needed? Does the military have all the physicians it requires? The answer to both these question is also no. As a matter of fact, there is a greater need for the school today than appeared to be the case 2 years ago.

In recent testimony before a House committee, the service surgeons general were in unanimous agreement that the school was needed and its establishment desirable. There is a shortage of physicians in the military. Without the school, and excluding a doctor draft, this trend can be expected to continue. The school will assist the military to cope with this chronic problem. The services can depend on the university to annually provide 175 career military medical officers.

These doctors will have received special training and formed special attitudes toward medicine as practiced in the military. While there is a commonality with civilian medicine, military medical is also unique. The establishment of the school will encourage those already on active duty to remain by offering them the opportunity to gain academic and professional recognition for their work and to pursue careers in academic medicine. One of the principal reasons the military loses many outstanding physicians is because they are not recognized within the medical profession for their accomplishments or because they want to teach.

The need for the school is evident. That is not the reason we are again considering the Uniformed Services University.

What is the reason, then?

Those who oppose the continuance of the school cite economic reasons. They say the school is not a cost effective method for the military to procure the services of a doctor when compared to the Armed Forces health professions scholarship program. One hundred million dollars will be saved if the school is not constructed. To this I say, only $85.8 million was involved in the total construction program and it appears the final figure will be substantially less. So there was not $100 million in the program to begin with.

And second, $57 million, or 77 percent, of the construction dollars is already sunk as of today. I have yet to find a way to save money that has been spent. The maximum amount that could be saved in this area if the program were stopped today is $15.5 million. What we would buy is one medical school building and a parking structure at a cost of $57 million. There is no $100 million savings.

We are told that $14 million will be saved during this fiscal year and eventually $30 milion a year when the school is in full operation. What we are not told is that the size of the scholarship program must be increased by 1,500 to replace the 700 university students. These additional scholarships will cost the Federal Government $27.6 million. Again, it appears there will be no savings.

Opponents of the school cite cost figures only as they relate to the Department of Defense. It is a specious argument to say other Federal costs should be excluded from the scholarship program because they will be present regardless of the existence of the university. We in the Congress are responsible for all Federal dollars, not just those spent by Defense. When looking at total Federal funds involved, the GAO has shown that the university costs less than the scholarship program.

It is understandable that the scholarship program is cheaper to the Defense Department than is the university. Defense pays the entire cost of the university and only a small portion of the cost to train a physician in a civilian medical school. State and local government, other Federal departments, and private contributions must make up the balance.

The scholarship program may be 22 percent more cost effective to the Department of Defense but the university is a more cost efficient use of the total Federal dollar.

Mr. Speaker, I have touched on but a few aspects of the Uniformed Services University. There are many, many other arguments that could be presented in support of the school. I have briefly mentioned some of the noncognitive benefits which will be derived from the establishment. To be sure, there are others. I have said nothing about the obligation which we have to the faculty and students presently at the school. Termination of faculty contracts and placement of students would run into millions of dollars. I have said nothing about the viability of the scholarship program and the fact that increases in costs can be anticipated. These, too, are important considerations, all which favor the continuation of the school.

I think it is obvious, however, that there is no basis on which to argue against the school on economic terms.

The reason for including $12.5 million of the university's total fiscal year 1978 request for $14 million is to say at an early date, yes, we continue to support you. Send out letters of acceptance to 68 young women and men and proceed to recruit faculty members. Hopefully, this will be the last time the school is placed in limbo.

Mr. Speaker, I have one final thought. If we close the school now and we find 2, 3, or 5 years hence that the scholarship program and voluntary enlistments cannot fulfill the military's physician needs, there is no chance that we can then resurrect the Uniformed Services University of the Health Sciences. Our credibility with teachers, students, and the like will be shot. The alternative is a doctor draft.

I strongly urge my colleagues, who have supported this program in the past, to continue to do so. Take the right course here, and support the motion of the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. GIAIMO) a member of the committee.

Mr. GIAIMO. Mr. Speaker, I rise in support of the motion made by the gentleman from Texas (Mr. MAHON), the chairman, to recede and concur. I think we should have this medical school. I say this in spite of the fact that I stood in this well 2 years ago and opposed this school, and I joined my good friend, the gentleman from Alabama (Mr. EDWARDS), for what I thought were very real and cogent reasons. I have read the GAO report, and I have read the manpower reports and all of the figures and statistics, and one can make a good case that we may be paying more than one would pay in the private sector. But if we add some of the other costs, like the gentleman from Illinois (Mr. MICHEL) just mentioned, about what we pay through these other costs, there may not be that much disparity.

As has been mentioned, it is true that figures are cold and they are hard, but what we are talking about is the health care of our military, and particularly in our military medical center. That is what we have here in Washington with the Bethesda Medical Center and with Walter Reed Hospital.

I might mention that I was in Bethesda a year ago and had a very delicate eye operation. I was very fortunate to find a very capable and efficient young Naval doctor to operate.

Mr. Speaker, I want to make sure that these schools and these hospitals have outstanding young doctors in the military to take care of our young people in the military and also our not-so-young people in the military who are going to need them.

I come from New Haven, Conn. I am familiar with hospitals and with medical centers, and my investigation as a result of my experience is that there is something more than just dollars and cents involved in connection with our medical centers.

Of course, there is a shortage of medical schools, so much so that we are importing doctors from all over the world to work in the United States. Just go in any hospital and take a look. I found this to be so through investigation in my hometown, where we have the Yale-New Haven Medical Center, a great medical center and a great hospital also connected with a university medical school. That is how we get good doctors, because good doctors will not ordinarily stay in a hospital if they cannot be close to a

university medical school where they can continue their research work. That is how you attract great talent.

That is what we see in so many of our outstanding medical centers throughout the country; they are connected with universities.

So, Mr. Speaker, that is what this is all about. Sure, we can keep our doctors at Bethesda through the fellowship and the scholarship programs for 7 years, but, with this, we can keep them for 11 years, and perhaps more because once they get 11 years of service under their belts they are apt to stay even longer. Certainly they may stay for their entire career, if they can continue to work in a medical center that is connected with a hospital. And when you add in those costs and those factors, I think we make a very good case for providing for our military the best possible treatment we can find. I think that mandate necessitates the association with a teaching university-medical school. For that reason, Mr. Speaker, I have changed my mind, and I am going to support this hospital. I think it will contribute in many ways which we cannot measure in dollars and cents to the good health and well-being of a whole future generation of people in our military, because they will be getting the finest medical treatment, certainly much better than they would have if there were a constant turnover of doctors and personnel because they had no medical school connected with the center.

I think it is the best investment we can make, and I urge the adoption of the chairman's motion.

Mr. DRINAN. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Massachusetts.

Mr. DRINAN. I thank the gentleman for yielding.

Two years ago I was very influenced by the gentleman's statement which I hold in my hand, and it states this:

> The costs per graduate from the University of Health Sciences will be about five times greater than the cost to obtain a medical doctor through the scholarship program.

I voted with the distinguished gentleman from Connecticut the last time. Has anything happened to change the facts which he cited and which I have quoted?

Mr. GIAIMO. Father, forgive me; I was wrong 2 years ago.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana (Mr. TREEN).

Mrs. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. TREEN. I will be glad to yield to my colleague, the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. I thank my colleague, the gentleman from Louisiana, for yielding.

Mr. Speaker, I should like to point out, if I may, that there are 2,500 applications that have been received for the 68 places in the class to start this September at the university. Certainly that proves that if there are 40 applications for each position, there is a tremendous need for this university. I should also like to point out that when we have had to recruit the doctors off of the street in the last several years, of physicians recruited off of the street, 35 percent have been foreign medical graduates, of which 70 percent are non-American citizens; thus, 29 percent of all recruited doctors of the armed services were not citizens.

I should also like to point out that with the shortage of physicians that is existent today, we will, indeed, if we pull out this university be adding to that shortage, because if the university is to be disbanded, approximately 1,500 scholarships would be required to provide an equivalent number of physicians. So we would not only withdraw 700 new training spaces that are now being created, but we will also reduce the number of civilian medical training positions by 1,500.

Mr. TREEN. Mr. Speaker, there are just two points I want to make in the remaining time I have. One is to reiterate the point that has been made by others that what we have here is the administration, through the budget process, trying to reverse a decision that has been made 10 times on the House floor. To those Members who are concerned about many of the water projects that this Congress has mandated and funded over and over again, I suggest that this is the very same thing. This is not a deferral. This is not a spreading out of a program. If these funds are not appropriated annually, the university dies. It is as simple as that.

We had testimony before the Stratton subcommittee that many of the teachers who have been attracted to this university are not signing up. Many who were to come aboard are now having second thoughts about coming to the university because they cannot be sure of the funding.

The second point I want to make is to emphasize the kind of training that the students receive at this university. It is an 11-month program instead of a 9-month program. I just want to read to the Members from the testimony of Col. Robert Joy, chairman of the Department of Military Medicine at the university. He said:

> In the first year alone the students are getting every Friday afternoon lectures in military medicine that cover the organization, structure and function of the military departments and medical departments.

He goes on to say:

> I might say the lectures on organization of the department, of the medical departments are by the Surgeons General. They are getting exposure by present practitioners of military aviation and they talk about what it is a doctor does with his patient in the environment called a tent or on a deck of a destroyer. They get many hours of education in medical defense against special weapons of war, such chemical, biological and nuclear war. There is the Armed Services Biology Institute. It provides a ten-man faculty to give ten hours of instruction on mass casualties and about patients hit by the atomic weapons and the blast.
>
> They get lectures on combat psychiatry, on the physical standard system in the military. And that is one course.
>
> They will have over 30 hours of military applied physiology. That is a joint course my department teaches. No civilian school teaches the first course. (The course I am about to describe, no civilian school teaches)—we give them 30 hours, using military and civilian senior scientists from Department of Defense laboratories on heat exhaustion, frost bite, altitude sickness, decompression system, translocation—which means jet lag—if you are in the C–5A and you are on your way to wherever the President and the Congress decides to go, you have to do this, and you have seasickness, there are noise problems—which are pretty bad in the service—these are taught from the basic and applied levels.
>
> Now, Dr. Haddy and I lecture on the course. We are from that professional background. Most of the lectures, or the people doing this are leading the research efforts in the service.

Other subjects of military application that students would not get in any other university are taught at the military university.

I urge a favorable vote of the motion of the gentleman from Texas (Mr. MAHON.)

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. I thank the chairman.

Mr. Speaker, I rise in full support of this measure. I want to make it very clear this is not in my district, it is not in my county, I do not profit from it in any way except as everyone of us in the United States will profit from this.

I strongly support retaining the Armed Services Medical School. I simply do not understand the people who are saying we can substitute for it through a scholarship program. Scholarship program? Do the gentlemen realize how scarce are the seats in the medical schools? Do they realize that the seats they would be taking in scholarship programs are those we desperately need to train physicians who will be practicing medicine in the civilian sector? Do the Members realize, as I do, because for 8 years I headed a hospital, that we are today importing people in droves to provide medicine for our citizens in the United States?

What we ought to be doing here instead of arguing about whether we should be building this facility is planning to address ourselves to the need for far more facilities to provide physicians for the men, women and children in our Nation. The shortage of physicians is a national disgrace and we ought to be addressing ourselves to it. We are importing to our shores thousands of people who have backgrounds in medicine which are totally inferior to anything we would countenance in this country. We are bringing physicians who have standards that do not begin to compare with the standards we set for our medical school graduates.

Yet here we are listening to oratory imploring us to usurp some of the pitifully small number of seats we have in the present medical schools. Surely, we will reject that notion. Surely, we will recognize the needs of our armed forces. Surely, we will permit this medical school to be built.

Mr. Speaker, I ask everyone to strongly support the continuance of the Armed Services Medical School.

Mr. EDWARDS of Alabama. Mr.

Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. BEARD).

Mr. BEARD of Tennessee. Mr. Chairman, I will not take long but I would like to just relate a personal experience that hit me right in the face while I was on active duty at Cherry Point with the 2d Marine Air Wing. We talk about doctors. We hear bureaucrats with DOD state that we do not have a problem. Yet one can go down to the 2d Marine Air Wing and find their table of organization calls for 27 flight surgeons and find they have now only 7 on active duty. They have one orthopedic surgeon who is probably going to get out because he is meeting himself coming and going and working 7 days a week. We talk about bonuses and retention benefits. That is a bunch of malarky when these doctors are finding themselves aboard a ship and working 7 days a week. They are not going to put up with it.

I think the Department of Defense should mention to the people in this body how many aliens we have as doctors for our armed services, aliens who are prohibited by law from going aboard ship or overseas, so they sit back and have the nice active stateside duty whereas the American citizens trained in this country are going back and forth on ships on the unattractive duty.

I think it is time for the Department of Defense to start shooting straight. We have a critical problem. We have one person from the Department of Defense who testified before our Investigative Subcommittee who was for this hospital under the Ford administration but who came over and put another hat on and was against it under the Carter administration. They are playing political expediency and survival and threatening the medical efficiency of our own military.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. STRATTON. The Speaker, the gentleman has referred to the number of alien doctors. The statistics our subcommittee got from the Department were that 47 percent of the doctors recruited from the streets, so to speak, are aliens. But under the Health Benefits Education Act of 1976 these alien doctors will no longer be able to be hired by the armed services after 1978. So we face an even greather shortage without the output of this armed services medical school.

Mr. BEARD of Tennessee. Mr. Speaker, I think it is time this body demands of the Department of Defense and the bureaucrats to start shooting straight.

Mr. MAHON. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Speaker, there is a shortage of doctors in the United States today and a serious shortage of doctors in the military. The military establishment should do its part to fill this shortage. The costs are about the same per doctor when the scholarship program is compared.

There are special values in having doctors trained in the military medical school. There is the special type of medical training referred to by the gentleman from Louisiana. He stated it very well.

I would like to say also there is a career aspect to this. There are people who want to join the military and to be military doctors; and to perform that special function. This establishment, this university, will bring that about.

Mr. Speaker, I urge very much retaining this university.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. ASPIN).

Mr. ASPIN. Mr. Speaker, I rise in support of the gentleman from Alabama (Mr. EDWARDS) on this position. I can detect a ground swell here, as well as the next fellow, so I am not under any illusion about what point of view is going to prevail; but I do want to say that I think all of this is crazy

This medical school, when it is completed, will not be producing doctors in great numbers for a number of years. The medical situation in the United States has changed drastically over the last few years. For example, since 1966, the number of medical schools has gone from 88 to 114. Enrollment in medical schools has gone from 33,000 to 51,000. Graduates rose from 7,600 to 11,600 in these 8 years.

In short the doctor shortage that everyone is talking about is a thing of the past. In the Health, Professional and Educational Assistance Act of 1976, the committee report says that "Congress further advises and declares that there is no longer an insufficient number of physicians and surgeons in the United States."

Mr. Speaker, we are talking about a situation which has passed. We are talking about a time which is not the time for when this medical school is going to be producing doctors.

I think the questions are, which is the cheapest way to produce doctors for the military and can that method produce doctors for the military in sufficient numbers? Every study which has been done by an independent agency, the GAO, the Defense Manpower Commission, the staff of the House Committee on Appropriations, have said that the scholarship program is cheaper. The numbers in each are different but the conclusion is the same: It is cheaper to do it by scholarship.

The question then is, can we get them into the service? Can we retain them? We passed the variable incentive bonus in the fall of 1974, which has had a great effect in the recruiting of doctors into the services. In 1975 the retention rate was 7.5 percent. In 1974 it was 7.8 percent. Then the following year 1975, a year after the variable enlistment bonus went into effect, it jumped to 17.3 percent.

We will have plenty of doctors to recruit. They are having problems with medical insurance and other kinds of things. Recruiting doctors for the military is not the problem it once was. It seems to me that the debate that we have had so far has been mainly talking about what was in existence 5 years ago, 4 years ago or 10 years ago. What we are facing today is not a shortage.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. EDWARDS of Alabama. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. ASPIN. Mr. Speaker, in summary the Congress has passed a number of bills, a number of programs to produce more physicians and more doctors in this country. We have been doing that for a number of years and it is beginning to pay off. We are getting more doctors. The number of doctors in the United States has gone up. The number of physicians per 100,000 population in this country went from 139 per 100,000 in 1965 to 156 per 100,000 in 1972.

Many of these programs have not yet reached their full potential. We will not—by the time this medical school is built—we will not have a shortage of doctors in this country.

Mr. MAHON. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I think we have already crossed the bridge on this medical school. I realize it is a controversial matter and that there is a basis for taking either a pro or con position. It can be argued that if the Federal Government is going into the business of establishing medical schools, we could establish Federal medical schools for a number of special purposes. For example, I know that there is a great shortage of doctors in the rural areas. So, we might establish a Federal medical school for the training of doctors for rural areas. It would make some sense. It could make some sense to establish a Federal medical school for the training of doctors for the elderly. So, this could go on quite extensively.

This matter troubles me somewhat, but I hope this will be the first and last Federal medical school. Of course, this school could later be transformed into a school with a broader scope.

I believe that this medical school will be helpful from a morale standpoint with the military, especially the military medical establishment. We started it, and let us go ahead with it and make it a great national asset.

Mr. EDWARDS of Alabama. Mr. Speaker, this matter is back on the floor for one simple reason; that is, because the President himself has made it an issue. I think the reason we are here today is to try to resolve the issue once and for all.

If we vote to continue this project, then I would not expect the President to come back and try to cut it out again, and certainly this Member will not. But, there are a couple of things, I think, need to be said about it. This is a bill for the military medical university.

The truth is, if one looks at the curriculum, that the emphasis is on family medicine. Only about 4 percent of the curriculum is set aside for military medicine. Of the 93 faculty members out there, only two are listed under the heading of military medicine. The Defense Department and HEW have studied the military health care system, and they found that approximately 9 million Department of Defense medical patients exist, but only 23 percent of these are ac-

tive duty personnel. The remainder are dependents, retirees, retirees' dependents and survivors, who are the focus of the concern with the need for family medicine.

This university is not going to be a military medical university. It will have some military medicine courses. But, it is not going to do what it has been billed as doing.

Finally, what we are talking about, under any of the studies that we have been reciting here, over the next 30 years is a saving of a billion dollars in taxpayers' money if we close the university now. I suggest to the Members that we could put a good part of this money into the private and State-supported medical schools of this country and do a far superior job in turning out doctors, and the military will have good doctors.

Mr. Speaker, I am going to ask for a vote on this issue, and I hope this is the end of it one way or the other.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Speaker, I thank the chairman for yielding to me. I am for economy in national defense, but very frankly, I think that we have reported on this issue. We had a vote in 1972, and we determined by a vote of 351 to 31 that we wanted to build the F. Edward Hébert School of Military Medicine.

I will tell the Members that we have a good school. This great, expensive institution cost 20 percent of what one nuclear submarine would cost.

Do we have enough doctors in the United States? The doctors say yes. But it still requires, in Fairfield, Calif., in my district, a special order from the Surgeon General to allow the military doctors to practice, to moonlight, in the domestic sector in the middle of town. The same is true in Sacramento. The Army today is 700 doctors short this year. They are getting one-half of their recruitment from foreign sources. If we can build medical schools in all of our individual districts, why cannot we build a national school for military purposes.

I think we can say that, because a lot of pain and suffering occurs through war and different kinds of activity in national defense, it is only fitting that we dedicate one of our medical schools to curing some of the problems in this area. We do not want the school to be a stepchild or a burden on the taxpayers. We want it to be one of the best medical schools in the world. Working with Walter Reed, working with Bethesda, I think we can do it. We have it built. I think we should pursue what we have started to do. To climb up the hill and then to climb down again, like we are doing on dams and other things, I think makes no sense whatsoever.

Mrs. HOLT. Mr. Speaker, I rise in strong support of the $12.5 million advanced funding for the Uniformed Services Health Sciences Academy contained in the conference report to H.R. 4877—the fiscal year 1977 supplemental appropriations bill.

I have been concerned about the quality of health care of the Armed Forces especially now that there is no longer a doctors' draft and when many of those serving in the military because of educational obligations are leaving the armed services for more lucrative practices on the outside.

From what my constituents tell me, many vital health care services are being drastically curtailed in just about every military hospital and clinic. For example, the Ireland Army Hospital at Fort Knox is about to lose all of its radiologists and I learned that the hospital had a backlog of 8,000-some X-rays awaiting to be read. Medical care for dependents and retirees are continually being eroded away.

During our consideration of the fiscal year 1978 defense authorizations bill in the House Armed Services Committee, we resoundingly refuted the proposal of President Carter to terminate the Armed Services Medical School. Facts and arguments presented before the Armed Services Committee showed that the rationale for termination simply has no substance.

I strongly urge my colleagues to fully support the advance funding contained in the conference report and also to support the medical school's continuation in the future.

Mr. MAHON. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore (Mr. DANIELSON). The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. EDWARDS of Alabama. Mr. Speaker. I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 250, nays 162, not voting 21, as follows:

[Roll No. 143]

YEAS—250

Abdnor	Burleson, Tex.	Duncan, Oreg.
Addabbo	Burlison, Mo.	Duncan, Tenn.
Akaka	Butler	Edwards, Okla.
Alexander	Byron	Evans, Colo.
Allen	Caputo	Evans, Del.
Andrews, N.C.	Carney	Evans, Ga.
Andrews, N. Dak.	Carter	Fary
	Cederberg	Fish
Annunzio	Chappell	Fisher
Applegate	Clausen, Don H.	Flippo
Archer	Clawson, Del	Flood
Badham	Cleveland	Flynt
Bafalis	Coleman	Frey
Baldus	Collins, Ill.	Gaydos
Barnard	Collins, Tex.	Giaimo
Bauman	Conte	Gilman
Beard, Tenn.	Corcoran	Ginn
Benjamin	Corman	Goldwater
Bennett	Cornwell	Gonzalez
Bevill	Cotter	Gudger
Biaggi	D'Amours	Guyer
Bingham	Daniel, Dan	Hagedorn
Boggs	Daniel, R. W.	Hammer-schmidt
Boland	Danielson	Hanley
Bowen	Davis	Hannaford
Breaux	de la Garza	Harris
Brinkley	Dent	Harsha
Brooks	Derwinski	Hawkins
Broomfield	Dickinson	Heckler
Brown, Mich.	Dicks	Hefner
Brown, Ohio	Diggs	Heftel
Burgener	Dornan	Hightower
Burke, Mass.	Hillis	Mitchell, Md.
Holland	Mitchell, N.Y.	Shuster
Hollenbeck	Mollohan	Sikes
Holt	Montgomery	Sisk
Horton	Moore	Skelton
Howard	Moorhead, Calif.	Skubitz
Hubbard	Moorhead, Pa.	Slack
Huckaby	Mottl	Smith, Nebr.
Hyde	Murphy, Ill.	Snyder
Ichord	Murphy, N.Y.	Spellman
Ireland	Murphy, Pa.	Spence
Jeffords	Murtha	Staggers
Jenrette	Myers, Gary	Stangeland
Johnson, Calif	Myers, Michael	Stanton
Jones, N.C.	Natcher	Steed
Jones, Tenn.	Neal	Steers
Kasten	Nedzi	Steiger
Kastenmeier	Nichols	Stokes
Kazen	Nix	Stratton
Kelly	Nowak	Stump
Kemp	O'Brien	Symms
Kindness	Oakar	Taylor
Lagomarsino	Oberstar	Thompson
Latta	Patten	Thone
Leach	Patterson	Thornton
Lederer	Pattison	Tonry
Leggett	Pepper	Treen
Lent	Perkins	Trible
Levitas	Pettis	Ullman
Lloyd, Calif.	Pickle	Van Deerlin
Lloyd, Tenn.	Pike	Vander Jagt
Long, La.	Pressler	Waggonner
Lott	Preyer	Walker
Lujan	Pritchard	Walsh
Lundine	Quayle	Wampler
McCloskey	Quie	White
McCormack	Quillen	Whitehurst
McDonald	Rangel	Whitley
McFall	Rhodes	Whitten
McKay	Rinaldo	Wilson, Bob
McKinney	Risenhoover	Wilson, C. H.
Mahon	Roberts	Wilson, Tex.
Marks	Rodino	Winn
Marriott	Roncalio	Wright
Mathis	Rooney	Wydler
Meeds	Rose	Young, Alaska
Metcalfe	Rousselot	Young, Fla.
Meyner	Roybal	Young, Mo.
Michel	Rudd	Young, Tex.
Mikulski	Runnels	Zablocki
Miller, Ohio	Satterfield	Zeferetti
Minish		

NAYS—162

Ambro	Edwards, Calif.	McHugh
Ammerman	Eilberg	Madigan
Anderson, Calif.	Emery	Maguire
	English	Mann
Anderson, Ill.	Erlenborn	Markey
Armstrong	Ertel	Marlenee
Ashbrook	Evans, Ind.	Martin
Ashley	Fascell	Mattox
Aspin	Fenwick	Mazzoli
AuCoin	Findley	Miller, Calif.
Badillo	Fithian	Moakley
Baucus	Florio	Moffett
Bedell	Flowers	Moss
Bellenson	Foley	Nolan
Blanchard	Ford, Tenn.	Obey
Blouin	Fountain	Ottinger
Bolling	Fowler	Panetta
Bonior	Fraser	Pease
Bonker	Frenzel	Poage
Brademas	Fuqua	Pursell
Breckinridge	Gephardt	Rahall
Brodhead	Gibbons	Railsback
Brown, Calif.	Glickman	Regula
Broyhill	Goodling	Reuss
Buchanan	Gore	Richmond
Burke, Calif.	Gradison	Robinson
Burke, Fla.	Grassley	Rogers
Burton, John	Hamilton	Rosenthal
Burton, Phillip	Hansen	Rostenkowski
Carr	Harkin	Russo
Cavanaugh	Harrington	Ryan
Chisholm	Holtzman	Santini
Clay	Hughes	Sarasin
Cochran	Jacobs	Scheuer
Cohen	Jenkins	Schroeder
Conable	Johnson, Colo.	Sebelius
Conyers	Jones, Okla.	Seiberling
Cornell	Jordan	Sharp
Coughlin	Ketchum	Simon
Crane	Keys	Smith, Iowa
Delaney	Kildee	Solarz
Dellums	Kostmayer	St Germain
Dingell	Krebs	Stark
Dodd	Krueger	Stockman
Downey	LaFalce	Studds
Drinan	Le Fante	Traxler
Early	Lehman	Tsongas
Eckhardt	Luken	Tucker
Edgar	McClory	Udall
Edwards, Ala.	McDade	Vanik

Vento	Weaver	Wolff
Volkmer	Weiss	Wylie
Walgren	Whalen	Yates
Watkins	Wiggins	
Waxman	Wirth	

NOT VOTING—21

Beard, R.I.	Koch	Price
Derrick	Long, Md.	Roe
Devine	McEwen	Ruppe
Ford, Mich.	Mikva	Sawyer
Forsythe	Milford	Shipley
Gammage	Mineta	Teague
Hall	Myers, Ind.	Yatron

The Clerk announced the following pairs:

Mr. Teague with Mr. Forsythe.
Mr. Milford with Mr. Devine.
Mr. Hall with Mr. John T. Myers.
Mr. Mikva with Mr. Ruppe.
Mr. Ford of Michigan with Mr. Sawyer.
Mr. Shipley with Mr. Roe.
Mr. Price with Mr. Gammage.
Mr. Beard of Rhode Island with Mr. Derrick.
Mr. Mineta with Mr. Koch.
Mr. Yatron with Mr. Long of Maryland.

Messrs. MATTOX, MOAKLEY, and SCHEUER changed their vote from "yea" to "nay."

Messrs. COLLINS of Texas, McDONALD, ABDNOR, SATTERFIELD, EDWARDS of Oklahoma, and Mrs. SMITH of Nebraska changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 6, line 16, insert:

MILITARY PERSONNEL, NAVY

For an additional amount for "Military personnel, Navy", $888,000, to remain available for obligation until September 30, 1978.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 6, line 20, insert:

MILITARY PERSONNEL, AIR FORCE

For an additional amount for "Military personnel, Air Force", $910,000, to remain available for obligation until September 30, 1978.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 11 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 12: Page 7, line 12, strike "$1,200,000" and insert "$10,700,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 12 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 7, line 13, insert: "of which $9,500,000 shall be available only for the Uniformed Services University of the Health Sciences, this $9,500,000 to remain available for obligation until September 30, 1978."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 14: Page 8, line 1, insert:

ADMINISTRATIVE PROVISION

The limitation on the use of funds for legislative liaison activities of the Department of Defense for fiscal year 1977 contained in section 728 of the Department of Defense Appropriation Act, 1977, is hereby increased from $5,000,000 to $7,400,000.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 8, line 23, insert: ": *Provided*, That all expenditures shall be approved by the Chairman of the Commission."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 17 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

Senate amendment No. 19: Page 9, line 15, insert:

TRANSPORTATION

For an additional amount to enable the District of Columbia to meet its share of any operating deficit incurred in connection with the operation of the Phase I segment of the Metrorail system covering the period January 1, 1977 to June 30, 1977, $846,000, except that no such amount, or part thereof, shall be obligated until commitments have been made for the total operating deficit associated with the Phase I segment.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 19 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 10, line 19, insert:

ADMINISTRATIVE PROVISIONS

Authorization is hereby provided to the Government of the District of Columbia to make retroactive cost of living payments out of funds heretofore appropriated to such Government, to day care providers under contract to the city during the period July 1, 1975, to September 30, 1976, but not to exceed the amount of $855,000.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 20 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 21: Page 11, line 11, insert: ", and $28,000,000 shall be allocated for a contribution to the United Nations Relief and Works Agency."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 21 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: Page 14, line 19, insert:

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

None of the funds made available for Operating Expenses of the Agency for International Development in fiscal year 1977 shall be available for leasing, purchasing, renovating, or furnishing of housing or office space in Cairo, Egypt, except through the Foreign Building Operations of the Department of State.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 16, line 15 insert:

EMERGENCY HOMEOWNERS' RELIEF FUND

For emergency mortgage relief payments and for other expenses authorized by title I of the Emergency Housing Act of 1975 (Public Law 94–50), $1,000,000.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35; Page 16, line 19 insert:

FUNDS APPROPRIATED TO THE PRESIDENT

FEDERAL DISASTER ASSISTANCE ADMINISTRATION

DISASTER RELIEF

For an additional amount for "Disaster relief", $20,000,000: Provided, That the foregoing amount shall be used only for the reimbursement of State and local governments, notwithstanding any provision of law, in areas where an emergency has been declared by the President, for costs of snow removal incurred in such emergency.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House insist on its disagreement to the amendment of the Senate numbered 35.

PREFERENTIAL MOTION OFFERED BY MR. BRADEMAS

Mr. BRADEMAS. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. BRADEMAS moves that the House recede from its disagreement to the amendment of the Senate No. 35 and concur therein.

The SPEAKER pro tempore. The gentleman from Texas (Mr. MAHON) is recognized.

Mr. MAHON. Mr. Speaker. I yield 5 minutes to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, I thank the chairman of the committee for yielding.

Mr. Speaker, I urge that the House take this action because I believe that the $20 million in aid which this amendment would provide to the four States of Indiana, Michigan, Ohio, and Pennsylvania is badly needed.

In late January, when the winter storms swept through the Midwest and East, the eventual severity was almost completely unanticipated.

But when temperatures dropped to record lows and the snow started to pile up to 10 feet, the wheels of government did begin to turn.

The Governors of the States affected submitted petitions to the President to declare their States emergency areas, and, later, when the full impact of the storms became clear, major disaster areas.

In the case of all four States, the President, working through the Federal Disaster Assistance Administration, examined the situation of each, and between January 29 and February 5, declared all four States emergency areas eligible for Federal assistance.

In the case of my own State of Indiana, for example, this declaration came 6 days after the first day of the storm. In his declaration, President Carter said:

I have determined that an abnormal accumulation of snow and ice resulting from a series of blizzards and snowstorms in the State of Indiana is of sufficient severity and magnitude to warrant a declaration of an emergency . . . I therefore declare that such an emergency exists in the State of Indiana.

The purpose of this declaration is to provide Federal aid for the opening of vital transportation arteries, the provision of public health services, the reopening of blocked supply routes to educational, governmental, commercial and industry establishments, and such other emergency assistance as may be required to protect the public health and safety.

Similar declarations were issued for Michigan, Ohio, and Pennsylvania.

The President's statement remains, I believe, an accurate assessment of the nature of the problem which existed for weeks in these four States. There was an emergency situation—the worst winter storm in Indiana's history—and an effective response was simply beyond the capability of the State and of local governments.

Mr. Speaker, some areas, like the counties surrounding Buffalo, N.Y., and some States, like Maryland, Virginia, and Florida, were declared major disaster areas and received extensive assistance.

In other areas of the country, drought became a particularly acute problem, as the winter rain upon which the agriculture of the West depended moved away to the Midwest and East to devastate these regions with ice and snow.

Congress and the President were quick to react to the drought by providing substantial aid and signaling their willingness to initiate additional assistance in the months ahead.

But in the four States in which a state of emergency was declared, substantial additional expenses incurred during the period of the emergency were not met by the Federal Disaster Administration.

In these counties in these four States where the President declared that an emergency existed, the Federal Disaster Assistance Administration recommended and spent a combined total of only $3 million to alleviate problems which have been estimated to cost millions of dollars beyond that figure.

To illustrate my own State of Indiana, Gov. Otis R. Bowen calculated that our State and local governments suffered a cost of $7.7 million for snow removal alone.

Gov. James A. Rhodes of Ohio has stated that all governmental units in Ohio spent more than $23 million over their normally anticipated snow removal budgets.

So in providing assistance totaling $500,000 in the entire State of Indiana and $1.2 million in Ohio, the FDAA provided only minimal assistance. Members of this body can therefore be assured that the $20 million provided by this amendment is certainly not a windfall for those areas which were designated by the FDAA as emergency areas and hence are now eligible for this aid.

Indiana's share of this aid would total, by my calculations, in the neighborhood of $3 million, about two-thirds of that for county and local government reimbursements and about one-third for the State to reimburse it for its efforts at snow removal in the areas designated by the FDAA as emergency areas. I would expect that a similar approach would be taken toward reimbursing the other three States.

I would further add, for the benefit of our colleagues, that it is the judgment of the author of the amendment, the distinguished senior Senator from Indiana, that if $20 million is insufficient to cover all the allowable snow removal costs in these four States, the eligible jurisdictions would receive a reduced pro-rated share in proportion to their snow removal expenditures. If the amount is less than the $20 million, the excess would return unexpended to the Treasury.

Mr. Speaker, here are some other reasons that I believe that this amendment is a sound investment by Congress.

First, estimates are that $20 million was spent for snow removal by the designated areas. I want to point out that this amount does not take into consideration, nor does it seek to reimburse local governments for, expenses incurred by areas within the States not designated as emergency areas, nor does it provide for road repairs, public building restoration, compensation for utility disruption or substantial agricultural losses. The amendment is restricted solely to removal of the snow, which was the basis for the emergency declarations.

Second, these funds will help replenish the budgets of the designated local governments for the unanticipated revenue losses of snow removal not underwritten by the Federal Government.

The principal reason, Mr. Speaker, that I rise to support the Senate amendment is the same reason that the President originally declared an emergency: This appropriation meets the intent of the law by helping overcome the effects of this rare winter calamity.

Third, local budgets, local highway departments, local manpower managers simply do not make provision for occurrences which are so unexpected or statistically improbable.

Finally, I would like to add what I consider an important point. The economic hard times of recent years have hit the budgets of local governments especially hard. Congress has recognized this fact of life and has designated specific programs to insulate local public services from these economic shockwaves. I believe that this amendment is consistent with that general policy.

The amendment provides funds from the date of the snowfall to the date the emergency declaration was withdrawn. The amendment covers only snow removal costs, keeping it consistent with President Carter's declaration.

This is, I believe, a just amendment and I hope my colleagues will support it.

Mr. COUGHLIN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I agree with the statements just made by the gentleman from Indiana (Mr. BRADEMAS). Since Ohio is one of those unfortunate States which suffered a disaster but did not obtain the benefits of a disaster declaration, I support this amendment to assist those public bodies which did the job on their own. The Governor of the State requested, on several occasions, that Ohio be declared a disaster area and I joined others in requesting such a declaration. With such a declaration of the President, all of our counties, cities and other public bodies would have automatically become eligible for assistance in clearing their roads and streets. None was forthcoming.

Several of our counties went out and depleted their road funds clearing the snow away hoping a disaster would be declared in their areas. Certainly, if we are going to have any road repair or bridge repair in these counties during this summer, which is sorely needed, we are going to have to replenish their funds. I think it was an omission on the part of the administration in not going ahead and declaring the State of Ohio a disaster area so that all of the affected areas that suffered from this past winter s storms would have benefited.

I support this amendment and hope it passes. I would like to ask the gentleman from Indiana (Mr. BRADEMAS) a question, if he would permit me to do so.

In looking over the amendment of the Senate No. 35, it merely says it is to reimburse certain States and local governments for snow removal costs incurred prior to a declaration of a disaster area. The Senate amendment provided $20 million. My question is, how would this $20 million be apportioned, if this amendment stays in this bill, among the four States?

The SPEAKER pro tempore (Mr. DANIELSON). The time of the gentleman from Ohio has expired.

Mr. COUGHLIN. Mr. Speaker, I yield 3 additional minutes to the gentleman from Ohio.

Mr. BRADEMAS. Will the gentleman yield?

Mr. LATTA. I will be happy to yield.

Mr. BRADEMAS. It is my understanding that it is the judgment of the author of the amendment in the other body, the senior Senator from Indiana, that if the amount of money were insufficient to cover all of the allowable snow removal costs in these four States, that the eligible jurisdictions would receive a reduced prorated share in proportion to their snow removal expenditures. If the amount were less than the $20 million, the excess would return unexpended to the Treasury.

My colleague from Massachusetts (Mr. BOLAND), who I know is on the other side of this issue, has been kind enough to give me an indication of how the expenditures would be allocated, and with the permission of the gentleman from Ohio I will cite these figures that have been given me by Mr. BOLAND. I have not myself before seen these specific figures.

For Pennsylvania, $4.8 million; for Ohio, $3.7 million; for Indiana, $12.9 million; for Michigan, $0.5 million; for a total of $21.9 million, a figure which was rounded to $20 million for the amendment.

Mr. LATTA. I note from the figures the gentleman has just cited that Indiana would get $12 million and Ohio would get $3 million. I know, as far as Ohio is concerned, we suffered a considerable amount of damage, and I was just wondering how they came up with those figures.

Mr. BRADEMAS. As I said, these figures are not my own, but those supplied by the gentleman from Massachusetts, which I think were prepared in response to a query by a Member of the other body to the Federal Disaster Administration. They were clearly related to the amount of money expended by local units of government and by the States for the purpose of snow removal.

Mr. LATTA. So, providing this amendment stays in the bill and becomes law, from what the gentleman from Indiana said previously, if a county, for example in my district, which suffered heavy losses could come up with the figures showing that they expended x number of dollars, notwithstanding the figures the gentleman just cited overall for the State of Ohio, they would still be reimbursed?

Mr. BRADEMAS. Yes, the gentleman is correct. I would reiterate, of course, that the administration makes possible funds for reimbursement for snow removal expenditures only in those areas that have been designated emergency areas by the President.

Mr. LATTA. I thank the gentleman for his response, and I certainly support the amendment.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. SHARP).

Mr. SHARP. Mr. Speaker, I urge that we accept the Senate amendment providing an additional $20 million for disaster relief. This would allow the Federal Disaster Assistance Administration to reimburse certain States and local governments for snow removal costs resulting from the winter storm for which the President issued an emergency declaration.

A major inequity occurred in the provision of assistance to the counties hardest hit by the storm in late January and early February. Although the emergency situation developed in Indiana on January 28 and 29, the emergency declaration was not issued until February 2 and assistance was not practically available until February 3. Many counties were not included in the first emergency declaration, and assistance was not available to them for an additional few days.

During this delay local officials concerned about the well-being of their constituents properly went ahead and began to clear the main roads so that emergency vehicles could move, food and fuel supplies could be replenished, and people could get back to work as soon as possible. But the costs incurred by these governments prior to the declaration of an emergency have not received any Federal reimbursement. Other counties, which were included in the first list of areas where an emergency was declared, or which were a little slower in beginning the snow removal process, received Federal assistance.

The amendment seeks to provide equal treatment for all counties which were covered by the emergency declaration. If we accept it, local governments which responded responsibly to the emergency situation will be reimbursed for snow removal expenses which in other places have already been paid by the Federal Government.

Mr. Speaker, it takes only a moment's reflection to realize what an unanticipated expense of $100,000 or more can do to the budget of a small county. In clearing the roads after the extreme January storm, many counties spent far more than they had budgeted for snow removal for the entire year. Additional funds had to be taken from highway maintenance and other budgeted items. Without the help that this amendment offers, these counties will have to forego many essential services.

Mr. Speaker, only four States and slightly over 100 counties are affected by this amendment. I am sure that other Representatives from the States of Indiana, Ohio, Michigan, and Pennsylvania have supported a national Federal disaster assistance program, as I have, although our States are not particularly vulnerable to droughts, hurricanes, and some other disasters. I hope that the Members of Congress from the States that do receive the major part of the Federal Disaster Assistance Administration funds will likewise recognize that this must be a national program if it is to receive continued support.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Speaker, this country has been devastated by acute inclement weather this past year. We believe, as already has been stated by my colleague from Ohio (Mr. LATTA), that Ohio should have been declared a major disaster area. Unfortunately, this did not happen. The cost of this past winter in Ohio was estimated by the State to be $1.2 billion. Federal assistance to Ohio has thus far totaled only $1.2 million, or one-tenth of 1 percent of the total damages. Clearly, this Federal response has been totally inadequate, especially in light of the generosity shown to the drought States in the West. I believe the States in the West need their Federal help, and I support that. But our need is equally as critical.

Mr. Speaker, I therefore urge my colleagues to support this amendment.

Mr. COUGHLIN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennslyvania (Mr. MARKS.)

Mr. MARKS. Mr. Speaker, as a Congressman from northwestern Pennsylvania, an area devasted by the recent snow emergency, I rise in support of the $20 million supplemental appropriation for snow removal.

This past winter brought havoc to the communities of my district which had already been hit hard by economic hardships. The snow accumulated to such an extent that life and property were en-

dangered and extraordinary measures had to be taken to remove the snow.

Extraordinary measures, however, cost extraordinary dollars. The four largest cities in my district—Erie, Sharon, Farrell, and Meadville—spent over $150,000 in excess of budgeted costs. This money was expended for snow removal alone, and does not begin to cover the many other costs associated with the severe weather. These moneys had to be spent at a time when the communities in my district did not have the money because tax revenues were and are still low due to our high unemployment rate, which ranges well above the national average.

The Federal response to this emergency has so far been inadequate. Unless more money is appropriated, all the communities throughout the areas affected will have to eliminate essential community services, and this will, in turn, help to further worsen an already serious economic situation.

There is good reason to add this $20 million for snow removal assistance to the supplemental appropriations bill. We have responded to other extraordinary needs throughout the country, such as the $900 million already included in this conference report for drought-stricken areas. It is only fair that this figure of $20 million also be given to areas ravaged by extreme weather problems.

Therefore, my colleagues, I urge your support for this badly needed assistance.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. FITHIAN).

Mr. FITHIAN. Mr. Speaker, I thank the chairman of the committee for yielding this time to me.

As a Member whose district was hard hit in these storms, let me just underscore what my colleague, the gentleman from Indiana (Mr. BRADEMAS), has said and what my colleague, the gentleman from Ohio (Mr. LATTA), has said.

In one of our counties we have normal snow removal costs that have averaged in the last decade some $25,000 to $30,000. They are now faced with a cost of $203,000 in terms of snow removal bills resulting from work contracted to outside snow removal operations.

It has been said that this would be illegal and that the law does not provide for this. Let me assure the Members that we are now attempting to remedy what was a delay in the decision.

In the case of Buffalo, for example, the emergency struck on January 29, and it was declared a disaster on January 31. When the final settlement or final declaration was arrived at, the FDAA went back and, I think properly in the case of Buffalo, picked up those unexpected and unanticipated costs from January 16 to February 25.

What we are asking for, Mr. Speaker, is reimbursement for that cost which was incurred while the FDAA was making a decision and during the period of time before the declaration of the emergency that existed.

I would strongly urge the Members to recall that the same storm has caused us to put in the budget which we deal with today an additional $100 million—and I think properly so—for the Bureau of Reclamation to carry out emergency assistance, and we have indicated that we will proceed to do that. The same storm hit many States in the Midwest, as my colleague, the gentleman from Indiana (Mr. BRADEMAS), has indicated, and so I think this is an opportunity and a requirement for the Federal Government to respond in this case.

Mr. Speaker, I urge an aye vote on the Brademas amendment.

Mr. COUGHLIN. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. QUAYLE).

Mr. QUAYLE. Mr. Speaker, I take this time to respond to a request of my distinguished colleague, the gentleman from Indiana (Mr. BRADEMAS), who has asked for bipartisan support of his amendment. I assure him that he has my support. This appropriation of $20 million for snow removal is a very important item.

I can attest that in my own district there was some talk about the Department of Highways picking up some bills for LaGrange, Steuben, and Noble Counties. These counties have unpaid bills for snow removal costs. They are having a difficult time paying these bills.

Mr. Speaker, I think we all know that some States, particularly those in the Midwest, got hit especially hard with these storms. I think this appropriation does deserve bipartisan support, and I am willing to give it. I urge the adoption of the motion.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. FLOOD).

Mr. FLOOD. Mr. Speaker, I have been advised by the officials in the State of Pennsylvania that there are 21 counties in Pennsylvania that were covered by the emergency declaration and that are entitled to support under the amendment and under the proposed action of my friend, the gentleman from Indiana (Mr. BRADEMAS).

There is no doubt about the time that was involved. This lasted 24 hours a day for 2 or 3 days, and this work was being done before the Federal Government took any action whatsoever. These 21 counties were declared emergency disaster areas.

Mr. Speaker, there is no doubt about the merits of this proposal that has been made, and I support the motion of my friend, the gentleman from Indiana (Mr. BRADEMAS).

Mr. COUGHLIN. Mr. Speaker, I yield myself such time as I am consume.

Mr. Speaker, I deeply regret the need to disagree with the dean of my delegation.

I am certainly sympathetic with the plight of these many communities involved, but, Mr. Speaker, this is a little bit of a good old pork in the barrel. It is nice to have some pork in the barrel. It is nice to have some pork when it applies to Pennslyvania or Indiana or Michigan or Ohio, but, Mr. Speaker, pork is pork is pork.

This program is not authorized; it is not warranted; it is not approved and legalized under the Federal Disaster Assistance Administration Act. Many of these communities in many of these States did in fact receive money for snow removal during the declared emergency. This request is for snow removal that was done not during the declared emergency, and that is why it is pork.

I certainly support the needs of the local communities, and I support programs that accomplish things like this, but, Mr. Speaker, many States and many communities overspent their funds for snow removal this past winter, and they are not in here applying for part of this pork, although they could be.

In answer to the question raised by the gentleman from Ohio (Mr. LATTA), other States in fact could apply for this money, and many communities across the country could apply for this money which is coming from a separate new and unauthorized program.

Mr. Speaker, the problem is that the disaster relief agency is one that is highly susceptible to misuse. It is being regarded as a pork barrel into which communities can reach and apply for additional help, even in cases where it does not really fall in the area of disaster relief. It is terribly important, it seems to me, that we keep this agency and keep this program and make sure that it applies only during bona fide emergencies.

If we want to change the legislation, let us change the legislation, but let us not just make a pork barrel out of that agency.

Mr. FITHIAN. Mr. Speaker, will the gentleman yield for a question?

Mr. COUGHLIN. I yield to the gentleman from Indiana.

Mr. FITHIAN. Mr. Speaker, I thank the gentleman for yielding.

I wonder whether the distinguished gentleman is aware that in some areas after the appeal was made, it was 8 days before the Federal disaster team arrived on the scene.

How does the gentleman accommodate that?

I realize the delay here, but we are talking about days in which we are faced with the disaster; and it took 8 days for the team to arrive.

Mr. COUGHLIN. Mr. Speaker, to answer the gentleman, the President, in declaring the disaster, had the prerogative of deciding on what date the disaster would have commenced, so that the President could have put that period of time in the disaster proclamation.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Speaker, I rise in support of the preferential motion.

Mr. Speaker, I thank my distinguished colleague, the majority whip and my fellow colleagues and friends from Indiana, Ohio, Michigan, and Pennsylvania for their efforts in leading the effort to secure this House's approval for the Senate proposal to reimburse our States $20 million for snow removal under President Carter's emergency declarations.

Indiana's plight at the time of the emergency is significant for your consideration of this measure and indicative of her sister States' circumstances during the same period of time.

Prior to the snowstorm of January 28, Indiana experienced 32 days of subfreezing temperatures with snowfall substantially higher than normal. The Ohio River was closed, as were many streets,

roads, and highways. On January 26 a heavy ice storm compounded the area's problem. This storm ultimately reached its peak on January 28 as a blizzard whipped winds up to 50 knots an hour making the State's position untenable.

Only 1,000 miles of roads remained passable, citizens were trapped, schools closed, work and public centers shut and 22 people lost their lives as a direct result of the storm. Another 2,108 received cold related injuries.

The National Guard was mobilized. The Red Cross operated 18 shelters. Over 1,000 State troopers effected rescues and patrolled the roads which were still open. Local volunteers worked endless hours and State and local governmental spending for the emergency exceeded $18.9 million. Not included in this figure is agricultural damage of $16 million, additional agricultural feed costs of $80 million and damage to schools in 305 districts totaling over $17 million.

Finally, the President declared that "an emergency exists" in Indiana on February 2, 1977. As a result, the Corps of Engineers provided direct support to affected counties, contracts for snow removal were made and Small Business Administration and Farmers' Home Administration low cost disaster loans were provided. In total, the Federal Government provided approximately $409,000 in relief.

Unfortunately, the counties affected by the storm spent in excess of $3 million and incurred budget deficits of more than $5.4 million over and above the losses incurred by the State of Indiana itself. In many instances, entire street maintenance budgets for the calendar year were exhausted.

Indiana's constitution prohibits deficit spending and numerous local municipalities and county units are in severe financial condition. They have already expended sums far in excess of their capacity to spend and if reimbursement is not made many streets and bridges that should be repaired will not be, further endangering the lives of our citizens.

An emergency was declared, not a major disaster. The difference, in terms of relief is substantial. We must accept the hardship imposed. But we cannot, and the States affected should not be made to bear the reimbursable costs of emergency snow removal for the initial emergency period prior to the President's declaration.

Regrettably, some would argue against such warranted and proper reimbursement. Their arguments are two.

First, that no authority exists to reimburse costs incurred prior to the date of emergency declaration.

This argument is without merit. Although there is no case development of the controlling statute, it is clear from the regulations that a snowstorm is an occurrence subject to emergency treatment. Furthermore, there is nothing in the law or regulations which define parameters of time to which emergency funds are limited. Emergency aid is made available to alleviate the harsh impact of a particular catastrophe and cannot be construed to be dependent upon the time an emergency declaration is issued. To say that an emergency cannot exist before a declaration is issued is to ignore the obvious. To infer that an emergency did not exist on February 1, 1977, because the President declared one to exist on February 2, 1977 is also incorrect.

The second argument advanced by those opposed to this funding request is that it is not authorized by law. This too, is fallacious.

Volume 24 of the CFR, section 2205.27 (c) which deals with emergency declarations states:

> The type and extent of Federal assistance set forth in the Agreement, or supplement thereto, shall be the only assistance which is eligible for Federal reimbursement or funding under the Act.

I emphasize the word, "reimbursement."

Debris removal is also contemplated by section 2205.29 of the same volume. Although debris is not defined, I am confident in characterizing substantial snows and drifts blocking roads and highways as debris necessary to be removed for the performance of emergency tasks.

Since debris removal and reimbursement is contemplated by the statute and regulations and the President's declaration and the Federal-State agreement are broad enough to encompass them and I would strongly recommend to you that there is no legal impediment to the passage of this measure.

I have stressed Indiana's situation. It is indicative of our sister States' problems.

Our concern is not parochial. It is a concern for persons who have suffered much and for sorely strapped State and local units of governments who are in severe financial difficulties because of their concern and prompt action to mitigate their citizens' suffering.

This House has provided relief for other emergency victims. Those suffering from the western drought come immediately to mind. All we ask now is for the same consideration to be given to the peoples of our States who have suffered much.

Thank you for your consideration and more importantly, for your active support of this measure.

Mr. MAHON. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, disaster relief funds are handled by the subcommittee presided over by the distinguished gentleman from Massachusetts (Mr. BOLAND). He is well known to this House. He does his job faithfully and well. He heads a very fine subcommittee.

Mr. Speaker, I have in my hand a letter which the gentleman from Massachusetts (Mr. BOLAND) addressed to the Members of the House on April 19. He points out his opposition to the motion which has been offered by the gentleman from Indiana (Mr. BRADEMAS); and I shall read in part the letter which has been written:

> The FDAA has determined that such reimbursement—

And that is as proposed in this amendment—

> "is not legal, authorized, or warranted under current disaster law. The Federal Disaster Relief Act of 1974 authorizes Federal emergency relief efforts only during a Presidentially-declared emergency. There is no authority to reimburse States or local governments for costs incurred prior to an emergency declaration."

The gentleman from Massachusetts (Mr. BOLAND) goes on to say:

> This is a dangerous precedent which not only abrogates the latitude provided the President by current law, but also raises the specter of loss of control over funding levels for disaster relief.

The letter of the gentleman from Massachusetts continues as follows:

> In the future any State not satisfied with assistance received under the Disaster Relief Act would have a precedent for special interest legislation.
>
> Almost the entire Nation has felt some adverse effects of the recent winter. The President authorized what he determined to be an appropriate level of disaster or emergency assistance in those places where he found a threat to life, property, or public heath and safety. The Senate proposes to single out very specific areas for special assistance, above and beyond the $3,000,000 already provided those areas.

Mr. Speaker, it seems to me to be very unwise for us to tinker in this way with disaster relief legislation so as to favor certain areas of the country. It seems to me that we have gone as far as we can go under these circumstances.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I thank the distinguished chairman for yielding.

If the chairman would allow me, I would like to make a comment on each of the three points he was good enough to make.

I would respond to the first point raised that the assistance proposed is not legal.

Mr. MAHON. Mr. Speaker, may I say to the gentleman from Indiana that my time is limited. I hope the gentleman will be relatively brief.

Mr. BRADEMAS. Mr. Speaker, I will try to be brief.

I just wanted to articulate to the three objections that have been voiced here, that they are not, in fact, accurate, and that is the heart of the matter.

On the first point, as I indicated earlier, under section 306 of the Federal Disaster Assistance Act of 1974, it is clear that there is legal authority to provide assistance for clearance of roads and for making contributions, and I am quoting from the statute, to State and local governments for the purpose of carrying out the provisions of this paragraph.

In the second place, with respect to the objection that there is no authority to reimburse States or local governments for costs incurred prior to an emergency declaration, it would appear, as the gentleman from Indiana, Mr. FITHIAN indicated with respect to the Buffalo example for an emergency request, it is clear that the relief should date to the moment of the disaster. For instance, if there were an earthquake on Monday and there was a lot of loss of property

and life that occurred, surely we should not say that if the emergency declaration came on the next Wednesday that the assistance then should run only to Wednesday.

Then, Mr. Speaker, on the point that the situation sets a dangerous precedent and also raises the specter of the loss of control over funding levels for disaster relief, I would observe that until 1966 Congress passed a number of special laws providing for assistance by the Federal Government where there were disasters. And in providing the Disaster Relief Act of 1974, clearly that was intended to provide a more standardized response to national disasters. But there is certainly substantial precedent for providing relief or special emergency responses.

Finally, Mr. Speaker, with respect to the third objection that the Senate proposes to select very specific areas for special assistance above and beyond the $3 million already provided, it just is not accurate to say that the Senate singled out very specific areas for special assistance but rather it was the President of the United States and the Federal Disaster Administration that singled the areas out by declaring them to be in states of emergency.

So, Mr. Speaker, the whole point of the preferential motion I have offered is that we adhere to the intent of the law which is to provide relief to State and local governments for emergency expenses.

To conclude, Mr. Speaker, and I must add that I am very grateful to the chairman, the gentleman from Texas (Mr. MAHON), for allowing me to respond to the points the gentleman raised, the motion does not intend to provide assistance all over the country but only in those areas where the President of the United States has declared that the States and localities were in a state of emergency or an emergency existed, but which areas did not in fact receive the relief which the law provides, and that is exactly the relief that is provided in my motion.

Mr. MAHON. Mr. Speaker, I believe my time has about expired.

The SPEAKER pro tempore. Does the gentleman from Pennsylvania have further requests for time?

Mr. COUGHLIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding to me. I will be as brief as possible.

Mr. Speaker, I would like to bring a situation to the attention of the Members of the House and to see what the response of the gentleman from Texas (Mr. MAHON) and the gentleman from Pennsylvania (Mr. COUGHLIN) might be to it. We had a storm in Colorado and Nebraska and Kansas early in March that was so severe that thousands of cattle were killed; homes in towns and cities and on farms were deprived of electricity for up to 10 days; 8,000 telephone poles in one small rural electric area were snapped off as a result of the tremendous wind that was blowing; and the President did not declare this to be a disaster area.

If the House passes this amendment which would provide for funds outside of the disaster declaration that the President has given, would not those States which have applied for disaster aid and have been turned down be justified in requesting the same kind of relief when we think that the President made a mistake and did not follow the law by not declaring a disaster?

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding.

I think the gentleman makes a very significant point. I think the State of Colorado would certainly be in line asking for assistance if this $20 million is provided. There is no doubt about it. That point was made very vividly clear in the debate on the floor of the Senate between the junior Senator from West Virginia and the Senator from Wisconsin, the chairman of the Subcommittee on HUD-independent agencies over on the Senate side. Mr. BYRD asked Mr. PROXMIRE if the $20 million was intended only for the four States—Indiana, Michigan, Ohio, and Pennsylvania. Mr. PROXMIRE responded "No." He felt that it could be expanded beyond those four States. So the gentleman is absolutely right.

Mr. JOHNSON of Colorado. I thank the gentleman.

Mr. MAHON. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I dislike very much to oppose the motion of my very distinguished and beloved friend, the gentleman from Indiana (Mr. BRADEMAS) and also some of the other members of the Indiana, Ohio, Michigan, and Pennsylvania delegations. But this, I think, simply stated, is the snow job amendment. This amendment was offered in the other body for the purpose of reimbursing communities in four States, the States of Pennsylvania, Michigan, Indiana, and Ohio, where the President had declared emergencies—not disasters. The gentleman from Indiana confuses the two terms, and they are different.

He also talks about the relief that is going to be given to those areas in the great West, in the Southwest, and the Midwest because of the drought. They are disasters, and we are going to take care of them, but the Congress has done that through the regular legislative process and not on an appropriations bill.

At first glance, what the gentleman seeks to do may seem like an attractive proposal, but when you look at the bottom line implications, it is very bad legislation. Now let me tell you why.

To begin with, the purposes for which these funds are intended is not authorized in current disaster assistance law. That fact is made abundantly clear when we look at the language of the Senate amendment. It states:

> For an additional amount for disaster relief, $20,000,000: *Provided*, That the foregoing amount shall be used only for the reimbursement of State and local governments—

And listen to this—

> notwithstanding any provision of the law.

The fact is that without the language "notwithstanding any provision of the law" there is no authority to reimburse States or local governments for costs incurred prior to an emergency declaration.

Now I am fully aware that a number of State and local governments incurred substantial costs this past winter because of heavy snowfall. But snow removal is basically a local responsibility. If the Congress wants to pay for snow removal costs over and above what can be provided under existing law, then that law should be amended. In fact, one of the Members here indicated that the President actually backdated the Emergency Declaration for the State of New York and particularly in the Buffalo area. What the President did was to immediately declare an emergency. He subsequently declared a disaster and that is why New York received assistance dating back to the beginning of the storm. I do not think anybody can quarrel with that decision. I know of no area in the United States that was harder hit by snowstorms than the city of Buffalo, and I am sure that the Members who represent that great city can vouch for that. But I do believe that we are setting a dangerous precedent here. Take my own city of 160,000 people which made provision for $200,000 in its budget to clear snow. We got a snowstorm that cost far and away beyond the $200,000. So my city now has to pay some $700,000 for the removal of snow, and I am sure that that has occurred in about every single city and town in the snow belt that extends from the great Northeast clear across the northern section of the United States and deep into the Midwest.

Finally, let me say a word about the concept of the existing disaster assistance law. Basically, it gives the President latitude to decide what actions and what level of assistance he deems is necessary where he finds a threat to life, property, or public health and safety. The President makes that determination, and that's exactly as it should be. It is clearly an executive branch responsibility. What this amendment seeks to do is to supplant the President's decision with that of the Congress. That is wrong. If we are going to second guess the President every time we may be a little unhappy with the manner or the timing of when he declares an emergency or a disaster—then I wonder if we would ever get an emergency or disaster declared. And above all, we should not be doing that in an appropriations bill outside of and separate from the regular legislative process.

The Federal Disaster Assistance Administration has provided over $3 million for snow removal in over 100 counties in these four states. To provide this additional $20 million is bad legislation and a bad precedent.

I urge that the Members vote "no" on the gentleman's motion.

Mr. MAHON. Mr. Speaker, I move the previous question on the preferential motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the preferential motion offered

by the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 124, nays 279, not voting 30, as follows:

[Roll No. 144]

YEAS—124

Akaka	Gaydos	Murphy, Pa.
Alexander	Gephardt	Murtha
Ammerman	Ginn	Myers, Michael
Annunzio	Gonzalez	Nedzi
Applegate	Gradison	Nix
Ashbrook	Guyer	Nowak
Badillo	Hamilton	Oakar
Benjamin	Harkin	Oberstar
Biaggi	Harrington	Ottinger
Bingham	Harsha	Pease
Blanchard	Hawkins	Pepper
Boggs	Heckler	Pursell
Bonior	Heftel	Quayle
Brademas	Hightower	Rahall
Breckinridge	Hillis	Rangel
Brinkley	Holland	Regula
Brodhead	Hollenbeck	Rooney
Broomfield	Holtzman	Rose
Brown, Mich.	Jenrette	Rosenthal
Burke, Calif.	Jones, N.C.	Scheuer
Burton, Phillip	Kildee	Seiberling
Caputo	Kindness	Sharp
Carney	Kostmayer	Sisk
Carr	Latta	Slack
Carter	Le Fante	Solarz
Cavanaugh	Lederer	Stanton
Conte	Leggett	Stark
Conyers	Long, La.	Stokes
Corman	Luken	Thompson
Cornwell	McCloskey	Tonry
Dellums	McCormack	Tsongas
Dent	McDade	Vander Jagt
Duncan, Oreg.	Marks	Vanik
Edgar	Mathis	Weaver
Edwards, Calif.	Mattox	Whalen
Eilberg	Mikulski	Wilson, C. H.
Ertel	Miller, Calif.	Wilson, Tex.
Evans, Ga.	Miller, Ohio	Wright
Evans, Ind.	Mitchell, Md.	Wylie
Fithian	Moss	Young, Mo.
Flood	Mottl	
Florio	Murphy, N.Y.	

NAYS—279

Abdnor	Clawson, Del	Foley
Addabbo	Clay	Ford, Tenn.
Allen	Cleveland	Fountain
Ambro	Cochran	Fowler
Anderson, Calif.	Cohen	Fraser
	Coleman	Frenzel
Anderson, Ill.	Collins, Ill.	Frey
Andrews, N.C.	Collins, Tex.	Fuqua
Andrews, N. Dak.	Conable	Giaimo
	Corcoran	Gibbons
Archer	Cornell	Gilman
Armstrong	Cotter	Glickman
Ashley	Coughlin	Goldwater
Aspin	Crane	Goodling
AuCoin	D'Amours	Gore
Badham	Daniel, Dan	Grassley
Bafalis	Daniel, R. W.	Gudger
Baldus	Danielson	Hagedorn
Barnard	Davis	Hammer-schmidt
Baucus	de la Garza	
Bauman	Delaney	Hanley
Beard, R.I.	Derwinski	Hannaford
Beard, Tenn.	Dickinson	Hansen
Bedell	Dicks	Harris
Bellenson	Dingell	Hefner
Bennett	Dodd	Holt
Bevill	Dornan	Horton
Blouin	Downey	Howard
Boland	Drinan	Hubbard
Bolling	Duncan, Tenn.	Huckaby
Bonker	Early	Hughes
Bowen	Eckhardt	Hyde
Brooks	Edwards, Ala.	Ichord
Brown, Calif.	Edwards, Okla.	Ireland
Brovhill	Emery	Jacobs
Buchanan	English	Jeffords
Burgener	Erlenborn	Jenkins
Burke, Fla.	Evans, Colo.	Johnson, Calif.
Burke, Mass.	Evans, Del.	Johnson, Colo.
Burleson, Tex.	Fary	Jones, Okla.
Burlison, Mo.	Fascell	Jones, Tenn.
Butler	Fenwick	Jordan
Byron	Findley	Kasten
Cederberg	Fish	Kastenmeier
Chappell	Fisher	Kazen
Chisholm	Flippo	Kelly
Clausen, Don H.	Flowers	Kemp
	Flynt	Ketchum
Keys	Nichols	Snyder
Krebs	Nolan	Snellman
Krueger	O'Brien	Spence
LaFalce	Obey	St Germain
Lagomarsino	Panetta	Staggers
Leach	Patten	Stangeland
Lehman	Patterson	Steed
Lent	Pattison	Steers
Levitas	Perkins	Steiger
Lloyd, Calif.	Pettis	Stratton
Lloyd, Tenn.	Pickle	Studds
Long, Md.	Pike	Stump
Lott	Poage	Symms
Lujan	Pressler	Taylor
Lundine	Preyer	Thone
McClory	Pritchard	Thornton
McDonald	Quie	Traxler
McFall	Railsback	Treen
McHugh	Reuss	Trible
McKinney	Rhodes	Tucker
Madigan	Richmond	Udall
Maguire	Rinaldo	Ullman
Mahon	Risenhoover	Van Deerlin
Mann	Roberts	Vento
Markey	Robinson	Volkmer
Marlenee	Rodino	Waggonner
Marriott	Rogers	Walker
Martin	Rostenkowski	Walsh
Mazzoli	Rousselot	Watkins
Meeds	Roybal	Waxman
Metcalfe	Rudd	Weiss
Meyner	Runnels	White
Michel	Russo	Whitehurst
Minish	Ryan	Whitley
Mitchell, N.Y.	Santini	Whitten
Moakley	Sarasin	Wiggins
Moffett	Satterfield	Wilson, Bob
Moorhead	Schroeder	Winn
Montgomery	Schulze	Wirth
Moore	Sebelius	Wolff
Moorhead, Calif.	Shuster	Wydler
	Sikes	Yates
Moorhead, Pa.	Simon	Young, Fla.
Murphy, Ill.	Skelton	Young, Tex.
Myers, Gary	Skubitz	Zablocki
Natcher	Smith, Iowa	Zeferetti
Neal	Smith, Nebr.	

NOT VOTING—30

Breaux	Koch	Roncalio
Brown, Ohio	McEwen	Ruppe
Burton, John	McKay	Sawyer
Derrick	Mikva	Shipley
Devine	Milford	Stockman
Diggs	Mineta	Teague
Ford, Mich.	Myers, Ind.	Walgren
Forsythe	Price	Wampler
Gammage	Quillen	Yatron
Hall	Roe	Young, Alaska

The Clerk announced the following pairs:

Mr. Mikva with Mr. Teague.
Mr. Ford of Michigan with Mr. Milford.
Mr. Price with Mr. Roe.
Mr. Shipley with Mr. Derrick.
Mr. Yatron with Mr. Breaux.
Mr. Koch with Mr. Diggs.
Mr. Mineta with Mr. Hall.
Mr. John L. Burton with Mr. Roncalio.
Mr. McKay with Mr. Walgren.

Messrs. RANGEL, THOMPSON, and ASHBROOK changed their vote from "nay" to "yea."

Messrs. AMBRO, CONABLE, DOWNEY, GUDGER, and MOLLOHAN changed their vote from "yea" to "nay."

So the preferential motion was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 37: Page 17, line 13, strike out "table I of Committee Print Number 94–39 of the Committee on Public Works and Transportation of the House of Representatives" and insert "the table on page 16 of Senate Report Number 95–38, adjusted proportionately in accordance with the above appropriation:".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 37 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: Page 19, line 20, insert:

CONSTRUCTION AND MAINTENANCE

For an additional amount for "Construction and maintenance", $900,000, to remain available until expended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert:

CONSTRUCTION AND MAINTENANCE

For an additional amount for "Construction and maintenance", $600,000, to remain available until expended.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 44: Page 20, line 3, insert:

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under sections 304(a), 304(b), 305(a), and 504(g) of the Act approved October 21, 1976, Public Law 94–579, to remain available until expended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 44 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 45: Page 20, line 16, strike out "$1,000,000" and insert "$5,800,000."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 45 and concur therein with an amendment, as follows: In lieu of

the sum proposed by said amendment, insert: "$800,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 21, line 9, insert: "of which $4,025,000 shall remain available until expended."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert: ", of which $4,025,000 shall remain available until September 30, 1978".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 52: Page 21, line 24, strike out "$92,263,000" and insert "$93,001,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 52 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$90,855,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: Page 22, line 4, insert:

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

For an additional amount for "John F. Kennedy Center for the Performing Arts", $4,500,000, to remain available until expended: *Provided*, That these funds shall be available only upon enactment of S. 521, Ninety-fifth Congress, or similar legislation.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein, the sum proposed by said amendment, insert "$90,855,000".

The motion was agreed to.

Mr. GINN. Mr. Speaker, I rise in support of the amendment.

Mr. Speaker, I strongly support the appropriation provided for in the conference report amendment No. 53. The language provides an urgently needed $4.5 million for remedying severe water leak conditions which exist throughout the Kennedy Center building. I would like to point out on behalf of the Committee on Public Works and Transportation that S. 521, which authorizes the necessary funding, is still in conference. It is my understanding that the language that provides for the appropriation requires that the money can only be spent upon enactment and in accordance with the provisions contained in S. 521 as agreed upon by the House and Senate conferees. We are hopeful of resolving this matter in conference soon so that the funds can be spent expeditiously.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 59: Page 23, line 18, strike out "$35,200,000" and insert "$19,200,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 59 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$34,200,000, of which $15,000,000 shall be available only upon enactment of authorizing legislation".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 60: Page 23, line 20, strike out "$26,700,000" and insert "$10,700,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 60 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$25,700,000, of which $15,000,000 shall be available only upon enactment of authorizing legislation".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 61: Page 23, line 24, strike out "$10,904,000" and insert "$22,132,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offered a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 61 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$22,460,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 63: Page 24, line 2, insert: "*Provided*, That $4,000,000 for grants for the rehabilitation of Enewetak Atoll in the Marshall Islands shall be available only upon enactment into law of authorizing legislation."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 63, and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 72: Page 26, line 7, insert:

INDIAN HEALTH FACILITIES

For an additional amount for "Indian health facilities", $75,000,000, to remain available until expended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 72, and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 83: Page 31, line 15, strike out "$115,049,000" and insert "$133,022,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 83 and concur therein with an amendment, as follows: In lieu of the sum inserted by said amendment, insert the following: "$120,949,000, *Provided*, That allotments to each State under section 302 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act shall not be less than the allotments made to such States in fiscal year 1976".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 90: Page 32, line 20, insert:

EMERGENCY SCHOOL AID

For an additional amount for "Emergency School Aid", $35,000,000 of which $25,000,000 shall be for carrying out section 707(a)(13) through 707(a)(15) of the Emergency School Aid Act and $10,000,000 shall be for activities under section 708(a) of said Act, notwithstanding any other provision of said Act, to provide assistance to school districts for which section 706(a) funding is insufficient to meet their needs and which are implementing voluntary plans to eliminate or reduce minority group isolation.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 90 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

EMERGENCY SCHOOL AID

For an additional amount for "Emergency School Aid", $17,500,000 of which $7,500,000

shall be for carrying out section 707(a)(13) through 707(a)(15) of the Emergency School Aid Act and $10,000,000 shall be for activities under section 708(a) of said Act, notwithstanding any other provision of said Act, to provide assistance to school districts for which section 706(a) funding is insufficient to meet their needs and which are implementing voluntary plans to eliminate or reduce minority group isolation.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 91: Page 34, line 6, strike out "$3,206,418,000" and insert "$3,206,418,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 91 and concur therein with an amendment, as follows: In lieu of the sum inserted by said amendment, insert the following: "$3,187,168,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 93: Page 34, line 19, insert: *"Provided further*, That funds contained in Public Law 94-94 under this head for work study grants shall remain available through September 30, 1978."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 93 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 101: Page 38, line 6, insert:

RAILROAD RETIREMENT BOARD

REGIONAL RAIL TRANSPORTATION PROTECTIVE ACCOUNT

For an additional amount for payment of benefits under section 509 of the Regional Rail Reorganization Act of 1973, to remain available until expended, $25,000,000, including not to exceed $25,000 for payment to the Railroad Retirement Board for administrative expenses.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 101 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

Mr. MAHON. Mr. Speaker, inasmuch as amendments Nos. 102 through 134 relate solely to housekeeping operations of the other body in which, by practice, the House concurs without intervention, I ask unanimous consent that Senate amendments Nos. 102 through 134 be considered as read, printed in the RECORD and that they be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments are as follows:

(102) SENATE

(103) PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Jane B. Hart, widow of Philip A. Hart, late a Senator from the State of Michigan, $44,600.

(104) COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS AND EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE LEADERS, AND WHIPS OF THE SENATE

(105) COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS

For an additional amount for "Compensation and Mileage of the Vice President and Senators", $2,900: *Provided*, That, effective January 5, 1977, the compensation of a Deputy President pro tempore of the Senate shall be at a rate equal to the rate of annual compensation of the President pro tempore and the Majority and Minority Leaders of the Senate.

(106) EXPENSE ALLOWANCES OF THE VICE PRESIDENT, MAJORITY AND MINORITY LEADERS AND MAJORITY AND MINORITY WHIPS

For an additional amount for "Expense Allowances of the Vice President, Majority and Minority Leaders and Majority and Minority Whips", $6,500: *Provided*, That, effective with fiscal year 1977 and each fiscal year thereafter, the expense allowance of the Majority and Minority Leaders of the Senate shall not exceed $5,000 each fiscal year for each Leader: *Provided further*, That, effective April 1, 1977, there is hereby authorized an expense allowance for the Majority and Minority Whips of the Senate which shall not exceed $2,500 each fiscal year for each Whip: *Provided further*, That, during the period beginning on January 3, 1977, and ending September 30, 1977, and during each fiscal year thereafter, the Vice President, the Majority Leader, the Minority Leader, the Majority Whip, and the Minority Whip may receive the expense allowance (a) as reimbursement for actual expenses incurred upon certification and documentation of such expenses by the Vice President, the respective Leader or the respective Whip, or (b) in equal monthly payments.

(107) SALARIES, OFFICERS AND EMPLOYEES

(108) OFFICE OF THE PRESIDENT PRO TEMPORE

For Office of the President Pro Tempore, $51,400: *Provided*, That, effective April 1, 1977, the President pro tempore is authorized to appoint and fix the compensation of an Administrative Assistant at not to exceed $47,595 per annum; a Legislative Assistant at not to exceed $40,080 per annum, and an Executive Secretary at not to exceed $23,380 per annum.

(109) OFFICE OF THE DEPUTY PRESIDENT PRO TEMPORE

For Office of the Deputy President Pro Tempore, $51,400: *Provided*, That, effective April 1, 1977, the Deputy President Pro Tempore is authorized to appoint and fix the compensation of an Administrative Assistant at not to exceed $47,595 per annum; a Legislative Assistant at not to exceed $40,080 per annum, and an Executive Secretary at not to exceed $23,380 per annum.

(110) OFFICES OF THE MAJORITY AND MINORITY LEADERS

For an additional amount for 'Offices of the Majority and Minority Leaders', $45,900: *Provided*, That, effective April 1, 1977, the Majority Leader and the Minority Leader are each authorized to appoint and fix the compensation of such employees as they deem appropriate: *Provided further*, That the gross compensation paid to such employees shall not exceed $191,700 each fiscal year for each Leader: *Provided further*, That the positions established by the Legislative Branch Appropriation Act, 1970, for the Offices of the Majority and Minority Leaders are abolished effective April 1, 1977.

(111) FLOOR ASSISTANTS TO THE MAJORITY AND MINORITY LEADERS

For Floor Assistants to the Majority Leader and the Minority Leader, $42,600: *Provided*, That, effective April 1, 1977, the Majority Leader and the Minority Leader may appoint an Assistant to the Majority Leader for Floor Operations and an Assistant to the Minority Leader for Floor Operations, respectively, and fix the compensation of such assistants at a rate of compensation not to exceed the maximum annual rate of gross compensation of the Assistant Secretary of the Senate.

(112) OFFICES OF THE MAJORITY AND MINORITY WHIPS

Effective April 1, 1977, the Majority Whip and the Minority Whip are each authorized to appoint and fix the compensation of such employees as they deem appropriate: *Provided further*, That the gross compensation paid to such employees shall not exceed $111,100 each fiscal year for each Whip: *Provided further*, That the positions established by the Legislative Branch Appropriation Act, 1970 and the Legislative Branch Appropriation Act, 1976, for the Offices of the Majority and Minority Whips are abolished effective April 1, 1977.

(113) OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY AND THE CONFERENCE OF THE MINORITY

For Offices of the Secretary of the Conference of the Majority and the Secretary of the Conference of the Minority, $58,200: *Provided*, That, effective April 1, 1977, the Secretary of the Conference of the Majority and the Secretary of the Conference of the Minority may each appoint and fix the compensation of an Executive Assistant at not to exceed $45,758 per annum and a Secretary at not to exceed $17,869 per annum.

(114) OFFICE OF THE CHAPLAIN

For an additional amount for "Office of the Chaplain", $2,000: *Provided*, That, effective April 1, 1977, the compensation of the Chaplain shall be $22,044 per annum in lieu of $18,704 per annum.

(115) OFFICE OF THE SECRETARY

Effective April 1, 1977, the positions of Assistant to the Majority and Assistant to the Minority established by the Supplemental Appropriation Act, 1955 are hereby abolished.

(116) ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For an additional amount for "Administrative and Clerical Assistants to Senators", $33,000: *Provided*, That, effective April 1, 1977, the clerk hire allowance of each Senator from the State of Virginia shall be increased to that allowed Senators from States having a population of five million but less than seven million, the population of said State having exceeded five million inhabitants.

(117) OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For an additional amount for "Office of Sergeant at Arms and Doorkeeper", $27,800: *Provided*, That, effective April 1, 1977, the Sergeant at Arms and Doorkeeper may appoint and fix the compensation of a Special Assistant at not to exceed $28,724 per annum in lieu of not to exceed $23,714 per annum; a Chief Clerk at not to exceed $26,219 per annum in lieu of a Clerk at not to exceed $23,714 per annum; an Executive Secretary to the Sergeant at Arms at not to exceed

$26,219 per annum in lieu of an Executive Secretary at not to exceed $23,714 per annum; a Secretary to the Sergeant at Arms at not to exceed $16,199 per annum and a Secretary at not to exceed $14,696 per annum in lieu of two Secretaries at not to exceed $14,699 per annum each; a Secretary for Personnel Administration at not to exceed $20,708 per annum in lieu of a Secretary to the Sergeant at Arms at not to exceed $18,704 per annum; a Secretary to the Administrative Assistant at not to exceed $15,531 per annum and two Assistant Chief Telephone Operators at not to exceed $14,028 per annum each in lieu of three Assistant Chief Telephone Operators at not to exceed $14,028 per annum each; a Secretary to the Special Assistant at not to exceed $12,191 per annum in lieu of a Secretary at not to exceed $11,022 per annum; a Receptionist at not to exceed $12,191 per annum and nineteen Telephone Operators at not to exceed $11,022 per annum each in lieu of twenty-one Telephone Operators at not to exceed $11,022 per annum each; thirteen Messengers at not to exceed $9,686 per annum each in lieu of fourteen Messengers at not to exceed $9,686 per annum each; a Laborer at not to exceed $9,018 per annum in lieu of two Laborers at not to exceed $9,018 per annum each; three Laborers at not to exceed $5,010 per annum each in lieu of five Laborers at not to exceed $5,010 per annum each; a Chief Barber at not to exceed $17,535 per annum in lieu of not to exceed $11,523 per annum; an Assistant Chief Barber at not to exceed $15,865 per annum in lieu of a Chief Barber at not to exceed $12,692 per annum; five Barbers at not to exceed $14,696 per annum each in lieu of two Barbers at not to exceed $11,690 per annum each and three Barbers at not to exceed $9,853 per annum each; two Barber Shop Attendants at not to exceed $10,855 per annum each in lieu of a Barber Shop Attendant at not to exceed $9,686 per annum and a Barber Shop Attendant at not to exceed $4,342 per annum; a Secretary to the Deputy Sergeant at Arms at not to exceed $22,044 per annum; a Driver-Messenger, Deputy President pro tempore, at not to exceed $15,364 per annum; and a Deputy Chief, Police Force, at not to exceed $33,901 per annum.

(118) AGENCY CONTRIBUTIONS AND LONGEVITY COMPENSATION

For an additional amount for "Agency Contributions and Longevity Compensation", $800,000.

(119) OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For an additional amount for "Office of the Legislative Counsel of the Senate," $5,500.

(120) CONTINGENT EXPENSES OF THE SENATE

(121) SENATE POLICY COMMITTEES

For an additional amount for "Senate Policy Committees," $6,000.

(122) INQUIRIES AND INVESTIGATIONS

For an additional amount for "Inquiries and Investigations," fiscal year 1976, $375,000.

(123) MISCELLANEOUS ITEMS

For an additional amount for "Miscellaneous Items," fiscal year 1976, $650,000.

(124) ADMINISTRATIVE PROVISIONS

(125) SEC. 101. Effective April 1, 1977, the Majority Leader of the Senate and the Minority Leader of the Senate are each authorized to appoint and fix the compensation of not more than two individual consultants, on a temporary or intermittent basis, at a daily rate of compensation not in excess of the per diem equivalent of the highest gross rate of annual compensation which may be paid to employees of a standing committee of the Senate. The provisions of section 8344 of title 5, United States Code, shall not apply to any individual serving in a position under this authority. Expenditures under this authority shall be paid from the contingent fund of the Senate upon vouchers approved by the Majority Leader and the Minority Leader, respectively.

(126) SEC. 102. (a) Effective April 1, 1977, the second sentence of section 105 of the Legislative Branch Appropriations Act, 1976 (89 Stat. 275) is amended by striking out "July 1, 1975" and inserting in lieu thereof "April 1, 1977."

(b) The Majority Leader of the Senate is authorized to fix the compensation of the Secretary for the Majority so long as the position is held by the incumbent holding such position on April 1, 1977.

(127) SEC. 103. Effective on the date of the enactment of this Act, the proviso in the paragraph under the headings "CONTINGENT EXPENSES OF THE SENATE," "MISCELLANEOUS ITEMS" in the Second Supplemental Appropriations Act, 1975 (Public Law 94-32) is amended to read as follows: "Provided, That notwithstanding any other provision of law, the Sergeant at Arms, subject to the approval of the Committee on Rules and Administration, is hereafter authorized to enter into multi-year contracts for data processing equipment, software, and services."

(128) SEC. 104. The second paragraph under the heading "ADMINISTRATIVE PROVISIONS" in the Legislative Branch Appropriation Act, 1959 (72 Stat. 442; 2 U.S.C. 65b), is amended by striking out "during any fiscal year."

(129) SEC. 105. Effective April 1, 1977, section 3(f) under the heading "ADMINISTRATIVE PROVISIONS" in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1975 (2 U.S.C. 59(e)), is amended by striking out "quarterly" in paragraph (5) and inserting in lieu thereof "monthly".

(130) SEC. 106. (a) In accordance with subsection (g) of section 705 of Senate Resolution 4, 95th Congress agreed to February 4 (legislative day, February 1), 1977, each Senator shall, except as otherwise provided in this section, receive each fiscal year an amount equal to three times the amount referred to in section 105(e)(1) of the Legislative Branch Appropriation Act, 1968, as amended and modified. Such amount may be used by a Senator only to employ individuals for the purpose of assisting him in connection with his membership on committees of the Senate. Each Senator shall designate the committee with respect to which any individual is so employed to assist him.

(b)(1) In the case of a Senator who is the chairman or ranking minority member of any committee, or of any subcommittee that receives funding to employ staff assistance separately from the funding authority for staff of the full committee, the amount referred to in subsection (a) shall be reduced by the amount referred to in section 105(e)(1) of the Legislative Branch Appropriation Act, 1968, as amended and modified, for each such committee or subcommittee.

(2) In the case of a Senator who is authorized by a committee, a subcommittee thereof, or the chairman of a committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee, the amount referred to in subsection (a) shall be reduced, for each such committee or subcommittee, by an amount equal to (A) the aggregate annual gross rates of compensation of all staff employees of that committee or subcommittee (i) whose appointment is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator, if such employees are employed for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee thereof as the case may be, or (B) the amount referred to in section 105(e)(1) of the Legislative Branch Appropriation Act, 1968, as amended and modified, whichever is less.

(3) In the case of a Senator who is serving on more than three committees, one of the committees on which he is serving, as selected by him, shall not be taken into account for purposes of paragraphs (1) and (2). Any such Senator shall notify the Secretary of the Senate of the committee selected by him under this paragraph.

(4) In the case of a Senator who is the chairman or ranking minority member of a subcommittee that receives funding to employ staff assistance separately from the funding authority for the full committee, if the amount of funds made available to him to employ staff assistance is less than the amount referred to in section 105(e)(1) of the Legislative Branch Appropriation Act, 1968, as amended and modified, then paragraph (1) shall not apply with respect to such subcommittee during the period March 1, 1977, through September 30, 1977.

(c)(1) An employee appointed under this section shall be designated as such and certified by the Senator who appoints him to the chairman and ranking minority member of the committee designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

(2) If (A) a Senator's service on a committee terminates (other than by reason of his ceasing to be a Member of the Senate) or a Senator's status on a committee as the chairman or ranking minority member of such committee or a subcommittee thereof changes, and (B) the appointment of an employee appointed under this section and designated to such committee by such Senator would (but for this paragraph) thereby terminate, such employee shall, subject to the provisions of subsection (e), be continued as an employee appointed by such Senator under this section until whichever of the following first occurs: (1) the close of the tenth day following the day on which such Senator's service on such committee terminates or his status on such committee changes or (2) the effective date on which such Senator notifies the Secretary of the Senate, in writing, that such employee is no longer to be continued as an employee appointed under this section. An employee whose appointment is continued under this paragraph shall perform such duties as the Senator who appointed him may assign.

(d) An employee appointed under this section shall not receive compensation in excess of that provided for an employee under section 105(e)(1) of the Legislative Branch Appropriation Act, 1968, as amended and modified.

(e) The aggregate of payments of gross compensation made to employees under this section during each fiscal year shall not exceed at any time during such fiscal year one-twelfth of the total amount to which the Senator is entitled under this section (after application of the reductions required under subsection (b)) multiplied by the number of months (counting a fraction of a month as a month) elapsing from the first month in that fiscal year in which the Senator holds the office of Senator through the end of the current month for which the payment of gross compensation is to be made. In any fiscal year in which a Senator does not hold the office of Senator at least part of each month of that year, the aggregate amount

available for gross compensation of employees under this section shall be the total amount to which the Senator is entitled under this section (after application of the reductions required under subsection (b)) divided by twelve, and multiplied by the number of months the Senator holds such office during that fiscal year, counting any fraction of a month as a full month.

(f) Section 108 of the Legislative Branch Appropriation Act, 1976 (2 U.S.C. 72a-1c), is repealed.

(g)(1) This section shall take effect on March 1, 1977.

(2) Any designation, or change of designation, made by a Senator before the date of the enactment of this Act under section 705 of Senate Resolution 4, 95th Congress, agreed to February 4 (legislative day, February 1), 1977, shall be treated as a designation or change made under this section.

(3) The amount of any accrued surplus available to any Senator under section 108 of the Legislative Branch Appropriation Act, 1976, at the close of February 28, 1977, shall be available to that Senator during the period beginning on March 1, 1977, and ending on September 30, 1977, for the purpose of this section.

(4) The aggregate amount available to a Senator for gross compensation of employees appointed under this section during the period beginning on March 1, 1977, and ending on September 30, 1977 (other than any amount available under pargaraph (3)), shall be seven-twelfths of the total amount to which the Senator is entitled under this section (after application of the reductions required by subsection (b)) for the fiscal year ending on September 30, 1977.

(131 SEC. 107. (a) Section 106 of the Legislative Branch Appropriation Act, 1977, is amended to read as follows:

"SEC. 106. (a) There is hereby established in the Treasury of the United States a revolving fund within the contingent fund of the Senate to be known as the Senate Barber Shops Revolving Fund (hereafter in this section referred to as the 'revolving fund').

"(b) All moneys received by the Senate barber shops from fees for services or from any other source shall be deposited to the credit of the revolving fund. Moneys in the revolving fund shall be available without fiscal year limitation for disbursement by the Secretary of the Senate for necessary supplies and expenses of the Senate barber shops.

"(c) On or before December 31 of each year, the Secretary of the Senate shall withdraw from the revolving fund and deposit in the Treasury of the United States as miscellaneous receipts all moneys in excess of $10,000 in the revolving fund at the close of the preceding fiscal year.

"(d) Disbursements from the revolving fund shall be made upon vouchers signed by the Sergeant at Arms and Doorkeeper of the Senate.

"(e) The Sergeant at Arms and Doorkeeper of the Senate is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section.".

(b) The amendment made by subsection (a) shall take effect on April 1, 1977.

(132) SEC. 108. Hereafter, the Secretary of the Senate is authorized to make such transfers between appropriations or funds available for disbursement by him for a fiscal year as may be approved by a resolution of the Senate (reported by the Committee on Appropriations of the Senate), and, to the extent necessary, to reimburse, out of funds thereafter made available for disbursement by him for such fiscal year, any appropriation or fund for any amount so transferred from it.

(133) SEC. 109. Any fund appropriated under the heading "Senate" in any appropriation Act for the fiscal year ending September 30, 1977, shall remain available for obligation through September 30, 1978, for the same purposes for which appropriated.

(134) SEC. 110. (a) Notwithstanding any other provision of law, but subject to the provisions of subsection (b), the Committee on Government Affairs is authorized, effective April 1, 1977, and during the remainder of the fiscal year ending September 30, 1977, to pay one additional staff member at a per annum rate not to exceed the rate provided for the two staff members referred to in section 105(e)(3)(A) of the Legislative Branch Appropriation Act, 1968, as amended and modified

(b) The provisions of subsection (a) shall cease to be effective when and if the individual who was transferred from the staff of the Committee on the District of Columbia to the staff of the Committee on Governmental Affairs under section 703 of Senate Resolution 4, 95th Congress, and who was paid by the Committee on the District of Columbia at the per annum rate referred to in subsection (a), ceases to be a member of the staff of the Committee on Governmental Affairs, or of a subcommittee thereof, and paid at such rate.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendments of the Senate numbered 102 through 134 inclusive and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 138: Page 57, line 8, insert: "including rental of space in the District of Columbia,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 138 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 140: Page 57, line 11, insert:

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT OF THE CAPITOL

For an additional amount for "contingent expenses", $90,000.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 140 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 141: Page 57, line 16, insert: GENERAL PROVISIONS

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 141 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 142: Page 57, line 17, insert:

SEC. 111. Notwithstanding any other provision of law, the Secretary of the Senate is authorized to receive moneys from the Department of the Treasury as reimbursements for salaries paid by the United States Senate in connection with certain officers and members of the United States Capitol Police serving as instructors at the Federal Law Enforcement Training Center. Moneys so received shall be deposited in the Treasury of the United States as miscellaneous receipts.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 142 and concur therein.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 143: Page 58, line 4, insert:

SEC. 112. The provisions of section 1824 of the Record Statutes of the United States, as amended (40 U.S.C. 210), are amended by deleting "at a cost not to exceed twenty dollars per man,".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 143 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 144: Page 58, line 8, insert:

SEC. 113. The Chairman of the Capitol Police Board is authorized, subject to such conditions as he may impose, to authorize the assignment of a police motor vehicle for use by instructor personnel of the Capitol Police Force while assigned to the Federal Law Enforcement Training Center.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to amendment of the Senate numbered 144 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 151: Page 56, line 8, insert:

DROUGHT EMERGENCY ASSISTANCE

For necessary expenses for activities to mitigate the impact of the 1976-1977 drought $100,000,000: *Provided*, That this appropriation shall be available only upon enactment into law of authorizing legislation.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 151 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 154: Page 60, line 18, insert:

Appropriations made to the Bureau of Reclamation for fiscal year 1977 shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $75,000.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 154 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 155: Page 60, line 22, insert:

Appropriations made to the Bureau of Reclamation, Southeastern Power Administration, Southwestern Power Administration, and Alaska Power Administration for fiscal year 1977 shall be available for hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone services in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 155 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 173: Page 68, line 1, insert:

OFFICE OF SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses," $413,500: *Provided*, That not to exceed $7,500 shall be available for official reception and representation expenses.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 173 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

OFFICE OF SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses," $266,000: *Provided*, That not to exceed $3,800 shall be available for official reception and representation expenses.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 176: Page 69, line 9, insert:

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

TRAFFIC AND HIGHWAY SAFETY

For an additional amount for "Traffic and Highway Safety", $3,000,000, to remain available until expended.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 176 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 184: Page 72, line 6, insert:

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

For an additional amount for "Operating expenses", $30,000: Provided. That $30,000 shall be made available for official entertainment expenses of the Vice President, to be accounted for solely on his certificate.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 184 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 186: Page 72, line 19, strike out: "$100,000" and insert: "$241,000."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 186 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 187: Page 73, line 4, insert: "*Provided*, That the Director may place a total of five (5) positions, in GS–16, 17, and 18 and that such positions are in addition to total number of positions authorized to be placed in such grades by section 5108 of title 5."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 187 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 190: Page 76, line 19, insert:

NATIONAL COMMISSION ON ELECTRONIC FUND TRANSFERS

SALARIES AND EXPENSES

Of the amount provided under this head in the "Treasury, Postal Service, and General Government Appropriation Act, 1977", $135,000 shall be available for expenses of travel, notwithstanding the provisions of section 501 of the Act.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 190 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

Mr. MAHON. Mr. Speaker, inasmuch as amendments Nos. 196 through 202 relate solely to housekeeping operations of the other body in which, by practice, the House concurs without intervention, I ask unanimous consent that Senate amendments Nos. 196 through 202 be considered as read, printed in the RECORD, and that they be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The amendments are as follows:

SENATE

"Salaries, officers and employees", $5,395,800;

"Office of the Legislative Counsel of the Senate", $30,600;

"Senate policy committees", $85,600;

"Inquiries and investigations", $924,300;

"Folding documents", $4,500;

"Miscellaneous items", $4,000;

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendments of the Senate numbered 196 through 202 inclusive and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 211: Page 90, line 17, strike out "$173,030,000" and insert "$174,430,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 211 and concur therein with an amendment, as follows: In

lieu of the sum proposed, insert "$167,680,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 216: Page 91, line 1, insert: "and, in addition, $15,000,000 of funds heretofore made available in fiscal year 1977 only for the Civilian Health and Medical Program of the Uniformed Services shall be available without regard to that limitation;".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 216 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

DIRECTING CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 4877, MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR ENDING SEPTEMBER 30, 1977

Mr. MAHON. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 198) providing that the Clerk of the House of Representatives be directed to make certain corrections in the enrollment of H.R. 4877, making supplemental appropriations for the fiscal year ending September 30, 1977, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 198

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 4877), making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

In Title I, Chapter VII, under the heading "Assistant Secretary for Human Development", strike out "202" and insert in lieu thereof "203".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill (H.R. 4877), and that I may include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, the Speaker was correct in inquiring whether the gentleman from Arizona wished recognition.

Mr. Speaker, I have asked for this time for the purpose of requesting the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT) as to the program for the rest of the week and for next week, if the gentleman is prepared to give it.

Mr. WRIGHT. Mr. Speaker, will the distinguished minority leader yield?

Mr. RHODES. I yield to the distinguished majority leader, the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, the program for the remainder of this week is that for the rest of today the House would consider the rule and the general debate on the bill (H.R. 5970), the Department of Defense Authorization Act for the fiscal year 1978. At the conclusion of general debate, the House would adjourn.

Tomorrow, Friday, the House would come in at 11 o'clock and hope to conclude action on H.R. 5970 in time to adjourn by 3 p.m.

Mr. RHODES. Mr. Speaker, that was a rather tentative hope. Is the majority leader telling the House that we intend to finish the bill tomorrow, no matter how late we might be?

Mr. WRIGHT. Mr. Speaker, if the distinguished minority leader will yield further, it is planned to come in at 11 o'clock and to finish the bill by 3 o'clock and adjourn by 3 o'clock. That is the plan.

Mr. RHODES. Mr. Speaker, I wish the gentleman luck.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman. Will the gentleman yield further?

Mr. RHODES. Yes. I yield.

Mr. WRIGHT. Mr. Speaker, while I am not prepared at the moment to give the gentleman a complete and final accounting of all those measures scheduled for next week, I should simply say that on Monday it is planned that we would meet at noon and that there would be a number of suspensions—I am not prepared at this time to say how many, but there should be at least three and quite possibly more—and that votes on those suspensions would be postponed until the end of all suspensions.

On Tuesday, the House would meet at noon and would take up House Concurrent Resolution 195, the first budget resolution for fiscal year 1978.

As the gentleman knows, the rules of the House permit a 10-hour debate, although it would not be expected that all of that time would be consumed. It would be expected, however, that the action could not be completed on that bill on Tuesday, and that it would go over until Wednesday, at which time the House would meet at 3 p.m. and hope to complete consideration of House Concurrent Resolution 195.

On Thursday and the balance of the week, the House would meet at 11 a.m. The business would consist of H.R. 2, Surface Mining Control and Reclamation Act, subject to a rule being granted.

Mr. RHODES. Will the majority leader clarify whether or not on Tuesday, if the general debate is completed early in the day, that we could proceed immediately to amendments, or will amendments be offered on Wednesday?

Mr. WRIGHT. The present plan is that upon completion of general debate on Tuesday, unless the hour of adjournment has been reached, the House would proceed to consideration of the bill under the 5-minute rule.

Mr. RHODES. So that there could be amendments offered and disposed of on Tuesday?

Mr. WRIGHT. That is correct. Of course, the House would adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday Conference reports could be brought up at any time, and any further program will be announced later.

I would suggest to the gentleman from Arizona that with respect to the plans heretofore discussed regarding Monday, at least three suspensions have been scheduled. One is H.R. 2210, to name a certain building the "Gerald R. Ford Building"; then, a joint resolution to designate "National Space Week"; followed by H.R. 5675, authorization for investment of public monies.

There may be additional bills scheduled for suspension.

Mr. RHODES. I thank the gentleman.

APPOINTMENT AS MEMBERS OF AD HOC COMMITTEE ON ENERGY

The SPEAKER. Pursuant to the provisions of House Resolution 508, 95th Congress, the Chair appoints as members of the Ad Hoc Committee on Energy the following Members of the House: the gentleman from Ohio (Mr. ASHLEY), chairman; the gentleman from Missouri (Mr. BOLLING); the gentleman from West Virginia (Mr. STAGGERS); the gentleman from California (Mr. MOSS); the gentleman from Wisconsin (Mr. REUSS); the gentleman from Ohio (Mr. VANIK); the gentleman from Florida (Mr. ROGERS); the gentleman from Michigan (Mr. DINGELL); the gentleman from Oregon (Mr. ULLMAN); the gentleman from Texas (Mr. YOUNG); the gentleman from Illinois (Mr. ROSTENKOWSKI); the gentleman from California (Mr. CORMAN); the gentleman from Arizona (Mr. UDALL); the gentleman from Louisiana (Mr. WAGGONNER); the gentleman from New York (Mr. BINGHAM); the gentleman from Washington (Mr. FOLEY); the gentleman from Texas (Mr. ECKHARDT); the gentleman from Washington (Mr. MCCORMACK); the gentleman from New York (Mr. RANGEL); the gentleman from Texas (Mr. CHARLES WILSON); the gentleman from Virginia (Mr. FISHER); the gentleman from Connecticut (Mr. MOFFETT); the gentleman from Indiana (Mr. SHARP); the gentleman from Massachusetts (Mr. TSONGAS); the gentlewoman

from Maryland (Ms. MIKULSKI); the gentleman from Illinois (Mr. ANDERSON); the gentleman from Ohio (Mr. BROWN); the gentleman from New York (Mr. HORTON); the gentleman from New York (Mr. WYDLER); the gentleman from Michigan (Mr. BROWN); the gentleman from Wisconsin (Mr. STEIGER); the gentleman from Texas (Mr. COLLINS); the gentleman from Texas (Mr. ARCHER); the gentleman from North Carolina (Mr. MARTIN); the gentleman from California (Mr. MOORHEAD); the gentleman from Oklahoma (Mr. EDWARDS); and the gentleman from Maryland (Mr. STEERS).

DEPARTMENT OF DEFENSE AUTHORIZATION FOR FISCAL YEAR 1978

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 492 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 492

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense and to authorize the military training student loads, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Forces, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 492 provides for the consideration of H.R. 5970, Department of Defense authorization for fiscal year 1978. This is an open rule providing 2 hours of debate and providing that the bill shall be read for amendment by titles instead of by sections.

H.R. 5970 would authorize appropriations during fiscal year 1978 for major weapons-systems procurement, research and development, et cetera, and civil defense; it would authorize personnel strength for active-duty components and for the Selective Reserve components of the respective armed services for fiscal year 1978, as well as annual active-duty military training student loads for each of the active and Reserve components of the armed services for this fiscal year; it would authorize the personnel strengths for the Department of Defense for fiscal year 1978 and would impose certain other requirements and limitations with respect to procurement and personnel actions.

The total authorization in the bill is for $35.9 billion which is $60.70 million above the amount requested by the President. The legislation includes $24.8 billion for major weapons procurement, $10.9 billion for research and development, tests, and evaluation—R.D.T. & E.—and $134.8 million for civil defense.

The Committee on Armed Services' report on this bill clearly indicates that the authorizations provide the minimum the committee deems necessary to maintain the level of defense capability needed now and in the next decade. Comparative tables in the report show clearly that the Soviets have a substantial quantitative advantage over us in most key military systems and the trend indicates the Soviet advantage is increasing.

During consideration of the bill in the Committee on Rules, Members expressed grave concerns regarding the adequacy of the authorizations. This legislation is being considered at a time when the President's first initiatives for a follow-up SALT Agreement have been unsuccessful. The Interim Offensive Agreement, signed along with the ABM treaty of 1972, expires in October of this year. We all hope a new arms limitation agreement can be negotiated. But, in its absence, the Congress must assure that our national security is protected.

I understand some amendments will be offered to the bill pertaining to our priorities of U.S. defense spending. Since this is a 2-hour open rule, all germane amendments would be in order. Therefore, Mr. Speaker, I urge my colleagues to adopt House Resolution 492 so that we may proceed to the consideration of H.R. 5970.

Mr. Speaker, I ask unanimous consent to strike the word "Forces", on line 5, page 2 of the resolution and substitute therefor the word, "Services." That resulted simply from an error in the printing, and it should be corrected.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the terms of this 2-hour open rule have already been explained by the gentleman from Florida (Mr. PEPPER) permitting consideration of this bill, H.R. 5970, the Department of Defense authorization bill for fiscal year 1978. It is to be read by titles instead of by sections.

This legislation authorizes a total of $35,913,976,000 for the upcoming fiscal year for major weapons systems procurement; research, development, test and evaluation; and civil defense. This figure is approximately $2.5 billion less than the Ford administration request, which in my opinion was dangerously low and it is only $60.8 million above the Carter administration's revised request.

Mr. Speaker, I urge my colleagues in the House tonight, if they have not already done so, after they have listened to the general debate and before we get to the amending process, to take a look at the committee report on this bill.

When the bill was before the Committee on Rules, I took the time to start reading it, and I must say that I was horrified at the insufficiency of this defense authorization bill.

At a time when obviously the Soviet Union has hardened its position on SALT talks and at a time when we need to maintain a strong defense posture, this bill does not do the job. I urge the Members to look at the graph that shows the comparison between our military inventory and that of the U.S.S.R. In every area we are inferior to the Soviet Union, with the exception of numbers of helicopters and strategic bombers.

Mr. Speaker, we take great pride in saying that we maintain the number 1 military position in the world, but I think the truth of the matter is that we have slipped to No. 2. This bill will take us further down the road to having an inferior military position.

We cannot build a navy or an air force in 1 year, and this bill is insufficient. For instance, it calls only for 12 combatant ships. One of the Continental Congresses authorized 9 combatant ships. Two hundred years later we are not building a navy that would be as strong by comparison as the one they had at the beginning of this country.

Mr. Speaker, I will not prolong my statement about this particular bill, because I am going to listen to the debate and I am going to participate in it. But I am really worried that it is not adequate, and I fear that we have cut the military into the bone.

When we have a military force that has a naval fleet that has slipped from 1,000 ships in 1967 to only 470 now, with only 240 combatants, while the Russian navy has 485 combatant ships, it is obvious that our Navy is becoming an inferior navy.

Mr. Speaker, I certainly cannot object to the rule. I urge its adoption. I hope, however, that my colleagues here on the floor and those who will be here will listen to the general debate, will wake up, and will realize that we are entering into an extremely dangerous position as far as our military forces are concerned.

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BENNETT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe

the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. BENNETT).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5970, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida (Mr. BENNETT) will be recognized for 1 hour, and the gentleman from California (Mr. BOB WILSON) will be recognized for 1 hour.

The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, by direction of the Committee on Armed Services, I bring to the House today H.R. 5970, the fiscal year 1978 Defense appropriation authorization bill. This bill provides $35.9 billion in authorization for procurement of major weapons systems, plus all military research, development, test and evaluation—R.D.T. & E.—and civil defense in the fiscal year which begins October 1, 1977. This is the first year that civil defense appropriations have been subject to prior authorization. The bill authorizes the active and reserve personnel strengths of the military services, as well as the civilian strength of the Department of Defense, and sets the level of student training for the active and reserve components for fiscal year 1978. Finally, in its general provisions, the bill carries a number of important requirements and limitations covering the operation of the Department of Defense.

The bill as approved by the committee is $60.8 million above the request submitted by President Carter in the revised budget of February 22 and $2.5 billion below the budget as originally submitted on January 17.

A year ago you approved a committee authorization bill that began reversing the downward trend of military purchasing power that had been going on for some years. We told you at the time that the effort would have to be sustained over a period of years if we are to halt the frightening trend toward military superiority for the Soviets a decade hence. We believe this year's bill will continue to provide for some growth beyond inflation in the investment areas of the defense budget. Personally, I would have liked to see a greater effort for our defense than the bill provides but the committee believed that this measure was all that could receive funding this year.

The committee approved the bill by a vote of 35 to 2.

Mr. Chairman, the committee report on this legislation is available to all Members of the House (House Report No. 95–194). Its 160 pages, I believe, represent one of the most comprehensive reports ever issued by the Armed Services Committee. I will not, therefore, take extensive time today to discuss all of the many programs approved by the committee. Let me just highlight some major differences between the committee bill, H.R. 5970, and the proposal submitted by the present administration in its budget amendments of February 22 in the four principal areas of procurement, R.D.T. & E., personnel and civil defense.

As to ship procurement the committee added $609.3 million in some areas of ship construction and reduced $654 million in other areas for a net reduction of $45.6 million in the authorization for shipbuilding. The additions were for combatant ships with the reductions directed to auxiliary craft.

In aircraft procurement the committee:

Added 20 C–12 aircraft for the Army in the amount of $17.2 million;

Reduced the Navy aircraft procurement by a net $3.8 million. This resulted from an addition of $24.4 million for 6 A–7E aircraft and a reduction of $28.2 million, deleting procurement of 22 CTX utility aircraft.

Added $672.4 million for Air Force aircraft. This included increases of $334 million for 30 F–15 aircraft, $276.6 million for 6 advanced tanker cargo aircraft—ATCA—and $124 million for 16 C–130H aircraft, and a reduction of $62.2 million in the F–16 program.

In the fields of research, development, test, and evaluation, the committee made various reductions totaling $1.154 billion but added $377 million for a special fund to be used by the Director of Defense Research and Engineering to support two joint-service programs. The net committee reduction in the administration's R.D.T. & E. request, therefore, was $776.7 million.

In the special fund we specifically directed the Director of Defense Research and Engineering to closely coordinate the cruise-missile programs of the Air Force and the Navy and the guided-projectile programs of the Navy and Army. The committee believes that through joint development the taxpayers will realize a significant savings without sacrificing weapon-system performance.

While the committee concurs with the Department of Defense on the need for most of the major weapons systems under development, we believe that the services and the Office of the Director of Defense Research and Engineering can do a better job of managing the R.D.T. & E. program. Our committee report highlights some areas where improvements can be made. The committee's emphasis was on increasing efficiency in R. & D. spending and getting earlier return in new weapon systems from our R. & D. effort.

Our distinguished colleague, the gentleman from Missouri (Mr. ICHORD) will discuss these R. & D. changes more fully. As to personnel, this committee has rejected a proposed reduction of 41,600 paid drill spaces in the Naval Reserve. A proposal for a similar reduction was rejected by the Congress last year as unwarranted.

It is still unwarranted.

Civilian personnel end-strengths were increased by 3,598 to provide the personnel to support the continuation of the Uniformed Services University of the Health Sciences; to support the current level of medical capability in the Army; and to provide added spaces for the naval air rework facilities—NARF's.

The personnel strengths recommended for the active forces differ only slightly from the new administration's recommendations. The differences result from the committee's rejection of the administration's proposal to close the Uniformed Services University of the Health Sciences; rejection of the aforementioned 41,600 cut in the Naval Reserve, requiring reallocation of 904 active-duty personnel to support reservists' training; and rejection of a proposed reduction of 425 Army medical personnel.

With the changes made by the committee, the authorized strength of the Department of Defense would be as follows:

Active-duty personnel: 2,090,425.

Reserve personnel: 875,500.

Civilian personnel: 1,034,328.

These strengths are about the same as authorized for fiscal year 1977.

The committee has also proposed new recruiting incentives for the Reserve Forces in the form of educational assistance and a reenlistment bonus.

To provide greater flexibility in the management of civilian personnel, the committee has recommended that the Secretary of Defense be authorized to exceed the civilian personnel end-strengths by up to 1½ percent if he finds it is in the national interest to do so. In prior years this authority has been limited to one-half of 1 percent. This additional flexibility was provided to avoid possible inefficiencies caused by manpower ceilings.

The distinguished chairman of the Personnel Subcommittee (Mr. WHITE) will provide more detailed discussion of the committee's action with regard to personnel programs.

In civil defense, the committee has for some time been concerned with the inadequacy of our planning for civil defense. Last year, to improve oversight in this area, the Congress extended the authorization requirement to civil defense. The committee has, following the recommendation of our Installations and Facilities Subcommittee, increased the authorization for civil defense by $44.8 million over the $90 million requested by the President. Much of the increase is designed to correct deficiencies uncovered by the General Accounting Office in the emergency operational center program. These centers are vital to an effective system of emergency activities during both military attacks or peacetime disasters, such as floods, storms, et cetera.

The bill provides authority for the initial fiscal year 1978 civil reserve air fleet—CRAF—program, as requested by the President and the Secretary of Defense. The committee expects to take early action on enabling legislation (H.R.

2637) which will provide effective guidelines for a comprehensive CRAF expansion program in the years ahead and will establish effective procedures for the annual review by the Congress.

Under the general provisions the committee has included an extension of the financial-assistance program for the Marine Corps platoon leaders officer candidates, has extended the authority for credit sales to Israel, and has asked for a comprehensive report on Defense Department criteria with regard to employment of private contractors. The bill language prevents expansion of contracting-out activities pending receipt of the report.

Our committee conducted unusually thorough hearings, commencing in January. After the new administration's budget amendments of February 22, we conducted further hearings, considering changes proposed by the President. In all, consideration included 28 full committee and 72 subcommittee meetings.

Our committee has considered carefully the demonstrated Soviet advances in strategic systems and naval power as well as modernization of conventional air and ground forces. We have considered the analysis of non-Defense Department experts who tell us the military balance is shifting steadily in favor of the Soviet Union.

I know of no responsible official who disagrees with the finding that there has been a massive buildup in Soviet nuclear and conventional armament. In our report you will find tables illustrating comparative inventories of major military equipment, the increases over a 10-year period, and the production ratios for the Soviet Union and the United States. These tables show clearly that the Soviets have a substantial quantitative advantage over us in most key military systems and that the trend is such that their advantage is increasing. I know of no informed defense observer who disputes those facts.

The President's first initiatives for a follow-on SALT agreement have been unsuccessful. The Interim offensive Agreement, signed along with the ABM treaty of 1972, expires in October of this year. We all hope a new arms-limitation agreement can be reached. But in its absence we have to assure that our national security is protected.

H.R. 5970 is based on actual requirements in the real world. It is not based on some arbitrary figure related to what we would like to spend in other budgetary areas. National defense is not in competition with social programs. The Constitution says we shall "promote the general welfare and provide for the common defense." It does not say we should do one or the other.

Our committee believes this bill is necessary to provide the minimum level of deterrence today and to start building the needed level of deterrence for the decade ahead.

I urge all Members of the House to support the bill.

If any amendments to this bill are offered, I hope they will be for needed items, not reductions because, frankly, I personally feel this bill does not provide all that it should. It is all we felt we could bring forth with the complexities of the budget situation we have today. But it was a grave distortion of reality, in my opinion, when the Congress struck the nuclear carrier and the *Long Beach* strike cruiser in their actions on Presidential rescissions. So we are not in as strong a position as I think we should be. But this bill will to a modest degree go forward to help us and to put us in the direction, at least, that we should be going. So let us pass it promptly.

Mr. BOB WILSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, our distinguished acting chairman, has already explained the highlights of H.R. 5970—this year's Defense authorization bill. The chairmen and ranking minority members of the various subcommittees will go into specific aspects of the bill over which they have jurisdiction. For this reason, I will devote my time to other reasons why the bill should be supported.

Before the general debate on this bill begins, I believe these general observations are in order.

First, the purpose of H.R. 5970 is to authorize appropriations for the tools of defense—aircraft, tanks, ships, ammunition, and weapons. The bill also deals with research and development into technologies which will affect our military posture in the years ahead.

As an authorization bill, H.R. 5970 does not provide new budget authority. It provides no new obligational authority or spending authority. This bill does not, in any way, affect any budget target or budget resolution under the Congressional Budget Act of 1974. New budget authority and obligational authority will be provided in appropriations acts which may be amended, or voted up or down.

As an authorization bill, this legislation would merely set the upper limits for appropriations during fiscal year 1978.

Second, H.R. 5970 would authorize less than one-third of the national defense budget request for fiscal year 1978. The remaining two-thirds, except for $3.6 billion in military construction, is not subject to the authorization process.

The President's request for the items covered in this bill for fiscal year 1978 is 4½-percent larger than last year's request. General inflation has been running between 6 and 7 percent. So, as far as the current request is concerned, it represents a retrenchment in this area. The committee recommendation, as contained in the bill, is only 0.17 percent above the President's request. In view of the needs of the Armed Forces and the rate of inflation, the committee exercised exceptional restraint.

While I wish it were otherwise, neither this bill nor the appropriation act which will follow will provide an instant improvement in the capabilities of the Armed Forces. No funds will be available until October of this year and contracts will not be let until next year. Even then, we will not see the first major items enter the defense inventory before 1 to 5 years have passed. While the wheels of defense budgeting do not always grind "exceedingly fine," they nevertheless grind "exceedingly slow." This, of course, illustrates the long-term nature of defense programs.

Tanks and aircraft conceived and developed 10 years ago, and authorized this year, may well be in our inventory in the year 2000. Ships authorized this year may be in the Navy's inventory 30 years from now. So, in a very real sense, in passing this authorization bill we are making an investment in our future defense.

H.R. 5970 would provide for an increment of our future defense investment, but the changes made by the Armed Services Committee also provide for correcting some of the deficiencies and weaknesses which now exist in the Armed Forces. The committee's oversight activities have revealed several alarming areas which need to be strengthened in the near future.

For example, the Army is deficient in tanks and other armored vehicles, and is short of ammunition.

The Air Force is deficient in combat aircraft.

The Navy is deficient in combatant vessels, and the existing surface fleet urgently requires more effective weapons and sensors.

These glaring deficiencies must be remedied over a relatively short time if we are to prevent further deterioration in the capability and readiness of the Armed Forces. This was the basic reasoning behind the several changes which the committee made in the budget request. These changes boil down to the redirection of funds from R. & D. programs toward the procurement of aircraft, missiles, combat vehicles, and other items of higher priority. While it is true that R. & D. is essential to future capabilities, it is more important that our present forces be augmented and modernized.

The committee is mindful of the fact that any hostilities involving the ground, air, and naval forces of the United States must be met with the forces in being at the time. We will probably not again have the luxury of a long period of mobilization.

The bill as reported by the committee is more balanced and reflects future defense requirements more accurately than the program requested.

As the committee's report on H.R. 5970 points out, this year's shipbuilding request was particularly out of balance. The request was too heavy on the side of auxiliary ships, such as oilers and tug boats, and too light on the side of new combatant ships.

For example, only one attack submarine was proposed for authorization in fiscal years 1978 and 1979. This is a serious departure from the established building rate of five of these submarines every 2 years and is hardly enough to retain the interest of shipbuilders and their vendors. In addition to increasing costs, the construction of only one attack submarine a year can only aggravate the naval balance between the United States and Soviet Navies. The Soviets now have 254 attack submarines to our 75 and are turning them out at five per year. We received

no rationale for reducing the submarine building rate and, therefore, recommend authorization of two ships this year and long lead items for three next year.

Another instance of imbalance in the shipbuilding request this year was the absence of a request for a major nuclear-powered surface combatant. As Chairman BENNETT of the Seapower Subcommittee will explain, we are recommending long-leadtime funds to begin a nuclear-powered strike cruiser. This ship has been requested and approved by the House without serious opposition for the past 2 years. Although Admiral Holloway, the Chief of Naval Operations, requested the strike cruiser again this year and made a compelling case before our committee demonstrating the need for this ship, it was not included in the request. We understand that the ship was deleted from the revised budget only for fiscal reasons.

The committee bill would restore this highly capable ship while actually reducing the shipbuilding authorization by $45.6 million. The "fiscal reasons" no longer exist.

While I support H.R. 5970 and the committee's recommendations, I must also express my regret that this year's bill does not go far enough.

First, the number of combatant ships to be authorized by the bill will not replace those which must be retired due to old age. The number of ships is too small to reverse the Navy's downward trend.

Second, the bill contains no funds for conversion of the U.S.S. *Long Beach* to an Aegis fleet air defense ship. This omission guarantees that the *Long Beach* will fade away into obsolescence rather than becoming a highly effective unit within a nuclear-powered task force.

Third, the bill contains no funds for a follow-on *Nimitz* class aircraft carrier. The need for at least one additional *Nimitz* type carrier has been supported by:

A National Security Council study;

A recent GAO study;

A DOD study in 1975;

The Joint Chiefs of Staff; and by every military witness who appeared before the committee on the subject.

While I do not want to labor the point, I honesty believe that the Congress did itself and the country a great disservice when we scuttled the *Nimitz* carrier and *Long Beach* program earlier this year. In the case of the carrier, we gave up a proven weapon system of great capability in exchange for a mere promise of some future request for a ship which, as of this moment, is not even in the conceptual stage. We also gave up our superior sea-based air capability for the promise of an as yet unconceived V/STOL airplane.

The so-called oil-fired "mini carrier" and high performance V/STOL aircraft have been referred to as "a paper ship with paper airplanes." This is an overstatement—these systems and their tremendous costs are not even on paper and barely exist within the imaginations of the budgeteers and systems analysts. The Congress has made a bad bargain.

Each year, at this time, we hear arguments to the effect that we do not really need to spend so much for defense. There are always arguments that we can get as much or more defense "on the cheap" by building smaller, less capable and, in some cases, fewer aircraft, tanks, and ships. Some argue that the tremendous Soviet buildings of nuclear and conventional weapons of all types should cause us no concern.

I am in favor of optimism when there is some factual basis for it. But I see no such basis today. The news from around the world does not supply a basis for optimism. What I have been reading about the SALT talks, about Angola, Zaire, Ethiopia, Somalia, and our relations with Argentina, Brazil, Spain, West Germany, and the Philippines, gives me no reason for optimism. Neither does the most recent revelation that the world's oil is fast running out, and that the price of oil may well triple within the next 8 years, provide any basis for building additional oil-fired carriers and other major combatant ships. On the other hand, reason seems to be on the side of a more capable defense, including ships which are not dependent on oil.

Mr. Chairman, we sorely need a national defense policy. We have not had either a defense policy or a seapower policy for many years. Our national purpose is unclear—a fact which is reflected by annual defense budget requests which apparently bend with the winds of the times. If our policy is to be that we accept a military posture inferior to the Soviet Union, let us announce it. If it is the acceptance of a "rough equivalence" with the Soviets, and the acceptance of higher risks, then let us announce that. If the policy is to be U.S. military strength second to none, then let us get on with the job. The people are waiting for the answer, as are the governments of friendly and unfriendly nations throughout the world.

In conclusion, Mr. Chairman, I believe that H.R. 5970 is a sound bill which addresses priorities in their proper order. We have given the President practically everything he requested within a few one-hundredths of one percent. While I would have preferred a stronger naval shipbuilding program, I urge the adoption of the bill as reported.

Mr. BENNETT. Mr. Chairman. I yield such time as he may consume to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I rise in support of H.R. 5970. Since various members of the committee have already addressed other areas of the bill in detail, I would like to direct my remarks to an overview of Army programs.

This bill authorizes $5.3 billion for procurement of Army weapons systems and for research and development of new weapons for the future. Now, to those who perceive the Army as an assortment of footsoldiers slogging around in the mud, I am sure that figure would appear to be more than adequate. But the truth of the matter is that it is dangerously close to being inadequate. In a mechanized war in the NATO environment, light infantry—that is, footsoldiers slogging around in the mud—will be only slightly more relevant than horse cavalry.

During the course of the committee hearings, as witness after witness testified about deficiencies in the Army's readiness posture, we became increasingly concerned about the adequacy of the Army request. The Army will receive less than 15 percent of the funds authorized in this bill, although it would be expected to bear the brunt of a Warsaw Pact attack on NATO. Next year we are going to have to take a hard look at that funding pattern in the light of changing realities because the Army has fallen into a dangerous habit of underselling its requirements and overselling its compliance.

There was a time in the not-too-distant past when the United States overwhelming nuclear superiority was a gilt-edged guarantee for NATO. We could afford to neglect our conventional land forces in Europe, because the Soviet Union could not dare to risk a nuclear exchange.

But in just a few short years our strategic superiority has deteriorated into something our Secretaries of Defense now call "rough equivalence." Translating that into plain English, it means that the Russians have caught up with us. Now, I know there are some who will argue that parity is a good thing because it will raise the nuclear threshold, but in the 30-odd years of American superiority, that threshold was not breached.

However, nuclear stalemate raises anew the threat of a conventional war in Europe. If neither side can risk using its nuclear arsenal except as a doomsday weapon, then the balance of power will shift decisively in favor of the side with the greater conventional war capability.

And it is precisely in this area—conventional warfare capability—that NATO is weakest. The fielded equipment of the Warsaw Pact nations is every bit as modern and lethal as that of the NATO countries. The only difference is that they have a lot more of it. And the gap is widening every day. At this very moment, the Russians are pouring new T–72 tanks into Eastern Europe at the rate of over a hundred a month, adding to an already massive imbalance of armored forces.

The sobering truth about the strategic parity, then, is that while it may have moved us further from the threshold of nuclear holocaust, it has actually brought us closer to war. The possibility of a land war in Europe is, today, greater than at any time since the end of World War II. The Soviets know this and it explains their unprecedented peacetime buildup in conventional force capabilities. And that leads toward a very obvious conclusion: If we think our Army is going to have to fight again, then anything we spend that does not give it the capability to win will be wasted money. Contrary to the view of some defense critics, we cannot counter Russian armor with a unilateral declaration that the tank is obsolete. That may be a clever parliamentary argument, but it is not going to be very convincing to an American soldier who sees a battalion of those obsolete tanks bearing down on his position.

The fiscal year 1978 authorization bill

is a step—albeit a small one—in the right direction. It restores some vital capability that was deleted in the February 22 budget revision. The committee endorsed the administration position on a number of program reductions where it was apparent that the reductions were sound. But where the cuts were ill-advised we recommended restoration of the programs. Two notable examples are the nonnuclear Lance and the improved Hawk requests.

Shortly after the new administration took office, the Army was informed that the nonnuclear Lance was on the casualty list. No reason was given. Nor was the Army consulted. The new team in the Defense Department simply decided after less than 2 weeks on the job that this proven weapons system should be scuttled in spite of the positive mandate given to the nonnuclear Lance by the Congress after several years of comprehensive study and debate.

The justification offered to the committee for the decision to kill the nonnuclear Lance was something less than persuasive. In fact, it was nothing more than a rehash of the same arguments considered and rejected by the Congress in prior years. Much the same was true of the rationale for the reduction in the Improved Hawk air defense missile system. The committee got the distinct impression that cuts in these two programs were based on a desire to fulfill a campaign pledge rather than on the merits of the systems themselves.

As I stated at the outset of my remarks, I think the Army programs authorized by this bill are barely adequate to keep us in a holding pattern. Over the course of the next year, however, the committee plans to conduct a comprehensive evaluation of the Army's conventional war capabilities to make an independent determination of what constitutes an adequate level of funding for Army weapons systems. It is too important an issue to entrust to a faceless group of program analysts in the catacombs of OMB.

Mr. Chairman, I yield to the gentleman from California (Mr. LLOYD).

Mr. LLOYD of California. Mr. Chairman, I rise in suport of H.R. 5970, the defense authorization bill. In line with the President's request to trim the defense budget, I believe the committee has more than adequately responded. Though we were not in complete step with the President and the Secretary of Defense on specific programs to be cut in all cases, substantial savings were made in areas which could stand some tightening up, but continued those programs which we determined are vital to our defense posture. To mention a few:

F–15 fighters—procurement of 30 additional A/C. A formidable fighter which I have flown and which will provide the Air Force the capability to meet any threat in the skies.

ATCA—procurement of six advanced tanker cargo aircraft. An off-the-shelf concept which will provide tactical deployment of fighter-attack and cargo aircraft anywhere in the world rapidly, efficiently, and economically.

F–18—continued R. & D. of a Navy fighter which is shaping up to be one of the finest tactical fighter aircraft the world has ever seen.

A–7—continued aircraft production by adding 6 A/C, which is still short of Navy's needs for light attack aircraft. Essential that A/C continue in production since it is mature combat proven system with state of the art avionics and above average reliability. About the same price as the unproven A–10 and has infinitely more capability in an all around attack role. It would be folly to consider closing down the line by allowing the President to cut it from the budget.

MX missile—complied with the President's request to study the concept further by keeping funds in to continue the program in advanced development.

This bill ends up about $16 million more—not counting Civil Defense—than the President's request, and that is coming pretty close. Some maintain that more cuts should be made, but I submit that the bill represents the intent of Congress to insure that our forces are equipped with the weapons systems needed to combat any threat to worldwide peace. Thank you.

Mr. BENNETT. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I thank my distinguished colleague, the gentleman from Florida, for yielding.

Mr. Chairman, my purpose in rising is to ask for the support of the Members here today for the committee's action on title II, the research and development, test and evaluation section, of H.R. 5970.

This is my first year as chairman of the Research and Development Subcommittee. I have served as a member of that subcommittee for the past 12 years. In spite of my long association with the subcommittee, I still find research and development to be one of the most challenging and difficult areas to review. Membership on this subcommittee is not a glamorous political assignment. In fact, most of the work is done behind closed doors and is classified.

I did want to note, Mr. Chairman, that this House, this Congress, this Nation, owes a great debt of gratitude to the chairman of the full committee, the gentleman from Illinois (Mr. PRICE), who is unable to be with us today for what I understand is not too serious health problems. We do owe him a great debt of gratitude for the tremendous contribution he has made to this Nation, serving as chairman of the Research and Development Subcommittee and also as chairman of the Joint Committee on Atomic Energy. It is a debt, I say again, that I do not think we will ever be able to repay.

The research and development material and information provided by the Department of Defense for fiscal year 1978 includes nearly 3,000 projects and tasks. The projects and tasks represent just about every imaginable discipline of technology including medical research, computer sciences, infrared and radar theory, aircraft development, energy research, propulsion research, and all other areas with possible military application.

I am sure that each and every one of us here today recognize the importance of technology to our military posture and to the quality of our every day living. Technology has played a major role in shaping the America which we live in today. This has come about through the mutually supportive research efforts of the civil and defense sectors. The commercial world of electronics has given us the components for our most powerful weapon systems. The military world of aircraft has given us the wide body jumbo jets for commercial use. There are very few civilian aircraft in the air today that are not spinoffs from military technology. Military medical research in the 18th century gave us our first mass vaccination program in 1777. Military technology and manpower gave us the Panama Canal. Thanks to the combined efforts of technologists in industry, the academic community, and the Government laboratories, most Americans all over this country are kept warm, well-fed, healthy, and are able to enjoy the good life by having the necessary means of defense to allow them to enjoy it and be safe from the threat of aggression from our potential adversaries. Technology is vital to our military posture. It is the research and development of today that determines the capabilities of the weapons systems that this country will have through the year 2000 and beyond.

Our technological advances during the past three decades have taken greater strides than during any other period in the history of the world. Through advances in electronics, the peoples of this world have been brought closer together through the communications media. Through advances in propulsion and aerodynamics, technologists have made it possible to reach out and strike potential adversaries 5,000 and 6,000 miles away. But like most things in life, Mr. Chairman, technology is both good and evil. While it can defend freedom, it can also kill people—while it stimulates new careers, it also eliminates jobs through automation. But whether we like it or not, technology is here to stay and will continue to shape our lives in both the social and military arenas.

Important as technology may be to our military posture, Mr. Chairman, the Congress can ill-afford to provide the Department of Defense, or any other Government agency, with carte blanche authority in funding a research and development program. For fiscal year 1978 the Department of Defense requested $11.7 billion for research, development, test, and evaluation. The committee recommended a reduction of $776.7 million, better than three-quarters of a billion dollars, from this request, because in the judgment of the committee, the $10.9 billion recommended authorization will provide the same level of defense and advancement in technology that the $11.7 billion requested by the DOD would provide. I believe that the action of the committee will eliminate a lot of duplication of effort and will cause the Department of Defense to "tighten its belt." For example, I support—and I know the committee supports—one or two or perhaps even three studies that will enhance our military manpower effective-

ness. I do not support, however, the DOD's request for funds for a dozen programs to conduct these studies. The committee's recommended reduction in this area allows for the continuation of these studies at a reasonable level and cuts out the "frills."

Mr. Chairman, our defense dollars are rather scarce. Inflation has struck at our defense posture just as it has damaged the economic posture of every American. Our defense posture has been on the decline. It is important that we use every dollar wisely and effectively to insure that we get the most "bang for the buck." Obviously, just spending money on defense does not guarantee the taxpayers of this country that we will have a good defense. I am personally concerned over the fact that in spite of large expenditures by the United States in all areas of military spending, the Soviets have surpassed us in several areas of technology and military capability. They are quantatively ahead of us in tanks, tactical aircraft, artillery, major combatant ships, and are making qualitative advancement to complement their numerical superiority.

We need not panic, however, or give the Department of Defense every penny that they ask for in every area. There is no need to match the Soviets man for man, program for program, or weapon system for weapon system. It is important, however, that we reverse the trends that are currently in favor of the Soviet Union through improved management of the many resources that are available in our great Nation. We must start by making the research and development program more responsive to our near and intermediate term military problems and requirements. I find it appalling, Mr. Chairman, to think that the Soviets have deployed nine new surface-to-air missile systems since 1960 and during this same period of time, the United States with all of its technology has only been able to deploy one such system and this, the Chaparral, was an interim system that was deployed in response to an urgent requirement in Vietnam. The Army's SAM-D—which has been renamed Patriot—began in 1962. But it will be 1982 or later before the soldier in the field will get his hands on the Patriot weapon system.

I doubt if most of you are aware of the poor state of weapon control in our surface fleet. Most of you, I am sure, have heard of the Aegis weapon control system. Many of you, however, may not realize that this system was started in 1961 and will not reach the fleet until at least 1981.

Mr. Chairman, we cannot single out the DOD as the cause and culprit of our military decline. We are all at fault. The Congress—the DOD—the Office of Management and Budget—the White House and every other activity which has helped to create the management monster that exists today. In the fifties, we developed and deployed weapons systems in 2 to 5 years. They were good systems. The Manhattan project in the 1940's required only 5 years. The Nike-Ajax was developed in 2 years. The Polaris program was completed in 4 years. The Hawk program took a little under 5 years. And today, we are talking about 10-, 20-, and even 25-year cycles to get weapons systems into the hands of the operational users. We have created a management process that requires over 150 distinct steps to take a weapon system from concept through development. This process takes over 30 feet of paper to describe. By comparison, it took about 10 steps and a single sheet of 8½ by 11 paper to describe the weapon system development process in the fifties. It is about time to inject a little commonsense into the system and change the system. We can do it, because we are the system—the Congress, and its own GAO, the OMB, the DOD, and the Commander in Chief.

We must select out weapons systems that are too expensive for the performance they provide. We must take every conceivable action to avoid unnecessary duplication of effort. We must get the DOD to place more emphasis on product improvement and get away from the technological "hangup" that causes them to want to have the latest in gagetry and the absolute utmost in performance. We must initiate a program that calls for better—not more—test and evaluation. I am afraid that we created a debacle with our insistence on "fly-before-buy," because the DOD interpreted that guidance to mean more not better testing. We test and we test—we research our own established research. It is absolutely essential that we test our systems adequately before making a large-scale commitment to procurement but the process requires quality and not quantity test and evaluation.

Lastly, in our review of the fiscal year 1978 program, we found that practically no major weapon system is being procured at the minimum economic rate. I know that BILL DICKINSON, my distinguished colleague from Alabama—and ranking minority member of the Research and Development Subcommittee—has some very strong concerns in this area. The committee as a whole has been greatly concerned for many years about action usually taken by the OMB which is penny-wise and pound-foolish. They make you look good this year or perhaps, I should say they make the budget look better, but they cost more in the out years.

I believe it is imperative that we take the necessary steps to insure better management of our military program.

Mr. Chairman, the committee's recommended reduction of $776.7 million—or 7 percent—will, in the judgment of the committee, help to achieve the better management that we need and will still allow the DOD to provide this country with a sound R.D.T. & E. program. We closely scrutinized the entire DOD request for R. & D. funds. In some instances we terminated programs or made reductions—in some instances, we added funds to improve our military readiness and capability. We arrived at a good balance between the programs that offer promise for the future and programs that will solve the problems of today. We added funds to improve the survivability of our ships—to get an advanced helicopter into the Army's inventory—and for technology as well, such as $14 million to demonstrate the feasibility of submarine communications via a space based laser satellite. This involved the termination of the Seafarer system, formerly known as vanguard but it was necessary to do so and I might emphasize that we terminated the Seafarer system on the grounds of capability not because of health and environmental reasons.

There is a tremendous amount of good technology and military capability that will emanate from the $10.9 billion R.D.T. & E program recommended by the committee.

Mr. Chairman, I renew my request for the support of all my colleagues here today for title II of H.R. 5970.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Florida (Mr. SIKES).

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

Mr. BENNETT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. SIKES. Mr. Chairman, I wish to commend the distinguished gentleman from Missouri (Mr. ICHORD) for sponsoring a proviso in this bill dealing with the contracting out services previously provided by civilian and military personnel of the Department of Defense. I fully support the objective of the gentleman to slow down the increasing practice of contracting out larger and larger percentages of work previously performed by DOD employees. I am, however, somewhat concerned that the wording in subsection (b) of section 809—page 27 of the bill—dealing with further conversion of commercial or industrial activities will be misinterpreted.

As my friend knows, the fiscal year 1978 budget provides for substantial increases in the amounts of funds provided for depot level maintenance activities to repair aircraft, ships, tracked vehicles, and missiles. If this work is going to be accomplished, much of it will have to be contracted out simply because the staffing levels at many of the depots, rework facilities, shipyards, et cetera are not high enough to handle the additional workload, or there must be increased funding for in-house overhaul and maintenance work.

Does this section permit increasing the percentage of this type of work that must be contracted out if it is to be accomplished now?

And is it your intention that this section will in no way interfere with the need to reduce the ever-increasing backlog of military equipment awaiting depot level maintenance?

Mr. ICHORD. Mr. Chairman, in reply to the gentleman from Florida (Mr. SIKES), I would state that I was prompted to offer this amendment in the full committee, because of the fact that the Army was trying to contract out firefighting at one of the military installations in my district, and I was horrified to think of what kind of fire protection we would have if we contracted out this kind of work.

I would say to the gentleman that it would probably apply.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has again expired.

Mr. BENNETT. Mr. Chairman, I yield 1 additional minute to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. I would state to the gentleman that section 809 would probably apply to a depot, but it would permit increasing the percentage of the type of work which the gentleman describes. We are talking here about the conversion of existing functions under current workload conditions, as opposed to increased workloads. So it would permit the type of increased workload that the gentleman refers to.

Mr. SIKES. Mr. Chairman, I am glad to have that information.

Again, I concur fully in what the gentleman is trying to accomplish.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York (Mr. MITCHELL).

Mr. MITCHELL of New York. Mr. Chairman, I would like to offer my support for the Armed Services Committee amendment to H.R. 5970 that would curtail further contracting out of existing in-house laboratory functions until the Department of Defense can show that such action is in the best national interest of this country.

I would like to point out that during the past 4 years, the Department of Defense has attempted to draw down personnel in the in-house laboratory system to such an extent that it would seriously jeopardize the ability of the Government to be a prudent buyer. What is extremely bothersome is the fact that there is no rationale behind the planned reductions of the Department other than a preference to do more work in the private sector without regard to cost.

On March 28 of this year, the Research and Development Subcommittee held a hearing on the status of the in-house research and development laboratory program. During that hearing my distinguished colleague from California (Mr. BOB WILSON) asked the defense witness if the planned reduction of 277 people from the Naval Electronics Laboratory Center would save any money as a result of contracting out the R. & D. that these in-house personnel were performing. The Navy witness testified, and I quote—"I do not expect to" save any money in contracting out this work.

My distinguished colleague from Georgia (Mr. LARRY MCDONALD) asked the Navy witness—the Director of Navy Laboratories—and I quote:

Mr. Probus, do you personally agree with these reductions, speaking personally, are you in favor of them?

Mr. Probus' response was—

No, sir; I am not in favor of them. I am carrying out the decisions though.

It was very clear from that hearing, Mr. Chairman, that the Department of Defense has no sound rationale or good reason for reducing the level of effort that is presently being performed by people in the Government laboratories. I am a firm believer and supporter of our industrial complex. I am also a firm believer in the fact that the Government has to maintain a competent in-house staff of scientists and engineers to work hand in hand with industry to develop efficient and effective weapons systems.

While some in-house laboratories can be improved upon and without question there may be a few unproductive people in the system, the Government has received a tremendous return on the investment in these facilities. The special armor that will go into our tanks of the future was developed as a result of our in-house laboratory efforts. About 70 percent of the air-to-air missiles that we have in our inventory today were developed by the in-house laboratory system. As a result of this development, industry has realized a cash flow of over $40 billion in the last 3 decades.

There are many Government centers of excellence throughout the United States that are working hand in hand with industry to produce good systems. I oppose any arbitrary reduction to eliminate these centers of excellence simply because several people in the Defense Department prefer to have the work done in the private sector even though it will cost more in the long run. I support the committee's position to curtail any additional contracting out where this action would be detrimental to the interest of the Government and our national security. I could support a reduction to eliminate "dead wood" in the in-house system but overall, I sense the need to maintain the vitality and integrity of our Government research and development activities to keep the Government smart.

I hope that you will support section 809 of title VIII of H.R. 5970.

Mr. BOB WILSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. WHITEHURST).

Mr. WHITEHURST. Mr. Chairman, I rise in support of H.R. 5970, the Department of Defense Appropriation Authorization Act for fiscal year 1978, and strongly urge my colleagues to give this bill a resounding expression of their support.

H.R. 5970 continues the course which we established last year when the dangerous trend of reducing our expenditures for defense was finally reversed. H.R. 5970 provides authority for continuing the modest start on rebuilding a structure of weapons systems needed in these troubled times to provide adequate defenses against present and potential threats to the security of the Nation and our allies.

The bill adopts a balanced approach. It is an approach which recognizes our potential adversaries and the various kinds of threats to our security. The bill does not attempt to authorize all of the weapons systems which might be desirable. Rather, it provides the authorizations considered to be the minimum necessary to our defense, recognizing that there are other competing and worthwhile demands on our resources. In considering this balanced approach, however, the committee was mindful that the Nation must first be able to insure its own survival in order to provide an environment in which the freedoms we cherish can be retained, and our economic and social goals can be attained.

In brief, the bill provides authority for procurement of the ships, planes, tanks, guns, and supporting materiel for the Army, Navy, Air Force, and Marine Corps which the committee believes essential. It authorizes the military personnel strengths required by our combat forces, and the personnel, both military and civilian, needed to man and maintain the weapons systems essential to the Nation's defense and to provide the support required for those systems and personnel.

I want to particularly emphasize what I believe is an important change made by the committee in regard to civil defense. The committee has recommended an authorization of $134.8 million for civil defense in fiscal year 1978. This is $44.8 million more than was submitted in the budget when transmitted to the Congress. That submission reflected a continuation of the past relative apathy with regard to civil defense. This attitude contrasts with the indication of a major and growing civil defense program by the Soviet Union. While I do not necessarily believe our course should be governed by the actions of our potential adversary, I am convinced that we must have a realistic civil defense program as an adjunct to our Nation's commitment to an adequate military defense program. The addition of $44.8 million to the proposed authorization submitted to the Congress will permit the corrections of deficiences noted by the General Accounting Office and more importantly, signal to the administration the congressional concern that our civil defense program needs and must have greater direction and clear-cut guidance to demonstrate for our citizens and to our potential adversaries that the Nation is serious about providing means of survival in the event the unthinkable happens.

Turning now to one of the specific items in the bill, I want to point out that the bill will authorize the Marine Corps to continue to pay the $100 monthly subsistence allowance to members of the platoon leaders class. Unless extended, the authority for that payment will expire on June 30, 1977. The platoon leaders class is a highly important source of young officers for the Marine Corps and the continued authority for payment of the subsistence allowance is critical to the continued success of that program.

The bill also provides two important incentive programs to assist the Reserve forces to recruit and retain a sufficient number of young people with the qualifications required by the Reserve components.

The two incentive programs are a reenlistment bonus and an educational assistance allowance. I will not go into detail in describing them, as my colleagues on the Personnel Subcommittee will describe them in some detail. However, I strongly support these programs. They are needed if our Reserve Forces are to be able to perfrom their mission in support of the Active Forces.

In conclusion, Mr. Chairman, I again urge favorable action by my colleagues on H.R. 5970.

Mr. BOB WILSON. Mr. Chairman, I

yield 6 minutes to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, if we take the time to look at the charts that have been presented here today and the visual displays which reflect the enormous disparity between our efforts and those of the Soviet Union, I am sure we will find they cannot help but impact on each of us as to the seriousness of our plight and remind us of the tremendous importance of the bill before us today.

After looking about the floor at this time, 20 minutes after 5 on a Thursday afternoon, I cannot help but be struck by the enormous apathy of the Members of this House, because while we have 435 Members, I just counted and I do not see more than 12 Members present who are not members of this committee.

We are talking about a $120 billion bill here, one that impacts directly on our national security. Yet, looking behind me at the Press Gallery, I think I saw two reporters there when I last looked.

Mr. Chairman, we are faced with a very serious problem here when we consider that of this total defense authorization budget there is not much more than 25 percent that is manageable. The rest is already pledged; it is obligated. It goes to pay people, and it goes to pay for contracts for procurement that are already let and that are already in the pipeline. There is only 25 percent that is manageable. When we take $4 billion off of that, as the Budget Committee suggests we do, then we are cutting much more than just fat; we are cutting sinew and bone.

Everybody is interested in economy. I am interested in economy. But every time somebody comes along with the greatest of new social programs and is asked, "Where are we going to get the money?" they say, "We will take it out of defense, because they have such a large budget."

Let us just take a look at this and see where the economies are. Let me give one example as an instance. This is just one of many examples that can be offered. That is the false, spurious facade that is put forth when somebody says, "Well, we will stretch out the program, thereby saving the expenditure of x number of dollars this year, and thereby we have an economy." Let us talk just very briefly about the F–15 fighter aircraft.

The present F–15 program calls for a total program buy of 729 aircraft. The initial budget request for fiscal year 1978 proposed to buy 108 aircraft at a total cost of $1.707 billion. In the new administration's revised budget the F–15 was reduced to 78 in number, not the original 108, at a cost of $1.373 billion. Now, this looks good, because it results in an apparent savings of $334 million in 1978. That is fine, is it not?

But on closer examination we find that by reducing the buy from 9 to 6½ aircraft per month the cost of each aircraft goes up $1½ million. That is $1½ million per airplane, and we do not get a penny's worth of defense more than we would if we bought them on the original schedule.

Last year we had in our conference an item of $77 million for a long leadtime item for the B–1, and there was a hassle, because some Members did not want to commit us to procurement. At the time the Air Force gave us information that if we stretched out the B–1 program for 1 year, it would cost an additional $800 million. That is just to stretch it out for 1 additional year.

So when the administration wants to cut from 8 to 5 this year, we stretch the program out for a year and spend $1 billion unnecessarily.

Mr. Chairman, I would plead with the Members of the House, not just the committee members—because I think our committee is pretty well familiar with these matters—that if we want to save money, this is the way we should do it. We should arrive at a point where we make a go, no-go decision that we will buy or not buy. Once we make that decision, from that point on, we should decide which is the most economical way to buy, we should know what is the most economical production rate, and we should stop tampering with it after that, because after that it only wastes money.

Mr. Chairman, the point I wish to make is once we decide to develop and procure a weapons system, we should use a little commonsense and do so at a rate that is timely and economically sensible. I certainly realize that it is not practical to avoid inflationary effects by buying out a weapons system in 1 year. Likewise, however, to stretch out the buy just to give the appearance of saving money in a given year is false economy. By unnecessarily stretching out these programs, we end up spending millions of dollars that buy us not 1 penny's worth of defense.

In addition to the stretchout in procurement of the F–15, there were several program stretchouts in this year's research and development request that the committee questioned. The advanced attack helicopter, or AAH, is one of the Army's highest priority requirements. The new administration, however, directed the Army to reduce the fiscal year 1978 AAH funding request from $200 to $100 million. The reason given by Secretary Brown for this slowdown was ostensibly to allow time to conduct a new helicopter survivability study. I have had a longstanding interest in Army aviation and I can tell you that this helicopter survivability issue has been studied to death. The Army realizes that proper training and tactics such as the use of low-level contour flying, nap of the Earth, and popup firing tactics must be used if the helicopter is to survive. This is not unique to helicopters, however. Proper training and tactics must be employed with all weapon systems if they are to survive and operate effectively on the modern battlefield.

The committee has examined the helicopter issue very closely and has found no new data that obviate the need for an attack helicopter. Reducing the R. & D. funding for the AAH to $100 million in fiscal year 1978, will ultimately result in an overall increase of $115 million in required R. & D. funds and $113 million in procurement funds. The committee strongly supports the AAH program and in so doing, believes that it should be developed and procured at the optimum rate. With the quantitative advance in the Soviet deployment of tanks and helicopters, we believe that the United States must look for ways to accelerate rather than delay this much needed system. The committee recommends that $155 million should be authorized for the AAH program to place it as nearly as possible back on its original schedule.

The Air Force advanced medium short takeoff and landing transport aircraft, or AMST, is another R. & D. program that the committee considered during its deliberations this year. The AMST is an innovative cargo aircraft that will be capable of taking off and landing on semiprepared, short runways. While the committee supports the need for the AMST, we seriously questioned the developmental program proposed by the Air Force. The AMST prototype design and fabrication began in January 1973. Two competitive prototype aircraft will have completed flight testing by July of this year. Nevertheless, the Air Force plans to delay a production decision until January 1983. The committee believes this program is being unnecessarily delayed. The Air Force was not able to justify the need for an additional 5 years of development on the AMST. Accordingly the committee reduced the Air Force request from $25 to $5 million. We believe the Air Force can restructure this program so as to make a production decision no later than 1980.

There are approximately 150 programs that the committee took action on in this year's R. & D. request. During my 10-year tenure on the committee, I cannot recall examining the R.D.T. & E. program in as much detail. We are recommending a very sizable reduction, almost $800 million, to the administration's request. Our cuts go deep but we feel they are justified. We have considered each and every R. & D. program on its own merit. We have questioned the requirement for each program. We have carefully checked to insure that similar programs are not being duplicated from service to service. We have questioned whether the investment will ultimately result in an effective military capability. In many cases, the committee did not believe programs measured up to the required criteria. We terminated over 50 programs because we did not feel they were adequately justified.

Mr. Chairman, I believe the committee has thoroughly done its homework on this year's R. & D. request and I want to join my subcommittee chairman, DICK ICHORD, in urging our colleagues to fully support the $10.943 billion recommended for research, development, test, and evaluation.

Mr. BENNETT. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, titles III through VI of H.R. 5970 respectively, establish the active duty, Reserve, and civilian personnel strength in the Department of Defense, as well as the military training student loads for fiscal year 1978.

Overall, the strength levels contained in this bill are essentially stable with the strengths authorized by Congress last year. I think it is appropriate to mention

to the Members of the House that there are some substantial deficiencies now apparent in defense manpower. These deficiencies will require firm and immediate action by the Department of Defense, as well as the Congress, in order to prevent these existing deficiencies from reaching proportions requiring drastic action such as a possible reinstitution of some form of draft.

The problem in the Active Forces is primarily one of quality. There are enough individuals available to provide the necessary manpower, but one lesson of the All-Volunteer Force has been that personnel of certain quality levels must be sought since they are more likely to complete training successfully and perform well as soldiers. These quality personnel, essentially high school graduates, are the most difficult to obtain because of their restricted numbers and the competition for this group in the economy. The net result has been the necessity for substantially increased investments for recruiting with the situation still unstable. The committee is worried by this trend and intends to inquire more deeply into this situation during the year.

For the Reserves the outlook is worse. The Selected Reserve, which is that portion of each of the Reserve components which is organized into units made up of individuals in a paid-drill status, is now over 50,000 short of its authorized strength. A shortage of this type in the Selected Reserve is particularly a problem because it forces the units to divert their energies from necessary training in order to recruit. The committee was greatly concerned by this situation and, as a consequence, is recommending certain recruiting incentives which I will explain in more detail in a moment.

The other part of the Reserve problem is in the individual Ready Reserve which is the portion of the Reserves which is not organized into units and does not receive drill pay. These reservists are a vital pool of trained manpower needed very early during a mobilization. The individual Ready Reserve is today 320,000 personnel short of requirements specifically for the Ground Forces. This number is getting larger. This is a problem which demands early attention.

Although not a part of this bill specifically, the current condition of the Selective Service System deserves mention, as it is the critical and ultimate ingredient in the defense manpower equation. At present, the Selective Service System cannot produce one trained soldier until 7 months after the decision to mobilize. This situation is simply unacceptable given the circumstances in the world today.

The committee is seriously concerned about the existing problems in defense manpower and will be working this year to address these problems. The issues are of a magnitude that each Member of Congress should be made aware of them.

For fiscal year 1978 specifically, the committee is recommending strengths in the Active Forces only slightly different from those requested. The differences, which are minor numerically, result from the committee's rejection of the proposal to close the Uniformed Services University of the Health Sciences which adds 90 personnel; a rejection of the proposed reduction in Naval Reserve strength which requires the addition of 904 active duty personnel in the Navy to support these reservists; and a decision not to support a proposed reduction of Army medical personnel which adds 425 personnel.

With these changes, the strengths recommended by the committee are as follows: Army, 790,425; Navy, 536,000; Marine Corps, 192,000; Air Force 572,000.

This active force will be composed of a larger overall percentage of enlisted personnel as a result of increases in manning for the three new Army divisions, increased security personnel in the Air Force and decreased officer strength in the Air Force primarily from reductions in the crew for Minuteman missiles and inflight training personnel. This force will also be somewhat less expensive to maintain due to tighter controls on the number of permanent change of station moves.

Title IV authorizes average strength floors for the Selected Reserve of each of the Reserve components. The committee recommendations are: Army National Guard, 382,000; Army Reserve, 211,300; Naval Reserve, 93,600; Marine Corps Reserve, 32,400; Air National Guard, 92,500; Air Force Reserve, 52,000; and Coast Guard Reserve, 11,700. With two exceptions, these are the strengths requested.

The requested strength for the Naval Reserve was 52,000. That compares with the 96,500 strength authorized last year and the 93,600 requested originally this year. Again this year the committee examined in some depth the evidence for establishing a paid drill strength in the Naval Reserve, and is recommending a strength of 93,600. In the past 2 years, two major studies within the Department of Defense have clearly established the required level for mobilization at a level in excess of 90,000 billets. This requested reduction was not based on any study of requirements rather it rests on a judgment that these 40,000-plus personnel can maintain adequate proficiency without continuous training other than 2 weeks of active duty a year. The problem with this approach, in addition to its contradiction of recent analyses of requirements, is that past experience indicates that up to 90 percent of the personnel transferred from a paid-drill status to only 2 weeks of active duty a year will simply leave the program altogether. The personnel that will remain will be those close to retirement.

The rationale for this reduction is extremely weak.

The committee also increased the Air Force Reserve's strength by 900 to permit the retention of valuable and very highly skilled personnel in the mobilization augmentee program.

As mentioned earlier, the committee was very concerned by the significant shortages in strength now existing in the Reserve components primarily the Army National Guard and Army Reserve. Because of the size of this shortage and because the situation is unlikely to get better without some assistance, the committee is recommending language in title IV which will permit the granting of educational assistance to assist recruiting, and a reenlistment bonus to assist retention in high-priority units. The major features of these incentives are:

Educational assistance.—Only for high school graduates who enlist for an 8-year period of obligation; pays 50 percent of expenses up to $500 a year total, $2,000 total per individual; for both college level work, or vocational or trade schools; the authority is discretionary with the Secretary concerned to be utilized as he deems appropriate and necessary.

Reenlistment bonus.—For a serviceman who reenlists in the Selected Reserve who has less than 10 years of service at the time of reenlistment; a bonus of $300 a year for a 3-year reenlistment period to be paid $450 at the time of reenlistment, or $900 for a 6-year enlistment, and $150 a year for the rest of the period; the authority is discretionary with the Secretary concerned to be utilized as he deems appropriate and necessary. Title V establishes the end-strength for civilian personnel in the Department of Defense. The strength recommended by the committee—1,034,328—is a ceiling for Department of Defense personnel as a whole which allows the Secretary of Defense to allocate these numbers among the services. The committee-recommended strength is 3,598 above that requested. This difference results from an increase of 370 personnel for the Uniformed Services Health Sciences University; 228 for civilian support for the Army Medical Department to maintain its current capability; and 3,000 additional spaces for the naval air rework facilities, NARF'S. The additional spaces for the naval air rework facilities are to provide sufficient spaces for the increased workload and funds programed for the naval air rework facilities in fiscal year 1978.

The committee has been concerned by reports that the authorization ceiling on civilian personnel unnecessarily hampers the management of the civilian personnel force. In order to maintain our oversight responsibilities in a manner consistent with efficient management, the committee is recommending that the authority in the law for the Secretary of Defense to exceed this ceiling when it is in the national interest be increased from the current one-half of 1 percent, to 1½ percent. This additional leeway of approximately 10,000 spaces when necessary is intended to prevent the reported difficulties in administering the end-strength ceiling.

Title VI establishes the military training student loads for fiscal year 1978. The committee is recommending no changes in the requested levels. The military training student loads are as follows: Army, 77,711; Navy, 60,767; Marine Corps, 24,020; Air Force, 50,356; Army National Guard, 16,606; Army Reserve, 11,136; Naval Reserve, 1,065; Marine Corps Reserve, 3,449; Air National Guard, 2,598; and Air Force Reserve, 1,186.

Mr. Chairman, the committee is recommending three language additions in the general provisions which relate to the personnel area. The first of the these language additions would provide a 6-year statutory obligation for women as

is now the case for men. Generally, whatever additional commitment this obligation amounts to over the voluntary enlistment period is served in an inactive reserve status. The second statutory proposal would alter the current mandatory annual inspection requirement for all National Guard units. The statute will still impose the responsibility on the service secretary to inspect these units but at his discretion as is now the situation for the other Reserve components. This will save money and prevent duplicative inspections.

The last language additions would eliminate the current statutory requirement for quadrennial physical examinations for members of the Fleet Reserve and Fleet Marine Corps Reserve. This requirement is costly, and imposes a burden on existing Navy medical facilities and provides little useful information.

Each of these statutory changes was a Department of Defense legislative proposal in the last Congress and each is in the DOD legislative program currently awaiting clearance at OMB.

Mr. Chairman, in dollar terms, the changes in the requested strengths which have been recommended are $78.9 million over what the administration has requested for these accounts, but identical to what the committee made provisions for in its Budget Committee recommendations.

Mr. Chairman, this concludes the personnel matters.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Louisiana.

Mr. TREEN. Mr. Chairman, I rise in support of H.R. 5970.

I have the honor of being the ranking minority member of the Military Personnel Subcommittee which has jurisdiction for the manpower portion of the bill—titles III through VI.

The Military Personnel Subcommittee conducted a series of 11 hearings in its review of the Department of Defense's request for manpower. Many diverse viewpoints on the defense budget in general, and the manpower strengths in particular, were aired. The coverage of these hearings was broad, but it did provide an opportunity for the members to have access to all relevant viewpoints and to then, in turn, present their concerns to Department of Defense witnesses.

This effort was made by the committee so that we would be in a position to conduct a careful and detailed review of the fiscal year 1978 defense budget and its underling assumptions.

It is clear from our examination of the Defense Department proposals that, in the manpower area, the present force is the minimum size consistent with our national security interests. Barring a change of major proportions in our international relationships or a basic reassessment of our foreign policy commitments from within, the foreseeable future will demand a force structure of essentially the size existing today.

The manpower figures the committee is recommending are not absolutes. The 2,090,425 figure for the Active Force and the 875,500 figure for the Reserve Force can vary a few thousand either way; however, what is important is that the United States maintain a conventional military force that is credible. In the regular establishment, this force will provide 16 Army divisions, 3 Marine divisions, a naval fleet of 470 ships, and an Air Force of 26 tactical fighter wings and 20 strategic bomber wings. The Reserves are the only augmentation to this force structure.

These elements represent a minimum force structure necessary for conventional credibility. The cost of maintaining a military structure of this size is significant, and this is the aspect on which we all too often focus. However, it is more important that we recognize the real advantages which accrue to this Nation from the existence of this conventional force.

A force structure below that recommended in H.R. 5970 would only serve to invite adventurism by a potential adversary. On the other hand, it is quite clear that a visible military capability will tend to stifle that possibility of adventurism.

It will be argued by some of my distinguished colleagues that the costs of maintaining such a force are too high. My answer, simply, is that the sums involved are significant but if they are required to discourage adventurism on the part of a potential adversary, then we are better off to spend the sums than not to spend them and invite another war.

And now a few words about the Uniformed Services University of the Health Services.

Basic administrative and academic staff is already in place and the University has admitted its charter class.

It would indeed be a tragedy to cast aside such a good start in developing a Uniformed Services University of the Health Sciences for which the Congress has already appropriated $85.8 million in construction funds. The mission of the University is unique in many ways. The University is dedicated to training motivated young people who will serve global medicine in terms of cure and control. They will be able to mobilize and deploy rapidly to meet military and civilian crises. The University will provide opportunities for aspiring young military officers to attain academic recognition and support continuing education of health providers.

The Surgeons General of the services support the institution and forecast a bleak future for military medicine without it. The scholarship program is in trouble, particularly with competition from the Health Professions Educational Assistance Act of 1976.

The stark facts are that career military medicine will not attract sufficient physicians without the school. The prediction is that eventually the school will provide 25 percent of career doctors, and as time passes, a greater percentage.

The administration's decision not to fund the medical school was based, at best, on speculative arithmetic and a complete disregard for qualitative factors.

Thus, I urge support for the research and development and personnel authorizations in this bill, and urge my colleagues to join in that support.

Mr. Chairman, this is a good bill. I support it and I urge my colleagues to vote for its passage.

Mr. BOB WILSON. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I strongly support this bill H.R. 5970 and urge its passage. There are three specific matters in this bill which I want to comment on specifically, because each is important and each represents an initiative by the Committee on Armed Services.

First, the committee rejected the administration's rationale for the proposed 50 percent reduction in the Naval Reserve. This proposal is exactly the same proposal which the Congress rejected last year. The committee examined this proposal in detail. The evidence before the committee was to the effect that two recent major studies conducted within the Department of Defense, one of which was directed by the Congress and only completed in February of this year, indicate a strength of over 90,000 is required in the Naval Reserve.

Administration witnesses specifically stated that no other study had been made of Naval Reserve requirements on which their recommended reduction was based.

I think the committee and the Congress are as interested as the executive branch in having the most efficient defense establishment possible, but proposals such as this which are not based on evidence, but rather on sheer unsubstantiated opinion are irresponsible.

The committee has also proposed two recruiting incentives for the reserves. These have already been explained in detail. The point that I want to make is that these incentives must be provided this year and not await further study.

The committee received testimony from each of the chiefs of the Reserve components concerning the severe difficulties they were experiencing in recruiting and the fact that the future trends indicated the situation will get worse. They unanimously supported recruiting incentives. The committee also requested that the Congressional Research Service analyze the current situation and the future trends. The conclusion of that study was that four of the six Reserve components could not maintain their required strength in the future.

The incentives are warranted now because as the shortages continue to grow, the deficiencies which exist will take much longer to resolve. This results from the fact that this country does not have sufficient training capacity to train in a short period of time the new personnel who will have to be recruited for these deficiencies. Another point which is not always appreciated is that these recruiting difficulties in the Reserves are a direct result of the termination of the draft which provided motivation for individuals to voluntarily join Reserve units. As these deficiencies increase, the pressures to reinstitute the draft will increase, and possibly this is the best approach, but I would consider the Congress irresponsible if we act to reinstitute the draft due to deficiencies which

we never really attempted to resolve through actions such as these incentives.

The last matter which bears comment is the committee's recommended increase in both active duty and civilian medical personnel in the Army. The fiscal year 1978 defense program proposed a reduction in Army medical personnel which the Secretary of the Army testified would have the effect of increasing waiting lines at medical facilities in peacetime, and degrading wartime medical capabilities according to the Vice Chief of Staff of the Army. The committee action restored the spaces for the doctors, dentists, nurses, and other professionals involved in this proposed reduction.

Mr. Chairman, the three matters I have highlighted are illustrative of the careful scrutiny the committee has given the proposed defense budget. The bill represents the responsible sort of oversight activities which the Congress is charged with in the Constitution. I urge the Members of the House to support this bill.

Mr. BOB WILSON. Mr. Chairman, I yield 6 minutes to the gentleman from New York (Mr. MITCHELL) who has some interesting exhibits for the Members.

Mr. MITCHELL of New York. Mr. Chairman, I rise in strong support of H.R. 5970 in its entirety. It is a good bill. It is a well-balanced approach to our minimum defense needs. But, because of the time constraints, I wish to use the 6 minutes allotted to me to explain the importance of the $134.8 million authorization for civil defense in title VII.

Mr. Chairman, one of the more interesting and frightening assignments I have had since being elected to Congress was that of evaluating our Nation's civil defense capability.

During our hearings, witness after witness pointed out the great disparity between our civil defense effort and that of the Soviet Union.

No evaluation of the adequacy of our civil defense program is meaningful without comparing it to the effort of our potential adversary, the Soviet Union.

As with nuclear and conventional weaponry, the U.S.S.R. has been making rapid progress through the past few years. We have not. We have cut back. But where with the weaponry, their progress has brought them to a stage of rough parity with the United States in 1977 in the civil defense field, according to the testimony we received, Russia vastly surpasses us.

We learned that for more than a decade the Soviets have been spending approximately $1 billion a year on civil defense. We have averaged around $100 million. They have an excellent program. Our program is in disarray.

Why have we not done more about it? Why are we not more concerned? Well, it is chiefly because far too many Americans are victims of three misconceptions about a nuclear attack.

The first is the overkill fallacy. The belief that there never will be a nuclear war because both the U.S.S.R. and the United States have enough kilotonnage to destroy each other's population several times over

The second is the danger of the release of radiation. People feel that all is hopeless because if the blast and the fire do not kill you, then the radiation surely will, and that much of the world's population will be destroyed by fallout.

The third misconception is the necessity for vast numbers of people to spend many weeks underground and that after these many weeks underground there would be nothing to come out for because the world would be destroyed.

To counter these myths, Mr. Chairman, I had the DCPA prepare two charts, maps of the Washington area, which point out what would happen if a 1-megaton bomb was exploded above our Nation's Capitol. I might mention that a 1-megaton bomb is approximately 60 times stronger than the bombs that were dropped on Hiroshima and Nagasaki.

I sent each Member of the Congress a copy of the thorough description that the DCPA put together of the resulting damages at varying distances from the Capitol.

Mr. Chairman, I would be the first to admit that a nuclear war would be a horrible disaster and that it would be catastrophic, but, according to our experts, with an adequate civil defense program, it would be possible for many Americans to survive. Many Americans do not realize this need. Much of the money in this bill will be used to tell Americans how it is possible to live through nuclear warfare.

Let me address the highlights and I will leave the charts in the Speaker's lobby so that the Members of the House or anyone else if they should be interested can inspect them more closely later on.

First of all, with a nuclear blast there are four dangers: The blast and concussion itself, the fire that results, the high winds that fill the vacuum, winds that can attain speeds of 400 to 600 miles an hour and then finally the radiation.

The first three, the blast, the fire, and the high winds are uniform in their effectiveness. The further one gets from the blast site, the safer it becomes and the more the effects are eroded.

The radiation is carried by the wind. This is depicted here on the chart.

Just to point out a very few of the highlights here, at 1½ miles from the site of the 1-megaton explosion, people could survive in home built shelters. That is described down here. That appears in the Soviet Union textbooks to its children. Only 1½ miles away they could survive.

Two miles away we find that people could survive, could have a 50–50 chance of surviving in substantial buildings and in basements.

At 3.2 miles away they would have a chance of surviving in the home basements.

Five miles out the danger of fire dissipates almost entirely, and 10 miles out all we are getting here primarily is glass breakage, so it certainly is not as disastrous as many people would feel.

This chart, Mr. Chairman, describes the effects of radiation, and radiation, of course, is dependent upon the wind. We had set up an average wind for this time of the year, which at varying altitudes would average out about 15 knots and would be in an easterly direction. In the most dangerous ellipse, which is 35 miles long and 8 miles wide and extends from the District of Columbia to the middle of Chesapeake Bay, people would have to remain for 2 weeks in a home basement to prevent a fatal dosage, which is 250 roentgens.

In the next ellipse, which is 90 miles long and 16 miles wide, they would only have to remain in a home basement for 2 days, and then they could resume normal living—only 2 days this close to the center of the blast—and the total dosage they would receive would be less than 50 roentgens.

The third ellipse, which is colored in blue, 120 miles long and 25 miles wide extends from the District of Columbia to Rehoboth Beach. People could live normally. They would not have to take any special cover. They could just live their normal existence, partly indoors and partly outdoors, and would receive less than 50 roentgens, and after 2 months pretty much all danger to radiation would have dissipated or would have expired.

Mr. Chairman, these charts demonstrate graphically that it is possible to survive a large-scale nuclear attack. A good civil defense program is important not only from a lifesaving point of view, but it also serves as a strong deterrent for nuclear attack. If we are prepared, we are less likely to be attacked.

I support our defense efforts strongly, but I should like to point out that most of the billions of dollars we spend for defense is geared toward new and better methods for killing people. Does it not make good sense to spend a few million dollars to save American lives? I think so. I think we are worth it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOB WILSON. I yield 2 additional minutes to the gentleman from New York (Mr. MITCHELL).

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

Could the gentleman tell how an individual would determine, first of all, how far he was from the blast; and, second, how long he should stay under in order to be safe? Do we know what kind of provisions there are for this sort of thing?

Mr. MITCHELL of New York. Right now we do not have great preparation, but what we are going to rely heavily on is our mass media—the radio—for advice as to what to do.

Mr. STRATTON. One would have to have a radio in his shelter then, presumably?

Mr. MITCHELL of New York. That would be a great help if one had. The point I am trying to make with the whole presentation is that we do not have good plans at all. In spite of the dedication of a lot of sincere professionals, nobody is listening to them because of these three

myths. We are trying to dispel those myths and point out that it is possible to survive.

Mr. STRATTON. I thank the gentleman. I think he has done a very valuable job, and I want to commend him.

Mr. MITCHELL of New York. I thank the gentleman from New York for his comments.

Mr. BENNETT. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Chairman, I rise in support of the full production of the B–1 bomber and in opposition of any effort to eliminate or further delay appropriations for this purpose.

In the January 1977 budget submission, $1.5 billion was included for the procurement and production of 8 B–1 bombers. Those of us who support the B–1 were concerned that the new administration's position on the production of this vital aircraft would not be as supportive. Although I consider the President's decision to reduce production levels by three aircraft a setback, I also consider his decision an indication of the current administration's appreciation for the seriousness of our failing defense posture and the necessity of the B–1 for maintenance of a strong national defense.

The effectiveness of this Nation's Triad, consisting of the intercontinental ballistic missile, nuclear submarine fleets, and strategic bombers, is contingent on the procurement of the B–1. If one leg of the Triad is weak, our entire defense structure will fall. We know, as an undisputed fact, that the B–52 which comprises our current strategic bomber squad is a weakening link. Our current B–52 fleet is becoming increasingly antiquated. The B–52 is incapable of flying under hostile surface-to-air missile systems.

With the increasingly sophisticated Soviet systems, the B–52 is virtually a sitting duck under enemy fire. If we do not proceed with the B–1 now, our national security, which is so heavily dependent on a strong strategic bomber force, will be in severe jeopardy in 1990.

As President Carter expressed to us last night in reference to his energy plan, we must look to the future, our children's future. The President was correct in saying that without a predictable policy, formulated and enacted now, the future generation of this country will suffer. The same reasoning can be applied to the B–1 bomber. By not acting now, by further delay, we will strike a fatal blow to the security and well-being of future generations by creating a situation in which the United States will constantly be on guard, rather than on the offensive.

We cannot afford to let this happen and, therefore, I urge my colleagues to support the production levels authorized by H.R. 5970 and oppose any attempt to tamper with the committee's position on this matter.

Mr. BENNETT. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I do not think it will come as a great surprise to the Members of the House that I want to comment on several matters in this bill which affect this Nation's Reserve Forces.

There are real improvements apparent in the Reserve program this year. The extreme equipment deficiencies which exist are beginning to improve as the Active Forces have increased the amount of modern equipment being provided the Reserves.

Continued progress for the Reserves depends on their ability to maintain strength levels. The importance of manning levels in the Reserves is extremely significant for two reasons. First, reserve units are manned in peacetime at 90 percent or less of their required strength. Any further decrease in this manning seriously affects their readiness. The second problem, and one which is not always recognized, is that when a Reserve unit is short in manpower, the unit members then must divert their energy from training in order to assist recruiting. This is a result of the fact that the Reserves have relatively few full-time recruiters and the recruiting is done in the community by the unit members. With the limited amount of training time available to reservists, these diversions are magnified in impact.

As the chairman of the subcommittee has indicated, there are today major manpower deficiencies in the Reserves. In the Army National Guard and Army Reserve, we are short almost 45,000 personnel and the situation is getting worse.

The committee is attempting to assist in resolving this problem by proposing authority for two recruiting incentives for Guard and Reserve. The incentives are educational assistance for enlistments and a reenlistment bonus for retention as has been mentioned.

I have proposed incentives of this sort to assist the reserves for several years.

The incentives in this bill have been carefully thought out. They will not necessarily be available to everyone who enlists or reenlists. The authority is discretionary with the service concerned so that these inducements can be used in the units and for skills where they are needed the most. Because the authority is in the discretion of the Secretary, he could initially use it on a test basis if he chose; however, I personally think it must be utilized to the fullest extent to really assist the reserves. This selective aspect is patterned after the incentives which have worked effectively in the active force.

As you all know, educational incentives in the active force have been one of the major inducements for individuals to enlist, and while this reserve program is much less attractive than those, it should be a real benefit in attracting individuals who are motivated to improve themselves through further education.

The reenlistment bonus is to be used to induce key personnel to reenlist for a 3- or 6-year period at that point in their service when a decision to stay in the Reserves for a career is made. This bonus is limited specifically to only that class of personnel who originally joined the military through the reserve program because these are the personnel who are not reenlisting at an acceptable rate currently.

Both of these programs are designed to allow the application of resources at those points where they are needed the most.

The total cost of this legislation if it is used fully would be $31 million in fiscal year 1978 and $43 million by fiscal year 1982.

The committee has heard much of the criticism of certain Reserve units or aspects of the Reserve program which have been less effective than they should be. We are working to identify and get rid of these soft areas. Units of this sort damage the entire Reserve program.

The cure for these problems, however, is not to withdraw funds. The United States today is absolutely dependent on the Reserves for the defense of our Nation. That fact is not completely understood. Let me give you a couple of examples of the percentage of our current military capability provided by the Reserves: 54 percent of the deployable forces in the Army are in the Reserves; 52 percent of all infantry and armor battalions are in the Reserves; 61 percent of our tactical capabilities are in the Reserves; 60 percent of this Nation's air defense interceptors are in the Reserves; and 50 percent of all the mission of the Air Force and, as I said, these are only a few examples.

The Reserves are capable of these tasks, but to maintain the readiness which is necessary they need assistance. We have begun to recognize the equipment shortages and act on these, but assistance is required today in order to keep them manned with quality personnel.

I urge all of the Members of the House to support these Reserve incentives proposed by the committee in sections 402 and 403 of the bill.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, the gentleman is making a very important statement about defense. I would like to ask the gentleman a question. Is it not a fact that if we try to build an active force from 16 divisions, some of those are constituted by Reserve brigades or battalion forces that work right with and train with the active forces? I am thinking of the 25th Division in Hawaii.

Mr. MONTGOMERY. The gentleman is correct. Several years ago we started integrating the Guard and Reserve into the regular forces. It is working well. We are going to have to keep these National Guard strengths up. If we call out the Regular Army divisions the Reserves will go with them, and we cannot do it if we do not keep up their strength and equipment.

Mr. HILLIS. What is the cost to the taxpayer of maintaining a good Reserve National Guard unit as compared with their active duty counterpart forces?

Mr. MONTGOMERY. To keep an Air Guard squadron to do the mission it has to do would cost half as much as to keep a Regular Air Force squadron on active

duty. It costs half as much to keep an Air Guard squadron. To keep a Regular infantry brigade as against a National Guard brigade, it costs 8 times as much to keep the Regular infantry brigade. I am saying it would cost one-eighth as much to the taxpayer to keep a National Guard as against the Regular infantry. It is much cheaper certainly.

Mr. HILLIS. Is it my recollection that the Air Guard participates in active maneuvers of the Air Force?

Mr. MONTGOMERY. The Air Guard won the William Tell competition this year against the Canadian Air Force and against the Regular Air Force.

Mr. HILLIS. I thank the gentleman.

Mr. BENNETT. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, we all feel this is a time for choice. The Indochina war is over, and the immediate political battles surrounding it have ceased with the change of administration. No one is really sure exactly what the principles of American foreign policy will be in the next several years, and it is easy to sense a feeling of expectancy and desire for some explicitness and clarity. But the present authorization bill for the Defense Department does not contribute to either clarity or the process of making necessary choices.

I strongly believe that a new understanding of this Nation's role in the world is necessary and in fact inevitable. Both the intractability of the world situation and the costs of carrying out our declared aims are increasing at a tremendous rate. Even if we stick to status quo positions, choices must soon be made.

I realize the Carter administration needs some time to arrive at a definitive statement of where they wish our overall foreign and military policy to be headed. But there is still no excuse for just holding the line when the line is nonexistent, for we cannot afford the cost of continuing on our present course.

This may seem an unduly harsh dilemma, but let us look at some figures. By the Pentagon's own estimates the budget will be at least $200 billion by 1985, if not before. And this figure alone does not give an adequate idea of the real costs. In the first place, energy costs and the costs of other technological resources of innovative technical talent—our main weapon in the battle against inflation and for the achievement of productivity increase—will seem more and more of an unearned privilege for the Pentagon to soak up in the way it has done in the past.

And the Pentagon estimates relate to the cost of our foreign policy in a world much like today, but I believe it is clear that the international environment is going to deteriorate in terms of predictability, order, and general ability for one country to get its way. The cost of attaining any coherent goal in world politics is going to go way up. We will, therefore, see more and more of a squeeze between rising costs and more difficult tasks. It should be the job of statesmanship to foresee this squeeze and take appropriate measures ahead of time.

I have great disagreement with former Secretary of Defense James Schlesinger's definition of what our role in the world should be and what our choices should be. I believe, however, that Mr. Schlesinger acted in a statemanshiplike way when he warned the Nation that we could not continue the present foreign policy at no extra costs. His reward for presenting this issue in stark and rational terms was to be fired. Now he is back at work in the administration. Let us hope that the administration will not indefinately continue to fudge the issue, as symbolized by the "Don't rock the boat" bill we have reported in the House.

What the new administration and what President Carter will advocate, it is too early to say. But we cannot long evade a choice, the essence of which relates to a match between our world ambitions and the percentage of national resources we are prepared to sacrifice to these ambitions. I ask Congress to do its part to redefine our foreign and military policy in a way that makes sense in today's world, not the world of the 1950's.

The military budget of fiscal year 1978 has been determined by simply reacting to the perceived Soviet buildup in strategic and conventional armament, not by a judgment of whether it is relevant to the defense of our country or its people. It is my belief that there are several areas in which decisions to either eliminate or defer spending are indeed warranted.

Among these I would include:

First. The XM–1 tank, which hurts attempts at further cooperation with the NATO countries and the standardization that is absolutely necessary if NATO is to pull the weight that its numbers would indicate.

Second. The B–1 is an unnecessary luxury and an unwarranted waste of money. Given its high cost, the possibility of air launch cruise missiles as a more efficient and less costly alternative and the large number of late model B–52's available, we should cancel plans to produce the B–1.

Third. There is still much service left in the Polaris/Poseidon submarines, so we should ease off on Trident development.

Fourth. The money appropriated for civil defense is a complete waste.

I have mentioned briefly some of the areas where we are spending money needlessly and even dangerously. There are two others that I feel are even more important, in terms of their consequence. I will be offering amendments on these subjects later in the debate. I continue to believe that we should further cut our overseas troop commitment. I shall be offering an amendment on this subject, calling for a withdrawal of 7,000 overseas, land-based troops and an overall reduction in end strengths.

I will be offering a second amendment to end the MX missile development. This program is expensive, but more than that it is destabilizing and it threatens to destroy the possibility of meaningful arms control agreement. It will decrease, not increase, our real security.

There are costs to any course of action, but the greatest costs of all are associated with simply continuing the old routine, keeping the budget more or less in line, and hoping the world will take our increasingly hollow rhetoric seriously. I ask Congress not to fly from reality and not to mislead the people.

I will not say the course of global interventionism is impossible. We can do it, if we perceive it an appropriate role and we are willing to pay the price. Part of that price is the indefinite postponement of social reform by the Federal Government and the Carter administration.[1] But if the American people with their eyes open, make that choice, then we must defer to it.

What would be unacceptable on the part of Congress is to fuzz the hard necessities that force a choice. If we try both to maintain our commitment and to keep the cost of the budget within what most people would consider reasonable grounds, we will only end up earning contempt because we assuredly will fail to accomplish either objective. The present bill takes us further away from the time of choice.

Mr. BOB WILSON. Mr. Chairman, I yield such time as he may consume to the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Chairman, I rise in support of H.R. 5970, although somewhat reluctantly, with respect to the naval ship construction provisions of the bill.

The Armed Services Committee has already expressed its displeasure over the ship construction program in its report to the Congress. The program is inadequate for several reasons:

The 11 naval combatant vessels requested falls far short of the number required to rebuild the Navy for the future.

The program lacks balance. Too much emphasis is placed on smaller, less capable ships.

The program does not adequately address the overall needs of the Navy to cope with the Soviet potential in air, surface, and undersea warfare.

The program does nothing to halt our decline in naval power toward a Navy second to none.

In total combatants the Soviets outnumber us 2 to 1. Our naval leaders tell us that despite this imbalance, our naval forces hold a marginal edge of superiority. I am not consoled by that evaluation. We are told that our carrier forces are the key element, the thread by which we hold superiority. Yet the shipbuilding program for fiscal year 1978 eliminated the additional carrier the Navy needed to balance its carrier forces in the 1980's.

The potential in the Soviet Fleet is toward larger numbers of modern and more capable ships. The Soviets added five nuclear attack vessels to their fleet last year. We added only one to ours. The Soviets have markedly increased construction of large, modern shipyards. There is strong evidence that the trend in the number of new Soviet surface combatants will be upward.

By comparison, U.S. naval shipbuilding trends have been downward. The current program does nothing to reverse that situation.

[1] I would add parenthetically—social reform that is desperately needed and growing more costly each day, they are not addressed.

The fiscal year 1978 budget contained a request for only one SSN–688 class attack submarine and for long-lead funding for only one submarine in fiscal year 1979. The committee recommends authorization for two nuclear-powered submarines and long lead for three additional submarines, most of which is related to nuclear components.

The committee action would maintain the established building program ratio at 3–2–3–2, or five attack submarines every 2 years in order to attain adequate submarine force levels.

The committee recommends authorization of $187 million for long lead nuclear propulsion items for a strike cruiser. The funds were requested by the Navy, but not included in the budget request. The strike cruiser fills a gap in the Navy's major combatant inventory. The strike cruiser provides the balance the Navy requires between large and smaller combatant surface vessels. The strike cruiser adds flexibility to the Navy's potential for independent worldwide fleet operations, whenever and wherever required. Frigates cannot be sent on independent worldwide missions. Without a strike cruiser class we will unwisely restrict the Navy's operational potential.

The committee concurred in the budget request for nine guided missile frigates, FFG–7's, and recommended authorization for them. These ships are designed to provide protection in low threat areas for convoys, replenishment groups, and amphibious task groups.

The committee did express concern over the FFG program in the following areas:

First. Cost escalation for a low mix ship;

Second. The large numbers proposed in the overall program for these relatively ineffective ships;

Third. The additional costs of modifications necessary to enable these ships to perform their mission; and

Fourth. The lack of space and weight reserved for future weapons system growth.

The committee recommends authorization for the DDG–2 destroyer modifications program. The first 6 of 23 ships in this class will have their weapons system upgraded with the addition of the standard ARM missile and Harpoon.

The committee reduced the number of auxiliary ships in the budget request. The committee recommended authorization for two fleet oilers instead of four and three fleet ocean tugs instead of five. This is in keeping with the committee position that more money is needed for procurement for combatant vessels over support ships.

Overall, the committee's recommendations total $5.7 billion for fiscal year 1978 shipbuilding and conversion, which is $45.6 million below the budget request.

As I remarked earlier, I personally am not happy with what I have to present to you today. I wish that the realities of our shipbui'ding predicament were different, but they are not. My hope is that the Congress will take the time to reflect more closely on what is happening to our Navy so that we may revise the uncertain course we have undertaken. Until such time as this can reasonably be done, I recommend support of H.R. 5970.

At this point I have some additional personal things to say. I would appreciate your attention while I talk for a few minutes about seapower and the U.S. Navy in somewhat philosophical terms.

I think it is necessary to do that to bring into focus how far we have come in this Congress and where we are heading.

The life's blood of this Nation's survival is its dependence upon control of the seas. I do not think anyone in this House would seriously challenge that premise.

Control of the sea. That has to be the bottom line. I am sure every Member is aware that over 98 percent of America's trade is carried by sea, and that among our imports are numerous strategic materials vital to the defense of this Nation.

Control of the seas. What does it mean?

The more I think about sea control, the more complex the idea becomes, and the more I appreciate how important it is that our naval forces be able to accomplish that control. In my mind, unobstructed use of the seas is absolutely essential to this country's best interests.

Whether the answer comes from the writings of Mahon, Gorshkov, or the Congressional Budget Office, the inevitable conclusions must be that control of the sea is measured by a nation's ability to, at all times, traverse the oceans freely, where needed, and if necessary, to deny its use to others.

There is no question in my mind that the United States must have a balanced fleet to control the sea. How we achieve a balanced fleet is a difficult and expensive proposition. As the saying goes, you get what you pay for.

Article I, section 8 of the Constitution of the United States contains the stipulation that the Congress shall "provide and maintain a Navy." Is the Congress adequately providing for a Navy? I do not think so.

I think the Congress has lost sight of what it costs to provide the kind of Navy America needs to insure control of the sea. The costs are high, but not in comparison to other costs for which the Congress is also responsible. I become very concerned when prominent Government officials, those in the executive branch as well as the Congress, tell me that because of budgetary constraints the Navy will have to do the best it can under the circumstances. I can buy that approach for a whole lot of programs funded by the Congress which are not as essential to our national security as control of the sea, but I cannot make myself buy a second-rate Navy.

Why play Russian roulette?

It takes time to build capital ships of the line. The ship that Congress authorizes this year may not be ready for sea for 5 to 7 years. Generally speaking, the bigger the ship, the longer it takes to build. Consequently, the rate at which ships can be built, becomes a very important consideration for a balanced shipbuilding program.

The program offered by the House Armed Services Committee took into consideration time and cost factors in terms of operational requirements. I do not think anyone in Congress would seriously question the Navy's need to rebuild its inventory of ships, combatants and noncombatants. The choice is one of priorities.

In the opinion of the Seapower Subcommittee, it is necessary to make certain that the Navy has a sufficient number of first-line capital ships in the years ahead to form the nucleus around which the other ships of the line will be complimentary. In simplest terms, we considered the time it takes to build ships, their cost, bounced that against the inventory required to achieve a balanced naval force, and came up with our recommendations.

We did not make extravagant recommendations. We were mindful of the fact that it would not be prudent to build all big ships and no little ones. That point did not elude us. However, it was evident that we must proceed with building certain large ships now in order to have achieved a balanced inventory in the future. In other words, the Seapower Subcommittee felt that the prudent risk was to opt for a few highly capable ships with the emphasis on quality, as well as the recommended number of less capable surface combatants.

That is why a few months ago we came to recommend proceeding with a fourth *Nimitz* class aircraft carrier, the strike cruiser and the Aegis conversion of the nuclear cruiser *Long Beach*. These were quality choices. They were cost-effective choices.

The record is clear on that point. Those military professionals who ought to know something about what makes a Navy tick, were unanimous in their opinion that it was the right way to go, the right program for the dollars available. Even the National Security Council study of November of last year provided support for our deliberations and final conclusions.

The *Nimitz* class carrier is at least 40 percent more capable than the smaller carrier that has been proposed. *Nimitz* can go into high threat areas, others cannot. Carriers not able to go into high threat areas automatically extend the high threat area without the enemy having to do a thing. The Navy vitally needs a carrier with the capabilities of a *Nimitz* to round out its carrier task forces in the 1990's. The fourth *Nimitz* would have replaced the *Midway*, which will then be over 45 years old.

The strike cruiser would provide the Navy with a powerful warship possessing a galaxy of modern weapons systems. Most importantly, it would be a warship capable of independent operations outside the umbrella of the carrier task force. We have no surface warships, other than the carrier, capable of independent operations today.

The *Long Beach* conversion would have introduced to the fleet the Navy's sophisticated anti-aircraft and anti-missile defense system, the Aegis system, on a nuclear-propelled hull that is scheduled for weapons system conversion anyway, sooner and cheaper than any other prospective Aegis platform.

These ships provide sound naval force

options for the United States. These are formidable ships. They are the kind of ships which bring credibility to the concept of control of the sea. We recommended that they be built.

Then, almost unbelievably, the executive branch announced that we could not afford another *Nimitz* carrier, or a strike cruiser, or conversion of the *Long Beach*. We learned that it was a budgetary decision. Almost simultaneously within the Congress there were rumblings about the cost of these ships. The logic of the arguments seemed to be based, less on the relative merits of the alternative costs of lesser ships, than they were in support of a budgetary decision. The Congress should provide the Navy with the kind of ships it ought to have. How ironical. The richest nation in the world cannot afford to build a quality Navy to insure protection of its lifeline; to control the seas.

I hope someone out there is listening. The kind of a Navy this country ought to have should not be obfuscated by the idea that there are different ways to skin a cat. There are. What is troublesome to me is this. During 14 days of testimony before the Seapower Subcommittee, no professional military person, no documentary evidence, nor studies of any kind, appeared to justify the executive branch action. Not even to this day has any credible justification been given to Congress for that action. The executive branch has merely said that that is the way we ought to go. The Congress seems to have made a decision based on faith devoid of substance.

I sincerely believe that the Congress acted hastily for whatever reasons. The Congress should have been suspect of the dramatic shift which occurred in so short a time between Congresses. I urge my colleagues to think about that very carefully. The media reported that the action of the Congress marked a turning point in the course of naval history. Maybe so. But if this is so, I for one, want to be very sure that we have done the right thing.

I personally feel we have made a mistake. I think we have acted hastily and prematurely. I do not think the Congress had sufficient evidence to vote as it did. I believe the vote was a budgetary vote rather than a vote for a better Navy.

The price tag on control of the sea will, in the final analysis, match the quality of control. We should ask, "What is the price Americans must pay to insure freedom of the seas?" That is the serious question Congress must address, deliberate on, seek the best answer to, and ultimately live with.

Mr. BOB WILSON. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I rise in very strong support of H.R. 5970, and I want to talk just very briefly about one of the many systems that is included in this bill.

First, we all know this is a very expensive bill. It represents about one-third of our total defense budget. It covers many systems. It covers personnel. I want to talk a little bit about the XM-1 tank, because of all of the figures shown before us perhaps the greatest disparity is shown in the figure of tanks built and manned by American forces and those by the U.S.S.R. We are outmanned almost 5 to 1. And this is another more alarming trend, that in current production figures we are being outproduced quite heavily. A great deal of the tank inventory, of course, of the T-52, both older tanks.

We know them pretty well, having had a chance to study them as a result of the Mideast war. But there is also a new tank known as the T-72, which we know very little about. The thing about the T-72 is that it is in production, it is in the hands of the Soviet troops, and it is deployed where it could be used quickly if war were to develop. It is imperative that we proceed with a new tank on our own part. We are heavily relying today on the M-60, which is roughly equivalent to the T-62 developed in the 1950's. I do not want to downgrade the M-60. It was a good tank in its day. But it is like comparing a race car of the 1950's when put into Indianapolis Speedway competition with a 1970's race car. There is no doubt about who is going to win. That is the case with the XM-1.

First of all, the quality of the tank is excellent. It is one of the best vehicles which has been developed, and Gen. Robert Baird deserves a great deal of credit for this, having put together a very good program. It was conducted with a runoff between the best that private industry could provide. General Motors and Chrysler Corp. had a very heated competition. The Chrysler XM-1 was selected. It was then placed against the German Leopard, and it survived that test very well. It is based upon what I think is important to the American fighting ability and the American fighting man, who deserves the best survivability.

But another area in which it could have run into trouble, in my opinion, and which is covered in the bill, has to do with the firepower of the tank and what type of gun will be deployed on it. There has been a lot appearing in the press, in the New York Times, in the Washington Post, throughout the press, about interchangeability, about commonality, and that we should select the 120-millimeter gun and place it on the tank. The committee's feeling was that we should have the best tank we can field, not only in the protection of the crew, but in the defensive capacity of the tank, and section 204 is aimed at that.

Mr. Chairman, I would like to ask my colleague, the gentleman from New York (Mr. STRATTON), who I think is a real expert in this field, if he would like to make a few comments about section 204 which appears in the bill, relating to the 120-millimeter gun.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. HILLIS. I yield to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I appreciate the gentleman's remarks. Actually, the gentleman from Indiana (Mr. HILLIS), himself is an expert in this field. He and I had the opportunity last fall to conduct some hearings into the XM-1 and into the action which the Department of Defense took in making some adjustments and changes in the XM-1 contract.

This spring the Subcommittee on Investigations of which I am chairman has also been taking another look into the progress of the XM-1. The changes that Secretary Rumsfeld brought about last year were designed primarily to bring about standardization, as the gentleman recalls.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. HILLIS) has expired.

Mr. BOB WILSON. Mr. Chairman, I yield 3 additional minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. STRATTON. Mr. Chairman, will the gentleman yield further?

Mr. HILLIS. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, if I may continue, the turbine engine was incorporated in the design which the Defense Department finally ordered. However, the question of the gun to be employed, whether it should be the 120 mm. or the 105 mm., was left to the future.

As a result of our committee's actions, the Defense Department got the Germans to agree that a decision would not be made on whether we would go to the 120 mm. until December, but there have been some reports in the press from Brussels and elsewhere that the Germans were putting a great deal of pressure on the United States to accept the 120-mm. gun right away in the interest of amity, in the interest of diplomatic unity, and in the interest of standardization. There would be a very serious danger, I think, if we accepted a gun without first having tested it.

So what we have done is to put into this section 204 of the bill, as the gentleman pointed out, the requirement that the committee itself agreed on last fall as a result of the Hillis resolution that we should not adopt the 120-mm. gun for the XM-1 unless it was adequately tested and unless those tests demonstrated that it was manifestly superior to the 105-mm. gun, which is really the NATO standard today, and also that we should not adopt it until Congress itself and the Committee on Armed Services had an opportunity to be apprised of this situation and make their own decision through a reprograming.

That essentially is what we have done there. We have incorporated, in other words, the Hillis resolution, which was a very valuable resolution that was adopted last fall and which the Defense Department has been taking note of. We put it in here as a part of the statutory law.

Mr. HILLIS. Mr. Chairman, I thank the gentleman for his contribution.

Also in the committee report I call the attention of the gentleman from New York (Mr. STRATTON) to the fact that the committee is recommending that as soon as practicable we phase out M60 production and go to all XM-1 production and shoot for a figure of 7,000 to 8,000 tanks.

Does the gentleman think this is a practical solution to help step up the quality of our weapons and make up for the deficiency in quantity?

Mr. STRATTON. Absolutely. Mr. Chairman, if the gentleman will yield further, there is no question about the fact that we need more tanks and we need them more rapidly.

Some people who are not knowledgeable about the situation have been quoted in the press as saying that antitank guns are all we need, and that tank guns are outmoded. That is manifestly untrue. We need more tanks and more guns, and that is what the committee indicated.

I might say further, if the gentleman will yield, that while the new tank, as the contract has been issued, would include a turbine engine, we discovered that the Army needs another test.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. HILLIS) has again expired.

Mr. BOB WILSON. Mr. Chairman, I yield 15 additional seconds to the gentleman from Indiana (Mr. HILLIS).

Mr. STRATTON. Mr. Chairman, if the gentleman will yield further and if I may take a long 15 seconds, the turbine is going to be tested at a cost of $30 million for 100 miles. I think that this is important if we are going to rely on a turbine engine, and I think we ought to have a standby diesel capacity. So that is what the committee has indicated should be added.

Mr. BENNETT. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, first let me express my pleasure at the splendid manner in which our distinguished colleague Mr. BENNETT is presenting the important bill to the House. We in Florida are indeed proud of the contributions and the leadership in Congress demonstrated by this conscientious and dedicated public servant. His expertise in military matters is indeed impressive.

Mr. Chairman, there is genuine apprehension that much harm would be done to naval operations if the proposed withdrawal of the organic airlift capability of the Naval Reserve is carried out.

A decision has been made that the Air Force would assume strategic and tactical airlift missions for all services by the military airlift command by the end of fiscal year 1977. This would have meant the elimination of the Navy airlift forces. The rationale was that MAC programs were adequate to meet all Navy, Marine Corps, and Naval Reserve commitments.

It has subsequently been validated that MAC has little to no unsubscribed flying hours to devote to Department of the Navy—DON—commitments. Accordingly, the issue now is how to most responsively and cost-effectively meet Navy airlift requirements.

Navy has assigned the total CONUS airlift mission to the Naval Reserve. This is in consonance with the SASC direction regarding the transfer of this mission. Under this program, Reserve squadrons will be based at Atlanta, Norfolk, Glenview, Dallas, and Alameda. This program provides effective peacetime support while also providing worldwide mobilized airlift squadron manning of four crews per aircraft.

The Navy C–9B aircraft is a derivative of the commercial DC–9 airliner. Its cargo/passenger convertibility, extended range—compared to the DC–9—and very high reliability are ideally and uniquely suited to the DON mission. It is considerably more reliable and cost effective than the MAC C–130. Commercial DC–9's are not configured to meet the unique DON mission requirement.

DON modernization is inseparably related to a viable Naval Reserve program. The loss to the Reserve program will be severe if their airlift mission is deleted not only due to the airlift unit personnel directly affected, but also due to the essential, fully flexible and responsive airlift provided to both surface and aviation reservists to weekend drill and active duty training sites.

Approval of Navy modernization is considered an issue of vital importance to the assured capability and readiness of the Navy, Marine Corps, and Naval Reserve.

I note that the distinguished Committee on Armed Services has adopted language in the report which accompanies the bill now under consideration; language which is intended to insure the continuation of an organic airlift capability by the Naval Reserve until a detailed inquiry into the entire matter can be conducted by the Committee on Armed Services. I applaud this action by the committee. I strongly urge the retention of the capability of the Naval Reserve to carry on the required Navy airlift missions. I now quote from the Authorization Report:

> The Committee has been carefully monitoring the Department of Defense's efforts to withdraw the organic airlift capability of the Naval Reserve. The Committee is presently unconvinced concerning the efficacy of this proposal and will hold hearings on the subject this year. Until those hearings are held, no action should be taken to eliminate the personnel assigned to the airlift function in the Naval Reserve.

I now ask the distinguished chairman whether my interpretation of the intentions of the committee is correct.

Mr. BENNETT. Mr. Chairman, the answer to that is certainly yes.

I want to congratulate the gentleman from Florida (Mr. SIKES), who has for many, many years done so much for the national defense of our country. I appreciate his bringing up this important point at this late hour.

Mr. Chairman, if we read the language in this report, it does say that the "committee is presently unconvinced." That is pretty strong language. Then there is a pledge to hold hearings. With respect to that, the gentleman from Illinois (Mr. PRICE) talked to me earlier today about that matter. He assures me that they will hold hearings.

The report also says that no action should be taken to eliminate the personnel assigned to the airlift function in the Naval Reserve until those hearings are actually held.

Mr. SIKES. Mr. Chairman, I thank the gentleman from Florida (Mr. BENNETT).

Mr. BOB WILSON. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Chairman, this bill H.R. 5970 as you have been told is a necessary bill since it provides the authorization on which appropriations for the Department of Defense are based. I think if I had to characterize it further, I would call it the minimum-authorization bill.

We are essentially in a time of transition when a new administration is still determining its position on many defense policies. The bill provides the minimum investment required for national defense during that transition period.

It may even be too much to say the bill represents the minimum level of authorization required. The committee agreed to a total authorization which is consistent with the request of President Carter even though, in those items subject to authorization, President Carter's requests were more than $2 billion below President Ford's. I am frankly concerned that perhaps we have cut too deep.

I think it is very interesting that the committee bill is only $60.8 million above President Carter's request. By contrast, last year the authorization was a bill which was $698 million above the request of the President.

I also have to say, quite frankly, that this transition authorization leaves a lot of work unattended. It is past the time when we should get on with making some needed improvements in our defense establishment, and to my mind this bill does not provide all that is required to begin those improvements. I am deeply concerned about the inadequacy of the budget on ship construction and the uncertain nature of the naval policies presently being pursued in the Pentagon.

It has been explained to you that our bill provides a ship-construction authorization which is actually $45.6 million below President Carter's request. That is true. It is also true that we have deleted some auxiliary ships and put greater emphasis on combatants. The committee specifically added money for two attack submarines instead of the one requested and also included $192.3 million for advance procurement of long-lead items for three additional submarines. The committee also added $187 million for long-lead procurement for a nuclear strike cruiser. No funds have been requested for this ship, but I understand that the DOD now supports this add on.

While the committee's bill is an improvement over the administration's request, it is far from an adequate shipbuilding program. The committee did not provide funds for an aircraft carrier of the Nimitz class in the bill simply because the House action in support of the President's rescission of the money for the Nimitz-class carrier earlier in the year in favor of an unknown-class carrier 60 percent capable relative to Nimitz class. I am convinced that a majority of our committee members continue to support the need for a Nimitz-class carrier as I am sure the majority of the Members support getting the Aegis defense system on a nuclear-powered ship as rapidly as possible. These are the highest priority items in the opinion of the Chief of Naval Operations.

I am deeply disturbed by the delay in building the Nimitz and the delay in converting the nuclear cruiser Long Beach to an Aegis ship. I know that we will not change these matters in the debate on this bill. But I bring this point up to emphasize to you that the Congress must be a leader and not a follower in determining defense policy; and nowhere is congressional leadership more necessary than in the drifting nature of our policy regarding the future of the Navy.

I would remind you that if it had not been for the aggressive leadership of the Congress, we would not have had the Polaris submarine, or any nuclear submarines, nearly as early as we did. It was the Congress that had to push the Defense Department and the Navy into developing this program which became, and still is, the No. 1 deterrent in our defense arsenal. If we are going to have an adequate Navy in the future, the Congress is going to have to provide the leadership.

I would also have you understand that while the committee as a whole has acquiesced in some of the reductions made by the President, the committee continues to be deeply concerned about the readiness of our defense forces. The committee has made various reductions in the research-and-development title of the bill, but these changes were made with an eye to redirecting money to systems which bring hardware into being more rapidly and which will improve the near-term readiness of our forces.

The quantitative advantage in military hardware that the Soviets have today, together with the qualitative improvements that we see them making in their systems all the time, could lead to Soviet military superiority within the next decade if there is not a proper response by the United States to reverse the trend. Our committee's actions in the research-and-development area are designed to begin reversal of the trend.

But this effort must be coordinated with a willingness to provide support for needed growth in our defense establishment.

As we said in our report:

A sustained effort over an extended period is necessary to regain the competitive military posture needed. It cannot be just a 1-year effort.

So in summary I ask you to support the committee's bill. I am sorry it is not larger. I really think it should be higher.

We have heard many shades of opinion—from those who think our defense budget should be increased substantially to those who think it should be dramatically cut. What is significant to me is that no expert of any renown that I know of doubts the buildup in Soviet conventional or strategic forces. No evidence that we have been able to find suggests that our defenses should be reduced. The SALT initiatives appear to be going badly. The Soviets have shown very clearly that they are not interested in human rights and they do not like people questioning their denial of human rights. The daily headlines from Africa show that the Soviets are as aggressive as ever in attempting to spread their influence and in supporting those who threaten peace around the world. The evidence mounts steadily that the Soviet Navy has succeeded in building a worldwide naval force capable of challenging our own and, as our report points out, even the Chief of Naval Operations concedes there are situations where our naval forces would not be able to carry the day against the Soviets.

We need improvement in our defense programs, and we need congressional leadership in devising those improvements. As a beginning, this bill is the minimum consistent with the needs of our national security. I urge your support of it.

Mr. BOB WILSON. Mr. Chairman, I should like to take this opportunity to congratulate the acting chairman of our committee, the gentleman from Florida (Mr. BENNETT) who I think has done an admirable job in handling this bill. I know he joins me and the other members of our committee in wishing a speedy recovery to our chairman, the gentleman from Illinois (Mr. PRICE) who, as was mentioned earlier during the debate, is a temporary patient at the hospital. But I am sure he will be back with us within a matter of a few days, and we wish him well.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I just wanted to add the thought of one Member who has sat here during the entire general debate today. Not as one who was familiar with this legislation, I certainly am greatly distressed by what I have heard as to estimates given by the members of the Committee on Armed Services. I think it is almost a national disgrace, that during the entire time of this debate there were no more than 30 Members on the floor, and most of those present were members of the Committee on Armed Services. I think this is a product of perhaps both the lack of attention of the Members of the House to important matters but also the new rules under which we labor. I am quite sure that tomorrow during the 5-minute rule when axes are to be ground, everyone will be here in great force but they will have missed the benefit of some very enlightening and distressing debate here this afternoon.

Mr. BOB WILSON. I thank the gentleman for his comments.

I must say I agree with him. I think our biggest enemy is apathy—our largest enemy in the world. We are too apathetic.

Mr. Chairman, I yield back the remainder of my time.

Mr. BENNETT. Mr. Chairman, first I want to say that I, like every Member of Congress, am distressed that there is any illness on the part of the chairman of our full committee, the gentleman from Illinois (Mr. PRICE) but as has been said, we wish him well and hope he will be back soon.

Mr. Chairman, I want to respond to the nice things that were said by the gentleman from California. Certainly I would not have been brazen enough to come here and handle this bill without his good assistance, because he has been a strong right arm to the national defense of our country, and everyone will agree that he has provided the guidance and given the attention to the work that it deserves. I am grateful, and I am certain our country is grateful, too.

Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, I would like to rise in strong support of H.R. 5970, as reported by the House Armed Services Committee.

First, from an overall perspective, I believe that—as a result of the detailed hearings supporting the recommendations of the committee—the authorization bill will provide the defense resources required by the Nation to meet its needs at least cost. Judicious inspection of the overall procurement program, on the one hand, has resulted in a recommendation that will appropriately extend our defense posture in the near term. Careful review of the research, development, test, and evaluation programs, on the other hand, assures that our defense posture in the future will be properly coordinated and supported by present efforts. I think the programs authorized by this bill reflect an indepth understanding of requirements for defense and the most efficient means of meeting those requirements.

Second, more specifically, I would like to emphasize the importance of two general provisions of this bill that relate directly to the compensation of military personnel.

One of these provisions would establish permissive authority for financial incentives to assist in Reserve recruiting. Educational assistance for high school graduates who enlist for 8 years would not only provide an incentive for the type of individual we need in the reserves—one who seeks to improve himself or herself through education—but also, both the services and society receive a direct return on this type of investment in terms of a more highly educated individual. In addition, a reenlistment bonus for the service member with less than 10 years of service who reenlists in the Selected Reserve provides the mechanism to offer a lump sum and periodic payment as an incentive to personnel with needed skills.

The other of these general provisions affecting the compensation of our military personnel relates to the temporary extension of the authority to provide a subsistence allowance to Marine Corps officer candidates while they are pursuing their undergrauate training. This payment of $100 per month during each of the 9 months of the college year has proven to be an effective program for procuring Marine Corps officers. The extension is required in order to afford the Congress the opportunity to evaluate a proposal that would make this authority permanent and extend the payment to other similar officer procurement programs.

Mr. Chairman, I would like to conclude, reiterating again, my strong sup-

port for all provisions of H.R. 5970. A great deal of research and analysis was performed during the deliberations that resulted in this bill. I believe it reflects the best possible authorization program that could have been arrived at.

Mr. BENNETT. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, title VII of H.R. 5970 proposes $134.8 million for civil defense for fiscal year 1978. This authorization level is based upon a careful review and examination of the current status of the U.S. civil defense program. It is the committee's judgment that for the United States to have a viable program a major budget initiative of $134.8 million is appropriate at this time.

This recommended increase of $44.8 million above President Ford's and President Carter's budget request of $90 million is designed to provide a full-growth budget for civil defense. Such a budget will enable the Defense Civil Preparedness Agency—DCPA—to move ahead with deferred construction, remedial building and delayed procurement and personnel initiatives. It will strengthen the research and development base and the systems development effort, both of which have received minimal support for the past few years. These programs are essential for identifying long-range policy and program objectives and for measuring the effectiveness of current activities.

That a significant increase is recommended at this time underscores the committee's concern that civil defense preparedness has not received the necessary attention it requires. The committee intends to utilize the annual authorization process as provided for in last year's defense authorization procurement bill as a means of making certain that the U.S. civil defense program does not wither away from neglect as long as a legitimate requirement for it exists. As its first authorization recommendation, the $134.8 million recommendation signifies that the committee is not satisfied with the current pace and direction of the program and believes that it is essential to move ahead decisively at this time—both budgetarily and programmatically.

The posture of the United States' civil preparedness program does not match its responsibilities. Serious concern exists over the program's efficacy. The General Accounting Office, in a forthcoming report to the Congress, identifies a number of deficiencies with the civil defense system in the United States. Unless corrective action is taken, the program will continue to flounder. This budget recommendation of $134.8 million will not solve all of the problems but it will provide a solid start. If the United States is serious about its civil defense program it will take a budget effort of this level to make the necessary improvements.

Specifically, and most importantly, the $134.8 million authorization will enable the DCPA to complete its construction of hardened regional emergency operating centers. Six of eight centers are fully protected; the remaining two in California and Illinois are at this time vulnerable and unprotected. These centers are essential for providing for continuity of Government and emergency functions during times of disaster—both natural and nuclear attack related.

Also, of particular interest, is further emphasis on crisis relocation. And on education of the populace as to survivability.

Additionally, DCPA will be able to meet $9 million of the $13 million requested by the States and local governments for their emergency centers. These will complement the national effort and enhance the warning and communications upgrade programs contained in this budget.

Mr. Chairman, these are a few of the highlights associated with this program. The committee believes that it deserves the support of the Members. By doing so, the Congress will serve notice that it is time to rescue the civil defense program from its present doldrums and to move ahead with a civil defense preparedness system that is capable of meeting its responsibilities.

Mr. BENNETT. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, while this Member intends to vote for the bill before the Committee, he is gravely concerned and disturbed. Nikolai Lenin said to be generous to one's enemy is to be cruel to one's self. The deficiencies in this bill represent generosity beyond any reasonable level.

Mr. Chairman, I yield back the remainder of my time.

Mr. BENNETT. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, I want to bear the word of my constituents to the Congress in opposition to the B–1 bomber. My constituents believe that this money in this bill could much better be expended on strengthening our economy here at home and creating jobs in more peaceful areas. I note in this inventory before us that the Russians have one-third the strategic bombers we have, and much has been made of the fact that they have more of many other things than we have.

But I hear nothing about how we do not need to build more strategic bombers because we have a 3-to-1 lead over the Soviets.

Secondly I would like to say that several months ago the president of the corporation which builds the B–1 was quoted in the Wall Street Journal as saying that the payment for building the B–1 bomber provided the capital for the equipment that makes the B–1 bomber. I think this is a serious charge, that we are paying not only for the B–1 bomber but providing the capital for the equipment to make the B–1 bomber, and I think this should be investigated.

Mr. BADILLO. Mr. Chairman, I rise in opposition to H.R. 5970, the military procurement and research and development authorization. I always vote against military authorization and appropriation bills, and I am proud of that. But today I am filled with an even greater sense of outrage than usual at the waste of money this bill contains. It is a matter of very serious concern when the Congress of the United States is willing to acquiesce in such gross misappropriation of funds.

Having taken on the administration myself recently to assure the strong human rights language in the multilateral lending institutions authorization, I am not going to stand here and say that we should approve the cuts the administration has asked for just because the President said we should. But I can certainly state that the cuts should be made because they are right, and because they make a start on cutting back our grossly inflated military budget in order to start meeting the human needs of the people. This was one of the foundations of the President's campaign, and it is one that bears our attention.

The administration has not gone nearly far enough in the cuts it proposes, but it does make a start, it has been willing to talk openly about waste—about obsolete weapons systems and needless troop strength. And the administration is beginning to create an awareness that we can cut programs without cutting our security.

An amendment offered by my fellow New Yorker, TOM DOWNEY, provides adequate proof of the administration's intent. Representative DOWNEY's amendment would change the procurement authorizations to those requested by the administration. It proposed cutting $422.3 million for increased funding from a program that the Pentagon cannot contract for this year.

Another amendment being offered by TOM DOWNEY expresses the administration's intent to cut the size of the Naval Reserve. By cutting down to a reasonable size, and providing an end to unnecessary and ill-used incentives, the administration is beginning to make judgments of the needed strengths of our Armed Forces.

Last year, on the floor of the House, we lost a battle to eliminate funds for an unneeded Uniformed Services University of the Health Sciences. This year the administration has taken up the struggle as well. Civilian medical schools can do the same job—and at a much cheaper price.

It seems to me, that at a minimum, these amendments must be approved. But we should be doing more than the minimum, and that is why I strongly support many of the other amendments being offered this afternoon.

The amount of money we have spent on unnecessary weapons systems is staggering. Representative BOB CARR will offer an amendment to strike $5 million for an aircraft that performs more poorly than an existing cheaper plan; Representative DELLUMS will offer an amendment to strike $134 million for a new missile that could destroy the efforts we are making at real strategic arms limitation; and Representative SCHROEDER will offer an amendment that will prohibit money from being authorized for an aircraft that we already have enough of, and have not received assurances that we can sell. Millions of dollars are being spent on things we do not need to spend them on.

Representative DELLUMS will offer two

amendments that suggest a realistic approach to our troop levels abroad—one to cut only 60,000—out of an authorization of 2,090,425—from our troop deployments—at no sacrifice to our NATO commitment. The other, which I feel very strongly about, would remove all our troops from support of the dictatorial and repressive regime in South Korea over the next 5 years.

When you look at the size of the total authorization—$35.91 billion—and then look at the cuts that have been requested, they seem quite reasonable. When all these cuts have been made, when we have a military budget as lean as the ones we write to serve the human needs of our citizens—then, but not until then, will I vote for military authorizations. I am not against having a secure nation, I do not vote no because I feel we should have no defense. But I do believe there are limits to what we need, and we have exceeded them for far too long.

Mr. GONZALEZ. Mr. Chairman, I want to commend the committee for its determination to strengthen the defenses of our country. Those of us who have been concerned about the relative decline in our strength during the past several years cannot help but be heartened and encouraged by the recommendations of the committee.

I take this time also to express my support for section 809 of this bill, which places a freeze on further contracting out of certain kinds of defense work, pending completion of a study on this critical problem.

There are a number of military installations in and near my district, and there is hardly a week that passes without my hearing about a new proposal to contract out one kind of work or another. Whenever contracting out takes place, faithful and loyal Government employees lose everything that they hoped for, worked for, and have a right to expect.

More often than not, when defense work is contracted out, the same employees wind up doing the same work, in the same place—but at lower wages, with vastly reduced benefits, with loss of any kind of job security, and with loss of any hope for a decent retirement income. Moreover, they are subject to having a new contractor come in every 2 or 3 years—they never know what will hit them next. Morale drops, efficiency drops, and the quality of work drops.

The typical defense contract, in a contracting-out case, is simply a labor contract. The Government furnishes the building, the utilities, the tools and everything else; the contractor furnishes the bodies. To win a contract, you simply offer your bodies for less than anybody else. In short, the typical contract is designed to exploit workers—typically people of little skill, but sometimes people of great skill. Regardless of which, employees who find their jobs put on contract suddenly lose their pension benefits, lose anything like a decent health plan, lose leave rights, lose job security, seniority, and usually a great deal of pay as well. The job does not change; the paymaster does, and with that change goes everything the employee worked for.

In one case I know of, food services at a base were contracted for, and hundreds of Government employees either had to find other jobs or go to work for the contractor at a loss of 30 percent of their old wage. Three years later a new contractor came in. In this case, and just about every one that I have seen, contractor employees who have developed any seniority, or who organized to win enhanced wages, soon find a new and lower paying contractor on the job. The employees wind up on a minimum wage treadmill, with no hope whatever of improving their circumstances.

This kind of situation is not only demeaning to workers; it probably results in higher costs to the Government, over the longer run, because exploited workers will soon become demoralized, and demoralized workers become careless or inefficient or ineffective, or all three.

Beyond the need to do something about the exploitive nature of these contracts, I believe that we ought to consider what is appropriate for Government employees to do, and what is appropriate for contract employees to do. I believe that maintenance of Government facilities and operation of those facilities, and operation and maintenance of Government equipment, is a job for Government employees. On the other hand, the supply of goods and equipment—procurement—is a job for contractors to do. That has been the general delineation in the past, and it makes sense today. It simply creates chaos and demoralization for us to allow the continued development of a contracting phenomenon that strikes at random and whom among people whose only sin is to work for the Federal Government. Both they and the public deserve better, and section 809 of this bill hopefully will allow for development of a better, more sensible, more equitable and more humane system than we now have.

Mrs. SCHROEDER. Mr. Chairman, I come here today in substantial agreement with much of what is in the authorization bill. There is one issue, however, that has been of recurring concern to me and that is the airborne warning and control system—AWACS. AWACS is, very simply put, a Boeing 707 aircraft filled with radar equipment which would allow us to overcome the two major weaknesses of ground-based radar, its inability to look over the horizon or to track low flying aircraft. The "look down" capability of this airborne radar is what gives it its unique status.

The House Armed Services Committee has recommended the authorization of $207.2 million for the procurement of three AWACS aircraft and $41.3 million for the advanced procurement of three others. The amendment I am proposing would not delete these funds from the budget, rather it would put the funds in escrow until such time as our NATO allies appropriate funds toward the purchase of these aircraft to be used in a tactical role in Europe. This amendment contains essentially the same wording included in the authorization bill passed by the House last year. For whatever reasons, the Armed Services Committee decided not to include such language this year. However, I welcome the opportunity this action has given me to bring this issue to the floor for a discussion and a vote. The acquiescence of the full House to the committee's language last year without an expression of the extent of the body's support in the form of a rollcall vote may have made it easier for the conferees to bargain away the language in conference with the Senate, which was its fate last year.

The history of AWACS before the House Armed Services Committee and the House is a long one which has gone through several chapters. Our first problem was with deciphering exactly what the role of AWACS was to be. The Air Force originally proposed a strategic role in continental air defense. Realizing that this was unlikely to be sold to the Congress given the low priority we have given to this mission, the Air Force then proposed that AWACS had a tactical air role in Europe guiding attack aircraft in sorties over enemy territory. When this role was suggested, serious questions arose over the vulnerability of the aircraft to enemy fighters and its radar to electrical countermeasures. When these issues were raised, the Air Force once again changed its mission to a more passive role in tactical air—directing air defense. In this role AWACS could remain over friendly air space where it would be less vulnerable.

Although questions remain in my mind about roles and capabilities, we have now moved into a third issue—that of the numbers of AWACS this country should procure. The Air Force originally requested approval of 34 AWACS E–3A aircraft. Of these 34 the Air Force identified a need for 20 AWACS for NATO defense and 10 to be used in defense of the continental United States—Conus. As of fiscal year 1977, the Congress has already authorized and appropriated funds to procure 19 AWACS aircraft: Three research and development aircraft, six procured in fiscal year 1975, four procured in fiscal year 1976, and six in fiscal year 1977. The current version of the committee's bill would bring that total to 22. If we add to this the long lead funds provided for three AWACS which will not be fully funded this year in any event, plus the long lead funds provided in this year's bill for 6 additional aircraft, we find that we would have an implicit commitment to possibly 31 AWACS through fiscal year 1979.

With an established Conus requirement as low as 10, it is clear that we have already begun to procure AWACS aircraft for NATO tactical air use, and that the proposed fiscal year 1978 buy will move us further in that direction. The Air Force may now tell you that the number 10, was in the logic of the total buy the number to be bought against air defense, not the requirement, and that it depends on how extensive one wants the defense and assumptions you make as to how many things you want to do simultaneously. That may be fine, but we should decide what we want to do first, before we buy the planes, not after.

We have in fact, already decided how extensive we want our CONUS defense. And if we measure the number of AWACS against the priority we have given to this mission a buy of even 10 AWACS may seem illogical. A number of

years ago a policy decision was made that in the absence of a ballistic missile defense the United States would not provide a comprehensive air defense. The theory was that if we could not defend against all types of nuclear attack on the United States it made little sense to try and stop one. This made even more sense in bomber defense since they are much slower than ballistic missiles in reaching their target. Presumably if we could not stop the Soviet's missiles there would be nothing left to defend anyway by the time the bombers got here.

Continental air defense has thus held an extremely low priority among our defense missions, and reasonably so. What we have with AWACS in a CONUS defense role will be the most costly plane the United States has ever built directing F–106 fighters that are 20 years old and underequipped against Soviet bombers. The cost of AWACS is totally out of proportion to the priority we place on air defense. At any rate, the Air Force says we can get by with 10. We now have 19.

Given the limited requirement for AWACS in a continental defense role it is clear that the bulk of the 34 requested AWACS are for the tactical air role in NATO. The cost of AWACS to be used for NATO defense should be shared by the NATO members. Secretary Brown seems to agree to this concept. In testimony to the House Armed Services Committee and elsewhere he has said that we are not going to buy NATO's AWACS for them nor are we going to provide the aircraft to them.

Despite continually expressed optimism, we seem even further away from a NATO sale now than last year. At this point, the Council of Ministers has endorsed the need for a plane of the AWACS concept and last December approved a study of potential costing arrangements. What had appeared to be substantial progress last fall turned into illusion this spring. On March 25, at a meeting of the defense ministers of the 12 NATO nations, West Germany asked for more data on the allocation of costs, arguing that they desired a reduction in the 25-percent share allotted to Bonn by alliance financial experts earlier in the year. On March 31, frustrated by West German footdragging, the British Defense Secretary, Fred Mulley, announced that Britain had decided to go ahead with its own smaller version of the AWACS, the Nimrod, rather than wait for a NATO decision on our version. In making the announcement he said Britain would not pay its share of AWACS even if NATO later chose to buy it. The British decision may have, in effect, killed any possibility of a NATO sale.

Unless the NATO nations commit themselves to financial participation in this purchase, the United States will find itself in a position of having to accept whatever price they choose to offer us for planes already produced that have no justifiable, cost-effective use for U.S. needs. The cost to the American taxpayer for such surplus would be high. If we stopped building AWACS with the 19 we have already appropriated funds for, the cost per copy will be $138 million, according to figures provided to the committee this year by the Air Force. Even if we build the full 34 the Air Force has requested and can spread the R. & D. cost over a greater number of planes, the acquisition cost would still be $109 million per copy. This desire to lower the unit cost is certainly one of the dynamics behind the drive to build more AWACS, but it is a poor rationale. The per unit cost will come down, but the cost to the treasury will greatly increase. Proponents will argue that we must keep the line warm, that to delay will only eventually drive up the cost. I can only say that at between $109 and $138 million a copy the cost will be far greater if we produce unnecessary surplus planes.

Congressional acquiescence in this buy can only serve to decrease any sense of urgency within NATO to commit themselves to purchasing AWACS themselves. Budget constraints, fiscal responsibility, and prudent business practice all suggest a deferral of this buy.

Mr. BENNETT. Mr. Chairman, I have no further requests for time.

I yield back the balance of my time.

Mr. BOB WILSON. I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Under the rule, the Clerk will read the bill by titles.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled,

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1978 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $682,500,000; for the Navy and the Marine Corps, $3,595,800,000; for the Air Force, $8,214,800,000.

MISSILES

For missiles: for the Army, $564,600,000; for the Navy, $1,888,400,000; for the Marine Corps, $110,600,000; for the Air Force, $1,874,700,000.

NAVAL VESSELS

For naval vessels: for the Navy, for the Trident submarine program, $1,703,200,000; for the SSN–688 nuclear attack submarine program, $700,800,000; for the CSGN nuclear-powered strike cruiser program, $187,000,000; for the DDG–47 guided missile destroyer program, $930,000,000; for the FFG–7 guided missile frigate program, $1,319,000,000; for the AO fleet oiler program, $322,700,000; for the fleet tug program, $52,700,000; for craft, $42,800,000; for outfitting and postdelivery items, $89,800,000; for the aircraft carrier srevice life extension program, $30,000,000; for the guided missile destroyer modernization program, $94,500,000; for cost growth, $233,100,000; in all, $5,705,600,000. None of the funds authorized to be appropriated under this title for the DDG–47 guided missile destroyer program shall be obligated for material or components not suitable for use in a nuclear-powered strike cruiser until the President has fully advised the Congress as to the impact the decision not to provide nuclear propulsion in the program for the DDG–47 destroyer, a major combatant vessel as defined in title VIII of Public Law 93–365, will have on the ability of the Navy to take advantage of nuclear propulsion in aircraft carriers, the long-term effects such decision will have on the ability of the Navy to counter the projected threat in the 1980's and 1990's, and the effect of such decision on the industrial base for nuclear warships. The President shall fully advise the Congress how in reaching such decision he evaluated the military advantages of the reduced logistic requirements of nuclear-powered strike forces in a time of continuing reduction of overseas bases and secure sources of propulsion fuel; the differences in effectiveness and lifetime costs of nuclear and nonnuclear Aegis-equipped ships, including differences in their military characteristics; the cost and difficulty of providing propulsion fuel to nonnuclear Aegis-equipped ships in high-threat areas in wartime; and the military priority of providing Aegis-equipped ships to accompany nuclear-powered aircraft carriers and for independent missions relative to the other military needs for Aegis-equipped ships. The funds authorized to be appropriated under this title for the CSGN nuclear-powered strike cruiser program may, if the President determines it to be in the national interest, be used to procure long-lead items for an additional "Virginia" class nuclear-powered cruiser as a platform for the Aegis Air Defense System.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $1,544,300,000; for the Marine Corps, $74,800,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $332,400,000.

OTHER WEAPONS

For other purposes: for the Army, $114,100,000; for the Navy, $131,400,000; for the Marine Corps, $2,400,000.

Mr. BENNETT (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes had come to no resolution thereon.

GENERAL LEAVE

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 5970.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDING HOUSE RESOLUTION 508, INCREASING MEMBERSHIP ON AD HOC COMMITTEE ON ENERGY

Mr. WRIGHT. Mr. Speaker, I send to the desk a resolution (H. Res. 509) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 509

Resolved, That subsection 1(b) of H. Res. 508 is amended by striking out "thirty-seven Members of the House" and inserting in lieu thereof "forty Members of the House".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object I understand this resolution expands the Ad Hoc Committee on Energy, which was passed only a few hours ago, from 37 to 40 members. Can the gentleman tell us what has transpired within the last hours to cause the need for this expansion?

Mr. Speaker, I yield to the gentleman from Texas for that purpose.

Mr. WRIGHT. It was the thought of the Speaker and of the leadership on both sides that by expanding the number by three we would facilitate the broadening of the base of the committee in order that certain Members from a State that needs rightly to be represented on this committee might be represented.

Mr. BAUMAN. Mr. Speaker, I would ask the gentleman also, will these new appointees be from the standing committees that have original jurisdiction over the energy legislation that will be involved?

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield further, the Speaker, of course, under the original resolution has the power granted to him by that resolution to make choices from among committees that have jurisdiction and otherwise, as the Speaker sees fit.

The majority leader is not prepared by knowledge to elucidate to the gentleman the identity of those who would be appointed. That power reposes rightly with the Speaker. I am certain that to the extent it would apply to a minority Member, the recommendation of the minority leader would be considered.

Mr. BAUMAN. Mr. Speaker, we may just as well open this up all the way. In fact it might be easier if we just appointed the entire Membership of this House to the committee and have it propped up. I leave that to the judgment of the Speaker.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION FROM AND APPOINTMENT AS MEMBER OF SELECT COMMITTEE ON ASSASSINATIONS

The SPEAKER laid before the House the following resignation from the Select Committee on Assassinations:

WASHINGTON, D.C., *April 21, 1977.*

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Due to my appointment to the Ad Hoc Select Committee on Energy and the additional responsibilities that will entail, I hereby submit my resignation as a member of the Select Committee on Assassinations.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of House Resolution 222 and House Resolution 433, 95th Congress, the Chair appoints the gentleman from Michigan (Mr. SAWYER) as a member of the Select Committee on Assassinations to fill the vacancy thereon.

PRESIDENT'S PROPOSALS ON FUEL ARE NECESSARY

(Mr. VANIK asked and was given permission to address the House for 1 minute).

Mr. VANIK. Mr. Speaker, last evening, President Carter, in this Chamber, called for sacrifice on the part of the American people. He also called for courage on the part of the Congress. Knowledgeable experts and the best wisdom of the land agree that the President's proposals or something like them are necessary. We should be concerned that those proposals are sufficient.

We must not increase our dependence on foreign oil. We cannot impoverish our Nation at the rate of $32 billion this year and at a rate which will increase to $40 billion and $50 billion in the years ahead. We cannot continue to pay this dreadful homage to an alien country or to an alien organization. We cannot permit our Nation to enter upon the dangerous dependence which we can foresee.

We do not ask our people to suffer frostbite in their homes. We do not ask them to walk in the driving wind and snow. We simply ask them to waste less and ask our Nation to be provident today to prevent serfdom in its future.

The President's proposal will come at a considerable cost. The excise tax on old oil will increase gasoline by as much as 7 cents per gallon in 1978. The excise tax on the differential between domestic oil and the world price will increase gasoline costs by as much as 3 cents per gallon in 1979. If imports continue to inordinately rise, the President asks for the right to impose higher gasoline taxes at the pump. While I can foresee considerable legislative restraint on shifting so large a tax authority to the President—the largest grant of authority to a President in peacetime, I believe that the Congress will deliver much of what the President seeks. The proposal is worthy and well-developed, it deserves profound and careful consideration.

There will be an alternative proposal submitted principally by the other political party and the energy industries. It will oppose taxes of any kind on gasoline and oil. It will propose the immediate decontrol of oil and gas so that these scarce commodities could rise in price to a "free market" level dictated by those who control the source of supply. Our domestic industry could then engage in a fierce competition race with OPEC to determine which could move energy prices to ever-escalating levels.

The difference in the proposals are that President Carter's plan would tax the difference between price levels and redistribute the tax receipts to the people. The other alternative would permit the price difference to flow in lush profits to the energy companies which up to the present have skillfully managed to escape an effective "bite" from the tax collector. The alternative will provide no rebate—no credit to the taxpayer.

President Carter's proposal is far more equitable—much less inflationary—and much more likely to succeed. We should compliment the President's courage with a little of our own.

We in the Congress serve only at the pleasure of our constituents. Our political survival is much more secure if we adopt a policy of inertia. We can vote against tax restraints on energy waste. We can be acclaimed in our districts by developing a cosmetic blindfold, ignoring the problem. We can proclaim a defense of our present pattern of waste and energy indulgence. We can find a hundred reasons for opposing the conservation plan—and we can survive.

However, whether we survive as politically elected representatives is not so important as whether the Nation survives. That is the bottom line on which we must make our commitment.

Some of my contemporaries in this Congress predict that support for the Carter energy proposals will insure a new congressional replacement next year. I refuse to believe that the American people will reward indifference to the most critical domestic problem of our time. We should be willing to trust the basic good sense of our people. Good and courageous judgment might yet prove to be the best politics.

PRESIDENT'S UNJUSTIFIED RECOMMENDATION TO TERMINATE FUNDING FOR HILLSDALE LAKE PROJECT IN KANSAS

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I would like to address the President's ill-considered and unjustified recommendation to terminate funding for the Hillsdale Lake project in Kansas. I am particularly concerned because of the very critical water shortage which my constituents in southern Johnson County are facing.

This area of Johnson County is experiencing rapid growth. It is my under-

standing that a demand for construction exists and plans have been developed for approximately $80 million in new home construction in the area. For a number of years, local residents have been led to rely on the expectation of adequate water supply from the proposed Hillsdale project. More than $17.1 million has been spent on Hillsdale already, and phase I of the dam construction is underway. The Carter administration's abrupt about-face on Hillsdale from the Federal Government position of the past 20 some years now threatens Johnson County citizens' reasonable expectation of the water supply necessary not just for continued orderly community growth, but, in many cases, for the survival of these communities.

I have with me today an article from the Kansas City Star which provides an eloquent example of the critical need for continuation of the Hillsdale project. The article describes the extreme water shortage situation facing the community of Spring Hill in Johnson County. The city has been forced to clamp a number of restrictions on water use subject to $100 per day fines for noncompliance. Standby plans exist to close a number of businesses to further curtail water use. At this time of year, normally considered the "rainy season," the intake valve at the Spring Hill City Lake is 28 feet under water. Now, however, a mere 29 inches of water covers the intake. Even under the existing use restrictions, the city estimates that its local lake, its only water source, has only a 30 to 50 day supply of water. Unless significant rain is received in that period, the community faces the prospect of having to truck water in. Since neighboring water districts have no water to spare, hauling it from more distant sources could prove extremely costly.

Another Johnson County community, Edgerton, had to turn out most of its population to lay plastic pipe to a point where they could make an emergency tie-in to a neighboring city's water lines. During the last hours of this pipe-laying effort, only mud was being pumped from Edgerton's own exhausted city lakes.

Unfortunately, these hardship conditions have apparently had little effect on the White House bureaucrats and the myopic pencilpushers at OMB. The administration's decision to delete funding for the Hillsdale Lake project has been accompanied by cavalier pronouncements that projected benefit-to-cost ratios do not adequately offset environmental damage to wildlife habitat. The environmental justifications, if indeed they can be so named with a straight face, put forth by the administration are offered with rather vague and tenuous documentation.

Moreover, these claims of environmental damage have already been presented in prior litigation and soundly rebuffed by the Federal courts. I would like to note at this point, by the way, that there are no federally listed endangered species involved. And furthermore, I am in favor of protecting the environment as much as anyone else, but it should not be a catchall justification for allowing the Federal Government to back out of long standing commitments.

I am also skeptical of the persuasiveness of the administration's latest benefit-cost evaluation. Every time one turns around, some agency changes one or more significant assumptions on which such calculations are based. One is left with the impression quite often that the White House or OMB makes their decisions and then works backward, selecting the assumptions and data which will support the desired result. The population figures for the communities involved, for example, used in the administration's review of Hillsdale Lake appear to be 17-year-old estimates. By even the most conservative estimates, the population of the communities who need Hillsdale as a water supply source has more than doubled.

In conclusion, let me say that the greatest weakness of President Carter's recommendation against further funding of the Hillsdale project is that he never seriously addresses himself to the most fundamental question. The citizens of the areas involved were led to rely on this project for water. Where are they going to get the water to meet existing serious needs which grow more critical each year? Perhaps Johnson County citizens should appeal to the White House that they have been invaded by factions supported by Cuban advisers. Then, the President might at least give them a plane load of Coca-Cola if they cannot have water. The obvious answer is funding for Hillsdale should be continued.

PASSING OF HERMAN W. XANDER, DEPUTY CHIEF OF THE CAPITOL POLICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 5 minutes.

Mr. BAUMAN. Mr. Speaker, at approximately 3:40 p.m. on April 19, 1977, Deputy Chief Herman W. Xander was pronounced dead at the Washington Hospital Center in Washington, D.C. From May of 1964 until last Friday, April 16 when he was admitted to the hospital, Deputy Xander was assigned from the Metropolitan Police to the U.S. Capitol Police in the capacity of assistant to the Chief of the Capitol Police, in charge of the police that protect the House of Representatives. I was honored to have him as my constituent. All of us knew that we were able to perform our legislative responsibilities without fear of harassment or terroristic activities, because he and his police were on the job. We knew that his veil of security protected us from the intimidation of those hostile to our American heritage. On April 19, the Congress and the District of Columbia lost a servant of the people, one who was born to police service. His father, Frederick Warren Xander, was appointed to the Metropolitan Police in 1918 and retired in 1938 as one of the last of the horse mounted police in the District of Columbia. His brother, Bernard, retired from the Metropolitan Police. His sister's husband, Elmer Leukhardt, retired from the Metropolitan Police. His wife's brother, Richard Cranford, also retired from the Metropolitan Police. His wife's brother, Charles, left the Metropolitan Police to become a deputy U.S. Marshall and retired as a deputy U.S. Marshall for the District of Columbia. Two of his nephews, Lawrence and Ronald Leukhardt, are policemen in Prince Georges County, Md. His nephew, Charles Cranford, is a Metropolitan policeman and his only son, Richard, is a Metropolitan Police Lieutenant.

Mr. Speaker, Deputy Chief Herman W. Xander was born on February 13, 1915, in Washington, D.C. He was raised and attended the public schools in the District of Columbia. He worked for the Federal Bureau of Investigation from January 1934 until October 1939, attending night classes at Strayer College during this period. On November 1, 1939, he was appointed to the Metropolitan Police Department and assigned to the Patrol Division as a foot patrolman. On August 10, 1940, he married the former Mary Elizabeth Cranford. In 1941, he was transferred from the Patrol Division to the special investigations squad of the Detective Bureau. He was promoted to precinct detective in May of 1945 and then to detective sergeant of the robbery squad in May 1946. He was promoted to Detective Lieutenant in October 1958 and assigned as supervisor of the Third Detective District. In May of 1964, he was detailed to the U.S. Capitol Police and assigned as supervisor of the security detail for the House of Representatives. He was promoted to captain in 1966, inspector in 1968, and to the rank of Deputy Chief in 1973. He was also a graduate of the 65th session of the Federal Bureau of Investigation's National Academy.

Mr. Speaker, during Herman Xander's 37-year career he received many commendations ranging from displaying courtesy to victims of crimes to capturing numerous murderers and robbers. He had the unique ability to solve the most serious and perplexing crimes thus bringing the perpetrator to justice. Yet he will be remembered more as the dedicated and compassionate man that he was. We extend our condolences to his wife, Mary Elizabeth; his mother, Mae; his son, Richard; and to all of the family. We all share in their grief at losing such an admirable man.

Mr. ANNUNZIO. Mr. Speaker, Assistant Chief Herman W. Xander after having served almost 25 years with the Metropolitan Police Department, was detailed to the Capitol Police in May 1964, where he was placed in charge of the plainclothes detail for the House of Representatives.

Since July of 1968, he has served as Assistant Chief of the Capitol Police for House Personnel.

Assistant Chief Xander contributed much to the professionalization of the Capitol Police force and was respected and loved by all of those who knew him.

As chairman of the Personnel and Police Subcommittee of the House Administration Committee, I extend my pro-

foundest sympathy to his family on their bereavement.

GENERAL LEAVE

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the topic of my special order today.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

THE EPA SHOULD GET OUT OF THE GRAIN ELEVATOR BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 15 minutes.

Mr. GRASSLEY. Mr. Speaker, last Friday, three Environmental Protection Agency officials who drafted the grain dust standards for grain elevators met with Iowa country elevator managers and operators in Des Moines. One of my staff assistants was present just to keep abreast of what the EPA was up to.

During that session, the Director of the Office of Air Quality Planning and Standards, Walt Barber, agreed that the proposed grain dust regulations are vague and unwieldy. He told my assistant that the EPA was really after "Pillsbury and Cargill," the two largest grain elevators. This is just one more example of how the Federal bureaucracy, in trying to place some restraints on the big violators, steps all over the little guys. Installing vacuum systems in Iowa elevators would cost one small grain firm $1 million. That cost would be passed on to the producer through lower prices for his grain, about 4 cents a bushel lower.

Although the EPA officials tried to assure the grain dealers that the standards would not be imposed on existing small elevators, no one believed them. Why should they? They have been getting the same song-and-dance routine from other bureaucrats for years.

Besides, it is extremely difficult to attach credence to men who were never west of Ohio before they started drafting grain dust standards. How many large grain elevators are there on the east coast?

I question how much the regulation writers learned after supposedly inspecting grain elevators. For example, during Friday's session, they constantly referred to farmers bringing their grain to elevators in their "carts." Now, Webster's dictionary defines a cart as "a heavy vehicle for rough work, usually two-wheeled and fitted for one horse." When someone does not know the difference between a two-wheeled, horse-drawn object and a four-wheeled, 350-bushel-capacity farm wagon, pulled by a tractor, I seriously wonder if he knows what he is talking about at all.

Having been a farmer for 16 years, and hauling my grain to an elevator year after year, I know firsthand that some dust does exist in country elevators. But I also have observed far more serious environmental problems which need solving first. It seems to me that bureaucrats in Washington who do not know a thing about farming have better things to do than to try to draw up regulations on agriculture.

The EPA grain dust standards prove once again that Congress gives too much leeway to the regulators, and maybe too much free time, so they can sit around thinking of ways to solve problems that do not exist or are inconsequential.

In my estimation, Congress ought to tighten up its control over regulatory agencies such as the EPA. And it should look into the problem of the grain dust standards, with the possibility of amending the Clean Air Act to exempt all but the largest terminal elevators from dust standards. That may be the only way we can be sure we keep the Government off the backs of the little businessmen.

Today is Food Day in the United States, and I believe it is a day on which all Americans should give thanks for living in a nation which is the world's most successful food producer. It is most unfortunate, however, that many people and groups do not recognize how lucky they are. Last month, an article was placed in the Des Moines Register on a proposal to redesign the food system in the United States. This is printed below:

REDESIGN OF U.S. FOOD SYSTEM URGED—EYE SUBSIDIES TO FARMERS, CURBS ON AGRIBUSINESS

WASHINGTON, D.C.—A drastic restructuring of the American food-production system was advocated in a study released Sunday. The restructuring would subsidize farmers to keep down prices and curb agribusiness growth.

The study is the first in a series of a dozen reports by the Exploratory Project for Economic Alternatives, a Washington-based research group funded by 25 foundations and indivduals to stimulate debate on new economic approaches.

"In the coming era of intensified food inflation, resource shortages and pollution, the United States can no longer afford a narrowly-based policy geared to supporting agribusiness at the expense of family farmers, the environment and consumers," the report said. The report recommended:

The government's supply-management system be expanded and used to keep prices affordable for low and middle-income families.

Small to medium-size family farmers be guaranteed a stable, decent income by direct government payments to supplement their income.

In releasing the report, the project's co-directors Gar Alperovitz and Jeff Faux said that "if we are ever going to make progress in reducing unemployment, it is necessary to make a direct attack on the sources of inflation, and food inflation is one of the major sources of the problem."

The report said, "Low, stable food prices, a secure income for family farmers and a shift away from agribusiness must be the heart of a new American food policy for the coming decades." As part of an overall plan to keep down food prices while protecting the incomes of family farmers, the study proposed establishment of food reserves, government control over farm imports and exports, break-up of agribusiness monopolies and direct government payments to compensate farmers for what they would have gotten from higher prices.

The subsidy program, which harks back to the Brannan Plan for direct payments to farmers that was proposed—but never implemented—during the Truman administration, would cost from $12 billion to $15 billion a year.

The payments would be financed by a "steeply progressive" income tax weighted toward upper-income taxpayers, it added, contending this would be "more equitable and less inflationary" than paying for cost increases with higher food prices.

Clearly, the organization mentioned in the article has a minimal understanding of why the United States is such a great food producer, and how important our production is not only domestically, but to millions abroad, including those who live in industrialized nations and those in the less developed countries. Clearly, if the goals of the "Right to Food" resolution passed last year are to be met; that is, if everyone in the world is to receive a nutritionally adequate diet, then the U.S. food system cannot be "restructured." A constituent from my district makes this point quite eloquently in a letter to the editor of the Register, which is printed below.

To Editor, Des Moines Register Tribune:

I read the attached article on the front page of the Des Moines Register this past Monday morning and I almost blew my top. This is a study by a Washington based research group and someone just doesn't have the facts. How the leading paper in the greatest agriculture state in the nation can put an article like this on the front page of their paper is beyond me.

First, we need to understand what causes inflation and it only takes a short course in basic economics to understand that the cause of inflation is simply spending money that has not been earned yet and this we have done at the federal level and in seventeen of the past 18 years.

This article suggests it is necessary to make a direct attack on the sources of inflation, and food inflation is one of the major sources of inflation and this is just not true. Deficit spending is the cause of inflation and it has had its effect on everything we buy, including food.

Also, food is only a part of what we spend our disposable dollars for—18% and compared to 20 years ago, a real bargain. We spend less of our disposable dollars for food today than at any time in our history and have, at the same time, built into those food prices many "built-in maid services" such as TV dinners, cake mixes, and other easy-to-prepare foods. In addition to these, there are now many non-food items in their carts that are not part of the food bill—but often are included in the minds of the cost-conscious shopper.

Instead of attacking food prices, we should be spreading the word of the tremendous advances we have made in food merchandising at no additional cost, in percent of disposable income, to the consumer.

Today, the farmer produces enough food to feed himself and 51 other people in this country plus he provides some food for an additional 100 starving people around the world. The performance of American agriculture transcends that of any major industry in this country and the Iowa farmers deserves the praise of all of us for his tremendous progress and his efficiency.

Take away the incentive to improve efficiency in farming, as this article suggests, and it won't take us long then to realize what a good thing we had going for us. Do as these research study suggests and we had better gear us to subsidize every retailer and small business up and down Main Street.

I fail to see why some people will not recognize that, if left alone, our free enterprise system that made this country great, can and will still work. Granted, some people will grow and prosper and a few will grow rich, but is that all bad. These people have money, and because they dared to adventure daringly, are rewarded.

Agriculture and food is the largest, by far, industry in this country. Legislate and control this industry and we will destroy our single largest asset this country has.

I can and am ready to supplement my thoughts in this letter with facts if you would be interested in having them.

Sincerely,

DONALD D. RIX.

Finally, I would like to note with dismay the President's plan to hold a meatless buffet today, in honor of Food Day. This is clearly a slap in the face of our livestock and poultry producers, and says to these producers that their Government does not care what happens to them. At a time when losses are mounting due to high imports and extremely high feed costs due to adverse weather conditions, this kind of cold treatment seems hardly to be deserved. My colleagues ought to be aware that when I asked the White House why no meat was being served, an aide remarked:

Meat is bad for your health, you can take my word for it.

I certainly hope this is not information the aide gained firsthand from the FDA.

In any case, I have asked the President to hold a Livestock, Dairy, and Poultry Day later this spring, in order to demonstrate that these foods are, in fact, very important to maintaining good health.

PRESIDENTIAL LINE ITEM VETO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. HYDE) is recognized for 2 minutes.

Mr. HYDE. Mr. Speaker, I am reintroducing with cosponsors, House Joint Resolution 323, a proposed amendment to the Constitution of the United States allowing an item veto in appropriations, on behalf of the gentleman from Virginia (Mr. BUTLER) and the gentleman from Florida (Mr. BENNETT).

I urge my colleagues to join us in making the appropriation process more effectice and responsible.

Under present law, the President may either sign or veto a bill, but he cannot pick and choose the good parts from the bad. He must take the whole thing or leave it. With the item veto, the President could eliminate wasteful and low-priority programs without totally sacrificing vital legislation.

It is time for the Congress to take action. Since we always retain the power to override an item veto, we are not adding to the "Imperial Presidency," but permitting a process of legislative fine-tuning that can only better serve the taxpayers. In addition, it imposes one more important measure of responsibility on the entire appropriations process.

The list of cosponsors follows:

COSPONSORS OF HOUSE JOINT RESOLUTION 323

L. A Bafalis, Garry Brown, Max Baucus, James C. Cleveland, James M. Collins, John J. Duncan, Mickey Edwards, Marjorie S. Holt, Richard Kelly, William M. Ketchum, Robert J. Lagomarsino, Norman F. Lent, James R. Mann, James Martin, Clarence E. Miller, Richard Ottinger, Matthew J. Rinaldo, Harold S. Sawyer, Keith Sebelius, Paul Simon, William A. Steiger, David Treen, Bruce F. Vento, Robert S. Walker, Larry Winn, Jr.

JOURNALIST JEFFREY HART RAISES SOME QUESTIONS ABOUT THE 1980 OLYMPICS IN MOSCOW WHICH MUST BE ANSWERED TO INSURE THE NONPOLITICIZATION OF "THE GAMES"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, the 1980 Moscow Olympics are shaping up as a gigantic bonanza for the Soviet Union and a real threat to the human rights issue behind the Iron Curtain.

I am not aware that any Member of Congress has been briefed fully on what the National Broadcasting Co.—NBC—had to guarantee the Soviets. But enough of the agreement reached between them has surfaced in various news and trade publications to cause great concern on the part of those who have concern over the tragic status of human rights in the Soviet Union and equal concern over the implications of the transfer of highly sophisticated communications technology to the Soviets which may result.

NBC is not the target of my remarks. I can only imagine they did the best they could but had little choice but to agree to the Soviet demands, if they were to guarantee to the American sports audiences an opportunity to see the Olympic games on television. Our target here ought to be the Soviet Union, for if what we hear is true, and I have no reason to believe otherwise, their demands fly in the face of everything détente was supposed to assure us.

What specifics are surfacing about the agreement?

An $80 million payment by NBC to the Soviets has been reported. But questions are now surfacing as to what additional, unreported sums may have been offered or paid to the Soviets.

NBC has apparently agreed to leave all of its sophisticated electronics equipment in the Soviet Union. This includes some equipment which the Soviets have not been able to get U.S. export licenses for, licenses denied because the equipment presumably has possible military uses. It also means the Soviets will have prototypes with which to manufacture equipment to compete with free world manufacturers.

The word is also being passed that the Soviets are compelling NBC both to show Soviet-produced film excerpts during the course of the telecasts and to refuse to cover any dissident, human rights oriented episodes, should they occur, during the Olympics. As a matter of fact, I understand the Soviets intend to take all potential human rights activists out of the Moscow region for the entire duration of the Olympics and the period leading up to it.

This last point, propaganda and showing the Soviet Union for something it really is not, bothers me greatly. Hitler turned the 1936 Berlin Olympics into nazism's greatest propaganda success. Helped unwittingly by the global media, Hitler put across a strong, positive image of a "new Germany." He hid nazism's viciousness, crimes, and war preparations. He used the 1936 Olympics to blind the Western democracies to the urgency of the Nazi threat, and he used it as a mask over the rising anti-Semitism of the Third Reich.

The Soviet leaders appear to be planning the 1980 Olympics on the 1936 Berlin model. They rate the award of the games to Moscow as their biggest propaganda victory. They are already busily preparing to use the games for the glorification of the Soviet Union and communism—and more importantly, to cover their failures, crimes, violations of human rights, massive weapons program, and aggressive international policy.

According to the news reports and the informative article published by Sports Illustrated, February 21 issue, a Bavarian named Lothar Bock acted as intermediary between Moscow and the U.S. networks in negotiating the Olympics contract. Sports Illustrated states that when NBC got the contracts with the Soviet Government and the U.S.S.R. Olympics Organizing Committee, NBC also signed a contract with Lothar Bock. NBC undertook not merely to pay Bock a million dollars but "to buy 15 programs he would produce and to retain him as a special consultant for 4 years." Sports Illustrated comments: "It was a dazzling package."

Who and what is this mystery man to merit such rich prizes? What kind of programs is he going to supply for presentation by NBC? Bock has distributed programs in Western Europe in the past. Most of them seem to have been routine Soviet propaganda handouts: saber dancers from Soviet Georgia, the Osip Balalaika Orchestra, Mongolian tumblers. In 1968—at the time of the Soviet invasion of Czechoslovakia—Bock "imported a troupe of Russian singers for a tour of West Germany." A few years ago, according to Sports Illustrated, he arranged "to have a memorial plaque placed on the house in Munich where Lenin did some of his most important writing." The New York Times, February 13, reported that Bock, when asked how he had got into the Olympic act, commented:

The Russians have tremendous respect for loyalty.

It is doubtful that he meant loyalty to NBC.

The troubles of the Munich 1972 and the Montreal 1976 games showed that the Olympic tradition is in danger of destruction from intense politicizing, gross professionalism, and outright cheating. If the 1980 games are turned into a Soviet-Communist propaganda spectacle, it will probably mean the end of the Olympics.

These and other points are brought out exceptionally well in three recent columns, the first two by Jeffrey Hart of Dartmouth College, the nationally syndicated columnist through King Features Syndicate, and the third by Jim Murray, the nationally respected sports columnist for the Los Angeles Times.

I wish to include these columns at this point in the RECORD, and I urge consideration of these questions.

[Dec. 5, 1976]

U.S. TV AS SOVIET PROPAGANDA CONDUIT

(By Jeffrey Hart)

Don't be at all surprised if some TV programs very favorable to the Soviet Union begin turning up on your screen. The Kremlin is currently using the frantic competition among CBS, ABC, and NBC over coverage of the 1980 Moscow Olympic Games to bargain for direct influence over U.S. television content.

We hear a lot from U.S. television spokesmen about freedom of the press, the First Amendment, and all the rest of it—but the networks show every sign of being willing to allow Soviet government officials to dictate the content of U.S. television.

We got a mini foretaste of this during ABC's coverage of the Montreal Olympic Games last summer. Already eager for the Moscow contract, Jim McKay and his ABC colleagues were not about to give offense to the Kremlin. We therefore got a lot of canned footage showing life in the Soviet Union, East Germany, Rumania, and other such resorts to be pleasant indeed: smiling athletes, wonderful facilities, happy Siberian villagers, grinning school children.

On this sunlit TV version of the Communist world not a shadow fell from the Gulag, the Lubianka, the "insane asylums," or the colossal military buildup. Naturally, while ABC was treating us to these propaganda clips, several Communist athletes took the opportunity afforded by the Games to defect to the West.

Where the Moscow Olympics are concerned, the Federal Communications Commission should definitely attempt to ensure that some sort of balance is maintained in the TV coverage. Otherwise, the Moscow Games are going to be a much bigger propaganda bonanza than Montreal.

For the Montreal contract, ABC is reported to have paid $25 million, but the Moscow price tag will be $80 million—and that is only the beginning. The surrounding concessions will be more important. The Soviets, it is clear, view the entire operation as a tremendous opportunity to pump favorable coverage of Soviet life into every American home from coast to coast.

Most of the athletic events will take place in the huge Lenin Hills Stadium in Moscow. No doubt this will require much favorable commentary on Lenin himself, commentary that will not be provided by Solzhenitsyn, for example.

Nor will you have to wait until 1980 for the propaganda to begin to flow. Last month CBS signed an agreement with the Soviets providing for exchanges of film, and also recorded some scenes from the Moscow circus for later U.S. viewing. If you believe that this has nothing to do with the Olympic contract negotiations, well, you probably believe in the Tooth Fairy, too.

Top U.S. TV executives have practically been commuting to Moscow in their eagerness to get the Olympic contract. Recently CBS chairman William Paley made the trip in his private jet for talks with Sergei Lapin, chairman of the Soviet TV committee, and with Ignaty Novikov, in charge of organizing the Games.

From the standpoint of the U.S. networks, the Olympics are very big business indeed. Not only do the Games themselves command a huge TV audience, but they tend to have a spill-over effect on programs coming earlier and later. Audiences turn the set on early, and tend to leave it on after the Olympic program ends, thus driving up the surrounding ratings, and, of course, advertising receipts.

To get the Soviet Olympic contract, the winning U.S. network will have to offer itself as a conduit for Soviet propaganda. No matter. You can bet that Sergei Lapin is not hearing many lectures on freedom of speech from U.S. TV executives, or about objectivity, or about balanced coverage.

To nail down a contract like that, any of the networks would be willing to show the Volga flowing north.

[Mar. 8, 1977]

OLYMPIC RIPOFF

(By Jeffrey Hart)

According to Lenin, the capitalists would sell to the Revolution the rope to hang them with. NBC has now rendered Lenin obsolete. By paying Moscow a reported $80 million plus other rewards for the 1980 Olympic TV contract, NBC has provided a nice piece of rope and paid Moscow for accepting it.

The old "Robber Baron" capitalists must be spinning in their graves like so many tops.

Suppose, for example, that NBC, ABC and CBS had got together informally and agreed not to pay Moscow a cent for the Olympic contract. Without global TV coverage, the Moscow games would lose most of their intended propaganda value. Only the U.S. networks possess the expertise and the equipment necessary for global impact. The Soviets would have beat a quick path to the networks' doors, begging for the coverage, maybe even paying for it.

But instead of driving a tough bargain, the networks fell all over themselves bidding up the price. Now NBC has won the prize, at a cost of $80 million, plus an agreement to leave in Russia all the sophisticated television equipment used there—equipment the Soviets themselves cannot begin to produce.

The 1980 Olympics in Moscow will be the biggest totalitarian propaganda bonanza since the 1936 Olympics in Berlin—architectural setting by Albert Speer, special effects and cinema by Leni Riefenstahl, stirring tunes by Richard Strauss.

Not surprisingly, the 1936 Olympics made quite an impression on the outside world. Despite the heroics of Jesse Owens and the University of Washington crew, the Nazis clobbered us, winning the most gold, silver, and bronze medals, and finishing 57 points ahead of the second-place Americans. The message was clear. The German "New Order" had definitely arrived.

But with the aid of TV, the Moscow show will make all that seem pale by comparison.

And do not expect NBC, with its $80 million investment, involved, to give us any embarrassing shots of shabby-looking Russians lined up to buy a turnip or a bag of cement. Don't expect to see any interviews with dissidents, Jews who want to get out, or Baptists who want to practice their religion. After all, NBC would doubtless explain, this is a "sporting" event and not a "political" one.

The Soviets will not have to threaten or suggest censorship. NBC will censor itself, knowing perfectly well that in case anything embarrassing to the regime got on the tube, certain "technical difficulties" would doubtless arise and wreck the broadcast and the investment.

It would even be surprising if anything particularly objectionable to the Soviets appeared on NBC between now and 1980. With the implicit threat hanging in the background, the Kremlin has the network just about in its back pocket.

Of course, the Communists will sweep the medals. The USSR, East Germany, Cuba and other delightful places feature vast state-run athletic programs which select and train masses of athletes practically from the cradle onward. Kornelia Ender, Nadia Comaneci, and Alberto Juantorena are just a sample of what lies in store. The "progressive forces" are going to smash the forces of decadent Western imperialism. You are going to hear the Soviet national anthem played so often you will probably end up whistling it.

Notice that NBC will be providing ideal respectable "cover" for this propaganda spectacle. Even if Soviet TV could somehow manage the technical end of the job, Soviet TV would be automatically suspect. NBC, serving as a propaganda conduit, will provide the credibility. Nothing quite like this has ever happened: a Soviet propaganda extravaganza midwifed by an American TV network that is paying for the privilege of being so used.

Suckers! Maybe you really do deserve to be consigned to what Karl Marx referred to as "the dust-bin of history."

I suggest that a massive and determined protest be mounted against this entire outrage. Anyone concerned about freedom, about dissidents, Baptists, Jews—all such people have a stake in this issue. Corporations advertising on NBC should think again. The Carter Administration has to consider the implications of Soviet leverage over U.S. network programming.

Finally, a strong moral and political case can be made for U.S. and other athletes boycotting the Moscow show. If enough athletes did just that, NBC's $80 million would not be worth a plugged ruble.

[From the Los Angeles Times, Mar. 18, 1977]

THE REALLY ODD COUPLE

(By Jim Murray)

If you knew of an organization that was preparing to advance $80 million to Soviet Russia, plus carloads of precious television equipment for it to beam a message of Communist solidarity and prosperity to the world, would you call the CIA? The FBI? The Marines?

You might expect such an organization would be called, like, "The Committee To Free The Harvard Eight With Cox" or some such, or by an alphabetical designation. And it is. NBC.

You would never believe an American television network would become a partner of the Soviet Union. I mean, Archie Bunker is bound to misunderstand. But, I guess, that's show biz.

It's a good thing for NBC Joe McCarthy is dead. Even without him, the attack has begun. I have at hand a column by a journalist named Jeffrey Hart, and he has NBC well within his coordinates and is hauling the railway guns up.

The notion that NBC has bought the rights to the Olympic Games in Moscow in 1980 for 12 times the cost of Alaska has driven Mr. Hart into a frenzy. I suspect he is not alone.

He suggests that, without U.S. television and know-how, the Soviet Olympics would be an embarrassing flop internationally, that, in point of fact, they would probably come begging for coverage from us by opening day. Instead, we are subsidizing this showcase for Communism. We should be registered with the State Department as licensed propagandists for a foreign power.

Lenin, he suggests, must be holding his sides some place today. "According to Lenin," he writes, "the capitalists would sell the Revolution the rope to hang them with." NBC has gone this one better, he says. It has given Moscow the rope, and is paying for the hanging.

Hart calls for a boycott of NBC and the Olympics. Without the American presence, NBC's $80 million show would be just another canceled series.

It is a dilemma the U.S. Olympic Committee has faced before—but not since 1936. Those Games had been awarded to Germany before Hitler came to power, but the Nazis inherited them when they came around and they made the most of them.

The ascendancy of the Nazis posed a moral problem for the U.S. Olympic Committee. First of all, the Hitlerites had removed the venerable Dr. Theodor Lewald as president of the German Olympic Committee because he was part Jewish. Since Jews were also barred from German sporting clubs, practice fields and swimming pools, they were effec-

tively barred from the German Olympic teams.

The U.S. Amateur Athletic Union, in 1933, took note of all this and voted for a boycott of the German Games. Avery Brundage of the USOC enthusiastically supported the boycott but it was largely a campaign of the AAU president, Judge Jeremiah Mahoney, who hated Hitler as a "pagan." The judge formed a "Committee On Fair Play" to ensure no American athlete took part in Hitler's Olympics.

The Germans, for their part, didn't want to lose the propaganda value of the 1936 Olympics which Dr. Goebbels estimated as worth 20 divisions; so they did some fast window dressing. They announced that 21 Jews had been named to the German team (none of them made it). They took down the "Jews Not Wanted" signs outside Garmisch before the Winter Olympics and tried to house their guests where they wouldn't hear the screams in the night.

They wooed Avery Brundage on his investigative trip to the Fatherland in 1934 to the extent that he reversed his position on the boycott and, in a historic meeting of the AAU in New York in 1935, Brundage not only beat back Mahoney but got himself elected president of the AAU in Mahoney's place.

Not even the fact that Hitler published his infamous "Nurnberg Laws" two months before could save the good judge. As president of both the USOC and the AAU, Brundage was as firmly in charge as Hitler, and Dr. Goebbels had his showcase.

Judge Mahoney had his bonfire (with his million or so signatures protesting participation), Hitler had his parade, Brundage had his Games.

It is not likely NBC will have its Brundage. It is likely it will have its Judge Mahoneys. Also its Sakharovs, Jeffrey Harts and Solzhenitsyns. It'll be a TV first. The first time a TV show got panned before it got filmed.

It is argued that it is different now from what it was in 1936. And so it is. Hitler didn't make you bring the rope.

THE B–1 BOMBER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, perhaps no other weapons system in our Nation's history has generated more controversy over a longer period of time than the B–1 bomber. The arguments against this program I hear today are even more indicting than in past years when I have also spoken against this travesty. The B–1 is an unnecessary luxury; its costs have skyrocketed while its performance has plunged; it duplicates protection provided by land- and sea-based nuclear missiles; it costs too much money for at best marginal improvement over the B–52; it is less effective and more costly than air-launched cruise missiles; it will be obsolete by the time of final production.

Each year when this questionable project is debated by the House, it becomes increasingly evident that neither the Department of Defense, nor the Congress, can put a final price tag on the cost of the B–1. Each year it becomes increasingly apparent that the B–1 will provide but a negligible addition to our defense posture while having an adverse effect on our future economic strength. We cannot continue to drain valuable resources from our ailing economy to build gold-pleated weapons systems which will have an insignificant impact on our national security.

I oppose inclusion in the Defense Authorization of $1.2 billion to build five B–1 bombers. Aside from my basic objections to this aircraft, it is patently ludicrous to provide funding for five bombers. The only purpose I can see in this effort is to get the foot in the door, so to speak, and attempt to force President Carter to approve the B–1 when his decision comes due next month. Is inclusion of this funding based on the foolish premise that once begun, a program cannot be stopped before completion? That we have sunk so much into this program we cannot afford not to go ahead? Is it fiscal sanity to continue to pour money after a loser?

In these days of sluggish economy and high unemployment, the specter of job loss provides one of the strongest pressures for continuing with the B–1 program—and, believe me, I have received my share of mail from constituents employed in the defense industries. Yet studies have shown that defense spending does not contribute as many jobs per dollar as nondefense spending does. Therefore, if longer term job stability is the goal, people working on defense-related projects would be better served through conversion programs designed to shift their skills and facilities to areas of critical civilian need such as mass transportation or energy-efficient housing. Moreover, diverting these B–1 bomber funds to nondefense areas would aid in a much-needed stimulation to the economy without simultaneously spurring the inflation defense spending does or heightening inflationary pressures by increasing incomes without providing an added supply of consumer goods.

Mr. Speaker, our Nation has vital social and national defense needs. To continue to rip off our economy, to rip off our taxpayers, to add to the Federal deficit, by wasting money on this flying brontosaurus is unwarranted and unconscionable.

THE STATE OF OUR ECONOMIC RECOVERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. LATTA) is recognized for 10 minutes.

Mr. LATTA. Mr. Speaker, only 2 days ago I stood before this Chamber to bring you up to date on the state of our economic recovery. You will recall that recently released indicators were describing an economy expanding at a rate well ahead of that predicted by knowledgeable economists. But I also cautioned you that there were dark clouds on the horizon: Inflation was showing signs of intensifying, while investment in new factories and productive machinery was disappointingly below the rate needed to create all the new, well-paying jobs we need so much.

During the 48 hours since I made those remarks, new evidence has become available which makes the good news even better, but the bad news even more ominous.

In March, we got more good news from our Nation's homebuilders who reported that new housing starts reached an annual rate of more than 2.1 million homes and apartments. Especially gratifying was the strong showing of new single family homes, indicating that the dream of millions of Americans to own their own homes was very much alive, and the market was responding to meet those dreams.

At mid-week we also learned that personal income for all Americans had increased in March by the second highest amount ever, and now stood at an all time high. Figures indicated that, on average, this amounted to more than $5,760 in spendable income for every man, woman and child.

We were also told that the value of those goods and services which our working men and women produce—the gross national product—had grown at a rate of 5.2 percent during the first 3 months of 1977, and probably would have approached 7 percent were it not for the vagaries of the weather during January and February. Note that this growth rate is measured in real dollars, not inflated ones. Now I may not be an economist, but I know enough to say that an increase in GNP of this magnitude is nothing but good news for all those people seeking jobs in the private sector as well as for all consumers.

It is interesting to note, however, that the Carter White House was telling us all along that the only way we could get such a good performance out of the private sector of the economy was for the Government to go out and borrow an additional $30 billion over the next 2 years from the taxpayers in order to give it back to them in the form of rebates, make-work jobs, and public works pork barrels. In Washington these days they call such fancy footwork "economic stimulus," but where I come from it is called a "con game."

As I said at the outset, however, some of the dark clouds on the horizon have gotten darker. While we were delighted to see capital markets respond favorably when the President followed the advice of the Republican Members of the Congress and dropped the rebate portion of his so-called stimulus package, we are deeply concerned that this advance may be more than off-set by the very bad news we have been getting of late on the inflation front.

Specifically, I was distressed to hear this morning that the Consumer Price Index had continued to rise above the level we had maintained during President Ford's last year in office, and for the first 3 months of 1977, was now running at the double-digit rate of 10 percent. If you recall the 1.1-percent monthly increase in the wholesale price index for March, which translates into an annual inflation rate of 13.2 percent, you can see that it is unlikely that we can expect better news on the inflation front for the near future. When we now consider the probable impact of the President's newly unveiled energy program, that pessimism

regarding the future course of prices is likely to continue for a long time.

So what can we conclude from all of this?

First, I think we can safely say that the economy is moving along at a brisk and healthy rate: Production is way up, personal income is looking great, and more than a million more Americans found jobs during the past several months alone. And remember that all of this was accomplished without any of the President's so-called stimulus measures which, he told us, were absolutely essential to avoid a new recession.

Second, we must conclude that inflation is now the greatest problem standing in the way of a prolonged and prosperous economic recovery. If the developments of the past several months are repeated too many more times in the upcoming period, our economic recovery is in real trouble. One does not have to search too far into history to recall the tragic consequences of allowing the inflation rate to take control of the economy. The price we paid—especially in terms of unemployment—the last time we fell victim to prolonged double-digit inflation just 3 years ago was too severe to chance a repeat of that again. It ought to be abundantly clear to all of us by now that those economists who claim we can continue to stimulate the economy without a serious risk of reigniting inflation are dead wrong.

It is indeed a narrow path we must tread to keep our economy moving ahead and creating jobs while not being thrown off course by a renewal of the inflationary pressures which ravaged the economy in the recent past. One thing ought to be evident to all of us when we take up the first concurrent budget resolution for fiscal year 1978 next week: we do not need, nor can we afford the risk of, any new Government programs to stimulate the economy. Most of all, we must avoid those stimulative programs which, once passed, commit the Government to pay out billions of dollars over the next 1, 2, or 3 years when such stimulation may be the very last thing which the economy needs at that time. In other words, we must not put ourselves in a position where we cannot turn off the spigot when the water is overflowing the banks.

As I said, we have a delicate balance which must be struck and maintained, and for our part we plan to be discussing over the next 2 weeks how the Federal Government can best contribute to this balance. We want to urge our colleagues on the other side of the aisle to join us in making this a bipartisan effort. And perhaps the best place to start this joint effort would be if all of us start telling the American people the truth about what good shape this economy of ours is in, and about what we can and cannot do to keep it in this condition.

HEARINGS OF THE SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, AND INTERNATIONAL LAW, ON H.R. 94, GRAND JURY REFORM ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. EILBERG) is recognized for 5 minutes.

Mr. EILBERG. Mr. Speaker, the Subcommittee on Immigration, Citizenship, and International Law will continue hearings on H.R. 94, and other bills, proposing reforms of the Federal grand jury system. Witnesses will be former grand jurors, former and present prosecutors, and a trial judge, who will analyze the proposed reforms in light of present practices.

This bill would establish certain rules with respect to the appearance of witnesses before grand juries in order to better protect the rights and liberties of such witnesses, to require notice to a grand jury of its rights and duties, to provide for independent inquiries by grand juries, to require periodic reports to Congress, and for other purposes.

Testimony will be received from Sheldon Ashley, chairman, Federation of Grand Jurors Association of New York State; William P. Gloege, vice president, Association for Effective Grand Juries, California; John J. Lyons, chairman, Bronx County Grand Jurors Association; Edwin L. Miller, district attorney, San Diego, Calif., representing National District Attorneys Association; Hon. Frederick B. Lacey, district judge, New Jersey, representing Judicial Conference of the United States, to be accompanied by Carl Imlay, General Counsel to Judicial Conference; Charles S. Ruff, Watergate Special Prosecutor; Paul J. Curran, private attorney, former U.S. attorney, New York City; and Robert J. Del Tufo, first assistant attorney general and director of the division of criminal justice, State of New Jersey.

The hearing will be held on April 27, 1977, and will commence promptly at 10 a.m. in room 2226, Rayburn House Office Building.

U.S. CANAL ZONE SOVEREIGNTY: TRANSCENDENT ISSUE FOR PANAMA CANAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in the 1976 Presidential campaign, the question of the sovereign control over the U.S. Canal Zone and Panama Canal became a subject of national discussion, with the people of the United States overwhelmingly supporting the retention of undiluted U.S. sovereignty over both the territory and the canal.

In spite of this fact, the Department of State has continued to press for a new canal treaty with the declared purpose of surrendering the sovereign control over the U.S. owned Canal Zone to Panama, a small, weak country of endemic revolution and endless political intrigue. Moreover, the State Department has sent its representatives on speaking tours in various parts of the Nation in support of its surrender campaign and has financed emissaries from Panama to do likewise, and all this at the expense of the U.S. taxpayer and against strong congressional opinion in opposition, well known to State Department officials.

Of the crucial canal issues now before the Congress and the Nation, the one of transcendent importance is that of retention of U.S. sovereignty over the zone. The surrender of this power to Panama would place that country in a position to nationalize the Panama Canal as was done by Egypt in 1956 in the case of the Suez Canal.

The situation presented by the actions of the State Department is an open challenge to the constitutional powers of the Congress, which has not authorized any negotiations to bring about the projected surrender.

In order to protect the United States against the possible loss of the Isthmian Canal and its protective frame of the zone territory, other Members of the Congress and I are introducing identical resolutions expressing the sense of the House of Representatives in the premises.

The question involved is not a mere local matter between the United States and Panama but one of global significance, for it involves the security not only of the United States but as well of the entire Western Hemisphere. All Members of the Congress interested in these vital matters are urged to cosponsor an identical resolution, which can be done by calling my office, or by introducing individually an identical measure.

The indicated Canal Zone sovereignty resolution follows:

H. RES. 92

Whereas United States diplomatic representatives are presently engaged in negotiations with representatives of the de facto Revolutionary Government of Panama, under the declared purpose to surrender to Panama, at an early date, United States sovereign rights and to abandon its treaty obligations, as defined below, to maintain, operate, protect, and otherwise govern the United States-owned canal and its protective frame of the Canal Zone, herein designated as the "canal" and the "zone", respectively, situated within the Isthmus of Panama; and

Whereas the United States is obligated by international agreement to regulate, manage, and protect a ship canal, guaranteeing its neutrality to the shipping of all nations at equal toll rates, to wit:

The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for operation, regulation, and management of the canal; and

Whereas title to and ownership of the zone, under the right "in perpetuity" to exercise sovereign control thereof, were vested entirely and absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Panama and Colombia, to wit:

(1) The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted to the United States in perpetuity the use, occupation, and control of the zone with full sovereign rights, power, and authority over the zone for the construction, maintenance, operation, sanitation, and protection of the canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

(2) The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between the Republic of Colombia and the United States, and under which the Republic of Colombia recognized that the title to the canal and the Panama Railroad is vested "entirely and absolutely" in the United

States, which treaty granted important rights in the use of the canal and railroad to Colombia; and

Whereas the United States, in addition to having so acquired title to and ownership of the zone by constitutional means pursuant to congressional authorization, purchased all privately owned land and property in the zone, making it the most costly United States territorial possession; and

Whereas the United States since 1904 has continuously occupied and exercised sovereign control over the zone, constructed the canal, and since 1914, for a period of more than sixty years, operated the canal in a highly efficient manner of reasonble toll rates to the vessels of all nations without discrimination under the terms of the above-mentioned treaties, thereby honoring its obligations; and

Whereas from 1904 through June 30, 1974, the United States made a total investment in the canal, including defense, at a cost to the taxpayers of the United States of over $6,880,370,000; and

Whereas the investment of the United States in the canal includes the sacrifices of many thousands of United States citizens who have worked to construct the canal, to keep it operating smoothly and efficiently, and to protect it; and

Whereas the canal is of vital and imperative importance to hemispheric defense and to the security of the United States and Panama; and

Whereas approximately 70 per centum of canal traffic either originates or terminates in United States ports, making the continued operation of the canal by the United States vital to its economy; and

Whereas the people of the United States have exhibited strong support for retention of full and undiluted jurisdiction over the canal and zone, and the Constitution insures the supremacy of the people; and

Where as Panama has, under the terms of the 1903 treaty and the 1936 and 1955 revisions thereof, been well compensated for the sovereign rights, power, and authority it granted to the United States, in such significantly beneficial manner that said compensation and correlated benefits have constituted a major portion of the economy of Panama, giving it the highest per capita income in all of Central America; and

Whereas the long established friendly and cooperative relations between the United States and the Republic of Panama as a consequence of the benefits flowing from the present treaty structure are prone to deterioration by the dilution of any United States sovereignty or jurisdiction in the canal an zone; and

Whereas the present negotiations pursuant to the February 7, 1974, "Agreement on Principles" signed without congressional authorization by United States Secretary of State Henry A. Kissinger, and by Panamanian Foreign Minister Juan A. Tack, constitute a clear and present danger to the hemispheric security and the successful operation of the canal by the United States under its treaty obligations; and

Whereas the present treaty negotiations are being conducted under a cloak of unwarranted secrecy, thus withholding from our people and their representatives in Congress information vital to the commerce and security of the United States; and

Whereas the United States House of Representatives, on February 2, 1960, adopted House Concurrent Resolution 459, Eighty-sixth Congress, reaffirming the sovereignty of the United States over the zone territory by the overwhelming vote of three hundred and eighty-two to twelve, thus demonstrating the firm determination of the people that the United States should maintain its indispensable sovereignty and jurisdiction over the canal and the zone; and

Whereas under article IV, section 3, clause 2, of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in the Congress, which includes the House of Representatives; and

Whereas the Communist regime in Cuba has made that country a satellite of the Union of Soviet Socialist Republics in violation of the Monroe Doctrine; and

Whereas the proposed surrender of United States sovereign control over the zone and canal to Panama, which is unable to defend them, would invite the Union of Soviet Socialist Republics to establish its power still more firmly in the strategic center of the Americas and threaten the operations and projected modernization of the canal; and

Whereas such a takeover would transform the Caribbean-Gulf of Mexico into a strategic Soviet stronghold; and

Whereas the Congress of the United States is invested with constitutional responsibilities to provide for the common defense and general welfare of the United States, to regulate commerce with foreign nations, to raise and support armies and provide and maintain a Navy, to make all needful rules and regulations respecting the territory of the United States, and to make all laws necessary and proper for carrying into execution these and other powers, all of which denote that it is the solemn duty of Congress to safeguard the interests of the people of the United States in the canal and zone: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives of the United States of America that—

(1) the Government of the United States should retain unimpaired and protect its sovereign rights, power and authority, and jurisdiction over the Panama Canal and the entire Canal Zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any such sovereign rights, power, authority, jurisdiction, territory, or property, all of which are indispensably necessary for the maintenance, operation, sanitation and protection, and for the proposed major modernization of the Panama Canal, as well as the security of the United States and the entire Western Hemisphere; and

(2) there be no replenishment or surrender of any presently vested United States sovereign right, power, or authority in the Canal Zone without prior authorization by the Congress; and

(3) there be no rescission or cession or other divestiture of any United States territory or property in the Canal Zone, tangible or intangible, to Panama or any other entity, country or international organization, without prior authorization by the Congress (House and Senate), as provided in article IV, section 3, clause 2, of the United States Constitution.

CLAYTON KIRKPATRICK OF THE CHICAGO TRIBUNE RECEIVES 1977 DANTE AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I would like to call to the attention of my colleagues that Clayton Kirkpatrick, distinguished editor of the Chicago Tribune, will receive the Sixth Annual Dante Award of the Joint Civic Committee of Italian Americans on May 19 at a luncheon in his honor at the Como Inn of Chicago.

Mr. Kirkpatrick has maintained the highest ethical standards during his 39-year newspaper career and he has become an admired leader in our Chicago community because of his splendid record of achievement.

The Dante Award was established by the Joint Civic Committee, an umbrella organization comprised of more than 40 civic organizations in the Chicago area, to extend recognition annually to an individual in the mass media communications field who has made a positive contribution toward fostering good human relations.

Clayton Kirkpatrick has spent most of his life in Chicago and he has earned the respect of Chicagoans, not only for the improvements he has made in the Chicago Tribune, but also for his determined hard work and creative ability. Typical of his attitude were his words to an Iowa college graduating class:

> Of this I am sure: Your prospects are as good as or better than those earlier generations faced when they stepped out to take possession of their futures. I am also certain that you can achieve a good life in this troubled world if you go about it with good will, determination, and intelligence.

He has made significant and innovative changes in the newspaper, and Time magazine has called the Chicago Tribune one of the 10 best newspapers in the country. It is for these reasons that he so richly deserves the Dante Award, because it was Dante Alighieri, in his "Divine Comedy," who said: "Men should never be timid about the truth."

Clayton Kirkpatrick began his career with the Chicago Tribune as a reporter in 1938 and was appointed editor on January 1, 1969. He was born on January 8, 1915, in Waterman, Ill., and was educated in the Waterman public schools and at the University of Illinois, where he graduated with honors in 3½ years.

In January 1938, Kirkpatrick joined the staff of the City News Bureau of Chicago. He covered police and court news until he joined the news staff of the Tribune in October 1938. He had various assignments as a reporter until he enlisted in the Army in March 1942. He spent 2 years in the intelligence section of the 100th Bombardment Group of the 8th Air Force based in England, and was discharged in November 1945, after 3½ years of service, during which he received the Bronze Star Medal. After the war, Kirkpatrick returned to the Tribune as a general assignment reporter.

In 1950, he won the Edward Scott Beck Award for distinguished journalism for a series of seven articles on trade unions. In 1954, he left the job of a reporter to gain experience in copy editing and newspaper makeup. Kirkpatrick was appointed day city editor in 1958 where he directed assignments of the city staff and in 1961, he became city editor.

The job of city editor was the start of a rapid pace of increasing responsibilities, and in 1963, he was appointed assistant managing editor in charge of local news, becoming managing editor of the Tribune on February 27, 1965. Mr. Kirkpatrick was promoted to executive editor and elected a vice president of the

Chicago Tribune Co. in 1967 and 2 years later he assumed his present office. In 1972, he was elected a director of the Chicago Tribune Co.

Clayton Kirkpatrick is a member of the American Society of Newspaper Editors and the Society of Professional Journalists. He was honored in 1973 as Journalist of the Year by Northern Illinois University, was selected 1974 Press Veteran of the Year by the Chicago Press Veterans Association, and in 1977 received the National Award for Journalistic Merit, sponsored by the William Allen White Foundation. He was elected a trustee of the Robert P. McCormack Charitable Trusts in 1976, and in the fall of last year, he also served as a delegate to the 19th General Conference of UNESCO held in Nairobi, Kenya.

Kirkpatrick married Thelma De Mott of Chicago on February 13, 1943, and they have four children: Pamela, born in 1946; Bruce, born in 1948; Eileen, born in 1952; and James, born in 1954.

Mr. Speaker, it is most appropriate that this outstanding Chicago citizen should receive the Dante Award. I extend sincerest congratulations to Clayton Kirkpatrick on meriting this recognition and honor, and my best wishes for abundant good health and continuing success in his endeavors in the years ahead.

THE SHOE IMPORT DECISION AND TRADE ADJUSTMENT ASSISTANCE: THE NEED TO MAKE IT WORK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, in announcing his decision to negotiate orderly marketing agreements on the importation of shoes, the President also indicated that he was ordering the executive branch to provide new and better forms of adjustment assistance to the shoe industry and to the shoe-producing communities adversely impacted by shoe imports. The President stated:

> The American shoe industry needs an expanded and more effective program of assistance to help it meet foreign competition. I have directed the Secretary of Commerce to work directly with the Secretary of Labor and Ambassador Strauss in developing such a program. Toward this end, these officials will see that existing assistance programs work better.
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> In addition, I will recommend to Congress within 90 days any legislation which may be needed to provide:
>
> Technological aid to increase production efficiency and develop new production methods.
>
> Data and market research to pinpoint new marketing opportunities.
>
> Assistance for affected communities and workers.
>
> Help with promotion and marketing services.
>
> Financial assistance to support these initiatives.

It is worth noting that in 1970, another President rejected shoe industry pleas for import relief and instead announced a comprehensive program of adjustment assistance for the shoe industry. Unfortunately, the grandiose plans of 1970 were never implemented, and the shoe industry in America has, on the whole, been in decline since then.

Unlike the 1970 promises, I trust that President Carter's commitment for an effective program of adjustment assistance will in fact be carried out.

The best form of trade adjustment assistance is a full employment economy—one in which there is low unemployment and a high demand for workers and for capital goods.

It appears to be some time, however, before we expect to achieve such an economy. Therefore, in the meantime, how can we make trade adjustment assistance work?

First of all, we must admit that the present adjustment assistance programs do not work. For workers, the programs are simply additional unemployment compensation. Few are retrained or seek relocation to areas with jobs. For firms, it is a program of high interest loans to those who can somehow simultaneously prove that they have been badly hurt by imports but can pay the loan back. For communities—well, it has simply never been applied or used.

Second, while many strongly want to reject the adjustment assistance announced by the President in favor of the relatively high tariff-quotas proposed by the U.S. International Trade Commission, the fact is that both the relief proposed by the ITC and by the President's orderly marketing agreements are very short-term—and that massive adjustments are required by the shoe industry. The authority to negotiate orderly marketing agreements and the authority to impose tariff-quotas are limited to 5 years—with one possible 3-year extension. The shoe industry, its workers, and the communities in which shoe industries are located must begin to answer the question now about how they expect to compete without relief 5 or 8 years from today.

In short, it is clear that we need adjustment assistance programs which work.

The Ways and Means Trade Subcommittee is currently reviewing the operation—or nonoperation—of the adjustment assistance programs provided by the Trade Act of 1974. We held hearings on March 31 and April 1 and will hold additional hearings on May 17 to hear administration plans to make the adjustment assistance program operate effectively overall as well as for the shoe industry.

But while amendments to the current programs are essential, even more important will be the total commitment of the administration to new ideas for providing jobs in trade impacted areas.

First, I believe that the Federal scientific agencies must be used to help find improved technologies which can help make American firms more competitive. While millions have been loaned to companies for working capital assistance, only about a half a million dollars in assistance has been provided to a footwear association to: First, provide a system for warning its members of changes in shoe styles and consumer preferences; and second, a study of ways to improve the productivity of shoe machinery. Much more needs to be done in these technological areas. For example, the European Community has a scientific group which assists on trade adjustment assistance problems. A recent article in the European Report described the type of technological research being conducted in Europe to save their ailing shoe industry:

> The Commission budget will pay 235,000 u.a. of an estimated total cost of 505,000 u.a. for two research projects. A third 850,000 u.a. project will be undertaken subsequently if the first two are a success, but for the moment there is no question of provision of Community funding for this one. The footwear programme is guided by the same principles as the existing programme of technological research in the textile sector. In fact, CREST, the scientific committee which sets research projects, has recommended that the Commission adopt a global strategy for programmes of this nature in future.
>
> SAVINGS VIA RATIONALIZATION
>
> Projects I and II, which will begin this year, deal with rationalized use of materials for uppers and rationalization of upper making. Project I is a four-year programme costing 255,000 u.a. in all (85,000 u.a. this year, 80,000 u.a. next, 70,000 u.a. in 1979 and 20,000 u.a. in 1980); project II is a two-year programme costing 150,000 u.a. this year, 100,000 u.a. next. The difference between the 235,000 u.a. being put up by the Community and the 505,000 u.a. total will be contributed by Community industry. The third project, if it gets off the ground, will deal with the correlation between footwear technology and consumer goods.
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> The justification for the first project is that the manufacturer of uppers always involves relatively serious waste of materials. It is estimated that wastage could be halved and that even a 2% improvement in materials utilization would produce annual savings of about 13 million u.a. In the second project a 20% reduction in the operation involved in stitching a shoe could lead to an estimated annual saving of 40 million u.a. At present there are 18 steps—varying in extent according to the type of shoe—that have to be rationalized and harmonized both to simplify the production process and to increase job satisfaction. The research will require quite complex systems analysis which takes account of the actual situation in and diversity of the European footwear industry and collaboration between a large number of firms throughout the Community is regarded as essential.

While shoes are manufactured in 42 States, there are 11 "main" shoe producing States where the impact of shoe imports has been particularly serious. The administration's trade adjustment assistance program should concentrate on those general areas where there is a noticeable amount of unemployment due to foreign imports.

I realize that there are many geographical areas of our country with pressing needs—Appalachia, Indian reservations, central cities, and areas already designated as Economic Development Administration areas. There is an urgent need to make all of these regional programs work better, and I hope that the administration will be more creative in the use of programs to help these areas.

One of our witnesses at the April 1 hearing noted that Trade Adjustment Assistance could be made more effective:

Generalized statistical data should be used in lieu of individual firm data to qualify regions and communities, long

injured by import competition, for the full range of assistance available under the Trade Act of 1974 and Public Works and Economic Development Act of 1965, as amended.

Once an area's employment is identified as adversely impacted by imports, the Federal Government should commit itself to using its full resources to help that area. In addition to the established programs such as EDA, community development, water and sewer projects, highways and other forms of transportation development, the Federal Government should use other forms of job creation. For example:

A recent study by the Northeast-Midwest Economic Coalition in Congress shows the failure of a 1952 Defense Department policy to direct purchases toward areas of highest unemployment. In the past 25 years less than one-fifth of 1 percent of the hundreds of billions of dollars in military purchases has been spent to relieve acute unemployment. This policy should be revived and made effective to help trade impacted areas.

The Federal Government remains largely centralized in Washington. At a time of reorganization, it is time to ask whether all of these facilities, bureaus and agencies need to remain in the highest per capita income metropolitan area in the Nation. With today's telecommunications techniques, dispersion of facilities is possible without loss of management control. Yet, a single small Federal facility—such as an agency's forms distribution center—would be the center of economic life in most small towns in America. The situation is ripe for "space reorganization" away from Washington into areas with high unemployment. According to the latest GSA data, there are 20 buildings in the Washington area which house five or more Federal agencies. There are Defense Department workers in the Pentagon and 123 other buildings, not counting military installations. Treasury employees are in 39 different locations and Commerce Department workers occupy space in 37 buildings. The space situation in the high priced Washington area is chaotic and wasteful. Literally dozens of these agencies could be moved out of Washington and into depressed and high unemployment areas.

The energy crisis is a national emergency which will require the commitment of hundreds of billions of dollars for the purchase of insulation and energy saving devices. Much of this effort will be paid for by the Federal Government—and the Government should sit down with the industries involved and direct that plant expansion in energy conservation industries be located in areas of high unemployment. It is probable that solar energy already has a favorable cost-benefit ratio. Yet the industry is hampered by the failure to mass-produce solar energy devices. We are in an energy emergency. The Federal Government should contract for solar energy cells and equipment—just as it would for munitions during a war—and if necessary assist in the construction of physical plants to begin the production on a massive scale of solar energy devices. Such plants should be operated in trade adjustment assistance areas and other areas of high unemployment.

One of the areas hardest hit by high levels of imports is New England, an area already in trouble because of the extraordinary high costs of energy in the region. The trade adjustment assistance program should provide legislatively or through administrative action, for community and areawide solar energy experiments, pilot projects on the transmission of energy with a minimum of energy loss, et cetera. An area with high unemployment should be able to attract private investment and new industries if it is the site of a successful experiment in low-cost, domestic energy. The TVA was a successful economic program for a region. Today we need solar energy administrations on a regional basis to provide cheap forms of energy for areas adversely impacted by the high cost of energy and a high level of imports.

There are many who say that trade adjustment assistance does not work. I agree. But, I believe that we can make the program work, so that communities adversely affected by imports can free themselves from reliance on industries which have traditionally been among the lowest wage and least mobile in our society. A creative approach to trade adjustment assistance will enable us to retain the benefits of relatively open world trade while improving the quality of jobs and life in many of our Nation's communities.

ADOPTION OF FOREIGN CHILDREN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, I am today introducing legislation to facilitate the admission and naturalization of adopted foreign orphans.

The Immigration and Nationality Act effectively prevents most individuals from adopting more than two foreign children irrespective of the ability of the prospective parent to care for additional children. The act also requires adopted children to reside with their parents for 2 years subsequent to completion of the legal adoption process before an application for naturalization can be considered.

These two requirements are unnecessary. If the prospective parent is able to care for more than two children, there is no reason to automatically limit the number of foreign children which that person can adopt. Other safeguards exist to assure that a prospective parent can provide proper care for adopted children.

Similarly, upon completion of the adoption process, there is no reason to require the adopted child to reside with his parents for 2 years before the child can file for naturalization. A parent who legally adopts a child is responsible for that child; and, the immigration status of the child has no bearing upon the legal responsibility of the parent. Furthermore, I sincerely doubt that a child is going "to do anything" in the 2 subsequent years that might prejudice his petition for naturalization.

I have been advised by the Migration and Refugee Service of the U.S. Catholic Conference that the conference supports the elimination of these requirements. I understand that in the past, the Immigration and Naturalization Service has not opposed similar proposals to eliminate these unnecessary requirements.

The issues which my bill addresses are of concern to the adoptive parents of foreign children. This is certainly not a controversial bill. I hope the Subcommittee on Immigration, Citizenship, and International Law will schedule early consideration of my bill.

ADVISORY OPINIONS ISSUED BY THE SELECT COMMITTEE ON ETHICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

Mr. PREYER. Mr. Speaker, the Select Committee on Ethics, which I am privileged to chair, has issued four formal advisory opinions which have general applicability to all Members of the House. In summary, these advisory opinions provide as follows:

First. The prohibition on use of private funds to print mass mailings shall take effect January 1, 1978.

Second. Necessary expenses provided in connection with an event in which a Member or employee substantially participates are not considered to be a gift.

Third. Members and employees are prohibited from acceptig free transportation provided by commercial airlines on inaugural flights.

Fourth. Direct mail solicitation by a Member or his spouse constitutes a fundraising event, and therefore the proceeds from such mailings must be treated as campaign contributions and cannot be converted to personal use.

Mr. Speaker, for the information of the Members, I insert in the RECORD at this point the text of these four advisory opinions, pursuant to the procedures adopted by the Select Committee.

The material follows:

ADVISORY OPINION NO. 1

ISSUED BY THE COMMITTEE ON MARCH 22, 1977

Subject: Effective date of House Rule XLVI, clause 4, prohibiting use of private funds to pay for the cost of preparing and printing mass mailings.

Background: House Rule XLVI, clause 4, as adopted by the House on March 2, 1977, provides as follows:

Any mass mailing which otherwise is frankable by a Member under the provisions of section 3210(e) of Title 39, U.S. Code, shall not be frankable unless the cost of preparing and printing such mass mailing is defrayed exclusively from funds made available in any appropriations Act.

The Commission on Administrative Review, in its report on Financial Ethics (H. Doc. 95–73, February 14, 1977, p. 19) recommended that this restriction on mass mailings take effect January 1, 1978. However, the provision as contained in Title IV of H. Res. 287, inadvertently omitted reference to an effective date. Consequently, during House consideration of H. Res. 287 on March 2, 1977, a colloquy between Mr. Obey and Mr. Frenzel affirmed that the Commission on Administrative Review had intended that clause 4 of Rule XLVI take effect on January 1, 1978 (see

Congressional Record, March 2, 1977, p. 5941), and that this was the intent of H. Res. 287.

Reason for issuance:

Clause 4 of House Rule XLVI is silent as to an effective date, and thus may be deemed to have taken effect upon adoption, notwithstanding legislative history to the contrary. In order to clarify the situation and to assure Members that they may continue to use private funds to prepare and print mass mailings sent under the frank until January 1, 1978, the Select Committee issues this advisory opinion.

Opinion: Members may continue to use private funds to prepare and print mass mailings sent under the frank until January 1, 1978.

ADVISORY OPINION NO. 2

ISSUED BY THE COMMITTEE ON APRIL 6, 1977

Subject: Applicability of House Rule XLIII, clause 4, to reimbursement or payment of necessary expenses associated with a conference, meeting, or other similar event in which a Member, officer, or employee of the House participates.

Reason for issuance:

Members have raised a number of questions concerning the definition and application of the gifts provisions as set forth in House Rule XLIII, clause 4. An advisory opinion has been requested as to whether the reimbursement or receipt of expenses connected with events in which a Member, officer, or employee participates constitutes a gift.

Background:

House Rule XLIII, clause 4, establishes, in effect, that Members, officers, or employees of the House shall not accept gifts in any calendar year aggregating $100 or more in value, directly or indirectly, from any individual, organization, or corporation with a direct interest in legislation before the Congress, or from a foreign national.

In most cases, an individual's expenses for a meeting or conference, including transportation, food, and lodging, would exceed the aggregate figure of $100. Additionally, many sponsoring organizations, domestic or foreign, would have an interest in legislation before the Congress. However, necessary expenses should not be considered to be a "gift" to a participating individual who renders personal services sufficient to constitute "equal consideration" for the expenses provided by the sponsoring organization. Conversely, it should be noted that the services rendered must be more than perfunctory in nature to constitute equal consideration for the expenses involved. For example, addressing an audience at an event or engaging in discussion seminars would be considered substantial participation sufficient to constitute "equal consideration," while simply visiting a specific site or location as part of a "fact-finding tour" would probably not be viewed as "equal consideration" for expenses paid by a sponsoring organization.

A similar philosophy of exempting expenses for participation in an event is recognized in clause 3 of House Rule XLVII, which excludes travel, lodging, and meals from calculation of the honorarium paid for a speech or appearance.

A separate question surrounds the reimbursement or payment of similar expenses for the spouse of a Member, officer, or employee. If a sponsoring organization pays the spouse's expenses to attend an event in which the Member participates, would those expenses constitute a gift to the Member under clause 4 of Rule XLIII? Rule XLIII does not specifically address this question. But as a matter of precedent, Federal Election Commission regulations exclude payment of expenses for a spouse as a portion of the honorarium received by a Member, officer, or employee. As a matter of policy, the ability of the spouse to accompany a Member to such events has many positive benefits. If House Rules are interpreted so as to prevent reimbursement of a spouse's travel, food, and lodging expenses, the incentive for Members to participate in meaningful programs will be diminished.

Summary opinion:

A Member, officer, or employee of the House (and their spouses) may be paid or reimbursed for transportation, food, and lodging expenses when such expenses are directly associated with a conference, meeting, or similar event in which the Member, officer, or employee substantially participates. Such reimbursements or payments aggregating $250 or more would be disclosed in accordance with the provisions of Part B, clause 1 of Rule XLIV, as provided by H. Res. 287.

ADVISORY OPINION NO. 3

ISSUED BY THE COMMITTEE ON APRIL 6, 1977

Subject: Applicability of House Rule XLIII, clause 4, to acceptance of free transportation provided by air carriers on inaugural flights.

Reason for issuance: The Select Committee has been requested to issue an advisory opinion on the propriety of Members, officers, or employees of the House of Representatives accepting free transportation provided by air carriers on inaugural flights.

Background: Commercial air carriers are authorized, under federal regulations (18 CFR 223.8 and 399.38) and with the approval of the Civil Aeronautics Board, to provide free transportation on "inaugural flights" to invited guests when a new route or new equipment is introduced. Traditionally, the air carriers invite Members and employees of the House of Representatives, as well as officials of the Executive Branch, on such inaugural flights.

The applicable House Rule in this situation is Rule XLIII, clause 4, which provides, in effect, that a Member, officer, or employee of the House of Representatives shall not accept gifts in any calendar year aggregating $100 or more in value, directly or indirectly, from any party with a direct interest in legislation before the Congress, or from a foreign national.

The air carriers are subject to federal regulation, and thus are deemed to have a direct interest in legislation before the Congress. The question to be determined is whether an inaugural flight constitutes a gift.

In the case of inaugural flights, the Member, officer, or employee of the House does not appear to render any services of equal consideration to the value of the flight, and therefore an inaugural flight would appear to constitute a gift to the Member, officer, or employee. If the value of the transportation provided on an inaugural flight exceeds $100, and the Commitee assumes that such would be the case in every instance, acceptance of such a gift would be prohibited under Rule XLIII, clause 4.

The Committee recognizes that the definition of the term "gift" for purposes of Rule XLIII, clause 4, might not include some situation where a trip or event is primarily intended for educational purposes and is directly related to a Member's or officer's or employee's official duties. However, the Committee finds that inaugural flights, as traditionally defined, do not have sufficient educational value to exclude them from the definition of a gift for purposes of the intent of Rule XLIII, clause 4.

Summary opinion: Acceptance of free transportation provided by air carriers on inaugural flights is prohibited under House Rule XLIII, clause 4.

ADVISORY OPINION NO. 4

ISSUED BY THE COMMITTEE ON APRIL 6, 1977

Subject: Under House Rules, may a Member of the House or the spouse of a Member solicit cash gifts of less than $100 for personal use through a direct mass mailing?

Reason for issuance:

A member of the House has requested an advisory opinion as to whether his proposal to solicit gifts of less than $100 for personal use would be in violation of House Rule XLIII.

Background:

Rule XLIII, clause 4, prohibits acceptance of gifts aggregating over $100 from "persons" having a direct interest in legislation before the Congress. Since the proposal would solicit only gifts of less than $100, it would not be in violation of clause 4.

However, Rule XLIII, clause 7, appears to have direct application to the proposed plan to solicit gifts. Before March 3, 1977, Rule XLIII, clause 7, read as follows:

A Member of the House of Representatives shall treat as campaign contributions all proceeds from testimonial dinners or other fund-raising events if the sponsors of such affairs do not give clear notice in advance to the donors or participants that the proceeds are intended for other purposes.

This provision was designed to deal with situations in which donations were given to Members under the mistaken notion that they were to be used for campaign purposes when, in fact, they were treated as personal gifts. Hence, language was adopted which specified that unless advance notice was given, proceeds from fund-raising events could not be converted to personal use.

The House Commission on Administrative Review recommended that proceeds from testimonial dinners and other fund-raising events should not be allowed to be converted to personal use under any circumstances. Effective March 3, 1977, H. Res. 287 amended clause 7 to read simply:

A Member of the House of Representatives shall treat as campaign contributions all proceeds from testimonial dinners or other fund-raising events.

In a technical sense, then, the propriety of the proposal turns on the interpretation of a "fund-raising event." There was no legislative history defining the term fund-raising event when Rule XLIII was adopted in 1968.

But in view of the widespread use of mass mailings to raise funds (direct mail solicitation has become a principal fund-raising technique since 1968), it would appear that the proposal under consideration constitutes a fund-raising event. In the age of computerized mass mailings, it is unnecessary for people to gather together in a common place on a particular date to constitute a "fund-raising event."

Additionally, Rule XLIII, clause 2, would appear to have applicability in this case. The provision states:

A Member, officer, or employee of the House of Representatives shall adhere to the spirit and letter of the Rules of the House of Representatives and to the rules of duly constituted committees thereof.

A major thrust of the provisions contained in the new House Rules adopted March 2, 1977, was to severely limit the potential for Members to "cash in" on their positions of influence for personal gain. Therefore, a limitation on outside earned income was proposed and adopted. A proposal to abolish unofficial office accounts was offered and adopted. A proposal to prohibit the conversion of political funds to personal use was adopted. And the proposal discussed above to treat all proceeds from fund-raising events as campaign contributions was also adopted. Therefore, it would appear that a proposal to solicit funds for personal use would be contrary to the "spirit" of the House Rules adopted pursuant to H. Res. 287.

The final question concerns the propriety of a spouse raising funds through mass mail solicitation for the benefit of the Member. While the Select Committee recognizes the basic independence of the spouse, the spouse under these circumstances would be acting essentially on behalf of the Member. Thus, the Member would be conducting indirectly the very activities he would be prohibited from engaging in directly.

Consequently, the mass mail solicitation of funds by a spouse for a Member's use also appears to violate the "spirit" of House Rules.

A direct mail solicitation by a Member of the House or the spouse of a Member constitutes a "fund-raising event" for purposes of House Rule XLIII, clause 7. Proceeds from a "fund-raising event" for a Member of the House must be treated as "campaign contributions" and cannot be converted to personal use by the Member. Therefore, any such attempt to raise funds for personal use through a mass mailing would be in violation of House Rule XLIII, clause 7. Additionally, any such activity would appear to be contrary to the spirit of House Rules and, therefore, in violation of House Rule XLIII, clause 2.

This Advisory Opinion concerns application of House Rule XLIII to a specific factual situation presented to the Select Committee on Ethics for consideration, and its coverage is limited to that particular factual situation.

FOSTER CARE AND ADOPTION IMPROVEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of California. Mr. Speaker, I am introducing today, along with the chairman of the Subcommittee on Select Education, Mr. BRADEMAS, the Foster Care and Adoption Improvement Act. This comprehensive reform legislation is the outgrowth of two sets of hearings in 1975 and 1976 which were called by Chairman BRADEMAS and which detailed the shortcomings in the present foster care system and suggested the kinds of reforms which are embodied in this legislation.

This bill will establish protections for foster children, their parents, and their foster parents, and will expand the possibilities for the adoption of many of the 120,000 foster children who could, according to a leading adoption expert, be adopted immediately. By emphasizing alternatives to foster placement, and directing more energies toward dealing with problems in the family before fragmentation becomes the only alternatives, this legislation will have the effect of strengthening the family, long an objective of mine and of Mr. BRADEMAS.

When a child enters foster care, research has clearly indicated that present guidelines and procedures do not adequately protect his rights or interests. Current legal requirements concerning case plans, periodic review, and other safeguards are widely ignored, with the result that tens of thousands of children remain in long term, indeterminate care far longer than actually is necessary, often with sad results for themselves and their families.

In 1975, Mr. BRADEMAS and then Senator MONDALE conducted a day of joint hearings which pointed out the shortcomings of the Federal role in foster care. Last September, Mr. BRADEMAS and I held another day of hearings during which alternatives to the present foster care crisis were thoroughly discussed and shown, where operating in select areas of the country, to be highly successful and cost-effective. This legislation, which I am introducing today, will establish those types of accountability processes as standard features of Federal law.

This legislation has been developed from the record of those hearings by the Select Education Subcommittee, and with the assistance of many concerned and interested parties from the child welfare and child advocacy communities. I believe that this legislation will receive unusually strong support from a wide spectrum of concerned individuals and organizations, and I urge my colleagues to join me in supporting it.

VIETNAM VETERANS

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, our Nation is slowly, but surely, recovering from the wounds of the Vietnam war. Through the amnesty programs of the Ford and Carter administrations, many of those young people who left their homes to seek refuge in other countries, rather than fight in a war which they believed to be wrong, have made their ways back to the families and country which they love. Through the special discharge review program, those individuals who received less than honorable discharges, often because of their open opposition to the Vietnam war, will be eligible to have their military discharges upgraded. There are, however, a certain group of Vietnam veterans who are still suffering from the effects of their service in Vietnam and whose problem, to date, has been largely ignored.

These are individuals who, for the most part, served honorably in Vietnam, some of whom were wounded during their military service, and who were discharged under honorable conditions. Yet, these veterans, discharge form in hand, have been repeatedly denied employment. They are often preplexed as to the reason for their continual problems in securing employment, and wonder why their prospects of being hired look good until the prospective employer reviews their DD Form 214. One particular veteran who has been in contact with my office has even been passed over on several occasions for individuals who had less education and work experience, and who scored lower than he did on aptitude tests. What these veterans do not realize is that they have been assigned a cryptic SPN code which, in some way, brands them as a less than desirable individual.

The SPN code, which was allegedly designed for use only by the Department of Defense in determining an individual's desirability for reenlistment, has been roundly criticized. The assignment of an SPN code was discretionary, and seemed to be based on no standard criteria. Most veterans do not even know of the existence of these codes on their DD Form 214, and very few veterans actually know what the code means. Yet, through some mysterious means, lists of the code interpretations have been widely made available to large corporations, colleges, and private employers, who can easily look at the veteran's discharge papers and interpret the meaning of the SPN code.

Through use of the SPN code veterans have been unknowingly branded as having character and behavior disorders, as being unfit for multiple but unstated reasons, of having unsanitary habits, of immorality, of being financially irresponsible, of having an antisocial personality, of apathy, of having venereal disease—on and on to about 300 various items. Many, but not all SPN codes are derogatory in nature. From what I have been able to ascertain, SPN codes were assigned on the basis of comments entered by various officers. The basis for such comments could be as arbitrary as a personality conflict between an officer and a serviceman. In the majority of cases there is no concrete evidence to support the remarks—remarks which are merely personal feelings and personal observations. The serviceman is given no opportunity to refute the assignment of an SNP code, and most veterans are completely unaware of the code's existence or meaning.

When certain Members of Congress began questioning the use of SPN codes, the Department of Defense undertook administrative action to eliminate the use of the codes rather than face a congressional investigation and possible legislative action. Veterans were instructed to contact the Department of Defense to obtain a revised copy of their DD Form 214, on which the SPN code would be eliminated. This, however, has proven to be a token gesture on the part of the Department of Defense, and has not solved the problem. The SPN code is still contained on the file copies of a serviceman's records maintained by the Department of Defense. Schools and private employers seem to have an uncanny knack for obtaining a veteran's SPN code, even after the veteran has presented them with a revised copy of his DD Form 214 on which the SPN code has been eliminated. In some cases, private employers even refuse to accept the revised DD Form 214, insisting that the veteran furnish them with the original form containing the code and refusing to consider the veteran if he does not do so.

To further illustrate the problems which the elusive SPN code has caused veterans, I would like to share with you the case of a veteran from upstate New York who served honorably and had a tour of duty in Vietnam. This veteran's mistake was not in evading his duties, as he personally witnessed the horrors of the Vietnam war. He was appalled by what he saw, and was concerned by the opposition to the war at home. His mistake was that he exercised his constitutional right to freedom of speech and openly voiced his opposition to the war and what he saw—something which an

enlisted man apparently could not do without incurring the wrath of his superiors.

Several years later, after a series of temporary jobs and numerous employment denials, this veteran learned that his SPN code indicated that he did not handle his personal affairs in a satisfactory manner. He has stated that he is at a loss in explaining why this code was assigned to him, other than through his vocal opposition to the military's involvement and actions in Vietnam. In reliance on the SPN code, prospective employers have decided that a veteran who cannot handle his own personal affairs in a satisfactory manner could not be trusted to handle his duties on the job in a satisfactory manner. One can only imagine the difficulties which a veteran whose SPN code indicates that he is immoral, or financially irresponsible, or a trouble maker would have in obtaining employment.

Again, it is important to keep in mind that these veterans never faced formal charges for their alleged offenses. They have been given no opportunity to refute the assignment of a derogatory SPN code, and there are no administrative procedures available to these veterans to have the code changed.

While SPN codes are no longer used by the Armed Forces, those veterans discharged prior to May 1974 still have SPN codes on their military records, even though the code may have been eliminated from the copy of the DD Form 214 which they have in their possession. As previously pointed out, the SPN code of a veteran and its meaning seem to be readily available to anyone who is interested in obtaining it.

It is my belief that these veterans have been done a great injustice by the Armed Forces and by society. The voluntary action of the Department of Defense to expunge the SPN code from the veteran's copy of his DD Form 214 has proven to be a farce, and the code must be removed from all copies of the veterans records if justice is to be done. These individuals deserve as much, if not more, consideration than draft evaders and individuals who received less than honorable discharges.

These veterans have suffered far too long, but it is not too late for the Congress to take affirmative action in insisting that any reference to the arbitrary SPN code be eliminated from all records maintained by the U.S. Government, and that the Veterans' Administration deny GI bill approval for any employer or educational institution known to use the SPN code as a criteria for the hiring or selection of veterans. Most important, I urge all of my colleagues in the House to join me in contacting the Secretary of Defense to let him know of our concern in this matter, and to ask that he take administrative action to eliminate all reference to a SPN code from all copies of a serviceman's records. If our unified actions are unsuccessful, it may prove necessary to enact legislation in order to correct this gross injustice to Vietnam veterans.

PERSONAL STATEMENT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD at this point a statement regarding a recorded vote I missed on Monday, April 18, 1977, and an indication of how I would have voted had I been present.

The vote was on rollcall No. 135, on a motion to suspend the rules and pass H.R. 3340, Business Use of Residences for Day Care Service. The motion was agreed to by a vote of 320 to 1. I was paired for this motion, and had I been present, would have voted in favor of it.

THE 64TH INTERPARLIAMENTARY UNION CONFERENCE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, at the recent conference of the Interparliamentary Union in Canberra, Australia, in which 61 nations with parliamentary bodies participated, I had the honor to be one of the delegates from the United States and to be a member of the Economic and Social Committee at the conference. In the course of the deliberations of that Committee, I had the privilege of speaking for the United States upon the matter which was one of the subjects on the agenda at the conference on the contribution of the developed countries to the establishment of mechanisms of cooperation among the developing countries. I ask unanimous consent, Mr. Speaker, that my remarks to the Economic and Social Committee at this conference, which were approved in advance by the State Department, be incorporated in the body of the RECORD following these remarks.

64TH INTERPARLIAMENTARY UNION CONFERENCE, CANBERRA

Subject: The Contribution of the developed countries to the establishment of mechanisms of cooperation among the developing countries

The United States delegation is pleased to join in discussing the highly important topic of cooperation among developing countries and wishes to treat both its major components, namely, economic cooperation and technical cooperation. The general concept, of course, has a long history and is firmly based in the current Decade of Development, under which the United States and other developed countries agreed (in paragraph 40 of the International Development Strategy) to support regional cooperation among developing countries through financial and technical assistance as well as commercial policy.

Subsequent resolutions of various international forums have sought to assure concrete application of this principle. Within the last year alone it may be recalled that UNCTAD IV combined a number of specific proposals into that conference's Resolution 92 on economic cooperation among developing countries, and the subsequent meeting of the Trade and Development Board in October went on to establish a special committee for further consideration of the matter.

The 31st General Assembly also adopted a resolution on December 13, 1976, reviewing past action in this field and welcoming formation of the special committee. The United States intends to cooperate fully in the work of that body when it meets in Geneva next month (May 2-6).

Reference to previous resolutions, however, should not be interpreted as meaning unqualified U.S. support for all of the many detailed recommendations which have been made in this field. In this respect even the stated topic of "establishment of mechanisms of cooperation" may be misleading, for this conference (and other for considering this issue) should examine the more effective use of existing mechanisms as well as creation of new ones. In addition, consideration of the "contribution of the developed countries" should not obscure the fact that cooperation among the developing countries must originate with them and that support from others can prove effective only to the degree that a program is well conceived and fully agreed among the nations immediately involved.

With these qualifications it should be emphasized that the U.S. Government already extends extensive support to regional cooperation and economic integration in two forms, (1) direct bilateral technical and capital assistance to regional projects and/or institutions, and (2) support of regional financial institutions which in turn fund integration projects or activities (e.g., the IDB, ADB, etc.). The United Nations regional economic commissions, particularly those for Latin America (ECLA), for Asia and the Pacific (ESCAP), for Africa (ECA), and for Western Asia (ECWA), have been active for many years in the promotion of economic cooperation among the developing nations. The United States is a charter member of both ECLA and ASCAP and hence has been actively involved in these efforts for almost 20 years. It participates also in ECA and ECWA in an observer capacity.

An important new concept in the field of cooperation among developing countries is that of technical cooperation. While this idea in various guises has been practiced for a long time, the concept is being given new emphasis as the needs of the developing world grow, the resources of the industrialized nations become limited and the capabilities of some advanced LDC's improve.

Technical cooperation among developing countries or "TCDC", as this approach is labeled, is seen as an additional means of mobilizing untapped and appropriate resources and capabilities—those within developing countries themselves—for the benefit of the Third World in general. Rather than a separate program, it is to be viewed as a dynamic process of development through mutual sharing which should permeate all multilateral activity, especially as carried out in the United Nations system. This recourse to indigenous skills and production should at one and the same time enlarge the world reservoir of resources for development assistance, refine and expand the human and material resources within the developing world and encourage that self-reliance which promotes independence and human dignity.

The principal catalytic element in the realization of TCDC is the United Nations Development Program. Acting upon resolutions passed in the UN General Assembly and by its Governing Council, UNDP has cosponsored meetings on TCDC in each of the four regional economic commissions and has developed an information referral system as a catalogue of skills and products available in the developing world. A year from now, UNDP will co-sponsor with the United Nations a world conference on technical cooperation among developing countries.

The United States has been involved with

development of the concept of TCDC from its inception. It was largely at our urging that the Information Referral System was set up. We have participated actively in each of the regional meetings on TCDC and are assuming an appropriate role in the preparations for the world conference. In short, the United States is committed to this additional means of involving the developing countries in all aspects of developmental assistance.

In forthcoming meetings of UN organizations as well as in the present conference the U.S. representatives will be ready to review existing mechanisms of cooperation and to explore new means of assisting the developing nations in their mutual efforts to achieve progress. We look forward to useful discussions on practical issues and to the formulation of rational programs of action through which the concepts of economic and technical cooperation can contribute to enlarging and improving delivery of development aid in the Third World.

We in the United States know that the cooperation which shall exist in the future between the developed and the developing nations will affect the health and happiness of a large part of the human race found in the developing nations and will not only give a deep and justified sense of satisfaction and justice to the developed Countries but in the long run will make them stronger and more secure as well. Hence the United States is pleased to continue to cooperate in such a program.

WORLD PEACE TAX FUND ACT

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, last Friday was the deadline for the filing of income tax returns in the United States. I, along with 23 of our colleagues, am taking this opportunity to introduce legislation which we believe is essential to the integrity of this Nation's tax system.

The World Peace Tax Fund Act, as our bill is called, would amend the Internal Revenue Code to establish conscientious objector status for taxpayers identical to that established presently under our selective service laws. Under this act, any man or woman in the country who felt he or she could not, in good conscience, contribute to military expenditures would have the option of having their tax dollars routed, instead to peace-related activities.

It has long been recognized in this body and throughout the Nation that thousands, perhaps millions, of our citizens are so strongly compelled to resist violence that participation in wars in any form is morally and religiously intolerable. What our laws have not yet recognized is that many of these citizens are equally opposed to see their tax dollars spent on implements of death and destruction.

The World Peace Tax Fund Act recognizes this moral conviction and, without lowering anyone's total tax bill, removes the great dilemma now facing conscientious objectors—to disobey their own beliefs or to disobey the laws of their country?

At this time I would like to insert into the RECORD a summary of the legislation followed by other related material:

SUMMARY

The World Peace Tax Fund Act proposes that the Internal Revenue Code of 1954 contribution to military spending for Federal taxpayers who are conscientiously opposed to participation in war, and that a Fund be established to receive and distribute to qualified peace-related activities the portion of such individuals' tax payments that would otherwise go to military spending. The remainder of qualifying individuals' income, estate, and gift taxes would be transferred to the general fund of the U.S. Treasury, to be spent only for non-military purposes.

The Act gives relief to those citizens conscientiously opposed to participation in war, who are presently forced to violate their beliefs by participating in war through tax payments. There is considerable precedent for such relief. The Selective Service System has long recognized and accommodated the beliefs of conscientious objectors. Tax exemptions have been provided for certain religious groups to avoid violation of their religious and conscientious beliefs.

The requested tax relief for conscientious objectors will not open the "floodgates" to similar relief for other groups. The conscientious objector's request for tax relief is exceptionally compelling because it is motivated by the widely-held and long-established fundamental religious and moral mandate—"Thou shalt not kill."

The Act provides taxpayers, who are conscientiously opposed to war and who might otherwise feel compelled to undertake illegal tax resistance, with a means of making a meaningful contribution to world peace consistent with their obligations of citizenship. It is particularly important that the Act extends the opportunity for conscientious objection to women and to men not eligible for conscientious objector status under the Selective Service System.

The amendments to the Internal Revenue Code of 1954 provide that a qualified taxpayer may elect to have his or her Federal income, estate, or gift tax payment transferred to a special trust fund, the World Peace Tax Fund. The amendments also explain how a taxpayer qualifies to have his or her tax paid to the Fund. Other sections of the Act provide for the creation of the World Peace Tax Fund, and for the appointment of a Board of eleven Trustees to administer the Fund. The Fund is modeled after the National Highway Trust Fund and the National Airport and Airway Trust Fund. The act provides that the General Accounting Office shall annually determine and publish the percentage of the Budget of the United States which was spent for military purposes in the fiscal year just ended. This percentage will be used to determine the portion of the qualifying taxpayer's tax which shall be received by the Board shall submit a budget to Congress for approval and appropriation, providing for channeling of these monies to specified peace-related activities. Monies not appropriated from the Fund for expenditures budgeted by the Board shall remain available for use in subsequent years by the Board, subject to Congressional appropriation.

MEMORANDUM IN SUPPORT OF THE WORLD PEACE TAX FUND ACT

INTRODUCTION

Many persons in this country are conscientiously opposed to participation of any kind or nature in war. For some religious denominations this is a fundamental part of the religious beliefs of the members. For example, the Handbook of the Pacific Yearly Meeting of the Religious Society of Friends urges its members:

"To recognize that the military system is not consistent with Christ's example of redemptive love . . . (and) to consider carefully the implication of paying those taxes, a major portion of which goes for military purposes."—page 28 of 1962 Rev. Ed.

The World Peace Tax Fund Act is designed to relieve individuals conscientiously opposed to participation in war from the obligation to participate in war through the payment of taxes for military spending. Also it frees them from the weight of conscience which comes from breaking the law, when they hold law and society important.

Freedom of conscience, whatever that might be, is an integral part of our scheme of government. The Supreme Court of the United States, in March of 1965, quoted a statement made in 1919 by Harlan Fiske Stone, who later became Chief Justice of the Court:

"Both morals and sound policy require that the state should not violate the conscience of the individual. All our history gives confirmation to the view that liberty of conscience has a moral and social value which makes it worthy of preservation at the hands of the state. So deep is its significance and vital, indeed, is it to the integrity of man's moral and spiritual nature that nothing short of the self-preservation of the state should warrant its violation; and it may well be questioned whether the state which preserves its life by a settled policy of violation of the conscience of the individual will not in fact ultimately lose it by the process,"—Stone, The Conscientious Objector, 21 Col. U.Q. 253, 269 (1919).

Although not all persons who are conscientiously opposed to participation of any kind in war base their convictions on religious training and belief, conscientious objection to war appears to be well recognized as an integral part of the religious beliefs of many people. Speaking of the struggle for religious liberty in this country, Chief Justice Hughes referred to:

"The large number of citizens of our country, from the very beginning, who have been unwilling to sacrifice their religious convictions, and in particular, those who have been unwilling to sacrifice their religious convictions, and in particular, those who have been conscientiously opposed to war and who would not yield what they sincerely believed to be their allegiance to the will of God . . ." *United States* v. *Macintosh*, 283 U.S. 605, 631 (1931).

Certainly to require significant participation in war, against the religious conscience of these people, would violate the spirit of the first amendment protection for the free exercise of religion. (See *West Virginia State Board of Education* v. *Barnett*, 319 U.S. 624 (1943); *School District of Abington Township* v. *Schempp*, 374 U.S. 203 (1963); *Contran, Tyrrell* v. *United States*, 200 F. 2d 8 (9th Cir. 1953), *cert. denied* 345 U.S. 910.

Conscientious objection to war and military training is deeply imbedded in the traditions of this country. For example, the ratifying conventions of each of the six states that recommended the adoption of a Bill of Rights in ratifying the new Constitution approved specific amendments as a part of their recommendation; Virginia, North Carolina, and Rhode Island included a provision guaranteeing the right of conscientious objection. (See Elliot, *Debates on the Adoption of the Federal Constitution*, Vol. 3, p. 659, Vol. 4, p. 244 Vol. 1, p. 314–336 (reprint of 2nd ed. 1937).

A similar provision was suggested and rejected by the Maryland convention. (See Elliot at 553.) It is not surprising, therefore, that one of James Madison's proposed amendments presented to the first session of the first Congress included the following language: "but no person religiously scrupulous of bearing arms shall be compelled to render military service in person." *Annals of*

the Congress of the United States, 434 (Gales and Seaton, 1934).

During the debates on the proposed amendment, it was suggested that the right be conditioned "upon paying an equivalent." To this suggestion Mr. Sherman of Connecticut remarked:

"It is well known that those who are religiously scrupulous of bearing arms are equally scrupulous of getting substitutes or paying an equivalent. Many of them would rather die than do either one or the other." *Annals* at 750.

A motion was then made to drop this clause altogether; the motion failed and the clause was included in the list of proposed amendments sent to the Senate for approval. The Senate omitted this provision and it never became a part of our Bill of Rights. Although no record of the Senate debates was taken at the time, the opposition to the proposal in the House would indicate that the Senate preferred to leave the matter to legislation instead of a Constitutional Amendment. *Annals* at 751.

Although Congress has recognized the right of conscientious objectors to refrain from participation in war and has enacted legislation to protect that right, conscientious objectors are still forced to participate in war through the payment of taxes, a substantial portion of which goes to military spending. Every person in this country who pays Federal income, estate, or gift taxes is forced to participate in war in this manner. They are forced to aid in the equipping and training of armies and in the purchase of bombs, ammunition, missiles, napalm and other instruments of destruction. This is a significant form of participation in war.

Tax refusal—refusal to pay taxes because the money was to be spent for things to which the taxpayers were conscientiously opposed—has a long history. Early Christians refused to pay taxes to Caesar's pagan temple in Rome. Quakers and Mennonites refused to pay taxes to pay for the war effort during the French and Indian Wars, the Revolutionary War, and the Civil War. Under Gandhi's influence, strugglers for independence in India refused to pay taxes to the British Empire. In many ways the Boston Tea Party and other attempts of the colonists to prevent the British from collecting taxes to pay for the French and Indian War and for the stationing of British troops in the colonies represent similar protests. (See 1 Malone & Rauch, *Empire for Liberty* 126–36 (1960)). Just as pacifists are opposed as a matter of conscience to paying taxes that are used for military purposes, so were the colonists opposed as a matter of conscience to paying taxes without representation.

At the present time those who are conscientiously opposed to any form of participation in war can avoid violating their conscience in the matter of federal income taxation in only two ways. First, they can carefully avoid earning more than the minimum income required by federal law upon which income taxes must be paid. Second, they can simply refuse to pay the taxes due, or a certain percentage of them; this amounts to a criminal offense which could result in a maximum sentence of $10,000 fine and one year in prison. See Internal Revenue Code, Section 6502. Such a penalty could conceivably be imposed every year if the individual refused to pay the taxes due every year. In spite of the possibility of these extreme consequences, many people take this route because they feel it is a lesser evil than to violate their conscience.

To most American citizens who wish to make substantial contribution to the life of their community and who want to be law-abiding citizens these are not feasible alternatives. The liberty of conscience that Chief Justice Stone spoke about is not being preserved in the area of conscientious opposition to participation in war. In order to preserve this liberty of conscience and to preserve both the dignity and the fairness of law—to preserve it in a spirit intended by the founding fathers and the drafters of the Bill of Rights—legislation should be enacted to provide a legal and realistic alternative to participation in war through the payment of federal income, estate, and gift taxes.

PRECEDENT

There is sound precedent for such legislation giving tax relief to protect religious and conscientious beliefs. Section 1402(e) of the Internal Revenue Code provides an exemption from payment of self-employment taxes for duly ordained, licensed or commissioned ministers and members of religious orders, or for Christian Science Practitioners upon their filing an application for exemption together with a statement that they are conscientiously opposed to, or because of religious principles, they are opposed to participation in an insurance plan like that provided by the Social Security Act. Section 1402(h) of the Internal Revenue Code similarly relieves members of qualified religious faiths, primarily the Amish, of the duty to pay the Social Security tax. By this Code provision, enacted in 1965, Congress acknowledged and accommodated the conscientious objection of the Amish to participation in insurance plans. The tax exemptions provided by sections 1402(e) and 1402(h) of the Internal Revenue Code were modeled after the exemption of conscientious objectors from the draft.

By exempting individuals conscientiously opposed to participation in insurance plans from payment of Social Security taxes, Congress clearly extended the principle of Congressional accommodation of conscientious beliefs from the area of the draft to the area of taxation. Thus Congressional precedent for tax relief to accommodate the beliefs of conscientious objectors to war is firmly established. Congress has recognized both the right not to participate in war and the right of a tax exemption to avoid participation in a program to which the tax-payer is conscientiously opposed.

The proposed tax accommodation for conscientious objectors to war recognizes the unique and long-acknowledged right of an individual to refrain from participation in war. It reflects an honest acknowledgement that payment of taxes for military spending is a significant and, for conscientious objectors, intolerable form of participation in war. The proposed special tax status for conscientious objectors is a necessary device to avoid forcing their participation in war.

The tax treatment asked for conscientious objectors is less exceptional than that presently granted by sections 1402(e) and 1402(h) of the Internal Revenue Code. Those sections allow individuals "conscientiously opposed" to Social Security insurance to be entirely exempted from payment of a portion of their tax. In contrast, the World Peace Tax Fund Act does not propose exemptions from payment of a portion of the conscientious objector's tax. Under the Act, a conscientious objector is still required to pay his entire tax. The Act merely provides that an appropriate portion of the tax may be diverted from military spending to nonmilitary peace-related activities.

Like the exemption from payment of the Social Security tax, the proposed tax accommodation for conscientious objectors is based on religious and conscientious belief. The conscientious objector to war has a compelling justification for the special tax status he seeks. His concern is fundamental. He asks not to be forced to join in the deliberate killing of his fellow men. His desire not to participate in war and killing through any means, including taxation, is based upon a widely acknowledged religious and moral principle. Observance of the principle is essential to the integrity of the individual. By forcing the conscientious objector to war to contribute to military spending, Congress presently forces him to violate his conscience and severely denies his right of religious freedom.

The tax accommodation of conscientious objectors would be an affirmative gesture which would benefit society as well as the individual taxpayer. Especially today, when a faint hope of world peace precariously counterbalances the threat of unspeakable destructive war, it is important to society that the moral principle, "Thou shalt not kill," which underlies the conscientious objector's attitude towards war, be firmly and repeatedly asserted.

Fundamental fairness requires that the opportunity for making this affirmative gesture for world peace and against killing be extended to all people—not just those draft-age males who qualify for conscientious objector status under the Selective Service laws. Therefore another important aspect of this act is that it offers women and children an opportunity constructively to demonstrate their opposition to war through formal conscientious objection—an opportunity which at present is open only to draft-age men.

The proposed tax accommodation for conscientious objectors is required by uniquely compelling justifications. Granting this special tax status to conscientious objectors will not open the floodgates to other groups who claim to be "conscientiously opposed" to various uses of their tax dollars, because the concern of the conscientious objector is so fundamental, so widely acknowledged, and so essential to the integrity of individuals and our society.

The contemplated tax treatment of conscientious objectors does not establish a precedent for individual earmarking of tax dollars. Trustees appointed by the President with the advice and consent of the Senate will receive, for subsequent channeling to appropriate peace-related activities, a portion of the Fund's monies. This portion represents a sum of all qualifying individuals' income, estate, or gift tax payments, multiplied by the percentage of last year's Federal budget devoted to military spending. The spending decisions of the Trustees require Congressional approval and appropriation. Congress retains power over spending of the conscientious objector's taxes. The taxpayer who qualifies as a conscientious objector can only decide that his tax dollars will not be spent for one specific purpose—military spending. Distribution of monies by the Board to qualified peace-related organizations finds precedent in the qualified distribution requirements for private foundations under Section 4942 of the Code.

In summary, the conscientious objector's uniqueness rests first, in the long tradition of Congressional respect for and accommodation of conscientious objectors to war. Second, the standards for determination of conscientious objector status have been tried, proven, and refined by the Selective Service System and conveniently provide stringent and reliable requirements for determining conscientious objector status for tax purposes. Third, the conscientious objector to war bases his request for special tax treatment on a widely-held long-established fundamental religious and moral belief. Fourth, the declaration of conscientious objection for tax purposes is an affirmative and constructive act which could make a substantial contribution to world peace.

The great interest of individuals in the free exercise of their fundamental religious beliefs should weigh most heavily against the public interest in minimizing exceptions to the general tax laws. If the interest of the

Amish in not participating in Social Security insurance was sufficient to outweigh this public interest, the compelling interest of the conscientious objector to war should also outweigh it.

EFFECTIVENESS

Individuals conscientiously opposed to war will be excused from tax contribution to military spending and thereby from a significant form of participation in war. The tax dollars diverted from military spending will be used to promote world peace. It is recognized that because of the nation's tax collection and budgeting process, the creation of the World Peace Tax Fund may not markedly reduce the money available for military spending. A serious curtailment of military spending would result only if a great many taxpayers participated in the Fund, thereby calling for a major shift in national priorities. The military will get the funding it requests until the success of the Fund helps persuade taxpayers and Congress to reduce the priority of military spending.

At present, many conscientious objectors are so determined to change this country's priorities that they have refused to pay their taxes. As an alternative to forcing conscientious objectors to pursue this difficult and unpopular course, this bill offers the conscientious objector a way of making a positive contribution to world peace in place of contributing to military spending. The Fund will provide a constructive means of citizen's protest for its contributors. The Fund will draw the attention of every taxpayer to the percentage of American tax dollars going to military spending It will encourage Congress to recognize this percentage by publication of the Fund's annual reports. At present, for the most part, no effort is being made by the government to separate military spending from other spending. Individual taxpayers, in making out their annual returns, will be forced to decide whether or not they can conscientiously contribute to military spending Those who become conscientious objectors for tax purposes will be voicing a significant vote against military policy. The bill provides that the number of contributors to the Fund, the amount of money contributed, and the expenditures of the Fund shall be published and reported to Congress each year

Many conscientious objectors would like to take a firmer stand than that provided by this Act in opposition to their country's military operations, but in view of the political constraints, imposed on them as a minority, they support the Fund as a meaningful, though not entirely satisfactory means of working for world peace.

The Internal Revenue Code amendments and the organization of the Fund are designed to accomplish their goals with a minimum of administrative effort. The individual taxpayer is given the initial responsibility for determining whether he or she is eligible for conscientious objector status. A taxpayer who is already classified as a conscientious objector for Selective Service or Immigration purposes is automatically eligible. A taxpayer, regardless of age or sex, who files a declaration of conscientious opposition to war, is eligible False statements knowingly made in declaring conscientious objector status are grounds for prosecution for perjury Willfull abuse of this claim of eligibility will therefore be discouraged. The Internal Revenue Service may conduct an examination, "For the purpose of ascertaining the correctness of any return," according to Section 7602 of the Code. Language in that section is broad enough to allow review of a declaration of conscientious objection to war In formulating requirements for conscientious objector status and in reviewing returns of conscientious objectors, it is expected that the Secretary or his delegate will rely primarily on 50 U.S.C. App. 456(j), which exempts conscientious objectors from military service, and judicial interpretations thereof. Final rulings by the IRS against the taxpayer's status as a conscientious objector are appealable to the United States District Court.

The Fund itself will be self-sufficient. It is expected that the commitment of the Fund's Trustees to world peace and their appointment by the President with the advice and consent of the Senate will make the Fund self-policing so that contributors and other taxpayers and Congress will have faith in it, and it will accomplish the goals set for it. The operating expenses of the Fund will be paid out of the money the Fund receives from taxpayers Because the Fund will encourage people who presently refuse to pay their taxes, to pay these taxes, the administrative costs of the Fund will be offset by the additional tax payments which the Fund is expected to generate.

A final point is that legislative relief is the only legal avenue available for resolving the conscientious objector's dilemma between his beliefs and his obligations of citizenship. Conscientious objectors have repeatedly lost their battle against war taxes in the courts. Despite the strong constitutional arguments which can be made in their defense, in deference to Congress the courts have repeatedly held against conscientious objectors who have refused to pay their taxes to military spending.

CONSTITUTIONALITY

(1) *Uniformity.* The proposed legislation conforms with the requirement of Article I, Section 8, Clause 1 of the Constitution which provides "All duties, imports and excises shall be uniform throughout the United States." The requirement of uniformity has been read to require geographical uniformity, *Knowlton* v. *Moore,* 178 U.S. 41 (1900); *Brushaber* v. *Union P. R. Co.,*—U.S. 1 (1916); *Fernandez* v. *Wiener,* 326 U.S. 340 (1945).

(2) *First Amendment.* The first amendment provides "Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof." The proposed tax payment accommodation of the religious beliefs of conscientious objectors is a mitigation of a general requirement for the purpose of allowing the free exercise of religion. This is not an establishment of religion.

According to the General Counsel of the Treasury, "The classic example of the application of the free exercise clause is the series of cases which have upheld Congressional exemption of conscientious objectors from military service. The validity of this exemption was first established by the *Selective Draft Law Cases,* 245 U.S. 366 (1918), upholding the exemption in the draft law of members of religious sects whose tenets prohibited the man's right to engage in war." The Solicitor General had argued (p. 374) that the exemption did not establish such religions but simply aided their free exercise. The court considered that the Congressional authority to provide such exemption was so obvious that it need not argue the point (pp. 389—390).

The present Universal Military Training and Service Act (50 U.S.C. app. 456(j)) provides, "(j) Nothing contained in this title (sections 451, 453, 454, 455, 456 and 458–471 of this Appendix) shall be construed to require any person to be subject to combatant training and service in the Armed Forces of the United States who, by reason of religious training and belief, is conscientiously opposed to participation in war in any form " "Participation in war in any form" has been read by the courts to mean "participation in any form in war." *Taffs v. U.S.,* 208 F. 2d 329 (CA 8 (1953)), *cert. denied* 347 U.S. 928 (1954)). In *U.S. v. Seeger,* 380 U.S. 163, 13 L. Ed. 2d 733 (1965) the court broadly interpreted "by reason of religious training and belief" to require no formal religious training, and suggested that a personal moral code would be sufficient grounds for conscientious objection if there were some other basis for the registrant's believe. The *Seeger* case did not reach the constitutional question of whether the state might require a belief in God as a condition for exemption. *Torcaso v. Walkins,* 367 U.S. 488 (1961) did hold that Maryland could not require an oath attesting to a belief in God as a requirement for becoming a notary public, because such a requirement would constitute an establishment of religion.

Another example of the use of Congressional authority to make exemptions from general laws to permit the free exercise of religion is the exemption from taxation of religious organizations, property and activities. These exemptions continue to be upheld against claims that they have the effect of establishing the religions benefited. *Swallow v. U.S.,* 325 F. 2d 97 (10th Cir. 1963).

Zorach v. Clauson, 343 U.S. 306 (1952) is another case affirming the validity of accommodations made by the state to allow the free exercise of religion. There the Court upheld New York legislation authorizing public schools to release children one hour early every week for religious instruction off school grounds.

That allowing conscientious objectors to pay a portion of their taxes into a non-military tax fund is an accommodation for the free exercise and not an establishment of religion is made clear by *Sherbert* v. *Verner,* 374 U.S. 398 (1963). The Court held there that Maryland could not deny unemployment benefits to a Seventh-Day Adventist who refused to take a job requiring work on Saturday, the Adventists' Sabbath. The Court held this conditioning of welfare benefits on compromise of individuals' religious beliefs was an unconstitutional restriction on the free exercise of religion. Therefore, the court ordered Maryland to make accommodation within its general unemployment law. A conscientious objector who is forced to pay taxes which help finance military spending, is being denied the right of free exercise of his religious beliefs. The conscientious objector's plight is worse than the Adventist's in *Sherbert* who paid a lesser price for free exercise of religion. In *Sherbert* the price exacted by the state for religious freedom was loss of unemployment benefits. The conscientious objector who refuses to pay taxes is not only fined but is forced to break the law and is liable to criminal prosecution. Contribution to military spending is a significant form of participation in war. It may be as offensive to religious beliefs as service in the Armed Forces. Congress has accommodated religious beliefs by exempting from military service those conscientiously opposed to participation in war. It is a small step for Congress to allow the conscientious objector not to participate in war through taxes. Clearly, such an accommodation is to aid the free exercise of religion and is permitted, if not required, by the first amendment.

The effect of the proposed accommodation for conscientious objectors would not be discrimination in favor of some religions at the expense of others. Rather, the present discrimination against those who are forced to pay taxes, (a portion of which goes to military spending in violation of their religious beliefs), would be removed. See *Sherbert,* p. 406. Nor are the problems of admin-

istration and the possibility of spurious claims under the proposed accommodation justification for continuing the present burdens or the free exercise of religion. See *Sherbert*, p. 407.

Despite the constitutionality of the proposed amendments, it might be argued there is an overriding public interest which forbids accommodation. But in *In Re Jenison*, 375 U.S. 14(1963) the Court relying on *Sherbert* v. *Verner* vacated a ruling of the Minnesota Supreme Court, which held that jury duty, a primary duty of all citizens, was superior to a religious belief which forbade judging others and therefore forbade jury duty. After *Jenison* it is possible to argue that it is unnecessary to balance the public interest against the individuals' interest to determine whether an exception to the general law should be made to accommodate the free exercise of religion. Rather Congress or the courts could simply determine if an accommodation is necessary to allow free exercise of religion and if so, grant it.

(3) *The due process clause.* The due process clause of the fifth amendment requires that tax statutes be reasonable and apply to a reasonable class. However, the standards of reasonableness applied to tax statutes are more lenient than those applied generally; only clearly arbitrary tax classifications will be struck down. *Flemming* v. *Nestor*, 363 U.S. 603(1960); *Smart* v. *U.S.*, 222 F. Supp. 65 (1963); *Leeson* v. *Celebrezze*, 225 F. Supp. 527 (1963). Therefore it is unlikely that the classification proposed by these amendments would be found unreasonable, especially since the classification is the same which has long been accepted as reasonable for draft exemption purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. CORMAN (at the request of Mr. WRIGHT), after 4:15 p.m., today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BAUMAN, for 5 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. PURSELL) to review and extend their remarks and include extraneous material:)

Mr. DUNCAN of Tennessee, for 15 minutes, today.

Mr. GRASSLEY, for 15 minutes, today.

Mr. HYDE, for 2 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. MCKINNEY, for 5 minutes, today.

Mr. LATTA, for 10 minutes, today.

(The following Members (at the request of Mr. WATKINS) to revise and extend their remarks and include extraneous material:)

Mr. EILBERG, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. DRINAN, for 20 minutes, today.

Mr. KOCH, for 10 minutes, today.

Mr. HARRIS, for 5 minutes, today.

Mr. PREYER, for 5 minutes, today.

Mr. MILLER of California, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 60 minutes, April 25, 1977.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,047.

Mr. PEPPER, immediately prior to the vote on Senate amendment No. 9, Uniformed Services University of the Health Sciences, on the conference report on H.R. 4877.

Mr. SIKES, in colloquy with Mr. ICHORD on H.R. 5970 in the Committee of the Whole today.

(The following Members (at the request of Mr. PURSELL) and to include extraneous material:)

Mr. SHUSTER.

Mr. HANSEN.

Mr. GRASSLEY.

Mr. LENT.

Mr. MADIGAN.

Mr. KEMP.

Mr. CRANE in two instances.

Mr. PURSELL.

Mr. JOHNSON of Colorado.

Mr. ABDNOR in four instances.

Mr. RUDD.

Mr. HAGEDORN.

Mr. DERWINSKI in two instances.

Mr. BADHAM.

Mr. COLLINS of Texas in three instances.

Mr. ASHBROOK in four instances.

Mr. SYMMS in two instances.

(The following Members (at the request of Mr. WATKINS) and to include extraneous matter:)

Mr. FORD of Tennessee.

Mr. AUCOIN.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. MCDONALD in five instances.

Mr. MATHIS.

Ms. MIKULSKI.

Mr. MOORHEAD of Pennsylvania in 10 instances.

Mr. JACOBS in two instances.

Mr. CARNEY in three instances.

Mr. ROSENTHAL in three instances.

Mr. BOWEN.

Mr. FARY in two instances.

Mr. MURTHA.

Mr. HARRINGTON in two instances.

Mr. KILDEE.

Mr. YOUNG of Missouri.

Mr. STUMP.

Mr. DRINAN in two instances.

Mr. RYAN.

Mr. CHARLES H. WILSON of California in three instances.

Mr. THOMPSON.

Mr. MITCHELL of Maryland in two instances.

Mr. STUDDS.

Mr. STARK in two instances.

Mrs. SCHROEDER.

Mr. RANGEL.

Mr. BALDUS.

Mr. MANN.

Mr. DENT.

Mr. MILLER of California.

Mr. FRASER in five instances.

Ms. JORDAN.

Mr. RONCALIO.

Mr. DODD.

ADJOURNMENT

Mr. WATKINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 32 minutes p.m.) the House adjourned until tomorrow, Friday, April 22, 1977, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1318. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President transmitting a report on actions taken on recommendations contained in the Eighth Annual Report of the National Advisory Council on Economic Opportunity, dated June 30, 1975, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

1319. A letter from the Secretary of the Interior, transmitting a report on receipts and expenditures of the Department in connection with the administration of the Outer Continental Shelf Lands Act of 1953 during the transition quarter, pursuant to section 15 of the act; to the Committee on Interior and Insular Affairs.

1320. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of major military equipment sold commercially to Iran (Transmittal No. MC-36-77), pursuant to section 36 (c) of the Arms Export Control Act; to the Committee on International Relations.

1321. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed manufacturing licensing agreement for the production of certain military equipment in Thailand (Transmittal No. MC-37-77), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

1322. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of February 1977, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1323. A letter from the Deputy Director, Administrative Office of the United States, transmitting a draft of proposed legislation to amend chapter 313 of title 18 of the United States Code; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. DANIELSON: Committee on the Judiciary H.R. 1445. A bill for the relief of Comdr Edward White Rawlins, U.S. Navy (retired); with amendment (Rept. No. 95–216). Referred to the Committee of the Whole House.

Mr ULLMAN: Committee on Ways and Means. H.R. 6370. A bill to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the Chairman and Vice Chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes (Rept. No. 95–217). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR (for himself, Mr. MOFFETT, Mr. MOORHEAD of California, Mr. NOLAN, Mr. PATTERSON of California, Mr. RICHMOND, Mr. SEBELIUS, Mr. SIMON, Mrs. SMITH of Nebraska, Mr. STANGELAND, Mr. STEERS, and Mr. TAYLOR):

H.R. 6464. A bill to amend the Internal Revenue Code of 1954 to deny tax exemption to any otherwise tax-exempt organization which invests in farm real property; to the Committee on Ways and Means.

By Mr. AMBRO:

H.R. 6465. A bill to amend title 28 of the United States Code to establish a separate judicial district for the counties of Nassau and Suffolk, N.Y.; to the Committee on the Judiciary.

By Mr. ASHBROOK (for himself, Mr. GOODLING, Mr. KINDNESS, Mr. MILFORD, Mr. LOTT, Mr. WINN, Mr. MURPHY of Pennsylvania, Mr. WHITEHURST, Mr. JENRETTE, Mr. HYDE, Mr. CHARLES WILSON of Texas, Mr. CAPUTO, Mr. MCDONALD, Mr. DERWINSKI, Mr. BAUMAN, and Mr. SIKES):

H.R. 6466. A bill to amend the Internal Security Act of 1950 to control and penalize terrorists, and for other purposes; to the Committee on the Judiciary.

By Mr. BEARD of Tennessee:

H.R. 6467. A bill to amend title 18 of the United States Code to increase certain penalties for gun control offenses and to allow the United States to obtain appellate review of certain sentences relating to gun control offenses; to the Committee on the Judiciary.

By Mr. BEDELL (for himself, Mr. CARNEY, Mrs. FENWICK, and Mr. MCHUGH):

H.R. 6468. A bill to amend the Small Business Act and the Federal Nonnuclear Energy Research and Development Act of 1974 to provide certain assistance to individuals and small business concerns in the areas of solar energy equipment and energy-related inventions; jointly, to the Committees on Science and Technology, and Small Business.

By Mr. BLANCHARD (for himself, Mr. MINETA, Mr. EVANS of Delaware, Mr. LAGOMARSINO, Mr. BAUCUS, and Mr. BARNARD):

H.R. 6469. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a procedure for zero-base review of Government programs every 5 years, and for other purposes; to the Committee on Rules.

By Mr. BLOUIN (for himself and Mr. BALDUS):

H.R. 6470. A bill to amend title 23 to provide a comprehensive bridge replacement and rehabilitation program; to the Committee on Public Works and Transportation.

By Mr. BROWN of Ohio (for himself, Mr. KRUEGER, Mr. SEBELIUS, Mr. FRENZEL, and Mr. BURGENER):

H.R. 6471. A bill to assure the availability of adequate supplies of natural gas at reasonable prices for consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of Ohio (for himself, Mr. PATTERSON of California, and Mr. BENJAMIN):

H.R. 6472. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to food additives; to the Committee on Interstate and Foreign Commerce.

By Mr CARTER (for himself, Mr. PERKINS, Mr. NATCHER, Mr. SNYDER, Mr. MAZZOLI, Mr. BRECKINRIDGE, and Mr. HUBBARD):

H.R. 6473. A bill to provide that the lake referred to as the Laurel River Lake on the Laurel River, Ky., shall hereafter be known as the John Sherman Cooper Lake and that the dam forming such lake shall hereafter be referred to as the John Sherman Cooper Dam; to the Committee on Public Works and Transportation.

By Mr. CONYERS:

H.R. 6474. A bill to make clarifying and technical amendments to title 1 (relating to law enforcement assistance) of the Omnibus Crime Control and Safe Streets Act of 1968; to the Committee on the Judiciary.

By Mr. DERRICK (for himself, Mr. BURGENER, Mr. MANN, Mr. SIMON, Mr. JENRETTE, Mr. PURSELL, Mr. SCHULZE, Mr. REGULA, Mr. WALGREN, Mr. GEPHARDT, Mr. HUGHES, Mrs. MEYNER, Mr. PANETTA, Mr. MINETA, Mr. O'BRIEN, Mrs. CHISHOLM, Mr. BEDELL, Mr. WEISS, Mr. ARCHER, Mr. NOLAN, Mr. PATTERSON of California, Mr. ASHLEY, and Ms. MIKULSKI):

H.R. 6475. A bill to prohibit the appropriation and expenditure of unvouched funds (except in the case of intelligence agencies) unless specifically authorized by law, and to provide for reports on the audits of authorized expenditures of unvouched funds; jointly, to the Committees on Government Operations, and Rules.

By Mr. DERRICK (for himself, Mrs. FENWICK, Mr. JACOBS, Mr. MOAKLEY, Mr. BLANCHARD, Mr. EDGAR, Mr. GIAIMO, Mr. OTTINGER, Mr. FISH, Mr. MATHIS, Mr. DRINAN, Mr. WHITEHURST, Mr. MAZZOLI, Mr. ROYBAL, Mr. ECKHARDT, Mr. ERTEL, Mr. STUDDS, Mr. MURPHY of Pennsylvania, Mr. COUGHLIN, Mr. BLOUIN, Mr. MIKVA, Mr. LEHMAN, Mr. VENTO, Mr. NEAL, and Mr. MCHUGH):

H.R. 6476. A bill to prohibit the appropriation and expenditure of unvouched funds (except in the case of intelligence agencies) unless specifically authorized by law, and to provide for reports on and audits of authorized expenditures of unvouched funds; jointly, to the Committees on Government Operations, and Rules.

By Mr. DRINAN (for himself and Mr CARR):

H.R. 6477. A bill to repeal the Military Selective Service Act; to the Committee on Armed Services.

By Mr. DRINAN (for himself and Mr. TONRY):

H.R. 6478. A bill to establish an independent agency to administer the internal revenue laws; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee.

H.R. 6479. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

H.R. 6480. A bill to reduce by 50 percent the premiums for U.S. Government Life Insurance or National Service Life Insurance charged to persons who have attained age 65 and whose annual incomes do not exceed $10,000; to the Committee on Veterans' Affairs.

By Mr. FORD of Tennessee (for himself, Mr. PHILLIP BURTON, Mr. CARR, Mr. CORNWELL, Mr. FARY, Mrs. FENWICK, Mr. GILMAN, Mr. HOWARD, Mrs. KEYS, Mr. KOSTMAYER, Mr. LENT, Mr. LONG of Maryland, Mr. MINETA, Mr MOTTL, Mr. MURPHY of Pennsylvania, Ms. OAKAR, Mr. RICHMOND, Mr. SANTINI, Mr. SIMON, and Mr. VENTO):

H.R. 6481. A bill to amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY:

H.R. 6482. A bill to amend title 18 of the United States Code to provide for the mandatory sentencing of certain offenders whose offenses involve narcotic drugs, and for other purposes; jointly, to the Committees on the Judiciary and Interstate and Foreign Commerce.

By Mr. FREY (for himself, Mr. BADHAM, Mr. BRECKINRIDGE, Mr. BURGENER, Mr. COLLINS of Texas, Mr. COUGHLIN, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, Jr., Mr. DAVIS, Mr. DERWINSKI, Mr. DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mr. FITHIAN, Mr. GEPHARDT, Mr. GILMAN, Mr. GUYER, Mr. HYDE, Mr. KEMP, Mr LAGOMARSINO, Mr. LOTT, Mr. MAZZOLI, Mr. MITCHELL of New York, Mr. MOLLOHAN, Mr. QUAYLE, and Mr. QUIE):

H.R. 6483. A bill to amend title 18 of the United States Code to provide for the mandatory sentencing of certain offenders whose offenses involve narcotic drugs, and for other purposes; jointly, to the Committees on the Judiciary, and Interstate and Foreign Commerce.

By FREY (for himself, Mr. RANGEL, Mr. ROBINSON, Mr. RYAN, Mr. STOCKMAN, Mr. TREEN, Mr. WALKER, Mr. WHITEHURST, Mr. BOB WILSON, Mr. CHARLES WILSON of Texas, Mr. WINN, and Mr. WON PAT):

H.R. 6484. A bill to amend title 18 of the United States Code to provide for the mandatory sentencing of certain offenders whose offenses involve narcotic drugs, and for other purposes; jointly, to the Committees on the Judiciary, and Interstate and Foreign Commerce.

By Mr. FREY (for himself, Mr. BROYHILL, Mr. BAFALIS, Mr. BOWEN, Mr. BRINKLEY, Mr. CEDERBERG, Mr. COCHRAN, Mr. DAN DANIEL, Mr. DAVIS, Mr. EDWARDS of Oklahoma, Mr. ERTEL, Mr. EVANS of Indiana, Mr. FASCELL, Mr. FLOWERS, Mr. HALL, Mr. HAMILTON, Mr. ICHORD, and Mr. KEMP):

H.R. 6485. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY (for himself, Mr. BROYHILL, Mrs. LLOYD of Tennessee, Mr. LOTT, Mr. JOHN T. MYERS, Mr. PREYER, Mr. QUAYLE, Mr. QUIE, Mr. ROBINSON, Mr. RUNNELS, Mr. SARASIN, Mrs. SMITH of Nebraska, Mr. STEIGER, Mr. WALKER, Mr. WHITEHURST, Mr.

CHARLES WILSON of Texas, and Mr. WINN):

H.R. 6486. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY (for himself and Mr. RUPPE):

H.R. 6487. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. HARRIS:

H.R. 6488 A bill to amend the Immigration and Nationality Act to facilitate the admission into the United States of more than two adopted children, and to provide for the expeditious naturalization of adopted children; to the Committee on the Judiciary.

By Mr. HARSHA:

H.R. 6489. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pension, or other retirement benefits; to the Committee on Ways and Means.

By Mr. HOLLAND:

H.R. 6490. A bill to amend the Trade Act of 1974 in order to authorize the President to designate any of certain countries as eligible for the tariff preferences extended to developing countries under title V of such act if the President determines that such designation is in the national economic interest; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. COHEN, and Ms. OAKAR):

H.R. 6491. A bill to amend the Federal Rules of Evidence to provide for the protection of the privacy of rape victims; to the Committee on the Judiciary.

By Mr. KREBS (for himself, Mr. SISK, Mr. BROWN of California, Mr. PANETTA, Mr. ARDNOR, Mrs. FENWICK, Mr. BAUCUS, Mr. PATTERSON of California, and Mr. HUGHES):

H.R. 6492. A bill to amend the Consolidated Farm and Rural Development Act to authorize the Secretary of Agriculture to make emergency loans in an area if he determines that a labor dispute in which farmers are not participants results in farmers in such area incurring losses in production or sales of agricultural products; to the Committee on Agriculture.

By Mr. LE FANTE:

H.R. 6493. A bill to establish requirements for notification of Congress before the closure of, or significant reduction in force at, any military installation is carried out; to the Committee on Armed Services.

By Mr. MCKINNEY:

H.R. 6494. A bill to amend the Internal Revenue Code of 1954 to impose an excise tax on the sale of automobiles based on fuel efficiency and to amend the Clean Air Act to provide a 1-year exemption from emission standards for efficient passenger automobiles, and for other purposes; to the Committee on Ways and Means.

By Mr. MANN:

H.R. 6495. A bill to provide that certain persons who were originally appointed as supplemental security income hearing examiners under pre-1976 provisions of title XVI of the Social Security Act shall without any restriction be deemed appointed as administrative law judges; jointly, to the Committees on Post Office and Civil Service, and Ways and Means.

By Mr. MARKEY (for himself, Mr. APPLEGATE, Mr. BRODHEAD, Mr. CAVANAUGH, Mr. COLEMAN, Mr. DOWNEY, Mr. FITHIAN, Mr. GUDGER, Mr. HANNAFORD, Mrs. HECKLER, Mr. HUCKABY, Mr. JENKINS, Mr. LE FANTE, Mr LUKEN, Mr. PURSELL, Mr. ROE, Mr. TONRY, and Mr. CHARLES WILSON of Texas):

H.R. 6496. A bill to amend section 601(a)(2) of the Legislative Reorganization Act of 1946 to provide that the salaries of Senators and Representatives may not be subject to any cost-of-living adjustment under such section before October 1, 1978; to the Committee on Post Office and Civil Service.

By Mr. MARLENEE:

H.R. 6497. A bill to amend the Social Security Act to authorize international agreements with respect to social security health insurance benefits; to the Committee on Ways and Means.

By Mr. MAZZOLI:

H.R. 6498. A bill to provide for financial assistance to improve the capabilities of units of local government to deal with career criminals, and for other purposes; to the Committee on the Judiciary.

By Mr. MICHEL (for himself, Mr. BAUMAN, Mr. BURLESON of Texas, Mr. BUTLER, Mr. DAN DANIEL, Mr. HANSEN, Mr. LOTT, Mr. LUJAN, Mr. MADIGAN, Mr. MOORHEAD of California, Mr. TREEN, Mr. WAGGONNER, Mr. WHITEHURST, and Mr. CHARLES WILSON of Texas):

H.R. 6499. A bill to reform the food stamp program by improving and strengthening various provisions relating to eligibility benefits and administration; improving the nutritional focus of the program; and redirecting benefits to those truly in need; to the Committee on Agriculture.

By Mr. MILLER of California (for himself and Mr BRADEMAS):

H.R. 6500. A bill to provide permanence for children in foster placements by promoting greater accountability for such children, and by facilitating the placement of eligible children in permanent adoptive homes, and for other purposes; to the Committee on Education and Labor.

By Mr. MONTGOMERY (for himself, Mr. WYLIE, Mr. ROBERTS, Mr. HAMMERSCHMIDT, Mr. TEAGUE, Mr. BRINKLEY, Mr. HEFNER, Mr. HALL, Mr. EDGAR, and Mr. GUYER):

H.R. 6501. A bill to amend section 360 of title 38, United States Code, to provide increased awards of service-connected compensation to certain veterans who have suffered the loss or loss of use of paired extremities; to the Committee on Veterans' Affairs.

H.R. 6502. A bill to amend title 38 of the United States Code to provide an automobile assistance allowance and to provide automotive adaptive equipment to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. MURPHY of New York (for himself, Mr. DINGELL, Mr. BREAUX, Mr. PATTERSON of California, Mr. ZEFERETTI, Mr. OBERSTAR, Mr. RUPPE, Mr. MCCLOSKEY, Mr. TREEN, and Mr. PRITCHARD):

H.R. 6503. A bill to amend the Intercoastal Shipping Act, 1933, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. DAVIS, Mr. MCCLOSKEY, Mr. HUGHES, Mr. KINDNESS, Mr. RAHALL, Mr CLEVELAND, Mrs. LLOYD of Tennessee, Mr. BAUCUS, Mr. YATRON, Mr. ZEFERETTI, Mr. HARRINGTON, Mr. CAPUTO, Mr. DUNCAN of Tennessee, Mr. PANETTA, Mr. ROSENTHAL, Mr. MOORHEAD of California, Mr. VENTO, Mr. FLORIO, Mr. BADILLO, Mr. EDWARDS of Oklahoma, Mr. MITCHELL of Maryland, Mr. BADHAM, Mr. MIKVA, and Mr. PRICE):

H.R. 6504. A bill to amend title 38, United States Code, to provide for a 12-year delimiting period for a veteran to complete a program of education; to the Committee on Veterans' Affairs.

By Mr. MURPHY of New York (for himself, Mr. WAXMAN, Mr. DORNAN, Mr. BEARD of Rhode Island, Mr. MURPHY of Pennsylvania, Mr. RICHMOND, Mr. FRASER, Mr. WON PAT, Ms. MIKULSKI, Mr. YOUNG of Alaska, Ms. HOLTZMAN, and Mr. STUDDS):

H.R. 6505. A bill to amend title 38, United States Code, to provide for a 12-year delimiting period for a veteran to complete a program of education; to the Committee on Veterans' Affairs.

By Mr. PATTEN:

H.R. 6506. A bill to require the inspection of certain towing vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PERKINS:

H.R. 6507. A bill to amend the Small Business Act to limit to 3 percent the rate of interest on disaster relief loans made under such act with respect to any major disaster declared during calendar year 1977; to the Committee on Small Business.

By Mr. PRESSLER:

H.R. 6508. A bill to establish a Department of Education; to the Committee on Government Operations.

By Mr. PRESSLER (for himself, Mr. BAUCUS, Mr. BLOUIN, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. EDWARDS of Oklahoma, Mr. FINDLEY, Mr. GEPHARDT, Mr. GRADISON, Mr. HANNAFORD, Mr. HARRIS, Mr. MCEWEN, Mr. MOORHEAD of California, Mr. PANETTA, Mr. PATTERSON of California, Mr. RUNNELS, Mr. RYAN, Mr. SEBELIUS, Mr. SEIBERLING, Mr. SIMON, and Mr. CHARLES WILSON of Texas):

H.R. 6509. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the requirements of such act shall apply to the Congress, Federal agencies, and the courts of the United States; to the Committee on Education and Labor.

By Mr. REGULA:

H.R. 6510. A bill to amend title 18 of the United States Code to provide for increased penalties for certain Federal and State crimes committed with firearms and destructive devices; to the Committee on the Judiciary.

By Mr. RONCALIO:

H.R. 6511. A bill providing that the excess land provisions of Federal reclamation laws shall not apply to certain land receiving a supplemental water supply from the Shoshone project, Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. SEIBERLING (for himself, Mr. UDALL, Mr. FRASER, Mr. OBEY, Mr. PATTERSON of California, and Mr. VENTO):

H.R. 6512. A bill to amend the Clayton Act to prohibit undue concentration in the energy-producing industries, and for other purposes; to the Committee on the Judiciary

By Mr. STARK (for himself, Mr. PRITCHARD, Mr. BADILLO, Mr. BAUCUS, Mr. BINGHAM, Mr. BROWN of California, Mr. PHILLIP BURTON, Mr CLEVELAND, Mr. DELLUMS, Mr. DERWINSKI, Mr. DRINAN, Mr. EDGAR, Mr EDWARDS of California, Mr. ERTEL, Mr. FRASER, Mr. LAGOMARSINO, Mr LEGGETT, Mr. LEHMAN, Mr. LLOYD of California, Mrs. MEYNER, Mr. MIKVA, Mr. MOSS, Mr. PANETTA, Mr. PATTERSON of California, and Mr. SIMON):

H.R. 6513. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to extend the period during which refugee assistance may be provided; to the Committee on the Judiciary.

By Mr. STARK (for himself, Mr. PRITCHARD, Mr. SOLARZ, Mr. ULLMAN, Mr. VAN DEERLIN, Mr. VENTO, Mr. WAXMAN, Mr. WON PAT, Mr. CHARLES H. WILSON of California, and Mr. BOB WILSON):

H.R. 6514. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to extend the period during which refugee assistance may be provided; to the Committee on the Judiciary.

By Mr. TRAXLER (for himself, Mr. HARKIN, Mr. ERTEL, Mr. NEAL, Mr. ST GERMAIN, Mr. CAVANAUGH, Mr. MAGUIRE, Mr. MURPHY of Illinois, Mr. LENT, Mr. LLOYD of California, Mr. FAUNTROY, Mr. MOORHEAD of California, Mr. JOHN L. BURTON, Mr. MATHIS, Mr. VOLKMER, Mr. FASCELL, Mrs. SPELLMAN, Mr. GAYDOS, Mr. SISK, Mr. PURSELL, Mr. CORCORAN of Illinois, Mr. CARR, Mr. FARY, Mr. PRITCHARD, and Mr. BINGHAM):

H.R. 6515. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

By Mr. TRAXLER (for himself, Mr. LEDERER, Mr. ROSE, Mr. ZEFERETTI, Mr. THOMPSON, Mr. BROWN of California, Mr. KOCH, and Mr. EVANS of Delaware):

H.R. 6516. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

By Mr. VANDER JAGT:

H.R. 6517. A bill to amend the Tariff Schedules of the United States to exclude alcoholic beverages from those articles eligible for duty free treatment as gift articles imported by nonresidents, and for other purposes; to the Committee on Ways and Means.

By Mr. WAGGONNER:

H.R. 6518. A bill to amend the Uniform Time Act of 1966 to change the period of observance of daylight saving time; to the Committee on Interstate and Foreign Commerce.

H.R. 6519. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on buses and parts and accessories for such vehicles; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California (for himself, Mr. FORD of Michigan, Mr. CLAY, Mrs. SPELLMAN, Mr. RYAN, Mr. ALEXANDER, Mr. AUCOIN, Mr. BEVILL, Mr. EDWARDS of California, Mr. JONES of Oklahoma, Mr. LAGOMARSINO, Mr. MATHIS, Mr. MITCHELL of Maryland, Mr. PATTERSON of California, Mr. PEPPER, Mr. SIMON, Mr. SISK, Mr. STARK and Mr. WON PAT):

H.R. 6520. A bill to amend title 39, United States Code, to alter the organizational structure of the U.S. Postal Service, to revise the procedure for adjusting postal rates and services, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WIRTH (for himself, Mr. BAUCUS, Mr. BREAUX, Mr. STEERS, and Mr. TONRY):

H.R. 6521. A bill to provide for judicial review of administrative determinations made by the Administrator of the Veterans' Administration; to apply the provisions of chapter 5 of title 5, United States Code, to the rules, regulations, and orders of the Veterans' Administration to provide for the use of a reasonable fee for attorneys in rendering legal assistance to veterans with claims before the Veterans' Administration and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BALDUS (for himself, Mr. BRECKINRIDGE, Mr. WINN, Mr. MATHIS, Mr. RUPPE, Mr. RAHALL, Mr. STOCKMAN, Mr. CLEVELAND, Mr. OBERSTAR, Mr. MCHUGH, Mr. BAUCUS, Mr. VENTO, Mrs. LLOYD of Tennessee, Mrs. SPELLMAN, Mr. BRODHEAD, Mr. SARASIN, Mr. EDGAR, Mr. BADILLO, Mr. PANETTA, Mr. BLOUIN, Mr. GEPHARDT, Mr. MOAKLEY, Mr. IRELAND, Mr. ERTEL, Mr. COHEN, Mr. DRINAN, Mr. WON PAT, and Mr. KOSTMAYER):

H.R. 6522. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes; to the Committee on Small Business.

By Mr. BIAGGI:

H.R. 6523. A bill to provide that the Sound View Park and the Pugsley Creek Park, both located in the city of New York, shall become part of the Gateway National Recreation Area; to the Committee on Interior and Insular Affairs.

H.R. 6524. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to food additives; to the Committee on Interstate and Foreign Commerce.

H.R. 6525. A bill to amend the Immigration and Nationality Act to provide penalties for certain persons who employ, or who refer for employment, aliens who are in the United States illegally, and for other purposes; to the Committee on the Judiciary.

By Mr. CLAY:

H.R. 6526. A bill to amend title 5, United States Code, to provide for the application of city withholding taxes to Federal employees who are residents of such city; to the Committee on Post Office and Civil Service.

By Mr. CLAY (for himself, Mr. HEFTEL, Mr. ROSENTHAL, and Mr. VENTO):

H.R. 6527. A bill to provide for improved labor-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CLAY (for himself, Mr. MICHAEL O. MYERS, Mr. HEFTEL, Mr. BAUCUS, Mr. WEISS, Mr. RYAN, and Mr. TONRY):

H.R. 6528. A bill to provide that the Federal Government will reimburse any individual who prevails in a court action if such court action is the result of harassment or other unreasonable conduct by the Federal Government; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. CARTER:

H.R. 6529. A bill to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, to include supervisory and managerial or specialists positions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DIGGS (for himself and Mr. DELLUMS):

H.R. 6530. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. FASCELL (for himself and Mr BUCHANAN):

H.R. 6531. A bill to authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes; to the Committee on International Relations.

By Mr. LAGOMARSINO:

H.R. 6532. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

By Mr. LAGOMARSINO (for himself and Mr. GILMAN):

H.R. 6533. A bill to amend the Trade Act of 1974 in order to authorize the President to designate as beneficiary developing countries under title V of such act certain countries which are members of the Organization of Petroleum Exporting Countries; to the Committee on Ways and Means.

By Mr. LLOYD of California (for himself, Mr. DORNAN, Mr RYAN, and Mrs. SMITH of Nebraska):

H.R. 6534. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly, to the Committees on Government Operations, and Rules.

By Mr. LOTT:

H.R. 6535. A bill to amend title XI of the Merchant Marine Act, 1936, to permit the guarantee of obligations for financing fishing vessels in an amount not exceeding 87½ percent of the actual or depreciated actual cost of each vessel; to the Committee on Merchant Marine and Fisheries.

By Mr. MAZZOLI (for himself, Mr DIGGS, Mr. RODINO, Mr. BAUMAN, Mrs. HOLT, Mr. STEERS, Mr. FRASER, Mr. FAUNTROY, Mr. MARKS, Mr. DELLUMS, Mr. MCKINNEY, Mr. HARRIS, Mrs. MEYNER, Mr. FISHER, Mrs. SPELLMAN, Mr. WHALEN, Mr. STARK, Mr. APPLEGATE, Mr. SIMON, Mr. BADILLO, and Ms. MIKULSKI):

H.R. 6536. A bill to establish an actuarially sound basis for financing retirement benefits for policemen, firemen, teachers, and judges of the District of Columbia and to make certain changes in such benefits; to the Committee on the District of Columbia.

By Mr. OBERSTAR (for himself, Mr. AUCOIN, Mr. PANETTA, Mr. THONE, Mr. BLOUIN, Mr. HOLLENBECK, Mr MCCLOSKEY, Mr. SIMON, Mr. FORD of Michigan, and Mr. CARNEY):

H.R. 6537. A bill to provide for the procurement by the General Services Administration of existing solar energy devices for use in Government buildings; to the Committee on Public Works and Transportation.

By Mr. PERKINS:

H.R. 6538. A bill to establish fiscal incentives for the conversion of existing petroleum-fired and natural gas-fired powerplants and fuel burning installations to coal as a primary energy source, and for other purposes; jointly to the Committees on Banking Finance and Urban Affairs and Interstate and Foreign Commerce.

By Mr. RICHMOND (for himself, Mr DIGGS, Mrs. MEYNER, Mr SIMON, and Mr SOLARZ):

H.R. 6539. A bill to amend the Food Stamp Act of 1964, as amended, by simplifying administration, encouraging participation, and eliminating fraud, and for other purposes; to the Committee on Agriculture.

By Mr. ST GERMAIN (for himself, Mr AUCOIN, Mr BINGHAM, Mr. BONIOR, Mr. BRODHEAD, Mr. PHILLIP BURTON, Mr. CARR, Mr CORMAN, Mr. DANIELSON, Mr. DOWNEY, Mr. ERTEL, Mr. HARRINGTON, Mr. HARRIS, Ms. HOLTZMAN, Mr LEGGETT, Mr. MCCLOSKEY, Mr MARKEY, and Ms. MIKULSKI):

H.R. 6540. A bill to provide for consumers

a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperative, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ST GERMAIN (for himself, Mr. MINETA, Mr. MOFFETT, Mr. NIX, Mr. NOLAN, Ms. OAKAR, Mr. PANETTA, Mr. PATTERSON of California, Mr. PEPPER, Mr. PRICE, Ms. SCHROEDER, Mr. SMITH of Iowa, Mr. SOLARZ, Mr. STARK, Mr. WIRTH, and Mr. YOUNG of Missouri):

H.R. 6541. A bill to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STAGGERS:

H.R. 6542. A bill to establish a program whereby payments in lieu of taxes may be made with respect to certain real property owned by the U.S. Government but leased by departments or agencies thereof to private persons not for public purposes; to the Committee on Government Operations.

By Mr. STAGGERS (for himself and Mr. DEVINE):

H.R. 6543. A bill to amend the Social Security Act to improve and control the cost of the maternal and child health and crippled children's services program, and the program of grants to States for medical assistance programs; jointly to the Committee on Ways and Means, and Interstate and Foreign Commerce.

By Mr. THORNTON (for himself, Mr. BOWEN, Mr. TREEN, Mr. ALEXANDER, Mr. HALL, Mr. KRUEGER, Mr. MONTGOMERY, Mr. CHARLES WILSON of Texas, and Mr. BREAUX):

H.R. 6544. A bill to amend section 111 of the Agricultural Trade Development and Assistance Act of 1954, relating to the allocation of commodities furnished under title I of that act; to the Committee on International Relations.

By Mr. WATKINS:

H.R. 6545. A bill to amend the Internal Revenue Code of 1954 to provide an increased investment tax credit for the conversion or replacement of equipment which uses natural gas or oil; to the Committee on Ways and Means.

By Mr. WEISS (for himself, Mr. WAXMAN, Mr. AUCOIN, Mr. BADILLO, Mr. CARR, Ms. COLLINS of Illinois, Mr. CORRADA, Mr. DRINAN, Mr. FAUNTROY, Mr. HARKIN, Mr. HAWKINS, Mr. LENT, Mr. LLOYD of California, Mr. LUKEN, Mr. MAGUIRE, Mr. MATHIS, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. OBERSTAR, Mr. PATTERSON of California, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SANTINI, and Mrs. SPELLMAN):

H.R. 6546. A bill to amend the Age Discrimination in Employment Act of 1971 to extend the protection against discrimination in employment to individuals who are over 64 years of age, and to make unlawful those seniority systems and employee benefit plans which require the retirement of individuals who are 40 years of age or older; to the Committee on Education Labor.

By Mr. WEISS (for himself, Mr. WAXMAN, Mr. ZEFERETTI, Mr. SCHEUER, Mr. SOLARZ, Mr. BROWN of California, Mr. BINGHAM, Mr. SISK, Mr. DUNCAN of Tennessee, Mr. EILBERG, Mr. FLORIO, Mr. KASTENMEIER, Mr. LEHMAN, Mr. TONRY, Mr. PANETTA, Mr. CHARLES WILSON of Texas, Mr. ROYBAL, Mr. CHARLES H. WILSON of California, Mr. HARRINGTON, and Mr. MINETA):

H.R. 6547. A bill to amend the Age Discrimination in Employment Act of 1971 to extend the protection against discrimination in employment to individuals who are over 64 years of age, and to make unlawful those seniority systems and employee benefit plans which require the retirement of individuals who are 40 years of age or older; to the Committee on Education and Labor.

By Mr. DUNCAN of Tennessee:

H.J. Res. 401. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.J. Res. 402. Joint resolution to designate April 19 of each year as Annie Louise Keller Day; to the Committee on Post Office and Civil Service.

By Mr. FLORIO:

H.J. Res. 403. Joint resolution to authorize the President to proclaim the last Friday of April each year as National Arbor Day; to the Committee on Post Office and Civil Service.

By Mr. HARRIS (for himself and Mr. FORD of Michigan):

H.J. Res. 404. Joint resolution designating the month of June 1977 as National Graduating Class of 1977 Month; to the Committee on Post Office and Civil Service.

By Mr. HYDE (for himself, Mr. BUTLER, Mr. BENNETT, Mr. MANN, Mr. MARTIN, Mr. MILLER of Ohio, Mr. OTTINGER, Mr. RINALDO, Mr. SAWYER, Mr. SEBELIUS, Mr. SIMON, Mr. STEIGER, Mr. TREEN, Mr. VENTO, Mr. WALKER, and Mr. WINN):

H.J. Res. 405. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

By Mr. HYDE (for himself, Mr. BUTLER, Mr. BENNETT, Mr. BAFALIS, Mr. BAUCUS, Mr. BROWN of Michigan, Mr. CLEVELAND, Mr. COLLINS of Texas, Mr DUNCAN of Tennessee, Mr. EDWARDS of Oklahoma, Mrs. HOLT, Mr. KELLY, Mr. KETCHUM, Mr. LAGOMARSINO, and Mr. LENT):

H.J. Res. 406. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

By Mr. QUIE (for himself and Mr. STANGELAND):

H.J. Res. 407. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. ABDNOR:

H. Con. Res. 199. Concurrent resolution expressing the sense of Congress in opposition to expenditure of Department of the Army funds to promote the upgrading of less than honorable discharges; to the Committee on Armed Services

By Mr. DODD:

H. Res. 510. Resolution recognizing the month of April as Fair Housing Month; to the Committee on Post Office and Civil Service.

By Mrs. MEYNER (for herself, Mr. JACOBS, Mr. CHARLES WILSON of Texas, and Mr. RAILSBACK):

H. Res. 511. Resolution applauding the courageous efforts of the Women's Peace Movement to end the tragic sectarian violence in Northern Ireland; to the Committee on International Relations.

By Mr. PATTEN:

H. Res. 512. Resolution to declare a state of war against the dreaded disease, amyotrophic lateral sclerosis; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BREAUX introduced a bill (H.R. 6548) for the relief of Dorethea Margaret Hernandez Boquer, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5970

By Mr. QUAYLE:

Page 5, line 24, insert "(a)" after "Sec. 808".

Page 26, after line 15, insert the following new subsection:

(b)(1) The Secretary of Defense may not conduct any test or experiment involving the use of any chemical or biological agent on civilian populations unless local civilian officials in the areas in which the test or experiment is to be conducted are notified in advance of such test or experiment, and such test or experiment may then be conducted only after the expiration of the 30-day period beginning on the date of such notification.

"(2) Paragraph (1) shall apply to tests or experiments conducted by Department of Defense personnel and tests or experiments conducted on behalf of the Department of Defense by contractors."

SENATE—*Thursday, April 21, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 12:30 p.m., on the expiration of the recess, and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

Mr. William P. Thompson, stated clerk, the United Presbyterian Church in the U.S.A., and president, National Council of the Churches of Christ in the U.S.A., New York, N.Y., offered the following prayer:

Eternal God, before You nations rise and fall; they grow strong or wither by Your design.

Grant us vision to see Your purpose hidden in our Nation's history, and courage to seek it in our own day. Take away our petty pride and bring to mind Your goodness, so that, living together in this land, we may enjoy Your gifts and be thankful.

Your justice is like rock and Your mercy like pure flowing water. If we have

turned from You, return us to Your way; for without You we are lost people. Judge us and forgive us.

Draw us together as one people who do Your will so that our land may be a light to nations, leading the way to Your promised kingdom, which is coming among us. Show us there is no law or liberty apart from You and let us serve You modestly, as devoted people.

You have led us in the past, forgiven our waywardness, and will lead us in time to come. Give us voice to praise Your goodness in this land of the living, and the will to serve You, now and always. Amen.

(Adapted from the Worshipbook of the Presbyterian Church.)

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 21, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. PROXMIRE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Wednesday, April 20, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 139—RESTATEMENT OF PLACEMENT ON THE UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, yesterday by unanimous consent the Senate cleared for placement on the Unanimous Consent Calendar Senate Resolution 139, Calendar Order No. 75, a resolution authorizing the Committee on Human Resources to inspect and receive tax returns, and tax-related matters of the Central States, Southeast, and Southwest areas pension fund under sections 6103 and 6104 of the Internal Revenue Code of 1954.

Because of a mistake or an oversight by the Government Printing Office, this measure was left off the Unanimous Consent Calendar It could have been passed today by unanimous consent.

Mr. President, I ask that the measure be transferred to the Unanimous Consent Calendar so that Senators may be aware of its presence on that calendar. It could have been passed today. But, Mr. President, I am not going to call it up because the mere fact that I know about the mistake does not alert all Members of the Senate to the fact that Calendar Order No. 75, Senate Resolution 139, has been cleared for action by unanimous consent. Therefore, it will go over another day. I would hope the Government Printing Office would take notice.

The ACTING PRESIDENT pro tempore. The resolution was so transferred.

Mr. ROBERT C. BYRD. The resolution has already been transferred, Mr. President, or should have been.

The Chair is correct, but it is not on the Unanimous Consent Calendar.

The ACTING PRESIDENT pro tempore. It was transferred yesterday.

Mr. ROBERT C. BYRD. It was transferred yesterday. It should have been printed on the Unanimous Consent Calendar.

The ACTING PRESIDENT pro tempore. The majority leader is absolutely correct.

Mr. ROBERT C. BYRD. The Government Printing Office committed the oversight. I will not call it up today, but I think Members should be aware that it is on the Unanimous Consent Calendar.

It is a good example of the legislative delay that is brought about by oversight and carelessness. Perhaps the carelessness can be averted. I assume it can be.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I want to congratulate the Government Printing Office. Its error, to which I alluded today, has been discovered by it and they have already sent to the Senate a star print of the calendar on which now appears Calendar Order No. 75 (S. Res. 139) to which I referred earlier.

I will not call it up at this time, however. I will wait until later in the day to give Members a chance to note it is on the Unanimous Consent Calendar.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I yield my time under the standing order to the distinguished Senator from Nebraska.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, I thank my distinguished minority leader.

THE ADMINISTRATION ENERGY PROGRAM

Mr. CURTIS. Mr. President, the Carter administration energy program is a distinct disappointment. It is a blueprint for unemployment and a regimented economy. America's main thrust in the consideration of our energy needs should be based upon greater production of all types of energy and total self-sufficiency in the near future.

Conservation has its place. We should save energy and prevent waste for the same reasons that we should prevent waste in all other areas of life. Conservation is not enough upon which to build a program for a growing America, a strong economy, and expanding jobs.

We can save energy by cutting down activity, but when we do we cut down on employment. We could save energy by closing all of our factories and returning to a way of life of hermits and nomads, but that is unthinkable. A police state can compel everyone to ride a bicycle or to drive only the smallest of compact cars. But what happens to the jobs involved? What happens to the economy of the most powerful industrial Nation on Earth? It is not only the automotive industry that would suffer. How are you going to pull a boat behind a bicycle or a compact?

There are many industries in addition to the boat industry that will suffer when we place all of our emphasis on conservation. It takes energy to run a factory or a farm or a mine. The more energy that is expended, the more jobs there are provided, and the more products there are produced at lower cost for ours and the markets of the world.

Do we have an energy crisis? Of course we have. It is not even a debatable question. Any time that a power outside the United States can shut down our industry, bring our transportation to a halt, cause farmers' tractors to be idle, ground our Air Force, and force our Navy to be tied up at the pier, we are in a crisis situation. That is true because more than half of our energy comes from outside the United States.

One of the reasons many people are not sure that we have an energy crisis or are confused about it is that some politicians have not told them the truth. There has been too much demagoguery about oil companies and the oil industry. We need to face the facts and call a spade a spade.

What should be our energy program? First of all, we should proceed full speed ahead in the search and discovery of oil in the United States. Too many would-be experts proceed to give us exact figures on the amount of our oil reserves. It is impossible for them to know until our country has gone full speed ahead in the search for oil in every place and at every depth.

What has the Democrat-controlled Congress done in the last few years to encourage the search for oil and gas? The answer is nothing. In fact, it has been worse than nothing. The Democrat-controlled Congress has placed every impediment imaginable in the way of oil production. As stated by Mr. A. V. Jones, Jr., who testified in behalf of the Independent Petroleum Association of America before the Senate Finance Committee on March 9, 1977:

> Instead of being encouraged by sound consistent policies, oil and gas producers have been confronted with the following:
>
> 1. Marc' 29, 1975—enactment by Congress of Tax Reduction Act of 1975, substantially repealing percentage depletion for about 85 percent of domestic oil and gas. This long-standing tax policy has been left intact for some 100 other extractive industries.
>
> 2. February 1, 1976—rollback of approximately $1.50 per barrel for new crude oil,
>
> 3. September 16, 1976—Enactment by Congress of Tax Reform Act of 1970, retroactively imposing punitive tax on expenditures—not

on income—of independent oil and gas producers;

4. July 1, 1976—Imposition of a price freeze on all domestic crude oil;

5. December 31, 1976—A rollback of 20 cents per barrel for new domestic crude oil and continuation of existing price freeze on crude oil;

6. February 1, 1977—A retroactive doubling of rental fees on most oil and gas leases on Federal onshore lands;

7. March 1, 1977—A rollback on U.S. crude oil prices of 45 cents per barrel on new oil.

The combined impact of these actions on domestic oil and gas producers is to remove roughly $5 billion annually which otherwise would be available for additional exploration and drilling. This listing should dispel any doubt as to why our domestic oil and gas production is declining and why we grow ever more dependent on insecure foreign oil. The 10,000 independent producers and explorers who drill most of the wells should be making a maximum effort in developing new supplies. But they are not because of the counterproductive effect of adverse government policy. During 1975 and 1976 active rotary rigs were at a standstill, averaging about 1,650 rigs. Twenty years ago there were over 2,000 rigs active. We should be utilizing 3,000 rigs if we are to bring on new production adequate to reverse our intolerable dependence on foreign supplies. This will require positive actions by the Congress and the Administration.

The Democrat-controlled Congress has given power to our environmental forces to hinder and retard the production of oil and gas. All thoughtful Americans want to take reasonable steps to protect our environment, but there must be a balance between our economic needs and our environmental needs. Among the militant environmentalists, there has been an over amount of emotionalism and an under amount of competence.

Nebraska is a State whose oil production is small. Yet our production is typical of a great number of other areas in the country. The EPA is threatening to cut down and put out of commission a number of oil wells that are now producing. There are a great many wells in Nebraska that are not being pumped because their production is classified as "old oil" and they cannot operate the well under the controlled price. Nebraska's small oil industry is typical in another respect. When these low-paying oilfields were discovered, the experts said that they would last for 10 years. A good many years have gone by and they are still predicting that they will last for 10 years. No man, no government, can say we are out of oil until we finish all the drilling that can be done.

Before Congress embarked upon these Marxist theories of taxation and control, our oil industry was growing and expanding—it fulfilled our needs, it provided production at a reasonable price. The superiority of the private enterprise system over Government action to produce oil and gas or anything else is so great that it is not debatable.

In addition to going forward with everything needed for the continued search and discovery of oil, we should develop every type of energy that we can. The way should be cleared by the change in environmental laws or otherwise for the full use of coal. We have great supplies of coal that will take care of our needs for hundreds of years, and I am convinced that, long before it is exhausted, solar energy will be practical, efficient and inexpensive. We should be using coal to produce electricity, to fire boilers and to run factories. Our environmental efforts should be directed not toward the curtailment of coal but toward the cleaning up process of burning coal. We want an expanding economy in America. We want jobs and more jobs, not only for our youth but for people of all ages. The expenditure of energy is a necessary ingredient in the production of jobs. It has been pointed out that this country is going to need 19 million additional jobs by 1985. This will require that we increase our energy supply by approximately 48 percent.

The maximun. use of coal for the Nation's energy can bring about a revitalization of the Nation's railroads. Thousands of new jobs could be created for the running of the trains, the building of cars and locomotives, the repair and maintenance of track and all other things connected therewith.

We should be making gasoline out of coal. It was my privilege to visit South Africa about 2 years ago. They were producing 15 to 20 percent of their gasoline needs from coal. After the world price went up, they were producing their gasoline from coal without a government subsidy. They are now expanding their facility so that they will be able to produce approximately one-half of their gasoline needs from coal. Why have we not done the same thing in the United States? The know-how for building and operating such a plant is available to us.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. ROBERT C. BYRD. How much additional time does the Senator need?

Mr. CURTIS. I should like about 5 minutes more.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 7 minutes remaining.

Mr. ROBERT C. BYRD. I should like to have 4 minutes of my own. I yield 3 minutes to the Senator.

Mr. CURTIS. I thank the distinguished majority leader very much.

Another great source of energy for transportation is alcohol. Alcohol can be made from almost anything. Alcohol can be made from grain, but it also can be made from spoiling grain or spoiled potatoes, or other vegetables. It can be made from wood products. We can blend our gasoline with 10 or 15 percent alcohol. It would lessen our dependence upon foreign-produced petroleum by that much. Agriculture has not scratched the surface in its ability to produce. The farmers of America can produce the crops that can be turned into alcohol and, in turn, the alcohol can be mixed with motor fuel. There is a great potential in this field.

Early in the Eisenhower administration, I introduced the resolution which Congress passed, which called upon President Eisenhower to appoint a commission on the industrial uses of farm products. That commission was headed by J. LeRoy Welsh of Omaha. Mr. Welsh fought hard to inaugurate at that time a program of alcohol-blended motor fuel and alcohol-produced rubber. It is never too late to do good and such a program should be started now.

We are told by reliable authorities that when oil was discovered beneath the surface of the Earth, the searchers would have found a deposit of starch, and that they could do anything with the starch that they could with the oil. The good Earth produces great amounts of starch. It does so annually and it can produce more. That starch should be made into alcohol and used to provide a part of our transportation fuel as well as fuel used on our farms.

We should go ahead and develop every bit of water power that can be developed economically because we need the electrical energy. We will need more energy in the future. We should proceed with our nuclear powerplants and, equally if not more important, we should proceed with solar energy.

The Sun is the greatest source of energy in the whole universe. It is here for our use. It can be developed not only to heat our homes and buildings but to produce energy, to run factories, and to give us a vital and expanding growing economy.

Mr. President, the Carter energy policy is the product of men of little faith. The Carter energy policy is the result of fear—fear of the militant environmentalists who know not whereof they speak, and fear of the demagogs who espouse Marxist theories of taxation and regimentation that have proved failures throughout the centuries.

Mr. President, let us get America going. Let us launch upon a program for an expanded economy. Let us look to a bright future where there will be jobs and more jobs. All of this is going to take energy. Our job is to produce more energy. It can be done.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE ENERGY CRISIS

Mr. ROBERT C. BYRD. Mr. President, President Carter has courageously and honestly described the challenge which faces us today and in the remaining years of this century. He has described for us a balanced program which he believes should be our response to the energy crisis.

Members of Congress understand that this is just the beginning. This is the preamble. The most difficult part of our job is still ahead. That job will not be finished overnight.

As the President noted last night, Congress has already taken steps to encourage fuel efficiency and to encourage conservation. Many parts of the President's energy proposal package can be built on existing legislation or on legislation which is already being developed

in Senate or House committees. Other parts of his proposal will be carefully considered. They are entitled to careful consideration.

This is not the time for immediate and unthoughtful reaction. This is not the time for regional or parochial sensitivity. The energy problem is too serious, too universal, and too immediate.

The President is to be commended for his emphasis on equity and fairness. Every citizen, every industry, and every part of our economy must be fairly represented in the legislation which we finally develop to respond to our energy challenge. It will be necessary for all of us to listen carefully to the people just as they listen to us, as they listen to the President, and as he listens to them, in the coming national debate on this matter. In the end, it will be the people—the citizens of Beckley, W. Va., and Ontario, Calif., and Duluth, Minn., and Eugene, Oreg.—who will be our guide.

This is the "People's Branch" of the Government. The people will respond. Because of the seriousness of the problem, which the President has now outlined for the Nation so clearly, I believe that the people will respond with seriousness and with courage. We are a nation which has always reacted to danger and to difficulty with ingenuity and with strength. That strength comes from the people.

Our job in the Senate, Mr. President, will not be, in my judgment, to immediately begin punching holes in the President's proposal. I think his proposal is entitled to careful, thorough, exact scrutiny and examination, and if after careful thought, reflection, and study there appear to be parts of the proposal that need refinement, that need modification, and there is plenty of time yet to do that.

I say "plenty of time." I do not mean to wait until next year or the year after. But we do not have to shoot the President's package, or any part of it, down today. I do not think we ought to respond with a knee-jerk reaction to the President's proposal. There is plenty of time down the road to say, "no" to any portion of that package if need be. But let us at least give the President time, let us give his legislative proposal consideration, let us carefully study it first.

We owe this to the people. The legislation will not even be received from the White House until next Monday. There is plenty of time, Mr. President, to shoot it down or to shoot holes in it if the necessity arises.

I think, in the meantime, we ought to carefully evaluate it, carefully study it, and apply our best talents to the job.

Our job in the Senate will be to synthesize the needs and expectations of the people, and to be the forum of their collective will. I am confident that the Members of the Senate will do that job well. It is time to roll up our sleeves and get to work.

I will urge that the chairmen and members of committees which will first consider necessary legislation on these matters move as carefully and quickly as possible to hold hearings, compile information, and make reports. This is a time for national unity, and every opinion and suggestion must be listened to and must be understood. This is a time for cool heads and quiet determination. I hope every Member will join me in the effort to present that picture of the Senate to the people of the United States.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business until 1 p.m., with statements therein limited to 5 minutes.

ORDER TO HOLD H.R. 5840 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 5840, to extend the Export Administration Act, be held at the desk when it arrives at the Chamber. This request has been cleared with the minority.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees, and withdrawing the nomination of John McGrath Sullivan, of Pennsylvania, to be an Assistant Secretary of Defense.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 6:04 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that:

The House has agreed to the concurrent resolution (H. Con. Res. 198) to correct the enrollment of the bill (H.R. 4877), in which it requests the concurrence of the Senate.

The House has passed the bill (H.R. 5840) to amend the Export Administration Act of 1969 in order to extend the authorities of that act and improve the administration of export controls under that act, and to strengthen the antiboycott provisions of that act, in which it requests the concurrence of the Senate.

The Speaker has appointed as a member of the U.S. group of the North Atlantic Assembly Mr. DEL CLAWSON, to rank after Mr. FINDLEY, vice Mr. EDWARDS of Alabama, resigned.

The House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4877) making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes; the House recedes from its disagreement to the amendments of the Senate numbered 3, 4, 8, 9, 10, 11, 12, 13, 14, 17, 19, 20, 21, 32, 34, 37, 44, 53, 63, 72, 93, 101, 102–134, inclusive, 138, 140, 141, 142, 143, 144, 151, 154, 155, 176, 184, 186, 187, 190, 196–202, inclusive, and 216 and concurs therein; the House recedes from its disagreement to the amendments of the Senate numbered 7, 43, 45, 50, 52, 59, 60, 61, 83, 90, 91, 173, and 211 and concurs therein, each with an amendment in which it requests the concurrence of the Senate; and that the House insists on its disagreement to the amendment of the Senate numbered 35.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–1182. A letter from the Assistant Secretary of Defense transmitting, pursuant to law, the transition quarter report of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, material, and the production of lumber and timber products (with an accompanying report); to the Committee on Appropriations.

EC–1183. A letter from the Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to provide for the transfer of the probation personnel from the Canal Zone Government to the Federal probation system (with accompanying papers); to the Committee on Armed Services.

EC–1184. A letter from the Vice President for Government Affairs for the National Railroad Passenger Corporation transmitting, pursuant to law, a report on the average number of passengers and the on-time performance of each train for the month of February 1977 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1185. A letter from the Secretary of the Interior transmitting, pursuant to law, a report on the receipts and expenditures of the Department in connection with the administration of the Outer Continental Shelf Lands Act of 1953 for the transition period, to the Committee on Energy and Natural Resources.

EC–1186. A letter, dated April 18, 1977 from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past 60 days

(with accompanying papers); to the Committee on Foreign Relations.

EC–1187. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Nicaragua—An Assessment of Earthquake Relief and Reconstruction Assistance" (ID–77–25) (with an accompanying report); to the Committee on the Foreign Relations.

EC–1188. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act No. 2–27, "An act to amend the police regulations of the District of Columbia to allow outdoor sidewalk cafes in districts zoned R and SP upon approval of the Board of Zoning Adjustment" (with accompanying papers); to the Committee on Governmental Affairs.

EC–1189. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act No. 2–21, "An act to order the closing of the public alley system in square 551, bounded by Florida Avenue, 1st, W, 3d, and R Streets, NW. (S.O. 74–252) (with accompanying papers); to the Committee on Governmental Affairs.

EC–1190. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act No. 2–22, "An act to order the closing of Portner Place, NW. between U and V Streets, NW. and of the public alleys in Square 204, bounded by 14th, U, 15th, and V Streets, NW. (S.O. 75–280) (with accompanying papers); to the Committee on Governmental Affairs.

EC–1191. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act No. 2–23, "An act to order the closing of 9th Street, NE. between G and H Streets, NE. and of the public alleys in Squares 912 and 934, bounded by G, 8th, 11th, and 10th Streets, NE. (S.O. 74–268) (with accompanying papers); to the Committee on Governmental Affairs.

EC–1192. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act No. 2–24, "An act to order the closing of Clifton Street, NW. between University Place, NW. and the north-south public alley in squares 2662 and 2663 (S.O. 71–220) (with accompanying papers); to the Committee on Governmental Affairs.

EC–1193. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act No. 2–25, "An act to order the closing of Neal Place, NW. between 4th and 5th Streets, NW.; of 4th Street, NW. between Neal Place and O Street, NW.; and of the public alleys in square 512, bounded by 4th, N, O, and 5th Streets, NW. (S.O. 74–208) (with accompanying papers); to the Committee on Governmental Affairs.

EC–1194. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act No. 2–28, "An act to abolish the Board of Consumer Goods Repair Services" (with accompanying papers); to the Committee on Governmental Affairs.

EC–1195. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Evaluation of the Analysis Supporting President Ford's Veto of H.R. 25, The Surface Mining Control and Reclamation Act of 1975" (EMD–77–37) (with an accompanying report); to the Committee on Governmental Affairs.

EC–1196. A letter from the Deputy Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a followup report on the recommendations of the National Advisory Council on Economic Opportunity (with an accompanying report); to the Committee on Governmental Affairs.

EC–1197. A letter from the Assistant Secretary for Congressional Relations for the Department of State transmitting, notice that the Department will shortly begin to form a delegation for the 63d conference of the International Labor Organization that will be held at Geneva, Switzerland, from June 1 to June 22, 1977; to the Committee on Human Resources.

EC–1198. A letter from the Deputy Under Secretary for Legislative Affairs for the Department of Labor transmitting a draft of proposed legislation to provide employment and training opportunities for youth (with accompanying papers); to the Committee on Human Resources.

EC–1199. A letter from the Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legslation to amend section 1963 of title 28, United States Code, to provide for the registration of criminal judgments of fine or penalty (with accompanying papers); to the Committee on the Judiciary.

EC–1200. A letter from the Deputy Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to amend chapter 313 of title 18 of the United States Code (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

S. Res. 142. An original resolution authorizing additional expenditures by the Committee on Armed Services for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. DOLE, from the Committee on Agriculture, Nutrition, and Forestrry; with an amendment:

S. 1240. A bill to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1978 (Rept. No. 95–97).

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry; without amendment:

S. 955. A bill to amend the Federal Crop Insurance Act and for other purposes (title amended) (Rept. No. 95–98).

By Mr. SPARKMAN, from the Committee on Foreign Relations; with amendments:

H.R. 5040. An act to authorize additional appropriations for the Department of State out amendment; and

S. Res. 143. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of H.R. 5040. Referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary: Leonel J. Castillo, of Texas, to be Commissioner of Immigration and Naturalization.

George J. Mitchell, of Maine, to be U.S. attorney for the district of Maine.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

William M. Hoeveler, of Florida, to be U.S. district judge for the southern district of Florida.

Howell W. Melton, of Florida, to be U.S. district judge for the Middle District of Florida.

By Mr. STENNIS, from the Committee on Armed Services:

Edward Hidalgo, of the District of Columbia, to be an Assistant Secretary of the Navy.

Alan J. Gibbs, of New Jersey, to be an Assistant Secretary of the Army.

Russell Murray 2d, of Virginia, to be an Assistant Secretary of Defense.

Deanne C. Siemer, of New York, to be general counsel of the Department of Defense.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Michael J. Mansfield, of Montana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar day preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Mike Mansfield.

Post: U.S. Ambassador.

Contributions, amount, date and donee:

1. Self: None.
2. Spouse: None.
3. Children and spouses names: None.
4. Parents names; None.
5. Grandparents names: None.
6. Brothers and spouses names: None.
7. Sisters and spouses names: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

MICHAEL MANSFIELD.

W. Tapley Bennett, Jr., of Georgia, to be the U.S. permanent representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: W. Tapley Bennett, Jr

Post: Ambassador to NATO.

Contributions, amount, date, and donee.

1. Self: $50.00, 1974, H. Talmadge.
2. Spouse: $25.00, 1976, G. McGee.
3. Children and spouses names: None.
4. Parents names, W. Tap Bennett, (father); $1000.00, 1976, J. Carter.
5. Grandparents names: None.
6. Brothers and spouses names: None.
7. Sisters and spouses names: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

W. TAPLEY BENNETT.

Samuel W. Lewis, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the

fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Samuel W. Lewis.

Post: Tel Aviv.

Contributions, amount, date, and donee.

1. Self: None.

2. Spouse: None.

3. Children and spouses names: Pamela S. Lewis, Richard W. Lewis; None.

4. Parents names, Grace M. Smoot: None.

5. Grandparents names: None.

6. Brothers and spouses names: None.

7. Sisters and spouses names, Mrs. J. C. Miller, Carman Miller: None.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

SAMUEL W. LEWIS.

Robert F. Gohcen, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

POLITICAL CONTRIBUTIONS

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Robert F. Goheen.

Post: Ambassador to India.

Contributions, amount, date, and donee.

1. Self: See attachment.

2. Spouse: See attachment.

3. Children and spouses names: See attachment.

4. Parents names: None (deceased).

5. Grandparents names: None (deceased).

6. Brothers and spouses names: See attachment.

7. Sisters and spouses names: See attachment.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

ROBERT F. GOHEEN.

1. Self (Robert F. Goheen):

1973

Anne Martindell for State Senate	$50
Democratic State Committee of N.J.	100
Friends of Senator Church	50
Total	200

1974

Fulbright Campaign Committee	100
National Friends of John Brademas	50
1974 Campaign Fund	100
Total	250

1975

Sanford for President Committee	250
Committee or Reelection of Senator Hartke	50
Committee for a Responsible Legislature (N.J.)	500
Total	800

1976

Carter Presidential Campaign Committee	200
Jimmy Carter for President	350
The Andrew Young Campaign	50
Pete's 7600 (Peter Dupont)	100
National Democratic Committee	200
National Committee for An Effective Congress	250
Committee for a Responsible Legislature (N.J.)	500
Total	1,650

2. Spouse (Margaret Skelly Goheen):

1973

Princeton Community Democratic Organization	3
Ann Klein Campaign Fund	50
Ann Klein for Governor Fund	20
Total	73

1974

Princeton Community Democratic Organization	3
Bohen for Congress Committee	25
Total	28

1975

Telethon IV, Democratic Party	25

1976

Carter for President	10
Fenwick for Congress	50
Helen Meyner Campaign	50
Total	110

3. Children and spouses:

(No political contributions.)

Mr. & Mrs. Thomas R. Crane, Jr.

Mr. & Mrs. William M. Swain, Jr.

Mr. & Mrs. Stephen S. Goheen.

Mr. & Mrs. Michael W. Lower.

Mr. & Mrs. Seth Klevans.

Mr. Charles R. Goheen.

4. Parents—deceased:

5. Grandparents—deceased:

6. Brothers and spouses:

Mr. & Mrs. James T. Skelly—$100 annually to National Republican Party.

7. Sisters and spouses:

Mr. & Mrs. Jeremiah S. Finch—roughly $10 to $25 annually to Democratic organizations.

Mr. & Mrs. Joseph C. Wheelock—none.

Miss Gertrude E. Skelly—$200 annually to National Republican Party.

(The above nominations reported from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated;

By Mr. RIEGLE (for himself, Mr. MAGNUSON, and Mr. STEVENSON):

S. 1330. A bill to amend the Toxic Substances Control Act to provide for a method of effectively responding to toxic chemical contaminations, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CANNON:

S. 1331. A bill to provide for the establishment of a Center for the Book in the Library of Congress; to the Committee on Rules and Administration.

By Mr. ABOUREZK (by request):

S. 1332. A bill to designate certain lands as wilderness; to the Committee on Energy and Natural Resources.

By Mr. HUDDLESTON (for himself, Mr. FORD and Mr. ALLEN):

S. 1333. A bill to authorize payments to States as reimbursement for payments which were based upon erroneous information supplied by the Department of Health, Education, and Welfare; to the Committee on Finance.

By Mr. ANDERSON:

S. 1334. A bill to amend the Housing and Community Development Act of 1974 to provide assistance under that Act in support of a State role in the administration of activities assisted thereunder, to provide assistance for technical assistance provided by State agencies to localities assisted thereunder, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

By Mr. BUMPERS:

S. 1335. A bill for the relief of Myong Nyo Sin Purdom; to the Committee on the Judiciary.

By Mr. DOLE.

S. 1336. A bill to require daily release by the Secretary of Agriculture of reports of export sales of agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 1337. A bill to modify the project for navigation improvement of Grays Harbor and Chehalis River and Hoquiam River, Washington; to the Committee on Environment and Public Works.

By Mr. HASKELL:

S. 1338. A bill to provide for the issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STENNIS (by request):

S 1339. A bill to authorize appropriations to the Energy Research and Development Administration for national defense programs for the fiscal year 1978, and for other purposes; to the Committee on Armed Services.

By Mr. JACKSON:

S. 1340. A bill to authorize appropriations to the Energy Research and Development Administration for energy research, development, demonstration, and related programs in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STENNIS (for himself and Mr. JACKSON) (by request):

S. 1341. A bill to authorize appropriations to the Energy Research and Development Administration for military programs with potential civilian energy applications, and for other purposes; to the Committee on Armed Services and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

By Mr. ROTH:

S. 1342. A bill to insure equal protection of the laws as guaranteed by the fifth or fourteenth amendments to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HART:

S. 1343. A bill to require the Federal Government to use the total life cycle cost of an article, rather than the purchase price, for procurement of certain energy-intensive consumer products; to the Committee on Governmental Affairs.

By Mr. CANNON:

S. 1344. A bill to amend the Federal Election Campaign Act of 1971, and for other purposes; to the Committee on Rules and Administration.

By Mr BAYH (for himself and Mr. HATFIELD):

S. 1345. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on Rules and Administration.

By Mr. BAYH:

S. 1346. A bill to amend title VII of the Civil Rights Act of 1964 to provide a program to prevent discrimination on account of the handicapped condition of an individual, and for other purposes; to the Committee on Human Resources.

By Mr. HOLLINGS (for himself and Mr. MAGNUSON):

S. 1347. A bill to create a National Advisory Committee on Oceans and Atmosphere, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself and Mr. MCGOVERN):

S. 1348. A bill to establish the African Development Foundation; to the Committee on Foreign Relations.

By Mr. HELMS:

S. 1349. A bill to declare a portion of Trent River in the City of New Bern, County of Craven, State of North Carolina, nonnavigable waters of the United States within the meaning of the laws of the United States; to the Committee on Environment and Public Works.

By Mr. PELL (for himself, Mr. HOLLINGS, Mr. MAGNUSON, and Mr. STEVENS):

S. 1350. A bill to amend the National Sea Grant Program Act, to extend the appropriation authorization thereunder, and for other purposes; to the Committee on Human Resources and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

By Mr. THURMOND:

S. 1351. A bill granting the consent of Congress to retired members of the uniformed services, members of Reserve components of the Armed Forces, and members of the Public Health Service Reserve Corps to accept employment with foreign governments; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. TALMADGE, Mr. HOLLINGS, Mr. STAFFORD, Mr. NUNN, Mr. SCOTT, and Mr. LEAHY):

S. 1352. A bill to amend section 2107 of title 10, United States Code, to authorize financial assistance to be made available to an additional number of students enrolled in the Senior Reserve Officers' Training Corps programs at certain designated educational institutions, and for other purposes; to the Committee on Armed Services.

By Mr. THURMOND:

S. 1353. A bill to amend chapter 81 of title 28, United States Code, to provide review by the Supreme Court of the United States for decisions of the United States Court of Military Appeals; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RIEGLE (for himself, Mr. MAGNUSON, and Mr. STEVENSON):

S. 1330. A bill to amend the Toxic Substances Control Act to provide for a method of effectively responding to toxic chemical contaminations, and for other purposes; to the Committee on Environment and Public Works.

CHEMICAL EMERGENCY RESPONSE TEAM ACT

Mr. RIEGLE. Mr. President, today I am introducing legislation to substantially increase the protection of the public and the environment in the United States from chemical contamination incidents. This legislation, the "Chemical Emergency Response Team Act," is designed to strengthen and coordinate Federal capacities to prevent, investigate, identify, control, and eliminate the effects of chemical contaminations of humans and the environment. This legislation also provides the means by which State and local governments and private entities can develop and improve their capacities to avoid or combat chemical contamination dangers.

The Chemical Emergency Response Team Act includes the following provisions:

First. The development of an interagency strike force chaired by the Environmental Protection Agency to identify, control, and clean up contamination incidents.

Second. The response team will respond to significant chemical contamination incidents which will or may result in unreasonable risk of injury to human beings or the environment of the United States.

The response team is also directed to respond where information indicates an unreasonable risk of injury to health or the environment may be presented by a chemical substance or mixture. In both of these cases the response team must respond where significant delay in responding may result in serious or irreversible deleterious effects.

Third. The Environmental Protection Agency, with the assistance of other relevant agencies, is directed to undertake a thorough survey of the adequacy of Federal, State, and private entities to respond to chemical contamination incidents. This survey will include the examination of the adequacy of quarantine procedues, reporting procedures, labeling procedures, and the availability of toxicological labs and medical personnel to respond to a chemical contamination incident. The survey is to be completed within 8 months of enactment and recommendations are to be presented to the President and the Congress at that time.

Fourth. Within 1 year of enactment, the response team will develop a systematic contingency plan to respond to chemical contamination problems. This contingency plan will coordinate the various agencies of the Federal Government to react as rapidly as possible to such dangers. Both the survey and the contingency plan are to be evaluated by the General Accounting Office in order to assure that they are thorough and accurate.

Fifth. The response team will be required to investigate such incidents at the request of any of its permanent members or by the request of the chief executive officer of any State. The response team may respond to the request of any other group or individual if it determines that information presented to it suggests that significant contamination of human beings and the environment of the United States may occur.

Sixth. The response team is not required to respond if it finds that such response will be duplicative of activities being undertaken by Federal, State, or local governments. The response team, however, is required to publish such finding in the Federal Register with the reasons therefor.

Seventh. This legislation also provides for matching grants to improve State programs in order that they may better respond to chemical contamination problems within their jurisdictions. And 75 percent of the funding can be provided by the Federal Government for these purposes.

Why is this legislation necessary? First, the danger of serious chemical contamination incidents has been increasing due to the enormous growth of the use of chemicals and chemical products in the United States. Sales of chemical products in the United States, for example, now exceed $100 billion a year. In just the past 10 years the production of synthetic organic chemicals has expanded by 233 percent. The production of the top 50 chemicals in this country alone total 410 billion pounds. In fact, it is estimated that there are presently two million recognized chemical compounds in existence, with nearly 250,000 new compounds produced each year. While most of these compounds will never be commercialized, the Environmental Protection Agency estimates that approximately 1,000 new chemicals each year will find their way into the marketplace and subsequently into the environment through use or disposal. Thus, our total environment is permeated with vast numbers of chemicals.

Second, present laws and regulations provide inadequate protection against chemical contamination problems. There are of course already a number of Federal agencies, each with limited jurisdiction and responsibilities to handle various types of toxic chemical contamination. Unfortunately, these groups are so fragmented and uncoordinated that a serious question is raised as to their ability to effectively respond to a major contamination problem or, worse, a number of contamination problems located in various parts of the country. In order to enhance our authority to respond to such chemical dangers, last session we enacted the Toxic Substances Control Act. This act closed a number of major regulatory gaps and provides the means for discovering adverse effects of chemicals on health or the environment before manufacture of new chemical substances. The Toxic Substances Control Act also provides the Environmental Protection Agency significantly enhanced powers to regulate toxic chemicals.

Despite these greatly enhanced protections, however, serious chemical contamination incidents can still occur in the following four ways:

First, negligence or accident. In 1973 in Michigan a potentially highly toxic fire-retardant material, polybrominated biphenyls—PBB—was substituted for animal feed. Before the full extent of this contamination could be controlled, it has been estimated that 9 million Michigan

citizens had traces of this material in their systems. Also for a number of months before the contamination was discovered and controlled, meat, poultry and dairy products were sold in Michigan and other parts of the United States at levels thousands of times above the safety levels now set by FDA.

In recent hearings that I chaired in Michigan, we discovered that even now, 4 years after what has been universally admitted to be one of the most serious food contamination episodes in U.S. history, we still do not have adequate acute or long-term animal or human health information concerning the effects of this chemical. Furthermore, the effects of this chemical on workers who utilized PBB's is only now beginning to be investigated. In summary, reaction of the various Federal, State, local, and private groups that were involved in responding to the PBB problem can only be charitably described as dangerously sluggish.

The economic and physical suffering this terrible tragedy brought to many Michigan families and interests is appalling. While I am of course closest to this disaster which occurred in my home State, I know this same kind of terrible drama has played in other States and communities. The PBB incident is not an isolated case of accidental or negligent dumping of chemicals. Just this week EPA is investigating the sudden appearance of an estimated 6 tons of two chemicals, Hexachlorocyclopentadiene and Octachlorocyclopentane, which recently "mysteriously" appeared in the sewage treatment system of Louisville, Ky. These chemicals were discovered only after 31 workers were overcome by fumes.

Also recently a large amount of carbon tetrachloride was found to have contaminated the Ohio River. These cases, however, only present a small fraction of the problem. The U.S. Department of Agriculture, for example, has provided the Senate Commerce, Science, and Transportation Committee with a list of 88 residue incidents affecting 30 States between 1969 and 1975. A total of 20 to 25 million head of livestock and poultry were affected resulting in losses of over $26 million.

Second. Acts of God. Even if great care is taken in handling chemical materials, these materials are constantly being transported by air, ship, train, and truck and stored in large quantities throughout the United States. These chemical products become particularly vulnerable and can be dangerously and widely dispersed in unexpected circumstances such as a tornado, hurricane, flood, earthquake, or other unforeseen calamity.

Third. Discovery of New Data. New information discovered in regard to the health or environmental effects of a chemical also can create an unforeseen crisis. Due to the fact that a multitude of chemicals have been widely dispersed with minimal or no testing of their effects on human health or the environment and that we are continually improving our sophistication in our methods of testing chemicals, it is quite likely that some chemicals which were initially considered to be safe will later be found to be highly dangerous. Once we determine that a chemical presently distributed in the environment is highly toxic, it will be crucial to rapidly act to control, contain and carry out extensive cleanup efforts in the affected area.

It is an obvious fact that chemical substances play an important role in our economy and society. We rely on them for countless, important functions, but we are being reminded more and more by contamination accidents and deleterious health effects that come to light, that many chemical substances are extremely dangerous. It is alarming to me that these incidents also remind us of how little we know about the health effects these chemical creations have on us as, one way or another, they find their way into our environment and our bodies. It is important that we learn to live with them, that we accept the responsibility to control them so that they serve our needs without jeopardizing our health and environment.

Mr. President, for all these reasons, I urge quick passage of the Chemical Emergency Response Team Act in order to assure that chemical contamination incidents do not turn into catastrophes. In order that there may be careful examination of this legislation, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Chemical Emergency Response Team Act".

FINDINGS AND POLICY

SEC. 2.(a) FINDINGS.—The Congress finds that—

(1) the manufacture, processing, distribution in commerce, use and disposal of chemical substances and mixtures in the United States continues to rapidly expand in scope;

(2) the widespread development and utilization of chemical substances and mixtures present increasingly complex chemical control problems;

(3) recent toxic substance contamination incidents have demonstrated that the present Federal mechanisms to investigate, identify, control and eliminate such contamination must be substantially strengthened and coordinated in order to insure a rapid and effective response to such incidents;

(4) Federal organizations charged with the identification and control of chemical substances and mixtures contamination also must be coordinated with similar programs in State and local governments as well as private entities in order to maximize timely and adequate protection of human health and the environment from the effects of chemical contamination incidents.

(b) POLICY.—It is the policy of this Act to—

(1) establish a Chemical Emergency Response Team within the Federal Government to strengthen and coordinate Federal resources, and to assist State and local governments, in the area of chemical contamination identification, control and clean up;

(2) provide the means to respond rapidly to incidents of significant chemical substance and mixture contamination, or conditions which may result in significant contamination of humans, animals, the food supply, or the environment or where new information indicates unreasonable risk of injury to health or the environment and to assist State and local governments in responding in such emergencies; and

(3) encourage State and local governments and private entities to expand their capabilities to prevent, identify, control, and respond to chemical substance and mixture contamination incidents.

AMENDMENTS TO THE TOXIC SUBSTANCES CONTROL ACT

SEC. 3. The Toxic Substances Control Act (15 U.S.C. 2601–2629) is amended as follows:

(1) Immediately after section 30 of such Act (15 U.S.C. 2629) insert the following new section:

"SEC. 31. CHEMICAL EMERGENCY RESPONSE TEAM.—

"(a) ESTABLISHMENT.—Within 90 days after the date of enactment of this section, the Administrator shall establish, and thereafter administer and maintain, a Chemical Emergency Response Team (hereinafter in this section referred to as the 'response team') which has available to it, within the Environmental Protection Agency, or from such other sources as the Administrator deems appropriate, adequate technical and scientific personnel, equipment, supplies, and other resources to respond rapidly to—

"(1) incidents of significant contamination, or conditions which may result in significant contamination, of human beings or their environment by a chemical substance or mixture which will or may result in an unreasonable risk of injury to human beings in the United States or the environment of the United States; and

"(2) situations where information indicates an unreasonable risk of injury to health or the environment may be presented by a chemical substance or mixture;

where significant delay in responding to such risk may result in serious or irreversible deleterious effects on health or on the environment.

"(b) COMPOSITION.—The response team, in addition to the Environmental Protection Agency, shall include—

"(1) representatives of the Department of Labor; the Department of Agriculture; the Department of Health, Education, and Welfare; the Department of Transportation; and the Consumer Product Safety Commission; and such other Federal departments, agencies, and entities as the Administrator deems appropriate and necessary, either on a permanent or on a temporary basis in order to respond to incidents, conditions, or situations as described in subsection (a); and

"(2)(A) to the maximum extent practicable, representatives of the technical, scientific, medical or other relevant institutions of any State or local governments which are necessary or appropriate as determined by the Administrator; and (B) representatives of any private, technical, scientific, medical, or other relevant institutions, which voluntarily or for compensation paid in accordance with subsection (d) are available in order to assist in controlling such incidents, conditions, or situations and which the Administrator determines, in his discretion, would be useful in assisting in such functions of the response team.

"(c) DUTIES AND RESPONSIBILITIES.—(1) The Administrator, on behalf of the response team, shall—

"(A) conduct a thorough survey of Federal, State, local and private resources and procedures to prevent, investigate, identify, control and otherwise react to incidents, conditions, or situations described in subsection (a). Such survey shall include—

"(i) an analysis of the availability and adequacy of facilities and equipment in the United States to carry out toxicological and epidemicological studies to respond to such incidents, conditions, and situations;

"(ii) an assessment of the capabilities of medical, safety, and other health related officials to respond rapidly to such incidents, conditions, or situations;

"(iii) an analysis of the adequacy of existing Federal, State, and local laws and private procedures, including international agreements and procedures which may be utilized to prevent or combat any such incident, condition, or situation. Such analysis shall include an investigation of the adequacy of Federal, State, and local laws and private procedures regarding quarantine, labeling, recordkeeping and reporting requirements; and

"(iv) an analysis of the ability of Federal, State, local and private organizations to detoxify humans or animals and to remove chemical substances or mixtures from the environment after such an incident, condition, or situation.

The results of such survey shall be submitted to the President and the Congress within 270 days after the enactment of this section. Such results shall include conclusions based on the data developed in the survey and, where any system, facility, resource or other item in the survey is found to be inadequate, recommendations as to how such inadequacy could be remedied. If any system, facility, resource, or other item is found to be adequate, the survey shall include a complete statement of the reasons for such findings. The survey shall include such other recommendations for legislative or administrative action, relating to the identification, investigation, prevention and control of any such incident, condition or situation as the Administrator determines is necessary or appropriate. The Administrator, not less than once every three years after the submissions of the results of the survey, shall review the findings of the survey and present his conclusions and recommendation to the President and the Congress.

"(B) in addition to the other reporting procedures or techniques otherwise provided for in this Act, establish, by rule, a reporting system that will provide the response team with timely, accurate information which indicates any incident, condition, or situation described under subsection (a). Such reporting system where appropriate shall utilize regional offices of the Environmental Protection Agency as well as other Federal agencies. Such reporting system shall also, where appropriate, utilize State, local, and private agencies and individuals, including privately and publicly employed physicians, veterinarians, and other health care personnel.

"(C) develop within one year of enactment of this section, by rule, on behalf of the response team, contingency plans, which describe the manner in which the response team will rapidly respond to any incident, condition, or situation described under subsection (a). Such plan shall include—

"(i) procedures which will be utilized by the response team to conduct investigations of such incidents, conditions, or situations in order to respond appropriately to protect health and the environment. Such procedures shall provide for sufficient equipment, supplies, scientific and medical personnel, and other resources as is necessary to determine the most appropriate course of action to control and eradicate any unreasonable risk of injury to health or the environment;

"(ii) procedures for the dissemination of information gathered under any investigation under this section to the public and to appropriate Federal, State, and local governments;

"(iii) procedures to coordinate regulatory programs at the Federal, State, and local level to prevent the further spread of any unreasonable risk of injury to health or the environment associated with such chemical substance or mixture and to eliminate such risk then in effect;

"(iv) procedures as may be appropriate to provide adequate medical assistance to persons and veterinary and other assistance to livestock and other animals affected by such incident, condition, or situation; and

"(v) procedures to coordinate among Federal, State, and local agencies and the private sector the manner in which information concerning the effects on health or the environment associated with the chemical substance or mixture responsible for such incident, condition, or situation is to be developed in order to protect against any unreasonable risk of injury to health or the environment.

"(2) The response team shall respond in accordance with the procedures established under paragraph (1)(C) upon the request of any permanent member of the response team, as described in subsection (b), or the Governor of any State. In addition, the response team may invoke the procedures provided for under paragraph (1)(C) upon the petition of any other person where the criteria provided under subsection (a) are determined by the response team to exist. Nothing contained herein shall require the response team to respond to any incident, condition, or situation described under subsection (a) when the response team finds and publishes in the Federal Register with reasons therefor that such response would be duplicative of activities being undertaken by Federal, State, or local governments.

"(3)(A) All agencies and departments of the Federal Government shall cooperate with the response team, and shall, to the maximum extent practicable and when requested by the response team, provide such assistance, personnel, supplies, and other materials and services as are necessary for the response team to properly discharge its functions under this section.

"(B) Any recommendation of the response team of any Federal department or agency shall be considered expeditiously. Within 45 days after the receipt of any such recommendation, such department or agency shall initiate the action requested or shall publish in the Federal Register reasons for not taking such action.

"(4) Within 60 days after the completion of the survey report under paragraph (1)(A) and the contingency plan developed under (1)(C), the Comptroller General of the United States shall evaluate such report and plan and submit such evaluation to the Congress.

"(d) REIMBURSABLE EXPENDITURES.—Any Federal agency that is a member of the response team created under this section or which incurs expenses in connection with any activities of the response team under this section, may be reimbursed for such expenditures from funds appropriated for the purposes of this section.

"(e) UTILIZATION OF SERVICES.—(1) In carrying out the purposes of this section, the Administrator is authorized to accept and utilize the services or facilities of any State or local government or private entity, or of any agency, office or employee thereof, with the consent of such government or entity.

"(2) In carrying out his responsibilities under this section, the Administrator is authorized—

"(A) to appoint and fix the compensation of such temporary personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointment in competitive service;

"(B) to employ experts and consultants in accordance with the provisions of section 3109 of such title, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates; and

"(C) to incur obligations on behalf of the United States by contract or otherwise for the acquisition, rental, or hire of equipment, services, materials, and supplies for shipping, drayage, travel, and communications, and for the supervision and administration of such activities.

Such obligations, including obligations arising out of the temporary employment of additional personnel, may be incurred by the Administrator in such amount as may be made available to him.

"(f) DEFINITION.—For the purposes of this section, the term 'chemical substance' shall have the same meaning as that contained in section 3(2) of this Act, but without regard to the exclusions contained in subparagraph (B)(i), (ii), and (vi) of such section 3(2)

"(g) AUTHORIZATION FOR APPROPRIATIONS.—For the purposes of this section, there are authorized to be appropriated not to exceed , and for the fiscal years ending on September 30, 1978; September 30, 1979; and September 30, 1980, respectively."

(2) Section 28(a) of the Toxic Substances Control Act (15 U.S.C. 2627(a)) is amended to read as follows:

"(a) IN GENERAL.—For the purposes of complementing but not reducing the authority of, or actions taken by, the Administrator under this Act the Administrator shall make grants to the States—

"(1) for the establishment and operation of programs to prevent or eliminate unreasonable risks within the State to the health or the environment which are associated with a chemical substance or mixture and with respect to which the Administrator is unable or is not likely to take action under this Act for their prevention or elimination; and

"(2) to assist the States to develop, strengthen, and execute contingency plans to respond rapidly to incidents, conditions, or situations described in section 31(a).

The amount of a grant under this subsection shall be determined by the Administrator, except that no grant for any State program may exceed 75 percent of the establishment and operation costs (as determined by the Administrator) of such program or developing, strengthening, and executing such plans during the period for which the grant is made.

(3) Section 28 of the Toxic Substances Control Act (15 U.S.C. 2627) is further amended by redesignating subsections (c) and (d) thereof as subsections (d) and (e), respectively, and by inserting immediately after subsection (b) thereof the following:

"(c) STATE PLANS.—The State contingency plan, developed under a grant made by the Administrator under subsection (a)(2), shall include—

"(1) the designation of a State agency or other State organization or individual to be the recipient of reports of incidents, conditions, and situations as described in section 31(a) occurring within the State;

"(2) a system to assure adequate reporting of any symptoms or other physical signs of any such incidents, conditions and situations to such designated agency, group, or individual and methods to provide where appropriate such information to the strike force;

"(3) a system for transporting, to any part of the State, rapidly, field personnel, equipment, and other resources necessary to respond to such incidents, conditions, or situations;

"(4) a method for coordinating, on a regional basis, the elements of the contingency plan with the plans of other States and the strike force established by the Administrator under section 31 of this Act; and

"(5) such other elements as the Administrator by rule may require which are related to enhancing the capability of a State to adequately respond to any incident, condition, or situation described in section 31(a).

(4) Section 28(d) of such Act is amended by striking "$1,500,000" wherever it appears and inserting in lieu thereof "————".

(5) Section 10(b)(2)(A) of such Act (15 U.S.C. 2609(b)(2)(A)) is amended by inserting at the end thereof the following: "Such data shall also include a comprehensive list of experts in the varicus fields related to toxicological or epidemiological research, and the names and addresses of laboratory and other research facilities and projects devoted to or involving toxicological or epidemiological research and analysis."

(6) Section 31 of such Act is renumbered as section 32.

(7) The table of contents of such Act is amended (A) by renumbering item 31 as item 32; and (B) by inserting immediately after item 30 the following new item:

"Sec. 31. Chemical Contamination Strike Force."

By Mr. CANNON:

S. 1331. A bill to provide for the establishment of a Center for the Book in the Library of Congress; to the Committee on Rules and Administration.

CENTER FOR THE BOOK

Mr. CANNON. Mr. President, I am today introducing a bill to establish within the Library of Congress a Center for the Book. We are all aware of numerous instances where educators are bemoaning the effect of modern technology on the basic reading and writing skills of students. Emphasis has shifted from the printed word to audio-visual materials. While audio-visual methods have a definite role in the educational process, we need to place greater emphasis on the book as one of the major avenues to obtain the knowledge with which we must find solutions to some of the problems facing us. The printed word has revolutionized human society. Civilizations have been judged by their written products.

The Center for the Book in the Library of Congress—which as we know is the greatest repository of the printed word in the world—would provide a research center that would investigate the history and the prospects of the book. It would be a place where scholars could trace schools of thought through the history of publishing and investigate the role of the book in the transmission of knowledge past, present, and future. It would be expected that the collections of the Library of Congress could be brought closer to the people through such a center. Most importantly, the center would place the book in the proper perspective—as a tool of learning—and assure its prominence in today's world.

There is no more fitting home for this center than the Library of Congress, which, through its long and honored tradition, has preserved the world's culture through its unparalleled collection of books on every subject and in every language known to man.

It should be noted that this bill and the center it would establish do not call for any appropriation of public funds, but instead would be supported entirely by private gifts to the Library of Congress for the purpose.

By Mr. HUDDLESTON (for himself, Mr. FORD and Mr. ALLEN):

S. 1333. A bill to authorize payments to States as reimbursement for payments which were based upon erroneous information supplied by the Department of Health, Education, and Welfare; to the Committee on Finance;

Mr. HUDDLESTON. Mr. President, the legislation I am introducing today would provide the authority to reimburse States for overpayments made to supplemental security income—SSI—recipients due to errors in information provided by the Social Security Administration.

Effective January 1, 1974, our Nation's system of providing income support for the needy aged, blind, and disabled underwent a major transformation. Supplemental security income took the place of the former Federal-State assistance programs for aged, blind, and disabled. At that time, if they wished to do so, States could provide supplementary payments to the aged, blind, and disabled to provide a higher level of assistance than that specified in Federal law. In certain circumstances the State supplementation was mandatory to insure that recipients did not experience a loss of income.

Although the basic SSI program is federally administered, States were given the option of administering the supplementary payments themselves or of contracting for Federal administration. The law and subsequent regulations also provided that the Social Security Administration through the Bureau of Supplemental Security Income—BSSI—would either administer the State supplemental payments or provide under contractual arrangement the information base necessary for the State to administer its own supplemental program.

In some cases, however, BSSI failed to fulfill its obligations under the agreement. The data given to some States in the early months was inaccurate and some of the basic payments also were inaccurate. Through the State data exchange—SDX—system, BSSI gave erroneous information to States and caused them to make overpayments to eligible SSI recipients and erroneous payments to individuals who were ineligible for any SSI supplement. While most of the overpayments were recoverable through deductions in future checks, the payments to individuals who were not qualified for any SSI supplement were lost. There is no mechanism by which the State can recover the funds through a withholding procedure in these cases.

Of those States which chose to administer their own supplemental programs, at least five have requested reimbursement from the Social Security Administration for overpayments caused by the inaccurate SDX data. The legislation I am introducing today would authorize and direct the Secretary of HEW to make payments to eligible States for nonrecoverable funds.

By Mr. ANDERSON:

S. 1334. A bill to amend the Housing and Community Development Act of 1974 to provide assistance under that act in support of a State role in the administration of activities assisted thereunder, to provide assistance for technical assistance provided by State agencies to localities assisted thereunder, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Mr. ANDERSON. Mr. President, I am introducing legislation today that would give smaller cities and their State governments an opportunity to work together in the community development block grant program.

The legislation would enable the Secretary of Housing and Urban Development to permit communities under 50,000 to use State agencies in the application process, administration, and implementation of these programs. Because of cooperative State involvement, they would be planned with State programs and State funding in mind. Communities would be able to make use of the expert knowledge available in their State governments, even if they are too small to build such capacity into their own local governments.

Mr. President, there are a number of advantages to closer cooperation between State and local governments as they work with Federal agencies. States have a vital interest in the health of local governments. In my own State of Minnesota, through State aids, technical assistance, and communication efforts, a substantial effort has been made to make sure that local communities are able to provide decent government services to their people, in rural and urban areas alike. In many areas of community develop- are already working hand in hand.

The cooperative approach authorized by this legislation would help strengthen local communities, but it also is valuable to State governments. If a State agency works closely with a community, the State leadership learns the real needs of local governments and comes to understand the problems that are created by unresponsiveness and ignorance of local realities in State agencies. Small communities as well as large ones must live with State laws and regulations, in order to receive assistance for the services they provide.

Mr. President, as Governor of Minnesota I had many opportunities to see both the possibilities of healthy cooperative relationships and the problems of isolated decisionmaking and planning. State participation in the administration of Community Development Block Grant programs can strengthen the relationship between State and city governments, and it can also provide better understanding and increased cooperation between State agencies and the Department of Housing and Urban Development.

The real future of healthy local governments depends, I believe, on a strengthened local-State-Federal part-

nership that encourages involvement and initiative at the local-State level. S. 1334 is an important step in this direction. Joint planning can enable a local government to put State and Federal assistance together for maximum impact at the local level. It can reduce duplication of projects, and it can reduce the conflict between State and local priorities and programs.

Mr. President, this legislation also gives States the opportunity to provide technical assistance to communities involved in housing assistance programs. Our own Minnesota State Housing Finance Agency already carries on such activities as they relate to State housing programs, putting together efforts that take advantage of both Federal and State assistance. This legislation would encourage such cooperation throughout the Nation.

This legislation does not require States to become involved in the development programs of their communities. It simply opens an avenue to those communities that want to make better use of State resources. It requires the Department of Housing and Urban Development to make such opportunities available in the Community Development Block Grant program.

Mr. President, my goal in this legislation is to assist in building stronger, more effective communities. That is the goal of local governments throughout this Nation, and it is also the goal of good State governments. Too often we underestimate the commitment of both States and smaller communities to that goal. Too often we underestimate their ability to plan and administer effective community development programs. This legislation is based on the belief that Federal legislation will work more effectively if the Congress and the Federal agencies recognize that cities exist within State governments and can use those governments to help them make our programs effective.

Mr. President, I ask unanimous consent that S. 1334 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1334

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101 (b) of the Housing and Community Development Act of 1974 is amended by inserting before the period at the end thereof a comma and the following: "specifically including efforts by State governments to provide community development resources to local governments"

SEC. 2. Section 104 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following

"(i) The Secretary shall provide an opportunity to Governors or State agencies designated by Governors to participate in the administration of activities assisted under this title (other than under section 106(b)) in their States, except that nothing in this subsection shall be deemed to permit a Governor or a State agency designated by the Governor to change the activities or the requested funding level of an applicant or recipient without the consent of that applicant or recipient or to devolve final decision-making responsibility from the Secretary.".

SEC. 3. Section 107(a) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(7) to States for the provision of technical assistance, particularly to nonmetropolitan communities.".

SEC. 4. Section 106(a)(1)(iv) of the Housing and Urban Development Act of 1968 is amended by inserting "by States" after "the provision of technical assistance".

By Mr. DOLE:

S. 1336. A bill to require daily release by the Secretary of Agriculture of reports of export sales of agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

EXPORT SALES REPORTING AMENDMENT

Mr. DOLE. Mr. President, in order to insure that farmers receive in the future pertinent export sales information on a timely basis, I am today introducing an amendment to section 812 of the Agricultural Act of 1970 as amended to require daily release by the Secretary of Agriculture of reports of export sales of agricultural commodities.

Farmers need the best market information available on as timely a basis as possible in order to market their crops to the best advantage. Sales such as the recent soybean optional origin sale to the Peoples Republic of China should be publicly reported within 24 hours because of possible market impact. If passed, my amendment will insure such timely reporting in the future.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 1337. A bill to modify the project for navigation improvement of Grays Harbor and Chehalis River and Hoquiam River, Wash.; to the Committee on Environment and Public Works.

GRAYS HARBOR NAVIGATION CHANNEL

Mr. MAGNUSON. Mr. President, today I am introducing for myself and Senator JACKSON legislation to authorize the U.S. Army Corps of Engineers to initiate phase I of advance engineering and design for the proposed deepening of the Grays Harbor Navigation Channel in Grays Harbor, Wash.

Continued review is required to determine whether the proposed deepening is economically and environmentally justified and has been specifically requested by the Board of Engineers for Rivers and Harbors in its report on December 8, 1976.

I am introducing this legislation now with the hope that the Environment and Public Works Committee will incorporate it in the next omnibus Water Resources Development Act which it reports to the Senate.

Mr. President, I ask unanimous consent that the text of the bill, together with the report of the Board of Engineers, be printed in the RECORD.

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

S. 1337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for navigation improvement of Grays Harbor and Chehalis River and Hoquiam River, Washington, authorized by section 2 of the River and Harbor Act of March 2, 1945 (59 Stat. 10), and section 101 of the River and Harbor Act of 1954 (68 Stat. 1253), is hereby further modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to undertake the Phase I design memorandum stage of advance engineering and design of the project, substantially in accordance with the recommendations contained in the Report of the Chief of Engineers dated at an estimated cost of $1,000,000.

DEPARTMENT OF THE ARMY, BOARD OF ENGINEERS FOR RIVERS AND HARBORS,
Fort Belvoir, Va., January 13, 1977.

Subject: Grays Harbor from the Outer Bar to Cosmopolis, Washington.

CHIEF OF ENGINEERS,
Department of the Army,
Washington, D.C.:

1. Authority.—This interim report is in partial response to two resolutions by the Committee on Public Works of the United States Senate adopted 21 October 1957 and 30 December 1957, and to a resolution by the Committee on Public Works of the House of Representatives adopted 16 July 1958. These authorities are quoted in full in the report of the District Engineer. This report addresses channel improvements at Grays Harbor from the outer bar to Cosmopolis on the Chehalis River. A final report in response to these authorities will be submitted later

2. Description.—Grays Harbor is a large estuary lying entirely in Grays Harbor County on the southwest coast of the State of Washington. The entrance to the harbor is 45 miles north of the mouth of the Columbia River and 110 miles south of the entrance to the Strait of Juan de Fuca. The estuary begins at the mouth of the Chehalis River and gradually broadens to a shallow, pear-shaped body of water encompassing North and South Bays. The estuary is inclosed on the ocean side by two long spits, Point Brown on the north, and Point Chehalis on the south, which are separated by a 2-mile wide opening forming the natural harbor entrance. Two convergent rock jetties, North Jetty and South Jetty, extend seaward from the points of the spits, constricting the entrance width to about 6,500 feet. The surface area of the estuary varies from 97 square miles at mean higher high water (MHHW) to 35 square miles at mean lower low water (MLLW). The mean tidal range at the harbor is approximately 8 feet. In addition, estuarine tidelands, composed, of fertile river-borne silts and vegetated by dense communities of marsh grass, form extensive mudflats throughout the harbor The natural transition of brushy upland vegetation into tidal marsh grass provides nesting habitat and shelter for numerous shorebirds and waterfowl.

3. Existing improvements.—The Federal Government constructed and maintains the two jetties at the harbor entrance and a 30-foot deep channel at MLLW for ocean navigation from the outer bar to Cosmopolis Other Federal improvements include an 18-foot by 100-foot navigation channel in the lower Hoquiam River, a 14-foot by 100-foot

navigation channel in the South Bay; a revetment and groin erosion protection system for Point Chehalis; and breakwaters and navigation channels for a small-boat basin at Point Chehalis. In addition, the Port of Grays Harbor has constructed terminals and other facilities for logs, lumber, general cargo, and petroleum. Private terminal facilities for the storage and handling of logs, lumber, woodchips, liquid lignin, and pulp are also located at the harbor. The existing Grays Harbor navigation project provides deep-draft vessels access to over 600 acres of publicly owned and 900 acres of privately owned industrial and terminal lands.

4. Tributary area and commerce.—The tributary area for Grays Harbor includes all of Pacific and Grays Harbor Counties, and parts of Lewis, Clallam, and Jefferson Counties. Historically, the economic development of the tributary area has been based on the timber resources of the region. Grays Harbor County has approximately 1.2 million acres of land, of which about 90 percent is in commercial forest use. The annual harvest potential for the tributary area is estimated at 1.7 billion board feet. Products from the forest industry primarily include lumber, plywood, paper, and chips. In 1975, approximately 1,945,000 tons of wood products were exported from Grays Harbor.

5. Problems and needs.—Existing deep-draft vessels using the port range in size from 8,000 to 30,000 deadweight tons with fully loaded midship drafts of 20 to 31 feet, and beams up to 82 feet. However, ocean-going vessels in the world fleet have been increasing in size to meet the competitive demand for efficiency in carrying capacity. The size of vessels engaged in the transportation of woodchips ranges up to 57,000 deadweight tons with loaded drafts of 39 feet and beams of 118 feet. Vessels carrying logs and lumber are as large as 44,000 deadweight tons with loaded drafts of 37 feet and beams of 101 feet. Many of the vessels now transporting forest products in worldwide trade cannot call at Grays Harbor due to depth limitations of the present channel and the restricted horizontal clearance of the existing Union Pacific Railroad bridge at Aberdeen. In addition, large ocean-going vessels often incur tidal delays in order to be able to leave the harbor fully loaded. The use of smaller vessels results in higher transportation costs, thereby making Grays Harbor less competitive with other United States and foreign ports also shipping forest products. Therefore, there is a need for channel improvements and modification of the railroad bridge to provide for safe navigation, to reduce tidal delays, and to permit the movement of waterborne commerce at lower transportation costs through the use of larger vessels.

6. Improvements desired.—The Port of Grays Harbor and other navigation interests desire that the existing Federal deep-draft navigation channel be enlarged from the outer bar to Cosmopolis, and that the Union Pacific Railroad bridge over the Chehalis River at Aberdeen be modified. Grays Harbor County and the cities of Aberdeen and Hoquiam have prepared "Shoreline Master Programs" in compliance with Washington State's Shoreline Management Act and the Federal Coastal Zone Management Act. Channel improvements as desired by local interests are consistent with the local shoreline master programs.

7 Improvements considered.—The District Engineer considered various alternatives for accommodating the increasing size of vessels transporting wood products from the Grays Harbor tributary area. These alternatives included consideration of increased channel dimensions in Grays Harbor, use of other existing west coast ports, and a system for transferring products from docks to oceangoing vessels anchored in deepwater by use of shallow-draft vessels. Certain channel enlargement alternatives included modification of the existing Union Pacific Railroad bridge to provide a greater horizontal clearance. In addition, two alternative plans for disposing of dredged material were considered.

8. Plans formulated.—Plans were formulated to meet the objectives of National Economic Development (NED) and Environmental Quality (EQ), as set forth in the Water Resources Council's Principles and Standards for Planning Water and Related Land Resources. Alternative plans were evaluated, giving consideration to technical, economic, environmental, and social factors. The NED Plan was determined to be an enlargement of the navigation channel from the outer bar to Cosmopolis and modification of the railroad bridge. Disposal of dredged material under the NED Plan would be by the least costly method, which involved both deepwater disposal in the ocean and harbor, and disposal on tidelands and uplands for port and industrial development. The EQ Plan was also determined to be an enlargement of the navigation channel. However, it involved disposal of all dredged material in a manner necessary to preserve and maintain the natural resources of the study area and to cause the least adverse environmental impact while addressing the problems and needs of waterborne commerce. Under the EQ Plan, all material dredged downstream of the existing bridges would be disposed of in deepwater in the ocean and adjacent to the South Jetty. Material dredged upstream of the bridges would be disposed of on adjacent uplands.

9. Plan of improvement.—The District Engineer found the EQ Plan to be the most suitable and advisable at this time. His proposed plan consists of modification of the existing project at Grays Harbor to provide for: an outer bar channel 48 feet deep below MLLW and 1,200 feet wide; an entrance channel 45 feet deep below MLLW and varying in width from 1,200 to 600 feet; a channel through the estuary 40 feet deep below MLLW and varying in width from 400 to 300 feet; a channel 40 feet deep below MLLW and 300 feet wide up the Chehalis River to Cosmopolis; a turning basin 40 feet deep below MLLW and 1,000-foot square at Cow Point; and a turning basin 40 feet deep below MLLW, 1,000 feet long and 800 feet wide in the Chehalis River near Cosmopolis. In addition, the Union Pacific Railroad bridge across the Chehalis River at Aberdeen would be modified to a vertical-lift span providing 140 feet vertical and about 275 feet horizontal clearances.

10. Economic evaluation.—Based on March 1976 prices, the District Engineer estimates the total cost of his proposed improvements to be $47,584,000, of which $46,692,000 would be Federal, and $892,000 would be non-Federal. The annual charges, based on a 50-year period for economic analysis and an interest rate of 6⅛ percent, are estimated at $5,080,000, including $2,000,000 for Federal maintenance in addition to that now required for the existing Grays Harbor navigation project. Average annual benefits are estimated at $9,953,000, and the result-cost ratio is 2.0. Use of the currently authorized Federal interest rate of 6⅜ percent would not have a significant impact on project economic justification.

11. Other considerations.—The District Engineer made an assessment of the economic, social, and environmental effects of his proposed plan. He found that widening of the channel bottom would involve 1,300 acres of the approximately 22,400 acres of the estuary below MLLW. The existing channel from the outer bar to Cosmopolis now occupies about 800 acres. Therefore, bottom-dwelling organisms would be reduced on an additional 500 acres by the increased dredging. In addition, hydraulic model studies indicate that salinity intrusion would move upstream from the present location at Cow Point to about Cosmopolis. The effect would be greatest during low freshwater inflows and high tides. Three of the four upland sites considered for disposal of dredged material are brushcovered, and vegetation would be destroyed. The remaining site is presently used for log and lumber storage, and has no vegetation. The District Engineer also found that the effects of ocean disposal of dredged material is not precisely known. Selection of the specific ocean site and method of disposal would require evaluation of data from tests now being conducted at the mouth of the Columbia River and at San Francisco Bay, together with additional data on ocean bottom characteristics off Grays Harbor. These studies would be conducted prior to construction.

12. Recommendations of the reporting officers.—The District Engineer recommends modification of the existing project for Grays Harbor, Washington, in accordance with the plan described in his report and subject to certain requirements of local cooperation. The Division Engineer concurs.

13. Public notice.—The Division Engineer issued a public notice stating the recommendations of the reporting officers and affording interested parties an opportunity to present additional information to the Board. Careful consideration has been given to the communications received.

VIEWS AND RECOMMENDATIONS OF THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS

14. Views.—The Board of Engineers for Rivers and Harbors concurs with the reporting officers that there is a need to enlarge the existing channel at Grays Harbor and to modify the restrictive railroad bridge across the Chehalis River at Aberdeen to accommodate the increasing size of oceangoing vessels. The Board finds that studies have been sufficiently detailed to determine that a channel enlargement project would be economically justified. However, in reviewing the economic analysis undertaken by the reporting officers, the Board notes that the determination of the channel depths that are actually required, and at which net national economic benefits are maximized, is very sensitive to certain factors. These include the prospective vessel fleet composition, the utilization of the tides by large vessels, and the annual volume of commerce estimated to be transported in various size ships. Supplemental information furnished by the reporting officers, at the request of the Board, indicates that the project depth which maximizes net economic benefits at Grays Harbor ranges between the depths presently recommended in the report under review and project depths 5 feet less than those proposed by the reporting officers. Therefore, the Board believes that subsequent planning studies should further examine this aspect and determine more precisely the channel depths at which net economic benefits are maximized. Of particular importance is a determination of the capability of vessels to take advantage of the large tidal range at Grays Harbor.

15. Certain design criteria used by the reporting officers result in channel dimensions which may be substantially greater than those required for safe navigation at Grays Harbor and which appear to exceed traditional Corps of Engineers design standards. Of particular concern are the allowances used in the outer bar and entrance channels for determining vessel deviation from a straight course and for wave induced

vessel motions. Therefore, the Board believes that channel design criteria should also be reexamined during subsequent planning studies.

16. The Board carefully considered the environmental effects of the proposed project, including those discussed in the Revised Draft Environmental Impact Statement dated September 1976. As the reporting officers indicate, the Grays Harbor estuary offers a very diverse habitat. The estuary provides nursery areas for Dungeness crabs and many species of juvenile fish. It is used for spawning by herring and smelt, and is a transition area for salmon in their migrations between fresh and salt water. The forage fish, juvenile fish, and invertebrates living in Grays Harbor provide a source of food for larger fish, not only inside the bay, but in the open ocean as well. Some fish from outside the estuary, notably salmon from the ocean, enter Grays Harbor for feeding; thus the productivity of the estuary has far-reaching effects. In addition, the wetlands and shallow water areas serve as essential habitats for birds of the Pacific Flyway. Tideflats offer a food source for the birds; marshes and other wetlands also provide resting and breeding areas. In consideration of these environmental aspects, the Board believes that the plan for disposal of dredged material, as presently proposed by the reporting officers, provides an effective means of maintaining the valuable fish and wildlife resources of the Grays Harbor estuary and would have fewer adverse environmental impacts than other disposal plans examined. However, the Board also notes that additional information pertaining to the potential environmental impacts of the proposed modification is still needed prior to actual construction of the project. This factor has been addressed by various Federal and State agencies during coordination of the District Engineer's report. In addition, further consideration should be given to the creation of wetland areas using dredged material from construction and maintenance of the proposed project. Such considerations are in accordance with Section 150 of the 1976 Water Resources Development Act.

17. The Board also considered the effects of the proposed project on regional development and social well-being, as required by the Principles and Standards for Planning Water and Related Land Resources established by the Water Resources Council. The Board believes that the proposed plan will contribute to regional economic development and improved social well-being.

18. The Board notes that the report of the Fish and Wildlife Service is the first part of a two-stage detailed report to be prepared by that agency on the proposed channel modification project. The Service deviated from the traditional fish and wildlife report ordinarily prepared in accordance with provisions of the Fish and Wildlife Coordination Act. Based on its understanding that the proposed Grays Harbor project would be considered by the Congress under a two-stage authorization procedure, it assumed that this procedure permitted a two-stage fish and wildlife report. The initial report includes a list of environmental studies to be accomplished during Phase I planning. The Fish and Wildlife Service indicates that the final fish and wildlife report will be included with the Corps Phase I report which will be submitted to Congress for construction authorization. The Board notes that preparation of a two-stage report by the Fish and Wildlife Service is not a standard reporting practice, and that every effort should be made to obtain a complete and final fish and wildlife report during Corps preauthorization studies. The Board also notes that the environmental studies listed in the initial fish and wildlife report could cost an estimated $5 million. However, all of these studies are not directly related to the proposed Grays Harbor project, and some are presently being accomplished under other programs. The Corps has an ongoing ecological study pertaining to dredging effects in Grays Harbor, which will provide some of the information desired by the Fish and Wildlife Service. Other studies are also being undertaken by an estuarine management task force supported by coastal zone management funds through the Regional Planning Commission. The reporting officers have identified the additional environmental studies specifically needed for the proposed Grays Harbor navigation improvement project and have estimated their cost at $400,000. This amount has been included in the Engineering and Design estimate shown in the survey report, and the Board considers it to be adequate for continued evaluation of the environmental impacts of the proposed channel modification project.

19. Due to the possible changes in channel design criteria and economic factors, and the need for additional environmental and fish and wildlife studies, all as outlined in the preceding views, the Board believes that a recommendation for continued planning, rather than construction of the proposed Grays Harbor channel modification, would be appropriate in this specific instance.

20. Recommendations.—Accordingly, the Board recommends that the Phase I design memorandum stage of advanced engineering and design be undertaken for the proposed modification of the existing Grays Harbor, Washington project, generally in accordance with the plan of the District Engineer and with such modifications thereof as in the discretion of the Chief of Engineers may be advisable. The cost to the United States for the plan proposed by the District Engineer is presently estimated at $46,592,000 for initial construction, exclusive of $100,000 for aids to navigation, and $2,000,000 annually for operation and maintenance in addition to that now required. This recommendation is made with the provision that, prior to commencement of construction, non-Federal interests will agree to:

a. Provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction and subsequent maintenance of the project and for aids to navigation upon the request of the Chief of Engineers, including suitable areas determined by the Chief of Engineers to be required in the general public interest for initial and subsequent disposal of dredged material, and including necessary retaining dikes, bulkheads, and embankments therefor, or the costs of such retaining works;

b. Accomplish without cost to the United States all alterations and relocations of transportation facilities (except the railroad bridge, separately covered below), storm drains, utilities, and other structures and improvements made necessary by the construction;

c. Provide a cash contribution for initial dredging equal to 50 percent of the final construction cost allocated to land enhancement resulting from landfill, exclusive of lands, easements, rights-of-way, alterations, and relocations;

d. Hold and save the United States free from damages due to the construction and maintenance of the project, not including damages due to the fault or negligence of the United States or its contractors;

e. Provide and maintain without cost to the United States adequate public terminal and transfer facilities open to all on equal terms;

f. Provide and maintain without cost to the United States depths in berthing areas and local access channels serving the terminals commensurate with the depths provided in the related project areas; and

g. Assume a share of the final cost of modifying the Union Pacific Railroad bridge across the Chehalis River at Aberdeen, apportioned in accordance with the principles of Section 6 of the Bridge Alteration Act of 21 June 1940, as amended.

21. The Board also recommends that aspects related to economic analysis, project design, and potential environmental impacts, as discussed in the foregoing views, be considered during the Phase I planning studies, and that the concerns of the Board as expressed herein be addressed in a subsequent report which should be referred to the Board for review prior to authorization for construction.

For the board:

R. C. MARSHALL,
Major General USA,
Chairman.

By Mr. HASKELL:

S. 1338. A bill to provide for the issuance and administration of permits for commercial outdoor recreation facilities and services on public domain national forest lands, and for other purposes; to the Committee on Energy and Natural Resources.

FOREST SERVICE SKI PERMITS

Mr. HASKELL. Mr. President, I introduce today a bill to reform the system of issuing and administering permits for ski area and other commercial outdoor recreation facilities and services on public domain national forest lands.

This bill is virtually identical to S. 2125 which was reported by a unanimous vote of the Senate Committee on Energy and Natural Resources and passed by voice vote in the Senate last Congress. It would provide a modern permit authority to the Forest Service to supplement and, in the case of ski areas, replace the increasingly inadequate, antiquated statutory base upon which the agency is dependent for permitting purposes.

Presently the Secretary of Agriculture employs two statutes for licensing concessioners: The act of June 4, 1897, which authorizes the Secretary to regulate occupany and use of the national forests; and the act of March 4, 1915, which authorizes the Secretary to issue permits for the use and occupancy of national forests for the specific purpose of constructing hotels, resorts, or other recreation facilities. Both these early statutes have been amended; however, the most recent amendment was made 20 years ago by the act of July 28, 1956, well before the recent heavy demand for outdoor recreation opportunities.

The time has passed when the Congress or the executive branch could hope to keep pace with the escalating demand for increasingly costly recreation facilities and services on national forest lands through the expenditure of public funds only. In the last decade alone, visits to the national forest system to pursue recreational opportunities increased 32 percent. Every indication is that Americans will continue to enjoy the increased leisure time, greater mobility, and higher personal incomes which have contributed to this dramatic rise in recreation use.

Accordingly, the Forest Service expects continued increases in the demand for recreation opportunities. The agency's most recent projections show an increase from 197.8 million visitor-days in 1975 to 276.1 to 342.4 million visitor-days an-

nually in the decade 2011 to 2020. The cost in Federal dollars to meet those demands would rise from $65.8 million in 1975 to 357.7 million annually in the decade 2011 to 2020. Approximately 60 percent of the annual visitor-days of recreation use in the national forests are dedicated to dispersed recreation—backpacking, camping, fishing, hunting, et cetera—which do not require large capital expenditures of funds in order to be managed effectively. These have been and can be the direct responsibility of the Forest Service. However, under Federal budgetary constraints, the more capital-intensive recreation pursuits which require heavy investments in facilities and to which 40 percent of the annual visitor-days are devoted can only be provided by private industry.

In 1975 the Forest Service had in force approximately 1,900 concessioner permits for the construction and operation of recreation facilities and provision of recreation services. Permittees' investments in improvements totaled over $270 million and receipts to the Treasury from permit fees were about $2.8 million. The Forest Service estimates that another $200 million of concessioners' investments will be required within the next 10 years in order to top up appropriated funds to meet the projected demand for recreation use of national forest lands. The capital-intensive demands of the recreation industry and a statutory base insufficient to provide security for investments in recreation facilities on national forest lands threatens the achievement of this projected level of funding from private sources by 1986.

To induce these investments, the Forest Service grants permits to the concessioners which afford them the privilege of pursuing private gain on public lands. Yet, the basic purpose of those permits is not to foster economic enterprise on national forest land but to assure the provision of high-quality services at a reasonable cost to the owners of that resource: the public. Any business which holds a Forest Service permit is uniquely affected with a public interest. It must expect vigorous enforcement of that interest; and that is achieved when the public is allowed to participate. Unfortunately, in the past, such participation has not been adequately encouraged or, on occasion, even permitted, and, consequently, such enforcement has been uneven at best, absent at worst.

Concessioners no longer limit their development activities to construction of facilities strictly for recreation purposes on national forest lands. Many such permittees become hotel and lodge operators and real estate developers on privately owned land adjacent to the national forest land. These developments by the permittees, in turn, stimulate similar development by others. These facilities and services and the population growth and secondary development they induce have significant adverse impacts upon the environment of national forest lands and private lands alike and create heavy demands for public services in largely rural areas. The communities in these areas are often ill-equipped in planning and financing capabilities to meet these public service demands and mitigate the environmental impacts. These impacts and demands are a direct result of the Federal permitting activity, yet the existing statutory base for that Forest Service activity fails to adequately address them.

The legislation I introduce today attempts to reform the Forest Service's antiquated statutory base by providing the Forest Service with congressionally established standards and directives to insure that a climate is established to encourage the level of concessioner investments necessary to meet recreation demands on national forest lands, that vigorous enforcement of the public interest is maintained through careful administration of concessioners' permits, that the public interest is continually defined by provision of increased opportunities for public participation, and that the secondary impacts and public service demands which are generated by concessioners' activities are properly addressed by the permitting agency.

This legislation is based on a lengthy set of hearings and investigations by the staff of the Subcommittee on the Environment and Land Resources. In February 1975, I received numerous complaints from constituents concerning a proposal of three of Colorado's largest ski areas to increase by 20 percent the daily adult tow ticket rate. Skiing is already too expensive for many Coloradans. I was concerned that so large an increase would put skiing beyond the reach of many more people, especially families. I do not wish to see the less affluent local skiers excluded by concessioners avidly seeking the more high-spending destination skiers and ski tourists. I particularly do not wish to witness the disappearance of the family skier from Colorado's slopes. For these reasons I wanted to be sure the proposed rate increase was justified.

As no public hearing is held on proposed rate increases, I asked the Forest Service to delay its decision on the rate hike to permit a careful review by all parties concerned. At the same time, to facilitate that review, I asked the Forest Service to provide me the financial information the three ski areas supplied in support of their requests.

The Forest Service did subsequently deny the full rate increase request by refusing to permit any interim rate hike for the remainder of that ski season and permitting a less than 20-percent increase for the next ski season. Yet, any meaningful review of even this Forest Service position was frustrated by that agency. The Forest Service denied access to the information I requested claiming that, under terms of leases with ski areas operating in the national forest, such information is confidential.

Mr. President, it was inconceivable to me that a Government agency could base a decision which so fundamentally affects the leisure lives of citizens on information which it refuses to make public. Not only is there no way for the public to adequately review a proposed rate hike, but any appeal process from a Forest Service decision to grant that increase would be a sham.

During the same period, representatives of the ski area operators came to me to express their own concern about certain of the outdated provisions in the agency's statutory base. Their greatest concern was with the acreage limitation. Under the 1950 amendment to the 1915 Term Permit Act recreation permits may cover no more than 80 acres of national forest land. The Forest Service has avoided this limitation by issuing ski area operators two permits: The 30-year 1915 act permit for the area on which the principal facilities are located and a special annual permit under the 1897 act for the remaining lifts and runs. My colleagues will recall that a similar technique of issuing more than one permit was employed by the Interior Department to attempt to avoid the right-of-way width limitations of the 1920 Mineral Leasing Act in awarding the Alaska pipeline right-of-way, and that the Federal courts declared that technique illegal. As the Forest Service's double-permitting method is now under similar challenge in the environmentalists' suit against the proposed Mineral King ski resort in California, the ski area operators are understandably nervous about the validity of existing and future Forest Service permits and the security of existing and proposed investments in ski facilities on national forest lands.

On July 1, 1975, I introduced S. 2125, which combined provisions which were sought by the industry and provisions which would open the agency decision-making process concerning rate increase requests and the administration of recreation permits. The Subcommittee on the Environment and Land Resources held field hearings on S. 2125 on October 4 and 6, 1975, in Aspen and Denver, Colo., and a hearing in Washington, D.C., on November 17, 1975. Testifying at these hearings were the chief forester, State, and local officials, ski area operators, skiers, representatives of environmental organizations and local citizens. Virtually all of the testimony favored enactment of S. 2125, although most witnesses suggested changes.

In October 1975, and again in January 1976, I was apprised by several of my constituents of a controversy concerning a proposed expansion of Mr. Howard H. Callaway's Crested Butte Ski Area and the treatment afforded that proposal in the East River Unit Plan for the Gunnison National Forest in Colorado. I requested an investigation of the controversy by the staff of the Subcommittee on the Environment and Land Resources, and, on April 8, 9, 10, and 12, and May 13 and 14, 1976, the subcommittee held legislative oversight hearings on this controversy and the results of the investigation. These hearings were termed "legislative oversight" hearings for good reason. Clearly, the controversy, raising as it did questions of whether the Forest Service succumbed to political pressure, required the oversight attention of the subcommittee; but it also provided a valuable case study of the procedures and policies employed by the Forest Service in determining whether

to issue and how to administer commercial outdoor recreation permits.

At my request, the subcommittee prepared and issued a report on the legislative oversight hearings, entitled "The Preparation of the East River Unit Plan, Gunnison National Forest, Colorado." Of the total of 196 pages, the report contained 26 pages of specific subcommittee recommendations for legislative and administrative reform of Forest Service permitting, and Federal conflict-of-interest, and policies and procedures.

S. 2155, as reported by the Energy and Natural Resources Committee and passed by the Senate, was substantially rewritten and expanded to reflect the concerns expressed by the many witnesses at the hearings on the bill and the recommendations made by the subcommittee in its East River Unit Plan report.

The deficiencies in the Forest Service's statutory base, policies, and practices identified by witnesses included: The 80-acre limitation for permits under the 1915 act which threatens the security of investments in ski resorts occupying more than 80 acres of national forest land; insufficient consideration of the secondary residential and commercial development, and the resulting impacts upon the environment and public service requirements, arising from large-scale ski resorts; failure to provide proper notice and opportunity to participate to affected citizens and State and local governments in permit issuing procedures; a lack of effective forums and procedures for citizen participation in reviewing permittees' performances; too small a percentage of, and serious use limitations on, permit fee moneys distributed to the States and local governments; no uniform and objective methods for reviewing requests by permittees to increase their charges to the public; only minimum public disclosure of information concerning permit issuing and administering decisions; inadequate consideration of the antitrust implications of awarding more than one permit to a single party in the same geographical area; and permittee pricing patterns which encourage "destination skiers" and discourage skiing by citizens of the communities and States in which the resorts are located.

To correct these deficiencies, the legislation would supplement and, in the case of ski area facilities and services supplant the 1897 and 1915 acts. Among other things, the bill would remove the 80-acre limitation; direct the Secretary of Agriculture to develop objective criteria for decisionmaking on both applications for permits and proposals of permittees to raise rates charged the public; require a more rigorous consideration of permit applications, including the secondary growth, environmental impact, public service, and antitrust implications of the proposed facilities and services; set out procedures to involve State and local governments and the public more fully in the permit issuing and review process; allow renewal of the 30-year permits within 10 years of their termination when the permittees make substantial capital investments; increase the non-Federal share of permit fee moneys from 25 to 50 percent, pay that share directly to affected local governments rather than the States, and widen its permissible use from construction of roads and schools only to construction of any public facility and provision of any public service; provide for disclosure of historical financial data supplied by permit applicants and permittees in support of permit applications, requests for permit renewals, and proposals for increases in charges to the public; and require verification by the Forest Service of information supplied by permittees or permit applicants upon which the agency expects to base permit issuing or administering decisions.

Although most of the provisions of the bill I introduce today are identical to those of S. 2125, as passed the Senate last Congress, I have made some changes.

First I have added in section 5(a)(3) an additional requirement to be included in the criteria to be used by the Secretary of Agriculture in determining whether to issue a commercial outdoor recreation permit. The Secretary would be required to find that any permit to be issued is in accord with the land management plan for the unit of the national forest involved. If it is not in accord, the unit plan must be amended as provided in the National Forest Management Act of 1976. If no unit plan exists, then one must be prepared before issuance of a permit. This provision would implement a suggestion of the subcommittee in the East River Unit Plan Report. It makes good sense; we should not permit one use which may frustrate all or most other uses until we have conducted multiuse planning to determine the best mix of uses for the land involved.

Second, I have added a new subsection 5(b). This subsection would require an applicant for a ski permit or amendment of a ski area permit to submit a plan to the Secretary showing how he will provide alternative low-cost tow or lift and related skiing facilities. The Secretary, prior to issuing a permit, must satisfy himself that the applicant will, to the maximum extent feasible, supply such facilities. I have added this provision out of a deep concern about the rising cost of skiing and the increasing exclusion of many segments of the skiing public from their own national forests. I firmly believe that the local family skier is becoming an endangered species on our publicly owned ski slopes. These slopes are becoming overpopulated instead with destination skiers. As the cost of skiing, no matter how high the prices charged by the ski area operator for lift tickets, is only a minor portion of the total expense of their vacations, destination skiers are more concerned with the quality of the skiing experience offered them than the cost of their lift tickets.

Accordingly, destination skiers demand of the ski area operator who wishes to attract them the most expensive skiing facilities. I do not deny that those members of the skiing public should be served and that such facilities should be built.

Furthermore, I recognize that in order to supply these facilities, ski resorts have become highly capital intensive and that, because of the financing requirements, the industry as a whole does not enjoy a high margin of profit. Clearly, low prices cannot be forced out of ski resorts which have made heavy investments in the most expensive equipment available. However, it certainly seems reasonable to require the Forest Service to ask permittees and permit applicants to install along with the expensive facilities alternative equipment of sufficiently modest cost to permit skiing by the less affluent skiing public.

Third, I have stiffened the public disclosure requirements of subsection 8(a). S. 2125, as passed by the Senate, required the disclosure of all information excluding financial projections submitted to the Department of Agriculture and used by that Department to reach a decision concerning issuance or administration of a permit, including the approval or disapproval of rate increase requests. The ski area operators had informed me that they would not object to such a disclosure provision as long as, among the financial data, only historical data must be made public. I believe this to be a reasonable position so far as a general disclosure rule is concerned.

However, if the Forest Service demands prospective financial data to render a decision concerning the permit, or the permittee or permit applicant voluntarily submits such data to the agency to influence such a decision, I believe that, in those two cases only, public disclosure of prospective data must be required. If disclosure is not required, then public review of the decision is impossible and the agency, simply by demanding, or using voluntarily submitted, prospective financial data, could avoid virtually any public accountability.

Accordingly, the new subsection 8(a) has a two part disclosure requirement: First, as the price of being granted the privilege of conducting business on the publicly owned resource, the permittee would be required to disclose to the public at request any historical financial data or any other information concerning the operation of any facilities or services covered by the permit. Second, the permittee would be required to disclose additionally any prospective financial data which are submitted to the agency in connection with the issuance or administration of the permit. So as to avoid placing onerous disclosure provisions on the very small commercial recreation operations such as outfitters, small stores, etc., the applicability of the disclosure provision is limited to commercial ski area permits and other commercial outdoor recreation permits which apply to more than 60 acres.

Finally, I have altered the "other uses" or "independent ski instructors" permitting provision—subsection 5(d) in the bill I am introducing today. This subsection, as phrased in S. 2125, as passed the Senate, would have authorized the Forest Service, upon satisfaction of appropriate proof of ability, liability and indemnification insurance requirements, to issue permits for secondary activities

on lands covered by a commercial outdoor recreation permit. These activities might be professional guiding, cross-country skiing, or independent ski instruction. Such a provision would permit the Forest Service to break the monopoly over all recreation activities on national forest ski slopes which each ski area operator or other commercial outdoor recreation permittee now has.

As the Forest Service opposed this provision, I became concerned that the authorization could be and probably would be ignored entirely; the agency would simply refrain from exercising the authority. Accordingly, I have rewritten the provision to direct the Forest Service to issue regulations for "other activities" permits and to issue such permits when the requirement of those regulations are met by permit applicants. The agency can still refrain from issuing a permit if it finds permit issuance would be "not in the public interest", but it would have to make such a determination on a case-by-case basis within an active program rather than on a general basis by refusing to even develop the program.

Although the bill as introduced would implement seven of the seventeen East River Unit Plan Report recommendations, during hearings on this proposal, I hope to quiz the Forest Service on the necessity of legislating the remainder of those recommendations which relate to the agency and which were not implemented by the National Forest Management Act of 1976. I also hope to receive additional testimony from the ski area operators and their customers—both the destination and the local skiers. With these views we can further refine the bill.

Mr. President, this bill is past due. It has enjoyed the full support of the Senate. I look forward to its prompt passage.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1338

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress hereby finds that appropriate facilities and services within the forest reserves created from the public domain may be desirable to meet the projected increasing demand for public recreation; and the enhancement of these opportunities for recreation and the protection of environmental quality require prudent development and substantial capital investment. It is the policy of the Congress that, where such facilities and services are determined to be advisable by the Secretary of Agriculture through long-range, multiple-use planning conducted by the Forest Service, and upon consideration of the views of the relevant State and local governments and the public, private development and management of such facilities and services, on a competitive basis where appropriate, may be authorized through issuance of permits. As the facilities and services authorized by any such permit, which has as its purpose the provision of needed services to the public on public lands, are affected with a public interest, such permit shall provide, consistent with the policy and provisions of this Act and subject to conditions which protect the soil, air, and water and the other uses of the forest reserves, for payment of reasonable fees which reflect a primary objective of maintaining a high quality of outdoor recreation facilities and services at reasonable prices for the use and enjoyment of the public.

(b) For the purpose of this Act—

(1) "forest reserves" or "forest reserve lands" means lands of the national forests which have been created from the public domain;

(2) "Secretary" means the Secretary of Agriculture;

(3) "person" means any individual, partnership, association, corporation, trust, estate, or other legal or commercial entity;

(4) "permittee" means the holder of a permit issued pursuant to this Act;

(5) "other recreation permit" means a permit or special use permit for commercial outdoor recreation facilities and services on forest reserve lands issued before or after enactment of this Act in whole or in part under the Act of March 4, 1915 (38 Stat. 1101, as amended; 16 U.S.C. 497), the Act of June 4, 1897 (30 Stat. 35, as amended; 16 U.S.C. 551), the Act of April 24, 1950 (64 Stat. 84, 16 U.S.C. 580(d)), or any other Act authorizing special use permits;

(6) "prior permit" means a permit or special use permit for commercial ski area facilities and services on forest reserve lands issued prior to the enactment of this Act under the Acts set forth in clause (5) of this subsection; and

(7) "local government" or "unit of local government" means a county, parish, township, municipality, borough, or other unit of general government as determined by the Secretary of the Treasury (on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes).

PERMIT AUTHORITY

SEC. 2. Subject to such terms and conditions as he deems desirable or as required by this Act or other applicable law, the Secretary is authorized to permit any person to use and occupy areas within the forest reserves to provide commercial outdoor recreation facilities and services for the use and enjoyment of the general public.

AREA COVERED BY PERMITS

SEC. 3. The areas of land to which permits issued pursuant to this Act may apply shall in each case be determined by the Secretary, taking into consideration present and future public needs for all the multiple uses of the forest reserves: *Provided*, That—

(1) any permit issued pursuant to this Act for commercial outdoor recreation facilities and services other than commercial ski area facilities and services shall not apply to more than eighty acres of forest reserve lands;

(2)(A) any permit to be issued pursuant to this Act for commercial ski area facilities and services which will apply to more than three thousand acres of forest reserve lands shall not be approved until after (i) the Secretary has submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives the draft environmental impact statement prepared pursuant to section 102(2)(C) of the National Environmental Policy Act (83 Stat. 852, 853, as amended; 42 U.S.C. 4321, 4332) and section 5(a)(2)(E) of this Act on the issuance of such proposed permit, together with the terms and conditions he expects to impose upon the permit applicant, and (ii) each committee has adopted a resolution stating that such committee approves of the issuance of the permit;

(B) whenever either committee fails to adopt a resolution of approval for the issuance of such proposed permit within one hundred and eighty days from the date of the submission of the draft environmental impact statement, the Secretary, should he continue to deem the facilities and services to be provided by the permit applicant to be advisable, the applicant to have met all requirements for the issuance of the proposed permit, and the proposed permit to contain all necessary and appropriate terms and conditions, shall submit to the Congress proposed legislation, together with a report thereon, authorizing the issuance of said permit;

(C) not more than one permit may be issued pursuant to this Act for commercial ski area facilities and services within an area of less than six thousand acres unless each such permit, irrespective of the acreage involved, is issued in accordance with procedures provided in this paragraph (2); and

(D) total area to be used by the applicant for a permit for commercial ski area facilities and service and to which such permit shall apply shall include all land within the outer boundaries of the land to be used by the proposed facilities and services, including uncleared or unimproved land between areas to be cleared or improved for ski runs, lifts, or other such ski area facilities and services.

PERMIT PERIOD; PERMIT TERMINATION AND SUSPENSION

SEC. 4. Subject to the provisions of this Act and other applicable law, the Secretary may—

(1) issue permits pursuant to this Act for such periods as he deems appropriate, but not to exceed thirty years;

(2) issue, at the expiration of the period of any such permit, a new permit pursuant to this Act to either a new permit applicant or the holder of the expired permit if such holder is determined by the Secretary to have fully complied with the terms of the expired permit: *Provided*, That the Secretary may issue a new permit pursuant to this Act to a permittee within a ten year period prior to the expiration of an existing permit issued pursuant to this Act if he approves a proposal by the permittee to make, prior to the expiration of the existing permit, a substantial capital investment to construct additional facilities, replace or remove existing facilities, or provide additional services consonant with the purpose for which the existing permit was issued; and

(3) suspend or terminate any permit issued pursuant to this Act for breach of the terms of said permit after giving the permittee due notice and a reasonable opportunity to conform with such terms, or if, in the judgment of the Secretary, the lands to which the permit applies are needed for another use: *Provided*, That the Secretary may order an immediate temporary suspension of any such permit prior to providing such notice and opportunity to conform with permit terms if he determines that such a suspension is necessary to protect public health or safety or the environment.

CONDITIONS FOR, AND TERMS OF, PERMITS

SEC. 5 (a)(1) Within six months from the date of enactment of this Act, the Secretary shall publish in the Federal Register and submit to the Congress proposed regulations containing objective criteria and procedures which must be applied and followed by him prior to issuance of a permit pursuant to this Act which applies to an area of more than 60 acres. Such criteria and procedures shall be applied and followed by the Secretary in determining whether such a permit shall be issued to a particular permit applicant or for a particular area. Such regulations shall not be promulgated prior to sixty days from the date of submission thereof to the Congress.

(2) Such regulations shall, among other things, require the Secretary, in making the

determinations required in paragraph (3) of this subsection, to follow the procedures set forth in this paragraph (2). The Secretary shall—

(A) notify the relevant State and local governments within fifteen days of the allocation of an area in a unit plan for a form of recreation which would require a permit issued pursuant to this Act which would apply to an area of more than 60 acres, the designation of an area as a winter sports site, the filing of an application for any such permit, or the taking of any action by a Forest Service employee which will likely result in the issuance of any such permit;

(B) consult with the relevant State and local governments within thirty days of any action set forth in clause (A) of this paragraph, and continue such consultation thereafter at each significant step in the permit issuance process;

(C) submit the permit application to the Attorney-General of the United States and the Attorney-General of the State involved to permit them to review such application under the Federal and State antitrust laws;

(D) consider, for both forest reserve lands and private land in the proximity thereof, all facilities to be constructed by the permit applicant, all residential, recreation, commercial, and transportation development which will likely occur as a result of the construction and operation of the applicant's facilities, all public services necessary for such facilities and development, and other direct and indirect financial impacts on State and local government;

(E) prepare an environmental impact statement pursuant to section 102(2)(C) of the National Environmental Policy Act (38 Stat. 852, 853, as amended; 42 U.S.C. 4321, 4332); and

(F) require the permit applicant to comply with any conceptual land use plan adopted by the relevant State and local governments including any plan which anticipates the direct and indirect impacts of the facilities and services and the development which will likely occur as a result of such facilities and services and which sets forth the policies and procedures to be employed in managing such impacts.

(3) Such regulations shall, among other things, establish objective criteria to be applied by the Secretary in making the determinations set forth in this paragraph (3). Such criteria shall insure that any such permit shall not be

(A) a land management plan for the unit of the National Forest System in which the forest reserve lands involved are situated has been prepared pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476, as amended; 16 U.S.C. 1600) and that the use of such lands for commercial outdoor recreation facilities and services accords with such plan or that such plan has been amended as provided in subsection (e)(4) of said section 6 to insure the accordance of such plan and such use;

(B) sufficient demand exists for the commercial outdoor recreation facilities and services;

(C) such facilities and services would not preempt more suitable uses of the forest lands involved;

(D) the public would not be better served by permitting or siting such facilities and services in a location other than that specified in the permit application;

(E) where any unit of the national park, wildlife refuge, wilderness preservation, and wild and scenic rivers systems is adjacent to or in the vicinity of the lands to which such permit would apply, such facilities and services would not adversely affect the purpose for which that unit is withdrawn, designated, or established;

(F) any conceptual land use plan identified pursuant to paragraph (2)(F) of this subsection is accurate and consistent with the policies and provisions of this Act and other relevant laws;

(G) all applicable State and local government laws, regulations, plans, and permitting and licensing requirements are or will be met by the permit applicant and are compatible with any conceptual land use plan identified pursuant to paragraph(2)(F) of this subsection; and

(H) the State and local governments have sufficient authority and capability to meet all significant public service demands generated by, and to mitigate all significant adverse environmental impacts of, such facilities and services and all residential, recreation, commercial, and transportation development which will likely occur as a result of such facilities and services.

(b) The Secretary shall require of the applicant for the issuance or amendment of any permit issued pursuant to this Act for commercial ski area facilities and services a plan for the prompt provision of alternative low cost tow or lift and related facilities. To assure provision of commercial ski area facilities and services on forest reserve land to the widest possible public, the Secretary, prior to issuance or amendment of any permit issued pursuant to this Act for commercial ski area facilities and services, shall determine that alternative low cost tow or lift and related facilities will be provided by the applicant to the maximum extent feasible.

(c) Development, management, and operation of the facilities and services to which any permit issued pursuant to this Act applies shall be the responsibility of the permittee, subject to such terms and conditions as the Secretary may prescribe, consistent with the policies and provisions of this Act and other applicable laws.

(d) The Secretary shall, within three months of the date of enactment of this Act, publish in the Federal Register proposed regulations, and, within five months of the date of enactment of this Act, promulgate regulations, for the issuance of permits within any area to which a permit issued pursuant to this Act applies to persons other than the permittee for other uses, such as cross-country skiing, independent ski instruction, and professional guide services, not incompatible with the facilities and services to which the permit applies. Such regulations shall contain proof of ability, liability and indemnity insurance, and such other requirements for any such use as the Secretary deems necessary to protect the public and the permittee. The Secretary shall issue a permit for any such use to any applicant who meets the requirements of the regulations promulgated pursuant to this subsection unless he determines that the issuance of such permit would not be in the public interest.

(e) Any information, data, or documents submitted by a holder of a permit issued pursuant to this Act, a prior permit, or any other recreation permit, by an applicant for a permit to be issued pursuant to this Act or any other recreation permit, or by any other party, which is required or used by the Secretary or any employee of the Department of Agriculture in reaching any decision concerning or leading to the issuance, transfer, or amendment of any such permit, including the preparation of a land management plan for any unit of the forest reserves or designation of any areas as a winter sports site, shall be verified as to the accuracy and completeness thereof by the Secretary prior to such decisionmaking.

PERMIT FEE

SEC. 6. (a) The permittee shall pay to the United States an annual fee for the use and occupancy of forest reserve lands to which the permit issued pursuant to this Act applies. In all cases, fees and charges shall be in accord with the principles set forth in title V of the Independent Offices Appropriation Act of 1925 (65 Stat. 290, 31 U.S.C. 483a).

(b) Notwithstanding the provisions of the Acts of May 23, 1908, and March 1, 1911 (35 Stat. 260 and 36 Stat. 963, as amended; 16 U.S.C. 500) and any other pertinent law, 50 per centum of all moneys received by the United States during any fiscal year from any permit issued pursuant to this Act, any prior permit, or any other recreation permit, shall be paid to the unit or units of local government within the boundaries of which the forest reserve lands to which the permit applies are situated, and such payments may be used by such unit or units for (i) planning; (ii) construction, operation, and maintenance of public facilities; and (iii) provision of public services: *Provided*, That, where all or part of one unit of local government is located within the boundaries of another unit and forest reserve lands subject to this subsection are within the boundaries of both such units, the payments shall be distributed between such units on the basis of population within the jurisdiction of each such unit: *Provided further*, That the Secretary of the Treasury shall promulgate regulations which provide that a share or shares of any such payments which otherwise would be paid in full under this subsection to the unit or units of local government within the boundaries of which the forest reserve lands to which the permit applies are situated shall be distributed to the unit or units of local government, (i) the boundaries of which do not encompass any forest reserve lands to which the permit applies, and (ii) which experience more significant economic, social, or environmental impacts from the commercial outdoor recreation facilities and services and the development which accompanies such facilities and services than do the unit or units of local government which would otherwise receive the full payments. When any such payments are shared the shares shall be divided equitably based on the impacts experienced by each eligible unit.

PERMITTEES' CHARGES TO THE PUBLIC

SEC. 7. (a) Within six months of the date of enactment of this Act, the Secretary shall publish in the Federal Register and submit to the Congress proposed regulations which set forth in detail the criteria the Secretary shall apply in exercising his authority under this Act and other laws to determine whether to allow, reject, or modify any request by a holder of any permit issued pursuant to this Act, any prior permit, or any other recreation permit to increase any charge to the public for use of the principal facilities and services of such holder. Such regulations shall not be promulgated prior to sixty days from the date of submission thereof to the Congress.

(b) Such regulations shall, among other things—

(1) require that the decision to allow, reject, or modify any such proposed increase in a charge to the public shall not be delegated below the level of regional forester;

(2) require that any such proposed increase shall not be unreasonable, and shall not unduly restrict access to the facility or service for which the charge is to be made, for any customer class, including families which, and individuals who, reside in the same State in which are located the forest reserve lands to which the permit applies;

(3) set forth conditions under which a holder of any such permit may offer special season rates or other special rates to, among other individuals, those who reside in the same general area in which are located the forest reserve lands to which the permit applies; and

(4) insure that any such proposed increase under a permit issued pursuant to this Act

for commercial ski area facilities and services or a prior permit, and the criteria to be used in the determination of whether to allow, reject, or modify such proposed increase, shall relate only to the operation of facilities and provision of services directly related to the activity of skiing.

PUBLIC DISCLOSURE

SEC. 8. (a) Notwithstanding any other provision of law, the Secretary shall: (1) make available for public inspection any and all memoranda, financial statements, or other materials, or portions thereof, providing financial data or information, or any other information, concerning the operation of commercial outdoor recreation facilities and services, furnished to him or any official of the Department of Agriculture in support of or in opposition to proposed increases in charges to the public for use of the facilities or services of the holder of any permit issued pursuant to this Act, or any other recreation permit, which applies to an area of more than 60 acres, or any prior permit, or in connection with the administration of any prior permit and the issuance and administration of any permit issued pursuant to this Act, or any other recreation permit, which applies to an area of more than 60 acres; and (2), require as a condition of any permit issued pursuant to this Act, or any other recreation permit, which applies to an area of more than 60 acres, or any prior permit that the holder of any such permit shall make available for public inspection upon request any and all memoranda, financial statements, or other materials, or portions thereof, providing historical financial data or information concerning the operation of the commercial outdoor recreation facilities and services to which the permit applies.

(b) A detailed statement providing the basis upon which a decision by the responsible officer of the Forest Service to issue, transfer, or amend a permit issued pursuant to this Act or any other recreation permit, amend or transfer a prior permit, or allow, reject, or modify a request to increase any charge to the public for use of the principal facilities or services of a holder of any permit issued pursuant to this Act, any prior permit, or any other recreation permit shall be made available for public inspection promptly after such decision is made.

PERMIT REVIEW

SEC. 9. Three years after the issuance of a permit pursuant to this Act or other recreation permit after the enactment of this Act, or three years after the enactment of this Act for any prior permit or other recreation permit issued prior to enactment of this Act, and at three-year intervals thereafter, the Secretary, when such permit applies to an area of more than 60 acres, shall hold a public hearing, with adequate public notice, in a location in the proximity of the area to which the permit applies to determine whether the holder of such permit has complied and is complying with the provisions of this Act and other applicable law and with the terms and conditions of the permit. The Secretary shall set forth his findings, based on the hearing, in writing and make them available to the public. Nothing in this section shall be construed as relieving the Secretary from his responsibility to review independently the performance of the holder of any such permit as periodically as necessary during such three-year periods to insure such compliance.

TITLE TO IMPROVEMENTS; COMPENSATION

SEC. 10. Any structure, fixture, or improvement which is not owned by the United States and to which a permit issued pursuant to this Act applies shall not be deemed to be the property of the United States. The permittee shall be deemed to be the owner thereof, and may remove the property and assign, transfer, encumber, or relinquish the title thereto. Said title shall not be extinguished by expiration or other termination of the permit and shall not be taken for public use without just compensation: *Provided*, That the use or enjoyment of any structure, fixture, or improvement shall be permissible only so long as the owner thereof holds a permit which applies to the area on which such structure, fixture, or improvement is located: *Provided further*, That, within six months following the expiration or other termination of such permit, the Secretary may order the removal of such structure, fixture, or improvement and the restoration of the site, and, upon failure of the owner to comply with such order, the Secretary may bring an action for ejection and recovery of costs incurred by the United States in such removal and restoration: *Provided further*, That, in the event the Secretary does not order the removal of such structure, fixture, or improvement and permits the continued use thereof either by the United States or by a person other than the permittee, then the Secretary shall, before allowing such use to become effective, take such action as may be necessary to assure the permittee of just compensation therefor, unless the Secretary and the permittee mutually agree to other arrangements for the disposition of such structure, fixture, or improvement: *And provided further*, That, if any permit is terminated by the Secretary for another use, the United States shall be obligated to pay an equitable consideration for the removal of such structure, fixture, or improvement and damage thereto resulting from the removal.

UTILITY SERVICES FOR CONCESSIONAIRES; REIMBURSEMENT

SEC. 11. The Secretary may furnish, on a reimbursement of appropriation basis, all types of utility services within the forest reserves to concessioners, contractors, permittees, or other users of such services: *Provided*, That reimbursement for costs of such services may be credited to the appropriation from which the expenditure was made.

RECORDKEEPING; AUDIT AND EXAMINATION; ACCESS TO BOOKS AND RECORDS

SEC. 12. Each permittee shall keep such records as the Secretary may prescribe in the permit to enable the Secretary to determine that all the terms of the permit have been and are being faithfully performed. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to said records and to other books, documents, and papers of the permittee pertinent to the permit and all the terms and conditions thereof.

EFFECT ON OTHER LAWS; APPLICABILITY

SEC. 13. (a) This Act shall be construed as supplemental to, and not in derogation of, the provisions of the Act of March 4, 1915 (38 Stat. 1101, as amended; 16 U.S.C. 497); the Act of June 4, 1897 (30 Stat. 35, as amended; 16 U.S.C. 551); the Act of April 24, 1950 (64 Stat. 84, 16 U.S.C. 580(d)), or any other Act authorizing special use permits, except that this Act and the Act of April 24, 1950, shall be construed as the sole authorities for issuance of permits for commercial ski area facilities and services on forest reserve lands. Prior permits shall be subject to the provisions of section 6(b), 7, 8, and 9 of this Act and the applicable provisions of the other Acts enumerated in this subsection until the expiration of the periods of such permits remaining as of the date of enactment of this Act: *Provided*, That when one person holds more than one such prior permit applicable to a single, integrated commercial ski area facilities and services operation and such permits have different expiration dates, the provisions of this Act, other than the provisions of sections 6(b), 7, 8, and 9 hereof, shall not be applicable to such facilities and services and the holder of such permits until the expiration of the prior permit with the lengthiest remaining period, and those prior permits with shorter remaining periods may be amended or renewed under the authority of such Acts to remain valid until such expiration: *Provided further*, That the holder of any such prior permit may apply to the Secretary for cancellation thereof and issuance of a permit pursuant to this Act: *Provided further*, That the holder of such prior permit who applies for a permit to be issued pursuant to this Act shall be required to conform facilities operating under the prior permit to the provisions of sections 3 and 5(a) only to the extent practicable: *And provided further*, That the provisions of this Act shall be fully applicable to any amendment to a prior permit which would add an area of more than 60 acres to the land to which the prior permit applies.

(b) The provisions of this Act shall not be applicable to any existing or future application for a permit for commercial outdoor recreation facilities and services on forest reserve lands in Mineral King Valley, Sequoia National Forest, and shall not affect in any manner any litigation pertaining thereto.

(c) Nothing contained in this Act shall be construed as impairing, amending, broadening, or modifying any of the antitrust laws or limiting or preventing the application of any such law to any person under the provisions of this Act.

By Mr. STENNIS (by request):

S. 1339. A bill to authorize appropriations to the Energy Research and Development Administration for national defense programs for the fiscal year 1978, and for other purposes; to the Committee on Armed Services.

By Mr. JACKSON:

S. 1340. A bill to authorize appropriations to the Energy Research and Development Administration or energy research, development, demonstration, and related programs in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Non-nuclear Energy Research and Development Act of 1974, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STENNIS (for himself and Mr. JACKSON) (by request):

S. 1341. A bill to authorize appropriations to the Energy Research and Development Administration for military programs with potential civilian energy applications, and for other purposes; to the Committee on Armed Services and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

Mr. STENNIS. Mr. President, the distinguished Senator from Washington, Mr. JACKSON, and I are today introducing three bills providing for the authorization for appropriations for the Energy Research and Development Agency for fiscal year 1978.

With the phaseout of the Joint Committee on Atomic Energy, which formerly had jurisdiction over all ERDA matters, Senate Resolution 4 divides the ERDA jurisdiction between the Commit-

tee on Armed Services and the Committee on Energy and Natural Resources.

Senator JACKSON and I have consulted and the bills we are introducing today represent the division of jurisdiction that we have agreed upon.

One of the bills relates only to matters under the jurisdiction of the Armed Services Committee; a second bill relates solely to matters under the jurisdiction of the Committee on Energy and Natural Resources; the third bill relates to matters in which both committees share an interest.

The Armed Services Committee has already held hearings on the fiscal year 1978 military applications portion of the ERDA request and I intend for the Committee on Armed Services to act on these bills at the earliest possible time.

Mr. JACKSON. Mr. President, I am introducing today, by request, a bill authorizing fiscal year 1978 appropriations to the Energy Research and Development Administration for its research and development programs in nonnuclear energy technologies and civilian applications of nuclear energy.

The remaining portions of the administration proposal—relating to the national security aspects of nuclear energy and to certain nuclear energy programs which have both civilian and military applications—will be introduced as two separate bills by the distinguished chairman of the Armed Services Committee.

Senator STENNIS and I have signed a memorandum which fully explains the method we have agreed upon for the consideration of the ERDA authorization by the Energy and Natural Resources Committee and the Armed Services Committee for this session of Congress.

Mr. President, I ask unanimous consent that the memorandum be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR THE RECORD

The Carter Administration has transmitted to the Senate a draft proposal for authorization of appropriations to the Energy Research and Development Administration for Fiscal Year 1978. The changes to the Senate rules recently adopted in S. Res. 4 provide that the Armed Services Committee will have jurisdiction over the military applications of programs now administered by the Energy Research and Development Administration, including nuclear weapons procurement and related research and development, and that the Energy and Natural Resources Committee will have jurisdiction over the civilian applications of nuclear energy research, development and demonstration.

In light of the new responsibilities which both Committees have acquired with respect to nuclear energy, the Committee on Armed Services and the Committee on Energy and Natural Resources will consider the Administration's proposed bill in the following manner:

First, the Committee on Armed Services will be responsible for the military applications of nuclear energy and the Committee on Energy and Natural Resources will be responsible for the civilian applications of nuclear energy.

Second Title I of the proposed bill provides authorization to the Energy Research and Development Administration to conduct research and development in non-nuclear energy technologies and civilian applications of nuclear energy (with the minor exception of overhead administrative costs which are all contained in Title I rather than being allocated to Titles I, II, and III), and these matters clearly fall within the jurisdiction of the Committee on Energy and Natural Resources. On the other hand, Title II of the draft legislation concerns nuclear weapons research and development, and procurement matters and programs dealing with national security; as to these programs, the Committee on Armed Services has jurisdiction. Therefore, Titles I and II will be introduced as separate measures with the understanding that Title I should be referred solely to the Committee on Energy and Natural Resources and that Title II should be referred solely to the Committee on Armed Services.

Third, Title III of the draft legislation would authorize appropriations for programs in laser fusion, space applications and naval reactors. While these programs have been, and still are, primarily oriented toward military applications of nuclear energy, there exist significant possibilities for civilian-related energy applications in all three areas. In view of the interest both Committees share in these programs, a separate bill will be introduced this year which contains the provisions of Title III. With respect to this third bill, a joint referral to the two Committees is appropriate.

Regarding the laser fusion, space applications, and naval reactor programs, the course of action with respect to the third bill defined above is a temporary measure. Given the lack of experience with the subject matter by both Committees, the method prescribed seems to be the most prudent for this session of Congress. It is agreed that during the next year the resources for the civilian applications in these programs should be separated from the resources for the military applications to the extent possible, and the overhead costs should be appropriately divided between the civilian and military applications. The Administration will be called upon in future years to propose two separate bills that coincide with the two committees' areas of jurisdiction.

In further examination of the contents of the proposed legislation, the general provisions (Title IV) and the requirements of the Budget Impoundment and Control Act (Title V) will be made a part of all three measures.

JOHN C. STENNIS,
Chairman, Committee on Armed Services.

HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources.

Mr. JACKSON. Mr. President, I ask unanimous consent that S. 1341 introduced by Senator STENNIS and myself be jointly referred to the Armed Services and Energy and Natural Resources Committee.

This is a matter that we have worked out between the two committee chairmen and I have cleared it with the ranking member of the Energy and Natural Resources Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. ROTH:

S. 1342. A bill to insure equal protection of the laws as guaranteed by the 5th or 14th amendments to the Constitution of the United States; to the Committee on the Judiciary.

Mr. ROTH. Mr. President, the judicial review of legislation to insure its compliance with the mandates of the Constitution has long been considered a crucial function of our Nation's courts. However, today, we find with increasing frequency, that Federal judges are quick to strike down legislation as unconstitutional because hindsight has demonstrated that the operation of such statutes resulted in disproportionate impacts on certain segments of our society. This form of "Monday morning quarterbacking" has no place in our judicial system. Legislation cannot be abolished by the judiciary solely because of secondary results which were never intended, contemplated or reasonably foreseeable by the legislature.

The recent Supreme Court decisions in Washington against Davis and Village of Arlington Heights against Metropolitan Housing Development Corp. make it clear that effect alone is insufficient. These decisions require proof of a discriminatory intent or purpose to establish a violation of the Constitution.

Mr. President, I send to the desk a bill to insure equal protection of the laws as guaranteed by the 5th and 14th amendments to the Constitution of the United States.

My bill, consistent with these recent opinions of the High Court, would require proof of discriminatory intent or purpose as an essential element to establish a violation of the 5th or 14th amendments to the Constitution. Section 2 of the bill makes this requirement applicable to all court decisions not final prior to enactment.

While admittedly this is already the law of the land, I believe it is imperative to enact this language to insure this standard is universally applied by all courts. While the Supreme Court indicates that this requirement has always been basic to the equal protection principle, the courts have not been consistent in adhering to it. Equal protection of the laws is a cornerstone of our society which we cannot afford to have weakened by legal gamesmanship wherein similar cases are adjudged differently.

In our system of justice, it is the advocate's responsibility to distinguish similar factual circumstances and thereby argue the inapplicability of established legal principles to the controversy at hand. However, it is inappropriate for the courts to engage in this selective application of fundamental principles. This kind of judicial inconsistency severely undermines the basic fairness of our laws and the administration of justice.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, no court of the United States may find that Federal or State action challenged as discriminatory is a violation of the fifth or fourteenth amendments to the Constitution of the United States unless the court finds that such action was intentionally or purposefully discriminatory.

SEC. 2. This Act shall take effect with respect to any judgment or order of a court of the United States which is made after the

date of enactment or which is made prior to such date but is not final on such date.

By Mr. HART:

S. 1343. A bill to require the Federal Government to use the total life cycle cost of an article, rather than the purchase price, for procurement of certain energy-intensive consumer products; to the Committee on Governmental Affairs.

Mr. HART. Mr. President, today I am introducing legislation that takes a significant step toward reforming Federal buying practices. The bill will require the Federal Government to award contracts for articles that consume large amounts of energy on the basis of the lowest total longrun cost of ownership to the Government, instead of merely on the basis of cheapest initial price. This procurement technique is called life-cycle costing, and its adoption for energy-intensive goods will save money, will reduce energy consumption, and will encourage the commercial development of more energy-efficient consumer goods.

It is particularly appropriate that this bill is introduced as we prepare to debate the President's proposals for a national energy policy. The President is encouraging the American people to look beyond the here and now to the long-term costs of our patterns of energy consumption. The Government should do no less.

The Federal Government will spend over $60 billion for goods and services this year. Almost all of this procurement will be done on the old basis of lowest initial purchase price. Life-cycle costing has great potential for savings throughout this entire process, but it will initially be mandated for only 14 specific classes of energy-intensive consumer goods: articles that both use large amounts of energy, and are bought in sufficient quantity, so that the greatest initial savings can be realized. Instead of evaluating competing items on the basis of merely the lowest initial price, as is currently the rule, this bill will require the Government to consider other costs of ownership such as energy costs and costs of maintenance and support, before it awards a contract.

For instance, in a recent experimental procurement run by the Federal Supply Service for the purchase of air-conditioners, one model was offered to the Government for the price of $300. Another model was slightly more expensive and cost $301.19. Under the old method the supposedly cheaper model would have been bought, but it would not have been the best buy. When an evaluation of operating costs was conducted, the cheaper air-conditioner had an operating cost of $436, whereas the slightly more expensive model cost only $304 to run. In this rather dramatic case, the Government, by buying the slightly more expensive model, actually saved over $100 for each air-conditioner; $100 may not sound like a large sum of money, but when you consider that the Federal Supply Service buys over $1 million worth of air-conditioners every year, the potential savings begin to mount up fast. The few experimental purchases that have been tried have already resulted in a net savings of over $3 million.

Despite these impressive results, and despite the numerous recommendations that more consideration be given to this approach, by the Commission on Government Procurement, and by numerous GAO studies, Government awards are still generally based on the lowest initial price rather than the lowest overall cost to the Government.

One obstacle has been the lack of procurement personnel trained to use the new approach. However, the General Services Administration has created a training program and developed curriculum for a basic 40 hour course on life-cycle costing that is already available to the various Federal departments on a voluntary basis. The GSA estimates that its incremental costs for retraining each officer would be only $100. The Office of Federal Procurement Policy estimates that only 16 officers would initially need retraining under the terms of this bill, although additional training would be required because of turnover. Clearly retraining costs necessitated by the bill will be very low, and will be recovered many times over by the cost savings that are inherent in the new approach.

A second and more serious problem has been a lack of uniform statistics on operating costs. Without comparable figures the Government has had a difficult time making meaningful comparisons of total ownership costs. However, Public Law 94–163, the Energy Policy and Conservation Act, passed by this body in the 94th Congress, requires the National Bureau of Standards to develop tests that will show the annual operating costs of 14 different categories of energy-intensive goods. It is these very 14 classes of goods that are covered by this bill. Since the Government is already paying for the research in order to help consumers make more informed buying judgments, the Government should also take advantage of this information, in order to make the best buys possible.

The Office of Federal Procurement Policy estimates that about $226 million worth of Federal procurement will be directly affected by this legislation. Since the cost savings on the experiments that have been undertaken so far average between 10 and 15 percent, the potential savings to the Government conservatively amount to more than $20 million. Although this is a substantial sum, this may represent the least important impact of the bill. Federal procurement practices are the models on which many State governments pattern their own spending. A new approach, proven successful on the Federal level, should become adopted at all levels of government. In addition, more areas should turn up where this approach can be usefully applied as more people are trained to look at procurement from a total longrun cost perspective. Life-cycle costing has enormous potential for savings throughout the entire procurement process. Indeed, one of the problems has been that no one yet knows just how widely applicable this approach is, but the potential savings may well run into the billions of dollars.

But beyond even these considerations, by mandating lowest total cost as the method of award, we will stimulate commercial research and development into energy conservation. The more efficient consumer goods that this research will produce will benefit every citizen, and will decrease our reliance on foreign sources of energy. The days of almost unlimited cheap energy are behind us. We all must develop a new consciousness; a new energy awareness. At a time when this Nation is increasingly dependent upon foreign oil, it is vital that we inject this awareness into the Federal procurement process.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Life Cycle Costing Procurement Act".

SEC. 2. The Congress finds that—

(1) Current procurement tends to overemphasize the initial purchase price, rather than the total long-run cost of an article to the Government.

(2) In areas where operating expenses are a significant part of the total expense of an item, this overemphasis ignores the substantial savings that could be realized if the Government bought on a lowest total long-run cost basis.

(3) Operating costs for energy-intensive commercial products are substantial and vary significantly.

(4) The Government already requires, or soon will require, the publication of uniform statistics on energy efficiency which will provide a reasonable basis for estimating the operating costs of certain classes of energy-intensive consumer products.

(5) Therefore, it is the purpose of this bill to require the adoption of life cycle costing for the procurement of such products in order to realize the potential savings, to reduce energy consumption, and to encourage the commercial development of more energy-efficient consumer goods.

SEC. 3. As used in this Act, the term—

(1) "life cycle cost" means the total cost of an item to the Government during the time of ownership, taking into account the costs of acquisition, operation, maintenance, support, and disposal or replacement, as far as these costs can reasonably be determined.

(2) "Executive agency" has the same meaning as provided in section 105 of title 5, United States Code, and includes the United States Postal Service, Postal Rate Commission, and the General Accounting Office;

(3) "consumer product" means any product which is a covered product under paragraph (1) through (14) of section 322(a) of the Energy Policy and Conservation Act; and

(4) "motor vehicle" means any vehicle, self-propelled or drawn by mechanical power, designed and operated principally for highway transportation of passengers, except a vehicle primarily designed for military field training, combat, or tactical purposes.

SEC. 4. The Administrator for Federal Procurement Policy, pursuant to section 6 of the Office of Federal Procurement Policy Act, shall prescribe such policies, regulations, procedures, and forms as may be necessary to require procurement of consumer products and motor vehicles by Executive agencies to be done on the basis of lowest life cycle cost for contracts for the procurement of consumer products or motor vehicles the total purchase price of which under any one

contract exceeds $10,000, and which are awarded after January 1, 1978.

SEC. 5. Nothing in this Act shall be construed to impair any small business set-aside, any labor surplus area set-aside program, or the operation of the provisions of section 2 of title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Department for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933, (41 U.S.C. 10a (the so-called Buy America Act)).

SEC. 6. (a) There are authorized to be appropriated such sums as may be necessary to provide for the training of government officers or employees in the use of life cycle cost as a basis for government procurement.

(b) Such sums as may be appropriated pursuant to this section shall be allocated among Executive agencies in accordance with such determinations of need for such training by the officers and employees of such Executive agencies as the Administrator for Federal Procurement Policy may make.

By Mr. CANNON:

S. 1344. A bill to amend the Federal Election Campaign Act of 1971, and for other purposes; to the Committee on Rules and Administration.

Mr. CANNON. Mr. President, today I am introducing a bill to amend the Federal Election Campaign Act of 1971. Many of the provisions in this bill reflect a number, although not all, of the recommendations submitted to the Congress by the President in his message of March 22, 1977, and by the Federal Election Commission in its 1976 annual report.

On May 4, 5, and 6, 1977, the Committee on Rules and Administration, of which I am chairman, will hold hearings on proposed amendments to the Federal Election Campaign Act, and other measures, and I would welcome comments on this bill, and the many other proposals pending before the committee at that time.

The essential thrust of this bill is to reduce many of the excessive record-keeping requirements of the law which create a burden on candidates and committees, as well as on the Commission which must process and store these reports. In the 1976 elections, 9,049 reporting entities representing 3,390 campaigns filed one million pages of disclosure forms containing 20 million separate pieces of information which the Commission attempted to process through its computer based information system. The provisions in this bill would reduce the maximum number of reports to be filed from 24 to 8, and still maintain full and adequate disclosure of campaign activities.

In this same regard, I propose that the threshold above which detailed information with respect to contributions and expenditures would have to be reported be raised from $100 to $200. For independent expenditures, the annual reporting threshold would be increased from $100 to $250 for individuals. This would further alleviate the reporting burdens and reduce by somewhere between one-quarter and one-third the files required to be processed and stored by the Commission. The more detailed records, with respect to contributions in excess of $50, would still have to be maintained by candidates and committees for audit and enforcement purposes.

The bill would also reduce the statutory 30-day conciliation period in the enforcement provisions of the law to 20 days to enable the Commission to handle complaints in a more expeditious manner, yet still maintain the concept of conciliation. The overall average time for disposition of complaints which the Commission closed in 1976 was 115 days. A 20-day conciliation period and increased efforts by the Commission should reduce this timelag significantly.

The other provisions of this bill are set forth in an accompanying summary, and I will only highlight some of them at this time. They include a prohibition on the conversion of campaign funds for personal use, a reduction in the congressional review period for Commission regulations from 30 to 20 legislative days, a provision to allow State and local party committees to participate in the Presidential general election, a clarification of the relationship between congressional and Presidential candidates of the same party, an allowance of public funds, not to exceed $500,000, for Presidential candidates to use to pay for costs of compliance, and a reduction in the period for the States' retention of campaign reports.

Finally, the bill would provide that anything of value given to or spent by a delegate pledged to a Presidential candidate will be a contribution to or expenditure by the Presidential candidate, except for certain travel and subsistence expenses. Unreimbursed travel and subsistence expenses of all delegates would be exempt from the law, as would contributions to or expenditures by unpledged delegates, unless the latter would qualify as independent contributions or expenditures, in which case they would be reported as such.

I welcome the views of my colleagues with regards to all of these proposals in the hope that we can report out of the Rules Committee proposed amendments which will met the problems experienced in the past elections while maintaining the basic principles and goals upon which this law is based.

I ask unanimous consent that a section-by-section summary and the text of the bill be printed in the RECORD.

There being no objection, the bill and summary was ordered to be printed in the RECORD, as follows:

S. 1344

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Election Campaign Act Amendments of 1977".

TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

CHANGES IN DEFINITIONS

SEC. 101. (a) Section 301(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(e)) (hereafter in this Act referred to as the "Act"), is amended—

(1) by striking out "but" at the end of paragraph (4); and

(2) by redesignating paragraph (5) as paragraph (6), and adding immediately after paragraph (4) the following:

"(5) means, with respect to any Presidential candidate, a gift of anything of value made to any delegate or for the purpose of influencing the election of any candidate for delegate to a caucus or convention of a political party, if such delegate or candidate is pledged to support such Presidential candidate, except that funds received in connection with travel and subsistence expenses associated with attendance at a caucus or convention shall not be deemed contributions; but".

(b) Section 301(e)(6) of the Act (2 U.S.C. 431(e)(6)), as redesignated in subsection (a), is amended—

(1) by inserting immediately before the semicolon in subparagraph (B) "to the extent that the cumulative value of such activities by such individual on behalf of any candidate does not exceed $500 with respect to any election";

(2) by inserting before the semicolon in subparagraph (C) "to the extent that the cumulative value of such activities by such vendor on behalf of any candidate does not exceed $500 with respect to any election";

(3) by inserting before the semicolon in subparagraph (D) "to the extent that the cumulative amount for such individual incurred with respect to such candidate does not exceed $500 with respect to any election";

(4) by striking out "or" at the end of subparagraph (H); and

(5) by striking out all after the semicolon in subparagraph (I) and adding the following:

"(J) any unreimbursed payment for travel and subsistence expenses made by any delegate or any candidate for delegate to a convention or caucus of a political party or any payment of expenses incurred by a State or local political party in sponsoring any party meeting, caucus, or convention held for the purpose of selecting delegates to a national nominating convention of a political party;

"(K) the payment by a State or local committee of a political party of the costs of campaign materials used in connection with volunteer activities on behalf of a Presidential candidate (such as pins, bumper-stickers, handbills, pamphlets, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, or other similar types of general public political advertising) if such payments are made only with funds not earmarked for a particular candidate; or

"(L) the value of listing or mentioning the name of any Presidential candidate in any Federal or non-Federal candidate's campaign materials, including any listing or mentioning made on broadcasting stations, in newspapers, magazines, or other similar types of general public political advertising, where the primary purpose of such listing or mentioning is to promote the candidacy of such Federal or non-Federal candidate;".

(c) Section 301(f) of the Act (2 U.S.C. 431(f)) is amended—

(1) by striking out "but" at the end of paragraph (3); and

(2) by redesignating paragraph (4) as paragraph (5), and adding immediately after paragraph (3) the following:

"(4) means, with respect to any Presidential candidate, a gift of anything of value made to any delegate or for the purpose of influencing the election of any candidate for delegate to a caucus or convention of a political party, if such delegate or candidate is pledged to support such Presidential candidate, except that funds spent in connection with travel and subsistence expenses associated with attendance at a caucus or convention shall not be deemed expenditures; but"

(d) Section 301(f)(5) of the Act (2 U.S.C. 431(f)(5)), as redesignated in subsection (c), is amended—

(1) by striking out "if" in subparagraphs (D) and (E) each place it appears, and inserting in lieu thereof "to the extent that";

(2) by striking out "do" in subparagraph (D) and inserting in lieu thereof "does";

(3) by striking out "or" after the semicolon in subparagraph (J);

(4) by adding at the end of such paragraph the following:

"(L) the value of listing or mentioning the name of any Presidential candidate in any Federal or non-Federal candidate's campaign materials, including any listing or mentioning made on broadcasting stations, in newspapers, magazines, or other similar types of general public political advertising, where the primary purpose of such listing or mentioning is to promote the candidacy of such Federal or non-Federal candidate;

"(M) any unreimbursed payment for travel and subsistence expenses made by any delegate or any candidate for delegate to a convention or caucus of a political party or any payment of expenses incurred by a State or local political party in sponsoring any party meeting, caucus, or convention held for the purpose of selecting delegates to a national nominating convention of a political party; or

"(N) the payment by a State or local committee of a political party of the costs of campaign materials used in connection with volunteer activities on behalf of a Presidential candidate (such as pins, bumperstickers, handbills, pamphlets, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, or other similar types of general public political advertising) if such payments are made only with funds not earmarked for a particular candidate, but such costs shall be reported in accordance with the requirements of section 304(b);".

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 102. (a) Section 302(a) of the Act (2 U.S.C. 432(a)) is amended by striking out "chairman or treasurer, or their designated agents" in the second sentence and inserting in lieu thereof "treasurer, or his designated agent."

(b) Section 302(e) of the Act (2 U.S.C. 432(e)) is amended—

(1) by inserting before the period in the first sentence in paragraph (1) "or notify the Commission that such individual will not authorize any political committee to receive contributions or make expenditures on his behalf";

(2) by striking out "a" immediately before "political committee" in paragraph (2) and inserting in lieu thereof "an authorized"; and

(3) by adding at the end thereof the following:

"(4) The name of each principal campaign committee of a candidate shall include the name of such candidate.".

REGISTRATION OF POLITICAL COMMITTEES

SEC. 103. (a) Section 303(b) of the Act (2 U.S.C. 433(b)) is amended—

(1) by striking out paragraph (3) and redesignating paragraphs (4), (5), and (6) as paragraphs (3), (4), and (5), respectively;

(2) by striking out paragraphs (7) and (8) and redesignating paragraph (9) as paragraph (6);

(3) by adding "and" at the end of paragraph (6), as redesignated in paragraph (3); and

(4) by striking out paragraph (10) and redesignating paragraph (11) as paragraph (7).

(b) Section 303(c) of the Act (2 U.S.C. 483(c)) is amended by inserting immediately before the period a comma and "except that any change in the information required by subsection (b)(5) need not be reported by a multicandidate committee, as defined in section 320(a)(4)".

(c) Section 303(e) of the Act (2 U.S.C. 433(e)) is amended by striking out "a" immediately before "political committee" and inserting in lieu thereof "an authorized".

REPORTS

SEC. 104. (a) Section 304(a) of the Act (2 U.S.C. 434(a)) is amended to read as follows:

"(a)(1) Except as otherwise provided in paragraph (2), each treasurer of a political committee registered with the Commission as provided in section 303, each candidate for election to such office who has not designated a principal campaign committee as provided in section 302(e)(1), and each delegate and candidate for delegate to any Presidential nominating convention who is pledged to any candidate seeking nomination for election to be President of the United States and who accepts contributions or make expenditures on behalf of such candidate shall file with the Commission reports of receipts and expenditures on forms to be prescribed or approved by such Commission.

"The reports referred to in the preceding sentence shall be filed as follows:

"(A) In any calendar year in which an individual is a candidate for Federal office and an election for such Federal office is held in such year—

"(i) each political committee is authorized by a Presidential candidate to accept contributions or make expenditures on his behalf and which operates in more than one State, each multicandidate political committee or political committee authorized by a Presidential candidate to accept contributions or make expenditures on his behalf with respect to which the Commission has approved a request filed as provided in paragraph (3), each Presidential candidate who has not designated a principal campaign committee as provided in section 302(e)(1), and each delegate and candidate for delegate described in the first sentence of this paragraph shall file such reports monthly, as required by the Commission, except that in lieu of filing the report otherwise due in November of such year, a report shall be filed not later than the 12th day before the date on which such election is held and shall be complete as of the 20th day before the date of such election;

"(ii) in any other case, such reports shall be filed not later than the 12th day before the date on which such election is held and such reports shall be complete as of the 20th day before the date of any such election, and, in addition thereto, such reports shall be filed not later than the 10th day following the close of each calendar quarter (hereinafter referred to as 'quarterly reports'), such reports to be complete as of the close of such calendar quarter, except that if any such report which must be filed prior to any such section is due during the period beginning on the 5th day following the close of any calendar quarter and ending on the 15th such day, the quarterly report otherwise due need not be filed; and

"(iii) in addition to the reports required to be filed as provided in clauses (i) and (ii), such reports shall be filed after December 1 of such calendar year, but not later than January 31 of the following calendar year and shall be complete as of the close of the calendar year with respect to which such reports are filed.

"(B) In any other calendar year in which an individual is a candidate for Federal office, such reports shall be filed—

"(i) monthly, as required by the Commission, in the case of a multicandidate political committee or political committee authorized by a Presidential candidate to accept contributions or make expenditures on his behalf with respect to which the Commission has approved a request filed as provided in paragraph (3); and

"(ii) in any other case, not later than July 10 of such calendar year and shall be complete as of June 30, and after December 31 of such calendar year, but not later than January 31 of the following calendar year, and shall be complete as of the close of the calendar year with respect to which the report is filed. Any contribution of $1,000 or more received after the 15th day but more than 48 hours before any election shall be reported within 48 hours after its receipt. Any contribution of $1,000 or more made by a multicandidate political committee after the 20th day but more than 48 hours before any citizen shall be reported within 48 hours after it is made.

"(2)(A) Each treasurer of a political committee authorized by a candidate to accept contributions or make expenditures on his behalf, other than the candidate's principal campaign committee, and each candidate who designates a principal campaign committee as provided in section 302(e)(1) shall file the reports required by this section with the candidate's principal campaign committee.

"(B) Each delegate and each candidate for delegate to any Presidential nominating convention who is pledged to any candidate seeking nomination for election to be President of the United States and who accepts contributions or makes expenditures on behalf of such candidate shall file the reports required under this section with such candidate.

"(3) Upon request by any multicandidate political committee or any political committee authorized by a Presidential candidate to accept contributions or make expenditures on his behalf, the Commission may permit such committee to file monthly reports in any calendar year instead of the reports specified in paragraphs (1)(A)(ii) and (1)(B)(ii).".

(b) Section 304(b) of the Act (2 U.S.C. 434(b)) is amended by striking out "$100" in paragraphs (2), (7), (9), and (10) each place it appears and inserting in lieu thereof "$200".

(c) Section 304(e) (2 U.S.C. 434(e) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) Every person (other than a political committee or candidate) who makes independent expenditures expressly advocating the election or defeat of a clearly identified candidate, other than by contribution to a political committee or candidate, in an aggregate amount in excess of $250 during a calendar year shall file with the Commission, on a form prepared by the Commission, a statement containing the information required with respect to a person who makes a contribution in excess of $200 to a candidate or a political committee and the information required of a candidate or political committee receiving such a contribution.

"(2) Statements required by this subsection shall be filed on the date specified in subsection (a)(1)(A)(ii) or (a)(1)(B)(ii), whichever is appropriate. Such statements shall include (A) the information required by subsection (b)(9), stated in a manner indicating whether the independent expenditure is in support of, or opposition to, the candidate; (B) under penalty of perjury, a certification whether such independent expenditure is made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and (C) an identification of each person who has made a contribution of more than $200 to the person filing such statement, which was made for the purpose of furthering an independent expenditure. Any independent expenditure, including those described in subsection (b)(13), of $1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such independent expenditure is made.".

REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

SEC. 105. Section 305(b) of the Act (2 U.S.C. 435(b)) is amended by striking out the material in quotation marks and inserting in lieu thereof the following: "A copy of our report is filed with and is available for purchase from the Federal Election Commission, Washington, D.C.".

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 106. Section 306 of the Act (2 U.S.C. 436) is amended by striking out "304(a)(1)(A)(ii), 304(a)(1)(B), 304(a)(1)(C)," in subsection (d), and inserting in lieu thereof "304(a)(1),".

CAMPAIGN DEPOSITORIES

SEC. 107. (a) Section 308(a)(1) of the Act (2 U.S.C. 437b)(a)(1)) is amended—

(1) by inserting immediately after the second sentence the following: "Any candidate who has not designated a principal campaign committee as provided in section 302(e)(1), in the account maintained by such candidate" immediately before the period in the fourth sentence, taking into account the amendment made in paragraph (1) of this subsection; and

(3) by inserting "or candidate" immediately after "committee" in the fifth sentence, taking into account the amendment made in paragraph (1) of this subsection, and striking out "such account," in such sentence and inserting in lieu thereof "the appropriate account described in this paragraph,".

(b) Section 308(b) of the Act (2 U.S.C. 437(b)) is amended—

(1) by inserting "or a candidate who has not designated a principal campaign committee as provided in section 302(e)(1)" immediately after "committee" in the first sentence; and

(2) by striking out "it" in the first sentence and inserting in lieu thereof "such committee or candidate".

(c) Section 308(c) of the Act (2 U.S.C. 437b(c)) is amended by inserting "or by such candidate if he has not designated a principal campaign committee as provided in section 302(e)(1)," immediately before "under" in the first sentence.

ENFORCEMENT

SEC. 108. Section 313(a)(5)(A) of the Act (2 U.S.C. 437g(a)(5)(A)) is amended—

(1) by striking out "30" and inserting in lieu thereof "20";

(2) by striking out "section 304(a)(1)(C) in clause (i) and inserting in lieu thereof "section 304(a)(1)(A)"; and

(3) by striking out "10" in clause (ii) and inserting in lieu thereof "12".

ADMINISTRATIVE AND JUDICIAL PROVISIONS

SEC. 109. (a) Section 315(a)(4) of the Act (2 U.S.C. 438(a)(4)) is amended by striking out the colon and the proviso and inserting in lieu thereof a comma and "except that any information copied from such report or statement shall not be sold or utilized by any person for the purpose of soliciting contributions or for any other commercial purpose, but the names and addresses of any political committee may be utilized for the purpose of soliciting contributions from such committee;".

(b) Section 315(c)(2) of the Act (2 U.S.C. 438(c)(2)) is amended by striking out "30" and inserting in lieu thereof "20".

STATEMENTS FILED WITH STATE OFFICERS

SEC. 110. (a) Section 316 (a) of the Act (2 U.S.C. 439(a)) is amended by striking out the first sentence and inserting in lieu thereof the following: "A copy of each statement required to be filed with the Commission by this Act shall be filed with the State official designated by the Governor of the appropriate State. The Governor of each State shall notify the Commission of the official so designated.".

(b) Section 316 (b) of the Act (2 U.S.C. 439 (b)) is amended—

(1) by striking out "Secretary of State, or the equivalent State officer, under" and inserting in lieu thereof "State official designated as provided in"; and

(2) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) to preserve such reports and statements for a period of 3 years from the date of receipt in the case of reports and statements relating solely to candidates for the House of Representatives, 5 years from the date of receipt in the case of reports and statements relating solely to candidates for President or Vice President, and 7 years from the date of receipt for reports and statements relating solely to candidates for the Senate;".

USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

SEC. 111. Section 317 of the Act (2 U.S.C. 439a) is amended—

(1) by inserting "(a)" immediately before "Amounts";

(2) by inserting immediately before the period in the first sentence a comma and "except that no such amounts may be converted by any candidate to any personal use"; and

(3) by adding at the end thereof the following:

"(b) For purposes of this section, 'personal use' does not include the reimbursement of expenses incurred by a Federal officeholder in connection with his official duties.".

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 112. (a) Section 320 (a) of the Act (2 U.S.C. 441a(a)) is amended—

(1) by striking out paragraph (1)(B) and inserting in lieu thereof the following:

"(B) to the political committees established and maintained by a national political party, in any calendar year, which, in the aggregate, exceed $20,000, except that if any Presidential or Vice Presidential candidate designates the national committee of a political party as his principal campaign committee, the limitations in subparagraph (A) shall apply with respect to contributions received as such authorized committee, for which separate books of account shall be maintained; or";

(2) by striking out paragraph (2)(B) and inserting in lieu thereof the following:

"(B) to the political committees established and maintained by a national political party, in any calendar year, which, in the aggregate, exceed $15,000, except that if any Presidential or Vice Presidential candidate designates the national committee of a political party as his principal campaign committee, the limitations in subparagraph (A) shall apply with respect to contributions received as such authorized committee, for which separate books of account shall be maintained; or";

(3) by inserting "which aggregate at least $1,000 each with respect to at least 5 such candidates" in the second sentence of paragraph (4) immediately before the period;

(4) by striking out "and" immediately after the semicolon at the end of subparagraph (B) of paragraph (7);

(5) by striking out the period at the end of subparagraph (C) of paragraph (7) and inserting in lieu thereof a semicolon and "and"; and

(6) by adding at the end of paragraph (7) the following:

"(D) contributions made to any delegate and to any candidate for delegate to any presidential nominating convention who is pledged to any candidate seeking nomination for election to be President of the United States and who accepts contributions or makes expenditures on behalf of such candidate shall be considered to be contributions made to such candidate.".

(b) Section 320(c)(1) of the Act (2 U.S.C. 441a(c)(1)) is amended by inserting "of this section and by subsection (f) of section 9004 of the Internal Revenue Code of 1954" immediately after "subsection (d)".

(c) Section 320(d) of the Act (2 U.S.C. 441a(d)) is amended—

(1) by striking out "The" in paragraph (3) and inserting in lieu thereof "Except as otherwise provided in paragraph (4),"; and

(2) by adding at the end thereof the following:

"(4) The State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds the greater of $20,000 or 2 cents multiplied by the voting age population of such State (as certified under subsection (e)).".

CONTRIBUTIONS OR EXPENDITURES BY NATIONAL BANKS, CORPORATIONS, OR LABOR ORGANIZATIONS

SEC. 113. Section 321(b) of the Act (2 U.S.C. 441b(b)) is amended by adding at the end thereof the following:

"(8) The name of any separate segregated fund established pursuant to this section shall include the name of the corporation, labor organization, membership organization, cooperative, or corporation without capital stock which established such fund.".

TITLE II—AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS

SEC. 201. Section 9004 of the Internal Revenue Code of 1954 (relating to entitlement of eligible candidates to payments) is amended by adding at the end thereof the following:

"(f) Legal and Accounting Costs.—In addition to any payments made under subsection (a), the eligible candidates of a political party shall be entitled to payments under section 9006 to defray qualified campaign expenses incurred by such eligible candidates or their authorized committees or to repay loans the proceeds of which were used to defray such qualified campaign expenses, or otherwise to restore funds (other than contributions to defray qualified campaign expenses received and expended by such candidates or such committees) used to defray such qualified campaign expenses, if such qualified campaign expenses represent legal and accounting costs incurred by such candidates for the purpose of insuring compliance with the provisions of this chapter or of the Federal Election Campaign Act of 1971, in an amount—

"(1) equal to not more than $500,000 in the case of any eligible candidate of a major party in a Presidential election;

"(2) which, in the case of any eligible candidate of a minor party in a Presidential election, bears the same ratio to the amount allowed under paragraph (1) for a candidate of a major party as the amounts received by such candidate of a minor party under subsections (a)(2) and (a)(3) bear to the amount allowed to any candidate of a major party under subsection (a)(1); or

"(3) which, in the case of any eligible

candidate of a new party in a Presidential election, bears the same ratio to the amount allowed under paragraph (1) for any candidate of a major party as the amount received by such candidate of a new party under subsection (a)(3) bears to the amount allowed to any candidate of a major party under subsection (a)(1).".

REPORTS TO CONGRESS; REGULATIONS

SEC. 202. Section 9009(c)(2) of the Internal Revenue Code of 1954 (relating to review of regulations) is amended by striking out "30" and inserting in lieu thereof "20".

CRIMINAL PENALTIES

SEC 203 Section 9012 of the Internal Revenue Code of 1954 (relating to criminal penalties) is amended—

(1) by striking out subsection (f); and

(2) by redesignating subsection (g) as subsection (f).

REPORTS TO CONGRESS; REGULATIONS

SEC. 204. Section 9039(c)(2) of the Internal Revenue Code of 1954 (relating to review of regulations) is amended by striking out 30 ' and inserting in lieu thereof "20".

TECHNICAL AMENDMENTS

SEC. 205. (a) Section 527(f)(3) of the Internal Revenue Code of 1954 (relating to certain separate segregated funds) is amended by striking out "section 610 of title 18" and inserting in lieu thereof "section 321 of the Federal Election Campaign Act of 1971".

(b) Section 9011(b) of the Internal Revenue Code of 1954 (relating to suits to implement chapter) is amended by striking out "contrue" and inserting in lieu thereof "construe"

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1977 SECTION BY SECTION SUMMARY

Section 101 of the bill would amend the definitions of the Federal Election Campaign Act in the following respects:

1. A contribution to a Presidential candidate will include anything of value given to a delegate or to influence the election of a candidate for delegate to a caucus or convention who is pledged to support that Presidential candidate, except for funds received or spent with regard to certain travel and subsistence expenses.

2 Three strictly clarifying amendments to existing 431(e)(5) which would transfer the $500 limits set forth at the end of that section and applicable to clauses B, C, and D, and incorporate them into those specific clauses B, C, and D.

3. Unreimbursed payments for travel and subsistence expenses made by a delegate (pledged or unpledged) for payment of expenses incurred by a state or local political party in sponsoring a party meeting, caucus, or convention held for the purpose of selecting delegates to a national nominating convention shall not be a contribution or an expenditure

4 A contribution or an expenditure shall not include the payment by a state or local committee of a political party of the costs of certain campaign materials used in connection with volunteer activities on behalf of a Presidential candidate (such as pins, bumper stickers, handbills, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, or other similar types of general public political advertising) if such payments are made only with funds not earmarked for a particular candidate.

Section 102(a) of the bill would amend Section 432(a) to provide that only when there is a vacancy in the office of treasurer (rather than chairman or treasurer) that a committee would be prohibited from making expenditures or receiving contributions.

Section 102(b) would amend Section 432 (e) to provide an option so that candidates would not have to designate a principal campaign committee if they certify to the Commission that they will not authorize any political committee to receive contributions or make expenditures in their behalf.

It would also require that each principal campaign committee of a candidate contain in the name of the committee the name of such candidate.

Section 103 of the bill would amend Sec. tion 433(b) of the Act by deleting certain information now required to be contained in a statement of organization which the Commission feels is not pertinent. It would also provide that multi-candidate committees need not amend their registration statements when supporting additional candidates as this information is reflected in reports of expenditures.

Section 104 of the bill would amend completely Section 434(a) of the Act setting forth the reporting requirements of candidates and committees. This, with other provisions in the bill, would reduce the maximum number of reports that would have to be filed from twenty-four to eight and still maintain full and adequate disclosure of campaign activities.

Section 104(b) of the bill would amend Section 434(b) by raising the threshold above which detailed information with respect to contributions and expenditures would have to be reported to the Commission from $100 to $200. The purpose of this is to alleviate the reporting burden on candidates and committees and reduce by approximately one-third the information that is required to be stored and processed by the Commission without significantly reducing public disclosure of campaign activities. The information would be reported in the aggregate and the more detailed information now required to be kept with respect to contributions in excess of $50 would still have to be maintained by candidates and committees for audit and enforcement purposes.

Section 104(c) of the bill would amend Section 434(e) to raise the reporting threshold for independent expenditures from $100 per year to $250 for all persons other than political committees or candidates. It would also eliminate the requirement that persons who make independent contributions in excess of $100 file reports with the Commission and would provide instead that the person who receives the contribution, and subsequently makes the independent expenditure would report having receved that contribution to the Commission.

Section 105 of the bill would simplify the disclaimer required on all solicitations of contributions.

Section 106 of the bill is strictly a technical amendment to Section 436 reflecting changes in the provisions relating to reporting requirements.

Section 107 of the bill would amend Section 437b relating to campaign depositories to provide for the situation where a candidate does not designate a principal campaign committee and maintains checking accounts or other accounts in a depository of his own designation.

Section 108 of the bill would alter the statutory conciliation period from thirty days to twenty days in order to facilitate the Commission's more expeditious handling of complaints, leaving intact the rest of the enforcement provisions except for technical changes to reflect the changes proposed in the reporting requirements.

Section 109 of the bill would amend Section 438(a)(4) of the Act (which provides that information filed with the Commission shall not be sold or utilized by any person with the purpose of soliciting contributions or for any commercial purpose) to permit the names and addresses of any political committee on file at the Commission to be utilized for the purpose of soliciting contributions from that committee.

Section 109 of the bill would also propose to shorten the Congressional review period of FEC regulations from thirty to twenty legislative days.

Section 110 of the bill would amend Section 439(a) of the Act to provide that copies of reports would be filed with the state official designated by the Governor of the appropriate state to accommodate those states which do not have Secretaries of State, or where the Secretary of State does not handle the campaign finance information. It would also change the retention period for records filed with the states so that House reports would be preserved for three years. Presidential reports for five years, and Senate reports for seven years, in lieu of the present five and ten year requirements which the states have indicated is excessive. The Commission would still be required to preserve its reports for the ten and five year periods.

Section 111 of the bill would amend Section 439a of the Act to provide specifically that excess campaign funds may not be converted to personal use by any candidate to reflect the provision adopted by the Senate in S. Res. 110.

Section 112(a) of the bill would clarify that if a national committee of a political party is designated as the principal campaign committee for a Presidential or Vice Presidential candidate, that the contribution limits applicable to that national committee would still be applicable, but the committee would have to maintain separate books for contributions received as the authorized committee of a Presidential candidate. This Section would also provide that contributions made to any delegate or candidate for delegate to a Presidential nominating convention who is pledged to any candidate and accepts contributions or makes expenditures on behalf of such a candidate shall be considered to be contributions made to that candidate.

Section 112(c) of the bill would amend Section 441a(d) to permit state committees of a political party, including any subordinate committee of a state committee, to make expenditures in connection with a general election campaign of a Presidential candidate of that party up to the greater of $20,000 or 2¢ multiplied by the voting age population of that state. This is to remedy an apparent oversight in existing law and permit state parties to make coordinated expenditures to support the general election campaign of a Presidential candidate.

Section 113 of the bill would amend Section 441b(b) to provide that any separate, segregated fund established pursuant to that section shall contain, in the name of such fund, the name of the corporation, labor organization, membership organization, cooperative, or corporation without capital stock which established the fund.

Section 201 of the bill would provide a grant of $500,000 to Presidential candidates in the general election to defray the legal and accounting costs of complying with the law. Under present law, Presidential candidates could receive contributions from individuals to defray these costs and with the grant of public funds, such contributions would be prohibited.

Sections 202 and 204 of the bill would change the Congressional review of FEC regulations from thirty to twenty legislative days with respect to the Presidential public financing provisions.

Section 203 of the bill would strike Section 9012(f) of Title 26, a provision considered to be unconstitutional in light of *Buckley* v. *Valeo* and unenforced by the Commission.

Section 205 of the bill contains technical amendments.

By Mr. BAYH (for himself and Mr. HATFIELD):

S. 1345. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on Rules and Administration.

Mr. BAYH. Mr. President, today my colleague from Oregon, Mr. HATFIELD, and I are introducing legislation which is designed to help the elderly and the handicapped exercise one of our most sacred privileges—the right to vote. This legislation is substantially identical to legislation introduced in the House of Representatives by Congressmen KOCH and COHEN along with 57 other cosponsors.

The right to vote is regarded by most Americans as one of the vital ingredients in the functioning of our democratic society. Despite our allegiance to this sacred principle, every election day every year, we disenfranchise millions of our Nation's voters. This disenfranchisement takes place because many of our registration sites and voting places prove to be inaccessible for our Nation's elderly or handicapped. Architectural barriers in effect prevent these citizens from being able to participate in the electoral process that is the very bulwark of our Nation.

While it is difficult to obtain accurate statistics on the number of voters that are affected by such impediments as architectural barriers, it has been estimated that the number of persons in the United States that must rely on mobility aids is placed conservatively at 20 million. When you add to this figure the number of elderly persons who might have similar mobility problems, the figure climbs even higher. In my own State of Indiana, there are 598,000 disabled persons and 701,511 people over the age of 60. These figures amply document the seriousness of the problem.

The legislation we are introducing today seeks to correct this unfortunate situation by requiring that all polling places and voter registration sites used in Federal elections be located in facilities which would provide temporary or permanent access by ramp or other means for persons in wheelchairs. In the event that modification of such sites is not possible, the bill would require that adequate voting alternatives be used. For example, the handicapped or elderly could be assigned an alternative voting place free of architectural barriers.

Additionally, this legislation would require that paper ballots be available at all voting sites used for Federal elections for those persons unable to use a conventional voting machine. Blind and other voters who have difficulty both in operating a voting machine and in marking a paper ballot would be allowed to designate an individual to assist them.

Mr. President, we have come a long way toward extending the franchise to those various groups in our society who have been denied the vote over the years. It is no longer permissible to discriminate against a voter because of his race or his language. With the passage of the legislation we are introducing today, it will no longer be permissible to discriminate against the older or handicapped voter.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voting Rights for the Elderly and Handicapped Act".

PURPOSE

SEC. 2. It is the intention of Congress in enacting this Act to promote the fundamental right of all citizens to vote by requiring polling and registration places for elections for Federal office to be readily accessible to physically handicapped and elderly individuals.

SELECTION OF POLLING AND REGISTRATION PLACES

SEC. 3. (a) The Attorney General, in consultation with the Secretary of Health, Education, and Welfare, shall prescribe, in accordance with section 553 of title 5, United States Code, such standards for polling and registration place facilities used for elections for Federal office as may be necessary to insure that physically handicapped and elderly individuals have ready access to such facilities. Except as provided in subsection (b), such standards shall require at a minimum that all polling and registration places be located in a building or other facility which provides access, by ramp or otherwise, to individuals in wheelchairs, and be located on the ground level of a building or other facility, or at a location within such building or facility as is accessible by elevator. Any building or other facility which is temporarily made to comply with the standards prescribed by the Attorney General under this subsection may be used as a polling or registration place.

(b)(1) No site which does not comply with the standards of accessibility prescribed under subsection (a) may be used as a polling or registration place in elections for Federal office unless it is determined by the appropriate election official of a State or political subdivision, after all reasonable efforts have been made to locate an appropriate site, that there is no such site available in the applicable voting precinct.

(2) Whenever a site which does not comply with the standards prescribed under subsection (a) is designated as a polling or registration place for an election for Federal office under subsection (b)(1), the appropriate election official shall file a report with the Attorney General not later than sixty days before the election in the case of a polling place and not later than sixty days before the close of registration in the case of a registration place, in such form and containing such information as the Attorney General may require, including assurances that all reasonable efforts have been made to locate an appropriate site.

(c) The requirements under subsections (a) and (b)(2) shall not apply to any State which, in the determination of the Attorney General, (1) has established by law standards for polling and registration places at least as stringent as those prescribed by the Attorney General under subsection (a), and (2) has adopted and is implementing adequate procedures for the enforcement of such State's standards. The Attorney General may require such State to keep records and make reports as he deems necessary to implement this Act.

ALTERNATIVE METHODS OF VOTING AND REGISTRATION FOR THE PHYSICALLY HANDICAPPED AND THE ELDERLY

SEC. 4. (a) Each State shall provide by law, within one year of the date of enactment of this Act, for one or more alternative methods of voting by physically handicapped and elderly individuals in elections for Federal office in cases in which such individuals are assigned under section 3(b)(1) to polling places which do not meet the standards prescribed under section 3(a). Such alternatives may include—

(1) the selection of one or more alternative polling places outside of the voting precinct (but within the same congressional district) to which such an individual may be assigned to vote;

(2) the selection of an alternative method of voting within the voting precinct, such as by the use of an absentee ballot on or before election day, or by curbside balloting outside of polling place; or

(3) any other method, or combination of methods, which guarantees that such individuals will be able to fully exercise their right to vote.

(b) Whenever an alternative method of voting is selected under subsection (a) for a voting precinct, the appropriate election official of the State or political subdivision in which such precinct is located shall issue public notice of such method as early as practicable, but in any case not later than sixty days before the election in which the alternative method is to be used. Any physically handicapped or elderly individual who notifies the appropriate election official of his or her intention to vote by the alternative method at least thirty days before such election and who is otherwise eligible to vote in such election, shall be allowed to vote by such method.

(c) Each State shall provide by law, wtihin two years of the date of enactment of this Act, for one or more alternative methods of registering to vote for elections for Federal office by physically handicapped and elderly individuals who do not have ready access to registration places meeting the standards prescribed under section 3(a).

(d) Whenever an alternative method of registration is selected under subsection (c) the appropriate election official of the State or political subdivision in which such precinct is located shall issue public notice of such method of registration as early as practicable but in any case not later than sixty days before the deadline for registration for the election for which the alternative method is to be used.

ALTERNATIVE PAPER BALLOTS AND SELECTED ASSISTANTS

SEC. 5. (a) Paper ballots shall be made available at each polling place for an election for Federal office, whether or not such polling place is in compliance with the standards prescribed under section 2(a), for the use of voters who would otherwise be prevented from voting because of their inability to operate a voting machine.

(b) Any voter who is unable to operate a voting machine or use a paper ballot, because of blindness or other physical handicap, shall be permitted to select a person of his choice to accompany such voter into the polling place in an election for Federal office to assist him in the completion of his ballot.

ENFORCEMENT

SEC. 6. Whenever the Attorney General has reason to believe that a State or political subdivision (1) has selected a site for a poll-

ing or registration place within a voting precinct which does not comply with the standards prescribed under section 3(a), and that there exists within such precinct an available site which does comply with such standards, (2) has failed to provide an alternative method of voting or registering to vote as required by section 4, or (3) has failed to make paper ballots available or to permit alternative selected assistants as required by section 5, he may institute, in the name of the United States, any actions in a district court of the United States against the State or political subdivision, including actions for injunctive relief, as he may determine to be necessary to implement this Act.

DEFINITIONS

SEC. 7. As used in this Act, the term—

(1) "elderly individuals" means individuals 65 years of age or older;

(2) "election for Federal office" means a general, special, primary, or runoff election for the office of President or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to the Congress of the United States;

(3) "physically handicapped individuals" means individuals who need mechanical or personal assistance to provide for their safety and mobility; and

(4) "voting precinct" means the area inhabited by all citizens assigned to one polling place for an election for Federal office.

By Mr. BAYH:

S. 1346. A bill to amend title VII of the Civil Rights Act of 1964 to provide a program to prevent discrimination on account of the handicapped condition of an individual, and for other purposes; to the Committee on Human Resources.

Mr. BAYH. Mr. President, today I am introducing legislation to guarantee the civil rights of one of our Nation's more valuable untapped resources, the handicapped. Specifically, my legislation would address the problem of employment discrimination against the handicapped by adding the handicapped as an additional category to those already protected from employment discrimination by title VII of the Civil Rights Act of 1964.

Over the past decade, we have witnessed a growing awareness of the rights of many disadvantaged groups in our society. Women and minorities, backed with the protection of the Civil Rights Act, have begun to make substantial inroads in the labor market. Essentially unnoticed during this period, however, were the employment problems of the Nation's handicapped.

The right to work is one of the most basic of all human rights. Work gives an individual not only economic self-sufficiency, but also a sense of dignity, self-worth, and a knowledge of making his or her contribution to our society. Unfortunately, the sad fact is that all too often, people with handicaps are denied this right to self-sufficiency and self-esteem due to employment discrimination.

The actual figures are appalling. Although precise figures are difficult to obtain, it has been estimated that there are about 36 million handicapped persons in our Nation. Of these, only about 5.6 million are in the work force. Regrettably, the handicapped individual's unemployment impairs not only his or her own right to self-sufficiency, but frequently impacts on the ability to support a family as well. As a result, many of these victims of discrimination and their families are forced to turn to welfare.

Why does this condition exist? There are several reasons, among them the difficulty of transportation and physical barriers for the handicapped. However, the most crucial deterrent seems to be employer attitude. Acting from presumed stereotypes, many employers fear that the handicapped person will be unable to perform assigned tasks. This attitude appears to exist despite the results of numerous studies showing that a handicapped worker, when assigned to an appropriate position, performs as well or better than his nonhandicapped coworkers.

I do not think that most of us are aware of the depth of the problem facing these millions of Americans. Employment discrimination against the handicapped is not just confined to the person in the wheelchair; it also extends to persons recovering from an illness such as cancer. The American Cancer Society has estimated that "for about 90 percent of cancer patients going back to work, there is a serious discrimination problem." Many employers refuse to hire such people at all citing an unfounded fear of contagion. Such fear was exemplified by a New York employer who was hesitant to rehire a victim suffering from cancer of the larynx fearing he would be forced to install a separate bathroom for the cancer victim so as not to infect the rest of the staff.

The other attitude by employers which deters the hiring of cancer victims is the assumption such workers will not be able to perform at full capacity. This attitude on the part of many employers flies in the face of studies showing cancer victims to be full-time productive members of the work force. In 1972, the Metropolitan Life Insurance Co. reviewed its experience with the employment of persons with a history of cancer. The conclusions of the study showed that the reasons for past employment discrimination were, indeed, unfounded. The overall employment record for cancer victims in the Metropolitan study was good, showing only a small turnover. The absentee record was considered satisfactory and work performance adequate. The study concluded with the statement that:

> . . . selective hiring of persons who have been treated for cancer, in positions for which they are physically qualified, is a sound industrial practice.

There is Federal legislation already on the books which makes a first step toward protecting handicapped victims from employment discrimination. Most notable is the Vocational Rehabilitation Act of 1973. This legislation prohibits employment discrimination against any otherwise qualified handicapped individual in any Federal contract of more than $2,500 or in any Federal program.

I support the worthwhile goals of the Vocational Rehabilitation Act, but at the same time, I am convinced that this legislation does not go far enough. It is for this reason that I am introducing legislation which will give the handicapped full protection under the Civil Rights Act of 1964. By putting the handicapped under the civil rights bill, we would be extending employment discrimination protection to all handicapped workers in companies of more than 15 employees.

In order to more fully explain the specific contents of my bill, I ask unanimous consent that a section-by-section analysis together with the bill be printed in the RECORD at this point followed by two excellent articles documenting the need for its enactment.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Handicapped Condition Antidiscrimination in Employment Act."

SEC. 2. Section 701 of the Civil Rights Act of 1964 is amended by adding at the end thereof the following:

"(k) The term 'handicapped condition' means any individual who—

"(1) has a physical or mental impairment which substantially limits one or more of such person's major life activities.

"(2) has a record of such impairment, or

"(3) is regarded as having such an impairment. For purposes of this Part a handicapped individual is 'substantially limited, if he or she is likely to experience difficulty in securing, retaining, or advancing in employment because of a handicap."

"(4) 'Qualified handicapped individuals' means a handicapped individual as defined in this Section who is capable of performing the functional requirements of the particular job."

SEC. 3. (a)(1) Section 703(a)(1) of the Civil Rights Act of 1964 is amended by inserting immediately after the word "sex" a comma and the words "handicapped condition".

(2) Section 703(a)(2) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapped condition".

(b) Section 703(b) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapped condition".

(c)(1) Section 703(c)(1) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapped condition".

(2) Section 703(c)(2) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapped condition".

(d) Section 703(d) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapped condition".

(e)(1) Section 703(e) of such Act is amended by inserting immediately after the word "sex" a comma and the words "handicapped condition".

(2) Section 703(e) of such Act is further amended by inserting before the period a comma and the following: "and (3) it shall not be an unlawful employment practice for an employer to hire or refuse to hire and employ employees, for an employment agency to limit; segregate or classify, or fail or re-

fuse to refer for employment any individual, for a labor organization to exclude or expel from membership or to limit, segregate or classify its membership or to classify or refer for employment any individual, or for an employer, labor organization, or joint-labor-management committee controlling apprenticeship or other training or retraining programs to fail or refuse to admit or employ any individual in any such program, on the basis of his handicapped condition if such employer, employment agency, labor organization, or joint labor-management committee establishes that such an individual would endanger his own health or the health of other employees or individuals in such a program".

(f) Section 703(h) of such Act is amended by inserting after the word "sex" both times it appears in such subsection a comma and the words "handicapped condition".

(g) Section 703(j) of such Act is amended by inserting after the word "sex" each time it appears in such subsection a comma and the words "handicapped condition".

(h) Section 703 of such Act is amended by adding at the end thereof the following new subsection:

"(k) Nothing contained in this title shall be interpreted to prevent an employer, employment agency, or labor organization to observe the terms of any bona fide employee benefit plan such as a retirement, pension, or insurance plan if such a plan and differences in that plan with respect to any individuals with handicapped condition is not a subterfuge to evade the purposes of this title, except that no such employee benefit plan shall excuse the failure to hire any individual".

(i) The section heading of section 703 of such Act is amended to read as follows:

"DISCRIMINATION BECAUSE OF RACE, COLOR, RELIGION, SEX, HANDICAPPED CONDITION, OR NATURAL ORIGIN"

SEC. 4. (a) Section 704(b) of the Civil Rights Act of 1964 is amended by inserting after the word "sex" both times it appears in such subsection a comma and the words "handicapped condition".

(b) Section 706(g) of such Act is amended by inserting after the word "sex" a comma and the words "handicapped condition".

SEC. 5. (a) Section 717(a) of the Civil Rights Act of 1964 is amended by inserting after the word "sex" a comma and the words "handicapped condition".

(b) Section 717(c) of such Act is amended by inserting after the word "sex" a comma and the words "handicapped condition".

SEC. 6. The amendment made by this Act shall take effect 6 months after the date of its enactment.

SECTION-BY-SECTION ANALYSIS OF A PROPOSED BILL TO AMEND TITLE VII OF THE CIVIL RIGHTS ACT OF 1964 TO PROVIDE A PROGRAM TO PREVENT DISCRIMINATION ON ACCOUNT OF THE HANDICAPPED CONDITION OF AN INDIVIDUAL

Title VII of the 1964 Civil Rights Act provides for equal employment opportunities. Generally, this proposed bill would extend the guarantees against discrimination in employment on account of race, color, religion, sex or national origin to handicapped persons.

Section 1 of the proposed bill states that it may be cited as "the Handicapped Condition Antidiscrimination in Employment Act".

Section 2 of the bill amends section 701 of the 1964 Civil Rights Act (42 U.S.C. § 2000e), which contains definitions for the subchapter, to include the term handicapped condition. A new subsection k is added which defines handicapped condition as any person who either has a physical or mental impairment which substantially limits one or more of that person's major life activities or has a record of such impairment or is regarded as having such an impairment. Substantially limited as well as qualified handicapped individuals are also defined.

Section 3 of the proposed bill amends section 703 of the Civil Rights Act of 1964 (42 U.S.C. § 2000e–2). Section 3(a) of the bill amends section 703(a)(1) and (2) by inserting the words handicapped condition after the word sex. If amended by this bill section 703(a) would read: "It shall be an unlawful employment practice for an employer—(1) to fail or refuse to hire or to discharge any individual, of otherwise to discriminate against any individual with respect to his compensaton, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, handicapped condition or national origin—(2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, handicapped condition or national origin."

Similarly, section 3(b) of the proposed bill would amend section 703(b) to include the term handicapped condition. If amended this section would state: "It shall be an unlawful employment practice for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of his race, color, religion, sex, handicapped condition or national origin, or to classify or refer for employment any individual on the basis of his race, color, religion, sex, handicapped condition, or national origin."

Section 3(c) of the proposed bill would amend sections 703(c)(1) and (2) which prohibit discrimination in labor union practices by adding the words handicapped condition. If amended these sub-sections would state: "(c) It shall be an unlawful employment practice for a labor union organization—(1) to exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his race, color, religion, sex, handicapped condition, or national origin; (2) to limit, segregate, or classify its membership or applicants for membership, or to classify or fail or refuse to refer for employment any individual, in any way which would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect his status as an employee or as an applicant for employment, because of such individual's race, color, religion, sex, handicapped condition, or national origin . . ."

Section 3(d) of the bill amends section 703(d) which prohibits discrimination in training programs by adding the words handicapped condition. This section, if amended, would read: "It shall be an unlawful employment practice for any employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs to discriminate against any individual because of his race, color, religion, sex, handicapped condition, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training."

Section 703(e) of the 1964 Civil Rights Act which states that certain classification by race or other characteristic is not an unlawful employment practice would be amended by section 3(e) of the bill. Section 3(e)(1) would insert handicapped condition after the word sex and section 3(e)(2) would add a new section 3 providing that it would not be an unlawful employment practice to refuse to hire or otherwise discriminate against a handicapped person if it is established that such an individual would endanger his own health or the health of others in such a program.

Section 3(f) of the proposed bill would amend section 703(h) of the 1964 Civil Rights Act by inserting the word handicapped condition after the word sex. Section 703(h) discusses seniority or merit systems and presently provides that it shall not be an unlawful employment practice for an employer to apply different standards of compensation pursuant to a bonafide seniority or merit system provided that such differences are not the result of an intention to discriminate because of race, color, religion, sex, or national origin. This section also provides that it shall not be an unlawful employment practice to give or act upon the results of any professionally developed ability test provided that such test is not intended or used to discriminate because of race, color, religion, sex or national origin.

Section 3(g) of the proposed bill would amend section 703(j) by inserting the words handicapped condition after the word sex. Section 703(j) of the 1964 Civil Rights Act currently provides that the subchapter shall not be interpreted to require preferential treatment to any individual or group because of their race, color, religion, sex, or national origin on account of an imbalance with respect to total number or percentage of such persons.

Section 3(h) of the proposed bill also adds a new subsection k which concerns employee benefit plans. This new subsection specifically states:

Nothing contained in this title shall be interpreted to prevent an employer, employment agency, or labor organization to observe the terms of any bona fide employee benefit plan such as a retirement, pension, or insurance plan if such a plan and differences in that plan with respect to any individuals with handicapped condition is not a subterfuge to evade the purposes of this title, except that no such employee benefit plan shall excuse the failure to hire any individual.

Finally, section 3(i) amends the section heading of section 703 to read "Discrimination Because of Race, Color, Religion, Sex, Handicapped Condition, or Natural (sic) Origin".

Section 4(a) of the proposed bill amends section 704(b) of the 1964 Civil Rights Act (42 U.S.C. Sec. 2000e–3) by inserting the words handicapped condition after the word sex both times it appears in the subdivision. This subsection prohibits advertisements relating to employment from indicating a preference based upon race, color, religion, sex, or national origin is a bona fide occupational qualification for employment.

Section 706(g) of the 1964 Civil Rights Act (42 U.S.C. Sec. 200e–5) is amended by section 4(b) of the proposed bill by inserting the words handicapped condition after the word sex. Section 706(g) currently provides for court injunctions if a court finds that a respondent is or has intentionally engaged in an unlawful employment practice and for other relief such as payment of back pay It also states that these remedies shall not apply if such individual was refused admission, suspended, or expelled, or was refused employment or advancement or was suspended or discharged for any reasons other than discrimination on account of race, color, religion, sex, or national origin.

Section 5 of the proposed bill would amend Section 717(a) and (c) of the 1964 Civil Rights Act (42 U.S.C. Sec. 2000e–16) by in-

serting the words handicapped condition after the word sex. Generally, Section 717 concerns employment by the Federal Government. Section 717(a) prohibits employment discrimination in the Federal Government based on race, color, religion, sex, or national origin. Subsection (c) provides that an aggrieved individual may file a civil action after final administrative action on a complaint of discrimination based upon race, color, religion, sex or national origin.

The final section of the proposed bill, section 6, provides that the amendments made by the bill shall take effect 6 months after its date of enactment.

EMPLOYMENT PROBLEMS OF DISABLED PERSONS

(By Sar A. Levitan and Robert Taggart)

One in seven noninstitutionalized adult Americans age 20 through 64 has one chronic condition or more lasting at least 6 months which limits the kind or amount of work he or she can perform. The consequences of these work disabilities are serious for the individuals and for society. Earnings are curtailed or eliminated, and income is lowered. Only two-fifths of the disabled are employed during a typical year, compared with three-fourths of the able-bodied. The mean annual earnings of disabled workers are roughly seven-tenths those of the able-bodied, and households with a disabled adult must make do with a third less income than other households. Behind these numbers lie untold personal tribulations resulting from the loss of work status and independence.

The economy suffers to the extent that useful skills go unutilized. Relatives of disabled persons must supplement reduced earnings while bearing extra medical and personal care expenses. Taxpayers support extensive income transfers to the disabled, amounting to estimated Federal outlays of more than $28 billion in fiscal 1977.

Vocational rehabilitation seeks to restore lost or stunted productivity, thereby increasing earnings, independence, and well-being of the disabled, and reducing the need for public income transfers. To achieve these goals, medical, prosthetic, psychological, and other services treating mental and physical handicaps are combined with counseling, vocational training, work experience, placement, and other services addressing the temporary or long-term employment problems related to these handicaps. In 1975, an estimated $1.7 billion was spent on such services.

Work disability and vocational rehabilitation services cannot be considered in a vacuum. Many of the socioeconomically handicapped have complicating mental or physical problems, and a large proportion of those with mental or physical handicaps have limited education, work experience, or other employment impediments. There is thus an extensive overlap between the disabled and the socioeconomically disadvantaged. Vocational rehabilitation efforts for the disabled and employment and training programs for the socioeconomically disadvantaged face many of the same obstacles and must resolve many of the same issues. This article explores the employment difficulties of the disabled as part of a broader problem, and examines rehabilitation strategies as one component of the effort to help handicapped persons failing in or being failed by the labor market.

EMPLOYMENT PROBLEMS

There are essentially two interrelated dimensions to work disability: the presence or perception of physical or mental handicaps and reduced work capacity. The Social Security Act defines disability narrowly, limiting benefits to the most severe cases. Under the act, a disability is the "inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months." The Social Security Administration, in its surveys of the disabled in 1966 and 1972, has defined disability much less restrictively as a limitation in the kind or amount of work, including housework, which results from a chronic condition lasting 6 months or longer. Under this definition, the physicial or mental conditions are self-assessed rather than medically determined, and they may be of shorter duration. Most importantly, this definition includes not only those unable to work regularly or at all, who are classified as "severely disabled," but also those who can work but must change occupations, that is, the "occupationally disabled," and those who can continue in the same job but are limited in the amount of work (including housework) they can perform, that is, persons considered to have "secondary work limitations." The Social Security Act's definition encompasses around 3 million adults under age 65. Two and one-half million disabled workers received disability benefits at the end of 1975. In contrast, the 1972 survey of the disabled counted 7.7 million severely disabled age 20 to 64 years, 3.5 million occupationally disabled, and 4.4 million persons with secondary work limitations.

The extent of work limitation ranges from complete to marginal. Only a seventh of the severely disabled were employed at the time of the 1972 survey, and only 6 percent held full-time jobs (table 1). The occupationally disabled were substantially better off, with 71 percent employed and 45 percent in full-time jobs. However, they were still worse off than the able-bodied population, among whom 74 percent were employed, 60 percent full time. Severely disabled men had one-fifth the chance of being employed as the nondisabled had, and less than one-seventh the probability of being employed full time.

TABLE 1.—EMPLOYMENT STATUS OF PERSONS AGE 20 TO 64, 1972 SURVEY WEEK

Item	Ablebodied	Disabled	Severely disabled	Occupationally disabled	Secondary work limitations
Percent outside the labor force:					
Total	22.5	51.9	81.8	22.2	22.7
Men	2.3	35.0	75.2	5.2	5.8
Women	41.1	65.9	85.9	43.0	39.0
Percent employed:					
Total	73.7	42.9	14.0	71.4	71.5
Men	95.0	59.6	21.1	89.1	96.4
Women	54.2	29.2	9.5	49.6	57.1
Percent employed full time:					
Total	60.6	29.3	5.7	45.0	58.7
Men	84.6	47.1	11.7	69.8	75.9
Women	38.7	14.7	2.0	14.5	42.0

Source: Social Security Administration, "1972 Survey of the Disabled."

Occupationally disabled men were employed somewhat less often than the nondisabled but had twice the frequency of part-time work. Only 1 in 10 severely disabled women engaged in gainful employment. Occupationally disabled women were more frequently forced into part-time work. (The secondary work limitation category is difficult to interpret for women because it includes women who cannot perform housework as well as those who are or would be in the labor force.)

The disabled are subject to frequent work interruptions. During the year prior to the 1972 survey, 72 percent of the disabled men age 20 to 64 held jobs compared with 98 percent of the able-bodied. But 73 percent of the able-bodied, compared with only 36 percent of the disabled, worked full time, full year (table 2).

The employment problems of the disabled have other dimensions. At the time of the 1972 interview, 37 percent of the severely disabled who claimed to be employed were not currently on the job, compared with just 1 in 8 of the able-bodied with a job. The employed nondisabled averaged 41 hours of work weekly, but the severely disabled averaged 26 and the occupationally disabled, 36 hours. Accounting for a tenth of the work force, the disabled were a sixth of all service workers, laborers, and farmers, and more than a third of all private household workers.

The weekly wage of employed disabled men was 79 percent that of the able-bodied; for the severely disabled, it was only 67 percent. The ratios for women were even lower, 74 and 46 percent, respectively. With more frequently interrupted work, the annual earnings of disabled men with work experience were 69 percent those of the nondisabled; the severely disabled earned less than half as much; the occupationally disabled, 70 percent; and persons with secondary work limitations, 79 percent.

Nearly 3 of every 10 persons age 20 through 64 not in the labor force in 1972 were disabled, as were 7 of 10 working age men without jobs and not looking for work (table 3). Conversely, less than 8 percent of full-time workers had a limitation in the kind or amount of work they could perform. With an unemployment rate twice that of the nondisabled, disabled men accounted for a fourth of jobless men. Disabled women, on the other hand, apparently dropped out of the labor market rather than continue the futile search for work, so that their unemployment rates differed little from those of the able-bodied. Whereas the disabled represented 28 percent of all persons who did not work during 1971, and a fifth of those working less than 26 weeks, they accounted for only 7 percent of full-time, full-year workers. Two-thirds of men who did not work and more than a fourth of those with less than 26 weeks of employment were disabled.

TABLE 2.—WORK EXPERIENCE OF PERSONS AGE 20 TO 64, 1971

[In percent]

Work experience and sex	Ablebodied	Total disabled	Severely disabled	Occupationally disabled	Persons with secondary work limitations
BOTH SEXES					
Did not work	20.7	45.8	69.5	21.1	23.5
Worked	79.1	54.1	30.3	78.9	76.5
Full time 50 to 52 weeks	50.4	22.7	5.4	37.7	41.5
Full time 26 to 49 weeks	12.1	11.9	6.8	14.7	18.8
Part time 26 weeks or more	8.1	8.1	6.6	14.2	5.9
Less than 26 weeks	6.3	9.4	10.0	9.3	8.1
Not available	2.4	2.1	1.7	3.0	2.1
MEN					
Did not work	2.3	27.7	56.1	7.2	6.5
Worked	97.5	72.2	43.7	92.8	93.5
Full time 50 to 52 weeks	72.9	35.6	10.0	54.0	54.6
Full time 26 to 49 weeks	63.7	19.2	13.8	22.0	24.3
Part time 26 weeks or more	4.0	5.7	5.5	8.0	3.7
Less than 26 weeks	4.1	9.1	12.0	5.4	8.4
Not available	2.8	2.6	2.3	3.4	2.4
Not available	.2	.2	.2		.1
WOMEN					
Did not work	37.5	60.8	77.9	38.1	39.9
Worked	62.3	39.2	22.0	61.9	60.0
Full time 50 to 52 weeks	29.9	12.1	2.5	17.6	28.9
Full time 26 to 49 weeks	10.6	5.9	2.4	5.8	31.5
Part time 26 weeks or more	11.9	10.1	7.2	21.8	8.0
Less than 26 weeks	8.3	9.5	8.8	14.2	7.9
Not available	1.7	1.6	1.2	2.4	1.7
Not available	.1	.1	.1	.1	

Note: Totals do not always add to 100 because of rounding.

Source: Social Security Administration "1972 Survey of the Disabled."

TABLE 3.—THE DISABLED AS PERCENT OF ALL PERSONS AGE 20 TO 64 BY EMPLOYMENT STATUS, 1972

Employment status and sex	Disabled as percent of all persons age 20 to 64	Severely disabled as percent of all persons age 20 to 64
Total	14.6	7.3
Not in labor force	28.3	22.2
In labor force	9.5	1.7
Employed	9.1	1.5
Full time	7.7	.7
Part time	15.7	4.8
Unemployed	18.2	6.7
Men	14.0	5.9
Not in labor force	71.2	64.7
In labor force	9.7	1.5
Employed	9.2	1.4
Full time	8.3	.9
Part time	17.6	5.8
Unemployed	24.5	5.7
Women	15.2	8.5
Not in labor force	22.4	16.3
In labor force	9.3	2.1
Employed	8.8	1.6
Full time	6.4	.5
Part time	14.6	4.2
Unemployed	14.5	7.3

Source: Social Security Administration, "1972 Survey of the Disabled."

CHARACTERISTICS

The young and old, blacks, women, the unmarried, and persons with limited education are over-represented among persons without jobs or without stable employment as well as among the disabled. The mentally and physically handicapped with such characteristics are more frequently unable to work regularly or at all than other disabled persons. By the same token, the employment problems of the aged, of blacks, and of the poorly educated are very often related to mental or physical problems.

Age. A third of all persons age 60 to 64, and a fourth of those age 55 to 59, were disabled in 1972, compared with 1 in 10 35- to 44-year-olds. Whereas persons age 55 to 64 represented only a sixth of nondisabled adults, they accounted for more than a third of the disabled. Finally, two-thirds of disabled persons age 55 and over were unable to work regularly or at all, compared to only two-fifths of younger persons with disabilities.

Race. Blacks, who represented 9 percent of able-bodied adults in 1972, accounted for 14 percent of the disabled and 16 percent of the severely disabled. Among blacks with a disability, 58 percent could not work regularly or at all, compared to 48 percent among whites with a disability.

Sex and marital status. The incidence of disability was only slightly higher among women than men, but 56 percent of disabled women, compared with only 42 percent of disabled men, were unable to work regularly or at all. Marital status was also a factor. Among the nondisabled, only 9 percent of adults were widowed, divorced, separated, or had an absent spouse; the proportion among the disabled was twice as high.

Education. Whereas 7 of 10 able-bodied adults had at least a high school diploma in 1972, only 44 percent of the disabled and less than a third of the severely disabled had 12 years of schooling or more. A third of all persons with eight grades of attainment or less, and nearly a fifth of high school dropouts were disabled, compared to only 8 percent of those with some college education. Nearly two-thirds of the disabled with eight grades of schooling or less could not work regularly or at all, compared with two-fifths of disabled high school graduates and three-tenths of those with some college training.

The compounding of mental or physical and socioeconomic handicaps reduces the chances of labor market success. Those who are both disadvantaged and disabled are more likely to have severe employment problems than any other group. The 1969 earnings of disabled white men age 45 to 54 were three-fifths those of the able-bodied. Disabled black men in the same age bracket earned only a fourth as much as nondisabled white men; disabled black women, less than a twelfth.

MULTIPLE HANDICAPS

The incidence and severity of disability is affected by the type and number of the resulting afflictions and the functional limitations. In 1972, almost half of all noninstitutionalized adults age 20 to 64 reported suffering from one or more chronic conditions. However, only 30 percent of these were limited in the kind or amount of work, with just 15 percent unable to work regularly or at all. What made a chronic condition a disabling one? The incidence of disability and severe disability varied by condition. Only 3 in 10 persons with varicose veins, a third of those with deafness, and, perhaps suprisingly, a fourth missing arms or hands were limited in the kind or amount of work they could perform (table 4). Even smaller proportions of persons with these conditions could not work regularly or at all. In contrast, 96 percent of mentally retarded adults had work limitations, as did 89 percent of those with multiple sclerosis, 84 percent of stroke victims, 80 percent of the mentally ill, and 73 percent of those with epilepsy; more than 7 in 10 with such conditions could not work regularly or at all.

The disabled, especially the severely disabled, were more likely to suffer from these more serious problems than others with chronic conditions but no work limitations. Nevertheless, the most prevalent disabling conditions were arthritis and rheumatism, trouble with the back or spine, high blood pressure, heart trouble, and chronic nervous disorders. Looking at broader categories, musculoskeletal problems were present among three-fifths of the disabled and cardiovascular difficulties among half.

TABLE 4.—INCIDENCE OF CHRONIC CONDITIONS AND DISABILITY, 1972

Type of problem	Percent with condition who are disabled	Percent with condition who are severely disabled	Percent able-bodied with condition	Percent disabled with condition	Percent severely disabled with condition
Musculo-skeletal	45	23	13	61	61
Arthritis/rheumatism	44	25	7	33	37
Back or spine trouble	50	22	6	33	29
Missing legs or feet	79	41		1	1
Missing arms or hands	25	6			
Chronic stiffness	61	34	2	12	14
Cardiovascular	37	21	15	50	59
Rheumatic fever	46	26		2	2
Heart attacks	73	50		6	9
Heart trouble	68	45	1	14	20
Stroke	84	74		3	4
Hardening of arteries	62	45		4	6
High blood pressure	42	26	5	22	27
Varicose veins	30	15	4	9	9
Hemorrhoids	24	12	6	10	11
Respiratory	38	20	8	27	29
Tuberculosis	63	41		1	2
Bronchitis	53	36	1	7	9
Emphysema	62	38	1	5	6
Asthma	38	17	2	8	8
Allergies	29	12	4	10	9

Type of problem	Percent with condition who are disabled	Percent with condition who are severely disabled	Percent able-bodied with condition	Percent disabled with condition	Percent severely disabled with condition
Digestive	39	22	6	22	25
Gall bladder	50	32	1	4	6
Stomach ulcer	34	20	3	8	10
Hernia	38	16	1	5	4
Mental	64	46	2	20	29
Mental illness	80	72	----	3	6
Mental retardation	96	77	----	2	3
Alcohol/drugs	47	20	----	1	1
Chronic nerves	62	43	2	15	2½
Nervous system	81	62	----	4	6
Epilepsy	73	60	----	2	4
Multiple Sclerosis	89	79	----	1	1
Urogenital	46	26	2	7	8
Kidney	43	27	2	6	8
Neoplasma	42	26	2	7	9
Tumor or cyst	35	21	1	4	5
Cancer	64	43	----	3	4
Endocrine	33	20	4	10	13
Diabetes	47	29	1	7	8
Thyroid	22	13	2	4	4
Deaf	36	18	2	5	5
Visual	66	40	1	6	7

Note: Dashes indicate less than 0.5 percent.

Source: Social Security Administration, "1972 Survey of the Disabled."

The compounding of unfavorable conditions frequently results in disability. Whereas only 6 percent of the nondisabled reported three or more chronic conditions, more than half of the disabled were plagued by such multiple maladies. Arthritis or a nervous disorder alone might not greatly limit work, but combined with high blood pressure or thyroid problems, they might create severe impediments. The incidence of multiple conditions increases with age, and this is one of the reasons for the correlation between age and disability.

Severe and multiple conditions reduce the capacity to function physically and emotionally, and the discomforting symptoms may sap work motivation. More than four-fifths of the disabled in 1972 suffered from some physical limitation: two-fifths had trouble walking; three-fifths in lifting more than 10 pounds; and more than half could not stand for long periods or had difficulty stooping and kneeling. The majority of persons with such physical impairments were disabled, especially if they had trouble walking or reaching. The disabled were also more frequently the victims of multiple limitations. A third had five or more, compared with less than 2 percent of the nondisabled population. Eight in 10 persons reporting five or more physical limitations were limited in the kind or amount of work they could perform.

These limitations are self-assessed but apparently realistic. A study comparing physicians' and patients' assessments of physical capacity found agreement on the presence or absence of a limitation in two-thirds to three-fourths of the cases. The employed tended to overestimate their capacities and the unemployed to understate them, while transfer recipients were likely to feel more limited than their diagnoses would indicate.[1] Quite clearly, the chronic conditions and their effects are real and serious in most cases. The disabled cannot function as well as the able-bodied, and the severely disabled who are unable to work regularly or at all tend to have the most frequent and severe problems. Yet the fact remains that many with serious conditions or multiple functional handicaps are able to work while large numbers of persons with less severe problems claim to be disabled.

SEPARATING THE CAUSES

The extent that a condition or limitation is disabling depends on the work experience, demographic characteristics, and personal attributes of the individual. For instance, the white-collar worker with lower back pains or high blood pressure might be able to continue employment, whereas a laborer could not. A person whose employment options were limited to low wage, menial jobs would have a greater propensity to give up, claim disability, and live on transfers. The person who has worked at a construction job for 30 years is much more likely to have physical problems than the person who has worked at a desk.

Determining the relative importance of physical or mental and socioeconomic factors is basic to successfully prescribing services for an individual. In the aggregate, scarce resources must be allocated between medical treatments, employment and training services, and direct transfers, depending on their relative effectiveness in overcoming impediments of the target groups.

Work disability results from the interaction of a number of factors, and there is no doubt that functional limitations are crucial. In 1966, 81 percent of disabled men with no functional limitations were employed, compared with 71 percent of those with minor or moderate limitations and 45 percent of the severely limited and dependent.[2] Yet the chances of being unable to work regularly or at all were also affected by age, sex, education, and previous employment. Among the disabled with only minor restrictions, 11 percent of men age 18–44 were unable to work regularly or at all, compared with 34 percent of men age 55–64. Two-fifths of the disabled having minor or moderate limitations and less than 9 years of education were severely disabled compared with 22 percent of high school graduates.

Our assessment of the research on disability[3] indicates that, at present, there is no way to untangle the Gordian knot of interacting factors to explain why 15.6 million American adults are (or perceive themselves to be) limited in the type or amount of work they can perform.

WORK ADJUSTMENTS

The onset of disability is reflected in declining employment. Among persons who became disabled between October 1969 and March 1971, 85 percent of the men and three-fifths of the women had been employed at the onset of the disability, but a third of these had not returned to work by the survey date in the summer of 1971.

A fourth of previously employed men continued working for the same employer despite the disability, and 37 percent returned after a temporary absence; only 7 percent shifted employers. Even more dramatically, 95 percent of the women who continued working or returned to work stayed with the same employer.[4]

The disabled returning to or continuing work had to make adjustments, however. Two-thirds reported some change, with a third saying, respectively, that they did less heavy work, that they rested more often, and that they took it easier on the job. Nearly a fourth worked fewer hours. On the other hand, only 7 percent were given special equipment, and only 4 percent learned a new skill or trade.[5]

Employment immediately before and soon after disability may affect labor market success over the longer run. Seven of 10 disabled men who had been employed in the year before the onset of their condition were working in 1965, compared with 6 in 10 of those who had not been employed. For women, 44 percent of those working before onset were employed in 1966, compared with 19 percent of those previously not working. (For the disabled population in 1966, the mean duration since onset was 8 years.) Again, a key factor was the ability to return to the same job. Among men, two-thirds of those who had been employed at onset of disability stayed with or returned to the same job, 16 percent found another one, and 18 percent did not look for or did not find a job. For women, 56 percent stayed or returned, 34 percent quit looking, and only 10 percent found another job. Occupation at onset influenced the rates of continuing or returning. For men, 87 percent of farmers and farm managers, 84 percent of salesworkers, and 80 percent of clerical workers continued or returned to the same job, compared to 67 percent of all men employed at onset. Women who were farmers and farm laborers were also most likely to return to their work.[6]

Over time, the chance of employment declines. Among persons disabled less than 10 years were employed in 1966, only 78 percent of men and 71 percent of women were still working in 1969. The decline in employment among the disabled under age 45 was 15 percent, compared with 43 percent among 55- to 64-year-old workers. Among the severely disabled holding jobs in 1966, half of men and a third of women remained employed in 1969. Meanwhile, less than 1 in 8 of the disabled not in the labor force in 1966 had found employment. Because recovery rates were highest for those employed in 1966, employment dropped from 47 percent among the disabled in 1966 to 28 percent among members of the cohort remaining disabled in 1969.[7]

While longer run patterns remain a matter of conjecture, it is clear that the disabled are not a static population group, but rather one in constant flux, with inflows of newly disabled, outflows resulting from recovery, death, or retirement, and a good deal of fluctuation in the severity of physical and employment problems. In deciding who can and should be helped, the chances of improvement or recovery with and without aid are critical issues. Lower age and better education are strongly related to higher rates of improvement and recovery. Also, men tend to improve and recover more often than women do. Work prior to onset is a major determinant of work afterwards. A majority of those who eventually become employed after being disabled return to the same jobs, and those who do not more often remain outside the labor force than find other employment.

THE DISABLED IN A CHANGING LABOR MARKET

The disabled are disproportionately affected by labor market changes. In good times, employers are more willing to retain

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workers who have suffered some loss in productivity and to hire those for whom some adjustments may be necessary in the workplace. In bad times, those who become disabled are the most expendable workers, and disabled are also adversely affected by any disabled jobseekers lose out in the competition with others who are not disabled. The structural changes which reduce the number of lower skilled, low-paying jobs to which they are disproportionately relegated.

Between the 1966 and 1972 surveys of the disabled, the number of persons reporting a work disability of any type declined, but the number unable to work regularly or at all increased. Those reporting secondary limitations, that is, persons able to work regularly in the same job but less effectively and women unable to carry on housekeeping responsibilities, fell by 2.3 million, of which 1.6 million were men. Apparently, in the recession environment of 1972, workers with slight handicaps were less willing to report them, or perhaps many with problems had joined the ranks of the unemployed, ascribing their fate to economic conditions rather than their own difficulties.

Between 1966 and 1972, the number of severely and occupationally disabled remained relatively constant, although there were dramatic shifts within this group, suggesting a marked decline in the availability of regular work or in the willingness of those with disabilities to seek jobs. The proportion claiming inability to work regularly or at all rose from 55 to 69 percent (table 5). There were no compositional changes which would explain this dramatic decline in employability. The proportion of the severely and occupationally disabled who were dependent on the care of others declined from 14 to 11 percent. The proportion of unmarried family heads rose from 17 to 20 percent; this increased share of household heads should have been related to higher income needs and work propensities. The number of whites rose slightly while the number of blacks declined; for both groups the proportion of severely disabled increased. The educational attainment of the disabled also increased.

Changes in the characteristics of the severely and occupationally disabled do not then explain the dramatic increase in the proportion unable to work regularly or at all. What occurred was a rapid decline in employment prospects or propensities, proportionately greatest for those with the most severe physical or mental and socioeconomic handicaps. This is reflected even more directly in employment data. Between the 1966 and 1972 surveys, the proportions of the severely and occupationally disabled who were not in the labor force increased while the proportions employed declined (table 6). Over the same period, employment and labor force participation increased noticeably among the nondisabled. If the employment rate among the disabled had increased the same 6-percentage points as among the able-bodied, rather than falling 4 points, there would have been over a million additional severely and occupationally disabled persons working in 1972.

TABLE 5.—CHANGES IN THE DISABLED POPULATION, 1966 AND 1972

Disability category	1966	1972	Change
Total disabled	17,753	15,550	−2,203
Severely disabled	6,100	7,717	+1,617
Occupationally disabled	5,014	3,473	−1,541
Secondary limitations	6,639	4,360	−2,279
SEVERELY AND OCCUPATIONALLY DISABLED			
No limitations or minor one	5,253	5,015	−237
Moderate limitations	2,265	1,930	−349
Severe limitations or dependency	3,537	4,106	+434
Severely disabled:			
No limitations or minor one	2,325	2,656	+331
Moderate limitations	1,184	1,344	+160
Severe limitations or dependency	2,550	3,599	+1,049
Occupationally disabled:			
No limitations or minor one	2,923	2,361	−562
Moderate limitations	1,081	586	−495
Severe limitations or dependency	987	507	−480

Source: Social Security Administration, "1966 and 1972 Surveys of the Disabled."

TABLE 6.—EMPLOYMENT STATUS OF THE ABLE-BODIED AND OF THE SEVERELY AND OCCUPATIONALLY DISABLED, 1966 AND 1972

[In percent]

Employment status	1966—Age 18-64 yr		1972—Age 20-64 yr	
	Severely and occupationally disabled	Able bodied	Severely and occupationally disabled	Able bodied
TOTAL				
Not in labor force	59.7	30.2	63.7	22.5
In labor force	39.9	69.8	36.3	77.2
Employed	35.7	67.8	31.9	73.7
Full time	20.4	58.2	18.0	60.6
Part time	15.3	9.6	13.8	13.1
Unemployed	4.0	2.0	4.3	3.5
MEN				
Not in labor force	37.8	6.0	50.0	2.3
In labor force	62.2	94.0	52.0	97.5
Employed	55.5	91.3	49.9	95.0
Full time	39.1	83.7	35.0	84.6
Part time	16.4	7.6	13.9	10.4
Unemployed	5.9	2.7	4.0	2.5

Source: Social Security Administration, "1966 and 1972 Surveys of the Disabled."

REASONS FOR DECLINING EMPLOYMENT

The growth of income support was a major reason for the enormous shifts of the disabled out of the work force. The latest available data indicate that the disabled have become more and more dependent upon public support. The reported recipients of disability insurance benefits and public assistance for the blind and totally disabled increased by two-thirds between 1966 and 1972, and expenditures more than tripled. In the next 3 years, the combined caseload rose by another two-fifths, or by a greater absolute number than between 1966 and 1972. In 1971, half of all disabled household units received public support. Social security aided nearly a fourth. One in 7 received welfare benefits and 1 in 10 veterans compensation. Social insurance benefits averaged $2,100 annually per recipient unit, and public assistance, $1,500. Together, they accounted for an eighth of the aggregate income of households with a disabled adult, and almost a fourth for those with a severely disabled adult. Since household survey data tend to substantially undercount transfer payments, and since the dollar totals do not include in-kind aid, such as subsidized medical care and housing, food stamps, social services, and other assistance, the importance of government assistance is understated.

As benefit levels improved during the 1960's, the option of not working became more attractive than the low-wage, menial jobs available to many of the disabled. At the same time, however, it is clear that the disabled were pushed as well as pulled out of the labor market. There was increased competition for less-skilled jobs, as a flood of women, youth, and illegal immigrants entered the labor market. Moreover, there was a decline in the jobs traditionally held by the disabled. For instance, a disproportionate number are farmers, probably because they can work around their handicaps. The decline of small family farms and the commercialization of farming have curtailed this option. The proportion of the severely disabled with jobs who were working in agriculture fell from 24 percent in 1966 to 15 percent in 1972. Among the occupationally disabled, the decline was from 13 to 8 percent. This represented an absolute decline of 272,000 jobs, accounting for almost half of the net national decline in farmworkers over the period.

Data are not available to determine what has happened to the employment status of the disabled as a result of the massive recession in 1974 and 1975, but one indication comes from annual work experience data. The number of persons age 16 to 65 not in the labor force at all because of illness or disability remained constant at 2.5 million from 1966 to 1968, and then rose to 3.1 million in 1971 after the recession. In 1974, the number jumped to 4.3 million. Even this increase did not reflect the full impact. The disabled were overrepresented among the long-term unemployed relying on unemployment compensation and, by definition, still in the labor force until exhaustion of benefits. A survey in 1975 found that 21 percent of men and 19 percent of women who had exhausted their unemployment benefits were limited in the kind or amount of work they could perform, double the proportions in the 1970 adult population.[9]

Almost certainly, the next survey of the disabled will document a very substantial drop in employment over the 1970's. Structural shifts in demand, increased competition from women, youth, and illegal aliens, as well as increased availability of income support are critically important factors in assessing vocational rehabilitation prospects and policies.

VOCATIONAL REHABILITATION EFFORTS

With the aim of increasing employment among the disabled, vocational rehabilitation has developed into a major national social commitment. Disabled veterans have been provided compensation since the beginning of the Republic, and rehabilitation services were initiated after World War I. The Federal State vocational rehabilitation program also goes back to the 1920's. Administered by states with substantial Federal contributions, this program serves those whose physical or mental handicaps limit work and who are likely to benefit from the receipt of services. Clients range from the most severely disabled to those with only secondary work limitations. While the vocational rehabilitation program has always included public assistance and social insurance recipients among its clients, a supplementary effort was added in 1965 to rehabilitate disability insurance recipients, and in 1972 to aid blind and disabled public assistance beneficiaries. A broad range of employment and training programs were launched in the 1960's to aid the disadvantaged, including a not insignificant number of disabled. Sheltered workshops are the final major component of the rehabilitation system. These have a long history in providing employment for some of the most severely handicapped. There are other, disparate, education and training activities such as rehabilitation for workers compensation claimants and social services for disabled welfare recipients.

There is some logic to this evolving system. Sheltered workshops are the employer of last resort as well as a source of services for those most in need. Rehabilitation of

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severely disabled income transfer recipients is carried out by the Federal/State vocational rehabilitation program on a reimbursable basis. The basic Federal/State effort serves a mixture of clients, while veterans and manpower programs concentrate on the more advantaged among the disabled. There are functional linkages between these efforts.

All of these components have expanded rapidly in the last decade. In fiscal 1975, the program served a total of 1.8 million clients, or nearly triple the comparable figure a decade earlier (table 7). Expenditures rose over this period from $262 million to $1.7 billion, or 3.7 times after adjusting for the cost-of-living increases. During the decade ending in 1975, the Federal/State system closed a total of 4 million cases, covering an estimated 3.5 million different persons after adjusting for repeaters. A good guess is that sheltered workshops employed nearly a million separate clients over the decade, and manpower and veterans programs together reached about half a million.

In addition to these publicly supported efforts, the disabled may purchase services themselves, rehabilitation may be financed by insurance plans, or aid may be received from a variety of nonprofit agencies. In fact, two-thirds of the disabled who receive rehabilitation services do not report getting them from a public agency or program. Counting both public and other sources of aid, a fourth of the 15.5 million disabled in 1972 reported having received rehabilitation services, and 36 percent of these received them in the prior year. The incidence of receipt was roughly the same among the severely, occupationally, and secondarily limited disabled, but proportionately 50 percent more men than women were served. The disabled age 18 to 44 were almost twice as likely to have been assisted as those who were older. Likewise, those supported by transfers received aid twice as frequently as other disabled. Rehabilitation services may have aided in recovery or gone to those recovering on their own.

TABLE 7.—VOCATIONAL REHABILITATION ACTIVITY 1965 AND 1975

	Fiscal 1975	Fiscal 1965
Activity clients served (number in thousands):		
Federal/State vocational rehabilitation:		
Basic program	1,143	441
Services for disability insurance recipients	76	----
Services for Supplemental Security Income beneficiaries	46	----
Veterans vocational rehabilitation	27	9
Sheltered workshops	410	150
Manpower programs	135	16
Public expenditures (millions of dollars):		
Total expenditures	1,740	262
Federal/State vocational rehabilitation:		
Basic program	869	161
Services for disability insurance recipients	81	----
Services for Supplemental Security Income beneficiaries	48	----
Innovation and expenditures	24	21
Veterans vocational rehabilitation	[1] 85	[1] 7
Sheltered workshops	455	50
Manpower programs	178	23

[1] Does not include special benefits for housing adaptations, cars or special equipment but does include estimate of costs of counseling psychologists and vocational rehabilitation specialists employed by the Veterans Administration.

Source: Manpower Report of the President, 1976 and 1966; William H. Button, "Sheltered Workshops in the United States: An Institutional Overview," Rehabilitation, Sheltered Workshops and the Disadvantaged (Ithaca, N.Y.; Cornell University, 1970); State Vocational Rehabilitation Agency Program Data, Fiscal Years 1968 and 1975 (Washington, U.S. Department of Health, Education, and Welfare, 1969, 1976); Veterans Benefits Under Current Educational Programs (Veterans Administration, 1974); Caseload Statistics, State Vocational Rehabilitation Agenciese, 1974 (Washington, U.S. Department of Health, Education, and Welfare, 1975); Sar A. Levitan and Garth L. Mangum, Federal Training and Work Programs in the Sixities (Ann Arbor, University of Michigan—Wayne State University, Institute of Labor and Industrial Relations, 1969); Annual Report, Administration of Veterans Affairs, 1965 (Washington, 1965); Greenleigh Associates, The Role of Sheltered Workshops in the Rehabilitation of the Severely Handicapped (New York Greenleigh Associates, 1976) Vol. II; Special Analysis J, Budget of the United States Government, 1977 (Washington, 1976); Committee Staff Report on the Disability Insurance Program, House Committee on Ways and Means (Washington, 1974).

In 1972, 9.2 million of the nondisabled responded that they had previous disabilities. One and a half million, or 17 percent, remembered receiving vocational services—a proportion lower than among those remaining disabled. Of these, 335,000 had been aided in the previous year.

There has been a dramatic increase in service levels. Between 1966 and 1972, the proportion of the disabled who had been aided doubled. The 1.4 million assisted in 1971 was twice the number in 1965. The severely disabled represented 46 percent of those reporting services in 1965 but 52 percent in 1971, though their relative chances of receiving services did not improve.

NEED ESTIMATES

Vocational rehabilitation efforts seek to increase the employability of those who are limited by mental or physical handicaps, but not all disabled persons are feasible candidates. Some may have perfectly adequate earnings; others without earnings may be receiving income transfers; still others may have so little vocational potential that services could do little to enhance their employability. Any reasonable estimate of needs must screen out persons with less consequential difficulties as well as those with problems so severe that they can never be overcome and those who do not want help. There are no hard and fast rules.

Five major universe of needs studies have yielded estimates of 3.5 to 7.1 million for fiscal 1973.[9] One set of calculations yielded the 7.1 million estimate. It included all persons under 65 who had retired or left their last employment because of disability, were forced into part-time work, or could not perform housekeeping or schoolwork. Less inclusive definitions confined the universe to disabled persons who were unemployed or underemployed, homemakers with limited capability, and persons actively seeking work but who would work if they had the opportunity. They estimated that 5.1 million disabled persons would benefit from services, or 3.5 million excluding persons with only secondary work limitations.

Under our assumptions, the estimated universe of need is reduced substantially:

1. Persons in need of homemaker services are excluded. Though they are eligible for vocational rehabilitation services, there is no standard for determining who needs aid or what the benefits and costs may be. Dealing with homemakers is certainly different than aiding labor force participants. Excluding homemakers from some of the less inclusive needs estimates (by Susan Shea Ridge, John D. Worrall, Craig Schoon, and Monroe Berkowitz), there were 3.4 million disabled persons in need of employment-related services counting those with secondary work limitations, or 3.0 million excluding them.

2. Data from the 1972 survey of the disabled suggest that unemployment is less than projected in the earlier estimates based on 1966 numbers. In 1972, a total of 710,000 disabled were jobless, or 485,000 excluding those with secondary work limitations, compared to the estimated 979,000 and 680,000, respectively.

3. Projected for 1973 from 1966 data, our estimate of the number of disabled not in the labor force but wanting a job is lower than the 1.4 million estimated in previous needs surveys. There were 619,000 persons in 1973 who claimed they wanted a job currently but were not looking because of either illness or disability, and some of these were merely ill rather than disabled. Many of these disabled may want a job but are unable to work because they are too incapacitated. Others may claim to want a job because it is socially acceptable, but really have little desire. Assuming arbitrarily that half of the 619,000 are disabled, desire employment, and can feasibly work with assistance, the discouraged disabled would be 310,000, including 60,000 persons with secondary work limitations.

4. The 1972 survey found that among the 6.7 million employed disabled, 18 percent earned under $50 weekly. This estimate of the underemployed would yield 1.2 million persons in 1972, including 259,000 persons with secondary work limitations.

Using these alternative figures (and assuming they held true for 1973 when economic conditions improved), the universe of need would be 2.2 million, or 1.7 million, excluding those with secondary work limitations.

Comparing enrollments in vocational rehabilitation programs with these needs estimates exaggerates the service deficit in two ways: First, public programs are only one source of services. If there is a deficit, it may make sense to expand the public vocational rehabilitation programs, but the deficit must be calculated by considering *all* providers. Second, the ratio of services to needs compares a flow with a stock, that is, persons served each year with all persons disabled and in need of services.

It is difficult to estimate the annual number of persons who either become disabled and need services or have a deterioration in conditions generating need. The 1971 Survey of Recently Disabled Adults found that 1.7 million persons became disabled between October 1969 and March 1971. On an annual basis, this amounted to 1.2 million, including 574,000 severely disabled, 245,000 occupationally disabled, and 339,000 persons with secondary work limitations. Yet in 1971, more than a fourth of these newly disabled were employed full time, compared with half the total work force.[10] If the differential is used as an estimate of the extra need generated by disability, this results in only 280,000 persons annually added to the disabled with serious labor market problems.

Additional need increments are generated when those already disabled suffer physical or economic setbacks. Among the 2.3 million disabled persons employed full time in 1966, 573,000 were either not in the labor force, unemployed, or employed part time 3 years later. If half of these are arbitrarily and conservatively assumed to be in need of services (part-time working may be voluntary and most of those outside the labor force do not want jobs), the number coming into need over 3 years is 286,000, of whom a third may be assumed to enter the universe of need in any particular year. Adding the newly disabled and those with deteriorating conditions would suggest an annual flow of around 400,000 into the universe of need. Whatever the exact number, it is clear that public rehabilitation programs, serving more than 1.5 million disabled persons annually, come much closer to meeting needs than is frequently assumed.

REHABILITATION AS AN INVESTMENT

Central to vocational rehabilitation and manpower programs for the disadvantaged is the notion that public investments in human capital can be profitable. Services raise productivity and future earnings, and the present value of this stream of benefits can be compared with program outlays to calculate a rate of return. A benefit-to-cost ratio of 1.0 means that the services pay for them-

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selves through subsequent gains of recipients. A ratio of 1.2 means that the return on the investment is 20 percent, comparing favorably to the payoff sought in business investments.

A number of benefit-cost studies in the 1960's purported to demonstrate the effectiveness of manpower programs for the disadvantaged. These varied in their scope, focus, technical sophistication, and assumptions. Though the results were generally favorable, most frequently yielding benefit-cost ratios between 1 and 4 under standard assumptions,[11] the uncertainties in the methodology left room for doubt about the payoff, and some critics went so far as to conclude that manpower programs had failed.

In contrast, benefit-cost analyses of vocational rehabilitation yielded payoff rates so high that few questioned the profitability and value of these efforts. Benefits typically exceeded costs fivefold to thirty-five fold.[12] The lowest ratios for rehabilitation programs usually exceeded the highest for manpower programs, suggesting that the former were a more reasonable investment.

Under careful scrutiny, however, the differences in payoff rates appear to be more the result of benefit-cost methodology than differing program impacts. Most critically, the studies have not used control groups to assess the gains of participants in rehabilitation. Since rehabilitation programs select the disabled who have better chances of recovery and increased employability, and since many among the disabled improve without receiving any help, all of the changes for participants cannot be attributed to enrollment. The use of these techniques inflates the vocational rehabilitation benefit cost estimates.

THE PROPER RECIPE

The Federal/State vocational rehabilitation program demonstrates that many roads lead to Rome. The States offer essentially 50 different models of possible service levels and mixes. About the only thing which can be done is to try to pin down the relationships between certain approaches and background factors. Job creation makes sense in a slack labor market. To the extent the more severely handicapped are served, the need increases for sheltered workshop opportunities. If the needs of a more select clientele are emphasized, public sector transitional jobs would be desirable. Flexible supported work programs, now being tested for disabled groups such as addicts and alcoholics, are another alternative.

In a tight labor market, on-the-job training might receive greater play, perhaps in the form of a special national subsidy program for employers hiring the handicapped. This would be most effective when combined with affirmative antidiscrimination efforts. To the extent that the creation of jobs lessens the need for counseling and restoration, such services can be targeted for those who cannot perform in available slots.

These observations stop far short of identifying an ideal service mix. In the absence of hard evidence, judgments must be based on "gut feelings about the nature of the problems and the promise of different approaches. Since the employment perspective begins by concentrating on labor markets and the vocational dimensions of rehabilitation, it is perhaps not surprising that this approach would end up favoring greater emphasis on job creation and development. There is evidence, however, that the majority of potential clients support this priority. Among the 1972 disabled or previously disabled who had received services from any source, 71 percent reported receipt of physical therapy and special devices compared with only 28 percent getting what they considered vocational services. Yet when all the disabled and previously disabled (including previous recipients of aid) were asked what services they currently wanted, 67 percent of those with needs wanted vocational assistance and only 20 percent physical therapy or special devices. Among the recovered still desiring services, less than a tenth needed restoration, but four-fifths wanted vocational assistance.

The message is not simply that restoration is being overemphasized or that the socioeconomic handicaps of the disabled should receive more attention. Rather, it is that current restoration and labor market efforts for the disabled will have a greater impact if more attention is paid to the jobs which may be eventually secured. This means more than merely gearing up labor market services for the disabled. The disabled who are at the end of the labor queue need special assistance in overcoming institutional barriers and reestablishing or establishing a lasting job connection. Training and other services must be linked with jobs, and where these are not available they must be forged. Subsidies and job creation programs can be used as mechanisms to change institutions where feasible. Greater focus is needed on placing the disabled in better jobs where they can sustain their independence without falling back on relief. There must be a renewed commitment to self-supporting employment, the primary goal of vocational rehabilitation.

FOOTNOTES

[1] Lawrence D. Haber, "Disabling Effects of Chronic Disease and Impairment—H. Functional Capacity Limitations," *Journal of Chronic Disability*, 1973, p. 129.

[2] Haber, "Disabling Effects," pp. 127–51.

[3] *Ibid.*, pp. 139–40, Monroe Berkowitz, and others, *Measuring the Effects of Disability on Work and Transfer Payments* (New Brunswick, N.J., Rutgers—The State University of New Jersey, 1972), pp. 171–94; and Saad Z. Nagi, *An Epidemology of Disability Among Adults in the United States* (Columbus, Ohio, Ohio State University, Mershon Center, 1975), pp. 12–15.

[4] Edward Steinberg, "Work Adjustment of the Recently Disabled," *Disability Survey 71, Recently Disabled Adults* (Social Security Administration, 1976), Report 3, pp. 19–22.

[5] Steinberg, "Work Adjustment," p. 35.

[6] Pearl S. German and Joseph W. Collins, "Disability and Work Adjustment," *Social Security Survey of the Disabled: 1966* (Social Security Administration, 1974), Report 24, pp. 1–33.

[7] This data is taken from unpublished tabulations of the Social Security Administration's "Disability Survey 1969, Followup of Disabled Adults."

[8] Mathematica Policy Research, *A Longitudinal Study of Unemployment Insurance Exhaustees* (Princeton, N.J., Mathematica, Inc., 1976), p. 30.

[9] These studies are summarized and standardized in Monroe Berkowitz, *An Evaluation of the Structure and Functions of Disability Programs* (New Brunswick, N.J., Rutgers—The State University of New Jersey, 1975), pp. 188–96.

[10] Steinberg, "Work Adjustment," table 1–5.

[11] Joe Nay, John Scanlon, Joseph S. Wholey, *Benefits and Costs of Manpower Training Programs: A Synthesis of Previous Studies with Reservations and Recommendations* (Washington, The Urban Institute, 1971), p. 11.

[12] Many of these studies are analyzed in Larry L. Kisner, "A Review of Benefit/Cost Analysis in Vocational Rehabilitation," *Supplemental Studies for the National Commission on State Workmen's Compensation Laws*, Vol. 2 (Washington, Government Printing Office, 1973), pp. 383–96. See also Monroe Berkowitz, *An Evaluation of the Structure and Function of Disability Programs*, pp. 291–397; Frederick Collignon and Richard Dodson, *Benefit-Cost Analysis of Vocational Rehabilitation Services Provided to Individuals Most Severely Handicapped* (Berkeley, Calif., Berkeley Planning Associates, 1975); and *The Program Services and Support System of the Rehabilitation Services Administration* (Cambridge, Mass., Abt Associates, Inc., 1974), p. 260.

ABROAD IN THE LAND: LEGAL STRATEGIES TO EFFECTUATE THE RIGHTS OF THE PHYSICALLY DISABLED

"Movement, we are told, is a law of animal life. As to man, in any event, nothing could be more essential to personality, social existence, economic opportunity—in short, to individual well-being and integration into the life of the community—than the physical capacity, the public approval, and the legal right to be aboard in the land." [1]

The past decade has witnessed a growing public awareness of the rights of many disadvantaged and previously ignored groups in society. Essentially unnoticed, however, are the problems of the physically disabled.[2] Discrimination against the handicapped exists in many forms. For instance, entire school systems flagrantly violate state law by excluding handicapped children; [3] planners design public buildings which are inaccessible to the physically disabled [4] and employers, fearful of higher insurance costs, refuse to hire them.[5] While the ensuing economic costs are serious, the human costs, in terms of the suffering and wasted lives, are even more distressing.

While a number of laws have been enacted which affect the handicapped [6] it is only recently that the handicapped themselves vocally have asserted their right to equal treatment.[7] Proposed amendments to Title VI [8] and Title VII [9] of the Civil Rights Act of 1964 would have prohibited discrimination against the handicapped in federal programs and in private employment. Although there was strong support for these bills among the handicapped, no action was taken. A similar provision to prohibit discrimination in federal programs was included in the Rehabilitation Act of 1972 [10] which was passed by Congress but subsequently vetoed by the President.[11]

In view of this limited legislative action, the handicapped may be forced to resort to the courts in order to vindicate their rights. To do so, they must develop new legal strategies by using existing theories in previously unexplored ways. This Note will consider the development of such strategies in the areas of education, physical access and employment.

EDUCATION

Sixty percent of the estimated seven million handicapped children in the United States are denied the special educational assistance they need for full equality of opportunity.[12] One million are excluded entirely from public school systems.[13] The bases for this discrimination lie in constitutional provisions,[14] statutes [15] and court decisions [16] of the various states. Two recent district court opinions, however, recognized the right of the handicapped to participate equally in public education. A consent decree issued in *Pennsylvania Association For Retarded Children* v. *Pennsylvania* [17] required the state to provide free access to public education and training for all mentally retarded children.[18] The court in *Mills* v. *Board of Education* [19] stated that the education right extended to the physically handicapped as well as to the mentally retarded.[20] The *Mills* court held that the denial of a publicly supported education for the handicapped in the District of Columbia, where public education was available to all others, violated the due process clause of the fifth amendment.[21] The same rationale may be applicable to the states through the equal protection clause of the fourteenth amendment.[22]

The Supreme Court has applied two tests

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for judging whether a state's justification defeats an equal protection challenge. Under the more lenient rational basis test, a state's classification is unconstitutional only if based on grounds totally irrelevant to the state's objective.[23] However, when fundamental interests [24] or suspect classifications [25] are involved, the Court scrutinizes discriminatory laws more carefully and requires the state to demonstrate an interest sufficiently compelling to overcome a presumption of invalidity.[26]

Discrimination against the handicapped may be a suspect classification. The courts have found suspect classifications when the particular group involved is saddled with such disabilities, subjected to a history of such purposeful discrimination, or relegated to a position of such political weakness as to require special protection.[27] The stigma of inferiority usually attached to such a classification has been the major determining factor in designating classifications as suspect.[28] Handicapped groups historically have been politically weak and fragmented,[29] and handicapped persons have been stigmatized by society with a badge of inferiority.[30] The handicapped condition, often congenital and unalterable, has been analogized to racial classifications [31] which almost always compel the strict standard of review.[32] Classification of the handicapped, involving a politically weak group with a congenital or unalterable trait, similarly should undergo the strictest scrutiny by the courts.

The alternative method to invoke the application of the compelling state interest test is to recognize education as a fundamental interest.[33] The Supreme Court, however, in *San Antonio Independent School District* v. *Rodriguez*,[34] sustained Texas' use of the property tax as the means for financing public education, while holding that education is not a fundamental interest.[35] The Court, nevertheless, left open a door to a constitutional attack on unequal educational opportunity when this inequality consists of an absolute denial of education.[36] Such an absolute denial of education is what confronts many handicapped children.[37] Hence the holding of *Mills* v. *Board of Education*,[38] that the right to a free, publicly supported education extends to all handicapped children,[39] should not be placed in jeopardy by the *Rodriguez* decision. In situations where there is no absolute denial of education to the handicapped, but merely the allegation that the education provided by the state is inadequate, the *Rodriguez* decision will limit plaintiff's attempts to obtain the strict scrutiny of suspect classification analysis.

If successful in establishing the handicapped condition as a suspect classification, traditional arguments offered as justifications by the state probably would not pass the compelling interest test. While a state might argue that prohibitive costs compel such classification, the Supreme Court has stated previously that constitutional rights cannot be denied merely because their protection will necessitate the expenditure of public funds.[40] Similarly administrative inconvenience is not a compelling interest justifying the exclusion of the physically disabled.[41] School systems which discriminate against or totally exclude handicapped children then would have to provide the equal educational opportunities to which all children are entitled.[42]

PHYSICAL ACCESS

Transportation

The two major barriers to complete utilization of transportation facilities by the physically handicapped are architectural design and legal recognition of the rights of the handicapped. Architectural impediments are particularly acute for individuals confined to wheelchairs who are often unable to enter buses, trains, planes, or transportation terminals.[43] Since these physical obstacles can be eliminated effectively by modern technology and proper planning,[44] the only remaining barrier to sufficient mobility is the lack of legal principles implementing the right to fully use such facilities.[45] Even where that right clearly is established by legislation,[46] some officials have failed to initiate effective action.[47] Thus, the courts again may be called upon to provide relief where legislation is either non-existent or not fully implemented by public officials.

The Supreme Court has developed the principle that the right to interstate travel and the right to use the instrumentalities of interstate commerce are fundamental under the Constitution.[48] In *Shapiro* v. *Thompson*,[49] the Court declared that statutes requiring residence as a prerequisite for the receipt of welfare benefits infringe upon the constitutional right to travel by inhibiting movement from one state to another.[50] The Court reasoned that residency requirements create two classes of potential welfare recipients—those living within the state for the prescribed period and those living within the state for less than the prescribed period.[51] Applying the compelling state interest test, the Court concluded that a classification which infringes the fundamental right to travel violates the equal protection clause of the fourteenth amendment.[52]

Similarly, all travelers might be classified into two groups—the physically handicapped, who have restricted access to the instrumentalities of interstate travel, and the non-handicapped, who have complete access. Since these discriminatory restrictions constitute an infringement on the right to travel, transportation companies should be required to demonstrate that a compelling state interest justifies the exclusion of the handicapped. Of course, some governmental action must be shown as a prerequisite for application of either the due process or the equal protection clauses.[53] Publicly owned transportation companies, and even certain privately owned companies,[54] would satisfy the "state action" requirement.

The cost of solving current architectural problems through existing technology should not be a sufficiently compelling interest to justify the denial of a fundamental constitutional right such as travel.[55] Therefore, courts may be asked to require publicly owned and some privately owned transportation systems to spend the funds necessary to make their facilities accessible to the physically handicapped.

Public buildings

The handicapped presently are excluded from many public buildings by architectural barriers ranging from monumental staircases to six-inch curbs.[56] Although federal law requires that all new federal and federally assisted facilities designed for public use be readily accessible,[57] there is no provision for existing structures.[58] State statutes addressing the problem of architectural barriers also generally ignore the need for modifications of existing buildings.[59] These buildings house a wide range of federal and state agencies and services to which the public must have access; the efforts of the handicapped individual to secure assistance and present grievances and complaints are impeded by his inability to gain physical access to the buildings. If this interference infringes the handicapped person's constitutional rights, removal of the interference may be forced by court action.

The Supreme Court long has recognized that citizens have the right to come to their "seats of government" [60] to transact business and petition for redress of grievances.[61] This freedom to petition is protected by the first amendment [62] and applies to all branches of government, including the administrative agencies.[63] The judiciary has been vigilant to prohibit infringement upon the citizen's right to communicate freely with the government. In *Brown v. Louisiana* [64] the Supreme Court upheld the right of the citizen to be physically present in a public building to petition for redress of a grievance related to the operation of that facility.[65] Moreover, in *Edwards* v. *South Carolina* [66] the Court viewed the defendants' efforts to enter the state house grounds, a public facility, to present their grievances as an exercise of first amendment rights in its most "pristine and classic form." [67] Thus, while public agencies have the right to regulate access to their facilities,[68] they may not do so in an unreasonable and discriminatory manner.[69] Since the physical barriers which impede the handicapped individual's access generally exist because of poor planning choices and serve no useful purpose, they may be attacked as unreasonable and discriminatory. The possibility of alternative means of communication is irrelevant. The defendants in *Brown* and *Edwards* had other means of communication but the Court nevertheless found the restrictions on defendants' access to be an unjustifiable burden on their first amendments rights.[70]

Since the right to petition is protected by the first amendment it may only be infringed when a danger exists to interests which the state lawfully may protect.[71] The state clearly has infringed the rights of the handicapped since, although it did not create their physical condition, by constructing physical barriers it created their exclusion.[72] The state had the alternative when building its facilities to use designs which would have made them fully accessible at similar cost.[73] By an official choice of construction [74] the state has infringed the rights of the handicapped without countervailing state interest. Therefore the state has a duty to eliminate all such impediments to the free exercise by the handicapped of their rights.[75] Some changes, such as ramps and railings, may be effected at minimal financial outlay; [76] others may involve expensive structural changes. The courts, however, will order costly protections when Bill of Rights freedoms are involved.[77] Thus the handicapped individual may have a remedy against either the state or the federal government for violation of his first amendment rights.

EMPLOYMENT

Private employment

Only a small percentage of the estimated 14 million physically handicapped Americans who could work if given the opportunity actually are employed.[78] The handicapped individual's unemployment naturally impairs his ability to support a family and to participate fully in the daily activities of society. Some, unable to rely on family support or other resources, are forced to accept welfare.[79]

Although transportation and physical barriers play significant roles in restricting employment possibilities,[80] a crucial factor is employer attitude. In addition to stereotyped prejudices,[81] many employers fear that the handicapped person will be unable to perform assigned tasks.[82] This attitude exists despite the results of numerous studies showing that the handicapped worker, when assigned an appropriate position, performs as well as, or better than, his non-handicapped co-workers.[83]

In spite of reassurances by insurance associations, many employers also fear that workmen's compensation rates will increase due to employment of the disabled.[84] However, employment of the handicapped does not affect the premium rates either for non-occupational benefit plans or for workmen's compensation.[85] Furthermore, 46 states have second-injury laws which afford the employer some protection against bearing the full cost of support if a disabled employee is reinjured and permanently disabled.[86]

Footnotes at end of article.

Nevertheless, employer prejudice against the handicapped as an insurance liability remains.

Present governmental efforts promote voluntary action by employers [87] and encourage placement activities [88] but do not aid persons refused employment because of handicaps.[89] Other groups, especially blacks, also face serious discrimination in hiring by private employers. Gradually barriers are being overcome and jobs are being opened to qualified persons without regard to race. Progress has been achieved by litigation based either on recent [90] or on Civil War era [91] legislation. There may be some hope for similar progress through the courts for the handicapped.

The primary federal law prohibiting discrimination by private employers, Title VII of the Civil Rights Act of 1964,[92] clearly does not proscribe discrimination against the handicapped.[93] However, a 1968 Supreme Court decision, *Jones v. Alfred H. Mayer Co.*,[94] involving racial discrimination may provide a possible avenue of relief. The Court held that Section 1982 of title 42 of the *United States Code*,[95] a relatively obscure statute originally derived from the Civil Rights Act of 1866,[96] applies to private racial discrimination in the sale of housing.[97] In refuting the general belief that state action was required,[98] the Court indicated that a companion statute, Section 1981,[99] is applicable to private discrimination in employment.[100]

The *Jones* Court examined the legislators' intent in enacting the 1866 Act and the thirteenth amendment, the latter stating that "[n]either slavery nor involuntary servitude . . . shall exist within the United States . . ." [101] An enabling clause grants Congress the power to enforce the amendment by appropriate legislation.[102] The *Jones* Court considered the amendment to have both a negative aspect—the abolition of slavery—and an implicit positive corollary—the establishment of universal freedom.[103] While specifically declining to decide whether the amendment itself did any more than establish universal freedom,[104] the Court held that Congress, under the enabling clause, had the power to decide what acts constituted "badges and incidents of slavery" and thus could be prohibited.[105] Although the Court indicated that *Jones* is applicable only to race,[106] some commentators suggest that the rationale of *Jones* applies to other forms of discrimination.[107] Thus, it is possible to construct an argument asserting that the thirteenth amendment and the subsequent Civil Rights Act of 1866 prohibit employment discrimination against the handicapped.

In passing the thirteenth amendment the primary consideration in the minds of the legislators was Negro slavery in the South.[108] However, in drafting the amendment the legislators recognized that it would make fundamental changes in the federal system and would enable Congress to establish laws insuring equality for all citizens.[109] By enacting section one of the 1866 Act, Congress extended to "citizens of every race and color" the same rights to purchase and contract as those enjoyed by "white persons." [110] Section 1981, derived from section one, is even broader—encompassing not only citizens but "all persons" within the United States.[111] The debates at the time of enactment indicate that the legislators did not intend to limit the protection of the Act to blacks.[112] Both sides in the controversy stated that the Act applied to all persons.[113] The legislators intended to prevent any group from being held in an inferior status by ensuring that only one level of citizenship existed throughout the land.

Due to its language and its history, section 1981 has been applied to prohibit both racial [114] and non-racial [115] discrimination. If the intent of the framers was indeed to secure universal freedom and to establish equality, then "white citizens," must be interpreted broadly. This standard was selected at a time when, compared with other groups, white did enjoy superior right and was intended to indicate the highest form of personal liberty and freedom. The purpose and intent of the framers of the statutory provision, therefore, requires that the law not be limited to racial discrimination or to non-whites.[116]

The *Jones* Court, while calling segregated housing patterns a "relic" of slavery,[117] applied the term to practices which could be traced only indirectly to the institution of slavery itself.[118] Thus the expression should not be used to limit a "badge or incident" to those employment practices which existed during the period of slavery. If by "relic" the Court meant the discrimination which the black man faces, not because of his former servitude, but because of his current second-class status in society,[119] then that same discrimination is suffered by the handicapped who are isolated and set apart from the mainstream of society.[120] It cannot be said that the handicapped are treated as first class citizens enjoying all of the rights of "white persons." The handicapped, therefore, should be protected by both the thirteenth amendment and section 1981.

Such a view of the amendment and its purpose is consistent with the intention of its framers to secure universal freedom.[121] Even if the framers comprehended no other discrimination than racial, the Constitution is not an inflexible document, frozen by the attitudes and conditions which prevailed at the time of its passage.[122] Rather, the Constitution is a living institution, adaptable to the circumstances of modern society and responsive to the ideal of true equality for all people. Since the courts must determine the significance of constitutional principles by considering their growth as well as their origin,[123] their interpretation of the Constitution can be responsive to the changing social and economic values of the nation.[124] The evil which the thirteenth amendment originally sought to eradicate was the inherent injustice of maintaining a class of people in a position of inferiority. An interpretation of the amendment which includes all persons who suffer from such inferiority, even if not the specific intent of the framers, would be within the spirit of their enactment.[125]

Public employment

While federal agencies are prohibited by law from discriminating against an individual because of a physical handicap,[126] few states have similar statutes. Moreover, the courts have given scant attention to whether a state agency is prohibited from refusing to hire an otherwise qualified person purely on the basis of a physical handicap.[127] The Supreme Court consistently has recognized that the fourteenth amendment, while granting the states power to treat classes of people in different ways,[128] does deny them the power to discriminate on the basis of irrelevant criteria.[129] Thus the Court, although never acknowledging the existence of a right to public employment,[130] has held that a person constitutionally is protected by the fourteenth amendment from arbitrary employment discrimination by the state.[131]

If a handicapped individual alleges facts which indicate arbitrary employment discrimination, action may be maintained under section 1983 of title 42 of the United States Code.[132] Since the action of an agency through its officials is state action within the meaning of the statute, the claim is cognizable.[133] The complainant of course must be prepared to prove that the denial of employment was due to discrimination and not to a lack of proper qualifications.

If an action is maintainable under either section 1983 or the fourteenth amendment alone,[134] the handicapped person may have recourse against a number of employers, depending upon their relationship with the state. Under a broad interpretation an action should be maintainable against all public agencies as well as private organizations significantly controlled by the state.[135] The handicapped individual must select the defendant carefully since municipalities may be immune from suit under section 1983.[136] However, recovery has been allowed against entities such as school boards [137] and state universities.[138] Even if an immunity exists, the plaintiff may sue the state employee who deprived him of his rights in the employee's individual capacity [139] Thus, the handicapped may have a potent means of redress for public employment discrimination.

CONCLUSION

Although concern for the plight of the handicapped may be increasing, they still face serious obstacles in their effort to achieve equal treatment by society. While many areas merit attention, education, physical access, and employment are among the most significant. Although there has been little litigation involving the rights of the disabled, possibilities for redress do exist. By carefully selecting strong cases in which the right denied is extremely important, and the discrimination and damage are evident, the handicapped may be able to achieve some success through the courts. However, the theories discussed herein are only suggestions for legal action; they are largely unexplored and do not preclude the development of other strategies.

It is nonetheless imperative for the handicapped to continue to focus efforts on Congress and the state legislatures. Legislation ensuring the rights of the handicapped would be the most uniform and far reaching solution to the problems presented. The inclusion of the handicapped among those protected by the Civil Rights Act of 1964 [140] is the most desirable solution on the federal level. Such an amendment would allow the handicapped access to the Act's complaint mechanisms and to the expertise of its enforcement offices. The enactment of legislation will not, however, be the end of the struggle. Rather, it will be the beginning of a process which eventually must ensure that every handicapped individual has an even start with the rest of society.

FOOTNOTES

[1] Jacobus tenBrock, *The Right to Live in the World: The Disabled in the Law of Torts*, 54 CALIF. L. REV. 841 (1966) (Professor tenBrock himself was blind).

[2] The total number of physically handicapped individuals in the United States is not readily ascertainable. One authority recently placed the number at 11.7 million. *See Hearings on H.R. 8395 Before the Subcomm. on the Handicapped of the Senate Comm. on Labor and Public Welfare*, 92d Cong., 2d Sess. 265 (1972) [hereinafter cited as *Handicapped Hearings—Senate*]. The difficulty in obtaining accurate and meaningful statistics is attributable to the inability of statisticians to measure the effect of a defined handicap on the capacity of the handicapped to function normally in society. For example, the epileptic may not be handicapped in his capacity to use public transportation; however, he is severely limited in his ability to secure and maintain employment. *See* M. Gandy, Notes on Employment Problems and Epilepsy Patients, Jan. 4, 1971 (available from Epilepsy Foundation of America). Similarly, an individual with a spinal cord injury may be able to obtain employment but incapable of utilizing public transportation in order to seek and maintain employment. *See Handicapped Hearings—Senate* 1006. Numerical statistics must be evaluated in terms of the resultant effect of a specific disability on participation in normal activity. *See generally* U.S. SOCIAL SECURITY ADMIN., DEP'T OF HEALTH, EDUC., & WELFARE, SOCIAL SECURITY

SURVEY OF THE DISABLED; 1966 (Rpt. No. 10, 1970); U.S. DEP'T OF HEALTH, EDUC., & WELFARE, CHRONIC CONDITIONS AND LIMITATIONS OF ACTIVITY AND MOBILITY (National Health Survey Series 10, No. 61, 1971); U.S. HEALTH SERVICES & MENTAL ADMIN., DEP'T OF HEALTH, EDUC., & WELFARE, USE OF SPECIAL AIDS, (National Health Survey Series 10, No. 78, Public Health Service Pub. No. (HSM) 73-1504).

[3] *See* CONG. REC. 1258 (1972) (remarks of Representative Vanik).

[4] *See* Washington Post, Dec. 8, 1972. § D, at 3, col. 1.

[5] *See* M. Gandy, *supra* note 2, at 8.

[6] Most of these laws do not secure the civil rights of the handicapped, but rather provide services and assistance. 29 U.S. §§ 31-42b (1970) (vocational rehabilitation for persons injured in industry); Developmental Disabilities Services and Facilities Construction Amendments of 1970, 42 U.S.C. §§ 2661-66, 2670-77c (1970). *See generally* U.S. DEP'T OF HEALTH, EDUC. & WELFARE, SUMMARY OF SELECTED LEGISLATION RELATING TO THE HANDICAPPED (1971). However, three recently enacted federal laws protect some aspects of a handicapped person's civil rights. *See* 42 U.S.C. §§ 4151-56 (1970) (prohibits architectural barriers in newly constructed and renovated federal buildings); Act of Oct. 21, 1972, Pub. L. No. 92-515, 86 Stat. 970 (protects civil rights of the blind and the otherwise physically disabled in the District of Columbia; requires equal access to public places, public accommodations and conveyances; prohibits discrimination in employment; and guarantees equal access to housing); Education Amendments of 1972, Pub. L. No. 92-318, § 904, 86 Stat. 235 (prohibits discrimination against the blind in federally funded educational programs).

Several states have gone further than the federal government in securing the rights of the disabled. The Illinois constitution guarantees the physically and mentally handicapped the fullest possible participation in the social and economic life of the state. ILL. CONST. art I, § 19. Other states have anti-discrimination laws protecting handicapped persons seeking employment in private industry. *See* IOWA CODE ANN. § 601A.7 (Supp. 1972); WIS. STAT. § 111.31 (1969). In addition, many state constitutions provide for education as a basic right. *See* F. WEINTRAUB, A. ABESON AND D. BRADDOCK, STATE LAWS ON EDUCATION OF HANDICAPPED CHILDREN; ISSUES AND RECOMMENDATIONS 11 (1971). *But see id.* at 11-12, 17 (some state constitutions permit omission from mandatory attendance laws of children with certain handicaps); notes 14-16 *infra* and accompanying text. A number of state statutes provide that publicly funded buildings must be accessible to handicapped persons, and some statutes include publicly used-privately owned buildings as well. *See* COMMITTEE ON BARRIER FREE DESIGN, THE PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED, A SURVEY OF STATE LEGISLATION TO REMOVE ARCHITECTURAL BARRIERS. *See also* note 59 *infra*.

[7] Thoben, *Disabled People March for Civil Rights*, U S. DEP'T. OF HEALTH, EDUC. & WELFARE, REHABILITATION RECORD, Sep. & Oct., 1972, at 24.

[8] H.R. 12,154, 92d Cong., 1st Sess. (1971).

[9] H.R. 10.962, 92d Cong., 1st Sess. (1972).

[10] H.R. 8395, 92d Cong., 2d Sess. (1972).

[11] Weekly Compilation of Presidential Documents, Oct. 30, 1972 The same provision was contained in a revised version of the Act passed by the 93d Congress. S. 7, 93d Cong., 1st Sess (1973). It again was vetoed by the President. Weekly Compilation of Presidential Documents, Apr. 2, 1973. An attempt to override this veto failed.

[12] 118 CONG. REC. S7852 (daily ed. May 16, 1972) (remarks of Senator Williams).

[13] *Id.*

[14] *See* DEL. CONST. art. 10, § 1; N.M. CONST. art. 12, § 5. Both the New Mexico and Delaware constitutions permit omission of the mentally and physically handicapped from the state's compulsory school attendance provisions.

[15] *See* ALASKA STAT. § 14.30.010(b)(3) (1962); NEV. REV. STAT. § 392.050 (1971).

[16] The Wisconsin Supreme Court held that a board of education may deprive a physically handicapped child of his right to a public school education. *See* State *ex rel.* Beattee v. Board of Educ., 169 Wis. 231, 234-35, 172 N.W. 153, 155 (1919). However, in 1967 the Wisconsin Attorney General, while reaffirming the right of local school authorities to exclude a student, stated that other means for a free, public education must be provided. *See* F. WEINTRAUB, A. ABESON AND D. BRADDOCK, *supra* note 6, at 12. Thousands of handicapped children still are excluded from Wisconsin public schools. *See* 118 CONG. REC. E561 (1972) (remarks of Representative Vanik).

[17] 334 F. Supp. 1257 (E.D. Pa. 1971).

[18] *Id.* at 1259.

[19] 348 F. Supp. 866 (D.D.C. 1972).

[20] *Id.* at 878.

[21] *Id.* at 875.

[22] The fifth amendment, which contains a due process clause, is applicable to the District of Columbia, while the fourteenth amendment, which contains both a due process clause and equal protection clause, applies only to the states. *See* Bolling v. Sharpe, 347 U.S. 497, 499 (1954). Though both concepts stem from the American ideal of fairness, they are not mutually exclusive. While the equal protection clause is a more explicit safeguard against prohibited unfairness than the due process clause, every interest found to be fundamental and protected under due process probably is fundamental under the equal protection clause as well. *See Developments in the Law—Equal Protection*, 82 HARV. L. REV. 1065, 1130 (1969). Thus the *Mills* court's rationale based on the due process clause in the District of Columbia is sound precedent for application of the equal protection clause to the states.

[23] *See, e.g.*, Reed v. Reed., 404 U.S. 71, 75-76 (1971); Morey v. Doud, 354 U.S. 457, 463-64 (1957); Lindsey v. Natural Carbonic Gas Co., 220 U.S. U.S. 61, 78 (1911); *see* notes 129-130 *infra* and accompanying text.

[24] Fundamental interests include travel, voting, criminal procedure, marriage and procreation. *See* Shapiro v. Thompson, 394 U.S. 618, 638 (1969) (travel); Reynolds v. Sims, 377 U.S. 533, 561-62 (1964) (voting); Douglas v. California, 372 U.S. 353, 357 (1963) (criminal procedure); Skinner v. Oklahoma *ex rel.* Williamson, 316 U.S. 535, 541 (1942) (marriage and procreation).

[25] Suspect classifications are those classifications based on alienage, race and national ancestry. *See* Graham v. Richardson, 403 U.S. 365, 371 (1971) (alienage); Loving v. Virginia, 388 U.S. 1, 9 (1967) (race); Korematsu v. United States, 323 U.S. 214, 216 (1944) (national ancestry).

[26] *See, e.g.*, Dunn v. Blumstein, 405 U.S. 330, 339 (1972); Harper v. Virginia Bd. of Elections, 383 U.S. 663, 670 (1966); McLaughlin v. Florida, 379 U.S. 184, 191-92 (1964). The presence of a fundamental interest or a suspect classification is sufficient to trigger the compelling state interest test. *See, e.g.*, Graham v. Richardson, 403 U.S. 365, 371-72 (1971); Shapiro v. Thompson, 394 U.S. 618, 638 (1969); Loving v. Virginia, 388 U.S. 1, 11 (1967); Skinner v. Oklahoma *ex rel.* Williamson, 316 U.S. 535, 541 (1942).

[27] *See* San Antonio Independent Schol Dist. v. Rodriguez, 41 U.S.L.W. 4407, 4415 (U.S. Mar. 21, 1973).

[28] *See, e.g.*, Loving v. Virginia, 388 U.S. 1, 7 (1967) (racial classification); Brown v. Board of Educ., 347 U.S. 483, 494 (1954) (racial classification); Korematsu v. United States, 323 U.S. 214, 239 (1944) (Murphy, J., dissenting) (national ancestry classification). *See generally* Comment, *The Evolution of Equal Protection—Education, Municipal Services and Wealth*, 7 HARV. CIV. RIGHTS-CIV. LIB. L. REV. 103, 132-35 (1972).

[29] *See Handicapped Hearings—Senate* 564-67.

[30] Kriegel, *Uncle Tom and Tiny Tim: Some Reflections on the Cripple as Negro*, 38 AMERICAN SCHOLAR 412 (1969). *But see Developments in the Law, supra* note 22, at 1127 (stigma of inferiority does not attach to certain physical disabilities as it does to recognized suspect classifications).

[31] Kriegel, *supra* note 30, at 416.

[32] The Supreme Court struck down a racial classification involving segregation in the public schools. Brown v. Board of Educ., 347 U.S. 483 (1954). Per curiam decisions issued by the Court subsequent to *Brown* dealing with other public facilities such as parks, bathhouses and golf courses indicate that all racial classifications are viewed with strictest scrutiny. *See, e.g.*, New Orleans City Park Improvement Ass'n v. Detiege, 358 U.S. 54 (1958), *aff'g mem.* 252 F.2d 122 (5th Cir.); Mayor & City Council v. Dawson, 350 U.S. 877 (1955), *aff'g mem.* 220 F.2d 386 (4th Cir.); Muir v. Louisville Park Theatrical Ass'n, 347 U.S. 971 (1954), *vacating mem.* 202 F.2d 275 (6th Cir. 1953). Subsequent decisions have applied the same strict standard. *See, e.g.*, Swann v. Board of Educ., 402 U.S. 1 (1971); Loving v. Virginia, 388 U.S. 1 (1967); McLaughlin v. Florida, 379 U.S. 184 (1964).

[33] *See, e.g.*, Rodriguez v. San Antonio Independent School Dist., 337 F. Supp. 280, 283 (W. D. Tex. 1971), *rev'd*, 41 U.S.L.W. 4401 (U.S. Mar. 21, 1973); Van Dursatz v. Hatfield, 334 F. Supp. 870, 874-75 (D. Minn. 1971); Serrano v. Priest, 5 Cal. 3d 584, 604-10, 487 P.2d 1241, 1255-59, 96 Cal. Rptr. 601, 615-619 (1971).

[34] 41 U.S.L.W. 4401 (U.S. Mar. 21, 1973).

[35] *Id.* at 4417.

[36] Whatever merit appellees' argument might have if a State's financing system occasioned an absolute denial of educational opportunities to any of its children, that argument provides no basis for finding an interference with fundamental rights where only relative differences in spending levels are involved and where—as is true in the present case—no charge fairly could be made that the system fails to provide each child with an opportunity to acquire the basic and minimal skills necessary for the enjoyment of the rights of speech and of full participation in the political process. *Id.* at 4418.

[37] *See* notes 13-16 *supra* and accompanying text.

[38] 348 F. Supp. 866 (D.D.C. 1972); *see* notes 19-22 *supra* and accompanying text.

[39] 348 F. Supp. at 875.

[40] *See, e.g.*, Graham v. Richardson, 403 U.S. *365*, 376 (1971); Boddie v. Connecticut, 401 U.S. 371, 382 (1971); Goldberg v. Kelly, 397 U.S. 254, *265-266* (1970).

[41] *Cf.* Boddie v. Connecticut, 401 U.S. 371, 381 (1971); Goldberg v. Kelly, 397 U.S. *254, 265-66* (1970).

[42] *See* F. WEINTRAUB, A. ABESON AND D. BRADDOCK, *supra* note 6, at 40-46.

[43] *See* Mandella & Schweikert, *Mobility for Physically Impaired Persons*, 25 PARAPLEGIA NEWS, Nov. 1972, at 14.

[44] *Id.* at *15-16*. For example, California's Bay Area Rapid Transit System was designated to be totally accessible to disabled persons. *Id.*

[45] Some attempts have been and are being made. The Civil Aeronautics Board has notified air carriers of its intention to exercise rule-making authority with regard to the transportation of physically disabled persons. *See 36* Fed. Reg. 20,309 (1971). The move is in reaction to present dissatisfaction with a 1962 industry agreement. *See* CAB Agreement No. 16614 (Dec. 31, 1962). *See generally Medical Criteria for Passenger Flying*, ARCHIVES OF ENVIRONMENTAL HEALTH, Feb., 1961. The new rules have not been promulgated.

The Interstate Commerce Commission has not regulated the transportation of handicapped persons via rail or interstate bus. *See*

Handicapped Hearings—Senate 515. However, the National Railroad Passenger Corporation (AMTRAK) has provided barrier-free construction in new equipment and facilities and renovation of old equipment and facilities where practical and feasible National Railroad Passenger Corp. Executives Memorandum No. 72-4 (March. 15, 1972).

[46] *See* 42 U.S.C. § 4151 (1970) (requiring that buildings financed with federal funds be designed and constructed to be accesible to the physically handicapped). The statute was amended in 1970 to include the Washington, D.C., subway system, presently under construction. *See* Act of Mar. 5, 1970, Pub. L. No. 91-205, 84 Stat. 49 *amending* 42 U.S.C. § 4151 (1970).

[47] Washington, D.C., subway officials refused to approve installation of elevators in the local system, as mandated by Congress, until ordered by the court to do so. *See* Washington Urban League, Inc. v. Washington Metropolitan Area Transit Authority, Inc., Civil No. 776-72 (D.D.C., June 29, 1973). The suit focused on the need for further appropriating legislation rather than individual rights.

[48] *See* United States v. Guest, *383 U.S. 745 757* (1966). The right was first articulated by Chief Justice Taney in the *Passenger Cases*, a series of cases concerning the right of the states to impose a tax on aliens. Passenger Cases, 48, (7 How.) 282, 463 (1849) (Taney, C.J., dissenting). Eighteen years later a majority of the Court adopted Taney's earlier views that the right to travel is an incident of national citizenship. Crandall v. Nevada, 73 U.S. (6 Wall.) *35, 49* (1867).

[49] 394 U.S. 618 (1969).

[50] *Id.* at 629. Pennsylvania, Connecticut and the District of Columbia had statutory provisions denying welfare assistance to individuals who had not resided in the particular jurisdiction for at least one year. *Id.* at 622-27. *See also* Dunn v. Blumstein, 405 U.S. 330 (1972) (durational residency requirement as prerequisite for voting violative of fundamental right to travel calling for application of compelling state interest test).

Whereas both *Guest* and *Shapiro* only involved the right to travel interstate, lower courts have found a fundamental right to travel intrastate. *See* King v. New Rochelle Municipal Housing Authority, 442 F.2d 646, 648 (2d Cir.), *cert. denied*, 404 U.S. 863 (1971); Cole v. Housing Authority, 435 F.2d 807, 809 (1st Cir. 1970); Valenciano v. Bateman, 323 F. Supp. 600, 603 (D. Ariz. 1971). The Supreme Court has never addressed the question of purely intrastate travel. The majority in *Shapiro* did not ascribe the right to travel to any particular constitutional provision but rather to the general constitutional concepts of personal liberty. 394 U.S. at 629. In dissent, Chief Justice Warren and Justice Black looked to the commerce clause for the origins of the right. *See id.* at 644, 648 (Warren, C.J., & Black, J., dissenting). Justice Harlan, in dissent, concluded that the right has its source in the due process clause of the fifth amendment. *Id.* at 655, 671 (Harlan, J., dissenting). The Court has also found a close relationship between the freedom to travel and the freedoms of speech and association. *See* Aptheker v. Secretary of State, 378 U.S. 500, 517 (1964). Under the view that the right to travel stems from the commerce clause, it probably would not apply to purely intrastate transportation. But, if the right derives from the freedoms of speech and association, it would be difficult to deny its application to intrastate travel. *See* Note, *Residence Requirements After Shapiro v. Thompson*, 70 COLUM. L. REV. 134, 138 (1970).

[51] 394 U.S. at 627.

[52] *Id.* at 638. The Court further held that the District of Columbia's residence requirements for welfare benefits violated the due process clause of the fifth amendment. *Id.* at 641-42. *See generally* 1 C. ANTIEAU, MODERN CONSTITUTIONAL LAW § 8.94 (1969). The equal protection clause does not apply to the District of Columbia. *See* note 22 *supra*.

[53] For a court to find that a transportation system is in violation of equal protection, state action must be shown. U.S. CONST. amend. XIV, § 1. Governmental action is also necessary for application of fifth amendment due process. *See* Public Utilities Comm'n. v. Pollack, 343 U.S. 451, 461 (1952); Corrigan v. Buckley, 271 U.S. 323, 330 (1926). The operation of a transportation company regulated under the authority of Congress constitutes governmental action. *See* Public Utilities Comm'n. v. Pollack, *supra* at 461-62.

[54] A privately owned municipal transit system can be so enfranchised that it is state action for the company to engage in conduct violative of equal proteciton. *See* Boman v. Birmingham Transit Co., 280 F.2d 531 (5th Cir. 1960); Williams, *The Twilight of State Action*, 41 TEXAS L. REV. 347, 358-59 (1963). The courts have found state action in various other instances. *See, e.g.*, Evans v. Newton, 382 U.S. 296 (1966) (private organization carrying out a public function); Burton v. Wilmington Parking Authority, 365 U.S. 715 (1961) (private business an integral part of a public building devoted to a public service); Shelley v. Kraemer, 334 U.S. 1 (1948) (judicial enforcement of a private agreement). *But see* Moose Lodge 107 v. Irvis, 407 U.S. 163 (1972) (mere licensing does not constitute state action).

[55] *See, e.g.*, Graham v. Richardson, 403 U.S. 365, 376 (1971); Boddie v. Connecticut, 401 U.S. 371, 382 (1971); Goldberg v. Kelly, 397 U.S. 254, 255-56 (1970).

[56] *See* Martin, *A Wheelchair View*, Washington Post, Dec. 8, 1972, § D, at 5, col. 1; Martin, *When 'Up' is a Down*, Washington Post, Oct. 29, 1972, § K, at 1, col. 1; Martin, *Handicaps on the Hill*, Washington Post, Oct. 1, 1972, § L, at 1, col. 8.

[57] *See* 42 U.S.C. §§ 4151-56 (1970). Primary responsibility for developing standards is lodged with the Administrator of General Services who must consult with the Secretary of Health, Education, and Welfare. *Id.* § 4152 (1970). Regulations passed pursuant to the legislation have incorporated detailed accessibility standards adopted by the American National Standards Institute. Federal Property Management Regulations, 41 C.F.R. § 101-17.704 (1972); *see* AMERICAN NATIONAL STANDARDS INSTITUTE, AMERICAN STANDARD SPECIFICATIONS FOR MAKING BUILDINGS AND FACILITIES ACCESSIBLE TO AND USABLE BY THE PHYSICALLY HANDICAPPED, USAS A117.1 (1961). The ANSI standards include ramp gradients, water fountain heights, and door and toilet stall widths. *Id.* § 5.

[58] Only existing structures which are altered for federal use or with federal funds are included in the legislation. *See* 42 U.S.C. § 4151 (1970).

[59] *See* COMMITTEE ON BARRIER FREE DESIGN, *supra* note 7. Some of the statutes provide that accessibility is required only if economically feasible and not unreasonably complicated. Others require that the building have one entrance which is accessible while ignoring other barriers. *See id.* Four states have laws covering publicly used, privately owned buildings; fourteen explicitly cover remodeling. *See id.* Like the federal government, most states have no provision for existing structures. One county in Ohio did consent to erect an elevator in the existing county courthouse after suit by a local resident. Consent Decree, Wargowsky v. Novak, Civil No. C-72-138 (N.D. Ohio, March 30, 1973). Another county in Ohio consented to remove barriers from its courthouses and the health and welfare building. Friedman v. County of Cuyahoga, Case No. 895961 (Cuyahoga County Ct. 1972).

[60] The seat of government is where the courts, executive and legislature are located. *Cf.* Edwards v. South Carolina, 372 U.S. 229, 235 n.10 (1963).

[61] *See* Crandall v. Nevada, 73 U.S. (6 Wall.) 35, 44 (1867); Passenger Cases, 48 U.S. (7 How.) 282, 491 (1849) (Taney, C.J., dissenting). Although courts recognize the extreme importance of the right to petition, it has received much less attention than the rights of speech and assembly. This may be due to the fact that it is closely intertwined with the latter rights. *See* United Mine Workers v. Illinois State Bar Ass'n, 389 U.S. 217, 222 (1967) (speech, assembly and petition intimately connected and equally fundamental). *See also* De Jonge v. Oregon, 299 U.S. 353, 364 (1937) (right to petition an integral part of republican form of government).

[62] U.S. CONST. amend. I. The first amendment's prohibition of acts by Congress abridging the right to petition has been extended to the states through the fourteenth amendment. Cartwell v. Connecticut, 310 U.S. 296, 303 (1940); Schneider v. State, 308 U.S. 147, 160 (1939); Gitlow v. New York, 268 U.S. 656 (1925). Section 1983 of title 42 of the *United States Code* prohibits state violations of rights protected by the fourteenth amendment and can serve as a basis for suit against the state. *See* Wilwording v. Swenson, 404 U.S. 249 (1971); Hatfield v. Bailleaux, 290 F. 2d 632, 636 (9th Cir. 1961); 42 U.S.C. § 1983 (1970). *See also* Chambers v. Baltimore & O.R.R., 207 U.S. 142, 148 (1907) (right to sue and defend is privilege under article IV of the Constitution; right conservative of all other rights).

[63] *See* California Motor Trans. Co. v. Trucking Unlimited, 404 U.S. 508, 510 (1972). Although access to the courts is protected by the first amendment, when the state denies a party use of the courts or refuses a remedy, due process may be violated. While a state may regulate the manner in which its courts operate, due process is denied if its conditions are unreasonable. *See* Cohen v. Beneficial Finance, 337 U.S. 541 (1949). *See also* Sniadach v. Family Finance Corp., 395 U.S. 337 (1969) (garnishment without opportunity to defend). Such due process requirements extend to administrative actions as well. *See* Bell v. Burson, 402 U.S. 535 (1971) (license revocation by Bureau of Motor Vehicles); Goldberg v. Kelly, 397 U.S. 254 (1970) (no evidentiary hearing prior to termination of welfare benefits).

In a recent case the appellants argued that the imposition of filing fees on indigents in divorce actions violated their first amendment right to petition. *See* Boddie v. Connecticut, 401 U.S. 371 (1971). The Court, however, viewed access to the courts as an element of due process in this instance because the judicial process was the only means available for dissolving the marriage. *Id.* at 375. Why the Court chose due process is not clear since issues such as service of process would not have been necessary to resolve had they relied on the first amendment. *See* La France, *Constitutional Law Reform for the Poor: Boddie v. Connecticut*, 1971 DUKE L.J. 487, 529 (the author was counsel for appellants).

[64] 383 U.S. 131 (1966).

[65] *Id.* at 142.

[66] 372 U.S. 229 (1963).

[67] *Id.* at 235.

[68] *See* Brown v. Louisiana, 383 U.S. 131, 143 (1966).

[69] *Id.* Discriminatory regulations infringing first amendment rights are prohibited even for restricted areas such as military bases. *See* Flower v. United States, 407 U.S. 197 (1972) (leafletting permitted on "public street" within military base); *cf.* Downing v. Kunzig, 454 F. 2d 1230 (6th Cir. 1972) (public normally has access when conducting own business). *But see* Barrett v. Kunzig, 331 F. Supp. 266 (1971), *aff'd*, 41 U.S.L.W. 3128 (6th Cir. Feb. 22, 1972), *cert. denied*, 409 U.S. 914 (1972).

[70] *See* Brown v. Louisiana, 383 U.S. 131 (1966) (statute infringed right to enter library to petition for end to segregated library system); Edwards v. South Carolina, 372 U.S. 229 (1963) (statute infringed right

to enter state house grounds to express grievances). *But see* Adderly v. Florida, 385 U.S. 39 (1966) (state's interest in controlling jail-yard property was sufficient to uphold convictions of demonstrators); Cox v. Louisiana, 379 U.S. 559 (1965) (activities near court house may be limited in deference to judicial integrity).

[71] *See* NAACP v. Button, 371 U.S. 415, 438 (1963) (only compelling state interest can justify limiting first amendment freedoms).

[72] Even if no first amendment right of access exists, the handicapped individual may be denied equal protection of the laws if the state creates an unreasonable classification between the disabled and the non-disabled without a rational relationship to some state interest. *See* note 23 *supra* and accompanying text.

[73] Cost estimates by the National League of Cities based on seven hypothetical buildings indicate that the additional cost involved in making them barrier free would be less than one-half of one percent. *See* NATIONAL COMMISSION ON ARCHITECTURAL BARRIERS, DESIGN FOR ALL AMERICANS 7 (1967). Studies based on three buildings actually constructed indicated that the cost was increased by only one-tenth of one percent. *See id.*

[74] *See* United States v. Raines, 362 U.S. 17, 25 (1960) (requirement of state action met when source is person or agency formally identifiable).

[75] *Cf.* Brown v. Board of Educ., 349 U.S. 294, 300 (1955) (remedies to constitutional infringement must be enforced). A court might find that the state's duty to provide access could be fulfilled by means other than barrier removal, such as providing agents to assist the handicapped individual in securing services he otherwise might be unable to obtain. While this may be an administratively logical solution, it does not seem to be fully within the meaning of the constitutional imperative that there be no infringement.

[76] NATIONAL COMMISSION ON ARCHITECTURAL BARRIERS, *supra* note 73, at 3.

[77] *See* Harper v. Virginia Bd. of Elections, 383 U.S. 663 (1966) (abolished poll tax); Gideon v. Wainwright, 372 U.S 335 (1963) (right to counsel at trial); Douglas v. California, 372 U.S. 353 (1963) (right to counsel on appeal). *See also* Note, *Discriminations Against the Poor and the Fourteenth Amendment*, 81 HARV. L. REV. 435, 440–41 (1967) (financial interests of the state).

[78] 118 CONG. REC. 1472 (1972) (remarks of Senator Williams). One study showed that 25 percent of the unemployed handicapped respondents had tried but were unable to find jobs. *See* A.D. Little Co., Employment, Transportation and the Handicapped, July 1963, at 30 (U.S. Social and Rehabilitation Serv., Dept. of Health, Education, and Welfare, No. C-69492).

Among the more severely handicapped, however, fully a third of those surveyed were unable to obtain employment. *Id.* at 31. The rate of employment for the entire sample was 50 percent, varying from a high of 75 percent for individuals with back and spine problems to a low of 29 percent for amputees. *Id.* at 29–30.

In addition to private employment, sheltered workshops funded by the state vocational agencies provide training and work for some handicapped individuals. These workshops are partially exempt from the minimum wage requirements of the Fair Labor Standards Act. *See* 29 U.S.C. § 214(d) (1970). Encouraged as a necessary alternative for the disabled, the workshops are criticized for providing inadequate wages and facilities. *See Handicapped Hearings—Senate* 1046–47. *See also* H.R. REP. NO. 92–1135, 92d Cong., 2d Sess. 43 (1972). Additional jobs are provided under the Randolph-Sheppard Act of 1936 which grants blind people licenses and initial financial aid for the operation of vending stands. 20 U.S.C. § 107 (1970); *see* H.R. REP. NO. 92–1135, 92d Cong., 2d Sess. 49–55 (1972). These jobs may be limited by the increasing use of automatic vending machines. *Id.* at 52. Encouragement to enterprises hiring the blind is also provided by the Wagner-O'Day Act which authorizes special purchases by federal agencies of blind-produced supplies. *See* 41 U.S.C. §§ 46–48 (Supp. 1971).

[79] It is estimated that rehabilitation by federally financed state vocational rehabilitation agencies of 51,084 handicapped persons saved over $40.5 million in public assistance payments, H.R. REP. No. 92–1135, 92d Cong., 2d Sess. 12 (1972).

[80] *See Handicapped Hearings—Senate* 515, 534–35; A.D. Little Co., *supra* note 78, at 30; notes 43–45 *supra* and accompanying text.

[81] One study showed that all disabled groups were subject to prejudice and that personnel directors would prefer to hire a former prison inmate or mental hospital patient than an epileptic. *See* Richard, Triandis & Patterson, *Indices of Employer Prejudice Toward Disabled Applicants*, 47 JOURNAL OF APPLIED PSYCHOLOGY 52 (1963). *See also* M. Gandy, *supra* note 2.

[82] *See* U.S. BUREAU OF LABOR STANDARDS, DEP'T OF LABOR, BULL. NO. 234, WORKMEN'S COMPENSATION AND THE PHYSICALLY HANDICAPPED WORKER 5, 20 (1961).

[83] *See id.* at 6–8.

[84] The Association of Casualty and Surety Companies pointed out that rates are based solely on the relative hazards in the company's work and the company's accident experience. *Id.* at 45. Statistics show that a company actually might minimize their accident experience by hiring the disabled since they have eight percent fewer accidents than their co-workers. *See Handicapped Hearings—Senate 539.*

[85] U.S. BUREAU OF LABOR STANDARDS, *supra* note 82, at 10.

[86] *See Handicapped Hearings—Senate 535.* Although many of these laws are limited in the types of injuries covered and the amount of liability, some states are attempting to strengthen the laws. *Id.* at 536. *See also Hearings on H.R. 8395, H.R. 9847 and Related Bills Before the Select Subcomm, on Education of the House Comm. on Education and Labor*, 92d Cong., 2d Sess. (1972) (hereinafter cited as *Handicapped Hearings—House*); U.S. EMPLOYMENT STANDARDS ADMINISTRATION, DEP'T OF LABOR, BULL. NO. 212 (1971).

[87] The President's Committee on Employment of the Handicapped works with industry to gain acceptance of the handicapped worker and sponsors a National Employ the Handicapped Week to publicize its efforts. *See Handicapped Hearings—Senate* 540, 1036–37. Each state has a Governor's Council on Employment of the Handicapped which works closely with the President's Committee. In addition there are over 1,000 local committees. *Id.* at 539.

[88] In accordance with a 1971 Presidential directive, the vocational rehabilitation agencies, in conjunction with the United States Employment Service and the Veterans Administration, are placing special emphasis on training and job placement of Vietnam veterans. *See Handicapped Hearings—Senate* 254–56.

[89] Only a few states have laws which prohibit private employment discrimination. *See, e.g.*, ILL. ANN. STAT. ch. 38, § 13–2 (Smith-Hurd 1972); IOWA CODE ANN. § 601A.7 (Supp. 1972); WIS. STAT. ANN. § 111.31 (Supp. 1973).

[90] *See* Civil Rights Act of 1964, Title VIII 42. U.S.C. § 2000e (1970).

[91] *See* Act of May 31, 1870, ch. 114, § 16, 42 U.S.C. § 16, 42 U.S.C. § 1981 (1970); note 99 *infra*.

[92] 42 U.S.C. § 2000c (1970).

[93] Title VII makes it an unlawful employment practice to discriminate against any person because of race, color, religion, sex or national origin. *Id.* § 2000e-2(a) (1970). Efforts have been made to expand it to include the handicapped without success. *See* notes 8–10 *supra* and accompanying text. Even if efforts to include the handicapped in Title VII are successful, no Title VII remedy exists against employers of less than 25 workers. 42 U.S.C. § 2000e(b) (1970).

[94] 392 U.S. 409 (1968).

[95] 42 U.S.C. § 1982 (1970).

[96] Act of April 9, 1866, ch. 31, § 1, 14 Stat. 27.

[97] 392 U.S. at 420.

[98] *See id.* at 409, 419–20, 436. Prior to *Jones* it generally had been assumed that section 1982 required state action. See Larson, *The Development of Section 1981 as a Remedy for Racial Discrimination*, 7 HARV. CIV. RIGHTS-CIV. LIB. REV. 56, 57 (1972); 35 BROOK. L. REV 275, 276–77 (1969). *But see* United States v. Morris, 125 F.2d 322 (E.D. Ark. 1903 (section one of Civil Rights Act of 1866, predecessor of section 1982, prohibits private acts of discrimination aimed at preventing blacks from buying land).

[99] The statute provides that "All persons . . . shall have the same right . . . to the full and equal benefits of all laws and proceedings for the security of persons and property as is enjoyed by white citizens . . ." 42 U.S.C. § 1981 (1970).

Both sections 1981 and 1982 are derived from section one of the Civil Rights Act of 1866. 392 U.S. at 422 n.28. The current *United States Code* notes that Section 1982 is derived from the 1866 Act but attributes section 1981 only to the 1870 statute which reenacted the 1866 Act after the fourteenth amendment was passed. However, section 1981 retains the scope of the 1866 statute. *See* Note, *Racial Discrimination In Employment Under the Civil Rights Act of 1866*, 36 U. CHI. L. REV. 615, 619 (1969).

[100] The Court, in a lengthy footnote, specifically overruled an earlier decision which held that section 1981 required state action in employment discrimination, 392 U.S. at 441 n.78, *overruling* Hodges v. United States, 203 U.S. 1 (1906). A lower court was prompt in seizing upon the language in *Jones* to prohibit discrimination by private employers on racial grounds. *See* Dobbins v. Local 212, IBEW, 292 F. Supp. 413 (S.D. Ohio 1968). To date five circuits have agreed. *See* Bradley v. Bristol-Myers, Inc., 459 F.2d 621 (8th Cir. 1972) (racial discrimination in hiring practices); Brown v. Gaston County Dyeing Mach. Co., 457 F.2d 1377 (4th Cir.), *cert. denied*, 409 U.S. 982 (1972) (racial discrimination inpromotion policies); Young v. International Telephone & Telegraph Co., 438 F.2d 757 (3d Cir. 1971) (racial discrimination by both employer and union); Sanders v. Dobbs Houses, Inc., 431 F.2d 1097 (5th Cir. 1970), *cert. denied*, 401 U.S. 948 (1971) (refusal to rehire based on race); Waters v. Wisconsin Steel Works, 427 F.2d 476 (7th Cir.), *cert. denied*, 400 U.S. 911 (1970) (racial discrimination in hiring practices).

One court has questioned whether section 1981 is in fact derived from the 1866 Act. *See* Cook v. Advertiser, 323 F. Supp. 1212 (M.D. Ala. 1971), *aff'd on other grounds*, 458 F.2 1119 (5th Cir. 1972). The discrepancies on which the *Cook* court based its opinion may be due to the mistake of a codifier in compiling and revising the statutes. *See* Note, *Section 1981 and Private Discrimination*, 40 GEO. WASH. L. REV. 1024, 1036–39 (1972). *See generally* Larson, *supra* note 98, at 56.

[101] U.S. CONST. amend. XIII; *See* 392 U.S. at 422–44.

[102] *See* U.S. CONST. amend, XIII, § 2.

[103] 392 U.S. at 439; *see* Bailey v. Alabama, 219, U.S. 219, 241 (1911); Hodges v. United States, 203 U.S. 1, 17 (1906); Civil Rights Cases, 109 U.S. 3, 20 (1883).

[104] 392 U.S. at 439.

[105] *Id.* By passing the 1866 Act, Congress indicated that it considered discrimination in both the rights to purchase and the right to contract a "badge" or "incident". *Id.* as 441. indicated that it considered discrimination in regard to private denial of public accommo-

dations as a "badge or incident of slavery" under the thirteenth amendment since it had nothing to do with slavery or involuntary servitude. Civil Rights Cases, 109 U.S. 3, 24 (1883). It viewed badges and incidents as those burdens and disabilities on fundamental rights, such as the right to contract and to purchase property, imposed by slavery. *Id.* at 22. Both employment discrimination and the housing discrimination prohibited in *Jones* fall within the earlier Court's definition.

[106] 392 U.S. at 413.

[107] *See* Note, *Jones v. Mayer: The Thirteenth Amendment and the Federal Anti-Discrimination Laws*, 69 COLUM. L. REV. 1019, 1026–27 (1969); 20 CASE W. RES. L. REV. 448, 457–59 (1969).

[108] The thirteenth amendment was one of a series of post-Civil War enactments aimed at terminating the last signs of slavery and ensuring freedom. It was preceded by the wartime Emancipation Proclamation and passed to insure that document's post-war validity. *See* 1. STATUTORY HISTORY OF THE UNITED STATES: CIVIL RIGHTS 13 (B. Schwartz ed. 1970).

[109] *See* J. tenBROEK, EQUAL UNDER LAW 157–73 (1965).

[110] Act of April 9, 1866, ch. 31, § 1, 14 Stat. 27.

[111] *See* 42 U.S.C. § 1981 (1970); note 99 *supra*.

[112] *See* J. tenBROEK, *supra* note 109, at 179; CONG. GLOBE, 39th Cong. 1st SESS. 438 (1866).

[113] *See* United States v. Classic, 313 U.S. 299, 327 (1941); CONG GLOBE, 39th Cong., 1st SESS. 599, 601 (1866).

[114] Central Presbyterian Church v. Black Liberation Front, 303 F. Supp. 894 (E.D. Mo. 1969, Gannon v. Action, 303 F. Supp. 1240 (E.D. Mo. 1969), *modified on other grounds*, 450 F.2d 127. (8th Cir. 1971). The courts in *Central Presbyterian Church* and *Gannon* held, in effect, that when blacks invaded a white church, whites were denied the rights of "white citizens." *Contra* Perkings v. Banster, 190 F. Supp. 98, *aff'd*, 285 F.2d 426 (4th Cir. 1960) (section 1981 jurisdiction not available to white claiming false arrest). *See also* Dombrowski v. Dowling, 459 F.2d 190, 199 n. 24 (7th Cir. 1972) (court suggest without deciding that section 1981 may not apply to white who was denied office rental because associates were blacks); Carter v. Gallagher, 452 F.2d 315 (8th Cir. 1971), *cert. denied*, 406 U.S. 950 (1972) (section 1981 prohibits employment discrimination based on race, whether it is against blacks or whites; court however viewed section 1981 as based on fourteenth amendment); 23 VAND L. REV. 413 (1970) (discussion of *Gannon*).

[115] *See* Scher v. Board of Educ., 424 F.2d 741, 743 (3d Cir. 1970) (per curiam) (sections 1981 and 1983 do not apply exclusively to racial or religious discrimination; available to boy denied equal protection by arbitrary expulsion from school). *Contra* Schetter v. Heim, 300 F. Supp. 1070, 1073 (E.D. Wisc. 1969). *But cf.* Georgia v. Rachel, 384 U.S. 780, 791–92 (1966) (legislative history of Civil Rights Act of 1866 shows intent restricted to racial equality).

The Court also has upheld anti-peonage statutes based on the thirteenth amendment regardless of the race of the defendant. *See* Clyatt v. United States, 197 U.S. 207, 218 (1905). Section 1981 was enacted to enforce the thirteenth amendment and applies to all races and colors. Buchanan v. Warley, 245 U.S. 60, 78 (1917). However, the Court in *Buchanan* appeared to place some weight on the reenactment of section 1981's predecessor, the Civil Rights Act of 1866, after the fourteenth amendment became effective. *Id.* at 74–76. Two other cases which hold that section 1981 applies to all races and colors appear to rely at least in part on the fourteenth amendment rationale. *See* Takahashi v. Fish Comm'n, 334 U.S. 410, 419 (1948) (section 1981 rests in part on the fourteenth amendment); United States v. Wong Kim Ark, 169 U.S. 649, 695–96 (1898) (acknowledges section 1981's thirteenth amendment basis but uses fourteenth amendment rationale). However, in a recent case involving denial of welfare benefits to resident aliens the Supreme Court indicated that section 1981 was separate from the fourteenth amendment. *See* Graham v. Richardson, 403 U.S. 365 (1971) (state statute violated fourteenth amendment as well as federal power to regulate aliens as carried out by section 1981). Moreover, the *Jones* Court stated that reenactment of the 1866 Act after the fourteenth amendment did not affect the scope of the Act. *See* Jones v. Alfred H. Mayer Co., 392 U.S. 409, 436 (1968).

[116] It has been suggested that limiting the protection of the Act to blacks offends the equal protection clause of the fourteenth amendment. *See*, Note, *The "New" Thirteenth Amendment: A Preliminary Analysis*, 82 HARV. L., REV. 1294, 1315–16 (1969); 20 CASE W. RES. L. REV. 448, 459 n.75 (1969).

[117] 392 U.S. at 442–43.

[118] The Court viewed racial ghettoes which are a development of the 20th century as a "relic" of slavery. *Id. But see* Casper, *Jones v. Mayer: Clio, Bemused and Confused Muse*, 1968 S. CT. REV. 89 (description of housing segregation during Civil War).

[119] While some of the discriminatory racial practices existing today may have been in existence at the time of slavery they appear to be based less on former servitude and more on unreasoning prejudice which causes some whites to view blacks as inferior. *See 392* U.S. at 446 (Douglas, J., concurring).

[120] *See* Lassen, *Voice of the Militant Cripple*, EVENT (Aug. 1969) (published by the President's Committee on Employment of the Handicapped). The isolation may stem in large part from discrimination by employers and school systems. *See* notes 12–16, 78–86 *supra* and accompanying text.

[121] *See* note 103 *supra* and accompanying text.

[122] *See* United States v. Classic, 313 U.S. 299, 316 (1941); Wright v. United States, 302 U.S. 583, 607 (1938). The Constitution is a starting point for developing legal reasoning rather than an aggregate of hard and fast precepts to be handed on and followed from generation to generation. *See* Stone, *The Common Law in the United States*, 50 HARV. L. REV. 4, 23 (1936).

[123] *See* Gompers v. United States, 233 U.S. 604, 610 (1914) (Holmes, J.).

[124] *See* Note, *supra* note 116, at 1302–03. The lawmakers couched the amendment in terms general enough to encompass the total institution of slavery as it developed, responding fully to the evil perceived. *Id.* at 1302. As modern perception of that evil grows, the response may assume an increasingly broader scope. *Id.* By rejecting an overly narrow interpretation of the amendment it may be more readily adapted to the "evils" of today's society. *Id.* at 1302–13.

[125] *See* Griffin v. Breckenridge, 403 U.S. 88, 97 (1971) (accords early civil rights statutes a sweep as broad as their language. However, *Griffin* indicated that the thirteenth amendment is closely related to slavery. *See id.* at 105. In another decision the Court dismissed an argument that a city's action to close its pools rather than to integrate them was a badge or incident of slavery. Palmer v. Thompson, 403 U.S. 217 (1971). The Court noted that although the enabling clause of the amendment might allow the passage of legislation to control pool closings, Congress had not chosen to pass such a statute. *Id.* at 227.

[126] *See* 5 U.S.C. § 7153 (1970). Only one action has been brought under this statute. *See* Kletzing v. Young, 210 F.2d 729 (D.C. Cir. 1954) (suit by blind man to be reinstated on Civil Service employment register; brought under section 7153's predecessor; dismissed as moot since register had expired).

The Vocational Rehabilitation Act of 1972 contained a section prohibiting discrimination in federally funded programs. *See* H.R. 8395, 92nd Cong., 2d Sess. § 604 (1972). The Act was vetoed by the President. Weekly Compliation of Presidential Documents, Oct. 30, 1972.

[127] *See* King-Smith v. Aaron, 455 F.2d 378 (3d Cir. 1972), *rev'g* 317 F. Supp. 164 (W.D. Pa. 1970). The Third Circuit, in reversing the abstention-dismissal by the district court, remanded the plaintiff's fourteenth amendment and section 1983 claims and asserted that these claims enjoyed jurisdiction which the federal court had a duty to consider, *Id.* at 381; *see* 42 U.S.C. § 1983 (1970).

[128] *See*, e.g., Eisenstadt v. Baird, 405 U.S. 438, 446–47 (1970), *citing* Reed v. Reed, 404 U.S. 71, 75–76 (1971); Railway Express Agency v. New York, 336 U.S. 106 (1949); Barbier v. Connally, 113 U.S. 27 (1885).

[129] *See, e.g.*, Eisenstadt v. Baird, 405 U.S. 438, 446–55 (1972) (statute barring sale of contraceptives distinguished between married and unmarried individuals); Reed v. Reed, 404 U.S. 71, 75–76 (1971) (statute gave preference to men in granting letters of estate administration); Morey v. Doud, 354 U.S. 457, 465–66 (1957) (licensing statute exempted one corporation); Armstead v. Starkville Municipal Separate School Dist., 325 F. Supp. 560, 569 (N.D. Miss. 1971), *modified*, 461 F.2d 276 (5th Cir. 1972) (racial discrimination in hiring and retaining public school teachers); *accord*, Chambers v. Hendersonville City Bd. of Educ., 364 F.2d 189, 192 (4th Cir. 1966) (en banc). *See also* note 23 *supra* and accompanying text.

[130] For many years government employment and government services have been regarded as privileges, not rights, and thus unprotected by rules of substantive due process. However, such distinctions have been so eroded that the concept remains of doubtful validity. *See generally* Alstyne, *The Demise of the Right-Privilege Distinction in Constitutional Law*, 81 HARV. L. REV. 1439 (1968).

[131] *See* Keyishian v. Board of Regents, 385 U.S. 589, 605–06 (1967); Wieman v. Updegraff, 344 U.S. 183, 191–92 (1952). An individual is also constitutionally protected from employment discrimination by the federal government. *See* Colorado Anti-Discrimination Comm'n v. Continental Airlines, Inc., 372 U.S. 714, 721 (1963) (racially discriminatory federal hiring regulation would violate the fifth amendment); United Pub. Workers v. Mitchell, 330 U.S. 75, 100 (1947) (Congress could not enact regulation providing that no Republican, Jew or Negro could be appointed to federal office). *See also* Comment, *Aliens and the Civil Service: A Closed Door?*, 61 GEO. L.J. 207, 215–18 (1972) (federal discrimination and the fifth amendment).

Even if a handicapped individual has a valid claim, he faces, however, the general reluctance of the courts to oversee federal agencies' hiring practices. *See* Comment, *Racial Discrimination in the Federal Civil Service*, 38 GEO. WASH. L. REV. 265, 280 (1969); Comment, *Aliens and the Civil Service: A Closed Door?*, 61 GEO. L.J. 207, 216–17 (1972).

[132] 42 U.S.C. § 1983 (1970). Section 1983 requires two elements: the party must have been deprived of rights secured by the Constitution and laws of the United States; and the deprivation must have been under the color of state law. Adickes v. S.H. Kress & Co., 398 U.S. 144 (1970).

Section 1983 was originally section one of the Civil Rights Act of 1871 which was enacted to enforce the provisions of the fourteenth amendment. Mitchum v. Foster, 407 U.S. 225, 238 (1972); *see* Act of Apr. 20, 1871, ch. 22, § 1, 17 Stat. 13, *as amended*, 42 U.S.C. § 1983 (1970). Section one was modeled on section two of the Civil Rights Act of 1866.

407 U.S. at 238; *see* Act of Apr. 9, 1866, ch. 31, § 2, 14 Stat. 27.

[134] The legislative debates surrounding passage of section 1983's predecessor indicate that the discriminatory state action may be executive, legislative or judicial. Mitchum v. Foster, 407 U.S. 225, 238 (1972); *Ex parte* Virginia, 100 U.S. 339, 346–47 (1879). Even an abuse of authority is covered by section 1983. *See* Monroe v. Pape, 365 U.S. 167, 172 (1961); United States v. Classic, 313 U.S. 325, 326 (1941).

However, the federal government and the District of Columbia are not states within the meaning of the Statute. District of Columbia v. Carter, 409 U.S. 418, 419 (1973).

[135] An action for denial of equal protection of the laws may be maintained under the fourteenth amendment alone. *See, e.g.*, Griffin v. County School Bd., 377 U.S. 218, 232–33 (1964); Burton v. Wilmington Parking Authority, 365 U.S. 715 (1961); Staub v. City of Baxley, 355 U.S. 313 (1958). One court has held that an action not cognizable under section 1983 against a county could be maintained against the same defendant under the fourteenth amendment. *See* Shelbourne Inc. v. New Castle County, 293 F. Supp. 237, 245–46 (D. Del. 1968). *Contra*, Whitner v. Davis, 410 F.2d 24 (9th Cir. 1969). The requirements for state action are the same under section 1983 and the fourteenth amendment. United tSates v. Price, 383 U.S. 787, 794 n.7 (1966).

[135] Discrimination in transportation systems has been successfully labeled state action. *See* Kissinger v. New York City Transit Authority, 274 F. Supp. 438 (S.D.N.Y. 1967); note 54 *supra* and accompanying text.

Actions of hospitals, too, have come under judicial scrutiny. *See* McCabe v. Nassau County Medical Center, 453 F.2d 698 (2d Cir. 1971). In *McCabe* the court held that since the hospital was a public institution, the plaintiff need not point to specific state statutes compelling them to act as they did in order to meet the "under color of state law" requirement of section 1983. *Id.* at 703–04. It is the source of the defendant's authority, not only the laws that purport to justify the action, which determine whether the defendant has acted under color of law. *Id.* at 704. Whether or not the state's role in regulating private hospitals would be sufficient to make their actions "state action" has been considered by several lower courts. The majority seem to have concluded that due to the states' role in disbursement of funds under the Hill-Burton Act private discrimination is state action. *See* Simkins v. Moses H. Cone Memorial Hosp., 323 F.2d 959 (4th Cir. 1963) (excellent discussion of Hill-Burton; racial discrimination); Holmes v. Silver Cross Hosp., 340 F. Supp. 125 (N.D. Ill. 1972) (violation of religious belief); Sams v. Ohio Valley General Hosp. Ass'n, 257 F. Supp. 369 (N.D.W. Va. 1966) (discrimination against out-of-state physicians); Hill-Burton Act § 622(f), 42 U.S.C. § 211(e)(f) (1970). *But see* Place v. Shepherd, 446 F.2d 1239 (6th Cir. 1971) (receipt of state or federal funds did not transform private hospitals into public institutions). The court in *Place* indicated, however, that there might be a cause of action if a public hospital refused to hire. *Id.* at 1246.

[136] *See* Monroe v. Pape, 365 U.S. 167, 191 n.50 (1961) (Chicago not "person" under statute). The decision has caused considerable confusion in the circuits, and some courts either have interpreted the Court's statements narrowly or have considered *Monroe* overruled *sub silentio* by later opinions which failed to consider whether the entity sued was proper under section 1983. Other courts have distinguished between actions for damages, such as *Monroe*, and those for equitable relief, or have ignored *Monroe* completely. *See* Johnson v. Cincinnati, 450 F.2d 796 (6th Cir. 1971) (ignored *Monroe*); Harkless v. Sweeney Independent School Dist., 427 F.2d 319 (5th Cir. 1970), *cert. denied*, 400 U.S. 991 (1971) (restricted *Monroe* to its facts and granted equitable relief under section 1983); Schnell v. City of Chicago, 407 F.2d 1084, 1086 (7th Cir. 1969) (*Monroe* limited to money damages); Local 858, Am. Fed'n of Teachers v. School Dist. No. 1, 314 F. Supp. 1069, 1073 (D. Colo. 1970) (*Monroe* rendered irrelevant by Supreme Court cases ignoring it); Note, *Civil Rights—School Officials Not Persons For Purposes of Section 1983 Regardless of Relief Sought*, 24 S.W.L.J. 360, 362–64 (1970) (discussion of cases in which the appropriateness of the entity sued was ignored).

Moreover, one court held that while a police department was not a person for purposes of section 1983, a suit for denial of equal protection could be maintained under section 1981. *See* United States *ex rel.* Washington v. Chester County Police Dep't, 294 F. Supp. 1157 (E.D. Pa. 1969), *aff'd on rehearing*, 300 F. Supp. 1279 (E.D. Pa. 1970). *See generally* Thornberry, *Suing Public Entities Under the Federal Civil Rights Act: Monroe v. Pape Reconsidered*, 43 U. COLO. L. REV. 105, 108–17 (1971); Note, *Developing Governmental Liability Under 42 U.S.C. § 1983*, 55 MINN. L. REV. 1201 (1971); 24 VAND. L. REV. 1252 (1971).

[137] *See, e.g.*, Walton v. Nashville Special School Dist., 401 F.2d 137 (8th Cir. 1968); Rolfe v. County Bd. of Educ., 391 F.2d 77 (6th Cir. 1968); Wall v. Stanley County Bd. of Educ., 378 F.2d 275 (4th Cir. 1967).

[138] *See* Brown v. Strickler, 422 F.2d 1000 (6th Cir. 1970) (no discussion of *Monroe*). *Contra*, Kirstun v. Rector, 309 F. Supp. 184 (E.D. Va. 1970) (relies on *Monroe*).

[139] *See* Monroe v. Pape, 365 U.S. 187, 192 (1961). Suits against the individual, however, may have a limited effect on the public agencies' policies and may produce little in the way of monetary recovery. *See* Note, *Developing Governmental Liability Under 42 U.S.C. § 1983*, 55 MINN. L. REV. 1201, 1209 (1971) (discussing recovery against policemen).

[140] 42 U.S.C. § 2000c (1970).

SECTION-BY-SECTION ANALYSIS OF A PROPOSED BILL TO AMEND TITLE VII OF THE CIVIL RIGHTS ACT OF 1964 TO PROVIDE A PROGRAM TO PREVENT DISCRIMINATION ON ACCOUNT OF THE HANDICAPPED CONDITION OF AN INDIVIDUAL

Title VII of the 1964 Civil Rights Act provides for equal employment opportunities. Generally, this proposed bill would extend the guarantees against discrimination in employment on account of race, color, religion, sex or national origin to handicapped persons.

Section 1 of the proposed bill states that it may be cited as "the Handicapped Condition Antidiscrimination in Employment Act". Section 2 of the bill amends section 701 of the 1964 Civil Rights Act (42 U.S.C. § 2000e), which contains definitions for the subchapter, to include the term handicapped condition. A new subsection k is added which defines handicapped condition as any person who either has a physical or mental impairment which substantially limits one or more of that person's major life activities or has a record of such impairment or is regarded as having such an impairment. Substantially limited as well as qualified handicapped individuals are also defined.

Section 3 of the proposed bill amends section 703 of the Civil Rights Act of 1964 (42 U.S.C. § 2000e–2). Section 3(a) of the bill amends section 703(a) (1) and (2) by inserting the words handicapped condition after the word sex. If amended by this bill section 703(a) would read: "It shall be an unlawful employment practice for an employer—(1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individuals' race, color, religion, sex, handicapped condition or national origin—(2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, handicapped condition or national origin."

Similarly, section 3(b) of the proposed bill would amend section 703(b) to include the term handicapped condition. If amended this section would state: "It shall be an unlawful employment practice for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of his race, color, religion, sex, handicapped condition or national origin, or to classify or refer for employment any individual on the basis of his race, color, religion, sex, handicapped condition, or national origin."

Section 3(c) of the proposed bill would amend sections 703(c) (1) and (2) which prohibit discrimination in labor union practices by adding the words handicapped condition. If amended these sub-sections would state: "(c) It shall be an unlawful employment practice for a labor union organization—(1) to exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his race, color, religion, sex, handicapped condition, or national origin; (2) to limit, segregate, or classify its membership or applicants for membership, or to classify or fail or refuse to refer for employment any individual, in any way which would deprive or tend to deprive any individual of employment opportunities, or would limit such employment opportunities or otherwise adversely affect his status as an employee or as an applicant for employment, because of such individual's race, color, religion, sex, handicapped condition, or national origin . . ."

Section 3(d) of the bill amends section 703(d) which prohibits discrimination in training programs by adding the words handicapped condition. This section, if amended, would read: "It shall be an unlawful employment practice for any employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs to discriminate against any individual because of his race, color, religion, sex, handicapped condition, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training."

Section 703(e) of the 1964 Civil Rights Act which states that certain classification by race or other characteristic is not an unlawful employment practice would be amended by section 3(e) of the bill. Section 3(e)(1) would insert handicapped condition after the word sex and section 3(e)(2) would add a new section 3 providing that it would not be an unlawful employment practice to refuse to hire or otherwise discriminate against a handicapped person if it is established that such an individual would endanger his own health or the health of others in such a program.

Section 3(f) of the proposed bill would amend section 703(h) of the 1964 Civil Rights Act by inserting the word handicapped condition after the word sex. Section 703(h) discusses seniority or merit systems and presently provides that it shall not be an unlawful employment practice for an employer to apply different standards of compensation pursuant to a bona fide seniority or merit system provided that such differences are not the result of an inten-

tion to discriminate because of race, color, religion, sex, or national origin. This section also provides that it shall not be an unlawful employment practice to give or act upon the results of any professionally developed ability test provided that such test is not intended or used to discriminate because of race, color, religion, sex or national origin.

Section 3(g) of the proposed bill would amend section 703(j) by inserting the words handicapped condition after the word sex. Section 703(j) of the 1964 Civil Rights Act currently provides that the subchapter shall not be interpreted to require preferential treatment to any individual or group because of their race, color, religion, sex, or national origin on account of an imbalance with respect to total number or percentage of such persons.

Section 3(h) of the proposed bill also adds a new subsection k which concerns employee benefit plans. This new subsection specifically states:

"Nothing contained in this title shall be interpreted to prevent an employer, employment agency, or labor organization to observe the terms of any bona fide employee benefit plan such as a retirement, pension, or insurance plan if such a plan and differences in that plan with respect to any individuals with handicapped condition is not a subterfuge to evade the purposes of this title, except that no such employee benefit plan shall excuse the failure to hire any individual."

Finally, section 3(i) amends the section heading of section 703 to read "Discrimination Because of Race, Color, Religion, Sex, Handicapped Condition, or Natural (sic) Origin".

Section 4(a) of the proposed bill amends section 704(b) of the 1964 Civil Rights Act (42 U.S.C. Sec. 2000e-3) by inserting the words handicapped condition after the word sex both times it appears in the subsection. This subsection prohibits advertisements relating to employment from indicating a preference based upon race, color, religion, sex, or national origin is a bona fide occupational qualification for employment.

Section 706(g) of the 1964 Civil Rights Act (42 U.S.C. Sec. 200e-5) is amended by section 4(b) of the proposed bill by inserting the words handicapped condition after the word sex. Section 706(g) currently provides for court injunctions if a court finds that a respondent is or has intentionally engaged in an unlawful employment practice and for other relief such as payment of back pay. It also states that these remedies shall not apply if such individual was refused admission, suspended, or expelled, or was refused employment or advancement or was suspended or discharged for any reasons other than discrimination on account of race, color, religion, sex, or national origin.

Section 5 of the proposed bill would amend Section 717(a) and (c) of the 1964 Civil Rights Act (42 U.S.C. Sec. 2000e-16) by inserting the words handicapped condition after the word sex. Generally, Section 717 concerns employment by the Federal Government. Section 717(a) prohibits employment discrimination in the Federal Government based on race, color, religion sex, or national origin. Subsection (c) provides that an aggrieved individual may file a civil action after final administrative action on a complaint of discrimination based upon race, color, religion, sex or national origin.

The final section of the proposed bill, section 6, provides that the amendments made by the bill shall take effect 6 months after its date of enactment.

By Mr. HOLLINGS (for himself and Mr. MAGNUSON):

S. 1347. A bill to create a National Advisory Committee on Oceans and Atmosphere, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. HOLLINGS. Mr. President, I rise today to introduce the National Advisory Committee on Oceans and Atmosphere Act of 1977, a bill to alter and improve the National Advisory Committee on Oceans and Atmosphere, NACOA.

NACOA was established by statute in 1971, in response to recommendations from the eminent Stratton commission that there be an independent body of experts to help the Federal Government deal with our increasingly complicated oceanic and atmospheric issues. The committee was reauthorized in 1972, and again in 1975. Its present authorization ends this coming September 30.

Unlike some other advisory committees, NACOA looks at a very wide range of issues in an effort to see the "big picture." It has several specific duties. It performs a continuing review of the marine and atmospheric science and service programs of the United States; advises the Secretary of Commerce with respect to the National Oceanic and Atmospheric Administration; and submits an annual report on marine and atmospheric affairs, as well as other reports that are requested by either the President or the Congress. To date, NACOA has submitted five annual reports and four special reports.

The bill I introduce today has been written with three main objectives in mind. First, the committee is continued, in order to provide more of the independent and expert advice that we need in the oceans and atmosphere field. In the oceans area, for instance, we need advice on such complex issues as how to better protect the marine environment and how best to develop and manage the precious food, energy, and mineral resources of the seas. There are also major policy issues associated with the atmosphere, especially the question of climatic change and how the Nation should deal with it. However, this bill continues the committee for just 1 additional year. At the present time, there is a great deal of discussion about how to improve the organization of Federal ocean agencies, and within the next year the Government itself may become better able to deal with marine issues. At the end of this year of change, we will be better able to judge whether NACOA or some different kind of entity is needed over the long term.

Second, the bill keeps NACOA's funding at the present level of $445,000 a year, and reduces the number of committee members from 25 to 15. This has been done in the spirit of the Federal Advisory Committee Act, which directs us to evaluate carefully the role and cost of advisory groups. It also has been done to meet the President's wish that the cost of advisory committees be kept to a minimum.

Third, the bill tries to give the committee more guidance about the kinds of assistance the Congress is seeking from NACOA. When the Stratton commission proposed an oceans advisory committee, and when the Congress accepted that proposal and created NACOA, we wanted the advisory group to do several things:

Facilitate two-way communication between the Federal Government and the larger oceans community, and in the process be a forum for public participation in national ocean policymaking.

Provide detailed information and advice on specific policies and programs, in order to help the Government do its job better.

Finally, provide innovative policy leadership and new ideas regarding oceanic and atmospheric affairs.

The key to performing all three of these tasks is to focus on a few major issues at any one time, so that the committee and its staff can examine issues in enough detail to produce useful analyses and recommendations. An advisory committee such as NACOA must be selective in choosing its topics, and must get into the details of policies, programs, and budget priorities. Otherwise the recommendations tend to be too vague to be of much use to those of us who must make decisions.

NACOA has done some of these things well, and has had an important and constructive influence on policy. For instance, one of its recommendations led to the valuable national marine fisheries plan. The committee was instrumental in keeping the advanced salvage vessel *Glomar Explorer* from being scrapped, thus preserving a ship that one day may be of great value in oceanographic research. And the committee's four special reports have contained useful ideas.

At other times, however, NACOA has not focused on just a few important issues, and the resulting work has not been as detailed and useful as one might wish. In particular, trying to cover up to a dozen different topics in a single annual report, as NACOA has done, has led to some vague and not very helpful recommendations. Nor has the committee often taken the lead on key oceanic and atmospheric matters, in the sense of developing original ideas or drafting its own bills to get new discussions going.

NACOA does have a point when it says that its staff is small and its mandate broad, and that, therefore, it cannot cover many issues in detail. Still, I think the committee could be more selective, could focus more on a few key issues that are arising in the marine and atmospheric areas. Personally, I think the best justification for a budget increase would be evidence that NACOA can do a few things well with its small budget. That would give the Congress some assurance that it could do more good things with a larger amount of money.

Part of the problem is that the present NACOA Act is not explicit about this need for selectivity in choosing topics, or the need that these few central issues be examined in detail so that the recommendations can help the Congress and the executive make their detailed and specific decisions. The present act gives NACOA a broad mandate without making clear Congress desire for advice on key problems, not on everything.

The bill I introduce today tries to remedy this shortcoming by directing the committee to undertake its duties "on a selective basis." And the point will be further discussed in the hearings the committee will hold on May 2, as we ex-

plore how NACOA's duties and operations might be changed to increase its usefulness and increase the ocean community's participation in policymaking. A sharper focus on a few major issues of concern to the oceans community and to decisionmakers would go a long way toward making NACOA the kind of incisive and useful committee that the original legislation envisioned.

Mr. President, in conclusion I ask unanimous consent to have printed in the RECORD a section-by-section analysis of the National Advisory Committee on Oceans and Atmosphere Act of 1977. The bill is similar to the original 1971 legislation, though there are several significant changes.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 102. Establishment. This section establishes a NACOA of 15 members. The present Committee has 25 members.

Section 103. Membership, Terms, and Duties. Members are not to be government employees, and are to be appointed by the President. They are to meet certain qualifications, having some knowledge or expertise about oceanic or atmospheric affairs or related activities. Members are to serve three-year terms. A Chairman and Vice Chairman shall be designated by the President. The Committee shall (1) undertake a continuing review, on a selective basis, of national policy, coastal zone management, and the status of the marine and atmospheric science and service programs of the United States; and (2) advise the Secretary of Commerce with respect to the carrying out of the programs administered by the National Oceanic and Atmospheric Administration.

Section 104. Reports. The Committee is to submit an annual report, and other such reports as requested by the President and the Congress. The Secretary of Commerce is to comment on the report.

Section 105. Compensation. This section provides for compensation and expenses for Committee members.

Section 106. Interagency Cooperation and Assistance. Federal ocean and atmospheric agencies are to appoint observers. The Committee may request assistance from Federal agencies, and the agencies may provide it. The Secretary of Commerce is to provide staff and other support for the Committee.

Section 107. Repeal. This section repeals the original NACOA Act of 1971.

Section 108. Authorization for Appropriations. $445,000 is authorized for the fiscal year ending September 30, 1978.

By Mr. KENNEDY (for himself and Mr. MCGOVERN):

S. 1348. A bill to establish the African Development Foundation; to the Committee on Foreign Relations.

Mr. KENNEDY. Mr. President, I am introducing a bill with the Senator from South Dakota, Mr. MCGOVERN, to create an African Development Foundation to promote direct assistance to community self-help activities in Africa.

This measure, the African Development Foundation Act of 1977, responds both to the development needs within many African nations as well as to the positive and successful example of the Inter-American Development Foundation. The IAF has operated projects throughout the Western Hemisphere for the past 6 years and has compiled an exceptional record of achievement.

We believe the African Development Foundation can do the same and can once more give substance to the American people's desire to have direct people-to-people impact on the standard of living and the level of hope within poor communities around the globe.

In statistical terms, Africa is the world's poorest continent. Of the globe's 29 poorest countries, 18 are in Africa. These countries have a per capita income of less than $150 per year. Some, in fact, such as Mali, Upper Volta, and Rwanda, have per capita incomes of less than $100. As low as these figures are, they do not accurately reflect the depth and pervasiveness of the poverty that exists in Africa. Skewed income patterns within many African countries leave the vast majority of their populations below the average per capita income line. In countries such as Chad, Benin, Malawi, and Tanzania, for example, this poor majority constitutes over 90 percent of the population.

Over the past decade, the U.S. Congress has demonstrated its recognition of these conditions in mandating that our official development assistance focus on aiding the poorest countries, their poor majorities, and upon involving the poor in the development process. It has recognized that development does not take place purely through a transfer of resources. Rather the quality of the assistance and to whom it is delivered are of paramount importance. "Participation" is in the process of replacing "trickle down" as the byword of international development, but this will constitute little more than a change in rhetoric unless we clearly perceive what true participation signifies and support the mechanisms through which it can occur.

It is not enough simply that the minimum material needs of people are satisfied. How it is accomplished also is critically important. Enhancing a community's potential to shape its own fate ultimately will determine the success of development. Leaving it to others to interpret and act upon a community's needs and aspirations denies the dignity and undermines the ability to generate future development. It is this development of human resources with which we should be most concerned.

Nowhere in the world is widespread participation in development planning more imperative than in Africa, where unmatched diversity in cultures, history, geography, language, tradition, and social structures—even within the same country—makes implausible any uniform development formula. In dealing with a continent so abundantly endowed with natural and human resources, we should be working collaboratively with those who are attempting to promote human values and local community institutions.

Such assistance should not be limited, for instance, to short-term U.S. foreign policy objectives. Nor should it be designed to serve to underwrite any ideological panacea, to facilitate multinational corporations investment, or to be politically beneficial to any specific regime. Rather, if it can support the efforts of poor Africans to forge a better life for themselves, their communities, and their countries, then it stands a good chance of promoting mutually respectful relations in the long-run.

Ten thousand dollars provided to an African community in support of a development initiative that it has taken will have a far more beneficial impact in many instances than a $10 million loan to many a self-interested regime. Far greater flexibility is required than currently exists in our official development assistance program. We need the flexibility of the African Development Foundation to respond quickly and appropriately to initiatives taken by groups which traditionally have been at the margins of society.

It will not suffice, in other words, solely to increase the flow of financial assistance through existing Government institutions. By its nature, the Agency for International Development operates almost exclusively through institutions of developing country governments. It can only with difficulty discover new and innovative funding relationships.

The African Development Foundation would be complementing the work of AID. Through it, we as Americans could offer our committed support to the efforts of poor Africans to define and undertake their own development.

The creation of an African Development Foundation has a precedent in the Inter-American Foundation. The IAF was established as the Inter-American Social Development Institute in 1969 as a reflection of the will of the Congress to bring foreign aid out of Government and into communities. It was established as an autonomous, nonprofit, U.S. Government corporation with a Board of Directors from the public and private sectors chosen by the President. During its 6 years of operation it has carried out its mandate to respond to grass roots initiatives for social development in Latin America and the Caribbean. Its positive experience exemplifies the approach to development assistance that is contained within this legislation.

A similar institution for African development has to be shaped to the very different set of circumstances present in Africa.

Not only will it be responding to community-defined needs and solutions; but in the process, it will be expanding the capabilities for decisionmaking within those communities. The process is one of both supporting and helping to inspire awareness within African nations of the potential for self-help and community based development. Its experience, as it has in Latin America, will become a laboratory of widely different models, some to be adopted on a broader scale immediately, others to be modified and later incorporated into larger national development programming. But in all instances, it will be a responsive institution, dedicated not to the imposition of U.S. solutions but to the encouragement of African initiatives.

The African Development Foundation will be established as a nonprofit U.S. Government corporation. Its Board members will be selected by the President from both the public and private sectors. It will operate with complete independ-

ence from short-term U.S. foreign policy considerations.

It will be the purpose of the Foundation to support African initiatives designed to enlarge the opportunities for human and community development, to stimulate wider participation in the development process, and to promote greater control by Africans over decisions affecting their lives. In so doing, the Foundation will place primary emphasis on cooperative, community, and other group endeavors aimed at improving the quality of life of all participants.

The central function of the Foundation will be the funding of projects and programs that community groups undertake to foster their own development. Funding is to be effected as directly as possible and in a strictly responsive fashion.

Second, this institution will support the development of local institutions and of innovative relationships with representative intermediary organizations. This will constitute a challenging but critically important task for the Foundation.

Third, the Foundation will seek to evaluate project experiences with the involvement of experienced African development specialists.

A fourth function of the Foundation will be the support of African research and the facilitation of the transfer of African development resources, experience, and knowledge among the African nations themselves.

Lastly, it will be a function of the Foundation to disseminate to the American public and to other U.S. development institutions its experiences. This, in the last analysis, is a strong justification in itself for the creation of a new foundation, for it will move both Americans and Africans toward a clearer understanding of one another, and of the tortuous path toward development.

I am confident that this legislation offers a possibility of adding a new component to the relationship among the people of Africa and the United States, a relationship based on mutual trust and mutual respect.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1348

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "African Development Foundation Act".

SEC. 2. Part VI of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"Chapter 2—THE AFRICAN DEVELOPMENT FOUNDATION ACT

"SEC. 921. FINDINGS.—The Congress finds that—

"(1) social and economic development ultimately depends on the progress and enhancement of opportunities for individuals within a society;

"(2) the development of individuals and institutions in African nations can benefit by providing support for community-based self-help activities;

"(3) by enacting title IX of the Foreign Assistance Act of 1961, the Foreign Assistance Act of 1973, and the International Development and Food Assistance Act of 1975, the Congress sought to enable the poor to participate in the process of development;

"(4) the Inter-American Foundation, established by Congress in the Foreign Assistance Act of 1969 to support the efforts of the people of Latin America and the Caribbean to solve their development problems, has demonstrated a successful approach to development; and

"(5) an African Development Foundation, patterned after the Inter-American Foundation, can complement current United States development programs in Africa.

"SEC. 922. PURPOSES.—(a) The purpose of the Foundation will be to enable Africans to develop their potential, fulfill their aspirations, and enjoy better, more productive lives.

"(b) The Foundation, in cooperation with indigenous organizations representative of the needs and aspirations of the poor and in coordination with private, regional, and international organizations, shall—

"(1) strengthen the bonds of friendship and understanding between the people of Africa and the United States;

"(2) support self-help initiatives designed to enlarge the opportunities for individual and community development;

"(3) stimulate and assist effective and expanding participation of Africans in their development process;

"(4) encourage the establishment and growth of private and governmental, indigenous, democratic institutions which can respond to the requirements of the poor majority of Africans; and

"(5) improve the quality of life for Africans, including but limited to, enlarging educational opportunities, at all levels, producing food, developing agriculture, improving the environment, and providing health care, labor organizations, and housing.

"SEC. 923. ESTABLISHMENT AND TERMINATION.—(a) There is established as a body corporate the African Development Foundation (hereinafter referred to as the "Foundation"). The Foundation shall have its offices in the United States and shall not have permanent representation in any other country.

"(b) The Foundation shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, and employees, and such revenue, earnings, or other income or property shall only be used for carrying out the purposes set forth in this Act.

"(c) Upon termination of the corporate life of the Foundation its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

"SEC. 924. MANAGEMENT.—(a)(1) The management of the Foundation shall be vested in a Board of Directors (hereafter referred to as the 'Board') composed of seven members appointed by the President, by and with the advice and consent of the Senate, one of whom he shall designate to serve as Chairperson of the Board and one of whom he shall designate to serve as Vice Chairperson of the Board. Four members of the Board shall be appointed from private life. Three members of the Board shall be appointed from among officers or employees of agencies of the United States concerned with African affairs.

"(2) Members of the Board shall be appointed for terms of six years, except that of the members first appointed, as designated by the President at the time of their appointment, two shall be appointed for terms of two years, and two shall be appointed for terms of four years. A member of the Board appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term, but upon the expiration of his term of office such member shall continue to serve until his successor is appointed and shall have qualified. Members of the Board shall be eligible for reappointment.

"(b) Members of the Board shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses not in excess of $50 per day, and for transportation expenses, while engaged in their duties on behalf of the Foundation.

"(c) A majority of the Board shall constitute a quorum.

"(d) The Board may appoint such committees for carrying out the work of the Foundation as the Board finds is in the best interests of the Foundation. Each such committee shall consist of not less than two members of the Board. The Board may delegate any part of the management of the business of the Foundation to such committees.

"(e)(1) The Board of Directors shall appoint a president of the Foundation on such terms as the Board may determine. The president shall receive compensation at a rate not to exceed that provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(2) Experts and consultants, or organizations thereof, may be employed by the Board as authorized by section 3109 of title 5, United States Code.

"(3) Upon approval by the Board, the officers and employees of the Foundation may accept and hold offices or positions with governments or governmental agencies of foreign countries to which no compensation is attached.

"(f)(1) There shall be established a Council to be composed of such number of individuals as may be selected by the Board from among individuals, including foreign nationals, who are knowledgeable about development activities in Africa.

"(2) The Board shall consult the Council concerning the objectives and activities of the Foundation at least once each year.

"(3) Members of the Council shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5703 of title 5, United States Code, for travel and other expenses incurred by them in the performance of their functions under this subsection.

"SEC. 925. FUNCTIONS.—(a) The Foundation may make grants, loans, and loan guarantees to any individual, corporation, or other entity, wherever situated, or to any government or governmental agency, foreign or domestic, to carry out the purposes of this Act, including but not limited to—

"(1) building local institutions and developing innovative relationships with intermediary organizations;

"(2) evaluating projects with a view to the transferability of such projects;

"(3) supporting African research and facilitating the transfer of development resources, expertise, and knowledge within Africa; and

"(4) disseminating to the American public and to United States development institutions insights gained through African development experiences.

"(b) In making grants, loans, and loan guarantees under subsection (a), the Foundation shall give priority to such projects and programs which community groups undertake to foster their own development, and only in poor communities where there are no such projects or programs may the Foundation make such grants, loans, and loan guarantees to African intermediary organizations which are representative and knowledgeable of, and sensitive to, the needs and aspirations of the poor.

"SEC. 926. POWERS.—The Foundation—

"(1) shall have perpetual succession unless dissolved by an Act of Congress;

"(2) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction;

"(3) may adopt, alter, and use a seal, which shall be judicially noticed;

"(4) prescribe, amend, and repeal by its Board of Directors such rules and regulations as may be necessary for the conduct of the business of the Foundation;

"(5) may make and perform contracts and other agreements with any individual, corporation, or other entity however designated and wherever situated, or with any government or governmental agency, foreign or domestic;

"(6) may determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid, including expenses for representation not to exceed $10,000 in any fiscal year;

"(7) may, as necessary for the transaction of the business of the Foundation, employ, and fix the compensation of not to exceed seventy-five persons at any one time;

"(8) may lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherever situated;

"(9) may accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in furtherance of the purposes of this Act; and

"(10) shall have such other powers as may be necessary and incidental to carrying out its powers and duties under this Act.

"SEC. 927. GOVERNMENT CORPORATION CONTROL ACT.—The Foundation shall be subject to title I of the Government Corporation Control Act.

"SEC. 928. AUTHORIZATION OF APPROPRIATIONS.—(a) Notwithstanding any other provision of this Act, not to exceed an aggregate amount of $25,000,000 of the funds made available for each of the fiscal years 1978, 1979, and 1980 to implement this Act shall be made available to carry out the purposes of this chapter.

"(b) Funds made available under subsection (a) shall remain available until expended.".

By Mr. HELMS:

S. 1349. A bill to declare a portion of Trent River in the city of New Bern, County of Craven, State of North Carolina, nonnavigable waters of the United States within the meaning of the laws of the United States; to the Committee on Environment and Public Works.

Mr. HELMS. Mr. President, today I am introducing a bill to declare a portion of the Trent River at New Bern, N.C., as nonnavigable waters of the United States. The purpose of this bill is to allow the redevelopment commission of the city of New Bern to develop and revitalize a three block, 22-acre area adjoining the New Bern business district.

Investigations by the planning commission of the city of New Bern coupled with studies conducted by the urban planning division of the North Carolina Department of Conservation and Development revealed an urgent need for upgrading several areas of New Bern.

Further investigation showed that several programs administered by the U.S. Department of Housing and Urban Development could meet some of New Bern's needs where private capital would not venture. Therefore, the necessary preliminary work was done, and on July 29, 1969, HUD approved a renewal project for three blocks of New Bern's downtown waterfront.

The redevelopment commission was then appointed by the city alderman to administer the redevelopment program. That and countless hours spent by professional planners and the commission resulted in an ambitious face-lifting goal for once thriving, but now blighted area.

The three block, 22-acre urban renewal area has been cleared, bulkheaded, and its elevation raised a minimum of 7 feet, above river level.

Proposals for development, including a pedestrian mall, underground utilities, modern area lighting, ample parking, and landscaping will provide an attractive area for a variety of customer services, and inject new life into the economy of New Bern and the surrounding area.

However, in order for this much-needed development to proceed, legislation is necessary to officially declare this 22-acre tract as nonnavigable waters of the United States. This type of legislation is not unique, and has been done previously when similar situations have existed. Its enactment would obviously be of great benefit to the citizens of New Bern and the area of Craven County, N.C.

I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That those portions of the Trent River in the City of New Bern, County of Craven, State of North Carolina, bounded and described as follows, are hereby declared to be non-navigable waters of the United States within the meaning of the laws of the United States:

All of those tracts or parcels of land lying and being in Craven County, North Carolina, in the City of New Bern between the high water mark of Trent River as it formerly existed, and the bulkhead marking the southern boundary of the lands of the New Bern Redevelopment Commission Project No. NCR-71, and more particularly described as follows:

Tract 1: Beginning at a point which lies south 12 degrees 12 minutes west 499.296 feet from the southwest corner of the intersection of Tryon Palace Drive and U.S. Highway No. 70; and running thence along the former high water mark of Trent River, the following courses and distances: North 79 degrees 07 minutes 24 seconds west 2.65 feet; north 8 degrees 20 minutes east 12.45 feet; north 44 degrees 57 minutes west 30.00 feet; north 89 degrees 45 minutes west 22.00 feet; south 86 degrees 45 minutes west 35.00 feet; south 12 degrees 25 minutes west 76.00 feet; north 76 degrees 35 minutes west 40.00 feet; north 7 degrees 20 minutes east 54.00 feet; north 24 degrees 45 minutes east 43.00 feet; north 24 degrees 45 minutes west 29.00 feet; north 53 degrees 30 minutes west 26.00 feet; north 15 degrees 00 minutes east 21.00 feet; north 77 degrees 15 minutes west 15.00 feet; north 10 degrees 00 minutes east 19.00 feet; north 83 degrees 45 minutes west 28.00 feet; south 37 degrees 55 minutes west 26.00 feet; south 20 degrees 45 minutes west 26.00 feet; south 10 degrees 00 minutes west 30.00 feet; south 49 degrees 45 minutes west 34.00 feet; north 84 degrees 55 minutes west 24.00 feet; north 12 degrees 10 minutes east 100.00 feet; east 7.00 feet; north 11 degrees 00 minutes east 56.00 feet; north 28 degrees 15 minutes west 34.00 feet; north 89 degrees 35 minutes west 15.00 feet; south 17 degrees 40 minutes west 23.00 feet; south 12 degrees 45 minutes west 44.00 feet; north 78 degrees 30 minutes west 85.00 feet; south 11 degrees 00 minutes west 74.00 feet; south 79 degrees 35 minutes east 9.00 feet; south 6 degrees 30 minutes west 39.00 feet; north 84 degrees 35 minutes west 41.00 feet; north 9 degrees 35 minutes east 124.00 feet; north 76 degrees 50 minutes west 54.00 feet; south 11 degrees 00 minutes west 108.00 feet; south 84 degrees 00 minutes west 32.00 feet; north 7 degrees 30 minutes east 71.00 feet; north 72 degrees 00 minutes west 32.00 feet; north 7 degrees 35 minutes east 39.00 feet; north 79 degrees 50 minutes west 29.00 feet; south 13 degrees 20 minutes west 37.00 feet; south 42 degrees 50 minutes west 22.00 feet; north 64 degrees 15 minutes west 13.00 feet; south 57 degrees 20 minutes west 14.00 feet; north 82 degrees 15 minutes west 60.00 feet; north 80 degrees 00 minutes west 108.00 feet; north 52 degrees 30 minutes west 40.00 feet; north 80 degrees 50 minutes west 32.00 feet; north 79 degrees 00 minutes west 32.00 feet; north 9 degrees 30 minutes east 16.00 feet; north 86 degrees 00 minutes west 17.00 feet; south 15 degrees 15 minutes west 40.00 feet; north 77 degrees 00 minutes west 54.00 feet; south 11 degrees 10 minutes west 157.00 feet; south 78 degrees 35 minutes east 5.00 feet; and south 9 degrees 40 minutes west 87.92 feet to the outer edge of the existing bulkhead of the New Bern Redevelopment Commission; thence with the outer edge of said bulkhead the following courses and distances: South 85 degrees 59 minutes 41 seconds east 34.92 feet; north 48 degrees 37 minutes 43 seconds east 135.44 feet, south 86 degrees 14 minutes 57 seconds east 574.09 feet; south 41 degrees 01 minutes 58 seconds east 134.16 feet; south 86 degrees 11 minutes 18 seconds east 62.96 feet; north 48 degrees 44 minutes 56 seconds east 124.48 feet and north 79 degrees 07 minutes 24 seconds west 2.99 feet to the place of beginning, containing 2.83 acres.

Tract 2: Beginning at a point in the eastern line of Middle Street at its intersection with the former high water mark of Trent River, said place of beginning being south 9 degrees 41 minutes west 702.783 feet along the eastern line of Middle Street from the southeast corner of Middle Street and Tryon Palace Drive, and running thence from this place of beginning along the former high water mark of Trent River north 82 degrees 46 minutes 30 seconds west 12.256 feet; thence north 9 degrees 48 minutes east 101.36 feet; thence north 78 degrees 41 minutes west 36.37 feet; thence south 9 degrees 11 minutes west 110.69 feet to the outer edge of the existing bulkhead of the New Bern Redevelopment Commission; thence with the outer edge of the existing bulkhead of the New Bern Redevelopment Commission south 85 degrees 59 minutes 41 seconds east 120.50 feet to a point where the existing bulkhead intersects the former high water mark of Trent River; thence north 82 degrees 46 minutes 30 seconds west 72.544 feet along the former high water mark of Trent River, to the place of beginning; containing 0.09 acres.

Tract 3: Beginning at a point which is located south 80 degrees 00 minutes east 50 feet, south 9 degrees 50 minutes west 313.31 feet; south 5 degrees 54 minutes 24 seconds west 155.79 feet; south 2 degrees 08 minutes east 46 035 feet and south 6 degrees 20 minutes 48 seconds east 1.86 feet from the intersection of the southern line of Tryon Palace Drive and the center line of the Atlantic and North Carolina Railroad; and running thence from this place of beginning with the outer edge of the existing bulkhead of the New Bern Redevelopment Commission the following courses and distances: South 86 degrees 41 minutes 04 seconds east 18.78 feet; thence south 41 degrees 08 minutes 50 seconds east 337.44 feet and south 85 degrees 59 minutes 41 seconds east 40.01 feet; and running thence with the former high water mark of

Trent River the following courses and distances: North 9 degrees 34 minutes east 165.69 feet; north 79 degrees 25 minutes west 69.00 feet; north 74 degrees 05 minutes west 73.00 feet; north 8 degrees 58 minutes east 162.00 feet; north 47 degrees 30 minutes west 65.00 feet; south 11 degrees 20 minutes west 101.50 feet; north 80 degrees 20 minutes west 21.00 feet; north 9 degrees 50 minutes east 133.00 feet; north 35 degrees 45 minutes west 33.00 feet; north 28 degrees 20 minutes west 32.00 feet; north 59 degrees 28 minutes 42 seconds wst 9.76 feet; south 2 degrees 00 minutes west 69.00 feet; south 9 degrees 40 minutes west 91.00 feet; south 89 degrees 10 minutes west 13.00 feet; south 20 degrees 10 minutes west 39.00 feet; south 47 degrees 10 minutes west 58.36 feet and south 6 degrees 20 minutes 48 seconds east 1.86 feet to the place of beginning; containing 1.20 acres.

The descriptions of the foregoing three tracts or parcels of land are taken from a survey prepared by Eastern Engineering & Associates, New Bern, North Carolina, Darrel D. Daniels, Registered Land Surveyor, dated July 28, 1972, revised August 4, 1975, reference to which is hereby made.

Being respectively Parcels 8, 7 and 6, as reflected upon the foregoing plat.

Being that portion of the waters of Trent River which were bulkheaded, and filled under permit bearing date January 16, 1970, addressed to the Redevelopment Commission of the City of New Bern, issued by the Wilmington District, Corps of Engineers, by authority of the Secretary of the Army.

SEC. 2. The declaration in Section 1 of this Act shall apply only to portions of the above described area which are either bulkheaded and filled, or occupied by permanent pile-supported structures, plans for such work having been approved by the Secretary of the Army acting through the Chief of Engineers.

By Mr. PELL (for himself, Mr. HOLLINGS, Mr. MAGNUSON, and Mr. STEVENS):

S. 1350. A bill to amend the National Sea Grant Program Act, to extend the appropriation authorization thereunder, and for other purposes; to the Committee on Human Resources and the Committee on Commerce, Science, and Transportation, jointly, by unanimous consent.

Mr. PELL. Mr. President, I am today introducing, for myself and Senators MAGNUSON, HOLLINGS, and STEVENS, legislation to extend for 2 years the appropriations authorization for the national sea grant college program.

The sea grant college program was established in 1966 with the goal of improving our Nation's use and management of our marine resources through programs of education, applied research, and extension services. The program has the objective of doing for our marine resources what the land grant college system has accomplished so effectively in developing our agricultural resources.

In the decade of its existence, the program has proven its worth. Last year, the Senate National Ocean Policy Study conducted a thorough review of the program and the basic authorizing legislation was revised to strengthen the program. In effect, the national sea grant college program in 1976 was subjected to the kind of basic review that is envisioned in "sunset" and zero-based budgeting proposals. After that review the National Ocean Policy Study, the Committee on Commerce and the Committee on Labor and Public Welfare recommended a $50,000,000 authorization for fiscal year 1977 and that recommendation was approved by the Congress.

The bill I am introducing today would extend the authorization of appropriations at the $50,000,000 level for fiscal years 1978 and 1979. It would also extend for 2 years the separate appropriation authorizations for two new sea grant program activities authorized by the 1976 legislation: A national needs category of sea grant activity, and a program to encourage international cooperation and exchanges in marine technology transfer and resource development.

Mr. President, as the original Senate sponsor of the legislation which established this program, I have been pleased and proud to see the program's measured growth and growing accomplishments.

Here in the Senate, the program has enjoyed broad support and I am particularly grateful to the distinguished chairman of the Senate Committee on Commerce, Science and Transportation, Senator MAGNUSON, and to the distinguished junior Senator from South Carolina, Senator HOLLINGS, for the immense contributions they have made to the sea grant college program through their leadership and support.

Mr. President, the Sea Grant College Act has played a vital role in building a national marine science capability that is responsive to local, State, and regional needs. This capability has become increasingly important as opportunities and pressures for increased use of our coastal areas and marine resources increase.

The program is also succeeding in developing and applying new technology with commercial, job-producing potentials. A recent study by the Center for Policy Alternatives at the Massachusetts Institute of Technology of 77 sea-grant projects concluded that these projects had a potential annual commercial sale potential of from $82 to $122 million by 1980.

Mr. President, I believe the sea-grant college program has grown stronger, more productive, and more necessary to our national well-being with each year. For that reason I am proud to join with Senators MAGNUSON and HOLLINGS in introducing this legislation.

Mr. HOLLINGS. Mr. President, the sea-grant program has made significant contributions which aid our understanding and management of the Nation's valuable coastal and ocean resources. It was created in 1966 through the Marine Resources and Engineering Development Act, which authorized a program to fund a series of educational, research, and advisory activities, most of them at colleges and universities around the country. Grants are made on a matching basis, with States and private groups sharing in the financing. The program originally was administered by the National Science Foundation, but was transferred in 1970 to the National Oceanic and Atmospheric Administration.

Sea grant is a practical and useful program. It funds the education and training of ocean professionals, researchers, and technicians. It supports research aimed at better understanding the oceans and coastal zone, knowledge which bears on both the development of resources and the protection of the environment. Much of this research is to improve our understanding and utilization of fisheries and aquaculture. Other work deals with improving harbors, understanding the ecology and economics of the coastal regions, and the development of new and environmentally sound ways to utilize marine minerals, including offshore oil and gas. The program also funds valuable marine advisory services, which directly provide information and assistance to industry and to State and local governments; sea grant believes in making its findings useful.

The program now is managed by NOAA's small and highly professional Office of Sea Grant. On the field level, the heart of the program is a series of schools designated as "sea-grant colleges." Located around the country, each such college program is designated to be a center of excellence for marine education, research, and advice for its particular area.

Last year the Sea Grant Act was 10 years old, and the program itself had grown from $8 1 million in 1968—$5 million in Federal money, the rest matching funds—to $39.9 million in 1976—$23.1 million in Federal money. The Congress took a comprehensive look at the program, and the result was the Sea Grant Program Improvement Act of 1976 (Public Law 94-461). The new law included these features:

The administrative provisions of the act were spelled out in greater detail both to provide more specific policy guidance and to facilitate congressional oversight.

The program's basic authorization of $50 million was continued for 1 additional year.

Two new aspects were added to the program. One was a separate 1-year authorization of $5 million for nonmatching grants to meet specific national needs in the marine area. This was done to improve NOAA's ability to understand today's complex policy issues, especially those dealing with the management of coastal and marine resources. Another separate 1-year authorization of $3 million was made for nonmatching grants to enhance the marine science and technology capabilities of developing countries and to encourage international sharing and exchange of information.

The new act also provided for regional consortia of colleges, in order to build cooperation among schools involved in marine and coastal affairs.

A small sea grant fellowship program was created as a means to encourage and recognize the efforts of qualified gradutes and undergraduates in marine and coastal affairs.

It established a sea grant review panel to monitor the program and offer advice to the office of sea grant.

The act requires the Secretary of Commerce to submit an annual report reviewing the activities of and outlook for sea grant, and containing independent evaluations by the Office of Management and Budget and the Office of Science and Technology Policy.

The new law was passed with a 1-year authorization, so that this year the Congress would hold hearings to review the

implementation of the new provisions, and to provide policy guidance where needed.

I look forward to the hearings that the Senate committee will soon hold on this bill. Sea grant is a nationally important program which has performed very well in the 11 years since it was created, and I am sure in the future that it will continue to contribute greatly to our understanding of the coastal and marine environments.

Mr. STEVENS. Mr. President, in 1966, Congress enacted Public Law 69-688, the National Sea Grant College and Program Act. The intent of the original act was to bring to bear on our Nation's rich ocean resources the same mechanisms that our system of land-grant colleges applied to the development of our Nation's agricultural resources. This act was reauthorized for 1 year during the last session of Congress and I am again happy to join with Senator HOLLINGS in reauthorizing this program.

The Sea Grant Act has authorized matching grants to colleges, universities, and other institutions for educational programs designed to solve national needs related to marine resources and to educate marine policy and resource specialists. Assigned originally to the National Science Foundation, the program became a part of the National Oceanic and Atmospheric Administration in October 1970, under the President's Reorganization Plan No. 4.

Currently, upward of 125 educational institutions are participating in the program and over 400 governmental agencies and private companies are involved in various sea grant programs. Grants issued under sea grant are currently averaging about 60 percent Federal funding—the Federal maximum allowable level under the act is 66⅔ percent. Eleven State legislatures appropriate matching funds as explicit items in their State budgets. Over 3,500 individuals are directly involved in sea-grant sponsored activities.

The sea grant program, given the funding limitations imposed on its operation, has proved to be a much needed component in the educational system. Experience in administering the basic act, however, has indicated that the program needs to be updated to meet the needs of the future. I feel it is critical to the long-range interests of this Nation that a vital and responsive sea grant program is in effect to educate and train those individuals who will be responsible for maintaining U.S. leadership in ocean activities.

Mr. President, it was 11 years ago that the Congress enacted the Pell-Rogers Act establishing the national sea grant college program. The objective was to provide an effective mechanism to increase practical knowledge and productive use of our Nation's marine resources.

Now, with the benefit of over a decade of experience with the national sea grant college program, we have before us legislation to reauthorize the program.

Through its selective and competitive system of matching grants, the sea grant college program has harnessed the energies of colleges and universities, State and local governments and other institutions, to produce effective programs of marine education, applied research on the problems of ocean resource development, and highly successful advisory services that reach out to all who are interested in the use and preservation of our coastal resources.

Because it is a matching grant program, the sea grant program has had an impact far greater than would be expected from its modest budget. And, because local interests share in the funding of sea grant programs, local sponsors have had a strong interest in seeing that the programs are directed to priority needs and are efficient and productive.

In Alaska, the University of Alaska, through sea grant, is doing a number of studies on shellfish and salmon fisheries, paralytic shellfish poison, commercial fishing safety, and commercial fisheries development. This work will be a great aid in our continuing efforts to replenish our depleted fish stocks and revitalize our fishing industry.

Over the last 11 years, sea grant has grown and developed into an outstanding program for ocean research. In the future, sea grant will be able to provide us with new information on regenerating, production, and harvest of our marine resources. Particularly in light of our new management authority in the 200-mile zone, sea grant will take on an added significance in the next few years.

Mr. President, I strongly support passage of this legislation. I also want to express my appreciation and admiration for the leadership and the cooperation demonstrated in the consideration of this legislation by the senior Senator from Washington, Senator MAGNUSON, chairman of the Commerce Committee, and the senior Senator from South Carolina, Senator HOLLINGS, chairman of the Subcommittee on Oceans and Environment, both of whom have given strong and consistent support to sea grant and to our entire national oceans program.

JOINT REFERRAL OF A BILL

Mr. PELL. Mr. President, I ask unanimous consent that the bill, the national sea grant college program, for the next 2 years' authorization introduced by myself, Senators HOLLINGS, MAGNUSON, and STEVENS, be jointly referred to the Committee on Human Resources, and the Committee on Commerce, Science, and Transportation.

This has been agreed to by the chairmen and the ranking minority members on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. THURMOND:

S. 1351. A bill granting the consent of Congress to retired members of the uniformed services, members of reserve components of the Armed Forces, and members of the Public Health Service Reserve Corps to accept employment with foreign governments; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, retired members of the uniformed services and certain others are denied retirement benefits when they are employed by foreign governments. I am proposing legislation to authorize these earned benefits for which they are otherwise eligible under applicable laws.

This problem has been examined by the Comptroller General of the United States. The following is an extract from a report to me on this matter.

Article I, section 9, clause 8 of the Constitution of the United States provides as follows:

"No title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State."

The history of this provision indicates that the intent was to prevent foreign governments from exercising undue influence upon officers of the United States. 24 Op. Atty. Gen. 116 (1902). In this regard, it has been the longstanding position of this Office that the above-quoted provision of the Constitution requires the withholding of the retired pay of Regular members of the armed services, including officers retired for length of service who are employed in circumstances prohibited by the subject constitutional provision. See 41 Comp. Gen. 715 (1962); B-152844, December 12, 1963; 44 Comp. Gen. 130 (1964); and 53 Comp. Gen. 753 (1974).

The basis for such conclusion is founded on the well established holding that a Regular officer of the armed services who is retired from active service is still in the military service of the United States. *United States* v. *Tyler*, 105 U.S. 244 (1881); 10 U.S.C. 3075 (1970). See also *Hooper* v. *United States*, 164 Ct. Cl. 151 (1964). We have long held that certain members of the armed services, including Regular officers retired for length of service, receive retired pay by virtue of their continuing status in the military service after their retirement. See 23 Comp. Gen. 284 (1943); 37 Comp. Gen. 207 (1957); 38 Comp. Gen. 523 (1959); and 41 Comp. Gen. 715 (1962).

Although there are a great number of retirees living in foreign countries, it is not known how many are employed or desire to be employed by foreign governments. Most of them work for our Government or with U.S. contractors and civilian enterprises.

Mr. President, I believe that by establishing certain procedures under a new law, the historic objections of possible undue influence by foreign governments over these American retirees can be controlled and properly handled, if violations occur. The bill which I am proposing would permit retired members of the uniformed services to accept foreign government employment provided they have received prior approval of the Secretary of State and the Secretary of the Department concerned. It is my understanding, that the relevant departments do not oppose legislation to correct this inequity.

Legislative action of this type is necessary because of the determination by the Comptroller General that retired officers of certain uniformed services still hold an office of profit and trust under the U.S. Government even after retirement, and are thus subject to the restrictions of the last paragraph of the Constitution. Under present practice, failure to comply with the Comptroller General's interpretation of the constitutional pro-

visions results in loss of retirement benefits.

Mr. President, the legislation would, in effect, extend to retired regular officers of the specified services, consent that Congress granted to Reserve members of the armed services in 1952 (see U.S.C. 1032).

Consequently, I am introducing a bill granting the consent of the Congress to retired members of the uniformed services, members of Reserve components of the Armed Forces and members of the Public Health Service Reserve Corps to accept employment with foreign governments.

Mr. President, I sincerely urge my distinguished colleagues to give this proposal serious and favorable action. I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) subject to the condition described in subsection (b), the consent of Congress is granted to—

(1) any retired member of the uniformed services,

(2) any member of a reserve component of the Armed Forces, and

(3) any member of the commissioned Reserve Corps of the Public Health Service, to accept any civil employment (and compensation therefor) with respect to which the consent of Congress is required by the last paragraph of section 9, article I of the Constitution of the United States, relating to acceptance of emoluments, offices, or titles from a foreign government.

(b) No individual described in subsection (a) may accept any employment or compensation described in such subsection unless the Secretary concerned and the Secretary of State approve such employment.

(c) For purposes of this Act, the term—

(1) "uniformed services" mean the Armed Forces, the commissioned Regular and Reserve Corps of the Public Health Service, and the commissioned corps of the National Oceanic and Atmospheric Administration;

(2) "Armed Forces" means the Army, Navy, Air Force, Marine Corps, and Coast Guard; and

(3) "Secretary concerned" means—

(A) the Secretary of the Army, with respect to retired members of the Army and members of the Army Reserve;

(B) the Secretary of the Navy, with respect to retired members of the Navy and the Marine Corps, members of the Navy and Marine Corps Reserves, and retired members of the Coast Guard and members of the Coast Guard Reserve when the Coast Guard is operating as a service in the Navy;

(C) the Secretary of the Air Force, with respect to retired members of the Air Force and members of the Air Force Reserve;

(D) the Secretary of Transportation, with respect to retired members of the Coast Guard and members of the Coast Guard Reserve when the Coast Guard is not operating as a service in the Navy;

(E) the Secretary of Commerce, with respect to retired members of the commissioned corps of the National Oceanic and Atmospheric Administration; and

(F) the Secretary of Health, Education, and Welfare, with respect to retired members of the commissioned Regular Corps of the Public Health Service and members of the commissioned Reserve Corps of the Public Health Service.

(d) Section 1032 of title 10, United States Code, is repealed.

By Mr. THURMOND (for himself, Mr. TALMADGE, Mr. HOLLINGS, Mr. STAFFORD, Mr. NUNN, Mr. SCOTT, and Mr. LEAHY):

S. 1352. A bill to amend section 2107 of title 10, United States Code, to authorize financial assistance to be made available to an additional number of students enrolled in the Senior Reserve Officers' Training Corps programs at certain designated educational institutions, and for other purposes; to the Committee on Armed Services.

Mr. THURMOND. Mr. President, in the last session of Congress, five of my distinguished colleagues and I introduced S. 2563 to authorize the reallocation of Reserve Officer Training Corps—ROTC—scholarships to designated military colleges and others which met certain requirements.

Since this very worthy measure was not acted upon, several of my colleagues and I are reintroducing a similar bill today. I believe that this bill has even more merit than when we introduced it originally in the 94th Congress.

Mr. President, many of our highly qualified young men today who are motivated for a military career cannot afford to go to a 4-year college where the ROTC programs are superior because the cost is prohibitive. This bill would help some of these less fortunate, but top caliber, young men to pursue a military career at some of our best military colleges where four years of a disciplined and military environment are required. Our service academies can only accept a limited number of thousands of highly qualified applicants.

Mr. President, this bill is different from the last one in one major area. My bill in the last session of Congress reallocated authorized scholarships. My current proposal would increase the total number of scholarships. It will not reduce the scholarships at other fine colleges and universities where there are excellent ROTC programs on an optional basis. This bill will authorize additional ROTC scholarships at designated military universities over and above the current 19,000 scholarships authorized under the law. It will authorize 60 ROTC scholarships for each military service represented on the campus at each of the four designated military institutions: The Citadel; Virginia Military Institute (VMI); North Georgia College; and Norwich University. These scholarships to each of these designated military schools would be in addition to those scholarships awarded to individual's who choose to attend one of the designated military schools, or other colleges where 4 years of ROTC are available. The military services which are presently represented at these designated military institutions are: The Citadel and VMI, Army, Navy and Air Force; Norwich University, Army and Air Force; and North Georgia College, Army.

In addition, this bill will authorize the same additional number of scholarships to each accredited educational institution which meets the established criteria in the proposed measure. However, military colleges other than those designated where the criteria can be complied with are unknown.

Mr. President, the total additional ROTC scholarships annually authorized by my bill for the currently designated colleges would be 540. The estimated cost today for a 4-year scholarship student is about $15,000, or about $3,750 per year. Consequently, the approximate cost of this measure initially would be about $1.9 million, plus costs of military colleges which may qualify as a designated college in the future under this measure. This bill will increase the currently authorized scholarships from 19,000 to 19,540. The Department of Defense currently budgets about $89 million for the scholarship program.

The cost may sound expensive, but when comparing the $15,000 for one 4-year scholarship at an ROTC college to $102,000 estimated for one 4-year graduate of West Point, when the cost is not excessive. At our military academies, the Government funds the entire cost of the academies, whereas a designated military college is mostly or entirely financed from sources other than Federal revenues. The average cost to a designated military college to graduate a commissionee is estimated to be about $17,824 for fiscal year 1977.

It should be pointed out that the Defense Department is currently authorized 19,000 ROTC scholarships. Many of the 19,000 are 2-year scholarships. A budget of approximately $89 million annually has been sufficient to maintain the current level of scholarships. The additional 540 ROTC scholarships for designated colleges specified in this bill will increase the scholarships annual funding to about $90.9 million.

Mr. President, the single factor which most differentiates the military college from other ROTC host institutions is the total immersion in a military environment as opposed to the part-time participation.

The military colleges organize their students in a Corps of Cadets—an organization that exists 24 hours a day, 7 days a week. These corps, other than providing military regimentation, also provide the continuing environment through which individuals develop leadership abilities. The development of these abilities is promoted through an organized military chain of command wherein individual cadets occupy the military positions comparable to their counterparts in an active military organization. Thus, in the 4 years of attendance at a full-time military college, a student has opportunity to progress through various ranks and responsibilities in a progressive pattern of leadership.

This process is carried out both in the barracks and classroom for the chain of command is constantly in effect and the regulations of the corps always pertain.

The conduct of drill, wearing of the uniform, routine inspections, and attendance at ROTC classes, all have their parallels at some of the nonmilitary ROTC host institutions. However, it is the total immersion in the military environment which most distinguishes the military colleges.

Certainly, the student who has been trained militarily on a continuing basis versus the part-time ROTC student will have a distinct advantage at the time of his commission into a military service of his choice.

Mr. President, for the convenience of my distinguished colleagues, I would like to extract some of the rationale for introducing the previous measure. The following are extracts from the CONGRESSIONAL RECORD of October 22, 1975, volume 121, No. 155:

Mr. President, a few years ago our military establishment and our Nation experienced a devisive antimilitary and antipatriotic era beyond all reason because of the Vietnam War. It is indeed heartening and encouraging that we are now beginning to see in our society a dramatic move back toward patriotism, citizenship, honor, and integrity by our young people.

There are many signs of this trend today in our society, but one of the most obvious indicators is the great increase in applications to our service academies and our Reserve Officer Training Corps—ROTC—colleges.

Mr. President, more young Americans are seeking the challenges offered by a military education which can be readily seen in recent application figures from the national service academies. This past year there were just under 11,000 applicants to the U.S. Military Academy at West Point; however, only 1,500 cadet spaces were available for the last school year 1974–75. There were approximately 4,000 fully qualified applicants remaining who could not be admitted due to space limitations.

Both the Air Force and Naval Academies enjoyed similar record application figures. My own applicants to the service academies have almost doubled the last 2 years. This is particularly significant when we see many of our Nation's colleges and universities experiencing a drop in enrollment.

Thus, it has become most apparent to me that our military colleges such as The Citadel, the Virginia Military Institute (VMI), North Georgia College (NGC) and (Norwich University added) along with our service academies, should play an increasingly important role in this resurgence of the basic principles which have provided our Nation with enduring greatness. I am convinced that our country is realizing only a small fraction of the potential of the national resources that our military colleges represent, as producers of high quality career officers and citizen soldiers.

Mr. President, we have long recognized the truth that our service academies produce the type and quality of leaders that are required by our Armed Forces. It is also true that a regimented and disciplined educational environment stressing integrity, character building and leadership is a sound basis for selecting future leaders. Furthermore, attendance at a military college with a nonpermissive regimen can be a measure of the motivation and interest for extended service of scholarship students.

Therefore, I am introducing legislation which would allow our Nation to more fully realize the advantages offered by the unique leadership laboratories of the military college. This legislation advocates directing a number of ROTC scholarship students each year to specified military colleges which require a total of 4-year military environment. The variety of academic disciplines at these institutions, plus an improved curriculum resulting from such a program could readily accommodate scholarship students from each service each year.

Mr. President, the certification of the military college in public law has always been a strong prestige factor to specified schools. It was apparently considered necessary for their continued national reputations and consequent capability to attract students on a national basis. To me, this concept is, in today's society, more important than ever. However, the military college ROTC program for scholarship purposes, is treated like other ROTC units whose missions do not concentrate on career recruitment of officers nor have the training and development comparable to the service academies. Military colleges, like The Citadel, VMI, NGC, and (Norwich University added) are comparable in these fields to the service academies. Admittedly, equal programs deserve equal treatment, but I believe additional considerations are fully justified for programs which offer a total military environment.

Mr. President, I believe certain military colleges are entitled to a greater number of 4-year ROTC scholarship recipients, thus more fully employing the resources of these fine institutions in providing our Armed Forces with a well trained young leader who is endowed with a high sense of duty, integrity and courage.

Also, many thousands of our Nation's outstanding high school graduates are interested in military colleges and qualified but cannot attend college because of the excessive spiraling costs of a college education.

Mr. President, I am proposing an amendment to section 2107, title 10 of the United States Code to authorize an additional 540 ROTC scholarships for the Army, Navy, and Air Force to be allocated on the basis of 60 per military service hosted at each of the following designated military colleges: The Citadel, Charleston, S.C.; Virginia Military Institute, Lexington, Va.; North Georgia College, Dahlonega, Ga.; and Norwich University, Norfield, Vt. These 540 scholarships are over and above those authorized under the Department of Defense current program, whereby a person is awarded a scholarship and chooses the college he desires which may or may not be one of the designated military schools. The same standards for awarding scholarships apply to both categories.

In addition, this bill will provide additional scholarships for those military colleges which may qualify under the criteria of the bill. The bill requires that: The college be an accredited educational institution; makes the ROTC program available for all students for 4 years and requires that at least 2 years be mandatory; authorized to grant baccalaureate degrees; and has been specifically designated by the Secretary of Defense.

Mr. President, this is the objective of my bill. I sincerely urge my distinguished colleagues to give this proposal serious and favorable action. I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2107 of title 10, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(i)(1) In addition to the total number of appointments specified in subsection (h)—

"(A) not more than 60 appointments may be awarded to students enrolled in the Army Reserve Officers' Training Corps program, not more than 60 appointments to students enrolled in the Naval Reserve Officers' Training Corps program, and not more than 60 appointments to students enrolled in the Air Force Reserve Officers' Training Corps program at the following educational institutions:

"(i) The Citadel, Charleston, South Carolina;

"(ii) Virginia Military Institute, Lexington, Virginia;

"(iii) North Georgia College, Dahlonega, Georgia; and

"(iv) Norwich University, Northfield, Vermont.

"(B) not more than 60 appointments may be awarded to students enrolled in the Army Reserve Officers' Training Corps program, not more than 60 appointments to students enrolled in the Naval Reserve Officers' Training Corps program, and not more than 60 appointments to students enrolled in the Air Force Reserve Officers' Training Corps program at each accredited educational institution (other than an institution named in subclause (A)) which (i) makes the Reserve Officers' Training Corps program a mandatory course of study for at least two years, (ii) is authorized to grant baccalaureate degrees, and (iii) has been specifically designated by the Secretary of Defense for such additional number of appointments.

"(2) No appointment may be made under this subsection in any Army, Naval, or Air Force Reserve Officers' Training Corps program, as the case may be, at any educational institution named in clause (1)(A) or designated under clause (1)(B) unless such program is offered by such institution as a four year program.".

By Mr. THURMOND:

S. 1353. A bill to amend chapter 81 of title 28, United States Code, to provide review by the Supreme Court of the United States for decisions of the U.S. Court of Military Appeals; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, the Supreme Court of the United States by writ of certiorari reviews the decisions of Federal courts in criminal cases, except those of the U.S. Court of Military Appeals. Review by certiorari of the Court of Military Appeals decisions is desirable to insure proper and complete resolution of constitutional issues in military justice. As the Supreme Court has recognized the expertise of the Court of Military Appeals, it would be appropriate as well as efficient to provide for direct review of decisions by the Supreme Court. Direct review would replace an inefficient system of indirect review, beginning in the Federal district courts, through collateral attacks on military convictions.

The annual report of the U.S. Court of Military Appeals and the Judge Advocates General of the Armed Forces and the General Counsel of the Department of Transportation provided to Congress for 1974 indicates that the services tried 47,818 courts-martial. Of that number, 5,330 were reviewed by Courts of Military Review. During this period, 1,417 cases were docketed with the U.S. Court of Military Appeals. Nevertheless, there should be no large increase in the workload of the Supreme Court. Few military cases include the type of issues which would lead to issuance of a writ of certiorari. Even though few military cases would come before the Supreme Court, their impact would be great in view of the military cases tried. This bill will insure the Highest Court of the Nation

a direct influence on military criminal jurisprudence.

ADDITIONAL COSPONSORS

S. 175

At the request of Mr. SCHWEIKER, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 175, a bill to provide a special program of financial assistance to opportunities industrialization centers and to other national community based organizations.

S. 247

At the request of Mr. GOLDWATER, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 247, to provide recognition to the Women's Air Forces Service Pilots.

S. 270

At the request of Mr. KENNEDY, the Senator from Vermont (Mr. STAFFORD), the Senator from Michigan (Mr. RIEGLE), the Senator from Ohio (Mr. METZENBAUM), the Senator from Alaska Mr. GRAVEL), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 270, the Public Participation in Federal Agency Proceedings Act.

S. 380

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER) was added as a cosponsor to S. 380, which would amend section 111 of the Agricultural Trade Development and Assistance Act of 1954 to modify the so-called 75/25 food assistance requirement provided for in such section.

S. 708

At the request of Mr. CLARK, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 708, to amend the Social Security Act.

At the request of Mr. CLARK, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 708, to amend title XVIII of the Social Security Act to provide payment for rural health clinic services.

S. 779

At the request of Mr. BURDICK, the Senator from Minnesota (Mr. ANDERSON) and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 779, to amend the Internal Revenue Code of 1954.

S. 834

At the request of Mr. SCHWEIKER, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 834, to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide education for himself, his spouse, or his dependents.

S. 846

At the request of Mr. DOMENICI, the Senator from Alaska (Mr. GRAVEL) and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 846, the Water Resources Research and Technology Development Act.

S. 987

At the request of Mr. ANDERSON, the Senator from Utah (Mr. GARN), the Senator from North Dakota (Mr. YOUNG), and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 987, to amend the Immigration and Nationality Act.

S. 995

At the request of Mr. WILLIAMS, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 995, to amend the Civil Rights Act of 1964.

S. 1014

At the request of Mr. DOMENICI, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 1014, to amend the Internal Revenue Act of 1954.

S. 1167

At the request of Mr. DOMENICI, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1167, the Native Latex Commercialization Act.

S. 1177

At the request of Mr. CHILES, the Senator from Florida (Mr. STONE), the Senator from Alabama (Mr. ALLEN), the Senator from Montana (Mr. MELCHER), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 1177, to amend the Occupational Safety and Health Act.

S. 1260

At the request of Mr. HART, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 1260, the Health Protection Tax Act of 1977.

S. 1326

At his own request, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1326, to designate the Thaddeus Kosciuszko Historic Route.

SENATE RESOLUTION 117

At the request of Mr. NELSON, the Senator from South Carolina (Mr. HOLLINGS) and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of Senate Resolution 117, to designate National Small Business Week.

SENATE CONCURRENT RESOLUTION 6

At the request of Mr. BAYH, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of Senate Concurrent Resolution 6, to place a statue of Martin Luther King, Jr., in the Capitol.

AMENDMENT NO. 136

At the request of Mr. SCHWEIKER, the Senator from Utah (Mr. HATCH) and the Senator from California (Mr. HAYAKAWA) were added as cosponsors of amendment No. 136, intended to be proposed to H.R. 4876, making economic stimulus appropriations for the fiscal year ending September 30, 1977.

AMENDMENT NO. 188

At the request of Mr. DOMENICI, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of amendment No. 188, intended to be proposed to H.R. 3477, the Tax Reduction and Simplification Act of 1977.

AMENDMENT NO. 190

At the request of Mr. CHURCH, the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Alaska (Mr. GRAVEL), the Senator from New Hampshire (Mr. DURKIN), the Senator from Colorado (Mr. HART), the Senator from California (Mr. HAYAKAWA), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of amendment No. 190, intended to be proposed to H.R. 3477, the Tax Reduction and Simplification Act of 1977.

AMENDMENT NO. 195

At the request of Mr. GOLDWATER, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of amendment No. 195, intended to be proposed to H.R. 3477, the Tax Reduction and Simplification Act of 1977.

SENATE RESOLUTION 140—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES

(Referred to the Select Committee on Small Business.)

Mr. NELSON (for himself and Mr. WEICKER) submitted the following resolution:

S. RES. 140

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by section 134(a) of the Legislative Reorganization Act of 1946, as amended, and Senate Resolution 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, in accordance with its jurisdiction under such Senate Resolution, the Select Committee on Small Business, or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, and (4) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. The expenses of the committee under this resolution shall not exceed $174,500.00, of which amount not to exceed $1,500.00 may be expended for the procurement of the services of individual consultants, or organizations thereof.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 141—SUBMISSION OF A RESOLUTION AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

(Referred to the Committee on Human Resources.)

Mr. MCGOVERN (for himself, Mr. PERCY, Mr. KENNEDY, Mr. HUMPHREY, Mr. DOLE, Mr. SCHWEIKER, Mr. LEAHY, and Mr. ZORINSKY) submitted the following resolution:

S. RES. 141

Resolved, That the expenses of the Select Committee on Nutrition and Human Needs,

established by S. Res. 281, Ninetieth Congress, agreed to on July 30, 1968, and extended by S. Res. 4 through December 31, 1977, shall not exceed $241,500.00, of which amount not to exceed $12,500.00 shall be available for the procurement of the services of individual consultants, or organizations thereof, for the period of July 1, 1977, through December 31, 1977.

SEC. 2. Expenses of the Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Committee.

SEC. 3. Severance benefits shall be extended to staff of the Select Committee on Nutrition and Human Needs in the same amount and under the same formula as benefits paid to staff of Committees terminated under the provisions of S. Res. 4.

Mr. McGOVERN. Mr. President, I am submitting, on behalf of myself, Senator PERCY, the ranking minority member, and other Senators, a resolution extending the Select Committee on Nutrition and Human Needs through December 31, 1977, and authorizing additional expenditures by the committee for that period.

The committee met in executive session this morning and following a poll of members, unanimously approved this resolution and the budget expenditure which it would authorize.

Mr. President, the proposed extension and budget of the select committee reflect two important realities: First, the need for fiscal restraint in Government; and second, recognition of the vitally important work that remains to be done in the areas of nutrition education, nutrition research, diet and health, and the still too prevalent problems related to malnutrition.

The proposed committee budget for the period July 1 through December 31, 1977, is $241,500—less than a 10-percent increase over the budget approved for the previous 12 months. The fact that this increase hardly even meets the likely rate of inflation does not reflect a diminished salience or priority of nutrition issues.

Indeed, in areas ranging from food stamps to child nutrition to nutrition problems of the elderly, the value of the committee's work continues to grow. Rather the size of the proposed budget increase, which in real dollars represents virtually no increase and in fact provides no additional staff, is a result of my strong conviction, and that of the committee in general, that every part of Government ought to restrain spending to the maximum possible extent and achieve the maximum return for each dollar of expenditure. There has been no attempt to inflate the budget request to absorb an anticipated cut. The committee believes this to be a realistic, minimum budget.

Committee members also emphasized the importance of providing identical severance benefits to staff members as those provided other staffers of committees terminated by Senate Resolution 4.

SENATE RESOLUTION 142—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. STENNIS, from the Committee on Armed Services, reported the following original resolution:

S. RES. 142

Resolved, That, in holding hearings, reporting such hearings and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Armed Services, or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $500,000, of which amount not to exceed $36,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 143—ORIGINAL RESOLUTION REPORTED RELATING TO THE CONSIDERATION OF H.R. 5040

(Referred to the Committee on the Budget.)

Mr. SPARKMAN, from the Committee on Foreign Relations, reported the following original resolution:

S. RES. 143

Resolved, that (a) pursuant to 402(c)(1)(A) of the Congressional Budget Act of 1974 (Public Law 93-344; 88 Stat. 297), subsection (a) of such section shall not apply with respect to the consideration in the Senate of the bill (H.R. 5040) to authorize additional appropriations for the Department of State for fiscal year 1977.

(b) Such waiver is necessary for the following reasons:

(1) U.S. contributions to UNESCO, the authorization of appropriations for which is the principal purpose of this bill, were suspended by Congress in December 1974 until such time as the President certified to Congress that UNESCO had adopted policies more consistent with that organization's original objectives; such certification having been made on December 29, 1976, funds are now needed for the payment of U.S. arrearages; and

(2) the other appropriations authorized by the bill—for migration and refugee assistance in Indochina, for aid to Soviet refugees, and for the construction of Foreign Service buildings in Cairo—represent needs which were not identified by the Committee until this session of Congress.

AMENDMENTS SUBMITTED FOR PRINTING

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977—H.R. 3477

AMENDMENT NO. 200

(Ordered to be printed and to lie on table.)

Mr. DANFORTH. Mr. President, on behalf of Mr. JAVITS, Mr. BELLMON, Mr. DOMENICI, Mr. DOLE, Mr. MCCLURE, Mr. CHAFEE, Mr. HATFIELD, Mr. LUGAR, and myself, I submit an amendment for printing which we intend to propose to H.R. 3477, and I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 200

Beginning on page 32, line 1, up to page 37, line 1, in lieu of the material sought to be inserted by the committee amendment, insert thereof the following:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2 (a)), a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $4,200	No tax.
Over $4,200 but not over $5,200	$120, plus 13% of excess over $4,200.
Over $5,200 but not over $6,200	$250, plus 15% of excess over $5,200.
Over $6,200 but not over $7,200	$4,00, plus 16% of excess over $6,200.
Over $7,200 but not over $9,200	$560, plus 18% of excess over $7,200.
Over $9,200 but not over $13,200	$1,280, plus 21% of excess over $9,200.
Over $13,200 but not over $17,200	$2,120, plus 24% of excess over $13,200.
Over $17,200 but not over $21,200	$3,080, plus 27% of excess over $17,200.
Over $21,200 but not over $25,200	$4,160, plus 32% of excess over $21,200.
Over $25,200 but not over $29,200	$5,440, plus 36% of excess over $25,200.
Over $29,200 but not over $33,200	$6,880, plus 39% of excess over $29,200.
Over $33,200 but not over $37,200	$8,440, plus 42% of excess over $33,200.
Over $37,200 but not over $41,200	$10,120, plus 45% of excess over $37,200.
Over $41,200 but not over $45,200	$11,920, plus 48% of excess over $41,200.
Over $45,200 but not over $53,200	$13,840, plus 50% of excess over $45,200.
Over $53,200 but not over $65,200	$17,840, plus 53% of excess over $53,200.

"If the taxable income is:	The tax is:
Over $65,200 but not over $77,200	$24,200, plus 55% of excess over $65,200.
Over $77,200 but not over $89,200	$30,800, plus 58% of excess over $77,200.
Over $89,200 but not over $101,200	$37,760, plus 60% of excess over $89,200.
Over $101,200 but not over $121,200	$44,960, plus 62% of excess over $101,200.
Over $121,200 but not over $141,200	$57,360, plus 64% of excess over $121,200.
Over $141,200 but not over $161,200	$70,160, plus 66% of excess over $141,200.
Over $161,200 but not over $181,200	$83,360, plus 68% of excess over $161,200.
Over $181,200 but not over $201,200	$96,960, plus 69% of excess over $181,200.
Over $201,200	$110,760, plus 70% of excess over $201,200.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $4,200	No tax.
Over $4,200 but not over $5,200	$120, plus 14% of excess over $4,200.
Over $5,200 but not over $7,200	$260, plus 17% of excess over $5,200.
Over $7,200 but not over $9,200	$600, plus 18% of excess over $7,200.
Over $9,200 but not over $11,200	$960, plus 21% of excess over $9,200.
Over $11,200 but not over $13,200	$1,380, plus 22% of excess over $11,200.
Over $13,200 but not over $15,200	$1,820, plus 24% of excess over $13,200.
Over $15,200 but not over $17,200	$2,300, plus 26% of excess over $15,200.
Over $17,200 but not over $19,200	$2,820, plus 28% of excess over $17,200.
Over $19,200 but not over $21,200	$3,380, plus 30% of excess over $19,200.
Over $21,200 but not over $23,200	$3,980, plus 32% of excess over $21,200.
Over $23,200 but not over $25,200	$4,620, plus 35% of excess over $23,200.
Over $25,200 but not over $27,200	$5,320, plus 36% of excess over $25,200.
Over $27,200 but not over $29,200	$6,040, plus 38% of excess over $27,200.
Over $29,200 but not over $31,200	$6,800, plus 41% of excess over $29,200.
Over $31,200 but not over $35,200	$7,620, plus 42% of excess over $31,200.
Over $35,200 but not over $39,200	$9,300, plus 45% of excess over $35,200.
Over $39,200 but not over $41,200	$11,100, plus 48% of excess over $39,200.
Over $41,200 but not over $43,200	$12,060, plus 51% of excess over $41,200.
Over $43,200 but not over $47,200	$13,080, plus 52% of excess over $43,200.
Over $47,200 but not over $53,200	$15,160, plus 55% of excess over $47,200.
Over $53,200 but not over $55,200	$18,460, plus 56% of excess over $53,200.
Over $55,200 but not over $67,200	$19,580, plus 58% of excess over $55,200.
Over $67,200 but not over $73,200	$26,540, plus 59% of excess over $67,200.
Over $73,200 but not over $79,200	$30,080, plus 61% of excess over $73,200.
Over $79,200 but not over $83,200	$33,740, plus 62% of excess over $79,200.
Over $83,200 but not over $91,200	$36,220, plus 63% of excess over $83,200.
Over $91,200 but not over $103,200	$41,260, plus 64% of excess over $91,200.
Over $103,200 but not over $123,200	$48,940, plus 66% of excess over $103,200.
Over $123,200 but not over $143,200	$62,140, plus 67% of excess over $123,200.
Over $143,200 but not over $163,200	$75,540, plus 68% of excess over $143,200.
Over $163,200 but not over $183,200	$89,140, plus 69% of excess over $163,200.
Over $183,200 but not over $283,200	$102,940, plus 70% of excess over $183,200.
Over $283,200	$172,940, plus 70% of excess over $283,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

If the taxable income is:	The tax is:
Not over $2,700	No tax.
Over $2,700 but not over $3,200	$60, plus 13% of excess over $2,700.
Over $3,200 but not over $3,700	$125, plus 15% of excess over $3,200.
Over $3,700 but not over $4,200	$200, plus 16% of excess over $3,700.
Over $4,200 but not over $6,200	$280, plus 18% of excess over $4,200.
Over $6,200 but not over $8,200	$640, plus 21% of excess over $6,200.
Over $8,200 but not over $10,200	$1,060, plus 22% of excess over $8,200.
Over $10,200 but not over $12,200	$1,500, plus 24% of excess over $10,200.
Over $12,200 but not over $14,200	$1,980, plus 27% of excess over $12,200.
Over $14,200 but not over $16,200	$2,520, plus 29% of excess over $14,200.
Over $16,200 but not over $18,200	$3,100, plus 31% of excess over $16,200.
Over $18,200 but not over $20,200	$3,720, plus 34% of excess over $18,200.
Over $20,200 but not over $22,200	$4,400, plus 36% of excess over $20,200.
Over $22,200 but not over $24,200	$5,120, plus 38% of excess over $22,200.
Over $24,200 but not over $28,200	$5,880, plus 40% of excess over $24,200.
Over $28,200 but not over $34,200	$7,480, plus 45% of excess over $28,200.
Over $34,200 but not over $40,200	$10,180, plus 50% of excess over $34,200.
Over $40,200 but not over $46,200	$13,180, plus 55% of excess over $40,200.
Over $46,200 but not over $52,200	$16,480, plus 60% of excess over $46,200.
Over $52,200 but not over $62,200	$20,080, plus 62% of excess over $52,200.
Over $62,200 but not over $72,200	$26,280, plus 64% of excess over $62,200.
Over $72,200 but not over $82,200	$32,680, plus 66% of excess over $72,200.
Over $82,200 but not over $92,200	$39,280, plus 68% of excess over $82,200.
Over $92,200 but not over $102,200	$46,080, plus 69% of excess over $92,200.
Over $102,200 but not over $152,200	$52,980, plus 70% of excess over $102,200.
Over $152,200 but not over $202,200	$87,980, plus 70% of excess over $152,200.
Over $202,200, but not over $302,200	$122,980, plus 70% of excess over $202,200.
Over $302,200	$192,980, plus 70% of excess over $302,200.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

If the taxable income is:	The tax is:
Not over $2,100	No tax.
Over $2,100 but not over $2,600	$120, plus 13% of excess over $2,100.
Over $2,600 but not over $3,100	$250, plus 15% of excess over $2,600.
Over $3,100 but not over $3,600	$400, plus 16% of excess over $3,100.
Over $3,600 but not over $4,600	$560, plus 18% of excess over $3,600.
Over $4,600 but not over $6,600	$1,280, plus 21% of excess over $4,600.
Over $6,600 but not over $8,600	$2,120, plus 24% of excess over $6,600.
Over $8,600 but not over $10,600	$3,080, plus 27% of excess over $8,600.
Over $10,600 but not over $12,600	$4,160, plus 32% of excess over $10,600.
Over $12,600 but not over $14,600	$5,440, plus 36% of excess over $12,600.
Over $14,600 but not over $16,600	$6,880, plus 39% of excess over $14,600.
Over $16,600 but not over $18,600	$8,440, plus 42% of excess over $16,600.
Over $18,600 but not over $20,600	$10,120, plus 45% of excess over $18,600.
Over $20,600 but not over $24,600	$11,920, plus 48% of excess over $20,600.
Over $24,600 but not over $28,600	$13,840, plus 50% of excess over $24,600.
Over $28,600 but not over $34,600	$17,840, plus 53% of excess over $28,600.
Over $34,600 but not over $40,600	$24,200, plus 55% of excess over $34,600.
Over $40,600 but not over $46,600	$30,800, plus 58% of excess over $40,600.
Over $46,600 but not over $52,600	$37,760, plus 60% of excess over $46,600.
Over $52,600 but not over $62,600	$44,960, plus 62% of excess over $52,600.
Over $62,600 but not over $72,600	$57,360, plus 64% of excess over $62,600.
Over $72,600 but not over $82,600	$70,160, plus 66% of excess over $72,600.
Over $92,600 but not over $102,600	$83,360, plus 68% of excess over $82,600.
Over $82,600 but not over $92,600	$96,960, plus 69% of excess over $92,600.
Over $102,600	$110,760, plus 70% of excess over $102,600.

On page 47, immediately before line 11, insert the following:

TITLE II—ADDITIONAL REDUCTION AND SIMPLIFICATION OF INDIVIDUAL INCOME TAXES

On page 47, line 11, strike out "Sec. 202." and insert in lieu thereof "Sec. 201.".

On page 58, line 9, strike out "Sec. 203." and insert in lieu thereof "Sec. 202.".

On page 59, line 24, strike out "Sec. 204." and insert in lieu thereof "Sec. 203.".

On page 61, line 21, strike out "Sec. 205." and insert in lieu thereof "Sec. 204.".

On page 62, line 16, strike out "201 and 202" and insert in lieu thereof "101 and 201".

On page 64, line 11, strike out "Sec. 206." and insert in lieu thereof "Sec. 205.".

On page 64, line 13, strike out "201, 202, and 204" and insert in lieu thereof "101, 201, and 203".

On page 64, line 16, strike out "205" and insert in lieu thereof "204".

On page 2, in the table of contents, strike out the matter relating to title I and insert in lieu thereof the following:

TITLE I—PERMANENT INCREASE IN AMOUNT OF STANDARD DEDUCTION

SEC. 101. CHANGE IN TAX RATES AND TAX TABLES TO REFLECT PERMANENT INCREASE IN STANDARD DEDUCTION.

On page 2, in the table of contents, strike out "TITLE II—REDUCTION" and insert in lieu thereof "TITLE II—ADDITIONAL REDUCTION".

On page 2, in the table of contents, strike out the item relating to section 201 and redesignate the items relating to sections 202 through 206 as relating to sections 201 through 205.

AMENDMENT NO. 203

(Ordered to be printed and to lie on the table.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to the bill (H.R. 3477), supra.

AMENDMENT NO. 204

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (H.R. 3477), supra.

AMENDMENT NO. 205

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself, Mr. JAVITS, and Mr. HUMPHREY) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 3477), supra.

AMENDMENT NO. 206

(Ordered to be printed and to lie on the table.)

Mr. HUDDLESTON (for himself, Mr. FORD, Mr. STONE, Mr. WILLIAMS, and Mr. PACKWOOD) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 3477), supra.

Mr. HUDDLESTON. Mr. President, the amendment I am proposing modifies the rules established by the Tax Reform Act of 1976 in regard to the withholding of income tax on winnings from wagers placed in parimutuel pools with respect to horseraces, dograces, or jai alai.

Before the 1976 act, withholding on racetrack winnings was not required, although payouts of $600 or more to winners of daily doubles, exactas, and similar wagering pools were reportable on information returns. The Internal Revenue Service enforced this requirement only where the odds were 300 to 1 or higher. To deal with some underreporting of gambling winnings on income tax returns, the 1976 act supplemented the information reporting requirement with a provision for withholding 20 percent of net winnings of more than $1,000 from sweepstakes, wagering pools, and lotteries.

During the conference on the 1976 act, many people, including the Commissioner of Internal Revenue, as well as Members of Congress and their staffs, understood that, as to parimutuel pools with respect to horseraces, dograces, and jai alai, winnings over $1,000 would be subject to withholding only if the odds were at least 300 to 1. However, the law as enacted did not include any odds requirement. The Internal Revenue Service has concluded that it is generally not productive to enforce reporting of winnings based on low odds.

This amendment provides that withholding, in the case of those kinds of parimutuel pools, will be required on winnings of more than $1,000, but only if the amount of the winnings is at least 300 times the amount of the bet.

It is my intent by this amendment that aggregation will not apply to parimutuel pools for horse races, dog races, and jai alai. Under the amendment, withholding should only be required if the proceeds are $1,000 or more and only then if the proceeds are at least 300 times as great as the amount of the wager with each wager considered separately. It is my understanding that the IRS agrees that it is impractical to enforce any aggregation rules with respect to parimutuel wagering.

The changes made by this amendment will apply to proceeds paid after April 30, 1977.

The revenue impact of these changes are estimated by the Joint Committee on Internal Revenue Taxation to be within the third concurrent budget resolution.

The amendment is designed to meet minimum needs at this time and is not an endorsement per se of the concept of withholding on parimutuel winnings. The distinguished Commission on the Review of the National Policy Toward Gambling concluded in its first report last year that

> . . . The withholding measure will increase the advantage to illegal operators, generate minimal revenues to the Government, and unnecessarily increase administrative burden to the legal gambling businesses . . . If, upon reexamination, Congress finds the proposed withholding tax to be destructive of existing legal gambling industries, the Commission recommends that these withholding provisions be repealed.

In light of these findings, I believe that it would be appropriate if the Internal Revenue Service, the Department of the Treasury and the Department of Commerce would cooperate with all segments of the parimutuel industry in determining the ultimate productivity of withholding.

The IRS should determine:

First, the effect of withholding on the

churn of parimutuel dollars to determine whether withholding these winnings produces enough net Federal revenue to offset the loss of revenue to the States;

Second, if winnings of less than $1,000 are not ultimately offset by losses, with the end result that IRS and the industry will subject themselves to considerable additional administrative expense without commensurate benefits in the form of Government revenue;

Third, whether the confusion engendered by the adoption of different parameters for reporting of parimutuel winnings and withholding from them will not be counterproductive both for the industry and for the Federal Government.

Fourth, if the revenue to be derived from such withholding in reality is consistent with the IRS estimates of said revenue and whether withholding of parimutuel funds is productive to the Federal Government; and

Fifth, finally, and most importantly, if the addition of withholding on the parimutuel industry drives the bettors from the legal sources of wagering into the hands of illegal bookmakers who do not withhold.

Along with passage of this legislation, it is essential that the IRS study these potential areas of counterproductivity and report back to Congress within a reasonable time after the date of enactment.

The racing and breeding industries have contributed significantly not only to the tourist industries and quality of life in the 33 States which have parimutuel racing, but have made significant financial contributions as well. In the four decades since accurate records have been kept, the various States which conduct parimutuel wagering have received in excess of $11.25 billion in direct parimutuel revenue, in addition to which they have received untold billions of dollars in additional, less obvious, revenues from sources such as property taxes, payroll taxes, sales taxes on admissions, concessions, farm equipment, on the sale of horses, and even on breeding fees for, in most States, horses are the one breed of livestock which do not fall under agricultural exemptions from sales tax on breeding fees.

There are more than 230,000 people in this country today who are licensed to make their living at the racetracks, and they must be supported by more than 100,000 additional workers directly employed in the breeding and raising of these horses to race. These are mainly unskilled people, who might find it difficult to find employment in more specialized fields. Then, too, there are thousands of others in supportive industries which provide feed, equipment, housing and informational services to support the racing and breeding of horses in the United States.

In my State of Kentucky alone, Mr. President, the thoroughbred industry is estimated to be worth $1 billion, and the annual sales taxes on thoroughbred stud fees alone annually amounts to more than $1.5 million. Our own direct marimutuel revenue is estimated to have been $12.5 million in relatively painless cheap revenue, revenue which would have to be made up somewhere else if it were not for the racing industry.

Mr. President, I urge the Senate to pass this amendment, which merely makes the law into what we thought the law would be when we passed the 1976 act.

FIRST BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 19

AMENDMENT NO. 207

(Ordered to be printed and lie on the table.)

Mr. PROXMIRE (for himself, Mr. SPARKMAN, Mr. BROOKE, Mr. MATHIAS, Mr. RIEGLE, Mr. KENNEDY, Mr. HUMPHREY, Mr. JAVITS, Mr. SARBANES, Mr. METCALF, Mr. CASE, Mr. GRAVEL, Mr. PELL, and Mr. MCINTYRE) submitted an amendment intended to be proposed by them jointly to Senate Concurrent Resolution 19, a concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

Mr. PROXMIRE. Mr. President, I am submitting on behalf of Mr. SPARKMAN, Mr. BROOKE, Mr. MATHIAS, Mr. RIEGLE, Mr. KENNEDY, Mr. HUMPHREY, Mr. JAVITS, Mr. SARBANES, Mr. METCALF, Mr. CASE, Mr. GRAVEL, Mr. PELL, Mr. MCINTYRE, and myself an amendment to the first concurrent resolution on the budget for fiscal year 1978.

This amendment would restore to the proposed budget $6 billion for housing assistance to low- and moderate-income families, and $500 million for community development assistance to cities, counties, and towns throughout the United States.

The funds restored by the amendment are funds requested by the Carter administration in its fiscal year 1978 budget. The Secretary of Housing and Urban Development, Mrs. Harris, testified on Tuesday of this week. This cut, if maintained, will virtually destroy this administration's effort to provide assistance to our urban areas and will set back the cause of housing for those unable to house themselves adequately.

On Wednesday of this week, Senators SPARKMAN, BROOKE, and MATHIAS and I wrote to all of the Members of the Senate urging them to join us in restoring the administration request. We stated that the proposed cutback of $6.7 billion in budget authority would, according to estimates prepared by the Congressional Budget Office, reduce total budget outlays by only $34 million in 1978 and by less than $200 million per year in 1979 and 1980.

We said that the proposed cuts would reduce assistance for over 500 cities and reduce assisted housing starts by some 75,000 units and potential employment by over 150,000 jobs.

Mr. President, the proposed cutbacks of assistance for housing and community development programs are unwarranted.

The Carter administration has requested $4 billion for community development and $32.8 billion for housing. The Senate Committee on Banking Housing, and Urban Affairs and the Committee on Appropriations have recommended that the administration's proposals be accommodated.

The amendment I am introducing today would authorize the amount requested by the administration in the first budget resolution.

I urge that this amendment be adopted by the Senate.

DEPARTMENT OF ENERGY—S. 826

AMENDMENT NO. 201

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. DOMENICI. Mr. President, for myself and Senator NUNN, I am submitting today an amendment to S. 826, the administration's bill to create a Department of Energy. This amendment, which is cosponsored by Senator NUNN, is designed to assure the active participation of our Nation's colleges and universities in the implementation of any national energy program. Specifically, this is to be done by requiring the Secretary of Energy to include in his annual report to the President a summary of departmental efforts to: First, stimulate and encourage development of appropriate manpower resources; and second, involve these institutions in the execution of the Department's research and development programs.

Mr. President, since Dr. Dixie Lee Ray's 1973 report to the President on "The Nation's Energy Future," each annual energy report has acknowledged the importance of utilizing the technical expertise of our university and college faculties and of providing the support necessary to assure an adequate supply of properly prepared technical and scientific manpower. However, even with this verbal acknowledgment, many educators believe the various research and development agencies have not effectively used the resources available at our colleges and universities.

In 1976, U.S. colleges of engineering graduated the lowest number of B.S. degree candidates in many years. As a consequence, the very best students were heavily recruited by Government and industry, and many chose not to enroll in graduate school. Energy R.D. & D. depends heavily on graduate students trained to the M.S. and Ph. D. levels in appropriate fields, and the number of students, and thus graduates, at these levels is expected to decline for several more years, at least. Furthermore, competition with Government agencies—such as ERDA and NRC—and their contractors has made it difficult for many utilities to attract the engineers needed for their continually expanding role of providing electrical energy. A 1974 National Science Foundation report indicates that "the Government is a major creator of requirements for scientists and engineers." The proposed amendment will assure that proper attention is given to the manpower supply and research roles of the universities.

Although engineering educators have worked to assure recognition of these problems within ERDA, the ERDA Office of University Programs has been relatively ineffective at attracting and supporting significant numbers of top quality students in all energy R.D. & D. fields. It may be that individual energy research divisions should have the responsibility for interacting with the universities rather than operating through a centralized office. The proposed amendment would assure that the new Department

Secretary seeks the most effective organizational structures "to stimulate and encourage the development of new manpower resources" and to use the expertise of the universities in the execution of the Nation's R.D. & D. programs.

I hope that my Senate colleagues will give serious consideration to supporting this amendment. Mr. President, I ask unanimous consent that the text of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 201

On page 35, line 20, insert the following:
SEC. 624. (a)(6)
A summary of substantive measures taken by the Department to stimulate and encourage the development of new manpower resources through the Nation's colleges and universities and to involve these institutions in the execution of the Department's research and development programs.

NATIONAL SCIENCE FOUNDATION AUTHORIZATIONS—S. 855

AMENDMENT NO. 202

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the bill (S. 855) authorizing funds to the National Science Foundation for fiscal year 1978 and 1979.

FOREIGN ASSISTANCE ACT—S. 1160

AMENDMENT NO. 208

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. KENNEDY (for himself and Mr. PELL) submitted an amendment intended to be proposed by them jointly to S. 1160, a bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes.

AID TO CYPRUS

Mr. KENNEDY. Mr. President, I am introducing today, for myself and the distinguished Senator from Rhode Island (Mr. PELL), an amendment to S. 1160, the pending International Security Assistance and Arms Export Control Act of 1977, to provide $15 million in assistance to the people of Cyprus.

The purpose of this amendment is to continue American humanitarian concern and assistance to Cyprus. It corrects an omission in the previous administration's budget request, as well as in the revised budget submitted by President Carter, which neglects to provide needed funds for Cyprus.

Mr. President, it is now nearly 3 years since the massive Turkish invasion of Cyprus in 1974, which created some 200,000 refugees and divided the island. Although the emergency situation has passed, the crisis of people very much remains—especially among the displaced and needy people in the government-controlled areas of the island.

Thanks to the generous assistance of the international community—and substantial contributions by the United States—the initial needs of the Cypriot refugees have been met. But Turkish forces still occupy 40 percent of Cyprus, and Cypriot-Greek refugees still cannot return to their homes. Until an equitable solution is found to the human and political tragedy of Cyprus, these refugees will need our help and concern.

The purpose of this amendment is to continue this help—at a modest level that reflects both the changing character and dimension of the humanitarian and economic needs on Cyprus.

To date, the United States has provided some $70 million in humanitarian assistance to Cyprus. Because officials in the Agency for International Development have been unconscionably slow and bureaucratic in obligating these funds appropriated by Congress, there is a sizable pipeline remaining. However, estimates from the field indicate that these funds, principally for housing for the refugees, will be inadequate to meet additional housing requirements in 1978. Also, the economic situation on Cyprus remains tenuous, largely because of the heavy financial burden being carried by the Government of Cyprus in meeting the needs of the displaced refugees, and coping with the island's shattered economy.

It is for these reasons, Mr. President, that this amendment provides continued assistance through the security supporting assistance account—to reflect the more general character of the needs on Cyprus. Prior year funds were properly authorized under the humanitarian assistance provisions of the foreign assistance bill because of the clearly defined needs among the refugees, and the fact that funds were being channeled through the United Nations High Commissioner for Refugees. However, the UNHCR is now phasing out its operation. Also, today's needs on Cyprus have changed somewhat in character, and the administration needs flexibility in responding to the continuing requirements on Cyprus.

Mr. President, I am hopeful that the Committee on Foreign Relations will give favorable consideration to this amendment when the pending foreign assistance bill is marked up in the coming weeks. The $15 million authorized by this amendment for Cyprus is $5 million below the budget ceiling already established.

I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 208

On page 7, on lines 19 and 20, strike out "$1,887,200,000" and insert in lieu thereof "$1,902,200,000, of which not less than $15,000,000 shall be available only for Cyprus".

Mr. PELL. Mr. President, I wish to join the distinguished Senator from Massachusetts in proposing an amendment to the military assistance bill to provide $15 million in assistance to the people of Cyprus. As the Senator from Massachusetts has pointed out, our amendment would correct an omission in the previous administration's request as well as in the revised budget submitted by President Carter.

Although the United States has been forthcoming in the past in providing assistance to Cyprus to cope with the refugee problem created by the Turkish invasion of the island in 1974, the needs are still great and the means available to Cyprus to meet them are inadequate. In this connection, it should be borne in mind that Cyprus is a small developing country in which some 40 percent of the people became refugees. The remaining 60 percent of the population simply cannot meet the needs of the refugees, who have been deprived of their property and livelihood, without further outside assistance.

The economy of Cyprus has improved recently, but recovery has not been sufficient in just 2½ years after the invasion to meet, alone, the needs of the large refugee population. The gross domestic product of Cyprus for example was in 1976, despite a gain over 1975, still 22 percent lower than in 1973, the last normal year before the invasion.

The most pressing need in Cyprus now is for housing. While some prior years funds are still in the AID pipeline—because of bureaucratic unresponsiveness rather than because of a lack of need in Cyprus—the funds available are inadequate to meet current and future requirements in fiscal year 1978.

Cyprus has been locked in the grip of a foreign military occupation for almost 2 years now with no political solution in sight which would end the occupation. The people of Cyprus have borne up courageously during this situation, but they need the continuing support and generosity of the American people as they endure the hardship of waiting and hoping for a political solution which will permit them to find permanent homes and to reconstruct their lives.

Mr. President, I find it ironic that today, as the Senator from Massachusetts and I are proposing a modest $15 million to help the refugees in Cyprus, the administration has requested an increase in the ceiling for foreign military sales and credits to Turkey from $125 million in fiscal year 1977 to $175 million in fiscal year 1978. If the occupiers of 40 percent of Cyprus are to be accommodated so generously, it seems to me that the people who suffer from the Turkish occupation deserve some sympathetic consideration as well.

HOUSING AND COMMUNITY DEVELOPMENT ACT—S. 1246

AMENDMENT NO. 209

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to S. 1246, a bill to amend the Housing and Community Development Act of 1974 to provide a more equitable allocation of funds, to authorize a fuller range of community development activities, to establish an urban development action grant program for severely distressed cities; to amend section 312 of the Housing Act of 1964, as amended; to amend section 701 of the Housing Act of 1954, as amended; and for other purposes.

Mr. CRANSTON. Mr. President, this amendment is meant to address a problem that is of paramount importance to present and future homeowners, Federal savings and loan associations across the country in high cost metropolitan

areas, and particularly inner cities where extensive rehabilitation is needed.

Federal savings and loan associations are generally restricted from making single-family home loans over a $55,000 limitation. All loans over this amount are assigned to their general 20 percent of assets category. When the general 20 percent category reaches its maximum S. & L.'s are prohibited from making any loans over $55,000.

The recent rapid increase in the median sales prices of new homes is causing Federal savings and loan associations in high cost metropolitan areas to use their general 20-percent category to participate in the single-family housing market. This phenomenon indicates that many Federal savings and loan associations will undoubtedly exhaust their lending capacity in the near future.

According to the Federal Home Loan Bank Board's mortgage interest rate survey the average price of new homes financed with conventional mortgages exceeded $55,000 in 10 of the 18 metropolitan areas for which such information is compiled. Economic data from the Federal National Mortgage Association indicates that from September 1974—when the $55,000 loan ceiling limitation was last increased—through December 1976, the median national sales price for new housing was up 26.8 percent; for existing homes it was up 20.4 percent. Based on this data alone, the conventional loan ceiling of $55,000 set in 1974 should have been $68,000 as of the end of calendar year 1976.

During the same period, the median sales price in the Los Angeles/Long Beach area has gone from $48,267 to $71,000, an increase of 47 percent. With a normal 20-percent down payment, the loan secured on a median California $71,000 new housing property is $56,680, which means that loans securing one-half of California's new housing market already exceed the $55,000 limitation.

While California home prices may appear to be above the normal U.S. trend, data compiled by the Federal Home Loan Bank Board which includes Census Bureau data on conventional mortgages, sales prices of new homes and FHA/VA mortgages indicates that new homes that require financing above the $55,000 mortgage limit are becoming a normal part of the housing market and hardly represent a fringe luxury market. Even national data which includes rural and low-cost areas indicates that 32 percent of all new homes sold in the fourth quarter of 1976 carried a sales price in excess of $55,000 and 25 percent carried a sales price in excess of $60,000.

To address this potential problem, sections 1 and 2 of my amendment raises the 5(c) loan limit from $55,000 to $70,000 and permits Federal savings and loan associations to put only the amount over $70,000 into the general 20 percent of asset category instead of the whole loan. This amendment will give relief to S. & L.'s in high-cost metropolitan areas where they are rapidly filling up their general category with loans over $55,000 and in inner city areas where rehabilitated property mortgages generally exceed the $55,000 limitation.

Section 2(b) of my amendment attempts to give relief in areas of the country where there is a high demand for low- and moderate-apartment financing. There is a separate "special" 20 percent of assets category for apartment loans where the loan amount is consistent with the maximum per dwelling unit limits in section 207(c)(3) of the National Housing Act for low and moderate apartments.

Many elderly and handicapped people on fixed incomes are having a difficult time finding apartments at reasonable rents. There just are not enough apartments available to meet the demands and this is driving rents up in many areas of the country. Savings and loan associations that service market areas where apartment construction is important should be permitted to meet this kind of demand.

My amendment would abolish the special 20-percent category for low- and moderate-apartment loans thereby putting these loans in the category with single-family homes. In addition, when apartment loans exceed the low- and moderate-unit limitations under 207(c)(3) of the National Housing Act, only that excess amount over $60,000 as with 5(c) single-family homes will be placed in the 20 percent of asset general category. This amendment will free up additional lending authority for low- and moderate-cost apartments and serve a much-needed public purpose and consumer demand.

Section (c) increases the statutory property improvement loan ceiling from $10,000 to $15,000 in light of the rise in construction costs since the last change in this ceiling.

I would like to make it clear that these amendments are in no way an attempt to restructure Federal savings and loan lending restrictions in the special and general category. I am addressing three minor changes in the special and general categories because of the impending crisis that could occur in high-cost metropolitan areas if such restrictions remain. These amendments are meant to give only temporary relief. They in no way obviate the need to completely restructure Federal savings and loan associations' lending powers or to simplify section 5(c) of the Homeowners Loan Act as it was proposed in the Financial Institutions Act which the Congress will be taking up later on in the year. I fully support this proposal.

I ask unanimous consent that several letters and reports concerning these amendments be printed in the RECORD.

FEDERAL HOME LOAN BANK BOARD,
Washington, D.C., April 18, 1977.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your letter of March 30 in which you requested the Federal Home Loan Bank Board to present its opinion on raising the $55,000 home mortgage ceiling contained in section 5(c) of the Homeowners' Loan Act. Your letter also raised questions and solicited the Board's opinion about the need to increase the property improvement loan ceiling, the removal of multi-family housing from the 20 percent of assets category, and the feasibility of permitting savings and loan associations to provide interim construction financing without a security interest in the property on which the loan is made.

Your questions are very timely and touch on a number of matters that have been of concern to the Bank Board for some time. Your question with regard to raising the home mortgage ceiling limit for Federal savings and loan associations under section 5(c) of the Homeowners' Loan Act is especially appropriate because of several recent developments.

First, we are getting more reports about the degree to which Federal savings and loan associations are using their 20 percent of assets basket under which most of the authority to make home mortgage loans in excess of $55,000 is contained.

Second, home prices in many parts of the country, especially those on homes that are conventionally financed, have reached levels where a substantial proportion of home mortgage loans needed by consumers are now in excess of $55,000. So many home loans now fall into this category in high cost metropolitan areas that they can hardly be considered as financing for "luxury" housing.

Third, commercial banks and many state-chartered thrift institutions do not have a home mortgage limit and are now in a position to preempt an increasing proportion of the home mortgage market from Federal savings and loan associations as the latter use up an increasing proportion of their general 20 percent assets basket.

Fourth, as you know, Secretary Harris of HUD has proposed an increase in the maximum limit on FHA-insured home mortgages from $45,000 to $60,000. This $60,000 limit would be in excess of the general $55,000 maximum limit for conventional loans made by Federal savings and loan associations even though such conventional mortgages are normally for larger amounts than those that are FHA insured. Obviously, an implication of Secretary Harris' recommendation with respect to the maximum limit on FHA-insured mortgage loans is that an increase in the home mortgage limit for Federal savings and loan associations is equally important although this can be carried out in a number of different ways.

In formulating our opinion on your questions, especially the one pertaining to the home mortgage ceiling for Federal savings and loan associations, we had the Office of Economic Research do an extensive analysis of the factual situation. We thought that it would be useful to share this analysis with you even though it is extensive and resembles more what you would expect in a piece of testimony rather than in response to a letter. I have appended the analysis to this letter.

The balance of this cover letter summarizes the highpoints of our analyses and our conclusions. We have first indicated the nature of the special percentage of assets basket under which Federal savings and loan associations can make home mortgages above the normal limit. This will bring out the fact that the question of the home mortgage limit cannot be viewed alone since the major basket under which loans in excess of this limit are made also contains authority for Federal savings and loan associations to make apartment loans and commercial loans. It so happens that many savings and loan associations are located in sections of the country that both have a heavy demand for apartment (and perhaps commercial) mortgages and which are also high cost areas in which a substantial proportion of home mortgages being originated now are in excess of $55,000.

In the analysis, we review both aggregate national data and metropolitan data that have a bearing on the degree to which the general 20 percent basket is being utilized under which home mortgage loans are made above the $55,000 limit. Our data on this are not as precise or current as we would like them to be. Nonetheless, we do believe that the data can be used to draw certain conclusions about the likely leeway that Federal savings and loan associations have in making home mortgage loans above $55,000 and

in making apartment loans. We present a specific example of a Federal savings and loan association in the Los Angeles area which has used up its general 20 percent basket already, indicating how this has occurred and why the restriction under which this Federal savings and loan association now operates is hardly consistent with the public interest.

Since the data available to us on the utilization of the 20 percent of assets basket is not up to date, we analyze in some detail recent increases in home prices as revealed by the Bank Board's Mortgage Interest Rate Survey and data on home prices from both the Census Bureau and the National Association of Realtors. These sources indicate the rapidly increasing and already large proportion of home mortgages in excess of $55,000 that are needed in many high cost metropolitan areas of the country. The review of the increase in home prices is especially important to our analysis because the current percentage of outstanding home mortgages in excess of $55,000 to total assets of Federal savings and loan associations reflects to a large extent mortgages that were put on the books many years ago. However, given the record number of home mortgage loans being put on savings and loan books at the present time and the very strong demand for home mortgage loans in excess of $55,000 in many metropolitan areas, we can expect a rapid increase in this ratio of outstanding home mortgage loans in excess of $55,000 to total assets so that past data on the utilization of the 20 percent of assets basket is likely to become outdated rapidly.

The attached analysis indicates the many options by which Congress could deal with the increasing constraint that the general 20 percent basket will be exerting on home mortgage and apartment lending. These include: (1) a simplified section 5(c) of the Homeowners' Loan Act, doing away with complex multi-loan baskets and replacing them by limitations that apply to individual loan categories—these could provide the needed leeway for savings and loan associations to serve consumer needs in the housing markets, (2) assuming retention of the present baskets, increasing both the special 20 percent basket for low-cost apartment mortgage loans and the 20 percent general basket to 25 percent, (3) deal with the $55,000 mortgage limit constraint problem by counting only those parts of home mortgages in excess of $55,000 in the existing general 20 percent basket, (4) index the mortgage loan limit by tying it to new and existing home prices, (5) follow the precedent with respect to Hawaii, Alaska, and Guam and set a different home mortgage ceiling rate for each housing market (or at least for high-cost metropolitan areas) that reflects prices in these markets, (6) eliminate the home mortgage limit altogether since, to the extent that we have a single national limit, it operates unevenly and inequitably among various states in metropolitan areas, (7) follow the past procedure of periodically raising the home mortgage limit, as has been done also with the FHA mortgage limit. This would suggest raising the home mortgage limit for Federal savings and loan associations by $15,000, the same increase as recommended by Secretary Harris for FHA-insured mortgages, to a new maximum $70,000. In the attached analysis we also note the need for a higher mortgage limit for the Federal Home Loan Mortgage Corporation consistent with any increase in the home mortgage limit for Federal savings and loan associations.

Finally, we have answered the questions with regard to a possible increase in the property improvement loan ceiling, the removal of multi-family housing from the 20 percent of assets category, and permitting savings and loan associations more liberal powers to provide interim construction financing. In each case, we agree that changes are needed to provide Federal savings and loan associations with greater flexibility in lending powers so that they can better serve the needs of housing and consumer needs.

Sincerely,

GARTH MARSTON.

CALIFORNIA FEDERAL,
February 18, 1977.

Hon. ALAN CRANSTON,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR ALAN: This letter is to bring to your attention a situation that has developed which is of paramount importance to federal savings and loan associations in California as well as the rest of the United States.

An urgent need has materialized for seeking your assistance and support to change the $55,000 minimum limitation on loans originated by federal savings and loan associations secured by single family dwellings and some 2-4 family units which are subject to the general 20 percent of assets category provided in Section 5(C) of the Home Owners Loan Act of 1933 (12 U.S.C. 1461 et seq.). State regulated savings and loan associations in California do not have a comparable limitation so that they are not restricted as to the dollar amount of loans which may be made of $55,000 and over.

Present interpretation of Section 5(C) requires that the entire amount of each loan of $55,000 and over be considered in the general 20 percent of assets category. Initially, as a stopgap measure, it would be helpful if only the excess over the limitation be counted.

Exhibit "A" attached hereto depicts new housing price trends in both the United States and Southern California. On August 22, 1974, Section 5(C) was amended to increase the subject limitation from $45,000 to $55,000. Median new housing prices in the United States have increased from $39,000 in the third quarter of 1974 to $48,300 in the third quarter of 1976; a rise of 23 percent in two years. During the same period of time, the median new housing prices in the Los Angeles/Long Beach area have gone from $48,267 to $71,100, an increase of 47 percent.

With a normal 20 percent down payment, the loan secured by the median California $71,100 new housing property is $56,880, which means that loans securing one-half of California new housing market already exceed the $55,000 limitation. As the graph so eloquently portrays, the rising California price trend is steeply pulling away from the more normal U.S. trend line.

Assuming, for the sake of argument, that $55,000 was appropriate in August of 1974, and that mortgage amounts will rise commensurately with prices, a 23 percent increase nationwide would bring this figure to $67,650, and a 47 percent increase for California would bring it to $80,850. The steep California trend line would suggest $100,000 as being a more realistic minimum to cover the next two-year period.

California Federal Savings, the largest federal association in the nation, originates approximately one billion dollars of loans each year. Average loan amount securing existing single family properties at California Federal Savings has increased from $35,039 in December, 1974, to $52,669 in January, 1977—a striking 50 percent. In meeting the lending demand in California, we make many millions of dollars of loans of less than the average of $52,669. At no time do we concentrate on merely satisfying the upper end of the single family market of $55,000 and over. When considering the 50 percent increase in the average loan, the $55,000 minimum limitation would seem to be more properly pegged at $82,500. Again, with the anticipated steep price escalation continuing as the economy picks up steam, $100,000 would appear to be appropriate, and within a short period of time, it may even again become restrictive.

Many federal savings and loan associations, including California Federal Savings, may soon be precluded from making loans of $55,000 and over in California, and where state savings and loan associations are free to make such loans, a disturbing competitive imbalance will be created in the California housing scene. If this happens, it will severely hamper recovery of the housing industry where many jobs are needed in California to spur the economy.

To summarize, it is recommended that Section 5(C) of the Home Owners Loan Act be amended to provide:

(1) That the $55,000 limitation be eliminated entirely, or, if this is found not acceptable,

(2) That the $55,000 minimum limitation be raised to $100,000 with only the amount of a loan in excess of $100,000 being subject to the limitations of the general 20 percent of assets category, and, in addition,

(3) That California be added to Alaska, Guam and Hawaii as areas within which the subject limitations may, by regulation of the Federal Home Loan Bank Board, be increased up to 50 percent of any minimum.

Your assistance in this matter is urgently requested.

Sincerely,

BOB.

EXHIBIT A
HOUSING PRICES: UNITED STATES AND CALIFORNIA

	1970:1	1970:2	1970:3	1970:4	1971:1	1971:2	1971:3	1971:4	1972:1	1972:2	1972:3	1972:4	1973:1	1973:2
United States	27,000	27,300	26,000	26,300	27,300	28,600	28,300	28,200	29,000	29,400	30,300	31,600	32,800	35,100
Los Angeles/Long Beach	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	37,600	40,233

	1973:3	1973:4	1974:1	1974:2	1974:3	1974:4	1975:1	1975:2	1975:3	1975:4	1976:1	1976:2	1976:3
United States	35,900	36,600	38,000	38,600	39,000	39,300	40,900	42,600	42,200	44,400	46,000	47,800	48,300
Los Angeles/Long Beach	41,867	44,067	39,667	44,900	48,267	54,200	50,600	51,800	52,467	50,867	58,033	65,967	71,100

FEDERAL NATIONAL MORTGAGE ASSOCIATION,
February 18, 1977.

MS. CAROLYN JORDAN,
Assistant Council, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR CAROLYN: I want to follow up on our conversation earlier today regarding the proposal to increase FNMA's conventional limit above the present $55,000 figure, which was set in the 1974 Housing Act.

Our proposal, as we both understand, is part of a package and I certainly would not want to try to move the FNMA proposal by itself.

Regarding the justification for our increase, our economic data indicates that from September 1974 through December 1976 the median national sales price for new housing was up 26.8 percent; for existing homes it was up 20.4 percent. On the other hand, the Consumer Price Index (CPI) rose "only" 15 percent. Based on this data, FNMA's conventional ceiling of $55,000 set in 1974 should have been $68,000 as of the end of calendar 1976.

Quite apart from what has happened is the thought of what may happen in the next year or two. Again, our economists along with a number of forecasters feel that housing prices will rise over the next couple of years at an annual rate of 10 percent. This compares with an anticipated 5 percent rise for the CPI. The reasons for the more rapid rise in housing prices are based on the strong demand that is foreseen for single family houses, the continual increase in construction costs, increased costs of land, and so forth. Accordingly, any limit on conventional lending that the Congress might set now or in the next several months must look at least somewhat to the future.

Another point and one that I am sure you are aware of is that the $55,000 conventional ceiling in California and also in other areas, including the Northeast is simply "out of the market."

There are several other points that could be made in support of our proposal to increase our conventional mortgage ceiling, but perhaps one more will suffice. There has been an increase in business between the savings and loans and FNMA. If the savings and loans were to make a substantial volume of mortgage loans in excess of $55,000 they would be incapable of selling those loans either to FNMA or to FHLMC.

To illustrate the point, the following are some of the Federal savings and loan associations in California with whom we now do business:

Home Federal Savings and Loan Association of San Diego.

San Diego Federal Savings and Loan Association.

Western Federal Savings and Loan Association (in Los Angeles).

Glendale Federal Savings and Loan Association.

Garden Grove Federal Savings and Loan Association.

Civic Federal Savings and Loan (in San Francisco).

First Federal Savings and Loan Association of Ridgecrest.

First Federal Savings and Loan Association of Hollywood.

United Federal Savings and Loan (in San Francisco).

Republic Federal Savings and Loan (in Altadena).

Beverly Hills Federal Savings and Loan Association.

Consequently, to provide a secondary market for these higher prices savings and loans if and when authorized, it will be necessary at the same time to increase the FNMA and FHLMC limits as well.

Let me know if you need any further information.

Sincerely,

ANDREW I. HICKEY, JR.,
Director of Legislative Affairs.

SAN DIEGO FEDERAL,
San Diego, Calif., April 7, 1977.

Hon. ALAN CRANSTON,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR CRANSTON: We just obtained the enclosed data showing the average purchase price of homes in major metropolitan areas for the period of January-February, 1977. This information is also being sent to Jerry Patterson, John Rousselot and Mark Hannaford.

As you can see, the three major SMSA's of California rank 1, 3 and 5 in the nation as to newly built homes and 2, 3 and 4 as to previously-occupied homes. I believe this data supports the urgent need for California to have relief as to the $55,000 issue. As a minimum it would seem that California could be added to Guam, Hawaii and Alaska under 5c so that the Federal Home Loan Bank Board could increase the $55,000.

The data also leads a strong argument for the Washington, D.C., area as that area is 1st in average purchase price for previously-occupied homes and 7th for newly built homes.

I look forward to seeing you at the reception for Mark Hannaford on the 17th.

Sincerely,

JAMES C. SCHMIDT,
Executive Vice President and Managing Officer.

AVERAGE PURCHASE PRICE OF SINGLE-FAMILY HOMES PURCHASED WITH CONVENTIONAL MORTGAGE FINANCING IN MAJOR METROPOLITAN AREAS

[Averages for January–February 1977]

Area	Type of home: Newly built, Amount	Newly built, Rank [1]	Previously occupied, Amount	Previously occupied, Rank [1]
San Francisco-Oakland-San Jose, Calif., SCSA	$69,300	1	$63,400	3
New York-Newark-Jersey City, N.Y.-N.J.-Conn., SCSA	67,500	2	57,600	5
Los Angeles-Long Beach-Anaheim, Calif., SCSA	64,600	3	65,300	2
Columbus, Ohio, SMSA	63,300	4	44,300	22
San Diego, Calif., SMSA	63,200	5	59,000	4
Pittsburgh, Pa., SMSA	63,100	6	45,900	17
Washington, D.C.-Md.-Va., SMSA	63,000	7	66,700	1
Other large SMSA's, west	62,300	8	51,700	9
Chicago-Gary, Ill-Ind., SCSA	62,000	9	53,100	7
New Orleans, La., SMSA	60,500	10	45,500	18
Denver-Boulder, Colo., SMSA	57,600	11	47,400	14
Cleveland-Akron-Lorain, Ohio, SCSA	57,200	12	54,500	23
Atlanta, Ga., SMSA	56,300	13	46,000	16
Houston-Galveston, Tex., SCSA	56,200	14	47,700	13
Baltimore, Md., SMSA	55,200	15	48,100	12
Indianapolis, Ind., SMSA	54,600	16	35,500	38
Dallas-Fort Worth, Tex., SMSA	54,400	17	47,300	15
Minneapolis-St. Paul, Minn-Wis., SMSA	53,400	18	51,200	10
Other Small SMSA's—west	52,700	19	52,600	8
Boston-Lawrence-Lowell, Ma.-N.H., SCSA	52,600	20	45,500	18
Buffalo, N.Y., SMSA	52,400	21	41,000	29
Detroit-Ann Arbor, Mich., SCSA	52,200	22	40,200	30
Milwaukee-Racine, Wis., SCSA	52,000	23	53,700	6
Cincinnati-Hamilton, Ohio-Ky.-Ind., SCSA	51,800	24	41,900	25
Other Large SMSA's, south	51,800	25	45,300	20
Kansas City, Mo.-Kans., SMSA	51,000	26	40,100	31
Philadelphia-Wilmington, Trenton, Pa.-Del.-N.J.-Md., SCSA	50,800	27	45,300	20
St. Louis, Mo.-Ill., SMSA	49,700	28	38,600	33
Portland, Oreg., Wash., SMSA	49,100	29	39,000	32
Other small SMSA's, north-central	48,900	30	36,000	37
Other large SMSA's, northeast	48,200	31	41,700	27
Other large SMSA's, north-central	48,100	32	37,100	35
Other small SMSA's, northeast	47,600	33	42,400	24
Seattle-Takoma, Wash., SCSA	47,000	34	41,800	26
Other small SMSA's, south	45,800	35	37,200	34
Non-SMSA areas, west	45,500	36	41,500	28
Non-SMSA areas, north-central	42,800	37	32,000	40
Tampa-St. Petersburg, Fla., SMSA	41,800	38	36,300	36
Non-SMSA areas, south	41,800	39	31,100	41
Miami-Fort Lauderdale, Fla., SCSA	41,500	40	49,800	11
Non-SMSA areas, east	40,300	41	35,000	39
U.S. average	52,800		45,900	

[1] Ranking is from high to low.

Note: Estimates of arithmetic mean based on data provided by a sample of savings and loan associations, commercial banks, mutual savings banks and mortgage companies covering loans closed during the 1st 5 business days of a month. SMSA means a Standard Metropolitan Statistical Area; SCSA means Standard Consolidated Statistical Area, which consists of 2 or more SMSA's

NOTICES OF HEARINGS

S. 695—AMENDMENT OF THE DEFENSE PRODUCTION ACT OF 1950

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold hearings on May 19, 20, and 23 to consider S. 695, an amendment to the Defense Production Act of 1950 which the senior Senator from Indiana and I recently introduced. The hearings will also consider amendment No. 192 to S. 695 as introduced by Senator ABOUREZK.

S. 695 would inhibit conflicts of interest in Federal procurement by temporarily prohibiting the employment of any former Government official by any company over which that individual had exercised procurement authority. The bill would also establish a Conflict of Interest Review Board to advise individuals on the applicability of this legislation.

I believe that this is one of the most important pieces of legislation to come before the Congress this year. I have long believed that many of the Federal Government's widely publicized problems in the procurement of goods and services could be ameliorated if self-interest could be removed as a factor in purchasing decisions. I believe that this legislation would go a long way toward accomplishing that end.

The committee has scheduled 3 days of hearings to hear witnesses from the Congress, the executive branch, citizens' organizations, and industry groups. We want to make sure that all points of view are represented at these hearings. Any person interested in testifying should contact Mr. Leon Reed at 224–2337.

VETERANS HEALTH CARE MEASURES

Mr. CRANSTON. Mr. President, the Veterans' Affairs Subcommittee on Health and Readjustment plans to hold public hearings on Wednesday, April 27, to consider S. 1189 and three veterans health care measures—H.R. 3695, H.R. 5027, and H.R. 5029—passed by the House of Representatives on April 4.

The hearings will begin at 9:30 a.m. in room 318 of the Russell Senate Office Building.

Persons wishing to testify at the April 27 hearings should notify Michael Burns, program director of the Committee on Veterans' Affairs, at 224–9126, by Monday, April 2.

ADDITIONAL STATEMENTS

EDITORIAL BY WCSC-TV IN CHARLESTON, S.C.

Mr. THURMOND. Mr. President, on April 15, 1977, WCSC-TV in Charleston, S.C., broadcast an editorial of particular merit. Commending President Carter and the Congress on cancellation of the tax rebate proposal, the editorial challenges us to take affirmative action to encourage the private sector and to guarantee the preservation of free enterprise in America.

Mr. John M. Rivers, Sr., who authored this editorial, is an outstanding leader in the television industry. Using broadcast editorials to good advantage, he takes the initiative to inform WCSC's viewers on vital issues of the day. Mr. Rivers is a fine citizen, able community leader, and patriotic American businessman.

Mr. President, in order that I may share Mr. River's editorial with my colleagues, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EDITORIAL

The hope we express about Congress with a president who may sign unwise legislation would become more responsible and responsive to the will of the Nation seems to be taking place. We are pleased to see President Carter cancel the eleven billion dollar tax rebate. The objection of the spenders proves the move to be right. Opposition in Congress convinced the President the rebate is not needed and will in fact hurt the economy.

However, the President must do more than talk to have the private sector start moving again. Hostile Government bureaus, consumers groups, Congress, and the President must assure investors the Government will not take over and free enterprise will be allowed to work

The President and Congress must impress the business world they mean what they say about free enterprise. The spenders say what have you done for me today? Business wants to be left alone to do its job.

EFFECTS OF HIGHER ENERGY PRICES

Mr. ABOUREZK. Mr. President, the Congress soon may move to consideration of an energy policy which has a major component higher prices. These prices are intended to encourage conservation, but there is every reason to believe, if we look back at the effects of fuel price increases amounting to 50 to 100 percent in 1974 alone, and then look at consumption rates today, it is obvious that higher prices do not make people change their energy use patterns.

Where higher prices are felt, the result is deprivation, not conservation. High prices and severe weather produced some of the highest fuel bills on record this past winter, yet people are not responding by buying insulation or new appliances—they have all they can do to stretch their incomes to cover the new year-round debts that they incurred during the winter. Some of them will never be able to pay. An article in the Wall Street Journal describes very clearly the effects of expensive fuel on people's behavior, and the description should be instructive as we work on energy questions in the coming months.

Mr. President, I ask unanimous consent that the article be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UTILITY, FUEL-OIL FIRMS BATTLE NEW HEADACHE: SURGE IN OVERDUE BILLS

(By Bernard Wysocki Jr.)

Companies that supplied heat to homes in the frigid Northeast and Midwest last winter are currently getting the cold shoulder from their customers.

Record numbers of residential fuel users aren't paying their oil, gas and electric bills. The overdue bills are bigger bills than ever, because of higher fuel prices and greater consumption during the cold spell. As spring sets in, utilities and fuel-oil dealers are beginning to yearn for their money.

Moreover, their problems could be worsened by President Carter's energy plan, under which oil and natural gas prices—and heating bills—would rise even further; more families would have trouble paying. In addition, utilities would have to help customers install and finance insulating materials and other costly energy-saving devices; in effect, utilities would turn into contractors and bankers with even more exposure to customer bad debts.

But the severe winter is the current culprit in the utility-bill crunch.

FIRMS COLLAPSE IN NEW ENGLAND

In New England, some 25 to 30 fuel-oil concerns recently have gone out of business because they couldn't collect their bills, according to the New England Fuel Institute in Boston. "And between Oct. 1, 1976, and the end of March 1978, we estimate that 200 dealers will give up the ghost because of accounts receivable and financing problems," says Charles H. Burkhardt, executive vice president of the 2,200-member trade group.

In the Midwest, natural gas suppliers face a mountain of customer debt. At Wisconsin Gas Co. in Milwaukee, for example, overdue bills total $7.6 million, up from $4.7 million a year ago. Some utilities, like Niagara Mohawk Power Corp. in Syracuse, N.Y., have tapped the money markets to ensure an adequate flow of cash.

More customers soon will begin to suffer too. State-imposed or state-encouraged "moratoriums" on fuel shutoffs expired this month in nearly 20 hard-hit states. Many homes could lose gas or electric service. The numbers are staggering: In Milwaukee, 22,000 gas customers have bills so far in arrears that they face disconnection, and 200 already have been cut off; in Cleveland, about 100 gas customers a day have been losing service since disconnection crews began making the rounds a week ago. Nationwide, perhaps hundreds of thousands of customers face disconnection, according to a survey by a U.S. Senate subcommittee staff.

AWAITING CRITICISM

As a result, utilities are braced for a barrage of criticism from politicians, consumer groups and labor unions as soon as the massive shutoffs of gas or electricity start. But the companies insist that they have to act. "The shutoff is a tool, and if we can't use it, a group of people aren't going to pay," says Darrell Dunlap, consumer credit manager at East Ohio Gas Co., Cleveland.

The bad-debt problem isn't a new one for utilities. As prices have surged over the past few years, growing numbers of customers—especially the poor and elderly—have found it harder to pay. Also, some people have turned delinquent out of protest. Using Federal Power Commission reports from more than 100 utilities, Electrical World, a trade publication, calculates that uncollectible bills soared to more than $170 million in 1975 from about $80 million in 1973.

But last winter's extreme cold magnified the problem. The FPC estimates that it cost the average residential gas customer $323 to heat his home, up from $238 the previous winter. In some parts of the country, the dollar increase was even bigger; in the Middle Atlantic states, the average gas bill rose to $512 from $369, the FPC says.

Utility men say soaring levels of unpaid bills will help lift utility rates even higher. "All you people who pay your bills, you're going to have to pay" for delinquencies, warns East Ohio's Mr. Dunlap. Says a Wisconsin Gas Co. official: "The last time we went for a rate case, we asked for several million dollars in rate increases to absorb these bad debts."

SCRAMBLING TO COLLECT

Meanwhile, companies are scrambling to reduce residential accounts in arrears, with some success. (A number of utilities say they haven't noted any increase in commercial and industrial bad debts, however.)

Recently Cincinnati Gas & Electric Co. sent out a small army of employes to hand-deliver notices to several thousand customers; it warned them of imminent disconnection if they don't square their accounts. A company spokesman says a horde of late-paying customers showed up at the credit office, and the utility suspended hand-deliveries until the traffic slowed down a bit. Then, on April 4, it resumed hand-delivery of shutoff notices. Between April 2 and last Thursday, the company disconnected 1,100 customers, it says.

Other utilities also have adopted a get-tougher policy with customers that they view as undesirable.

"We continued shutoff practices throughout the winter—in a very careful manner," says Robert Stewart, executive vice president of Michigan Consolidated Gas Co. The poor were spared, he says, but "the cheaters, the crooks, the fellows who stole" gas were disconnected when the company had evidence of intentional freeloading. Mr. Stewart credits the policy with holding down bad debts last winter, although the amount in arrears still rose $7 million, or 40% from last year, he says.

Nevertheless, shutting off the heat is a big headache for the companies. It's expensive: One gas-utility official estimates it costs $15 to disconnect and another $15 to reconnect. Such expenses add up when disconnections hit the tens of thousands. Besides, in some states, including Ohio, utilities can't charge customers directly for disconnecting or reconnecting service.

Moreover, utilities generally lose their chance to collect overdue bills once they disconnect a customer, and some customers who do reconnect do it under an assumed name to escape all charges. The result is that companies' "charge-offs"—bills written off as uncollectible—are skyrocketing. East Ohio charged off $3 million in 1976, up from $2 million in 1974.

Shutoffs pain the companies for other reasons. For example, they offer solid turf from which politicians can tee off. Utilities, says Sen. Howard Metzenbaum (D.-Ohio), "are insensitive to consumer problems, and they wind up requiring government action.... As a former businessman, I am urging utilities to show some compassion and reason, and I think they might help the attitude of people toward them."

Congress is trying to help the cash-strapped pay their debts and avoid disconnection. Sen. Edmund Muskie, Democrat of Maine, recently proposed a $200 million program to help poor people pay their bills. Both houses of Congress passed the measure, and now it is in a House-Senate conference committee. But supporters say the Carter administration turned thumbs down when the proposal first came up, so its future is in doubt.

Local politicians, too, are quick to criticize utilities. Recently the Cleveland City Council voted 33 to zero to ask the Public Utilities Commission of Ohio to extend its ban on shutoffs to May 1 from April 1. The request was denied.

Shutoffs, in fact, are a public-relations nightmare in general. "We've had some hostile confrontations" with customers, says David Talbott, public-relations chief at East Ohio. These days, he also has to fend off requests from television reporters seeking to be on the scene when a disconnection crew arrives at some customer's doorstep.

OTHER TACTICS SOUGHT

So some utilities are looking for alternatives to simply cutting off fuel supplies. Many have devised "deferred payment plans," which can be a godsend to hard-hit consumers like Vanderbilt Simmons, a 58-year-old laborer at Republic Steel Corp.'s Cleveland Works.

In the past "my bills never got higher than $85 or $90 a month," moans Mr. Simmons as he sits here among dozens of other people at East Ohio's credit office. But this year, the February-March bill to heat his eight-room house was $217, and Mr. Simmons says he can't pay it all at once. "I just don't want them to cut me off," he says nervously.

But five minutes later, Mr. Simmons walks away from the clerk's desk a happier man. East Ohio agreed to stretch out his payment over six months. His back bills plus future payments will be $68 a month through the summer

Not everybody's problems are so easily solved. Helen Williams, a short, round welfare recipient, is angry. She is at the East Ohio office clutching a $219 gas bill—plus a $272 electric bill from Cleveland Electric Illuminating Co.—and asking the room at large, "Who's stealing the money? Where is the money going?"

Mrs. Williams is upset because an emergency $329 check from the Welfare Department won't cover both bills, which she ran up over several months in heating her 10-room house on Cleveland's declining near west side. She lives there with four children and a grandson. Mrs. Williams walks to the clerk's counter and pays her $219 gas bill. "I don't know what we're going to do" about the electric bill, she says.

FUEL-OIL DEALERS' WOES

Fuel-oil dealers say they, too, have instituted deferred payment plans or have stepped up efforts to get customers on a year-round budget billing system. One reason: Many fuel-oil companies consider themselves more vulnerable to bad debts than are utilities

Gas disconnections often mean a family can't cook: electrical shutoffs mean they can't see at night or watch television. But fuel oil typically just heats a home and by April, the threat of no more oil isn't serious in most parts of the U.S. A few extra blankets can solve the problem until fall.

"We've had an exceptionally warm March" says Robert Fawcett, a Boston fuel-oil dealer. "Rather than send a partial payment, customers put (the big bill) in a drawer and forget about it."

Too, customers can leave a fuel dealer holding a big bill and shop around for another supplier next winter. "There's only one Brooklyn Union Gas Co. There's only one Con Edison," says William Vallely, credit manager at Kleen-Heet Oil Co., Brooklyn, N.Y. "But they can look in the Yellow Pages and there are 150 to 200 fuel-oil companies."

INDIANA FARMERS' VIEWS ON FARM AND FOOD POLICY ISSUES

Mr. LUGAR. Mr. President, Mr. Bob F. Jones, a professor of agricultural economics at Purdue University, has teamed with Kerry K. Litzenberg, his graduate research assistant, to complete a survey that is relevant to the Senate's discussion on national farm policy.

During the second week of November 1976, these capable researchers sent 1,500 Indiana crop and livestock producers a survey form dealing with questions and issues about agriculture and food. Of the 1,500 surveys distributed, 609 were returned as usable survey instruments. These 609 producers represent approximately one-half of 1 percent of the 105,000 farm units in Indiana.

In that most Senators have not enjoyed the opportunity to participate in Agriculture Committee discussions of these complex and vitally important issues, I believe this survey provides important input into the Senate's deliberations on farm legislation and policy.

I ask unanimous consent that a summary of the findings be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

INDIANA FARMERS' VIEWS ON FARM AND FOOD POLICY ISSUES

WHAT IS A FAIR PRICE?

The respondent was given no guidance on this question but was left to his own determination of what he considered a fair price to be.

As a farmer, what do you think would be a fair market price in 1977 for the following products? Answer only for the products you produce:

	Survey average price	Range of prices	Average price received December 1976	Number answering
Corn [1]	$2.79	$1.50–$5.00	$2.23	531
Wheat [1]	3.73	1.50–6.35	2.37	410
Soybeans [1]	6.66	3.00–15.00	6.64	460
Hogs [2]	44.27	25.00–60.00	36.40	290
Choice steers [2]	47.86	33.00–65.00	39.96	316
Milk (grade A) [2]	10.08	4.25–15.00	10.20	80

[1] Per bushel.
[2] Per 100 lb.

Prices received by Indiana farmers at the time of the survey as reported by the USDA were below prices they considered the fair price, except for soybeans and milk. The divergence between a fair price and the actual price was greatest for wheat.

RECOMMENDED TARGET PRICE LEVELS

Producers were asked to make their recommendations for establishing target price levels for 1977.

The 1973 Agricultural Act set up a system of target or government prices for feed grains, wheat and cotton. Listed below are the national target prices established for 1976. To the right, put in your recommendations for target prices in 1977:

		I recommend for 1977:			
	1976	Average	Range	Average price received December 1976	Number answering
Corn	$1.57	$2.16	$1.00–$5		475
Wheat	2.29	3.02	1.50–6		432

Recommended levels were substantially above 1976 target prices. The 1976 level had been adjusted upward from the initial 1973 level by formula contained in the law. The formula did not, however, take into account the large production cost increases which occurred from 1973 through 1975.

RECOMMENDED LOAN RATES

Producers were also asked to make their recommendations for loan rates for 1977.

Listed below are the national average government loan rates for 1976. At the right, put in your recommendation for loan rates on these crops for 1977:

		I recommend for 1977:			
	1976	Average	Range	Average price received December 1976	Number answering
Corn	[1] $1.50	$1.95	$1.25–$3.50		468
Wheat	[1] 2.25	2.74	1.50–5.00		424
Soybeans	2.50	4.01	2.00–8.00		419

[1] As of October 1976.

The recommended increase for loan rates was similar percentagewise to the increase for target prices. This may indicate producers understand how target prices and loan rates should work. The suggested level for loan rates may indicate producer views of the price level which will keep U.S. prices competitive in world markets.

BASIS FOR ESTABLISHING TARGET PRICES

Producers showed a strong preference for basing target prices on cost of production.

If the target price system is to be kept in new farm legislation in 1977, on what basis should target prices be established? (check one)

	Percent
Start with current target prices, adjust each year for changes in prices farmers must pay for production items, including labor and interest rates	50
Use an average cost of production for the major producing area including average land costs	37
Use the parity principle of equal purchasing power for farmers calculated from the 1910–14 base period adjusted for recent changes	9
Other	4
Total responses	526

Although advocates of price supports tied to parity still continue their position, only nine percent of respondents in this survey thought the parity concept should be used

as a basis for establishing new target price levels.

CONGRESSIONAL ACTION ON FARM LEGISLATION

Producers were given several options as to what they thought Congress should do about future farm legislation.

The Agricultural Act of 1973 is due to expire at the end of 1977. What do you think Congress should do about future farm legislation in 1977?

	Percent
Keep the present law as it is—extend it for another period of years	6
Let the law expire; go back to earlier price and income support laws	3
Revise the 1973 Act by raising target and loan prices closer to costs of production, but keep it in its present form	59
Eliminate all government price and income support programs	22
Other	2
No opinion	10
Total responses	586

The majority favored the concepts contained in the 1973 Act with target prices and loan rates closer to costs of production. Although some farm spokesmen imply a majority of producers favor elimination of all government price and income support programs, this survey shows only about one in five favor their elimination.

ACREAGE SET-ASIDE PROGRAMS

In view of changed world food conditions producers were asked about their attitude toward use of set-aside acres in the future.

Acreage set-aside programs were in effect in 1973 and earlier years. Based on what has happened since 1973, how do you feel about acreage set-aside programs? (check one)

	Percent
The set-aside program should be available to use if needed	42
Set-aside programs should not be used	38
Instead of set-aside acres, give farmers a chance to store grain from a specified acreage under a government-storage program. Such grain could not be sold unless supplies were short and prices rose above a certain point	16
Other	4
Total responses	562

Opinion was almost evenly divided for and against use of the set-aside principle. The alternative of storing the production from a specified acreage was favored by 16 percent of the respondents. The bill introduced by Senator Bellmon, Oklahoma, contains an alternative to set aside very similar to the storage alternative stated here.

ROLE OF GOVERNMENT IN AGRICULTURE

	Percent					
	Strongly agree	Agree	No opinion	Disagree	Strongly disagree	Total responses
Check below how you feel about each statement:						
Let farm market prices move up and down without direct Government interference to guide farmers in their production decisions	38	42	7	11	2	568
To stabilize farm and food prices and supplies, the Government should hold some grain reserves. It should buy when grain prices are low and sell when they are high	7	27	10	27	29	561
The Government should continue to use tax revenues to keep farmers' prices and incomes from dropping to low levels during times of large supplies	15	39	14	23	9	559

Opinion was strongly in favor (80 percent) of letting market prices move up and down without direct government interference in the market. Yet, in a previous question only 22 percent favored elimination of all government price and income support programs. Fifty eight percent of the respondents were opposed to government-held grain reserves as a means for stabilizing farm and food prices. But 54 percent favored government use of tax revenues to support prices and incomes during times of large supplies. Apparently respondents see only the price depressing side of grain reserves and not the price supporting aspect when stocks are being accumulated.

USE OF TAX FUNDS FOR FOOD ASSISTANCE

	Percent					
	Strongly agree	Agree	No opinion	Disagree	Strongly disagree	Tota responses
Check below how you feel about each statement:						
The Government should use tax funds to help buy food for our people with low incomes	8	43	12	25	12	5702
The food stamp and other Government food assistance programs in this country help strengthen U.S. farmers' markets	4	33	21	29	13	566
In recent years under Public Law 480, our Government has distributed about 5 percent of our farm and food exports to low income countries for credit at reduced interest or as gifts. With the present world market, we should discontinue all such export assistance	10	31	19	32	8	567
We should provide food aid only to countries suffering from disasters such as drouth, floods, or earthquakes	16	49	6	26	3	576

A majority (51 percent) agreed that tax funds should be used to help buy food for people with low incomes. Several respondents raised questions about what constitutes low income. Only 37 percent agreed that such food subsidy programs strengthen U.S. farmer's markets. This indicates respondents either don't know about research results which show expenditures on food stamps increase food expenditures by about one-half to two-thirds the total amount expended or don't believe the results.

	Percent					
	Strongly agree	Agree	No opinion	Disagree	Strongly disagree	Total responses
Check below how you feel about each statement:						
The Government should not restrict farm and food product exports under any circumstances	21	33	10	31	5	565
The Government should not restrict farm and food product imports under any circumstances	6	15	12	51	16	554
Export agreements with Japan, Russia, and Poland to supply a certain amount of our farm and food commodities have been made during the past year. Check how you feel about these:						
(a) We should not make any export agreements; let each country buy as they need the commodities and as we have them available	22	48	8	19	3	549
(b) We should agree to sell Japan all that it wants	13	33	13	35	6	533
(c) The agreement that requires Russia to buy at least 6,000,000 tons of grain every year, and allows them to buy more, is in the best interests of farmers	11	49	17	17	6	537
(d) We should set up export agreements with all major buyers of our farm commodities to assure a steady market for our farmers and stable supply for our customers	19	54	9	16	2	562

CHARACTERISTICS OF FARMERS RESPONDING

The survey was designed to be a random survey which would be representative of producers within the state. All age groups were included.

Farms were of all sizes, but the average was somewhat higher than the state average reported from other sources. Producers belonged to a number of organizations with Farm Bureau membership predominating.

CONCLUSIONS

The approach to price and income support taken in the 1973 Act appears to be acceptable to a majority of producers. A minority of producers desire elimination of all government price and income support programs. But the majority would like to see target prices and loan rates increased to provide a greater degree of protection than is contained in the 1973 Act. Producers appear to recognize the problems associated with getting loans set so high as to make it difficult for U.S. products to enter export markets. Opinion is divided on future use of set aside acres. Opinion is strongly against government ownership of grain under a grain reserve program.

The section of the survey covering attitudes toward trade and export agreements generated the largest amount of contradictory opinion. Producers apparently resented export controls or anything that looked like export controls. They would accept agreements if they would provide upward stability to export markets.

Although future farm programs cannot be based solely on producer opinion, this type of information should be useful in formulating future farm policy. To be effective, programs have to be acceptable to a majority of producers as well as consumers.

More indepth analysis of the survey data is in process and will be presented in a subsequent report.

EDUCATIONAL NEEDS OF RURAL WOMEN AND GIRLS

Mr. CLARK. Mr. President, the National Advisory Council of Women's Educational Programs recently completed an extensive study of the ability of Federal education programs to adequately serve women living in rural areas.

Their report—"Educational Needs of Rural Women and Girls"—indicates that the Federal education programs need to be refocused to assure that rural women and girls receive the same level of benefits as their counterparts living in urban areas.

The council held hearings in four cities—Madison, Wis.; Stockton, Calif.; Santa Fe, N.Mex.; and Boone, N.C.

The report notes that there is no standard definition of "rural" and there certainly can be no generalizations about the profile of rural women. Witnesses at the hearings included farm women, migrant workers, rural black women, Native Americans, Native Alaskans, women of Spanish origin, and women from Appalachia.

From such a diverse group came a wide range of interests, opinions and needs, but the report concludes:

There was also reflected, in the four sessions, a commonality of concern, to the extent that these issues emerged as the central ones: personal growth and recognition; political participation and legal rights; health education and health care; child care, early childhood and special education; counseling and career development; elementary and secondary education; and preservation of rural values.

From this, it can be seen that the needs and concerns of women and girls living in rural America closely parallel those of women living in the more-populated urban areas. But, as is true with many Federal programs, we have not yet reached the rural women to the same extent as the urban women with education programs.

I recommend this report to my colleagues. It presents a good outline of the areas that need attention in order to assure that rural women receive full benefits of Federal educational programs.

I ask unanimous consent that the section entitled "Highlights and Recommendations" be printed in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

HIGHLIGHTS AND RECOMMENDATIONS

HIGHLIGHTS

The United States may be among the most urbanized nations in the world, but rural life is still the way of life for nearly one-third of the country's people—or 66 million individuals. The total number of rural females—who are the subject of this report—is about 34 million.

Like the overall American population, the rural population is ethnically and culturally diverse, as well as geographically dispersed. It may be useful to think of these definable (but not necessarily discrete) sub-groups: Farm, Rural Black, Rural Spanish-origin, Migrant, Native American and Native Alaskan, Appalachian.

While rural America is not categorically poor, there is some correlation between rural life and low income—to the extent that the rural poor constitute 40–50% of the nation's impoverished. And, in general, rural residents have a higher incidence of social problems and receive a lower per capita share of the Federal dollars designed to meet those problems than does the rest of the population.

With respect to the educational needs, little attention is being directed to rural girls and women—by either rural educators and advocates for rural development, or women's education advocates and providers.

Such specific attention is critically needed. Assumptions have been made that males and females benefit equally from efforts to improve the quality of rural life, and that rural and urban women benefit equally from the recent national concern with women's status. The Council's investigation shows both these assumptions to be unfounded.

Lack of specific program concern for the educational needs of rural women is matched by—and thus obscured by—a lack of concern in data gathering. Public statistics with specific categories for rural women are virtually nonexistent.

The educational needs articulated by the rural women involved in the Council's investigation relate to the broadest possible range of social issues—from health care to political involvement to the preservation of rural values and regional pride.

Because the rural population is an isolated population, there is as much concern with the system by which educational services are delivered as there is with the content of those services.

In spite of both geographic spread and the great diversity of culture, ethnicity, age, family circumstances, economics, and educational attainment represented by the rural women involved in the Council's investigation, there is a striking similarity of perceived need. The message brought to the Advisory Council by the rural women was essentially this: rural women want to speak for themselves and have their voices solicited and listened to; they want to be recognized as significant and contributing members of their families and of society at large; they want to have the opportunity to become independent persons, to control their own lives, to have a role in the formulation of public policy, and to share somewhat equitably in the fruits of our society.

The educational needs highlighted so eloquently in the Council's investigations are great, because rural women, by definition, live in sparsely settled or isolated areas where educational delivery costs are high and income is generally low. The needs are also great because they are the needs of women and girls who are viewed and treated primarily as wives and mothers, and whose need to understand and be a part of the larger political and economic world is still virtually unrecognized by those around them.

The Council is aware that education alone, even in its very broadest sense, cannot solve the problems of rural females. Educational efforts addressed seriously to these problems can, however, examine and highlight the problems and can direct resources—formal and informal, public and private—toward removing fundamental causes of inequity.

RECOMMENDATIONS

The National Advisory Council is mandated to report to the President, the Congress and specifically the Assistant Secretary for Education. Therefore the formal recommendations presented here are those addressed to the Federal government. Throughout the entire report, however, there are suggestions and proposals whose implementation relies on the initiative and involvement of individuals at many levels of our public and private sector institutions. Such participation is vital to the attainment of educational equity for rural women and girls.

One overriding factor to be considered in the implementation of any recommendation is the need to recognize the positive elements of rural life and not to attempt to impose urban lifestyles upon rural women and girls. In addition, rural women and girls must be given a voice from the beginning in the planning and implementation of projects affecting them.

1. The National Advisory Council on Women's Educational Programs recommends to the President and Congress that a Federal rural education policy be established which is designed to meet the special problems of isolation, poverty and underemployment that characterize much of rural America. Such a policy must be consciously planned to overcome the inequality of educational opportunities available to rural women and girls.

This is not a new recommendation. Numerous recommendations have been made to the Office of Education concerning an education policy for the rural areas but only a few have been implemented. Almost one-third of the population of the country lives in rural areas—yet rural residents receive relatively little attention from the Federal education establishment. In setting a Federal education policy for the rural areas, the government needs specifically to address the question of education equity for women and girls.

2. The Council recommends that the Office of Management and Budget set and enforce a policy that data collected on beneficiaries of all Federal programs shall be reported by sex, by minority status, and by urban/rural or metropolitan/non-metropolitan areas, based on a standard definition.

Evidence that research on the impact of HEW programs on women is minimal and on rural women is nonexistent is found in the Department's own Report to the National Commission on the Observance of International Women's Year. The survey collected no data on rural women.

Until the population of rural women, which is significant and whose expressed educational needs are many, is identified in

data gathered by departments, and until the effect of public spending on the lives of this population is taken into account, rural women and girls will remain invisible and disadvantaged.

3. The Council recommends that the Secretary of Health, Education and Welfare ask the Census Bureau to incorporate in the Agriculture Census questions on rural women, their educational attainment, their employment for wages, and their employment in home and farm work; and that the Secretary of HEW ask the Department of Agriculture to incorporate in surveys questions about the economic contributions of women's work in agricultural production and homemaking, and questions on the economic and social conditions of non-farm rural women.

In the course of the Council's study on rural women it became evident that neither the Census Bureau nor the Department of Agriculture collects adequate information about rural women. In addition to customary figures on numbers, age categories and educational attainment—which themselves are insufficiently reported—information which accounts for the realistic contributions of rural women (paid and unpaid) is essential to the formulation of educational programs that speak to their actual needs.

A major recommendation of the World Plan of Action adopted by the United Nations as its Mexico City Conference during International Women's Year is applicable to the United States. It calls for a "scientific and reliable data base to be established and suitable indicators developed which are sensitive to the particular situation and needs of women as an integral part of a national and international program of statistics. All census and survey data relating to characteristics on individuals and to household and family composition should be reported and analyzed by sex."

4. The Council recommends that the Departments of Health, Education and Welfare, Agriculture and Interior (Bureau of Indian Affairs) undertake coordinated research programs to understand the special educational needs of rural women in their culturally, geographically and economically diverse settings, so that appropriate programs can be developed to fulfill the policy proposed in Recommendation 1 above. The findings of such research should be widely disseminated.

The paucity of available research, as well as the close interrelationship of the multiple needs of rural women, led the Council to this recommendation. The value of a coordinated agency approach to issues for which all three Federal departments have some responsibility is obvious. The information and implications of the resultant findings will only have an influence on the intended beneficiaries when they are widely known and understood.

Virtually no research or even statistical data could be located on Asian-American women. Other cultural and ethnic populations of rural women fare only slightly better. Participation of representatives of these various groups in the design of research efforts is highly advisable.

5. The Council recommends that the Department of Health, Education and Welfare, through the Office of Education, undertake a vigorous campaign to inform the public about legislation, services and programs which can assist in eliminating sex bias and sex-stereotyping in education, and in that campaign, pay special attention to the problems of reaching rural women.

In all areas, the Council has found widespread ignorance of Title IX, the basic anti-sex discrimination statute. Community groups and parents need to know the requirements of this law, the rights of students and employees under it, and what citizens can do to monitor compliance.

They need to know also the availability of technical assistance through the Institutes and General Assistance Centers funded under Title IV of the Civil Rights Act of 1964. Information about other programs administered by the Office of Education—such as vocational education, career education, and the Women's Educational Equity Act—which provide funding potential for programs to overcome sex bias, should also be widely disseminated in ways that reach beyond the usual channels of state and local education agencies. Material written for lay audiences should be distributed to the media and to groups such as parent-teacher associations, women's organizations, community action programs, and religious, senior citizen and youth groups, so that citizens can stimulate their officials to take advantage of new legislation and resources available through the Federal government.

6. The Council recommends that the Department of Health, Education and Welfare, through the Office of Education, fund a program of innovative uses of broadcast (both open and closed circuit) as a delivery system of educational services to rural women, and further recommends that those successful innovations be additionally funded and replicated throughout the country.

Because of the inherent isolation of most rural women, traditional educational delivery systems are either impractical or too costly to provide. This is especially true of late entry and continuing education programs. Around the country there are many examples of interesting and valuable uses of broadcast, both open and closed circuit, that should be further encouraged and developed. In most instances these individual programs are not geared especially for women. With proper funding and support these programs could be assessed, adapted to meet the educational needs of rural women, and carried to all areas of the country.

7. The Council recommends that the Secretary of Health, Education and Welfare review and amend the criteria by which project grants and contracts are awarded, and modify the guidelines and procedures governing applications, so that rural women and girls in greater numbers can qualify for Federal support of their programs and be the actual beneficiaries of them.

The application process for project proposals has become so technical and complex that successful fulfillment of requirements is a highly professional task. Most rural women have neither the expertise nor sufficient access to resources to qualify for grants or contracts. Their opportunity to qualify for programs intended to benefit them could be made realistic by simplification of the process.

Project guidelines that emphasize "innovative" or "pilot" demonstrations work inevitably to rule out continuity or replication elsewhere of valuable projects. It has been the Council's observation that maximum utility of many extremely useful programs across the country has been thwarted by this policy.

Finally, intended beneficiaries should be consulted or involved in the planning of proposals and in many cases should be direct recipients of grants. All too often the Council learned of programs which on paper were to assist groups who in fact were scarcely touched at any stage. Where feasible, on-site investigations prior to the award of grants, and the utilization of rural women as proposal readers, would help assure the integrity of proposed programs.

8. The Council further recommends that any programs receiving Federal funds which set prerequisites of minimum enrollment as a condition for providing courses recognize the difficulties in sparsely populated areas of meeting the same numbers standard that may be reasonable in more urban settings.

Although the Council recognizes that a lower or flexible requirement for enrollment in a course is likely to increase costs, it nevertheless believes that rural people should not be precluded from participation in educational offerings because distance and low population density limit the number applying at any one time. Several instances of this problem were brought to the Council's attention during the consultations.

9. The Council recomends to the Secretary of Health, Education and Welfare that whenever Federal resources are used to support educational guidance and counseling programs at teacher training institutions, state departments of education, and individual schools, specific attention be directed to the multiple needs of rural women and girls.

Rural girls and women need far greater exposure than they now receive to non-sexist, non-traditional occupational/career guidance information. They also need increased opportunities to become acquainted with women actively engaged in occupations/professions, both traditional and non-traditional. They would benefit from some kind of accessible "one stop" information clearinghouses which monitor programs and other resources, and which might be utilized in addressing their various counseling needs. Teachers and school counselors should be provided preservice and in-service training to make them aware of their own attitudes about both rural girls and women and the expectations which rural women and girls have. Some systematic procedure should be instituted for keeping teacher training institutions and school administrators and counselors informed both of current regulations and current non-sexist teaching and counseling materials.

ENERGY

Mr. DOMENICI. Mr. President, in President Carter's energy message last night, he stressed our ultimate dependence on the sun for energy and urged that an increase in solar energy research be effected. I am in total agreement with this view.

One aspect of solar energy which, in my judgment, holds considerable promise in meeting at least a portion of our future energy needs, is bioconversion. Simply stated, bioconversion is the release and utilization of solar energy which has been previously captured and stored by living plants.

I would like to call to the attention of my colleagues two relatively novel aspects of bioconversion of which I have recently become aware. Dr. Eugene White, of Penn State University, proposes that forest and mill wastes be converted, by known technology, to charcoal. This material, which has a higher heat content than coal and is essentially sulfur-free, could be produced from virtually any type of wood waste. Dr. White suggests that charcoal, used as a coal supplement, might help burners of high sulfur coal to meet emission standards and to stretch their coal supplies. He estimates that in Pennsylvania alone some 100 million tons of charcoal are potentially available.

Another scientist, Dr. K. L. Lessman of New Mexico State University, indicates that many species of plants contain hydrocarbons, and with appropriate

research these species could form the base of a domestic petrochemical supply. In a recent review he describes a plant called crambe, which could be grown widely in arid regions of the Southwest, providing both a valuable cash crop and a future petroleum source.

Although bioconversion can never supply a major portion of our energy needs, it does represent one element of an integrated national energy supply strategy which I believe deserves our serious attention.

Mr. President, I request unanimous consent that the articles by Drs. White and Lessman be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

The Pennsylvania State University

NEWS RELEASE

(Prepared by Mary S. Neilly)

Our forests offer a valuable, renewable, and easily available alternative energy source that can be harvested without touching healthy, desired trees, says Dr. Eugene W. White, professor of solid state science at The Pennsylvania State University.

Dr. White proposes that salvage, cull, and thinning operations be carried out in our existing forests, then that the resulting waste material, along with wood wastes from lumbering and pulpwood operations, sawmills, and wood-using industries be converted to charcoal and the charcoal blended with coal to obtain a less polluting fuel for coal-burning power plants. Also the charcoal could be used alone as an essentially sulfur-free fuel.

Dr. White describes his proposal in an article, "Wood Charcoal as an Extender or Alternative for Coal: An Immediately Available Energy Source," in the January issue of "Earth and Mineral Sciences," a monthly bulletin of Penn State's College of Earth and Mineral Sciences.

As a fuel, wood charcoal is superior to coal in many ways, Dr. White explains. Not only is it produced from a renewable resource, but it has a higher heat value and lower ash content than coal and contains very little sulfur. It retains over 65 percent of the heat value of the wood from which it is made, but weighs only 30 percent as much. It would probably need to be compacted to make it less bulky to transport, but this isn't a major problem because it is easily crushed.

Pennsylvania, which produces more than 72 million tons of coal per year, has numerous coal-burning power plants which, Dr. White believes, could burn blends of coal and charcoal. Blending the two, he notes, would have the effect of stretching coal supplies while raising the coal's heating capacity and lowering its sulfur content. This would mean that the many high-sulfur portions of coal seams now being left unmined could be utilized.

Dr. White uses Pennsylvania, which accounts for three percent of U.S. forests, as an example around which to develop his argument that our forests can yield large amounts of otherwise useless wood for charcoal.

Pennsylvania has over 17 million acres of land. He estimates that a third of the live woody material on this land is cull—material that should be removed for thinning purposes as a matter of good forestry practices. This waste, he says, represents a fuel reserve of about 330 million tons. Since a typical yield of charcoal is about one-third the weight of the wood from which it is made, this would indicate a potential short-term charcoal supply in Pennsylvania alone of over 100 million tons.

Then, once the backlog of this live material that should be removed for the sake of good forest management is depleted, Dr. White believes that at least five million more tons of charcoal per year could be realized from new cull growth, logging and sawmill residues, and other wood wastes. Not taken into account in these calculations are the dead trees—standing and fallen—in the forests which Dr. White sees as a still further major reserve.

He looks ahead to the establishment of energy plantations for charcoal-fuel production. New developments in tree farming that use sewerage effluent as fertilizer, he says, could yield as much as 15 tons of wood for charcoal per acre per year on a five-year rotation. For each million acres put into plantations, he envisions a yield of wood equal to about five million tons of charcoal per year.

No major new technology would seem to be needed to begin producing charcoal as a significant energy source, Dr. White reports, although new nonpolluting plants would have to be built if large tonnages were to be produced.

What about the cost of producing the charcoal? Dr. White points out that coal with a heating capacity of 13,000 Btu. per pound (essentially same as wood charcoal) now costs electricity producers about $26 per ton. For an equivalent heating capacity in fuel oil, the cost would be about $52. He believes charcoal could be produced—at least from mill wastes—for less than the $26 per ton that its equivalent in coal now costs.

Additional economic benefits from the use of charcoal would be the valuable byproducts of its production such as creosote and methanol (wood alcohol), an excellent fuel in its own right. From the production of 100 million tons of charcoal, Dr. White says about two billion gallons of methanol could be realized.

By using modern wood-harvesting and chipping techniques, he estimates that the costs of wood feed for mobile charcoal plants could run as little as $5 per ton. The cost of the heat-treating process that converts the wood to charcoal should not exceed about $5 per ton, he believes.

On a national scale, he says, "it would not be at all unrealistic to develop an annual charcoal production to supply an amount of energy equivalent to the present oil imports within the next two or three years. This would be an energy source equivalent to some six times the current nuclear power production."

After completing the study on charcoal that he describes in the article, Dr. White reports that he decided to look into the availability of mobile charcoal production equipment that would be suitable for Pennsylvania lumber producers, who typically operate in a five-to-ten-mile radius, to use to convert wood chips and sawdust into charcoal.

He could find no such equipment being made commercially so he and two friends have designed, constructed, and tested a prototype mobile machine which they believe has demonstrated its practicality for use by sawmill operators in Pennsylvania forests.

It is nonpolluting, of simple design, operable by a minimum of personnel, equipped to collect the distillate byproducts, and could be built commercially within a price range that sawmill operators are accustomed to paying for equipment.

On the basis of this success, Dr. White says he is confident that it would be economically realistic to proceed with production of charcoal from the vast supplies of wood waste materials from our forests and mills for the purpose of developing a cost-competitive energy source.

(Copies of the bulletin containing Dr. White's article may be obtained free of charge by writing: Editor, "Earth and Mineral Sciences," 110 Mineral Sciences Building, University Park, PA 16802.)

CRAMBE AS A RENEWABLE SOURCE OF PETROCHEMICAL RAW MATERIAL

(By K. L. Lessman)

There is a part of the impending energy problem, due to a predicted petroleum shortage, that is not widely appreciated. Petroleum is the basic raw material of an organic chemical industry that provides us with such valuable products as lubricants, surface coatings, plastics, synthetic rubber, and waxes. About 7% of all petroleum consumed in the U.S. is used in the chemical industry and projections are that materials produced by this industry will grow in importance in coming decades.

Although a single solution to world energy problems would be ideal, it seems more realistic to believe the ultimate solution will be multi-faceted and may partially require a number of contributing sources of petroleum substitutes. An excellent example is crambe oil, a prospective agricultural commodity, expressly aimed at industrial uses, and presently producible at up to 2½ barrels per acre per year even on marginal lands. Moreover, such a source of petrochemical raw material would represent a continuously renewable resource. In addition, chemical research has demonstrated several new products that can be made from crambe oil. Outstanding among these products (and the amount of oil that would be used to produce enough of them to satisfy projected markets) are nylon 1313 (80 million lbs.), plasticizers (50 million), and sperm oil replacement (50 million). Predictable increases in a number of established miscellaneous uses bring an early prospective market of 250 million lbs. per year. Therefore, crambe could meet a portion of our national needs via the petrochemical industry if an adequate and dependable supply of the seed oil were assured as a renewable domestic resource.

Oil free crambe seed meal (50% of seed weight) contains a good quality protein and may be used as a high value supplement in cattle feed, thereby helping to ease immediate demands on proteins with wide applicability. If research shows the thioglucoside constituent (9–11%) removable from the meal, either during oil extraction or by breeding, the resulting superior protein would have a more universal utility. However, a joint agronomic, genetic and industrial research effort is needed to determine crambe's productivity as a field crop for New Mexico and similar areas of the Southwest to allow a reasonable oil price and an increase in the confidence of manufacturers and producers in its constant and reliable availability.

VD: THE NEGLECTED EPIDEMIC

Mr. ABOUREZK. Mr. President, I want to call to the attention of the Senate an article which appeared in the Washington Post on Sunday, April 17. This article titled "VD: The Neglected Epidemic" was written by Phyllis Franck and Diana S. Hart.

Mr. President, this article discusses what I think is a very important and neglected problem in the country today. The Center for Disease Control has confirmed that there exists major, nationwide epidemics of syphilis, gonorrhea, and other sexually transmitted diseases. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VD: THE NEGLECTED EPIDEMIC

(By Phyllis Franck and Diana S. Hart)

Last fiscal year, 1,011,014 cases of gonorrhea were reported to the U.S. Public Health Service, an increase of 254 per cent since 1965 and the highest number since the PHS started keeping such records 55 years ago.

PHS officials estimated there were another 1.7 million unreported new gonorrhea infections last year—a projection based on the results of national surveys revealing extensive failure by private physicians to report the cases they treat.

There were 76,736 cases of syphilis reported to the PHS during FY 1976, and it is estimated that at least 360,000 more untreated cases occurred in the United States last year—a projection derived from national health surveys in which random samples of the population were tested for the disease.

More cases of gonorrhea are recorded each year by the PHS than all other reported communicable diseases combined, including chicken pox, mumps, TB, measles, syphilis and several others. Syphilis has repeatedly ranked third among "reportable" communicable diseases in the United States, and although it leveled off slightly last year, it continues to be exceeded in incidence only by gonorrhea and chicken pox.

This information is found in the "VD Fact Sheet," a little-noticed federal report which quickly dispels any notion that venereal diseases no longer pose a serious public health problem. Though not yet off the press, the FY 1976 edition of the Center for Disease Control (CDC) publication confirms there are major, nationwide epidemics of syphilis, gonorrhea and several other sexually transmitted diseases, according to CDC officials.

"Gonorrhea and syphilis are at unacceptably high levels," is how Dr. Ralph Henderson, until last month chief of the federal VD control program and now with the immunology staff of the World Health Organization, characterizes the situation.

Epidemiologist Gavin Hart, M.D., of the Harvard School of Public Health, agrees that there is a serious VD problem in the United States and says the word "epidemic" does not adequately convey its current scope. "Hyperendemic, meaning there is a constant presence of a disease or infectious agent in a given geographic location, at persistently high levels," he suggests, is a more accurate assessment.

The new government report reveals that complications of untreated syphilis and gonorrhea are costing the American public many times more annually than the amount being spent by the federal government in an effort to control these diseases. Pelvic inflammatory disease, for example, a frequent complication of untreated gonorrhea which often leads to sterility, affected some 22 million women last year, accounting for 1.2 million hospital days and costing society some $229 million. Likewise, the institutional care of people suffering from syphilitic psychosis cost taxpayers $60 million last year.

By contrast, the fiscal 1976 budget for the control of syphilis and gonorrhea was $18 million, and the National Institutes of Health's Allergies and Infectious Diseases Institute, which is responsible for research into communicable diseases, spent $4 million last year for all sexually transmitted diseases. Despite overwhelming evidence from a federal agency warning of a serious public health situation, appropriations to combat the national VD problem have been declining.

"No one would have allowed this to happen with measles or polio," Henderson says, pointing out that the full impact of venereal disease goes far beyond syphilis and gonorrhea. Scientists are finding that a multitude of other infections and infestations from bacteria, viruses, insects and fungi are transmitted sexually and are taking their toll, both physically and financially, on society. As many as 20 have been cited by scientist King Holmes, director of the Center for VD Research at the University of Washington.

Over the last decade, scientists in America and abroad, recognizing the limited connotation of the term "venereal" (from Venus, the goddess of love), have been adopting the expression "sexually transmitted diseases," or STDs, to describe this spectrum of conditions.

BIG THREE OF VD

What are these diseases and how "unhealthy" are they? Chancroid, lymphogranuloma venereum and granuloma inguinale, together with syphilis and gonorrhea, once were considered the five traditional venereal diseases. The first three are now rare in the United States, but genital herpes, a peculiar virus related to the one causing cold sores, along with the latter two, are the contemporary big three of VD. The increasing prevalence of herpes, plus its known link to birth defects and other possible medical consequences, have resulted in escalating concern about this disease. While CDC estimates are admittedly "very low," it believes that at least 300,000 new cases occur in the United States each year. Projections by other medical sources indicate 10 to 20 million adult Americans have genital herpes.

Trichomoniasis (an estimated 2.5 million new cases annually), non-gonococcal urethritis, or NGU, (an estimated 2.5 million new cases) and venereal warts (an estimated 700,000 new cases are other sexually related ailments now being monitored by the Center for Disease Control. Still others, for which no data is available from the center, are nonspecific vaginitis, yeast infections, strains of infectious mononucleosis and scabies. The role of sexual contact in the transmission, especially among homosexuals, of hepatitis B and several forms of dysentery is also just beginning to be considered.

"The toll of all of these infections is high," the National Institute of Allergies and Infectious Diseases (NIAID) states in its new public information pamphlet. In seriousness, they range from Phthirus pubis, commonly known as "crabs," to such insidious illnesses as syphilis, gonorrhea and genital herpes.

Except for infections caused by the herpes virus, for which medication can do no more than relieve localized symptoms, many of the sexually transmitted diseases can be overcome with some form of treatment. However, acute medical complications may result if treatment is neglected.

Gonorrhea, if untreated, can lead to sterility in men and women. It is also the most frequent cause of infectious arthritis in the United States and, in exceptional cases, can result in meningitis, NIAID says. NGU may lead to blindness. Hepatitis can cause severe liver damage. Though advanced syphilis is declining, this degenerative disease, when untreated, leads to mental illness, blindness, heart diseases and death. Complications from primary and secondary syphilis affect the newborn infants of women who are infected while pregnant.

In fact, the NIAID booklet shows that the most significant characteristic shared by a majority of the STDs is their potential for damage to fetuses and the newborn. Risks included miscarriages, premature and stillbirth, serious urogenital infections, mental retardation, blindness and other congenital defects.

At least five of these diseases are "directly responsible for the death and/or lifelong disability of an estimated 100,000 babies and young women of child-bearing age annually," Sam Knox, national program director for the American Social Health Association, a small, California-based information and educational organization which is the closest thing to a VD lobby, said recently in testimony before a Senate appropriations subcommittee.

"NO ONE IS IMMUNE"

According to PHS figures, sexually transmitted diseases are most prevalent in large urban areas and among 15–30-year-olds. Specifically, 20–24-year-olds are at greater risk of contracting both gonorrhea and syphilis than any other age group, 15–19-year-olds are the second highest risk group for gonorrhea and 25–29-year-olds are the second highest risk group for syphilis.

"Accurate socio-economic data is not available," departing VD control chief Henderson points out, "but no one is immune. So-called 'nice' people are as susceptible as anyone else. These and other STDs are present in every socal strata and ethnic group."

Homosexual males have become a particularly high-risk group for several STDs and are thought to account for as much as one-third of all reported syphilis cases.

According to Henderson and other epidemiologists, prostitution does not appear to be an important factor in the spread of STDs in the United States today.

Why are the STDs at epidemic levels? This is an extremely complex question and there are a variety of answers. Some say that the "new morality" is responsible. Data indicate that sexual activity is taking place with greater frequency among all age groups both within and outside of marriage. This fact does not fully explain the epidemic, however. The "portability" of the diseases in a highly mobile society, plus the lack of natural immunity to many of the diseases (that is, the fact that being cured doesn't prevent reinfection), are contributing factors. Modern birth control methods—the pill and the IUD, unlike the condom—offer no protection against VD. (A recent study has shown that some creams and jellies used with diaphragms do offer limited protection.)

The elusive gonococcal organism is presenting a particular challenge to epidemiologists because most women, and some men, do not experience symptoms until the disease is well advanced. If these unknowing carriers continue to be sexually active, they will pass it on to others, who in turn may infect others, and so—like a chain letter with a sinister message—the disease progresses.

Disease detection is also difficult. There is a culture test for gonorrhea, but the fastidious gonococcal organisms will grow only in carefully controlled laboratory conditions. And even under optimum circumstances, the test does not detect between 10 and 20 per cent of cases, according to control experts.

BETTER THAN NOTHING

Whatever the shortcomings of modern diagnostic tools for gonorrhea, they are better than none at all. Yet screening is not routinely provided for this or any other STD by urologists, gynecologists and most private practitioners. Patients are therefore obliged to reveal personal information about sexual activity in order to obtain medical care, and thus may be inhibited from seeking diagnosis and treatment.

In addition, private physicians, who treat about 80 per cent of all VD cases, rarely ferret out and treat sexual partners of infected patients. And failure by an infected individual to inform any sexual partners of the need for treatment is another problem.

The national gonorrhea rate for FY 1976 was 478.1 cases per 100,000 population, according to the new VD Fact Sheet. However, six cities reported rates exceeding 2,000—Atlanta with 3,083 reported cases per 100,000

population, followed by Baltimore, San Franciso, Washington, Richmond and Memphis. The syphilis rate for FY 76 was 11.8 cases per 100,000 population. But four cities—San Francisco, Washington, Charlotte and Atlanta—reported rates exceeding 75 cases per 100,000 or about seven times the national average. All cities over 50,000 reported some incidence of gonorrhea, says Joseph H. Blount, chief federal statistician for VD.

Despite laws in all states requiring the reporting by doctors of confirmed gonorrhea and syphilis cases to health authorities, the chronic problem of underreporting by private physicians results in "weighted" data. Public health clinics, family planning agencies and hospitals routinely report confirmed cases. But because a preponderance of their patients are low-income individuals, the impression is created that VD is basically a "lower-class" problem.

Other factors can influence the federal data. For example, some epidemiologists believe that intensified case-finding efforts by public health workers in recent years, plus improved reporting procedures, have resulted in the upward statistical trends.

But statistician Blount does not agree. Blount admits these efforts have accounted for some increases but believes there is overwhelming evidence that the data reflect actual increases rather than improved reporting. Emphasizing this point, he explains that, long before any intensified public health efforts were launched, there were 10 to 15 per cent increases annually of reported gonorrhea cases. Blount points out that six states do not have laws or regulations requiring laboratories to report positive syphilis or gonorrhea test results to public health authorities.

APPROPRIATIONS CUT

Despite the magnitude of the national VD problem, it appears the federal government is not being sufficiently responsive. Public health officials are expressing alarm and frustration over a lack of adequate financial support, and many believe the stigma surrounding these diseases is still a major obstacle to an enlightened and effective public policy.

Funding cuts have diminished an already slim budget for the national VD control effort. The Center for Disease Control's present $18 million appropriation for syphilis and gonorrhea control reflects a 40 per cent reduction since 1975, excluding inflation.

Scientists say they still have much to learn about the organisms causing gonorrhea and syphilis if effective immunoligical agents are to be developed. Important research into other STD organisms is also needed. While the NIAID research program in sexually transmitted diseases has grown from $130,000 in 1971 to about $6 million this year, this is considered a minuscule amount for scientific research in an area affecting the health of millions of Americans. The Defense Department's small VD research program was eliminated by Congress six months ago. "Our VD research program, touted to be the best in the world, is actually little more than a token effort," Sam Knox has testified.

Prior to 1972, there was no federal control program at all for gonorrhea. The total VD budget—directed solely at syphilis—was slightly more than $6 million. That year, when new reported gonorrhea cases had already exceeded 800,000, Congress appropriated an additional $16 million for its control, bringing CDC's budget to $22.3 million for both diseases.

In 1975, $28 million was appropriated. But by 1977, after new reported gonorrhea cases passed the million mark, Congress had slashed the program to $18 million. A 1971 report by a presidentially appointed national VD commission recommended that federal appropriations of $43.3 million would be required by 1977 to carry out adequate control programs. This recommendation, like most others in the report, has been ignored.

The House and Senate have just passed a supplemental appropriations bill that includes an extra $7 million for VD control for FY 77 only. If approved by the President, it would bring the budget to $23 million for the current fiscal year, which ends September 30. The proposed increase would be derived by transferring funds from the swine flu program.

EDUCATION IS KEY

What would it take to make sexually transmitted diseases a top national health care priority? Both federal and non-federal epidemiologists agree that educating the general public and legislators at all levels of government about their dangers is the key, as is changing the view, still widely held, that these diseases are deserved punishment for promiscuous behavior.

"If we could somehow destigmatize them, half the battle would be won," Henderson says. "Other illnesses have been stigmatized in the past. Diabetes, epilepsy, TB, even cancer were at one time thought to afflict only 'bad' people. VD, however, is tied to sex, which adds another dimension. With STDs, everyone take a giant step backwards and says, 'Me? Not on your life.' "

In the highly competitive congressional appropriations process, both public interest group pressure and the social acceptability of the cause are crucial. But, as one Hill staffer asks, "Who wants to be the public champion of VD? That role is about as attractive to a politician as getting the disease."

Attempts by the White House since 1972 to eliminate "categorical" health programs such as VD caused numerous congressional logjams. As a result, the law authorizing the existence of the federal VD control program almost expired last year but was finally renewed for an additional three years by congressional health subcommittees. This delayed action on funding by the appropriations committees.

In the past, the federal government was not entirely unresponsive with regard to VD. The existence of a national problem was first acknowledged during World War I when syphilis was observed to be a major cause for draft rejection. In 1918, Congress passed legislation creating a VD division in the Public Health Service. In 1938, when reported cases of syphilis at all stages reached nearly half a million, Congress passed the National VD Control Act, providing federal funds for state-run syphilis control programs.

With no miracle drug to counteract syphilis in its contagious stages, the objective of the early effort was to spot infected individuals through blood tests and to track their sexual contacts. To prevent late complications, people with syphilis were placed in rapid treatment centers on regimens of arsenic therapy.

After the mid-1940s, when penicillin proved effective in curing the disease, the incidence of syphilis dramatically declined. Between 1947 and 1957 primary and secondary syphilis dropped from 106,000 cases to only 6,200 new reported cases nationwide.

RATES STAY HIGH

Believing the problem solved, Congress drastically reduced the federal effort and interest in sustaining a national syphilis control program was lost. But optimism about penicillin as a panacea was ill advised.

By the late 1950s, infectious syphilis was increasing again. In 1961, with 125,262 new reported cases of the disease at all stages, Congress initiated a 10-year eradication plan, providing limited funds to state health agencies to combat the disease. Inflation, however, soon eroded most of the program's impact. Despite these efforts and the existence of tools—blood tests and penicillin—to combat the disease, infectious syphilis rates have remained almost consistently at the high 1961 level. And some epidemiologists believe that erratic federal funding contributed to its resilience at that time.

The most alarming increases of gonorrhea began in 1961 when there were more than 265,000 new reported cases. By 1969, this had nearly doubled. Yet it wasn't until 1972, when new reported cases reached 800,000, that a national gonorrhea control program was launched. Dr. Paul Wiesner, new federal VD control director, says the disease itself is partially to blame for this neglect. It wasn't until the late 1960s that scientists perceived the non-symptomatic nature of gonorrhea. "Then it took time to discover a culture medium on which the gonococci would grow with relative ease so we could test for the disease. That didn't happen until 1968," Wiesner says. "As usual, there was a lag between the technical discovery—the Thayer-Martin test—and legislative action."

Today gonorrhea is presenting a new set of problems. Over the past three decades, the PHS has increased the recommended dosage of penicillin required to cure the disease from 200,000 to a colossal 4.8 million units. Now virulent new strains which are totally resistant to the drug have been identified in the United States and 11 other countries.

The current federal VD legislation permits grants to supplement state and local health department efforts. At the local level, federal money is used only for technical assistance, data gathering and analysis, case-finding and follow-up activities—such as interstate referrals—and for some educational activities. Federal money is not available for direct diagnostic or treatment services.

It appears the Center for Disease Control is making good use of this limited federal control support aimed at gonorrhea and syphilis. In FY 76, the center claims its funds aided in testing 9.1 million persons for gonorrhea (of whom 4 per cent were positive) and some 42 million for syphilis (2.5 per cent positive). Last year, syphilis leveled off slightly and gonorrhea showed the smallest increase in 14 years.

"Now, with less money," says Wiesner, "we will have to narrow our targets a great deal." In the past, investigators tried to locate all possible sexual contacts of infected persons. "Now," says Wiesner, "we will simply have to issue warnings and hope infected people take the initiative themselves."

Declining funding has made it difficult for states and cities to plan ahead. Washington and Atlanta have problems typical of other urban areas with high rates of syphilis and gonorrhea—limited facilities, long waiting lists (time is critical in VD) and not enough local money.

Denver's program, which has a good deal of local support, may not suffer as badly. "Operating under a unified, countywide health care system in which hospitals, VD clinics and neighborhood outreach programs all report back to one manager is also helpful," explains Dr. Frank Judson, director of the city's disease control, who says he spends 60 per cent of his time on VD.

SEARCH FOR VACCINES

In addition to the quest for improved diagnostic tools, research scientists, many control experts and private physicians agree that a primary aim of VD research should be the development of vaccines against the diseases. A few private drug companies are doing work in both these areas, but their financial investment is limited.

Since 1972, congressional appropriations

committees have urged NIH to expand its VD research program, but have not earmarked specific budget increases for it. The bulk of VD research, the responsibility of the National Institutes of Allergy and Infectious Diseases, is conducted through small grants to medical schools, principally the University of Washington, Harvard, Baylor College of Medicine and Cornell University Medical Center.

Though NIAID calls VD research "a special emphasis area," its budget allocations do not reflect this priority status. VD garners less than 4 per cent of NIAID's research funds and less than one-fifth of 1 per cent of NIH's $2.5 billion annual budget.

Medical science is still a long way from adequate solutions to the problems posed by sexually transmitted diseases, and even if vaccines were now available, current attitudes toward VD might well inhibit implementation of a national vaccine program. In the meantime, traditional health care measures—early identification of infections and early treatment—must suffice. But such efforts will have to be expanded in order to be effective.

Family planning clinics, for example, which are often the initial and primary point of medical contact for about 4 million sexually active women in the United States each year, are not able to receive direct federal VD control grants because the law limits eligibility to state health departments.

Private physicians must be better trained to diagnose, treat and counsel patients regarding sexually transmitted diseases. It has also been suggested that treatment of patients with sexually transmitted diseases be better integrated into teaching hospital settings.

Public education in all aspects of human sexuality by schools, religious organizations and community groups is vital. Operation Venus, the national VD hotline (800–523–1885) is one step toward public enlightenment, as is the effort of the National Planned Parenthood Federation, which has named April national Family Planning and VD Awareness Month for the third year in a row. Sweden has experienced a remarkable decline in gonorrhea since its national "kondom" campaign was initiated six years ago. Yet in the United States, 11 states still have laws prohibiting or restricting public display of condoms.

There is also the matter of personal behavior. "Let's face it," Denver's Judson says, "if two people who don't have VD have a single, monogamous relationship, they won't get it. The broader the scope of sexual contacts, the more likely one is to catch something. This is not to moralize. But everyone should be aware of what can happen and how to treat a problem if it develops."

FUTURE SOURCES OF ENERGY: THE NEGLECTED ALTERNATIVE

Mr. PERCY. Mr. President, the costs and risks of expanding our output of energy are much higher than we once thought. This conclusion has recently been underlined by the report of a distinguished group of scientists, engineers, and economists assembled under the auspices of the Mitre Corp., to evaluate U.S. energy policy. In its report, the Mitre committee took a pessimistic view of the health and environmental costs associated with increased use of both coal and nuclear power, formerly considered our cheapest and most acceptable sources of future energy.

In considering alternative sources of energy, we have too long neglected the safest, cheapest, and, often, the easiest means of providing power for new uses—energy conservation. Although it may sound glib to assert that saving energy today is the best way to have more for the future, the underlying point is sound. By substituting efficient for wasteful uses of fuel and by curtailing unnecessary energy consumption, we can free enormous amounts of energy for other needs. In lieu of conservation efforts, we would have to build more nuclear reactors, strip mine and burn more coal, or further increase our dependence on foreign suppliers of crude oil in order to replace this wasted energy. Clearly, conservation would not involve possible hazards of nuclear reactors, certain environmental degradation associated with burning certain types of fuel, or the constraints on our foreign policy imposed by excessive dependence on imports.

The advantages of conservation energy over the exploitation of virgin energy sources are many. In contrast to exhaustible energy, which once consumed is gone forever, conservation practices usually result in permanent or at least long-term savings. The effect of such efforts is also multiplied beyond the energy saved by the final user. All of the energy used to extract, refine, and transport it to the point of end use is also saved.

Mr. Phillip J. Mause, Washington counsel for the environmental defense fund, testified on January 25, 1977, before the Federal Energy Administration on Indiana Natural Gas Co.'s proposed construction of a synthetic natural gas plant. His testimony represents an excellent example of how the philosophy behind conservation energy can be applied. Mr. Mause feels that synthetic natural gas should not be brought on as a supply source until all less expensive conservation measures designed to make more gas available are exhausted. He hit the nail on the head when he pointed out that—

Indiana could find cheaper gas in the ceilings and factories of its consumers.

Mr. Stewart Udall, former Secretary of the Interior and longtime conservationist, has often written on the problems of energy production and conservation. In a column appearing in the March 30, 1977, issue of the New York Times, he cogently summarizes the errors of past U.S. policy in this field. He stresses that no matter what energy supply strategy we choose, our main interest should be conservation.

What can we as legislators do to promote this worthy cause? This question is addressed in the General Accounting Office report of January 1977, entitled "National Energy Policy: An Agenda for Analysis," which discusses the courses of action open to the Federal Government. This document should be of great help to us in formulating an energy policy for the 1980's and 1990's.

Mr. President, I ask unanimous consent that Mr. Udall's column, Mr. Mause's testimony, and chapter 2 of the General Accounting Office report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 30, 1977]

PUTTING THE SPRING INTO ENERGY

(By Stewart L. Udall)

WASHINGTON.—For at least two decades, United States energy policymaking has been dominated by super-optimism and erroneous assumptions. Now a brutal winter has exposed our mistakes and has sent a second warning that our predicament is indeed serious. This is a propitious time to question the old politics and re-examine the old assumptions, for one advantage of any new Administration is that it has a fleeting opportunity to make a fresh start.

In the spirit of President Carter's "new beginning," here are some unsolicited suggestions for his Administration's energy planners.

1. Don't underestimate the value of our remaining petroleum. It is the most versatile, cheapest energy we will ever have. Our paramount national policy should be to stretch its use and make it last as long as possible. We should do this with full awareness that there are no meaningful substitutes in sight for this irreplaceable resource. The terrible truth is that this country runs on oil and our supplies of this precious commodity are running out.

2. Don't operate on the Nixon-Ford assumption that the energy problem can be solved by increases in petroleum production. Higher prices to producers (through decontrol) will result, at best, in only marginal increases in output. The central reality is that the end of our petroleum is in sight—and, in all likelihood the biggest oil fields have already been found. Some natural-gas producers are already conceding in private that even if their prices are decontrolled, it will be very difficult to achieve significant increases in total output of our gas fields.

3. Don't waste time contemplating the collapse of the Organization of Petroleum Exporting Countries' cartel. Cartels thrive on shortages, and if Saudi Arabia fulfills its intention to limit its total output (as we should prudently assume it will do) global crude oil production will soon be at its peak. For us the big question about OPEC oil is, How long can we continue to spend over one-third of our foreign earnings on this one resource?

4. Don't waste time searching for painless conservation remedies. There aren't any. The lesson of last winter is that shortages affect everyone—and energy conservation won't work unless everyone makes some sacrifices.

5. Don't shrink from imposing a stiff gasoline tax to stanch out worst energy hemorrhage—the auto joyride. United States auto owners know that at least 25 percent of their auto travel is unnecessary. They will change their habits and cooperate if their leaders assure them that some of the revenues from such a tax will be returned to the public through the kind of tax reform advocated by President Carter, and the rest will be earmarked for better public transportation so people can reduce the use of their cars.

6. Do give a high priority to tax laws and public policies that reward thrift and encourage efficiency. Recycling is one area where huge savings can be made, so why not give incentives to industries that recycle raw materials and urge Congress to enact an antithrowaway-bottle-bill similar to Oregon's?

7. Do encourage small technologies that offer a quick payoff: In the next decade, simple things like wood stoves, solar panels and efficient machines will be far more important than breeder reactors. And cast a cold eye on energy projects that require huge amounts of capital, produce high-cost energy for consumers—and provide few jobs.

8. Use your ingenuity to persuade the

economists and budget planners to give the energy issue the priority it deserves. They too have consistently misjudged the seriousness of the energy crunch. Don't they realize that a 25 percent reduction in auto travel will reduce our annual payment to the OPEC monopoly by $20 billion, which consumers can then spend on other things that are urgently needed.

And finally, bear in mind that the next crunch will undoubtedly involve things like gasoline rationing. The President seems to grasp the realities. Give him the bold options—this is the kind of issue where only he can lead the country.

TESTIMONY OF PHILIP MAUSE

My name is Philip Mause. I am Washington counsel for the Environmental Defense Fund. Although my primary educational background and professional experience have been in law, I also have a Masters in Public Policy (resulting from participation in a program which concentrated on the application of micro-economics to public policy issues) from the John F. Kennedy School of Government at Harvard University; and I have testified from time to time on economic matters in various forums.

The Environmental Defense Fund is a national organization of some 45,000 members which is staffed by lawyers and scientists. It is our objective to bring the best scientific analysis to bear upon the important resource and environmental questions our society faces. In this connection, we have retained some of the world's leading economists—for example, Dr. Ralph Turvey, Dr. William Vickrey, and Dr. Charles Cicchetti—to help us develop a coherent, environmentally sound, and practically relevant policy toward the energy problem which threatens not only our environment, but also our economic stability and national security.

Our focus has been the section of our energy economy which has been traditionally regulated—primarily gas and electric utilities—which account for nearly 50 percent of the American energy market. This regulated section has also been the center of great political controversy and consumer anxiety in recent years.

Our work in this area has led us to the conclusion that our nation faces a cruel dilemma—one which, if ignored, virtually assures that any attempt to resolve the current combination of shortage, price escalation, and environmental deterioration will only lead to new, and more spectacular, failure. This dilemma is that—as a general rule—the prices charged to consumers for the energy output of the regulated sector are lower than—and frequently dramatically lower than—the costs associated with new sources of supply. These prices are vitally important because they serve as the economic signals and incentives for conservation measures and investments in consumption—reducing improvements in end-use efficiency.

The disparity between these prices and the costs of new sources of supply results in an economically inefficient mix of investments—a mix disastrously biased in the favor of increasing dependence upon OPEC oil, built-in inflation, environmental degradation, and accelerated depletion of our own national energy resources, and biased against investments in greater end-use efficiency. A combination of originally well-motivated, but currently questionable, price regulation and systematic inattention to the demand consequences of regulatory policy has resulted in a structure which makes a sensible national energy policy impossible unless basic reform is implemented.

Another key problem is the bias in the investment market created by an assured rate of return for investments in new supply ventures as contrasted with the riskiness of investments in end-use efficiency. This bias is especially strong in the case of low income residential customers and marginal small commercial customers of utilities whose access to the credit market is severely limited.

This case exemplifies some of the worst aspects of the dilemma. The petitioner, Indiana Gas Company (hereinafter "Indiana"), proposes to add a source of natural gas at a cost far in excess of the price which currently confronts most of its consumers when they decide to use somewhat more or somewhat less gas. Common sense and analysis of other utilities indicate that Indiana could find cheaper gas in the ceilings and factories of its consumers if it employed price signals and other measures designed to encourage conservation and efficient end-use.

Our position is that both the application and the draft environmental impact statement are inadequate as a matter of law. FEA Special Rule Number One requires at least an attempt at the incremental pricing of SNG—this application does not even give lip service to the requirement. In our view, Indiana should not only be required to submit a plan and assurances from the applicable regulatory authorities that the gas will be priced incrementally; it should also be required to implement an aggressive program of end-use conservation to ensure that SNG is not brought on as a supply source until all less expensive conservation measures designed to make more gas available are implemented.

We view the draft environmental impact statement ("DEIS") as inadequate as a matter of law. The recent case of *Aeschliman* v. *NRC*, 9 ERC 1289, 1290–95 (D.C. Cir. 1976), holds that the consideration of conservation as an alternative must be addressed in any impact statement analyzing a new energy supply source. The draft's failure in this area is complete. The company's current rate structure is not even disclosed. Conservation and pricing alternatives which have been developed by FEA itself are not even mentioned, much less analyzed. The DEIS's failure in these areas is so serious that FEA is under a legal obligation to prepare a new DEIS which deals with this vital issue. Only after the issue is first addressed in a DEIS can the comment system envisioned in the National Environmental Policy Act function as intended.

Let me address our concerns with more specificity.

I. MARGINAL COST PRICING

It is an axiom of micro-economics that efficient resource allocation is achieved by setting the prices of various goods equal to their marginal cost.[1] Although "marginal cost pricing" often is made to sound academically arcane, it is easily understandable as a matter of common sense. In this case, if the gas produced at the proposed SNG plant will cost, say $3.25 per mcf, then every additional mcf a customer saves, or uses, results in a decrease, or an increase, of $3.25 to Indiana's, and our society's, costs. If a customer has a way of saving gas (by fuel switching, insulation, furnace retrofit, pilot light replacement, or otherwise), at a cost of, say, $2.50 per mcf of gas saved, then our society will be better off if this customer spends $2.50 to save an mcf and therefore saves society $3.25. In fact, conservation investments are beneficial all the way up to $3.24, and nine mills. The only way to give the consumer the incentive to make these desirable conservation investments is to charge him the marginal cost of the gas saved by the potential conservation measures—$3.25. If he is charged, say, $1.50 instead, then unless he is public-spirited—or in the case of a corporate executive negligent in protecting his shareholders' interests—he will not spend $2.50 to save an mcf of gas.

Because consumers make many separate decisions—setting thermostats, using hot water, etc.—the price signal is generally a less cumbersome mechanism for ensuring that desirable conservation investments occur than is the alternative of placing government inspectors in all of our factories, schools, and homes. However, imperfect consumer information and failures in other markets (for example, the consumer credit market) sometimes make direct government intervention desirable.

Because of the importance of the correct application of this common sense axiom, it is useful to analyze its relevance at some length here. In some quarters, it has been suggested that "incremental" pricing of natural gas is achieved by charging the cost of new sources of gas to low priority users of gas who would have been curtailed were the new source not developed. Technically speaking, this is not correct. Economic efficiency is only achieved when all users of natural gas pay the marginal cost. This is because it is desirable for all users—not just low priority users—to have the incentive to use less gas as long as the cost associated with the reduction in consumption is less than $3.25. As the next section of this testimony will demonstrate, there are enormous opportunities for savings on the part of high priority customers at costs of well below $3.25. These savings are unlikely to occur unless the price is set to give the correct incentive.

It should also be emphasized that marginal cost pricing is not simply—or even primarily—a strategy to induce fuel switching. Enormous reductions in consumption can be achieved by most industrial customers of gas utilities by investments and changes in procedure designed to achieve greater end-use efficiency. Only yesterday, the business section of the New York Times contained a story illustrating savings of roughly 30 percent by some large users.[2] These investments will be delayed, however, unless rate structures are reformed to guarantee that the customer who reduces his consumption experiences a reduction in his gas bill in an amount equivalent to the value of the gas saved.

The combination of the price regulation of natural gas production and the enormous cost associated with most new sources of natural gas have resulted in a situation in which charging the marginal cost to every customer for every unit of gas consumed would result in a windfall of excess profits for most distribution utilities in the United States. We do not advocate the creation of such excess profits. Instead, we believe there are a number of measures that can be taken to improve the situation consistent with a fair, but not excessive, rate of return for the utilities.

If excess profits would result from across-the-board marginal cost pricing, we advocate the following measures—some to be considered as alternatives in the DEIS, others to be required as conditions to the requested allocation:

1. A tax on the consumption of natural gas sufficient to raise the price to the level of marginal cost. This should certainly be

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[1] *See* Alfred E. Kahn, "The Economics of Regulation," vol. I, John Wiley & Sons, New York, 1970. At p. 65: "The central policy prescriptions of micro-economics is the equation of price and marginal cost. If economic theory is to have any relevance to public utility pricing, that is the point at which the inquiry must begin."

[2] *See New York Times*, Monday, January 24, 1977, at pp. 35, 39.

an alternative addressed in the DEIS.[3] Only after a more complete analysis of its legal and economic ramifications, can FEA determine whether it should be a condition of the approval of this allocation;

2. The revision of rate structure of Indiana to increase the incentive to conserve. In the District of Columbia and in Wisconsin, "flat rates" have already been instituted to replace the system of volume discounts and declining block rates which, in essence, bribe the customer to use more. Additional measures should be required as a condition of approval of the allocation request. If necessary to create marginal cost based incentives to conserve gas, FEA should require: the abolition of customer charges or "minimum bills"; the institution of inverted or "progressive" rates; and the development of rates under which any use in excess of a certain percentage of use during an historical base period is priced at marginal cost. It is impossible to be more detailed at this point because of the failure of either the DEIS or the application to provide the necessary information concerning current rates and sources of revenue. As a first step, Indiana should be ordered to present a rate structure reform proposal which guarantees that each customer receives the correct marginal cost signal when deciding to use somewhat more or somewhat less gas.

3. An aggressive conservation program by the utility—described in more detail in the next section of this testimony.

II. ENERGY CONSERVATION

FEA has recently announced its analysis of a proposal which EDF has long advocated. This proposal [4]—announced at a public meeting on January 12, 1977, by William Rosenberg, Assistant Administrator for Energy Resource Development—would allow a distribution utility to make investments—in furnace retrofit, automatic thermostats and insulation—on the customer's side of the meter. EDF has advocated this proposal as one of a number of measures necessary to reduce the bias in favor of costly supply ventures and against investments in improving the efficiency of the end-use of gas.

In analyzing the effects of this program upon Michigan Consolidated Gas, independent consultants hired by FEA estimated that average annual use of gas by heating customers could be reduced by roughly 40 percent. The cost per mcf of gas saved through implementation of the program is estimated at $1.00 for the insulation, $1.37 for the furnace retrofit, and $1.56 for the automatic thermostat.

While these figures are estimates and would undoubtedly be somewhat different for Indiana, they suggest that both the application and the draft environmental impact statement are incomplete without an analysis of this type of program—especially when it is already being analyzed and developed by FEA itself.

Gas made available by investments in efficient end-use is not only cheaper than synthetic natural gas—it has other advantages as well: (1) environmental externalities are minimized;[5] (2) dependence upon OPEC is reduced, rather than increased; (3) there is no danger that the source of gas will be "down" during a period of intense demand; (4) feedstock is not drawn away from other, essential, uses; and (5) perhaps most importantly, the gas can be on line immediately, as soon as the first dollar is invested—not two, three, or more years from now.

A conservation strategy does not mean freezing in the dark. The key to conservation is the intelligent use of pricing and other regulatory measures to generate investments in increasing the efficiency of end-use of our energy resources—in preserving existing consumer amenities at a much lower use of our energy resources. In the residential sector, the history of bad habits developed during times of cheap energy suggest that pricing strategies alone may not be sufficient to bridge the current gap in information. Thus, a program such as the one described in this section is an essential part of a strategy aimed at ensuring the efficient end-use of our nation's energy resources.

CONCLUSION

It is time to stop the head-long plunge down the road to greater dependence upon OPEC and accelerated depletion of our own resources. The conservation alternative must be considered and, when found to be economically superior, required as a condition of costly new supply ventures such as this one.

In our view, both the application and the draft environmental impact statement provide insufficient analysis and background material to allow FEA or the intervenors in this case to support this petition. There is virtually no discussion of the rate structure alternatives in the petition. The conservation program—a program analyzed in another division of FEA—is not discussed at all. Our comments on the draft environmental impact statement will deal—in greater detail—with the serious deficiencies in that document.

In summary, we recommend denial of this application unless and until:

1. Indiana's rate structure is revised to guarantee that each customer who reduces his consumption experiences a reduction in his bill equivalent to the marginal cost of the gas saved; and

2. A conservation plan—along the lines of the plan analyzed by FEA and described in this testimony—is implemented by Indiana.

Thank you.

CHAPTER 2: HOW CAN THE FEDERAL GOVERNMENT ENCOURAGE ENERGY CONSERVATION?

Some experts still believe the Nation's energy dilemma can be resolved almost exclusively by developing new sources of domestic energy. For the next 10 years, and probably beyond, however, conservation actions appear to us to be the best and most cost-effective way to "produce" new energy. It is also increasingly clear that beyond 1985, conservation must continue to be made a cornerstone of U.S. energy policy to insure that the Nation fully considers energy efficiency.

Conservation has one basic advantage which has not received much emphasis. In many cases conservation actions result in permanent or at least long-term energy savings. Further, the savings are multiplied beyond the actual energy saved at the point of end use. All of the energy needed to get it to the end uses is also saved. If conservation actions are not taken, then more energy must be produced each year to meet the inefficient energy uses.

There are basically three kinds of conservation actions:

Eliminating energy waste through belt-tightening or leakplugging actions. Simple actions include turning down the thermostat and observing the highway speed limits. Complex actions include demand-management approaches, whereby electric utilities can discourage consumers from wasting energy.

Developing more efficient energy-use systems. These include developing more efficient automobile engines and more efficient industrial systems.

Changing lifestyles and living patterns to reduce energy use, but still achieve the same social and personal objectives. These include living closer to work and using forms of communication which eliminate the need for travel.

To date, most energy savings are coming from belt-tightening actions. Much less has been done on the more complex actions, which promise the biggest payoff in long-term energy savings.

With the oil embargo, the Federal Government started showing genuine interest in energy conservation, particularly as it realized that energy from most new domestic sources would take at least a decade to develop.

Current Federal energy conservation activities have a dual focus creating an economic, social, and political atmosphere that encourages conservation actions and developing new technologies to increase the efficiency of energy-use systems.

The first activity includes (1) setting energy performance standards (e.g., for new automobiles and buildings), (2) requiring specific reductions in government energy use as an example to the Nation, and (3) providing tax credits and other financial incentives for various conservation actions. Most of these programs were included in recent legislation, particularly the Energy Policy and Conservation Act and the Energy Conservation and Production Act.

The Energy Conservation and Production Act of 1976 includes a number of ambitious conservation programs, such as developing energy performance standards for new buildings; weatherizing housing for low-income families (a $200 million program); demonstrating energy conservation measures and renewable energy resource measures in existing housing (also $200 million); and improving electric utility rate designs (an FEA program).

Despite these new Federal programs, there is sharp disagreement about what the Federal Government ought to be doing in energy conservation. Should the government rely mainly on voluntary conservation actions, or should it institute mandatory conservation measures?

GAO's basic task will be to evaluate these Federal energy conservation programs, and, in doing so, consider the proper balance between voluntary and mandatory conservation actions.

PAST AND CURRENT EFFORTS

To date, GAO has looked at Federal Government actions to reduce Federal inhouse energy consumption and to influence defense contractors to reduce theirs.

We are now evaluating energy conservation actions in private industries and at State and local levels. So far, our findings indicate that much more needs to be done, and can be done, to increase energy savings. Our findings are also identifying other areas in need of study.

FUTURE EMPHASIS

We believe the following questions are most in need of answers:

1. How effective are the energy conservation programs enacted by the Congress in maximizing energy conservation? The programs under this legislation deal very specifically with energy conservation in the residential and commercial sectors and efforts of public utilities to better manage energy demand.

2. Will essentially voluntary programs be enough to get industry to conserve energy? Industry uses about 40 percent of the energy in the United States. Existing Federal programs will establish targets for energy conservation and require key industries to report on their successes in meeting the targets. The toughness of the targets and the industries success in meeting them will help

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[3] An agency must consider alternatives beyond those which the agency itself may effectuate—*Natural Resources Defense Council* v. *Morton*, 458 F.2d 827 (D.C. Cir. 1972).

[4] *Conservation Investments by Gas Utilities Be Considered a Gas Supply Option* (Preliminary Analysis), by William G. Rosenberg, Asst. Administrator, Energy Resource Development, Federal Energy Administration, Dec. 17, 1976.

[5] Under *Environmental Defense Fund* v. *Mathews*, 8 ERC 1877 (D.D.C. 1976), an agency is not only required to address environmental and resource conservation considerations in an impact statement, it is also required to weigh them in the balance when making its substantive decisions.

determine the need, if any, for mandatory standards.

3. Will existing energy performance standards for new automobiles adequately encourage energy conservation in the transportation sector? Transportation accounts for about 25 percent of total energy use and is the only major area where opportunities exist for significant energy savings. Achieving these savings requires changing the automobile's basic engine and body design, using alternative transport methods (buses, special lanes, etc.), and using the most energy efficient transport methods for particular purposes. This could mean, for example, that short airline routes might be discouraged in favor of train or bus service.

4. Are institutional barriers likely to inhibit our ability to conserve energy? A major unresolved question is whether reducing our energy growth rate will also result in reducing our economic growth rate. Many studies indicate that in the recent past, energy growth and economic growth have gone hand-in-hand. Other studies argue that energy growth and economic growth can be successfully decoupled. The question has not been satisfactorily resolved, and it must be if we are to lower energy growth rates substantially.

In addition, there is a whole range of questions regarding the degree to which changes in building codes, utility rate structures, and other areas will be accepted.

5. Is the government doing all it can to encourage inhouse energy conservation? If the government does not set the pace, can it expect the private sector to follow? Past GAO work has shown that much more can be done to conserve energy at government installations. Such work should be continued. The Department of Defense has a 6 year, $1.35 billion energy conservation investment program which we are examining. Opportunities also exist for government leadership in developing total energy systems and in designing new buildings to maximize conservation savings.

Other questions deserve consideration and will gain importance in the future, including:

1. How adequate is current information on potential savings from various energy conservation actions and on the incremental cost of taking such actions? The government has yet to undertake broad studies assessing the whole range of energy conservation opportunities. Assessments of this type are needed, together with information on the incremental cost of each action, so that analysis can be made of the trade-offs between taking such actions and increasing energy supply.

2. To what extent is energy efficiency being considered in choosing among various energy supply options? Energetics (energy accounting) is not yet an exact science, but it offers the potential for helping us choose the most efficient way to use available energy supplies. Indications are that energetics does not receive much consideration in the government's decision-making process.

3. Has the Federal Government developed adequate energy conservation contingency plans? The Federal Energy Administration is required to develop a variety of energy conservation contingency plans, including gasoline rationing, which can be placed quickly into use if there are future embargoes.

4. Can the Federal Government help upgrade the efficiency of electric power stations by reducing the substantial (17 percent) heat losses to the atmosphere? What are the potential energy savings from using energy parks, including generating power from more than one fuel (such as a combination of coal and solid waste conversion)? Burning fossil fuels is often an extremely inefficient way to produce energy for many end uses. The opportunities for improvement in this area appear substantial, but there are questions regarding the adequacy of Federal efforts to bring about such improvements.

5. Is it possible to reduce the energy growth rate below 2 percent, or perhaps even to zero? Leading government officials, including the Administrator of FEA, are beginning to talk about setting a national goal of 2 percent annual energy growth. Others, in energy think-tanks and elsewhere, are assessing the potential for achieving zero energy growth by the turn of the century. Some, in fact, argue that we will achieve it whether we want to or not. They see this issue as whether we will plan for such a future or wait for it to appear as a crisis.

EFFECT OF BUDGET COMMITTEE CUT OF $500 MILLION IN COMMUNITY DEVELOPMENT FUNDS OF APPLIED ENTITLEMENT CITIES

Mr. PROXMIRE. Mr. President, the Budget Committee, in proposing Senate Concurrent Resolution 19, decreed that $500 million would be cut from the Community development block grant funds for fiscal year 1978.

Unfortunately, this action was taken while the legislation was pending before the authorizing committee; namely, the Banking, Housing, and Urban Affairs Committee, and before the Senate Appropriations Committee had made its recommendations.

We have a proposal before the Banking Committee to authorize $4 billion in community development funds, a most welcome proposal by the administration and one which would help virtually every major city in the country.

EVERY STATE AND EVERY ENTITLEMENT CITY CUT

The most likely cut if the Budget Committee's position prevails is $500 million from the entitlement cities—those cities who are entitled to community development funds by law. I have asked the Department of Housing and Urban Development to provide me with a breakdown of how the $500 million cut would be made city by city if distributed under the formula for entitlement cities. They have provided me with that information.

I ask unanimous consent that the computer printout showing the cuts not only by State, but city by city be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. PROXMIRE. Mr. President, the letters HH mean "hold harmless" which is a designation for cities who would have lost funds under the formula in previous years but were kept at existing levels while old program funds, mainly the model cities funds, were phased out.

The cut proposed by the Senate Budget Committee—and I emphasize again it was done without any detailed examination or hearings on the particular subject—would affect every State and the major cities in every State in an adverse way.

That fact alone, I believe, indicates that the committee acted without being aware of the full consequences of its actions.

HOUSING STARTS AFFECTED, TOO

There will be an amendment proposed on the floor to the budget resolution to restore these funds and to restore the 75,000 units of new housing which the Senate Budget Committee also stripped from the bill.

In each case the funds are in the President's budget and approved by the Office of Management and Budget.

The Senator from Alabama (Mr. SPARKMAN) will place in the RECORD today a State-by-State breakdown of the decrease in housing starts and the decrease in potential jobs which the Budget Committee cuts would bring about.

Not only is the $500 million in community development funds at stake but also 75,000 new housing starts and 150,000 jobs in the construction industry where unemployment is now over 14 percent or double the national average.

I commend the city-by-city list of community development fund cuts to the attention of every Member of the Senate since his State is affected in an adverse way.

EXHIBIT 1

ESTIMATED ENTITLEMENT AMOUNTS FOR METRO CITIES

[In thousands of dollars]

State, case number, and city	Entitlement 1977	HH Code 1977	Senate Budget Committee cut, 1978	Administration proposal, 1978	Percent change, 1978 versus 1977 (budget cut)
Alabama:					
1—Anniston	874	.....	915	1,087	5
2—Birmingham	7,194	.....	9,283	11,034	29
3—Florence	1,026	HH	877	913	−15
4—Gadsden	1,124	.....	1,408	1,673	25
5—Huntsville	3,278	HH	2,212	2,317	−33
6—Mobile C	4,623	.....	4,155	4,939	−10
7—Montgomery	3,334	.....	4,997	3,562	−10
8—Tuscaloosa	1,571	HH	1,492	1,587	−5
Alaska: 9—Greater	1,711	.....	1,538	1,828	−10
Arizona:					
10—Glendale	764	.....	687	817	−10
11—Mesa C	1,115	.....	1,003	1,192	−10
12—Phoenix	9,575	.....	8,607	10,231	−10
13—Scottsdale	1,832	HH	1,416	1,453	−23
14—Tempe C	895	.....	837	956	−7
15—Tucson C	4,927	.....	4,429	5,264	−10

EXHIBIT 1—Continued

ESTIMATED ENTITLEMENT AMOUNTS FOR METRO CITIES—Continued

[In thousands of dollars]

State, case number, and city	Entitlement 1977	HH Code 1977	Senate Budget Committee cut, 1978	Administration proposal, 1978	Percent change, 1978 versus 1977 (budget cut)
Arkansas:					
16—Fayetteville	854	HH	726	756	−15
17—Fort Smith	1,134		1,019	1,211	−10
18—Little Rock	5,490	HH	4,152	4,294	−24
19—North Little Rock	2,899	HH	2,296	2,365	−21
20—Pine Bluff	2,168	HH	1,900	1,986	−12
21—Springdale	772	HH	596	611	−23
22—Texarkana	1,613	HH	782	810	−52
California:					
23—Alameda	940		913	1,086	−3
24—Alhambra	701		775	921	11
25—Anaheim	1,893		1,701	2,022	−10
26—Bakersfield	1,232		1,107	1,316	−10
27—Bellflower	648		582	692	−10
28—Berkeley	2,812	HH	2,832	3,367	1
29—Buena Park	710		638	759	−10
30—Burbank	960		1,400	1,664	46
31—Carson C	1,146		1,030	1,224	−10
32—Chula Vista	949		853	1,014	−10
33—Compton	4,464	HH	3,316	3,430	−26
34—Concord	805		724	860	−10
35—Costa Mesa	827		743	884	−10
36—Daly City	744		669	795	−10
37—Downey C	897		807	959	−10
38—El Cajon	713		641	762	−10
39—El Monte	1,323		1,190	1,414	−10
40—Fairfield	636		571	679	−10
41—Fremont	1,055		949	1,128	−10
42—Fresno C	8,998	HH	6,512	6,692	−28
43—Fullerton	898		807	959	−10
44—Garden Grove	1,290		1,160	1,379	−10
45—Glendale	1,507		1,833	2,179	22
46—NA-75 HA	628		564	671	−10
47—Hayward	1,214		1,091	1,297	−10
48—Huntington	1,188		1,068	1,269	−10
49—Inglewood	1,851	HH	1,562	1,624	−16
50—Lakewood	810		728	865	−10
51—Lompoc C	364		327	389	−10
52—Long Beach	5,032		5,913	7,029	18
53—Los Angeles	48,689		43,767	52,025	−10
54—Modesto	955		859	1,021	−10
55—Monterey	295		265	315	−10
56—Mountain	604		543	646	−10
57—Napa CC	2,244	HH	1,604	1,668	−27
58—Newport	504		453	538	−10
59—Norwalk	1,321		1,188	1,412	−10
60—Oakland	12,124	HH	9,566	11,238	−21
61—Oceanside	733		659	784	−10
62—Ontario	1,079		970	1,153	−10
63—Orange City	808		727	864	−10
64—Oxnard City	1,598	HH	1,468	1,545	−8
65—Palo Alto	579		521	619	−10
66—Pasadena	2,584	HH	2,611	3,104	1
67—Pico Rivera	909		817	971	−10
68—Pomona City	1,427		1,283	1,525	−10
69—Redondo	1,149	HH	1,000	1,044	−13
70—Redwood	581		523	621	−10
71—Richmond	3,407	HH	2,209	2,284	−35
72—Riverside	2,000		1,798	2,137	−10
73—Sacramento	4,345		3,906	4,643	−10
74—Salinas	976		878	1,043	−10
75—San Bernardino	3,117	HH	2,661	2,772	−15
76—San Diego	10,281		9,242	10,986	−10
77—San Francisco	28,430	HH	21,960	26,104	−23
78—San Jose	6,067		5,454	6,483	−10
79—San Leandro	680		674	801	−1
80—San Mateo	783		704	836	−10
81—Santa Ana	2,539		2,282	2,713	−10
82—Santa Barbara	1,134		1,020	1,212	−10
83—Santa Clara	967		869	1,034	−10
84—Santa Cruz	566		509	605	−10
85—Santa Maria	860	HH	733	763	−15
86—Santa Monica	1,326		1,192	1,416	−10
87—Santa Rosa	1,821	HH	1,424	1,464	−22
88—Seaside	1,726	HH	1,344	1,381	−22
89—Simi Vallez	577		519	617	−10
90—South Gate	777		838	996	8
91—Stockton	2,129		1,914	2,275	−10
92—Sunnyvale	934		839	998	−10
93—Torrance	1,207		1,085	1,290	−10
94—Vallejo	1,259	HH	1,130	1,184	−10
95—Ventura	1,325	HH	1,081	1,118	−18
96—West Covina	678		609	724	−10
97—Westminster	706		634	754	−10
98—Whittier	718		645	767	−10
Colorado:					
99—Arvada City	450		405	481	−10
100—Aurora City	844		758	901	−10
101—Boulder	921		828	985	−10
102—Colorado	2,014		1,835	2,181	−10
103—Denver C	13,729	HH	10,729	11,192	−22
104—Fort Collins	696		626	744	−10
105—Greeley	693		623	740	−10
106—Lakewood	842		757	900	−10
107—Pueblo C	1,750		1,573	1,870	−10
Connecticut:					
108—Bridgeport	3,579	HH	3,830	4,552	7
109—Bristol	1,533		1,204	1,239	−21
110—Danbury	1,198	HH	980	1,014	−18
111—East Hartford	535		481	571	−10
112—Fairfield	459		412	490	−10
113—Greenwich	466		661	785	42
114—Hartford	9,680	HH	7,138	7,318	−26
115—Meriden	652		722	859	11
116—Milford	515	HH	496	544	−4
117—New Britain	4,182	HH	3,119	3,182	−25
118—New Haven	17,886	HH	12,438	12,583	−30
119—New London	6,210	HH	4,086	4,111	−34
120—Norwalk	916		823	979	−10
121—Norwich	1,478	HH	1,150	1,182	−22
122—Stamford	2,034	HH	1,741	1,814	−14
123—Waterbury	5,688	HH	4,037	4,125	−29
124—West Hartford	999	HH	806	832	−19
125—West Haven	758	HH	682	716	−10
Delaware: 126—Wilmington	3,808	HH	3,423	4,069	−10
Washington, D.C.: 127—Washington.	40,998	HH	31,150	32,051	−24
Florida:					
128—Boca Raton	408	HH	376	395	−8
129—Clearwater	814		732	870	−10
130—Cocoa CC	318		286	339	−10
131—Daytona	1,056		949	1,128	−10
132—Fort Lauderdale	2,277		2,047	2,433	−10
133—Fort Myers	586		527	626	−10
134—Gainesville	1,318		1,185	1,409	−10
135—Hialeah	1,916		1,722	2,047	−10
136—Hollywood	1,502		1,350	1,605	−10
137—Jacksonville	10,083		9,063	10,774	−10
138—Lakeland	815		732	871	−10
139—Melbourne	606		568	648	−6
140—Miami CC	9,759		8,772	10,428	−10
141—Miami Beach	2,112		1,899	2,257	−10
142—Orlando	2,078		1,868	2,221	−10
143—Pensacola	1,380		1,240	1,474	−10
144—Sarasota	965	HH	874	917	−9
145—St. Petersburg	3,776		3,394	4,035	−10
146—Tallahassee	1,410		1,267	1,507	−10
147—Tampa CC	6,943	HH	5,491	5,991	−21
148—Titusville	959	HH	746	766	−22
149—West Palm Beach	1,142		1,027	1,221	−10
150—Winter Haven	352		317	376	−10
Georgia:					
151—Albany C	1,958		1,760	2,092	−10
152—Atlanta	16,377	HH	13,223	13,849	−19
153—Augusta	1,810		2,379	2,828	31
154—Columbus	4,287	HH	3,913	4,113	−9
155—Macon CC	2,978		2,677	3,182	−10
156—Savannah	6,613	HH	5,032	5,982	−24
Hawaii: 157—Honolulu	11,162		10,034	11,927	−10
Idaho: 158—Boise City	4,942	HH	3,462	3,524	−30
Illinois:					
159—Aurora City	876		922	2,096	5
160—NA-75 BE	458		1,346	1,599	194
161—Bloomington	2,169	HH	1,605	1,636	−26
162—Champaign	835		751	892	−10
163—Chicago	62,594		100,216	119,124	63
164—Decatur	1,263		1,240	1,474	−2
165—NA-75 DE	462		416	494	−10
166—East St. Louis	2,681	HH	3,072	3,651	15
167—Elgin C	558		682	811	22
168—NA-75 ARL	442		397	471	−10
169—NA-75 CI	704		1,763	2,096	150
170—NA-75 OA	577		519	617	−10
171—Oak Park	540		1,532	1,821	184
172—Skokie C	444		399	474	−10
173—Evanston	774		1,701	2,022	120
174—Joliet C	1,051		1,057	1,256	1
175—Kankakee	447		552	656	24
176—Moline C	535		774	919	45
177—Rantoul	329		296	352	−10
178—Normal C	308		277	329	−10
179—Peoria C	2,115	HH	1,959	2,224	−7
180—Rock Island	1,944	HH	1,352	1,413	−30
181—Rockford	2,607	HH	2,309	2,417	−11
182—Springfield	4,514	HH	3,407	3,483	−25
183—Urbana C	484		435	517	−10
184—Waukegan	896		805	957	−10
Indiana:					
185—Anderson	986		909	1,081	−8
186—Bloomington	1,004	HH	899	942	−10
187—East Chicago	2,161	HH	1,792	2,130	−17
188—Evansville	2,878	HH	3,094	3,677	7
189—Fort Wayne	2,340		2,243	2,666	−4
190—Gary CC	5,907	HH	4,490	4,696	−24
191—Hammond	1,429	HH	2,000	2,377	40
192—Indianapolis	11,744	HH	10,128	11,169	−14
193—Lafayette	530		762	906	44
194—Muncie C	1,257		1,130	1,343	−10
195—South Bend	2,948	HH	3,015	3,584	2
196—Terre Haute	1,107		2,069	2,459	87
197—West Lafayette	269		242	288	−10

EXHIBIT 1—Continued

ESTIMATED ENTITLEMENT AMOUNTS FOR METRO CITIES—Continued

[In thousands of dollars]

State, case number, and city	Entitlement 1977	HH Code 1977	Senate Budget Committee cut, 1978	Administration proposal, 1978	Percent change, 1978 versus 1977 (budget cut)
Iowa:					
198—Cedar Falls	385		346	411	−10
199—Cedar Rapids	1,300		1,289	1,532	−1
200—Council	967		941	1,119	−3
201—Davenport	1,357		1,350	1,605	
202—Des Moines	2,866	HH	4,521	5,374	58
203—Dubuque	868		871	1,036	
204—Sioux City	3,929	HH	2,980	3,049	−24
205—Waterloo	1,182	HH	1,206	1,433	2
Kansas:					
206—Kansas City	6,206	HH	5,042	5,214	−19
207—Overland	522		469	558	−10
208—Topeka City	1,666		1,746	2,076	5
209—Wichita	10,870	HH	7,817	8,040	−28
Kentucky:					
210—Ashland	491		782	929	59
211—Hopkinsville	579		520	619	−10
212—Lexington	2,843		2,556	3,038	−10
213—Louisville	8,639	HH	11,008	13,085	27
214—Owensboro	874		785	934	−10
Louisiana:					
215—Alexandria	1,468		1,319	1,568	−10
216—Baton Rouge	5,602		5,036	5,986	−10
217—Lafayette	1,669		1,527	1,816	−10
218—Lake Charles	1,807		1,625	1,931	−10
219—Monroe City	1,663		1,495	1,777	−10
220—New Orleans	16,831		17,406	20,690	3
221—Shreveport	4,244		3,815	4,535	−10
Maine:					
222—Auburn City	701	HH	600	713	−14
223—Lewiston	2,233	HH	1,413	1 449	−37
224—Portland	4,542	HH	2,981	3,042	−34
Maryland: 225—Baltimore	29,042	HH	24,508	29,132	−16
Massachusetts:					
226—Arlington	490		901	1,071	84
227—Boston City	28,993	HH	20,956	24,140	−28
228—Brockton	1,165		1,267	1,505	9
229—Brookline	1,180	HH	1,304	1,550	11
230—Cambridge	3,458	HH	3,032	3,604	−12
231—Chicopee	811		959	1,140	18
232—Fall River	4,856	HH	3,461	3,553	−29
233—Fitchburg	581		1,119	1,330	93
234—Framingham	580		521	620	−10
235—Haverhill	1,976	HH	1,492	1,525	−24
236—Holyoke	2,475	HH	1,750	1,888	−29
237—Lawrence	1,578	HH	1,958	2,327	24
238—Leominster	410		432	514	5
239—Lowell City	3,058	HH	2,238	2,575	−27
240—Lynn City	3,152	HH	2,867	3,408	−9
241—Malden City	4,546	HH	3,226	3,264	−29
242—Medford	633		1,534	1,823	142
243—New Bedford	9,505	HH	6,567	6,665	−31
244—Newton City	742		1,832	2,178	147
245—Pittsfield	1,342	HH	1,278	1,519	−5
246—Quincy City	995		1,709	2,031	72
247—Somerville	1,201		2,863	3,404	138
248—Springfield	8,469	HH	6,117	6,259	−28
249—Waltham	677		882	1,048	30
250—Weymouth	583		524	623	−10
251—Worcester	5,374	HH	4,738	5,632	−12
Michigan:					
252—Ann Arbor	2,380	HH	1,899	1,974	−20
253—Battle Creek	650		1,349	1,603	108
254—Bay City	1,318	HH	1,397	1,661	6
255—Clinton	1,504	HH	1,157	1,186	−23
256—Dearborn	1,027		2,161	2,568	110
257—Dearborn	809		727	865	−10
258—Detroit	28,304	HH	49,574	58,928	75
259—East Lansing	596		536	637	−10
260—Farmington	415		373	444	−10
261—Flint CC	7,608	HH	5,610	5,784	−26
262—Grand Rapids	4,199	HH	3,525	4,190	−16
263—Jackson	1,062	HH	1,550	1,843	46
264—Kalamazoo	1,223		1,954	2,323	60
265—Lansing	6,196	HH	4,405	4,506	−29
266—Lincoln	615		712	846	16
267—Livonia	937		842	1,001	−10
268—Muskegon	1,108	HH	1,224	1,455	10
269—Muskegon	676	HH	587	697	−13
270—Norton S	242		217	258	−10
271—Portage	302		271	322	−10
272—Pontiac	3,198	HH	2,573	2,657	−20
273—Redford	696		653	776	−6
274—NA-75 RO	745		670	796	−10
275—Royal Oak	752		916	1,089	22
276—Saginaw	3,357	HH	2,689	3,197	−20
277—Southfield	516		464	551	−10
278—St. Clair	904		813	966	−10
279—Sterling	582		523	622	−10
280—Taylor City	887		797	948	−10
281—NA-75 WA	1,758		1,584	1,878	−10
282—Waterford	616		554	659	−10
283—Westland	972		874	1,039	−10
284—Wyoming	653		587	598	−10
Minnesota:					
285—Bloomington	707		636	756	−10
286—Duluth M	2,714	HH	2,887	3,431	6
287—Minneapolis	15,093	HH	15,981	18,996	6
288—Moorhead	414		372	443	−10
289—Rochester	625		562	668	−10
290—St Cloud	605		544	646	−10
291—St. Paul	18,835	HH	13,342	13,567	−29
Mississippi:					
292—Biloxi City	3,933	HH	2,885	2,935	−27
293—Gulfport	2,338	HH	1,808	1,855	−23
294—Jackson	3,977		3,575	4,249	−10
295—Moss Point	455		409	486	−10
296—Pascagoula	490		462	524	−6
Missouri:					
297—Columbia	869		781	929	−10
298—Florissant	661		594	706	−10
299—Independence	1,168		1,066	1,248	−9
300—Kansas City	14,376	HH	10,488	11,679	−27
301—Springfield	2,781	HH	2,443	2,555	−12
302—St. Joseph	1,715	HH	1,983	2,357	16
303—St. Louis	14,532		28,300	33,639	95
Montana:					
304—Billings	912		820	975	−10
305—Great Falls	890		800	951	−10
Nebraska:					
306—Lincoln	1,798		1,755	2,086	−2
307—Omaha CC	5,113		4,596	5,464	−10
Nevada:					
308—Las Vegas	1,850		1,663	1,977	−10
309—Reno CC	947		851	1,001	−10
New Hampshire:					
310—Manchester	1,982	HH	2,181	2,593	10
311—Nashua C	644		625	743	−3
New Jersey:					
312—Asbury Park	400		555	660	39
313—Atlantic City	3,340	HH	2,546	2,643	−24
314—Bayonne	971		1,772	2,106	82
315—D-75 Bloomfield	470		1,044	1,241	122
316—Bridgeton	347		465	553	34
317—Camden C	5,554	HH	4,377	3,505	−21
318—Cherry Hill	419		377	448	−10
319—Clifton	679		1,363	1,620	101
320—East Orange	2,380	HH	2,035	2,419	−14
321—Edison T	528		475	564	−10
322—Elizabeth	1,842		2,436	2,896	32
323—Hamilton	732		658	783	−10
324—Irvington	721		1,466	1,743	103
325—Jersey City	6,350	HH	8,076	9,599	27
326—Long Branch	533		479	569	−10
327—Middletown	496		463	551	−7
328—Millville	290		296	352	2
329—New Brunswick	1,399	HH	1,137	1,175	−19
330—Newark C	19,508	HH	15,256	15,810	−22
331—Parsippany	387		348	414	−10
332—Passaic	1,003	HH	1,453	1,728	41
333—Paterson	3,667	HH	3,651	4,339	
334—Perth Amboy	1,380	HH	946	1,056	−31
335—Sayreville	272		244	290	−10
336—Trenton	4,427	HH	3,328	3,956	−25
337—Union City	1,088		1,390	1,652	28
338—Union TW	406		674	801	66
339—Vineland	1,519	HH	1,214	1,252	−20
340—Woodbridge	806		725	861	−10
New Mexico: 341—Albuquerque	8,464	HH	6,256	6,497	−26
New York:					
342—Albany C	2,109	HH	4,014	4,771	90
343—Binghamton	5,119	HH	3,516	3,566	−31
344—Buffalo	10,346	HH	18,815	22,364	8
345—Elmira C	1,610	HH	1,622	1,928	1
345—Greece T	541		487	487	−10
347—Irondequort	430	HH	429	510	−0
348—Mt. Vernon	2,420	HH	1,967	2,338	−19
349—New Rochelle	904		1,624	1,931	80
350—New York	150,651		192,833	229,216	28
351—Niagara	1,571	HH	2,916	3,466	86
352—Poughkeepsie	10,412	HH	6,893	6,920	−24
353—Rochester	13,943	HH	10,245	11,716	−27
354—Rome CC	1,523	HH	1,197	1,232	−21
355—Schenectady	1,488	HH	2,320	2,758	56
356—Syracuse	11,498	HH	8,221	8,388	−29
357—Troy CC	1,414	HH	1,932	2,297	37
358—Utica CC	1,551	HH	3,168	3,766	104
359—West Seneca	466		419	498	−10
360—Yonkers	5,245	HH	4,226	4,364	−19
North Carolina:					
361—Asheville	2,822	HH	1,950	2,015	−31
362—Burlington	1,338	HH	1,051	1,081	−21
363—Charlotte	9,508	HH	7,325	7,581	−23
364—Durham City	2,384	HH	2,197	2,312	−8
365—Fayetteville	1,444	HH	1,373	1,464	−5
366—Gastonia	1,402	HH	1,191	1,240	−15
367—Greensboro	2,193		2,118	2,343	−3
368—High Point	3,507	HH	2,435	2,499	−31
369—Raleigh	1,926		1,731	2,058	−10
370—Wilmington	1,162		1,044	1,241	−10
371—Winston-Salem	4,753	HH	3,578	3,725	−25
North Dakota:					
372—Fargo CC	677		642	761	−5

EXHIBIT 1—Continued

ESTIMATED ENTITLEMENT AMOUNTS FOR METRO CITIES—Continued

[In thousands of dollars]

State, case number, and city	Entitlement 1977	HH Code 1977	Senate Budget Committee cut, 1978	Administration proposal, 1978	Percent change, 1978 versus 1977 (budget cut)
Ohio:					
373—Akron CC	9,819	HH	7,343	8,729	−25
374—Canton City	1,632		2,926	3,479	79
375—Cincinnati	18,448	HH	15,043	17,881	−18
376—Cleveland	16,092	HH	30,317	36,037	88
377—Cleveland	479		1,599	1,901	234
378—Columbus	8,490		7,632	9,072	−10
379—Dayton City	5,675	HH	7,602	9,037	34
380—Elyria City	1,382	HH	1,112	1,148	−20
381—Euclid City	601		558	663	−7
382—Hamilton	1,053		1,664	1,978	58
383—Kettering	535		481	572	−10
384—Lakewood	615		1,553	1,846	153
385—Lima CC	834		1,131	1,344	36
386—Lorain City	1,267	HH	1,194	1,259	−6
387—Mansfield	816		806	958	−1
388—Marietta	256		441	525	73
389—Middleton	5,353	HH	3,779	3,819	−29
390—D-75 Park	846		760	904	−10
391—Springfield	1,245		2,060	2,449	65
392—Steubenville	1,418	HH	1,095	1,124	−23
393—Toledo City	10,203	HH	7,551	7,847	−26
394—Warren City	914	HH	1,022	1,215	12
395—Youngstown	3,453	HH	5,035	5,985	46
Oklahoma:					
396—Lawton City	5,938	HH	4,119	4,202	−31
397—Midwest	678		610	725	−10
398—Norman City	777		698	830	−10
399—Oklahoma City	8,183	HH	7,297	7,645	−11
400—Tulsa CC	8,033	HH	6,255	6,526	−22
Oregon:					
401—Eugene City	1,138		1,023	1,216	−10
402—Portland	7,734	HH	8,546	10,159	10
403—Salem CC	3,183	HH	2,399	2,452	−25
404—Springfield	393		353	420	−10
Pennsylvania:					
405—Abington	515		582	692	13
406—Allentown	2,426	HH	2,435	2,895	
407—Altoona	1,225	HH	2,146	2,551	75
408—Bethlehem	1,271	HH	1,498	1,781	18
409—Bristol	778		699	381	−10
410—Chester	2405	HH	2,101	2,497	−13
411—Easton City	3,108	HH	2,215	2,242	−29
412—Erie CC	3,825	HH	3,330	3,959	−13
413—Harrisburg	2,482	HH	3,048	3,623	23
414—NA-75 Harrisburg	388		712	846	84
415—Hazleton	383		903	1,074	136
416—Johnstown	977	HH	1,914	2,275	96
417—Lancaster	3,691	HH	2,536	2,588	−31
418—Lower Merion	502		1,014	1,205	102
419—Penn Hill	561		504	600	−10
420—Philadelphia	57,163	HH	54,786	65,123	−4
421—Pittsburgh	15,541	HH	20,434	24,289	31
422—Reading	3,781	HH	3,314	3,939	−12
423—Scranton	7,747	HH	5,360	5,440	−31
424—Upper Darby	803		1,639	1,949	104
425—Wilkes-Barre	7,768	HH	5,264	5,313	−32
426—Williams	1,080	HH	1,315	1,563	22
427—York CC	1,234	HH	1,741	2,069	41
Rhode Island:					
428—Cranston	711		761	905	7
429—Pawtucket	5,199	HH	3,508	3,643	−31
430—Providence	8,275	HH	7,281	8,655	−12
431—Warwick	876		788	936	−10
South Carolina:					
432—Charleston	1,773		1,643	1,953	−7
433—Columbia	2,140		1,932	2,287	−10
434—Greenville	2,205	HH	1,867	1,942	−15
435—North Charleston	923		830	986	−10
436—Spartanburg	3,767	HH	2,522	2,581	−33
South Dakota: 437—Sioux Falls	3,064	HH	2,327	2,381	−24
Tennessee:					
438—Bristol	425		382	454	−10
439—Chattanooga	6,215	HH	4,907	5,104	−21
440—Clarksville	843		758	901	−10
441—Johnson City	1,142	HH	1,003	1,049	−12
442—Kingsport	677	HH	611	641	−10
443—Knoxville	4,091	HH	3,747	3,939	−8
444—Memphis	14,925		13,416	15,948	−10
445—Nashville	9,609	HH	8,208	8,617	−15
Texas:					
446—Abilene	1,522		1,368	1,627	−10
447—Amarillo	1,959		2,221	2,640	13
448—Arlington	929		835	993	−10
449—Austin City	7,338	HH	5,920	6,195	−19
450—Beaumont	2,303		2,429	2,888	6
451—Brownsville	2,560		2,301	2,736	−10
452—Bryan CC	777		699	830	−10
453—College Station	274		246	292	−10
454—Corpus Christi	4,735		4,256	5,059	−10
455—Dallas City	14,530		13,061	15,525	−10
456—Denison	443		491	584	11
457—Edinburg	3,569	HH	2,358	2,400	−34
458—El Paso	8,238		7,405	8,802	−10
459—Fort Worth	6,775		6,090	7,240	−10
460—Galveston	1,407		1,748	2,078	24
461—Garland	874		786	934	−10
462—Grand Prairie	3,297	HH	2,416	2,458	−27
463—Harlingen	1,351		1,214	1,443	−10
464—Houston	22,597		20,313	24,146	−10
465—NA-75 IR	1,075		966	1,148	−10
466—Killeen	746		671	797	−10
467—Laredo City	3,176		2,855	3,393	−10
468—Longview	810		728	866	−10
469—Lubbock	5,328	HH	4,431	4,598	−17
470—McAllen	1,524		1,370	1,628	−10
471—Mesquite	602		541	643	−10
472—Midland	943		882	1,048	−7
473—Odessa City	1,370		1,232	1,464	−10
474—Orange City	545		490	583	−10
475—Pasadena	1,069		961	1,142	−10
476—Pharr CC	817		734	873	−10
477—Port Arthur	1,324	HH	1,859	2,209	40
478—Richards	342		307	365	−10
479—San Angelo	1,339		1,204	1,431	−10
480—San Antonio	17,700		15,911	18,913	−10
481—San Benito	756		680	808	−10
482—Sherman	386		355	422	−8
483—Temple City	669		601	714	−10
484—Texarkana	2,053	HH	1,187	1,224	−42
485—Texas City	611		549	653	−10
486—Tyler CC	990		890	1,057	−10
487—Waco CC	4,647	HH	3,178	3,293	−32
488—Wichita Falls	1,522		1,944	2,311	28
Utah:					
489—Ogden CC	1,126		1,499	1,782	33
490—Orem CC	441		397	472	−10
491—Provo CC	1,072		964	1,146	−10
492—Salt Lake City	3,929	HH	4,643	5,519	18
Virginia:					
493—Alexandria	1,735	HH	1,562	1,638	−10
494—Chesapeake	1,539		1,383	1,644	−10
495—Colonial Heights	145		130	155	−10
496—Hampton	1,710		1,537	1,827	−10
497—Hopewell	764	HH	609	628	−20
498—Lynchburg	1,537	HH	1,326	1,383	−14
499—Newport News	2,254		2,044	2,409	−9
500—Norfolk	15,877	HH	11,044	11,370	−30
501—Petersburg	985		885	1,052	−10
502—Portsmouth	4,570	HH	3,733	3,863	−18
503—Richmond	9,454	HH	7,323	7,593	−23
504—Roanoke	2,629	HH	2,248	2,342	−14
505—Virginia Beach	2,237		2,011	2,391	−10
Washington:					
506—Bellevue	431		387	460	−10
507—Everett	729		723	859	−1
508—Kennewick	221		198	236	−10
509—Richland	254		228	271	−10
510—Seattle	9,502	HH	13,566	16,125	43
511—Spokane	2,594		4,211	5,055	62
512—Tacoma City	2,249		2,835	3,370	26
513—Yakima City	829		787	936	−5
West Virginia:					
514—Charleston	1,385	HH	2,693	3,201	94
515—Huntington	1,518	HH	2,550	3,032	68
516—Parkersburg	683		1,141	1,357	67
517—Weirton	313		489	581	56
518—Wheeling	1,547	HH	1,650	1,962	7
Wisconsin:					
519—Appleton	622		571	678	−8
520—Eau Claire	589		618	734	5
521—Green Bay	1,757	HH	1,514	1,579	−14
522—Kenosha	1,041		986	1,172	−5
523—La Crosse	720		1,077	1,281	50
524—Madison	2,441		2,195	2,609	−10
525—Milwaukee	12,621	HH	17,456	20,750	38
526—Oshkosh	639		789	938	23
527—Racine City	1,259		1,615	1,919	28
528—Superior	480		890	1,058	85
529—Wauwatosa	470		651	773	39
530—West Allis	696		810	963	16
Puerto Rico:					
531—Bayamon	6,537		5,876	6,985	−10
532—Caguas M	4,994		4,489	5,336	−10
533—Carolina	4,199		3,775	4,487	−10
534—Guaynabo	2,823		2,537	3,016	−10
535—Mayaguez	4,667		4,196	4,987	−10
536—Ponce Mu	8,999		8,089	9,615	−10
537—San Juan	20,266		18,418	21,655	−1

FORMER PRESIDENT FORD SPEAKS OUT ON THE WAR POWERS RESOLUTION

Mr. GOLDWATER. Mr. President, last week, former President Gerald R. Ford gave what I consider to be the clearest explanation of the numerous practical problems which are inherent in the law Congress foolishly enacted, known as the War Powers Resolution. His forum was the University of Kentucky where Mr. Ford delivered the first John Sherman Cooper lecture on April 11.

As the theme of his address, Mr. Ford chose a subject which was much at the

forefront of the attention of our former colleague, Senator Cooper, the issue of what is the proper balance of powers, particularly in foreign policy, between the executive and legislative branches of Government. This discussion naturally led into an analysis of the War Powers Resolution, which is an unparalleled effort by the Congress to assert for itself ultimate control over the making and carrying out of foreign policy.

As only a person who has been in the high office of the Presidency and confronted the day-to-day crises of that position can know, former President Ford reveals in his talk the numerous frustrations he and his assistants encountered in trying to comply with the spirit of congressional directives under the War Powers Resolution. For example, the resolution contains a requirement that the President must consult with Congress before ever committing U.S. combat troops abroad. Now, Mr. Ford asked, what does the resolution mean by "consultation?"

Does this mean advance notice and discussions with a dozen or so congressional leaders? Does it mean that all members of certain committees must be consulted and that their advice is able to bind the entire Congress? Or does it mean that the President must contact and consult with each and every Member of the House and Senate?

Although he did not personally concede that the War Powers Resolution was legally binding on the President on constitutional grounds, Mr. Ford describes how he did make a serious effort to inform and talk with numerous leaders of Congress whenever an important Executive action was about to be taken involving foreign affairs. As a practical matter, it only makes commonsense that the President would, whenever possible, seek to take Congress into his confidence and receive its advice and hopefully its support before taking important steps.

But, Mr. Ford points out, this is far different from the detailed information and time limits imposed by the War Powers Resolution. He relates how during the *Mayaguez* crisis, the consultation requirements of the resolution imposed almost impossible time demands upon senior officials who were at this same time acting as his advisers in a fast-moving situation.

Another specific example Mr. Ford tells us about is his efforts to contact key congressional leaders during the evacuation of Danang. Not one of these Senators or Congressmen were in Washington to be contacted. Nine were outside the country, and 12 were in widely scattered States.

Mr. President, Mr. Ford spells out several reasons why the narrowly drawn consultation provisions of the War Powers Resolution impose impractical and unwise burdens on the Executive. He also correctly points to what the ultimate result of the War Powers Resolution will be, and that is a constitutional confrontation between the President and the executive when the time arrives that Members of Congress who are consulted collectively disagree with the President on an action he considers essential. In this situation, it is clear that the resolution asserts for Congress powers which would make it superior to the executive branch.

Here is where the safety of the Nation and its people and freedoms would be put in peril. For in time of crisis, former President Ford states: "Decisiveness is everything."

There are checks and balances: there are limits upon the actions which any officer or institution of Government can take under our Constitution. But it is essential that any policy differences between Congress and the Executive involving defense of the Nation must be resolved, in the words of former President Ford:

As matters of policy, rather than escalating them into constitutional confrontations.

Mr. President, there is talk from some quarters of strengthening the War Powers Resolution. The persons who advocate this, generally academics, feel Congress should define more tightly what the President can and cannot do involving the use of military forces. I would suggest that these individuals read each line of former President Ford's statement so that they may benefit from the insight of one who has sat in the Oval Office during moments of true crisis. After reading Mr. Ford's statement, I feel certain that many objective persons will reach the conclusion that the War Powers Resolution should be repealed, rather than amended.

In order to share this excellent statement with colleagues, I ask unanimous consent that the text of former President Ford's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY GERALD R. FORD

It is an honor and a very special privilege for me to deliver the first John Sherman Cooper Lecture at the University of Kentucky.

To know John Sherman Cooper is to know one of the finest statesmen this country and the Commonwealth of Kentucky have ever produced.

For almost half a century, he has served the Nation with the highest distinction—as a legislator and judge here in Kentucky, as a soldier under General Patton, as a delegate to the Untied Nations and a founder of NATO, as Ambassador to India and East Germany, and as a United States Senator.

A few days before he retired from the Senate in 1972, the Congressional Record was filled with his tribute. From both sides of the partisan aisle, the sentiments were the same.

Integrity, vision, compassion, wisdom, honor—these were the words his fellow Senators used to describe their friend and define their loss on his retirement.

His magnificent record in foreign affairs, both in the Congress and in the executive branch, his sponsorship of the Appalachian Regional Development Program, his statesmanlike influence on his fellow legislators—all of these help form the legacy of John Sherman Cooper.

As a serious, constructive student of government, and as an able lawyer, Senator Cooper also devoted much of his time and thought to the search for a proper balance of powers—particularly in foreign policy—between the executive and legislative branches of government.

This fascinating, frustrating search is as old as our Constitution, with roots much deeper in the history of governments.

It has at various times concerned the Roman Senate and Caesars, the English King and Parliaments, and others fully as much as it concerns American Presidents and the Congress in our time.

The Framers of our Constitution, well schooled in the history of governments and deeply influenced by such political philosophers as Polybius and Montesquieu, recognized the need for separate powers as checks and balances among the executive, legislative and judicial branches.

They gave the Congress the power to coin money, collect taxes and appropriate funds; to regulate commerce; to establish courts; to raise and support an army and navy; to declare war; and to make all laws necessary and proper for executing the powers of government.

The President was assigned the powers of Commander-in-Chief of the army and navy; the appointment of ambassadors, judges and other public officials; the veto of congressional legislation; and the power to convene the Congress in special session.

With powers thus divided, neither branch was intended to dominate the other.

Yet each has established a clear dominance at different stages in our history.

In 1885, a young Woodrow Wilson published his doctoral dissertation on the subject of "Congressional Government." He concluded that the Congress was the dominant branch of government, and that the President was "nothing but an ineffective figurehead."

He advised that "we think less of checks and balances and more of coordinated power," and that we achieve that coordinated power through "the encouragement of Presidential leadership."

Nearly a century later, following the Presidencies of an older Woodrow Wilson, two Roosevelts, a Truman, an Eisenhower, a Kennedy, a Johnson and a Nixon, Presidential leadership does not seem to need much encouragement.

But the question remains: how should the powers of the executive and legislative branches be coordinated, especially in the field of foreign policy?

I address this question tonight as one who has been honored to serve at both ends of Pennsylvania Avenue over the past 28-plus years.

As a Member of Congress, I sometimes wondered if the Presidents with whom I served weren't going too fast in making important decisions and commitments for the Nation.

I wondered if the White House didn't isolate them too much from public opinion and from the free expression of competing views.

Later, like many of the modern Presidents, I occasionally felt a certain impatience with the painstaking, deliberative process that is the heart and soul of the legislative branch.

The pace of this modern age has been so fast, its problems filled with such urgency, that the parliamentary rules and customs so deeply rooted in tradition often seem antiquated, petty and agonizingly slow when viewed from the Oval Office.

So the problems of coordination can be troublesome, and they are magnified a thousand fold when foreign policy is involved.

In the years just following World War II, while two junior legislators named Cooper and Ford were learning their way around Washington, there was a remarkable degree of national consensus about the role America should play in the world.

We held the noble conviction that since

we alone had emerged virtually unscathed by the destruction of war—since the war had in fact made us the most formidable military and economic power on earth—we had a special responsibility to build a new and better world from the ruins of the old.

We knew, too, that we had been dragged into two world wars we did not want by the collapse of the world political system in 1917 and 1941, and that we could not sit by and let that system collapse again.

This national consensus was made possible by such men as Arthur Vandenberg, my own political mentor, who championed bipartisanship in foreign affairs and helped cement with President Truman a common bond of purpose in international relations between the legislative and executive branches of government.

Working together, it was an easy and rewarding task to guide public opinion and mandate government resources for such monumental efforts as the Marshall Plan, the Point Four program, and NATO.

Consensus was also made possible by the recognition of a growing threat from the Soviet Union. In that early post-war era, the Soviets under Stalin were consolidating their power and authority over the nations of eastern Europe.

They were also probing for footholds in the Middle East, first in Iran and Turkey, and later in many other parts of that region.

No one knew how far their aggressive designs might reach, and none denied that if the Soviet march were to be stopped, the United States would have to assume the active leadership of the free world.

The nations which had guided European diplomacy for centuries no longer had the power to do so, especially before the massive threat of Soviet expansion.

These goals for a new and better world, and these challenges of the Cold War, established a foreign policy consensus that endured well into the 1960's.

It is the Presidential drama of this period we remember best: Eisenhower pledging to go to Korea; the dramatic summit conferences; Kennedy's courage in the Cuban missile crisis.

But underlying every Presidential initiative was a broad foundation of support in the United States Congress.

Even in the case of Vietnam, the SEATO Treaty was approved by the Senate, 82 to 1, in 1955, and the Gulf of Tonkin Resolution was passed in the Senate, 88 to 2, and in the House of Representatives, 414 to 0, in 1964.

But as that frustrating war went on year after year, our national unity was shattered, and with it the essential foreign policy coordination between President and Congress.

Old assumptions were challenged. Longstanding commitments were called into question. Bipartisanship in foreign affairs gave way to deep divisions within the two parties themselves.

Members of Congress who came to oppose the war would also come to oppose the Presidents who prosecuted the war.

In the end, they would argue that the Presidency itself had grown too powerful, that a usurpation of powers by the President from the Congress was chiefly to blame for our disillusioning involvement in Vietnam.

These concerns found legislative expression in the War Powers Resolution of 1973.

This resolution claimed for the Congress unprecedented power in the conduct of foreign policy, at the same time holding the President in strict account for his own actions in international affairs.

The resolution required that "the President in every possible instance shall consult with Congress" before committing U.S. combat troops abroad, and that the President report in writing within 48 hours to the Speaker of the House and President Pro Tem of the Senate on any commitment or substantial enlargement of such troops.

It also required that after such forces are introduced, the President "shall consult regularly with the Congress" until forces "are no longer engaged in hostilities or have been removed.

A second major section of the resolution provided that any such troop commitment must be terminated within 60 days, unless Congress has declared war, specifically authorized the commitment, or has been unable to convene because of an armed attack on the United States.

The legislation also specified that, by the passage of a concurrent resolution, the Congress can direct the President to remove U.S. forces before the 60-day period expires.

"No more Vietnams" was the theme sounded over and over in the debate on this War Powers Resolution.

John Sherman Cooper, seeing only tragedy in Vietnam and knowing that it would, indeed, be dangerous to have too much power concentrated in any one branch of government, was a co-sponsor of this resolution.

But he did not agree with one of its underlying themes, that, in his words, "the executive has taken from the Congress its powers."

He reminded his colleagues that "the Congress, particularly since World War II, has not only acceded to, but has supported" executive requests for congressional authority "to use the armed forces of the United States, if necessary, in hostilities."

"These are settled facts of history," he said. "We can change our course but we cannot revise and rewrite history."

While debate on the resolution was underway, a new and distressing chapter in American history was being written across the front pages of the Nation's newspapers.

Day after day, new allegations of excessive and misused presidential power were being unveiled. The scandal of Watergate became a national obsession.

It was in this highly-charged atmosphere, in the boiling passions of Vietnam and Watergate, and in defiance of President Nixon's veto, that the Congress finally passed the War Powers Resolution.

The debate was framed by constitutional issues. As Eugene Rostow has noted, "the battle cry of 'constitutional usurpation' quickens the blood of every Congressman, indeed of every American. We find it easy to conclude that whatever we dislike intensely must therefore be unconstitutional, as well."

But as John Cooper's good friend in the Senate, George Aiken of Vermont, has written, the War Powers Resolution was "largely a political effort . . ., an attempt to amend the Constitution by congressional resolution."

The arrangements which the Constitution makes for the conduct of foreign policy involve a complex interplay between the legislative and executive branches.

Congress is given the power to declare war, and to raise an army and navy. The Senate is given the additional power of advice and consent in the ratification of treaties and the appointment of ambassadors and other officials, including the Secretaries of State and Defense.

The President is made Commander-in-chief and head of state. By fundamental definition, the chief executive is also given the power to execute American foreign policy.

It was not intended that these powers be consolidated in the interest of efficiency, but rather that they be separated in the interest of democracy.

Coordination between the two branches was obviously to be encouraged. The brilliant system of checks and balances which the Founding Fathers devised was not meant to breed constant, paralyzing confrontation between the President and Congress of the United States.

But as former Undersecretary of State George Ball testified in hearings on the War Powers bill, the resolution "represents an attempt to do what the Founding Fathers felt they were not wise enough to do."

It seeks by simple legislation to codify the military powers of the President, spelling out exactly what he can and cannot do, and how, and under what circumstances, to defend the United States and its citizens from international danger.

The Resolution also grants to the Congress powers which tend to make it superior to the executive branch, as in the provision that Congress may order the withdrawal of troops within 60 days by a concurrent resolution not subject to Presidential veto.

Where are the constitutional checks and balances of this system?

The resolution also requires consultation with Congress in military emergencies.

Of course, consultation by the President with congressional leaders is a wise and normal feature of our constitutional and political life.

No President with common sense would dream of neglecting this aspect of his obligation. But can it be mandated by law? And what does it mean?

Can the President satisfy the law by having breakfast with three or four or a dozen leaders he decides are the key people?

Does the law mean that the leaders of both houses, and key members of relevant committees, can speak for or bind the Congress?

Finally, there is a question of how closely this resolution would involve the Congress in the actual execution, as opposed to the general direction, of foreign policy, particularly in times of crisis.

Does the consultation provision require the approval of the Congress before executive action is taken? What if the President and Congress disagree? Which of these separate but equal powers would prevail in such a confrontation?

These arguments of dubious constitutionality can be more than matched by other arguments of workability.

The United States was involved in six military crises during my Presidency: the evacuation of U.S. citizens and refugees from Da-Nang, Phnom Penh and Saigon in the spring of 1975, the rescue of the Mayaguez in May, 1975, and the two evacuation operations in Lebanon in June, 1976.

In none of those instances did I believe the War Powers Resolution applied, and many Members of Congress also questioned its applicability in cases of protection and evacuation of American citizens.

Furthermore, I did not concede that the Resolution itself was legally binding on the President on constitutional grounds.

Nevertheless, in each instance, I took note of its consultation and reporting provisions, and provided certain information on operations and strategies to key Members of Congress.

Let me stress that in my Administration it was customary to communicate with the leaders of Congress when an important executive action was about to be taken, particularly involving foreign affairs.

It is my view that when the President as Commander-in-Chief undertakes such military operations, he would inevitably take the Congress into his confidence in order to receive its advice and, if possible, insure its support.

This type of consultation makes common sense and certainly strengthens trust be-

tween the executive and legislative branches. But it is to be distinguished from the detailed information and time limits imposed by the War Powers Resolution.

The role of the President in these critical situations is clearly defined. As Commander-in-chief and Chairman of the National Security Council, my job was to concentrate on resolving the crisis as expeditiously and as successfully as possible. As you would expect, it is a full-time job.

When the situation permitted, as in the case of the Mayaguez, I consulted personally with the bipartisan leadership in the Cabinet Room. However, the nature of most of these crisis situations was such that the consultation process with the legislative branch had to be delegated to others, primarily my congressional relations staff at the White House.

In the interest of absolute accuracy, a summary of actions I proposed to take or had taken was drafted by the National Security Council staff. This summary was reviewed by senior officials at the Departments of State and Defense and at the White House.

This careful attention to detail was essential but it was also time-consuming for senior officials who were at the same time acting as my advisers in this fast-moving situation.

The summary often went through two and three drafts to ensure as nearly as possible that there would be no mistakes, no confusion of highly sensitive information.

Once the consultation process began, an inherent weakness of the War Powers Resolution from a practical standpoint was conclusively demonstrated.

When the evacuation of DaNang was forced upon us during the Congress Easter recess, not one of the key bipartisan leaders of Congress was in Washington.

Without mentioning names, here is where we found the leaders of Congress: two were in Mexico, three were in Greece, one was in the Middle East, one was in Europe, and two were in the People's Republic of China. The rest we found in twelve widely scattered States of the Union.

This, one might say, is an unfair example, since the Congress was in recess. But it must be remembered that critical world events, especially military operations, seldom wait for the Congress to meet. In fact, most of what goes on in the world happens in the middle of the night, Washington time.

On June 18, 1976, we began the first evacuation of American citizens from the civil war in Lebanon. The Congress was not in recess, but it had adjourned for the day.

As telephone calls were made, we discovered, among other things, that one Member of Congress had an unlisted number which his press secretary refused to divulge. After trying and failing to reach another Member of Congress, we were told by his assistant that the Congressman did not need to be reached.

We tried so hard to reach a third Member of Congress that our resourceful White House operators had the local police leave a note on the Congressman's beach cottage door: "Please call the White House."

When a crisis breaks, it is impossible to draw the Congress into the decision-making process in an effective way, for several reasons.

First, they have so many other concerns: legislation in committee and on the floor, constituents to serve, and a thousand other things. It is impractical to ask them to be as well versed in fast-breaking developments as the President, the National Security Council, the Joint Chiefs of Staff, and others who deal with foreign policy and national security situations every hour of every day.

Second, it is also impossible to wait for a consensus to form among those congressional leaders as to the proper course of action, especially when they are scattered literally around the world and when time is the one thing we cannot spare. Again, we should ask what the outcome would be if the leaders consulted do not agree among themselves or disagree collectively with the President on an action he considers essential.

Third, there is the risk of disclosure of sensitive information through insecure means of communication, particularly by telephone. Members of Congress with a great many things on their minds might also confuse what they hear on the radio news in this day of instant communication with what they are told on a highly classified basis by the White House.

Fourth, the potential legal consequences of taking executive action before mandated congressional consultation can be completed may cause a costly delay. The consequences to the President, if he does not wait for Congress, could be as severe as impeachment. But the consequences to the Nation, if he does wait, could be much worse.

Fifth, there is a question of how consultations with a handful of congressional leaders can bind the entire Congress to support a course of action—especially when younger Members of Congress are becoming increasingly independent.

A survey reported by Congressional Quarterly last November indicated that an overwhelming majority of the Congress believed the legislative branch had an inadequate role in the international crisies I have mentioned.

Sixth, the Congress has little to gain and much to lose politically by involving itself deeply in crisis management.

If the crisis is successfully resolved, it is the President who will get credit for the success. If his efforts are not successful, if the objectives are not met or if casualties are too high, the Congress will have seriously compromised its right to criticize the decisions and actions of the President.

Finally, there is absolutely no way American foreign policy can be conducted or military operations commanded by 535 Members of Congress on Capitol Hill, even if they all happen to be on Capitol Hill when they are needed.

Domestic policy—for housing, health, education, or energy—can and should be advanced in the calm deliberation and spirited debate I loved so much as a Congressman.

The broad outlines and goals of foreign policy also benefit immensely from this kind of meticulous congressional consideration.

But in times of crisis, decisiveness is eveything—and the Constitution plainly puts the responsibility for such decisions on the shoulders of the President of the United States.

There are institutional limitations on the Congress which cannot be legislated away.

Yet since the Mayaguez incident, there has been talk of putitng more teeth into the War Powers Resolution, intensifying congressional participation in actual crisis management.

There have also been attempts to introduce the Congress into sensitive negotiations with foreign nations.

The Jackson-Vanik Amendment to the Trade Act of 1972, in effect proposed to liberalize emigration from the Soviet Union by legislative decree, had precisely the opposite effect.

The Congressional restrictions on military assistance to Turkey after the latest Cyprus crisis prove how determined—and how wrong—the Congress can be, and how cumbersome diplomacy by rigid legislative dictate can be.

Where, then, does the balance of powers lie?

It cannot lie in a constant rivalry for power. As Professor Rostow has written, this "would tend to convert every crisis of foreign policy into a crisis of will, of pride and of precedence between Congress and the President."

Nor, obviously, does the balance lie in the dominance of one branch of government over the other.

The Constitution makes that plain enough, and our own history proves it.

The Reconstruction Congresses of the 1860's and 1870's—ignoring, thwarting, even impeaching a President, and dealing with the American South as a defeated, occupied enemy—inflicted wounds on this Nation that took a century to heal.

Woodrow Wilson refused to involve the Congress in his plans for a League of Nations—and saw his noble dream crushed on Capitol Hill.

The balance must lie, instead, in a frank recognition of the basic strengths and weaknesses of both the executive and legislative branches of government, in the institutional capabilities and limitations imposed by the Constitution and by common sense.

As I said in my State of the Union address earlier this year, "in these times, crisis cannot be managed and wars cannot be waged by committee; nor can peace be pursued solely by parliamentary debate.

"To the ears of the world, the President speaks for the Nation. While he is ultimately accountable to the Congress, the courts and the people, he and his emissaries must not be handicapped in advance in their relations with foreign governments. . . ."

The notion that the President must sometimes use the armed forces of the Nation on his own ultimate responsibility comes hard to Americans because we are, and have always been, deeply concerned about democratic control.

But this power has been recognized as necessary—even as inescapable—since the earliest days of the Republic.

Pirates attack our ships off the coast of Tripoli—and we must respond. The Soviet Union blockades Berlin or places missiles in Cuba—and we must respond. An American ship is seized off Cambodia—and we must respond.

And if the nightmare danger of nuclear attack becomes reality on some dread future day—we must respond.

For such challenges, which vary from year to year and generation to generation, there is no substitute for Presidential leadership. But there is always democratic control in the electoral process, and in legislative action, as we know from Vietnam.

The bitter experiences of Vietnam and the national atmosphere in the last decade have encouraged, I believe, too much tampering with the basic machinery by which the United States Government has run successfully for the past two hundred years.

We must not abandon the wisdom of the ages in the passion of a moment.

If we have disagreements of policy, let us resolve them as matters of policy, rather than escalating them into constitutional confrontations.

Tragically, in recent years, the bases of trust, cooperation and civility between the legislative and executive branches of our government have been eroded.

In their place, there has been an attempt to build new and permanent structures on the shaky ground of mutual suspicion.

This is no way for the government to serve the American people. It is, instead, the sure way to division at home and danger abroad.

What we need, as Wilson said, is "more coordinated power."

We need to seek once again a common ground on which the President, the Congress and the American people can proudly and firmly stand through crisis and calm.

We must decide again, as a Nation, what is important to us, what goals we will set, what dangers we will risk, what burdens we will bear, in our dealings with the wider world.

The Congress has the responsibility to do now what it does best—debate these great issues, openly, freely and thoroughly—and help us find a new path on which we all may travel together.

The new Administration—free of the burden of war, unfettered by mistakes of the past—has an historic opportunity to lead America to a new age in foreign policy; an age in which the goals and commitments we hold precious as a Nation may be fulfilled through the quiet, beneficent strength that commands respect and invites cooperation.

All this will not be easy. The world is very different now than it was thirty years ago. We are different, and our problems and aspirations more complex.

But we are still Americans who love our country, who cherish peace and freedom in the world.

Let us in the months ahead open a constructive dialogue among the American people, the Congress and the President, leaders past and present, so we can preserve the bulwark of our strength—the Constitution—and find the mechanisms to combine with the spirit that has made America what it is today—free and dedicated to a better world for all peoples.

NEWSWEEK ARTICLE PRESENTS DISTORTED PICTURE OF ALL VOLUNTEER FORCE CONDITION

Mr. PROXMIRE. Mr. President, the March 28 issue of Newsweek magazine contained an article entitled "the New-Look Army" dealing with the current condition and performance of the All-Volunteer Army. I am calling this article to my colleagues' attention because in my opinion it was written in a much more pessimistic tone than the current condition of the AVF warrants.

Four points of the article are worth mentioning because each presents only one side of the issue.

Point one: The article correctly points out that the normal standards by which to judge military recruit quality—aptitude-test scores and the number of high school graduates—indicate armed services quality is holding steady or climbing. The article also quotes Army Secretary Clifford Alexander, Jr., stating that the AVF is considered by top generals to be "the best Army they have seen."

But then the article turns around and criticizes Army quality on the basis of three isolated incidents during a Fort Benning training exercise for Army recruits, thereby leaving the impression that the Army's new enlistees are hapless buffoons. To believe this image of our newest military recruits is to believe a great distortion of the facts.

The facts are that 69 percent of today's armed services enlistees possess high school diplomas, as compared to 68 percent in 1964 and 61 percent in 1974. Aptitude-test scores for the Defense Department recruits indicate that lowest category scorers have decreased while middle-range category scorers have increased.

Point two: The Newsweek article leaves one with the impression that the Army is in trouble because of the increased percentage of blacks in the military. The magazine showed one picture of a black soldier placed above a cutline that asks "cannon fodder?"

Again, the Newsweek article has distorted the true situation in the military. It is true that blacks are enlisting in greater percentages than ever before, but this trend should not be classified as a problem because military variations from the national percentage racial composition statistics have no clear meaning. These statistics simply show that more blacks are taking advantage of the benefits the Army has to offer.

The greater numbers of blacks in the military has also meant more black officers, thereby improving morale and status of blacks in the military. The Newsweek article itself point out that military incidents of racial violence have declined from 59 to 3 since 1973. Finally, with an army that is more than 3 to 1 white, it is doubtful possibility that blacks are being used as "cannon fodder" for the better-off whites. The blacks, as well as whites, after all are volunteers not conscripts.

Point 3: Regarding the cost of the AVF, the Newsweek article cites a Senate report which stated it would cost $29 billion to raise current force levels to Vietnam-era manpower levels. I presume the article was referring to the King report on the AVF, which also said that the true cost of the AVF "is not recoupable through a return to the draft."

The article discusses the personnel cost problem facing the military, but it does not even mention some possible policy changes that could remedy the problem without drastic steps such as a return to the draft.

Point 4: According to the Newsweek article, recruiting is difficult for the Army because of antimilitary sentiment spawned by the Vietnamese conflict. The magazine should also have noted the great effect the AVF has had in diminishing this negative attitude.

Gen. Bernard W. Rogers, Army Chief of Staff, was quoted in a Washington Post article supporting the All-Volunteer concept because people in the military now are well motivated and performing well. General Rogers cited these statistics to prove his point: Desertion is down 60 percent; absent without leave is down 48 percent; jail population is down 45 percent and violent crimes are down 17 percent.

A 1976 U.S. News & World Report study showed that today's young people have a much more positive attitude toward the military and some colleges have been able to reestablish ROTC programs. In the military itself, more than two-thirds of the personnel agree with the AVF concept, while 18 percent disagree. A 1976 study at Fort Knox, the Nation's third largest military installation, showed an overwhelmingly more positive attitude toward the military on the part of enlistees as compared to draftees. To illustrate their point, Fort Knox officials indicated that the AWOL rate dropped from 36.6 to 13.4 per thousand soldiers in the period from 1972 to 1976.

The All-Volunteer Army, like any Government program, does face problems. But these problems are solvable, unlike the Newsweek article would lead one to believe. With relatively minor military policy changes, such as the cutting of military frills, the controlling of grade-creep inflation, the increased use of women and the raising of reenlistment quotas, we can maintain the AVF as an effective national military force.

Mr. President, one final comment might provide a greater insight into my reasoning for calling attention to this Newsweek article. The article criticized the current condition of the AVF because "few Americans today enlist out of patriotism or a yen for the military life." I wonder if either of those sentiments was present during the draft?

I ask unanimous consent that the Newsweek article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEW-LOOK ARMY

(By David M. Alpern and Tony Fuller)

A disheveled, rain-soaked recruit stumbles through the inoculation line at the Army's Fort Dix training camp. He mumbles incoherently and waves his arms. "Hey you, dummy, get outa here. I say get outa here!" bawls an angry sergeant—only slightly less disgusted with the young G.I. than with the new-style Army that accepted him in the first place. "He don't even speak English," the veteran noncom complains. "I had one come through the other day, he had open-heart surgery. And there was another with metal pins in his legs. Sergeants may always bitch, but I've been in the Army sixteen years and this is the worst I've ever seen, I swear."

From boot-camp firing ranges to Congressional hearing rooms to the corridors of the Pentagon, the nation's four-year-old experiment with all-volunteer armed forces is the target of tough questions and mounting criticism. Is it really working? Does it cost too much? Can it stand up to combat? A recent Gallup poll indicated that Americans by a clear 54–36 margin opposed any return to military conscription. But the problems of a voluntary force are serious enough to start politicians talking about the draft once again, and President Carter himself said last week that he had an open mind on the subject. "This is something that is constantly under assessment," he told the town meeting at Clinton, Mass. "If I consider as President that a restoration of the draft is necessary for the security of our nation, I will not hesitate one day to recommend it to the Congress."

Even high Pentagon officials who continue to tout the all-volunteer force—AVF in military jargon—concede that its prospects are hazy. The program "is working as of now . . . but I'm less certain about the future," said Gen. George S. Brown, chairman of the Joint Chiefs of Staff, at recent Senate hearings on AVF's troubles. Some critics complain about the fast-rising wages and pensions required to attract and retain personnel—already 58 percent of the Defense Department's $98 billion budget. Others cite a decline in "quality" of incoming troops and the growing proportion of blacks in the service—now 22.2

per cent of the Army, twice the black representation in the population at large. Prof. Charles C. Moskos Jr. of Northwestern University, a specialist in military sociology, worries that ghetto youth will become "cannon fodder" and asks: "What kind of a society excuses its most privileged members from defending it?"

More bothersome are demographic trends that indicate that there simply may not be enough young volunteers available in future years to maintain the armed forces at their authorized level of 2.1 million—800,000 in the Army alone. Army Reserve and National Guard units are already nearly 100,000 men short of full strength. In a crisis, one Senate report estimated, it would cost "an astonishing $29 billion" to raise current force levels to those of the Vietnam era. And with the Selective Service System reduced to a single vestigial office in Washington, it would take four months just to get the first of a new crop of draftees into basic training.

THE QUESTION OF QUALITY

Until recently, AVF was doing quite well. Launched by President Nixon in 1973, after sentiment against the war in Vietnam made the draft politically untenable, the system has managed to attract enough recruits to active duty—in part because of high civilian unemployment. Aptitude-test scores run higher than in the larger, draft-fed Army of the Vietnam era. The number of high-school graduates—another index of quality—also held steady through 1975 at 62 per cent, though it has now dropped to a worrisome 45.5 per cent. In recent combat exercises, some units of the new Army have excelled. The 101st Airborne Division successfully airlifted 3,000 men, 348 helicopters and 2,500 trucks to Germany in one NATO operation. The "almost unanimous" assessment of top generals, says Army Secretary Clifford L. Alexander Jr., is that "this is the best Army they've seen."

But the view from the field is not always so self-congratulatory, especially in the training camps where the newest recruits are stationed. "We just don't get the quality any more," said Sgt. George Griffin recently as he watched a squad of infantry trainees at Fort Benning, Ga., display antics worthy of the Keystone Cops. One man took careful aim with his M–16 rifle and buried its muzzle in the dirt. Another—against orders—peeked over the window ledge of a building under attack and got clouted in the head by an "enemy" grenade. And a third took cover behind a pine tree so scrawny "it could be split by a peashooter," the sergeant groaned.

MORE WASHOUTS, LESS TROUBLE

Complaints come from almost all levels in the chain of command. "Some of these guys you can explain things to 50 times, yell and scream, and they still don't understand," says Col. Ross Franklin, a staff officer at Fort Benning. "We can train all the goddam cooks you want, but when it comes to [handling] some of these [sophisticated] weapons it's a different story." A Senate study found that 37 per cent of all military recruits are now mustered out as unwilling or unfit before their first hitch is over, as against 25 per cent four years ago.

Quick exits, however, cut the number of troublemakers. The result has been a drop in reported cases of drug abuse (from 17,000 two years ago in the Army, for example, to 15,000 today) and in incidents of racial violence (59 in 1973 against only three last year). "I get a guy who says, 'I can't stand whites,' I just wash him out," reports Col. Jack Farris, who runs infantry training at Fort Benning.

The number of blacks in Army green has more than doubled since 1964. Minorities, including Hispanics, constitute almost 30 per cent of today's Army. "It will be a black man's Army and black men will have to fight the wars," griped black Pfc. Gregory Young recently in a mess hall at Fort Campbell, Ky. But Army Secretary Alexander, himself black and a National Guard veteran, argues that the shifting racial balance is less a problem for the military than an indictment of the society that it serves. "There still is discrimination out there—in case anyone has forgotten," he says, flatly ruling out the idea of imposing racial quotas on recruits in the future.

Few Americans today enlist out of patriotism or a yen for the military life. For some it is simply the last refuge from a bad civilian scene. "My girl's old man wouldn't let me see her and I almost slugged the guidance counselor at school," said Bobby (Munch) Croyts, 17, a Pittsburgh high-school dropout at Fort Dix. "The Army ain't as rough as the street," explained fellow recruit Juan Hernandez, 17, of Cleveland. Many more are attracted by increasingly generous pay and allowances. A private with two years' service receives $6,915 a year, up to $5,400 in Federal matching funds for education after discharge and the prospect of a pension that provides half pay after twenty years' service (chart). "I went downtown to Newark and there was a longer line at the Army office than at the welfare office," recalled recruit Carl Walker, 18, at Fort Benning.

A SINKING SHIP?

Life in the volunteer Army is a mixture of old and new. Much-heralded experiments involving long hair and barracks with semi-private rooms are fading away. And old-fashioned alcoholism is now as great a problem as drug abuse. But with more men entering at age 17 and 18, rather than in their 20s, a summer-camp air often prevails and sergeants complain about "baby-sitting." Stress on the financial rewards of military service also has stirred interest in unionization—a potential threat to discipline, Defense Secretary Harold Brown warned last week—although supporters say their main concern is wages and benefits.

Pay has already risen sharply—193 per cent in the lowest enlisted grade between 1964 and 1973—and the cost of providing such competitive salaries is drawing yelps from Capitol Hill. Georgia's Sen. Sam Nunn complains that AVF is a "sinking ship that is becoming increasingly costly to keep afloat." Rep. Les Aspin of the House Armed Services Committee warns that the escalating cost of military pensions ($34 billion a year by 2000, he says) could eventually produce "a New York City type of fiscal problem." Pentagon leaders reply that Congress itself wanted to raise military pay scales, even before AVF was born. Still, recruiting is costly and the Pentagon is planning an $86.6 million advertising campaign this fiscal year, up from $68.6 million in 1976. Gen. Bernard W. Rogers, Army chief of staff, said last month that it might take up to $750 million in special benefits to bring the undermanned reserves up to strength.

Part of the Pentagon's recruiting problem is the anti-military sentiment spawned by Vietnam. "I've had men spit on," reports recruiting Sgt. Reginald Burton. A more serious concern for the future is purely demographic. Martin Binkin of the Brookings Institution estimates that the number of men turning 18 will have dropped 15 per cent by 1985 and 25 per cent by 1992. If this happens, he calculates, one of every three qualified and available men would have to volunteer just to maintain the present force level—an unlikely prospect if the economy improves.

What are the alternatives? One suggestion is to lower the required strength of the armed forces, or the standards for enlistment. "The services discourage recruitment of high-school dropouts because up to 40 per cent are washouts," says Aspin. "For every ten [they] refuse, they are losing six potentially successful servicemen." He also proposes taking men with lower IQ scores, arguing that "they need a certain proportion of low-IQ recruits to do jobs that present little challenge."

Another idea is to take in greater numbers of women and give them a broader range of assignments. Already, women account for 6.6 per cent of all volunteers in the Army—up from 1.1 per cent in 1970—and the women are drawing all but the most dangerous combat assignments. "The bottom line on that is whether we're ready to see women coming home in body bags," says one top general. "I don't think we are."

PEOPLE ARE TALKING

Finally, there could be a return to the draft in some form. Senate Armed Services Committee chairman John C. Stennis concedes that such a move would be politically impossible now, but he predicts that the public will eventually see it as the most practical way to get a credible military force. "It's a process of a year or two, but more and more people are talking about it," Stennis says. Senator Nunn has proposed a Vietnam-style lottery to choose recruits equitably, or a mandatory period of national service that would permit men to choose between military duty and Peace Corps, Vista or other public-service work.

Such a program could cost up to $50 billion, however, and critics, including Sen. William Proxmire of Wisconsin, argue that it would be a "nightmare" of administrative and disciplinary problems. Less costly and controversial might be a draft for the reserves only, with less than six months of active duty—a suggestion outlined last month by Army Chief of Staff Rogers. None of these solutions is ideal, but the evidence suggests that AVF will need help from somewhere before very long.

WHAT A G.I. GETS

Salary: $6,915 a year, including housing and food allowances.[1]

Vacation: 30 days a year.

Health Benefits: Free medical and dental care.

Pension: Half pay after 20 years, 75 per cent after 30.

Education: For every dollar a G.I. saves for education, Washington contributes $2, up to $5,400.

Fringe Benefits: No sales tax at post exchanges; discounts on food, housewares and other items.

DROUGHT IN SOUTH DAKOTA

Mr. ABOUREZK. Mr. President, as you know, last year South Dakota experienced a terrible drought, the effects of which will be felt for many years. On Tuesday, April 12, the Washington Post ran an article by William Nye Curry which discusses the impact of the drought on South Dakota farmers and communities. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DROUGHT OF '76: FARMERS IN SOUTH DAKOTA'S HYDE COUNTY WILL FEEL THE IMPACT FOR YEARS TO COME

(By William Nye Curry)

HIGHMORE, S.D.—It is hard to imagine, what with the rainwater in the drainage ditches and the standing pools in low-lying spots, that Highmore has undergone severe drought.

But the freshet of rainfall that graced this central South Dakota cattle community last

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[1] A married private with two years' service.

month gave the thirsty fields almost as much water as they received in all of last year's dry, disastrous growing season—about four inches. So bad was the drought of 1976 here that not one of the 311 farmers in Hyde County was unaffected and not a single spear of seven different crops was harvested.

Though the March moisture has eased conditions—the region needs continued rain to get through this summer—the impact of the nation's worst drought since the 1930s will be felt here for the next three, five, maybe 20 years.

The grasslands were grazed to a gray stubble, the remnants in some cases not even covering the brown earth, as cattlemen desperately sought to feed their livestock. Re-establishment of those now-desolate pasturelands will take several years, even with good rainfall.

Worse, the breeding herds that produced the livestock sold for income each year have been thinned, even liquidated, in cost-cutting moves by farmers faced with high feed cost and low sale prices. One, Don Faulstich, 42, reduced by one-half the 200-head breeding herd that had taken him 10 years to establish.

And millions of dollars in low-interest, 20-year federal disaster loans must be repaid. Some $4 million to $5 million already has been loaned to about 55 Hyde County farmers, and more loan applications are pending. Not to mention other drought-incurred losses: Sam Dancey spent $184,000 wintering some of his cattle in North Dakota and Wyoming and hauling expensive feed in from as far as 650 miles away for the remainder; Merle Ankrum sold his entire herd of 100 cows and 100 calves for $425 a pair (a cow and her calf), even though he had borrowed $500 to $600 from the bank against each pair.

"I don't know how long it's going to take to recover," said Faulstich. "We've got the worst coming. Our cattle herds are down, and that's how we make our living."

How they are down. On Feb. 1 there were 22,150 head of cattle in Hyde County, barely one-third of the 66,000 head of Feb. 1, 1976, according to the tax assessor's office.

"The economy of this county is cattle," said Bill Paynter, the county extension agent, and that dependence is weighing heavily now. Hyde County taxes its cattle and the county's public schools face a $150,000 tax loss—one-fifth of the school budget—as a result of the herd reductions. Plans for a vocational-agricultural addition to the high school have been postponed.

Cattlemen all over America have been cutting their herds—slaughter in 1976 reached a record—because of low prices that do not cover farm costs. But in no state were herds reduced to the extent of those in drought-hit South Dakota—almost 19 per cent, from 4.5 million head on Jan. 1, 1976, to 3.65 million on Jan. 1 of this year. No county in South Dakota cut back like Hyde.

Merle Ankrum cut back all the way. A county commissioner, Ankrum, 46, has lived in Highmore all his life. He has 1,400 acres of grass and farmland and raises cattle. He gets them to 750 pounds or so and sells them to feeding operations in other Midwestern states. That is the normal pattern here since the area does not grow enough corn to fatten cattle to the 1,100- to 1,200-pound slaughter weight.

"I held on until July of last year" Ankrum said "and went clear out rather than go out and start buying feed." He sold the 100 pair at $425 a pair despite the money borrowed against them and the $200 in production cost in each calf. He didn't think cattle prices would cover the high cost of the feed he would have had to buy to winter the herd, feed he would have raised himself were not for the drought.

Moreover, Ankrum was anxious to save his haystacks, carried from 1975, for a spring herd of 150 Herefords he bought for $150 each two months ago. He describes the 350-pound cattle as "still a little green," or underweight.

Ankrum says he lost $35,000 farming last year and now has $120,000 borrowed against his livestock, machinery and the equity in his land. A disaster loan application is pending.

Faulstich won't say exactly what it's cost him, only that in the past three years, drought, low prices and high costs have reduced the net worth of his farming operation—assets against liabilities—"by six figures." He has 2,150 acres and lives a half-mile from where he grew up. Two years ago, after 11 years of farming, he had a breed herd of 215, carefully selected, culled and bred to bear each year's money-producing calf crop.

He has kept the 100 best.

That means fewer calfs to sell until the herd is rebuilt, and thus less income—the general and long-term agony facing Hyde County.

"If [cattle] prices had been good, we could have afforded to buy feed" rather than reduced herds, Faulstich said, "but costs and prices—there just wasn't the economic justification. The effects are going to last for some time."

"We've used our pastures awful hard," Carl Ashdown was saying as his old blue pickup rattled by a bare field containing wisps of dead vegetation. "The way we got 'em so short, they're ate down to nothing."

The dugout waterholes are low—two feet where they should be 12- to 18-feet deep. "It's got to keep raining," he said over a timpani of automotive rattles, "there is no question about it." Ashdown estimated it would take three to four years to re-establish his 2,300 acres of grasslands.

Ashdown, 45, works 3,300 acres with his 38-year-old brother Leslie. The farm has been in the family for 30 years.

Ashdown says yearly calf sales normally bring the farm $64,000, but last year the total was $25,000.

Ashdown says he and his brother have decided to stay with it this year. They managed to break even last year by selling off cattle and cutting expenses—doing little things like building farm equipment rather than buying it. But if things don't improve, they'll sell everything but the land, get jobs and wait for better times.

They hope to avoid the ultimate debt, borrowing against their land. That's what many others here have done, borrowed money against their investments to get cash to stay in business.

There is the sentiment here, too, that unless cattle prices rise to offset increasing costs, surviving the drought will have been for naught. "It doesn't do any good to raise a crop if you can't cover the costs," said extension agent Paynter. "A lot of people are in financial trouble."

"It's a disaster either way," says Ankrum. If prices don't change, "we might just as well have another drought."

Conceding that federal disaster loans are crucial to Hyde County farmers now, Faulstich wondered about the long-term effects of more debts and interest payments. "We need it to get through, but I wonder in the long run if it might just do us in," he said. His disaster loan application is pending.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notification I have just received.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 77-21, concerning the Department of the Air Force's proposed Letter of Offer to Greece for aircraft estimated to cost $161.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency, and Deputy Assistant Secretary (ISA), Security Assistance.

Attachment.

TRANSMITTAL NO. 77-21

(Notice of proposed issuance of letter of offer pursuant to section 36(b) of the Arms Export Control Act.)

(i) Prospective purchaser: Greece.

(ii) Total estimated values:

Major defense equipment[1]	$128.5
Other	32.5
Total	161.0

[1] Included in the U.S. munitions list, a part of the international traffic in arms regulations (ITRA).

(iii) Description of articles or services offered: Eighteen (18) F-4E aircraft and support.

(iv) Military department: Air Force.

(v) Sales Commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: April 19, 1977.

TV AND CHILDREN'S VALUES

Mr. HASKELL. Mr. President, in a column which appeared last month in the Phoenix Gazette and other newspapers, Allan C. Brownfeld has summarized much of the important discussion of the impact of television programing, especially violent programs, on children.

A study of the University of Pennsylvania's Annenberg School of Communications indicated that the amount of violent action on TV has reached its highest point on record. This and other studies confirm that children's attitudes and perceptions are especially influenced by such programing. Three studies funded by the National Institute of Mental Health have linked TV violence to aggression in young people. One very encouraging vote is that certain people within the television industry itself, including the Screen Actors guild, have

begun to protest TV's "emphasis on violence and the degree of violence portrayed."

I recommend Mr. Brownfeld's interesting column, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

STUDY FINDS TV GIVES CHILDREN FALSE SET OF VALUE STANDARDS

(By Allan C. Brownfeld)

Two thirds of American's children harbor fears that "somebody bad" will get into their homes. In fact, a study indicates that nearly a quarter of American children actually fear certain television programs, and heavy TV watchers (four hours or more a day) are twice as likely as other children to say they often become frightened.

The survey was sponsored by the Foundation for Child Development and conducted by Temple University's Institute for Survey Research. Foundation President Orville Brim Jr. notes that "It's the first time in history" that children's attitudes have been surveyed so thoroughly.

The report deals at length with the negative impact of television. In addition to accentuating fears, TV also seems to narrow many children's range of thought. When children were asked to name a famous person they would like to emulate, most responded with the names of television personalities (Cher, Marie Osmund, Elvis Presley) or athletes (O. J. Simpson, Muhammad Ali). Fewer than 7 per cent selected a national political figure, and fewer than 2 per cent picked persons from fields such as the arts, writing, science, or medicine.

According to Nicholas Zill, project director for the study, children are affected by what he calls the "vulgarity, materalism and greed" of television programming and advertising.

The negative effects of television upon the American society are many. In the short run, however, its repeated depiction of violence may be the most dangerous. In 1976, violence on network television increased and reached its highest level in almost 10 years. In a study recently released by researchers at the University of Pennsylvania's Annenberg School of Communications it was shown that the number of violent incidents shown on TV rose from 8.1 per hour in 1975 to 9.5 per hour in 1976. The amount of "violent action" measured rose "to the highest point on record," the survey said. It was also noted that children were "especially vulnerable" to a TV view of the world as a hostile and dangerous environment.

So serious has the problem of violence become to the nation's mental health that Dr. Richard Palmer, president of the American Medical Association, has asked 10 major corporations to stop sponsoring violent shows. The list is almost the same as the 10 advertisers found to be the worst offenders. Dr. Palmer points out that television has been quick to raise questions of social responsibility with industries that pollute the air and suggests that violence on TV and its potential for distorting children's perceptions of the world may be a worse form of pollution.

At its Philadelphia convention, the AMA held a symposium on the effects of TV violence on children. Four research papers were presented which linked TV violence to youthful aggression. Three of them were funded by the National Institute of Mental Health.

Even from within the television industry voices have been heard which are critical of the nature of much current programming. Paddy Chayevsky, a former TV writer and author of the movie "work," which is about the TV industry, states that "Television coarsens all the complexities of human relationships, brutalizes them, makes them insensitive. We've lost our sense of shock, our sense of humanity. That is the basic problem of television."

Also from within the entertainment industry, a resolution deploring excessive violence in TV programming was passed in January by the board of directors of the 32,000-member Screen Actors Guild. The resolution states that violence in entertainment shows has become a "staple component" of television fare. It has the potential of increasing aggressive violence among viewers, stated the resolution, and while stressing that "degrees of violence exist in our society" it states that what is disturbing is "the emphasis on violence and the degree of violence portrayed."

Still another group expressing concern is the National Association for Better Broadcasting which has proposed that measurements of the amount of violent programming on television be made a part of the license renewal process. Frank Orme, executive vice president of this group, testified before a House Communications Subcommittee hearing on license renewals. He challenged a statement by Federal Communications Commission Chairman Richard Wiley, who said that the government can do no more in reducing TV violence: ". . . it is simply not true that the government of the United States can do no more. . . . Among us all, we have to decide whether we must accept ourselves as a desensitized and partially brutalized society in which violence and sadism are socially tolerable . . ."

Looking for a governmental solution, however, may miss much of the real cause of the problem. Television provides so much violent programming because it is violent programming that Americans seem to want to watch. Business sponsors those shows which attract viewers. Parents, evidently, care little about what their children watch. The Temple University study indicated that more than half of the children surveyed are allowed to watch television whenever they want, and a third said they are permitted to watch whatever they want. It is clear that the TV industry is irresponsible in this respect, and that business is irresponsible in sponsoring such shows. The average American who watches these shows, however, is equally at fault—and this is a more difficult problem to deal with.

THE GENOCIDE CONVENTION—TOO LONG WITHOUT ATTENTION

Mr. PROXMIRE. Mr. President, for over a quarter century we have neglected to positively act on the Genocide Convention. Although the treaty has long been in force among the signatory nations, the United States still refuses to ratify the agreement. There is no acceptable excuse for our inaction on a treaty so important.

Twenty-five years is a long time. Long enough for arguments to be heard, problems explored, objections to be met. The treaty's critics, whatever their particular concern, have been answered many times over.

Proponents of the Genocide Convention certainly far outnumber those opposed to it. Presidents Eisenhower, Kennedy, Johnson, Nixon, and Carter have issued statements urging adoption of the Convention. The Foreign Relations Committee has issued several favorable reports, the most recent in April 1976, dealing with the treaty. The language of this last report leaves little room for uncertainty!

The Committee, therefore, earnestly recommends to the Senate that, subject to the understandings and declaration, the Senate give its advice and consent to ratification of the Genocide Convention by an overwhelming vote. Respect for the feelings of mankind, expressed by the 82 ratification to date, should lead to no less.

I wholeheartedly concur with the recommendations of the Foreign Relations Committee. Once again, I urge the Senate to ratify the Genocide Convention without further delay.

APPROPRIATIONS NEEDED FOR FISH AND WILDLIFE HABITAT IMPROVEMENTS

Mr. CHURCH. Mr. President, recently, I joined with Joseph Greenley, director of the Idaho Department of Fish and Game, in requesting funds for the improvement of fish and wildlife habitat. For many years, the Western State's fish and game agencies have managed the fish and wildlife on the public domain, while the Forest Service and Bureau of Land Management have been responsible for the habitat. So far, at least, the Federal Government has not been keeping up its end of the agreement.

According to Mr. Greenley, the wildlife portions of the Forest Service and BLM budgets "have been so small as to have been virtually meaningless in terms of on-the-ground accomplishments compared to their other programs such as timber and livestock management."

Both Mr. Greenley and I strongly support the Carter administration's budget which requests $26 million for wildlife management purposes for the Forest Service, and $8 million for the Bureau of Land Management. If this request is approved by Congress, it means that some $3.1 million would be available for wildlife habitat improvement in Idaho in fiscal year 1978.

I ask unanimous consent that my testimony before the Interior Appropriations Subcommittee and the testimony of Mr. Greenley be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR FRANK CHURCH

Mr. Chairman, I appreciate this opportunity to testify before your subcommittee in conjunction with the Idaho Fish and Game Department in support of appropriations for fish and wildlife management under the Sikes Act.

As Joe Greenley, Director of the Idaho Fish and Game Department has already told the Committee, the monies included in the President's Fiscal Year 1978 budget for wildlife management purposes can be well spent in Idaho. I hope the Committee will support the Administration's request for these funds.

Two thirds of the State of Idaho is under Federal jurisdiction; 20.3 million acres of land are managed by the Forest Service, and 12.0 million acres by the Bureau of Land Management. It is important for these agencies to begin the necessary work to reverse the shrinking wildlife habitat which is forcing sharp reductions in game herds in Idaho and throughout the West. Unless we start to improve the food and cover on which wildlife populations depend, we may see the extinction of certain important herds. There is widespread agreement among all interested parties that Idaho's deer, elk, moose, antelope, bighorn sheep, and moun-

tain goat populations can be greatly aided by habitat improvement and rejuvenation.

For example, in the early 1900's large forest fires in Northern Idaho burned millions of acres of land. The brush which grew up to replace the burned material provided magnificient elk forage. The indigenous elk herd increased dramatically from a small group to one of the largest herds in North America by the 1950's. However, today according to Fish and Game Department figures, the elk population has declined to about one-half its size during that peak period. It appears that this decline is most closely related to the shortage of suitable forage on low level slopes which serve as winter range for the elk. Probably our best chance for restoring some of this lost forage is through the cooperative plan developed by the Fish and Game Department and the Forest Service. This plan would be funded by the Sikes Act appropriation which you are considering.

Another important part of this cooperative plan relates to anadromous fish. Since the construction of the many hydroelectric dams on the Snake and Columbia Rivers, Idaho's annual salmon and steelhead runs have suffered drastic reductions. Through a broad-based effort, which has my full support, a variety of agencies are working to bring the fish runs back to their traditional levels. Programs which would be initiated under this budget request would provide substantial help, by removing migration barriers and hazards, improving spawning areas, and developing rearing ponds on the headwater drainages.

In addition to the two portions of this plan which I have discussed, the Fish and Game Department would cooperate with both the Forest Service and the Bureau of Land Management to improve gamebird habitat to increase pheasant, chukar partridge, and grouse populations.

Mr. Chairman, in summary I would simply note that a very large portion of Idaho's population hunt or fish on our public domain lands. These two activities provide a big share of the State's economic income. It is critical to provide these long overdue funds to assure adequate fish and wildlife habitat. I hope you can support this request.

STATEMENT OF JOSEPH C. GREENLEY, DIRECTOR, IDAHO DEPARTMENT OF FISH AND GAME

Mr. Chairman, Members of the Committee, we appreciate this opportunity to testify in support of the Bureau of Land Management and Forest Service appropriations of $8,000,000 and $26,000,000 respectively for wildlife management purposes under PL 93-452, commonly known as the Sikes Act Amendment.

As one of the "public land" states of the west, our specific interest is for those portions of the appropriations designated for programs in Idaho which are approximately $600,000 for the Bureau of Land Management and $2.5 million for the Forest Service.

Our state has been endowed with a rich variety and abundance of fish and wildlife. Based on the number of licenses sold plus the senior citizens and youngsters who hunt or fish with no cost, we estimate that nearly one-half of our population plus sizable numbers of nonresidents utilize the lakes, streams, forests and foothills of Idaho for hunting and fishing. Our responsibility to these citizens rests under that section of our State Code which states that all wildlife is the property of the State and shall be managed so as to provide continued supplies of such wildlife for hunting and fishing.

As the agency responsible, we long ago came to the realization that the "continued supplies of such wildlife" were dependent not so much on the hunting and fishing regulations we might establish but upon the land. Lands which provide wildlife's food, water and shelter requirements produce good wildlife populations and lands that do not have suitable conditions for wildlife do not produce wildlife.

About two-thirds of Idaho is public land under Forest Service and Bureau of Land Management administration and this two-thirds of our land produces most of the deer and elk and practically all of the scarcer big game species such as moose, antelope, bighorn sheep and mountain goat. These public lands are also important to the production and hunting for the bulk of Idaho's chukar partridge, forest grouse and sage grouse. Public lands along water courses provide access to areas for waterfowl hunting, and the remaining tracts in and adjacent to privately owned farming areas are extremely important to our pheasant populations.

The proportion of our water area on public lands is also approximately two-thirds of the total surface acreage of water in Idaho. Of further significance is the fact that these lands form the headwater drainage for most of our streams and these watershed values extend their effect beyond the boundaries of the public lands to almost all Idaho waters.

Thus, with half of our people concerned and two-thirds of our total land area and two-thirds of our water involved, the effect of public lands on our wildlife resources and to our citizens is of extreme importance. As the agency in charge of managing wildlife, our concern with the management of these public lands is obvious.

In common with other state fish and game agencies in the west, we have an understanding with both the Bureau of Land Management and the Forest Service that we are responsible for managing the wildlife and they are responsible for the habitat. Both of these federal agencies also have a charge under their multiple use directives to provide for wildlife in their programs. However, the funding for wildlife in their budgets has been so small as to have been virtually meaningless in terms of on-the-ground accomplishments compared to their other programs such as timber and livestock management.

The possibilities under the Sikes Act Amendment to provide funds specifically for wildlife programs is the best opportunity we have yet seen to correct this chronic shortcoming in Bureau of Land Management and Forest Service multiple use management.

Under terms of this act, both agencies have developed in cooperation with the Idaho Department of Fish and Game, a broad cooperative agreement and plans for specific habitat improvement projects for which funds are now being requested. In Idaho the top priority program under the Bureau of Land Management is to improve the food and cover and manage the extremely critical isolated tracts of public land which remain scattered throughout the irrigated farm lands of southern Idaho. These small tracts are the last remaining islands of native vegetation surrounded by highly developed agricultural lands. Habitat on these tracts, although attractive to wildlife, is generally far below its potential. Improvement in management under the requested funds could multiply the effectiveness of these lands by supplying the missing ingredients that wildlife, and pheasants in particular, lack on the surrounding farmlands.

Another Bureau of Land Management program is for the nationally renowned Birds of Prey Natural Area along the Snake River to provide better protection for the various species of raptors including potential transplants of the endangered peregrine falcon.

The top priority Forest Service program in Idaho is to restore badly deteriorated habitat for the northern elk herds. This situation relates to the wildfires which burned millions of acres of conifer forests in the early 1900's. The shrubs which replaced the trees provided optimum forage and the elk expanded from a small nucleus to one of the largest herds in North America by the 1950's. Today, the elk population has declined to about one-half of its peak numbers.

The causes of the decline appear to be most strongly related to declines in the forage especially on low elevation slopes which serve as winter range. The brush fields which replaced the trees that were burned by wildfires now produce less than one-third the elk food they did twenty years ago because under natural succession, unpalatable plant species have reseeded on many areas and have crowded out forage plants. In some cases, shrubs have grown so tall that elk cannot reach the palatable terminal portions. Very few acres of winter range have been improved by naturally occurring wildfires since a large burn in 1934.

In an attempt to reverse the downward trend in food production, our Department, the University of Idaho and the Forest Service began experimenting with controlled burning to improve these elk ranges in the mid-1960's. Studies documented an increase in forage and elk use on areas that were burned during the spring and fall months, two seasons when fires could be effectively controlled. As a result of the beneficial effects obtained by this method, our Department and the Forest Service have financed burning of 41,000 acres to date. Since about 300,000 acres (5 percent of the total national forest land in the area) are in need of rejuvenation, the acreage burned has not even kept pace with the continuing decline of forage that is occurring on nonburned ranges.

It appears that the best hope for restoring northern Idaho winter ranges to their potential for supporting elk lies with funding under the Sikes Act Amendment.

Another major program under the Forest Service request, is for anadromous fish. Idaho runs of salmon and steelhead have suffered drastic reductions for various reasons related to their long migrations through the Salmon, Clearwater, Snake and Columbia Rivers. Many agencies and programs are attacking this problem on the lower rivers. Programs under this budget request would remove migration barriers and hazards, improve spawning areas, and develop rearing ponds on the headwater drainages.

Additional Forest Service programs are for: inventory, planning and habitat improvements to benefit endangered or threatened species; planting and seeding on key ranges for various species of big game and upland birds; closure of un-needed roads to provide sanctuary areas; and evaluating the impact of phosphate mining on wildlife habitats. Other programs involve improvement of stream and reservoir habitats for resident species of fish, and inventory, planning and habitat management for upland birds, furbearers, waterfowl and nongame species.

The Idaho Department of Fish and Game has assisted in the planning of these projects and we view these requested appropriations as an essential beginning toward correcting the long-standing inequity in funding programs of the Bureau of Land Management and Forest Service, and vital to the restoration and future well-being of important wildlife populations.

With half of our citizens using our wildlife and two-thirds of our State in public lands, stronger wildlife programs by the federal land management agencies is of extreme importance.

Thank you for the opportunity to testify. We respectfully urge your favorable consideration of the requested appropriations.

PANAMA CANAL: EXCAVATION, 1881–1915, STRESSES MAGNITUDE OF MAINTENANCE PROBLEM

Mr. HELMS. Mr. President, the splendid record of the Panama Canal

Company in keeping the Panama Canal open and safe for traffic has caused many Americans to underrate the complexity of the operations involved. Just because the canal has been running smoothly, some advocates of the giveaway of the Panama Canal tend to minimize the skills necessary to keeping the canal open.

Such skills include both management skills and technical skills. They involve questions of judgment of experience. For their proper exercise they require independence and freedom from political interference. The Panama Canal Company organization has, over the years, created a unique cadre of skilled workers, both United States and Panamanian, who have functioned as a team for the proper operation of the canal.

Thus, in attempting to solve the diplomatic issues involved in the treaty negotiations, some critics downplay the fact that the canal organization is an organic unity that could be mortally wounded if the present management is disrupted. Indeed, the attitude of the State Department has already grievously affected the morale of the Canal Company employees. If the mere threat of a giveaway has had a deleterious effect, how much more so would a new management situation, subject to outside political influence and corruption, affect the canal's operation? Only a major power can guarantee that the canal will continue to function efficiently.

The problem of maintenance, for example, illustrates only one facet of the complexity of operations.

When testifying before a congressional committee during the construction era of the Panama Canal, Chief Engineer George W. Goethals, in response to a Member's question as to when the Panama Canal would be completed, replied, "The canal will never be completed." By this he meant that the time would never come when more work would not be necessary for its efficient maintenance, operation, sanitation and protection.

The truth of Goethal's statement is well illustrated by the record of the canal's wet excavation. More than twice as much material has been dredged from the canal since 1915 than was excavated during the entire U.S. construction period.

Among the problems that require continuous dredging are silting, bank sloughing, erosion, and land slides, all of which reduce channel depths. Siltation is increasing as a result of the urbanization of parts of the Gatun Lake watershed.

In regard to the protection of the crucially important watershed of Gatun Lake, it is interesting that this danger was apparently forseen long ago by Gen. Clarence Edwards, while in command of the U.S. Army on the Isthmus. He actually made the recommendation that the boundaries of the Canal Zone be extended to include that entire watershed of the Chagres River. In the light of later events, it is unfortunate that his recommendations were not followed.

As to slides, it is still possible for such bank disturbances to close the canal. Meeting this danger requires eternal vigilance on the part of canal engineers and geologists, and timely preventive measures. With completion in 1970 of the enlargement of Gaillard Cut from 300 to 500 feet, the summit level channels have a minimum width of 500 feet. This improvement was an important step toward the major modernization of the existing canal as provided in measures now before the Congress under existing treaty provisions and on which over $171,000,000 has already been expended.

In a recent article, Maj. Robert L. Herndon, Corps of Engineers, U.S. Army, summarizes the history of excavation in the Panama Canal, 1881–1975, both dry and wet. A reading of his article shows with startling data the magnitude of the "maintenance problem" that only a great and powerful nation can support. It also serves to reveal the naiveté of proponents of the giveaway of the Panama Canal to a small, weak country on the verge of a financial collapse.

Just as predicted by Colonel Goethals, Major Herndon concludes that in the future the canal will require increased excavation to maintain it as one of the world's safest waterways and to increase its capacity.

Mr. President, as the article by Major Herndon is timely as well as illuminating, it should be of interest to all Members of Congress seeking reliable information on the problem of maintenance of the Panama Canal, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DREDGING IN THE PANAMA CANAL

(By Maj. Robert L. Herndon)

The successful completion of the Panama Canal by the United States stands as a milestone of engineering achievement. Yet, the United States engineers did not originate the dream of an interoceanic canal nor did they turn the first shovel towards its construction. The French, under Comte Ferdinand de Lesseps, were the first to excavate along the route of the present canal. In the 22 years the French spent in Panama, they excavated over 78 million cubic yards of earth and rock. As a result of minor alignment changes and the required rehandling of much of the original excavation material, only 30 million cubic yards excavated by the French proved to be useful to the construction of the present canal. It was estimated that 7 million cubic yards of this were removed by French dredges.

The two types of dredges used by the French were the ladder, or endless-chain bucket dredge, and the suction dredge. Of the 51 pieces of dredging equipment acquired from the French Company, only seven were rebuilt and placed in service by American forces. All of the rebuilt French dredges survived the American construction period with the exception of a ladder dredge which sank in 1911.

AMERICAN CONSTRUCTION DREDGING

To the seven rebuilt French dredges, the American construction forces, under Col. George W. Goethals, added 16 dredges and a variety of support equipment. This equipment was divided between the Atlantic and Pacific divisions where all dredging was performed prior to late 1913. On October 10, 1913, President Woodrow Wilson pressed a button installed on his desk at the White House and sent a signal that detonated eight tons of dynamite which breached the Gamboa Dam and flooded the cut through the continental divide. The dredges then entered the cut for the final work phase.

By December 1914, a total of 115,720,000 cubic yards of material had been excavated by dredges for the construction of the canal. This amounted to approximately 47 percent of the total material excavated by Americans. Over twice as much material has been dredged from the Panama Canal since 1915 than was excavated during the entire U.S. construction period. This is attributed to the maintenance dredging required to remove the siltation in the channels, the large slides that still plague the canal, and construction dredging for channel improvement projects.

MAINTENANCE DREDGING

The Panama Canal requires continuous dredging to maintain the navigable depth. Siltation, bank sloughing, erosion, and landslides all decrease channel depths. An average of 2.25 million cubic yards of material is removed annually to maintain the current bottom elevation. Siltation from the watersheds contiguous to the canal provides the greatest bulk of the material encumbering the channel. Over 5.7 square miles of channels, harbors, and anchorages are subjected to as much as 1½ feet of silt accumulation per year. One foot of siltation over this area amounts to 5.9 million cubic yards of dredge excavation. Siltation is increasing as Panama develops and urbanizes the previously forested areas on the Gatun Lake watershed. Bank erosion is also a major concern due to the erosive action of wakes from larger vessels and the increased hydraulic wash from the tugs that are required to maneuver these vessels safely. This will necessitate additional maintenance dredging in the future to maintain the current depth.

TABLE 1.—TOTAL EXCAVATION OF THE PANAMA CANAL INCLUDING CONSTRUCTION, MAINTENANCE, AND AUXILIARY

Project	Period	Dry [1]	Wet [2]	Total [1]
French canal	1881–1903	59.8	18.3	78.1
American canal	1904–7	8.6	4.4	13.0
Do	1908–14	121.7	111.3	233.0
Total construction excavation	1881–1914	190.1	134.0	324.1
Cut widening (300 ft to 500 ft)	1918–70	13.5	37.2	50.7
Maintenance dredging	1915–75	.6	459.3	459.9
Grand totals	1881–1975	204.2	630.5	834.7

[1] Excavation times 10^6 yd^3.
[2] Excavation (dredging) times 10^6 yd^3.

Much of this maintenance dredging has been necessitated by the infrequent but massive slides in the Gaillard Cut. During construction, landslides were one of the principal concerns of canal officials. There were 22 slides during the dry excavation of the Gaillard Cut ranging in size from 3,300 cubic yards in the Pedro Miguel slide to over 9 million cubic yards in the West Culebra slide. Approximately 25 million cubic yards, or 25 percent of the total removed by steam shovels in the dry from the cut, were excavated from these slides. Since the introduction of water into the Gaillard Cut, 32 slides have occurred, the largest being over 36 million cubic yards in the 1914–1915 East Culebra/Zion Hill slides which completely closed the canal for seven months. Because of the quantity of large boulders and rock in these slides, suction dredges were of little use in excavating the material. Canal authorities anticipated this problem and acquired three 15-cubic-yard dipper dredges in 1914–1915 to excavate the encroaching material. Dipper dredges are still the primary means of removing material from the cut.

Slides even today could close the canal. The most recent slide occurred on October

10, 1974, in Culebra Reach—the largest slide in 41 years. Over 600,000 cubic yards of earth and rock were displaced over 200 feet, thus restricting the channel to 300 feet. The Panama Canal dredging fleet immediately began clearing the slide and in 3 weeks had removed over 183,000 cubic yards of material and had cleared the channel prism to a width of 437 feet. Subsequent dredging restored the channel to its full 500-foot width.

CANAL IMPROVEMENTS

In 1918, only four years after the opening of the Panama Canal, the Dredging Division began widening Gaillard Cut. From 1918 to 1951, the dredges removed 16 million cubic yards of rock and soil in cutting off spits and bends in the cut to assist navigation. After World War II, it became apparent that the 300-foot Gaillard Cut channel would soon become inadequate for the growing volume and size of commercial ships.

From 1952 to 1970, excavation contractors and the Dredging Division removed 35 million cubic yards of material in widening the 8.5-mile-long Gaillard Cut from 300 to 500 feet. The total program from 1918 to 1970 included removal of 50.7 million cubic yards of material.

The Panama Canal Company is presently involved in a channel-deepening program. In August 1974, the Dredging Division officially reached elevation 40 feet Precise Level Datum (PLD) within the center 300 feet of the channel in the Gaillard Cut and Gatun Lake, which means ships have 45 feet of water with the lake at elevation 85 feet PLD. The Dredging Division then initiated a major dredging program which will lower the channel to elevation 37 feet PLD. This additional 3 feet of depth will allow for silt accumulation and dredging or surveying inaccuracies resulting in less frequent maintenance dredging. It will increase the possibility of allowing deeper drafts for transiting vessels than has been previously acceptable. This additional depth will also provide extra water during the annual dry season for either lockages or the generation of hydroelectric power by permitting Gatun Lake to be drawn down to elevation 80 feet PLD without further restricting drafts on transiting ships.

The introduction of large Panamax class ships (so classified because their dimensions are the maximum the Panama Canal's locks can accept on routine transits: 950 feet by 106 feet by 40 feet) has accentuated a maneuverability problem as these ships pass through the restricted channels. To increase the safety of these ships, a program has been initiated to improve the conditions which contribute to difficult passage. This involves widening certain confined reaches of the canal and relieving restricted turns, thereby increasing the level of safety for vessels negotiating these turns. The majority of the widening improvements will involve dredging.

The most recent widening effort was to improve the San Pablo-Tabernilla Curve. This 67-degree curve is the largest change-of-course turn in the canal. The work involved removing the material from the inside apex of the curve by both suction and dipper dredging which widened the turn to 2,500 feet at the point of intersection. This project was completed in February 1975.

Gamboa Reach, presently 500 feet wide, was the second project in the canal-widening safety program. Gamboa Reach, at the north end of the Gaillard Cut, is a meeting point for ships requiring a "clear-cut" transit. A "clear-cut" vessel is of such large size and limited maneuverability to require one-way traffic through the Gaillard Cut. Because of the queuing of these vessels to enter Gaillard Cut and the meeting of vessels at this juncture, the 3.1-mile-long reach is to be flared at both ends to 800 feet and the channel widened to 650 feet. The initial phase of this project is scheduled for accomplishment in late 1976 and the completion of the entire project in 1978.

Other projects included in this safety-oriented program are the widening and realigning of Mamei and Bohio Curves. These two areas form the only reverse curves in the Gatun Lake portion of the canal. Maneuverability through these curves is further encumbered by the presence of several small islands adjacent to the channel prism which create complicated hydrodynamic forces on transiting vessels which can cause a vessel to uncontrollably shear across the channel. A study and computer simulation of this confined channel phenomenon are being conducted by the Panama Canal's engineers and consultants from the Swedish State Shipbuilding Experimental Tank in Goteborg, Sweden. Based on the preliminary findings, a tentative design has been prepared for alleviating the major maneuverability encumbrances in Mamei Curve. Improvements on this curve are scheduled for 1979.

DREDGED MATERIAL DISPOSAL

As material is dredged from the canal, it must be disposed of rapidly and efficiently. Positioned throughout the length of the canal are dump areas for the deposition of dredged material. Many of these dumps are located in Gatun Lake, a sufficient distance from the canal prism to preclude resilting of the canal. Several dredge dumps are located on the banks of the canal in diked areas. Due to the accumulation of dredged material in these land dumps over the years, the freeboard on the confining dikes has gradually disappeared. As a result, the Panama Canal Company will upgrade and maintain the dikes so that the impoundment of the dredged material will be of sufficient time to allow the solids to precipitate prior to the water overflowing the spillway.

The material dredged from Panama Canal waters is uncontaminated by industrial and agricultural pollutants. Therefore, the disposal of the material in land and water dumps has not generated the adverse environmental impact prevalent in other areas of the world. Sixty years of observation plus a recent study by consultants on the environmental effects of dredging and disposing of spoil material have indicated that the effects of such operations on this largely man-made environment are benign.

DREDGING FLEET

In 1913, the Panama Canal's dredging fleet was centralized under one division and headquartered at Paraiso, near Pedro Miguel Locks. In September 1936, the Dredging Division relocated to Gamboa, at the north end of the Gaillard Cut on the east bank of Gatun Lake, in order to have the reserve dredging fleet north of any serious slide that might occur in the Gaillard Cut. Gamboa is the geographic center of the canal and thus the logical center for dredging operations. With the dredging dumps used in dipper dredge operations located in Gatun Lake and the equipment moored at Paraiso, such equipment would have been useless if a slide had interrupted traffic through the cut.

The present Panama Canal dredging fleet consists of two large dredges, a clamshell dredge, and a drill boat. The U.S. *Mindi* is a cutterhead suction dredge capable of moving 1,200 cubic yards of earth per hour. She is operated an average of eight months each year in maintenance and capital improvement projects. The *Mindi* is employed primarily in the Gatun Lake channels, the ocean approaches, the harbors and anchorage areas, but is occasionally used to sweep the Gaillard Cut. The *Mindi* is 295 feet long, 50 feet in beam, and can dig to a 72-foot depth. She was built in 1942 and is scheduled to be repowered with diesel-electric engines and modified with the addition of a ladder pump in 1978.

The U.S. *Cascadas* is a 15-cubic-yard steam-powered dipper dredge with a normal production expectation of 500 cubic yards per hour. The *Cascadas* was built in 1915 and, despite her age, remains a reliable and productive member of the dredging fleet. She is operated an average of four months each year in dredging blasted rock and earth, primarily from Gaillard Cut. Both of these dredges are operated 24 hours per day, 7 days per week when they are in service.

A contract was awarded in 1976 for a new 15-cubic-yard diesel-electric dipper dredge to replace the inoperable and decommissioned dipper dredge U.S. *Paraiso* which has been out of service since 1971. When the new dredge is delivered in 1977 it will greatly increase the efficiency of operations and provide the Panama Canal with added dredging capability which is critical in clearing slides. It will also provide a back-up dipper dredge for slide clearance, which is required when one dredge is out of service during a major maintenance period.

Dipper dredges are dependent upon scows to transport the dredged material from the digging site to the dump area. The Dredging Division operates a fleet of nine 1,000-cubic-yard, bottom-dumping scows. A new series of hydraulic, self-dumping 1,500-cubic-yard scows is scheduled to begin replacing the old scows in 1978.

The crane barge/clamshell dredge U.S. *Goliath*, which is equipped with a 7½-cubic-yard clamshell bucket, was built in 1969 and is the most recent addition to the dredging fleet. She is primarily used for removing large boulders and small shoals in the Gaillard Cut and also provides a floating heavy-lift capability of up to 90 tons.

The drill boat U.S. *Thor* is a diesel, pneumatic-powered drill platform capable of mounting up to four drill towers. The *Thor* is employed in subaqueous drilling and blasting. Such blast fracturing is required in rock areas in order for the dipper dredge to excavate the material. The explosive currently used in these underwater blasting operations is 60 percent ammonium nitrate gelatin dynamite. Water-gel explosives are being tested to determine if they are adaptable to the underwater blasting operations in the canal. The most efficient and economical rock breakage in the Gaillard Cut is achieved by drilling on 9-foot-by-9-foot centers and using a powder factor of 1.5 pounds per cubic yard.

Supporting this dredging fleet is a variety of tugs, launches, work floats, and lighter barges. The frequent movements of this support equipment and the continuous operations of the dredges and drill boat proceed without interference to transiting vessels.

CONCLUSION

In the future, the Panama Canal will require increased dredging to maintain the channel depth. Additional dredging will be required by the channel-improvement projects necessary to maintain the Panama Canal as one of the world's safest waterways and to increase the canal's capacity. The current dredging fleet has a record of successfully completing such projects. When augmented with a new dipper dredge, the new self-dumping scows, and a repowered and modified suction dredge in 1978, the dredging fleet will increase its efficiency and emergency capability for maintaining one of the most economically critical and militarily strategic waterways in the Western Hemisphere.

SOLAR POWER FROM SATELLITES

Mr. KENNEDY. Mr. President, I would like to call my colleagues' attention an articles from the February 1977 issue of Physics Today, entitled "Solar

Power From Satellites." This article was written by Peter E. Glaser, vice president of Arthur D. Little, Inc., and a renowned expert on solar power.

In light of the President's new energy plan, it seems especially timely that we consider prospective new energy sources.

The article discusses the potential for obtaining energy from solar collectors placed in synchronous orbit. This source of energy would be safe and environmentally clean; and given the trend in energy prices, this exciting new technology may prove to be economic as well.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOLAR POWER FROM SATELLITES

(By Peter E. Glaser)

(Figures not printed in the RECORD)

Various alternative energy sources have been proposed in the last few years, many of them figuring in the pages of Physics Today. The recognition that no one of these energy sources will, by itself, meet all future power needs, together with the large uncertainties inherent in the achievement of full potential for each of them, has led to what might appear the most daring proposal so far: large-scale solar-energy conversion in space with a satellite solar-power station located in synchonous orbit around Earth—that is, at an altitude of 22,300 miles above the surface.

The satellite power station could use one or more of several methods to convert solar energy to electricity on a nearly continuous schedule. This electricity could be fed to transmitting antenna in the satellite, and the antenna would direct a microwave beam to a receiving antenna positioned in a direct line of sight on Earth. There the microwave energy could be reconverted safely and efficiently to electricity and fed into conventional power-transmission networks. With additional satellite systems, power could be delivered to almost anywhere on Earth.

Technical and economic feasibility studies of such systems already indicate that they could provide an economically viable, and environmentally and socially acceptable, option for power generation on a scale substantial enough to meet a significant portion of future world energy demands.

Solar-energy conversion in synchronous orbit has many advantages over ground-level conversion. These include:

A satellite in synchronous orbit is exposed to between four and eleven times the solar energy available in those areas on Earth that receive copious sunshine.

The solar energy in orbit is available nearly continuously—the only "blackout is at short periods around the equinoxes when the satellite is in shadow for a maximum of 72 minutes each day (near midnight at the receiving antenna site, when power demands are lowest). Averaged over a year, shadowing by the Earth results in only a 1 percent energy reduction compared with continuous irradiation.

Zero gravity and the absence of wind and rain at the satellite's location would permit the building and use of structures with large area and light weight. The vacuum of space makes unnecessary the evacuated enclosures around microwave generators and other components that are required on Earth.

Because the satellite is synchronous orbit (or, more precisely but less familiarly, "geostationary" orbit) would be stationary with respect to points on Earth, the microwave beam could be directed to receiving antenna sites conveniently close to most major power users—so substantially reducing the length of transmission lines.

The environmental effects of the proposed system are expected to be within acceptable limits. All waste heat associated with solar energy conversion and microwave generation could be rejected to space; no waste products would be generated; the microwave beam densities could be designed to meet international safety standards, and the thermal pollution entailed in the reconversion of microwaves directly to electricity at the receiving antenna would be about one-quarter that of conventional power plants. Furthermore, the receiving antenna would be substantially transparent to solar radiation and open enough for rain to reach the land below it, thus providing opportunities for multiple land use.

Following the original broad concept of the satellite solar-power station, about eight years ago, detailed feasibility and design studies are currently in progress at NASA. Jet Propulsion Laboratory, Boeing, Econ and Rockwell. The industry team working with Arthur D. Little, Inc. had responsibility for different segments of the design: Grumann Aerospace Corp. for structure and transportation; the Raytheon Company for microwave components, and Spectrolab Inc. for solar cells. Details of individual contributions will be found in the acknowledgement note at the end of this article.

Two artist's impressions of the design concept now taking shape at the hands of this team are shown in figure 1 and on the cover of this issue of Physics Today. The current position is that, while the broad outline of the design is beginning to be defined, many options remain within the major areas. Let us look now at the state of development of the technology within each of these major areas, and the options that have been considered.

CONVERTING SOLAR ENERGY IN SPACE

As originally conceived, the satellite solar-power station could use any of several current options for solar-energy conversion [1]—thermionic, thermal electric, photovoltaic, and others that may be developed in the future. Photovoltaic energy conversion, however, appeared to be the most useful starting point because of the widespread experience with solar cells in the space program. The current "baseline" design uses this approach. There are other advantages, too, to the selection of photovoltaic conversion: ERDA's National Photovoltaic Program has as its objective the development of low-cost, reliable photovoltaic systems; and the reduced maintenance requirements of the passive photovoltaic process (as compared to active conversion processes) should lead to increased reliability during the desired 30-year operational lifetime of each solar-power station.

The alternative methods include thermal-electric conversion, where focused solar energy operates a heat engine.[2] Lightweight solar concentrators could focus solar radiation into a cavity receiver, where the heat could be absorbed by a circulating fluid or a gas (say helium) and transmitted to a heat engine, which would in turn drive an electric generator. For reasonable operating efficiencies the overall system would need radiators to reject waste heat to space.

The potential of such a system, particularly one with a Brayton-cycle engine, is sufficient that it is being investigated as an alternative solar-energy converter for the satellite power station.[3] The difficulties however, appear to be formidable, particularly with the need to provide a large waste-heat radiator (about 1 square kilometer in one design) and with the design of the solar concentrators (about 50 square kilometers to drive 48 turbogenerators with an output of 14,000 MW in space).

TRANSMITTING THE POWER TO EARTH

Power generated within the satellite solar-power station could conceivably be transmitted to Earth, 22,300 miles below, either by a microwave beam or a laser beam, or simply by using mirrors to focus sunlight down to Earth.

Of these options, the microwave method alone uses achievable, demonstrated technology to obtain high efficency in generation, transmission and rectification. In addition, it promises to satisfy environmental requirements and safety considerations. The mass production of more than one million microwave devices, serving an annual market of half a billion dollars in the U.S. alone, indicates the degree of commercialization of the technology.

Among the optional transmission methods, the laser beam is not acceptable because of the low efficiencies associated with the conversion of electricity into laser power and to eventual reconversion of laser power into electricity, and because of optical limitations. The absorption of laser beams by the atmosphere and by clouds would reduce the overall efficiency even further, to an unacceptable level, and the risks involved to the general public should the beam-direction control system fail are too great. The third option, concentrating sunlight with mirrors placed in synchronous orbit to overcome the diurnal variation of solar energy on Earth, is equally unacceptable—in part because of the large area of mirrors that would be required in orbit for a reasonable concentration factor at a location on Earth, and in part because of the losses from absorption in clouds. In addition, serious ecological problems might arise from an interference with the diurnal cycle if this scheme were employed.

THE CURRENT DESIGN CONCEPT

The design study to be described here represents the present stage of evolution of a series of theoretical, technical and economical studies—which are still in progress. This design [4] uses silicon solar cells in combination with solar reflectors to convert solar energy into electricity, and it has the potential for large-scale power generation, delivering from 2,000 to 15,000 MW to Earth. The lower end of this range represents a satellite power station that could be used to meet incremental capacity demands, and the upper end one that would eventually replace conventional power plants.

Present silicon solar cells are about 200 microns thick and have efficiencies up to 15%. The current design uses silicon cells mounted on rigid substrates with cover glasses bonded to the solar cell for radiation shielding. Flexible substrates with printed circuits to which solar cells can be soldered or welded are being developed for other space applications and may prove superior.

The efficiency of silicon solar cells has been steadily increasing, due to such techniques as shallow diffusion to increase uv response, non-reflecting solar-cell surfaces, antireflective coatings to improve uv resistance, reduction of current-conductor size to increase the active area, and doping to reduce the degradation of performance induced by energetic solar radiation. The best present-day technology suggests a weight-to-power ratic of about 14 kg/kW, but projections based on improvements expected in the next ten years indicate that 1.4 kg/kW may be achievable. These figures are for designs that incorporate solar concentrators with reflective-film mirrors coated to divert solar radiation onto the cells and filter out undesirable portions of the solar spectrum.

Exposure to the space environment will

Footnotes at end of article.

degrade the silicon solar cells logarithmically, with about 6% of the original efficiency being lost after the first five years. For the thirty-year lifetime of a satellite power station, calculations suggest that one per cent of the cells will be affected by micrometeorite impacts.

The present stage of evolution of satellite solar power station design studies is represented in figure 2. This shows two solar collector panels, each 5.92 km × 4.93 km, together producing a power output of about 9300 MW (resulting in an effective power output at the receiving antenna on Earth of about 5000 MW). Rigidity of this double array is provided by a central mast 100 meters in diameter and a stiffened skeletal structure running through the assembly. Between the two panels is a microwave transmitting antenna; the panels will face the sun continuously while the microwave antenna rotates once each day (with respect to the panels) to face the receiving station. Only the rotating joints necessary for antenna orientation are "active" in what is otherwise a passive satellite.

The entire structure is subject to thermal stresses and distortions induced by thermal gradients during the equinoctial eclipses when the satellite passes through Earth's shadow. The longest eclipse duration is 72 minutes. For such a large structure, oscillations caused by this thermal exposure could be a problem. Fatigue effects might shorten its service life. Structural-design approaches that would minimize the effect have been identified, but more detailed evaluation of the problem is still necessary.

Obviously the satellite must remain fixed in its geostationary orbit at all times, despite the orbital perturbations (some of which are identified in figure 3) that threaten to move it from the desired spot. Ion engines, possibly fueled by argon, will be needed to keep the power station in the appropriate orbit and to maintain orientation of the solar panels towards the sun and the microwave antenna towards the receiving antenna on Earth. The quantity of propellant required for this stationkeeping and attitude control is around 50,000 kg per year.

The total mass of such a power station (delivering 5000 MW at the receiving antenna) amounts to 18.2×10^6 kg, not including consumables. Most of this mass, 12.4×10^6 kg, is in the solar arrays with the transmitting antenna adding 5.5×10^5 kg and the remainder being made up by the control system and the rotary joint. The weight/power efficiency ratio of 3.6 kg/kW is remarkably low, compared with that of terrestrial systems, and demonstrates the advantages to be gained by placing the solar energy conversion system in synchronous orbit.

MICROWAVE POWER TRANSMISSION

Free-space transmission of power by microwaves is a relatively new technology, but it has advanced rapidly and can already show system efficiencies of 55% including the interconversion between dc power and microwave power at both terminals.[5] Figure 4 is a block diagram of the system designed for the satellite solar-power station,[6] with the efficiency goals of each stage.

For converting the dc voltage output from the solar cells to rf power at microwave frequencies either an Amplitron or a klystron may eventually be selected. The Amplitron [6 7] is a cross-field amplifier with a cold platinum cathode operating by secondary emission to achieve very long life. The Amplitron requires 20kV dc voltage. The weight of the unit can be low enough for this satellite application if special materials are used in its construction—samarium cobalt for the permanent magnet and pyrolitic graphite for the space radiators. The specific weight and cost of the Amplitron are optimum at a frequency in the industrial microwave band 2.40–2.50 GHz and at a power output around 5 kW.

The klystron, a linear beam device, differs from the Amplitron in being a high-gain device with an efficiency only modestly high (70–80 percent), in contrast to the low-gain Amplitron efficiency of perhaps 90 percent. Klystrons have low noise properties, whereas the Amplitron's noise behavior is still unknown in this application.

In terms of cost and weight, the klystron is both more expensive and heavier than the Amplitron. But fewer and higher-powered klystrons (such as solenoid-focussed units with outputs greater than 50 kW instead of the conventional low-powered, permanent-magnet-focussed klystrons) could simplify the orbital assembly task.

Space is an ideal medium for the transmission of microwaves; an efficiency of 99.6% is thought to be possible for propagation from the point where the beam leaves the transmitting antenna to a point above the upper atmosphere. To ensure high efficiency in transmission for the lowest cost, the geometric relationships between the two antennas [7 8] indicate that the transmitting antenna should be about 1.0 km diameter and the receiving antenna about 10 km diameter.

The transmitting antenna is designed as a circular, planar active phased array, divided into a large number of subarrays, each approximately 20 meters square. Much emphasis has been placed in the design study [9 10] on the phasing control system to ensure high efficiency, good pointing accuracy and safe operaiton of the microwave beam.

Absorption, refraction and scattering effects in the ionosphere are expected to be negligible at the low microwave power densities being considered.

Down on the ground the receiving antenna will be, according to the current design study, an array of elements to absorb and rectify the incident microwave beam; in each element will be a half-wave dipole, an integral low-pass filter, a diode rectifier and a bypass capacitor. The dipoles will be dc-insulated from the ground plane and appear as rf absorbers to the incoming microwaves. The design study shows the dipoles spread about 0.6 wavelength apart, arranged in a triangular lattice about 0.2 wavelength from the ground plane. This distance can be adjusted (within limits) until there is a good match between the specific dc load impedance and the incoming microwave beam. This match can approach 100 percent; reflection losses of less than 1 percent have been achieved experimentally. Tests on the entire "rectenna" element in its current state of development show an efficiency of 90 percent.

The power density at the receiving point will always be a maximum at the middle of the beam, decreasing with distance from the center. The overall size of the receiving array will be determined by the radius at which the collection and rectification of the power becomes marginally economical. It can be made 80 percent transparent, so that the land underneath could be put to other uses. Heat generated during the rectification stage (in Schottky barrier diodes made from gallium arsenide material) will amount to less than 15 percent of the incoming microwave radiation—a source of thermal pollution lower than that of any known thermodynamic conversion process.

The JPL Venus antenna site at Goldstone, California was the location of tests [10] in Summer, 1975 of a 24-square-meter array of microwave rectifier elements constructed according to this design study. The transmitting antenna for these tests, an 86-foot-diameter dish, was about one mile from the receiving array. At a radiated frequency of 2388 MHz, incident peak intensities of up to 170 mW/cm² yielded as much as 30.4kW of dc power output from the array. This represents a combined collection and rectification efficiency under these conditions of more than 82 percent.

TRANSPORTATION, ASSEMBLY, MAINTENANCE

So far we have discussed efficiency and economics only for a satellite power station fully assembled, in working order and "on station" in its geostationary orbit. But obviously the components have to be transported from Earth to that position, they have to be assembled into the operating array, and the working power station will presumably need maintenance from time to time during its 30-year life. The costs of these operations will clearly have a great impact on the economic feasibility of the project.

As currently foreseen, transportation will be a two-stage process—one stage to low Earth orbit and a second delivering partially assembled components into synchronous orbit.[11] The first stage, as presently considered, will utilize either a modification of the space shuttle, which is already well along in its development, or a new heavy-lift launch vehicle. The cost for a modified space shuttle capable of lifting payloads of 80,000 kg to low Earth orbit is projected to be $200–400 per kilogram; with a specially designed heavy-lift launch vehicle these costs could fall to $40–120 kg (figure 5).

Each complete satellite power station will need from 60 to 100 individual flights of heavy-lift launch vehicles. The limits on lifting capability may be set more by the available volume than by the weight-lifting performance of each flight; although some deployment of prefabricated structures (such as the transmitting antenna) at low Earth orbit is desirable, there is a limit to the amount of folding and compressing that can be achieved.

After assembly in low Earth orbit the satellite power station could be lifted to synchronous orbit by ion propulsion. The many challenges inherent in the development of a low-cost, heavy-lift space transportation system for this stage are currently being explored.[12]

To assess maintenance costs before experience is gained with a working satellite power station is obviously difficult depending as it does on a knowledge of the reliability of the entire system. The costs can be reduced by using a large number of identical components (for example, the solar cells) for redundancy. Also the cost of performing repairs must be compared with the "cost" of delaying repairs and accepting potential loss of revenue. The eventual goal, of course, is the evolution of a completely maintenance-free system.

One option that must be considered under the general heading of "assembly" is that certain components could well be actually manufactured in space.[13] For example, silicon crystals suitable for solar-cell manufacture could be grown in the space station from purified silicon produced on Earth, thereby obviating degradation during passage through the Van Allen belt. Fabrication and assembly of structural components could be done in orbit from appropriately prepared flat-rolled stock.[14] These and other similar techniques would ease the transportation problem because the materials would be lifted into orbit in their most compact form, so reducing the number of orbital flights required. NASA's present study [15] of the role of space stations is the logical first step in the establishment of such space manufacturing activities.

ENVIRONMENTAL IMPLICATIONS

The benefits of this (or, indeed, any) large-scale power generation system must be weighed against potential dangers to human health, destruction of valued natural resources, and intangible effects that might influence the "quality of life." Failure to take these steps is demonstrated by the difficulties met by such counter-examples as the supersonic transport aircraft, nuclear power, and interstate highways.

Footnotes at end of article.

The major social costs of environmental impacts of the satellite solar-power stations appear to lie in: resource allocations (land management, energy requirements for both construction and operation, etc.); environmental degradation (waste heat disposal, interactions with the upper atmosphere, environmental modifications, etc.), and public safety (long-term exposure under normal operations, effects on communications, safety under accident or abnormal situation, continuity of power generation and effects of interrupted operations, etc.).

Specific examples of environmental impacts are:

Waste heat released at the receiving antenna site could be limited to 16 percent of the rectified power, which is, as stated above, much less than from alternative power-generation methods.

Land despoilment. Land use per power station would be about 270 km²; but as stated earlier the receiving antenna would be about 80 percent transparent to sunlight, impervious to rain, and no barrier to the productive use of land beneath it. There need be no microwave radiation beneath the antenna, and transportation of supplies to the site (and maintenance operations) would be infrequent compared with conventional power plants. Offshore locations could be considered as antenna sites.

Resource consumption. The materials necessary for construction are largely those in plentiful supply, such as silicon and aluminum. Each satellite power station would need less than 2 percent of the yearly supply of critical materials, such as platinum, available to the U.S.

Energy consumption. The energy required to produce the materials for power-station construction and the propellants to place each satellite into orbit would be regenerated in about three years of operation.

Atmospheric pollution. Space vehicles using liquid-hydrogen and liquid-oxygen propellants are expected to add primarily water vapor to the atmosphere. Heating of the atmosphere would be very small.

Ionospheric interactions. At a microwave power density of 20 mW/cm² or less within the beam no interactions are expected with the ionosphere. Changes in electron density caused by power densities greater than 20 mW/cm² and frequencies higher than 2.45 GHz, however, need to be investigated for possible effects on other users of the ionosphere.

Microwave exposure can be controlled by providing suitable enclosures for the maintenance crew working on the receiving antenna. Beyond 10 km from the beam center the microwave power density would meet the lowest international standards for continued exposure to microwaves. If the microwave-beam pointing system were to fail, the coherence of the beam would be lost, the energy dissipated, and the beam spread out so that the energy density would approximate communication-signal levels on Earth. The effects on birds and on aircraft flying through the beam are projected to be negligible, but they should be experimentally determined.

Radiofrequency interference by the fundamental microwave frequency and its harmonics, turn-on and shut-down sequences, random background energy and other superfluous signals emanating from the microwave-generation devices could be controlled by filters, choice of frequency and narrow-band operation. The effects on radioastronomy, shipborne radar and communication systems will need to be determined before specific frequency allocations can be made. It appears very possible, for example, that amateur sharing, state-police radar, and high-power defense radar will suffer substantial interference if 3.3 GHz is chosen as the fundamental frequency.

ECONOMIC IMPLICATIONS

The results of investigations[15] made to compare the economics of the satellite solar-power station with those of the other alternatives show that an operational 5000-MW power station would cost about $7.6 billion, or about $1500 per kilowatt. Figure 6 shows the breakdown of this total. Note that the largest cost element is for space transportation, which indicates that improvements in efficiency and in weight reductions would be significant.

For an operational life of about 30 years the cost of power at the bus bar would be 27 mills/kWh. Expected life-cycle revenues will be about $35 billion for each satellite power station, while operating costs will amount to $4.2 billion for the same period.

Of course the development program will be expensive—say $20 billion for the power-station technology and another $24 billion for the transportation system and related matters—but these costs would be repaid if 60 satellite solar-power stations were operating by the year 2014 (assuming that the cost of generating electricity by alternative means averages 35 mills/kWh). This number of satellite power stations would provide at least 10% of incremental installed generation capacity in the U.S.

Figure 7 compares the range of projected generation costs for fossil-fueled and terrestrial solar-power systems with those of the satellite solar-power system. A 5000-MW operational satellite power station will be cost-effective with fossil fuels at the projected bus-bar cost of 27 mills/kWh. Between 1995 and 2025, coal prices are projected to rise by as much as 5% because of increased production costs and the additional cost of pollution-control equipment. The relative price rise of oil is expected to be more pronounced; indeed, it is unlikely to be available at any price after 2000 for large-scale power-generation purposes.

The development program for this project, by any measure a major program ranking with nuclear fission and fusion or satellite telecommunications in scale of effort, will demand careful planning. The best route appears a three-phase program: a first phase of technology verification, largely carried out on Earth, and culminating in an orbiting test facility; a second stage leading to a prototype system (say 200–750 MW), and finally the mass production of full-size units with the goal of at least a hundred 5000–MW stations by 2025.

Since the concept was first proposed in 1968, academic, industrial and government groups in the U.S. and abroad have been assessing the feasibility of the satellite solar-power station. These studies find the concept to be promising, both technically and economically, and environmentally acceptable. They also find that critical developments in technology needed for the satellite power stations would be useful contributions to other worthwhile developments in space and on Earth—and, conversely, developments already being studied for advanced space-transportation systems, solar energy conversion systems, and other related programs could be of help to satellite power-station technology.

This undertaking, because of its magnitude, worldwide implications on energy availability and potential for the industrial use of space, could benefit many countries. Agreements on such matters as frequency assignments, launch sites and receiving-antenna locations would then become areas of international concern, and decisions would need to be made in the common interest as we look forward to a new era of worldwide energy resource development.

(I am most grateful for the support by NASA during the early investigations of the satellite solar-power station and the valuable comments and suggestions provided by its technical staff at the Johnson Space Flight Center in Houston, Texas and the Marshall Space Flight Center in Huntsville, Alabama. I particularly valued discussions with William Lenoir, who headed the Satellite Power Team investigations at NASA. The evolution of the concept would not have been possible without major contributions by the following members of the satellite solar-power station industry team: R. Kline, of Grumman Aerospace Company; O. Maynard and W. Brown, of the Raytheon Company, and G. Ralph, of Spectrolab, Inc. I thank my associates at Arthur D. Little, Inc., for their suggestions and contributions, which helped define the challenges that will have to be met to realize the potential of the satellite power station, and the support provided by my company during the evolutionary period.)

(This article is an adaptation of a talk presented at the annual meeting of the Optical Society of America, in Tucson, Arizona, in October 1976.)

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CONCURRENT RESOLUTION PASSED BY THE SOUTH CAROLINA LEGISLATURE SUPPORTING A NEW NATIONAL CEMETERY FOR SOUTH CAROLINA

Mr. THURMOND. Mr. President, on January 18, I introduced S. 321, a bill to provide for the establishment of a national cemetery in the State of South Carolina to be situated at or near the city of Columbia.

As indicated in my remarks on that date, the existing national cemeteries in our State are practically filled and are poorly situated to serve the needs of South Carolina's veterans population. A new cemetery facility in the Columbia area would be centrally located in the State and would serve the greatest burial needs of our State's 383,000 veterans.

In some locations, there appears to be a lack of common support for veterans cemeteries. This is not so in South Carolina. Not only do our Senators, Congress, veterans, cities, and towns want a new cemetery, but the people want it, along with the individuals who represent them at the State level of government.

As a gesture of popular support for this cemetery, on March 17, five outstanding Senators in our State legislature, Senators Heyward E. McDonald, Hyman Rubin, Alex Sanders, John A. Martin, and Isadore E. Lourie, introduced a concurrent resolution in the South Carolina Senate which memorializes the Congress to act favorably on S. 321. This resolution was passed by both Houses, and copies were dispatched to the President and Members of the Congress.

Mr. President, I ask unanimous consent that a copy of this concurrent resolution be printed in the RECORD at the conclusion of my remarks. I also ask unanimous consent that a copy of an editorial which appeared in the State paper of March 23, 1977, and which supports the establishment of a new cemetery in our State be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CALENDAR No. S. 339

A concurrent resolution to memorialize Congress to enact S-321 which provides for the establishment of a national cemetery in the State of South Carolina at or near the city of Columbia.

Whereas, on January 18, 1977, Senator Strom Thurmond introduced a bill in the United States Senate designated as S-321 which provides for the establishment of a national cemetery in the State of South Carolina at or near the City of Columbia; and

Whereas, at the present time there are three hundred eighty-three thousand veterans in South Carolina and seventy percent of these live within a hundred-mile radius of the state capitol in Columbia, the proposed site for the new national cemetery; and

Whereas, South Carolina needs additional burial space to meet the present and future needs of our State's veteran population; and

Whereas, veterans who have served their country and who wish to be buried in a national cemetery should have that privilege offered to them in a cemetery as close as possible to their homes. Now therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the members of the General Assembly hereby memorialize Congress to enact without delay S-321 which provides for the establishment of a national cemetery in the State of South Carolina at or near the City of Columbia.

Be it further resolved that copies of this resolution be forwarded to the President of the United States, each United States Senator from South Carolina, each member of the House of Representatives of Congress from South Carolina, the Senate of the United States and the House of Representatives of the United States.

[From the (S.C.) State, Mar. 23, 1977]

FOR THOSE WHO SERVED

Economy is the watchword in Washington these days, at least with respect to federal programs and procedures which have no sizable constituencies. It is with some reluctance, therefore, that The State suggests congressional consideration of a proposal which may require several million dollars as an initial outlay.

We refer, however, not to a new program but to the implementation of a continuing program of vital concern to all American families which have been associated with military service. In short, our interest lies in the possibility of Uncle Sam's establishing a national cemetery in the vicinity of Columbia. (Fort Jackson is a location which comes readily to mind, in the interests of both economy and convenience.)

At present, there are more than 380,000 veterans living in South Carolina, about 70 per cent of them within 100 miles of Columbia. Since the state's two national cemeteries, small installations at Florence and Beaufort, are filled, a new site is needed if the nation is to provide burial facilities for those veterans who are entitled to that recognition.

There is no question as to the need of additional cemeteries, not only here but throughout the nation. And the problem facing the Veterans Administration is where to authorize additional cemeteries as funds are made available by Congress. There is talk of providing an additional cemetery in this region. South Carolinians are hopeful that the location will be chosen within the state.

Indeed, bills by Sen. Strom Thurmond and Rep. Floyd D. Spence, now pending in Congress, would authorize a cemetery for the Columbia area. And a concurrent resolution endorsing such federal legislation is pending in the General Assembly under the sponsorship of the Richland delegation in the state Senate.

In the private sector, Columbians Henry J. Winn Jr. and C. H. Jennings are using their best efforts to secure a cemetery for this area. They subscribe wholeheartedly to Senator Thurmond's contention that "veterans who have served their country and who wish to be buried in a national cemetery should have that privilege offered in their own state.

If, as seems indicated, the Veterans Administration plans to establish another cemetery in the Southeastern region, let us hope that South Carolina's claim will be considered—and accepted.

NEW NATURAL GAS RECOVERY METHODS AND COAL GASIFICATION PROJECTS AT MORGANTOWN, W. VA., OFFER HOPE IN ENERGY CRISIS

Mr. RANDOLPH. Mr. President, the administration's legislative proposals on energy presented to the Congress last night perhaps leave something to be desired by all of us. I personally believe his proposals on how to increase coal production and greater utilization of coal as a primary energy resource are a somewhat disappointing.

President Carter's program does not include a comprehensive plan for synthetic fuels development. Coal conversion for heating and electric power alone cannot achieve the goals of self-sufficiency we must achieve. There must be increased emphasis on new technology and new utilization of coal, particularly in the production of synthetic fuels to augment or supplant our dwindling oil and natural gas supplies.

On Saturday, April 16, I spent several hours at the Morgantown Energy Research Center at Morgantown, W. Va., reviewing their programs and soliciting comments relative to our serious energy crisis. I was extremely impressed by the wide scope of projects, all of which offer relatively short-term and dramatic contributions to our energy deficiencies Many of these programs reflect my continued advocacy of fossil energies expressed over the last 30 years. I shall report to Dr. James Schlesinger, President Carter's energy chief, that:

First. Morgantown is leading in the work of obtaining natural gas from the Devonian shales. These are very tight shales which until recently have been bypassed by the major natural gas companies because of their relatively low production. However, the States in the Appalachian Basin, Michigan Basin, and Illinois Basin have tremendous gas reserves which provide local self-help potential. Some of the longest lived gas wells in the United States are Devonian. The Morgantown program is an integrated resource determination activity involving many State geological surveys, universities, and gas companies. My own personal experience has been that gas can be obtained just about anywhere you drill in these areas; hence, we must accelerate our work in better, more efficient extraction and convey the results to potential users.

Second. Another program under research and development at the center is fluid-bed combustion. I announced a year ago ERDA's intention to build a large test unit which would serve as a cornerstone for the implementation of direct coal combustion in an environmentally acceptable manner. In addition to ongoing laboratory research, ground will be broken this summer for a 6 megawatt component test unit at a substantial cost on the West Virginia University Medical Center campus. Such efforts should be greatly accelerated since they offer attractive near-term technology. Not enough resources are available in support of direct combustion of coal. This must be remedied.

Third. Morgantown has a low-Btu gasifier being renovated on an accelerated schedule to provide the means and technologies to support the large low-Btu gasification program of ERDA. This work includes cleaning the gas streams to be environmentally acceptable and also addresses critical mechanical problems associated with direct coal conversion.

Fourth. Another vital program under-

way here involves extracting methane from coal seams. In the Appalachian area the deep coals contain much pure methane gas which requires ventilation to insure safe mining operations. Programs at the laboratory are underway on a modest scale to essentially remove this methane prior to mining operations, providing a source of gas for consumption and at the same time improving the safety of the mining operations. The work is being sponsored by the Conservation Division of ERDA, and builds on the work by the U.S. Bureau of Mines. The project is challenging and, if successful, will provide a ready source of methane gas in the Appalachian area.

My colleagues are aware of my longtime concern for the Federal Government's recognition of the importance of coal to the United States. In 1944, for example, while a Member of the House of Representatives, I cosponsored with Senator Joseph O'Mahoney of Wyoming, the Synthetic Liquid Fuels Act. The enaction of this legislation led to the creation of what is now the Morgantown, W. Va., Energy Research Center, and similar research facilities across this Nation.

The Morgantown Energy Research Center has considerable strength and pursues active programs which I believe gives it preeminence in the following areas:

Natural gas (which includes methane from coal);

Underground coal gasification of Appalachian coals;

Indepth knowledge and active programs to make coal conversion and utilization processes environmentally acceptable; and

Direct coal combustion

I was impressed by the programs and enthusiasm manifested by the people at the Morgantown Energy Research Center. This center must be placed in a position to make major contributions to help solve the Nation's energy crisis. I shall urge that adequate resources be made available to utilize and expand the capabilities of the center.

RECENT SPEECH ON SMALL BUSINESS BY SENATOR NELSON

Mr. PACKWOOD. Mr. President, under the leadership of my distinguished colleague, Senator NELSON, the Senate Small Business Committee has embarked on a vigorous program of committee hearings and new legislative proposals. With these actions, the committee has begun cutting through the thicket of regulations, discriminatory taxes, and paperwork requirements entangling small businesses.

In the Small Business Committee and in the Finance Committee, where I also serve with him, Senator NELSON has time and time again pressed for fairness and equity toward the small business community. Perhaps more than any other individual, Senator NELSON has proven himself a highly effective defender of the individual entreprenuers and independent businesses of this country. An indication of this can be seen in a measure which Senator NELSON recently sponsored—Senate Resolution 105, calling on President Carter to convene a White House Conference on Small Business—which passed the Senate unanimously. I suggest that this resolution reflects the growing public support for strengthening America's locally owned businesses. Some credit for that support can also go to Senator NELSON, whose public statements on small business have been eloquent and forceful.

Mr. President, I would like to call the Senate's attention to a recent such statement by Senator NELSON. It is a speech he delivered in his home State of Wisconsin, to the Whitewater Area Chamber of Commerce. I commend it to the Senate as an apt summary of the dilemmas and potentials of small business.

I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR GAYLORD NELSON

Almost ten centuries ago, in the year 999, people all over Europe began hiding in caves and forests. They were sure, because their soothsayers had told them so, that the world would end in the year 1000. Everyone knew that a number as significant as 1000 was bound to mean a turning point in history. From all indications, however, it was a pretty normal year. But soothsayers ever since have been constantly predicting new turning points. A few years back, a man convinced a group of people to follow him into the Ozark Mountains to wait for the Second Coming, which he freely predicted for 1975. As far as I know, it didn't happen. But those folks in the Ozarks may still be waiting.

Although it's nearly impossible to predict a turning point in history, it's almost as tough to identify one while it is actually going on. If a boy who hid in a cave in 999 witnessed, as an old man, the Battle of Hastings, it's unlikely he would have thought of it as a turning point in English history. If those who celebrated our bicentennial last year had been around in 1776, probably most of them would have said the Declaration of Independence was an event of local or national significance. Few would have called it a turning point in the history of thought. It was just that, though. The Declaration of Independence asserted our freedom from Britain, of course, but it did much more. For the first time in history, the right to take part in governing was asserted in the name of a whole people. "When in the course of human events," Jefferson wrote, "it becomes necessary for one people to dissolve the political bands. . . ."

After 1776, the notion that participation was the exclusive rights of kings and nobles went into a steep decline. Indeed, the American constitution created legal mechanisms to assure that economic differences which did exist would not lead to political inequalities based on wealth.

When Jefferson was asked to discuss the qualities of the ideal citizen, he singled out for praise the independent farmer-businessman. Jefferson felt that these kind of entrepreneurs contributed much to a society. As pioneer business people, they participated in economic life, learning self-confidence, developing their imaginations and providing an active spirit a new nation needed. In short, they formed a stable social foundation.

That foundation grew. When the French observer de Tocqueville toured the United States in the 1830's what caught his eye was not the massive new canals and turnpikes being constructed by a new country, but what he called "the multitude of small undertakings"—the hardy entrepreneurial activities.

An economic system that welcomed newcomers attracted waves of immigrants, and America was enriched in countless ways. Along with individual rewards like economic self-sufficiency and feelings of personal worth went public rewards like job opportunities and economic development. Technical innovation blossomed. The cotton gin, the steam engine, the telegraph, the harnessing of electric power, the electric light, the automobile, electric refrigerators, stoves, vacuum cleaners, air conditioners, toasters, power steering, jet engines, photocopy machines, FM radios—and the list goes on—all were the work of individual entrepreneurs and small business. They were developed by people whom our economic system encouraged to use their ingenuity to adapt the laws of nature for the benefit of mankind.

Recently, however, our highly productive individual enterprises have been threatened by a spate of takeovers by big business. Big corporations have become very skilled at circumnavigating antitrust laws, and mergers are gathering momentum. Particularly in the last two decades, the giant corporations have consolidated horizontally and vertically, spanning diverse geographic areas and product markets. Dollar losses in one geographic area or product line have been cross-subsidized by profits from others In some entire areas of the economy, prices no longer reflect costs or competition. Secure in their huge shares of various markets, the corporate giants have even flaunted falling demand by raising prices—as we've recently seen with sheet steel. So production falls, workers are laid off, and economic havoc ensues.

Without the discipline of a free market, a vortex of mergers, acquisitions, stock transfers, tax loopholes and tender offers—that's an irony, "tender offers"—have come together to sweep away one small business after another. Ownership of this country's productive capacity has steadily narrowed. In 1948, the 200 biggest corporations controlled less than half of the manufacturing assets. Today, they control almost 70 percent of those assets. A massive change has taken place in just 30 years.

Concentration in the economy has powerful social consequences. Businesses acquired by the big corporations have their top management, and sometimes their entire workforces, pulled out of smaller communities and packed off to already overcrowded urban centers. And absentee owners, like absentee landlords, generally don't keep up the property. Study after study has shown that towns dominated by absentee-owned companies show numerous signs of civil neglect when compared to towns with owner-managed companies. Gary, Indiana, is a good example. It's one of the richest towns in America, but its absentee owners have turned it into a prize example of urban decay and pollution. You can bet Gary would look a lot different, though, if the boards of directors of the big steel companies had to live there. Moving management out means cuting off trade with local suppliers, local banks, and local advertising. It initiates a destructive cycle.

All of this may show that the conglomerates have bad digestion, but it hasn't affected their appetites. During one recent seven-year period, one conglomerate, ITT, absorbed 54 domestic and 55 foreign companies. The domestic acquisitions alone were valued at over $2½ billion. These international Goliaths control empires on which the sun never sets. They dwarf the size and power of most sovereign nations. Many, like the oil companies, control their own supplies and distribution, and try to drive independents out of the market. And many, such as the oil companies, now flood the media with expensive

ad campaigns depicting themselves as civic-spirited defenders of private enterprise—the very system they assault daily through their public power. Phillips Petroleum recently spent over a million dollars running a TV "image" ad promoting American free enterprise. Then they spent another quarter million urging other corporations to be good citizens by underwriting a repeat of the ad campaign. Meanwhile, Phillips was being fined on charges of price-fixing and making illegal campaign contributions.

Abuses of our competitive process have decreased our economic efficiency—lengthening recessions and keeping inflation high. These kinds of abuses have brought government regulations into the marketplace. But regulations designed for big business are fiercely resisted by their teams of lawyers and accountants. So the heaviest regulatory burden ends up falling right back on small business. The regulatory burden is becoming so heavy it's now a part of the whole trend of shutting small business out of the marketplace.

Loss of participation in the marketplace would bring on many of the consequences Jefferson warned of. It would put economic power beyond the reach of the majority. It would surely disrupt our smaller cities and towns. But worst of all, it would remove the incentive for people with new products and processes to enter the marketplace.

The ancient Greeks had a myth about ships that set out to sea. They believed that if a ship ventured very far, two giant rocks called Scylla and Charybdis would crash together in an attempt to smash the ship between them. Today small business is forced to navigate between the twin rocks of big business and big government. Many small businesses are smashed between those rocks.

What those of us in the government can do to help is to create a climate of taxes, paperwork requirements and regulations which is favorable to small business. We have made some progress. Last year we increased the estate tax exemption from $60,000 to $425,000 for a spouse. We increased that estate tax exemption to $175,000 for an heir. We increased the surtax exemption and the capital reserve exemption, and held onto our tax cuts for small business through a tough Senate floor fight. So we've begun correcting the loopholes which allowed major corporations to pay taxes at the rate of about 22 percent while small businesses were paying about 48 percent.

We're looking for ways to reduce the $40 billion a year paperwork burden, too. One change we recently made stipulates that all new laws affecting small business must include a "paperwork impact statement." Now Congress will know before it votes on new programs just how much paperwork they will create. We've also found shortcuts around some paperwork. For example, the IRS used to require that form 941 be filed every quarter. Starting in 1978, it will be reduced to one filing a year. This will save millions of dollars and eliminate a stack of paper two miles high.

Regulations are being simplified, too. We were able to reduce one 16-page pension notice to 5½ pages. But the laws are still too complex. The IRS regulations alone take up over two feet of shelf space. And the Occupational Health and Safety manual first distributed to small businesses contained over 330 pages of regulations, including 30 pages on ladders.

A lot of these verbose regulations could have been greatly simplified if small business had just been consulted in advance. So we're pushing to get a better voice for small business within the Federal Government. We've insisted on having small business advocates placed in the procurement offices. We've strengthened the program of federal set-asides for small business. We passed legislation to increase small business' role in energy development. Thanks to efforts like these, federal buyers, especially in the Pentagon, are farming out more procurement dollars to small business.

Another area we're trying to clean up is the whole product liability insurance mess. The number of product liability suits has soared from 50,000 ten years ago to over a million last year. Average awards have skyrocketed 686 percent in eight years. In the ensuing insurance industry panic, many small businesses have been denied product-liability coverage. Many others have been faced with catastropic premium increases. So we've introduced a bill to have the Small Business Administration offer back-up coverage to insurance companies that agree to provide reasonably-priced product-liability insurance for small business.

But product-liability is a complex problem. Like so many small business problems, it touches the administrative, executive, judicial and legislative processes of government. We need united government action on a broad front to combat these problems.

These pressures on small business add up to an almost unpublicized but highly significant turning point in economic history. We're going to have to decide very soon which way American business will head. This country was built on a solid base of individual enterprise, individual inventiveness, and innovation. This system of entrepreneurship has been constantly tested, strengthened and refined in the toughest of all arenas, the free competitive marketplace.

For more than two centuries, the vitality of this system has been constantly renewed and refreshed by infusions of new blood from millions of people who had new ideas, hopes and desires for self-expression through the creation and management of their own independent farm or business or enterprise.

If in fact we are at a turning point in history, as I think we may well be, then which way shall we turn?

If independent entrepreneurship is an important concept from an economic, social and cultural viewpoint, what should we do to strengthen it? What questions should we be asking, and what answers should we be seeking?

First, what is a small business? How can we define it?

Each of us might define it differently in statistical terms. We would probably all agree that sole proprietorships, 10 employees, 50, 100, 200 or 500 employees is a small business. Most of us, including myself, would probably agree that 1,000, 1,500 or 2,000 employees and more is still a small business. Beyond that, it is difficult to draw the lines precisely between small, medium and large business. In any event, exactly where those lines are drawn does not go to the heart of the matter. When we talk about small business we are talking about independent small business. We are talking about local ownership, local management, and local control. We are not talking about subsidiaries or branches of large conglomerates and major corporations no matter how small the branch or the subsidiary.

Small business, so defined, provides 52% of all employment in the United States; it provides 48% of the business output; and it provide 43% of the gross national product. Small business, so defined, includes 97% of all American business.

Yet small business is besieged with outside pressure. When the Small Business Committee investigated tax laws, we found a discriminatory structure where small businesses were paying twice as high a rate on the average, as big business.

We found small businesses unable to raise capital, despite sound management and excellent growth prospects. We found the kind of anti-competitive practices by large corporations that I've mentioned. We found laws that almost compel mergers instead of strengthening business independence. We found oppressive and unnecessary local, state and federal regulations—many of them overlapping—tangling up small entrepreneurs. We found massive, redundant paperwork requirements, three-fourths of which could be eliminated. We found government contracts 80 percent dominated by big business. We found government research 90 percent controlled by big business.

The first big step we need to take is to develop a heightened public awareness of the dilemma of small business.

Professor Irving Kristol wrote in the Wall Street Journal that the small business person has become an "invisible figure"—

"No one is leading a crusade against him, and . . . no one really wants to. He is merely being chided, harassed, ruined and bankrupted by a political process that takes him for granted and is utterly indifferent to his problematic condition."

Another author recently added:

"[the independent entrepreneur's] . . . elbowroom is being narrowed down; his chance to exercise initiative, courage, and energy which are the characteristics of true "enterprise" are diminished. The small man's enterprise is being increasingly frustrated."

Our first order of business must be to give these issues national attention. At the urging of the Small Business Committee, the Senate has now called for a White House Conference on Small Business.

Since the last such Conference in 1956, the status of small business has not been evaluated on a government-wide basis. We need this Conference so we can provide a national forum of high visibility—a focal point—where the small business community can work with experts from around the country in setting up an agenda for concerted action to aid small business. The Conference will evaluate the problems facing small business at the national level, at the state level, and at the local level. The Conference objective will not be to subsidize or shelter small business, but to create a climate in which our native inventiveness can flourish.

The Conference will point out the barriers to entry into small business and the struggles required to stay in business. It will help get rid of handicaps facing independent business—like tight capital and credit markets, unfair competition from big business, and excessive government regulation. But perhaps the most important initiative the Conference will take is to call America's attention to the importance of small business—its innovativeness, its efficiency, its community orientation, and its advantages as a fulcrum for increasing nationwide employment. That's what we need right now—a national dialogue on strengthening America's owner-managed enterprises and a visible reminder that there's more to America's business than the Fortune 500. What's important is not only to improve the climate for individual initiative, but to get people thinking about it and talking about it. Then we can initiate the most lasting process of change—grass-roots change.

Predicting turning points, as I said before is a risky undertaking. But perhaps we are beginning to see, in the broad outlines of our economic development, a choice that will soon confront us. It's fundamentally a choice between the big and the small. It's a choice with many dimensions—a choice between family farms and corporate agribusiness, between renewal of our countryside and suicidal overcrowding of our cities, between craftsmanship and rote work, between community-oriented businesses and multinational conglomerates, and between governmental policies which favor some of these choices over others.

By helping small business, we would be

doing more than preserving jobs and communities. We would be preserving and reasserting the precious right of participation in the marketplace.

Our turning point, when it comes, won't occur at a single place in a single moment. There probably won't be a certain document or a certain person at the center of it.

No, the turning point will come instead through the efforts of thousands of individuals who want to restore faith in institutions that are small enough to have a human face. In a thousand small ways, the momentum for this re-direction is growing and involving more people. That is our best hope, really. For the singular beauty and promise of our country is contained in the notion that all may take part in its turning points.

A CASE STUDY DEMONSTRATING THE NEED FOR REFORM OF AIRLINE REGULATION

Mr. KENNEDY. Mr. President, the Aviation Subcommittee of the Committee on Commerce, Science, and Transportation is currently considering legislation to substantially reform regulation of the airline industry.

On April 7, Senator CHARLES PERCY, Republican, of Illinois, testified before the subcommittee. He is a cosponsor of S. 689, the Air Transportation Regulatory Reform Act of 1977, which Chairman HOWARD CANNON and I introduced. This bill would expand route and fare flexibility in the airline industry and permit more firms to enter the market.

Senator PERCY's excellent testimony analyzes Illinois as a case study in airline regulation. He considers the strengths of the interstate, regulated carriers in the State relative to the intrastate, unregulated carriers. The facts speak for themselves: Illinois, like the Nation as a whole, stands to benefit significantly from less regulation. High air fares, overcrowded airports, low industry profits, energy waste, and Government domination are difficulties which S. 689 addresses. Senator PERCY said:

Excessive and outmoded government regulation is retarding growth in the airline industry. Whatever justification there once was for regulatory paternalism, it exists no longer.

Mr. President, Senator PERCY uses hard facts to outline the difficulties with the current airline regulation scheme. His remarks will be valuable as the Carter administration and the Congress move forward to revise our policy in this area. I ask unanimous consent that his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CHARLES H. PERCY

My remarks stem from a deep-seated belief that too much of the federal government's interference in the airline marketplace is unnecessary and counterproductive. And the airlines are not unique. Throughout the economy, government has meddled and befuddled. Allow me to compliment this Subcommitee, and you personally, Mr. Chairman, for the daring leadership and persistence which you and Senator Kennedy, and Senators Pearson and Baker have bipartisanly demonstrated in this area.

These hearings represent one prong of an intensive effort in the Congress to strike a new balance between the regulated, the regulators, and the consumers of an important regulated service—passenger air travel. A second prong is S. 600, the Regulatory Reform Act of 1977, which attempts to ensure major reform of all federal regulatory agencies. It imposes a strict timetable and discipline by which, over a period of eight years, the President would submit to the Congress every two years comprehensive reform plans for designated sectors of the economy. Together with Majority Leader Robert Byrd and Senator Abe Ribicoff, I introduced this legislation. There are now 33 Senators co-sponsoring the measure, with hearings now scheduled for late-May. (Attached to my statement is a summary description of S. 600.) The intensive review being given to federal airline regulation by this Subcommittee—and by Senator Kennedy last year—serves as an ideal model for the type of review that all regulatory programs can and should receive under S. 600. It is only through such efforts that government regulation will be withdrawn where it fails to serve the public interest, and made more effective where it does serve the public interest.

Excessive and outmoded government regulation is retarding growth in the airline industry. Retarded growth harms the long-term interests of airline management, investors, and airline employees. And, most importantly, regulation is starting to price air travel out of the reach of too many Americans. For example:

United Airlines estimates that on its flights of an hour or more, the average household income of the pleasure traveler is $25,400 and the average household income of the business traveler is $33,660. Contrast that with an average family income in this country of less than $15,000.

A 1974 Gallup poll showed that 76 percent of the population had not flown in the previous year and that 45 percent had never flown. It is little wonder that 85 percent of all intercity travel is by private automobile.

In Harlingen, Texas, where low-fare service has been made available as a result of a less restricted state regulatory climate, air travel has mushroomed in the last two years, in an area with the lowest per capita income in the nation;

In virtually every instance where less restrictive regulation has flourished—whether in California, Texas, or the charter markets—lower-fare service has surfaced and grown. Virtually every serious study on the subject—whether by government agencies, economists, or professional consultants—confirms the hard evidence. The latest systematic study by GAO showed, for example, that trunk air fares are from 22 to 52 percent higher than they might be under less government regulation of rates and entry.

Government regulation has tended to turn commercial airplanes too often into limosines in the sky, used frequently by the expense-account traveler but too little by median-to-lower income Americans. Without any doubt, we offer the finest airline service in the world. But today it is restricted, due primarily to cost factors, to only one-fourth of our population.

Whatever justification there once was for regulatory paternalism, it exists no longer.

Loosening government's stranglehold on air transportation is a national priority. The GAO estimated that air travelers are paying an unnecessary $1.4 billion each year as a result of overregulation. Some airline management has grown comfortable with the CAB sitting as kind of a "super board of directors" for its operations; but the fact remains that overregulation is choking off corporate innovation and the freedom to compete, and is jeopardizing the viability of dynamic private industry.

This morning, I hope to present a perspective on airline regulation by pointing to Illinois as a case study. At the crossroads of the nation, Illinois is a hub in the nation's air transport network and a microcosm of the problems besetting air regulation today. Airline regulation has not worked well for Illinois' small communities or its large cities.

What will less airline regulation mean for Illinois?

Some trunk carriers say that their revenues from high fares set by the CAB will be raided by new carriers charging low fares on large-city, relatively dense routes. As a result, the argument goes, profits will decrease on the large-city routes where passenger travel is heavy, and service to smaller communities paid for by these profits will be reduced or eliminated.

The evidence does not support this argument. The large trunk carriers, with CAB approval, have been steadily pulling out of medium and small-sized Illinois communities since 1940:

In Springfield, the state capital, with an area population approximating 180,000 persons, an airline (Chicago & Southern) that has since merged with Delta halted service in 1940, and American cut off service in 1962;

In Peoria, Chicago & Southern halted service in 1949, TWA in 1960, and American in 1962;

In Quincy, TWA pulled out in 1954, and Braniff in 1959;

In Moline, Braniff ended service in 1955;

In Rockford, Braniff ended flights in 1955;

(A local service carrier, North Central, pulled out in 1961.)

In Bloomington, Chicago & Southern never exercised its authority to schedule flights;

In Clinton and Dubuque, Iowa, used by many Western Illinois residents, Braniff suspended flights in 1955.

In short, the trunk carriers currently make few small-town flights. They cannot discontinue service where it does not exist.

Mr Chairman, at this point, I would like to submit for the record, a CAB review of 199 trunkline service suspensions and deletions from 1949 to 1965, and a table entitled "Replacement Commuter Air Carrier Service on Certificated Carrier Routes," dated March 31, 1976, which documents 92 additional trunkline terminations.

Equally important, in the dense markets, overscheduling eats up the high-fare revenues so that there are no excess profits to redirect to small-town service even if the trunklines wanted to serve those points as a charitable operation.

Not only are airlines too rigidly regulated under current law but, in addition, direct federal subsidies for small town service are ill-designed and inadequately supervised.

Today, Ozark Airlines receives annually $2.1 million in federal subsidies to fly to nine airports serving Illinois residents. Nationwide, local service airlines receive $76 million in federal subsidies. Current law specifically prohibits the Civil Aeronautics Board from mandating schedules or type of equipment used on subsidized routes. All that the airline must do is provide two daily flights into the subsidized city. Under CAB rules, the airline can schedule milk runs or nonstops, and it is not required to route subsidized flights to any specific point. The airline can charge fares 30 percent higher than it could otherwise—not only on subsidized routes, but on non-subsidized routes as well.

These guidelines on the use of federal subsidies have left many Illinois cities with insufficient air service—or no air service at all Bloomington has no air service to Chicago for 33 hours each weekend When Ozark employees were on strike for two months in 1973, the 350,000 citizens of metropolitan Peoria were left with no air service at all.

Less than adequate air service is common throughout Illinois. For example:

ROCKFORD SERVICE

Rockford is the third largest metropolitan area in the state with a population of 272,-

000, and is the second largest machine-tool manufacturing center in the country. It is currently served exclusively by only four arrival and four departures daily, on Ozark, which receives an annual federal subsidy of $269,601 for the service. Rockford officials believe the city merits increased service. The city applied in 1974 for an adequacy of service investigation by the CAB. The Board denied the request and the city appealed to the federal courts, which then ordered the Board to reconsider. In January of this year, the Board again refused to assign the Rockford petition to an administrative law judge for an investigation.

CHAMPAIGN-URBANA SERVICE

Ozark receives no subsidy for its sole-carrier service to and from Champaign-Urbana. Yet, under CAB rules, the carrier is permitted to charge up to 30 percent higher fares there, because it receives subsidies for other points on its routes. As a result, the fare to Chicago is $38 compared with a $30 charge for the same distance between Grand Rapids and Chicago, where there is competition between North Central and United Airlines.

MATTOON-CHARLESTON SERVICE

The Mattoon-Charleston residents in east-central Illinois are forced to plan trips to Chicago with the degree of care required for international travel. The airport manager said reservations must be made two weeks in advance because of the large number of boardings in Bloomington, the next city along the route. Yet, under CAB regulation, $283,940 in subsidies is authorized for service to Mattoon.

PEORIA SERVICE

Under the CAB route freeze, Peoria was the largest metropolitan area in the nation without competitive air service. That ended less than six weeks ago. Under prior sole-carrier service by Ozark, overbookings occurred frequently. West Coast travelers generally had to backhaul the 130 air miles to O'Hare, thus tacking at least two hours onto their trip, and a higher fare, while adding to air traffic delays at the world's busiest airport.

In June 1973, Continental applied for one-stop Los Angeles and nonstop Chicago service from Peoria. Because of the route moratorium, the CAB delayed a decision until September 1976, when it awarded the route application, in part as a result of the efforts of this Subcommittee and my own office.

On February 28, 1977, the first day of service, Ozark dropped its fares by 24 percent to match Continental's coach fares.

To its credit, Ozark has moved to provide additional air service out of Peoria. It received Board approval to fly nonstop to Detroit, Denver, and Minneapolis. It has also applied for new nonstop service to Atlanta, which I believe is warranted. I also support Ozark's application to fly nonstop from Detroit to Rockford.

The problems of air regulation in Illinois today are not limited to medium-sized to smaller communities. Consider the plight of Chicago:

O'Hare is the busiest airport in the world. Consequently, there are often long delays in take-offs and landings. The FAA estimated last year that O'Hare accounted for 26.5 percent of all delays in the country, the highest by far of any airport. Some 67 million gallons of fuel were wasted in 1976 as planes idled their engines on runways or circled overhead, waiting for the opportunity to take off or land. That amount of fuel could have serviced all of Pan American's international operations for the month of January, 1977. Direct operating costs to the airlines due to delays at O'Hare were estimated at $44 million by the FAA. And, some 4.6 million passenger-hours were spent waiting on account of delays.

Meanwhile, Midway Airport, located 20 minutes by taxi from Chicago's Loop, is hardly used. It was virtually abandoned by certificated carriers after the opening of O'Hare.

But, in the late 1960's Chicago embarked on a $12 million project to resurrect Midway by renovating the terminal in anticipation of shifting some shorthaul flights from O'Hare. Because of too few flights, and the lack of a complete connecting schedule—which is especially important in Chicago were almost one of every two air travelers connects—passenger use of the shifted flights was extremely low. The energy crisis of 1973 provided the impetus for the airlines to pull virtually all of their flights out of Midway. Currently, only Delta provides passenger service out of Midway, and only to the extent of two weekday arrivals and two departures.

Without the introduction of new carriers, the problem of overuse of O'Hare and severe underuse of Midway will, in all likelihood, never be solved.

These are some of the problems of today's regulated airline system. In contrast, let us consider the status of the unregulated, intrastate, Illinois airlines.

Britt Airways, a commuter airline, has proven that the public will respond to frequent, dependable service. Britt first entered into a service agreement in 1968 with Allegheny Airlines to assume—without a subsidy—its $86,000-a-year subsidized service to Danville, Illinois. Britt tripled the number of flights and the number of monthly passengers soared from 350 in 1968 to 2,600 in 1977. In September 1976, Britt took over—again without subsidy—the $225,000 annually-subsidized Ozark service into Galesburg and Sterling-Rock Falls, Illinois. It increased the number of flights by 150 percent and the number of passengers tripled in less than six months. Britt's revenues have provided it with a 22 percent return on capital, compared with the industry average of 3.6 percent. President Bill Britt has told staff, "We don't want government subsidies." He promises to serve any point in Illinois that would lose service on account of airline deregulation. His promise is based on hard-headed business sense—small town service can be profitable.

Air Illinois presents another success story of an unregulated carrier. In January 1972, the carrier began intrastate service between Carbondale-Springfield and Chicago's lakefront airport, Meigs Field. It charges fares 12 percent below Ozark and offers a 16 percent discounted youth fare below its already low fares. However, Air Illinois wishes to become CAB-certificated because it says that, under current rules, unregulated carriers are handicapped in filing joint fares with certificated airlines and in applying for federally-guaranteed loans for equipment.

Not only does Illinois have efficient commuter and intrastate operators, but it may be the launching site for an experiment that could drop air fares dramatically. Two new carriers have applied to link Midway Airport with some 14 cities at fares of up to 53 percent below existing fares. They promise sufficient frequency to meet the requirement for successful operations detailed in a recent, authoritative industry-government analysis.

That the CAB is now seriously considering the entry of new carriers must be considered a significant victory for the proponents of less regulation. This is in the face of so many lost battles: since 1950, nationwide the CAB has received 80 applications to enter scheduled trunk service from firms outside the industry; it has granted none.

The benefits to be derived from approval of the low-fare Midway service would include:

First, fare savings of 24 percent during the day and 53 percent at night and on weekends. The flight from Chicago to Detroit, which now costs $39, would drop to $15 at night and on weekends. Moreover, an estimated 5.2 million *new* passengers could be attracted by the new Midway service, according to one of the applicants. New passengers would come from would-be automotive travelers and from those who cannot afford to fly. (Texas International is one of the first carriers to provide a 50 percent reduction on off-hour interstate flights, similar to the Midway proposals. It reports enthusiastic public response with planes now averaging between 80 and 100 percent loads, compared to what had been 30–35% loads. The airline believes these new passengers are not diverted from other flights. But Texas International—a CAB carrier—only learned this lesson after watching a non-CAB carrier, Southwest Airlines, charge low fares, attract new customers, and earn handsome profits.)

Second, economic benefits to Chicago would most certainly follow from a successful low-fare operation. New business would revitalize the economically strapped area around Midway. Millions of tourist dollars would be pumped into the city's economy from Midwesterners attracted by these low fares to Chicago's outstanding museums, art galleries, theaters, and restaurants.

Third, congestion could be relieved at O'Hare, making it a more efficient airport and a more desirable transfer point. And passengers traveling to Chicago would have a choice of airports, just like travelers to Dallas, Los Angeles, the San Francisco Bay Area, and metropolitan Washington, D.C. and New York.

Fourth, it would stimulate more traffic from small communities whose citizens would want to take advantage of the low-fare service in the 14 markets.

I strongly support the concept of the Midway low-fare service, especially in view of the prior refusal of certificated airlines to service Midway. While it would be improper for me to favor any one applicant, I would urge the CAB to process the matter expeditiously and not restrict any new carrier in such a manner that it is prevented from being profitable.

I have attempted to capsulize the airline situation in Illinois. There, as in the rest of the country, we have outgrown the 1938 law establishing the Civil Aeronautics Board. The time has come to reform our regulatory system, a process already begun by the CAB itself under the chairmanship of John Robson.

Less regulated airlines often charge as little as half the price of regulated carriers over comparable distances with comparable flight times, while attracting new air travelers. A freer market, when properly functioning, ensures the lowest prices, the best service, and reasonable profits. And it costs the taxpayer nothing! Regulation has given us none of these benefits, and positively thwarts low prices.

By 1990, it is estimated that the airlines will require $65 billion in capital investment. The present industry return-on-investment of 3.6 percent simply will not attract the capital required. Fuel and labor costs are rising constantly, with no end in sight. There are only two ways the airlines can meet these costs: revitalized, profitable, consumer-satisfying service, or a government dole. Everything possible should be done to ensure that the first course is followed.

Therefore, I believe that the best provisions of S. 689 and S. 292 should be included in the final legislation reported out of this Committee. S. 292 has a particularly good section on modernizing regulation of air freight services, for example. In general, however, I believe S. 292 gives the CAB too much discretion over its own reform and insufficient direction as to how, when, and where to achieve competitive goals. If John Robson were remaining as chairman of the CAB and if a strong pro-reform majority could be guaranteed for the next 40 years, then, per-

haps, that would not bother me as much. As a matter of principle, however, I believe that laws should be fashioned to fit situations, not the character of the people who will be administering them. We do not know who will be taking Mr. Robson's place, but we do know that the John Robsons of this world are a rare breed. We must, therefore, write free pricing and market entry into the law. The more disciplined timetable and precise provisions of S. 689 appear to me to be the preferable approach. And, as a former businessman, the certainty associated with the provisions of S. 689 is far more desirable than the uncertainty of both S. 292 and current regulation. Congress should tell the airlines and its underwriters what the rules will be. Airline management and investors will be better off if we do.

S. 689, in my mind, is also preferable because it comprehensively addresses the two issues that will either make or break airline regulatory reform: easier entry into the industry and greater fare-setting flexibility. Both are needed, because without the real threat of increased competition, air fares will not be set at the lowest competitive level anticipated by proponents of reform.

Particularly appealing and relevant are the proposed criteria in S. 689 for approval of new entries, which emphasize innovation, efficiency, and a significant reduction in fares. Other S. 689 provisions that tend to promote competition include the issuance of certificates for unused route authority to any qualified carrier that applies for them, and the proposed granting of one to four new routes each year to qualified airlines. In the pricing area, S. 689 establishes maximum and minimum fares, while S. 292 appears to permit the CAB to continue to tightly regulate fares.

It is very important that carriers be allowed to lower fares significantly without CAB interference. The best protection against so-called predatory pricing is vastly liberalized entry provisions and enforcement of the antitrust laws. If a regulatory price floor is to be included in the legislation, the approach should be progressive enough to allow new and existing airlines to lower their prices to the levels we know from experience are both profitable and practical. For instance, the Texas and California intrastate carriers cut fares by up to 50 percent compared with the 20 percent fare reductions proposed by the CAB-regulated carriers.

There are other aspects of S. 689 which I view with favor. These include giving the CAB more adequate time to find substitute service when a carrier suspends service, granting the Attorney General the authority to investigate potential antitrust violations, and a detailed plan to expedite the handling of CAB business.

It is for these reasons primarily that I have decided to co-sponsor S. 689. I am pleased that this plan for airline regulatory reform has received substantial support from organizations and individuals representing widely divergent backgrounds. So too, from President Carter.

On the question of direct subsidies for air service, neither of the principal bills before the Subcommittee appears to provide for optimum service to smaller communities that would otherwise go unserved. It is my understanding that S. 689 was purposely left vague on this point so that these hearings would be a forum for detailed subsidy proposals. On the other hand, S. 292 establishes yet another new certification procedure, again involving government intercession, for carriers wishing to receive subsidies to fly into smaller communities. There is little mention of the future role of unsubsidized commuters that have so successfully served many smaller communities. Is free enterprise once again to be penalized for being efficient? I hope not.

It is imperative that any deregulation plan satisfactorily provide for small town service, but only if a private carrier refuses to provide unsubsidized service to such communities. Subsidies should be a last resort and should not be subject to the abuses found in the current law. At a minimum:

The plan should not provide for a system-wide subsidy. It should be targeted specifically to the city pairings most in need of subsidy;

Fares in non-subsidized cities, such as Champaign and Springfield, Illinois, should not be surcharged to pay for service into subsidized cities along a local carrier's route;

The plan should not only include commuter and local service carriers, but also trunk lines that might want to land short-to-medium-haul flights in smaller cities.

Another issue that must be addressed in the proposed legislation is the possible loss of jobs that may occur as a result of reform. I am of the belief that, if anything, overall employment in the industry will increase as new, innovative low-fare services attract the three-fourths of our population that does not regularly fly. Even under our current regulated system, job security has been elusive. In early 1974, there were 16,000 fewer jobs in the airline industry than in 1973. By 1976, that number dropped to 10,000.

But, we are cautious. We are concerned about small towns, and airline management, so let us be concerned about employees who may be temporarily dislocated as a result of reform. In the event of any such dislocation, I suggest a program modeled after the federal assistance program for workers dislocated by low-priced imports.

Hopefully, in a deregulated system, trunk airlines would consider renewing service to smaller communities. The airlines could better fill these flights by discounting the fare proportionally for every stop made between the point of origin and the point of destination. For instance, passengers aboard what is now a Kansas City-to-Indianapolis nonstop flight, under such a plan, would be treated to a healthy discount if the plane touched down in Springfield, Illinois. These flights could be profitable as a result of the higher revenue expected from an influx of low-fare passengers and additional fares picked up in the smaller communities. Other free-market innovations might also be tested.

In sum, the umbilical cord tying government to the commercial airline industry must be cut over time. If we are to develop better service to smaller communities, lower fares throughout the industry, an air network responsive to the felt needs of its travelers, and the reality of healthy, unfettered competition—phased deregulation, using at least the principles specified in S. 689, is both necessary and proper.

Principal Provisions of the Regulatory Reform Act of 1977

(Introduced by Senators Charles H. Percy (R-Ill.), Robert C. Byrd (D-W. Va.), and Abraham Ribicoff (D-Conn.) for joint referral to the Committee on Government Operations and the Committee on Rules and Administration)

Government regulation has all too often become a burden to consumers, the workingman, American business and to the economy as a whole. Indiscriminate regulation has fueled inflation, stifled competition, and produced mountains of paperwork and red tape. Agency functions tend to overlap. Individual regulations are frequently made without due consideration of the relative costs and benefits involved. And case-by-case handling of matters, in the absence of broad guidelines, produces unreasonable delays and fragmented and incoherent policy, often focusing on trivia while neglecting priorities. Clearly, some regulatory agencies have poorly served the public interest in disregard of their Congressional mandates.

To counter this, the Regulatory Reform Act of 1977 sets forth a discipline for action, to apply both to Congress and the President. Over a period of eight years, from 1979 through 1986, the President would submit to the Congress, by May 1 of each year, comprehensive plans for reforming regulation in four specific areas of the economy, namely:

96th Congress (1979–80): Energy, the environment, housing, occupational health and safety.

97th Congress (1981–82): Transportation and communications.

98th Congress (1983–84): Banking and finance, international trade, and government procurement.

99th Congress (1985–86): Food, consumer health and safety, economic trade practices and labor-management relations.

Each plan would include recommendations for increasing competition, and for procedural, functional, administrative and structural reforms.

To ensure that the impact of regulatory activity is in the Nation's best interest, the President will include in his plan a report on the cumulative impact of federal regulation on the following industry groupings:

Transportation and agriculture industries;

Mining, heavy manufacturing, and public utilities;

Construction and light manufacturing industries;

Communication, finance, insurance, real estate; and trade and service industries.

To provide a wider perspective on these problems, the General Accounting Office and the Congressional Office of the Budget will simultaneously submit comprehensive reports to Congress concerning:

The purposes for which each agency was established;

Significant changes which have occurred in regulated areas; the impact of such changes on the agency's effectiveness; and the continued appropriateness of original statutory purposes;

The net impact of the agency and the degree to which it has achieved its purposes;

The cost-efficiency of the operations of each agency; and

Practical, more efficient, alternative approaches to achieving those regulatory needs which currently must be served.

If the President does not submit a plan by May 1 of the first year, the relevant committees would write and report their own plan(s) in the form of a bill, to become the pending business of both Houses not later than May 1 of the second year.

Should Congress fail to approve comprehensive regulatory reform legislation in the designated area by August 1 of the second year, the affected agencies will lose their authority to make *new* rules (except those essential for preserving public health and safety).

Should Congress fail to pass comprehensive reform legislation by October 1 of the second year, enforcement of *existing* rules of the affected agencies will be suspended (except those essential for preserving public health and safety).

Should Congress fail to enact comprehensive reform legislation by December 31 of the second year, a "sunset" provision comes into play, terminating each affected agency for which Congress has not enacted reform. Responsibility for enforcing health and safety rules would pass to the Justice Department.

After an eight-year respite following the original review period (1979–86), Congress would begin the reform process again (in 1995), and continue such cycle thereafter, examining agencies in the same order unless Congress and the President change the order by law.

This timetable should in no way delay reform efforts already underway, or which may arise in the interim, until the designated year for that particular facet of regulation. Thus, it does not mean that transportation reform must wait until 1981, or consumer safety reform until 1985. Rather, it ensures that if no comprehensive reform has been accomplished by these dates, then the discipline imposed by the bill would come into play. If Congress wants to act sooner, all the better.

DR. ARTHUR KAPLAN ON U.S. FOLLY IN AFRICA

Mr. HELMS. Mr. President, a recent edition of the New York Times carried a letter to the editor from Dr. Arthur Kaplan, of Raleigh, N.C., about the folly of U.S. policy in Africa. Dr. Kaplan is a distinguished citizen of our State capital, who has a long and brilliant career in the teaching of classical languages and culture. It is perhaps this extensive background in the history of Western civilization that gives him the perspective for commentary on the follies of today.

Dr. Kaplan does not hesitate to draw historical parallels with our posture in Africa today. He says:

> Anti-colonialism has been one of the worst traps into which American foreign policy has fallen during this century, and this folly has now been compounded by our meddling in African affairs.

Placing the situation today against what has happened in the past, Dr. Kaplan says:

> Without the "colonialism" of the ancient Greeks, there would have been no Syracuse, no Marseilles, no Constantinople, no Alexandria, etc., nor would Greek civilization have spread to Italy, and the Coast of Asia Minor. Without the "colonialism" of ancient Rome, there would have been no Cologne, no Vienna, no London—nor the spread of Greco-Roman civilization to the Western world.

Finally, Dr. Kaplan cites the fatuousness of statements which characterize the Rhodesian Government as "illegal" and call for "majority rule" in South Africa. I think that this letter will be of general interest to my colleagues.

Mr. President, I ask unanimous consent that Dr. Kaplan's letter from the New York Times, of April 9, 1977, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 9, 1971]

OF AFRICA, THE U.S. AND ANTI-COLONIALISM'S "FOLLY"

To the Editor:

A number of fatuous statements have been made recently by President Carter and some of his appointees. Due to the lack of space, I shall only comment on two: the characterization of the government of Rhodesia as "illegal" and the call for "majority" rule in South Africa.

The government of Rhodesia, presumably is "illegal" because that country unilaterally declared its independence from Great Britain and thus "legally" is still a British colony. However, how is the government of Rhodesia any more "illegal" than that of the U.S.A., which also unilaterally declared independence, some time ago?

There is a lot of prating nowadays of "majority" rule for South Africa, but why is nothing said about the glaring lack of this political commodity in the dozens of other African countries with which we are blithely trading and to which we have given vast sums of foreign aid? In these countries millions of people have been killed and other millions have become hapless refugees by the actions of undemocratic regimes under dictators or some kind of elite "minority groups."

The former Belgian Congo, the former French Congo, Angola, Uganda, etc., etc., are in a sorry state today. This is the result of the hasty decolonizations, under leftist and "liberal" pressures, in many countries whose peoples were not prepared to govern themselves and consequently have fallen prey to Marxist and other types of dictatorships or "minority" rule. "Anti-colonialism" has been one of the worst traps into which American foreign policy has fallen during this century, and this folly has now been compounded by our meddling in African affairs, just as we were previously drawn into the affairs of Southeast Asia, with disastrous results.

Contrary to what we have been brainwashed into believing, there is nothing intrinsically evil in "colonialism" *per se*.

Without the "colonialism" of the ancient Greeks, there would have been no Syracuse, no Marseilles, no Constantinople, no Alexandria, etc., nor would Greek civilization have spread to Italy and the coast of Asia Minor. Without the "colonialism" of ancient Rome there would have been no Cologne, no Vienna, no London—nor the spread of Greco-Roman civilization to the Western world.

In modern times, flourishing cities and industries were built in Africa, sanitation and medical services were introduced, the death rate was lowered and the life span increased, and the standard of living was raised by the various colonial powers. One of the most beautiful little cities in the world is Swakopmund, on the edge of the Namib desert, in what was once German South-West Africa. Several years ago, as I was walking along the deserted main street of this city during the siesta period, a huge black man approached from the opposite direction, bowed and said, "Guten Tag, mein Herr," a vivid survival of German culture in the heart of Africa.

ARTHUR KAPLAN.

Raleigh, N.C., March 31, 1977.

TRANSPORTATION FOR THE RURAL ELDERLY

Mr. CHILES. Mr. President, more than 8 million persons aged 65 or older reside in rural areas. Special Committee on Aging hearings—several of which I have conducted—provide compelling evidence that transportation is a serious problem for the elderly. Financial constraints and physical infirmities eventually force large numbers of the rural aged to give up their private autos. Yet, without adequate transit alternatives, the loss of that car may have far more devastating consequences for these citizens than for their urban counterparts.

The loss of personal mobility can deprive older rural residents of their access to medical care, shopping, and social services. They may become isolated prisoners in their homes, or be forced to abandon their lifelong residences and relocate in unfamiliar towns. Some unnecessarily enter nursing homes, at great financial cost to the Government and psychological damage to themselves.

The United States has yet to develop and implement a comprehensive scheme of transportation services for the rural elderly. All funds allocated for the section 147 Rural Highway Public Transportation project were awarded as of July 1976. While I await the Federal Highway Administration's evaluation of those 2-year demonstration projects, it is my belief that longer funding periods with less abrupt cut-offs are necessary to foster the growth of viable rural transit services.

By May 27, the Department of Transportation will issue its revised design standards for mass transit buses. Even if Secretary Adams mandates full accessibility for the elderly and handicapped, it will take at least 12 years for the full bus fleet to become barrier-free. And, even when that occurs, many of the rural elderly will require door-to-door service on smaller vehicles because of isolated locations and secondary roads. I believe that programs such as the Urban Mass Transportation Act's section 16(b)(2) capital grant assistance program must be continued at adequate funding levels. The Committee on Aging has received reports that the capital set-aside for section 16(b)(2) is about to be slashed in half. If this is true, I intend to examine this matter closely.

Mr. President, the March 28 edition of the New York Times contains an excellent article by Ralph Blumenthal describing the liberating force of rural transit services for the elderly. Mr. Blumenthal makes the telling observation that the poor, the handicapped, and the elderly are often one and the same. He also alerts us that many of these valuable services may be curtailed or terminated when Federal funds expire. A 71-year-old widow served by Missouri's OATS' program—Older Adults Transportation Service—commented that, should OATS cease operating, she would have to "stay home and suffer."

I ask unanimous consent that this article be printed in the RECORD. I hope that my colleagues will read it, and that this Congress, in concert with the Carter administration, can formulate rural transit programs which can put an end to the isolated sufferings of millions of Americans.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RURAL DIAL-A-RIDE SERVICE BREAKS ISOLATION OF THE POOR AND ELDERLY

(By Ralph Blumenthal)

BELVIDERE, N.J., March 24.—Julia Halvey, a widow in her 80's, lives alone in a green trimmed white house behind a purple gate on Mountain Lake Road in the hills outside this rustic county seat near the Pennsylvania border.

She cuts her own firewood, cooks her own meals and seems content to tend her small home crowded with heavy brocaded furniture and tinted family photographs.

But Mrs. Halvey is really a prisoner—locked in by the isolated rural landscape and advancing age. There is no car in the gravel driveway. Buses do not exist in Belvidere. Taxicabs must be summoned from so far away that they charge for the empty trip out. And neighbors? Well, said Mrs. Halvey, "the woman next door who sometimes drove me around got divorced and left, and a man who worked with my husband once charged me six dollars for a ride—and that was a friend of my husband."

Across the nation, millions of elderly, poor and handicapped rural Americans remain

cut off from health care, shopping and other necessities by a lack of public transportation.

Without that mobility, said James T. Barnett, executive director of the Choanoke Area Development Association in North Carolina, "they simply die earlier."

Fortunately for his residents of the region covered by his agency and for people in Belvidere and several score other rural regions around the country, some relief has been provided by federally subsidized transportation programs. Usually they consist of "dial-a-ride" car, van or mini-bus service for the rural needy.

Last October a study commissioned by the Federal Department of Transportation outlined 75 projects initiated under a $500 million rural mass transportation grant program through 1980. The study by the department's Office of Technology Sharing found that, "while some public transportation exists in rural areas, generally it is inadequate."

The plight of the rural elderly, poor and handicapped—often the three are one—emerged in interviews by correspondents of The New York Times in seven selected regions where special transportation programs were under way: Warren and Hunterdon Counties, N.J.; Raleigh County, W. Va.; a Choanoke area in eastern North Carolina; Hamilton, Columbia and Suwanee Counties, Fla.; most of Missouri; Placer County Calif.; and Klamath Falls, Ore.

AN ENCOMPASSING DESCRIPTION

In a description that might apply to all the areas, Eugene Hineman, a 62-year-old former restaurateur now living on Social Security in a rooming house in Foresthill, Calif., said: "This is a quiet, peaceful place, a little bit of a burg at the end of a dead-end street. Nothing at all ever happens except the mail, when you get a little bit of junk. There's no way to get around if you're like me and once you're 60 you're no chicken any more."

"They are virtual prisoners of their land," said Sally Riggs, dispatcher for the Placer mini-bus service used by people like Mr. Hineman. Funded with $160,000 of state sales tax funds, the service, available to those in need who reserve a seat a day in advance, includes six Monday-to-Friday daytime routes through the California gold rush country of Baxter, Colfax, Dutch Flat, Alta, Meadow Vista and Gold Run.

Nearly 80 percent of the 193 weekly riders in the yellow Dodge and Mercedes vans are old people—mostly widows, who are not always poor but who had to give up their cars for physical or financial reasons.

If the service was discontinued, Mrs. Riggs said, "it would be disastrous."

SYSTEM IN FLORIDA

Similar comments came from the north Florida counties midway between Tallahassee and Jacksonville where the Suwanee Valley Transit Authority has been operating three buses on its rural routes at special low rates of 75 cents for one-way trips under 15 miles and $1.25 for longer ones.

"I just wouldn't have any transportation without it," said Georgia Williams, a 74-year-old widow who lives alone in a two-bedroom trailer in Belleville.

Here around Belvidere, about 180 residents a month call to book seats on the 32 sedans, station wagons, vans and small "busettes" of the Pioneer On Wheels program.

In addition to Mrs. Halvey, for example, there is Gertrude Adelmann, a blind widow from Germany who depends on the special free transportation for trips to the doctor, dentist, shops and the bank.

And there are Harry, Mary and Elizabeth Millars, a brother and two sisters all in their 80's, who live in an immaculate white ranch house above Beaver Brook. Mary, who is 88, did all the family driving until cataracts nearly blinded her. Then the Millars briefly engaged an elderly neighbor as driver. But he had had a stroke and "shook all the time," Mr. Millars said.

Now they rely happily on the Pioneer On Wheels program. "Without it," said Mr. Millars, an 84-year-old former bookkeeper, "I don't know what we would do. We might have to move" to a less isolated community, "and at our age to get out of town would be a problem."

DRIVER ADHERES TO CODE

The volunteer who now drives them and other area riders, Edward Neidig, a 79-year-old former trucker, adheres strictly to the program code. He takes no tips—"not even cookies and cake"—and will not even accompany a widow into the house for a cup of coffee on a cold day. "That's to prevent people from talking," he said. "People in the country always have one eye on the neighbor's house."

But like many of the programs, Pioneer On Wheels is in its last year of Federal funding and is scraping around for money to stay alive.

Roxie Fesler, a 74-year-old miner's widow who lives in a coal camp on Lower Tommy Creek in Raleigh County, W. Va., is another isolated rural American. At one time her house belonged to a coal company. But, she said, "they shut down the mines a long time ago" and the coal operators sold the houses when they moved out.

These dying coal camps, nestled in narrow hollows and on steep hillsides, dot the landscape of Raleigh County. Some can be reached only by traveling over packed dirt roads that occasionally wander into a creek bed filled with mud in the fall and spring and ice in the winter.

Mrs. Fesler has diabetes and heart trouble. For treatment she must go to Beckley, the county seat, more than 30 miles away. Some of her neighbors have automobiles, but Mrs. Fesler said that they charged her as much as $7 a trip. Her only income is from black lung miner's benefits and Social Security checks.

So Mrs. Fesler depends on the subsidized bus system run by the Raleigh County Community Action Agency.

EXTENSIVE SYSTEM IN MISSOURI

One of the most extensive rural transport programs in the nation with nearly 100 vehicles, is the Missouri Older Adults Transportation Service, known as OATS, serving 16,000 riders in 90 of the state's 114 counties. Subscribers pay a $6 initial membership and $5 annual dues.

One of the clients is Martha Ploesser of rural Melville, south of St. Louis County. A 71-year-old widow, she has a heart condition that requires her to go regularly to the doctor.

"I don't know what I'd do without OATS," she said. "Just stay home and suffer, I guess."

Not all transportation programs have succeeded. Between September 1972 and September 1973, the Klamath, Ore., Area Transit sought to provide rural busing, but usage was low and the project died.

But other programs have produced dividends beyond their expectations. In Placer County, Calif., Ina Lang, a widow now 72, rode the bus from her home in Foresthill to Auburn almost every Thursday since the service began Jan. 18, 1974. She had a car and could drive, but she wanted to use the bus so she could see and talk with people.

One day shortly after the service began, she met Benjamin F. North, who was from New York. Mr. North was staying at the Forest House Lodge with nothing to do. "He used to ride the bus to have something to do and we met; it was love," laughed the former Mrs. Lang.

Ina Lang married Benjamin F. North, now 74, in January 1975 and they still ride the bus together.

PRESENTATION OF THE DISTINGUISHED SERVICE AWARD TO ROBERT T. STEVENS

Mr. THURMOND. Mr. President, on April 7, 1977, the New York chapter of the Association of the U.S. Army presented its Distinguished Service Award to Robert T. Stevens. As many of my colleagues will recall, Mr. Stevens is a distinguished American businessman—the former chairman of the board of J. P. Stevens—who served as the first Secretary of the Army under President Eisenhower.

In that important position, Mr. Stevens guided the Army through the difficult period of disengagement in Korea. He also was called upon to defend the honor of the Army when it was wrongfully impugned by the late Senator Joseph McCarthy. Both of these exceptionally sensitive and challenging assignments he handled with competence, dignity, grace, and tact.

For these achievements and for numerous others as a private citizen—or, as he describes himself, as a "citizen soldier"—Mr. Stevens richly deserves the AUSA award. At the banquet in the course of which it was presented, he was afforded the opportunity to make some remarks. I have recently read a transcript of these remarks, and I believe they deserve the close attention of my colleagues and of the American public. They represent the informed and well-considered opinions of an outstanding American patriot on subjects of importance to us all.

One of Mr. Stevens' major concerns is that the United States maintain a defense capability second to none. Like a number of us in Congress, he is fearful that the Soviet Union is in the process of surpassing us, and may already have surpassed us, in military might. While recognizing the high cost of reversing present trends, he argues cogently that the costs of being unprepared are potentially far greater.

He also has a timely warning for the complacent on the subject of energy policy. He is not, however, a prophet crying doom. He is convinced that "American ingenuity" can ultimately find the solution to this problem, as it has found solutions to so many others.

It is unnecessary and somewhat presumptuous of me, however, to repeat in my words the views that Mr. Stevens has eloquently expressed in his own. The full text of his remarks is available, and will amply repay the little time and effort it requires to read. That my colleagues may have access to it, and that they may see for themselves the wisdom of its author, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY ROBERT T. STEVENS

Sixty years ago this week, on April 2, 1917, I was standing in a large crowd outside our National Capitol in Washington. Everyone was waiting for the arrival of the President, Woodrow Wilson. Presently, he arrived by car and disappeared inside. He delivered his war speech, which was not long, and then returned to the White House, while Congress

went about the business of declaring war. Eighteen years old, a senior at Andover, I was tremendously interested in the American military history that was unfolding right before my eyes. Four days later war was declared.

I remember a mounted cavalryman calling to one of his buddies, saying, "I wonder what these guys in this crowd are going to look like in uniform." I have never forgotten that remark and made up my mind right then that I was not only going to be in the Army before too long, but also was determined to have a soldierly appearance after appropriate training.

Although unprepared, we got World War I successfully behind us and then found ourselves unprepared again when Hitler overran the Low Countries, thirty-seven years ago. While Britain gallantly held the fort, we began a superhuman effort to prepare for what was to come. By the time I finished a special course at the Command and General Staff School the day before Pearl Harbor, we were on the way to a tremendous mobilization.

Reverting momentarily to World War I, I recall quite vividly my experience, however brief, in the Army and ever since have always considered myself "A Citizen Soldier"—citizen in peace time—soldier in war time. Never did I dream that one day our country might call upon me to become Secretary of the Army in the latter stages of the Korean War.

I recall my first visit with General Eisenhower in his office at the Commodore Hotel here in New York in early December 1952. I had never met him but had been forewarned by Secretary of Defense-desigate Wilson of what was in store. It was a heartwarming experience to visit with the Commander-in-Chief-elect—one of our greatest national heroes and friend of many in this room. Following discussion of the business at hand, I took a one-paragraph prepared letter from my pocket and asked if he would sign it.

The letter was addressed to our third son who, incidentally, is here tonight. At that time he was a private with the 7th Army in Germany, having enlisted for three years. The letter included the following:

"Dear Bill: I thought you might like to know that Mr. Wilson and I have today selected your father to be Secretary of the Army in my administration. (signed) Dwight D. Eisenhower."

It was a typically human thing for Ike to do and son Bill had some real fun when news of the appointment reached his unit, followed by Ike's personal letter.

This is indeed a proud moment for me. I am both surprised and delighted that the New York Chapter of the Association of the United States Army, under the leadership of Colonel Markle, has seen fit to honor me tonight with this prestigious award. It climaxes a long period of either active service in or constant interest in the Army and I look back on it all with a deep feeling of satisfaction. Yes, this includes the experience of Army/McCarthy in 1954. That was a tough go but someone in the civilian leadership of the military had to stand up and be counted. As Secretary of the Army I took on that difficult mission and I shall never regret it or forget how it all began.

The first I heard about real trouble was when General Matthew B. Ridgway, then the Army's distinguished Chief of Staff, came through the door connecting our two offices in the Pentagon and told me of his great concern over a most serious incident that had happened the day before. Senator McCarthy had dealt contemptuously with a combat decorated veteran of the Army in a one-man Senate Committee Hearing in New York. That veteran was told he was not fit to wear the uniform. General Ridgway was deeply, and rightfully, concerned as to the possible effects on service morale.

The issue seemed so clear to me that there could be only one decision. Those of you who may have watched on television know that the role in which I was cast was tough but not heroic in any way. It was doing my duty as I saw it. Joe Welch, the genial lawyer from Boston who represented the Army in the Hearings, called it "a moment in history." Looking back over the years, it seems clear that our country needed the cleansing effect of that moment in history.

I would like to touch briefly on the present defense posture of our nation. It would appear that increasing attention on the part of the American people is being accorded the formidable increases during recent years in Soviet military capabilities. There is no question in my mind but that Americans are willing to spend the funds necessary to safeguard the security of the United States. In my opinion, it is close to the time when, if appropriate measures are not implemented, we will clearly find ourselves behind the Soviets in military capabilities. We may already be in that position.

I would therefore urge that thinking citizens across the nation let the Administration and the Congress know that they want vigorous action on this vital issue. It sometimes evolves that the mood of the American people runs ahead of the Executive and Legislative Branches of our government on key issues. I think the momentum of the Soviet build-up is a case in point and that the vast majority of our citizens will support a defense program designed to insure that the United States does not find itself second to the Soviets in military capability. In this connection we can surely derive very little encouragement from Secretary Vance's recent trip to Moscow to discuss strategic arms limitations.

It is clear that the Soviet Union intends to bargain hard, from a position of strength, and continues to insist upon getting more than it gives. The Kremlin perhaps feels it does not need a nuclear agreement with the United States as a top priority.

Conventional arms have taken on a much greater importance than in the days featuring mainly "massive retaliation." Thus, I am encouraged by what the Army itself is doing in this area, within prevailing budgetary limitations. What is being done is unprecedented in peacetime. This is a major effort to integrate our Reserve forces with our Active Army forces in order to solidify them into a truly combat effective force—a Total Army. For example, our NATO strategy calls for the commitment of twenty some U.S. divisions in time of war. Eight of these divisions are Reserve divisions and four of the Active Army divisions are rounded out by Reserve brigades. This seems very sound because essentially we are doing now in peacetime what we have always had to do hurriedly in wartime.

One major argument that is, of course, everlastingly with us is the argument over costs. Certainly the costs are enormous and as a businessman—and taxpayer they are matters of concern to me. Yet one thing I learned as a businessman was to factor in all the costs of an enterprise. It seems to me that many of those who complain about the high cost of military equipment and the high cost of peacetime preparedness are failing to factor in one essential element.

This element is the potential cost in human lives of military unpreparedness. We have paid this cost too often. We paid it on the battlefields in France in World War I. We paid it at Bataan and at Kasserine Pass in World War II. We paid it in the Pusan Perimeter in the Korean War. And we may pay it again with the lives of young Americans, if we allow ourselves to be unprepared to meet the world problems that we constantly face as a Nation.

There is one relatively new and vital factor in our economy that has an overriding importance to all our Armed Forces, whether Army, Navy, Air Force, Marines or Coast Guard. It is something that all of us who are dedicated to the security of the United States should take an active interest in, to whatever extent we can. That is the energy situation. The fuel for our Armed Forces in wartime and the fuel for American industry back-up, to say nothing of fuel for American homes, looms large as a dangerous factor.

Whatever measures are necessary to minimize this threat should be implemented as soon as possible. At best we will be dependent on foreign petroleum supplies for a long time to come. Last year 45% of our oil was imported with devastating results on our balance of payments. Everyone is affected by this situation but the military and their suppliers must be placed at the top of the priority list. American ingenuity, if supported by government, can, in my opinion, make much faster strides in the solution of this overall problem than is currently being predicted.

A word about personnel. The Army cannot exist as an effective fighting force unless it can attract and retain quality men and women. It has yet to be proved that this can be done without the draft in the long pull. The reserve is under manned right now. I recall the bitter arguments back in the 1930's about whether the Army budget should concentrate on personnel or on modern weapon systems. There was then, as there is now, no easy answer to that dilemma.

General MacArthur, then Chief of Staff of the Army, fought especially hard to retain personnel in the face of budget cuts. It was this personnel—the Marshalls, the Bradleys, the Eisenhowers, and the thousands of experienced officers and NCO's—who enabled America to build the Army from 189,000 in 1939 to the eight million-man force that won World War II on the ground. Today, the Army has support in Congress for maintaining a constant active duty strength of roughly 790,000, while at the same time continuing to develop and field the modern equipment we must have to fight and win on the battlefield.

Allied with this question of cost is the whole area of soldier benefits. Although less tangible than equipment costs, they are, nevertheless, an important factor in soldier morale and well-being. General Ridgway warned of the dangers of the incessant attacks on soldier benefits while he was Chief of Staff and, as Secretary of the Army, this was also one of my major concerns. It remains a major concern today. While many of the budget cutters see this as an attractive area to reduce military spending, soldiers see it as a lack of faith and a lack of support from those they are sworn to defend.

And, while speaking about personnel matters, let me say how pleased I am that the Army has reaffirmed the Honor Code at the Military Academy. In this 175th Anniversary Year of West Point the American people look with pride upon the quality of the officers and leaders the Academy has produced in the past and with confidence as to the leadership it will produce in the future.

I am proud of my long association with the United States Army. As I look at the 187 battle streamers on the Army flag—and reflect that 93, exactly half, of them were recorded during my lifetime alone—I am tremendously proud of the Army's vital contribution to America's peace and security. But, the Army can be no better than the support it receives from the American people.

Today, the Army needs our help, it needs our help in supporting its efforts to improve

the combat readiness of the Total Army—Active and Reserve. It needs our help in supporting its efforts to improve the quality of the forces including recruiting and the retention of quality men and women. It needs our help in supporting its efforts to maintain a first class quality of life for our soldiers.

I know the Army has my support. I am sure it has yours as well.

Again, thank you for this extraordinary award. It will long be treasured in our family.

Thank you.

S. 270; PUBLIC PARTICIPATION IN AGENCY PROCEEDINGS

Mr. KENNEDY. Mr. President, in a very short time, the Judiciary Committee will begin markup of S. 270, the Public Participation in Federal Agency Proceedings Act of 1977. This legislation is designed to facilitate increased citizen participation in agency proceedings and in court actions for review of agency decisions, and to promote agency responsiveness to the needs and concerns of the public.

A recent article on this bill published by the Newspaper Enterprise Association has recently come to my attention, and I am going to request that it be printed in the RECORD so that my colleagues and members of their staffs will have an opportunity to read it. I believe that it succinctly and accurately encapsulates the arguments that have been advanced by various interests on both sides of the debate over this legislation. In addition, it aptly characterizes the motivations of Members of Congress who have long argued for adoption of citizen participation programs.

The article mentions the numerous objections which have been raised by certain business and industry groups that enactment of S. 270 would cause enormous delays in an already ponderous regulatory process. This was an issue that was considered at length in the hearings on this legislation conducted by the Subcommittee on Administrative Practice and Procedure during 1976 and 1977. I believe that the issue of delay is one of the greatest myths plaguing this bill, and should forcefully be laid to rest.

In the first place, agencies have always had at their disposal a range of remedies to deal with participants in their proceedings who use delaying or obstructionist tactics. S. 270 does not change this. In addition, the bill makes clear that persons receiving compensation under this program who cause delay or who otherwise obstruct proceedings may have their awards rescinded or may be compelled to repay funds they have already received.

Second, studies have shown that citizen participation in agency proceedings is almost never a cause of delay. In fact, several witnesses at both the Senate and House hearings on this legislation testified that the bill will actually speed up the regulatory process. It will insure that better administrative records are made at the agency level, thereby making it far less likely that a court will overturn an agency decision for procedural unfairness. It will also promote greater public acceptance of agency decisions in which citizens can have a role in formulating. This, according to several Federal judges who testified before our subcommittee, will reduce the likelihood of appeals to the courts to reverse unfavorable agency decisions. Thus enactment of S. 270 may have the effect of actually decreasing judicial workloads.

Among the recent studies dealing with the issue of delay are the following:

First. A 1974 study by the Atomic Industrial Forum, which found that the presence of intervenors on behalf of all interests—public as well as private—accountings for only about 2 percent of the total delay in nuclear plant construction proceedings. As former AEC Commissioner William Doud has stated:

> In general, regulatory delays, including intervention, are not the principal sources of delay. In fact, legal challenges by intervenors account for an extremely small number of delays.

Second. A 1976 study by the Council on Environmental Quality of 6 years of experience by 70 Federal agencies with the environmental impact statement process under the National Environmental Protection Act—NEPA. This study concluded that the initial problems of delay in the process have greatly diminished, and that there has been almost no delay in the implementation of agency projects even when environmental impact statements are challenged in the courts.

Third. A 1972 report of the Association of the Bar of New York stressed the following point on the issue of delay in electric power interventions:

> The word "delay" itself implies a particular viewpoint on the problem. Unless one believes that utilities alone should weigh electric power and the environment, the time needed for some regulatory consideration is time well spent if it improves the quality of the final decision.

Fourth. Hearings conducted in 1976 by the Subcommittee on the National Science Foundation of the Senate Committee on Labor and Public Welfare produced important testimony on the impact that Federal funding for "public interest science" would have on agency proceedings. Witnesses felt that such a "science for citizens" program would actually expedite proceedings. They noted, for example, that opponents of a nuclear reactor facility are usually concerned about safety, but are forced to raise other issues—such as thermal pollution or small routine releases of radioactivity—because they do not have access to technical assistance. With funding for such technical advice, they would be able, in many cases, to satisfy themselves as to the safety of proposed plants or to identify issues which could be resolved.

Third, and perhaps most significantly, the citizen participation program in FTC rulemakings that was established by the 1975 Magnuson-Moss Act has not caused any delays in that agency's proceedings. According to Chairman Collier of the FTC, who testified before the Administrative Practice and Procedure Subcommittee in February:

> None of the delays in our rulemaking proceedings are in any way attributable to this program.

Finally, as to the concerns which have been expressed that S. 270 would stir up litigation in the courts, and would thereby cause further delays in implementing agency decisions, I think it is important to remember that litigation has also had the effect of reducing overall delay in agency processes.

For example, to insure vigorous enforcement of the 1972 Water Pollution Control Amendments, the National Resources Defense Council brought suit when the EPA missed 14 consecutive rulemaking deadlines in the first few months after the act was passed. The lawsuit resulted in a court-ordered schedule for publishing EPA's regulations.

Other lawsuits have had similar effects in speeding up agency decisionmaking processes. They have forced accelerated proceedings in the areas of discharge of industrial pollutants, solid waste disposal guidelines, and effluent guidelines for timbering central point sources.

To sum up, Mr. President, I think it is fair to say that not only has public participation not been a cause of any significant delay in agency proceedings, but that there is also good reason to expect that increased participation will actually accelerate the ultimate termination of many proceedings. In this respect, enactment of S. 270 will help to achieve the goal of genuine regulatory reform which is high on the agendas of so many of us in this Chamber.

I hope that my comments today will help to set the record straight on the issue of S. 270 and delay in agency proceedings. It disturbs me to hear these charges being raised time and again, when all available evidence points to the contrary.

Again, Mr. President, I commend the article by Ms. Angle and Mr. Walters to the reading of my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOVERNMENT OF THE PEOPLE?

(By Martha Angle and Robert Walters)

WASHINGTON.—Countless nationwide surveys conducted in the past five years have shown that the vast majority of the American people are cynical, distrustful and suspicious of the federal government which is supposed to represent their interests.

A typical public opinion poll, taken last year, shows that citizen alienation has reached the point where two-third of those questioned agree with the statement: "People like me don't have any say about what the government does."

Those same respondents, by a margin of almost 3-1, say they believe "that the government in Washington is pretty much run by a few big interests" rather than "for the benefit of all the people."

At a time when most citizens believe they have no voice whatever in shaping the federal decisions which directly affect their lives, a little-noticed bill in Congress with the unwieldy title of "The Public Participation in Federal Agency Proceedings Act of 1977" may be an idea whose time has come.

Co-sponsored by Sens Edward M. Kennedy D-Mass., and Charles McC. Mathias, R-Md., that measure would allocate $10 million in federal funds annually to reimburse concerned citizens, their lawyers and their expert witnesses for the time and effort required to fully participate in the policy-making process.

The funds would pay for the expenses incurred by senior citizens, community groups, consumers, the poor and other segments of society which traditionally have been unrepresented in rulemaking, ratemaking and licensing procedures conducted by government departments and regulatory agencies.

It's no surprise that the legislation is opposed by the special interest groups which for decades have been able to get what they want from government agencies by marshaling large, well-financed and often unopposed teams of lawyers, "experts" and "consultants" to argue their case.

The most outspoken critics of the bill have been the nuclear power industry and public utilities. Typical of their attitude was the approach taken during hearings on similar legislation last year by William H. Cuddy, a Hartford, Conn., lawyer.

Appearing as a spokesman for the Northeast Utilities System, a holding company whose subsidiaries provide electric and gas service in Connecticut and Massachusetts, Cuddy said he had never participated in a regulatory agency proceeding in which a citizen group had made "any significant contribution to what I would regard as the overall good."

This year, George Gleason, executive vice president of the the American Nuclear Energy Council, said he feared that the federal reimbursement probably would go to "very wealthy groups backed by multimillionaire philanthropists."

Unstated in those arguments was the distaste the nation's power companies have developed for citizen groups which challenge their proposed rate increases and the hostility the country's nuclear energy establishment has for members of the public who discover geologic fault lines in the earth directly beneath proposed sites for nuclear power plants.

The more sophisticated industry critics of the legislation argue that it would unnecessarily complicate and delay ratemaking and rulemaking proceedings, but numerous federal judges and regulatory agency commissioners have testified that participation by citizen groups often enhances and speeds up the process.

Some of the country's most active citizen, consumer and environmental organizations already are participants in the process. But the cost of participating in a regulatory agency proceeding often is $100,000 or more, and those groups have limited resources to draw upon.

The time has come to open the doors even wider, destroying what Kennedy describes as the popular image of "government decisions always made in Washington by faceless bureaucrats canting legal mumbo-jumbo and following arcane procedures."

THE DEATH OF COTESWORTH PINCKNEY MEANS

Mr. THURMOND. Mr. President, Cotesworth Pinckney Means, a distinguished South Carolinian and a former colleague of mine in the South Carolina State Senate, died on Sunday, April 17, 1977, at the age of 87. In consideration of our old friendship, and of his exemplary character and career, I wish my colleagues to know something more about him.

Mr. Means once said of himself, "The port is my life." By "the port" he meant the port of Charleston, S.C., his lifelong home. To the maintenance and improvement of the port of Charleston Mr. Means gave almost seven decades of concentrated and productive effort.

After attending college at Georgia Tech, where he was a wrestler and a member of a championship football team, Mr. Means joined his father's export business in Charleston. It was at this time that he began to amass the knowledge of waterfront lore which was to prove so valuable to him, and to the public, years later.

He became interested in politics, and was elected to the Charleston City Council in 1924. As a councilman, he served on the port utilities commission, which is no longer in existence.

In 1935, he was elected to the South Carolina State Senate. Thus, he was representing Charleston County in this body while I was representing Edgefield County. I well remember his commanding presence in the Senate chamber, and his affability at all times and in all places. I also remember his rare knowledgeability, especially in matters pertaining to commerce. In the course of his Senate career, which lasted until 1943, he spearheaded an investigation into the decline of water-borne commerce at Charleston.

As a result of this investigation, the State Ports Authority was created in 1942. Logically enough, Mr. Means was one of the first members of the authority, and soon became its chairman and general manager. These positions he held until 1962.

The 20-year period during which Mr. Means headed the SPA was one of continuous growth and progress for the port of Charleston. Largely, thanks to his leadership, the commercial decline that had prompted the Senate investigation was reversed, and Charleston resumed its historic place as one of the leading port cities of the Nation.

If you visit Charleston today and walk along the waterfront, you will see hubbub and commotion everywhere. The port facilities are modern, and they are in constant use. They constitute an impressive and enduring monument to the foresight and the dedication of C. P. Means.

I do not want to leave the impression that Mr. Means was a one-dimensional man. Besides his devotion to the port of Charleston, he had a deep interest in music, and served as choir director at St. Philip's Protestant Episcopal Church for 30 years. In a different kind of musical enterprise, he founded the Charleston Chapter of the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America. He also wrote for the Charleston News and Courier.

Nor did he neglect his family and friends. He endeared himself to all who came to know him with this loyalty, his generosity, and his congeniality. Although he died full of years and full of honors, he will not be mourned any the less for that reason. His death leaves a vacancy in a multitude of hearts in his city and State.

Mr. President, at the time of the death of Mr. Means, an article appeared in the Charleston News and Courier which gives additional information on the life and accomplishments of C. P. Means. This article is well worth the attention of my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the News and Courier, Apr. 18, 1977]

PORT'S GUIDING HAND, C.P. MEANS, DIES

Cotesworth Pinckney Means, former chairman and general manager of the South Carolina State Ports Authority (SPA) and former state senator from Charleston County, died Sunday at a local hospital.

Funeral arrangements will be announced by Connelley's.

Mr. Means was born Nov. 18, 1889, in Charleston, a son of the late Robert Martin Means and Mrs. Mary Barnwell Pinckney Means. He attended Charleston schools and Georgia Tech, where he distinguished himself in athletics as a heavyweight wrestler and member of its championship football team. In 1909 he joined his father in the export business of R. M. Means & Son of Charleston.

He was elected to Charleston City Council in 1924 and served until 1932. While on city council he was a member of the old Port Utilities Commission and the Police Commission. He was state senator from 1935 to 1943 and during those years asked for an investigation into the "shrinkage of water-borne commerce through the Port of Charleston."

As a result of the investigation, the SPA was established in 1942, with Means as a member and then as chairman and general manager. He first worked for no salary and was paid $3,600 annually from 1950 to 1957. In 1958 his pay was upped to $12,000. He returned much of the increase to the authority in the form of gifts.

He retired as head of the SPA in 1962 after 20 years of service during which the shipping industry in Charleston was revitalized.

It was later said that Means built the port "brick by brick."

During his tenure as SPA head he had insisted that the port become self-supporting. In a "Report to Citizens of South Carolina" on April 3, 1961, while still SPA chairman, Means wrote: "For 15 years ever since the authority began owning and operating port terminals a small handful of private interests have been securing almost all the cash profits accruing from the new commerce produced by the authority, while the general public, which owns and finances the entire ports program of construction and operations, has received next to nothing."

He held that stevedoring, shipping agencies and others who earn their money on the waterfront were being unnecessarily subsidized by the taxpayer. "Why should the taxpayer grow poor by making these people rich?" he asked.

Even after his retirement, Means kept up with happenings on the waterfront. "The port is my life," he once said.

He also was a guest editorial writer for The News and Courier and an active handball enthusiast. A Mason and a member of St. Philip's Protestant Episcopal Church, where he directed the choir from 1924 to 1954, Means was also founder of the Charleston Chapter of the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America.

Surviving are: his widow, Mrs. Fannie Davis Lucas Means of Charleston; a son, Thomas L. Means of Glen Cove, N.Y.; a daughter, Mrs. Henrietta Means Walton of Alexandria, Va.; a brother, Robert M. Means of Charleston; two sisters, Mrs. M. M. deMerell of John's Island and Mrs. Horry F. Prioleau of Charleston; and four grandchildren.

HIT US HARD, PLEASE, MR. CARTER

Mr. HOLLINGS. Mr. President, in the April 18 issue of Newsweek, columnist George Will demonstrated very cogently the virtues which have won him a Pu-

litzer Prize. "Hit Us Hard, Please, Mr. Carter," is concerned with the energy problem and with the problems attending any proposed energy solution. It is a column based on fact and informed by sound commonsense and considered judgment. Mr. Will is a realist, and his realism gives us a welcome and refreshing perspective on this topic about which so much has been written and yet so little has been said.

Mr. Will understands the fortuitous conditions which have attended, and perhaps even sustained, the brief life of liberal democracy. Whether such Government can perpetuate itself in the harder times which surely lie ahead is a very real question. I, for one, think we can do it. But, as Mr. Will so forcefully demonstrates, the challenge can only be met by the kind of straightforward, hard-hitting leadership that in times of past crises has called for the inner strengths of the American people. We have adjusted to profound change before, but it has always taken a citizenry united in appreciation of the problem and in the willingness to sacrifice and work and overcome. "April 20 will be an important day in the history of popular government," says Mr. Will. "What Carter says will be evidence of a free people's willingness to be farsighted, to be governors of rather than governed by appetites. To be, in a word, mature." What President Carter says—and, I would add, what we as a people do with what he says.

Mr. President, I commend this column to the widest possible audience, and for that reason I ask unanimous consent that it be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

HIT US HARD, PLEASE, MR. CARTER

(By George F. Will)

President Carter, who knows the hymn, has been sowing in the morning, sowing seeds of kindness, sowing in the noontide and the dewy eves. Since January 20 he has spent more than 7 hours talking gently to the nation on radio or television, helping the nation feel more comfortable with him than it felt when rendering that equivocal election result. But now come the unkindest of cuts. Carter has promised, with characteristic panache, that on April 20 he will give the nation an energy policy as serious as its energy problem. He says the policy may cost him the sheaves of popularity he has harvested in the last three months.

There have been three presidents in the three and a half years since the Arabs did this nation the favor of making the energy crisis visible. President Nixon, who had other worries, invoked the chimera of "energy independence." President Ford opposed a stiff tax on gasoline to cut demand: "I was interested in a poll that was published today which indicated that 81 percent of the people don't agree with the various people who are advocating this. I think I'm on solid ground." But all ground seems solid when your ear is to it, and as Churchill said, it is hard to look up to "leaders" seen in that position. Carter seems prepared to *govern*. He knows popularity is capital that cannot be banked forever. After hearing Carter on energy, the nation may feel that someone big has hit it hard with something heavy.

ENERGY: A MALTHUSIAN PROBLEM

The energy crisis is, basically, an oil crisis. It is a pure Malthusian problem, the exponential growth of demand against an exhaustible supply of an indispensable commodity. To state the problem is to comprehend the essence of Carter's policy: conservation. In the short run, it is cheaper to save oil than to produce it. In the medium run, no practicable incentives will cause production to increase as fast as demand will increase unless governments cut demand. And in the not-so-long run, all production incentives will collide with the exhaustion of recoverable reserves.

Among major industrial nations only the Soviet Union is currently self-sufficient in energy. The U.S. cannot meet essential energy needs from sources secure from military or political interdiction. So the stabilizing power of the non-Communist world is vulnerable to production decisions made by a few Saudi leaders. They have a $20 billion trade surplus. They have no economic reason to increase the pace at which they exchange oil of increasing value for paper of decreasing value.

Weak governments, afraid to compel conservation, have printed too much money in order to prevent standards of living from declining as a result of the export of purchasing power to oil-exporting countries. Fragile countries have borrowed enormous sums rather than allow energy costs to curtail development. The result is inflation. And producing countries will not cheerfully expand production of a wasting asset in exchange for currencies of wasting values.

DEMAND VERSUS CAPACITY

In the 1950s the world consumed more oil than had been consumed in all history In the 1960s it did again. Today the non-Communist world uses 50 million barrels a day, the Communist world 10 million. Saudi Arabia has the only substantial capacity for increased production: in a few years it could go from 10 million to 20 million barrels a day. But world demand growing at 5 per cent annually would slurp up such a Saudi increase in four years. Mankind has used 360 billion barrels. There may be 1.5 trillion left. But even if use grows only 2 per cent a year, oil will be gone in less than 50 years, and severe shortages will begin much sooner.

Carter's energy ace is James Schlesinger, a man of somewhat cumbersome architecture, slow in movement but quick in comprehension. He has a smile like pale February sunshine, and precious little to smile about, considering that soon businessmen, environmentalists and people who own houses or automobiles may want to tear him into thin shreds and scatter him across the Potomac to teach him a lesson. His recommendations (more dirty strip-mined coal, more nuclear plants, higher prices) will be democratically disagreeable.

The policy must influence billions of decisions by millions of Americans, and exhortations to voluntarism will not suffice. This is, in part, because there is no current shortage and there will be a conspicuous surplus when Alaskan oil begns flowing this summer. But the main reason why conservation demands determined governmental action—the coercion of regulations, taxes and rising prices—is that conservation must conflict with two cherished American values, comfort and convenience.

Less than half of U.S. energy is used in the production of goods and services. Most of it is used in individuals' consumption, especially in furnaces, air conditioners and, of course, automobiles.

Through the ages there have been essential commodities the demand for which is relatively "price inelastic." That is, demand dropped only slightly even when price rose steeply. Salt was one such commodity. Today gasoline is another because automobiles are essential for so many cherished things like Sunday drives, cross-country vacations, low-density suburban living. It is politically risky to start using government to revise the American Way of Life. But it is irresponsible not to.

Americans tend to misplace reality; often they lose it at the movies. I suspect that movies like "Giant" shaped American attitudes about the limitlessness of oil. You may remember Jett Rink (James Dean) poking around in dusty Texas earth and striking oil in his own backyard. Soon he had something like Spindletop drenching him with oil.

LIBERAL DEMOCRACY'S DILEMMA

But in 1972 a Texas official said of the Texas oil fields. "This old warrior can't rise any more." The familiar word is depletion and it may mean the end of a lot that is familiar. The consumer civilization of the postwar period was made possible by $2-a-barrel oil. For a century—about half the life of liberal democracy—we have been passing through what scholars call an "energy bubble" of cheap oil. Viewed against the vast backdrop of history, this experience has been highly unnatural.

Liberal democracy is government that rests lightly upon people. It has existed rarely, and only during the two centuries of rapid economic growth in the West. It probably has been made possible by that growth, by the belief that a rising tide raises all boats, a belief that dampens the worst social conflicts. And viewed against the backdrop of history, our experience of liberal democracy has been, as Saul Bellow says, "brief as a bubble."

April 20 will be an important day in the history of popular government. What Carter says will be evidence of a free people's willingness to be far-sighted, to be governors of rather than governed by appetites. To be, in a word, mature.

THE DEATH OF C. LANEY TALBERT

Mr. THURMOND. Mr. President, on Wednesday, March 30, death overtook one of the most durable, influential, and highly respected political figures in the State of South Carolina. C. Laney Talbert, a member of the South Carolina House of Representatives from 1942 to 1946 and Richland County supervisor from 1950 to 1975, passed away in Columbia at the age of 69.

I had the privilege of knowing Laney for more than 50 years. Indeed, he was one of my students when I was teaching school in Edgefield County shortly after graduating from Clemson in 1923. It is a deep personal loss to me to lose such a longstanding and close friend, and I wish to put on record my admiration for his character and achievement.

An Edgefield County native, Laney Talbert spent almost his entire life in public service. Starting as a member of the Eau Claire town council in 1938, he moved on to become a member of the South Carolina House in 1942. Between 1946 and 1950, he worked as an official of the South Carolina Department of Corrections. All of these posts he filled with distinction. It was as Richland County supervisor, though, that he made his greatest mark in public life.

The job county supervisor, which he first won in 1950 and held continuously until it was abolished in 1975, gave him responsibility for the county jail, prison camps, convalescent home, farm-to-market roads, and public works. His wide-ranging duties would have overtaxed the strength of most men, but for Laney Talbert, work and recreation were one and the same. His deep and lifelong

commitment to helping people, particularly the weak and the underprivileged, made him seemingly invulnerable to long hours and tedious routine.

In his six terms of office, Laney Talbert won the personal friendship of an astonishingly large percentage of his constituents, and the respect and confidence of many more. The general esteem which he enjoyed is apparent in the day of mourning which the Richland County council declared in his honor. It is even more apparent in recent remarks by his political rival of many years, Richland County Treasurer Tom Elliot:

We always loved each other and always respected each other. . . . Even when our different factions were warring against each other, he and I always laughed about it and got along fine.

In short, Laney Talbert brought dignity and prestige to the profession of politics. He also brought a rare exuberance which endeared him to even the most resolute of opponents.

A legion of friends and acquaintances are now grieving the loss of this outstanding man and citizen. I extend sincere condolences to all of them. I extend special condolences to members of his family, although I realize that they have sustained a blow which no words can soften. These include his wife, Mrs. Mary Catherine Power Talbert of Columbia; his daughter, Mrs. James Yager of New Orleans; his sons, C. Laney Talbert, Jr., of Columbia, and S. Watson Talbert of Camden; his sisters, Mrs. Paul Kerr of Chapin and Mrs. Helen T. Hunter of Charlotte; his brother, Leroy B. Talbert of Columbia; and his 12 grandchildren.

I hope that, in this hour of affliction, they will be able to find some consolation in the honored name Laney Talbert leaves behind. Against such a name, neither age nor illness has power.

Mr. President, at the time of the death of Laney Talbert, two articles appeared in the State newspaper of Columbia which contain more details of his life and career than I have been able to recount. In order that my colleagues may have access to this additional information, I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Columbia, S.C., State, Mar. 6, 1977]

C. LANEY TALBERT, FORMER RICHLAND SUPERVISOR, DIES

C. Laney Talbert, a former state representative and Richland County supervisor, died Wednesday from cancer at Providence Hospital. He was 69.

He served six terms as county supervisor, beginning in 1950. He retired from that post in 1975. He served in the S.C. General Assembly from 1942–1946. He was considered one of the most powerful politicians in the Columbia area.

As county supervisor he had jurisdiction over the county jail, the convalescent home, the farm-to-market road program, public works and the prison camps.

"He was a dynamic person with the ability to approach a problem and in so doing give consideration to everybody who had the problem," said W. D. "Son" Grimsley, Talbert's political ally and friend.

"He did favors for many, many people in this county and helped many people who couldn't help themselves," said Richland County Treasurer Tom Elliott.

Talbert served out his political term despite legislation in 1972 to abolish the supervisor's job and strip him of most of his powers.

The latter years of his political clout were colorful, with battles between his faction and the political clique led by Elliott.

In spite of their political differences, Elliott said, "We always loved each other and always respected each other. There was never any ill feeling between us personally.

"Even when our different factions were warring against each other, he and I always laughed about it and got along fine," he said.

Richland County politicians said Talbert was close to the people, hardworking and economical.

"He was the only man I've ever known in public office who always returned a telephone call," said Sheriff Frank Powell. "I'd see him up in his office until 10 or 11 p.m., returning calls from every Tom, Dick and Harry who wanted to talk to him."

Richland County Administrator Robert G. Mauney said Talbert was "instrumental in laying the basic foundation for the modern county government which we're building on today."

Former County Councilman S. Hunter Rentz said, "A lot of people really loved the man. They really looked to him for guidance. His death represents the death of a previous political era."

Born into a family of politicians in Edgefield, Talbert was the son of the late Thomas Garrett Talbert, a state senator, and Camilla Parker Talbert.

While serving as Richland County superintendent, Talbert hired the first black employe in the county to serve in a responsible position. He also hired the first black captain for the Richland County Department of Public Works.

His first political service was on the Eau Claire Town Council from 1938 to 1942, when he was elected to the S.C. House of Representatives. He served two terms in the House.

He was a purchasing agent for the S.C. Department of Corrections from 1946 to 1950. Later, as supervisor, he served as the first chairman of the Richland County Board of Administrators.

He was a member of the First Baptist Church, where he was a member of the Baraca Sunday School Class. He was a member of the Eau Claire Masonic Lodge, the Jamil Shrine Temple and was a charter member of the Eau Claire Exchange Club.

Surviving are his widow, Mrs. Mary Catherine Power Talbert; a daughter, Mrs. James Yager of New Orleans, La.; two sons, C. Laney Talbert Jr., of Columbia and S. Watson Talbert of Camden; two sisters, Mrs. Paul Kerr of Chapin and Mrs. Helen T. Hunter of Charlotte; a brother, Leroy B. Talbert of Columbia and 12 grandchildren.

Plans will be announced by Talbert-Shives Funeral Home.

Richland County Council has declared Friday a day of mourning for Talbert. All county offices will be closed and county employes will be given the day off. Council also asked that flags in the county as well as those in the city be flown at half mast.

[From the Columbia (S.C.) State, April 1977]

C. LANEY TALBERT SR. RITES TODAY AT 11 A.M.

Services for C. Laney Talbert Sr. will be at 11 a.m. today at the First Baptist Church, conducted by the Rev. Edwin Young and Father W. L. Gatling. Burial will be in Elmwood Cemetery.

Pallbearers will be W. D. Grimsley, Billy E. Taylor, Frank A. Graham Jr., Lewis Scott, Lewis Cromer, Dr. W. L. Williams, Aubrey E. Stroman, Lonnie B. Nelson, W. Edgar Helms and Wylie Koon.

Mr. Talbert, 69, a former state representative and Richland County supervisor, died Wednesday.

Talbert-Shives Funeral Home is in charge.

THE SIX HORSEMEN OF THE REGULATORY REFORM APOCALYPSE

Mr. KENNEDY. Mr. President, Civil Aeronautics Board Chairman, John E. Robson, testified before the House Aviation Subcommittee on April 18 on the subject of regulatory reform of the air transportation system. Mr. Robson strongly supported legislation to lessen Federal regulation in order to lessen the barriers to entry into the industry and to introduce price competition among interstate airlines. Senator HOWARD CANNON and I introduced S. 689, the Air Transportation Regulatory Reform Act of 1977, earlier this year. That bill would accomplish the goal of less regulation and more competition. As many of us know, those airlines opposing reform have raised a number of arguments that do not withstand analysis. Chairman Robson—who came to the CAB 2 years ago—has examined those arguments and points out that none of these arguments holds up under the light of commonsense and facts. Chairman Robson's statement addresses the myth that current regulation supports air service to small communities, the unsupportable contention that moderate and responsible reform will jeopardize employment and a number of other questions concerning reduced Federal regulation of the airlines. I urge my colleagues to examine Chairman Robson's statement and ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INDIVIDUAL STATEMENT OF JOHN E. ROBSON, CHAIRMAN OF THE CIVIL AERONAUTICS BOARD

(Hearings on aviation regulatory reform before Subcommittee on Aviation, House Committee on Public Works and Transportation, April 18, 1977)

Mr. Chairman, Members of the Committee, my purpose is to underscore the important points of Board consensus on the need for aviation regulatory reform and try to place in perspective areas where the emphasis of individual Board Members might differ.

Based on its independent analysis, the Civil Aeronautics Board has twice in the past year recommended to Congress that regulation be fundamentally redirected so that the domestic commercial air system will increasingly rely on competitive market forces rather than government regulation.

The Board has urged that Congress accomplish this basic change explicitly through amendment of the present law and has submitted for consideration legislation to effect this statutory revision.

We have pointed out that the natural concomitants of a genuinely competitive air system—while substantially beneficial on the whole to both the public and private sectors—can possibly be painful at times to individual entities. I urge that such possibilities not serve as the reason for Congress to shrink from making the regulatory change the Board recommends. Rather, they should be examined as factors in determining how that change should be implemented.

I believe the case for regulatory reform is compelling. I do not mean just tinkering with the law to bring about improved procedures. I mean a basic reduction in the role of government in the economic decisions of the airlines.

A competitive air system does not mean a surfeit of actual competition. It means that there will exist sufficient actual competition and a realistic threat of new competition. In this environment airlines will be economically required to provide air services at the prices and quality the traveling and shipping public needs and wants and carriers will have continuing incentives to meet the levels of efficiency and innovation which will enable them to do so.

Over the years the present protective system of regulation has induced costly inefficiencies through over-scheduling, over-capacity, competition in frills, equipment races and in other areas. It has not provided the environment or the incentives for basic price competition. Because of these inefficiencies, and the regulatory system's insulation of labor-management bargaining, neither the airline investor nor the consumer has fully reaped the potential benefits of the industry's enormous past productivity gains and growth. Nor has regulation produced a financially strong airline industry. These characteristics of the present regulatory structure are not speculative. Their existence was detailed in the Board's testimony on regulatory reform given to this Committee last spring and has been documented by others.

The favorable economic environment during which the airlines grew up, the air system saw its greatest development, and when regulation seemed to work pretty well, has dramatically changed. This extremely favorable economic climate and the rapid technological advances of the past tended to obscure inherent problems in the regulatory system and mask the errors of the regulator and the carriers. Now an adverse environment of rising costs, moderate traffic growth and sluggish productivity gains has replaced the economic pattern that was just the reverse. A regulatory system designed for a different economic era and a then developing, new industry should be changed to meet the conditions of the present and the future.

The future of regulation under the current structure faces serious difficulties, many of which are detailed in the Board's testimony. In my view, the long-term prospects for the public and the industry under the existing regulatory system are not good.

Of course, it is not possible to re-create the United States elsewhere on the globe and test with microscopic accuracy how every individual element of the aviation world would behave or be affected in an air system reliant on competitive market forces. However, the empirical evidence we have supports the conclusion that excellent, attractively priced safe air transportation, which is profitable to the carrier, can be provided without tightly protective economic regulation. Moreover, convincing empirical evidence or analysis to the contrary has not been presented.

I would respectfully observe that year in and year out Congress acts on many issues—including the imposition of far-reaching regulation—where the economic and public stakes are as great or greater than aviation regulatory reform and the empirical and analytical base is less. I do not mean to suggest that careful consideration should not be devoted to the issue of reducing airline regulation. But if absolute certainty and a perfect empirical base are conditions to Congressional action, will you ever be able to act on this or countless other vital matters?

The opponents of regulatory reform have widely prophesied what might be styled the "Six Horsemen of the Regulatory Reform Apocalypse": abandoned service; capital starvation, possible carrier failure; employee hardship; excessive industry concentration; and destruction of the U.S. air system. I fully respect their right to present their case. But it is worthwhile addressing their arguments directly because I do not believe that they hold up well under close scrutiny.

Abandoned Service. I think we should put aside excessive concerns over service to America's small communities—those where certificated jet service is truly uneconomical because of low levels of traffic. A subsidized small community service program is a key element of every regulatory reform proposal. A small community program such as the Board's will not only protect and improve air service to small communities now receiving subsidized service, it will extend service to points which are today cut off from the national air network. And it should do so more economically from the taxpayer's standpoint than is possible under today's antiquated subsidy law.

Insofar as carriers dropping non-subsidized service to allegedly unprofitable points, the fact is that the carriers have already stopped serving most of them. Since 1950, certificated service has been deleted by the Board at 248 points, a net reduction of 36 percent. Moreover, the airlines now have considerable flexibility to leave and enter individual city-pair markets and reduce their level of service without any regulatory approval. The carriers are today voluntarily serving the various points on their systems because passengers use the service and it is generally profitable for the airlines. If, as they sometimes claim, a carrier is willingly performing money-losing service at particular points, I suggest that is a matter which might be clarified for its shareholders. And there is no rational basis to substantiate the view that regulatory reform will reduce the need or desire of people for air travel from and to these points or the economic incentives of carriers to provide air service to meet those needs and desires.

Capital Starvation. Will alleged uncertainties stemming from regulatory reform "turn off" the financial community? The fact is that the financial community's general dissatisfaction with the airline industry goes back long before regulatory reform was seriously considered. Just last month a leading insurance company airline lender testified in the Senate that, "The financial results over the past twenty years are not acceptable" and that, "The industry's investment returns have consistently been substantially below comparable returns for most major U.S. industries." But the important additional point is that, even during the recent difficult years for the airline industry as a whole, carriers perceived as well managed and profitable have been able to obtain the capital they needed—just as is the case with firms in unregulated sectors of the economy where most U.S. capital is loaned and invested. There is no reason to believe that well managed, profitable carriers will be barred from funds in a less regulated environment. I might observe that the probability of regulatory reform legislation is probably as high now as it has ever been. But despite this alleged element of uncertainty, the carriers, because of their recently improved financial position, have been able to secure in the past eight months $2.73 billion of financing for aircraft and other purposes from various sources, including the equity markets.

The financial past of the airline industry has not been good. What about the future? Here are some recent observations from respected airline industry security analysis:

"The long-term financial strength of air transportation will ultimately rest on the extent to which Government, at all levels, reduces its control over the industry." (Wainwright Securities Inc., March 10, 1977.)

". . . If the industry is to avoid atrophy into a low growth rate, regulated utility . . . the best way is through competitive experimentation. . . . The industry need not fear an easier entry policy provided that the transitional phase is gradual, the entry and exit rules are predictable, and the carriers are efficient operators." (Merrill, Lynch, Pierce, Fenner & Smith, October 18, 1976.)

It is difficult to see how initial uncertainties which some allege will result from regulatory reform can create more difficulties for the industry with the financial community than has been the case in the past—or any greater volatility than the current system where regulatory policy is so heavily dependent on the changing identity of Board Members.

Possible Carrier Failure. We should first recognize that the airline business is complex and emphasize that the existing carriers are experienced and skilled. They have demonstrated that they can tighten their belts and achieve greater efficiency when they have to. A more competitive environment should underscore these incentives. There is today among the existing carriers substantial variation in break-even load factor, a key measure of efficiency. This suggests that there is room for improvement by carriers which are currently less efficient than others. I should point out, too, that even the chief executives of those carriers strongly opposed to regulatory reform have, under questioning in the recent Senate hearings, expressed confidence that they do not fear a competitive environment and would expect to do well in it.

It is true that the rigors of a competitive environment can work financial hardship on individual firms which are not efficient or are poor competitors. That is the case in the vast majority of American businesses. It is also the fact that financial hardship has beset airlines under the present regulatory system. Only two years ago a number of carriers—including some of the largest—were in financial extremis. And in the past, there have been a number of carriers which teetered on the brink of bankruptcy and were salvaged only by merger with another airline. None of the regulatory reform proposals would preclude the merger route in similar future circumstances. But the important points are that the present regulatory system offers no guarantee against carrier bankruptcy, has not produced a financially strong industry, and, in my view, enhances the risk of serious financial difficulty in the long term.

If Congress desires to guarantee the existence of each individual entity and interest in the present system—whatever its level of efficiency and at whatever cost to the traveling and shipping public—you must take an entirely different direction that the Board suggests.

Employee Hardship. Airline labor has generally prospered during the historical growth of the regulated air system. And there is no basis to expect that they cannot continue to prosper in a more competitive system. Indeed, we should expect that the number of jobs in the industry will expand as the demand for air travel increases under regulatory reform. Individual corporate executives almost uniformly express confidence that their respective airlines will do well in a competitive environment—a confidence their employees should have no reason to reject.

Other than such rights as may be in their collective bargaining agreements, airline employees currently have no protections against the effects of a carrier bankruptcy or when an airline deletes or suspends service at a point or in a city-pair market on its system, or when it reduces the number of flights.

No one is proposing either to interfere with airline labor's right to organize and bargain or to tamper with employee rights under

labor agreements. And I assume that regulatory reform legislation will preserve the Board's present powers to impose labor protection provisions in airline mergers and route swaps.

But let us concede that some less efficient carrier could not successfully compete under a more competitive air system and its employees suffer. It strikes me that Congressional concerns over the welfare of these existing job holders are not best addressed by declining to make changes in the regulatory structure which will substantially benefit the great majority of working men and women and the public as a whole. Rather, they are best dealt with by providing a gradual transition which will give the carriers and their employees time to adjust to a new way of life, or, if Congress wishes, by providing statutory labor protections financed with public funds.

Industry Concentration. Would a more competitive regulatory regime lead to excessive concentration of the industry and the survival of a few monopolistic airlines? There is no persuasive data or empirical evidence to support that thesis.

In the first place, 40 years of protective regulation has persevered, and perhaps enhanced, the level of industry concentration. In fact, the greatest growth and least concentration has occurred in the commuter carrier industry which is essentially unregulated. In 1938, 21 trunk carriers were certificated for the 48 States. Today there are 10. Of the 17 supplemental carriers which have been certificated, 7 remain. And of 32 local service carriers certificated over the years, the remaining 10 today serve about 8 percent of the 48-State market. So, despite the tremendous growth of commercial aviation, the existing system of regulation has certainly not expanded the number of significant participants or reduced concentration.

Second, the airline industry does not show the characteristics which induce economic concentration. There are no economies of scale. In fact, the Board's and other analysis show the contrary in that the largest carriers have higher unit costs than medium-sized and smaller carriers.

Third, entry barriers to the industry are relatively modest and the basic assets of the business—aircraft—are mobile. The airline industry is not like steel or automobiles where massive, immobile fixed investments are required.

Finally, there is no reason to expect that, even with greater freedom under regulatory reform, the larger carriers will suddenly reverse their fundamental, long-term investment and marketing decisions—to standardize their fleets with large aircraft and concentrate on larger, longer-haul markets—and seek to invade medium and small markets where smaller and better suited aircraft fleets and distinct marketing efforts have made the local service carriers and small trunks tremendously efficient and effective competitors. Just as the commuter carriers have geared their equipment and operations to specialize primarily in small markets, the specialization of the trunks and the local service carriers in the markets they now serve does not suggest, however well financed any of them may be, that either will reverse the direction of their fleet investment or change the basic nature of their operations in an attempt to devour the other.

Destruction of the System. Mr. Chairman, it is frequently suggested by opponents of regulatory reform that Federal regulation sustains the air system. That is simply not the case and it is imperative that Congress recognize this fact as it deliberates regulatory reform. The only reason the airlines are in business is because people all over America need and want to travel by air. No decision of the Civil Aeronautics Board has ever required anyone to buy an airline ticket. No regulatory action has ever made anyone get on an airplane. If a tidal wave washed away the Board, just as many people would need and want to fly. And, if for some reason people ceased needing and wanting to travel by air, there is no action the Board could take which would restore that lost business to the carriers.

It is natural, I suppose, that those opposed to regulatory change will pooh-pooh the potential benefits and stress the "horribles." The Board has been honest in identifying potential problems. But, for the reasons discussed above, I do not believe that the possible problems warrant overemphasis or that they overcome the persuasive case for regulatory change.

Two final points in the Board's testimony should be addressed.

First, the task of reform requires clear statutory direction from Congress and the tools to do the job. It would be unfair to leave the Board with its presently ambiguous mandate and cumbersome procedures and implicitly ask it to effect the basic long-term changes we have recommended. The carriers and their employees, the financial world, airport operators, communities and the Board should know what direction aviation regulation is supposed to go. Otherwise you leave fundamental regulatory policy to the vagaries of the appointment process and the courts.

You will be told that basic regulatory reform can be achieved without any change in the present law. I urge you to reject this because it is at heart an argument for no change. Those who do not want a more competitive air system will fight change under the present law through procedural delay and in the courts. And those who say they are willing to see a genuinely competitive air system created under the current law surely cannot object to Congress making that change explicit and providing the necessary tools to get the job done.

You will also have to weigh carefully the question of how much discretion is left in the regulatory agency to implement your mandate for reform. I am one regulator who does not underestimate the demands and difficulty that the presence of such discretion places on the Board. Each of the five Members will always have differing perspectives. Even the Board's testimony today, while unified in its central recommendation, is a substantial compromise of differing emphasis and tone. So you must recognize that the greater the degree of discretion left in the Board to implement the transition to a market-regulated system—out of concern for caution and flexibility—the less will be the clarity, certainty and expedition of that transition.

Mr. Chairman, it is my sincere hope that Congress will enact meaningful aviation regulatory reform legislation. In my view it offers the best prospect of maintaining a privately-owned, financially healthy, efficient and innovative air system which will be fully responsive to public needs. I think it offers the best chance of avoiding the difficulties which have beset other regulated transportation industries. I appreciate that change is difficult. But it can, in my opinion, be accomplished responsibly and effectively and with the preservation of the good features of our present air system.

ROUTE 72 BRIDGE

Mr. HOLLINGS. Mr. President, on April 14, 1977, the South Carolina General Assembly passed a concurrent resolution urging the U.S. Corps of Engineers to build a four-lane bridge connecting Georgia Route 72 and South Carolina Route 72 adjacent to Elbert County, Ga. It is felt that the future growth and prosperity of this region of Georgia and South Carolina depends in part on these highways and that a four-lane bridge is needed to adequately handle the traffic on these routes.

On behalf of the senior Senator from South Carolina (Mr. THURMOND) and myself, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION

To urge the United States Corps of Engineers to build a four-lane bridge connecting Georgia Route 72 and South Carolina Route 72 in the area of the Richard B. Russell Dam and Reservoir project; and for other purposes

Whereas, currently Georgia Route 72 and South Carolina Highway 72 meet at the boundary of Georgia and South Carolina adjacent to Elbert County, Georgia; and

Whereas, the construction of the Richard B. Russell Dam and Reservoir project on the Savannah River will inundate portions of these highways; and

Whereas, the future growth and prosperity of this region of Georgia and South Carolina depend in part on these highways; and

Whereas, a four-lane bridge connecting these highways will be needed in the near future to adequately handle the traffic on these routes to ensure the continued growth and prosperity of this area of Georgia and South Carolina. Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

That the General Assembly, by this Resolution, hereby urges the United States Corps of Engineers to construct as part of the Richard B. Russell Dam and Reservoir project on the Savannah River a four-lane bridge connecting Georgia Route 72 and South Carolina Highway 72.

Be it further resolved that copies of this Resolution be forwarded to the United States Corps of Engineers, to the members of the South Carolina Congressional Delegation, to the Georgia Department of Transportation and to the South Carolina State Highway Department.

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. BURDICK). Is there further morning business? If not, morning business is closed.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The PRESIDING OFFICER. Under the previous order, the hour of 1 p.m. having arrived, the Senate will now resume consideration of the motion to recommit H.R. 3477, with instructions, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill H.R. 3477, to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The PRESIDING OFFICER. Time for debate on this motion is limited to 1 hour equally divided and controlled by the Senator from Louisiana (Mr. LONG) and the Senator from Arkansas (Mr. BUMPERS), with a vote thereon to follow immediately thereafter unless a motion to table is made.

Mr. BUMPERS. Mr. President, I yield myself as much time as I may use.

Mr. President, I have observed one thing about the U.S. Congress in the very short time I have been here. Unless one is willing literally to get his brains kicked out on an issue he believes in very strongly several times, and keeps coming back, he is not likely to be very effective.

I found that tenacity is, perhaps, the greatest quality needed to be an effective Senator. In the past 2 years on many occasions, I have been defeated, and have come back with the same proposition over and over again. Ultimately, I have been able to prevail in a few things.

Unfortunately, on the issue at hand this will not be possible. Once the Senate adopts this particular proposal to increase the investment tax credit from 10 to 12 percent and the so-called jobs incentive provision, and assuming that this or something similar to it sticks in the conference with the House, there will not be an opportunity to come back and present it again.

If my position is correct, and the position of those who have joined me, such as the distinguished Senator from Massachusetts (Mr. KENNEDY) is correct, 6 months from now it will not do any good to come back to this body and say, "See, I told you so," because the law will be on the books; the business groups in this country that will take advantage of this will have already begun to take advantage of it.

So I am a little saddened because I strongly suspect the floor manager has more than enough votes to defeat this motion, and all I can do is repeat what I said in the beginning.

When the President, on whom we depend to give us at least some guidance—and I am not suggesting that the executive branch or the President is the fountain of all wisdom—but when the President, I think very courageously, dropped the tax rebate provision the other day, he did it for the very best of reasons, not the least of which is that the economy is recovering at a very fast pace, faster than anybody imagined.

The front page story in the Washington Post this morning was that the gross national product for the first quarter of 1977 is twice the rate of growth of the last quarter of 1976. Last month we saw the unemployment rate drop from 7.5 percent to 7.3 percent. The President has been saying that he hoped by the end of this year we could possibly get the unemployment rate down to 7 percent.

I am going to make a prediction, which is always dangerous here, but I am going to predict that by July 1, if not sooner—even possibly by May 1—you are going to see the unemployment rate in this country down to 7 percent. Now, that is an optimistic projection, and I hope I am right for more than one reason, not just because it is a prophecy that will come true, but because it would bid well for the future of the country economically.

So the President said:

> I am dropping the tax rebate because the economy indicates that it no longer is necessary, and I am coupling the drop of the tax rebate with the so-called business incentive of $2.5 billion

which was to increase the investment tax credit and so-called jobs incentive provision.

It was rather widely reported in this country when the President submitted his tax rebate proposal—he never admitted it, of course, but it was widely reported in the country, and I am one who happens to subscribe to the idea—that when he proposed the $11.5 billion rebate that he was going to give to the American people, he added this provision almost as an afterthought so that business could not say, "You have overlooked us."

I do not think he had any enthusiasm for it in the beginning. It is just the same old trickle-down theory. It never has worked and never will work, and most of the people on this side of the aisle have made innumerable speeches about their contempt for the trickle-down theory.

So I was pleased when the President said, "Not only are we going to drop the tax rebate but we are also going to drop this thing for business."

Then, Mr. President, Mr. Carter has said he is single-mindedly devoted to the proposition that this country must start living within its means, and that by 1981 he intends to see that we are living within our means.

He says he takes his campaign promises seriously, and that during the campaign when he said he would balance the budget by 1981 he meant just exactly that. I said, "Congratulations, and I will do everything I can to help you."

I have a resolution pending in the Senate right now which would amend the Constitution to force this Government to live within its means. It is not going anywhere, and I know it is not going anywhere—maybe we will hold hearings on it—but it is an interesting thing to me that there are 20 cosponsors to my resolution from both sides of the aisle. But what a curious enigma it is that when the President himself, the Secretary of the Treasury and the Secretary of Labor all say this $2.6 billion we are talking about here is going to be another waste, the budget-balancers seem to dissolve and vanish into thin air. They cannot be found.

I am also curious, and I am sure the floor leader for the bill will be happy to tell us, how many jobs are going to be created with this provision? I do not want one of those computer models because he himself says he has nothing but contempt for computers. The only thing you get out is what you put in, and there is some merit in what he is saying. But I am curious. How many jobs can we expect to be created under this bill, under this particular provision?

Mr. LONG. Mr. President, will the Senator yield?

Mr. BUMPERS. I yield.

Mr. LONG. The House estimate is there would be as many as 200,000 to 400,000 jobs created.

Mr. BUMPERS. How was that computation made?

Mr. LONG. I assume they made it in somewhat the same way we made ours, by taking some samplings, talking to people, talking to small business organizations interested in the jobs credit and coming up with the best, most intelligent, guess they could make under the circumstances.

May I say to the Senator that in terms of these estimates—I think their method of estimating that is just as accurate as the administration's estimate of how many jobs they were going to be creating with the $50 tax credit or the 2-percent increase in the investment tax credit.

Now, based on the information I have, I think that is a conservative estimate for that approval.

Mr. BUMPERS. I agree with the Senator 100 percent. I just finished saying that the executive branch is certainly not the fountain of all wisdom. I did not agree with their projection on the $50 rebate and, frankly, I do not believe, and we will never have any way of disproving each other, that this provision is about to create anywhere between 200,000 and 400,000 jobs.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. BUMPERS. Yes.

Mr. LONG. But is it not true if it does not create any substantial number of jobs then the cost will be practically nothing? The cost will be very, very minor.

Mr. BUMPERS. But you have the investment tax credit.

Mr. LONG. The cost will be very, very minor in the event no jobs are created. In other words, if no jobs are created there would be no cost in the provision except for some jobs which would have been created anyway, and in that case the number of new jobs created must be at least 3 percent above the base figure.

Mr. BUMPERS. If somebody elects to replace all of his capital equipment in his plant anyway, he is going to get the advantage of the 2 percent investment tax credit increase.

I shall not continue to belabor that. If we had passed such a provision as this last December, and had it become effective in January, this morning's Washington Post report about the gross national product having doubled since the last quarter of 1976, would have put everybody in a state of euphoria. They would have said, "You know, the U.S. Congress is as wise as a tree full of owls. We put this provision in and look what it has done."

But we did not do it last December, and the economy is moving extremely well by itself.

As a matter of fact, if it continues to move the way it has the first quarter of this year this provision and no other provision will be necessary. The only problem we are going to have is inflation in the next 6 months. But now we are going to put this into place, and I suspect we are, indeed, going to adopt this provision. I think the economy is going to move well, business is going to take advantage of this, they are going to hire more people just as they are going to do anyway and every economic indicator indicates they are going to hire these people anyway because business is good right now.

So we can all come back 6 months

from now and say there is just no telling what would happen in this country if we did not pass this provision giving business this $2.6 billion.

Mr. President, I am not attempting to be perjorative in my position, and I am not deprecating the Finance Committee or anyone else who happens to believe in this.

It is a curious thing to me that the so-called liberals in this body like the jobs credit incentive, and the conservatives like the increase in investment tax credit. We have the little thing to bind in there so it attracts everyone, and it is almost impossible to defeat it. But I can tell Senators if the Senate does not reject my motion today, and we have a chance to vote on it, 6 months from now this motion would be adopted overwhelmingly.

I yield 5 minutes to the Senator from Maine.

Mr. MUSKIE. Mr. President, at the outset may I say that I support the Kennedy-Bumpers amendment for reasons that I hope I have time to discuss in more detail. But before I get to that I shall make some observations from my perspective as chairman of the Budget Committee on this whole exercise.

I supported the idea that we go forward with the consideration of the tax bill this week. The bill was on the calendar. It had been reported, and it seemed a reasonable proposition to finish action on it notwithstanding the President's decision to withdraw from the $50 tax rebate.

I since had some occasion to change my mind about the wisdom of that for reasons I hope I can state briefly.

The complications for the budget process not only in fiscal year 1977 but in fiscal year 1978 are such that what we are risking by considering the tax policy this week not only for this year but for the 1978 fiscal year, is impacting the 1978 budget resolution which is on the calendar without full consideration of all of the implications of that resolution.

Mr. President, at the outset of what I am about to say, I ask unanimous consent to have printed in the RECORD a table which shows the fiscal year 1977 and fiscal year 1978 budget impacts, given different assumptions about the pending measure and its success or failure, about the bill as it stands following Finance Committee action, reflecting the impact of the Matsunaga-Packwood floor amendment which I gather we will consider, and another Matsunaga small business amendment which we will be asked to consider and a combination of those.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET SITUATION

[In billions of dollars]

	Budget resolution [1]	Eliminate rebate and business tax cut (adopt Bumpers-Kennedy motion)	Eliminate rebate only; keep business tax cut (reject Bumpers-Kennedy motion)	Adopt Matsunaga/Packwood amendment to increase standard for single persons to $2,400; eliminate rebate; keep business tax cut	Adopt Matsunaga amendment to double employment tax credit; eliminate rebate; keep business tax cut	Adopt both Matsunaga-Packwood standard deduction and Matsunaga employment credit amendments; eliminate rebate; keep business tax cut
Fiscal year 1977:						
Outlays	417.45	414.9	414.9	414.9	414.9	414.9
Revenues	347.7	354.2	353.4	353.2	353.0	352.9
Deficit	−69.75	−60.7	−61.5	−61.7	−61.9	−62.0

	Budget resolution [1]	Eliminate rebate and business tax cut (adopt Bumpers-Kennedy motion)	Eliminate rebate only; keep business tax cut (reject Bumpers-Kennedy motion)	Adopt Matsunaga/Packwood amendment to increase standard for single persons to $2,400; eliminate rebate; keep business tax cut	Adopt Matsunaga amendment to double employment tax credit; eliminate rebate; keep business tax cut	Adopt both Matsunaga-Packwood standard deduction and Matsunaga employment credit amendments; eliminate rebate; keep business tax cut
Fiscal year 1978:						
Outlays	458.8	459.3	459.3	459.3	459.3	459.3
Revenues	395.6	395.9	393.9	393.2	393.1	392.3
Deficit	−63.2	−63.4	−65.4	−66.1	−66.2	−67.0

[1] 3d budget resolution for fiscal year 1977; 1st budget resolution for fiscal year 1978 as reported by Senate Budget Committee.

Mr. MUSKIE. Mr. President, what you see with respect to fiscal year 1978 is this: The deficit that we reported out of the Budget Committee for fiscal year 1978 is $63.2 billion.

If the Kennedy-Bumpers amendment fails, the deficit for fiscal year 1978 becomes $65.4 billion, a rise of $2.2 billion over the budget resolution which is on the calendar.

If the Kennedy-Bumpers amendment passes then the 1978 deficit will be $63.4 billion or $200 million above that in the budget resolution. If we adopt the Matsunaga-Packwood floor amendment to increase the standard deduction, the deficit will rise to $66.1 billion. If there is an alternative to that and we adopt the Matsunaga increased employment credit amendment the deficit rises to $66.2 billion.

So what we may be in the process of doing here is restoring an old habit of this Congress that prevailed for almost 200 years and that is writing congressional budget revenue bill by revenue bill, spending bill by spending bill and abandoning the idea that all ought to be done within the context of an overall budget plan.

I say to you, Mr. President, and colleagues in the Senate, that the $63.2 billion deficit figure in the budget resolution was possible only because the Budget Committee was extremely restrictive on budget spending.

Mr. President, will the Senator yield 2 additional minutes?

Mr. KENNEDY. I yield 2 additional minutes.

Mr. MUSKIE. I expect that there would be pressures in this Chamber to raise functional spending limits to accommodate programs and policies in which Members are interested and we may well yield.

So the $63.2 billion deficit, in my judgment, as a practical matter, looking to the possibilities is a rock-bottom figure. So that our decisions on these business tax cuts and our decisions on the Matsunaga-Packwood amendment will have the effect of increasing the deficit projected in the budget resolution.

I understand, of course, that that deficit number has not yet been adopted by the Senate. I understand, of course, that it is not binding on the Senate. But if we pass any increases in the deficit as a result of our consideration of the tax bill then what we do here, I take it, will be regarded as binding on the Senate when we get to the budget resolution and our first step then if we are to be realistic will have to be to raise the deficit level in that resolution even before we consider the functional spending totals.

The Senate ought to understand that. It is not for me to impose a discipline as a result of those facts except to the extent that the facts themselves may impose a discipline upon Members of the Senate.

Mr. President, will the Senator yield 2 additional minutes?

Mr. KENNEDY. I yield 2 minutes.

Mr. LONG. Mr. President, will the Senator yield for a question on that point?

Mr. MUSKIE. I yield.

Mr. KENNEDY. On whose time?

Mr. MUSKIE. Will the Senator ask it on his time?

Mr. LONG. I shall ask the question on my time.

I understand that the figures I have here are the same ones from which the Senator is speaking and the figures that he will be placing in the RECORD. There are also figures here on the fiscal year 1977 deficit.

Mr. MUSKIE. I have been talking about 1978.

Mr. LONG. The two sets of columns here for fiscal year 1977 start out by showing a deficit, let us say, in the third column of $61 billion, eliminate rebate

only; keep business tax cut, deficit $61.5 billion; is that right?

Mr. MUSKIE. Fiscal 1977, that is right.

Mr. LONG. Does that take into account the fact that the administration has now discovered they are going to have $3 billion of tax collections that they had not previously counted and $7 billion less spending than they had anticipated?

Mr. MUSKIE. No. The reestimates have not yet been made final and not yet been submitted to us nor have they as yet been cranked into the scorekeeping process by the Congressional Budget Office. We are aware, of course, that spending is likely to be less than projected although in the most recent months we apparently are back on track with respect to projected spending, and we still have several months in the fiscal year to go, and there is no way of being sure what the spending picture will be as of October 1.

Mr. LONG. My best information is that as of now we are $10 billion better off as far as the deficit is concerned than the administration had estimated, which was about $61.5 billion.

Mr. MUSKIE. May I say to the Senator that is a very risky judgment to make. If we make that kind of a judgment because it suits our purposes with respect to each spending or revenue bill, we will be abandoning the process. No one really knows why, in fiscal year 1976 in the transition quarter, spending did not measure up to projections. Until we have greater certainty on that point, it would be a mistake to assume it will continue forever. Spending fell below monthly projections in this fiscal year until the most recent month, and then it began to hit the target, and may rise above the target in April, May, June, July, August, and September.

So we ought not to change those estimates except in accordance with the orderly procedures that we have developed in the budget process. The $10 billion the Senator is speaking about the President spent 2 weeks ago, and I heard him spend them, when he went on television and said:

> Because we have got this $10 billion, we ought to send it back to the people in the form of the $50 tax rebate.

But he changed his mind about that, and I suspect that the $10 billion was just a handy argument that he used at the moment.

OMB has not yet officially told us that in their judgment they would at this point officially reduce the spending projections for this fiscal year, which does not end until October 1.

Mr. LONG. Surely the Senator knows that the President made his request for the $50 tax rebate before he knew about the $10 billion.

Mr. MUSKIE. No, that is not altogether true. That is not altogether true, because we knew that in October, November, and December spending was below projections, but we do not project binding spending totals on a monthly basis. It is tough enough to try to control them on an annual basis and a functional basis. As of January 1, some part of the $10 billion was already visible. Some more became visible on January and February. But then the thing began to turn around; and to make the assumption that as of next October 1, spending for the whole year will be $10 billion below projections, I think, is a very risky business and a temptation we ought not to yield to.

Do I still have 2 minutes of time?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. MUSKIE. Let me just address the Kennedy-Bumpers motion briefly, if I may.

With regard to the investment tax credit, Mr. President, I make this simple point: We increased the investment tax credit in 1975, I think, from 7 to 10 percent. It did not result in stimulation of investment. Investment has been relatively low ever since. So there is no reason to conclude that increasing it another 2 percent will add to its stimulating effect.

Second, it is quite clear from the record that not all businesses entitled to additional credits can absorb them. There is evidence to the contrary; and adding another 2 percent just adds to their unabsorbable credits.

So, really, when we have taken action to eliminate tax relief for the average citizen, I see no justification for giving this relief, which will go to the most profitable companies, clearly, simply because, you know, we are sort of committed to it.

On the jobs tax credit, Mr. President, in the first place, the tax implications of that credit have been misstated. What is permitted is a credit of $1,050, but that will substitute for $1,050 in wages paid that would be deductible as a business expense. So really the tax advantage to using it, if a company has a tax rate of 40 percent, is only $630, and I just do not believe that $630 is going to be that much of an incentive.

The PRESIDING OFFICER. The Senator's time is expired.

Mr. MUSKIE. The second point I would make, if I could have another minute: The 103 percent threshold militates against slow-growing companies and slow-growing regions, because you have to show that employment is 103 percent of the threshold before the industry can qualify. There is a table that ought to go in the RECORD if it has not already—I think it already has—which shows the discrimination or potential discrimination by regions. My region, for example, would be discriminated against.

But more importantly, Mr. President, companies in my part of the country are not likely to put people to work for a year, even with a Government subsidy, unless their market expectations justify it. They are not going to hire people, keep them on the payroll at a subsidized rate for a year, and then keep them on unless their market expectations justify it.

I have never believed a jobs tax credit would succeed. I do not think this one would, either.

The $50 tax rebate and related payment provisions now have been deleted from the tax bill pending before the Senate. If the bill were passed in its present form, it would fall short by over $10 billion of providing the level of economic stimulus agreed upon for fiscal year 1977 by Congress when it adopted the binding third concurrent resolution less than 2 months ago.

The rebate constituted sound economic policy. I believe its deletion will prove to have been a mistake. The econometric models are virtually unanimous that withdrawal of the rebate will slow economic growth in the remainder of the year. Up to 250,000 jobs may be lost, and unemployment will be higher.

Given the deletion of the rebate, I want, as chairman of the Budget Committee, to place the remaining provisions of this tax bill in the context of the concurrent resolution for 1977 now binding on the Congress as well as the first budget resolution for 1978 recently reported by the Budget Committee. In addition, as a Member of the Senate concerned with the equity, simplicity, and efficiency of our tax system, I want to comment on the impact of the specific provisions of the pending bill in achieving these goals.

The third concurrent resolution for fiscal year 1977 specifically assumed up to $10.6 billion of additional economic stimulus in the form of revenue reductions in the current fiscal year, as well as up to $3.2 billion of additional budget authority and outlays for rebate payments to low-income individuals and recipients of Federal assistance programs.

The first budget resolution for fiscal year 1978 recently reported by the Senate Budget Committee recommends as a target $18.2 billion in net revenue reductions for the coming fiscal year.

I commend Finance Committee Chairman LONG and the members of the Finance Committee for having reported a bill initially consistent with both the binding third resolution for fiscal year 1977 as well as the recently reported first resolution for fiscal year 1978. I recognize the many pressures for additional tax reductions with which the Finance Committee had to contend, and applaud the restraint shown by the committee, particularly with respect to the impact of its revenue decisions on fiscal year 1978.

The subsequent withdrawal of administration support for its own rebate proposal, and the resulting deletion of the rebate from the pending bill, have created the possibility of very substantial leeway on both the revenue and spending sides of the fiscal year 1977 budget. In addition, approximately $500 million of revenue reductions in the pending bill have been shifted from fiscal year 1977 to fiscal year 1978 due to postponement of implementing the reductions in wage withholding associated with the standard deduction rule changes. As a result, only $2.8 billion in fiscal year 1977 revenue reductions now remain in the pending bill.

The net effect of the tax bill with both the withholding postponement and the rebate deletion offset by decreased revenues from the resulting slower economy, is to leave fiscal year 1977 revenues $5.8 billion above the binding budget resolution revenue floor and leave fiscal year 1978 revenues $1.7 billion below the revenue floor recently recommended by the Budget Committee. The latter solely re-

flects the lower economic activity in 1978 from the elimination of the rebates in 1977.

With respect to the spending side of the budget, the deletion of the rebate has reduced anticipated fiscal year 1977 outlays and budget authority by $2.5 and $3.6 billion, respectively. These totals differ from the $3.1 billion direct cost of the payments and rebates in excess of liability due to the impact on trust fund revenues and unemployment compensation. The rebate deletion also would have relatively small indirect effects on the spending side of the budget in 1978, reducing budget authority by $0.6 billion and increasing outlays by $0.5 billion.

Although enactment of the tax bill in its present form with the rebate deleted would permit $5.8 billion of additional revenue reductions in fiscal year 1977 before the binding revenue floor were breached, virtually all realistic tax proposals that would lose revenue in fiscal year 1977 would lose proportionately greater amounts of revenue in fiscal year 1978. This is due in large part to the fact that fiscal year 1977 is now almost half over, and revenue reductions made effective for calendar 1977 thus would be largely reflected in refunds paid out in early 1978.

The fiscal year 1978 revenue reductions provided under the bill now before the Senate are very substantial—$18.4 billion compared to current law. This is almost $1.5 billion more than provided in the House version of H.R. 3477, and almost $2.5 billion more than was recommended by the administration. Thus, virtually all attempts to further reduce revenue collections in fiscal year 1977 to use up the room created by deletion of the rebate would increase the already substantial fiscal year 1978 deficit by proportionately greater amounts. In effect, these additional reductions would have to constitute a conscious decision by Congress to increase the $63.2 billion deficit for fiscal year 1978 recently recommended by the Budget Committee by shifting to 1978 some or all of the economic stimulus lost in 1977 by deletion of the rebate. The Budget Committee will be meeting on Friday to consider the congressional budget in light of the deletion of the debate. I will report to the Senate the views of the committee as soon as possible, so that they may be considered in the context of the deliberations on the pending tax bill.

Having now reviewed the budgetary effects of the legislation as a whole, let me now briefly summarize my views on the merits of the major remaining components of the tax bill.

I oppose the business tax relief option provided in the bill. Both the investment credit increase and the employment tax credit will most likely prove largely ineffective. Moreover, the employment credit would add unnecessary complexity to the tax code and discriminate against regions like New England with relatively low employment growth. Additional business tax relief is particularly unjustifiable in light of the Senate decision to delete tax relief for individuals in the form of the rebate.

I favor the simplification and tax reductions resulting from the proposed uniform standard deductions.

Finally, I favor the extension of the 1977 temporary tax reductions through calendar 1978.

BUSINESS TAX REDUCTIONS

The business tax relief option in the Finance Committee bill provides a text book example of what can go wrong with tax legislation. These provisions are inefficient, discriminatory, and, in the case of the employment tax credit, add unnecessary complexity to the Internal Revenue Code for small businessmen already struggling to comply with the growing mass of Federal regulation.

Although the need for increased business investment is clear, recent experience suggests that increasing the investment tax credit from 10 to 12 percent for 4 years most likely would be an ineffective means of accomplishing this result. Investment has remained relatively low in the past 2 years, even though the investment credit was raised from 7 to 10 percent in 1975. An additional increase in the credit to 12 percent is unlikely to be any more effective.

Moreover, careful analyses of past increases in the investment credit unanimously have found that there is a time lag of at least a year before any measurable increases in investment have resulted. Thus, a further increase in the credit as part of this bill is unwarranted and impractical if the purposes of this legislation are to provide short term economic stimulus and tax simplification.

Tax law changes to accomplish the important goal of increasing investment over the long term more appropriately should, and will, be part of the comprehensive tax reform legislation to be considered later this year by the Congress.

Any further increase in the investment credit only could be fully utilized on a current basis by a shrinking fraction of businesses. Under existing law, the investment tax credit available annually is limited for most businesses to $25,000 plus 50 percent of tax liability in excess of $25,000. Since the credit was increased to 10 percent in 1975, more and more companies are unable to use their full credit potential. Increasing the credit to 12 percent would accentuate this unfairness even further. There is no economic justification for limiting the availability of the credit to highly profitable companies with sufficient taxable income to currently utilize available credits.

The most prominent argument for an increased credit has been that it would constitute an important sign of Government concern over business investment. However, the business community is much more concerned with the outlook for increased market expansion in the coming years as well as the threats of inflation, price controls and regulation. These are the principal detriments of investment psychology, rather than a $2.4 billion annual tax reduction derived largely from an increased investment tax credit.

The Finance Committee bill would permit businesses to elect an employment credit in lieu of the investment credit increase through 1978, after which all businesses would receive the 2-percent investment credit increase through 1980. The employment credit would be 25 percent of the first $4,200 of wages for all employees hired over 103 percent of the previous year's employment level. However, the average effective rate of the credit is much lower—more in the 13 to 15 percent range than 25 percent. The lower rate exists because, to the extent the credit is claimed, the ordinary business deduction for wages paid will be denied. Thus, a business entitled to a $1,050 credit for hiring one new employee would lose $1,050 of deductions for salary paid the employee. If the business has a 40-percent tax rate, the net value of the credit to the employer is $630, rather than $1,050, and the effective rate of the credit is reduced from 25 to 15 percent. A $630 one-time tax credit is simply unlikely to result in any significant new employment when average wage costs are $10,000 per employee.

Because the employment credit would apply only for employment in excess of 103 percent of the prior year's level it would be unavailable to companies struggling in declining markets or regions to maintain employment at current levels. On the other hand, expanding companies that have been increasing employment at over a 3-percent annual rate will receive windfalls that will further improve their competitive position over less growth-oriented rivals.

The high 103-percent incremental threshold will cause a large portion of the employment credit tax reductions to go to businesses in fast-growing sections of the country such as the Southwest, while a disproportionately small segment will go to New England, and the rest of the Northeast. I ask unanimous consent to have a table inserted in the RECORD showing average employment growth on a State-by-State basis over the past decade. It clearly illustrates the discriminatory impact of the 103-percent threshold rule.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

1965 to 1976: Average Annual Employment Growth

United States	2.5
N.E.	
Connecticut	1.6
Maine	2.0
Massachusetts	1.2
New Hampshire	3.2
Rhode Island	0.8
Vermont	2.7
Average	1.5
M.A.	
New Jersey	1.5
New York	0.3
Pennsylvania	1.1
Average	0.8
S.A.	
Delaware	2.1
District of Columbia*	—0.6
Florida	4.8
Georgia	3.1
Maryland	2.9
North Carolina	3.1
South Carolina	3.8

Footnote at end of table.

1965 to 1976: Average Annual Employment Growth—Continued

Virginia	3.2
West Virginia	1.6
Average	3.2

E.N.C.

Illinois	1.4
Indiana	1.9
Michigan	1.6
Ohio	1.7
Wisconsin	2.2
Average	1.7

E.S.C.

Alabama	2.6
Kentucky	3.1
Mississippi	3.2
Tennessee *	2.9
Average	2.9

W.N.C.

Iowa	2.7
Kansas	3.0
Minnesota	3.1
Missouri	1.6
Nebraska *	2.8
North Dakota	3.4
South Dakota	3.0
Average	2.5

W.S C.

Arkansas	3.2
Louisiana	3.3
Oklahoma *	3.2
Texas	4.0
Average	3.7

MT.

Arizona	5.7
Colorada	4.8
Idaho	4.3
Montana	2.9
Nevada	5.3
New Mexico	3.6
Utah	4.0
Wyoming	4 3
Average	4.6

PACIFIC

Alaska	8.4
California	2.9
Hawaii	4.1
Oregon	3.3
Washington	2.9
Average	3.1

* Based on preliminary 1976 data.

Prepared by the staff of the Senate Budget Committee, using the data of the U.S. Department of Labor, Bureau of Labor Statistics.

Employment figures are those for nonagricultural wage and salary workers.

Mr. MUSKIE. No similar discrimination existed in the administration's original proposal for a 4-percent payroll tax credit which would have been available with respect to all employees—both current and new. Moreover, the payroll tax credit would have been extremely simple for businessmen to apply and for the Internal Revenue Service to administer. By comparison, the Finance Committee employment credit is extremely complex. The provision takes up 25 pages of text in the reported bill. A myriad of complicated rules are provided to preclude abuses of the new credit and to implement the 103 percent incremental base and the so-called 105 percent safety net. The Secretary of the Treasury is expressly required to provide six new sets of regulations concerning the credit, and will probably issue untold additional regulations. All of this will certainly increase employment of lawyers and accountants, but will further deter the use of the credit to stimulate additional employment in any other fields.

STANDARD DEDUCTION CHANGES

In terms of overall revenue reductions in fiscal year 1977 and fiscal year 1978 and in terms of direct impact on individual taxpayers, the standard deduction changes are the most significant provisions in this tax bill. They would reduce revenue collections by $1.5 billion in fiscal year 1977 and $8.2 billion in fiscal year 1978. They would substantially simplify computation of tax returns for all persons claiming the standard deduction—approximately 70 percent of all tax returns. This is a very significant benefit, which must be weighed heavily against offsetting considerations for further study of these proposed changes.

The simplification results primarily from substitution of flat standard deduction levels for single and joint returns instead of the range currently in effect based upon 16 percent of adjusted gross income. The tax reductions result from setting the flat standard deduction levels relatively high, particularly for joint returns.

Substantial changes in the standard deduction are inextricably tied to the tax treatment of personal deductions. The latter are now the subject of intensive review by the Treasury Department as part of the administration's forthcoming tax reform recommendations. While I support enactment of these proposed standard deduction changes at this time, it would not be unreasonable for these changes to be postponed and considered later this year in the context of overall tax reform. Equivalent levels of tax reductions could be provided on a temporary basis through expansion of the temporary general tax credit not in effect—of $35 per personal exemption or 2 percent of the first $9,000 of taxable income.

EXTENSION OF TEMPORARY TAX DEDUCTIONS

I strongly support extension through 1978 of the temporary tax reductions now scheduled to expire at the end of 1977. These extensions would reduce fiscal year 1978 revenues by $7.8 billion. The provisions which would be extended include the alternative general tax credit, corporate income tax rate reductions, and the earned income credit. Extension of these reductions is assumed in the fiscal year 1978 budget resolution recently recommended by the Budget Committee. These reductions will have to be continued in order to offset the adverse impact of inflation forcing taxpayers into higher marginal tax brackets.

Mr. LONG. Mr. President, how much time is charged to the Senator from Louisiana?

The PRESIDING OFFICER. The Senator from Louisiana has used 5 minutes, and has 25 minutes remaining.

Mr. LONG. I said I was willing to yield some of my time for my question. I did say to the Chair that I would be willing to charge the time for my question out of my time. I did not want to charge the time for the Senator's answer. He made a very fine statement, but I do not think that should have been charged to my time, but it ought to be charged to the other side.

The PRESIDING OFFICER. The Senator from Maine has no time, and the Senator from Louisiana said he was willing to use his own time for the question.

Mr. MUSKIE. I say to the Senator from Louisiana that if I had the time, I would be willing to give it back to him, but I do not have it.

Mr. KENNEDY. Mr. President, I ask unanimous consent to give the Senator from Louisiana 5 additional minutes.

Mr. LONG. I object; that is all right. What I say will not bring the Government to an end, and probably will not make it last a day longer, either. So I will content myself with the time I have.

Mr. President, in my judgment the bill before us will be a very badly unbalanced bill. It will be an inappropriate bill. It will be a bill that fails to take into account the least of them all, if we pass what is before us after the so-called Bumpers-Kennedy motion has prevailed.

Let me explain why. This bill would then stand as a bill that would give $6 billion of tax cuts to people who use the standard deduction. It would stand as a bill that would give another year of labor's favorite loophole, the sick pay exclusion. It would stand as a bill that does something for workers who have very good wages working overseas, and do nothing—just zero, zilch—for those poor souls who are out of work in this country.

That is a sad travesty for the Congress of the United States to be perpetrating on the people of this country. If we are going to pass anything, we ought to pass something that is going to help these poor souls who are out of work.

There is a high degree of unemployment among young people. It is especially tragic among young blacks. Here we have this conversation about people who will enjoy the best of America, who will have full civil rights, who will have equal rights as citizens. Forty percent are out of work, many have never had a job in their lifetime, yet there is all this conversation about what America has to offer.

The House of Representatives realized that fact, and considered the urgings of the small business organizations. Here are two organizations which testified: The National Small Business Organization, speaking for 1 million members who would not get any benefit at all out of this bill with the Bumpers motion; and the National Federation of Independent Business, which is probably the largest of all of them, speaking for an even greater number of small businesses in this country. The two of them together speak for the small business community.

They are people who itemize, and who would like to hire these poor souls out of work.

What is in the bill? To help a business provide a job, any kind of a job, for a poor soul who never had a job in his lifetime, a young man who perhaps dropped out of high school at the age of 19 and is now 23, who never had a job for a day, who is frustrated and disappointed, a

hazard to law enforcement in this country, seeking nothing but an opportunity to make an honest living.

What is there for that person in this bill? Zero, if the Bumpers-Kennedy motion carries.

Admittedly, these are not the kinds of jobs that the American Federation of Labor wants to create. Many of these jobs would be minimum wage jobs. Many would pay no more than $3 an hour. But it is still something to restore a man's pride in the event that a man or a woman is able to find a job and become a part of all these things they have heard about, the great American free enterprise system.

Under the motion, all that would go down the drain. That which is in the bill for the least of them all, that which would help the pitiful soul not in a position to pay any taxes but just lucky enough to hold hide and hair together, that which would help them would go down the drain with the Bumpers motion.

Mr. President, it is far better to have a low wage job than no job at all. It is far better to have a minimum wage job than to never have known what it was to bring a paycheck home in one's entire lifetime. The hope of those people who want to be part of this labor force and part of the free enterprise system will be dashed if the Bumpers-Kennedy motion were to carry.

The arguments made by Mr. BUMPERS and Mr. KENNEDY were made in the House of Representatives, at that time they were arguments to keep the 2-percent investment tax credit and to keep the 4-percent payroll credit for the benefit of the business community, hoping they would hire more people. The administration resisted the job credit. How did they make out? This is hard to believe.

Mr. President, can you imagine a new President with his Secretary of Treasury working on the matter, doing the best they could to prompt the arguments against a House committee recommendation, and the House amendment was agreed to as a substitute for the administration proposal by a margin of 341 votes to 74?

If I were the Secretary of the Treasury, I would think at that point I ought to take another look at my hole card. Maybe I was the one who was wrong—when people heard my arguments and the argument of the other side, and having heard both sides of the argument they then proceeded to vote, with those speaking for the majority on the Ways and Means Committee defeating a new President, with his new Secretary of the Treasury, with the able people who support those fine men, by a margin of 341 to 74—5 to 1.

Some think politicians do not get the message. Here was a proposal supported by the small business community, supported by a majority of the Ways and Means Committee, which defeated the administration proposal by a 5-to-1 margin.

Obviously, our counterparts, those able and fine men who serve in the House of Representatives, are thoroughly convinced that the jobs credit would help provide jobs for these young people and for the older people who are seeking employment in this country. They thought it was a far more efficient way to encourage employment and to encourage the creation of jobs than anything in the bill. It fills a void.

It shows that this administration, or at least those of us in the Congress who constitute the majority, with those on the other side who are willing to work with us, I do not want to be regarded as antibusiness. We do not want to be regarded as people who would destroy the free enterprise system. We do not want to be regarded as people who have no faith in the system which has given us the highest standard of living of any nation on the face of the Earth.

No, sir, we would like for the business people of this Nation, small business as well as large business, to know that we think there is still a place for freedom in our economic system, and that we want the business community to hire more people. We want them to take the lead in providing opportunities.

Suppose we knock out everything in here that would provide an incentive for business and pass a $7 billion bill, with labor's pet loophole extended for another year, tax cuts for people who use the standard deduction, but nothing whatever for business and nothing whatever to encourage businessmen to go out and provide employment opportunities to more people? What will that do to business confidence? I should think it would shatter it. That is something which people would like to avoid.

Mr. President, I have spoken at some length of our hopes for creating new jobs and new employment opportunities, with the communications we have had from small business people and some large business people in this country expressing their desire to be a part of the economic recovery of this Nation. We have received communications from a great number of them. I have referred to some of those which I have received.

I am somewhat dismayed, Mr. President, at the statement of the chairman of the Budget Committee. I must say when my friend, the chairman of the Budget Committee, tells us of his concern that if we keep that which remains of this tax measure to stimulate, after the $10 billion are gone he fears for the fiscal integrity of the country. It is only a short time ago that the Senator was supporting $11 billion we were going to loose with the $50 rebate.

Here is a newsletter I was honored to receive, a Senate Budget Committee release, quoting the chairman of the committee expressing his supreme disappointment that the administration is not going to go for the $50 rebate but will save $11 billion. Now we are told by the administration that the budget is $10 billion less than they anticipated when they asked for the rebate.

So we are $20 billion better off than we were, because the administration withdrew its $50 request, or its $11 billion tax cut with the $50 rebate, and they found they have $10 billion they did not know they had around. Here we are, $20 billion better off and suddenly the chairman is upset about something that might cost $10 billion, even though he was ready to spend the extra $11 billion before he knew about the $10 billion that we had left over.

That leads me to remarks about the budget process, the way it has been managed. I know the distinguished Senator from Nebraska feels this way, because I have heard him say as much. If the Budget Committee is against something, particularly its chairman, it looks like the world is going to come to an end if we spend 5 cents, if he is opposed to it. But if he is for it, you can spend $11 billion and that will help everything. We will all be better off.

I think a little bit of a situation of one of our Louisiana fellows who went to west Texas. He was telling about his experience out there. He got into a poker game with some pretty tough hombres. After they dealt some cards around, he bet quite a bit.

He said, "I think I will win. I have a full house. I have aces over kings, and I will win."

The other fellow said, "No, old friend I am sorry, you lose."

He said, "Why? You don't have anything in your hand."

He said, "I know, but that is what they call a phloogie. Look at that sign up there."

It said, "A phloogie beats anything."

"So I win."

So he takes all the money off the table.

I asked this fellow, "I guess you quit playing after that, didn't you?"

He said, "No, I played a while longer. This time I got the same kind of hand. No two cards looked alike and no more than two cards in the same suit, so I bet everything I had left. I showed my hand and the fellow said, 'That is too bad, you lose.' "

I said, "How can I lose? It says right there, 'A phloogie beats anything.' "

He said, "Yes, but look at the sign behind you. That one says, 'Only one phloogie to the night.' "

[Laughter.]

That is about how my dear friend from Maine handles this budget situation. If he is for something, if we are going to go another $20 billion in the red, that is all right, it will all work out just fine and it would be irresponsible not to spend the $20 billion. If he is against it and it costs 5 cents, that is going to bring the country into national bankruptcy. We understand that is how it works and we have learned to adjust ourselves to all that.

I would say, Mr. President, that it is simply a matter of what the Congress wants to do. We have plenty of slack in the budget to do everything we are talking about, a great deal more than we anticipated.

If we want to do something to provide jobs and permit the business community—the single employer, the corner grocery store, the little mom and pop cafe, the dry goods store, the filling station—you name it—the little tire repair shop—if we are going to let the small business community and the business community generally participate in this effort for economic recovery, then, Mr. President, I think we would be well advised to keep in this bill that part of it

which gives it some balance and let the American free enterprise system be a part of this entire effort.

How much time do I have, Mr. President?

THE PRESIDING OFFICER (Mr. METZENBAUM). The Senator has 8 minutes remaining.

Mr. BENTSEN. Will the Senator yield me 3 minutes?

Mr. LONG. I would like to have the Senator's speech toward the close.

Mr. BUMPERS. Mr. President, how much time do I have left?

The PRESIDING OFFICER. There are also 8 minutes remaining on the other side.

Mr. LONG. Would the Senator from Texas be willing to wait for a few seconds to let the other side go forward, then I shall call on the Senator.

Mr. BENTSEN. Yes; I will.

Mr. KENNEDY. Mr. President, this afternoon's Senate vote on the motion to delete the business tax cuts from the fiscal stimulus bill is a test of basic fairness in the attitude of Congress toward the average American taxpayer. As a matter of simple equity, it is unfair for Congress to kill the $50 rebate for the average citizen, and yet retain the handsome tax relief for business.

In effect, if we vote to continue this business tax relief, we will be telling the American taxpayers that individual tax relief has been made dispensable, because of changed economic circumstances, but that tax relief for business remains indispensable. The clear and highly visible message we will be sending to 200 million citizens is that the economy has improved enough to make the $50 rebate unwarranted, but has not improved enough to remove the need for business tax cuts.

This attitude reflects an unfortunate side of the Senate's approach to tax justice—a "let them eat cake" reply to the average citizen's plea for tax relief, a continuation of the longstanding tax policy of "plumbs for business and wealthy taxpayers, but crumbs for the average citizen."

And let there be no mistake about it. What we are talking about is not investment incentives or jobs incentives, but tax relief for businesses—$2.4 billion of it in the present bill each year.

If the truth-in-packaging law applied to Federal legislation, the pending tax bill would be hopelessly in violation. The two aspects of the business tax cuts—the 12-percent investment credit and the new jobs credit—are simply tax relief for business, in spite of the appealing names in which they have been disguised.

The present approach is reminiscent of President Nixon's August 1971 proposal to reinstate the investment credit, which had lapsed in 1969. To improve the image of his business-oriented tax relief proposal in the eyes of the Congress, the President called it a "Job Development Credit." But the "job development" phrase was immediately perceived for what it is—business tax relief in job development clothing.

The same transparent disguise is now cloaking the jobs credit and the 12-percent investment credit in the current bill. There is no credible evidence that either part of this $2.4 billion business boondoggle will have any significant impact on the economy, on jobs, or on investment.

JOBS CREDIT

The jobs credit in its present form is little more than a windfall for Sears Roebuck, J. C. Penney, Montgomery Ward—now owned by Mobil, and other big national service firms. Construction firms may reap massive benefits as the economy returns to health and the construction industry recovers from its recent deep depression; but the benefits will be pure windfalls—having everything to do with the state of the economy and nothing to do with the tax provision.

Also, the 103-percent employment threshold—only firms with 3 percent job growth a year can qualify—is so high that only the most rapidly growing regions of the country will get the full benefit of the windfall. By contrast, in other regions of slower or negligible growth, such as New England—six States averaging 1.5 percent, the Middle Atlantic States—three States averaging eight-tenths percent, and the Middle West—16 States averaging 1.7–2.9 percent, the jobs credit will be of little or no benefit to the vast majority of firms.

The credit is so complex and the incentive level is so low—it provides only $600 in tax relief to a firm that hires a $10,000 worker—that few if any firms will base their hiring decisions on the relief that will be available. Instead, at the end of the year, they will simply ask their lawyers and accountants "how much did we qualify for?" Thus, the credit is little more than a tax rebate for business. And the chances are, if they hired anyone at all, they hired the lawyers and accountants needed to decipher the complexity and hieroglyphics of the law.

In addition, if the jobs credit had some potential significance for reducing unemployment, it is hardly likely that the AFL–CIO and the UAW would be lined up so solidly against it. Yet they have opposed it from the beginning, as a wasteful and ineffective use of Federal funds that provides little or no effective job incentives. To American labor, the jobs credit is rightly perceived as a Trojan horse bearing gifts for business.

THE 12-PERCENT INVESTMENT CREDIT

And the 12-percent investment credit fares no better. The rise from 7 to 10 percent in 1975 produced no perceptible effect on investment. Piling on an additional 2 percent at this time is simply a fresh windfall for the firms that already use the credit.

Nor is the investment credit fair to the hundreds of thousands of businesses of America. As the credit marches higher, fewer and fewer firms find they can take full advantage of it, because of the various limits in the law. Many firms cannot use the credit now at all, because they have already surpassed the limits. Others will receive no benefit from the increase to 12 percent, because they are bumping up against the limits now. According to Treasury estimates, only 68 percent of the eligible investment credits at the 10-percent level for 1977 will actually be claimed on 1977 tax returns. If the credit goes to 12 percent, only 56 percent of the credits would be claimed, as more and more firms become trapped by the limits of the credit.

As the investment credit goes up, therefore, more and more of the credit is going to richer and richer firms. In effect, under the policy before the Senate, the message to business is that the rich get richer and poor go bankrupt. The 12-percent investment credit is a big business bonanza that ought to be abolished.

And who uses the investment credit? The answer is, the biggest corporations in America. The most recent available evidence indicates that two-thirds of the credit goes to the top one-tenth percent of corporations. In 1975, the credit was worth $750 million to A.T. & T. alone. In effect the 12-percent credit will be a fresh tax windfall for corporate giants like A.T. & T., Exxon, General Motors, and U.S. Steel. The waste and inefficiency of the investment credit is also startling. A 1976 Library of Congress study showed that for each dollar of revenue loss, the credit generated only 40 cents of new investment.

In sum, neither the jobs credit nor the investment credit makes sense on economic grounds or on the merits of the provisions themselves. These objections alone should be enough to sink the proposals at this time.

But the overriding objection is the objection based on equity. Fairness to the average American taxpayer requires Congress to treat the rebate and the business tax cuts alike. The rebate has been withdrawn, and the business tax rebate should go as well when the Senate votes.

I withhold the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. I yield 3 minutes to the Senator from Texas.

Mr. BENTSEN. I thank the distinguished Senator.

I think we ought to clear the record on whether this bill gives tax relief to individuals. We gave a tax cut in this bill to 47 million Americans. That is how many got a tax cut out of this. We also simplified tax returns for 95 percent of individual taxpayers. That is a positive, progressive step to give a break to the American taxpayer.

Let us look at the balance between business and individuals in this bill: $14 billion in tax cuts to individuals in fiscal 1978; $2.4 billion in tax cuts to business and there is a balance on the business side between labor-intensive and capital-intensive companies. That is what we have accomplished and that is what we have brought to you.

The distinguished Senator from Louisiana was talking about high unemployment among young blacks in this country—and it is a tragic number that we are seeing unemployed. If you say to 17-, 18-, 19-, or 20-year-old young people that there is no job, no productive role in society for them to fill, what happens

to them? You do not just put them on the shelf.

You do not just icebox them for 2, 3, or 4 years walking the streets, with nothing productive to do. You pay a long-term social, political, and economic impact in this country. We will pay a terrible price for this. We must find a way to put them back to work and not just in dead end public service jobs.

We ought to be trying to do it through the private enterprise system if we can.

Sure, the employment tax credit is a new idea to this country. But it has been used in some of the European countries effectively. The Secretary of the Treasury said it means that we are going to be hiring some of the lower-income people in those jobs. Absolutely, that is right. We are going to give them a chance to get off welfare, to fill a productive role.

The big problem that we always have in trying to simultaneously fight inflation and unemployment, is that to do something for one, it works the other way on the other.

Here is a chance to help unemployment and inflation at the same time, because as we cut the cost of production in the competitive society it gets passed on to the consumer. But we are putting people back to work in what we hope will be meaningful productive jobs. That is what this has done.

We talk about the investment tax credit. Again, it is saying to people in New England which is the most industrialized part of our Nation, where they have some of the most antiquated machinery and equipment, here is a chance to modernize the machinery, to be competitive in world markets, and to keep people on their jobs.

That is what we are providing and fighting inflation at the same time. That is what we ought to be seeking, and this is what this package has done.

I have supported public works jobs. Do we know how much it costs? Thirty thousand dollars per employee for public works jobs.

There are some other benefits to it. We get long-term, lasting investment for that part of our country, and I support those. I supported the public service jobs, which cost $8,000 to $12,000 per job, because I would rather pay a fellow for working than not working, and we would rather have it that way, too, or the vast majority of them.

But a jobs tax credit is the most economical way of all to create jobs.

I heard earlier in the debate that the first quarter shows a 5.2 percent real growth in GNP. That is great, we do not have to do anything.

The President has projected 5.4 percent real growth in GNP and says that still means 7.1 percent unemployment.

We ought to be attacking that problem, and here is a chance to do it. But not just with money that means increases in consumer spending.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LONG. I yield the Senator 1 more minute.

Mr. BENTSEN. I thank the Senator.

Let us look back to 1973 and 1974 because some of the same indicators are here now. We have heard that our manufacturing capacity increased from 78 to 82 percent. However, our economy will still develop bottlenecks in some areas, be it aluminum, be it steel, be it electrical products, and then those price increases begin to leapfrog across and we really have inflation.

But now is the time to take that other 18 percent of unutilized manufacturing capacity which is obviously the least efficient or they would not have put it aside, modernize it to make us more competitive so we can compete with the Japanese sending over their TV sets and the Europeans sending over their shoes.

We can go to Mexico and see what is happening there, where we have them paying two or three times as much for an oven, a stove or a refrigerator.

That is not the way to do it. Investment capital and modernization of our capital is the way.

The PRESIDING OFFICER. The additional minute has expired.

Mr. BENTSEN. I thank the distinguished Senator.

Mr. BUMPERS. Mr. President, how much time do the proponents have?

The PRESIDING OFFICER. Two minutes remain for the proponents of the motion.

If neither side yields time, time runs equally against both sides.

Mr. BUMPERS. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I say to the distinguished Senator from Texas that if the 10-percent investment tax credit will not assist the garment and shoe manufacturers of New England to replenish their obsolete equipment, I do not think any reasonable man thinks 12 percent is going to do it.

I want to repeat an argument made by the distinguished Senator from Maine. He is opposed to it for budgetary constraints. He is opposed to it because of the inequities it works on certain geographical regions of the United States, and because he said a moment ago that it will not create any jobs.

The average manufacturing wage in this country is about $10,000. If we think a corporation which is already in a 48-percent tax category is going to employ anybody to save that $1,015 when all they will save is about $500 or $550, they are not.

This was an afterthought. Everybody knows it was an afterthought.

Finally, Mr. President, I would just as soon vote a rebate for industry. We are saying to the American people, "We are sorry we misled you about the $50, we are not going to give you the $50 rebate, we will save that $11 billion, and now we are going to give big business $2½ billion."

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. BUMPERS. Just 15 seconds.

I would just as soon say to the big corporations of this country, "We will give you the rebate instead of the people."

Mr. LONG. Mr. President, I yield myself 2 minutes.

Mr. President, as to taxpayers' claiming the standard deduction, this bill provides an average of $130 tax reduction per taxpayer who claims the standard deduction. If the Bumpers motion carries, it would do nothing for the people who itemize, just zero.

Everything would have been removed from the bill that is there for the purpose of trying to get someone to create a job and put someone to work.

Here is a wire from the Small Business Association asking that the Bumpers motion be voted down and that we have a strong jobs credit. That organization has a million members.

The National Federation of Independent Business, they are strongly for this. So is every other small business group for doing something to help some businesses, and businesses generally, to put people to work.

This will be an unbalanced bill. It will be regarded as an antibusiness bill if we do not have at least the jobs credit part of it in this bill.

Furthermore, Mr. President, the Senator is seeking to recommit and report back. Anyone who is familiar with that motion knows that is the kind of motion that should not be used if we can do the same thing by amending the bill.

If the Senator wants to strike some part of the bill, he ought to seek to amend it when the time comes, and not seek to make the manager and the committee redraft the bill to make it read the way he wants it to read and to work from there.

The motion to recommit and report back is supposed to mean, if that motion is agreed to, we expect to pass the bill in precisely that fashion and it is supposed to entail an implicit commitment that they are not going to consider further amendments.

It is not the proper motion to make, under the circumstances, and it is not what the Senate should do. What the Senate should do is reject this motion and go ahead and amend the bill, however, the Senate wants, in the orderly, proper, legislative process. Having done so, then the Senate can work its wisdom and vote up or down on its final work when it has properly amended.

I hope very much, Mr. President, that the motion to recommit and report back to meet the views of the Senator from Arkansas will not be agreed to.

Mr. KENNEDY. Mr. President, 45 seconds.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, when this tax stimulus package was put together, there was a coupling effect between the tax rebate for individuals and the tax cuts for business. They stood together at the beginning, and they should fall together now. The President, the Secretary of the Treasury, and the administration's economic advisors have made the judgment that the economy is in a sufficiently improved situation that neither the tax rebate nor the business tax cuts are needed as an economic stimulus. If the tax rebate does not make sense from an economic point of view neither does the business tax cut.

The purpose of this motion is to keep the faith with the average American taxpayer. We cannot take away his rebate, while preserving billions of dollars of tax relief for business.

Mr. President, yesterday I included in the RECORD as part of this debate letters supporting this position from the AFL–CIO, the UAW, and public citizens. On Tuesday, the Senator from Arkansas (Mr. BUMPERS) included in the RECORD a letter from the Secretary of the Treasury supporting this position. Today I have received a memorandum, addressed to all Senators, from the public interest taxpayers' lobby, taxation with representation, and I ask unanimous consent that this memorandum may be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

VOTE NO ON BUSINESS TAX CUTS

H.R. 3477, the Tax Reduction and Simplification Act of 1977 contains $2.4 billion of tax breaks for business which are an abomination when $10 billion worth of tax rebates have been denied to the average American taxpayer.

We urge you to vote against the jobs tax credit and the investment tax credit for the following reasons:

If the economy does not need $10.4 billion in tax rebates for people, neither does it need $2.5 billion a year in tax cuts for business.

The administration is planning a major tax reform and capital formation proposal for next October. Time is needed to come up with proposals which will really work and will not just throw money at a problem.

Both the investment tax credit and the jobs credit only help profitable firms which are expanding anyway, while declining or stable industries will not be helped at all.

Both the jobs credit and the investment tax credit will worsen cyclical variations in the economy by granting the credit during periods of growth and inflation, and denying it during declines.

The jobs tax credit has been attacked by such diverse economists as Walter Heller and Milton Friedman. (See Heller's testimony before the Ways and Means Committee and Friedman's article in Newsweek, April 11.)

As soon as the jobs credit expires, workers will be thrown back into the unemployment pool, generally with no more skills or training than they had before.

The jobs credit is an administrative nightmare for the employer, the IRS, and the courts. Like the World War II excess profits tax, it will cause tens of thousands of lawsuits, clog the courts, and necessitate a major expansion of the judiciary.

The investment tax credit is high enough at 10%; another 2 points will not encourage any more investment. The revenue lost here will make it difficult to have good tax reform and capital formation programs in the fall.

The investment tax credit is so high now that many firms cannot use it to the fullest extent because they have insufficient tax liability. More of the same won't help them.

The investment tax credit is so generous now that 10 major steel companies with total net incomes of over $1.1 billion on average had no tax liability. In fact, most of them got refunds because of carrybacks of excess investment tax credits. (See Tax Notes, April 25, 1977.)

The Treasury Department and the Carter administration oppose passage of the business tax cuts.

ADDITIONAL STATEMENTS SUBMITTED

Mr. HANSEN. Mr. President, I ask unanimous consent that a telegram from the Chamber of Commerce of the United States to Senator LONG, and two letters signed by various trade associations be printed in the RECORD.

There being no objection, the telegram and letters were ordered to be printed in the RECORD, as follows:

APRIL 21, 1977.

HON. RUSSELL B. LONG,
Senate Office Building,
Washington, D.C.

The National Chamber urges you vote against recommittal of H.R. 3477, for purpose of deleting title III. This title important because provides dual business incentive option of either an additional 2-percent investment tax credit or jobs tax credit equal to 25 percent of the first $4,200 wages paid each new employee with no maximum on total credits claimed in 1977–78. Title III recognizes need for stimulating investment in plant and equipment through increase in investment tax credit, and aids structurally unemployed through new hire credit, urge you preserve title III.

HILTON DAVIS,
Chamber of Commerce of the United States.

APRIL 21, 1977.

DEAR SENATOR: The National Small Business Association, and all other leading small business groups, join in urging that you support our highest priority tax goal—a strong Job Tax Credit as proposed by Senators Haskell, Laxalt, Matsunaga and Humphrey.

This measure is the least inflationary, most cost-effective method to fight still high unemployment.

Please bear in mind the House approval by an all regional, non-partisan, non-ideological vote of 341–74. We sincerely hope you will join in an equally strong Senate approval.

Sincerely,

MILTON D. STEWART,
President.

APRIL 21, 1977.

DEAR SENATOR: We believe it is of utmost importance to adopt the business tax proposals in the Senate Finance Committee bill now before the Senate.

It is essential for the promotion of capital investment and jobs, and will benefit both small and large companies.

The Ad Hoc Committee for an Effective Investment Tax Credit.
Air-Conditioning & Refrigeration Institute.
American Council for Capital Formation.
American Dental Association.
American Gas Association, Inc.
American Iron & Steel Institute.
American Land Development Association.
American Machine Tool Distributors Association.
American Meat Institute.
American Mining Congress.
American Pipe Fittings Association.
American Textile Machinery Association.
Associated General Contractors of America.
Council of State Chambers of Commerce.
Edison Electric Institute.
The Ferroalloys Association.
Foodservice and Lodging Institute.
Mechanical Contractors Association of America.
National Air Transportation Associations.
National Association of Manufacturers.
National Canners Association.
National Machine Tool Builders Association.
Packaging Machinery Manufacturers Institute.
Portland Cement Association.
Printing Industries of America, Inc.
Rubber Manufacturers Association.
United Fresh Fruit & Vegetable Association.

Mr. WALLOP. Mr. President, several of my colleagues believe that the proposed jobs tax credit will not be effective in getting people back to work. It may be that their hesitancy to support the jobs and investment tax credit is related to a growing hesitancy to seek solutions to economic problems through the private sector. This is an unfortunate trend, especially as we consider how the private sector has provided the dynamism and versatility that has made our economy strong.

Some Senators defend their opposition to the jobs tax credit by saying that the people of the United States wanted a $50 rebate, and without the rebate, there is no reason to grant a jobs tax credit to business. I cannot speak for all of the people of this country, but I am confident in stating that the people of Wyoming want jobs, not rebates, that they want this Nation to remain strong and competitive through investments in new plants and machinery, and that they want and intend to utilize the jobs tax credit.

I have recently received the replies of 117 Wyoming businesses surveyed by the National Federation of Independent Businesses. These Wyoming firms were asked whether they would hire additional workers in response to a job tax credit enacted by Congress. There businesses indicated that they would hire a total of 318 additional workers, which is an average of 2.7 new workers per reply, if the job tax credit were granted.

Most of the businesses that made replies to the survey are small operations, with on the average of less than 10 employees. Thus two additional employees represents a substantial percentage increase for these small businesses. These small businesses are the most competitive and dynamic entities in our economy. They are labor intensive businesses that in the past have not benefited from investment tax credits. It is time to recognize the importance of small business in our economy and make an effort to help them bring people back to work in productive and rewarding jobs.

I think that we should recognize that while public works projects will also help take Americans off the welfare rolls, they will not offer the unemployed the kinds of skills and experience that private sector jobs can provide. The people receive training and skills that will serve them and our economy long after the tax credit has expired. This is not a one-shot stimulus to the economy like a tax rebate, but a long-term investment in human resources from which we will reap rewards far into the future.

For these reasons, I feel that the jobs tax credit serves a useful purpose and will vote to retain it.

The PRESIDING OFFICER. All time

under the motion has expired. The question is on agreeing to the motion to recommit. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS) and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. TOWER) would vote "nay."

The result was announced—yeas 20, nays 74, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—20

Abourezk	Culver	McGovern
Anderson	DeConcini	McIntyre
Biden	Griffin	Metcalf
Bumpers	Hart	Metzenbaum
Chiles	Hathaway	Muskie
Clark	Kennedy	Stevenson
Cranston	Leahy	

NAYS—74

Allen	Goldwater	Packwood
Baker	Gravel	Pearson
Bartlett	Hansen	Pell
Bayh	Haskell	Percy
Belmon	Hatch	Proxmire
Bentsen	Hatfield	Randolph
Brooke	Hayakawa	Ribicoff
Burdick	Heinz	Riegle
Byrd, Harry F., Jr.	Helms	Roth
	Hollings	Sasser
Byrd, Robert C.	Huddleston	Schmitt
Cannon	Jackson	Schweiker
Case	Javits	Scott
Chafee	Johnston	Sparkman
Church	Long	Stafford
Curtis	Lugar	Stennis
Danforth	Magnuson	Stevens
Dole	Matsunaga	Stone
Domenici	McClellan	Talmadge
Durkin	McClure	Thurmond
Eagleton	Melcher	Wallop
Eastland	Morgan	Weicker
Ford	Moynihan	Williams
Garn	Nelson	Young
Glenn	Nunn	Zorinsky

NOT VOTING—6

Humphrey	Laxalt	Sarbanes
Inouye	Mathias	Tower

So the motion to recommit was rejected.

Mr. MUSKIE and Mr. HASKELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, if I might have the attention of our colleagues for about 30 seconds.

The PRESIDING OFFICER. Will the Senate be in order?

Mr. MUSKIE. I shall make an observation about this bill from the point of view of the budget. Senators ought to bear in mind as we proceed the effect of the vote that we just took was to add $2 billion to the 1978 deficit which is projected in the first concurrent resolution for 1978, which is at the desk, so votes like this have the effect of increasing the deficit for a budget resolution we have not yet considered.

Any other tax reductions in addition to those in this bill which carry over to 1978 will add to that deficit. It is the prerogative of the Senate to do that. But I think it ought not to be done blindly. I wish Senators to understand that is the effect, and it may well be that we may have to take the budget resolution back to committee if the results of our actions on this bill accumulate the deficit. When I say this I am not being critical of any Senator's vote on the issue we have just considered. But there are budget implications, and I think Senators ought to know what they are. That is all I wanted to say while a number of Senators are in the Chamber.

Mr. LONG. Mr. President, I shall respond for a moment to the admonition of the chairman of the Budget Committee while Senators are here.

It has been my experience that when the chairman of the Budget Committee favors an amendment the budget problem is never a problem. If it puts us $50 billion in the red—$20 billion, not $50 billion—$20 billion in the red that is something that can be accommodated. But if the chairman is against the amendment, if it costs 5 cents that is going to bankrupt the country.

We recall the experience that we had when we were voting on the Tax Reform Act last year. We were admonished, admonished, and admonished that the Tax Reform Act was going to bankrupt the country, because we were told that it was unrealistic to assume that Congress would ever dare to bring an end to those temporary tax cuts including the $35 tax credit. The reason it was unrealistic so soon was that the chairman of the Budget Committee led the charge to knock out the part that would balance the bill, so that having led the charge to knock out the part that would bring to an end the temporary tax cuts, he made it unrealistic to assume that that would be a balanced bill. Then the chairman himself——

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LONG. I will yield in a moment.

Then the chairman himself, as well as members of his committee, proceeded to vote for amendment after amendment on that bill that made that a further unbalanced bill to the extent that when the bill was finally voted on as chairman of the committee I offered an amendment to save it that said to the Senate that we ought to try to bring back confidence to a bill that pretty well balanced things out as far as we could. That is what we did do.

So the budget balancing, after all that conversation about ending the budget process, was done in the same old traditional fashion, by the conferees from the Senate, the senior members of the Finance Committee, going to conference with their counterparts from the House Ways and Means Committee to try to work things out the best they could, to meet all the budgetary problems one might anticipate and consider.

We are now in a $10 billion better position than we were, by the administration's own bookkeeping—a $10 billion better position than we were when the chairman was advocating that we vote for the $50 tax rebate, which would have cost $11 billion. So we are $21 billion better off than the chairman anticipated we were going to be. I know he is concerned about 1978, but I would urge him to realize that there are some of us in addition to the chairman who are interested in seeing that this Nation remains fiscally solvent, and we are going to work toward that end. But when you try to tell a Senator he cannot offer an amendment here, that is something this Senator cannot prevent any more than the chairman of the Budget Committee can prevent it.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LONG. Yes.

Mr. MUSKIE. I do not know what I did to enrage the Senator from Louisiana. All I did was state a simple fact, and as I see it, I have a duty as chairman of the Budget Committee to state facts. I do not try to restrain anyone from offering an amendment, but let the facts speak for themselves. I do not intend to get into another hassle with the chairman of the Finance Committee over what we did last year. I think the Senator has confused his history a little bit, but that is his prerogative.

All I am saying is that in the budget resolution that is not more than 2 weeks old, we had a deficit projected in that budget resolution of $63.2 billion, and that according to the same computation, the addition of the investment tax credit and the job tax credit in this bill would add $2 billion to that deficit.

That is a simple statement of fact. Now, with respect to the $10 billion figure which the President used a week and a half ago to justify the $50 tax rebate, let me say to the Senate as a whole what I said earlier to the distinguished chairman of the Finance Committee when he made the same point, when only four of us were on this floor: The fact is that in fiscal year 1976, with the best estimating that OMB, CBO, and the Budget Committees could make, actual spending in fiscal year 1976 was less than the spending we had projected. The same thing happened in the transition quarter. The same thing happened in this fiscal year in October, November, December, January, and February.

But it turned around in March. There is no basis for anybody to conclude that as of October 1, spending for this year will be $10 billion less than the spending that we projected in the Third Concurrent Budget Resolution which Congress adopted in February. If it is, I would think the taxpayers would be grateful. I do not think the taxpayers would be grateful if we assume that there is $10 billion in that budget that will not otherwise be spent, that we can begin spending now. What we may then face on October 1 is the disappearance of that $10 billion and the addition of additional deficits, because we rationalized with every spending bill or every revenue bill that last month's spending was not up to snuff.

That is the old method. That is the old method that I remember so well. When spending bills come to the floor——

Mr. LONG. Mr. President, who has the floor?

Mr. MUSKIE. Spending bills come to

the floor, and the Senator says, "This is all right, this is within the budget."

How did we write the budget? Bill by bill by bill.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. MUSKIE. I am sorry I cannot finish my thought.

Mr. LONG. Mr. President, I would like to finish my statement; then the Senator can have the floor as far as I am concerned. I just want to finish my part of it.

As it stands now, by the administration's estimate, we have $7 billion more money on hand, that has not been spent, than had been anticipated. We have $3 billion more in revenues than had been anticipated. That makes us $10 billion better off.

For the fiscal year we are in, we also have the benefit of the fact that the $50 rebate has been removed. That is $11 billion. That makes us $21 billion better off than we had estimated.

Now, the Senator from Maine now wants to talk about the fact that the bookkeeping might not be exact, the way he would like to see it, come 1978. Well, Mr. President, the President just got through last night recommending a whole host of new taxes, running into at least $25 billion of taxes, that he would like for us to vote by 1978. I think he was optimistic if he thinks we are going to vote the whole $25 billion; but he will not be completely disappointed. We are going to vote some of those taxes which the President recommended last night.

Everyone knows the budget resolution for 1978 is not binding until we vote the second resolution. I have managed tax bills before. I have managed big tax bills before. I have seen Senators put amendment after amendment on the bill, to where someone would wonder whether we were absolutely going to run out of all the money the printing press could print before we finished amending the bill. But by the time the bill went to conference and the differences were worked out between the Senate and the House, the bills have come out with a balance everyone thought we could live with, including the administration.

So I am not concerned to the degree the Senator from Maine is worried that every time we vote for an amendment someone does not agree with, that is going to destroy the country. We may very well have offered on this bill, for example, an amendment to implement the countercyclical program with another $2 billion. We may agree to it, or we may not. But at this point no one can say we are going to spend all the money the President would like to spend, just as no one can say we are going to put on all the taxes the President would like to put on.

But I remember last year, when the chairman of the Budget Committee led a fight to break the budget, we found that it is possible to work out the overall package to bring it within whatever targets we may want to insist on here.

I, of course, welcome the right of the Senator to advise us amendment by amendment with regard to what he thinks this would do with regard to 1978, or any year. But I point out that the Senator has been known to support a lot of things that could break the budget, because he favored the amendments.

I think Senators should, when they think an amendment is a good amendment, vote for it, or if they think it is a bad amendment not vote for it, and let their conscience be their guide.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CURTIS. I have great respect for the Budget Committee. I think it is made up of eminent gentlemen, dedicated to their task. But after all, they have a very big job. There is a deficit of $50 billion, $60 billion, or $70 billion. We will never bring it into balance by fine tuning or asserting jurisdiction over the tax law. What the country is waiting for is for the Budget Committee to bring in some recommendations to lessen the size of our Government.

How are we going to get rid of a $60 billion deficit? Only by having less Government.

I do not care about what kind of language was in there or what kinds of speeches were made, when the Budget Committee was created.

The fact remains the American people expect that committee to go to the task, look at our expenditures, and bring in a plan to cut them down, even if it reduces the size of Government, even if it takes certain benefits away, even if it discontinues certain programs.

Why do we have a Budget Committee? There was a time when the taxing committees were the appropriating committees. The job got too big so they divided it. Both groups carried on their work without any coordination or without the coordination they should have. Here we have vested in one committee the responsibility of bringing our budget under control.

Every time we have a tax bill there is a catastrophe about every amendment which the Finance Committee seems to have worked on for months.

Even if the will objecting to the Finance Committee prevailed it would not be a drop in the bucket on bringing this budget into balance. This budget can only be brought into balance by less expenditures, less programs, cutting down on some, postponing some, doing away with others entirely. It is either that or go on with the unbalanced budgets.

I know of no one who is realistic, who believes all of these projections that the experts put out that they will have a balanced budget in 1981, 1982, or 1983. That has been said for the last 50 years and we go on adding to our Government.

Last week or the week before last, an unemployment compensation bill was before the Senate. We increased the obligation on the general budget by $1 billion for the next 2 years by transferring an obligation that had been carried by the unemployment tax over to the general budget.

We did not get any help from that mighty force that heads the Budget Committee. I must say, Senator BELLMON joined in it.

We have been on the floor before with bills to reduce.

Mr. President, we cannot go on housing people, feeding people, giving them everything, taking care of all their wants, paying medical bills for everybody over 65 just because they are 65, and then go on adding to the welfare state and pay for it under a private enterprise system. We cannot collect that much taxes.

I hope the Budget Committee will come to the rescue of our country and that they will attack the job that the country expects from them, to cut down on expenditures from the Treasury. After all, this tax amendment we are debating is for the benefit of taxpayers. It is their money. They earned it. I thank my chairman for yielding.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. MORGAN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HASKELL. Mr. President, I yield to the Senator from North Carolina without losing my right to the floor.

Mr. MORGAN. Mr. President, I ask unanimous consent that Mr. Harold Edwards and Mr. Robert Jackson, of my staff, be granted the privilege of the floor during the debate and votes on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, will the Senator from Colorado yield for a unanimous-consent request?

Mr. HASKELL. I yield.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that Vince Versage, of my staff, be granted the privilege of the floor during the consideration and votes on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. HASKELL. I yield for a unanimous-consent request.

Mr. BAYH. Mr. President, I ask unanimous consent that Ann Church and Tom Connaughton be granted the privilege of the floor during the consideration and votes on H.R. 3477.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HASKELL. I yield.

Mr. DANFORTH. Mr. President, I ask unanimous consent that Nancy Altman, of my staff, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HASKELL. I yield.

Mr. JAVITS. Mr. President, I ask unanimous consent that the following members of my staff be granted the privilege of the floor during the debate on this bill: Charles Warren and James O'Connell, as well as Gary Kuzina, of the Budget Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HASKELL. I yield.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Charles Gentry, of my staff, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HASKELL. Without losing my right to the floor, I yield 5 minutes to the Senator frome Maine.

Mr. MUSKIE. Mr. President, as I have frequently said, and I think it should be repeated at this time, first, I want to assure the distinguished chairman of the Finance Committee and the ranking Republican that try as they may, they will not succeed in intimidating me from doing my job. We have only one discipline in the Budget Committee. I would be amazed if the Senator from Louisiana did not understand that. As a matter of fact, I think he understands it all too well. That is why he responded with such outrage to what I said earlier. We have only one discipline, the discipline of information. If I do not have that responsibility, I do not have any.

Second, the Senator and his colleagues can rail against me as much as they like for using the budget process to serve my own ends. The record will show that I have voted in committee and out to hold down spending on things I was interested in and I will continue to do so.

I believe the record will be an accurate reflection against the charges that the chairman of the Finance Committee has made this afternoon.

Mr. LONG. Will the Senator yield?

Mr. MUSKIE. I want to finish. It will not require 30 seconds.

The third point I make is I cannot see the Finance Committee, its chairman and ranking member, are any different than any other Senator. They would like to see the budget discipline apply to all the others but not to them. That is why the budget process was created in the first place, because on our separate authorizing committees we have a tendency to get committed to particular programs, to particular policies, and we lose the perspective of the whole picture.

We are all fallible on the Budget Committee. We are all members of other committees. We are going to make mistakes, but this mistake we will not make as long as I am chairman. I can be displaced by the Democratic caucus in any caucus, as the Senator from Louisiana well knows.

As long as I am chairman, the Senate is going to get the facts, to the best of my ability. It can accept the facts or not. If the Senator from Louisiana thinks I am going to come to the floor after an action such as we took and say to the Senate, "That has no budget impact," or that these other amendments that are coming up have no budget impact, if the Senator regards that as a proper discharge of the duties of the chairman of the Budget Committee, then he is mistaken.

Mr. LONG. Will the Senator yield?

Mr. MUSKIE. I yield.

Mr. LONG. Let me say if I wounded the Senator's feelings I want to apologize to the Senator because I love him.

Mr. MUSKIE. The Senator has not wounded my feelings.

Mr. LONG. I think the Senator is a great American. I am proud of him. I love him. I am proud to be the Senator's friend, even though sometimes I know I irritate the Senator. He is a great American. Insofar as I may have offended him, I am sorry.

Let me say to the Senator it is my impression, and it does not make all that much difference whether I am right or wrong but it is my impression, that the bill we reported out of this committee was known to the Budget Committee, and the budget resolution at the desk takes into account everything we have in this bill that is sitting here.

Mr. MUSKIE. Would the Senator like me to respond to that?

Mr. LONG. Yes.

Mr. MUSKIE. The bill, when it was originally reported out—and if the Senator will look at the prepared statement I placed in the RECORD today I complimented the Senator and the Finance Committee on its facts when it was reported out—before the withdrawal of the tax rebate, was in full accord with the third concurrent budget resolution.

I know that the Senator made every effort to see that it was. But since that time, the $50 tax rebate has been withdrawn. That has a negative impact on our budget projections. The result is that revenue estimates for fiscal year 1978 are lower than they would have been with the rebate. In addition to that, we must project increases in unemployment compensation benefits and other trust fund benefits for that reason.

The projection is that killing the $50 tax rebate can result in increased unemployment on the order of 250,000 by the end of the 1978 fiscal year. That has to be taken into account in revenue projections and in spending projections.

So, although the tax bill, when it was reported out, met the criteria of the third concurrent resolution and the 1978 resolution, there was a change in circumstances which changed it.

Now, in our haste to move this tax bill along, maybe I too quickly agreed to this schedule before we had fully judged and evaluated the budget implications of what had happened. If I were hasty in that respect, I regret it, but I cannot change that. The bill is here. We have to consider it.

I have no objection, may I say to the Senator, to the Senate voting any way it wishes on these amendments. That is the Senate's prerogative, it is not mine. But the Senate ought to understand when it votes for these things that unless, somewhere down the line, as the Senator suggests, that action is eliminated in conference or elsewhere—and I cannot anticipate that—the budget implications will be thus and so.

That is all I am trying to do, and I think I made that statement unemotionally at the time. I have gotten a little bit heated since because the Senator has a way of heating the atmosphere on this floor. I guess I have a little of that talent myself.

In any case, all I was trying to do is state a neutral fact so that, as the Senators consider these other amendments that are coming down the line, they take that fact into consideration. If they still want to vote for the amendment, God bless them; let them do it. I have no power to prevent them.

I say on a personal note to the Senator that the Senator knows that, although we do clash on the floor from time to time, I am very fond of him personally. Our relationship goes back a lot longer than most people realize. I have never had reason to regret knowing him and enjoying his own talent for histrionics and his own talent for companionship, and, above all, his storytelling ability.

My role is not a storytelling role. My role is a fact-telling role, and I do the best I can, I say to the Senator. I hope I do not give preference to the things I am interested in. I hope any time I do or appear to do that, the Senator will hold my feet to the fire, because I do not wish to do that.

Mr. LONG. Will the Senator yield to me?

Mr. HASKELL. I yield 3 minutes to the Senator from Louisiana.

Mr. LONG. Let me say to the Senator from Maine that I think I better understand what the Senator's understanding and logic is at this moment. He is saying that when the $50 rebate was withdrawn, that required the Budget Committee to assume that business conditions next year will not be as good as they are this year and that there will be more unemployment. Therefore, while doing that resulted in a more favorable budget situation for now and a smaller deficit by about $11 billion, it would probably result in a less favorable situation in the following fiscal year. The result of that would be that, for fiscal year 1978, we might be about $2 billion worse off than this committee had anticipated.

Is that correct?

Mr. MUSKIE. Let me state it another way, though that is essentially correct.

The whole purpose of the $50 tax rebate was to stimulate the economy. Without the stimulus, the economy is bound to be less viable than with it. As a matter of fact, it is for that reason, as I understand the President, that he has withdrawn it, because he says we do not need the stimulus and, if we keep it, we may overheat the economy. So it is not necessarily a projection as to the state of the economy a year from now, but what it would be with or without the stimulus.

(At this point Senator LEAHY assumed the Chair.)

Mr. LONG. My point is that while I did not fully understand how the Senator arrived at the conclusion that a bill which we reported, which we thought had been cleared with the Budget Committee and which we had reason to believe was fully within what the Budget Committee was expecting, suddenly became one that was more than a billion dollars beyond the 1978 fiscal year estimate. I believe I now understand the Senator's logic.

Let me say that if, through a combi-

nation of circumstances, it be the judgment of the Senate that we will reduce the deficit in fiscal year 1977 by $11 billion and if that set of circumstances should result in a greater deficit of $2 billion by 1978, as far as the national debt is concerned, we would still be $9 billion better off than was originally anticipated. I would think if that were the circumstance, those who are concerned about the fiscal solvency of this Government would feel that the logical thing for the Senate to do, having made those decisions, would be to reduce the deficit in fiscal 1977 in its assumption and increase the projected deficit for the following year. I think that this is the same Senate, even though there might be one committee looking at one item and another committee looking at another. Whatever the combined judgment of the Senate might be, I should think that the Senate would be willing to accommodate itself to whatever the Senate decides it ought to do about these bills, having had the best information that all Senators can offer.

Would the Senator agree with that?

Mr. MUSKIE. Yes, but I would suggest that——

The PRESIDING OFFICER (Mr. ZORINSKY). The Senator from Colorado has the floor and has yielded 4 minutes, which has expired.

Mr. HASKELL. I yield an additional 2 minutes to the Senator from Maine.

Mr. MUSKIE. In the first place, the $11 billion number is not strictly accurate, but that is a detail for the moment. The table that I put in the RECORD will give harder figures.

But, yes, of course, it is possible, and the Senate should be willing to change its economic assumptions and its economic policy on the basis of changes in circumstances and on the basis of the most recent information. All I am saying is that when a change has taken place, it is my job to tell the Senate what it is.

Secondly, it would seem to me to be preferable to make the changes through the process that has been created for that purpose than to do it ad hoc on the Senate floor.

The Senate, of course, would vote on tax amendments on the Senate floor, but to try on the Senate floor to change the economic assumptions of the Congress budget policy, I think, is very risky business, indeed, because there are as many variations in philosophy on that score as there are Senators, as the Senator knows.

I think that the Senator and I are at least looking at the same picture at the moment and are in a position to discuss it at the moment.

I do not want to delay my good friend from Colorado from presenting his amendment. I want to assure him that his amendment is not any particular target of mine. I do not know what it is yet or whether I shall be for it or against it. I understand it is designed to improve something and I am all for improvement. I know the Senator is, so I may be for his amendment when I see it.

I think the Senator from Louisiana, after laboring as we have for almost a year now to understand each other on this budget process, may be beginning to close the gap in our understanding. If we are, I am delighted.

Mr. BUMPERS. Will the Senator from Colorado yield for a couple of minutes? I think I am ready for his amendment.

Mr. HASKELL. I yield for a couple of minutes without losing my right to the floor.

Mr. BUMPERS. Mr. President, I do not want to deal in any post mortems.

When I first came to the Senate the former Senator from North Carolina, Mr. Ervin, told me I would enjoy being in the Senate, but that occasionally I would be terribly disappointed because the majority of the Senate would not fully appreciate the wisdom of my views. Today is such a day.

But there is a piece of information contained in the State Farm ad that I think we would like to know.

On the investment tax credit increase, which the Senate just has at least indirectly approved, I will make one observation. Recently, I read in the Wall Street Journal where A.T. & T. announced that the last 3 months and last 12 months have been far and away the most profitable in their history.

During the last 12 months, their profits have been over $4 billion. In 1977, A.T. & T. budgeted $11.4 billion for construction.

I just did a little extrapolation to show what we have just done. If the A.T. & T. construction budget of $11.4 billion continues in that vein, and it will because they plan their construction way ahead and way beyond the effective deadline for ending this tax rebate, but if we can reasonably assume that 75 percent of that $11.4 billion will be eligible for the investment tax credit, that means A.T. & T., in the first 12 months this is in effect, will derive $171 million, or roughly 7 percent of the total amount that the increase in the investment tax credit is supposed to cost the Government.

I thought the Members would like to know they have just voted to give A.T. & T. 7 percent of $2.4 billion.

I thank the Chair.

AMENDMENT NO. 198, AS MODIFIED

Mr. HASKELL. Mr. President, I call up my amendment No. 198 and ask that it be modified.

Several Senators addressed the Chair.

Mr. JAVITS. I did not hear a thing.

The PRESIDING OFFICER. Will the Senator from Colorado use his microphone, please?

Mr. HASKELL. Yes, I will.

Mr. President, I call up my amendment No. 198 and ask that the reading be dispensed with and that it be modified to add in the table of contents, after section 302, a section 303 which will read "Alternative Economic Stimulus Credits."

Now, Mr. President, the purpose of this amendment——

Mr. JAVITS addressed the Chair.

Mr. HASKELL. Mr. President, I would like to explain the purpose of this amendment.

The PRESIDING OFFICER. It has not been agreed to. Is there objection?

Mr. CURTIS. Reserving the right to object, what have we agreed to?

Mr. HASKELL. I just offered the amendment. I do not know if it has to be agreed to. I am just offering it, that is all. We will have a vote on it at some later time.

The PRESIDING OFFICER. The Senator asked the reading be dispensed with and it be modified. It takes unanimous consent to dispense with reading.

Mr. HASKELL. Then by all manner and means, let us have the clerk read the amendment and I will modify it.

Mr. JAVITS addressed the Chair.

Mr. HASKELL. Mr. President, I ask the clerk to read the amendment.

The PRESIDING OFFICER. The amendment as offered is not in order.

Mr. HASKELL. Mr. President, I ask that it be modified in the manner that I suggested, that section 302 in the table of contents be amended to read "alternative economic stimulus credits and an increase in the jobs tax credit."

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. Will the Senator send the modification to the desk?

Mr. HASKELL. Yes.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) proposes an amendment No. 198, as modified.

The amendment, as modified, is as follows:

Modify amendment No. 198 as follows: Strike lines 1 through 9, and at the end of section 302 in the table of contents after the word "credits" insert "and an increase in the jobs tax credit".

Mr. JAVITS. Mr. President, will the Senator yield for a parliamentary inquiry.

Mr. HASKELL. For a parliamentary inquiry?

Mr. JAVITS. I just want to know where we stand.

Mr. President, has the first committee amendment been read?

The PRESIDING OFFICER. The committee amendment which is pending has not been read. Does the Senator wish it be read?

Mr. JAVITS. Is there a pending committee amendment?

The PRESIDING OFFICER. There is a pending committee amendment.

Mr. JAVITS. Which one is it, may we know?

The PRESIDING OFFICER. Committee amendment No. 2, beginning on page 2, section 302.

Mr. JAVITS. This is the amendment to which my colleague is addressing himself?

Mr. HASKELL. The Senator is correct.

Mr. JAVITS. All right. I am sorry.

Mr. HASKELL. Mr. President, I would like to explain the background of the amendment which I propose.

Mr. CURTIS. May I inquire——

Mr. HASKELL. Let me explain.

Mr. CURTIS. Is the Senator amending anything but the table of contents?

Mr. HASKELL. If the Senator will let me explain, Mr. President, the purpose of the amendment, I think the whole thing will become clear.

Mr. CURTIS. Very well.

Mr. HASKELL. Mr. President, the present committee amendment provides an alternative which a taxpayer can take of a 2-percent investment credit or a jobs credit in the amount of $1,050 for certain additional people added to the payroll.

The second provision of this package is obviously geared to increase employment in this country and, hopefully, to cut down the over 7 percent unemployment which we have had for 28 months.

In the view of this Senator and in the view of the small business associations that are particularly interested in this credit, this is an inadequate inducement to increase employment.

For that reason, the suggestion has been made that the credit be increased to $2,100 per employee.

Furthermore, Mr. President, I think we all recognize that the Tax Code of our Nation is tilted toward the major business enterprises of the Nation. For example, we already have the investment credit and, if my memory serves me correctly, something in excess of 70 percent advantage of that credit in the year 1975 was taken by corporations with over $100 million in assets.

Now, that is big business, indeed. Big business benefits from the investment credit.

We have ADR which, of course, is really only the very large, who can afford separate accounting staffs, who can take advantage of it because of its immense complexity.

We also have the business of allowing to escape from U.S. income tax the earnings of foreign subsidiaries of domestic parent corporations. This, of course, is an advantage to the very large corporations of this country and, in fact, reduces the effective rate of multinational corporations to a very low level.

In addition to that, there are other advantages which really accrue as a matter of practice only to the very large. DISC would be one of them that allows overseas sales to have a favorable tax rate and, obviously, generally speaking, only the very large make overseas sales.

Therefore, it seemed appropriate that the jobs credit should be limited to the moderate-sized business and the small business.

This being the case, the amendment suggests that there be a so-called cap; in other words, no one employer could take more than a certain amount of tax credit for new employment.

So the amendment basically has two purposes: to put forward a meaningful job credit and to limit its use to the small and middle-sized businesses of this Nation.

For that reason, the amendment provides that no one employer can take more than $100,000 in credit.

Mr. President, the House has put a cap on its jobs credit. It has put a $40,000 cap rather than a $100,000 cap and, in many ways, I think the House cap is probably better than the one I am suggesting. But I doubt that, perhaps, we could get enough votes to pass a $40,000 limitation.

UP AMENDMENT 156—SECOND MODIFICATION OF AMENDMENT NO. 198

Mr. President, I further modify my amendment to include the material I now send to the desk.

The PRESIDING OFFICER (Mr. ZORINSKY). The amendment is so modified.

Mr. HASKELL's second modification (UP 156) is as follows:

SEC. 302. ALTERNATIVE ECONOMIC STIMULUS CREDITS.

(a) NEW JOBS CREDITS.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44A the following new section:

"SEC. 44B. CREDIT FOR EMPLOYMENT OF CERTAIN NEW EMPLOYEES.

"(a) GENERAL RULE.—At the election of the taxpayer, there shall be allowed as a credit against the tax imposed by this chapter the amount determined under subpart D of this part.

"(b) ELECTION.—The election referred to in subsection (a) shall be made by the employer (in the manner provided in regulations prescribed by the Secretary) on or before the due date (including any extensions of time) for filing its return of tax under this chapter for the last taxable year beginning during 1977. Once made, the election shall be effective for the year made and all subsequent taxable years beginning in 1977 or 1978. The Secretary shall prescribe regulations with respect to the continuation of the election in situations in which corporations and other persons are organized, reorganized, liquidated, or otherwise restructured. An election may not be made under this section by a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) unless the election is made by all members of that controlled group. The election may not be made by a trade or business under common control (within the meaning of section 52(b)) unless all of the trades or businesses under common control have made the election.

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section and subpart D."

(b) RULES FOR COMPUTING CREDIT.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end thereof the following new subpart.

"Subpart D—Rules for Computing Credit for Employment of Certain New Employees

"Sec. 51. Amount of credit.
"Sec. 52. Special rules.
"Sec. 53. Limitation based on amount of tax.

"SEC. 51 AMOUNT OF CREDIT.

"(a) DETERMINATION OF AMOUNT.—The amount of the credit allowable by section 44B shall be—

"(1) for a taxable year beginning in 1977, an amount equal to 50 percent of the excess of the aggregate unemployment insurance wages paid during 1977 over 103 percent of the aggregate unemployment insurance wages paid during 1976, and

"(2) for a taxable year beginning in 1978, an amount equal to 50 percent of the excess of the aggregate unemployment insurance wages paid during 1978 over 103 percent of the aggregate unemployment insurance wages paid during 1977.

"(b) TOTAL WAGES MUST INCREASE.—The amount of the credit allowable by section 44B for any taxable year shall not exceed the amount which would be determined for such year under subsection (a) if—

"(1) the aggregate amounts taken into account as unemployment insurance wages were determined without any dollar limitation, and

"(2) '105 percent' were substituted for '103 percent' in the appropriate paragraph of subsection (a).

(c) TOTAL CREDIT LIMIT.—The amount of the credit allowable by sec. 44B shall not exceed $100,000.

"(d) MINIMUM PRECEDING YEAR WAGES.—For purposes of subsection (a), if 103 percent of the amount of the aggregate unemployment insurance wages paid during 1976 or 1977 is less than 50 percent of the amount of such wages paid during 1977 or 1978, respectively, 103 percent of the amount of such wages paid during the preceding year shall be increased to an amount equal to 50 percent of the amount of such wages paid during the year for which the determination is made.

"(e) UNEMPLOYMENT INSURANCE WAGES DEFINED.—For purposes of this subpart—

"(1) FUTA WAGES.—Except as otherwise provided in this subpart, the term 'unemployment insurance wages' has the meaning given to the term 'wages' by section 3306(b), except that, in the case of amounts paid during 1978, '$4,200' shall be subtituted for '$6,000' each place it appears in section 3306(b).

"(2) AGRICULTURE LABOR.—If the services performed by any empolyee for an employer during more than one-half of any pay period (within the meaning of section 3306(d)) taken into account with respect to any calendar year constitute agricultural labor (within the meaning of section 3306(k)), the term 'unemployment insurance wages' means, with respect to the remuneration paid by the employer to such employee for such year, an amount equal to so much of such remuneration as constitutes 'wages' within the meaning of section 3121(a), except that the contribution and benefit base for each calendar year shall be deemed to be $4,200.

"(3) RAILWAY LABOR.—If more than one-half of the remuneration paid by an employer to an employee during the calendar year is remuneration for service described in section 3306(c)(9), the term 'unemployment insurance wages' means, with respect to such employee for such year, an amount equal to ⅞ of such much of the remuneration paid to such employee during such year as is subject to contributions under section 8(a) of the Railroad Unemployment Insurance Act (45 U.S.C. 358(a)).

"(a) RULES FOR APPLICATION OF SECTION.—For purposes of this subpart—

"(1) REMUNERATION MUST BE FOR TRADE OR BUSINESS EMPLOYMENT WITHIN UNITED STATES.—Remuneration paid by an employer to an employee during any calendar year shall be taken into account only if more than one-half of the remuneration so paid is for services performed in the United States in a trade or business of the employer.

"(2) SPECIAL RULE FOR CERTAIN DETERMINATIONS.—Any determination as to whether paragraph (1) of this subsection, or paragraph (2) or (3) of subsection (d), applies with respect to any employee for any calendar year shall be made without regard to subsections (a) and (b) of section 52.

"SEC. 52. SPECIAL RULES.

"(a) CONTROLLED GROUP OF CORPORATIONS.—For purposes of this subpart, all employees of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case, the credit (if any) allowable by section 44B to each such member shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit. For purposes of this subsection, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—

"(1) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(2) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(b) EMPLOYEES OF PARTNERSHIPS, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—For purposes of this subpart, under regulations prescribed by the Secretary—

"(1) all employees of trades or businesses

(whether or not incorporated) which are under common control shall be treated as employed by a single employer, and

"(2) the credit (if any) allowable by section 44B with respect to each trade or business shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit.

The regulations prescribed under this subsection shall be based on principles similar to the principles which apply in the case of subsection (a).

"(c) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by the Secretary—

"(1) ACQUISITIONS.—If, after December 31, 1975, an employer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this subpart for any calendar year ending after such acquisition, the amount of unemployment insurance wages deemed paid by the employer during periods before such acquisition shall be increased by so much of such wages paid by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business acquired by the employer.

"(2) DISPOSITIONS.—If, after December 31, 1975—

"(A) an employer disposes of the major portion of any trade or business of the employer or the major portion of a separate unit of a trade or business of the employer in a transaction to which paragraph (1) applies, and

"(B) the employer furnishes the acquiring person such information as is necessary for the application of paragraph (1),

then, for purposes of applying this subpart for any calendar year ending after such disposition, the amount of unemployment insurance wages deemed paid by the employer during periods before such disposition shall be decreased by so much of such wages as is attributable to such trade or business or separate unit.

"(d) TAX-EXEMPT ORGANIZATIONS.—No credit shall be allowed under section 44B to any organization (other than a cooperative described in section 521) which is exempt from income tax under this chapter.

"(e) CHANGE IN STATUS FROM SELF-EMPLOYED TO EMPLOYEE.—If—

"(1) during 1976 or 1977 an individual has net earnings from self-employment (as defined in section 1402(a)) which are attributable to a trade or business, and

"(2) for any portion of the succeeding calendar year such individual is an employee of such trade or business,

then, for purposes of determining the credit allowable for a taxable year beginning in such suceeding calendar year, the employer's aggregate unemployment insurance wages for 1976 or 1977, as the case may be, shall be increased by an amount equal to so much of the net earnings referred to in paragraph (1) as does not exceed $4,200.

"(f) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation (as defined in section 1371)—

"(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned pro rata among the persons who are shareholders of such corporation on the last day of such taxable year, and

"(2) any person to whom an amount is apportioned under paragraph (1) shall be allowed, subject to section 53, a credit under section 44B for such amount.

"(g) ESTATES AND TRUSTS.—In the case of an estate or trust—

"(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable each, and

"(2) any beneficiary to whom any amount has been apportioned under paragraph (1) shall be allowed, subject to section 53, a credit under section 44B for such amount.

"(h) LIMITATIONS WITH RESPECT TO CERTAIN PERSONS.—Under regulations prescribed by the Secretary, in the case of—

"(1) an organization to which section 593 (relating to reserves for losses on loans) applies,

"(2) a regulated investment company or a real estate investment trust subject to taxation under subchapter M (section 851 and following), and

"(3) a cooperative organization described in section 1381(a),

rules similar to the rules provided in section 46(e) shall apply in determining the amount of the credit under this subpart.

"(i) CERTAIN SHORT TAXABLE YEARS.—If the employer has more than one taxable year beginning in 1977 or 1978, the credit under this subpart shall be determined for the employer's last taxable year beginning in 1977 or 1978, as the case may be.

"SEC. 53. LIMITATION BASED ON AMOUNT OF TAX.

"(a) GENERAL RULE.—Notwithstanding section 51, the amount of the credit allowed by section 44B for the taxable year shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under—

"(1) section 33 (relating to foreign tax credit),

"(2) section 37 (relating to credit for the elderly),

"(3) section 38 (relating to investment in certain depreciable property),

"(4) section 40 (relating to expenses of work incentive programs),

"(5) section 41 (relating to contributions to candidates for public office),

"(6) section 42 (relating to general tax credit), and

"(7) section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

For purposes of this subsection, any tax imposed for the taxable year by section 56 (relating to minimum tax for tax preferences), section 72(m)(5)(B) (relating to 10 percent tax on premature distributions to owner-employees), section 408(f) (relating to additional tax on income from certain retirement accounts), section 402(e) (relating to tax on lump-sum distributions), section 531 (relating to accumulated earnings tax), section 541 (relating to personal holding company tax), or section 1378 (relating to tax on certain capital gains of subchapter S corporations), and any additional tax imposed for the taxable year by section 1351(d)(1) (relating to recoveries of foreign expropriation losses), shall not be considered tax imposed by this chapter for such year.

"(b) SPECIAL RULE FOR PASS-THROUGH OF CREDIT.—In the case of a partner in a partnership, a beneficiary of an estate or trust, and a shareholder in a subchapter S corporation, the limitation provided by subsection (a) for the taxable year shall not exceed a limitation separately computed with respect to such person's interest in such entity by taking an amount which bears the same relationship to such limitation as—

"(1) that portion of the person's taxable income which is allocable or apportionable to the person's interest in such entity, bears to—

"(2) the person's taxable income for such year reduced by his zero bracket amount (determined under section 63(d)), if any.

"(c) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(1) ALLOWANCE OF CREDIT.—If the amount of the credit determined under section 51 for any taxable year exceeds the limitation provided by subsection (a) for such taxable year (hereinafter in this subsection referred to as the 'unused credit year'), such excess shall be—

"(A) a new employee credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a new employee credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by section 44B for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1977, section 44B shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under such section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in paragraph (2), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(2) LIMITATION.—The amount of the unused credit which may be added under paragraph (1) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by subsection (a) for such taxable year exceeds the sum of—

"(A) the credit allowable under section 44B for such taxable year, and

"(B) the amounts which, by reason of this subsection, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year."

(c) DEDUCTION FOR WAGES PAID REDUCED BY AMOUNT OF CREDIT.—

(1) IN GENERAL.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280C. PORTION OF WAGES FOR WHICH CREDIT IS CLAIMED UNDER SECTION 44B

"No deduction shall be allowed for that portion of the wages or salaries paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under section 44B (relating to credit for employment of certain new employees) determined without regard to the provisions of section 53 (relating to limitation based on amount of tax). In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades, or businesses (within the meaning of section 52(b)), this section shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.".

(2) CLERICAL AMENDMENT.—The table of sections for such part is amended by adding at the end thereof the following new item:

"Sec. 280C. Portion of wages for which credit is claimed under section 44B.".

(d) ALTERNATIVE INCREASE IN INVESTMENT CREDIT.—Paragraph (2) of section 46(a) (relating to amount of credit for current taxable year) is amended by adding at the end thereof the following new subparagraph:

"(E) INCREASE IN PERCENTAGES FOR TAXPAYERS NOT CLAIMING SECTION 44B CREDIT.—

"(i) In the case of a taxpayer for whom an election to take the credit allowed by section 44B (relating to credit for employment of certain new employees) is not in effect, subparagraph (A) shall be applied by substituting '12 percent' for '10 percent', and

clause (i) of subparagraph (B) shall be applied by substituting '13 percent' for '11 percent'.

"(ii) The provisions of clause (i) shall apply only to—

"(I) property to which subsection (d) does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1976, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection after such date and before January 1, 1981,

"(II) property to which subsection (d) does not apply, acquired by the taxpayer after December 31, 1976, and before January 1, 1981, and place in service by the taxpayer before January 1, 1981, and

"(III) property to which subsection (d) applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d)) with respect to qualified progress expenditures made after December 31, 1976, and before January 1, 1981.

"(iii) In the case of a taxpayer with respect to whom an election under section 44B (b) is in effect for 1978, clause (ii) of this subparagraph shall be applied by substituting 'December 31, 1978,' for 'December 31, 1976,' each place it appears therein.".

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) CLERICAL AMENDMENTS.—

(A) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44A the following new item:

"Sec. 44B. Credit for employment of certain new employees."

(B) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following new item:

"Subpart D. Rules for computing credit for certain new employees."

(2) MINIMUM TAX.—

(A) Section 56(c) (defining regular tax deduction) is amended by striking out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(9) section 44B (relating to credit for employment of certain new employees)."

(B) Subparagraph (A) of section 56(e)(1) (relating to tax carryover for timber) is amended—

(i) by striking out "and" at the end of clause (ii),

(ii) by striking out "exceed" at the end of clause (iii) and inserting in lieu thereof "and", and

(iii) by inserting after clause (iii) the following new clause:

"(iv) section 44B (relating to credit for employment of certain new employees), exceed'".

(3) CORPORATE REORGANIZATIONS—

(A) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(26) CREDIT UNION SECTION 44B FOR EMPLOYMENT OF CERTAIN NEW EMPLOYEES.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44B, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44B in respect of the distributor or transferor corporation."

(B) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1978, is amended—

(i) by inserting "to any unused new employee credit of the corporation under section 53(b)," and "section 50A(b),"; and

(ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK INCENTIVE PROGRAM CREDITS, NEW EMPLOYEE CREDITS,".

(C) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused new employee credit of the corporation which could otherwise be carried forward under section 53(c)," after "section 50A(b),"; and

(ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK INCENTIVE PROGRAM CREDITS, NEW EMPLOYEE CREDITS,".

(D) The table of sections for part V of subchapter C of chapter 1 is amended by striking out "work incentive program credits," in the item relating to section 383 and inserting in lieu thereof "work incentive program credits, new employee credits,".

(4) STATUTES OF LIMITATION AND INTEREST RELATING TO NEW EMPLOYEE CREDIT CARRYBACK.—

(A) ASSESSMENT AND COLLECTION.—Section 6501 (relating to limitations on assessment and collection) is amended by adding at the end thereof the following new subsection:

"(p) NEW EMPLOYEE CREDIT CARRYBACKS.—In the case of a deficiency attributable to the application to the taxpayer of a new employee credit carryback (including deficiencies which may be assessed pursuant to the provisions of section 6213(b)(3)), such deficiency may be assessed at any time before the expiration of the period within which a deficiency for the taxable year of the unused new employee credit which results in such carryback may be assessed, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, at any time before the expiration of the period within which a deficiency for such subsequent taxable year may be assessed."

(B) CREDIT OR REFUND.—Section 6511(d) (relating to limitations on credit or refund) is amended by adding at the end thereof the following new paragraph:

"(9) SPECIAL PERIOD OF LIMITATION WITH RESPECT TO NEW EMPLOYEE CREDIT CARRYBACK.—

"(A) PERIOD OF LIMITATIONS.—If the claim for credit or refund relates to an overpayment attributable to a new employee credit carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or 39th month, in the case of a corporation) following the end of the taxable year of the unused new employee credit which results in such carryback (or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a new operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, the period shall be that period which ends with the expiration of the 15th day of the 40th month, or 39th month, in the case of a corporation, following the end of such taxable year) or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later. In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable to the extent of the amount of the overpayment attributable to such carryback.

"(B) APPLICABLE RULES.—If the allowance of a credit or refund of an overpayment of tax attributable to a new employee credit carryback is otherwise prevented by the operation of any law or rule of law other than section 7122, relating to compromises, such credit or refund may be allowed or made, if claim therefor is filed within the period provided in subparagraph (A) of this paragraph. In the case of any such claim for credit or refund, the determination by any court, including the Tax Court, in any proceeding in which the decision of the court has become final shall not be conclusive with respect to the new employee credit, and the effect of such credit, to the extent that such credit is affected by a carryback which was not in issue in such proceeding."

(C) INTEREST ON UNDERPAYMENTS.—Section 6601(d) (relating to income tax reduced by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK.—If the credit allowed by section 44B for any taxable year is increased by reason of a new employe credit carryback, such increase shall not affect the computation of interest under this section for the period ending with the last day of the taxable year in which the new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback, or a capital loss carryback from a subsequent taxable year, such increase shall not affect the computation of interest under this section for the period ending with the last day of such subsequent taxable year."

(D) INTEREST ON OVERPAYMENTS.—Section 6611(f) (relating to refund of income tax caused by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK.—For purposes of subsection (a), if any overpayment of tax imposed by subtitle A results from a new employee credit carryback, such overpayment shall be deemed not to have been made before the close of the taxable year in which such new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, such overpayment shall be deemed not to have been made before the close of such subsequent taxable year."

(5) TENTATIVE CARRYBACK ADJUSTMENTS.—

(A) APPLICATION FOR ADJUSTMENT.—Section 6411 (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(i) by striking out "or unused work incentive program credit" each place it appears in such section and inserting in lieu thereof "unused work incentive program credit, or unused new employee credit",

(ii) by inserting after "section 50A(b)," in the first sentence of subsection (a) "by a new employee credit carryback provided in section 53(c),",

(iii) by striking out "or a work incentive program carryback from" in the second sentence of subsection (a) and inserting in lieu thereof ", a work incentive program carryback, or a new employee credit carryback from", and

(iv) by striking out "investment credit carryback" in the second sentence of subsection (a) and inserting in lieu thereof "investment credit carryback, or, in the case of a new employee credit carryback, to an in-

vestment credit carryback or a work incentive program carryback)".

(B) TENTATIVE CARRYBACK ADJUSTMENT ASSESSMENT PERIOD.—Section 6501(m) (relating to tentative carryback adjustment assessment period) is amended—

(i) by striking out "or a work incentive program carryback" and inserting in lieu thereof "a work incentive program carryback, or a new employee credit carryback", and

(ii) by striking out "(j), or (o)" each place it appears and inserting in lieu thereof "(j), (o), or (p)".

(6) DESIGNATION OF INCOME TAX PAYMENT.—Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1976, and to credit carryback from such years.

Mr. HASKELL. Mr. President, I think a smaller cap would be desirable because I think it is more the small business as opposed to the middle-sized business in this country that needs the greatest assistance. But in hopes of passing a limitation, a cap, at all, why, I picked the $100,000 limitation which, indeed, is extremely liberal because it means that a 2,500-employee firm could grow in employment by 5 percent and take advantage of the credit. So this is what I would consider a very liberal cap indeed.

Incidentally, the additional cost of my amendment over and above what is in the amendment of the Committee on Finance is $0.5 billion.

If you do not put some kind of a cap on, this $100,000 cap, there would be a loss of revenue of an additional $600 million, and I think, as I mentioned yesterday, in view of the annual reports and quarterly earnings statements that have come out in the financial publications recently, it is quite clear that the major corporations of this country that would be getting that additional $600 million certainly do not need any help.

So, Mr. President, that is my amendment. I would be glad to answer any questions that anybody may have on it.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. HASKELL. I would yield for a question to the Senator from Hawaii.

Mr. MATSUNAGA. The Senator's proposal is to increase from 25 percent to 50 percent the allowable credit for each employee hired; is that correct?

Mr. HASKELL. The Senator is correct.

Mr. MATSUNAGA. It has nothing to do with the investment tax credit at this point?

Mr. HASKELL. It has nothing whatsoever to do with the investment tax credit. The Senator is correct.

Mr. MATSUNAGA. It does have a ceiling of $100,000 for each employee?

Mr. HASKELL. For each employer.

Mr. MATSUNAGA. For each employer rather.

Mr. HASKELL. The Senator is correct.

Mr. MATSUNAGA. I am wondering why we should put that ceiling of $100,000 on. I realize that at one time as a cosponsor of the amendment the Senator is now offering that it was to keep the bill within the initially projected budget.

However, inasmuch as the $50 rebate has been withdrawn, which would have accounted for about $10.6 billion or $10.7 billion, and in view of the fact that the bill's original intent was to not only stimulate the economy but to create jobs, and that about the only jobs-creating provision of the committee bill, as reported from the Committee on Finance and as reported out to the House and passed by the House, is this section which pertains to job credits, why could we not lift the ceiling which would, perhaps, mean an additional $600 million as compared to the $10.7 billion which we save by withdrawing the $50 rebate? Why can we not go ahead and lift that ceiling?

Mr. HASKELL. I think that is an excellent question. I would merely point out to the Senator that the amendment I introduced has a dual purpose. The first purpose, of course, is job creation. We all know we have passed, and I believe it is in conference, the public service jobs bill, and this is the private sector counterpart. That is purpose No. 1.

Purpose No. 2, in my mind, is to try to redress a little of the balance between big business and small business as they are treated under our tax code. There are multiple specific provisions that will help the very large corporations of the Nation. There are very few that help the small ones. So the second purpose is to try to redress that balance.

It would seem to this Senator, at least, if we give this jobs credit to everybody we are not redressing the imbalance that now exists, so that would be my answer to the Senator.

Mr. MATSUNAGA. Of course, we do have a provision in the bill as reported from the Committee on Finance that big business must make a choice between ITC and ETC, the job tax credit, big business cannot have both, and because of that safeguard in the bill as reported from the committee, I would think that, assuming now Sears & Roebuck—Sears & Roebuck has been mentioned quite frequently on the floor in debate on this measure—would like to hire 100 additional employees because of the job tax credit. But under the limitation imposed by the Senator's amendment Sears & Roebuck would be permitted to hire only 72 employees; is that not correct?

Mr. HASKELL. I believe the Senator is correct. I think probably 50 is nearer the mark.

Mr. MATSUNAGA. That is right, because the Senator has increased the maximum, so it would be only 50.

Yet Sears is more than willing to hire the additional 50. Why should we not permit Sears to hire because such hiring would serve the very purpose of the entire bill before us?

Mr. HASKELL. I think, Senator, it is a balancing of interests. Of course, we both recognize that the smaller business has to make the election, too. They cannot have both investment credit and jobs credit.

Mr. MATSUNAGA. That is correct.

Mr. HASKELL. Both of them make the election, so I suppose it is a balancing of interests, of how much money do you wish to give to what particular type of business enterprise to create more jobs.

So I suppose that when I say that I prefer a cap of $100,000 and if someone says there should not be any cap, the question is whether taking off the cap is worth the $600,000 we are giving to the largest corporate enterprises in the Nation. That is a judgmental matter, and I happen to come down on the negative side of it.

Mr. MATSUNAGA. The fact is for every 1 percent of unemployment which we reduce we will have increased our Federal revenues according to the testimony of experts by $16 billion. So an expenditure, if we may call it that, of $600 million would not be an expenditure but an investment, as I see it. So at the appropriate time, although I am a cosponsor of the Senator's amendment, I will offer an amendment to remove the $100,000 cap.

Mr. HASKELL. I understand.

Mr. MATSUNAGA. I do hope the Senator from Colorado will see fit to accept the amendment at the appropriate time.

Mr. HASKELL. The Senator discussed with me earlier his inclination to introduce such an amendment, and I understand the Senator's position. I am unable to accept it. I shall have to ask for a vote. I think maybe now, to expedite matters, might be a good time to offer such an amendment if the Senator wishes.

Mr. MATSUNAGA addressed the Chair.

Mr. HASKELL. Wait a minute.

A parliamentary inquiry.

The PRESIDING OFFICER. The amendment of the Senator from Colorado is in the second degree and amendment is not in order to it.

Mr. HASKELL. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. Assuming my amendment is adopted, would the Senator from Hawaii then be able to offer his amendment to strike the cap?

The PRESIDING OFFICER. No, he would not. An amendment once agreed to is not subject to further amendment.

Mr. MATSUNAGA. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MATSUNAGA. Were I to offer a substitute amendment at this point, would that be in order?

The PRESIDING OFFICER. No amendment either in the nature of a substitute amendment or a perfecting amendment to the Haskell amendment is in order. It would be in the third degree.

Mr. HASKELL. Is or is not?

The PRESIDING OFFICER. Is not.

Mr. HASKELL. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. Assuming my amendment is adopted, could the Senator from Hawaii offer an amendment which states

notwithstanding anything in the Haskell amendment the following shall happen?

The PRESIDING OFFICER. There is no requirement for consistency of amendments in the Senate.

Mr. HASKELL. So I understand the Chair to say that this route will be open to the Senator from Hawaii.

The PRESIDING OFFICER. At the proper time it will be open.

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. HASKELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I ask unanimous consent that the Senator from Hawaii be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. I ask unanimous consent that John Cevette, of my staff, be accorded the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I suggest the absence of a quorum.

Mr. CURTIS. Mr. President, will the Senator withhold that?

Mr. HASKELL. Yes.

Mr. CURTIS. Mr. President, I rise for the purpose of propounding some inquiries concerning the pending amendment.

The PRESIDING OFFICER. The Senator will state his inquiries.

Mr. CURTIS. Is it true that the amendment as now stated by the distinguished Senator from Colorado amends the table of contents?

The PRESIDING OFFICER. The Senator is correct.

Mr. CURTIS. Is it also true that his amendment would lift certain pages out of the bill further back in the bill and insert those pages into the table of contents?

The PRESIDING OFFICER. The amendment would not affect any pages further back in the bill, but it would add——

Mr. HASKELL. Mr. President, I wonder if the Senator would yield, since we now have enough Senators present for seconds on the vote.

Mr. CURTIS. I would be happy to, but I did not hear the reply.

The PRESIDING OFFICER. Although it would not add additional pages at the end of the bill, it would add language in the bill into the table of contents.

Mr. CURTIS. Language that now appears further on in the bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. CURTIS. Plus some additional language offered by the distinguished Senator?

The PRESIDING OFFICER. The Senator is correct.

Mr. HASKELL. Will the Senator allow me to ask for the yeas and nays? I think we have a sufficient second. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CURTIS. Now, Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Is this amendment divisible?

The PRESIDING OFFICER. It is divisible.

Mr. CURTIS. In what way?

The PRESIDNG OFFCER. The first modification could be divided from the second modification, and the second modification could be further divided.

Mr. CURTIS. Mr. President, at what point may a timely request for division of the question be made?

The PRESIDING OFFICER. Will the Senator please repeat this inquiry?

Mr. CURTIS. At what point in the procedure may a timely request for a division of the question be made?

The PRESIDING OFFICER. That request can be made at any time prior to action on the amendment.

Mr. CURTIS. At any time before the vote?

The PRESIDING OFFICER. The Senator is correct.

Mr. CURTIS. I thank the distinguished Senator now occupying the Chair (Mr. ZORINSKY).

Mr. President, it matters not to me how this is presented. As I understand it, the fact that the distinguished Senator from Colorado has decided to proceed in this matter will not prejudice any other amendment or any of the rights of any Senator to offer an amendment. From that standpoint, I certainly have no objection to it. But I would point out that it might be a little better way to legislate if whatever amendment he wishes to have the Senate consider, that we could understand him a little bit better if it appeared in the logical place in the consideration of the bill.

Mr. HASKELL. Mr. President, the amendment is really extremely simple. It increases the job credit availability to $2,100 from $1,050, and it puts on a cap of $100,000, so that no one employer can get a credit for this purpose in more than that amount.

The additional fiscal cost is half a billion dollars.

Mr. President, I think we have probably talked about the amendment long enough, and I would hope that we could now vote.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. What is the pending business?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment (No. 198) of the Senator from Colorado (Mr. HASKELL), as modified.

Mr. CURTIS. Mr. President, I ask for a division of the amendment.

The PRESIDING OFFICER. The amendment will be divided. The first vote will occur on the first modification.

Mr. HASKELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. Would the Chair inform the Senate what the substantive issue in the first modification is?

The PRESIDING OFFCER. The clerk will state the first modification.

The legislative clerk read as follows:

Modify Amdt. No. 198 as follows: strike lines 1 thru 9, and at the end of sec. 302 in the table of contents after the word "credits" insert "and an increase in the jobs tax credit".

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HASKELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. Mr. President, I would like to ask the Senator from Nebraska a question, if I might. It is my understanding, as I have been told by staff, that the Senator from Nebraska has no objection to the first part of the amendment, but he would want to vote on the second part. Am I correct there?

Mr. CURTIS. That is correct.

Mr. HASKELL. Then I ask unanimous consent, Mr. President, that the first modification be adopted by unanimous consent.

Mr. JAVITS. Mr. President, reserving the right to object, I do not quite understand that. What is this first modification to be adopted by unanimous consent?

Mr. HASKELL. Will the Chair inform the Senate what the first modification is?

The PRESIDING OFFICER. It would add the words "and an increase in the jobs tax credit" to the Table of Contents.

Mr JAVITS. Mr. President, I object.

The PRESIDING OFFICER. At the end of section 302.

Mr. JAVITS. Mr. President, I object.

Mr. HASKELL. Then, Mr. President, could we proceed to a rollcall vote? We have the yeas and nays. Does that apply to both votes?

The PRESIDING OFFICER. The yeas and nays applies to both votes.

Mr. HASKELL. Then I would suggest we proceed with the rollcall vote seriatim.

Mr JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JOHNSTON). Without objection, it is so ordered.

Mr. LONG. Mr. President, it is my understanding that the Senators are willing to make some accommodations in order to bring about certain votes that will be meaningful. In the first instance, it serves no purpose to have a division between the title and the amendment, but a division is desired between the part of the amendment that provides an additional tax credit and the part of it which puts a cap or a lid of $100,000 on the extent to which any one business can use the tax credit. That being the case, Mr. President, I ask unanimous consent that the request for a division of the title from the rest of the amendment be withdrawn and that there be a division between the part of the bill that provides the additional tax credit and the part that provides the $100,000 cap.

The PRESIDING OFFICER. Is there objection?

Mr. HASKELL. Mr. President, I think that that is highly satisfactory, that we would be voting first on the additional tax credit and then the second vote would be on the so-called cap. With that understanding, it is satisfactory to me.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Unanimous consent is required in order to consolidate one vote on two sections of an amendment which would otherwise be divided into three. We would then be voting first upon the first two divisible parts together, is that correct?

The PRESIDING OFFICER. If this unanimous consent is granted, there will be three votes instead of two.

Mr. LONG. What I am asking is that there just be two votes.

Mr. JAVITS. That is why I asked the question.

Mr. LONG. My request was that there be just two votes: one on all that part of the amendment down to the part that fixes the $100,000 limitation on the extent to which any one business can claim the credit; the second vote on the $100,000 credit limitation.

The PRESIDING OFFICER. As of now, there would be a separate division on the first piece, but the unanimous consent has to consolidate the first piece with all of that part of the bill down to the $100,000 cap.

Mr. JAVITS. Exactly.

The PRESIDING OFFICER. Under the unanimous-consent request, there would be two votes on two different things, the first part of that being down to $100,000.

Mr. LONG. I am asking that there be one vote on everything in the amendment that goes both before and after the cap or the limitation of $100,000, and that there be a second vote on the limitation of the $100,000, the part pertaining to that.

The PRESIDING OFFICER. If it is clearly understood, is there objection?

Mr. DOLE. Reserving the right to object.

What is the status, then, of other amendments to the employment tax credit? Some of us would like to target this to those who have been unemployed for 26 weeks or more. About 1.3 million people have been unemployed for that length of time. Others, particularly in the Northeast, are concerned about the 103-percent base. They think it ought to be 100 percent, so it would be more effective in areas of high unemployment. Would these amendments still be in order or would they be forcelosed if we adopt the Senator's unanimous-consent request?

Mr. LONG. They can be added afterward. While it is true that, technically, his amendment would not be subject to amendment, the Senator from Kansas has been around here long enough to know how to have a vote on his amendment of the nature that he is requesting. I am sure he does. If he does not, I shall be glad to show him. I might need the Parliamentarian to help me, but I know it can be done, I assure the Senator.

Mr. DOLE. Further reserving the right to object, the Senator from Kansas was talking about two amendments. Will the Senator show me how to offer two? Will he instruct me on how to offer two as well as one?

Mr. LONG. If the Parliamentarian will just stick around, I shall show the Senator how he can do all of that.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object to this particular unanimous-consent request, but I am a little appalled at what we are starting to do here.

This is a substantive amendment of considerable consequence. A Member on this side of the aisle feels that he wishes to deal with the issue in substance. I would not wish, therefore, by consenting to the request, to which I have no objection, to assume that this amendment will not be very thoroughly debated or that any motions to it will be waived. I only rise to alert my colleagues: This is a very substantive thing we are doing.

Sure, we can walk up the hill and down again, as Senator LONG says, but that is hardly befitting the Senate of the United States. Senator HASKELL is making a very serious proposal, which costs an awful lot of money and has no real conditions in terms of long-term unemployed. We should debate it and debate it thoroughly. I think that to just kind of slough this over and say to Senator DOLE, come along later—I understand Senator LONG's feeling about the matter. He wants this and it is OK as far as he is concerned.

As to my other colleagues, they had better know exactly what is in this, and we had better not just treat it any old way.

Mr. LONG. Mr. President, I am not suggesting to anyone that he should vote lightly on the amendment. It is, of course, a completely worthy proposition from the point of view of the sponsor.

While there may be some effort for one Senator to offer his amendment before others can get in to offer theirs, I am sure everybody realizes if the Senator is anxious to offer his amendment and would like to have a vote on it, he has to offer it when he has the chance. In this case, the Senator offered his amendment to the first committee amendment.

Now, it really does not make a lot of difference the order in which amendments are offered. The question is, what does the Senate want to do. All of these suggestions Senators want to offer can all be accommodated.

All I have undertaken to say is that the amendment offered by the Senator from Colorado, is not subject to amendment at this time, because it is in the second degree and it is offered to the first committee amendment. So there is no way one can get in ahead of him to offer some other amendment.

But at the same time, I think we all understand that however the vote goes on this amendment, it involves a number of facets, and that anything in it is subject to being changed by motion of the Senate or by amendment or parliamentary device available to every Senator in this body. So that no one is being prejudiced, because no matter how the vote goes, on the first part of the amendment or the second part of the amendment, in the end the Senate is going to do what the Senate in its best collective wisdom thinks should be done. Every Senator who has something to offer which meets with the approval of 51 percent of this body will have his turn and will prevail.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. Mr. President, reserving the right to object, may I inquire, if we agree to this unanimous-consent request, will there then be an opportunity to debate the remaining parts of the amendment of the distinguished Senator from Colorado?

The PRESIDING OFFICER. Is the Senator referring to between the first and second vote?

Mr. CURTIS. All I want to know is this, if we agree to dispose of this amendment which merely amends the table of contents, then will there be an opportunity to debate the question of going from 25 percent to 50 percent credit, and after that is disposed of, if that is the first one, will there be an opportunity to vote for or against the cap on the total amount of the credit?

The PRESIDING OFFICER. Each division is debatable.

Mr. CURTIS. Each division is debatable?

The PRESIDING OFFICER. That is correct.

Mr. CURTIS. So when we dispose of the amendment relating to the table of contents, Mr. President, I believe that we would be much clearer if, instead of agreeing to the unanimous-consent request, we let a vote occur now by voice vote on the first part, the amendment to the table of contents.

Mr. HASKELL. Mr. President, I have to object because suppose the folks that were opposed to voting on the table of contents had loud voices, we might not amend the table of contents.

Then I am a little bit in the dark about having amended the table of contents whether we could proceed to the substantive issues.

The PRESIDING OFFICER .The Chair would like to clarify one thing.

The entire amendment is to the table of contents. There would be two votes on this amendment if the unanimous consent were agreed to.

Mr. CURTIS. What would the two votes be?

The PRESIDING OFFICER. The first vote would be on all of the amendment other than the $100,000 cap. The second vote, which would also be debatable, would be on the question of the amendment with the $100,000 cap.

Mr. JAVITS addressed the Chair.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Mr. President, do I understand that if the unanimous-consent agreement is agreed to and there is that division as stated by the Chair, that each of the divisions would be debatable, would each be subject to perfecting amendments?

The PRESIDING OFFICER. No. Each amendment is in the second degree and would not, therefore, be subject to further amendment.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. Mr. President, would not the original House text to which this is an amendment be subject to a perfecting amendment?

The PRESIDING OFFICER. The original text is amendable in two degrees, and such an amendment would take precedence over the pending amendment since amendments to the part to be stricken take precedence over amendments to the part to be inserted.

Mr. JAVITS. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. May I ask the Senator a question, in order to get this inquiry answered?

The Senator tore a lot of pages out of the bill and——

Mr. HASKELL. I did not hear the Senator.

Mr. JAVITS. I say, the Senator took a lot of pages out of the bill and put them in at the desk.

Mr. HASKELL. The Senator is correct.

Mr. JAVITS. None of us have really had a chance to read it, so I take the Senator's word completely for what he would say in answer to this question.

Is it correct that the three things which are different in the Senator's amendment from what is the text of the bill as we have all read it are, one, the title, which he is changing somewhat; two, the substitution of 50 percent for 25 percent?

Mr. HASKELL. That is correct.

Mr. JAVITS. And three, the $100,000 cap; other than that there is no substantive change?

Mr. HASKELL. The Senator is correct.

Mr. JAVITS. I thank my colleague.

Mr. HASKELL. May I address a parliamentary inquiry to the Chair?

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. We may be able to dispose of this unanimous-consent request.

Mr. President, would not a proper and parliamentarily proper division of this amendment be everything except the cap, and then the cap?

The PRESIDING OFFICER. That is the Chair's understanding of the unanimous-consent as made.

Mr. HASKELL. Mr. President, my inquiry is, would not this be a proper division absent the unanimous-consent request, so we can stop arguing about the unanimous-consent request?

The PRESIDING OFFICER. Absent the unanimous-consent request, the Chair is of the opinion that this is subject to three divisions, not two.

Mr. HASKELL. I suggest to my friend from New York, if we cannot agree on the unanimous-consent request, all we need do is have three votes instead of two.

Mr. JAVITS. My suggestion is we do without the unanimous consent. I think Senator LONG is right, that we have to take a minute to explain it.

The point is this—I would like to make my point clear—if we are not going to have any substance, why change the title; and if we are going to have substance, we should change the title, as long as the substantive items are in both debates, one on percentage and the other on the amount of the cap.

That seems to be an intelligent way in which to debate them both.

Mr. HASKELL. I could not agree more.

Mr. JAVITS. I am just explaining it for those who may have some doubts on something hidden in it. I do not think there is anything.

Mr. HASKELL. I do not see anything hidden either. I agree 100 percent.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, the Senator from Kansas, of course, as the Senator from New York pointed out, is very serious about two amendments. Is the Haskell amendment now subject to a perfecting amendment?

The PRESIDING OFFICER. No. The Haskell amendment is in the second degree and is not subject to further amendment.

Mr. HASKELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. Assuming the Haskell amendment is adopted and assuming the Senator from Kansas or any other Senator wanted to change something that was adopted, would it not be possible to introduce a separate amendment that says, "Notwithstanding anything within the Haskell amendment, the following shall take place"?

The PRESIDING OFFICER. The Senator is correct. There is no rule requiring consistency; that could be done.

Mr. DOLE. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Will the Senator from Colorado object to the Senator from Kansas offering an amendment to his amendment by unanimous consent?

Mr. HASKELL. Yes, the Senator from Colorado would at this point, I say to the Senator from Kansas, because he would like to get a vote on this.

Then if this fails, it fails. If it is successful, then everybody can go ahead and put in such amendments as they want to in a perfectly orderly fashion. But, having gotten this far, I would like to have a vote, and then at such time as anybody, including myself, wants to change what has been adopted, we could put in another amendment. I prefer to proceed on that basis.

Mr. DOLE. The Senator from Kansas will not object on the basis that he will be protected in his rights to offer an amendment; and, hopefully, the Senator from Colorado can support at least one of the two amendments.

Mr. HASKELL. I will not object to them. Whether I can support them or not is another question.

Mr. President, can we proceed now?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CURTIS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the first part of the Haskell amendment, which is all of the amendment other than the $100,000 cap.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK). Without objection, it is so ordered.

UP AMENDMENT NO. 157

Mr. DOLE. I send to the desk a perfecting amendment to the language of the bill, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. Dole) proposes an unprinted amendment numbered 157:

On page 2 of section 302, between the words "new" and "jobs" add the following:

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in full in the RECORD.

The amendment is as follows:

H.R. 3477

On page 2 in Sec. 302 between the words "new" and "jobs" add the following:

SEC. 302. ALTERNATIVE ECONOMIC STIMULUS CREDITS.

(a) NEW JOBS CREDIT.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44A the following new section:

"SEC. 44B. CREDIT FOR EMPLOYMENT OF CERTAIN NEW EMPLOYEES.

"(a) GENERAL RULE.—At the election of the taxpayer, there shall be allowed as a credit against the tax imposed by this chapter the amount determined under subpart D of this part.

"(b) ELECTION.—The election referred to in subsection (a) shall be made by the employer (in the manner provided in regulations prescribed by the Secretary) on or before the due date (including any extensions of time) for filing its return of tax under this chapter for the last taxable year beginning during 1977. Once made, the election shall be effective for the year made and all subsequent taxable years beginning in 1977 or 1978. The Secretary shall prescribe regulations with respect to the continuation of the election in situations in which corporations and other persons are organized, reorganized, liquidated, or otherwise restructured. An election may not be made under this section by a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) unless the election is made by all members of that controlled group. The election may not be made by a trade or business under common control (within the meaning of section 52 (b)) unless all of the trades or businesses under common control have made the election.

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section and subpart D."

(b) RULES FOR COMPUTING CREDIT.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end thereof the following new subpart:

"Subpart D—Rules for Computing Credit for Employment of Certain New Employees

"Sec. 51. Amount of credit.
"Sec. 52. Special rules.
"Sec. 53. Limitation based on amount of tax.

"SEC. 51. AMOUNT OF CREDIT.

"(a) DETERMINATION OF AMOUNT.—The amount of the credit allowable by section 44B shall be—

"(1) for a taxable year beginning in 1977, an amount equal to 50 percent of the excess of the aggregate unemployment insurance wages paid to eligible employees during 1977 over the aggregate unemployment insurance wages paid to such employees during 1976, and

"(2) for a taxable year beginning in 1978, an amount equal to 50 percent of the excess of the aggregate unemployment insurance wages paid to eligible employees during 1978 over the aggregate unemployment insurance wages paid to such employees during 1977.

"(b) TOTAL WAGES MUST INCREASE.—The amount of the credit allowable by section 44B for any taxable year shall not exceed the amount which would be determined for such year under subsection (a) if the aggregate amounts taken into account as unemployment insurance wages paid to eligible employees were determined without any dollar limitation.

"(c) MINIMUM PRECEDING YEAR WAGES.—For purposes of subsection (a), if the amount of the aggregate unemployment insurance wages paid to eligible employees during 1976 or 1977 is less than 50 percent of the amount of such wages paid to such employees during 1977 or 1978, respectively, the amount of such wages paid to such employees during the preceding year shall be increased to an amount equal to 50 percent of the amount of such wages paid to such employees during the year for which the determination is made.

"(d) UNEMPLOYMENT INSURANCE WAGES DEFINED.—For purposes of this subpart—

"(1) FUTA WAGES.—Except as otherwise provided in this subpart, the term 'unemployment insurance wages' has the meaning given to the term 'wages' by section 3306 (b), except that, in the case of amounts paid during 1978, '$4,200' shall be substituted for '$6,000' each place it appears in section 3306(b).

"(2) AGRICULTURAL LABOR.—If the services performed by any employee for an employer during more than one-half of any pay period (within the meaning of section 3306(d)) taken into account with respect to any calendar year constitute agricultural labor (within the meaning of section 3306(k)), the term 'unemployment insurance wages' means, with respect to the remuneration paid by the employer to such employee for such year, an amount equal to so much of such remuneration as constitutes 'wages' within the meaning of section 3121(a), except that the contribution and benefit base for each calendar year shall be deemed to be $4,200.

"(3) RAILWAY LABOR.—If more than one-half of the remuneration paid by an employer to an employee during the calendar year is remuneration for service described in section 3306(c)(9), the term 'unemployment insurance wages' means, with respect to such employee for such year, an amount equal to ⅞ of such much of the remuneration paid to such employee during such year as is subject to contributions under section 8(a) of the Railroad Unemployment Insurance Act (45 U.S.C. 358(a)).

"(4) ELIGIBLE EMPLOYEE.—The term "eligible employee" means an individual who immediately prior to his employment by the taxpayer, was unemployed for at least 26 consecutive weeks.

"(e) RULES FOR APPLICATION OF SECTION.—For purposes of this subpart—

"(1) REMUNERATION MUST BE FOR TRADE OR BUSINESS EMPLOYMENT WITHIN UNITED STATES.—Remuneration paid by an employer to an employee during any calendar year shall be taken into account only if more than one-half of the remuneration so paid is for services performed in the United States in a trade or business of the employer.

"(2) SPECIAL RULE FOR CERTAIN DETERMINATIONS.—Any determination as to whether paragraph (1) of this subsection, or paragraph (2) or (3) of subsection (d), applies with respect to any employee for any calendar year shall be made without regard to subsections (a) and (b) of section 52.

"SEC. 52. SPECIAL RULES.

"(a) CONTROLLED GROUP OF CORPORATIONS.—For purposes of this subpart, all employees of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case, the credit (if any) allowable by section 44B to each such member shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit. For purposes of this subsection, the term 'controlled group of corporations' has the meaning given to such term by section 1563(a), except that—

"(1) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(2) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(b) EMPLOYEES OF PARTNERSHIP, PROPRIETORSHIPS, ETC., WHICH ARE UNDER COMMON CONTROL.—For purposes of this subpart, under regulations prescribed by the Secretary—

"(1) all employees of trades or businesses (whether or not incorporated) which are under common control shall be treated as employed by a single employer, and

"(2) the credit (if any) allowable by section 44B with respect to each trade or business shall be its proportionate contribution to the increase in unemployment insurance wages giving rise to such credit.

The regulations prescribed under this subsection shall be based on principles similar to the principles which apply in the case of subsection (a).

"(c) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by the Secretary—

"(1) ACQUISITIONS.—If, after December 31, 1975, an employer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this subpart for any calendar year ending after such acquisition, the amount of unemployment insurance wages deemed paid by the employer during periods before such acquisition shall be increased by so much of such wages paid by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business acquired by the employer.

"(2) DISPOSITIONS.—If, after December 31, 1975—

"(A) an employer disposes of the major portion of any trade or business of the employer or the major portion of a separate unit of a trade or business of the employer in a transaction to which paragraph (1) applies, and

"(B) the employer furnishes the acquiring person such information as is necessary for the application of paragraph (1),

then, for purposes of applying this subpart for any calendar year ending after such disposition, the amount of unemployment insurance wages deemed paid by the employer during periods before such disposition shall be decreased by so much of such wages as is attributable to such trade or business or separate unit.

"(d) TAX-EXEMPT ORGANIZATIONS.—No credit shall be allowed under section 44B to any organization (other than a cooperative described in section 521) which is exempt from income tax under this chapter.

"(e) CHANGE IN STATUS FROM SELF-EMPLOYED TO EMPLOYEE.—If—

"(1) during 1976 or 1977 an individual has net earnings from self-employment (as defined in section 1402(a)) which are attributable to a trade or business, and

"(2) for any portion of the succeeding calendar year such individual is an employee of such trade or business,

then, for purposes of determining the credit allowable for a taxable year beginning in such succeeding calendar year, the employer's aggregate unemployment insurance wages for 1976 or 1977, as the case may be, shall be increased by an amount equal to so much of the net earnings referred to in paragraph (1) as does not exceed $4,200.

"(f) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation (as defined in section 1371)—

"(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned pro rata among the per-

sons who are shareholders of such corporation on the last day of such taxable year, and

"(2) any person to whom an amount is apportioned under paragraph (1) shall be allowed, subject to section 53, a credit under section 44B for such amount.

"(g) ESTATES AND TRUSTS.—In the case of an estate or trust—

"(1) the amount of the credit determined under this subpart for any taxable year shall be apportioned between the estate or trust and the beneficiaries of the basis of the income of the estate or trust allocable to each, and

"(2) any beneficiary to whom any amount has been apportioned under paragraph (1) shall be allowed, subject to section 53, a credit under section 44B for such amount.

"(h) LIMITATIONS WITH RESPECT TO CERTAIN PERSONS.—Under regulations prescribed by the Secretary, in the case of—

"(1) an organization to which section 593 (relating to reserves for losses on loans) applies,

"(2) a regulated investment company or a real estate investment trust subject to taxation under subchapter M (section 851 and following), and

"(3) a cooperative organization described in section 1381(a),

rules similar to the rules provided in section 46(e) shall apply in determining the amount of the credit under this subpart.

"(i) CERTAIN SHORT TAXABLE YEARS.—If the employer has more than one taxable year beginning in 1977 or 1978, the credit under this subpart shall be determined for the employer's last taxable year beginning in 1977 or 1978, as the case may be.

"SEC. 53. LIMITATION BASED ON AMOUNT OF TAX.

"(a) GENERAL RULE.—Notwithstanding section 51, the amount of the credit allowed by section 44B for the taxable year shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under—

"(1) section 33 (relating to foreign tax credit),

"(2) section 37 (relating to credit for the elderly),

"(3) section 38 (relating to investment in certain depreciable property),

"(4) section 40 (relating to expenses of work incentive programs),

"(5) section 41 (relating to contributions to candidates for public office),

"(6) section 42 (relating to general tax credit), and

"(7) section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

For purposes of this subsection, any tax imposed for the taxable year by section 56 (relating to minimum tax for tax preferences), section 72(m)(5)(B) (relating to 10 percent tax on premature distributions to owner-employees), section 408(f) (relating to additional tax on income from section 408(f) (relating to additional tax on income from certain retirement accounts), section 402(e) (relating to tax on lump-sum distributions), section 531 (relating to accumulated earnings tax), section 541 (relating to personal holding company tax), or section 1378 (relating to tax on certain capital gains of subchapter S corporations), and any additional tax imposed for the taxable year by section 1351(d)(1) (relating to recoveries of foreign expropriation losses), shall not be considered tax imposed by this chapter for such year.

"(b) SPECIAL RULE FOR PASS-THROUGH OF CREDIT.—In the case of a partner in a partnership, a beneficiary of an estate or trust, and a shareholder in a subchapter S corporation, the limitation provided by subsection (a) for the taxable year shall not exceed a limitation separately computed with respect to such person's interest in such entity by taking an amount which bears the same relationship to such limitation as—

"(1) that portion of the person's taxable income which is allocable or apportionable to the person's interest in such entity, bears to—

"(2) the person's taxable income for such year reduced by his zero bracket amount (determined under section 63(d)), if any.

"(c) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(1) ALLOWANCE OF CREDIT.—If the amount of the credit determined under section 51 for any taxable year exceeds the limitation provided by subsection (a) for such taxable year (hereinafter in this subsection referred to as the 'unused credit year'), such excess shall be—

"(A) a new employee credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a new employee credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by section 44B for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1977, section 44B shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under such section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in paragraph (2), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(2) LIMITATION.—The amount of the unused credit which may be added under paragraph (1) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by subection (a) for such taxable year exceeds the sum of—

"(A) the credit allowable under section 44B for such taxable year, and

"(B) the amounts which, by reason of this subsection, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year."

(c) DEDUCTION FOR WAGES PAID REDUCED BY AMOUNT OF CREDIT.—

(1) IN GENERAL.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280C. PORTION OF WAGES FOR WHICH CREDIT IS CLAIMED UNDER SECTION 44B

"No deduction shall be allowed for that portion of the wages or salaries paid or incurred for the taxable year which is equal to the amount of the credit allowable for the taxable year under section 44B (relating to credit for employment of certain new employees) determined without regard to the provisions of section 53 (relating to limitation based on amount of tax). In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades or businesses (within the meaning of section 52(b)), this section shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.".

(2) CLERICAL AMENDMENT.—The table of sections for such part is amended by adding at the end thereof the following new item:

"Sec. 280C. Portion of wages for which credit is claimed under section 44B.".

(d) ALTERNATIVE INCREASE IN INVESTMENT CREDIT.—Paragraph (2) of section 46(a) (relating to amount of credit for current taxable year) is amended by adding at the end thereof the following new subparagraph:

"(E) INCREASE IN PERCENTAGES FOR TAXPAYERS NOT CLAIMING SECTION 44B CREDIT.—

"(i) In the case of a taxpayer for whom an election to take the credit allowed by section 44B (relating to credit for employment of certain new employees) is not in effect, subparagraph (A) shall be applied by substituting '12 percent' for '10 percent', and clause (i) of subparagraph (B) shall be applied by substituting '13 percent for '11 percent'.

"(ii) The provisions of clause (i) shall apply only to—

"(I) property to which subsection (d) does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1976, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection after such date and before January 1, 1981,

"(II) property to which subsection (d) does not apply, acquired by the taxpayer after December 31, 1976, and before January 1, 1981, and place in service by the taxpayer before January 1, 1981, and

"(III) property to which subsection (d) applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d)) with respect to qualified progress expenditures made after December 31, 1976, and before January 1, 1981.

"(iii) In the case of a taxpayer with respect to whom an election under section 44B(b) is in effect for 1978, clause (ii) of this subparagraph shall be applied by substituting 'December 31, 1978,' for 'December 31, 1976,' each place it appears therein.".

(d) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) CLERICAL AMENDMENT.—

(A) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44A the following new item:

"Sec. 44B. Credit for employment of certain new employees."

(B) The table of subparts for part IV of subchapter A of chapter 1 is amended by adding at the end thereof the following new item:

"Subpart D. Rules for computing credit for employment of certain new employees."

(2) MINIMUM TAX.—

(A) Section 56(c) (defining regular tax deduction) is amended by striking out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(9) section 44B (relating to credit for employment of certain new employees)."

(B) Subparagraph (A) of section 56(e)(1) (relating to tax carryover for timber) is amended—

(i) by striking out "and" at the end of clause (ii),

(ii) by striking out "exceed" at the end of clause (iii) and inserting in lieu thereof "and", and

(iii) by inserting after clause (iii) the following new clause:

"(iv) section 44B (relating to credit for employment of certain new employees), exceed".

(3) CORPORATE REORGANIZATIONS.—

(A) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(26) CREDIT UNDER SECTION 44B FOR EMPLOYMENT OF CERTAIN NEW EMPLOYEES.—The acquiring corporation shall take into account (to the extent proper to carry out the pur-

poses of this section and section 44B, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44B in respect of the distributor or transferor corporation."

(B) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1978, is amended—

(i) by inserting "to any unused new employee credit of the corporation under section 53(c)," after "section 50A(b),"; and

(ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK INCENTIVE PROGRAM CREDITS, NEW EMPLOYEE CREDITS,".

(C) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused new employee credit of the corporation which could otherwise be carried forward under section 53(c)," after "section 50A(b),"; and

(ii) by striking out "WORK INCENTIVE PROGRAM CREDITS," in the section heading and inserting in lieu thereof "WORK INCENTIVE PROGRAM CREDITS, NEW EMPLOYEE CREDITS,".

(D) The table of sections for part V of subchapter C of chapter 1 is amended by striking out "work incentive program credits," in the item relating to section 383 and inserting in lieu thereof "work incentive program credits, new employee credits,".

(4) STATUTES OF LIMITATION AND INTEREST RELATING TO NEW EMPLOYEE CREDIT CARRYBACK.—

(A) ASSESSMENT AND COLLECTION.—Section 6501 (relating to limitations on assessment and collection) is amended by adding at the end thereof the following new subsection:

"(p) NEW EMPLOYEE CREDIT CARRYBACKS.—In the case of a deficiency attributable to the application to the taxpayer of a new employee credit carryback (including deficiencies which may be assessed pursuant to the provisions of section 6213(b)(3)), such deficiency may be assessed at any time before the expiration of the period within which a deficiency for the taxable year of the unused new employee credit which results in such carryback may be assessed, or with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, at any time before the expiration of the period within which a deficiency for such subsequent taxable year may be assessed."

(B) CREDIT OR REFUND.—Section 6511(d) (relating to limitations on credit or refund) is amended by adding at the end thereof the following new paragraph:

"(9) SPECIAL PERIOD OF LIMITATION WITH RESPECT TO NEW EMPLOYEE CREDIT CARRYBACKS.—

"(A) PERIOD OF LIMITATIONS.—If the claim for credit or refund relates to an overpayment attributable to a new employee credit carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or 39th month, in the case of a corporation) following the end of the taxable year of the unused new employee credit which results in such carryback (or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a new operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, the period shall be that period which ends with the expiration of the 15th day of the 40th month, or 39th month, in the case of a corporation, following the end of such taxable year) or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later. In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable to the extent of the amount of the overpayment attributable to such carryback.

"(B) APPLICABLE RULES.—If the allowance of a credit or refund of an overpayment of tax attributable to a new employee credit carryback is otherwise prevented by the operation of any law or rule of law other than section 7122, relating to compromises, such credit or refund may be allowed or made, if claim therefor is filed within the period provided in subparagraph (A) of this paragraph. In the case of any such claim for credit or refund, the determination by any court, including the Tax Court, in any proceeding in which the decision of the court has become final shall not be conclusive with respect to the new employee credit, and the effect of such credit, to the extent that such credit is affected by a carryback which was not in issue in such proceeding."

(C) INTEREST ON UNDERPAYMENTS.—Section 6601(d) (relating to income tax reduced by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK.—If the credit allowed by section 44B for any taxable year is increased by reason of a new employee credit carryback, such increase shall not affect the computation of interest under this section for the period ending with the last day of the taxable year in which the new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, such increase shall not affect the computation of interest under this section for the period ending with the last day of such subsequent taxable year."

(D) INTEREST ON OVERPAYMENTS.—Section 6611(f) (relating to refund of income tax caused by carryback or adjustment for certain unused deductions) is amended by adding at the end thereof the following new paragraph:

"(5) NEW EMPLOYEE CREDIT CARRYBACK.—For purposes of subsection (a), if any overpayment of tax imposed by subtitle A results from a new employee credit carryback, such overpayment shall be deemed not to have been made before the close of the taxable year in which such new employee credit carryback arises, or, with respect to any portion of a new employee credit carryback from a taxable year attributable to a net operating loss carryback, an investment credit carryback, a work incentive program credit carryback, or a capital loss carryback from a subsequent taxable year, such overpayment shall be deemed not to have been made before the close of such subsequent taxable year."

(5) TENTATIVE CARRYBACK ADJUSTMENTS.—

(A) APPLICATION FOR ADJUSTMENT.—Section 6411 (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(i) by striking out "or unused work incentive program credit" each place it appears in such section and inserting in lieu thereof "unused work incentive program credit, or unused new employee credit,"

(ii) by inserting after "section 50A(b)," in the first sentence of subsection (a) "by a new employee credit carryback provided in section 53(c).",

(iii) by striking out "or a work incentive program carryback from" in the second sentence of subsection (a) and inserting in lieu thereof ", a work incentive program carryback, or a new employee credit carryback from," and

(iv) by striking out "investment credit carryback)" in the second sentence of subsection (a) and inserting in lieu thereof "investment credit carryback, or, in the case of a new employee credit carryback, to an investment credit carryback or a work incentive program carryback."

(B) TENTATIVE CARRYBACK ADJUSTMENT ASSESSMENT PERIOD.—Section 6501(m) (relating to tentative carryback adjustment assessment period) is amended—

(i) by striking out "or a work incentive program carryback" and inserting in lieu thereof "a work incentive program carryback, or a new employee credit carryback," and

(ii) by striking out "(j), or (o)" each place it appears and inserting in lieu thereof "(j), (o), or (p)."

(6) DESIGNATION OF INCOME TAX PAYMENT.—Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1976, and to credit carrybacks from such years.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. I would like to know how that amendment is fitted in between the words "new" and "jobs." How is that done? That is a new one on me.

Mr. CURTIS. It comes right after "new" and just before "jobs."

Mr. DOLE. It is a perfecting amendment to the language of the bill the committee seeks to strike.

The PRESIDING OFFICER. The amendment is in order.

Mr. DOLE. I thank the distinguished Senator from Louisiana for his instructions.

Mr. President, I think now we can discuss the entire issue of the jobs tax credit, because it is all contained in the perfecting amendment that is now before the Senate. It accommodates the distinguished Senator from Hawaii as far as the cap is concerned; it removes the cap. It accommodates the distinguished Senator from Colorado, because it provides for a 50-percent credit. It accommodates anyone who has been unemployed for 26 weeks or more, because it is now targeted at and accommodates those persons from predominately high unemployment areas. It accommodates small business, because we have reduced the base from 103 to 100 percent. Those are the provisions of the amendment.

It seems to the Senator from Kansas that the real emphasis on the employment tax credit should be on those who have been unemployed for long periods of time. We suggest that 26 weeks is an appropriately long period of time. The facts indicate that about 1.3 million people have been unemployed for that length of time.

This amendment will target the jobs tax credit on those workers who have been unemployed for that long or longer.

This restriction is similar to that contained in S. 731, part of the Republican economic package. Both would offer an employment tax credit for those workers who need the help in finding work the most.

Mr. President, this targeted approach offers help to those workers who need jobs the most. The long term unemployed workers of America deserve special consideration in any economic stimulus program.

FOCUS IS ON PEOPLE, NOT BUSINESSES

While Congress has spent millions on unemployment benefits, truly meaningful programs which are directly tied to long-term jobs have been sorely lacking. I believe that this problem would continue if the Finance Committee version or any other amendment is passed. The House bill focuses credits on businesses most able to increase hiring. The targeted credit focuses on the unemployed themselves, those who need the assistance the most.

A targeted employment tax credit program can provide significant assistance and incentive in securing private employment for individuals not presently or adequately served by public training and employment programs. Employment of persons who face particular difficulty in finding a job and acquiring marketable skills and experience would be encouraged while total employment in the economy is increased. This approach represents a partnership of the Government and the private sector in resolving the difficult unemployment problem faced by the economy.

CREDIT NOT RESTRICTED TO HIGH GROWTH INDUSTRIES

The second major change that this amendment makes in the present bill is that it would lower the employment base from 103 to 100 percent. Many industries throughout the country, especially in the Northeast, expect only small increases in employment for 1977. The Finance Committee bill allows a credit to an employer only if his total wages are more than 3 percent above his total wages for the previous years.

Use of the 100 percent employment base contained in my amendment would not restrict the availability of the credit to those expanding businesses which are currently in a healthy economic condition. With more employers eligible for the credit due to the lower threshold, the benefit of the program will be spread over a larger part of the economy and country. The justification for the 103-percent base is to deny the credit for "normal" growth. By targeting on unemployed workers rather than businesses, this restriction is not needed.

The lower employment base is particularly important to the small businesses in America. Many of these have only a few employees and have not experienced a 3-percent rise in employment in many years. My amendment would allow businesses to have the advantage of the credit even if they can afford to only hire one new employee. Of course, the larger the business, the larger the number of additional employees that can be hired.

MORE HELP FOR HIGH UNEMPLOYMENT AREAS

Payment of an employment tax credit to private employers can be an effective way to bring about easier and more extensive employment—shorter job search and less unemployment—of targeted labor force groups and increased total employment in the economy. Since extended unemployment is most prevalent in areas with high overall unemployment rates, this target would also serve to focus program benefits in high unemployment regions. There are presently approximately 1.3 million people who have been unemployed 26 weeks or longer. Between the second quarter of 1977 and the fourth quarter of 1978, as many as 3 million persons may have experienced unemployment of this duration.

PROGRAM WOULD BE EFFICIENT

The target group, those unemployed at least 26 weeks, is large enough sufficiently well-defined to allow program success. As of December 1976, 1.2 million persons would have been eligible. These people can be identified from the rolls of other Government programs. Establishment of eligibility requirements would not be administratively burdensome.

WINDFALL PROFITS REDUCED

One significant problem with all the nontarget jobs tax credits is the windfall profits it would give to many businesses. Many employers will simply hire the same employees they would have without the incentive provided by the jobs tax credit. Targeting reduces the amount of credits for employment situations that would have occurred in any case with the targeting approach. The new employees have been unemployed at least 26 weeks and are more likely to be hired because of the incentive given.

Even with the lower 100 percent employment base, the windfall gains for certain businesses is less with the targeting mechanism. Many employers will employ an eligible person in addition to, rather than instead of the employee they originally intended to hire. Those persons who are not eligible are those generally most capable of securing employment even without a subsidy benefit. Their job search may be prolonged only slightly because of the preferential treatment of long-term unemployed.

Under any of the proposals considered so far, at least 80 percent of the benefits to businesses are windfall, according to a Congressional Budget Office memorandum. Targeting may reduce the windfall portion by 20 to 30 percent. This is a significant gain in real new employment.

AMOUNT OF CREDIT DOUBLED

This amendment would give a credit equal to 50 percent of the FUTA wages for the hiring of a worker who has been unemployed at least 26 weeks. This is equal to $2,100 per employee, double the credit contained in the Finance Committee version of the jobs tax credit.

INCENTIVE TO HIRE INCREASED

Some experts have expressed doubts whether the $1,050 credit proposed by the Finance Committee is adequate to have a significant impact on unemployment. By focusing on structural unemployment, the incentive to hire a given worker can be doubled.

REVENUE LOSS REDUCED

The targeted jobs tax credit would be less expensive than either the Finance Committee bill or the House jobs tax credit. The Joint Committee on Taxation has estimated the revenue losses at $0.7 billion for fiscal year 1977, $1.9 billion for fiscal year 1978, and $2 billion for fiscal year 1979. This compares with the reduction in budget receipts under the Finance Committee bill of $0.9 billion, $2.4 billion, and $2.4 billion for 1977–79 respectively. Over the 3 fiscal years, my amendment would save an estimated $1.1 billion. This savings is achieved at the same time as the problem of structural unemployment is attacked in a way that I believe will be effective.

DIRECT REDUCTION IN UNEMPLOYMENT BENEFITS

Most eligible persons would be taken directly off the unemployment rolls. Along with the tax credit there would be a balancing reduction in unemployment payments. While any of the jobs tax credits would take some workers off of unemployment, the target approach would have a much more direct and substantial feedback effect.

CONTROLS ON ABUSES RETAINED

The rest of the changes that the Finance Committee made in the House version of the jobs tax credit have been unchanged. A business will not receive a deduction for an amount of wages equal to the credit. No ceiling is imposed, as the Finance Committee recommended, because this amendment is aimed at assisting long-term unemployed workers and not at the current economic problems of small versus large businesses. The credit is limited in the case of a new business to 50 percent of the current year's unemployment insurance wages.

OPTIONAL INVESTMENT TAX CREDIT

My amendment would leave undisturbed the option for a company to take the 12-percent investment tax credit. I agree with the majority of the Finance Committee that the business community deserves to have the choice of these two opportunities. American business is too diverse for any one program to be suited to the expansion needs of all of them. This option makes the crucial distinction between the capital intensive and labor intensive segments of our economy. However, I would also note that the purchases of new equipment stimulated by an increase in the investment also has a beneficial impact on the unemployment situation.

INFLATIONARY IMPACT LESS THAN OTHER PROGRAMS

Another section of this legislation, the $50 rebate, was withdrawn by the President because it would have been too inflationary. The inflationary impact of every penny that Congress spends must be a prime consideration at all times. Compared to other Government programs designed to reduce unemployment, the targeted tax credit is less inflationary. The Government subsidizes only part of the wages rather than providing most or all of the funds as in public works projects. Those hired because of the jobs tax credit would have produc-

tive jobs and be paying taxes rather than living off of Government largesse.

TARGETING LEAVES ROOM FOR LATER EXPANSION

Because this approach to stimulating the economy has not been tried extensively, the exact effects of the jobs tax credit are not known. As compared to other methods of attempting to increase employment, however, the jobs tax credit directly encourages productive private sector jobs with high prospects of permanent employment. Those employed under the credit will be earning full wages paid mostly by private employers and will be paying taxes rather than drawing unemployment compensation and other income supplements. If the targeted jobs tax credit is a success, it could easily be extended to a broader eligibility as a method of expanding employment without added inflation.

CONCLUSION

Mr. President, I have advocated the jobs tax credit since 1965 when it was termed a "human tax credit." During the last two sessions of Congress, I have introduced my own bill to establish an employment tax credit. It is an idea which deserves a chance to prove its potential which I believe is great. The amendment that I will offer should increase that potential even more. A target jobs tax credit will focus our limited funds on structural unemployment, have a greater impact on reducing unemployment, and be less inflationary. For these reasons, I urge favorable action by the Senate on this amendment.

Mr. CURTIS. Mr. President, will the Senator yield for a few questions?

Mr. DOLE. Yes, I am happy to yield.

Mr. CURTIS. I want to be sure that I understand as well as to establish the record as to just what is involved in the distinguished Senator's amendment.

The Senator would, for one thing, raise the tax credit from what the committee provided, or 25 percent of the first $4,200, to 50 percent of that?

Mr. DOLE. The Senator is correct.

Mr. CURTIS. The amendment also differs from the Haskell amendment in that the Senator has no ceiling?

Mr. DOLE. There is no cap, no ceiling on the credit for anyone business.

Mr. CURTIS. The committee bill says that the credit is allowed when the Federal Unemployment Tax Act taxes exceed 103 percent of the previous year; is that right?

Mr. DOLE. That is right.

Mr. CURTIS. And the Senator would make it 100 percent?

Mr. DOLE. The amendment of the Senator from Kansas would make the employment base 100 percent, yes.

Mr. CURTIS. Now, the committee bill, as proposed to have been amended by the distinguished Senator from Colorado, relates to any new employment; is that correct?

Mr. DOLE. That is correct, as the Senator from Kansas understands it.

Mr. CURTIS. If the amendment of the Senator from Kansas is adopted, is the credit available for any new employee that is hired?

Mr. DOLE. The credit is available only for those who have been unemployed 26 weeks or longer, and there are about 1.3 million people in that category.

Mr. CURTIS. In other words, the committee amendment would provide a credit of 25 percent for any new employee that they hire, but if the proposal of the distinguished Senator from Kansas is adopted, the only way you can qualify for the credit is by employing someone who has been unemployed for 26 weeks or longer?

Mr. DOLE. The Senator is correct.

Mr. CURTIS. Would the Senator tell us how it is determined whether or not someone has been unemployed for 26 weeks? I will illustrate the question in my mind a little farther: When someone who has been employed and then becomes unemployed is eligible to draw benefits, there is a provable record; but I am thinking of young chaps 25 years and under who have never had a job and never been on anyone's payroll, and have never been on anyone's unemployment compensation beneficiary list. In what manner will someone prove he has been unemployed for 26 weeks in that situation?

Mr. DOLE. The Senator is correct in the first part of his statement. Of course, the easiest way, if they have been enjoying unemployment benefits, there will be a record that can be ascertained very easily. If they have not been receiving benefits and not employed, I assume it is necessary to check with the last employer and verify it through that process. Of course, where they have drawn and exhausted their benefits, and there is some record of the time they were unemployed, it will be very easy to ascertain.

Mr. CURTIS. Yes. But it would be my hope that it would work out so that the youth who has never had a job, who really wants one, and someone hires him, and they take him through the experience of having a job and training him what to do, that the benefit would not be denied to someone who had never had a job because of his inability to prove that he had been unemployed for 26 weeks.

Mr. DOLE. I think the Senator from Nebraska has a good suggestion. The way the amendment is drawn at this point, the term "eligible employee" means, as defined by the bill, that immediately prior to his employment, the taxpayer was unemployed for at least 26 consecutive weeks.

Mr. CURTIS. Is it 26 weeks or months?

Mr. DOLE. Weeks.

Any reasonable reading of that language would include what has been referred to by the distinguished Senator from Nebraska.

Mr. CURTIS. In other words, is it the intent of the distinguished Senator from Kansas that the facts shall be ascertained if the individual involved has truly been unemployed, and, by observing the facts in the case, he comes under the benefit of the Senator's proposal?

Mr. DOLE. That is the interpretation the Senator from Kansas places on it. I appreciate the underscoring of that by the distinguished Senator from Nebraska. There will be cases where someone has never worked. As the Senator indicated, some are coming into the work force. They cannot find a job and they have not had a job. We should not require that they had a job, lost a job and then were unemployed for 26 weeks.

Mr. CURTIS. Is it the intent of the distinguished Senator from Kansas that the benefits of this proposal go for people who, in the due course, want a job and would like to have one?

Mr. DOLE. That is the sole purpose of the amendment, the sole intent.

Mr. CURTIS. In other words, a housewife whose husband may be of high income, who had no thought, desire, or intention of going to work, and who has not worked in the last 26 weeks may have some friend employ her because half of the check will be picked up by the Government. It is not the intention to cover such a case, but only to cover those people who are actually seeking work and have not found any in the last 26 weeks.

Mr. DOLE. Those who have been seeking work for a long period of time and have not found that employment for 26 weeks will be eligible. The Senator from Kansas and many others believes this is a safeguard. It tailors the program to those who want work and have been truly unemployed. People who are looking for productive employment and want to become taxpayers again. That is the purpose of the amendment.

Mr. CURTIS. Is it not true that without the amendment offered by the Senator from Kansas which grants this credit or this subsidy for any new employee, there is more danger that we would be paying a subsidy for increased employment that was going to occur in the natural course of things than under the Senator's amendment?

Mr. DOLE. That is the hope of the Senator from Kansas. That is the intent of the Senator from Kansas.

Mr. CURTIS. Is part of the reason for the credit that the Senator is offering an inducement for the employer to do something for an unfortunate person who has not had any work at all?

Mr. DOLE. That is precisely the intent of the amendment. The intent, first of all, is to look at those unemployed men and women who have been without work and who are looking for work, who cannot find work. This creates an opportunity for the employer and an opportunity for the employee.

Mr. CURTIS. If the Senator will yield further, it is always difficult to determine the net cost of a program, but is it not true if we gear our efforts in this regard to finding jobs for the hard core unemployed, we are more apt to have a greater saving in less unemployment compensation, less general welfare, and less other public expenditures than if we were dealing with all new employees?

Mr. DOLE. Again, may I say to the distinguished Senator from Nebraska, that is the hope of the Senator from Kansas. That should be the result.

Mr. CURTIS. I think it would be. I think if we took an average of all new employees, we would get many who had not been the recipients of some Government program before. They were just new employees, that was all. But if it is directed toward the hard core, in all

probability a greater percentage of them would have been recipients of various Government programs that make up part of the cost of Government.

Mr. DOLE. That would apply whether the person has received unemployment compensation, food stamps, or any of the various programs available to unemployed workers. The only purpose of the amendment is to get that person back to work, to make him self-sufficient, and at the same time give the employer enough incentive to come into the program. Sufficient incentive is needed for the employer to go out and find somebody who has been unemployed for a long period of time and bring that person into the program.

Mr. CURTIS. In support of the general proposition of a job credit proposal, I would like to ask this question: Even though this new employee may not receive enough wages in light of the number of his dependents to be an income taxpayer, he will be paying social security taxes; will he not?

Mr. DOLE. Yes.

Mr. CURTIS. His employer will be paying social security taxes; is that correct?

Mr. DOLE. That is correct.

Mr. CURTIS. And in most States his employer will be paying the Federal unemployment tax; is that correct?

Mr. DOLE. That is correct.

Mr. CURTIS. So, in these days when we are dealing with a unified budget, which was not adopted by any motion of mine but it is here, these unemployment taxes do assist in the budget problems and the cash flow of the Government; is that correct?

Mr. DOLE. The Senator is correct. I might add that if we look at the cost of hiring an employee for 1 year under the proposal of the Senator from Kansas and the proposal of the Senator from Colorado with a 50-percent tax credit, the cost to the Federal Government will be about $2,100, which is a lot less than unemployment benefits, food stamps, and welfare programs. In addition, there are the benefits the Senator just referred to. The employer is paying the social security tax; the employee is paying a social security tax. It just seems to this Senator it is a much better program all the way around.

Mr. CURTIS. And one of the important benefits is that it leads that hard core unemployed individual through those first difficult months or a year and a half to learn a job so he can go out and get one that does not involve a subsidy; is that correct?

Mr. DOLE. That is correct. There are a great many unemployed people who have been unemployed 26 weeks or more. I think the latest figure is about 1.3 million. So it is a very substantial number. If we could add that number to the work force we would reduce unemployment considerably.

Mr. CURTIS. Does the Senator have any cost estimates, either on net cost or direct cost, on his proposal in the light of the way it has been offered at this time? I realize the particular form of the amendment is changed to meet the particular situation on the floor. Does the Senator have any information on that?

Mr. DOLE. Yes. The Senator from Kansas can inform the Senator from Nebraska that the targeted jobs credit proposal which the Senator from Kansas offered would be less expensive than either the Finance Committee bill or the House jobs tax credit. The Joint Committee on Taxation has estimated the revenue loss at $.7 billion for fiscal year 1977, $1.9 billion for fiscal year 1978, and $2 billion for fiscal year 1979. This compares with a reduction in budget receipts from the Finance Committee bill of $.9 billion, $2.4 billion, and $2.4 billion for 1977, 1978, and 1979, respectively. So it is less exepnsive over the 3 years by something in excess of $1 billion.

Mr. CURTIS. It is less expensive than the Finance Committee proposal, the Haskell proposal, or both?

Mr. DOLE. My amendment is less expensive than the Finance Committee proposal and less expensive than the House jobs tax credit. There would be some difference in the Haskell proposal because we eliminate the cap.

Maybe the distinguished Senator from Hawaii has a figure on that. By removing the cap, I believe we increase the cost about $300 million.

Mr. MATSUNAGA. Six hundred million dollars.

If the Senator will yield, under the 50 percent, it would increase by $1.1 billion. Under the 25 percent, it would be about a $600 million increase.

Mr. DOLE. So we are adding about a half billion dollars.

Mr. MATSUNAGA. Yes, about a half billion dollars.

Mr. CURTIS. I have a question of the distinguished Senator from Kansas.

If this program is directed at the hard-core unemployed, is it not true that, very likely, it will benefit many handicapped people, particularly those with a slight handicap, who are capable of doing work but, in the ordinary course of things, have been passed over?

Mr. DOLE. That is the intent. In the near future, this Senator might be offering an amendment later to deal more specifically with handicapped workers, where there would be an even more clear-cut benefit to the handicapped and a benefit to the employer and would cost very little money.

Mr. CURTIS. This would cost about how much a year per employee?

Mr. DOLE. Twenty-one hundred dollars as my amendment now stands.

Mr. CURTIS. What would it cost if we went into a jobs program and made work in Government-directed projects? What would it cost the Treasury to give one of these men a job for a year?

Mr. DOLE. The Senator from Kansas is not certain what public jobs cost.

Mr. CURTIS. $8,500 and up.

Mr. DOLE. $8,500 or $9,000 a year. As the Senator from Nebraska knows when the Federal program ends, the job ends. I say to the Senator from Nebraska, when the jobs tax credit ends, the man will have a job, and there will not be any continuing subsidy to business and he will be back on the tax rolls and not back on the welfare rolls.

Mr. CURTIS. I commend the distinguished Senator from Kansas upon his amendment. It is my hope that it will be accepted. It reaches the objective here of going to 50 percent. It does not impose a cap and, as this is an experimental program that has never been tried before and is going to run for about a year and a half, it seems to me that this experimental trial should be directed toward the hard-core unemployed. I earnestly hope that the Senators on both sides of the aisle will support the amendment of the Senator from Kansas.

I thank the Senator for yielding.

Mr. DOLE. I thank the distinguished Senator from Nebraska. It is the hope of the Senator from Kansas that we might reach some agreement. I would appreciate it, if anyone has any comments about any provision or any question about any provision, if those might be discussed.

The distinguished Senator from Hawaii, as I understand it, had planned somehow to amend the Haskell amendment to remove the cap. The perfecting amendment of the Senator from Kansas removes the cap. If the Senator from Hawaii is satisfied in that area, perhaps we could discuss other aspects of the bill and end up with his valuable support for this proposal.

Mr. MATSUNAGA. If the Senator will yield, I shall have to oppose the Senator's amendment, for the reason that he has a provision which gives preference or limits employment under the joint tax credit to those who have been unemployed for 26 or more weeks. This would take so much bookkeeping effort, for one thing, and employers are not going to trouble themselves in a situation where they have to ask each employee who applies, or each prospective employee who is asking to be employed, to prove that he has been unemployed for more than 26 weeks. That, I think, is an unworkable feature.

If the Senator will simply offer an amendment which will lift the ceiling, raise the 25 percent ceiling to 50 percent, as is proposed under the Haskell amendment, I would certainly support the Senator's amendment. I feel strongly that the Senator's amendment is simply unworkable for all practical purposes.

Mr. DOLE. I thank the distinguished Senator from Hawaii.

The Senator from Kansas is under the impression that, based on the cost estimates given by the Joint Committee on Taxation, it would not be too difficult, because even though the cost of the proposal of the Senator from Kansas is much less, it will still be quite substantial. I assume the costs are based on participation. As I suggest it, the cost of the first fiscal year receipts, 1977, would be about $700 million; fiscal 1978, $1.9 billion; fiscal 1979, $2 billion. So there is a strong indication that it is not going to be too difficult, that the employers will take advantage of the program. It does provide an incentive, it does help those who have been unemployed for 26 years or more.

Mr. MATSUNAGA. The cost here should not be the determining factor, for this reason: To begin with, there would be no cost to the Government unless an employer employs. That cost is not subject until the employer employs a new employee.

I wonder if the Senator follows what I am trying to say?

Mr. DOLE. I do see the Senator's point.

Mr. MATSUNAGA. The cost to the Government will not take place until the employer actually employs another person and, if and when the employer does employ to a total of 1 percent, or even less than that, inasmuch as we do not need that much—let me take that back.

Let us assume that, under this program, we shall reduce the unemployment rate by 1 percent. We shall increase the Federal revenues by as much as $16 billion. We shall save, in terms of unemployment compensation and welfare, a sum of about $4 billion, making a total of $20 billion, so that what the Haskell amendment and my amendment propose will be easily taken care of by the increased revenues. The total estimated cost of the Haskell and Matsunaga amendments is $5 billion.

Considering that we withdrew the $50 rebate provision and saved $10.7 billion initially, it seems to me that we are well within the projected budget on this bill. I strongly urge that the Senator from Kansas modify his amendment to exclude that portion which pertains to hiring only those who have been unemployed for 26 weeks and I shall support the Senator's amendment.

Mr. DOLE. I thank the distinguished Senator from Hawaii.

The Senator from Kansas introduced a bill in the House in 1965, called the human investment credit, so this is an idea that has been kicking around for a long time. I confess to the Senator from Hawaii that, as recently as last year, I had the same idea. I felt, that we ought to just open the doors and let anybody who is newly hired qualify. But I recognize that this is a new program and money itself is not the solution. It is not how much we spend or how little we spend. It has to be the quality of the program.

It seems to this Senator that if we are concerned about the hardcore unemployed and concerned about unemployed youth and concerned about areas that have high unemployment, we ought to look at some targeted approach. That is the reason for the change. The reason is not just to reduce cost for the sake of reducing cost.

Let me point out one other problem with the idea that I once had that the Senator from Hawaii now advances. One significant problem with all the nontargeted jobs tax credits is the windfall profits that it would give to many business people. Businesses will just hire somebody they are going to hire anyway, and still receive a subsidy. We suggest there would be fewer abuses, even with reducing the base from 103 to 100 percent, if we target the credit to those who are unemployed for 26 weeks or longer. I think that, for many, many reasons, this approach makes a great deal of sense.

I do not quarrel with the Senator's approach. I quarrel with how much we can spend in a new program to test it. There are enough people out there who have been unemployed for 26 weeks or more to fill up the program; 1.2 million to 1.3 million are eligible right now. To suggest there would not be participation, I think, is not totally accurate.

With reference to the 100-percent base instead of the 103-percent base, which of those does the Senator from Hawaii prefer?

Mr. MATSUNAGA. I would prefer the 103-percent base for this reason, that it would insure, to a degree, that an employer would be hiring new employees over and above what he had the previous year, and while——

Mr. DOLE. If that were the case, I am advised that would not help Hawaii at all, if we go to 103.

Mr. MATSUNAGA. I did not hear the Senator.

Mr. DOLE. If we leave the base at 103, it does not help the State of Hawaii at all.

Mr. MATSUNAGA. It would.

Mr. DOLE. If we lower it to 100, they get some relief under my amendment.

Mr. MATSUNAGA. How would that be? I cannot understand the conclusion of the Senator from Kansas.

Mr. DOLE. There was only a 0.7 percent growth of employment in Hawaii last year. Businesses must have a growth of 3 percent to qualify. So if we reduce the base to 100 percent, then Hawaii, New England States, and other areas where businesses do not have a big growth in employment, can qualify.

We are trying to broaden the bill so far as necessary to bring in those areas of high unemployment. Second, to bring in those that have been unemployed for a long time.

We might be able to work out some accommodation on that provision, then we would be down to just the one provision that we could discuss at some length and compromise that.

But the Senator from Kansas states that even with the lower 100-percent employment base, the windfall gains for certain businesses is less without the targeting mechanism.

Employers will employ an eligible person in addition to, rather than instead of, the employee they originally intended to hire. Those persons who are not eligible are those generally most capable of securing employment even without a subsidy benefit. Their job search may be prolonged only slightly because of the preferential treatment of long-term unemployed.

Under any of the proposals considered so far, at least 80 percent of the benefits to businesses are windfall, according to a Congressional Budget Office memorandum.

In other words, they will hire someone anyway. Why not let the Government pick up part of the tab?

According to the Budget Office, 80 percent of that cost would be a windfall. Targeting may reduce the windfall portion by 20 to 30 percent. This is a significant gain in real new employment.

There is still some windfall and some will take advantage of the Government, but it will be less.

This amendment, as with the amendment of the Senator from Colorado, has a credit equal for hiring a worker, and as I indicated before, would increase it from $1,050 to $2,100.

It just seems to the Senator from Kansas, if we are concerned about unemployment, if we are concerned about too much stimulation and embarking on a new program, we ought to be a little restrictive and read some signs about the improving economy and perhaps the need for less stimulus.

We should take a look at those unemployed for 26 weeks or longer. That is the thrust of the amendment of the Senator from Kansas and of those concerned about the long-term unemployment.

I hope the amendment will be accepted.

Is there any objection to accepting the amendment?

Mr. LONG. I must object to the amendment.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a 10-minute time limitation on the amendment by Mr. DOLE to be equally divided between Mr. DOLE and Mr. LONG, and then that a vote occur.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LONG. Mr. President, I cannot support this amendment for a number of reasons. First, this amendment would limit the benefit of the jobs credit to the hardcore unemployed. If a person employed someone who had been out of work for 26 weeks he would get the credit of 50 percent. But, on the other hand, if he employed someone who is looking for a job, who has been out of work for 20 weeks, the person would not get the credit. I find that objectionable. An unemployed worker is still an unemployed worker.

Furthermore, this amendment has some technical problems that just should not become law. For example, under this amendment the base which the Senator uses is the base number of hardcore unemployed that the person is employing rather than the number of workers. So that under this amendment a person could fire a good employee, and he would find it tempting to fire a good employee, and then hire someone unemployed for 26 weeks so that he would get a tax credit of $2,100. That I find to be objectionable.

Our purpose ought to be to give the employer the option of hiring all the unemployed we can make available to him. So when you provide an incentive to fire one good employee and replace him with another one who is not as satisfactory as the one he fired in the

first instance, that presents what I believe to be an insurmountable objection to this amendment.

Because of the fashion in which this discriminates in favor of some unemployed and against others, and the fact that it encourages dismissing existing employees, this amendment should not be agreed to, and I hope the Senate will reject this.

In some respects I agree with the amendment, in that it provides a 50-percent credit but the objections I have stated would cause me to feel we would have a far better arrangement if we simply went to the Haskell amendment which is being proposed or even the committee amendment which, I believe, has been far more thoroughly considered and is not subject to the objections I have stated here.

The PRESIDING OFFICER. Who yields time?

The Senator from Kansas has 5 minutes remaining.

Mr. DOLE. Mr. President, will the distinguished Senator from Louisiana support the amendment reduced to 13 weeks?

Mr. LONG. The same problems would exist. We would still be discriminating as among the unemployed. It seems to me we should not be doing that.

Mr. DOLE. What about 60 days? It seems to the Senator from Kansas there ought to be some barrier. You ought to be employed for a week, 3 weeks, or 30 days or 6 weeks before you can take advantage to avoid the windfall. It seems to me that business can have a big windfall, approximately 80 percent, unless we somehow structure the program to target it on the long-term unemployed. Could we arrive at some accommodation, because the other three points of the Senator's amendment I think the distinguished chairman agrees with?

Mr. LONG. There are points in the Senator's amendment that I do not find objectionable, and I would hope that the Senator would renew those aspects of it at some subsequent date because there are some things in the Senator's amendment as to which I would not object.

But I have stated my objections. Limiting this to the hard-core unemployed and discriminating against other unemployed adds a needless complication and involves a discrimination which I believe is not justified. That is why I cannot support the amendment.

Mr. DOLE. I am glad to change it to soft-core unemployed and talk about 30 days or 60 days.

Let the Senator from Kansas point up quickly that it is not only the hard-core unemployed to whom we address this amendment. We reduce the base from 103 to 100 percent to help those Northeastern States and other States and small businesses everywhere with very little growth and very high unemployed. It also adds a 50-percent credit, as the amendment of the Senator from Colorado has a 50-percent credit, requires 26 weeks or longer unemployment, and reduces the base to 100 percent and also removes the cap. So the Senator from Kansas believes it is an amendment that covers nearly every wish that has been raised except for the one area, and the Senator from Kansas would hope that the amendment would be adopted.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DOLE. I yield to the Senator from New York.

Mr. JAVITS. It seems to me that the point made by our colleague, Senator LONG, is precisely the reason why this amendment should be adopted. The danger of exploitation of this particular proposition, which has always bedeviled this field, is much worse if the field is limited, and that is what this amendment would be left with if we did not have this restriction to some qualification for people who have been unemployed for some substantial period.

That is a way to restrict it. That is a reasonable provision to hold it down and see it is not abused. Otherwise, it is as wide as a barn door. If the Senator is right, that they will fire good people and hire unemployed people, all he is doing is giving them more customers in order to further subvert what the purpose of this amendment is. Indeed, frankly, I am against the Haskell amendment for that reason, and besides it is going to cost a fortune. $1 billion is the price tag for the Haskell amendment. That is without the cap, and the Senator is against the cap.

So I think that the proposition offered us by the Senator DOLE is a far more proper one for the fact that we are trying to target our remedy with the greatest economy to the things that ails us, and I hope very much that the Senate will see the Dole amendment that way.

Mr. DOLE. I yield back the remainder of my time.

Mr. LONG. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. HATHAWAY). The Senator from Louisiana has 2 minutes remaining.

Mr. LONG. Let me summarize my objection.

The amendment is not as tightly drawn as the Haskell amendment or the committee amendment. It sets a mere 100-percent base rather than a 103-percent base. Furthermore, the base is applied to the percentage of hard-core unemployed that you have on the payroll rather than the percentage of all the people you have working, so that if a person had no hard-core unemployed working for him and he hires one hard-core unemployed person—even though he dismisses a loyal, reliable employee in order to hire that one—then he gets the tax credit, for doing something that we do not want to encourage at all. He could actually add two people to the ranks of the unemployed and still get a tax credit because he is hiring one hard-core unemployed, and that just does not make sense.

Mr. President, the Senator has some good features in his amendment, and I hope later on he will consider offering the parts as to which I have not objected. But this part of the amendment should be rejected, that is the idea of limiting the credit to hard-core unemployed and also limiting the base to the hard-core unemployed.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately upon the disposition of the amendment by Mr. DOLE the Senate proceed to vote on division 1 of the Haskell amendment and that immediately upon the disposition of that division the Senate proceed to the vote on division 2 of the Haskell amendment. This has been cleared with Mr. HASKELL.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on each of the two backup votes be limited to 10 minutes each. That means there will be 15 minutes on the first rollcall and 10 minutes each on the next two rollcalls.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Kansas. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Kentucky (Mr. FORD), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Maine (Mr. MUSKIE), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Michigan (Mr. RIEGLE) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. MATHIAS), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 35, nays 54, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—35

Bartlett	Griffin	Pearson
Bellmon	Hansen	Percy
Brooke	Hatch	Roth
Case	Hatfield	Schmitt
Chafee	Hathaway	Schweiker
Curtis	Hayakawa	Scott
Danforth	Heinz	Stafford
DeConcini	Javits	Stevens
Dole	Lavalt	Thurmond
Domenici	Lugar	Wallop
Garn	McClure	Young
Goldwater	Packwood	

NAYS—54

Abourezk	Eagleton	McClellan
Allen	Eastland	McGovern
Anderson	Glenn	McIntyre
Bayh	Gravel	Melcher
Bentsen	Hart	Metcalf
Burdick	Haskell	Metzenbaum
Byrd, Harry F., Jr.	Helms	Morgan
	Hollings	Moynihan
Byrd, Robert C.	Huddleston	Nelson
Cannon	Jackson	Nunn
Chiles	Johnston	Pell
Church	Kennedy	Proxmire
Clark	Leahy	Randolph
Cranston	Long	Ribicoff
Culver	Magnuson	Sarbanes
Durkin	Matsunaga	Sasser

Sparkman	Stone	Zorinsky
Stennis	Talmadge	
Stevenson	Williams	

NOT VOTING—11

Baker	Humphrey	Riegle
Biden	Inouye	Tower
Bumpers	Mathias	Weicker
Ford	Muskie	

So Mr. DOLE's amendment was rejected.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the vote occurs on the first division of the amendment of the Senator from Colorado. It will be a 10-minute vote. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The clerk will suspend until the Senate is in order. Will Senators please take their seats or retire to the cloakrooms for their conversations?

Will the Senator from Louisiana, the Senator from Minnesota, and the Senator from Florida please take their seats?

The clerk may resume.

The second assistant legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Kentucky (Mr. FORD), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Maine (Mr. MUSKIE), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. MATHIAS), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 48, nays 41, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—48

Abourezk	Hart	Morgan
Allen	Haskell	Moynihan
Bayh	Heinz	Nelson
Bentsen	Helms	Nunn
Burdick	Hollings	Packwood
Byrd, Robert C.	Huddleston	Pell
Cannon	Jackson	Randolph
Chafee	Johnston	Ribicoff
Chiles	Laxalt	Sasser
Church	Leahy	Schweiker
Cranston	Long	Sparkman
DeConcini	Magnuson	Stennis
Dole	Matsunaga	Stevens
Eagleton	McGovern	Stone
Eastland	Melcher	Talmadge
Gravel	Metcalf	Williams

NAYS—41

Anderson	Glenn	Metzenbaum
Bartlett	Goldwater	Pearson
Bellmon	Griffin	Percy
Brooke	Hansen	Proxmire
Byrd, Harry F., Jr.	Hatch	Roth
	Hatfield	Sarbanes
Case	Hathaway	Schmitt
Clark	Hayakawa	Scott
Culver	Javits	Stafford
Curtis	Kennedy	Stevenson
Danforth	Lugar	Thurmond
Domenici	McClellan	Wallop
Durkin	McClure	Young
Garn	McIntyre	Zorinsky

NOT VOTING—11

Baker	Humphrey	Riegle
Biden	Inouye	Tower
Bumpers	Mathias	Weicker
Ford	Muskie	

So, division 1 of the amendment was agreed to.

Mr. LONG. Mr. President, I ask unanimous consent that I might address myself to the second half of the amendment for 1 minute, with 1 minute for the Senator from Colorado to respond.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, before we do that, do you not think we ought to have 2 minutes on this side to respond?

Mr. LONG. I am on one side; he is on the other.

Mr. JAVITS. I know, but that is kind of in the family. So let us make it 4 minutes, with 2 minutes there, 2 here.

The PRESIDING OFFICER. Is there objection to 4 minutes, to be equally divided?

Mr. ROTH. I object.

Mr. HASKELL. Reserving the right to object.

The PRESIDING OFFICER. The objection has already been heard.

Under the previous order, the vote occurs on division No. 2 of the amendment of the Senator from Colorado. The yeas and nays have been ordered.

Mr. LONG. Mr. President, I wish to renew my request for just 1 minute to explain the committee position and 1 minute for the Senator from Colorado to explain his.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. METCALF (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Michigan (Mr. RIEGLE). I voted "yea." If he were present and voting, he would vote "nay." I, therefore, withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Kentucky (Mr. FORD), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Maine (Mr. MUSKIE), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. MATHIAS), the Senator from Texas (Mr. TOWER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 59, nays 29, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—59

Abourezk	Bayh	Brooke
Bartlett	Bellmon	Burdick
Byrd, Harry F., Jr.	Hansen	Metzenbaum
	Hart	Morgan
Cannon	Haskell	Nelson
Case	Hatch	Nunn
Chafee	Hatfield	Pell
Chiles	Hathaway	Proxmire
Church	Hayakawa	Roth
Clark	Heinz	Sarbanes
Cranston	Jackson	Schmitt
Culver	Javits	Scott
Curtis	Kennedy	Stafford
Danforth	Leahy	Stevenson
DeConcini	Lugar	Stone
Domenici	Magnuson	Talmadge
Durkin	McClellan	Thurmond
Eagleton	McClure	Wallop
Garn	McGovern	Young
Griffin	McIntyre	Zorinsky

NAYS—29

Allen	Hollings	Percy
Anderson	Huddleston	Randolph
Bentsen	Johnston	Ribicoff
Byrd, Robert C.	Laxalt	Sasser
Dole	Long	Schweiker
Eastland	Matsunaga	Sparkman
Glenn	Melcher	Stennis
Goldwater	Moynihan	Stevens
Gravel	Packwood	Williams
Helms	Pearson	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Metcalf, for.

NOT VOTING—11

Baker	Humphrey	Riegle
Biden	Inouye	Tower
Bumpers	Mathias	Weicker
Ford	Muskie	

So, division 2 of the amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which division 2 was agreed to.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I take it that I am on solid ground in stating that there will be no more rollcall votes today.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock meridian tomorrow.

The PRESIDING OFFICER (Mr. ANDERSON). Without objection, it is so ordered.

ORDER FOR RESUMING CONSIDERATION OF H.R. 3477 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees are recognized on tomorrow the Senate resume consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. JAVITS. Mr. President, are we still in debate on this bill? May I have

an idea as to how long the majority leader wishes to run tonight? We are prepared now to take up the discussion of the amendment for a permanent personal income tax cut.

As I have already explained to the majority leader, we have quite a considerable number of speakers. We can go right ahead with it. We will in the course of the discussion lay down the amendment. We will explain it.

If the majority leader wishes to try to arrive at a unanimous-consent agreement for a vote we are certainly willing to lend ourselves to that. I am at his disposal.

Mr. ROBERT C. BYRD. Mr. President, I have already announced there will be no more rollcall votes tonight, but there certainly would be no objection to Senators staying as long as they desire to talk about the amendment to which Mr. JAVITS has referred or to address their remarks to other amendments or to the bill itself. It is entirely up to the Senator and those supporting him and the manager of the bill as to how long they want to discuss the matter tonight, of course.

Now, as to a unanimous-consent agreement on a vote on the amendment proposed by Mr. JAVITS, I would have to confer with the manager of the bill, Mr. LONG, and it may be that tomorrow would be a better time to discuss that proposition.

Mr. LONG. I think so.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I ask unanimous consent that a member of my staff, Lyle Morris, be granted privileges during the consideration of this bill and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE $50 TAX REBATE

Mr. BUMPERS. Mr. President, a few days ago I circulated a "Dear Colleague" letter in support of my amendment No. 180 to H.R. 3477, the proposed Tax Reduction and Simplification Act of 1977. This amendment would strike almost all of title I of the bill, including the $50 tax rebate. The letter stated, among other things, that "the Budget Committee" had estimated that an $11 billion rebate would produce an 0.3-percent reduction in unemployment by the last quarter of 1977, and an 0.1-percent reduction by the last quarter of 1978.

The matter is now academic because of the President's action, but I would nonetheless, in the interests of accuracy, like to make a correction. The unemployment estimate should have been attributed to the Congressional Budget Office, rather than to the Budget Committee. On January 24, 1977, the director of CBO, Dr. Alice M. Rivlin, testified before the House Budget Committee. Among other things, Dr. Rivlin said that a $16 billion personal tax rebate paid out in the third quarter of calendar year 1977 would produce an estimated reduction of four-tenths percent in the unemployment rate by the fourth quarter of 1977, and of one-tenth percent by the fourth quarter of 1978.

ORDER FOR THE RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, when the Senate resumes consideration of the pending bill, Mr. JAVITS be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, the nomination of the distinguished former majority leader, Mike Mansfield, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan, has been reported out of the Committee on Foreign Relations today unanimously, and the distinguished chairman of that committee, Mr. SPARKMAN, has asked that I call up this nomination at this time. I have discussed it with the distinguished minority whip, Mr. STEVENS, and others, and they are agreeable, not only agreeable to calling it up at this time, but feel that it would be very appropriate to proceed with this nomination in view of our great respect and affection for the former majority leader and not have it wait to go over on the calendar tomorrow.

Therefore, I ask unanimous consent that the Senate go into executive session to consider the nomination of Mr. Mansfield to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nomination of Michael J. Mansfield, of Montana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

Mr. JAVITS. Mr. President, on today when Senator Mansfield appeared before the Foreign Relations Committee I was engaged in the Chamber in respect of the tax bill. I wish to record now, which I would have done before the committee, my great admiration, friendship, and affection for Senator Mansfield.

I think it is extraordinary that this be so, after the wonderful labors which he gave to the country and Congress and the example, indeed almost the model of rectitude and sterling integrity which he always represented to all of us. Indeed if he made any mistake it was because of an excess of those very qualities and the fact that he found it very, very difficult to compromise them, even if many of us would not have recognized what he was doing as a compromise, so strict was the man with himself in terms of personal discipline and high moral tone.

I know what we are getting in Mike Mansfield as an ambassador. I hope very much the people of Japan know what they are getting. If they do not know yet, I think they will soon find out. He is one of the finest examples of the culture and development of our country, coming from very humble origins, rising to the highest places in not only Government and office but also in the confidence and love of the people. And I am confident if the Lord allows him to serve, as I hope He will, for years in Japan, the Japanese will come to exactly the same conclusion that we have here.

Mr. President, I hope very much for him and Maureen that they have a beautiful life, and certainly our country will benefit enormously from his willingness to again take up the burdens and the joys of public service.

Mr. STEVENS. Mr. President, I think it is most fitting that the former majority leader's nomination be taken up out of order and be given special treatment.

I commend the President for sending this nomination to us not only because of the remarks the Senator from New York has made and each of us our own individual affection for Mike Mansfield, but also on the basis that my State is closer to Tokyo than it is to Washington. We have probably more direct relationships with the people of Japan than any other Americans, and I know that Mike Mansfield, with his great devotion to our way of life and our country, will be a great representative for the Nation and a great friend for our State in our relationships with Japan. But beyond that I know of no one who has taken more time as a Member of this body to study the complex situation of the People's Republic of China and our total relationships in Asia than Mike Mansfield. He has literally spent his vacations and his personal time in traveling throughout the People's Republic of China, and his presence in Japan I think ought to be a signal to the people of that republic that this Nation is intending to continue on our part toward normalization of relations with mainland

China, and that we have sent one of our most distinguished, elderly, and capable statesmen to Japan not only to maintain relationships with that country but to maintain our total balance of relationships in all of Asia.

I really sincerely believe that this is a most wise choice on the part of President Carter.

Mr. HANSEN. Mr. President, I will not unduly delay the deliberations of this body, but let me join in associating myself with the remarks of the distinguished Senator from New York, the distinguished Senator from Alaska, and all others who may earlier have spoken in saying that I think the President is to be commended for having chosen one of America's finest citizens, a person who by his training, dedication, integrity, understanding, and humanism cannot help but expand the influence and respect this Nation hopes to make its hallmark as we undertake further actions throughout the world theater.

As a former neighbor of mine, because the States of Montana and Wyoming have a common border, I have had nothing but the most splendid opportunity to benefit from the counsel, consideration, and helpfulness of Mike Mansfield as majority leader.

I know that he will serve this Nation well, and I commend the President. I wish Mike Mansfield and his lovely wife, Maureen, the very best.

Mr. ROBERT C. BYRD. Mr. President, when the mocking bird sings all the other birds in the forest remain silent.

There is nothing I can add to the encomiums that have been expressed here by my friends on the other side of the aisle.

I know that our friend Mike Mansfield would appreciate the good wishes and the expressions of esteem that have been made here. I am delighted that the Senate has the opportunity at this time in history to give its stamp of approval, as it is about to, to the confirmation of the nomination of Mike Mansfield, a great Senator, a great man, and a great American.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM TOMORROW UNTIL 10 A.M., MONDAY, APRIL 25, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow it stand in recess until the hour of 10 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 12 o'clock noon tomorrow, and after the two leaders or their designees have been recognized under the standing order will resume consideration of the pending measure, the Tax Reduction and Simplification Act of 1977, H.R. 3477.

At that time, under the order previously entered, Mr. JAVITS, the distinguished senior Senator from New York, will be recognized.

I anticipate rollcall votes tomorrow on amendments and/or motions in relation to the measure, H.R. 3477.

I also anticipate that the Senate will likely take up the conference report on the supplemental appropriation bill, and I would further anticipate that the Senate would likely be in session until 5 o'clock or 6 o'clock tomorrow.

RECESS UNTIL 12 MERIDIAN TOMORROW

Mr. ROBERT C. BYRD. That having been said, and not necessarily received with great approval, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 6:20 p.m., the Senate took a recess until tomorrow, Friday, April 22, 1977, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate April 21, 1977:

DEPARTMENT OF DEFENSE

John Patrick White, of the District of Columbia, to be an Assistant Secretary of Defense, vice David P. Taylor, resigned.

DEPARTMENT OF JUSTICE

Frank M. Tuerkheimer, of Wisconsin, to be U.S. attorney for the western district of Wisconsin for the term of 4 years, vice David C. Mebane, resigning.

J. Jerome Bullock, of Georgia, to be U.S. marshal for the District of Columbia for the term of 4 years, vice George K. McKinney, resigning.

NATIONAL SCIENCE FOUNDATION

Richard C. Atkinson, of California, to be Director of the National Science Foundation for a term of 6 years, vice H. Guyford Stever, resigned.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Arnold W. Braswell, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Glock, Howard G., [redacted].
Keilman, Richard A., [redacted].
Rodgers, William E., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Black, Joseph W., Jr., [redacted].
Caldwell, Robert C., [redacted].
Colston, Raymond C., [redacted].
Couvillion, Donald A., [redacted].
Danielsen, Theodore S., [redacted].
Elliott, George A., Jr., [redacted].
Kaufman, Patrick S., [redacted].
Nagle, Bruce D., [redacted].
Negrea, Samuel E., Jr., [redacted].
Owens, Bobby L., [redacted].
Patellis, Nomikos M., [redacted].
Sluka, Sylvester D., [redacted].

CHAPLAIN CORPS

To be lieutenant colonel

Helman, Rayfield D., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Hamlin, Elvin R., [redacted].
Jordan, William P., [redacted].
Kang, Isamu Y., [redacted].
Kwan, Marcus R., [redacted].
Privitera, Charles R.,, Jr., [redacted].
Restituto, Reyes N., [redacted].
Schwartz, Michael L., [redacted].
Trout, Hugh H. III, [redacted].
Yook, Jong Y., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Berchin, Richard J., [redacted].
Braun, Erwin G., [redacted].
Coleman, Terry B., [redacted].
Gray, John W., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Pope, Conrad R., [redacted].
Seedle, Clyde D., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Springmier, Joyce T., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be first lieutenant

Laubscher, Sonya R., [redacted].

The following-named officers for promotion in the Regular Army of the United States under the provisions of title 10, United States Code sections 3284 and 3298:

ARMY PROMOTION LIST

To first lieutenant

Daniels, Steven H., [redacted].
Warren, Roy H., [redacted].

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of colonel:

Louis P. Abraham	Wade H. Cooper
Dennis N. Anderson	John B. Donovan, Jr.
William R. Ball	Franklin P. Eller, Jr.
Herbert T. Berwald, Jr.	Gerald L. Ellis
Richard J. Blanc	William R. Etter
Ronald E. Blanchard	Arthur P. Finion
Pasquale L. Cacace	Robert C. Finn
John J. Caldas, Jr.	Robert L. Fischer
Richard P. Capatosto	Marcus T. Fountain, Jr.
John D. Carlton	John A. Gagen
Richard W. Carr	Dominick R. Gannon
Edward P. Carroll	John H. Gary, III
Arthur B. Clark	Donald J. Hatch
Edward J. Clarkson	William T. Hewes
Barry S. Colassard	

Thad A. Hoyer
Richard C. Hyatt
James D. Jahn
Gerald D. James
Robert C. Johnson
Carl W. Kachauskas
Billy J. Kahler
Hugh T. Kerr
Robert W. Kirby
Joseph B. Knotts
Peter N. Kress
Neil M. Larimer, II
Robert H. Lockwood
Robert E. Loehe
Jerry W. Marvel
Robert B. Mason
Donald J. McCarthy
James L. McManaway
William J. McManus
Ralph D. Miller
John P. Monahan
Jack P. Monroe, Jr.
Richard J. Morley
Curtis W. Olson
Dorsie D. Page, Jr.
James C. Page
James M. Perryman, Jr.
James A. Poland
William G. Price
Van S. Reed
James K. Reilly
Robert T. Roche
Barry P. Rust
James E. Schulken
James A. Schumacher
Donald R. Seay
Glenn J. Shaver, Jr.
Jerry L. Shelton
Con D. Silard, Jr.
Colben K. Sime, Jr.
Alois A. Slepicka
Norman H. Smith
William R. Smith
Arthur L. Stewart, Jr.
Michael P. Sullivan
Robert C. Tashjian
Frederic L. Tolleson
David C. Townsend
Everett P. Trader, Jr.
John T. Tyler
Francis V. White, Jr.
Charles E. Yates

The following-named officer of the Marine Corps Reserve for permanent appointment to the grade of colonel:

Paul L. Moreau

The following-named woman officer of the Marine Corps for permanent appointment as the grade of colonel:

Vea J. Smith

WITHDRAWAL

Executive nomination withdrawn from the Senate, April 21, 1977:

John McGrath Sullivan, of Pennsylvania, to be an Assistant Secretary of Defense, vice David P. Taylor, resigned, which was sent to the Senate on February 25, 1977.

CONFIRMATION

Executive nomination confirmed by the Senate, April 21, 1977:

DEPARTMENT OF STATE

Michael J. Mansfield, of Montana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

THE PRESIDENT'S ENERGY PROGRAM

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. RUDD. Mr. Speaker, I see some very, very serious problems and inconsistencies in the President's energy proposals, presented to a joint session of Congress last evening, and his package of proposed environmental legislation which is currently moving through the Congress.

In my position as a member of the House Interior and Insular Affairs Committee, the President's address last night and his proposed legislative program in the Congress fail to strike a reasonable balance between our energy needs and our environmental concerns.

The President said last night that we must boost U.S. coal production more than 65 percent to more than a billion tons of coal a year, so that we can reduce our massive dependence upon oil. I agree with that goal. Yet my Interior Committee has spent the last few weeks working on the administration's proposed strip mining legislation, which for starters will severely reduce U.S. coal production.

The strip mining bill will eliminate any coal mining in many river bottoms and much farmland. This will shackle U.S. coal production, particularly in the West. This is hardly consistent with the President's stated energy proposals last night.

Mr. Speaker, a second major piece of legislation being pushed by the President and the majority in Congress is the Clean Air Act amendments, which would implement a national policy of nondegradation of air quality.

This means severe restrictions on economic activity everywhere—especially generation of needed electricity with coal. The administration's proposed clean air legislation is again completely inconsistent with the President's announced goals of using coal instead of oil.

It is a fact that you cannot use coal without polluting. But the hard environmental line of nondegradation being pushed for inclusion in the Clean Air Act amendments will tolerate no further deterioration of air quality whatsoever. Industry simply does not have the financial means to implement the technology to use coal within the strict environmental standards to be enforced under the administration's proposed legislation already moving through the Congress.

I applaud the President's goal of establishing a national energy policy. But no national energy policy at all is better than a bad energy policy, or an energy policy that will be undermined by unreasonable environmental policy. We must have a reasonable balance. I am disturbed that the President has not struck that reasonable balance we need between energy priorities and environmental concerns.

Mr. Speaker, I am further disturbed that the President views punitive additional taxes on gasoline as a better way to achieve our energy needs than the preferable alternative of just decontrolling gasoline prices and allowing them to reach their proper level in a competitive free market.

A free market might not ration energy better than bureaucrats. But that should not be our goal. Our goal should be more energy, of all types. Our national energy goal should be to encourage a search for new sources of energy, which is what we really need.

This can only be accomplished by a freely competitive system, with a minimum of Government interference, which the President seemed to endorse while at the same time calling for greater bureaucracy.

As the President correctly stated last night, our Nation's energy dilemma is "the greatest challenge our Nation will face in our lifetime." I know there are many in this Congress who share my concerns and doubts about some of the prescriptions offered by the President to meet that challenge.

But because there are problems and serious inconsistencies in the President's program does not mean that we cannot meet the challenge before us. We have a vast array of talent and dedication to the task throughout our great country. And we can work out those difficulties if the reasonable spirit urged by the President becomes a rallying together for commonsense solutions.

I view my job in the Congress as an obligation to give this challenge every effort that I can muster. It is my hope that Congress will see the need to balance environmental considerations with the need to develop more of our own domestic energy resources, and to provide more jobs through expansion of the productive private sector of our economy.

RABBI LIPNICK TO BE HONORED

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. YOUNG of Missouri. Mr. Speaker, St. Louisans plan to honor with a testimonial this weekend a man who has been a civic leader and spokesman for the Jewish community for more than a quarter century. Rabbi Bernard Lipnick, a Baltimore native, first came to Congregation B'nai Amoona in St. Louis in 1951 as educational director and associate rabbi. Today, he is the congregation's beloved senior rabbi. Rabbi Lipnick has published several scholarly articles, and a book—"An Experiment That Works—in Jewish Religious Education."

The book outlines the approach—and philosophy—the rabbi has used in establishing his congregation's religious education program for high school students. His progressive approach has been so successful that the number of young people in the congregation who have continued their religious education has increased from 3 percent to 80 percent in recent years.

In these and many other endeavors, Rabbi Lipnick has demonstrated a unique ability to lead—both in his congregation and in the St. Louis community as a whole. It is fitting that he should be honored for his 25 years of service to all of St. Louis.

REFUGEE ASSISTANCE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. STARK. Mr. Speaker, today JOEL PRITCHARD and I, along with more than 30 cosponsors are introducing a bill to extend the Indochinese refugee assistance program for 3 years providing for its phaseout over that period. As you know, there are now over 140,000 Indochinese refugees in this country. A majority of those who were admitted shortly after our passage of the Indochina Migration and Refugee Assistance Act of 1975 are nearing the goal of successful assimilation and integration into American life. However, according to HEW, as of March 1 of this year, more than 50,000 or approximately 35 percent were receiving at least part of their support from public cash assistance. At the same time, refugees have continued to arrive in the United States. Between December 1976 and March 1977, 30 States experienced increases in their refuge cash assistance caseload. Unfortunately, within 6 months the Indochinese refugee assistance program is scheduled to end.

There are two compelling reasons that this program should be continued beyond its current expiration date of September 30 of this year. First is the high percentage of refugees requiring cash assistance and the clear need of the refugees for additional English language and vocational training in order to become self-sufficient. Second, the problem is national, not local, and the termination of the program would result in serious hardship to both the refugees and the public and private agencies assisting them. Indeed, the economic impact on State and local governments for fiscal year 1978 is estimated to be approximately $100 million.

The current program provides for 100 percent reimbursement to State and local governments for the cash and medical assistance, as well as the social services provided to the refugees. Related administrative costs are also covered. Our bill provides for a gradual phasedown from this level of Federal funding for cash and medical assistance to 80 percent in fiscal 1979, and 60 percent in fiscal 1980. The bill also provides States with an incentive to place all eligible refugees on the regular programs of AFDC and medicaid by allowing them to use refugee funds to meet their share of these programs. It is important to note that funds for social services, such as language and job training, would not be cut back. Hopefully, this will lead to increased emphasis in this area.

To end this program in less than 6 months would only cut off assistance to many refugees who need additional aid in order to become self-supporting. We cannot allow this to happen. There is a clear need to continue the Indochinese refugee assistance program to give the refugees more time to master the language and job skills they need. It is our responsibility to give them the temporary support required.

CIVIL ENERGY FROM LASER FUSION: A GROWING REALITY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. PURSELL. Mr. Speaker, today I am inserting my eighth installment on the laser fusion series. I think it is important to realize that laser fusion development is not an isolated project in which relatively few people are interested. The continued development of laser fusion for civilian application is really a part of our entire energy program.

I do not think any of my colleagues would disagree that a national energy policy is a top priority for this Congress. It is vital that such a policy become effective as soon as possible—and that laser fusion be included in this policy.

Today, I would like to share an article which appeared in the Capital Report in March of this year. The article discusses the great need this country has for developing a national energy policy.

[From Capital Report, March 1977]

ENERGY: FACING THE REALITIES

Anybody's views about energy are bound to encounter deeply felt and legitimate disagreements. But we need a dialogue on the issues, so I will sound off, emphasizing that these are my personal views, which shouldn't be attributed to American Security or to the Brookings Institution or even to my wife. The first goal of the dialogue on energy is to face up to the realities—and stamp out the myths.

Reality No. 1: The heating problems of this winter were genuine, not a fake, and were a mere preview of far more severe problems that will develop if we don't act promptly. The widespread conspiracy theories about the problem are largely a flight from reality. For the past three winters, we barely avoided a crisis because of unusually favorable weather; there was every reason and every warning to expect serious trouble in a really bad winter.

Some of the conspiracy "evidence" is outlandish: the fact that a forty-year supply of natural gas is in the ground doesn't suggest that it could be magically taken out of the ground and put into our furnaces tomorrow. The gas remains in the ground because it has been unprofitable to get it out. Naturally, one influence on profitability calculations is the prospect that natural gas can't remain a tremendous bargain relative to other fuels forever. That's no secret or conspiracy—indeed, the gas producers have been insisting publicly that the recent situation created the worst possible incentives. As President Carter said in a recent press conference: . . . "Some instances where natural gas is withheld from the market . . . (are) understandable. If I were running an oil company, I would reserve the right to release or to reserve some supplies of natural gas". Obviously, any natural gas producers who have welshed on commitments should be hauled into court. But, when all is said and done, I'll bet that the amounts involved in such shenanigans wouldn't heat the Kennedy Center.

Conspiracy stories have come into fashion in the post-Watergate era. Just recently, the hunt for the evildoer was centered on coffee—a shortage whose cause was as evident and understandable as that of natural gas. Back in the summer of 1975, the wholesale price of sugar at fifty cents a pound was widely attributed to a producers' conspiracy. Now that price is a dime—can anyone believe that a clandestine monopoly secretly fell apart? Most of the changes in supply and demand that send auction markets up and down are not very mysterious. And when a monopoly takes over a market, it's usually as obvious as it was when OPEC quadrupled the price of oil in 1973–74.

Reality No. 2: The American consumer will have to pay more for energy over time; but the price hikes should be kept gradual to minimize the damage to the whole U.S. economy. To achieve the necessary gradualism, it can make sense to distinguish the pricing of "old" and "new" oil, or "old" and "new" gas. Even though the results may not be neat, the alternatives may be a lot messier. If the U.S. had not controlled petroleum prices after the OPEC price-spurt, we would have had much more inflation in 1974 and a much deeper recession in 1974–75 than we did in fact, given our fiscal-monetary policies. Energy inflation is inflation! Unless it is neutralized far more effectively than in the past, a new spurt in energy prices would again raise costs, push up interest rates and some wages, and squeeze the purchasing power of the average family and the market of the average businessman.

Reality No. 3: Both conservation of energy consumption and expansion of domestic production must play roles in any successful program; the larger role for the long run must go to expanded production. Conservation may stretch out natural gas supplies from forty years to sixty or conceivably to eighty, but that won't secure America's future for the really long run. For the sake of our great-grandchildren, we will have to exploit our vast coal resources and achieve the technological break-throughs to make new sources—shale, fusion or fission, solar, and geothermal energy—feasible, safe, and affordable.

The expansion of production will require resources and efforts from both the public and private sectors. It will require skillful and prudent compromises between energy and environment, producer and consumer, national and regional interests. The worst enemy of production is uncertainty; and we have lived with too much uncertainty for too long about too many things: the shape of a strip-mining bill; the outcomes of hassles in the courts over issues like the Alaskan pipeline; the nature of taxes and regulations for energy producers; the results emerging from an endless roll of red-tape that can delay the opening of a coal mine by six years. We have to settle on reasonable rules of the game and insist on umpires who will make their calls loud and clear.

Reality #4: We should make expansion of U.S. energy production especially profitable and attractive to American business and labor. It is the government's job to ensure that profits are made in a competitive marketplace, so that they contribute to expanded production, not to a prolongation of shortage and stagnation. And it is reasonable to expect (and to help) energy companies to do more than what comes naturally—to focus their managerial capabilities and their capital budgets on investment in energy technology and production at home. This is not the time for a wave of acquisitions of companies in industries outside of energy or for a wave

of further investments in those areas abroad that don't contribute to U.S. independence. But neither is it the time to scrap economic incentives that are reliable and effective, nor the time to threaten oil companies with a carving knife that would cut them up horizontally, vertically or diagonally.

All of this points to Reality #5: The solution to the serious energy problem will be a major test of the ability and willingness of Americans to work together toward a goal—in which our common interests far outweigh our particular and personal conflicting interests.

—ARTHUR M. OKUN.

ANOTHER OUTRAGE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ABDNOR. Mr. Speaker, this morning I read in the Washington Post an article which cut to the quick. The article was headlined, "Army Sets Ad Campaign On Discharge Upgrade." What are we coming to? I could not find the words to express my disgust when President Carter originally announced the enactment of his discharge upgrade program. It was a slap in the face of all those veterans who served their country's call. Now the Army has decided its program is not moving fast enough. It is moving much too fast for me. So the Army has decided that a media blitz is the answer. They are going to spend the taxpayers money on an advertising campaign to enlighten those who have not read the papers or watched television in the last 2 weeks.

I believe that this is the straw that has broken the camel's back. We hear everyday that the military spends money with reckless abandon. Well, this certainly tops anything that I have ever seen—we are going to spend money to call in the draft dodgers. Where will it all end? I am afraid to ask.

CRS has estimated that the upgrade program itself will cost approximately $80 million. I guess another $5 or $6 million on a slick ad campaign will not be bad. Why do not we just send the Army out and round the people up so we can facilitate the upgrading program? It certainly would not cost too much more. I have introduced a sense of Congress resolution today which expresses the Congress opposition to this plan. The text of the resolution follows:

H. CON. RES. —

Whereas, President Carter has initiated a program to upgrade less than honorable military discharges from the Vietnam era, and

Whereas, the Nation's major veterans' organizations have taken strong position in total opposition to a general upgrade of less than honorable discharges; and,

Whereas, only 15,000 veterans out of the potential 432,500 made inquiries in the first 14 days of the program and the expected surge of inquiries has not developed; and,

Whereas, the Department of the Army has decided to institute an advertising campaign throughout the nation and the world to publicize the program to facilitate application: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring) That it is the sense of Congress that expenditure of Department of the Army funds to promote, through advertising of any nature, this program should not be permitted.

MORE U.S. OIL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. COLLINS of Texas. Mr. Speaker, President Carter laid it on the line for America in emphasizing the serious impact of our Nation's critical energy supply and demand. The United States is short on supplies of oil and gas and year by year it is getting much worse.

More attention should be given to domestic production. We are now 55 percent dependent on oil imports. Yet we pay $14 a barrel for this imported OPEC oil while only paying $5.25 for American oil under price controls. Let us pay the open market price for all oil and give Americans an equal opportunity with cash funds to compete with the Arabs so Americans can produce more oil within the United States.

The American oil companies are aggressively competitive. They only make a penny on the sale of each gallon of gasoline. Let the U.S. oil companies continue to reinvest their income in new developments by drilling for more oil and gas and by additional capital construction.

The operating results of the 10 largest oil companies for last year show their record of achievement. Let us analyze the 10 largest oil companies as to their net income for 1976 compared to their expenditures for securing more oil through drilling, exploration, and capital plant facilities.

The figures below are in millions of dollars:

Top 10 oil companines in U.S.A.:		*Consolidated net income*	*Capital and exploration expenses*
Exxon		2,754	4,524
Texaco		870	1,500
Mobil		943	1,494
Standard of California		880	1,633
Gulf		816	1,742
Standard of Indiana		893	1,361
Shell (U.S.A.)		706	1,384
Arco		575	1,827
Continental		460	779
Phillips		412	764

Please study these figures carefully. Every company is investing more than they earn. One company spent three times as much as their net income and many committed for exploration and capital nearly twice as much as they earned. Let us put the United States in the open market and restore our energy balance.

ELK WATER USERS AND LOVELL IRRIGATION BILL INTRODUCED

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. RONCALIO. Mr. Speaker, today I am introducing legislation to exempt the Elk Water Users' Association and the Lovell Irrigation District in the State of Wyoming from excess land provisions of the Federal reclamation law.

Legislation is currently pending before the House Interior Committee's Subcommittee on Water and Power Resources to provide for class 1 equivalency on most high plains Bureau of Reclamation Projects, but the Elk Water Users' Association and the Lovell Irrigation District have come under acreage limitations through unique circumstances which justify special consideration and exemption.

Both entities were operating irrigation companies long before their first contractual agreement with the Bureau of Reclamation. In fact, in the case of Elk Water Users' Association, the first lands were brought under irrigation with the constuction of the Rhone Ditch possibly as early as 1901. A permit was granted by the Wyoming State engineer for extension of the Rhone Ditch in January 1903 and the Elk Canal Co. was incorporated in January 1904. The Lovell Irrigation District had similar early development, with permits being issued around 1903, by early pioneers assisting one another without Government financial assistance or intervention in delivery of water onto potentially irrigable lands. It was not until 1909 that the earliest units of the nearby Shoshone project were developed under the Bureau of Reclamation, 8 years after the initiation of the Elk Water Users' Association's water delivery.

Long after these early day developments, the Elk Water Users' Association and the Lovell Irrigation District became involved in attempts by the Bureau of Reclamation projects in the vicinity to adjudicate water rights on the Shoshone River. These neighboring projects sought to establish a water right priority going back to the old 1899 Cody-Salsbury permit.

In negotiations among the several irrigation units to validate and establish water priorities, a contract for supplemental water was offered to Elk Water Users' Association and the Lovell Irrigation District. Elk and Lovell were not only offered some right to storage water but were assured that any further development by the Bureau of Reclamation on projects along the Shoshone River would be under a priority later than their own.

The Elk Water Users' Association and the Lovell Irrigation District accepted

the contract for supplemental water on July 13, 1965, for 4,261 acres for Elk—of which a little less than 3,000 are actually under irrigation—and 10,300 acres for Lovell not to exceed 4.7 acre-feet per acre per year. By entering this contract, Elk and Lovell became subject to reclamation law acreage limitations which up until recently had not been actively enforced.

There are not many farmers in either of the two irrigation districts who have excess acreages. Of the 118 farmers receiving delivery, only 12 to 14 would be directly affected. However, those who are affected must either dispose or agree to dispose of the excess acreages or not receive any of the supplemental water for such acreages. The facilities, diversion units, canals, and structures of the Elk Water Users' Association and the Lovell Irrigation District were not built by taxpayers money or under the Bureau of reclamation. These were rather the product of pioneer families working together independently for their own well-being. The contract with the Bureau for excess water is for a set and determined number of acres. It should not be a concern of the Bureau which individuals own the land or how much. These lands were not developed or brought under irrigation by the Bureau and it is late in their history for the Bureau to be dictating how they should be operated.

I think that granting an exemption under these conditions is highly justified and I would hope that the Subcommittee on Water and Power Resources would take up the legislation and give it favorable consideration. The bill follows:

H.R. 6511

Providing that the excess land provisions of Federal Reclamation laws shall not apply to certain land receiving a supplemental water supply from the Shoshone Project, Wyoming

Be it enacted by the House of Representatives and Senate of the United States of America in Congress assembled, That the excess land provisions of Federal Reclamation laws shall not be applicable to lands situated in the Elk Water Users' Association and the Lovell Irrigation District in the State of Wyoming which have an irrigation water supply from sources other than a Federal Reclamation project and which are receiving a supplemental supply from the Shoshone Project, Wyoming.

AMY'S FIRST TICKET

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. HANSEN. Mr. Speaker, a businessman-citizen who is concerned that Amy Carter's tree house may lead to her citation by an inspector from the Occupational Safety and Health Administration, sent me copy of his letter to her father, the President. In it, Mr. R. A. Cochran, a general contractor from Indianapolis, Ind., cautions the Carter family of what could happen should an inspector slip onto the grounds.

The letter follows:

INDIANAPOLIS, IND., *April 16, 1977.*

President JAMES E. CARTER,
The White House,
Washington, D.C.

DEAR PRESIDENT CARTER: I was alarmed at the picture in the newspaper showing Amy's treehouse. It obviously would not pass inspection by OSHA.

Subpart M No. 1926.500(d)(1) clearly specifies a standard railing, as defined in No. 1926.500(f)(1) for such an installation. Further, in view of the size of normal users of the platform and the possibility of them falling between the intermediate rail of the standard railing, OSHA may very well require that the entire standard railing be covered with chicken wire or solid panels as suggested by Regulation No. 1926.500(f)(3)(ii).

The picture did not show how access to the platform was obtained. However, it might be well to investigate the requirements of Subpart L No. 1926.450 having to do with ladders if this is the means of entry. If one just climbs the tree to get up, then I would think you are on safe ground because I find no Regulation on that subject except that they may require a safety net.

Having had experience with these people, I am very much concerned for you since Big Brother has become so arrogant with us mere peasants that he may even be tempted to show his muscle by assessing a fine on the President of the United States.

Unless you intend to take immediate steps, like tomorrow, to bring Amy's play house into compliance, I would suggest that you demand a search warrant from any OSHA inspector, who might be snooping around the White House, before he gets a look at it. This will, at least, delay the possibility of you being cited.

I trust I have been of assistance in bringing this matter to your attention to protect your exposure to what has become a common enemy and I hope that Amy gets a lot of pleasure out of the facility which you have provided.

Sincerely yours,

R. A. COCHRAN.

WHY I AM LEAVING THE CIA

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. JOHNSON of Colorado. Mr. Speaker, the evidence about CIA perfidy keeps rolling in—and we in the Congress keep ignoring it. We have no effective oversight and the Agency is allowed to continue on its destructive, irresponsible way. On Sunday, April 10, 1977, the Washington Post printed an open letter to the new Director of Central Intelligence, entitled "Why I Am Leaving the CIA." The author is John R. Stockwell, a 12-year veteran of the Agency, who held responsible positions in a variety of assignments. The article should not be read and dismissed. Stockwell is dealing with characteristics of a violent, wasteful organization which needs cleaning, reorganization, and redirection. Note particularly the section of the article pertaining to deceiving congressional investigations.

Mr. Speaker, it is long past time for the Congress and the American people to wake up to this monster we have created in the CIA. The article follows:

WHY I AM LEAVING THE CIA

(By John Stockwell)

(NOTE.—John R. Stockwell was 27, a graduate of the University of Texas and a Marine veteran working as a market analyst for a rubber company in Colorado when he was recruited into the CIA in 1964. A week ago, he resigned from the agency and explained his reasons in the following letter to Adm. Stanfield Turner, the new director of central intelligence. Stockwell plans to move to Texas and become a house builder.)

MARCH 31, 1977.

SIR: We have not met and will not have the opportunity of working together, as you are coming into the Central Intelligence Agency as I am leaving. Although I am disassociating myself from the Agency, I have read with considerable interest about your appointment and listened to some of your comments. You have clearly committed yourself to defending the Agency from its detractors and to improving its image, and this has stirred a wave of hope among many of its career officers. However, others are disappointed that you have given no indication of intention or even awareness of the need for the internal housecleaning that is so conspicuously overdue the Agency.

You invited Agency officers to write you their suggestions or grievances and you promised personally to read all such letters. While I no longer have a career interest, having already submitted my resignation, numerous friends in the DDO [Deputy Directorate for Operations] have encouraged me to write you, hoping that it might lead to measures which would upgrade the clandestine service from its present mediocre standards to the elite organization it was once reputed to be. While I sympathize with their complaints, I have agreed to write this letter more to document the circumstances and conditions which led to my own disillusionment with CIA.

First, let me introduce myself. I was until yesterday a successful GS–14 with 12 years in the Agency, having served seven full tours of duty including chief of base, Lubumbashi; chief of station, Bujumbura; officer in charge of Tay Ninh Province in Vietnam, and chief, Angola Task Force. My file documents what I was told occasionally, that I could realistically aspire to top managerial positions in the Agency. I grew up in Zaire, a few miles from the Kapanga Methodist Mission Station which was recently "liberated" by Katangese invaders, and I speak fluent English and Tshiluba, "High" French and smatterings of Swahili and other dialects.

My disillusionment was progressive throughout four periods of my career. First, during three successive assignments in Africa from 1966 through 1977, I increasingly questioned the value and justification of the reporting and operations we worked so hard to generate. In one post, Abidjan, there was no Eastern bloc or Communist presence, no subversion, limited United States interests and a stable government. The three of us competed with State Department officers to report on President Houphouet-Boigny's health and local politics.

I attempted to rationalize that my responsibility was to contribute, and not to evaluate the importance of my contribution, which should be done by supergrades in Washington. However, this was increasingly difficult as I looked up through a chain of command which included, step-by-step: a) the branch chief, who had never served in Africa and was conspicuously ignorant of black Africa; b) the chief of operations, who was a senior of-

ficer although he had never served an operational overseas tour and was correspondingly naive about field operations; and c) the division chief, who was a political dilettante who had never served an operational tour in Africa. Their leadership continuously reflected their inexperience and ignorance.

Standards of operations were low in the field, with considerable energy devoted to the accumulation of perquisites and living a luxurious life at the taxpayer's expense. When I made "chief of station," a supergrade took me out for drinks and, after welcoming me to the exclusive inner club of "chiefs," proceeded to brief me on how to supplement my income by an additional $3 to 4 thousand per year, tax free by manipulating my representational and operational funds. This was quite within the regulations. For example, the COS Kinshasa last year legally collected over $9,000 from CIA for the operation of his household. Most case officers handled 90 per cent of their operations in their own living rooms, in full view of servants, guards and neighbors. And I expect few individuals would accept CIA recruitments if they knew how blitherly their cases are discussed over the phone: "Hello, John . . . when you meet your friend after the cocktail party tonight . . . you know, the one with the old Mercedes . . . be sure to get that receipt for $300 . . . and pick up the little Sony, so we can fix the signaling device."

In Burundi we won a round in the game of dirty tricks against the Soviets. Shortly after my arrival, we mounted an operation to exploit the Soviets' vulnerabilities of having a disproportionately large embassy staff and a fumbling, obnoxious old ambassador, and discredit them in the eyes of the Burundi. We were apparently successful, as the Burundi requested that the ambassador not return when he went on leave, and ordered the Soviets to reduce their staff by 50 per cent. We were proud of the operation, but a few months later the Soviets assigned a competent career diplomat to the post and he arrived to receive a cordial welcome from the Burundi who were more than a little nervous at their brashness and eager to make amends. For the rest of my tour relations were remarkably better between the two countries than before our operation. The operation, nevertheless, won us some accolades. However, it left me with profound reservations about the real value of the operational games we play in the field.

Later, Africa Division policy shifted its emphasis from reporting on local politics to the attempted recruitments of the so-called "hard targets," i.e., the accessible Eastern European diplomats who live exposed lives in little African posts. I have listened to the enthusiastic claims of success of this program and its justification in terms of broader national interests, and I have been able to follow some of these operations wherein Agency officers have successfully befriended and allegedly recruited drunken Soviet, Czech, Hungarian and Polish diplomats, by servicing their venal and sexual (homo-and hetero-) weaknesses. Unfortunately, I observed and colleagues in the Soviet Division confirmed to me that none of these recruited individuals has had access to truly vital strategic information. Instead, they have reported mostly on their colleagues' private lives in the little posts. Not one has returned to his own country, gained access to strategic information and reported satisfactorily.

Agency operations in Vietnam would have discouraged even the most callous, self-serving of adventurers. It was a veritable Catch-22 of unprofessional conduct. Ninety-eight per cent of the operations were commonly agreed to be fabrications, but were papered over and promoted by aware case officers because of the "numbers game" requirements from Headquarters for voluminous reporting. At the end, in April 1975, several senior CIA field officers were caught by surprise, fled in hasty panic and otherwise abandoned their responsibilities. One senior officer left the country on R & R leave five days before the final evacuation, abdicating all responsibility for the people who had worked for him and for the CIA in his area. Numerous middle and lower grade officers vigorously protested this conduct, but all of these senior officers, including the ones who fled, have subsequently received responsible assignments with the promise of promotions.

After Vietnam, I received the assignment of chief, Angola Task Force. This was despite the fact that I and many other officers in the CIA and State Department thought the intervention irresponsible and ill-conceived, both in terms of the advancement of United States interests and the moral question of contributing substantially to the escalation of an already bloody civil war, when there was no possibility that we would make a full commitment and ensure the victory of our allies. From a chess player's point of view, the intervention was a blunder. In July, 1975 the MPLA was clearly winning, already controlling 12 of the 15 provinces and was thought by several responsible American officials and senators to be the best qualified to run Angola; nor was it hostile to the United States. The CIA committed $31 million to opposing the MPLA victory, but six months later it had, nevertheless, decisively won and 15,000 Cuban regular army troops were entrenched in Angola with the full sympathy of much of the Third World and the support of several influential African chiefs of state who previously had been critical of any extra-continental intervention in African affairs. At the same time, the United States was solidly discredited, having been exposed for covert military intervention in African affairs, having managed to ally itself with South Africa and having lost.

This is not Monday morning quarterbacking. Various people foresaw all this, and also predicted that the covert intervention would ultimately be exposed and curtailed by the United States Senate. I myself warned the Interagency Working Group in October, 1975 that the Zairian invasion of northern Angola would be answered by the introduction of large numbers of Cuban troops, 10–15,000, I said, and would invite an eventual retaliatory invasion of Zaire from Angola. Is anyone surprised that a year later the Angolan government has permitted freshly armed Zairian exiles to invade the Shaba province of Zaire? Is the CIA a good friend? Having encouraged Mobutu to tease the Angolan lion, will it help him repel its retaliatory charge? Can one not argue that our Angolan program provoked the present invasion of Zaire which may well lead to its loss of the Shaba's rich copper mines?

Yes, I know you are attempting to generate token support to help Zaire meet its crisis; that you are seeking out the same French mercenaries the CIA sent into Angola in early 1976. These are the men who took the CIA money but fled the first time they encountered heavy shelling.

Some of us in the Angolan program were continuously frustrated and disappointed with Headquarters' weak leadership of the field, especially its inability to control the Kinshasa station as it purchased ice plants and ships for local friends and on one occasion tried to get the CIA to pay Mobutu $2 million for an airplane which was worth only $600,000. All of this, and much more, is documented in the cable traffic, if it hasn't been destroyed.

I came away from the Angolan program in the spring of 1976 determined to reassess the CIA and my potential for remaining with it. I read several books with a more objective mind, and began to discuss the present state of the American intelligence establishment from a less defensive position. I read [Morton] Halperin's book and [Joseph] Smith's and [David] Philips'. I was seriously troubled to discover the extent to which the CIA has in fact violated its charter and begun surveilling and mounting operations against American citizens. I attempted to count the hundreds, thousands of lives that have been taken in thoughtless little CIA adventures.

A major point was made to me when I recruited in 1964 that the CIA was highminded and scrupulously kept itself clean of truly dirty skulduggery such as killing and coups, etc. At that exact time, the CIA was making preparations for the assassination of Patrice Lumumba, who had grown up a few miles east of my own home in the Kasai. Eventually, he was killed, not by our poisons, but beaten to death, apparently by men who were loyal to men who had Agency cryptonyms and received Agency salaries. In death he became an eternal martyr and by installing in the Zairian presidency we committed ourselves to the 'other side,' the losing side in central and southern Africa. We cast ourselves as the dull-witted Goliath, in a world of eager young Davids. I for one have applauded as Ambassador [Andrew] Young has thrashed about trying to break us loose from this role and I keenly hope President Carter will continue to support him in some new thinking about Africa.

But, one asks, has the CIA learned its lesson and mended its ways since the revelations of Watergate and the subsequent investigations? Is it now, with the help of oversight committees, policed and self-policing?

While I was still serving as the Central Branch Chief in Africa Division last fall, a young officer in my branch was delegated away from my supervision to write a series of memos discussing with the Justice Department the possibilities for prosecution of an American mercenary named David Bufkin. Bufkin had been involved in the Angola conflict, apparently receiving monies from Holden Roberto, quite possibly from funds he received from the CIA. In anticipation of the possibility that during a trial of Bufkin the defense might demand to see his CIA file under the Freedom of Information Act, it was carefully purged. Certain documents containing information about him were placed in other files where they could easily be retrieved but would not be exposed if he demanded and gained access to his own file. I heard of this and remonstrated, but was told by the young officer that in his previous Agency assignment he had served on a staff which was responding to Senate investigations and that such tactics were common, "We did it all the time," as the Agency attempted to protect incriminating information from investigators.

None of this has addressed the conditions which my former colleagues have begged me to expose. They are more frustrated by the constipation that exists at the top and middle levels of the DDO, where an ingrown clique of senior officers has for a quarter of a century controlled and exploited their power and prestige under the security of clandestinity and safe from exposure, so that no matter how drunken, inept or corrupt their management of a station might be, they are protected, promoted and reassigned.

The organization currently belongs to the old, to the burned out. Young officers, and

there are some very good ones, must wait until generations retire before they can move up. Mediocre performances are guaranteed by a promotion system wherein time in grade and being a "good ol' boy" are top criteria, i.e., there are no exceptional promotions for superior performance. The truly exceptional officer gets his promotions at the same time as the "only-good" and even some of the "not-really-so-good" officers, and he must wait behind a line of tired old men for the truly challenging field assignments. These young officers are generally supervised by unpromotable middle-grade officers who for many years have been unable to go overseas and participate personally in operational activity. These conditions are obviously discouraging to dynamic young people, demoralizingly so, and several have told me they are also seeking opportunities outside the Agency.

With each new Director they hope there will be a housecleaning and reform, but each Director comes and goes, seven in my time, preoccupied with broader matters of state, uttering meaningless and inaccurate platitudes about conditions and standards inside the DDO. The only exception was James Schlesinger, who initiated a housecleaning but was transferred to the Department of Defense before it had much effect.

You, sir, have been so bold as to state your intention to abrogate American constitutional rights, those of freedom of speech, in order to defend and protect the American intelligence establishment. This strikes me as presumptuous of you, especially before you have even had a good look inside the CIA to see if it is worth sacrificing constitutional rights for. If you get the criminal penalties you are seeking for the disclosure of classified information, or even the civil penalties which President Carter and Vice President Mondale have said they favor, then Americans who work for the CIA could not, when they find themselves embroiled in criminal and immoral activity which is commonplace in the Agency, expose that activity without risking jail or poverty as punishment for speaking out. Cynical men, such as those who gravitate to the top of the CIA, could then by classifying a document or two protect and cover up illegal actions with relative impunity. I predict that the American people will never surrender to you the right of any individual to stand in public and say whatever is in his heart and mind. That right is our last line of defense against the tyrannies and invasions of privacy which events of recent years have demonstrated are more than paranoic fantasies. I am enthusiastic about the nation's prospects under the new administration and I am certain President Carter will reconsider his position on this issue.

And you, sir, may well decide to address yourself to the more appropriate task of setting the Agency straight from the inside out.

Sincerely,

JOHN STOCKWELL.

CITY WITHHOLDING TAX BILL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. CLAY. Mr. Speaker, I have today introduced a bill to provide for the application of city withholding taxes to Federal employees who are residents of such city.

This legislation is identical to legislation I sponsored in the last Congress which passed the House but was not acted upon by the Senate.

In 1974, I sponsored legislation which became Public Law 93-340, that provided for the mandatory withholding of local income taxes from Federal employees. Since enactment of this law, however, certain problems in its implementation have come to light. The bill I am introducing today seeks to correct these problems.

Currently, the withholding of local taxes from Federal employees who live within a locality but are employed elsewhere within the State is voluntary. Thus, localities are unable to insure that their taxes are withheld from such Federal employees. Often such employees must meet tax obligations in a lump sum causing a financial hardship.

My bill would require the withholding of local earnings taxes from wages of such employees. Localities, which are already hard pressed for funds, are carrying an increased financial burden because some residents do not or cannot meet their tax obligations. Not only are the localities suffering, but individual employees must meet a sudden and substantial yearend tax liability. Sometimes employees may be unable to meet their tax liabilities.

This bill in no way affects the current law concerning the status of nonresidents. Neither current law nor this legislation provides for mandatory withholding for those who reside in one State and work in another.

At committee hearings last year an official from the Treasury Department which is the authority responsible for entering into tax withholding agreements for cities expressed no objections to this legislation. In addition, representatives from several cities expressed support and documented the need for such a measure.

The Subcommittee on Civil Service, which I chair, will hold hearings on this measure in the near future.

ANNOUNCEMENT OF HEARINGS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. BIAGGI. Mr. Speaker, on Wednesday April 27, 1977, the Select Committee on Aging's Subcommittee on Federal, State and Community Services, which I have the honor to chair, will hold a hearing on the feasibility of expanding meals on wheels programs primarily under the Older Americans Act.

Meals on wheels is a commonly used term for home delivered meals provided to homebound elderly. Statistics indicate that there are between 3 and 4 million homebound elderly in this Nation. They are homebound for any number of reasons, but for many of them providing themselves with a balanced and nutritious diet is next to impossible. They cannot shop or cook or participate in congregate meals provided under title VII of the Older Americans Act.

Our hearings will address the formation of a national meals on wheels program and will discuss the major controversies surrounding the establishment of such a program. What we do know is that the growing number of homebound elderly including many who have been driven into their homes due to the fear of crime, mandates that we greatly expand the existing programs which currently only provide aid to 1 percent of the total homebound elderly population.

The hearings will be held in room 1302, Longworth House Office Building and will begin at 9:30 a.m.

A list of scheduled witnesses follows:

SCHEDULE OF WITNESSES

1. The Honorable George Miller, Member of Congress.
2. The Honorable Tim L. Carter, Member of Congress.
3. The Honorable Arthur Flemming, Commissioner on Aging, Department of H.E.W.
4. Mr. Lewis Straus, Administrator, Food and Nutrition, Dept. of Agriculture.
5. Mr. John B. Martin, Federal Council on Aging.
6. Mrs. Eleanor Cain, Director, State of Delaware, Division of Aging.
7. The Honorable Alice M. Brophy, Commissioner, NYC Dept. for the Aging.
8. Mr. Edward J. Kramer, Administrator, Nutrition Programs, NYS Ofc. for Aging.
9. Mrs. Edna McMurray, President, Mobile Meals, Cedar Rapids, Iowa.
10. Mr. Sam Brown, Director, or Ms. Mary King, Deputy Director, ACTION.
11. Mrs. Ruth Schneider, Meals-on-Wheels Recipient, Bronx, New York.

RECOGNITION NIGHT FOR THE HONORABLE JOSEPH J. CRACIUN, MUNICIPAL COURT JUDGE WARREN, OHIO

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. CARNEY. Mr. Speaker, Saturday, April 16, 1977, was "Recognition Night for Judge Joseph J. Craciun, Warren Municipal Judge". More than 600 people attended the dinner-dance at the Romanian Fellowship Hall to express their appreciation to Judge Craciun for his 38 years of dedicated service to the community.

Judge Craciun was recently appointed Warren municipal judge after serving as city solicitor of Warren, special counsel for the Ohio State Attorney General's Office, and probate judge. His community activities include many civic, welfare, religious, political and fraternal organizations in Warren and Trumbull County.

During the recognition night ceremonies, Judge Craciun was presented a proclamation from Mayor Arthur J. Richards naming April 16 as "Judge Joseph Craciun Day" in the city of War-

ren. Attorney Lee Miller presented a letter to Judge Craciun from Ohio Gov. James A. Rhodes extending congratulations for his many years of service to the city and the county. In addition, Judge Craciun received a large, framed color portrait of himself and a plaque from presiding Judge James A. Ravella, which donated by a group of citizens and friends.

Mr. Paul R. Caraway, chairman of the dinner-dance, Attorney Anthony V. Consoldane, secretary, and Trumbull County Commissioner Lyle Williams, toastmaster, were instrumental in making the affair a tremendous success.

Mr. Speaker, I would like to take this opportunity to heartily commend Judge Joseph J. Craciun for his distinguished career as an attorney and judge, and for the outstanding contribution he has made to Trumbull County and the city of Warren. Because of Judge Craciun, our community is a better place in which to live and work. I wish him and his family good health, success and happiness in the future.

I would like to insert a brief biography of Judge Craciun in the RECORD at this time:

BIOGRAPHY OF JOSEPH J. CRACIUN, JUDGE, WARREN MUNICIPAL COURT

Office: Judge, Warren Municipal Court, 141 South Street, S.E., Warren, Ohio

Residence: 247 Garfield Drive, N.E., Warren, Ohio, 44483

Born April 21, 1911, in Cleveland, Ohio

Married to Eugenia Fagadore August 27, 1933; have two sons age 35 and 32 respectively

Colleges: Wittenburg University, 1932–34; John Carroll University, 1935–36; Cleveland-Marshall Law School, 1935–38; and, Doctor of Law, 1939.

Experience: 38 years Legal Experience—General Practice; Assistant City Solicitor and Police Prosecutor for City of Warren, 1945–47; Acting Municipal Judge of Warren, 1949–50; City Solicitor of Warren, 1950–51; Acting Municipal Judge of Warren, 1957–60; Special Counsel for Attorney General of Ohio, 1957–1973; Probate Judge of Trumbull County, 1966–67; and U.S. Bankruptcy Trustee, 1967–1977.

Organizations: National President, 1948–1952, of Union and League of Romanian Societies of America; National Attorney, 1952–58; 1976–78; Real Estate Broker and Insurance General Agent since 1938; Trumbull County Chapter Muscular Dystrophy Association, chairman 1958–64; Life Member Elks; Warren Sportsmans Club; Conservation League; Warren Coin Club President, 1960; Fraternal Order of Police Associates, Secretary, 1960–62, President, 1962–64; Y.M.C.A. since 1938.

Professional organizations: Trumbull County Bar Association Secretary 1940–46, President 1965–66; Member Mahoning Bar Association; Ohio State Bar Association member, Various Committees, 1946–76 District Delegate; Ohio State Bar Association Foundation 1975–1977; American Bar Association; American Judicature Society; American Arbitration Association over 21 years; Delta Theta Phi Law Fraternity; Lambda Chi Alpha Social Fraternity.

Business Organizations: Warren Area Board of Realtors—Secretary, 1963–64; operated Real Estate Co. since 1938.

RALPH DUNGAN

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. THOMPSON. Mr. Speaker, it is always a cause for rejoicing when old friends return to the fold; hence, it gives me great pleasure to place before you and our colleagues an article and an editorial from the Trenton Evening Times making mention of the imminent return to Washington of Mr. Ralph Dungan who will be the U.S. representative on the Inter-American Development Bank. Mr. Dungan will bring to his new assignment extensive knowledge of Inter-American affairs and a reputation of being a man who is very close with a dollar, and I am certain his new colleagues will find that his congenial personality and frugal habits will fit in admirably with the operation of the Bank. I do admit to some degree of apprehension for those who will seek his approval for loans, if that responsibility is a part of his assignment. Other than that, I cannot think of a more splendid and welcome addition to the Washington scene.

The article follows:

DUNGAN SIGNS OFF ON A MODEST NOTE

(By Jim Goodman)

Ralph Anthony Dungan was making what turned out to be his farewell appearance before a New Jersey legislative committee.

"You know," commented Dungan, who is winding up a 10-year career as state chancellor of higher education, "I hate always to be the bad guy in these things."

That sentiment may come as news to the administrators, bureaucrats and politicians who have been dealing with the blunt spoken Dungan over the last decade.

That Dungan has enjoyed his self-appointed role as Peck's bad boy in academic jungle is clearly evident.

The chancellor has been a boat-rocker in the administrations of three governors—Hughes, Cahill and Byrne—making enemies and friends with little concern for the consequences.

Instead of treating him with disdain, those governers have tended to seek out Dungan as behind-the-scenes negotiator on issues and tough controversies far beyond the realm of higher education.

Gov. Richard J. Hughes, now Chief Justice of the State Supreme Court, put Dungan to use as his prime negotiator between community groups and the state after the Newark riots.

Gov. William T. Cahill, a Republican, was close to Dungan despite the chancellor's reputation as a tough Democrat and former JFK–RFK aide.

Gov. Brendan T. Byrne has gone repeatedly to Dungan on sensitive issues even after Dungan advised the governor not to run for re-election for the good of the Democratic party. For a time, Byrne considered moving Dungan out of higher education and making him the No. 2 man in his administration, but nothing came of that.

Dungan describes Byrne as "an amoeba." You have to kick him in the side to energize him.

Of former Gov. William T. Cahill, Dungan says, "He was intelligent and once he made his mind up on an issue, he would stand by it. We had a disagreement once and I told him he could have my resignation anytime he wanted. He never asked for it."

Dungan is less emphatic about Hughes. "I came in on the tail end of an eight-year administration," he explains.

The chancellor's views on partisan politics are equally eclectic.

"I'm a Democrat," he says at one moment. "On the whole I think Democrats tend to think about problems and try to do something about them. Republicans look the other way.

"But I don't think it makes any real difference whether the next governor is a Republican or a Democrat. What matters is what kind of man that governor is.

"Partisan politics doesn't mean that much in state government. The ideological differences between the national parties aren't that important at this level.

"What makes a good governor is the desire to work for the public good and the competence to get that work done.

"I'm a Democrat but I don't think Ray Bateman or Tom Kean is any less interested in the public good than I."

Raymond H. Bateman and Thomas Kean are the two leading Republicans vying for the right to represent the GOP in the November gubernatorial sweepstakes.

Actually, Dungan is rooting for Jersey City Mayor Paul Jordan to win the Democratic nomination.

Dungan's departure—he is about to be named by President Carter to be the U.S. representative on the Inter-American Development Bank—marks the end of an era in state government as well as higher education.

Hughes brought Dungan to New Jersey, along with Carl Marburger to run the education system, and Paul Yivisaker to create the Community Affairs department, as part of an effort to implement Lyndon Johnson's Great Society federal programs on a state level in New Jersey.

Marburger and Yivisaker lasted one term each. They were victims, in part, of the conservative reaction against government intervention into social problems.

Dungan survived in a Republican administration at least part because of his ability to shift gears. When the Great Society programs went out of hand, Dungan became one of the critics of government spending.

"LBJ was a child of the Depression era," Dungan says. "His programs to solve the social problems of the 70s were not much different from FDR's New Deal in the 30s.

"It is easy for (federal) government to say 'yes' to demands for help. But that breeds a feeling of dependency on the federal government to solve everything."

Dungan argues that it would be far better to give the states more responsibility for solving their individual problems rather than to apply federal formulas that are incompatible with local situations.

On a state level, Dungan asserts, the failings of a program are more easily dealt with.

Other improprieties can outrage Dungan.

"Look at the rate of bankruptcies being declared by young doctors, lawyers and businessmen just to avoid paying off their (state-financed) college loans.

"This is happening four or five months after they get out of law or medical school. That's a flagrant violation of personal responsibility.

"The attitude is that 'they' will take care of it (the costs of the loans). The 'they' happens to be the little middle class guy who pays his taxes.

"If that (attitude) makes me a conservative then I'm a conservative."

Dungan's confrontations with Rutgers University president Dr. Edward Bloustein and the state college establishment have kept

the chancellor's name in the newspapers for a decade.

But while Dungan and Bloustein have fought over the extent of state control over Rutgers, and Dungan and the state colleges have battled over academic priorities, the Dungan decade has changed higher education dramatically.

When Dungan arrived to become the state's first higher education chancellor, the state's supervision of its colleges and the university consisted of a low-profile division within the State Department of Education.

The state colleges were little more than factories for producing school teachers. To gain admission, a student had to sign a pledge to teach in the state's public schools for three years after graduation.

All that has changed. The original six state colleges are as much liberal arts schools now as education schools. Two new state colleges offer only token education courses.

A statewide system of two-year county colleges has been established. Rutgers University has held on to a good deal of its independence, but the Higher Education department has a lot to say about what goes on at the state university.

At Rutgers, Bloustein and others have accepted as a fact of life that the universtiy president and the chancellor—no matter who they might be—are going to be adversaries.

State college administrators are conditioned now to demands from Dungan and others that their students and their graduates are going to be held to some general standards.

In the Dungan decade at Higher Education, student enrollment at state and county colleges has increased by 124,000—and that at a time when enrollment in the private colleges in New Jersey has remained at a virtual standstill.

Dungan has enjoyed the battles. He likes to recall his early days when he made impromptu visits at the state colleges for no other reason than to "shoot the bull."

In one such conversation, Dungan suggested that it might be a good idea to require every college graduate to demonstrate an ability to read and write at a college level in order to get a diploma.

"He (the college president) thought that was an unreasonable proposal," Dungan recalled with a grin.

THE ANNIVERSARY OF THE WARSAW GHETTO UPRISING

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Ms. MIKULSKI. Mr. Speaker, April 19 stands as a reminder of a horror of modern history. This date marks the height of the Warsaw ghetto uprising of 1943, when thousands of Polish Jews bravely, but unsuccessfully defied their Nazi captors.

This date symbolizes both the horror and the guilt of the holocaust. Already the systematic destruction of over 6 million Jews had begun. These people died for no reason other than their religion, and died with the tacit acquiescence of countries around the world. Almost all of the occupied countries of Europe participated in some form in the slaughter of countless, Jews, Catholics, Slavs, and gypsies. Denmark alone proved what could be accomplished by unified national resistance.

Certainly the United States tacitly approved of much of the sentiment of the holocaust by denying immigration rights to Jewish refugees in the last desperate days of the 1930's, and by ignoring much of what transpired in the concentration camps and ovens of Europe. "No one of us is innocent," wrote our American diplomat to Poland when visiting the Auschitz Museum. I visited Auschwitz in December, and I too was deeply moved, feeling the same chill and pain synonymous with the most infamous of concentration camps.

The Warsaw ghetto uprising ended 34 years ago; our memory of it recedes over time. Yet, the historical lesson of that date is being learned, and offers hope for the future. The uprising was the first significant resistance given by the Jewish people against the Nazis. This same spirit created Israel, and guided her through three wars. As important, the uprising represents an attempt to preserve the most vital of human rights—life—in the face of hopeless odds. In our concern for human rights today, we should not overlook the beginnings of that concern, nor should we forget the horror that produced it.

FOOD DAY AT THE WHITE HOUSE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ROSENTHAL. Mr. Speaker, today is Food Day across the country and in the White House. We have come a long way since 1975 when I introduced the first resolution in Congress to declare a day dedicated to good nutrition. We could not even get a hearing then. Today we are getting dinner at the White House.

Credit must go to the Center for Science in the Public Interest and its codirector Dr. Michael Jacobson and his staff for their dedication and hard work. And credit also must go to President Carter for the courage to stand up against strong business pressure to give his support to this important event.

This is a day dedicated to discovering how the food we eat affects our health, to discussing the American diet and to teaching Americans more about good eating habits.

The President is hosting a buffet dinner in the Roosevelt Room as a symbol of his administration's commitment to the importance of eating nutritious foods.

The White House views its support as important in order "To acknowledge a crisis that is happening in this country." That crisis is a result of poor nutrition because "the processed, sugary, high-fat foods we eat help cause heart disease and cancer."

"While tens of millions of people in this country suffer from eating too much, about 500 million people both here and abroad face hunger, malnutrition, or starvation," states a White House memo.

"Giant corporations control more and more of our food supply each year and they do it at our expense—healthwise and dollarwise. Food should be for people, not for profit."

AGENCY FOR CONSUMER ADVOCACY NOT NEEDED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ASHBROOK. Mr. Speaker, President Carter recently endorsed the creation of a new Federal agency, a so-called Agency for Consumer Advocacy. Formerly known as the Consumer Protection Agency, this item has been high on Ralph Nader's legislative agenda for almost a decade.

Whatever its title, I have consistently opposed such an agency. It would add another new and costly bureaucratic unit onto a Federal structure that has already grown topheavy. We simply do not need more Washington bureaucrats interfering in our free enterprise system and harassing our businessmen at taxpayers' expense.

Following are two excellent pieces opposing the creation of an Agency for Consumer Advocacy. The first is an editorial from the April 8 Washington Star and the second is a column by James J. Kilpatrick:

[From the Washington Star, Apr. 8, 1977]

CLOTHING THE CONSUMER

The Ralph Nader appreciation bill has begun its journey through Congress again, this time propelled by a jet stream of White House rhetoric.

It would establish the Agency for Consumer Advocacy, nee the Consumer Protection Agency, that Mr. Nadar and others among the vocal consumer groups have been pushing for nearly a decade. Its alleged purpose is to protect the consumers who, Mr. Nadar would have us believe, stand naked in the marketplace before greedy, abusive, insensitive merchants.

The ACA (we've never really understood why they changed it from CPA—perhaps it sounded too bookkeeperish) would not, President Carter vowed be a "regulatory agency." Its purpose, he said, "is to improve the way rules, regulations and decisions are made and carried out, rather than issuing new rules itself."

That suggests what critics have been saying all along: It's going to be a "super" agency—a watchdog over the watchdogs—that will insinuate itself into the business of nearly every other agency in town and before long may be telling them all what to do.

Mr. Carter said the agency will not cost more than $15 million a year. Maybe that's all it will cost in the beginning but it's a gross misreading, we suspect, of what it will cost eventually.

Playing to consumer interests is usually good politics. But is a consumer protection agency really all that important to the

American public? An opinion poll a couple of years ago indicated that a large majority of people don't want such an agency.

Is Mr. Carter's advocacy of another layer of bureaucracy likely to be interpreted as contrary to his pledge to reduce government?

Where's the savings in a consumer protection agency? Any saving that the agency produces very likely will be offset, even outweighed, by the cost to the taxpayers of operating the agency and the cost to business of complying with the additional red tape it's bound to create—a cost that will be passed on to consumers.

Mr. Carter would do more for the consumer by holding down inflation.

He would do more by putting the government to work finding cheaper sources of energy.

He would do more by reducing the cost of government, which in turn would reduce the tax burden.

He would do more by seeing that existing agencies do a better job. There are enough agencies that are supposed to look out for the public interest; there's no need for another Naderesque super-watchdog unit.

We had hoped Mr. Carter would not fall victim to that Washington syndrome that makes too many officials hereabouts think that the only way to solve a problem is to create another government agency.

ANOTHER BAD PROMISE KEPT

(By J. Kilpatrick)

President Carter acted last week to fulfill another of his bad campaign promises: He called for creation of a new Agency for Consumer Advocacy.

By nice coincidence, on the same day that Mr. Carter was asking for this new agency, his budget director Bert Lance was commenting on the reorganization act.

"There are too many agencies in government," said Mr. Lance. "We just don't need that many. We need to do something about it."

Perhaps the Congress in its wisdom will do something about the problem by rejecting the proposed ACA—for if ever an agency were unneeded, this is it. An Agency for Consumer Advocacy will add one more layer of bureaucracy to the 10-layer cake that bloats us now. It will create hundreds of jobs for the eager beavers, legal eagles and rabid rabbits who have studied at the feet of Ralph Nader. It will add months to the long delays that already stifle the making of final decisions.

And in the end, the Agency for Consumer Advocacy cannot possibly accomplish its ostensible purpose. That purpose is to represent "the consumer."

Mr. Carter made that purpose clear. His new agency would speak up for "the consumer." It would plead "the consumer's case." It would deal with "the consumer's concerns." Creation of this agency would be only one in a number of steps to better protect "the consumer." These steps, said the President, will enhance "the consumer's" influence within the government.

But who is "the consumer"? And who is to determine "the consumer's interest"? Two recent decisions by Mr. Carter himself will point up the difficulty in defining the terms.

Last month Mr. Carter approved a significant increase in milk price supports. The effect will be to increase the price of milk at the retail level. Was this in "the consumer's interest"? Evidently Mr. Carter thought so. In this case, he felt it more important to preserve a stable and profitable dairy industry than to keep the price down on a basic household commodity.

Two weeks ago Mr. Carter refused to approve the tariff rate quotas recommended by the International Trade Commission on imported shoes. He acknowledged that in the past nine years, the domestic shoe industry has lost 70,000 jobs. These 70,000 displaced workers surely are "consumers." But in this case, he felt it more important to promote world trade than to fix quotas that might benefit the shoemakers' families.

Such conflicts occur constantly. The battle over deregulation of natural gas is yet to be fought. In this area, what is "the consumer's interest"? What position would an Agency for Consumer Advocacy take? Would it intervene to keep the price of gas down? Or would it go the other way?

The new agency's first function would be to intervene in the way "rules, regulations, and decisions are made and carried out." Toward that end, the agency would "intervene or otherwise participate in proceedings before federal agencies." It would have power to enter judicial proceedings. The agency would have its own information-gathering authority, including "access to information held by other government agencies and private concerns."

To be sure, the President denies that his "small, effective" agency would get out of hand, but the President has not been around Washington very long. Mr. Carter has outlined sweeping responsibilities, reaching across the entire spectrum of federal rules and regulations. It is inconceivable that these responsibilities could be met without the creation of a massive bureaucracy. Befor long, we would have scores, then hundreds, of busy, busy, busy bureaucrats, doing nothing that needs to be done.

The government already has one feisty little agency, the Council on Wage and Price Stability, that labors effectively in this field. But the council's powers are limited. It can neither harass nor delay. It can only squawk, and it squawks well. In the name of efficient government—a name Mr. Carter constantly invokes—isn't one such agency enough?

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. RYAN. Mr. Speaker, today I want to commend Interior Secretary Andrus for the proposal he sent to Congress yesterday to expand Redwood National Park by 48,000 acres. I completely agree with Secretary Andrus' statement that the Nation cannot afford not to enlarge the existing park. The magnificent coastal redwoods are a national symbol. The tall trees are national jewels which deserve protection.

I am particularly pleased that the Carter administration's position so closely coincides with the findings and recommendations in the first report of the House Committee on Government Operations entitled, "Protecting Redwood National Park." The report was prepared by the Environment, Energy, and Natural Resources Subcommittee, of which I am chairman, and is the result of an extensive investigation and hearings by the subcommittee. It recommends the park be enlarged, that further timber cutting in the Redwood Creek basin be controlled and that cutover lands be rehabilitated.

Secretary Andrus has advocated a comprehensive strategy for protecting the park which is quite similar to the approach outlined in the subcommittee report. This proposal, in addition to recommending expansion of the park's existing boundaries, also includes provisions for rehabilitating the Redwood Creek watershed and for putting together a reemployment plan to alleviate the local, short-term unemployment which will result from removing timberland from production.

I believe the Secretary's proposal represents fair, sensible, rational and responsible public policy and I support his position.

NATIVE CLAIMS AND ALASKAN NATURAL GAS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. MURTHA. Mr. Speaker, in various comments I have shared with my colleagues on development of Alaskan natural gas, one key factor has been the settlement of native claims.

I am very concerned that any decision to build a pipeline through Canada will be delayed by the settlement of these claims. On that point, I would like to share some comments made before the Interior Committee's Subcommittee on Public Lands and Indian Affairs by Dan Johnson representing the Yukon Indians.

"On March 4, 1977, the Council for Yukon Indians presented another brief to the National Energy Board in Whitehorse, Yukon . . . the Council for Yukon Indians has had sufficient time to consult with the 12 Indian communities on the question of pipeline construction. The response we have received has been clear and unequivocal. The Yukon Indian people are opposed to any pipeline in the northern Yukon in perpetuity, and in the southern Yukon we are opposed to pipeline construction until there has been a land claims settlement which has been implemented.

"We will continue to oppose pipeline construction, and in the event one is authorized by the Federal Government before the settlement and implementation of our land claims, we will gather our collective resources and fully utilize these resources in complete opposition to the construction of a pipeline. If this opposition means use of the courts, we will use the courts. We also fear that there will be physical protests by many of our people. But we shall not compromise our present position until our land claims have been implemented."

Mr. Speaker, these comments illustrate why the native claims issue is so important to the development of Alaskan natural gas, and why I hope the Members study this issue carefully before the Congress debates the subject later this year.

DISCRIMINATION AGAINST PREGNANT WORKERS SHOULD BE BANNED

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mrs. SCHROEDER. Mr. Speaker, motherhood is supposed to be one of the few issues that we all support, regardless of party affiliation or ideological strain. However, unless we take action to clarify title VII of the Civil Rights Act of 1964, we will allow employers to discriminate with impunity against pregnant workers.

I recently received a letter that describes the discrimination that will continue unless H.R. 5055, a bill to end discrimination against pregnant workers, becomes law. As the letter illustrates, it is disingenuous to say that because pregnancy is voluntary, we should not require that disabilities resulting from pregnancy be treated as any other disability is treated. As a woman who spent 10 days in intensive care after the delivery of a child, I can assure you that the pregnancy may be voluntary, but the disability is not; it is a shock and a terrible strain, just as any other disability is. For us to permit employers to act as though pregnancy-related disabilities are not disabilities at all is to ignore reality and to allow offensive discrimination against women.

This letter is one version of a story that could be told by thousands of women in this country, and I would like to share it with my colleagues:

DEAR REPRESENTATIVE SCHROEDER: This morning I read an article in the Rocky Mountain News entitled "Pregnancy Disability Controversy Growing." It stated that you are introducing a bill banning discrimination against pregnant women.

I am enclosing an account of my recent pregnancy, the complications involved, and my experience with pregnancy discrimination.

In September, 1975, I became pregnant for the first time, and looked forward to a healthy normal pregnancy. However, that was not to be. I experienced hyperemesis gravidarum and in November and in February was hospitalized for treatment. Both stays lasted three days. However, after my second day, while at home, I experienced a severe reaction to a drug used to counteract the hyperemesis. I stopped breathing. This necessitated emergency measures and a brief stay in an intensive care unit, followed by another hospital stay and a month's recuperation at home.

During the previous four years and during my pregnancy I was a teacher. Because of my difficult pregnancy, I used my available sick days and applied for a reimbursement from the six leave bank. They reimbursed me for days that my obstetrician could prove were illnesses not caused by the pregnancy. However, because the hyperemesis gravidarum was directly related to pregnancy, and because the medication I was taking was to control the hyperemesis, I was not reimbursed for the disability (to work) caused by the hyper-sensitive reactions to the medication.

The Affirmative Action Office of School District 12, Adams County, used my case in hopes of establishing a precedent to be used in pregnancy disabilities cases presented to the sick leave board. Unfortunately the board did not feel that my pregnancy-related absence should be reimbursed. After completing the month of recuperation at home, I was able to return to my teaching duties (with the encouragement and approval of my obstetrician) and complete the school year, without absence for the remaining school year. School closed on June 4, 1976, and my son was born robustly healthy on June 15, 1976.

My husband and I discovered a case of "double discrimination" when we proceeded to prepare our income tax return. We were told that if an employer pays an employee disability pay, that this amount is deductible (this tax law has recently been changed). However, if the employer does not pay or continue the salary during an employee's disability, no deduction (except medical expenses) can be taken! It is ironic that the more help you need, the less you get.

During the course of my pregnancy, I lost more than $1,200 salary for the twenty days work I missed (a teacher's salary is computed at 1/184 of the yearly salary per day). I lost 20/184 of my salary because of my pregnancy related disability.

I realize that the discrimination I experienced is probably quite mild in comparison to the discrimination other pregnant women have experienced, but I thought it may be helpful to relate it to you.

My maternity benefits from the school district's insurance (Blue Cross/Blue Shield) were adequate. However, my disability insurance (with Horace Mann) would not cover my disability to work as it was pregnancy caused.

We were told by Prudential that they covered no pregnancy disabilities, but the illness and complications I experienced during pregnancy would be part of my medical history and would cause an increase with our mortgage insurance rates. They wouldn't recognize it as a disability for my benefit, but they would count it as a medical liability for their monetary benefit.

Sincerely,

DIANE WILSON.

ONE ASPECT OF OUR HOUSING PROBLEMS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. JACOBS. Mr. Speaker, the following is a letter from my constituent, Mrs. Jane Ann Lemen. It constitutes a detailed description of one aspect of our housing problems:

MANNING ROAD,
Indianapolis, Ind., March 14, 1977.

Congressman ANDREW JACOBS, Jr.,
11th Indiana District, House Office Building, Washington, D.C.

DEAR CONGRESSMAN JACOBS: For a people to have confidence in the government and society in which they live, they must believe that that government provides them with a means of recourse for any wrongs they may have suffered. In return, the people must accept responsibility for their actions. If individuals do not accept such responsibility, a legal recourse should be available for those other citizens affected.

Recently I have begun to doubt that such recourse is always available to all citizens, based on the following experiences.

About five years ago, my husband and I decided to invest our savings in rental property. We are far from rich, but have a modest life-style and felt that real estate would be a good hedge against inflation. We have bought doubles (or duplexes) in the $15,000 to $25,000 range, all located in Washington and Wayne Townships, Marion County. We have avoided so-called "inner city slum" properties. We have improved these properties, and feel we would not rent a property we would not live in. We now own a total of fourteen doubles.

We have had many good experiences as landlords. As Christians, we have tried to help tenants when they have fallen behind, either by their paying a little extra each month until clear or doing painting, cleaning, etc., at other units in lieu of rent. We have developed good relationships with almost all of our tenants, past and present.

Recently, however, the problems have become more numerous, and I fear are indicative of the direction society is taking:

The rental business is now almost a cat-and-mouse game. How long do you help a tenant who is in arrears? For, if you must take legal action, the trick is to do it before he disappears "in the dark of the night." Once he has fled, you have the following problems, all aided by our legal system:

1. in order to file a claim in a Small Claims Court, the landlord, not the Court, has the responsibility of knowing either the new address or the place of employment, if any, of the ex-tenant.

a. obviously, the tenant in these circumstances does not leave a forwarding address. A Change of Address request from the Post Office is often ignored.

b. not all wages can be garnisheed, with Federal employees being the most notorious (which, incidentally, makes you a poor credit risk in my opinion).

2. the ex-tenant may be on welfare.

a. welfare payments cannot be garnished.

b. addresses of welfare clients are "confidential so no claim can be filed. Nor are the caseworkers particularly interested in working with a creditor to help the client pay off back debts.

c. I would imagine a landlord refusing to rent to welfare recipients would be guilty of "discrimination" (and I agree with this). But tax money given to them (of which the landlord pays a part) does not necessarily go to pay the rent.

3. the ex-tenant may be on unemployment. Again the address is considered "confidential."

4. if the case does go to court and a judgment awarded to the landlord, the ex-tenant may declare bankruptcy before the debt is paid.

Let me give you the following five examples, all former tenants of ours and, with the exception of the first, all coming within the past year:

1. D.A.

Debt—$380, back rent (including fraudulent checks) plus $75.

Situation:

1. attempted to secure change of address by sending a registered letter with a change of address request. Result: her mother signed the registered letter and no change of address was given us. Post Office suggested we try again—and pay again.

2. employed at the Finance Center, Fort Benjamin Harrison, which a) initially denied she worked there, and b) after admitting she did indeed work there, offered to garnishee at Two Dollars ($2.00) per month, then withdrew that offer.

3. she then declared bankruptcy.
Collected—$25.00
Loss—$430.00
2. B.A.
Debt—$280.00 back rent.
Situation: on welfare, working part time but not quite enough to be garnisheed.
Collected—$00.00
Loss—$280.00
3. D.B.
Debt—$420 back rent, $400 damages.
Situation—on welfare, no address.
Collected—$00.00
Loss—$820.00
4. R.S.
Debt—$400 back rent, $160 electric bill, plus several damages (including flushing nuts and bolts down the toilet before they left).
Situation:
1. Electric bill—the bill (for a total electric unit) was left in our name although the address was changed from ours to the unit's meaning either they called and gave our name or Indianapolis Power and Light made the mistake. At any rate, Ipalco is holding us responsible for the bill although the tenant admitted living there and owing the bill.
2. Were able to file a claim as he is employed.
3. Out-of-court settlement yielded $120 before they quit showing up.
4. Back to court. We received the judgment to garnishee. However, a lawyer present remarks that he had two claims on them in Perry Township and they were preparing to file bankruptcy.
Collected—$120 so far.
Loss—?
5. C.H.
Debt—$200 back rent plus $50 damages.
Situation:
1. She is on welfare, address confidential.
2. He is on unemployment, address confidential.
Collected—$00.00.
Loss—$250.00.
Total for the five claims:
Debt—$2,365.00.
Received—$145.00.
Loss—$2,220.00.

The key words are responsibility and recourse.

The landlord has a responsibility to provide clean, decent housing at a reasonable rate. If he is negligent in his responsibility, the tenant should have recourse through the courts.

The tenant has a responsibility to pay his rent on time, or if he is unable, to make arrangements for the payment of the rent, and also to maintain the property in the same cleanliness as when he rented it. If he does not, the landlord should have recourse through the courts. I feel we do not at the present time.

I apologize for a rather lengthy letter, but I felt this situation should be brought to your attention. Incidentally, all our properties are for sale; we've had it.

Sincerely yours,

JANE ANN LEMEN,
(Mrs. Gordon Lemen).

CURTAIL IMPORTS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. RANGEL. Mr. Speaker, last week in several cities throughout this Nation, hundreds of garment workers engaged in rallies to protest the growing number of products which this Nation imports from abroad. Here in the Congress many of us have signed letters to the President urging him to develop a new and more realistic trading policy, one that reflects the priorities of our own working people. I think these actions grow out of a concern that many of us have regarding this problem, as we watch as the textile industry continues to decline and the number of imported goods continue to increase.

In the latest issue of the AFL–CIO News, Gus Tyler, a noted political theorist and the assistant president of the International Ladies' Garment Workers' Union cogently delineates the problem. He says that the President's proposal to provide American shoe-producers with support is not enough. I believe Congress must step into the picture in order to correct the imbalance that has developed over the years and to save our already deteriorating textile industries. I think that the problem is important enough for the appropriate committees to take carefully thought out action to remedy it and put American clothing workers back to work.

I would urge my colleagues to carefully consider Mr. Tyler's remarks on this timely issue. The article follows:

JOB LOSSES MOUNT: SPREADING FLOOD OF IMPORTS LAPS AT ADDITIONAL INDUSTRIES

(By Gus Tyler)

The American shoe Industry is an imperiled species. What President Carter proposes to do to save the endangered trade is likely to prove useless—if not worse.

The crisis in footwear is much bigger than it looks, because what happens to boots and shoes today is also happening to apparel, textiles, electronic assembly, plastics, rubber goods, ceramics, bikes, toys, novelties, cameras, and specialty steel, and will soon be happening to the giants of our economy, like basic steel, autos, aircrafts, computers and the like.

But footwear is a timely case study of what's wrong in this industry and what's wrong with Carter's proposed remedies.

The number of shoe factories in the United States has fallen from 600 to 380 in less than 10 years. The result has been a loss of 70,000 jobs.

Where did the jobs go? Overseas. More than half the shoes sold in the United States are imports from countries where the hourly wage is not counted in dollars but in pennies—like two dozen pennies an hour. Taiwan and Korea alone are responsible for more than half the imports.

The rate at which these imports flood our markets threatens to wash away the American industry totally. In 1974, Korea and Taiwan exported 97 million pair of shoes; two years later (1976), they exported 200 million pairs.

To check this flood, the International Trade Commission, a U.S. agency, recommended that we impose substantially higher tariffs for the next five years. President Carter says no. Instead, he proposes that we negotiate quotas with other countries on levels of exports and that we offer a variety of aids to our domestic industry.

The negotiated quota idea is not new—it has been in operation for several years in the apparel and textile industries. And while it is certainly a means to regulate flooding, if it is used in the future as it has been used in the past, it will provide no relief at all.

In the 10 years between 1966 and 1976, the number of employees in the textile and apparel industries (the nation's largest factory employer) shrunk by more than 144,000, while imports in the last year alone rose by more than 34 percent—in spite of quotas.

Carter proposes to assist American shoe producers with technological know-how, with marketing devices, and with financial aid to undertake these improvements.

But of what good is all this if the American shoe producer then proceeds to make his superior technology available to a "contractor" in Korea or Taiwan whose output is committed exclusively to the American shoe company for sale in America—as is already the case? And of what value is superior marketing skills by an American company if it then puts these talents to work to sell the imports here at prices to produce windfall profits?

And why should the American people pay for this process, which is nothing more than an expensive way to commit suicide?

KARL NOBUYUKI

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. CHARLES H. WILSON of California. Mr. Speaker, I wish to bring to the attention of this Congress the recent appointment of Mr. Karl Nobuyuki of Gardena, Calif., to the national executive directorship of the Japanese American Citizens League (JACL).

Mr. Nobuyuki has served the city for the past 5 years in a variety of capacities, not the least of which was his instrumental role in creating the city's human services department. Today, this agency serves as the model for all South Bay government services organizations, and stands as testimony to the dedication of both Mr. Nobuyuki and the Gardena City Council.

Mr. Nobuyuki will assume direction of some 40 national JACL committees whose programs concern themselves with specific problem areas facing Americans of Japanese ancestry. Of immediate importance is the committee's support of legislation drafted by Congressman NORMAN MINETA, myself and other Members which seeks to provide Japanese-American postal and civil service employees retirement credit for time in relocation camps.

The JACL committee which stands to grow in importance with Mr. Nobuyuki's appointment is the cultural affairs committee. An honest portrayal of the Japanese-American experience is seldom available to the general public. To meet this need the committee sponsors community exhibits, cultural performances and criticizes stereotypic portrayals of Asian Americans in mass media. The recent establishment of the Gardena Valley Japanese Cultural Institute teamed Mr. Nobuyuki with Director William Hiroto and hundreds of area Asian-Americans in

an effort to provide an anchor for the Japanese cultural and ethnic heritage in Los Angeles County.

This local effort stands to embrace a national forum in the newly created United States-Japan Friendship Commission.

The Commission is charged to undertake activities designated to increase understanding and goodwill between the United States and Japan. It is expected that the JACL will work closely with the Commission in establishing valuable programs supportive of services offered by agencies such as the Gardena Japanese Cultural Institute.

I commend Mr. Nobuyuki on his appointment. For the information of my colleagues, I submit for examination various clippings detailing Mr. Nobuyuki's career, as well as a short history of the Japanese American Citizens League.

[From the Daily Breeze, Mar. 24, 1977]

JAPANESE AMERICAN UNIT PICKS GARDENAN

Gardena's grants administrator has been appointed national executive director of Japanese American Citizens League (JACL).

Karl Nobuyuki's appointment is subject to ratification by the 106 JACL chapters in 32 states.

Nobuyuki is expected to assume the position May 1.

Al Hatate, a member of the personnel board which interviewed applicants, said Wednesday ballots would be sent to JACL chapters.

Hatate said Nobuyuki must be ratified by a majority of the chapters returning ballots.

Nobuyuki, 31, says he is overwhelmed by the appointment and says a major job task will be to pull the organization together.

"I also want to try to get the American public to see that what the JACL does as a human rights organization does not affect only Japanese-Americans, but everyone," he says.

The position would move Nobuyuki and his wife, Hiromi, and their two sons from Gardena to San Francisco, location of JACL national headquarters.

He would succeed David Ushio as national director. Ushio left to join President Jimmy Carter's transition team.

Nobuyuki was born in Gila River, Camp A, a relocation camp in Arizona.

He attended Salesian High School in East Los Angeles, Don Bosco Seminary in New Jersey, East Los Angeles College and graduated from USC where he studied speech communications and political science.

Nobuyuki is a member of the board of the Asian-American Drug Program, Japanese-American Community Services and a commissioner of the Los Angeles County Manpower Advisory Council.

His memberships also include the FOR Junior Sports Association, the Gardena Valley JACL and the Gardena Valley Cultural Institute.

Gardena Councilman Mas Fukai hailed Nobuyuki's appointment.

Nobuyuki came to Gardena in 1971 to head the city's new youth and community services office.

In 1974 he became grants administrator and public information officer for the city.

NOBUYUKI NAMED JACL NATIONAL DIRECTOR

SAN FRANCISCO.—Pending confirmation by the 102 chapters of the organization, the national board of the Japanese American Citizens League Sunday named 31-year-old Sansei, Karl Tatsutoshi Nobuyuki to be the new JACL National Director. Nobuyuki if confirmed, would succeed David Ushio, who resigned from the directorship in Sept.

The JACL national board which is made up of the human rights organization's national officers and district governors, made its choice last weekend following a recommendation from a select national personnel committee consisting of Gary Nakamura, Stephen Nakashima, Ben Takeshita, Al Hatate and Emi Somekawa.

A native of Gila River, Arizona, Nobuyuki attended the Univ. of So. Calif. as a speech-communications major. He also attended Don Bosco Seminary College in New Jersey. Raised in the Boyle Heights area, he is an alumnus of the Maryknoll School and Salesian Maryknoll School.

For the past five years, Nobuyuki has been grant-resource administrator for the city of Gardena. Married to the former Hiromi Yamagata, he is the father of two boys; Craig, 11 and Byran, 7.

As JACL national director Nobuyuki would oversee the activities of the 30,000-member organization which often serves as a spokesgroup for all Asians in the United States.

Nobuyuki's first goal as director would be to pull the organization, which in the past has been beset with regional disputes, together.

"I'd also like to see the Sansei and Yonsei join up and take a more active role in the organization," said Nobuyuki. "Frankly," he said, "it will be a long time before I can be specific about new programs for the JACL but I am going to start by listening to everyono in the organization."

A longrange goal Nobuyuki did commit himself to was "making it clear to the general public that the actions of the JACL as a human rights organization benefit all peoples regardless of race or creed."

The national director-elect said he felt the most valuable skills he would be bringing to the JACL were his administrative experience and background in resource development.

JACL Pacific Southwest Dist. Governor Michael Ishikawa agreed that Nobuyuki's past administrative experience with Gardena and skilled grant proposal writing abilities would be a definite plus for the organization on a national scope.

"Most important from a Pacific Southwest viewpoint," said Ishikawa, "is that Nobuyuki understands the issues and problems faced in an area where there are large numbers of Asians, an understanding which may have been lacking under past leadership. Karl also has the ability to relate to the younger, more progressive members as well as the old guard of the JACL," said Ishikawa.

FAST BREEDER REACTORS

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. DUNCAN of Tennessee. Mr. Speaker, on April 7 President Carter announced his proposals regarding the development of nuclear power. His primary thrust was to deemphasize the use of plutonium for both conventional light water reactors and liquid metal fast breeder reactors now under development. This deemphasis is proposed because of the possible international spread of nuclear weapons through the conversion of nuclear fuel into weapons-usable material by nations which now do not have such weapons.

I share Mr. Carter's concern about proliferation. It is, and will remain, a serious international problem which deserves careful, thoughtful consideration. I am convinced, however, that curtailment of the plutonium breeder reactor will not appreciably affect the possibility of proliferation of nuclear weapons.

In fact, nuclear power reactors are by no means the only path to nuclear weapons. Some 46 nations now operate research reactors; many of these reactors could produce weapons-usable nuclear material at least as easily and economically as by deriving such material from a nuclear power plant. I also note that the five other nations now developing the breeder reactor—France, West Germany, Great Britain, Japan, and the U.S.S.R.—have demonstrated no inclination to follow our proposed curtailment of the plutonium breeder.

If we look closely at the economic benefits of the breeder, perhaps we can better understand why these nations are pressing their plutonium breeder demonstration programs. The plutonium-cycle breeder reactor is, in fact, closer to commercialization and offers a higher probability of economic success than any of the other known advanced energy systems. It can provide our Nation with an almost unlimited supply of clean, safe, and efficient electricity through the next century and even beyond.

Having recorded these objections to the President's proposals, I want to go on to state that, although weapons material can in principle be taken from any substance containing fissionable fuel, and thus no nuclear fuel cycle is completely proliferation proof, nevertheless there are breeder fuel cycles which more closely conform with the President's stringent antiproliferation criterion.

One of the most promising of these proliferation-resistant cycles uses thorium, a naturally occurring heavy element found in granite, sea water, and some uranium ore. It is approximately four times more abundant than uranium. Our Nation has a good supply of thorium, including some of the largest known high-grade deposits in the world.

Although thorium is nonfissionable, it can be converted by a breeder reactor into uranium-233 which can be used to power additional nuclear reactors. While U–233, like plutonium, can be used as a weapons material, it can be denatured by dilution with U–238 to make it less attractive as a material for weapons production.

After U–233 has been denatured with U–238, the U–233 cannot be extracted by simple chemical means for use in nuclear weapons. A complicated isotopic enrichment process, which is both expensive and technically difficult, would be necessary. After the fuel has been used, it is extremely radioactive and would re-

quire shielded chemical reprocessing to obtain weapons-usable material.

We could further guard against the misuse of this nuclear fuel by establishing international secure energy centers in which all of the sensitive operations of the thorium fuel cycle would be performed. Included in a typical energy center would be a breeder reactor, a spent-fuel processing facility and a fuel-fabrication plant, all under strict security measures.

The primary purpose of the center's breeder reactor would be to produce U–233 from thorium which then would be processed and fabricated into a denatured fuel to be sent out of the center to power additional reactors. The denatured fuel would contain less than 20 percent U–233 which would disqualify it for direct use as a weapons material. As earlier noted, the denaturing agent, U–238, would make the reprocessing of this fuel into weapons material costly and time consuming.

If available fuel produced in the secure energy center were used in breeders outside the centers, the entire system could produce a net gain of fissionable material and could be an important component of the Nation's and the world's solution to the energy problem. Although the breeder would convert the relatively small amount of U–238 denaturing agent into plutonium, the fuel at this point in the cycle would be so radioactive as to discourage any attempt to recover the plutonium. The spent fuel would then be returned to the secure energy center to complete the cycle.

A national energy system using the thorium-cycle breeder and the subsequently bred fuel could sustain a 2–3 percent annual growth of energy production from thorium in the United States. In comparison, the plutonium-cycle breeder could sustain a 5–10 percent annual growth rate using uranium. Thus, it is evident that the plutonium-cycle breeder, when compared on the same basis, offers significant advantages over the U–233/thorium cycle by allowing larger growth rates and providing more flexibility in meeting the highly unpredictable needs of our economic future.

In view of these considerations and our general energy situation, the continuation of our most important breeder reactor project—the Clinch River Breeder Reactor Plant Project in Oak Ridge, Tennessee—is crucial. The CRBRP is the Nation's first large-scale demonstration breeder reactor; it is designed to demonstrate the economic and technical feasibility, licensability, and safety of the breeder within a utility environment.

As such, the CRBRP is an important element in the timely commercialization of the breeder reactor. The speedy completion of the project is necessary to assure that we have the option of obtaining clean and safe energy from breeders as our oil and gas supplies diminish.

It is important to note that the CRBRP could be reoriented to test and demonstrate the feasibility of the relatively proliferation-resistant thorium cycle discussed above, as well as the plutonium cycle upon which the current design is based. It can also serve as a test bed for a variety of proliferation-resistant reactor options that may be expected to result from the more active consideration of alternative breeder systems proposed in President Carter's nuclear policy message. Substantial delays or cancellation of the CRBRP should not be considered acceptable because such action could jeopardize the future well-being of this Nation.

WAGE AND PRICE STABILITY

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, President Carter, in his January 31 message to the Congress proposed a 2-year economic recovery program and indicated his desire to strengthen the Council on Wage and Price Stability. In the program he announced last Friday, the President indicated that the council will play a very important role in this administration's anti-inflation program. To this end, in his budget request, the President asked for the addition of 10 senior economists and 3 research assistants to the Council staff, for which the administration requested a supplemental appropriation of $241,000. This is $141,000 above the fiscal year 1977 authorization for the Council. The House voted to appropriate $100,000, which would have kept COWPS' funding at the authorized level. The Senate, however, voted to appropriate the full amount of $241,000. The House conferees are now asking us to accede to that amount.

Mr. Speaker, while I am in accord with the recommendation of the conferees, I must call attention to the unusual procedure by which the President's request came to us. This request for $141,000 more than has been authorized for the Council on Wage and Price Stability for fiscal year 1977 was not submitted to the authorizing committees, the House and Senate Banking Committees.

I realize that the amount of money involved here is not very large. However, I think the administration should be put on notice that we cannot condone appropriations which have not been previously authorized, and that the authorization procedure is a most important part of our legislative responsibility.

I would hope therefore, Mr. Speaker, that we can expect that this is a one-time-only instance of bypassing the authorizing process. This is a new administration, and the President's request for additional staff for the Council on Wage and Price Stability represents an integral part of the anti-inflation program. I urge my colleagues, therefore, to make an exception this one time and support the conferees' motion.

At present, there are 20 senior economists on a full-time staff of 47 personnel. Nine of these economists review and evaluate the economic impact of Federal regulations and rulemaking, and the administration wants to continue that activity. This means, however, that the remaining 11 economists monitor the entire private sector of the economy. It is in this area that the President proposes to increase the Council's analytical capability. The additional personnel would be available to analyze the supply and demand trends in particular industries so that bottlenecks and potential shortages could be identified, thereby allowing the administration to deal with them in a timely manner. This is not an excessive request. I understand it takes a single economist anywhere from 3 to 6 months to do an in-depth industry study.

I should emphasize that in the almost 3 years that the council has been in existence, they have not requested any personnel increases. Now they are requesting an increase of 13 persons, which will bring their total staff from 47 up to 60.

There is one important area that should be dealt with, and that is the spectre of wage and price controls. It has been charged that the very existence of the Council on Wage and Price Stability threatens business and labor with the reimposition of wage and price controls. I reject this argument, and I am sure that business and labor are astute enough to realize that any return to wage and price controls would have to come through the Congress. President Carter has reiterated many times that he does not desire to have authority—including standby authority—to impose wage and price controls. Furthermore, the Senate Appropriations Committee in its report on this supplemental appropriation emphasized that the inclusion of these funds in no way anticipates the adoption of a movement to wage and price controls.

Mr. Speaker, the Subcommittee on Economic Stabilization is currently holding hearings on the Council on Wage and Price Stability Act. Included in the legislation we will consider is a bill I have introduced, which would raise the authorization to $2.2 million so that the council may get on with the very important work the President has asked it to do. I do not believe that figure is unreasonable, and I do not believe the present request is unreasonable.

I urge my colleagues to agree to the full $241,000 as provided for in the supplemental appropriations conference re-

port and promise them that the Subcommittee on Economic Stabilization will give careful scrutiny and review to the duties of the Council on Wage and Price Stability.

SOCIALIST WORKERS PARTY SPIES ON RIVAL MARXIST-LENINISTS: PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. McDONALD. Mr. Speaker, the Socialist Workers Party is presently engaged in a law suit against the U.S. Government complaining that the FBI, the CIA, and other agencies have been investigating them for many years. The SWP is particularly upset that the FBI has had informants planted in their ranks.

It is interesting to note that the SWP has for many years sent infiltrators and informants into rival Marxist-Leninist groups. The SWP reports on their rivals were undoubtedly of great use to the FBI in evaluating the activities of the other subversive groups. Last year, then Attorney General Edward Levi, ordered the FBI to remove its informants from the SWP. As a result the valuable information on international terrorism and domestic subversion that had been available through the SWP is no longer known to the executive branch of the U.S. Government. The SWP is the American section of the Fourth International and provides its members with considerable information on the terrorist activities of other Fourth International sections in Latin America, Europe, and the Middle East.

The Socialist Workers Party recently released an interesting new publication for the confidential use of its members. The introduction to the new publication called Party Organizer was written on March 21, 1977, by Socialist Workers Party National Committee member, Larry Seigle. The introduction read in part:

This is the first issue of the "Party Organizer." The new internal bulletin is the result of a discussion in the Political Committee on the growing need for ways to communicate ideas, experiences, and suggestions on party activities directly to all members of the party. This need has become greater as we have undergone a relatively rapid expansion of the number of branches and the number of cities where we have members.

The "Party Organizer" will be published periodically. It will contain reports from the branches as well as from the national steering committees and national departments. Articles will cover our work in the mass movement as well as party-building activities such as sales, finances, education, forums, bookstores, election campaigns, and recruitment.

Many of the kinds of reports and letters that are now sent out to organizers and the National Committee for communication to all members will instead be published in the "Party Organizer."

The first issue of Party Organizer contains some interesting reports on the activities of the "Maoists" in the United States. These reports which cover the activities of the major pro-Red Chinese organizations and youth groups were based on coverage of meetings and investigations of the "Maoists" made by members of the Socialist Workers Party and its youth group the Young Socialist Alliance. The reports were written by SWP Alternate National Committee members Les Evans and Rick Berman.

It is unfortunate that the Federal Bureau of Investigation does not have access to this publication, as a result of their closing the case on the SWP and removing the informants. Of particular interest, is the SWP report on the activities of Red Chinese agent William Hinton, who they indicate is particularly interested in lobbying businessmen and politicians. According to the SWP, Hinton and his close associate, Martin Nicolaus, see themselves as "ministers without portfolios trying to stir up support for the Chinese Government in ruling-class circles."

The SWP may not know all of Hinton's background. Not only did he live in Red China for many years, but his sister, Joan Hinton Engst, worked on the American atom bomb project and then defected to Red China where she has served for many years helping them develop their nuclear capability.

The Socialist Workers Party has provided valuable information to its members on groups that are a serious threat to American security. They should not be allowed to keep this information secret. I would therefore like to make it available to my colleagues. The SWP reports on the "Maoists" follow:

AMERICAN MAOISTS AFTER THE FALL OF THE "GANG OF FOUR"

(By Les Evans)

[The following reports were given to the Political Committee following the November 20, 1976, "Conference on the International Situation," organized by the Revolutionary Communist Party.]

I assume the comrades have all read the article in the December 10 *Militant* ["Who really represents the Peking line?"] and my written report on that meeting [see page 21.] I just want to add a few comments on what we learned from the November 20 "Conference on the International Situation."

This conference reflected the fact that the Revolutionary Communist Party has become the largest of the Maoist organizations. In the December issue of its newspaper, *Revolution*, it claimed an attendance of 2,300. The *Guardian* claimed 2,000. The Spartacists gave a figure of 1,500. Our estimate was 1,300, which I think was fair, but conservative; it could have been as much as 1,500. The higher estimates seem to me improbable.

The thing was clearly organized by the RCP. The October League, the only other Maoist organization of any size, stayed away, except to send in a few sharpshooters to ask questions.

The RCP succeeded in its principal aim, which was to line up its own membership to accept its claim of what China's foreign policy really is. The key point for them is to interpret the line in such a way that they can pose as opponents of American imperialism. They reject the line that the Soviet Union is the "main danger," that they should ally themselves with the ultraright cold warriors against Moscow, or that their chief activity should be going around exposing the Soviet Union.

Most of the people at the conference were young. Most of them seemed to be relatively new to politics. At the same time, the RCP itself is a hard Stalinist organization of the "third period," ultraleft type. Anyone who stays around it very long will obviously imbibe those politics. The people I talked to seemed to know almost nothing at all about China, about Soviet history, or about Trotskyism. They made little sick-jokes about pickaxes. That is how they are trained from the minute they are recruited.

From what I could see, the RCP has for the moment consolidated a hold on its membership. There was no noticeable debate within the RCP ranks, and their morale seemed high. Nevertheless, I think they are facing some very serious political problems in the near future.

First of all, it's clear from the Chinese press that the RCP line is not China's foreign policy. None of the large, organized Maoist groups dare to go along with China's real line. There are, apart from the strange little sects that will say anything they read in *Peking Review*, three major Maoist tendencies in this country, moving on a gradation away from the Chinese bureaucracy's official position. These are, in order, the October League, the RCP, and the *Guardian*.

The real line is represented by William Hinton, who is now unaffiliated. He has lost his post as chairman of the U.S.-China Peoples Friendship Association, but he still has access to the leaders in Peking. His orientation is to make his major activity the lobbying of businessmen and politicians—particularly right-wing politicians—against the Soviet Union.

Hinton has just made a new convert to this approach from the leadership of the October League, the most ostensibly "orthodox" of the Maoist groups. This reveals a previously hidden difference between the October League and the Chinese government. Hinton's recruit is Martin Nicolaus. You remember Nicolaus. He was the translator of Marx's *Grundrisse* and a big-name "new left" intellectual. He was briefly the *Guardian's* foreign editor. Then he wrote a book to prove that "capitalism" had been restored in the Soviet Union.

He broke with the *Guardian* while his book was still being serialized in the paper and joined the October League. There he was put on its Central Committee and immediately formed a faction. He recruited people to his group, which had the Hinton line. They were just expelled from the OL and denounced as "friends of the bourgeoisie." Now there is evidently a Nicolaus-Hiton tendency which sees itself as ministers without portfolios trying to stir up support for the Chinese government in ruling-class circles.

The October League wants the Peking franchise, and it bends as far as it can possibly go to get it. It took the position that the Soviet Union, not South Africa and the United States, was the main threat to Angolan independence. (The RCP stuck with the previous line of "equal blame on the two superpowers.")

The OL immediately jumped on the bandwagon after the purge of the "gang of four" and endorsed Hua Kuo-feng. Their line on international questions is that the Soviet Union is the "main danger" and that their propaganda should be overwhelmingly directed against the USSR, not the United States. They do not accept the next logical step, which is a public bloc with Washington.

That's the line they don't want to step across. Their membership, like that of the RCP, was recruited largely out of SDS and the student radicalization of the 1960s. The only thing they could agree on when they got together was a general opposition to American imperialism. It's very hard for them to go back on that. Also, the first thing these people learned when they radicalized was to reject anti-Sovietism and anti-Communism. for a while they can play on the hatred of the crimes of the Soviet bureaucracy to justify their pinning of the label "imperialist" on the USSR, but it is difficult to justify

making this their main activity. An alliance with the U.S. government is too much for them to swallow.

The RCP is having a serious problem in reacting to the arrest of Mao's lieutenants. They publish only a monthly newspaper (the October League's Call is weekly), so they evidently thought they could stall. The October Revolution didn't mention the purge. They dropped the November issue entirely. They published a December issue, but there wasn't a word in it on what was going on in China. The same in January.

In the December Revolution they republished in the Spanish section an article from their October issue whose main thrust was to attack Teng Hsiao-p'ing, who seems to be on his way back up in the hierarchy. So they are still trying to hang on to the domestic Chinese line as it was last summer before the death of Mao and the policy turnaround under Hua.

Thus the RCP is waffling on two fundamental questions for a Maoist organization: what Peking's foreign policy line really is and its opinion of the current Peking leadership. This has already lost it the mandate from Peking, which has stopped reprinting articles from the RCP press, although it continues to feature material from the Call.

It cannot be excluded that the RCP will take a turn like Progressive Labor did some years back and break publicly from China. It's surprising if it intends to continue as Maoist that it goes as far as it has in risking its standing with the Chinese government and giving an edge to the OL.

There are some other positions of the RCP and OL that we should be aware of. Both of these groups have lined up with Peking on the Cuban question. They are very vulnerable on that. They both now say that Cuba has restored capitalism and that it has become a Soviet colony. They further agree that Angola is a Soviet colony being run by Cuban "slavemasters." This whole fantastic invention is then cited as proof that the Soviet Union is imperialist.

One last point is that these groups are all vying for control of what they regard as perhaps their major front organization, the U.S.-China Peoples Friendship Association. Each of them has a different line on what this association should be, corresponding to their different lines on foreign policy.

Until recently, Hinton was the chairman of the association, and his line was to make it a top-level, government-to-government agency that would negotiate with businessmen for trade contracts.

The RCP sent its people in to try to take the USCPFA away from Hinton and turn it into a "mass" organization to which they could bring people who are "friends of China" but who don't want to join the RCP. They succeeded in this, but then surprisingly had it taken away from them by somebody else. The OL in a bloc with unaffiliated Maoists took over the USCPFA at a recent conference on the basis of a workerist line.

Whereas the RCP wanted the USCPFA to be a broad membership organization, the new leadership proposes to have it work exclusively in factories and in communities of the oppressed nationalities to recruit pro-Peking sympathizers. The RCP has now been forced out of the leadership and reduced to a minority with its line of a general popular-front organization.

Every one of these organizations, including the *Guardian*, is treading on thin ice at the moment. They can maintain their base only by hoping that their members or readers will not ask too many questions about the implications of China's bloc with imperialism or the purge of the Mao faction. The *Guardian*, the only one of the groups to discuss the internal situation in China, could come up only with the lame position that Hua should be supported *despite* the fact that he is lying to the Chinese people on the issues in dispute with the Chiang Ch'ing group. The *Guardian* dismisses as slander the government's claim that the arrested Maoists were trying to restore capitalism or represented a "right wing" in the Chinese Communist Party.

We should make a point of discussing politics with members of these groups or people influenced by them. We can raise the question of a genuinely internationalist and revolutionary position and the evidence that masses of people in China agree with our position in the fight for socialist democracy. We are the real defenders of the Chinese revolution and of the aspirations of the Chinese workers on these questions, not the apologists for the Stalinist government. I think that now many of these people will listen to us who would not have done so a year ago.

AMERICAN POSTAL WORKERS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. CRANE. Mr. Speaker, the day before the recess began, I received in the mail the April newsletter of the American Postal Workers Union, AFL–CIO. On the bottom of the second page of this publication was a column entitled "Unionist's Beliefs." I was a little bit curious, so I began to read. The first paragraph asked the reader to wonder why there was so much antiunion literature being circulated. To counteract that propaganda, and to dispel the myth that "unionists are a bunch of militant hotheads," the author goes on to list 20 declarations which make up the unionist's "beliefs."

As I read these statements, I noticed they looked very familiar: "We believe in Freedom of religion. We believe in Freedom of speech. We believe. . . ." They rang a bell, the Liberty Bell to be exact, and I realized I was reading a summary of the U.S. Constitution.

I scanned the rest of the list and then looked at the end of the article. The author concluded by asking that everyone join in the union's beliefs because those beliefs emanated from the "greatest contract ever written": the Constitution.

Mr. Speaker, I believe in the Constitution, too, and as I glanced back at the enumerated beliefs, I saw that one "right," which is in the Constitution, had been curiously omitted from the column. It was the right described in the first amendment as allowing "the people peaceably to assemble." More commonly called the freedom of association, it is one of our most basic and fundamental rights. I find it very interesting that it was not included in the list, because, just as you can choose to assemble or associate, you can also choose not to assemble or associate. The first amendment is the only part of the Constitution which the unions selectively endorse, and freedom of association just happens to have been left off the list. George Meany himself declared that the AFL–CIO wanted to make every job a union job. To me, that is clearly unconstitutional. There is, and must continue to be, a right for every working person to join a union or not join a union, as they please.

If the unions really believed in the "greatest contract ever written" then there would not be any statements such as Meany's, nor would there have been a common situs picketing bill; we would not have to worry about a Taft-Hartley repealer or about unionizing the whole Government. The author of the "Unionist's Beliefs" says he hopes "that those who throw aspersions at us would join us in these beliefs." Let us hope that in time the author would join us not only in these beliefs, but in our constitutionally guaranteed right of association as well. It is a part of the greatest contract ever written, and everyone joining in a contract should read and understand every line of that contract.

At this point, I would like to have the article "Unionist's Beliefs" inserted into the RECORD:

[From the Illinois Postal Worker, April 1977]

UNIONIST'S BELIEFS

I am unable to understand why we hear so much anti-union talk and see so much anti-union literature. Too often I hear that unionist's are a bunch of militant hotheads. What views do we have that some would want to disagree with? What do unionist's believe in?

1. We believe in the right to immediate representation.
2. We believe in representation before search.
3. We believe there should be no after the fact laws.
4. We believe we should have the right to know when rules go into effect.
5. We believe the rules should be adequately publicized.
6. We believe in freedom of religion.
7. We believe in freedom of speech.
8. We believe in freedom of the press.
9. We believe in a system for settling disagreements and violations of contracts.
10. We believe in the right to due process.
11. We believe there should be no double jeopardy.
12. We believe no one should be required to testify against oneself.
13. We believe everyone should be entitled to a speedy trial.
14. We believe everyone is entitled to know the particulars of the charges made against him.
15. We believe everyone deserves an impartial judge, jury or arbitrator.
16. We believe everyone deserves a trial in the area where the rule infraction is supposed to have taken place.
17. We believe everyone should have the right to be faced by the accuser.
18. We believe there should only be one set of rules.
19. We believe the punishment must fit the crime or rule infraction.
20. We believe everyone has the right to have a compulsory process to produce your own witnesses.

I would hope that those who throw aspersions at us would join in these beliefs because they come from what I consider the greatest contract ever written. It is the contract between the United States Government and its sovereigns, and is called the UNITED STATES CONSTITUTION.

H. W. "Red" Reed
Sec. Ctr. Vice Pres.
Galesburg, IL

OAHE, FISCAL YEAR 1978 APPROPRIATIONS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ABDNOR. Mr. Speaker, in view of the President's recommendation that no

funds be provided for the Oahe unit in the coming fiscal year, I would like to call to the attention of my colleagues the statement I presented to the Public Works Appropriations Subcommittee when I appeared before them in support of funding for this vital project, as well as the Pollock-Herreid unit:

IN SUPPORT OF FUNDING FOR THE OAHE AND POLLOCK-HERREID IRRIGATION UNITS

(Statement of the Honorable James Abdnor before the Subcommittee on Public Works, April 5, 1977)

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to appear before you today in support of fiscal year 1978 funding for the Oahe and Pollock-Herreid irrigation units. It is unfortunate that your deliberations have been clouded by the President's hasty and ill-conceived recommendations which will, if upheld by Congress, result in the foreclosure of opportunities for needed water resource development throughout the nation. South Dakotans share the deep sense of betrayal the President's actions have caused among those who recognize the importance of the wise and productive development of our water resources, and I know that includes the members of this committee.

Water resource development is not a partisan issue, nor is it a subject we can afford to put off as we have done with our energy problems. It is not with any partisan intent, therefore, that I come before you in support of the recommendations of President Ford, rather than those of President Carter. The Ford Budget provides $16.96 million for the Oahe Unit. The Carter proposal is for termination of the project, with no funds requested for further study or any other purpose and without so much as an acknowledgement of the commitment of the Federal government to our state.

It is incomprehensible to me that President Carter can recommend billions for temporary public works jobs and at the same time choose to ignore the recurring problems of drought, underemployment, and outmigration that will be addressed through sound water resource development projects. Such projects will not only provide direct construction jobs at a cost comparable to those in the President's public works proposal but they will also continue to provide new job opportunities and abundant new wealth once they are completed. Under the circumstances, the President would have been far more consistent to have recommended that the full capabilities of the Bureau of Reclamation ($21.46 million for the Oahe Unit; $500,000 for the Pollock-Herreid Unit) be funded in the coming fiscal year.

Although our lack of action in dealing with our energy problems might be termed a national disgrace, it will seem pale by comparison to the inevitable result if we do not come to grips with the nation's water development needs. The President's recommendation that 30 major water development projects receive no further funding flies in the face of the urgent needs they were authorized to meet. Taken on merit alone, the President's recommendations must be rejected; but considering the way they have been handled by the Administration, they become insulting.

For example, the Department of the Interior could not tell us two days ahead of time who would be on the "review team" which would come to South Dakota to take public testimony on the Oahe Unit. I detailed other outrageous aspects of the "review" process in my statement to the review panel on March 21st, and I would like to furnish a copy of that statement for the committee's files. Whatever value might be ascribed to the President's recommendation is devastated by the lack of integrity of the process by which they were determined. Clearly, the President and his advisors have failed to appreciate the importance of water development, the historical commitments regarding projects such as the Oahe Unit, and—most importantly—the requisites of the future if the needs of our citizens are to be met.

Having made these general points, let me turn to the specific controversies surrounding the Oahe Unit. It is evident from the difficulty members of Congress have had in obtaining information from the White House that the President had no particular criteria whatsoever upon which he based his judgment to terminate certain projects. Almost as an after thought, however, three broad "screening" criteria were announced as the basis on which all water projects would be weighed for possible termination. These criteria are safety considerations, benefit/cost ratio, and environmental effects.

There are no valid safety questions which might justify termination of the Oahe Unit, but the safety of the James River—both in terms of quality and quantity—will be enhanced as a source of municipal water supply.

The Oahe Unit has been found to be economically feasible in every benefit/cost analysis ever performed using nationally recognized and Congressionally mandated procedures. The overall benefit/cost ratio (which considers spinoff benefits other than those realized directly) for the Oahe Unit has been calculated at 3 to 1. The Oahe Unit is justified in its own right; but even if it were not, to argue that it should be stopped is to fail to recognize the debt owed South Dakota by the federal government. We are deserving of federal assistance in developing our state's water resources and the Oahe and Pollock-Herreid Units are but a portion of the development to which we are entitled.

The third criterion, and the most nebulous of all, used in the "screening" process is "environmental impacts." The Interior Department's March 10th announcement which stated, "a project must have no significant environmental impacts," is indicative of the self-serving, prejudgmental nature of the "review." In my view the whole purpose of water resource development is to significantly alter the environment for the benefit of mankind. The Oahe and Pollock-Herreid Units will certainly do so.

It would make more sense to forgo projects which "pass" the test of no significant beneficial environmental impact than those which "fail" it. If every human endeavor had been subjected to such a "screening criterion," we'd still be living in caves and being served up as lunch for our animal friends. Obviously there are environmental absolutes which must not be infringed upon. No one questions that, but neither can one accept the President's recommendations in view of the arbitrary and haphazard way environmental factors have been applied.

There are a number of other environmental issues of which I am sure the President has no personal knowledge but which are of concern to those who will be affected by the Oahe Unit. Included among these are the irrigability of the soil, the future of the James River, and wildlife habitat losses and mitigation.

As far as irrigability of the soil is concerned, I would point out that the Oahe Unit was the first federally authorized project to have artificial drainage included as part of the original project cost. Detractors cling to early and outmoded soil survey data which indicated that irrigation could be difficult in the project area, but exhaustive more current and more pertinent studies have been undertaken by the Bureau of Reclamation. It is clear from these studies that the project area can support sustained irrigation, and I would like to provide for the hearing file the statement Dr. Larry Fine of the Plant Science Department of South Dakota State University presented to the review panel. Based on his own research experience, Dr. Fine concurs with the Bureau's conclusion that the land is irrigable.

Dr. Fine also discusses the quality of the return flows from his irrigation research plots and goes so far as to say that he and his associates have drunk them in preference to other available water supplies. The Bureau's studies have indicated that at times the quality of the James River will be degraded somewhat over its present condition by construction of the Oahe Unit At other times, however, the quality will be improved. Both the quality and quantity of the water flow in the James will be stabilized.

If arbitrary water quality standards are to be used to justify terminating the project, are we also going to close down the water systems of the 60% of South Dakota communities which fail to meet these standards? Of course we are not, but these communities will never be able to improve their water systems if such improvements must pass the criteria the President proposes to apply to water developments. Furthermore, an expanded economic base—such as the Oahe Unit will provide—is the very thing many of these communities need to make water system improvements feasible.

Under current conditions the problem of water quality is often moot, however, since records show that the stretches of the James in the project area are dry about 40% of the time and flow less than 30 cfs about 75% of the time. The stabilized flow the Oahe Unit can provide will be a benefit more than offsetting any unalterable degradation in water quality. If this were not so, the City of Huron, which takes its water from the James, would not be strongly supporting the project and looking to it as the solution to the City's precarious water supply problem.

Although the flow of the James will be stabilized by irrigation return flows and supplemental water releases, the flooding potential will also be increased somewhat. Obviously, a river which has some water in it when flood scale precipitation occurs will top its banks more quickly and severely than if it were dry. For this reason the authorized plan calls for channelization. There are several alternatives and combinations of alternatives by which to deal with this problem, however, and it is my belief they will result in not only preservation but enhancement of the aesthetic and productive character of the James.

Wildlife specialists have pointed out the costs of channelization as far as fisheries and wildlife are concerned, and these factors will be taken into account as the project proceeds. The U.S. Fish and Wildlife Service also recently released their "Revised Wildlife Plan," which details their suggestions for the wildlife habitat mitigation and enhancement aspects of the project. The public reaction to the revised plan has been overwhelmingly negative due to the large acreage (39,940 acres) which would be removed from private ownership, particular in certain counties such as Day (12,185 acres), Beadle (6,205 acres), Clark (5,183 acres), and Brown (4,550 acres), for example.

There are those who believe that the U.S Fish and Wildlife officials timed the release of this document to coincide with these hearings and to foment opposition to the Oahe Unit. The August 3, 1976, letter I received from then Assistant Secretary of Interior for Fish and Wildlife Parks, Nathaniel Reed leads me to believe, however, that the Fish and Wildlife Service simply hopes to have the Bureau of Reclamation acquire property they intend to gain control of anyway

Specifically, Assistant Secretary Reed wrote that they plan to gain control of about 330,000 acres (110,000 in fee title and 220,000 by easement) in South Dakota in the next 10 to 15 years. I am uncertain whether or not

the nearly 40,000 acres they have suggested be acquired in conjunction with the Oahe Unit is in addition to or a part of the 110,000 acres they intend to acquire anyway, but it is clear that the proposed Oahe mitigation features are the small end of the problem.

Officials of the Bureau of Reclamation should not be made "point men," through the Oahe mitigation features, for the U.S. Fish and Wildlife Service in acquiring wetlands. In view of the expansive plans of the U.S. Fish and Wildlife Service for South Dakota, acquisition of habitat lands for the Oahe Unit should be kept to the bare minimum required to mitigate identified losses. Certainly, all wildlife habitat lands should be acquired from willing sellers, with the concurrence of the county commissioners.

Condemnation should not be used at all in acquiring wildlife acres, and it should be used as sparingly as absolutely possible in acquiring property for necessary project features. It has been argued that an unduly large percentage of the parcels of land thus far acquired have been taken through condemnation proceedings, but it has also been pointed out that these represent a small percentage of the total acreage acquired. It has also been suggested that organized opposition has actively encouraged those who have been asked to settle as a willing seller to resist doing so.

Be that as it may, I am familiar with condemnation proceedings through my own losses to the Interstate Highway; and I am of the opinion that there must be a better and less expensive means of protecting the rights of private property owners and at the same time allowing the acquisition of property needed for projects in the public interest. In this regard I would like to furnish for the hearing file a copy of a report done by the Library of Congress, at my request on "Alternatives to Traditional Court Proceedings for the Valuation of Land in Federal Condemnation." It speaks favorably of the potential of a system of arbitration.

Perhaps the most pertinent of all criticisms of the Oahe Unit has been the notion that "the people don't want it." In my view a very well organized campaign has been waged to convince South Dakotans that they don't want the project. Still, surveys—including two boxholder questionnaires of my own—show support in the range of 70 to 85 percent.

The problem is, of course, determining who should have a voice in deciding the future of the project. The Oahe Conservancy Sub-District Board will appear before you today and undoubtedly express the majority position that fiscal year 1978 funding should be held in abeyance while they review the project. As far as the Board is concerned, however, the majority represents a minority of the people in the Sub-District. I understand they do represent the larger portion of the taxable property which supports the Sub-District, but the American way is one-man/one-vote not one-dollar/one-vote. Also, it should be pointed out that the new majority on the Board did not run on platforms pledged to terminating the Oahe Unit but, rather, pledged to questioning its imperfections. As recently as March 21st the Board requested and received neutral time to appear before the Oahe Review Panel.

The Oahe Sub-District Board is not the most direct representative of the prospective irrigators themselves. The elected officials closest to the irrigators are the Spink and West-Brown Irrigation District Boards, both of which strongly support the project. It has been argued that the farmers don't want the project, but it is evident that those who will be irrigating do. It is beyond belief that once the water becomes available there will not be enough farmers who want to make use of it. It has also been said that it is those in the towns who want the project, but why should farmers who will not be affected have any more to say about the project than towns people who may experience a marked improvement in business once the project is in operation? Anyone who will be adversely affected deserves every consideration, and I will do my utmost to see that he gets it.

On the other hand, extremely strong positions of support have been adopted by numerous associations and organizations throughout the state. I'd like to furnish for the hearing file an editorial from the March 17, 1977, edition of the *Aberdeen American News*, which expresses the broad support of the press throughout the state. Perhaps most impressively of all, the South Dakota Legislature, in an unusual show of bipartisan unity enacted into state law a policy in support of continued funding of the Oahe Unit. In the entire Legislature six votes were cast against the bill. Finally, Governor Kneip, Congressman Pressler, and I appear before you today to continue the tradition of bipartisan unity observed by every major official elected in our state since 1944. Senator McGovern stands with us on the other side of the Hill; but, frankly, the best I can say of our junior Senator, Senator Abourezk, who has announced he will not seek re-election, is that he is not against us.

Senator Abourezk is primarily concerned with supporting the position of the Sub-District Board, apparently without regard to what their position might be. He has said that South Dakota should not be penalized through the loss of federal assistance simply because South Dakotans have the courage to review the merits of the Oahe Unit. I certainly agree with his position in that respect, and I intend to be among the first to support any changes the Sub-District Board may recommend which will improve the project without jeopardizing its completion. I sincerely believe, however, that the Senator has underestimated the threat to funding for the Oahe Unit and the implications of the President's "criteria" for potential additional water resource developments in our state.

It must be noted that the President simply proposes to terminate the Oahe Unit and the 29 other projects on his current "hit list." The period of "review" for these projects ends on April 15, 1977, and he proposes no alternative water developments to replace them. The President intends to save the Treasury the full cost of all of these 30 projects; and, although I do firmly support the goal of fiscal responsibility, I do not believe all South Dakotans fully appreciate the fact that the President contemplates no further federally sponsored water resource development in our state.

For example, many have suggested that funding for the Oahe Unit could be better spent at this time on the various rural and municipal pipelines proposed and so badly needed throughout South Dakota. I will do everything in my power to see these pipelines built; but in my judgment not only will Oahe funding not be diverted to these pipelines but if the President's criteria are applied to them, they will never be built at all. South Dakotans are also entitled to know the implications of the President's criteria as far as the Pollock-Herreid Unit, the Belle Fourche Project re-authorization, the Lower-James proposal, urgent bank stabilization, and additional hydropower facilities are concerned. Indeed, the Oahe Unit's delivery system is the most efficient means of transporting water into eastern South Dakota. If it is not feasible, obviously no other delivery system is either, and eastern South Dakota will be left high and dry.

While the President is explaining these ramifications of terminating the Oahe Unit, perhaps he would also justify why our downstream neighbors are enjoying the benefits of flood control and navigation at the expense of over 1 million acres in North and South Dakota. It would also be instructive to know why Nebraska should get more of our hydropower than we do and why Minnesota gets more than North and South Dakota combined (35.4% for Minnesota FY 1976 versus 11.6% each for North and South Dakota). Perhaps the President can justify, too, the higher rates which will be required for the hydropower if authorized irrigation is foregone in the Missouri River Basin.

But all of that assumes that the President's recommendations will be allowed to stand. I believe Congress will reject the President's proposed budget cuts for the most part, and I am hopeful that the Oahe Unit will be among those projects receiving the full funding requested in the Ford budget. President Carter undoubtedly would have had better success if he had attempted to pick off the projects he chooses to terminate one at a time. South Dakota is a small state by population, and we do not have the political clout to force our will upon the President or the Congress.

We do have the irrevocable moral commitment of the Federal government, however, to provide water resource development assistance to our state in fulfillment of the promise made to us when we agreed to the inundation of one-half million acres of our precious land resources. South Dakota does not yet have a single acre irrigated out of the Missouri River mainstem pursuant to the commitment made to us in the Flood Control Act of 1944. We do have two authorized projects—the Oahe and Pollock-Herreid Units—which only await funding.

I urge that you recommend to the House that $16.96 million be appropriated for the Oahe Unit and $500,000 for the Pollock-Herreid Unit. Please do not betray our trust.

Thank you.

OAHE, LOCAL ASSURANCES AND THE FEDERAL COMMITMENT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ABDNOR. Mr. Speaker, the President's review of the 30 water projects which he earlier proposed to terminate has been completed and his updated recommendations forwarded to Congress.

He now proposes no funding in fiscal year 1978 for 18 projects. It is my understanding he will seek deauthorization of 15 of them and 3—including the Oahe unit in South Dakota—may receive his blessing for further funding if certain conditions are met.

Specifically, the President's recommendation for funding for the Oahe unit is:

> Delete funding and reinstate only if local assurances are firm and if the project is modified to eliminate the East Plain service area and associated supply works.

I believe this recommendation conforms with Secretary Andrus' suggestion, based on the report of the review panel composed of officials from the Department of the Interior.

Upon first reading there are two particularly disturbing aspects of the Department's report. It is also unclear exactly what South Dakotans must do to provide the "local assurances" the President has requested. I have addressed these issues in a letter to Secretary Andrus. The letter follows:

WASHINGTON, D.C.,
April 21, 1977.

Hon. CECIL D. ANDRUS,
Secretary of the Interior, U.S. Department of the Interior, Washington, D.C.

DEAR MR. SECRETARY: I have noted with interest the President's recommendations for the Oahe Unit, pursuant to the Department's review and report on the project. There are two aspects of your report that I find particularly objectionable.

The first is the implication contained in the "Summary and Conclusions" (p. 25) that the action of the South Dakota Legislature in establishing the Oahe Task Force somehow justifies deferring construction of the project. I have heard no suggestion of any modification which might be offered by the Task Force to alter any portion of the project to be constructed for several years to come The primary focus of the legislation which established the Task Force was to set in law the official policy of the State of South Dakota that funding for the project should be continued—not held in abeyance!

Secondly and more importantly, I strenuously object to the suggestion contained on page 20, under "Political Understanding," that the United States has no commitment to South Dakota to assist with irrigation development. In my view the least—not the "most"—that can be said "is that congressional action in continuing to authorize the Oahe Unit over the years constitutes legal ratification of that political understanding" which lead our state's elected officials to support the Pick-Sloan plan. Besides, if the "legal ratification" can be withdrawn on a Presidential whim, why not also any "legal commitment?"

No, the issue is much deeper than the legal technicalities involved. The issue is whether a President who prides himself on moral leadership is in this instance going to totally denigrate the moral commitment which has been made—and, yes, legally ratified—over several decades.

I pray it will not be so, and I earnestly solicit your assistance in seeing that it does not become so.

Please understand—my responsibility to my constituents clearly requires my strongest efforts to obtain funding for water resource development, regardless of the Administration's position. I would hope, however, that we could work together in the spirit of cooperation of which the President has so eloquently spoken. In that spirit I would appreciate being apprised just exactly what are the potential steps which may be taken to meet the requirement the President has recommended for continued construction of the Oahe Unit, namely that "local assurances are firm."

Your empathetic attention to the foregoing comments and your consideration in informing us how we may restore the Oahe Unit to the good graces of the Administration will be appreciated.

Sincerely,

JAMES ABDNOR,
Member of Congress.

A CURFEW ON AIRCRAFT NOISE POLLUTION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ROSENTHAL. Mr. Speaker, aircraft noise is a major environmental problem facing our country, particularly the cities and their suburbs, and it demands immediate steps as well as long-range measures.

The ultimate solution to unbearable noise pollution lies in the replacement of noisy aircraft and the orderly development of the airport and surrounding areas. Such measures, even if enacted today, however, would not take full effect for a number of years. In the meantime, a curfew on certain late-night air traffic is a practical short-term answer that will provide immediate relief to many suffering from the adverse effects of noise pollution.

That is the thought behind H.R. 70, which I introduced earlier this year. Because of varying conditions from airport to airport across the country, this bill does not order a single, nationwide aircraft noise curfew. Rather, it calls for the creation of a nine-member commission to investigate the establishment of curfews during normal sleeping hours. The Commission would make legislative recommendations to the Congress within 6 months of creation and then go out of business. I expect its recommendations will show that not all airports need curfews, that those which do may only need them for certain runways and flight corridors, and that curfew hours, in some cases, may vary from airport to airport.

With this information, the Congress will be better prepared to act intelligently and effectively.

Most antinoise proposals concentrate on long-range solutions. But retrofitting, aircraft replacement, noise contour maps, and a noise compatibility program take many years to implement and show discernable results.

To fill the gap between enactment and the time these programs reach fruition, a noise curfew would be a valuable and important step.

Not only would it have the great symbolic value of demonstrating the Congress' sincerity and determination to curb excessive noise, but, more importantly, it would have an immediate and beneficial impact. Mr. Speaker, within 24 hours of the time a noise curfew is imposed, citizens will know and feel the results.

The cost of a curfew is minimal, there is no question of compromising safety, and no new technology is needed. Curfews may mean some inconvenience for the airlines and an extremely small number of users, but this must be weighed against the public's right to domestic tranquility and a decent night's sleep. We cannot ignore the fact that the noise impact of a jetliner is estimated to be 10 times more disturbing during sleeping hours, when it is much more difficult to assimilate sounds.

According to an expert from the division of urban affairs of the International Organization for Economic Cooperation and Development aircraft noise is not only annoying but it also threatens to be harmful to the individual's health as well as his psychological and social balance. Aircraft noise interferes with sleep, speech, listening to the radio or television, communicating, reading, and so on. Repeated disturbances during sleeping hours may decrease the level of efficiency and productivity for many residents, from the elementary school pupil to the factory worker, the following day.

The fear of homeowners that their property values will decline is yet another negative result of jet aircraft noise. Aircraft noise may be creating "environmental ghettos" by depreciating the market value of residential property. A study of the Los Angeles International Airport area has shown that high noise areas are characterized by relatively low incomes, higher unemployment, vacancy rates, and greater residential turnovers.

The FAA has published a series of profiles of scheduled air carrier traffic throughout the Nation. A careful analysis of its findings reveals that an airport curfew from 11 p.m. to 7 a.m. will have a minimal effect on the average number of passengers and flights within this time period. A curfew on airport operations will, however, provide positive results for the millions of persons on the ground plagued by the noise produced by low-flying planes.

Nighttime curfews are already in effect in Tokyo, London, Geneva, and Zurich; Fresno, Los Angeles, and Newport Beach, Calif.; and Boise, Idaho as well as right here at Washington National Airport. National Airport instituted a curfew from 11 p.m. to 7 a.m. in 1966 for air carriers and airlines. This ban on nighttime travel has been working effectively for the past 11 years. Two of our Nation's busiest airports flank my congressional district—LaGuardia and Kennedy. The residents of Queens know just how debilitating aircraft noise pollution can be. The curfew which I have proposed will affect a maximum number of residents and only a minimum number of travelers.

Not all middle-of-the-night flights carry passengers. Many transport only freight. Others are what are called "repositioning flights," which are primarily designed to transport a plane from one city to another to be on hand for the next day's service. To schedule these at less disturbing times would cause the airlines only minor inconvenience.

FAA statistics for a typical day of operations at LaGuardia Airport, May 2, 1975—the latest date for which figures are available—indicate the following effects a curfew will have on passengers:

First. Only 1.1 percent of the total number of passengers flying into and out of LaGuardia Airport on a typical day would be inconvenienced by a curfew between 11 p.m. and 7 a.m., the normal sleeping hours. That amounts to only 432 persons out of a 24-hour total of 38,806 passengers.

Second. Of those 432 persons, 90 could miss the curfew by flying 1 hour earlier; another 333 would have to fly 2 hours earlier and the remaining nine persons would have to move up flight times by 3 hours.

Third. On the average, LaGuardia handles 54 passengers an hour between 11 p.m. and 7 a.m., while that figure rises to 2,400 hourly during normal waking hours.

Fourth. The number of flights affected is as small as the number of passengers. Only 10 of LaGuardia's 614 daily flights would have to be changed because of an antinoise curfew. And on the typical day FAA studied, 2 of those 10 flights were empty anyway.

Fifth. Each sleeping hour flight has about 20 fewer passengers than waking hour flights.

These are some of the conclusions to be drawn from an analysis of the FAA report. I am inserting in the RECORD, Mr. Speaker, detailed charts analyzing these statistics. Similar data also is included for John F. Kennedy International Airport.

It is obvious that the number of people suffering discomfort and potential harm from aircraft noise during sleeping hours is immensely greater than the number of passengers who will have to alter their travel arrangements to prevent such disturbances. Many airports and passengers throughout the country are caught in a similar situation as those utilizing La-Guardia and Kennedy Airports in New York. Some, like Washington National, have taken steps to deal with the problem.

A curfew on late-night flights is not a cure for the noise problem, but it can be effective treatment that, when carefully administered, will alleviate the pain until the long-range solutions can take effect.

The material referred to follows:

LAGUARDIA AIRPORT, NEW YORK CITY, MAY 2, 1975

	Flight	Total passengers	Passengers per flight	Percent day's total flight	Percent day's passengers	Average passengers per hour	Average flight per hour
Arrivals:							
Sleeping hours (11 p.m. to 7 a.m.)	8	423	52.9	2.6	2.2	53.0	1
Waking hours (7 a.m. to 11 p.m.)	299	19,180	64.1	97.4	97.8	1,199.0	19
Total 24 hr	307	19,603	63.9	100	100	816.8	12.8
Departures:							
Sleeping hours (11 p.m. to 7 a.m.)	2	9	4½	.65	.05	1.0	.025
Waking hours (7 a.m. to 11 p.m.)	305	19,194	62.9	99.35	99.95	1,200.0	20.0
Total 24 hr	307	19,203	62.6	100	100	800.1	12.8
Total operations:							
Sleeping hours (11 p.m. to 7 a.m.)	10	432	43.2	1.63	1.1	54.0	1.3
Waking hours (7 a.m. to 11 p.m.)	604	38,374	63.5	98.37	98.9	2,399.0	37.75
Total 24 hr	614	38,806	63.2	100	100	1,619.0	25.6

Source: Profiles of scheduled air carrier passenger traffic, top 100 U.S. airports, May 2, 1975 to January 1976 by U.S. Department of Transportation, Federal Aviation Administration, Office of Aviation Policy, Aviation Forecast Branch.

Local time	Number of flights	Number of passengers	Average passengers per flight	Number of flights	Number of passengers	Average passengers per flight	Number of flights	Number of passengers	Average passengers per flight
00	5	333	66.6	0	0	0	5	333	66.6
01	0	0	0	1	9	9.0	1	9	9.0
02	1	0	0	0	0	0	1	0	0
03	0	0	0	1	0	0	1	0	0
04	0	0	0	0	0	0	0	0	0
05	0	0	0	0	0	0	0	0	0
06	0	0	0	0	0	0	0	0	0
07	6	232	38.7	23	1,387	60.3	29	1,619	55.8
08	22	1,344	61.1	24	1,181	49.2	46	2,525	54.9
09	18	1,134	63.0	24	1,488	62.0	42	2,622	62.4
10	18	1,025	56.9	19	1,107	58.3	37	2,132	57.6
11	20	1,193	59.7	17	988	58.1	37	2,181	58.9
12	18	1,046	58.1	24	1,295	54.0	42	2,341	55.7
13	14	808	57.7	17	1,099	64.6	31	1,907	61.5
14	22	1,405	63.9	14	919	65.6	36	2,324	64.6
15	19	1,289	67.8	23	1,533	66.7	42	2,822	67.2
16	24	1,559	65.0	17	2,176	75.1	41	2,835	69.1
17	18	1,248	69.3	26	1,821	70.0	44	3,069	69.8
18	22	1,839	84.0	19	1,399	73.6	41	3,238	79.0
19	22	1,389	63.1	25	1,851	74.0	47	3,240	68.9
20	28	1,935	69.1	14	799	55.6	42	2,714	64.6
21	20	1,200	60.0	16	908	56.8	36	2,108	58.6
22	8	534	66.8	3	163	54.3	11	697	63.4
23	2	90	45.0	0	0	0	2	90	45.0
Total	307	19,603	63.9	307	19,203	62.6	614	38,806	63.2

Source: Profiles of scheduled air carrier airport operations top 100 U.S. airports May 2, 1975 to August 1975 by U.S. Department of Transportation, Federal Aviation Administration, Office of Aviation Policy, Aviation Forecast Branch.

JFK AIRPORT, NEW YORK CITY, MAY 2, 1975

	Flight	Total passengers	Passengers per flight	Percent day's total flight	Percent day's passengers	Average passengers per hour	Average flight per hour
Arrivals:							
Sleeping hours (11 p.m. to 7 a.m.)	70	2,303	32.9	17.86	9.54	287.88	8.75
Waking hours (7 a.m. to 11 p.m.)	322	21,825	67.8	82.14	90.46	1,364.06	20.13
Total 24 hours	392	24,128	61.6	100.00	100.00	1,005.33	16.33
Departures:							
Sleeping hours (11 p.m. to 7 a.m.)	48	689	14.4	12.47	3.08	86.13	6
Waking hours (7 a.m. to 11 p.m.)	337	21,713	64.4	87.53	96.92	1,357.06	21.06
Total 24 hours	385	22,402	58.2	100.00	100.00	933.42	16.04
Total operations:							
Sleeping hours (11 p.m. to 7 a.m.)	118	2,992	25.4	15.19	6.43	374	14.75
Waking hours (7 a.m. to 11 p.m.)	659	43,538	66.1	84.81	93.57	272.13	41.19
Total 24 hours	777	46,530	59.9	100.00	100.00	1,938.75	32.38

Local time	Arrivals			Departures			Total operations		
	Number of flights	Number of passengers	Average passengers per flight	Number of flights	Number of passengers	Average passengers per flight	Number of flights	Number of passengers	Average passengers per flight
00	14	786	56.1	7	107	15.3	21	893	42.5
01	11	399	36.3	7	65	9.3	18	464	25.8
02	9	348	38.7	5	0	0	14	348	24.9
03	5	0	0	3	50	16.7	8	50	6.3
04	5	0	0	7	0	0	12	0	0
05	6	0	0	3	0	0	9	0	0
06	9	469	52.1	5	6	1.2	14	475	33.9
07	13	354	27.2	10	616	61.6	23	970	42.2
08	13	368	28.3	19	592	31.2	32	960	30.0
09	8	140	17.5	31	1,733	56.0	39	1,873	48.0
10	15	701	46.7	21	1,431	68.1	36	2,132	59.2
11	6	309	51.5	26	1,233	47.4	32	1,542	48.2
12	9	318	35.3	11	1,187	107.9	20	1,505	75.3
13	20	1,316	65.8	10	437	43.7	30	1,753	58.4
14	19	1,464	77.1	16	710	44.4	35	2,174	62.1
15	29	2,411	83.1	10	464	46.4	39	2,875	73.7
16	46	4,169	90.6	17	959	56.4	63	5,128	81.4
17	39	3,411	87.5	30	1,685	56.2	69	5,096	73.9
18	19	1,158	60.9	40	3,099	77.5	59	4,257	72.2
19	29	2,228	76.8	35	2,804	80.1	64	5,032	78.6
20	26	1,992	76.6	21	1,667	79.4	47	3,659	77.9
21	23	1,243	54.0	25	1,959	78.4	48	3,202	66.7
22	8	243	30.4	15	1,137	75.8	23	1,380	60.0
23	11	301	27.4	11	461	41.9	22	762	34.6
Total	392	24,128	61.6	385	22,402	58.2	777	46,530	59.9

PANAMA CANAL LINOWITZ SUIT

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. HANSEN. Mr. Speaker, I enclose the following April 21, 1977, press release for the RECORD to update my colleagues on the progress being made to prevent Panama Canal Treaty negotiations from proceeding while a chief co-negotiator has a conflict of interest cloud hanging over his activities:

COURT REVIEWS PANAMA NEGOTIATOR

WASHINGTON, D.C.—A suit filed by Sen. James McClure and U.S. Rep. George Hansen to bring Panama Canal treaty negotiator Sol Linowitz before the Senate for screening and confirmation proceedings was taken under advisement in U.S. District Court in Washington Wednesday.

The suit also asked for a temporary restraining order to halt further treaty proceedings until Linowitz is confirmed by the Senate under the advise and consent provisions of the Constitution. The Federal Government had asked for a dismissal of the suit. Both requests were taken under advisement.

McClure and Hansen filed the suit recently in roles as private citizens and members of both Houses of Congress opposed to the negotiations of Linowitz because he had not been confirmed by the Senate and because of apparent conflicts of interest.

Hansen, a member of the House Banking Committee has also called for Congressional Hearings and complained to the U.S. State Department and the Marine Midland Bank of New York regarding Linowitz' role as a member of the bank's Board of Directors while serving as a U.S. Government official in direct financial dealings with the Government of Panama which owes $8 million to the large American Bank.

Linowitz resigned his position with the bank shortly after the McClure-Hansen suit was filed. However, he retains his appointment as Chief co-negotiator for President Carter in Panama Canal treaty talks.

Hansen said, "Linowitz also failed to terminate his status as a registered agent for Latin American governments and commercial interests following his ambassadorial appointment until a Georgia Congressman brought the situation to public attention. In fact, during this period as a registered foreign agent Linowitz also served as Chairman of a policy committee for the tax-exempt Center for Inter-American Relations which was founded by Chase-Manhattan banker David Rockefeller and which is a strong advocate of the transfer of the Canal to Panama."

Hansen and McClure said, "We believe that a man with as many apparent and tacitly admitted conflicts of interest should be reviewed and confirmed by the Senatorial process. Whatever a person's thinking is regarding the proposed transfer of the Panama Canal, Mr. Linowitz is a problem. His efforts under the circumstances are designed to effect the transfer which most Americans oppose, and any agreement negotiated under such apparent conflicts of interest would be so tainted as to lose credibility even with those who support a new treaty and thus further frustrate and complicate an already delicate situation."

Hansen noted, "Linowitz also currently serves as a member of the Board of Directors and Executive Board of Pan American Airlines and has held stock in Texaco and ITT, all of which have significant commercial involvement in Panama.

LEGISLATION ESTABLISHING AN OFFICE OF SPECIAL PROSECUTOR

HON. JAMES R. MANN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. MANN. Mr. Speaker, since the events known as Watergate the Congress has debated the need of establishing an Office of Special Prosecutor. In both the 93d and 94th Congresses the House Judiciary Committee has considered such legislation. The issue is whether a special prosecutor is needed to investigate and prosecute possible criminal wrongdoing by high Government officials.

The Subcommittee on Criminal Justice will hold a hearing on H.R. 2835, the Special Prosecutor Act of 1977, and related bills on Thursday, May 5.

Persons wishing further information about the bills or wishing to testify at the hearing are invited to contact the subcommittee in room 2137–4 Rayburn House Office Building, Washington, D.C. 20515, telephone (202) 225–0406.

THE COST OF NEWS VERSUS THE COST OF FARMING

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. GRASSLEY. Mr. Speaker, we hear a lot of talk about the high cost of food, with most of that talk focused on blaming the producer, the farmer. As I have stressed so many times during my terms of office, food in America really is not high, especially when prices are compared to those of other products and services. Many times we forget that labor costs in other industries are far higher than those in agriculture. This was articuated well in a recent editorial by Lyle Borg, of the Iowa Farm Bureau Federation. I would like to share his comments with my colleagues today:

THE COST OF NEWS

(By Lyle W. Borg)

A network film crew came to Iowa the other day for a story on the concerns of farmers. After they left, farmers here had another concern . . . things they buy are going to continue to cost more partly because of the way that news team operated.

The difference in productivity was dramatic. Five network employees, who had spent the night in Des Moines, went in two rented cars to a farm in Polk county where one farmer and his hired man alone were handling more than 1,000 acres and raising close to 9,000 hogs for consumers.

The union contract called for all five to be a part of the film crew. One was assigned as the overall director of the filming, one operated the camera, one handled sound for the camera, one conducted the interview and still another was along in case lighting was needed. All this for a film clip that would be televised only once and would not exceed 2 minutes in length from just one of the thousands of news reporting teams.

People tend to focus on food as if only food prices affect consumers' pockets. And when they talk about consumers, these same

people tend to forget that farmers are the biggest consumers in the nation. Increased prices in any segment of our economy affect farm families more than anyone else.

Consumer prices are up for farmers and others partly because the cost of news has risen. That means advertising costs go up and advertisers simply charge more for products farmers and other consumers must have to live and produce.

If farmers farmed like news people surfaced the news, it would take hundreds of people to operate a typical farm. Just imagine the one operation of a tractor with someone assigned as the overall director, another responsible for adding fuel, another to hook up the implements, others for the hydraulic brake, clutch, throttle and power take-off controls and still another who would merely drive the tractor.

No one is attacking the necessity for news or any other occupation. But what is important is for all consumers to realize that what they and others do to make a living has more to do with consumer prices than what the efficient, productive farmer does out on the land.

ENERGY PROBLEMS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. JACOBS. Mr. Speaker, what follows is a sensible letter concerning energy problems from a constituent of mine:

ELECTRICAL SYSTEMS CO., INC.,
Indianapolis, Ind., March 25, 1977.

Hon. ANDY JACOBS, Jr.,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. JACOBS: The Federal government has thrown up another trial balloon about the energy crisis. Sunday's Indianapolis Star had quite an article on the Carter Administration's proposed plans on how they intend to deal with this crisis. Certainly there is nothing very positive in the approach outlined in the paper, in fact it's mostly quite negative. No true policy of energy conservation is outlined. It has to be kept in mind that the Federal policies over the past several decades have created the urban sprawl which is the American method of living at the moment. These policies have made movement within most metropolitan areas by automobile a necessity. Granted the automobile manufacturers can produce cars which are more energy efficient than the ones which we have been using for the past many years, but the idea of an increase in Federal gas taxes of 4 to 5 cents a gallon per year indefinitely is asinine. This drastic increase will create further inflation and be a severe penalty for those who must use their automobile or trucks in the course of their work.

Another thing mentioned is free home insulation and this has to be a true joke. This is a drastic penalty for those who have spent their money previously to insulate their homes. Now is the government going to make these same people pay for insulation for everyone else? I'd damn sure resent it.

Since World War II the method of moving manufactured or produced goods from the point of production to the consumer has changed from the railroads to trucking. This seems to me to be a fantastic waste of fuel. I believe it behooves the Federal Government to create a policy that will cause the railroads to be rebuilt and cause the movement of goods to be done over the rails rather than done over the highways. Tens of millions of gallons of precious fuel could be saved in this manner. The piggy backing of trucks has become a good method of moving merchandise. With improved rail service it would surpass the amount of material moved over the highways. And while we're on the subject of railroads, certainly if the railroads were in any decent shape at all people would take their trips by rail as opposed to using automobiles or airplanes both of which consume a great deal more energy per passenger mile.

What my plea boils down to is that I hope the Congress takes a very careful look at any proposed penalties to the taxpayer. We have enough of them now without creating further burdens on the wage earner and the small business man.

Sincerely yours,

JOHN W. ROTH.

OAHE, THE PRESIDENT'S PROPOSAL

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ABDNOR. Mr. Speaker, although the President is still recommending no funds be appropriated for the Oahe irrigation project in fiscal year 1978, he has modified his position significantly from simply asking that the project be terminated. According to the official statement from the White House, he will support construction if the 65,000-acre East Lake Plain area is deleted.

This would permit the addition of 25,000 acres of irrigation along the supply canal and would result in a 150,000-acre project instead of the currently authorized 190,000 acres.

Some of the ramifications of this proposal were discussed in the report filed by the Department of the Interior on the results of their review. They are contained in the section of the report entitled, "Deletion of the East Lake Plain Service Area," as follows:

A possible modification in the plan for Oahe Unit would be to restrict the scope of the project in the James River Basin to the area west of the James River by eliminating the East Lake Plain.

Elimination of the East Lake Plain would reduce the irrigable acreage by about 65,000 acres and would eliminate the need for the James Pumping Plant, James Canal, Byron Dam and Reservoir, Byron Pumping Plant, East Main Canal, and the lateral and drainage system for the East Lake Plain.

If the main supply system leading from the Missouri River to the West Lake Plain were constructed to the presently authorized size, it would only be capable of delivering water to about 150,000 acres. This is because the plan for the East Lake Plain contemplates using a combination of James River floodflows and reuse of project return flows supplemented with Missouri River water, all of which are to be stored in Byron Reservoir. Therefore, extensive redesign of these supply works would not be required to provide service to the West Lake Plain area only.

There are about 125,000 acres of land in the West Brown and Spink County Irrigation Districts within the West Lake Plain. Therefore, the system would be capable of supplying Missouri River water to an additional 25,000 acres outside the two existing irrigation districts. The water supply from this additional capability could be delivered at a point or points on the main supply system.

A modification in the plan to this extent would not reduce the capability to furnish municipal water to area towns except for two small communities with a combined 1970 population of 370 people. This modification would:

1. Reduce wildlife impacts by reducing wetland losses by about one-third.
2. Reduce water quality impacts on the James River.
3. Eliminate the necessity to relocate existing summer cabins at Lake Byron.
4. Eliminate flood control benefits associated with diverting a portion of James River floodflows to Byron Reservoir.
5. Increase flooding to a limited extent in the lower James River by adding return flows to the river.
6. Result in a net reduction of 40,000 acres of irrigable lands.
7. Not eliminate the need for handling return flows in the James River through the project area, although the return flows could be reduced in volume. The scope of any water management measures could be reduced.

The cost to complete Oahe Unit after fiscal year 1977 is estimated to be $414,409,000. Elimination of the project features listed above (pumping plants, canals, laterals and drains on the East Lake Plain) would reduce the cost to complete Oahe Unit by about 30 percent.

I had written the President's advisers urging additional canal-side irrigation, and I am certainly pleased at that portion of his proposal. As indicated in my letter, which follows, however, I did not suggest that there be a net reduction in acreage to be irrigated:

APRIL 13, 1977.

Hon. CECIL ANDRUS,
Secretary, U.S. Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: As the President's self-imposed deadline for completion of review of federal water projects—including the Oahe Unit in South Dakota—approaches, it is my understanding that various alternatives to completion of each project as currently envisioned are being considered.

I have never maintained that the Oahe Unit is flawless. In fact, I would not object if the full cost of completing it were simply credited to the state of South Dakota so that we could undertake to develop the state's water resources ourselves. I strongly suspect, however, that is not one of the "alternatives" under consideration.

In the light of the longstanding moral (and possibly legal) commitment of the Federal Government to our state, no alternative which would reduce irrigation benefits can be responsibly advanced by the Administration. I believe it would be in the best interest of all concerned, however, to maximize "canalside" irrigation. Such a recommendation by the President would undoubtedly be well received.

Your immediate attention to this urgent issue will be appreciated.

Sincerely,

JAMES ABDNOR,
Member of Congress.

REPUBLIC OF CHINA RESOLUTION

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. STUMP. Mr. Speaker, Western States have always taken a keen interest in the affairs and actions of the Federal Government. As a former member of the Council of State Governments' Western Conference, I take pride in sharing with

you a 1976 Western Conference resolution which was passed regarding our friends of long standing—the Republic of China:

URGING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO MAINTAIN CLOSE RELATIONS WITH THE REPUBLIC OF CHINA

Whereas, the Republic of China has been a continuous and faithful ally of the United States, supplying both moral and economic support to the benefit of both nations; has made every effort to develop a free enterprise-based democratic form of government; has pledged it human and economic resources to the defense of free people everywhere; and the cultural interchange between the Republic of China and the United States has benefited both nations.

Now, therefore, be it resolved that the Western Conference of The Council of State Governments strongly urges:

(1) that the President and Congress of the United States make every effort to develop better social and economic relations with the Republic of China.

(2) that the President and Congress of the United States refrain from impairing our diplomatic relations with the Republic of China.

Though this resolution was addressed to the previous administration when passed, it is the hope of the Western States Conference that the current administration will consider this and other resolutions by many States and similar legislative groups.

QUEEN ISABELLA DAY

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. DENT. Mr. Speaker, I rise today to urge this House to recognize one of history's truly remarkable women: Queen Isabella of Spain.

Isabella was born on April 22, 526 years ago tomorrow. My friend and colleague, Mr. MURTHA of Pennsylvania, has introduced House Joint Resolution 256 to authorize the President to proclaim April 22 of each year as Queen Isabella Day. Mr. Speaker, I know of no better way of remembering the woman who was a unifier of Spain, the patron of Christopher Columbus, and a compassionate friend of the New World she never saw.

We all know the story of how Isabella pawned her jewels to raise the money for Columbus' voyage. This is how schoolchildren remember her. But, Mr. Speaker, Queen Isabella's real life far outshines her legend.

When Isabella of Castile married Ferdinand of Aragon she helped create a united Spain. The nation was finally strong enough to drive out the last Moorish occupiers and bring peace to the peninsula.

More important to us, Mr. Speaker, it was Queen Isabella, alone among the rulers of Europe, who was enlightened enough to support the vision of the Italian navigator Columbus. She arranged to finance Columbus' westward voyage to India—a voyage that ended with the discovery of the New World.

Though Columbus' explorations gave Spain a vast empire, Isabella did not treat the New World with greed or neglect. Many times she expressed concern with the plight of the American natives. When Indians were brought back to Spain as slaves, Isabella ordered them freed.

Columbus' landing on San Salvador in 1492 forever linked the New World to the Old. Because of Queen Isabella, it also formed a bond between our hemisphere and the nation of Spain. Mr. Speaker, let us make that bond even stronger by honoring the woman who made it all possible.

FOREIGNERS RUSH TO ARRANGE STAKES IN AMERICAN FISHERIES TO PROTECT SUPPLY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. AuCOIN. Mr. Speaker, an article appeared recently in the Wall Street Journal which describes the rash of foreign investment which has been taking place in the U.S. commercial fishing industry since the 200-mile law became imminent.

This story illustrates the very kinds of activities which I have been warning my colleagues about for the past few months. I think the story speaks for itself; therefore, I would like to insert the full text of this article by Jerry Landauer in the RECORD, at this time:

FOREIGNERS RUSH TO ARRANGE LARGE STAKES IN AMERICAN FISHERIES TO PROTECT SUPPLY

(By Jerry Landauer)

WASHINGTON.—Foreign governments that depend on fish to feed their people are vaulting into the new U.SE. "fisheries conservation zone" by quietly placing heavy investments in the American fishing industry.

In a few cases, the foreign effort to keep control of fishing grounds theoretically denied to them by Congress approaches panic buying. And even as the Carter administration's tough stance against illegal Soviet fishing off New England dominates public attention, such countries as Korea and Japan are moving nimbly to tie up the catch that Congress thought it was reserving for Americans.

In enacting the law reserving priority rights to Americans within 200 miles from shore, Congress apparently didn't anticipate that a company wholly owned or controlled by foreign interests could meet easily the legal requirements for hoisting the American flag on vessels it owns and fish at will within the 200-mile zone. The one basic requirement is that the ship must be built in the U.S.; most other requirements can be met by reshuffling the corporate board, and the extent of foreign ownership isn't relevant.

According to government calculations, foreigners own at least 10% of nearly 60 American concerns in the fish business, and the number is growing fast. Last year, for example, just as Congress was preparing to enact the 200-mile law, a Soviet government agency named Sovrybflot organized a joint venture with Cold Storage Co. of Bellingham, Wash., which describes itself as the largest fish storage concern on the West Coast.

FRESH INVESTMENTS SOUGHT

Japanese businessmen, already holding investments ranging from $100,000 to $12 million in 20 or so American concerns, including majority ownership in Whitney-Fidalgo Seafoods Co. in Seattle, are scouting intensively for fresh investment opportunities from Alaska to Alabama. Koreans, having lost nearly all their fishing grounds off Soviet coasts, are busily putting out feelers to shipowners in Alaska and Washington State.

Russell Steiner, a shipbuilder in Bayou la Batre, Ala., recalls one recent Japanese visitor, Naoki Yoshino, president of Nichiro Pacific Ltd. Mr. Yoshino spoke about the possibility of letting contracts to build as many as 50 fishing vessels, Mr. Steiner says, and Mr. Yoshino's associates opened discussions with owners of nearby processing plants. "We have Japanese, Korean and other foreign folks looking around here all the time, Mr. Steiner says.

Much of the foreign activity is clearly intended to stake claims to needed food supplies within the U.S. 200-mile zone, which took effect March 1. It is also stirring fresh protectionist sentiment in Congress. Some 40 representatives have already signed on as sponsors of legislation by Rep. Les AuCoin (D., Ore.) to regulate foreign investment in the fishing industry, and hearings are planned in July.

In theory, all fish found in designated fisheries within the conservation zone are reserved for Americans, up to a "total allowable catch" for each species. Foreign-flag vessels can fish, under quota allocated by the State Department, only if Americans don't plan to bring in the allowable catch.

So, instead of lining up for any leftovers, foreign concerns seek to qualify as Americans enjoying priority rights. "Whoever buys the ships first gets the fish," one government official explains.

A more controversial technique to grab the fish is to sign delivery contracts with American fishermen. Korea Marine Development Corp., for example, recently asked Oral Burch, a shipowner in Alaska, to sign up 30 shrimp boats for catching pollock and delivering the raw fish to a Korean "factory ship" in the 200-mile conservation zone; the 25,000-ton factory ship that the Korean concern intends to deploy is big enough to accommodate 500 women laborers who would clean and process the fish for wages of 30 cents an hour.

AVOIDS U.S. SUPERVISION

According to the Korean plan, the big ship would remain on station in the Gulf of Alaska beyond the three-mile U.S. territorial limit—just far enough from shore to avoid customs inspectors, minimum wage laws or unwelcome visitors from the Labor Department's Occupational Health and Safety Administration.

James Talbot, president of the fish storage company in Bellingham, Wash., has discussed similar plans with his Soviet coventurers. In his case, a Soviet "mother ship" offshore would buy and process hake, a species that American fishermen generally haven't harvested because there isn't much of a market at home, according to Mr. Talbot.

The State Department doesn't find any legal fault with these arrangements. The department's Office of Fisheries Affairs has ruled that fish caught by Americans and sold to the Korean factory ship for processing wouldn't be counted against Korea's 35,000-ton quota for pollock but against the priority American quota.

But New England Fish Co. claims the Korean plan would "circumvent" the 200-mile law, invite the very overfishing that the conservation zone is supposed to prevent, stunt development of the U.S. industry on shore and imperil the company's long-standing plan to expand its processing plant on Kodiak Island in Alaska.

Edward W. Furia, a company consultant,

says the U.S. government seems bent on missing an opportunity to seize control of food resources that could exceed the total American wheat crop. He complains: "the Koreans want to come into the conservation zone, buy fish for five or seven cents a pound, take them home and sell processed seafood back to the U.S. for 50 cents a pound. If Americans caught and processed the fish, as the law intended, we'd end up exporting seafood ourselves and in time we could reverse our $1.3 billion seafood balance-of-payments deficit."

CONGRESSMAN JOHN ANDERSON ANALYZES PUBLIC CAMPAIGN FINANCING

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. DRINAN. Mr. Speaker, Congressman JOHN ANDERSON, the Chairman of the House Republican Conference, is one of the most articulate and effective Members of the House. As a strong supporter of public financing of congressional campaigns, Congressman ANDERSON has helped to increase the likelihood that a system of public financing will be in place for the 1978 elections.

In the April 1977 issue of TRIAL, Congressman ANDERSON discusses the issue of public financing in depth. He stresses the importance of reducing the influence of wealth on the electoral process as a prime justification for public financing of congressional campaigns. Congressman ANDERSON refutes the contention that public financing serves to entrench incumbents, but he does argue for increased campaign spending ceilings in order to give challengers a fair shot at elective office. I concur with Congressman ANDERSON's views on this important subject and commend his incisive analysis to my colleagues.

CAMPAIGN FINANCE LAW BALANCES MONEY'S INFLUENCE

(By U.S. Representative John B. Anderson)

The Federal campaign finance reform act passed its first test last year with remarkable success, allowing candidates to take their cases to the people without having to rely on large campaign contributors. Its success was even more remarkable in light of the alterations and delays caused by the Supreme Court decision in January which, forced a legislative restructuring of the Federal Election Commission (FEC) and eliminated the congressional spending ceiling of the 1974 election law.

But the court upheld the $1,000 contribution ceilings for presidential and congressional races, the public financing provision of presidential primary and general election campaigns, and spending ceilings for those races using federal financing.

When the 95th Congress convenes next year the federal election law is bound to undergo further scrutiny and debate based on our experiences in the 1976 campaign. But my guess is that the real debate will not center on the issue of regulation vs. deregulation of the federal election process. That debate has already been played out before the Supreme Court and the results confirmed by Congress when it subsequently voted to retain the FEC along with the spending and contribution ceiling and public financing for presidential races. An attempt to abolish the FEC was rapidly defeated in the House Administration Committee and no attempt was made to breathe new life into it when the 1976 amendments reached the House and Senate floors.

The new Congress is not likely to waver in its support for an independent campaign watchdog or those provisions barring massive invasions of money into campaigns from wealthy contributors. While the campaign finance reform law should not be viewed as a panacea for preventing future Watergates, it is generally viewed by the public and Congress as a necessary antidote to the inordinate influence of big money on the electoral process and candidates culminating in the 1972 elections.

As a Republican I'm naturally disappointed by the outcome of the 1976 presidential election. But the rise from relative obscurity to the presidency of Jimmy Carter at least shattered the myth that the new election law is somehow an incumbent protection act. The same can be said for Ronald Reagan's near capture of the Republican nomination with the help of federal matching payments in the primaries. The primary subsidies enabled both former governors and other aspirants to take their cases to the people without becoming indebted to large contributors.

And the decision of both presidential nominees to opt for full federal funding in the general election put that race on an even financial keel, thus guaranteeing that neither candidate could buy the election by outspending the other, or be bought in the process by depending on others for substantial monetary support. The federal funding option also freed both candidates from the distracting and demeaning chore of grubbing for survival. At the same time, it enabled them to assist other candidates of their party in their own fund raising efforts.

And while it is popular to say this was a non-issue campaign (which I would dispute) the fact remains that the removal of financial worry from the race allowed more potential time for a discussion of the issues. It might be asked, for example, whether both candidates would have so willingly agreed to the television debates—with all the necessary preparation time—if they hadn't been certain from the outset where the next dollar was coming from.

I don't think the campaign law was in any way responsible for the low turnout at the polls (53.3 percent of eligible voters compared to 55.4 percent in 1972). Voter participation has been steadily declining since 1960 when it was 60.1 percent. And this year's turnout was considerably higher than many predictions of 50 percent or less. It might be argued that full federal funding of the presidential general election campaign, combined with the low spending ceiling, inhibited people from becoming involved in campaigns and stifled much of the usual local campaign hoopla of buttons, bumper stickers, and campaign literature which the candidate could not afford.

There is some validity to this complaint and it should be dealt with in considering amendments to the law, but I don't think these factors should be overrated in their ability to generate increased enthusiasm, interest, and voter turnout. A New York Times/CBS News survey conducted just after the election reveals that "the relatively low turnout in the presidential election appears to reflect demographic factors as well as a sense of powerlessness among the less privileged and the young." Nowhere did it turn up a lack of awareness or interest due to fewer buttons or bumper stickers.

The impact of the federal election law on congressional races is difficult to determine at this time since all the financial data is not yet in. While the fact that 95 percent of House incumbents were reelected might support the argument that the law is somehow an incumbent protection act, the upset of nine Senate incumbents—the most since 1958—would tend to prove the opposite The survival rate for incumbents running for reelection has traditionally been around 90 percent. The figure of 13 House incumbents defeated this year, for instance, is nearly identical to the 12 House incumbents turned out of office in 1972, prior to the present law.

It should be kept in mind that the Supreme Court invalidated the spending ceiling for congressional races under the 1974 law, thus leaving only the contribution ceiling and the spending and contribution disclosure requirements. It is possible that the contribution ceiling made it difficult for challengers to raise sufficient funds to overcome the natural advantage of incumbents, who traditionally raise more money from both individuals and special interest groups.

SPECIAL INTEREST MONEY MOVES IN

It is already apparent that special interest group money is moving in, through multicandidate committees, to fill the vacuum left by the elimination of large individual contributions. Under the present law, individuals may contribute up to $5,000 per election to a multi-candidate or political action committee, and the committees in turn may give up to $5,000 per election to a candidate. The number of interest group committees registered with the FEC as of Sept. 1 was 1,041, more than twice the number in operation during the 1974 elections. As of Oct. 1, interest group contributions in 1976 congressional races totaled nearly $15 million. Of this amount, approximately $7.5 million came from committees as associated with business, professional, or agricultural interests, while labor groups contributed some $5.5 million to congressional candidates. Common Cause estimates that the final figure for interest group contributions to 1976 congressional races will total $20 million, compared with $12.5 million in 1974 congressional campaigns. If projected overall spending on congressional races approaches $100 million this year, up from $88 million in 1974, then interest group giving would account for 20 percent of the total this year compared with 14 percent in 1974.

But the real impact of interest group money is considerably higher than those percentages would indicate because the funds are not equitably distributed among all candidates. Incumbents have traditionally attracted three times more money from interest groups than non-incumbents. And interest groups tends to concentrate their money on the most closely contested races. In 1974, for example, labor group money accounted, on the average, for 43 percent of the total contributions received by the 10 House candidates most favored by labor (contributions of $32,000 to $66,000). And business and professional money accounted for a 25 percent average portion of the total contributions received by their favored candidates (contributions of about $30,000 to $40,000).

This year, all but two of the 20 House candidates receiving the most money from labor groups won, while 15 of the top 20 recipients of business, professional, and agricultural group contributions won. In the Senate, nine of the 15 candidates receiving the most support from labor won, compared with six of the 15 top business recipients.

Despite the $5,000 limitation on multicandidate committee contributions to individual candidates in each race, such contributions seem to be growing larger and more influential. The lower individual contribution limit of $1,000 to candidates may be turning more wealthy contributors to the

multi-candidate committees. And the ban on any private contributions to the federally-funded presidential general election campaigns has enabled such committees to channel all their money into congressional races.

While interest group contributions and efforts may have made the difference in some races and the present election law may have advanced that role, it should also be noted that the new law at least moved in the direction of putting corporate political action committees on a more equal footing with those of unions.

But a far greater factor than interest groups in the reelection of 95 percent of the House incumbents was the mere fact of incumbency itself and all it entails. Shortly after the large class of freshman Democrats came to the House in 1975, the House Administration Committee moved swiftly to increase their allowances for district travel, district offices, and newsletters. The new class put these perquisites and others to maximum use, flooding their districts with mass mailings, visiting their districts every weekend, and servicing their constituents from vans purchased at public expense as "mobile district offices."

According to a *Congressional Quarterly* appraisal, "the 75 freshman Democrats who kept their seats used constituent service to virtual perfection, many obscuring moderate to liberal voting records with a fanatic attention to the problems of the voters back home." CQ goes on to credit them with teaching the Republicans "a lesson in the power of incumbency" by using "the perquisites of office with consummate skill to build political strength and resist close identification with the rest of Congress and the federal bureaucracy."

Columnist David Broder believes, with considerable reason that Republican congressmen are becoming an endangered species. "Given the power of incumbency for the modern representative—with his generous staff budget, travel allowances, and public relations opportunities—these new Democratic majorities are likely to remain intact, barring a major political upheaval," he says.

It is doubtful that the new Congress will reduce or refrain from using its perquisites out of a sense of fairness to potential challengers. Constituent service is, after all, a legitimate function of a congressman, and increasing constituent demands on Congress have necessitated larger allowances to deal with them. Moreover, if, as the Times/CBS survey indicates, a "sense of powerlessness", and feeling that "public officials don't care" are the major factors in nonvoting, then such efforts to maintain closer contact with constituents and assist them in their problems should be encouraged to restore faith in government by demonstrating that it can work for them.

Nevertheless, one step which could be taken to slightly reduce the incumbents' advantage would be to bar congressional mailings within 60 days of an election, as opposed to the present 30-day moratorium.

Consideration also should be given to reducing multi-candidate committee contributions from $5,000 to $2,500 for congressional races while at the same time moving to a system of federal matching payments for congressional candidates in general election campaigns. Under the provisions of bills which I have previously introduced, candidates would have to raise a threshold amount of $5,000 in contributions of $100 or less to become eligible for federal matching funds. After that, the federal government would match the first $100 of all contributions up to a certain level using money from the income tax checkoff fund.

RAISE CEILINGS

While Congress could set an overall spending ceiling as a condition for granting matching payments, there is an unfortunate tendency in Congress to set this figure so low that challengers are disadvantaged. As opposed to the previous spending ceiling of $70,000 for House races (plus expenses), I would favor an overall spending ceiling of $200,000 or no overall spending ceiling, but with a subceiling of $50,000 in federal matching payments for a like sum raised on the first $100 or less on each private contribution. Then no one could charge that the spending ceiling tied to the matching payment system is another form of incumbent protection.

I also think it's important to restore ceilings on the amounts individual candidates may contribute to their own campaigns—to avoid the specter of millionaires buying their way into office. According to the Supreme Court decision, such a limitation could only be imposed as a condition for accepting federal matching payments. I would favor the previous levels of $25,000 for House and $35,000 for Senate races, just as presidential candidates are now limited to contributing $50,000 of their own money in primaries if they accept federal matching funds.

Some changes must also be made in the presidential financing provisions. It's generally agreed that this year's $21.8 million spending ceiling in the general election was too low. Instead of just increasing the federal contribution, I would favor supplementing the current ceiling with a matching formula like the one now in effect for presidential primaries in order to reinvolve the public in the campaign. I also would favor raising from $1,000 to $5,000 the amount which state, county, and local party organizations can contribute on behalf of the national ticket.

While the current campaign law is both sound and successful in its fundamental provisions, there is obviously room for improvement based on this year's experiences under it. But as we move to consider further reforms, we must be careful to keep four basic objectives in mind: limiting the influence of wealthy and special interest contributors, giving challengers a fair shot at elective office, increasing public participation in the election process, and strengthening the role of political parties. Any "reforms" which appear to move in opposite directions should be viewed with great suspicion and apprehension.

BALDUS REINTRODUCES SMALL BUSINESS DEVELOPMENT CENTER BILL

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. BALDUS. Mr. Speaker, at the request of many of my colleagues, I am reintroducing H.R. 5754, the Small Business Development Center Act, with 27 cosponsors. The response to the bill has been overwhelming since I first introduced it in the House March 30.

The bill provides for Small Business Development Centers at cooperating universities around the country. These would serve small business much as the Agriculture Extension serves agriculture. The practical effect of the centers would be increased managerial assistance for small business, and development of a bank of research nationwide, on their problems.

H.R. 5754 is identical to S. 972, in the Senate, introduced by my colleague in the Senate GAYLORD NELSON, also from Wisconsin. I wish to credit the Senator's early and guiding influence behind the concept of Small Business Development Centers, and would note that Chairman NELSON'S Small Business Committee has already begun hearings on his bill in the Senate. My Energy, Environment, Safety and Research Subcommittee of the Small Business Committee will be holding hearings on the House bill in the near future.

For an extended discussion of the merits of this excellent bill, I refer my colleagues to the March 29 RECORD, H2705.

One sign of the success of this bill in the short time it has been introduced in the House is the cooperation my colleagues have provided to aid in its growth. Suggestions for language expressly guaranteeing provision of the services to women and minorities, and extending the services of the bill to our territorial possessions, have been offered, and will be considered in hearings on the bill.

There is no question small business needs the assistance and research H.R. 5754 would provide, and I urge the continued support of my colleagues.

WILSON STATEMENT ON ENERGY PROGRAM

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. CHARLES H. WILSON of California. Mr. Speaker: It was with a great deal of interest that I listened to President Carter's two messages on energy. I represent the one area where there are more automobiles hungry for gasoline than in any other portion of the country—Los Angeles.

Los Angeles is this country's ultimate expression of the automobile. Just to impress upon my colleagues the massive amount of cars that exist, imagine that if the freeways were human arteries and all the autos were cholesterol, Los Angeles would have had a massive heart attack a long time ago. Unlike other major U.S. cities, Los Angeles grew out not up. People spend, on the average, anywhere from 20 minutes to an hour commuting to and from work. When Los Angeles began expanding, the automobile industry did as well and gasoline at that time was a cheap commodity. It is clearly reflected now in the mobile lifestyle of southern California. Just look at the topography—sprawling and massive with public transportation a secondary consideration.

The President, in his address, clearly stated that hardships must be equally borne. Sacrifices would have to be made across the board and our headlong rush to energy doomsday halted.

President Carter, in his unprecedented move to bring about an acute awareness and decisive action on the part of all of us, has done what two previous administrations did not—devise a comprehensive program for energy conservation. In the end, however, no one person can do

the job. While the President has now placed the future of his energy program in the hands of Congress, it is up to the American public, by way of their elected representatives, to resolve this question without delay.

Like most people in this country, the residents of the 31st District are not rich. An increase in the cost of gasoline means their personal budgets will have to be tightened even more than they are right now. Those budgets are contingent upon steady employment and there is nothing more important to a healthy commerce than the energy needed to operate factories and run our transportation systems. What President Carter is ultimately asking is for us to look ahead to a time when there maybe no alternatives and there is no energy.

The President may have overdramatized somewhat by calling the energy crisis "the moral equivalent of war," but the problem is very real and it could result in a major national disaster. After this past winter, I do not think many in this country—including those who live in southern California—would dispute that. However, it is going to be difficult to tell people who work hard for their dollars that energy costs are going to increase—that the oil companies are not withholding natural gas and oil. That is why I was particularly pleased to see the President recommend the creation of an information system of petroleum production.

After the Arab oil embargo and long lines at the gas station, most people believed the oil companies withheld energy resources to allow the price and oil company profits to go up. Establishment of an independent analysis of energy reserves will bring a measure of credibility that the majority of Americans have felt has been lacking. It will provide a much-needed third party perspective.

Surprisingy enough, even though Los Angeles may be the gas station capitol of the world, efforts have been underway to decrease energy consumption. Almost 63 percent of the cars in the area are small cars so, in this regard, Los Angeles residents are well ahead of the President in doing away with gas guzzlers.

What the crucial point of the entire energy question is that government can only provide the framework. The American public must actually reduce energy consumption. The American people must have confidence that the plan is going to work. Without that assurance, we would be indugling in futility that leaves no incentive for people to change their way of living. If people are going to have to pay more for what they now consider to be a necessity—energy—then they must have assurances that the program will be fair as well.

I personally believe we can accomplish energy conservation if the public can be sure that the plan will work and that it is fair. This morning every special interest group in the country is demanding some type of compromise. "The program is essentially good, but—" Which, put simply means it is fine for everyone else to sacrifice, but not for me. I would like to impress upon my colleagues that the most important interest is not that of a particular group, but whether the country—our whole economy can survive this challenge.

We may not have any choice except to pass this legislation, but listening to the complaints of the coal industry, the auto industry, or the utilities will not solve anything. The crucial aspect of reducing energy consumption belongs to everyone. In all honesty, it has become a question of priorities.

OKTOC COMMUNITY CLUB SYMBOL OF RURAL PROGRESS IN MISSISSIPPI

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. BOWEN. Mr. Speaker, while I was working in the Second Congressional District this past week, the Jackson Clarion Ledger published a fine article concerning the Oktoc Community Club, located in my district in Oktibbeha County.

The spirit and dedication of the members of the Oktoc Club are but an example of the fine people living in our rural communities throughout the State and Nation, and their hard work and desire to maintain their economic and social well-being. Those of us here in the Congress who work for rural development programs are pleased to see communities such as Oktoc successfully utilizing many of these programs.

As their Representative in the U.S. Congress, I want to salute the Oktoc Community Club on their 50th anniversary. Not only is Oktoc the oldest such community club in the State, but they are one of the most successful in development of their resources. The article in the April 10 Clarion Ledger tells the story:

[From the Clarion-Ledger Jackson Daily News, April 10, 1977]

OKTOC COMMUNITY CLUB OLDEST OF KIND IN STATE

About 125 people gathered at the Oktoc Community Clubhouse recently for a big birthday party, to feast, sing songs and relive highlights of years gone by.

This was not a party for an individual, but for a community. Oktoc celebrated 50 years as an organized community club during its regular 601st meeting. In these 50 years, the club has never missed a scheduled meeting.

The Oktoc Community Club, first club organized in Oktibbeha County, is now the oldest active community club in the state. After discussing forming a community club on March 17, 1927, the Oktoc Garden Club called a special meeting of all community members on March 25. The club was organized and the first group of officers elected.

"The key to the success and long life of this club is its membership," said Fred Blocker, a program participant. "Sure, we've had problems and different opinions through the years, but the community club has held us together."

According to Dan Glover, county agent with the Mississippi Cooperative Extension Service, the seeds were sown for organizing a community club by the late County Agent R. M. Lancaster.

"J. M. Deane, an Extension specialist, also played a leading role in getting the club organized," Glover said.

The primary purpose for the community club is family recreation and education, according to Blocker. "In those early days, Extension was new and had much information to disperse to farmers and homemakers," he said. "They found that community clubs offered a means of more effectively serving the people of the county. The club has been a strong supporter of the Extension Service throughout the years."

A typical meeting in the early days consisted of a covered dish group meal, followed by group singing, a news session, separate programs for the men and women, with participation by the young people in reciting poems or performing skits.

"The first few meetings were held in private homes," Blocker continued. "In a few months we started meeting in the one-room schoolhouse and used this facility for eight years. By 1935 the club secured the Presbyterian church and attached the schoolroom to the church for a kitchen; the facilities are still adequate today."

Blocker was fast to point out that the club has had a major influence on the lives of community leaders.

"The Oktoc Community Club has been a training ground for many county and state leaders," he said.

"The club helped get better roads and better telephone service. Members worked hard to get electricity, which came to the community in 1938," he continued. "In fact, according to the minutes, in the early 1930's, every communty family had a car, musical instruments in the home, electricity and mail delivery to the front yard."

Warren Oakley described the club's highlights during the 1940's and early 1950's.

The improved farming practices reported by the club one year included 1,500 acres of pasture clipped, 12½ tons of slag spread and 100 per cent of barnyard manure put back on the land.

"In 1945, a new feature, called Monthly Newscast, was added," Oakley added. "This was a report to keep members up-to-date on local boys in service—where they were stationed, their addresses, etc. All the boys from the community that served during the war returned to us safetly."

Oakley said the Farm Bureau played an important part in the community during those years. This organization helped with farm-to-market roads, telephone service and health programs.

"In those days, the community was served by a private telephone company with old crank telephones. About 15 families would be on one party line," Oakley added.

The birthday celebration was spiced with dramatized calls on two crank telephones still mounted in the clubhouse. In fact, Warren Oakley demonstrated his secret method of communicating with friend, Fred Blocker, to keep other people off the party line.

In the early 1950's, still another facet was added—the Moon Beamers. "We had so many children that we couldn't hear what was going on in the programs, so the Moon Beamers were organized to entertain the children in the kitchen while the adults conducted the program and business session," Oakley explained.

R. P. Hartness Jr. said one of the community's most popular fund-raising projects is the annual country store, sponsored by the Oktoc Garden Club.

"Proceeds from the country store have helped support many worthwhile projects," Hartness continued. 'We have helped with the hospital equipment fund, county library and various departments at Starkville Academy."

From a young person's viewpoint, William Oakley said many changes have occurred in the club and the community over the years.

But," he added, "some things don't change. The kitchen is still full of kids, and the people of Oktoc are still warm, friendly and loving."

Another young farmer, Everett Kennard, said the future of Oktoc is bright. "We are primarily known as an agricultural community, and Oktoc will continue to occupy a top place among such communities. We now have several generations on the same farms, and this community seems to be the place where people want to locate.

"As long as there is an Oktoc Community, there will be an Oktoc Community Club," he added.

MEDICAL FREEDOM OF CHOICE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. SYMMS. Mr. Speaker, the following article, "Breaking the Drug Barrier," by Dr. Richard Spark, professor of medicine at Harvard Medical School and Beth Israel Hospital in Boston, is yet another clear indication that the United States does indeed suffer from a drug lag and that the American consumer is being denied access to many new lifesaving drugs because of the FDA's regulatory overkill. Dr. Spark states:

". . . the rigorous requirements legislated by the Kefauver-Harris act [the 1962 Amendments to the Food, Drug and Cosmetic Act] are largely responsible for the drug lag.

Dr. Spark continues:

In 1962, a single new drug could be developed for $1.2 million in the United States and around $900,000 overseas (United Kingdom, Holland, Sweden, France and Germany). By 1972, the cost of developing a new drug in the United States increased to $11.5 million while the comparable overseas figure was $7.5 million. Projections are that in 1977 the development of a single new drug in this country will cost $40 million.

Drs. William Franklin and Francis Lowell state in the New England Journal of Medicine that—

The public does not fully appreciate that stringent drug regulation for society as a whole limits therapeutic choice by the individual physician, who is better able to judge the risks and benefits for the patients. . . . The introduction of new drugs has become extremely expensive, preventing development of drugs for less common indications. Because smaller companies cannot afford to spend several million dollars for the cost of an FDA review, large companies gain a monopolistic position and can maintain high prices.

I have introduced the medical freedom of choice bill, H.R. 54 in an effort to reverse this trend. The medical freedom of choice bill repeals the effectiveness provisions of the 1962 Amendments to the Food, Drug and Cosmetic Act. I urge my colleagues to read the article that follows and to support H.R. 54 by joining the 87 Members who have already cosponsored the bill.

The article follows:

[From the New York Times Magazine, Mar. 20, 1977]

BREAKING THE DRUG BARRIER

(By Richard Spark)

Unfortunately, no drug is completely "safe." For example, there is a medication that, when administered in low doses, may cause indigestion and bleeding disorders, and, in higher doses, may result in marked alterations in blood chemistry, stupor, seizures and, on occasion, death. One would hardly expect a medication with such inherent toxicity to be approved for use by laboratory mice, let alone humans.

Yet the use of this drug—aspirin—is sanctioned by the Food and Drug Administration because it lowers fever and relieves pain more consistently than it produces harmful side effects. It remains on the market because its benefits outweigh its risks.

The benefit-vs.-risk formula has been effectively used to evaluate all drugs. In recent years, however, because of pressure from consumer groups and Congress, disproportionately more attention has been given to the risk side of this equation. As a result, the F.D.A. has been both cautious and sluggish in approving new medications for use in this country.

Regrettably, this slowdown has occurred during an era of major advances in pharmacology. Over the past 15 years, many important new drugs have been developed that represent advances in controlling life-threatening cardiac arrhythmias (irregularities of the heart beat), hypertension, asthma, ulcers, edema and seizure disorders. These medications have been widely used throughout the world but have been unavailable to American patients. Eventually, many of these drugs have been or will be sanctioned for use in the United States. But "eventually" usually means a delay of between 2 to 10 years. This bureaucratic embargo on new drugs has been referred to as the "drug lag" and its significance is viewed with variable concern by different members of the health-care community.

One's perspective of the problem depends upon whether one is predisposed to consider new drugs as primarily harmful or beneficial. Members of consumer groups and of Congress, who generally enjoy the luxury of good health, have focused much of their attention on the harmful effects of medications and see in the drug lag the workings of an admirable "better safe than sorry" policy.

On the other hand, patients who must get along with older medications that are either less effective or more toxic than new drugs that are awaiting approval are likely to disagree. Pharmaceutical company officials who in the past have developed antibiotics, antihypertensives, and other "miracle drugs" are also embittered over the F.D.A.'s predilection for procrastination. They note that in the last 15 years the average time from drug development to marketing has quadrupled, and they are fond of arguing that, with the current climate of restrictive regulations, were aspirin a new drug today it is likely that even it would be a long time in being approved by the F.D.A.

Just why does the drug lag exist? It can be traced back to public apprehensions resulting from a number of drug disasters in the late 1950's and early 1960's, peaking with the thalidomide catastrophe in 1962.

Originally marketed in Europe, thalidomide is a fairly effective sleeping pill, which would probably have been routinely approved by the F.D.A. under earlier procedures. But, while approval was pending before the F.D.A., evidence became public that pregnant women who had been taking the pill in Europe were giving birth to deformed babies. It happened that a bill to require extensive and prolonged testing of new drugs was being considered in Congress at the same time. Public reaction to thalidomide helped propel the legislation, the Kefauver-Harris bill, through Congress.

The Kefauver-Harris requirements have resulted in a staggering increase in the paperwork necessary to document a new drug's safety and effectiveness. Today the F.D.A. must each year review an average of 120,000 pages of complex data for each of around 100 new drug applications. For the 70 physicians and 350 ancillary personnel assigned to new drug applications at the F.D.A., this is a herculean task.

One recent example of what is required for new-drug approval is the application by Abbott Laboratories last year for permission to market Abbokinase, an agent that dissolves blood clots and can be used in the treatment of pulmonary embolism. No less than 428 volumes of research results, totaling 664,000 typewritten pages, were part of the company's approval application. The time-consuming barriers of testing that are reflected in such mountains of paperwork stand in stark contrast to both earlier U.S. experience and current practices abroad. In 1948, for instance, the F.D.A. approved a cough medicine, Benylin expectorant, upon submission of only 73 pages of data. And numerous new drugs that face years before clearance in the U.S. have long since been approved and are on the market in Europe or Japan today.

Moreover, there is little motivation in the F.D.A. to speed any application along for approval, for F.D.A. employees know that might get them in trouble with Congress. This caution was described by former F.D.A. Commissioner Alexander Schmidt when he testified before U.S. Senate hearings on health in September 1974. "In all of our [F.D.A.] history," he said, "we are unable to find one instance where a Congressional hearing investigated the failure of the F.D.A. to approve a new drug. The occasions on which hearings have been held to criticize approval of a new drug have been so frequent in the past 10 years that we have not even attempted to count them. At both the staff level and managerial level, the message . . . could not be clearer. Whenever a difficult or controversial issue is resolved by approval, the agency and the individuals involved will be publicly investigated. Whenever it is resloved by disapproval, no inquiry will be made. The Congressional pressure for negative action is, therefore, intense and ever increasing."

This "Congressional pressure for negative action," the brief moment of glory for not approving thalidomide, and the increasing volumes of data to be received were interpreted as a clarion call for inactivity and had a devastating effect on morale and productivity at the F.D.A.

New drug approval, which had peaked at 240 for the year prior to the Kefauver-Harris hearings, fell to an average of 60 in subsequent years; and in one six-year period, 1967–72, not a single new drug was approved in the cardiovascular area.

While the rigorous requirements legislated in the Kefauver-Harris act are largely responsible for the drug lag, a compounding basic problem has been the failure of the pharmaceutical companies and the F.D.A. to work together toward the common goal of safe and effective drugs.

Drug development is a complex process. Ordinarily, a new drug goes through several phases of testing in different species of laboratory animals to determine if it has therapeutic potential and if it has any major toxic actions. Of the several thousand new chemical entities that are developed and tested, only a handful pass this stage.

Once the new drug is considered safe and

effective for laboratory animals, the pharmaceutical company applies to the F.D.A. for permission to test the new drug in humans. This work is usually farmed out to various clinical investigators at medical centers around the country.

While the patient is taking this new medication, the clinical investigator is obligated to see him at frequent intervals to record the effects of the new drug. Does it lower blood pressure? Does it relieve his arthritis? He must also determine whether there are any deleterious side effects. Did the medication make the patient sleepy, hyperactive, impotent, give him diarrhea, or cause his hair to fall out? The investigator must also be alerted to the unexpected. Does the medication that is supposed to relieve high blood pressure also cause blood cells to hemolyze (rupture), cause an elevation in blood sugar, or damage the kidneys?

The information from these studies is forwarded to the pharmaceutical company sponsoring the drug, which collates the data and submits it to the F.D.A. for approval to market the new drug. This is where problems first develop. Frequently, the F.D.A. will review the material and feel that the studies were designed and interpreted by the drug company in such a way as to prejudice the results in its favor. A series of potentially embarrassing questions may be asked:

Was this an adequate and well controlled study? For example, it is known that most hypertensive patients have marked variability in their day-to-day blood pressure. If a hypertensive patient has a blood pressure of 160/100 on a day when he received no drug and a blood pressure of 150/90 when he received the experimental medication, is this due to the drug or his normal day-to-day blood pressure variation? Are the changes produced by the drug objective or subjective? That is, for the patient with arthritis who gets a new drug and says he feels better, can one also demonstrate that there is measurably less swelling in his joints and greater freedom of movement of his affected extremities?

Are the side effects acceptable when measured against the benefits anticipated from the new drug? A sliding set of standards is used to answer this question, standards that depend on the nature of the disease being treated. A 20 percent incidence of nausea and vomiting may be acceptable for a new drug that is designed to treat certain forms of cancer, but is it acceptable for a drug used to treat a kidney infection? The drug company may have demonstrated that its drug does not adversely alter any of the 12 blood tests that were measured in the laboratory safety screening. Do they know with certainty that a 13th, 14th, or 15th test will not be affected? Can the company be sure that this drug will not cause cancer?

Many of the questions that are asked at this time are valid. Some are merely contentious.

However, if any of the questions cannot be answered to the satisfaction of the F.D.A. or one of its advisory committees, the new drug application is likely to be returned to the pharmaceutical company for more studies. Naturally, the more money invested in research and development, the greater the ultimate cost to the patient when the drug is finally marketed.

In 1962, a single new drug could be developed for $1.2 million in the United States and around $900,000 overseas (United Kingdom, Holland, Sweden, France and Germany). By 1972, the cost of developing a new drug in the United States increased to $11.5 million while the comparable overseas figure was $7.5 million. Projections are that in 1977 the development of a single new drug in this country will cost $40 million.

When the test data finally satisfies the F.D.A. and its advisory committees, there is one final hurdle the wording of the package insert which is written by the pharmaceutical company but must be approved by the F.D.A. The package insert contains brief statements about structure, chemistry, mechanism of action, recommended dosage, toxicity, and, most important, a listing of those specific medical conditions for which the F.D.A. has granted approval for the drug to be used. This last point is a source of great medico-legal concern.

It is true that the package insert tends to be largely ignored. Dr. J. Richard Court, director of the Bureau of Drugs at the F.D.A., notes: "We insist that the drug industry spend several million dollars a year putting an insert in every package, knowing full well that at least 99 per cent of these pieces of paper end up in the waste basket."

In any case, the legal status of the package insert is ambiguous. Thus, the law states that a "new drug may not be shipped in interstate commerce intended for uses not contained in the currently approved labeling." But the same law also states that once a "new drug has been shipped in interstate commerce for its approved use . . . a physician [may] lawfully prescribe the drug for an unapproved use."

Why would a physician want to prescribe a drug for an unapproved use? Primarily because there is also an "approval lag."

Frequently, a drug that is initially marketed for one use will, at a later date, be found to have a second unrelated use for which it has not been approved. A notable example is Xylocaine, which was originally approved and marketed as a local anesthetic—it is the "novocaine" we get when we go to the dentist. Years after it was approved for this use, Xylocaine was found to be extremely effective in controlling life-threatening cardiac arrhythmias that may occur after a heart attack. But it was a full 10 years after the original reports of Xylocaine's effectiveness as an antiarrhythmic agent before it was sanctioned by the F.D.A. for this other use.

During this decade Xylocaine was freely shipped across state lines ostensibly "intended" for its approved use as a local anesthetic. However, unless one is willing to presume that epidemics of dental caries struck our hospitals' coronary care units, it is clear that Xylocaine was being heavily prescribed for an unapproved use.

The fact that there is a double standard of legal responsibility for pharmaceutical companies and physicians with respect to the package insert has been interpreted by some pharmaceutical executives as the first crack in the dike at the F.D.A. The current trend is for the drug company to seek approval for a new drug for whichever indication is likely to meet the least amount of resistance at the F.D.A. Once the new drug is approved for use for any indication and is on the market, the drug company confidently assumes that physicians will prescribe it freely for its other, unapproved indications.

Such machinations in marketing, which have left physicians in a precarious position, are the least of the problems that have been spawned by the drug lag. Fearful that any irregularity in animal toxicity studies will jeopardize their new drug applications, pharmaceutical companies have not always made a full disclosure of their data. The most recent case involved the G.D. Searle Company, which withheld data indicating that two of its products, Aldactone (a diuretic and antihypertensive) and Flagyl (a treatment for trichomoniasis), cause cancer in laboratory rodents when given in extremely high doses for a prolonged period of time.

When the consumer-oriented Health Research Group petitioned to have Flagyl removed from the market because of its demonstrated capacity to cause tumors in mice, the F.D.A. refused. While agreeing that Flagyl was, in the doses used, carcinogenic in the mouse, they challenged the Health Research Group's contention that this was prima facie evidence that it was "unsafe for human use." They pointed out that several agents that are known to cause tumors in animals, such as the antitubercular drug isoniazid and the sedative phenobarbital, do not cause cancer in humans. However, in an effort to mollify the Health Research Group and spank Searle, the F.D.A. did recommend that data on animal toxicity be more prominently featured in the package insert.

For medications that are not approved for any use, patients and physicians have found their own creative solutions to the drug lag. For example, Beclomethasone, a cortisone-like compound, marketed in England in 1972, was immediately recognized as a significant advance in the treatment of asthma, for it can be delivered directly to the lungs, thereby eliminating the deleterious side effects of hypertension, obesity, osteoporosis (thinning of the bones), intestinal bleeding and worsening of diabetes mellitus, side effects that occurred when cortisone was swallowed in tablet form and distributed throughout the body. In 1976, four years after Beclomethasone was introduced in England, it was approved in the United States. Four years is a long time to wheeze. But not for the affluent asthmatics who were able to deal with their English Connection, a cooperative London pharmacist who was willing to fill American prescriptions for Beclomethasone for patients who could then smuggle it back into this country.

Has the more demanding ritual required for new drugs in the United States protected American patients? Apparently not, for there are still a number of agents that have wended their way through the process only to be recalled at a later date because of new evidence. The most prominent examples of this are the minipill and sequential oral contraceptives, which, after approval, were found to cause breast cancer in beagles. A more recent example is the drug Triazure, which was approved for the treatment of psoriasis, only to be withdrawn one year later because it was found to cause arterial thrombosis (blood clots). The system is not fool-proof.

On the other hand, while there have been problems with some more rapidly approved drugs in England, there is no evidence to indicate that during those 15 years when drugs have lagged in this country, the British suffered quantitatively more side effects than have been observed here.

What solutions are there to the "drug lag?" The F.D.A. and the pharmaceutical industry are agreed on the need for a more efficient system to make safe and effective new drugs available to American patients. There are several suggestions as to how this may be implemented. The F.D.A. has proposed that the pharmaceutical companies consult with them at the earliest possible stages of drug development so that a mutually acceptable program of clinical testing can be designed. Presumably this would obviate the need for the F.D.A. to request "just a few more studies" after the drug company had already invested millions of dollars and years of time in programs that were exclusively of its own design.

For their part, the drug companies would like to have the F.D.A. spend less of its time and limited manpower justifying its past actions to Congress and consumer groups and devote more resources to processing new drug applications.

The proposed new liaison between the F.D.A. and the drug companies in the early

stages of drug development may prove to be fruitful. However, it is unlikely that elected officials and consumer groups will abrogate their responsibilities and declare a moratorium on questioning the F.D.A.'s actions.

It may be that the only solution to the problem is international. It should be possible for the F.D.A., England's Committee on Medicines and the comparable national agencies of other interested nations to meet and agree on a uniform set of standards for safety and effectiveness that can be applied internationally to evaluate each new drug. A pool of data could thus be gathered and made available to all participating countries and be analyzed on its merits at approximately the same time to determine whether this international documentation of safety and effectiveness justifies approval of that drug. A collaborative effort of this nature would eliminate needless repetition of research and would go a long way toward lowering the cost—in both time and money—of drug development.

There is every reason to believe that the dramatic advances in pharmacology that we have witnessed for the past 15 years will continue. A more efficient system must be devised for testing and evaluating new compounds so that they will be quickly available at a reasonable cost to American patients.

Side effects of new drugs will, it is hoped, be minimized, but they will not disappear. But then neither will disease. Taking any medication will always involve a calculated weighing of benefits and risks. The drug lag has not eliminated the risks. It has merely delayed the availability of the benefits.

EAST BAY SKILLS CENTER JOB FAIR

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. STARK. Mr. Speaker, I would like to call to the attention of my colleagues the celebration of the Eleventh Anniversary of the East Bay Skills Center of Oakland. Calif., The center which provides training for unskilled residents of the San Francisco Bay area, is holding their annual job fair on April 28, 1977, in conjunction with the anniversary celebration. The job fair encourages the participation of employers of the Bay area in the center's training efforts.

The East Bay Skills Center is a vital manpower training program that offers eduction in skills for unemployed residents of the 5 Bay area counties. The educational program encompasses 15 major occupational areas that provide job opportunities in over 40 specific types of jobs. Graduates of this program are now working successfully in businesses and industries throughout the Bay area.

I want to compliment the East Bay Skills Center for its excellence in developing skills and jobs for citizens of the Bay area, and pledge my support and encouragement for the center's job fair and future participation in our community. The East Bay Skills Center's commitment to the betterment of our State and cities is most deserving of recognition and commendation.

STATEMENT OF THE HONORABLE GERRY E. STUDDS ON A SPEECH DELIVERED ON MARCH 23, 1977, BY THE HONORABLE JOHN M. MURPHY

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. STUDDS. Mr. Speaker, as many Members know, the chairman of the House Merchant Marine and Fisheries Committee, Congressman John M. Murphy, is advocating legislation which would require that up to 30 percent of this Nation's oil in coming years be imported on U.S.-flag merchant marine vessels and that they be manned by American crews. Mr. Murphy presented this position at the annual London Seatrade Conference before 700 of the world's maritime representatives on March 23, 1977.

The speech is an attempt to explain to our allies and others the economic and national security considerations which Mr. Murphy feels necessitate building U.S.-flag ships in the future. The chairman stresses in the speech that this cargo equity device which will be coming to the floor soon is not particularly startling or novel. He points out some of the more than 40 maritime nations who use such cargo devices in many forms and outlines some of the other practices currently in use by these nations which he feels necessitates action by the Congress to revive an aging and dwindling American-flag fleet.

Inasmuch as this legislation is controversial and many of its aspects misunderstood, I commend the speech to my colleagues so that they can become familiar with the basis for the legislation and so that they can gain perspective on some of the motives behind H.R. 1037:

ADDRESS OF HON. JOHN M. MURPHY

Thank you Mr. Chairman, ladies and gentlemen.

It is a great pleasure for me to be here in London to address such a distinguished gathering of experts and representatives from the internationcal community of world shipping. I would thank the editors and publishers of Seatrade magazine for inviting me to participate in this important conference which is of international significance.

I am especially pleased to have this opportunity to discuss such issues as cargo equity and tanker safety, which were several of the topics suggested to me by our host. These are only two of the matters of legislative initiative currently before the Merchant Marine and Fisheries Committee, which I chair, and I know that they are questions which are foremost in the minds at this point in time of international maritime business interests.

In order to give a group such as this a proper perspective from my point I feel it is necessary to briefly restate some of the history of America's merchant marine on the high seas as I see it. It is based on this perception that I plan to move our committee during the months and years ahead.

We in America are a maritime people as was—and is—our mother country, England.

And I am convinced we can be economically strong and independent ashore only as long as we are strong and independent on the oceans of the world.

I might say we took our cue over 200 years ago from the indomitable British, for on the sea—as on the land—Great Britain was indeed awesome having the mightiest Army and Navy on the face of the Earth.

Thus our "Yankee" forefathers turned to the sea—peacefully—for food and foreign trade. We started with the West Indies and then with England. And shortly after our brief encounter with our mother country 200 years ago—who by the way considered our fledging merchant marine a "flea" in its mane—the United States Merchant Marine, the flea, became an eagle.

And we maintained our place on the high seas into the 1900's.

But twice before the 20th century even reached its mid-point, war ravaged the Earth and, twice, America learned the life and death value of a strong merchant marine fleet.

However, we didn't learn our lessons well following the world wars, and with no pressing need for new ships, U.S. shipbuilding declined.

And we lost our competitive edge.

Other nations rebuilt modern fleets that took over more and more of the world's trade—including America's. And so, during the middle of the 20th century we Americans helplessly watched the demise of our own merchant marine.

We finally got ourselves into gear and resolved not to stand by and watch a deepening tragedy. From our point of view we chose not to betray our heritage or surrender our right to independence on the seas.

The U.S. maritime industry—with faltering aid from the government—made an attempt to revive itself. And there were notable achievements by American ship builders:

They regained some of their historic excellence in shipbuilding techniques and technology;

They developed the world's first nuclear powered merchantman;

They developed new techniques to prepare for rising costs and declining supplies of fossil fuel;

They designed an icebreaking tanker to cut a shorter route to Arctic oil;

They revolutionized and streamlined cargo handling and shipping;

They pioneered expeditious and safe containerized shipments; and

They developed ingenious methods to service underdeveloped ports of the world.

But with all of these accomplishments America today finds itself with an almost non-existent merchant marine *fleet*.

We—in the main—depend on foreign flags for imports and exports.

We depend on an illusory concept of "effective U.S. control" or a merchant marine fleet in times of emergency. This was an illusion which President William Torbert of Liberia effectively shattered when he issued an executive order prohibiting any vessels flying the Liberian-flag from participating in the carriage of arms to the middle east, *regardless of ownership*.

And if we remain on our present course, our position will only deteriorate. More and more Americans and U.S. officials are reflecting on the warning of Dwight David Eisenhower when, in our dark days of national peril he cautioned future generations of my country, "never again should we be caught relying on foreign shipping."

Having watched his country build 6,000 merchant marine vessels in the middle of a war, 700 of which plunged to ocean graves, General Eisenhower said, "We were caught flat-footed in both World Wars because we

relied too much on foreign owned shipping. I consider the merchant marine to be our fourth arm of defense and vital to the stability and expansion of our foreign trade."

(That 700 ships by the way compares to our total fleet today of 577 vessels.)

This is some of the historical background and these are some of the developments that the Merchant Marine Committee of the House of Representatives takes into the last third of the 1970's. There is a strong feeling that the time has come when we must begin to restore the American merchant marine flag fleet in future years to the illustrious place it had in our past.

One of the quickest ways to achieve this is to give our fleet the lifeblood of a strong, viable fleet—cargo. And cargo equity has been the first order of business in these beginning weeks of the 95th Congress.

As many of you may know, this is the third time that the United States Congress has addressed itself to a cargo equity principle. Our first legislative efforts was in the 92nd Congress and it ultimately failed in the Senate by a narrow margin. We again considered this matter in the 93rd Congress. That legislation passed both the House and Senate by comfortable margins and the conference report was also approved by both chambers. Unfortunately, the President of the United States pocket-vetoed the bill.

We did not bring up the matter of cargo equity in the 94th Congress because of lack of sufficient support within the administration. The President's pocket veto at the end of the 93rd Congress was based ostensibly on his belief that this measure would create serious inflationary pressures by increasing the cost of oil and that it would stimulate inflation in the ship construction industry. In addition, he felt that it would serve as a bad precedent for other nations, that it would violate our treaties of friendship and convenience, and would invite international retaliation.

I have always felt that President Ford received bad advice in this regard.

Almost the first order of business of the committee after I became chairman this past January was to commence action on a new cargo equity bill. I am very aware of the opposition of the other maritime trading nations of the world to our unilateral cargo equity efforts. I know that the international community has been opposed to our plans in this regard from the very beginning; and that the other maritime trading nations are as adamant in their opposition to our current efforts as they have ever been.

In light of this international opposition, why then has the United States Congress for a third time, embarked upon this legislative course? I believe I can give some explanation for our activity so that you might better understand what motivates us and why we have concluded that some sort of cargo equity device is an absolute necessity for us at this time.

Consider if you will that after World War II, the United States had over 4,800 United States-flag merchant vessels and that today this number has dwindled to 577. Compare that paltry 577, which must serve the needs of the largest trading nation in the world, mind you, to Liberia's 2,600, to Russia's 2,400, and to Japan's 2,000 merchant vessels. Today, the United States commercial fleet is tenth in size, and we are eighth in merchant ship construction.

I must say to you that from our standpoint, this is a tragic and unacceptable state of affairs.

Today, while Soviet-flag ships carry 50 percent of Russia's foreign trade, and Japanese ships carry 39 percent of Japan's foreign trade, U.S.-flag vessels carry less than six percent of our foreign trade, and in dry bulk commodities, it drops to less than two percent.

This decline, of course, has a corresponding impact on the manning of U.S.-flag vessels, and the number of seagoing jobs available to the maritime industry. For example, as of September 1, 1967, there were more than 15,000 licensed officers and some 48,000 unlicensed men—for a total seagoing employment of more than 63,000. In contrast, as of February 1, 1977, there were only 5,994 licensed officers and 14,620 unlicensed men—for a total of 20,614 jobs. By any standards, this is a painful decline from the 1967 figures. It is no great profundity to conclude that something is wrong somewhere in the United States Maritime scheme of things.

Nor do I see any improvement for the U.S.-flag fleet in the immediate future. United States shipbuilding has been tapering off alarmingly in the last several years, *and shipbuilding is the cradle of a potent merchant fleet.* While it is quite true that we still have substantial numbers of vessels under construction in United States shipyards, at the present time very few new contracts are going into the order books of the United States yards so that we are faced with the prospect only two years from now of no building at all in several yards and sharply curtailed building in most of the others. For example, subsidized construction in 1978 is projected for only seven ships, including three liquid natural gas carriers, one barge carrier (LASH), one container ship, and two breakbulk container ships.

I submit that this is meager vessel construction mix for one of the alleged major maritime nations of the world.

I realize that we have all been in the throes of a worldwide maritime recession. *Nevertheless in my view and the view of Congress this Maritime decline must not be allowed to persist.*

To paraphrase the great World War II leader of our host nation, I did not become chairman of the House Merchant Marine and Fisheries Committee to preside over the dissolution of the U.S.-flag merchant fleet.

The facts and figures I have just recited are stark evidence of the tragic decline of U.S.-flag merchant fleet capability. The question for us in the United States Congress is how to arrest this decline and reverse the trend so that we are once again on the upswing with respect to U.S.-flag shipbuilding and United States vessel operation.

In analyzing this difficult situation and examining various alternatives, one always comes back to the one factor I mentioned at the beginning—cargo. This is the element which is the key to the reversal of U.S.-flag merchant fleet fortunes. The United States is one of the major trading nations in the world and we certainly generate sufficient export and import cargo.

200 billion dollars worth to be exact.

Unfortunately, U.S.-flag vessels carry only a small potion of this cargo so that our own participation in the trades is not sufficient to generate United States shipbuilding or maintain an adequate level of United States operation with respect to some segments of our fleet.

After all my years of association with the great port of New York and the Maritime industry, and after 15 years of service on the Merchant Marine Committee, I have become convinced that one of the first steps we must take is to assure that a percentage of petroleum and petroleum products imported into the United States must go on United States-flag bottoms. And I would emphasize to you that we are not talking about liner cargoes or even dry bulk commodities in my legislation. We are mandating only a percentage of petroleum and petroleum products.

I would also emphasize that we are not talking about 100 percent, or 75 percent, or even 50 percent. Our bill would mandate that beginning with 20 percent, then rising to 25 percent, after June 30, 1978, and then escalating to 30 percent after June 30, 1980, of the petroleum and petroleum products imported into the United States should be carried in U.S.-flag vessels. I do not think this is "predatory" on our part to expect this modest percentage to go in U.S.-flag bottoms.

As I mentioned before, we are cognizant of the strong opposition of the international maritime community to United States cargo equity legislative initiatives. I was, and am aware of the great pressures generated against these measures, both domestically and internationally, in the 92nd and 93rd Congresses, and I realize the gathering storm of opposition to our present efforts. The fact that we are apart on this from our maritime partner trading nations does cause me great concern.

There are many matters which necessitate our working in concert in the best interest of international commerce, so I must view anything devisive with concern. However, after the litany of ills I have just recited besetting the U.S.-flag merchant fleet, I think you can understand our position that something must be done. I am convinced that there will be nothing fatal to international trade—or even violative of agreements with our allies—in our requiring that a small percentage of petroleum imported into the United States be carried in our own vessels.

In discussing the outlook for legislation affecting cargo equity in the 95th Congress in this forum, I do not want to argue the pros and cons of each issue affecting the matter, but I did want to point out to you why we view our maritime situation with alarm and why we consider a modest cargo equity device not only justifiable but absolutely necessary.

As Gibbon put it in The Decline and Fall . . ., "The winds and waves are always on the side of the ablest navigators."

Certainly, there is some merit to the arguments raised against cargo equity, and despite the days of hearings held on this subject in two Congresses, such important issues as the legitimacy of the "effective control" fleet and the cost problem are still murky at best. Further, the U.S. State Department has always made a big issue of cargo equity claiming it violates our treaties of friendship and convenience. But after repeated requests, they have failed to ever provide us with a legal basis for their position in this matter.

I do concede that if we are successful, there will be a cost increase to the consumer. How much is a question that has not been determined. Both opponents and proponents have always come in with extravagant claims on each side of the issue. I hope that our present efforts may come up with something more definite with respect to cost to the consumer.

At any rate, I am prepared to accept the reality that there will be a reasonable increase—as was President Carter during his campaign.

This cost to the consumer is justified in my opinion simply by the fact that we will increase the percentage of imports to be carried in U.S.-flag bottoms. At the present time, we are importing 40% of our total petroleum needs and it is estimated that this will rise to 50% this very year.

At the same time, 96% of this import is carried in foreign-flag vessels.

We cannot alleviate this foreign source dependency in the immediate future, but we certainly can and must provide a greater U.S.-flag capability to carry this energy import. I am convinced that we cannot continue to rely on other nations, other flags, other crews to supply 96% of our imported energy requirements. It certainly seems clear to me that economic and national security considerations necessitate providing the availability of U.S.-flag bottoms to trans-

port a greater share of our energy imports. And let me say this—we are not initiating anything that is startlingly novel. The trading nations of the world have long reverted to protectionist devices. In fact, the principle that vessels of our host nation should have cargoes before foreign vessels was first established in 1368 during the reign of Edward III.

I think it would be wonderful if the world in general operated on the basis of "free trade". Unfortunately, the trading world does not conform to the idea of goods competing on an equal basis in an open global market place. In most countries, there is a close linkage between business and government in which tariffs, quotas, subsidies, and other devices are arranged to give advantage to home industries and agriculture.

Communist-bloc countries are state-trading nations.

Government-industry cartels flourish in Western Europe, and Japan, the most aggressive of export nations, is one of the most impenetrable of import nations.

It was not long ago that we all engaged in a monumental international exercise, the UNCTAD code of conduct for liner conferences, which featured a "40–40–20" cargo-sharing arrangement. This international effort is stalled at the present time, but we all know that we are moving in that direction.

Several weeks ago, I set out the various cargo preference devices of varying nations as indicated in our hearing record in the 93rd Congress. One large trading nation took issue with me, in that I had stated that they had a 50 percent cargo preference law.

They claimed that in fact, they did not.

A little examination, however, uncovered the fact that this nation carried between *fifty and sixty percent* of imported petroleum products in its own flag vessels and an additional 25 percent in other flag vessels chartered by its businessmen. I would say to countries such as this, stop your opposition to our unilateral "cargo equity" efforts. Allow us to also carry 50 percent of our oil imports in U.S.-flag vessels, and I will call it anything you want.

I am sure you all wonder—and the operative question is, will our cargo equity efforts succeed this time?

As you know, our previous two efforts ended in failure. I am determined that we shall succeed this time for the reasons I have given here today. We have held hearings on this matter in March, and we have more scheduled in April. The Carter administration witnesses have twice asked for postponement because they were not yet prepared to present a position. I am hopeful that they will be ready the first week in April.

I must say in all candor, the success of our effort depends in very large measure on the position of President Carter's administration. I am hopeful that the administration will see this matter in the same light that the bulk of the U.S. maritime industry and the Congress sees it—*and in the same light they saw it during the election campaign.* However, this is a crucial fact which is as yet undetermined. I do intend to pushing forward in this matter as expeditiously as possible.

I did not really expect to convince you so that you would withdraw your opposition and agree with our efforts, but I do hope that I have been able to explain what we consider to be the reasonableness and logic of our position.

* * * * *

Another matter I have been asked to discuss is the question of tanker safety. In the month of January, we experienced a number of major—and some catastrophic—oil spills and tanker explosions off our coasts. The most publicized episode was, of course, the infamous *Argo Merchant* grounding off Nantucket. In what I would characterize as a typical rush of hysteria in the press and by some of our environmentalists, extravagant claims of damage were made and heavy handed demands for tanker safety resulted.

The United States Senate has combined cargo equity and tanker safety reform into one legislative package. Bills embodying this combination were introduced by Senator Warren Magnuson and Senator Fritz Hollings, and they have been busily engaged in hearings on the Senate side on this bipartite legislation.

We have taken a different approach. We have kept cargo equity as a separate piece of legislation—a separate single principle. We have not introduced any legislation to date relating to tanker safety. It is our intention to examine these recent maritime incidents off our coasts during our Coast Guard authorization hearings next month. At that time, it is our intention to determine exactly what happened in these episodes, the Coast Guard's role, whether the Coast Guard has sufficient personnel and hardware to cope with these situations, and whether there are areas requiring specific hearings and whether additional legislation will be needed. In the event the latter two questions are answered in the affirmative, we will then hold specific hearings in the Coast Guard Subcommittee on these issues requiring attention, and on those matters requiring legislative enactment.

In light of this course of action, I cannot tell at this time exactly what will be required of us with respect to tanker safety. I do know that I do not think this matter should be combined with cargo equity. I think that they should be kept separate and that is how we intend approaching these problems.

Undoubtedly, further action on our part will be required, for example, with respect to safety features such as inert gas systems on all tankers, improved emergency steering standards for all tankers, and backup radar systems with collision avoidance systems on all tankers. In addition, I think it is essential that we examine carefully crew training and crew competence. I feel that the most advanced equipment standards available would not have prevented either the *Torrey Canyon* or the *Argo Merchant* catastrophes since these episodes were clearly the result of human error, human weakness, and human failure. It is incomprehensible why the environmentalists and many of my colleagues continue to beat the wrong drum.

I can agree to a limited imposition of segregated ballast.

I do not subscribe to any mandatory imposition of double bottoms.

When I was the chairman of the Coast Guard Subcommittee, I held extensive hearings on the double bottom question. In addition, my staff and I were members of the U.S. delegation during the October 1973 IMCO international convention for the prevention of pollution from ships held here in London. In fact, my staff was here for the entire conference at which time the conference correctly—and resoundingly—voted down the mandatory imposition of double bottoms.

I am convinced from my studies and investigations that double bottoms will not provide environmental protection as intended and will, in fact, create hazards to safety and navigation inasmuch as they will be a collecting place for dangerous gases and will, in fact, contribute to instability in the event of a grounding. They are, of course, useless in a collision. The evidence indicates that technically, there is no basis of support for the double bottom concept and in fact just the opposite may be true.

I believe that it is an emotional manifestation on the part of those who would protect the environment but do not understand the technical aspects of ship construction and the consequences of this discredited "solution." I cannot agree to impose not only a useless but a harmful standard which will accomplish nothing perhaps but raising the price of ships to an already beleaguered industry while creating the possibility for some really calamitous oil spills the likes of which the world has not yet witnessed.

At any rate, I believe that in the course of hearings in our committee and on the Senate side, these tanker safety issues will receive considerable attention and a thorough airing.

* * * * *

My remarks up to this point have centered on matters which are a subject of some disagreement between the United States and our maritime trading partners. Before closing, I would comment briefly on a subject which is vital to our collective interests and which is of potential danger to our merchant fleets and collective trades. I am referring to the practices of certain Socialist-bloc nations entering the various existing established trades with their newly acquired maritime capability, refusing to join the existing conferences, and undercutting the normal conference rates.

It is obvious if this practice is permitted to continue and the conference system is destroyed, the existing flags will be driven from these trades which will then be dominated by the intruding flags. We find this result completely unacceptable to the United States and I believe it is also unacceptable to the other existing maritime conference members.

In the last Congress, we began to address this problem and dealt exhaustively with legislation which would require these state-controlled carriers to charge rates that are "just and reasonable". In considering whether the rate charged is just and reasonable, the U.S. Federal Maritime Commission, which would have responsibility for administering the law, is to consider whether the rates are fully compensatory, assessed by other carriers in the same trade, required to assure movement of the particular cargo, and other appropriate factors. These so-called control carriers whose rates are challenged sustain the burden of proof, and the FMC is given authority to suspend the rates in question for a period of seven months while a hearing on the lawfulness of the rate is pending. This legislation was strongly supported by the maritime industry, but was opposed by the Great Lakes interests and the shippers.

Shortly after the hearings on this legislation were completed and before the committee could act, the Chairman of the Federal Maritime Commission concluded an agreement with the soviet ministry of merchant marine, now known as the "Leningrad agreement".

In this agreement, the soviet union agreed to charge rates which were not lower than those actually used by the lowest non-soviet carriers in the particular trade, and to begin discussing their membership in the appropriate liner conferences covering United States trades. The Federal Maritime Commission indicates that the Russians to date have shown a willingness to implement the Leningrad agreement. If, however, they should begin to pull back from this implementation, then further consideration and movement of the third flag bill will be essential. *If this should happen, I intend to move forcefully and quickly on this type of legislation.*

Action on our part will be absolutely necessary to protect our already weak U.S.-flag merchant marine *and* our trades.

These are my comments on those subjects which were considered to be of interest by our host. And while I feel all of you might not share the feelings I have on these is-

sues—indeed might oppose them—I ask you to consider the position of my country as we look to the future.

We are not asking for more than many of you already have.

If I were to ask for anything less I would be doing a disservice to the American people whom I represent.

And on reflection, taking a historical look at the position of the United States—past, present and future—I think you *could* agree that what I seek is fair.

I would once again thank seatrade for inviting me to participate in this important conference in this historic mercantile capital of the world and I thank you one and all for your patience and attention.

STATEMENT OF CONGRESSMAN MICHAEL J. HARRINGTON ON PRESIDENT CARTER'S ENERGY MESSAGE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. HARRINGTON. Mr. Speaker, the battle has finally been joined. The cruel hoax of energy independence perpetrated by past administrations has been laid to rest. In its place the President has issued a call for comprehensive action on the energy front which is both serious and realistic. Serious because it acknowledges that America's joy-ride with the world's energy resources is over. Realistic because it recognizes the limits of technology in solving our energy problems and in being honest about the sacrifices that we as individuals and as a nation must make if we are to enjoy an energy future sufficient to sustain this country's social and economic well-being. And realistic because I firmly believe that the American people and the people of the Sixth District are willing to make their fair share of sacrifices in support of a national energy program which is well conceived and well executed.

I am particularly concerned that the sacrifices which are required—sacrifices in conservation, in higher costs, in altered ways of doing business and altered lifestyles—that all these are shared equitably by all regions. In the past this has not been the case. My part of the country consistently has been forced to pay the highest price for national energy initiatives of little if any value to our region. And, as always, low- and middle-income Americans have had to pay more than their fair share. Such inequities cannot continue. I am confident that the President and Congress will respond positively to any suggestions that may be offered up in ways to moderate the negative regional impacts of our national energy program without compromising its overall objectives.

We in Massachusetts and New England are greatly relieved that the entire Nation has at last been given notice that the energy crisis is continuing and for real—something my constituents, who pay 50 percent more than the national average for their electricity and who have paid for past inaction on the energy issue with a significantly decreased standard of living and, in some instances, their jobs, have known for quite some time. Although the price of oil has quadrupled since the OPEC embargo in November of 1973, Massachusetts and New England still are more than 70-percent dependent upon oil and its byproducts for energy. This dependency means that billions of dollars are flowing out of the State and regional economies—most of it to foreign lands—to support our oil habit. With New England and its 40 million people facing economic disaster because America has refused to take the energy issue seriously, President Carter's message—regardless of its specific deficiencies—comes as a refreshing tonic.

To solicit suggestions on the entire range of energy issues, I am scheduling a series of public hearings in the Sixth District of Massachusetts. The process of arriving at a national energy policy and program must be an open one, and I look forward to learning firsthand from businesses and households in my district their thoughts on the U.S. energy predicament and the way the President's proposal would affect their lives. These district meetings are essential because no single person, and certainly not I as a U.S. Representative, can pretend to have all the answers to the energy issue. But if we pool our individual resources and talents, we cannot fail to come up with those answers.

TRANSPORTATION AND THE CARTER ENERGY PROPOSALS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. SHUSTER. Mr. Speaker, as the ranking minority member of the House Surface Transportation Subcommittee and Chairman of the National Transportation Policy Study Commission, I am particularly interested in President Carter's energy proposals as they relate to transportation. In an effort to join with the White House in a cooperative venture to enact reasoned and meaningful proposals, I would like to offer the following personal observations:

First. The fundamental objectives of the proposed national energy plan appear to be based on reduced energy demand rather than increased energy production. While conservation, a fair pricing policy, and natural marketplace fluctuations will all have an impact on energy resources, I believe more effort should be directed toward increasing energy productivity.

Second. The President's fuel pricing proposals are aimed at achieving parity with the true replacement cost of energy. This is to be at least partially achieved through taxation, which in turn will adjust market conditions allowing the price of energy to reach a natural level. I believe this objective could be accomplished more easily and more fairly by simply decontrolling the price of energy so that the price will accurately reflect natural market conditions rather than artificially induced conditions.

Third. The proposed graduated tax on big gas-guzzler cars and tax credits for the purchase of fuel-efficient cars is one worthy of serious consideration. I first introduced this concept several years ago in testimony before the Ways and Means Committee during consideration of Federal-aid highway legislation, and still believe it has merit.

Fourth. The proposed standby gas tax may prove to be necessary over time, but the inequities in this proposal make it wholly unacceptable except as an emergency measure. For example, any gas tax increase as a penalty for not meeting national energy objectives, without redistributing the money back into transportation programs and facilities, is discriminatory against rural Americans and others who do not have access to mass transit systems. Rural Americans do not have the option to choose an alternative to auto travel, and any penalty imposed on autos or gasoline would place then in a position of disadvantage compared with urban dwellers.

Fifth. I am very concerned about the proposed expanded use of the Highway Trust Fund to compensate States for a loss in gas tax revenue due to reduced auto travel. This concept was first introduced by the Ford administration 2 years ago and was decisively rejected by the Congress. While highway repair and maintenance is critical to the safety of auto travel, and have traditionally been the responsibility of the States, it is not true that State gas tax revenues are devoted exclusively for this purpose. Many States use gas tax funds for State police activities and other programs totally unrelated to transportation.

Using Federal gas tax receipts for repair and maintenance activities would, in my opinion, set a dangerous precedent that could ultimately involve the Federal Government in direct maintenance and repair programs.

If reduced auto travel places some States in a financially depressed condition, I believe that problem should be dealt with on its own merits without additional Federal intervention and intrusion into State highway programs.

Sixth. I agree with the President's proposed repeal of the 10-percent excise tax on intercity buses as an incentive to increase this form of travel. But unless this reduction filters down to the consumer, making intercity bus travel more attractive to more people, it will have no beneficial effect on our national energy program.

Seventh. I was very surprised to learn that the President is recommending the establishment of a commission on national energy transportation systems for two reasons: First, this is inconsistent with the White House initiative to reduce the number of Federal advisory groups as a means of streamlining the Federal bureaucracy. And second, the congressionally created National Transportation Policy Study Commission, of which I am Chairman, has a statutory mandate to include energy resources and needs in its overall evaluation of national transpor-

tation policy. The creation of a separate commission at this time is duplicatory, and I would urge that the White House work with the National Transportation Policy Study Commission to develop national energy transportation recommendations.

Eighth. In summary, I am impressed by the scope and comprehensiveness of the President's energy proposals despite what I believe to be inherent pitfalls and inequities for certain segments of our population. In my capacity as ranking minority member of the House Surface Transportation Subcommittee, and Chairman of the National Transportation Policy Study Commission, I intend to work toward the realization of the President's national energy objectives through the legislative process, and I trust that this first step will illustrate the deep concerns we share about energy independence.

HUMAN RIGHTS VIOLATIONS: CUBA—I

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ASHBROOK. Mr. Speaker, Senator GEORGE MCGOVERN has returned from a trip to Cuba urging closer relations with that country and a partial lifting of the trade embargo. The Carter administration has been reported as trying to expand current fishing negotiations with Cuba into wider ranging ones. From all this it is obvious that there is a move on to eventually reestablish full diplomatic relations with Castro's regime.

President Carter has also enunciated a policy of strong support for human rights throughout the world. The desire to have closer relations with Cuba and the policy of supporting human rights is in some conflict. In addition, there is the issue of Cuban troops in foreign countries, particularly Angola, and its continuing involvement in the internal affairs of other countries.

Let us then take a look at the historical record of Castro's violation of human rights.

After Castro came to power there were the circus-type public "trials." No efforts at due process were considered. The accused were brought before mobs, sentenced and executed summarily. Movies documented the slit-trench scene with the condemned getting their last cigarette and then being machinegunned into their open graves.

In May 1963, the Inter-American Commission on Human Rights of the Organization of American States reported on the situation of political prisoners and their relatives in Cuba. The Commission found that arbitrary arrests were made; they were made without ascertaining if the right person was being arrested; arrests were made in the middle of the night or at dawn; people seeking information on individuals arrested often were arrested themselves; arrests were made without any explanation or warning.

The political prisoners according to the Commission were held in conditions worse than barbaric. Underground dungeons used during the period of Spanish rule were reopened to house political prisoners. Such prisons lack ventilation, light, space, and sanitary facilities. Torture chambers have been opened. Concentration camps have been set up with little shelter, corporal punishment, and forced labor.

Political prisoners—again according to the Commission—have been tortured, threatened with additional punishment, and beaten. Many of these prisoners die because of a lack of medical care; others are driven insane. The families of political prisoners also have been mistreated. This runs from being arrested themselves to having to wait for hours or days at a prison to see a relative when such visits are even allowed.

Some may say that all this is ancient history—that all this happened in the early 1960's and things have changed. The evidence points in the other direction. Thousands of Cubans are still political prisoners and mistreated. Arrests continue.

In July 1975, the International Rescue Committee stated there are still thousands of political prisoners in Cuba. In the words of the International Rescue Committee there is "an unconscionable length of incarceration."

Recently, Of Human Rights carried an article from the Miami Herald of May 1976. According to the article, there exists "the same 'idiosyncratic and extreme totalitarianism of the Cuban penal system' observed by Amnesty International in 1973." Also, according to the article:

> Corroborated reports of incidents within the past four years indicate prisoners have been beaten to the point of concussions, fractured skulls and broken bones for refusing to submit to a nude search prior to the admission of visitors, leading hunger strikes, passively resisting transfer to another jail or cell . . .

Little investigation was given to the Boniato massacre. It has been reported that in 1975 in the Boniato prison one political prisoner contracted tetanus after removing two teeth with the handle of his spoon. The prison holds about 100 or more political prisoners locked inside windowless steelpacked cells. The prisoner was refused medical attention. Inmates banged their protest with their tin cups. According to reports, guards opened the cells and beat the prisoners with rifles and machetes. Guards then opened fire. Two prisoners were killed and 60 to 70 wounded.

The conclusion is inescapable: Castro's regime pays no attention to human rights in Cuba while alleging human rights violations in other countries. To support by words human rights while engaging in activities, to have closer relations with Castro's Cuba where human rights are not respected are two contradictory policies. Castro's regime is no protector of human rights.

SALT AND THE TRANSFER AMENDMENT

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. MITCHELL of Maryland. Mr. Speaker, the first concurrent budget resolution for fiscal year 1978 is scheduled for consideration on the floor of the House next week. I have intentions of offering a transfer amendment, in the form of a substitute, to reorder the priorities of the budget resolution as reported out of the Budget Committee, on which I serve. I have received correspondence suggesting that the transfer amendment is in conflict with the SALT negotiations. I hope this short analysis will clarify any misapprehensions experienced by my colleagues on the implications of the transfer amendment on the SALT negotiations.

SALT AND THE MILITARY BUDGET

Cutting the military budget during the SALT negotiations is both responsible and necessary. It is the most important step for Congress to take at this time to achieve the goal of meaningful arms control and reduction.

Arguments have been raised against the Mitchell transfer amendment because of the timing of the SALT negotiations. It has been suggested that Congress refrain from reducing military expenditures while SALT talks proceed.

It would be both counterproductive and unwise to accept these arguments:

First. The SALT negotiations have broken down.

This is untrue. The negotiations are continuing. The Soviet Ambassador has met with Secretary Vance and President Carter to discuss the proposals. Both sides will resume formal negotiations in May in Geneva. Following the initial exchanges after the Moscow meeting, both President Carter and Secretary-General Brezhnev have been unusually cordial and flexible in their public statements. The only reasonable conclusion to draw is that both sides remain deeply committed to achieving an arms control agreement through the SALT framework. The question for Congress to consider is how it can help these negotiations to succeed.

Second. A "real growth" military budget will signal the Soviet Union that it must either accept U.S. proposals or face an enlarged U.S. military threat.

If the premise behind this statement were true—that a threat produces compromises in negotiations—then logically the current alleged "Soviet military threat" that we hear so much about every day should be forcing the United States to make concession after concession in SALT. Clearly this has not happened. The scare campaign about the Soviet military has had the opposite effect in the United States. The same would be true of Soviet reaction to a U.S. threat.

No big power will be coerced or

stampeded into making agreements which compromise its vital security interests. Both sides must be committed to seeking arms agreements as an alternative method of protecting security. If Congress turns the military budget into a club against Soviet negotiators, the Soviet stance would stiffen and the negotiations would be adversely affected.

Third. Adding new weapons systems gives the United States more "bargaining chips" to trade in the SALT talks.

The "bargaining chips" theory is a major reason for the failure of seven years of SALT talks to restrain or reduce nuclear arms. Any weapon lethal enough to be a credible bargaining chip also becomes attractive to the military. These weapons soon generate their own military, economic and political constituency which resists any effort to negotiate them away.

Two of the most dangerous weapons systems now subject of the SALT II negotiations originated as "bargaining chips". The MIRV system was proposed originally as a bargaining chip against the ABM system. ABM's were negotiated away—but the MIRV remained, and the result has been a vast increase in the number of nuclear warheads which threatens, rather than protects our national defense. The cruise missile was funded originally as a bargaining chip following the SALT I agreement. It now threatens to become the roadblock to SALT II.

Previous experience indicates that the "bargaining chip" policy hinders rather than expedites SALT negotiations and the goal of arms reductions.

Fourth. The SALT experts rather than the Congress should decide which weapons systems should be controlled.

This argument is unconstitutional in its implication and irresponsible in its impact. It suggests that Congress should give up its constitutional obligations concerning the military and the power of the purse and hand these powers over to a group of unelected experts who in their greater wisdom will make the best decisions. The expertise and wisdom of our negotiators are high, but nonetheless they are not mentioned in the Constitution. Congress alone is accountable to the American people for budget decisions. It cannot delegate its responsibility.

Fifth. The military budget should be expanded as a hedge against a SALT breakdown.

The fallacy of this argument, regardless of who makes it, is that our national safety will somehow be strengthened if we turn American military forces into a mirror image of the Soviet Union's We do not need to match Soviet spending ruble for ruble or warhead for warhead. We need a defense budget sufficient to meet our defense needs.

It is dangerous, unnecessary and expensive to use the military budget as a signal to Soviet leaders that the United States intends to defend itself even if the SALT talks break down. This is especially true given the U.S. nuclear superiority, which President Carter has discussed. Using this questionable method to communicate a political message may well force us to impose a new authoritarianism at home in order to shift still more resources into the military sector.

If automatic escalation is the price to pay for entering negotiations which subsequently fail, then it must be seriously questioned whether any negotiations should ever be entered.

REDUCING THE MILITARY BUDGET

Cutting the military budget and transferring the savings into social programs is perhaps the most important action for Congress to take both to contribute to successful negotiations and to begin the process of arms reductions. The reasons include:

First. Military restraint improves the negotiating climate.

Congressional action to restrain arms development and to reduce execessive military expenditures will be a tangible demonstration to the world of our intention to accomplish "drastic reductions" of weapons. Such action would demonstrate U.S. goodwill and help create a political climate favorable to securing national security through means other than huge arsenals. The United States holds a commanding technological lead in many weapons systems. Suspending the deployment of the MK 12a warhead—which would give the United States a 5-year lead in hard target kill capability—or suspending the development of the cruise missile—in which the United States holds a 5-year technology lead—would surely improve prospects for successful negotiations without jeopardizing U.S. security.

Second. Agreements to limit arms are more achievable before weapons systems are funded than after they are funded.

Once weapons reach the stage of advanced development or deployment, it is almost impossible to negotiate their elimination. First, technology often outraces negotiation. Weapons are often ready to be used before negotiators have found ways to control them. Second, verification is more difficult once weapons have been fully tested. Who knows whether they have been deployed. Once deployed, who can say if they have been removed? Third, the further a weapon system moves toward production, the bigger the domestic constituency becomes in support of it and thus the more difficult it becomes for political leaders to convince the military establishment to give it up.

The cruise missile is an excellent example of all three problems. During the SALT I and early SALT II negotiations, cruise missile guidance technology had not reached a sophisticated level so the weapon was not included in the totals. But now the cruise missile testing program roars ahead while the negotiators fumble for ways to control it. The verification problems are massive: Once the United States has tested the cruise missile at strategic ranges, how are the Soviets to know that we will not deploy it for strategic uses? Finally, the cruise missile now has firm proponents in the Army, Navy, and Air Force—each has its own variant. It has a big political backing as well.

A more realistic approach to arms reductions is to restrain arms in their early budgetary stages and then to negotiate a permanent prohibition in the SALT talks. Our national defense would have been more secure had Congress taken this step during the MIRV development. The same is true today with the cruise missile, maneuverable warheads and other weapons.

Using the military budget to give the negotiators the opportunity to actually reduce arms would be a major step forward. Cutting the military budget is entirely consistent with the goal of arms reduction through mutual negotiation.

Third. Reducing weaponry below SALT levels is consistent with the purpose of SALT.

One of the President Carter's chief criticisms of the previous SALT proposals was that they set guidelines which expanded levels of weaponry on both sides. In the United States a major cause of this problem has been our policy of regarding every SALT ceiling as a new floor for strategic weapons programs. In essence, we responded to the SALT ceilings as if they were magnets.

The Carter administration will have to change this policy to accomplish its goal of "drastic reductions" in nuclear arms. The SALT ceilings indicate only the upper limit of what is permitted, not the lower limit of what is necessary. For example, the Carter "comprehensive" SALT proposal allows the United States—and the Soviet Union—to expand its warhead arsenal by at least 50 percent. But there is no evidence that automatically expanding warhead deployment makes us more secure or stems the arms race.

There may be honest differences in Congress over how much defense is sufficient for the United States, but in no case should the assumption be made that the SALT ceilings necessarily define sufficiency. A limit may be negotiated higher than sufficiency in order to gain the military establishment's approval of a proposal. In this and other cases, independent reductions by Congress would be a constructive solution to a major problem which has heretofore prevented SALT from reducing arsenals.

Fourth. Certain arms control or reductions are desirable even when they cannot be negotiated.

SALT is not the only way to work for arms reductions. Everything should be done to make SALT successful, but the goal of arms reductions should be approached through other avenues as well.

A major difficulty with SALT is that the negotiating process itself creates new barriers to arms control. Asymmetrical force structures—such as the cruise missile—are hard to balance off against each other. Independent initiatives might control such weapons better than bilateral negotiations. The "internal negotiations" between the political and military leaderships within each country can lead to artificially high ceilings in the "external negotiations" between the two countries. One must ask whether the military is supporting Carter's "comprehensive" proposal because it does not require the United States to give up the B–1, the Trident submarine, the Trident missile, the

maneuverable warhead, the nuclear bomb production, et cetera. In this case, putting together a successful negotiation proposal from the domestic political perspective may have prevented successful negotiations from the arms reduction perspective.

The experience of President Ford shows how the very fact of the negotiations themselves creates a domestic political struggle—in his case the Pentagon won—which jeopardizes arms reductions.

Thus, Congress needs to use its power to forward the goal of arms control and reduction to complement the SALT process and take initiatives when SALT is not the most productive approach. Reducing military expenditures is a good example: SALT may produce savings in strategic weaponry, but the military establishment may demand that these savings be reinvested in conventional forces as its price of endorsing Senate ratification of a SALT II treaty. Lowered military sector expenditures is thus better addressed by congressional action apart from, rather than to rely on, the SALT process.

Fifth. Congress must examine critically the conventional force structure which is not subject to SALT negotiations.

SALT negotiations concern strategic weapons. But strategic forces comprise only 9 percent of President Carter's military budget request—$10.619 billion of $120.373 billion total obligational authority. What about the other 91 percent, which comes to almost $110 billion? Clearly Congress has a responsibility to eliminate waste, trim unnecessary expenditures and reduce unwarranted weaponry from the conventional category. This is where the greatest personnel and procurement costs are located—and where the greatest excess is found as well. Thus, the SALT negotiations should not inhibit Congress in any way from considering and reducing conventional force structure expeditures.

Sixth. The role of Congress to reduce the fiscal year 1978 military budget is especially critical due to the Carter administration's inability to submit its own budget.

The Government's military budget request is a bastard child of two administrations operating under different assumptions about the "Soviet threat," U.S. foreign policy commitments and other crucial budget inputs. As President Carter stated in his fiscal year 1978 budget revisions:

> Because the budget revisions had to be prepared in a short time, radical changes in defense programs are not now proposed.

He did, however, initiate a "major review of U.S. defense policy and military programs" which will be reflected in the fiscal year 1979 budget. Under these circumstances, it is necessary for Congress to look closely at programs which the Carter administration did not have sufficient time to explore. Congress should not regard reducing the military budget in fiscal year 1978 as a posture of opposing the White House. The House Budget Committee has already approved approximately $4 billion in savings below Carter's submission. This process should continue and be addressed in the transfer amendment.

Seventh. National priorities must be reordered and funding transferred from military to social programs as a basic commitment to meeting the needs of the American people for social justice.

Our need for social justice must be given a higher priority in decisionmaking for national security. A fortress America bristling with nuclear overkill but decaying internally is an insane model of national security. We simply cannot afford to exempt the Pentagon from critical appraisal and reductions at budget time while domestic programs are forced to eat inflation or while important national initiatives, such as welfare reform or national health insurance, are postponed.

Under President Carter's "comprehensive" arms proposal offered in Moscow, the United States would be permitted to spend $8 billion in fiscal year 1978 strategic programs. Only $140 million would be actually halted. It would be nothing less than a scandal to negotiate under the banner of arms reduction and then to turn around and spend billions of dollars to expand or modernize our arsenal. We cannot let the SALT dividend evaporate as happened with the Vietnam peace dividend. Even if the SALT talks are successful, we cannot fail to transfer precious tax dollars into the programs responsible for the social and economic well-being of the American people.

PUBLIC STILL WAITING FOR EXPLANATION OF HUSSEIN PAYOFFS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. DRINAN. Mr. Speaker, when Jimmy Carter was campaigning for the Presidency last year, those of us who have fought for increased openness and accountability of the CIA were encouraged by his statements on that issue. He promised to diminish the shroud of secrecy in Government and to reveal the details of CIA mistakes to the American people.

It is therefore disappointing that, as President, Jimmy Carter has followed the lead of his predecessors in closing the lid on disclosures of CIA payoffs to King Hussein of Jordan. Rather than explaining or attempting to justify these suspicious payoffs, the President reacted by criticizing the disclosures and asking the public to accept on faith alone that the payments were justified.

I sincerely hope that President Carter's response in this instance is not a harbinger of things to come. It is vital that the CIA be made accountable to the Congress and the American people for its actions. Such accountability cannot be established without the support of the President.

In the following article which appeared in the May 1977, issue of the Progressive, Prof. Arthur S. Miller of George Washington University School of Law analyzes the constitutional implications of the President's response to the Hussein payoff disclosures. I commend this fine essay to the attention of my colleagues:

CARTER AND THE CIA

If there was any doubt that the CIA is, in fact, a "rogue elephant" out of control, as Senator Frank Church once observed, it vanished when the bribery of King Hussein of Jordan was reported in February. The CIA has been paying off Hussein (among others) for many years, and the action has been condoned by several Presidents.

When the story broke in The Washington Post, President Carter reportedly cancelled the payments. He later charged The Post had acted irresponsibly in publishing the article, especially since it appeared on the very day when Secretary of State Cyrus Vance arrived in Jordan to confer with Hussein. The President then announced he was reducing the number of people privy to CIA covert activities, such as the Hussein payments, from twenty to five.

The President's reaction indicates he has already become a prisoner of "the system"—a captive of the weird reasoning that passes for logic where matters of "national security" are concerned. That conclusion is buttressed by other recent Presidential statements, including Carter's assertion that the Hussein payments were neither improper nor illegal. It is not known whether the payments have been resumed.

The episode, as it unfolded, exposed a direct conflict with Carter's rhetoric during last year's Presidential campaign. It also left a number of questions unasked (by the press) and unanswered.

What, for example, are the criteria by which Carter determined that the payments were not improper? They are hardly self-evident, and the American people—in whom the President professed such great trust during the campaign—are surely entitled to know the means by which he reached that conclusion.

And how did Carter conclude that the payments were not illegal? Under what system of law? International law? Constitutional law? Were the payments authorized by statute—that is, by act of Congress. The answer, of course, is that they were not. Since we are given hardly any details about the CIA's operation, and none about its budget, no one outside the inner circles of the Executive Branch can determine whether considerations of legality ever entered into the decisions that led to such payments.

Furthermore, the secret deal with Hussein is analogous to the secret bombing of Cambodia during the Nixon Administration. In both instances, the only ones kept in the dark were the American taxpayers who must pay for such foreign adventures. U.S. officials knew about them, the recipients knew about them, and surely the Kremlin knew about them, too.

That means Presidents have flouted the Constitution in the past, and announced Carter policy of even greater secrecy will increase the likelihood of abuse in the future. The Constitution provides, in Article I, Section 9, that there be a public accounting of all money drawn from the U.S. Treasury. Were that to be given its plain meaning—"all" surely means all—we would be furnished, in the words of the Constitution, with "a regular statement and account of the receipts and expenditures of all public money. . . ."

Supreme Court saved the day for Government secrecy when it ruled in 1974 (in United States v. Richardson) that a taxpayer did not have "standing" to demand a public accounting. Nixon's legacy—the present Supreme

Court, dominated by the four Nixon appointees—now includes preventing a taxpayer from finding out how tax dollars are spent. As Justice William O. Douglas said in dissent, "secrecy of the government acquires new sanctity" when Richardson's wish merely to know how much of his personal taxes went to the CIA was denied.

Just why Hussein was bribed is not fully clear. What was the quid pro quo? He cannot have furnished much in the way of intelligence, for that is readily and more cheaply obtained by other means. His friendship might have been purchased, though it is difficult to say why he would not want to be a friend of the United States—with or without a cash inducement.

If we turn the question around and ask about the legality or propriety of payments to members of Congress from the Korean CIA, a different perspective emerges. Whether or not indictments are eventually brought against the legislators involved, there is obviously something unsavory about American officials on the take from even a "friendly" intelligence service. Would President Carter consider it improper or illegal for, say, Secretary of State Vance or strategic arms negotiator Paul Warnke to receive payments from the USSR, because the Soviets might be anxious to enter into an arms agreement?

During his campaign, Carter promised less secrecy in government. He now asks the American people to trust him because only he has the facts—precisely what "the best and the brightest" asked of us during the Vietnam war. Congress, furthermore, is of no help. Senator Daniel Inouye's Committee on Intelligence is firmly adhering to the dreary pattern of averting the Congressional eye when the CIA steps out of line. The press, after its initial outburst, is strangely silent.

It would be naive to regard the Hussein bribe as an aberration. Other such payments have been and are being made. Indeed, analogous secret foreign adventures have been a hallmark of Presidential policy since the days of George Washington. But long-standing practice is no justification. As Senator Sam Ervin often observed when faced with similar arguments, "We have had homicide and theft throughout human history, but that does not make murder meritorious nor larceny legal."

The Central Intelligence Agency is "a state within a state"—out of control and protected by a President who promised to reveal the "mistakes" the CIA made. One is reminded of a statement attributed to an anonymous aide of President Kennedy: "Everyone believes in democracy until he gets to the White House and then you begin to believe in dictatorship, because it's so hard to get things done." And secrecy is an essential component of dictatorship.

OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ANDERSON of California. Mr. Speaker, on June 6, 1977, Los Angeles will host for the first time the annual International Convention of the Office and Professional Employees International Union. Those of us familiar with the labor movement in Southern California are quite pleased at the prospect of hosting this auspicious gathering, and we sincerely hope that the members attending the convention enjoy their visit to our city.

The history of the Office and Professional Employees International Union can be traced back to February 24, 1904, when the American Federation of Labor issued a charter to "Stenographers, Typewriter Operators, Bookkeepers and Assistants Union, Number 11597," in Indianapolis, Ind. Today, this same organization is known as Local No. 1 of the Office and Professional Employees International Union.

In October, 1904 a charter was issued to Local 11773—now Local 2—in Washington, D.C. The first charter local on the West Coast—and the third established—was founded on April 3, 1911 in San Francisco, Calif. An international office was established for the first time in Vancouver, British Columbia, on March 26, 1931.

In that time, the idea of a union for office workers was quite innovative, since earlier craft unions had specificallly excluded them from their own ranks. Soon, a local had opened in almost every major city in the United States.

Most of the membership of these early locals consisted of office workers employed in trade union offices. Despite the strong growth of the movement, the locals were completely independent of each other, united only through their charters in the American Federation of Labor.

Passage of the Wagner Act in 1935 and the advent of World War II, combined with the growing inflation and low pay, stimulated the desire of office workers to participate in collective bargaining. This trend was encouraged by the growth of the defense industry. As membership increased, more and more local chapters found themselves dealing with the same employers.

Thus, in 1941 the American Federation of Labor adopted a resolution instructing its officers to establish an International Council of Office Employees Unions. It was formed in 1942 in Chicago, and J. Howard Hicks was elected president. On January 8, 1945, at a constitutional convention in Cincinnati, Ohio; American Federation of Labor President William Green personally presented the charter. The Office Employees International Union had been officially established.

Today, the Office and Professional Employees International Union represents over 100,000 men and women. The scope of its operation has grown tremendously, and its membership ranges from Wall Street, and the Tennessee Valley Authority, and the public utilities, to the entertainment and broadcasting industry in Hollywood.

The current president of the OPEIU, Howard Coughlin, was present during the formative years of the union. He succeeded Paul R. Hutchings in 1953. William A. Lowe now serves as Secretary-Treasurer for the organization.

Los Angeles is a fitting place for a convention of labor leaders in the white collar field to be held. Local 30 of the OPEIU was established here in 1945, and existed earlier as a Federal chartered union. I am positive that the 700 to 1,000 individuals attending the convention in June will be pleased with the accommodations that have been made in their behalf.

Therefore, Mr. Speaker, I would like to take this opportunity to extend my warmest welcome to the members of the Office and Professional Employees International Union as they arrive in Los Angeles for their convention. I am positive that the time they spend in our area will be as enjoyable as it will productive.

RESULTS OF THE QUESTIONNAIRE SURVEY OF THE 2D MINNESOTA CONGRESSIONAL DISTRICT

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. HAGEDORN. Mr. Speaker, on February 21, 1977, I sent a questionnaire to 175,000 residences in Minnesota's Second Congressional District. The purpose behind the 12-question survey was to get the opinions of my constituents on some of the issues that are expected to come before Congress.

Approximately 30,000 citizens in my district completed the questionnaire and returned it to me. The results of the survey have now been tabulated and they are interesting and important. I am inserting the results in the RECORD for the information and consideration of the U.S. Congress and the President of the United States. The results of the questionnaire follow:

QUESTIONNAIRE RESULTS

[Answers in percent]

1. Do you approve of President Carter's pardon of Vietnam War draft evaders?

Yes	27
No	66

2. Do you agree that the Boundary Waters Canoe Area should be maintained as a true wilderness area rather than divide it into a wilderness and recreation area?

Yes	64
No	29

3. Do you favor the gradual decontrol of the price of natural gas?

Yes	39
No	51

4. Do you believe that the Federal government ought to spend substantially larger sums for public works jobs in an effort to reduce unemployment?

Yes	26
No	66

5. Do you favor the retention of Section 14 (b) of the Taft-Hartley Act which enables states to prohibit agreements requiring employees to join unions in order to hold their jobs?

Yes	72
No	21

6. Do you think there is need for a constitutional amendment which would establish a longer term of Congressmen and limit service to a specific number of terms?

Yes	47
No	45

7. Do you think there is a need for some major changes in the way the trucking industry is regulated?

Yes ---------- 63
No ---------- 22

8. When a vacancy occurs in the U.S. Senate, would you favor an immediate election to fill the seat rather than allow the Governor to appoint a successor until the next general election?

Yes ---------- 72
No ---------- 21

9. Do you favor the creation of a Federal Consumer Protection Agency?

Yes ---------- 40
No ---------- 50

10. Do you favor the establishment of government held grain reserves to protect against future commodity shortages?

Yes ---------- 46
No ---------- 44

11. Would you favor Federal tax credits for those who insulate their homes or otherwise invest in substantial energy conservation efforts?

Yes ---------- 53
No ---------- 40

12. Do you support or favor the concept of regionalism or regional government?

Yes ---------- 31
No ---------- 56

FALN TERRORISM: A SUMMARY OF THE EVIDENCE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. McDONALD. Mr. Speaker, the FALN—Armed Forces of National Liberation—have exploded over 49 bombs since the terrorist group began its career in 1974. FALN has admitted responsibility for the murder of at least four people and for the wounding of scores. On March 1 of this year I provided a survey of support activities for the FALN, and organized resistance to Federal grand juries in Chicago and New York City investigating the FALN's terrorist violence.

I have often been critical of the mass media for failing to report, or minimizing the danger posed by terrorists and their support networks. On this occasion I wish to congratulate New York Times Reporter Mary Breasted for having written a lengthy and detailed account of the FALN and the evidence indicating that a radical clique was able to obtain administrative positions within the Episcopal Church and divert money to support their secret terrorist activities.

Episcopal Presiding Bishop John Allin should be commended and supported for his responsible cooperation with the law enforcement agencies investigating the terrorist group. And the editors of the New York Times should be praised for publishing Reporter Breasted's story, and should be encouraged to assign more staff time to this area of vital public interest in the future.

The article follows:

THREE-YEAR INQUIRY THREADS TOGETHER EVIDENCE ON FALN TERRORISM

(By Mary Breasted)

The dynamite comes from the Southwest. The bombs go off in Manhattan, the Chicago Loop, the Newark Police Headquarters, the nation's capital. The bombers' notes call for Puerto Rican independence, but Mexican-Americans are among the suspects and subpoenaed witnesses.

Episcopal Church officials have received subpoenas for documents and, having complied, now wonder how serious this breached the constitutional barrier between church and state. At the same time, church staff members and voluntary workers wonder who among them might be or once have been political terrorists or known of one.

These are some of the major elements in a tangled three-year investigation of Hispanic-American terrorism, one of the Federal Government's most difficult and extensive investigations, reaching into New York, Chicago, Denver, New Mexico, Southern California and Puerto Rico. Details of the case are only now beginning to emerge.

It is a search for those who set 58 bombs or incendiary devices in the last three years, people who officials believe are members of the F.A.L.N., or Fuerzas Armadas de Liberación Nacional Puertorriqueña—the Armed Forces of National Liberation for Puerto Rico.

As the investigation proceeds, it focuses more intently on persons who served on the Episcopal Church's National Commission on Hispanic Affairs from 1971 through 1976.

The only known member of the F.A.L.N. was a member of that church commission, a quiet young man who served on its theological task force, helping to write a hymnal and book of religious texts in Spanish while, unknown to some of those who worked with him, he rented a Chicago apartment and—according to law enforcement sources—carried into it the materials for making F.A.L.N. bombs. So far the only person who has been charged is that young man, Carlos Alberto Torres. He is wanted on a Federal fugitive warrant and Federal charges of illegal possession of explosives.

Three other persons sought for questioning by the authorities have disappeared, and a fourth, also once on the Episcopal Church's Hispanic commission is a suspect in a dynamite theft and has been subpoenaed to appear before two grand juries working on the case, one in New York and the other in Chicago.

A detail that emerged about two weeks ago was the reaction of a dog trained to detect explosives when it was taken in the New York apartment of Maria Cueto, the former head staff member with the church Hispanic commission.

The dog, whose sense is regarded as highly reliable by police bomb squads but is of uncertain value in court, indicated that it smelled traces of dynamite in Miss Cueto's apartment. The dog's reaction is now being checked through laboratory tests of materials taken from Miss Cueto's apartment, law enforcement sources said.

Miss Cueto went to jail last month after Federal District Judge Marvin E. Frankel rejected her claims of a First Amendment religious privilege to refuse to testify before the grand jury here, and the United States Court of Appeals recently upheld his ruling. Before she turned herself over to Federal marshals, she told reporters that she knew nothing about the F.A.L.N.

FOUR KILLED IN ONE BLAST

The most serious of the bombings for which the F.A.L.N. has taken responsibility—it has not done so for all 58 under investigation—was the blast at Fraunces Tavern in New York on Jan. 24, 1975. Four people were killed in that blast, and 55 others were injured.

Another blast that the group has said it set, a trap in an abandoned East Harlem tenement, blinded a young police officer in one eye and partially crippled one of his arms.

Most of the other F.A.L.N. bombings have damaged only property, exploding late at night inside or near government buildings, large banks or major corporation headquarters. The targets have been as various as the State Department Building in Washington, the Newark City Hall and Police Headquarters, the Standard Oil Building in Chicago and—last weekend here in New York—Macy's, Gimbels and Bloomingdale's.

The demands, stated in typewritten notes left near the bomb sites, have consistently included Puerto Rican independence from the United States. Recent notes have also made dire threats if the cancer-stricken Puerto Rican terrorist, Andres Figueroa Cordero, is not released from Federal prison before his death. He was sentenced to 81 years for his role in the 1954 incident in which five members of Congress were wounded when Mr. Figueroa Cordero and three other Puerto Ricans fired into the House chamber from a visitors' gallery.

Recent F.A.L.N. notes have also asked an end to the grand jury investigations.

CHANCE DISCOVERY IN CHICAGO

Law enforcement officials knew the identity of no one in the F.A.L.N. until the chance discovery last November by the Chicago police of what has come to be known as a "bomb factory" in the apartment rented by Mr. Torres.

Since then, the grand juries have been empaneled and investigators say they are encountering various degrees of cooperation. Six witnesses in Chicago are challenging their subpoenas, and the challenges are in litigation.

Miss Cueto's secretary, Raisa Nemikin, is with her in the Manhattan correctional facility, also jailed for having refused to answer the grand jury's questions. Both women had been granted immunity from prosecution.

Despite the unwillingness of these witnesses, various police and Federal sources have told the New York Times that they have pieced together the following evidence:

The dynamite found in the Chicago apartment of Mr. Torres last fall was stolen last June from a Deer Creek, Colo., construction site.

Other dynamite used in several bombs that failed to explode in Chicago and New York is believed to have been stolen from the Heron Dam site near Tierra Amarilla, N.M., in the late 1960's.

A University of Colorado van used by a Mexican-American student organization was photographed at more than one New York F.A.L.N. bomb site in October 1974 and was reportedly driven in New York about the time of those bombings by Ricardo Romero, a Denver Chicano activist who had served on the church's Hispanic commission The van smelled of explosives, the Denver police said, when it was returned to Colorado and inspected by a specially trained dog shortly after the bombings.

A second batch of dynamite stolen from the Deer Creek construction site late last summer was recovered by the Denver police in the fall. The explosives were found hidden in a crypt in an old cemetery where Crusade for Justice members were working. (The Crusade for Justice, a Denver Chicano political and civil rights organization that has received church commission funds, formerly employed Richardo Romero.)

Nelson W. Canals, who served on the church commission's staff under Miss Cueto in 1974 and 1975, visited the four Puerto Ricans convicted of the shooting in Congress in 1954 and reportedly told his friends

that he was concerned about them, especially about Mr. Figueroa Cordero. Travel records show that Mr. Canals made several trips between New York and San Juan shortly before and after the Fraunces Tavern bombing.

FIRST MAJOR CLUE

The discovery of the Chicago "bomb factory" was the first real lead in the case.

It happened, according to law enforcement sources, after a narcotics addict living in the same building saw Mr. Torres and a companion—identified as Oscar Lopez, who preceded Mr. Torres on the church's Hispanic commission—carrying giftwrapped packages into the apartment.

The addict waited until the apartment was untended, kicked in the door and found 211 sticks of dynamite in a foot locker and a nylon duffelbag, walkie talkies, scores of propane tanks, blasting caps, detonator cord, watches already wired to serve as timing devices and various other incendiary materials.

The addict started to sell the dynamite, and the Chicago police learned of the venture and made an undercover buy, law enforcement sources said. They arrested the addict, who led them to Mr. Torres' apartment.

They walked in on Nov. 3 without a search warrant. The next day, the F.B.I. obtained a search warrant and made its own assessment of the evidence.

The most interesting piece of material was not the dynamite, investigators have said, but an F.A.L.N. communiqué. Written on paper with the group's symbol—a five-pointed star with the letters imposed over it—the communiqué was the first hard evidence about the identities of people in the group.

A Frontier Airlines schedule for Chicago-to-Denver flights also found in the apartment bore the fingerprints of Oscar Lopez, law enforcement sources said, and fingerprints of Mr. Lopez's girlfriend, Lucy Rodriguez, were found on the giftwrap paper.

THE FOUR ARE MISSING

Mr. Torres; his wife, Haydee Beltran-Torres; Mr. Lopez, and Miss Rodriguez all disappeared after the Chicago discovery and Federal investigators have been unable to trace them.

As the government presses its search for Mr. Torres and for the links between the Southwestern dynamite thefts and the F.A.L.N. bombs, it is proceeding on the theory that Mr. Torres and his friends in the F.A.L.N. used the church commission to cover their activities.

One former commission member, Pedro Archuleta of Tierra Amarilla, N.M., was named in a confidential law enforcement document last November as the prime suspect in the theft of the Heron Dam dynamite, which authorities believe turned up later in the F.A.L.N. bombs that failed to go off.

Mr. Archuleta, who has been subpoenaed to appear before both the Chicago and New York grand juries, declined in an interview to answer any questions about the F.A.L.N. or the church's Hispanic commission.

He said he thought his subpoenas stemmed from the bitter local politics of his area, in which he has taken the side of the leftist La Raza Unida Party against the local Democratic organization.

The local leader of the La Raza Unida Party, Moises Morales, who last fall ran unsuccessfully for sheriff against the Democratic candidate, has also been subpoenaed.

Both he and Mr. Archuleta have been asked to supply the Chicago grand jury with handprints, fingerprints, handwriting samples and voice exemplars. Why would their voice samples be wanted? "Well, some of the bombings were reported in telephone calls to the police here, and those calls were recorded automatically," a Chicago law enforcement official said.

EXTENSIVE TRAVEL

Travel records obtained by the F.B.I. from the agency that arranged trips for commission members, Travel Arrangements Inc., show that commission members traveled extensively in the United States and to Puerto Rico between 1971 and 1976. Several present and former commission members interviewed by The New York Times said that their travels had been legitimate journeys to and from the quarterly commission meetings.

Church officials and commission members said that until this year, when the Hispanic commission was reorganized, the group had an annual budget of $300,000 to $400,000, used for projects helping poor Hispanics in various parts of the country as well as for commission members' travel expenses.

An Episcopal church spokesman said that records of the commission's grants had been locked up to prevent any tampering with what might become government evidence.

One of the questions that Raisa Nemikin, Miss Cueto's secretary, refused to answer before the New York grand jury was whether she knew of any commission funds that went to the F.A.L.N.

Partial records made available by the church showed that the commission had funded several projects that its own members were affiliated with. Among these were the Crusade for Justice in Denver, the Puerto Rican High School in Chicago and the Cooperativa Agricola del Pueblo in Tierra Amarilla, for which Mr. Archuleta works.

Not only participants in these projects and commission members who approved the funding, but also law enforcement officials who have examined the projects in the course of their investigations have portrayed the efforts as beneficient, sometimes vital services.

The Tierra Amarilla cooperative spawned the founding of a clinic that provides low-cost medical care to poor Mexican-Americans in remote valleys near the Sangre de Christo Mountains.

The Puerto Rican High School in Chicago has a reputation as a serious institution that, while espousing a radical leftist philosophy, keeps unmotivated students in school and sends most of its graduates to college.

Now, members of the church commission say they fear that their good works will be tainted by a connection in the public's mind between their programs and the F.A.L.N.

One of the accused was acquitted last week, and all charges against the second man were then dropped.

Violence has been common in the Chicano movement in the last decade, but what the bombing and shootouts in Chicano politics might have to do with the Puerto Rican independence movement is something that law enforcement authorities are still trying to determine. Police in Denver point out that an F.A.L.N. communique was printed in the October-November 1975 issue of El Gallo, a newspaper produced by Denver Chicano activities. The Denver police say they believe radicals there are supplying dynamite to groups elsewhere.

When Maria Cueto and her secretary went to jail, they accused the grand jury and the F.B.I. of trying to thwart the Puerto Rican independence movement.

But the questions that the grand jury reportedly put to them were not about Puerto Rican Independence, but about their last contacts with Mr. Torres, the Fraunces Tavern bombing and the possible flow of money from the church commission to the F.A.L.N.

Whatever the Federal investigators' suspicions are, it was clear from interviews with commission members that Maria Cueto was in a position, as chief staff member, to know more than anyone else about how other members were chosen for the commission

How, for example, was Oscar Lopez appointed as representative from the Chicago region? No one interviewed could recall.

In retrospect, some wondered aloud whether a clique of radicals had moved among them, doing the church's work in public while in private setting bombs.

CONSUMERS HAVE A RIGHT TO KNOW

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. FORD of Tennessee. Mr. Speaker, I rise today to reintroduce with additional sponsors H.R. 902, a bill to amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price.

I am proud to inform the distinguised Members of this House that nearly 70 of our colleagues have joined me in cosponsoring this important legislation. Moreover, it has the enthusiastic support of the Retail Clerk's International Association, the Food and Beverage Department of the AFL–CIO, several regional supermarket chains in my congressional district, every major consumer organization in the country including the Consumer Federation of America and, last but most important, the American people.

I have received a number of letters from citizens across the Nation who endorse the concept embodied in H.R. 902, and I would like to take a moment today to share some excerpts from these letters with my colleagues here today:

MEMPHIS STATE YOUNG DEMOCRATS,
Memphis, Tenn.

MR. HAROLD FORD: Thank you for your letter of February 15, 1977, concerning the bill requiring supermarkets to label their goods showing the selling price. I am in favor of your bill and appreciate your endeavors to keep your constituents informed. I myself am employed by the Kroger Company and do not feel supermarkets can justify *not* posting prices; this practice is unfair to the consumer. Please keep the supermarkets from imposing computer-assisted checkout stands.

Thank you again for your concern and dedication.

A loyal Democrat,

MS. LINDA C. WARREN.

MEMPHIS, TENN.
March 18, 1977.

Congressman HAROLD FORD,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN FORD: I appreciate the News Release you recently sent to the 8th District. I am sure some of your decisions are not popular with your fellow Congressmen.

I sincerely hope H.R. 902, the mandatory price-marking bill will be made into law in the 95th Congress. That is of importance to every person. It is absolutely a necessity that items for sale have the price marked on them.

Thank you for a job well done and caring for your people in the 8th District.

Sincerely,

MARGARET ODOM,
Treasurer, Tennessee Auxiliary to American Postal Workers Union.

STARKVILLE, MISS.,

DEAR MR. FORD: I totally agree with your bill. I also am for progress but not to the extent of cutting out jobs with our already unstable economy. I have been in the grocery business for about ten years now, and I know how to please the consumer.

Our customers in this area like service, and expect it. . . .

Thank you,

JIMMY CRUMBY.

Mr. Speaker, my esteemed colleague from the Volunteer State, Ms. LLOYD, was kind enough to forward to me a letter she received from one of her constituents about H.R. 902 which I would like to insert in the RECORD at this point:

FULL PACKAGE AND LABELING ACT

SIGNAL MOUNTAIN, TENN.,
March 25, 1977.

Hon. MARILYN LLOYD,
U.S. House of Representatives,
Washington, D.C.

DEAR MRS. LLOYD: It is my understanding that Rep. Ford of Tennessee has introduced, or will introduce, legislation to amend the above Act to require that packaged consumer commodities be labeled to show their selling price.

Recent TV advertisements by IBM have brought home to me the big "selling" act to consumers to support the universal produce code, which will eliminate the requirement that each item have an item price on each item, a grave injustice to the consumer in the low and middle income class.

I, for one, will never buy any item that does not have a unit price thereon. I am all for progress, provided the computer does not take away what I consider my right to have a unit price on the unit itself, rather than a price on the shelf which I cannot take home with me. If the larger chain stores do get this legislation, to eliminate the unit price on each unit, enacted I am sure there will still be Mom and Pop small stores who do not have UPC and the prices on the shelf rather than on the unit. When I get home I want to be able to check my purchases against the tape—can of beans, for example. I want to know three or four weeks later if the price on this particular can of beans, same label, has increased, decreased, or remained the same. When I leave a store I will, under UPC, have only the cashier's receipt which does not show the price of each specific item. As I grow older it is harder to read the numbers now on the shelves in certain chain stores getting ready for the UPC elimination of the unit price. I will not and cannot shop in a "prices-off" grocery store!

Best wishes.

Sincerely,

Mrs. F. PATTON FENTRESS.

The observation made by Mrs. Fentress about the impact of price-removal on elderly Americans was also made by the National Senior Citizens' Law Center last year when they stated, the Universal Product Code "may also pose special problems for those elderly consumers who may have difficulty bending low enough to see the shelf prices or who have poor eyesight."

Mr. Speaker, H.R. 902 is a cautious yet meaningful step intended to safeguard the basic rights of every consumer—the right to know what goods cost. This measure merely requires supermarkets to continue marking prices in items it displays for sale—it does not require them to do anything new.

Presently, H.R. 902 has a broad-based, bipartisan coalition of 69 cosponsors. I am hopeful that additional Members of this body will join me, not only in sponsoring this measure, but in urging the chairman of the Subcommittee on Consumer Protection and Finance of the Committee on Interstate and Foreign Commerce, the Honorable BOB ECKHARDT, to schedule hearings on it soon. Only by swift enactment of this legislation can we prevent any interruption of item-pricing in our Nation's supermarkets.

RICE PROGRAM

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. MATHIS. Mr. Speaker, the Subcommittee on Oilseeds and Rice, of which I am chairman, recently recommended to the full House Agriculture Committee that the present rice program be continued basically in its present form for another 4 years through the 1981 crop.

The Rice Production Act of 1975, which created the present program for the 1976 and 1977 crops of rice, set target and loan rates at $8 and $6 per hundredweight, respectively, adjusted yearly thereafter to reflect changes in the index of prices paid by farmers. In response to both foreign and domestic concerns over the availability of this important food commodity, the Rice Act provided that rice allotments would not serve as a restriction on the production of rice but only as a base for computing the quantity of rice placed under loan and to compute disaster and deficiency payments when necessary. The subcommittees recommendation of a 4-year extension of this program is based on the majority's view that the Rice Act is in the best interests of both producers and consumers.

For the 1976 crop, deficiency payments to farmers caused by severely depressed rice prices will probably total about $140 million, down considerably from costs in excess of $166 million for the 1975 crop in the last year of the old program. The Department of Agriculture projects that under the Rice Act these costs will drop in half to around $100 million for the 1977 crop. By all accounts, had the Rice Act not been adopted and the old program had continued, the Government would be acquiring most of our production at huge losses and our export markets would have been lost. Because of unusually favorable growing conditions around the world, rice prices are now at their lowest point in 5 years. If conditions return to normal and prices improve, as many experts predict, the cost to the Government will become virtually nil.

Under present conditions, any dramatic shift downward in the loan and target levels for rice, as some are now advocating, could be catastrophic for producers. At the present target rate of $8.25, the average producer, according to USDA cost of production figures, is barely breaking even. Many other rice producers who have lower yields or above average production costs are experiencing benefit of deficiency payments, which may be as high as $55,000 for a grower with a large allotment and big outlays, rice producers are at best recovering their cost of production.

In my opinion, the Rice Act, while imperfect, has been a substantial factor in preventing the wholesale bankruptcy of the rice growing industry, a situation that would be intolerable for the producing regions, the consuming public, and millions of individuals overseas who depend on America as the world's only major exporter of rice. Few Americans are aware that the number of farmers in the United States is declining at an alarming rate, and that the farm population has dropped by 15 percent in just the last 6 years. Unless this number is stabilized soon, our food production may fall under the control of a few oligopolistic corporations, and the days of relatively low food prices will have gone the way of cheap energy.

Although the Commodity Credit Corporation has received under loan a considerable amount of rice this year, world market prices are still above the CCC's cost of acquisition. Therefore, the CCC reserves do not represent losses to the Government. Curiously, critics of farm programs often refer to the costs of these programs as "losses," although we do not hear of the annual expenditures of an agency like HEW as $170 billion in "losses," or that the Government "lost" $5 billion on food stamps in 1976.

Deficiency payments to producers of rice have not been an unfair amount. Total payments in 1 year for rice stabilization are equal to the average outlays of about 6 hours by HEW or a half day by DOD. In conclusion, the present program has proved to be one of the more effective programs of the Federal Government, and I hope the subcommittee's recommendation for a 4-year extension will be enacted.

PETITION TO THE SECRETARY OF AGRICULTURE ON THE QUALITY OF FOOD IN FEDERALLY ASSISTED FEEDING PROGRAMS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. MILLER of California. Mr. Speaker, today a number of nutrition, consumer and children's groups nationwide are joining to sponsor "Food Day" meetings and activities on behalf of improved nutrition programs in our schools and in support of increased attention to nutrition education.

As part of the "Food Day" activities, the following petition was presented to Secretary of Agriculture Bob Bergland calling for improvements in the quality of food served in federally assisted feeding programs:

PETITION TO THE SECRETARY OF AGRICULTURE ON THE QUALITY OF FOOD IN FEDERALLY ASSISTED FEEDING PROGRAMS

We, the undersigned Members of Congress, are greatly concerned about the quality of food being offered to children who participate in the federally-assisted feeding programs in schools, day care centers and child care institutions. The kind of food served shapes children's eating habits for the rest of their lives and has a direct effect on children's health.

The United States Department of Agriculture (USDA) is responsible for insuring that these programs provide meals meeting minimum standards based on nutritional analyses. Unfortunately, USDA has allowed, and even encouraged, the use of non-nutritious and imitation foods. Furthermore, it has dropped its ban on the sale of junk foods in schools participating in lunch and breakfast programs. USDA has also ignored the growing body of nutritional research which indicates that too much fat, sugar, salt, and cholesterol and too little fiber in our children's diets contribute to tooth decay, obesity, heart disease, and other health problems. In addition, the use of fresh, locally grown and prepared food, which serves farmers' interests and reduces energy costs, is becoming the exception rather than the rule in our federal child feeding programs.

Therefore, we the undersigned Members of Congress, demand that USDA take the following steps to insure the quality of the food reaching our nation's children in the federally subsidized food programs:

1. Study the nutrient content of school breakfasts and lunches cooked on-site, prepared in central kitchens, and shipped cooked and frozen from other cities (pre-plated). The nutrient content should reflect food "as eaten."

2. Adopt nutritional standards that would reflect the need for (1) the amounts of all vitamins and minerals currently recognized to be part of a nutritionally adequate diet, (2) a diet low in sugar, salt, fat, and cholesterol and adequate in fiber content, and (3) nutrients to come as much as possible from natural foods.

3. Evaluate the nutritional, social, psychological, environmental, economic and cultural impact and possible consequences of preplated meals and machine-vended foods.

4. Encourage school food programs to be used as learning laboratories for effective nutrition education.

5. Ban the use of fabricated foods until nutritional research shows that such foods both meet high nutritional standards and promote sound eating habits in children.

6. Strictly control or ban from school foods any additives, such as artificial colorings and preservatives, that might represent a health risk to children.

7. Issue instructions which, to the maximum extent possible, encourage on-site preparation of food, the hiring of local people to work in the food programs, the buying of fresh foods from local farmers and merchants.

8. Issue regulations to insure that food service workers have adequate training to prepare appealing, nutritious, inexpensive food.

9. Reissue its ban on the sale of non-nutritious foods that compete with the sale of the authorized school lunch and recommend to school boards that nutritious foods (nuts, yoghurt, fresh fruit, etc.) be substituted for non-nutritious foods (soda pop, candy, potato chips, etc.) in all school vending machines and snack bars.

10. Adopt regulations that would insure the involvement of students, parents and school board officials in menu planning, preparation, and service of food.

11. Issue regulations which establish a pleasant cafeteria environment by requiring a lunch period of at least thirty minutes and encouraging schools to have teachers, the elderly and other adults with students.

12. Establish an office of Deputy Director for Nutrition, Child Nutrition Division, to promote good nutrition in every possible way in their programs.

Henry A. Waxman, 24th District, California; Bruce F. Vento, 4th District, Minnesota; John J. LaFalce, 26th District, New York; Herman Badillo, 21st District, New York; Gladys Noon Spellman, 5th District, Maryland; Walter E. Fauntroy, District of Columbia; William M. Brodhead, 17th District, Michigan; Robert W. Edgar, 7th District, Pennsylvania; Richard L. Ottinger, 24th District, New York; Morgan F. Murphy, 2nd District, Illinois; Leon E. Panetta, 16th District, California; Barbara A. Mikulski, 3rd District, Maryland; James C. Corman, 21st District, California; Cecil Heftel, 1st District, Hawaii.

Tom Harkin, 5th District, Iowa; John F. Seiberling, 14th District, Ohio; Lester L. Wolff, 6th District, New York; Richard Nolan, 6th District, Minnesota; Thomas J. Downey, 2nd District, New York; Richard A. Gephardt, 3rd District, Missouri; Norman Y. Mineta, 13th District, California; Matthew F. McHugh, 27th District, New York; Helen S. Meyner, 13th District, New Jersey; Robert W. Kastenmeier, 2nd District, Wisconsin; Philip R. Sharp, 10th District, Indiana; Yvonne Brathwaite Burke, 29th District, California; Shirley Chisholm, 12th District, New York; Patricia Schroeder, 1st District Colorado; Edward W. Pattison, 29th District, New York; Anthony Toby Moffett, 6th District, Connecticut; Don Edwards, 10th District, California; George Miller, 7th District, California; Ted S. Weiss, 20th District, New York; David E. Bonior, 12th District, Michigan; Glenn M. Anderson, 32nd District, California.

UNDOING OF THE SERVICE STATION

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. HANSEN. Mr. Speaker, service station operators have had problems of pressing concern for a number of years, problems which seem to be getting progressively more acute.

The following article by Nicholas von Hoffman depicts the operators' serious problems in classic Von Hoffman style.

I do not subscribe to proposals to break up the major oil companies, but I do agree the little guy is overmatched and the consumer continues to get less service for more money.

I insert the following article:

UNSERVICE STATIONS

(By Nicholas von Hoffman)

It's a bit late in the day, but the major oil companies are admitting that they have been hosing their gas station operators just as the dealers have charged for years and years.

"The big companies didn't give a damn about gasoline marketing; it was just a necessary evil," Maurice Holderaf, the former top marketing official for Shell Oil, told The Wall Street Journal's Peter B. Roche, who writes (March 28): "The purpose of the service station was to keep pumping as much gasoline as possible—whether at a profit or not—so the companies could make their big profits at the wellhead."

The Journal asserts that the oil companies have looked on their gas stations as "loss leaders," a management philosophy which explains why the dealers have been screaming for decades that they're little better than impecunious, indentured servants to Exxon, Mobil, Texaco and the rest of the major oil companies.

From this unlooked-for source also comes the validation of the oil company critics who have charged that these gigantic corporations manipulate their books so as to hide their true profit-and-loss picture to escape taxation. By running their gas stations as a bookkeeping loss and pretending their profits come from drilling and pumping they can exploit particularly generous tax gimmicks like the famous oil depletion allowance. (The oil depletion allowance has now been cut back but there are other clauses in the tax which are as good if not better.)

These admissions strengthen the case of those pushing for oil company divestments, that is telling the so-called integrated companies that they can discover crude and pump it, but they can't be in the refinery business also, or the pipeline business, or the gas station business.

In the last five years 37,000 gas stations have been closed, most of them by major oil companies who intend to do with the owner-operator gas station what the giant supermarket chains did to the small owner-operator grocery store a generation ago. Goodbye to those TV commercials with the nice guy in overalls helping the cute little girl put air in her tricycle tires while the music-over chorus sings, "I can be very friendly, yes I can."

In the gas station of the future, if Exxon has its way, will be an indifferent attendant seated in a bullet-proof-glass box into which you will slip your money through a slot before you pump the gasoline into your car yourself. If your windshield is covered with mud and crud, bring along a bottle of Windex, good buddy, or use your shirttail. The new, modern gasoline station like new, modern super markets will feature no conveniences and no services whatsoever. You get no mechanic, you get no air for your tires, you get no credit card, and, most of all, you get no help.

In return for paying through the slit in the glass, you will pay more per gallon. There's no way around it because the conversion is going to cost tens, if not hundreds of millions of dollars. And this at the very time when you can't pick up a business publication without reading of some oil company executive lamenting "the capital shortfall" which is depriving the industry of the money it needs to discover and drill. Talk about profligate waste and madness, the industry proposes to junk 189,000 already-built, already-paid for, perfectly functional gas stations when it says it's short of cash.

Presumably the oil companies want to convert their retail operations because they believe high-volume chain outlets with few employees is the economical way to go. That's what they thought in the food business when such enormous financial muscle was put on the mom-and-pop stores to drive them out of business. But the calculations were wrong. Experience has taught that small chains with but six or seven stores have the lowest costs, and that, far from being uncompetitive, mom-and-pop-type convenience operations like 7–11 do far better than hold their own against the grocery giants.

If the gas stations of our country are closed, it won't be because they are intrinsically unprofitable but because the oil companies own them and the oil companies want to close them. Another source of small-scale entrepreneurial strength will be weakened, and what has been a labor intensive activity will be made overly technological and capital intensive for no very good reason.

Divestiture has been opposed for decades because people say the oil company isn't a monopoly in the ordinary sense. Its sin is

bigness wherein a large corporation controls everything from the extraction of the raw product to its retail sale, but bigness by itself, as this case shows, can be intolerable.

A SOUND PENSION FUND—WHAT IS IT?

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. PICKLE. Mr. Speaker, occasionally we note an alarming statement that pension fund investments are not doing well. Or we might hear an assertion that such-and-such a pension fund has to be sound because it has "never lost a dime." Or we see a statement that such-and-such a pension fund must be doing well because it has a rate of return better than some other investments.

These statements are often off the mark.

As stipulated in the Pension Reform Act passed in 1974—ERISA—the purpose of a pension fund is to preserve the fund for the use of the beneficiaries. It is not to "make money."

The investment policies of ERISA are important because they go not only to the history or record of a pension fund's investments, but to the very structure of those investments. The fiduciary guidelines in this law go to the potential of loss. Funds must be invested so that the potential of large losses is minimized.

An article in the Sunday, March 27, New York Times offers further insight into the meaning of ERISA and into why the law's fiduciary regulations are so important. I would like to reprint that article at this time:

SOME ANSWERS FOR PENSION FUNDS

(By A. J. C. Smith)

The results of pension fund investment in North America during the last decade have been disappointing. A survey of 78 bank commingled equity funds showed that only 21 matched or bettered the Standard & Poor's 500-stock index during the first half of the 1970's.

Today more than $220 billion is invested in private pension plans covering about half of all workers in commerce and industry. With government plans, the total invested comes to more than $400 billion. Pension fund investment performance is obviously important.

A variety of explanations has been offered for the poor performance: a business recession, continuing inflation, the unpredictable behavior of the stock market or, less kindly, incompetent investment management. But the real explanation seems more likely to be found in a more fundamental shortcoming: a failure to define the problem.

When the wrong people, members of the investment community, are asked the wrong question—"How can we get the largest return on investment on these funds?"—getting the wrong answer is almost inevitable. If the basic approach is wrong, then conscientiously developing skills and improving techniques will achieve little.

The purpose of a pension fund is to finance a pension plan. It is impossible to understand the nature and purpose of pension funds without an understanding of pension plans.

It is true that pensions were once regarded as gratuities for long service, with their payment and financing completely under the control of the employer. Then it was reasonable for the employer to see the pension fund as an extension of his business, subject to the same balance of risk and reward that was part of the strategy adopted for the company as a whole. But today pensions are almost universally regarded as deferred compensation.

The pension plan is the device used to pool the employee's deferred earnings with those of other employees of his own and other generations so that he can arrange to spread his earnings during his working life systematically over his natural life and support himself and his dependents after retirement.

This view of the pension plan required a change in the philosophy of investment. And it's true there has been a change in attitude toward pension fund investment. It is difficult to say whether this has resulted from a new understanding of the purpose of the pension fund, or the generally moribund performance of the stock market or, perhaps, the emphasis in the Employee Retirement Income Security Act on fiduciary responsibility.

The legislation has had a significant and beneficial effect. Storing value, preserving capital and accepting responsibility for taking what is, in effect, the beneficiary's money are ideas that are at last getting the emphasis they deserve.

So far so good. It is certainly true that we needed to rethink carefully our approach to the pools of money that represent the efforts of employees to defer their compensation by storing some current earnings. It is important that such funds be invested with the awareness that they are accumulated savings for pensioners and sometimes for widows and orphans. They should not be treated as counters for scorekeeping in a trading game devised by the investment community.

There are some signs that the change in attitude to pension fund investment is in fact providing a new approach to the problem. Recognition is being given, at least in form, to the need to have a specific investment policy, which common sense has always demanded and the Employee Retirement Income Security Act clearly mandates. The objectives, strategies and techniques should be chosen thoughtfully with regard to the final purpose—the payment of pensions—rather than glibly in terms of the jargon of asset mixes, portfolio volatility, beta coefficients and so on.

It is encouraging to note that portfolio selections are more often being based on old-fashioned fundamentals like the determination to preserve capital and the expectation of continuity and growth of income. Of course, capital has to be preserved in terms of purchasing power, which in today's economic environment means it must be made to grow in dollar value to offset the effect of inflation.

But on the other hand, there is also a tendency to adopt defensive attitudes which are in the last resort irresponsible because satisfactory results are sacrificed to maintain a record of actions beyond any possibility of criticism. This is one of the inevitable but discouraging reactions to the recent legislation—a predictable reaction of which Congress should surely have been cognizant when passing massive legislation to correct minor abuses.

The pension fund investor should obviously take the long view because pensions are accumulated over employees' working lifetimes. There is usually little risk attached to this approach because the demands of a pension fund do not generally exceed current income, so that liquidity is not required. In spite of this, investment managers and plan sponsors have too often chosen fixed-interest investments and investments with market values that are not expected to fluctuate to avoid showing investment results that appear unsatisfactory in the short run.

The actuarial profession, in setting the assumptions about the future to be used as the basis for calculating contributions, has sometimes defensively insisted on an unduly conservative forecast with respect to the return on investments. Current contribution requirements are consequently increased beyond the necessary level, and the plan sponsor is restrained from making benefit improvements that would further increase his costs.

What can be done to protect our pension funds from the impact of the latest fashions in institutional investment, to preserve the savings of millions of employees and, in the long run, to insure the continued availability of this pool of capital in the private sector of our economy?

First, responsibility cannot be left in the hands of Wall Street. An introspective institution concerned with the technicalities of trading financial instruments is not best suited to taking care of the futures of our citizens, without some direction.

Plan sponsors must accept the obligation to arrange for the investment of pension funds with the understanding that these are accumulations of the employees' savings in the expectation that, when they have to be used after retirement to purchase goods and services, they will have retained their value. (Of course, if government allows inflation to reduce radically the value of the dollar, it is unlikely that any practicable pension fund investment can protect employees' savings.)

The primary objective of the pension fund is to provide income to retired employees by maintaining the real value of current earnings, deferred to provide pensions. It is only a secondary objective to reduce the amount of current wages or salaries that need be deferred and to eliminate subsequent need for supplementary contributions by earning a satisfactory return on vested funds.

One of the consequences of the Employee Retirement Income Security Act is the shifting of the ultimate legal obligation for pension benefits from the pension fund to the plan sponsor. This does not diminish the responsibility of the others involved in funding a pension plan—the investment manager and the actuary—but there obviously are decisions that the plan sponsor alone is equipped to make.

Contemplation of the purpose of the pension fund provides another insight that should be influential in determining the way in which it is invested. A pension plan is a very long-term financial arrangement—and in the large majority of cases its growth is systematic. The payments to be made into and out of a pension fund can usually be predicted with some accuracy. Even when some unforeseen event occurs that changes the trend, it is usually possible to deal with any adverse effects on the pension fund gradually over an extended period.

There do appear to be signs of a shift toward sounder pension fund investment, with emphasis on fundamental long-term objectives. This will continue if plan sponsors accept their responsibilities and investment managers direct their strategy to preservation of value over the long term.

A MEMORIAL HONORING LT. FRANK WASKOWICZ OF CHICAGO

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. FARY. Mr. Speaker, April 18, 1977, marked the 35th anniversary of the first American air raid on Tokyo. As the war progressed the courage of our American pilots did more and more to help swing the pendulum of World War II in our favor. I had the pleasure of knowing

one such pilot who was particularly brave and patriotic—Lt. Frank "Fritz" Waskowicz of Chicago.

We were close as young men in Chicago. Fritz answered the call of our great country and became a pilot. All who knew him were proud of his military accomplishments and admired his courage and determination.

Mr. Speaker, it was in September of 1942, while involved in a military operation against the enemy, that Lieutenant Waskowicz paid the supreme sacrifice for his country—life itself. He was reported missing in action over the Solomon Islands never to be heard from again.

His passing grieves me even today, but Lieutenant Waskowicz has not been forgotten by the people he fought so gallantly to protect. Recently a committee of community leaders from Lieutenant Waskowicz's neighborhood in Chicago held a memorial in his honor. It warmed the hearts and brought back many pleasant memories to those who attended this memorial.

Lieutenant Waskowicz's brother, Dr. A. T. Waskowicz, along with other members of Fritz's family, Bernice Gorell, Helen Dominion, John Troike, and August Troike, accepted a plaque on behalf of the entire Waskowicz family. Two plaques were assembled in honor of Lieutenant Waskowicz. One plaque had a picture of Fritz as a football player, and the other showed him as a pilot.

These plaques were sponsored and purchased by the Veterans of Foreign Wars Post, American Legion Posts, and Kiwanis Organizations. Each half-year a commander from the VFW Post addresses an assembly of the most valuable players and presents awards to the outstanding athletes. It is hoped that the deeds and heroics of Lieutenant Waskowicz which instilled Americanism and patriotism in the younger players will long be remembered.

Like many of these young players, Lt. Frank Waskowicz was born and raised in the Back of the Yards community of Chicago. He participated, with a characteristic vigor, in football, wrestling, and boxing, starring at Cornell and Davis Square Parks Elementary School, en route to greater fame and tougher competition at Lindblom High School, and then at Washington University where he achieved All-American honors, starring in the Rose Bowl Game—Washington versus Pittsburgh—and climaxing his career by being named the most valuable player.

Answering the call of his country, he enlisted in the Army Air Corp and was commissioned as a lieutenant. At Pearl Harbor he was wounded, and later was reported missing in action over the Solomon Islands.

One of the eloquent speakers who addressed the memorial was Joseph Meegan, secretary of the Back of the Yards Council. He spoke of the tremendous boxing programs that took place in the 1930's and 1940's at Cornell and Davis Square Park and commented that Lieutenant Waskowicz "was a very active athlete who participated in all sports."

The neighborhood council's summer boxing program for youngsters of Chicago was started by the late Mayor Richard J. Daley and will continue under the sponsorship of the present mayor, Michael A. Bilandic. An explanation of the program was highlighted by the introduction of the former middleweight champion of the world, Tony Zale. Mr. Zale presented trophies to a group of outstanding boxers from the Cornell and Davis Park area. There were also boxing exhibitions featuring the outstanding novice boxers from the two areas.

During the memorial I had the opportunity to meet with many of the community's leaders, including members of the committee which organized the memorial; Comdr. John Szalflarski, Town of Lake; Comdr. John Lavrik, Ted Stempien Post; Comdr. John Novak, J. J. Zientek Post; Comdr. Al Hubbel, McKinley Post; Comdr. Chester Stachyra, Darius Garenas Post; Dr. Poronsky, Kiwanis Stock Yards District; Stanley Brode, J. J. Zientek Post; Joseph P. Wagner, Jr., Town of Lake; Comdr. Ted Markowicz, Our Boys Post, and representatives from the Veterans Posts Women Auxiliaries.

I was also afforded the pleasure of meeting with many of the political leaders present which included Mayor Michael Bilandic, Senator Richard M. Daley, Senator Frank Savickas, Representative Michael Midigan, Alderman George Kwak of the 12th, Representative Edmund Kornowicz of the 23d, Judge Art Cieslak, and Circuit Court Judge Joseph Power, all of whom lent their wholehearted support and leadership to this affair.

In attendance were religious leaders such as Msg. John Koziol, pastor of St. Joseph Elementary School who talked with me about Lieutenant Waskowicz's school days at St. Joseph's.

Former Lt. Gov. Neil F. Hartigan presented the family with a personally inscribed plaque and gave an excellent speech ending his remarks by exhorting the audience of "hereditary patriots" to fight for their country with "every ounce of strength" they possess.

Mr. Speaker, at this memorial I was proud; proud not only for Lieutenant Wakowicz and his many tributes, but for this fine area of Chicago with its people so conscientious that they recognize and praise—even long after his death—a man like Lieutenant Waskowicz. It is easy to see where many of Fritz's virtues were first planted.

FIREMEN HONORED

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. BADHAM. Mr. Speaker, I would like to call the attention of my colleagues to the outstanding and dedicated services rendered to their cities by three firemen, who were honored today, April 21, by the Newport Harbor-Costa Mesa Board of Realtors at the annual "Fireman of the Year" awards ceremonies.

The three men chosen for their distinguished service to the public are Capt. Gerald Poarch of the Costa Mesa Fire Department, Glenn Sekins, a paramedic of the Orange County Fire Protection Agency serving the city of Irvine and Capt. Richard Ellerman, who served the city of Newport Beach until he was retired because of industrial injuries last year.

It is indeed an honor for me to rise today to call public attention to the activities of these three superb citizens, who have demonstrated their interests in the public welfare for years by their selfless efforts above and beyond the call of their normal firefighting and public safety responsibilities.

Capt. Gerald Poarch, who has served Costa Mesa for the past 15 years, has devoted countless hours to improving the emergency services rendered by the department in his city. He spent his own time obtaining credentials to certify instructors in first aid and has been the fire department's representative to the council of emergency services.

Additionally, Capt. Poarch has been a member of the Costa Mesa Hospital Auxiliary, active in the fourth grade junior fireman program and chairman of the recycling committee, part of the city's beautification committee.

Glenn Sekins has dedicated himself to service to the youth of Irvine, as an advisor for the Search and Rescue Post No. 891 and by working with the Irvine Unified School District, where he was instrumental in setting up an interaction video television program, to explain the duties of the paramedics to the students and to further acquaint students with all fire department programs.

Furthermore, he has been involved in the new firearms counselor program in Irvine, where the youths of Irvine come to the station to talk to firemen about their problems and gain an outside view on how to cope with them.

Capt. Richard Ellerman, who joined the Newport Beach Fire Department after 11 years of military and U.S. Post Office service, was the epitome of a thoroughly professional fire-fighter during the 19 years he served honorably in the city's department.

Ellerman was known as "Mr. Reliable" by his fellow firemen for the efficient, brisk and expedient manner with which he always carried out his duties and service to the city.

It is with pleasure that I describe to the members of this honorable body the dedication shown by Gerald Poarch, Glenn Sekins and Richard Ellerman in serving their communities, all of whom are in the 40th Congressional District of California. I am proud to know that public service, no matter how backbreaking, how thankless, or how monotonous, can attract men of the calibre of these three men who were honored today in Newport Beach, Calif.

H.R. 6407—AN ACT TO AMEND THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. MADIGAN. Mr. Speaker, yesterday I introduced a bill—H.R. 6407—which

will make several changes in the U.S. Department of Agriculture, Farmers Home Administration, farm ownership and operating loan programs.

This bill is similar to a bill considered in the House Agriculture Committee in the 94th Congress, but which was not reported out of the Committee primarily because there was not sufficient time to take action upon it. It is also similar to a bill—S. 312—introduced by Senator BELLMON of Oklahoma.

There is a need to increase the loan limits for Farmers Home Administration loans, both for ownership and operating loans. The present limits were established in 1970, and I need not remind farmers or lenders that inflation has lifted land values and machinery prices tremendously in the ensuing years.

The credit needs of farmers have risen drastically, and neither the private sector nor the Farmers Home Administration is meeting those needs. This bill by lifting certain limits placed on loans in the Consolidated Farm and Rural Development Act should prove of great help to young farmers starting out in the business of farming. Moreover, it should permit the Farmers Home Administration to work more closely with private lenders, improve quality and expand credit services to all rural borrowers, and insure fiscal restraint and responsibility in the administration of these essential credit programs. I emphasize the latter, because I assume the Farmers Home Administration will continue to manage these programs with some fiscal discipline so that they will not engender larger defaults or be viewed as driving up land prices for farmers.

There are few sectors of our economy that have been as adversely affected by the high costs of oil imports in recent years as the farm sector. Yet, it is the farm sector that is feeling the credit pinch most and is contributing most in offsetting our Nation's balance of payments deficits from burgeoning oil imports.

In the bill I have introduced, I have increased the maximum interest on loans for water and waste disposal systems and essential community facilities made or insured, other than guaranteed, to 5½ percent. Loans made or insured, other than guaranteed, under sections 304(b) or 310B will also be increased in that they will bear interest at a rate determined by the Secretary based on the cost of money to the Treasury.

I have taken this step with the hope that by so doing, the amount of money made available for these purposes will be increased. For instance, I am hopeful that with a 5–12 percent interest rate on community facilities loans we will see some support by the Carter administration and that USDA will urge the Appropriations Committee to increase the amount of funds available for those purposes based on the increased rate of interest to the borrowers and the decrease in subsidy by the Government. It seems to me that if the borrowers can have some confidence that a greater amount of funds are going to be available to them if they are willing to receive less subsidy, that the support may be there to gain acceptance of an increase in this rate of interest on such loans. However, if experience proves that even though the rate of interest has increased on such loans as community facilities or water and waste disposal systems and the amount of money made available for such loans remains the same, then it seems obvious to me that the borrowers will tend to resist any further increase in the rate of interest. So our experience under this bill if it were to become law, it seems to me, will determine the future of how these loans will be handled in the future and whether increased rates of interest resulting in concurrent increased availability of money can be sold as a credible policy in the rural areas.

It well may be that in the course of hearings on a bill such as this, the issue can be "flushed out" fully and commitments either can be made by the administration and the Congress that if interest rates are increased on some of these loans, that the amount of funds made available will also be increased.

If any savings may be effected from the enactment of a bill such as this, I suggest that those funds be utilized for emergency, disaster or crop insurance programs which Congress may enact.

A summary of H.R. 6407, which appears below, explains in greater detail the provisions that are included therein:

SUMMARY OF PROPOSED LEGISLATION

Section 1 makes corporations and partnerships eligible for farm ownership loans as long as the entity does not become the operator of a larger than family-size farm. The credit elsewhere test would apply to both the entity and the principal stockholders or partners. However, the credit elsewhere test would be eliminated for guaranteed loans.

Section 2 authorizes farm ownership type loans up to $200,000, instead of the present $100,000, and up to $300,000 for guaranteed loans. It eliminates the $225,000 total indebtedness restriction that may exist against a farm. It also eliminates the requirement that the county committee certify as to the maximum amount of such a loan.

Section 3 simplifies the definition of "rural", gives a preference to municipalities having a population of not more than 5,500 for subtitle A loans other than business and industry ones, eliminates the confusing "urbanized and urbanizing" test for business and industry loans, and authorizes the Secretary to determine population levels on a when-needed basis.

Section 4 provides that for any loan made under subtitle A on a guaranteed basis, the interest rate will be negotiated between the borrower and the lender. It increases the maximum interest to 5½% on loans for water and waste disposal systems and essential community facilities. Loans made or insured (other than guaranteed) under sections 304(b) or 310B will bear interest at a rate determined by the Secretary of Agriculture after considering the cost of money to the Treasury. It also permits an add-on for the latter loans of not to exceed 1%. Business and industry loans made on an insured basis would continue to be made at their present formula interest rate which permits a slightly higher rate of interest than the proposed cost of money formula for other subtitle A loans. The last amendment in this section would delete the requirement that the Secretary hold any required escrow funds in a segregated account.

Section 5 eliminates the maximum dollar limitation on the amount of new loans that may be held in the Ag. Credit Ins. Fund, as other funds administered by FmHA. It also adds language that would permit the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund to be used to pay holders of any paper sold from the Funds the amounts represented by deferred interest. This will permit the Secretary more discretion in structuring the repayment terms of loans, particularly to young farmers.

Section 6 adds a new section which would authorize the Secretary to purchase the guaranteed portion of any outstanding guaranteed loan from the holder and to use the assets of the Ag. Credit Ins. Fund and the Rural Development Ins. Fund for such purposes.

Section 7 eliminates the transfer of employment and overproduction determinations required by section 310B of the Consolidated Farm and Rural Development Act, as well as deleting the Dept. of Labor certification, where the FmHA financial assistance does not exceed $500,000 or where employment will not be increased by more than 20 employees. The time period the Secretary of Labor has in which to certify as to compliance with restrictions (1) and (2) of section 310B of the Consolidated Farm and Rural Development Act would be shortened from 60 to 30 days.

Section 8 does for operating loans the same thing that section 1 does for farm ownership type loans, including the elimination of the credit elsewhere test for guaranteed loans.

Section 9 increases the operating loan limit from $50,000 to $100,000, and provides for guaranteed operating loans a ceiling of $200,000. It also deletes the requirement that the county committee certify as to the maximum amount of operating loans.

Section 10 provides that the interest rate for guaranteed operating loans will be one negotiated between the borrower and lender, and provides that the Secretary shall set the interest rate after considering the costs of money to the Treasury.

Section 11 deletes Puerto Rico and the Virgin Islands from the eligible areas for emergency loans since these areas are covered by a new proposed definition in section 15. Similar changes are being made in other sections of the Consolidated Farm and Rural Development Act. This section also specifies that an eligible partnership for an emergency loan must be a U.S. partnership. A similar requirement is already imposed on corporations.

Section 12 authorizes loan and grant activity to continue as to existing projects financed in a rural area after the area ceased to be rural.

Section 13 empowers the Secretary to establish an appeal procedure from determinations made by the county committees.

Section 14 exempts guaranteed loans from the credit graduation requirements. It also makes a technical amendment consistent with the amendments made by sections 1 and 8 exempting guaranteed farm ownership and operating loans from the credit elsewhere test.

Section 15 inserts a new definition in the Consolidated Farm and Rural Development Act which increases the jurisdictional area which FmHA may serve to include all commonwealth territories, and possessions of the U.S.

Section 16 specifically authorizes Congress to establish FmHA program levels. Where such a level is established, it must contain both an insured and a guaranteed amount.

Section 17 empowers other Fed. Agencies to become jointly involved with the financing of any program FmHA can finance.

STATEMENT CONCERNING H.R. 6474; A BILL TO MAKE CLARIFYING AND TECHNICAL AMENDMENTS TO TITLE I OF THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. CONYERS. Mr. Speaker, as the title of this bill explains, its purpose is only to clarify a small section of Public Law 94–503 which reauthorized the Law Enforcement Assistance Administration September 30, 1976. The section in question is that one creating an Office of Community Anti-Crime Programs, section 101(c). The Law Enforcement Assistance Administration was concerned that the language in the legislation was vague and they may not be able to carry out the congressional mandate without clarifying congressional intent. The Subcommittee on Crime, which I chair, authored the section and reported a bill with this section in it to the full Judiciary Committee on May 7, 1976. The committee reported H.R. 13636 to the House on May 15, 1976 with section 101 (c) included in toto. The House agreed to the bill on September 2, 1976 without changing the section in question. Several times in the aforementioned legislative process statements were made by myself and my chairman, Congressman RODINO, as to the extreme importance of this section and the program emphasis it represents. The House and Senate met on September 27, 1976 to confer on their respective bills to amend the Omnibus Crime Control and Safe Streets Act. What emerged was Public Law 94–503, signed October 15, 1976, which contained the referenced section just as it appeared in my subcommittee print.

The concept of the program was to encourage community crime prevention programs by creating anti-crime programs to provide direct grants to groups in which members of the community or neighborhood participate. It was felt by the House of Representatives that the new wave of crime reduction activities had to emerge from the grass roots of the country. The Public Law authorized $15 million to be set aside from LEAA's $753 million budget for these purposes The House and Senate Appropriations Committee then appropriated the $15 million for these specified purposes. This was in October. It is now April and not one penny of that money has gone to a deserving group or any group for that matter. I, on November 23, 1976, wrote a letter to LEAA detailing what was Congress' intent in creating the new program. LEAA, on November 24, 1976, requested from the Controller General of the General Accounting Office an interpretation of the legislation. We received on March 3, 1977 a legal opinion from GAO which states there is no need for LEAA to expend any of the funds authorized or appropriated for the purposes set out in the legislation, that is, community anti-crime prevention. This opinion is totally contrary to the whole legislative process and an affront to the Congress. This bill is an attempt to redress the wrong committed upon Congress. Copies of these communications are included for the record.

The technical amendments in H.R. 6474 should adequately clear up any questions as to the intent of the legislation. They answer questions put to GAO by LEAA; namely, does the new Office of Community Anti-Crime have grant making authority?

The answer is yes. It was stated repeatedly in the subcommittee markup and in the committee that the new office would make grants to or contracts with groups, agencies, institutions and organizations which are private and nonprofit to perform effective community crime fighting activities. This office was separated from the normal administrative structure of LEAA for a reason. It would be directly under the Deputy Administrator for policy development. This means it would exist outside of the present Office of Regional Operations. We wanted the office separate so it would get the high visibility it deserves and also so its administration would not be confused with the discretionary fund operations. This is a program whose administration should differ slightly from that of the discretionary fund. We wanted projects to be funded directly from the LEAA Office of Community Anti-Crime programs to eligible grantee groups outside of the normal block and discretionary grant process. These projects would be funded with SPA knowledge however. In fact, another portion of the law requires that the SPA assure the participation of community group members on their advisory boards. It was hoped that these members would lobby successfully with the SPA's for adoption of their projects by the State. The clarifying language in my bill should make it evident that the newly created office is authorized to make and administer grants and contracts.

Who should receive these grants and contracts?

It is stated explicitly that private nonprofit organizations, institutions, agencies and community groups are eligible grantees. There is no necessity for groups to be incorporated to receive these grants as the bill states.

Is there a necessity for the grantee to supply match money?

There is no requirement for match. The funding is up to 100 percent. It was always believed by Congress that the projects involved would, for the most part, comprise very small money awards. Even so, a neighborhood group may not be able to raise a sum to match these grants. Therefore, there is no match requirement.

What would be the purpose of the grants?

The awards would go for the purposes described as examples in the House report of May 15, 1976—H.R. 94–1155—and repeated in this bill. Many of these projects may be described as "victim prevention." In some cases, they would cost no money at all except to send a trained community organizer to a neighborhood to explain good crime prevention activities. LEAA already has 3–5 years worth of reports on successful projects which could easily be replicated. The other type of crime prevention project which requires some use of research into the root causes of crime could be more costly, such as job programs for neighborhood juveniles. There was never in Congress any intent that very large amounts of money would be spent to have an outside group administer this program. It is expected that LEAA would handle grant administration internally. To reiterate that intent, I have placed a percentage limit on the money that can be used for technical assistance grants.

Can the Office of Community Anti-Crime use any part of the $15 million for technical assistance as required in section 101(c)(1)?

LEAA may use part of the $15 million to perform the technical assistance provided for in the legislation. They are cautioned, however, not to award a large grant to an outside contractor to perform the services they are capable of doing in-house since the act allows them this money to be used internally. We have found ever since 1973, when Mr. Santarelli was Administrator, an in-house capability existed to disseminate information to applicants on types of projects and to train citizens to run effective community anticrime programs. We realize the office may need assistance in affirmatively identifying those community groups which could be effective grantees.

What role do the SPA's play?

SPA's may take over the auditing and administering functions of these grants in accordance with their existent letters of credit.

Are grants limited to section 301(D)(6) of part C of the act?

No.

Are these part C grants pursuant to section 306(a)(2)?

No.

Let me assure you, Mr. Speaker, I have worked with the Department of Justice, LEAA General Counsel, the ranking minority members on our Committee Mr. MCCLORY, and the Senate Judiciary Committee to gain their approval of this technical amendment.

ROBERT ABEL, M.D., EAST ROCKAWAY KIWANIS CITIZEN OF THE YEAR

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. LENT. Mr. Speaker, on May 6, the Kiwanis Club of East Rockaway, N.Y., my hometown, will honor as its Citizen of the Year, Dr. Robert Abel, a 30-year resident of East Rockaway. I am delighted to join with my fellow citizens

in paying tribute to this outstanding servant of the public.

This year's Kiwanis theme is "Pride in Our Community." Dr. Abel, through his sefless service to his community, truly exemplifies that theme.

Dr. Abel serves currently as department surgeon of the East Rockaway Fire Department and the East Rockaway auxiliary police; as president of Hose Company No. 1 of the East Rockaway Fire Department; secretary of the E.R.F.D. rescue squad; medical adviser for emergency medical services training for the Nassau County Department of Health; and in a number of other capacities. He also teaches three separate courses for emergency medical training at South Nassau Communities Hospital.

Long before becoming an M.D., Dr. Abel was a member of the East Rockaway Fire Department rescue team. He still responds to fire alarms and rescue calls, and he has been responsible for saving many lives through his dedication.

There is a bumper sticker which says "Firefighters Still Make House Calls." Dr. Robert Abel is a physician who still makes house calls, and he is deserving of the gratitude of the community. His is a record of public service which is uncommonly fine.

H.R. 6464, TO STOP AG-LAND

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ABDNOR. Mr. Speaker, today I have introduced H.R. 6464, to amend the Internal Revenue Code of 1954 to deny tax exemption to any otherwise tax-exempt organization which invests in farm real property.

This bill is a reintroduction of H.R. 4789, which I introduced on March 9, and 11 of my colleagues have now joined me in cosponsorship. They are Mr. MOFFETT, Mr. MOORHEAD of California, Mr. NOLAN, Mr. PATTERSON, Mr. RICHMOND, Mr. SEBELIUS, Mr. SIMON, Mrs. SMITH, Mr. STANGELAND, Mr. STEERS, and Mr. TAYLOR.

Chairman ULLMAN of the Ways and Means Committee, to which H.R. 4789 has been referred, has indicated this legislation may be considered later this year and early next year when the committee takes up the administration's tax reform proposals. Accordingly, a number of my colleagues and myself addressed a letter to Dr. Laurence N. Woodworth, Assistant Secretary for Tax Policy, U.S. Department of the Treasury, urging the administration's attention to this issue and a definitive policy statement from the President.

Although the outcry which developed over the particular proposal which received public attention has apparently resulted in its withdrawal, tax exempt organizations do not require approval from IRS to purchase farmland. In fact IRS would be prohibited from divulging information about such purchases, and it is possible they have already occurred and could continue without public awareness.

Those who wish further information on this vital issue may see my remarks on pages E1363–E1365 of the March 9 CONGRESSIONAL RECORD, which also contains the text of H.R. 4789. The Subcommittee on Family Farms, Rural Development, and Special Studies has held hearings on the Ag-Land I proposal, and a review of the hearing record will reveal the concern it has generated.

In my view it is of extreme importance and some urgency that we act to remove this threat to the future of the family farm system.

MOVING THE MAILS: THE TORTOISE EXPRESS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. CRANE. Mr. Speaker, for most of us, as each day goes by, it becomes clearer and clearer why persons and firms are trying every possible means of circumventing the U.S. Postal Service when conveying messages from one location to another. It can also be deducted, without a special commission and a 3,000 page, 6-month study, that the Postal Service's future looks bleak. Since the study is before us now and the results do not reveal much information that we were not already aware of, I would like to include in the RECORD an article from the Alternative—March 1977—that highlights one incident where the Postal Service "lost," but nevertheless, "won."

[From the Alternative: Mar. 1977]

MOVING THE MAILS: THE TORTOISE EXPRESS

(By Herbert W. Stupp)

"Do you know the way to San Jose?" was Dionne Warwick's dulcet question back in the summer of 1968. But if her question were directed in 1977 to the United States Postal Service—even its San Jose office—the answer would have to be no.

Such, in sum, is the plight of California clothing retailer Mel Solomon. Mr. Solomon's shop, Sportique, depends on a mailing list that is regularly serviced to attract about 85% of its business. In handling third-class flyers announcing an annual summer sale, the Postal Service delivered between 8,000 and 10,000 of Mel's mailers too late or not at all. Plotting out prior performances of Sportique's summer sales, Mr. Solomon determined that the bungled postal delivery had lost him well over $20,000 in profits.

Mr. Solomon's first impulse was to sue the Postal Service for damages, but he was barred from so doing by the provisions for sovereign immunity of the government in the Federal Code. So Mr. Solomon decided on another course of action—bringing suit against the individuals he ascertained as responsible for his loss. His attorney, Roger Marzulla, posits that there is no legal impediment to prosecuting individual postal workers for damages arising from their action or inaction. Indeed, there are at least fifteen precedents in American and British law whereby postmasters were held liable for heedless supervision. Most of these cases were brought in the 19th century.

U.S. District Judge Robert Schnocke, upon hearing Marzulla's argument in court, ruled that individuals employed by the federal government did not have unlimited immunity from suit while executing "non-discretionary" duties of their employment. The case was then transferred to a Judge Harris for trial.

The trial itself was Hollywood stuff. If Messrs. Solomon and Marzulla had staged auditions for the consummate federal bureaucrat to cast as defendant (read: "heavy") for maximum benefit in their crusade, they would have been hard pressed to improve on William Lawrence, the San Jose postmaster and one of nine original defendants in the suit. Mr. Lawrence's arrogance quotient is high, even considering his chosen field. When asked by the Judge why no "delayed mail report" was filed, or why he didn't attempt to isolate the employees responsible for the negligence, Mr. Lawrence replied: "Because, well, employees, your Honor, when it gets down to 'did you,' are not about to admit that they knew that 2,000 pieces were buried under something. So when you ask them, they will deny they were there." The Judge laughed. And asked what his normal procedure would be, were Mr. Solomon to call and complain about tardy delivery of his mailing, Mr. Lawrence countered with: "If Mr. Solomon called me and complained about such a thing, I would tell him, 'I do not believe you.' Then, I will look into it."

Clever cross-examination by Roger Marzulla enabled the plaintiff to focus his legal attack, after trial evidence pointed toward the negligence being insulated within the San Jose Main Post Office. In his final argument, Marzulla exculpated seven of the defendants of any negligence, leaving the San Jose postmaster and assistant postmaster, William Lawrence and Wilmer Bennett, as the sole respondents to the suit.

After four days, the trial concluded. The Court concurred with virtually all of Solomon's legal contentions—that he had lost $20,000 to $30,000, that the San Jose post office had failed to deliver promptly some 8,000 pieces (and failed altogether to deliver 2,000)—but nevertheless ruled that postal employees were immune from legal liability. The Judge ruled that individuals who are employed by the Postal Service are part of its organic whole, and are hence not liable to litigation incurred by their work habits, unless negligence can be linked directly to them. When I asked William Lawrence for comment on the decision, he told me smugly, "The Federal judge's ruling is rather complete."

But Solomon and Marzulla remain undaunted. They have filed an appeal in the Ninth District of the Federal Circuit Court of Appeals, and they intend to carry their legal action as far as their resources and jurisprudence will allow them. An organization based in Washington, the Citizens Legal Defense Fund, has begun to aid the appeal, and has provided $2,000 thus far. Solomon has spent $7,000 of his own funds on the suit. A spokesman for the CLDF, Len Theberge, stressed that the Solomon case had "very significant implications" which could ". . . hold public employees to the same degree of liability as private employees."

It appears that the Solomon case could indeed set a precedent extending liability for federal employees in executing or neglecting their duties. Even the potential of such a weighty legal occurrence ought to qualify Mr. Solomon's case for occasional attention from the networks and the great national newspapers. But after scattered reports around the country, the case has been neglected.

The tribulations of the long-suffering Mel Solomon are exceptional, but not entirely unique. My own mail consciousness has been raised by two particular attempts to communicate with me via the Postal Service. One letter took a year to reach me in New York, having been mailed in Washington. Another, along with a check, took six months from Ithaca, New York. This sort of experience has won countless converts to the Eleventh Commandment of doing business

in New York, "The check is in the mail," without which the town might collapse.

The sheer cost of postage has stampeded people into circumventing the federal mails. The Narragansett Electric Company of Providence, Rhode Island, for example, initiated hand delivery of bills to about a quarter of its 250,000 subscribers. The messengers are Narragansett employees who would have been laid off, but for this ingenuity.

Since 1971, when the independent Postal Service was duly constituted, first-class rates have escalated from 6 cents to 13 cents per ounce. Currently, the organization wolfs down a lump sum appropriation of $1.6 billion, and President Carter is expected to make good on a campaign pledge to make the Postmaster General's post a political appointment once again.

And yet there are developments to cheer the hearts of those who long to see the federal monopoly over the mails felled. J. Edward Day, who was U.S. Postmaster General in the early 1960s, has filed a suit on behalf of the Association of Third Class Mail Users challenging the constitutionality of the Postal Service's monopoly of third-class mail. "We want to have available to us the alternative of using private carriers," he unashamedly told an interview in October. Which goes to prove that given time, even a former Postmaster General can become as wise as Solomon.

NEW YORK STATE CELEBRATES ITS BICENTENNIAL

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. KEMP. Mr. Speaker, the history of my State of New York is the story of the growth of democracy in a wild, untamed land, of the struggle for political and social freedom, and of the establishment of a respect for the fruits of a person's labor and for the property rights that this respect engendered. It is the story of strength in the face of hardship, of the thirst for freedom of a few Yankee "rebels," and the coming of age of one of the Thirteen Original Colonies of these great United States. It is the story of America.

From the original settlement of what was to become the great State of New York, this area attracted settlers of all faiths and nationalities, because of its widespread reputation for tolerance to divergent interests and groups. It was here that the famous John Peter Zenger trial was held in 1733 that was to prove a landmark in the Colonies' fight for freedom of the press.

The first settlers brought with them a sense of order and stability, and a desire to establish a democratic and responsive government. Although the first Dutch and English proprietary Governors in New York were practically autonomous in their rule, gradually an advisory council was established, and later an assembly—which, although subject to veto by the Governor or the Duke of York, was to gather considerable authority in the eyes of the people, and play a substantial part in the Revolution.

It was during the fight for independence that New York proved to be the cornerstone of American resistance to the British troops. Because of New York's strategic location, separating New England from the rest of the colonies, the chief avenue of attack to British Canada on its northern border—also the British military headquarters for the entire New World—it was generally considered that whoever controlled New York controlled the American colonies. As England increased its demands on the colonists in the way of tightened trade and navigation laws and higher taxes, New York played a leading part in American resistance movements. In 1765, the Stamp Act Congress met here to register opposition to the British stamp tax. Later, "Sons of Liberty" erected "Liberty Poles" throughout New York State to dramatize their defiance of English authority. Emotions ran deep on both sides of the independence question, and both sides gathered in size and force.

After the bloody battles of Lexington and Concord, New York was drawn irrevocably into the fierce conflict. The British stockaded their garrison in New York City as the Revolutionary forces captured the important New York forts of Ticonderoga and Crown Point. On July 9, 1776, the New York provincial congress signed the Declaration of Independence, and firmly committed the State to the war for independence. Whigs and Tories fought bitterly, often relative against relative, and the British gained ground in the crucial Hudson River-Champlain Valley.

That summer, Philip Livingston, (one of New York's signers of the Declaration of Independence), joined with two other prominent New Yorkers, John Jay and Gouverneur Morris, to form a committee to draft New York State's first State Constitution. The Convention of 1776–1777 was to acquire the nickname, "government on the run," because the British troops forced it to migrate first to Harlem, then to Kingsbridge, Philipse Manor, Fishkill, Poughkeepsie, and finally, Kingston. There, at Kingston, the constitutional committee was to present its masterpiece—the New York State Constitution—a document that was to outlast the Continental Articles of Confederation by over 30 years. It was a shining example of democracy in action, establishing a bicameral legislature with an Assembly and a Senate, a judicial branch with lifetime appointments for judges, and the first elected governor in the entire fledgling United States. The new Constitution was adopted on April 20, 1977, and proclaimed on April 22 from a platform mounted on a hogshouse. The government of New York was officially established.

In the fall of that same year, New York troops turned the tide of the Revolution at the Battle of Saratoga, and after many more grueling years, joined in the joyous celebration of a free land, the United States of America.

As we join with the citizens of New York State and the New York Legislature as they gather in Kingston this week to commemorate the dedication and the foresight of the framers of our State constitution, let all of us take just a few moments to reflect on the price of peace and freedom, and of those precious liberties that we now enjoy as a result of the efforts of those courageous patriots who fought for their country in every state and region, 200 years ago.

THEY BAKE TO PERFECTION

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. HANSEN. Mr. Speaker, there is, as the following article says, something very satisfying and comforting about a perfectly baked potato.

Read on and learn how you can savor this Idaho delight plain—or with the usual seasonings, and not fear any dietary consequences.

THEY BAKE TO PERFECTION

(By James A. Beard)

In my youth I used to travel back and forth on the train between Oregon and New York. I had the choice of the Great Northern or Northern Pacific, the Milwaukee or the Union Pacific and being a great eater, I almost always took the Northern Pacific because it had a reputation for extraordinarily good food and was known as "the line of the great big baked potato."

The potatoes, specially grown for the Northern Pacific, were huge, weighing over a pound each, and they were always perfectly baked, a great feat in the galley of a dining car, you must admit. They came from the kitchen split and dripping with butter and one ate them with fresh steak, or chops, or fried chicken, sometimes with fresh trout put aboard at one of the station stops. They had a quality one seldom finds and they baked to perfection. I have never forgotten how good they were.

There is something very satisfying and comforting about a perfectly baked potato. The beautiful floury lightness and delicious crisp, chewy skin with an earthy flavor intensified by the baking process need no dressing up. I prefer to savor that earthy flavor with just freshly ground pepper and a little salt (if I am allowed it)—no butter, no sour cream, no chives. Maybe a little bit of butter with the skin, but more often only more pepper and salt.

It's good to know that eating a plain baked potato, with butter or trimmings, is a very low-calorie experience. A potato has only about 90 calories, and a good deal of riboflavin, iron, thiamin, niacin and vitamin C. The Department of Agriculture research division tells us that a diet of whole milk and potatoes would supply almost all the food elements necessary for the maintenance of the human body.

So many people who are dieting say they love potatoes but wouldn't dare to eat them because they are fattening. That's hogwash. Ounce for ounce, a potato has about the same number of calories as an apple, pear or banana, and it is certainly more filling and satisfies the craving for something different in taste and texture from the usual diet foods.

Of course, if calories don't count with you, there are many ways to eat a baked potato—with good sweet butter, salt and pepper, with yogurt, sour cream or creme fraiche, maybe some chopped chives or crumbled bacon or finely cut green onions.

Or you can bake your potatoes, take them out of the oven, cut off about a quarter inch across the top, scoop out the pulp, mix it with butter, bacon bits, chopped onion and parsley and shredded Gruyere cheese, return it all to the shell, dot with butter, sprinkle with Parmesan cheese and pop in a 350-de-

gree oven for 15 minutes to reheat and blend the flavors.

Then there's that extraordinarily good first course or luncheon dish of baked potato with caviar that was first served, if I remember rightly, on the Hamburg-American Line, and then taken up by other steamship lines.

For this you bake the potatoes in a 400-degree oven until fluffy and tender, break them open, add a large spoonful of caviar and a spoonful of sour cream and serve at once. You can sprinkle the sour cream with chopped chives or onion, if you like, but it is not really necessary. Just the combination of the hot fluffy potato and the delicious caviar, with the benison of sour cream, makes this a never-to-be-forgotten treat.

Another way to bake potatoes is to slice them in thirds straight across, arrange them on a lightly buttered baking sheet and bake them for about half an hour at 450 degrees until they are crisp, brown and puffed on the surface and moist inside. I also happen to like overbaked potatoes—potatoes baked at 400 degrees for 2 hours instead of one, which gives you a thicker, crispier skin with less of the white starchiness. Somehow, when baked this way, the potatoes take on an entirely different flavor.

I often bake the skins, after removing the baked potato pulp for another dish. When all the pulp is removed, cut the skins into strips about an inch wide, with scissors, put on a baking sheet, brush them generously with melted butter, season with salt, pepper and a dash or two of Tabasco and either put in a 475-degree oven or under the boiler until they brown and become quite crisp (if you use the broiler, make sure they don't burn). Served with drinks, as an hors d'oeuvre, they are better than any potato chip.

ISRAEL EXPO '77 TO BE HELD IN WORCESTER, MASS.

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. EARLY. Mr. Speaker, the Jewish Community of Worcester, Mass., is planning an 8-day "Israel Expo '77" to take place from May 8 to May 15, 1977. The Jewish Community Center and its grounds will be transformed into a miniature Israel, portraying the country in all its aspects: religion, business, science, agriculture, life styles, food, and entertainment.

It is with great pleasure and pride that I recognize the cultural and educational importance which this week-long "happening" will have on the entire community. Hundreds of volunteers and professional technicians have been donating their time and contributing their efforts to insure that the project achieves the tremendous success it richly deserves. In addition to involving the total Jewish community—10,000-member—Israel Expo has sought the active cooperation of Worcester's other religious groups and the business and academic communities as well.

Mr. Speaker, this project is the first of its kind to be undertaken in New England. It has been pioneered by several other communities across the country and received tremendous public reception. More than 30,000 visitors from all over New England are expected to attend and enjoy the many unique and exciting features of Expo.

The event is being cosponsored by the Worcester Jewish Community Center and the Worcester Jewish Federation, with the cooperation of the synagogues and affiliated Jewish organizations. The purpose of Expo is to deepen understanding and knowledge of Israel's 5,000-year history and achievements as a modern state among both Jews and non-Jews.

From 10 a.m. to 10 p.m., May 8 through May 15, the Community Center on Salisbury Street will become a living, walk-through panorama of Israel, featuring large-scale replicas of the Western Wall and the Jaffa Gate. Visitors of all faiths and ages will be invited to "come walk this land." They will have the chance to experience the sights, sounds, and smells of life in Israel—walk through the Jaffa Gate to Old Jerusalem, bow their heads at the Western Wall, feast on "falafel," "kebags," "shashlik," and other delicacies, visit a working kibbutz, hunt for bargains in an old city bazaar, and much more.

Mr. Speaker, I offer my highest words of commendation and praise to the many persons who have actively been participating in the planning of this great event. I am, indeed, proud of my constituents for their efforts in this undertaking, I wish them tremendous success, and I eagerly look forward with much enthusiasm to visiting Israel Expo.

At this point, Mr. Speaker, I would like to include a list of some of the attractions planned for this event, for the information of my colleagues:

ATTRACTIONS PLANNED

A reproduction of the Western Wall, part of the wall Herod built in the 1st century B.C. around the Temple in Jerusalem.

A replica of the Jaffa Gate, one of the 8 gates through which one enters the old walled city of Jerusalem.

A display of the only copy of the Dead Sea Scrolls in the Western Hemisphere. The exhibit will include an exposé of the Scrolls' "Worcester Connection."

A working Kibbutz, constructed and lived in by teenagers; including lookout tower, gardens, livestock and chickens.

Models of Jerusalem and Massada, the fortress on which hundreds of Jews committed suicide in face of imminent capture by Romans after a three year siege two thousand years ago.

A walk-in archeological model of a Tel, with collections of artifacts dating from different periods of Israel's history.

A typical Old City Bazaar, selling Israeli fashions, jewelry, rugs, wall hangings, etc. in a wide range of prices.

An Art Exhibit of Israeli painting and sculpture made available by Boston and New York galleries, on sale in a wide range of prices.

A Cabaret presenting Fashion Shows and Night Club entertainment by professional Israeli performers.

A Restaurant and Snack Bars featuring Israeli food, emphasizing Middle Eastern specialties and Central European kosher food.

An exhibit of current and ancient Coins and Stamps.

A Biblical Garden featuring ancient and modern plants referred to in the scriptures.

A Ham Radio Station transmitting messages to and from Israel.

A "walk" through the history of the Holocaust, with special sound and light effects, starting in Hitler's Germany and ending with embarkment to Israel.

Displays demonstrating Israeli Scientific, Industrial and Irrigation techniques and the development of medicine and health care in the modern State.

Mini-lectures, Films, and Slide Shows on various aspects of life in Israel.

AMERICAN TRAUMA SOCIETY

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Miss JORDAN. Mr. Speaker, I would like to bring to the attention of my colleagues the existence of the American Trauma Society, an organization incorporated in 1968 to combat our national epidemic of trauma. The American Trauma Society is a national, not-for-profit, voluntary health organization which brings together health professionals and interested lay persons. Currently, the society is a network of 34 incorporated State divisions—and an additional number of city or community units—with headquarters in Chicago, Ill.

From April 28, 1977, to May 1, 1977, the American Trauma Society will hold its fifth annual meeting at the Shamrock Hilton Hotel in Houston, Tex. On this fifth anniversary of the actual organization of the society, it is holding its annual meeting in Houston to honor its Texas division, which was the first officially chartered ATS division.

This annual meeting itself brings the society to a new level of organizational consciousness. On Saturday, April 30, 1977, the society will present officers or executives from more than 20 trauma-related organizations and agencies in a special 1-day forum entitled "Trauma Is Everybody's Business."

Presentations will fall under six major areas of concern: Prevention, first response, qualified assistance, hospital facilities and personnel, and rehabilitation. Organizations now making special efforts in each area will have an opportunity to explain just what it is they are doing, what successes they have had so far in their work, and how other allied organizations can help increase the effectiveness of that organization's efforts.

Organizations and agencies participating in "Trauma Is Everybody's Business" are: The Division of Emergency Medical Services of the Department of Health, Education, and Welfare; National Safety Council; American Telephone & Telegraph; National Association for Search and Rescue; American Heart Association; American National Red Cross; National Association of EMTs; International Association of Fire Chiefs; Department of Transportation; Military Assistance in Safety and Traffic; American College of Surgeons; American Hospital Association; American College of Emergency Physicians; Emergency Department Nurses Association; American Dental Association; American Medical Association; American Burn Association, National Paraplegia Foundation; Shriners Burn Program; and, the Veterans' Administration.

The successful presentation of this forum will represent a major American Trauma Society effort to begin fulfilling

one of its basic goals; To organize and coordinate all persons—lay and professional—involved in trauma awareness, response, and care for the acceptance, promotion, and support of optimal trauma response and care within the community.

Other goals of the Society are:

Increasing public knowledge and understanding of trauma, motivating each person so the toll of trauma is reduced through personal action at the community and national level;

Promoting and supporting the initial and continuing education of physicians, nurses, and allied health personnel involved in trauma response and care; and,

Supporting research and the systematic gathering of data to determine the effects of trauma and to improve the care of the trauma patient.

Trauma means injury, any kind of injury. Often, we think of an injury as occurring from "just an accident," but 105,000 Americans did not call their injuries "just an accident" in 1974. They died from trauma.

Trauma is the leading cause of death among all persons aged 1 to 38. It is the fourth leading cause of death among persons of all ages; 11 million Americans suffered disabling injuries in 1974, and 380,000 of these suffered permanent impairments from their injuries.

In total, an estimated $43 billion is spent each year in the United States to pay trauma's toll. One out of every eight hospital beds is occupied by a trauma victim. These are more beds than are required for all births and for all cardiac patients, and four times the number needed for all cancer patients.

Much can be done to prevent or lessen the impact of trauma. In industries where safety practices have been applied conscientiously, the toll of death and disability has been reduced by more than 50 percent. Even the low 20 percent use of automobile safety belts is credited with saving 3,000 lives each year. According to the National Academy of Sciences, 15 to 20 percent of the deaths due to trauma could be prevented each year by improving emergency medical services throughout the Nation. This could result in 20,000 lives saved every year.

One key to reducing the toll of trauma is an aroused, enlightened, and involved public. The American Trauma Society is hard at work creating just such a public. The other key to reducing the toll of trauma is an aroused, enlightened, and involved health profession. The American Trauma Society is also hard at work encouraging and assisting just such a profession.

A EUROPEAN COMMUNITY DECLARATION ON HUMAN RIGHTS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. FRASER. Mr. Speaker, the European Community's protection of human rights has recently been reinforced by a joint declaration by leaders of its institutions. The very successful European Convention on Human Rights, ratified in 1950, has now been formally backed by the European Parliament, the European Council of Ministers, the European Commission, and the European Court of Justice. This establishes a pattern for the sort of human rights protection many of us seek for the world-at-large.

This April 5, signing of a declaration on fundamental human rights by Community leaders in Luxembourg again emphasized the importance of human rights to the nine nations that comprise the Community. It was, in effect, a reaffirmation of the human rights values common to these nations as these rights are expressed in their own constitutions and in their common institutions.

I would like to place in the RECORD a "Background Note" describing the signing. Published by the European Community Information Service, the note testifies to a very successful human rights effort:

A EUROPEAN COMMUNITY DECLARATION ON HUMAN RIGHTS

A declaration on fundamental human rights was signed in Luxembourg today by the President of the European Commission, the President of the European Parliament, and the President of the European Council of Ministers. The signing underlines the importance that the institutions of the European Community place upon human rights as they are defined in the constitutions of the Member States, and in the European Convention on Human Rights.

Fundamental rights are, in the first place, an essential part of the Community legal order. There are provisions in the Treaty of Rome, whose aim, or at least, effect, is to guarantee and improve the position of the individual in the Community. On the basis of some of these articles, the European Court of Justice has been able to give important judgments on the protection of fundamental rights.

It is a central belief of the Community that the individual citizen should be protected against the arbitrary use of official power, and although it is manifested in different ways, this basic aspect of democracy is present in the constitutions of all the member states. The Commission has consistently stated that there can be no democracy without the recognition and protection of human rights, and guaranteed freedom of the citizen, and it is because of this insistence on human rights within democracy, coupled with economic strength, that the European Community is proving able to influence the reestablishment of fundamental rights outside its own borders.

Because of its nature, and the ideals of its founding treaty, the Community has consistently refused membership by nondemocratic states. When the "Colonels" came to power in Greece in 1967, the Community "froze" its association agreement with Greece as an act of censure. One of the first acts of the democratic government of Greece when it returned to power was to seek full membership of the Community. It is no accident also that the government of Portugal, as part of its efforts to protect, and stabilize a fledgling democracy, recently established after 48 years of dictatorship, should, as one of its first acts of foreign policy, formally apply for Community membership.

In both these cases, the attraction of the Community was twofold. Both the economic opportunity and well being that come from access to Community markets, and the politically stabilizing effect of belonging to a union of nations committed to democracy, drew Greece and Portugal toward the Community. Within the Community structure, the basic rights of the citizens of these countries will not only be better protected, but have also, a European dimension.

Spain, too, as she moves toward the establishment of a political democracy is being encouraged to do so by the knowledge that when this is achieved, she will be eligible for membership of the Community.

All three of these nations are important to the Atlantic alliance. Their stability and the freedom of their citizens is crucial to the stability of the world.

Thus, in the pursuit of its founding ideals, and its emphasis on human rights, the European Community shares with the United States part of the task of encouraging and protecting democracy and individual freedom around the world.

FAIR HOUSING MONTH

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. DODD. Mr. Speaker, today I am introducing a resolution designating the month of April as Fair Housing Month. Nine years ago this month, the Fair Housing Act of 1968 which guarantees all Americans the right to live where they wish to live, when they wish to live there, for as long as they can afford to do so became law.

Although this act has done much toward insuring that every American has decent housing, the last 9 years have also revealed weaknesses in the law which need to be corrected in order to provide for its effective enforcement. So, on this 9th anniversary of the enactment of the fair housing law, let us dedicate ourselves to making the necessary changes in the law which will make good the promise of protection against discrimination that the Federal Government made to all Americans in 1968.

The resolution I am offering today calls on the Congress to rededicate "itself to the promulgation and practice of the letter and spirit of the fair housing law so that fair housing will become a right that can be realized by every American."

With the passage of this law, the Federal Government extended to housing its formal acceptance of the principle that black Americans so valiantly fought for all through the 1960's—no American should be denied his constitutional right to equal protection of the laws, because of his race, religion, or national origin.

While many still hailed the passage of this landmark piece of legislation, it became more and more clear that the law's failure to grant the Federal Government strong enforcement powers made it almost impossible for HUD to process housing discrimination complaints in a timely manner and, therefore, greatly reduced the number of cases that HUD could successfully resolve.

In testimony last September before the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee, on which I had the honor of

serving in the last Congress, former HUD Secretary Carla Hills said:

Respondents know all too well that HUD has no meaningful enforcement power . . . and many have virtually ignored (HUD's) conciliation efforts because they have no inducement to cooperate.

Similarly, the U.S. Civil Rights Commission has also found that the law needs to be significantly strengthened.

Mr. Speaker, justice delayed is justice denied—and a right that is thwarted is a right denied. No longer can we in the Congress deny all Americans their rights by not giving HUD and the Justice Department the kind of strong enforcement authorities they need to make fair housing a reality in practice and not just meaningless words, once stated and now forgotten.

A lot can be done by the administration acting under its own authority, by assigning more people to enforce the law, but unless the Congress gives HUD the statutory authority it needs, these additional personnel would not have the tools they need to make this law work.

I am happy to say that legislation has already been introduced in this Congress which will significantly strengthen the law. A bill, H.R. 3504, introduced by Representative DON EDWARDS, chairman of the Subcommittee on Civil and Constitutional Rights, would grant the administration important new enforcement powers such as the authority to issue cease-and-desist orders and the authority to initiate a suit without having to establish a pattern or practice of discrimination as is now required.

Mr. Speaker, with these authorities HUD and the Justice Department can make this law work, but they need our help. I ask all my colleagues to support both this resolution and the strengthening of the Fair Housing Act of 1968.

The resolution follows:

RESOLUTION

Resolved,

Whereas it is the policy of the United States to guarantee to every citizen the right to fair housing; and

Whereas this right and the responsibilities attendant on it are set forth in the National Fair Housing Law, Title VIII of the 1968 Civil Rights Act; and

Whereas, since 1968, the Month of April has been set aside each year for commemoration of the Fair Housing Law; now, therefore, be it

Resolved, That the House of Representatives (the Senate concurring) recognizes the month of April as Fair Housing Month and that the Congress of the United States hereby rededicates itself to the promulgation and practice of the letter and spirit of the Fair Housing Law so that fair housing will become a right that can be realized by every American.

WILL THE HUMAN RIGHTS ADVOCATES CONDEMN SLAVERY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. McDONALD. Mr. Speaker, a number of the leading "human rights" advocates have demonstrated a peculiar sense of priorities. They single out for particular condemnation countries fighting terrorists and restricting the ability of Marxist-Leninists to organize revolutionary armed struggle and those with "minority governments" such as South Africa and Rhodesia.

Existence of a "minority government" is stated by some of these "human rights" advocates as ipso facto "repressive." Few mention the record of oppression and injustice compiled by the majority of the so-called majority rule African countries, where military dictators and their cliques inflict torment on people of their own, as well as other races.

The London-based Anti-Slavery Society for the Protection of Human Rights has documented the existence of slavery instituted by the Government of Equatorial Guinea, along with other abuses in other countries. An article based on the British organization's work in the Review of the News—April 20, 1977—points out that the United Nations has a double standard on human rights issues. In the words of Anti-Slavery Society Secretary Col. Patrick Montgomery, "There is of course a tacit understanding at the U.N. about which countries may be openly reviled for their disregard of human rights."

The current U.S. Ambassador to the United Nations should be asked to demonstrate the depth of his commitment to human rights by speaking out against slavery before that international body. The article follows:

ANDREW YOUNG IGNORES SLAVERY IN BLACK AFRICA TODAY

(By John Brennan)

Three hundred years after Roots author Alex Haley's reputed ancestor Kunta Kinte was stolen from the gardens of Gambia and transported to the New World aboard the *Lord Ligonier*, black leaders of newly "liberated" African countries have reinstated human slavery.

The London-based Anti-Slavery Society For The Protection Of Human Rights has furnished your correspondent with documented details and confirmed in a trans-Atlantic interview, for instance, that President Francisco Macias Nguema of Equatorial Guinea is now the dictator of a state in which slavery is official policy. And the Society charges that the United Nations knows all about the slavery in Equatorial Guinea but has done nothing about it. The Russians and their sympathizers are dictating that the eyes of the world be turned instead toward Rhodesia and South Africa, the two great African prizes being sought by the Soviets.

Perhaps not one American in ten thousand can point out Equatorial Guinea on a map, although its location is well known to Communist strategists. It is a sweltering country located both on and in the Atlantic just north of the Equator and below the great westward bulge of Africa. There is the large island of Macias Nguema Biyogo (785 square miles), and such lesser islands as Corsico, Great and Small Elobey, and Pigalu. They would have important strategic value in any military conflict between global powers.

Macias Nguema Biyogo was known by the more romantic name of Fernando Po until 1973 when President Macias modestly named it after himself. We will refer to it as Fernando Po in this article to avoid confusion. This is the dread "Nanny Poo" of the slaving days before European colonists put a stop to the peculiar institution, and it lies much closer to the coasts of Nigeria and Cameroon than it does the land sections of Equatorial Guinea. Fernando Po was discovered by the Portuguese in 1472 and ceded to Spain in 1778 in a sort of swap which gave Portugal large tracts in South America. Britain, in agreement with Spain, used Fernando Po as an advance naval base in its actions against slavers. The British outlawed slavery in 1807 and the Spanish in 1817.

In the mid-1800s, cocoa beans were brought from the West Indies and planted on Fernando Po where they thrived to such an extent that Equatorial Guinea's chief money crop today is cocoa, reputedly the finest in the world. But the Spanish faced a problem in expanding cocoa production there. The island natives, the Bubi, were too few in number to work the plantations. The colonists thus turned toward the continent itself as a source of labor, particularly an area known as Rio Muni, the territory that is the mainland section of Equatorial Guinea today.

Rio Muni is bounded by Cameroon to the north and by Gabon to the east and south. The hot humid climate seemed ideal for developing great cocoa and coffee plantations, and the large population seemed to guarantee a large labor pool. But Rio Muni was populated not by a few docile Bubi who quickly adjusted to working with the Spanish, but by the Fang—a tough, cohesive, nationalistic tribe more than 150,000 strong. The Fang were not interested in the arduous working conditions on Fernando Po. They preferred to raise their own coffee and cocoa on small family plots, and the few who did take employment on Fernando Po quickly won reputations as difficult and disagreeable workers. The Spanish thus turned to nearby Nigeria for workers.

When the first winds of independence began to blow in Equatorial Guinea their effects were first felt among the Fang of the mainland. Spanish rule ended in October, 1968, and it was a Fang named Francisco Macias Nguema who was elected President. By 1972 he had rewritten the Constitution and proclaimed himself "President-For-Life." Political murders, jailings, torture, and exiling became commonplace as Macias took his country into the Communist orbit.

The *Eurova* yearbook says: "In 1974 there were reports of several attempted coups-d'etat, the leaders of which have been executed. It is reported that over 100 political detainees have committed suicide, that all Catholic priests and nuns have been arrested and that one quarter of the population has fled the country due to Government oppression. President Macias has control of the radio and press and all citizens are forbidden to leave the country. Equatorial Guinea is a member of the Organization of African Unity and the United Nations."

But it remained for the Anti-Slavery Society to point out to a world unwilling to listen that President Macias, imitating the savages, had formally imposed slavery on his people.

The Society reported in November 1976 that working conditions on the island of Fernando Po had deteriorated seriously. Macias's henchmen were not the type to listen to complaints. When Nigerian laborers rallied to demand payment of wages, 95 were slain. Suzanne Cronje, in a research report for the Anti-Slavery Society, revealed that "In 1975, after fresh allegations of brutality, including the ill treatment of embassy staff, the Nigerian government repatriated its nationals. Ten thousand were flown home in December and many more came by sea. By the end of January, 1976, 25,000 of the 45,000 Nigerian laborers had been repatriated."

The loss of the Nigerian labor force left President Cacias's cocoa-based economy on the edge of disaster He ordered his guards

to capture between 2,000 and 2,500 people in each of the ten mainland districts of the Rio Muni. These people were then shipped like Kunta Kinte to Fernando Po where they were pressed into slavery to replace the Nigerians. All this took place without a word of protest from a United Nations Development Program which was not only operating on the island but was fully aware of what was happening to the inhabitants. The fact that 20,000 people were impressed into slavery was simply ignored!

The magazine Anti-Slavery Reporter for November 1976 states that "The inhabitants of Fernando Po and its labourers imported from the mainland are now forbidden access to its beaches while for others—including United Nations Development Programme personnel—government authorization on payment of a fee is required for each visit to the shore. The inhabitants say these measures are intended to discourage escape" of the pathetic slaves.

President Francisco Macias followed this action with a decree in March 1976 making it compulsory for all citizens over the age of 15 to serve a term at manual labor as slaves in government plantations and mines.

Yet the role of the United Nations on Fernando Po and in Rio Muni has been one of collaboration with President Macia's slave program. Suzanne Cronje concludes her study of Equatorial Guinea by charging that "an essential part of the success of this regime has been the silent complicity of foreign governments, business firms and the United Nations agencies."

The Anti-Slavery Society points to the presence of the Soviets in the Equatorial Guinea area. The Macias Government has maintained the friendliest relations with Moscow, although some of the envoys Macias sent to the Soviet Union have since fallen from grace and been murdered. Macias granted Moscow a deep-sea fishing base in Malabo, and the U.S.S.R. is supposedly carrying out a pilot "fishing" project.

Questioning the role of the Soviets in the area, the Anti-Slavery Society observes: "Since Angola became the subject of bitter international dispute Fernando Po is more valuable than ever because of its strategic potential and it seems likely that this consideration explains the Soviet presence as well as *America's unwillingness to embarrass Equatorial Guinea by asking awkward questions.*" *

United Nations Ambassador Andrew Young, who recently made a tour of certain African countries and embraced black dictators while he castigated Rhodesia and South Africa, is unlikely to be the first American Ambassador to ask the awkward questions. Young has that sort of tunnel vision which allows him to see only the problems in Rhodesia and South Africa while ignoring the monstrous violations of human rights—including outright slavery—in countries ruled by black governments.

Equatorial Guinea's neighbor, Cameroon, also retains slavery despite being a member of the United Nations with a vote equal to that of Ireland or Switzerland. Missionaries have done their best to free the slaves, but Leftist Cameroon still has harems into which girls are kidnapped and kept in slave captivity. As Colonel Patrick Montgomery, Secretary of the Anti-Slavery Society, wrote in *Contemporary Review* for August 1973: "One, Atajumba, was kidnapped as a gift on her way to her wedding. It took her nine years to escape over the 20 ft. wall surrounding the harem of the Lamido of Ngaoundere in Cameroon. She said she would rather die than go back. The Lamido of Rei Bouba, who until 1969 was allowed to regard himself as the owner of his 50,000 subjects, still possesses a harem believed to be three hundred strong."

The Anti-Slavery Society has also received reports in recent years that a number of Cameroon Africans were sold as slaves in Saudi Arabia to pay for the return flight of a noble pilgrim from Cameroon. This would be an exception, where until 15 years ago such sales were the rule. Oil wealth has eliminated the need for slavery in Saudi Arabia. King Faisal decreed slavery illegal in 1962 and sent a royal commission about the country to pay indemnities to anyone wishing to accept the state's offer for freeing his slaves.

Reports of chattel slavery in Africa come also from the Central African Empire, until recently more modestly named the Central African Republic. Following the pattern set by so many black nations after "liberation," Marxist Jean-Bedel Bokassa, the elected "President" of the country, proclaimed himself emperor in a manner he thinks worthy of Napoleon or . . . Charles de Gaulle. Bokassa served 23 years in the French Army and is an admirer of both French leaders.

Emperor Bokassa, whose nation has full representation at the United Nations and a vote equal to that of Canada or the United States, has inflicted a savage rule on his country. He not only believes in slavery but is reputed to have celebrated a recent Mother's Day by having all men who had committed offenses against their mothers taken from the jails of the Central African Empire and publicly executed.

But the story of much of Africa's slide into a giddy and oftentimes cruel primitivism is not being told in the West. Only Idi Amin of Uganda receives severe criticism, and one notes that he became a target only after he refused to join in a federation with his Marxist neighbors. Otherwise our mass media would no doubt shrug off his reported crimes against his people as mere excesses not to be taken too seriously. Most Americans have heard of the mysterious death of an Anglican Archbishop in Uganda, but how many know that Marxist Sékou Touré of Guinea put a Catholic archbishop behind bars for life seven years ago, or that President Mobutu of Zaire forced Cardinal Mulala to flee for his life? And who remembers the events in Stanleyville in November 1964, during the "liberation" of the Congo, when the saintly Dr. Paul Carlson and other missionaries were murdered by the Simbas?

The one group that seems to have struggled in the face of apathy and antipathy to bring the story of the violation of human rights in much of Africa to the attention of the conscience of the West has been the Anti-Slavery Society For The Protection Of Human Rights.

The Society was founded in 1937 as *The Aborigines Protection Society*, and merged with another anti-slavery society in 1909 to form the present organization. Its leaders say it has no political or religious bias, and it is supported entirely by private subscription. The Society claims to be the sole source of published material on contemporary slavery throughout the world, and has consultative status with the United Nations Economic and Social Council. But it has few illusions about the hypocrisy and duplicity of the United Nations.

The Secretary of the Anti-Slavery Society, Colonel Patrick Montgomery, M.C., wrote in 1973 that "there is of course a tacit understanding at the U.N. about which countries may be openly reviled for their disregard of human rights." Colonel Montgomery says there is a double standard there on slavery and that the Afro-Asians and the Communist delegations consistently vote together "to block or delay every attempt to make progress on human rights."

The Colonel cites as an example of this duplicity the "U.N. Convention on the Abolition of Slavery, The Slave Trade and Practices Similar to Slavery," to which 81 member states put their signatures in 1956 at the Anti-Slavery Society's urging. But to this day, Colonel Montgomery points out, "no machinery exists to implement it. No single U.N. employee has a duty to inform himself about slavery, let alone do anything about it."

"Furthermore," the Colonel continues, "no government has yet allowed its delegations to call for such machinery. Were it not for the importunity of non-government organizations, the [anti-slavery] Convention itself would not exist—at least in the form it does—binding its signatories to eradicate not only chattel slavery in which persons are owned but also debt bondage, serfdom, [and] the exploitation of children."

"One or more of these institutions survives at least vestigially in forty countries," the Colonel says. And this does not count the Marxist-Leninist nations where slaves "have been taken out of private ownership by the Communists, who in the Soviet Union hold an estimated one million in forced labour camps." The Reds nationalize everything—including slaves.

We asked Colonel Montgomery if the Marxist states of Africa interfered with the work of the Society, and he replied that they certainly do not love it. Montgomery urged those interested in learning about slavery in the Soviet Union, today, to read Solzhenitsyn's The Gulag Archipelago, Part II, Chapter 5. The Communists are the world's biggest slaveholders.

Colonel Montgomery cites the difficulty of working with slave owners at the U.N. while trying to put a stop to slavery. He recalled when the United Nations' "Working Group of Experts on Slavery" submitted its report to the U.N. Sub-Commission on Prevention of Discrimination and Protection of Minorities. There were five international lawyers in the group, and its formation was the result of 18 years of continuous pressure by the Anti-Slavery Society. But when the report was submitted to the Sub-Commission the Russian member, a Mr. Smirnov, immediately criticized it, noting that the report contained 200 pages but was supposed to have been "brief." He further alleged that it contained nothing new. Then he said that when he reached a reference to a "discredited" author, Aleksandr Solzhenitsyn, he stopped reading at once. The reference was on Page 5.

But while the Soviets, their satellites, and the Afro-Asian bloc can be accused of blocking serious attempts to protect human rights, so may the United States. Ambassador Andrew Young, the former Atlanta Congressman who is a close friend of President Carter, has made it perfectly clear that the Carter Administration, speaking through his mouth as our Ambassador to the United Nations, is just as unwilling to criticize the outrages of black African nations.

Carter crony Young went so far as to blame whites for the alleged murders and persecutions occurring in Uganda under Idi Amin. He was quoted in the *New York Times* as saying "there are a lot of other people responsible for the death and bloodshed that we now have in Uganda." Asked if he meant

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* Suzanne Cronje, in *Equatorial Guinea, The Forgotten Dictatorship* (The Anti-Slavery Society, London, 1976), asks: "What action, for example was taken by the foreign friends of Saturino Ibongo, a young diplomat who had graduated at the prestigious University of Navarre in Spain and then gone on to study international relations in America. At independence Macias had urged him to abandon his studies 'in the interest of our great nation' and become Equatorial Guinea's first ambassador to the United Nations. He complied but in less than four months he was recalled for 'urgent consultations.' On arrival at the airport in Malabo he was accused of being an accomplice of Atanasio Ndongo: protesting his innocence, he was taken behind a nearby bush and summarily executed within minutes."

the British, Ambassador Young reportedly replied that he would rather not say but had certainly "heard that charge."

Young, who embarrassed the United States almost as badly when he praised Cuban soldiers for "stabilizing" the situation in war-torn Angola, declared that Britain is "chicken" on racial matters at home and abroad, and charged America's longtime friend with having "institutionalized" racism more than anyone else "in the history of the earth."

Ambassador Young, who should have been summarily discharged from his post, did make one bit of sense in his anti-British tirade on BBC. "I would think," he is quoted by the *New York Times* as declaring, "that at some point we are going to have to realize that we are not going to be able to do business with black Africa on one set of principles and then deny that set of principles totally in doing business with white Africa."

Of course, Ambassador Young. And we will know you mean what you say when we hear you protest slavery in the black-ruled countries of Equatorial Guinea, Cameroon, the Central African Empire, and other vicious Marxist states that whirl in the Soviet orbit. Surely, Mr. Ambassador, you are against slavery!

NEW MINIMUM WAGE BILL OPPOSED BY NEW YORK TIMES

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ASHBROOK. Mr. Speaker, the Subcommittee on Labor Standards of the House Education and Labor Committee has been holding hearings on H.R. 3744, a new Federal minimum wage bill. Enactment of this legislation would have severe repercussions on our economy.

An excellent analysis of the minimum wage appeared in the March 21, 1977, edition of the New York Times. It was in the form of the lead editorial, "The Minimally Useful Minimum Wage." With analytical precision—and rare economic insight—the Times editorial exposes the fallacies of the minimum wage and sets forth the economic dangers that would result.

The editorial points out that passage of H.R. 3744 would result in large numbers being laid off or forced into the fringe of the labor market not covered by the minimum wage laws. The Times makes a rough calculation that those who would be degraded economically would be between 200,000 and 1 million. Another little-recognized threat of the minimum wage is also discussed in this editorial. It is the forced geographical shift of poor and unemployed between major labor areas in this country.

In addition, the Times looks at the proposal of tieing future minimum wage increases to an economic index. And indexing does not come out well.

Judging the issue of minimum wages, with or without indexing, the Times says "Whatever the merits of minimum wages in the past, they make little economic sense today, whether determined by indexing or in the old fashioned way." The concluding paragraph sums up the issue of minimum wages pointedly: "A higher minimum wage is no answer to poverty, and the indexing gimmick can not work any better to improve the lot of the neediest citizens."

While I disagree with the editorial's conclusions that a lower minimum for youth would not be helpful, I concur with the Times that even with a compromise in this area a higher minimum wage makes little economic sense today.

I believe that after reading this editorial, many Members of this House will believe as I do: that this timely editorial from the New York Times makes an important contribution to exposing the fallacies of the minimum wage.

Mr. Speaker, for the information of my colleagues I include the following editorial from the New York Times:

[From the New York Times, Mar. 21, 1977]

THE MINIMALLY USEFUL MINIMUM WAGE

Congress will debate a new minimum wage this spring, but this time there's a twist. Organized labor, drained by the battle to raise the wage floor every few years, is pushing for a permanent solution: indexing. This approach, proposed by John Dent, chairman of the House Labor Standards Subcommittee, would replace the current $2.30 minimum with an index keyed to the average manufacturing wage Chairman Dent wants the minimum set at 55 percent of that average wage—about $2.85 an hour this year—and 60 percent in 1978, about $3.30. With such an index, the minimum wage would automatically be tied to the fortunes of industrial workers, eliminating the need for periodic Congressional amendments.

Since the Depression, liberals have favored higher minimum wages while conservatives have resisted. But this debate has become sterile. Whatever the merits of minimum wages in the past, they make little economic sense today, whether determined by indexing or in the old-fashioned way.

Organized labor favors a high minimum wage because that reduces management's resistance to union recruiting. Where cheap alternative sources of labor are eliminated, high-priced union labor no longer looks so bad to company managers. Support for a wage floor also comes from people with generous hearts. Is it fair, they ask, to require anyone to work for $70 or $80 a week, the take-home pay of employees earning the $2.30 minimum?

It may not be fair, but a higher minimum offers no remedy. Some businesses that pay low wages respond to an increased wage floor with or without an index—by cutting back operations or switching to labor-saving techniques. According to the Department of Labor, eight million workers would be directly affected by the $2.85 minimum. A majority would probably benefit from higher paychecks. But some workers would be laid off or forced into the fringe of the labor market not covered by the minimum wage laws. Just how many jobs would disappear is not known; rough calculations put the figure between 200,000 and one million.

Snowbelt representatives, eager to stanch the flow of industry to the South, offer an additional rationale for minimum wages. They argue that urban living costs and union pressure force companies in older cities to pay high wages, even without a minimum wage. Thus a substantial boost in the minimum would fall most heavily on the low-wage states, and make them less of a lure to corporations in the North.

A higher floor would indeed make Northern cities more competitive with small towns in Mississippi. But a hitch remains: Some poor people would benefit at the expense of other poor people. And if a higher minimum wage did shift more unskilled jobs to the Snowbelt, would anyone up North really want the result—more unemployed people in Mississippi with no choice but to head for those jobs in Detroit?

Some proponents of higher minimum wages suggest a compromise: to raise the minimum for adults, but to exempt teenagers, the group that is most vulnerable to layoffs. The idea has a certain appeal. Young workers need the extra money less than the typical adult, who must support a family. Exempting teen-agers, however, would induce employers to substitute cheaper young labor for more expensive adult labor, a substitution of dubious social benefit. The idea looks particularly bad after the discovery by Edward Gramlich, a Michigan economist, that many teen-age workers are members of middle-class families, not the intended beneficiaries of a lower youth minimum.

A higher minimum wage is no answer to poverty, and the indexing gimmick can't work any better to improve the lot of the neediest citizens.

ILLEGAL ALIENS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ABDNOR. Mr. Speaker, there is not a single State in our Nation untouched by the problem of illegal aliens. Some are more affected than others because of their proximity to international borders and the resultant caseload imposed on officials of the Immigration and Naturalization Service in these areas.

The problem also touches States like South Dakota which might be considered remote for those illegally entering the country, yet official estimates show that we have up to 2,000 such cases. The nationwide influx of illegal aliens has had enormous impact on our unemployment situation and it is for this reason that I was pleased to join my colleague, Hon. TRENT LOTT, in sponsoring H.R. 4449, the Immigration and Jobs Displacement Reform Act.

Last Sunday, in a thoughtful editorial, the Sioux Falls, S.D., Argus-Leader addressed the overall problem of illegal aliens. I would like to share their comments with my colleagues:

CONGRESS SHOULD ACT ON ILLEGAL ALIEN PROBLEM

The federal government has taken its first major step in its campaign to combat the problem of illegal aliens: distribution of new identity cards to the four million aliens who are legally entitled to live and work in the United States.

The new card is said to be counterfeit-proof. It cost $15 million to develop and it will take five years for the government to replace the current green card which the U.S. Immigration and Naturalization Service (INS) says is too easily forged. The five-year period seems entirely too long for the bureaucracy to take.

The new card has a photo, a fingerprint and a signature. The photo cannot be peeled off and replaced. Characteristics of the signature and fingerprint are encoded in a 50-digit identifying number that can be read by INS computers.

The new card, or something like it, may be required of every American worker, not just aliens, before long under programs that are under study in both Congress and the Carter administration. Action is necessary because of the increasingly serious problem of illegal aliens in this country. The esti-

mates on their number range from 4 million to 12 million. The increase each year is a half a million to a million.

MOST ILLEGAL ALIENS FROM MEXICO

About 80 per cent of the illegal aliens in this country are from Mexico, which has population pressures from one of the western world's highest birth rates and economic pressures in meeting its people's rising expectations. The fence along part of the friendly border between Mexico and the United States is no deterrent. Wetbacks who are caught are sent home by plane; they can try again another day to lose themselves in this country.

Leonard Chapman Jr., commissioner of INS, has estimated that illegal aliens cost the taxpayers about $13 billion a year "by taking away jobs from legal residents and forcing them into unemployment, by illegally acquiring welfare benefits and public services, by avoiding taxes."

One way that the government could effectively cope with the problem of illegal aliens is to enact legislation that would prohibit their hiring and penalize employers who do. U.S. Rep. Joshua Eilberg, D-Pa., who heads the House subcommittee on immigration, is sponsoring a bill aimed at penalizing employers who knowingly hire illegal aliens.

Attorney General Griffin Bell says the Carter administration will support legislation making it illegal for employers to hire illegal aliens. The United States is one of the few countries in the world that has no such law. Such a law could do a lot to reduce the unemployment rate.

AMNESTY WOULD BE A MISTAKE

There has been a lot of loose talk in this country about granting amnesty to the illegal aliens who are already here. This would be a serious mistake. It would penalize aliens who have sought to comply with the law, and have waited patiently under the quota system to live and work in this country. It would also invite virtually everyone in the world to come to the U.S.A. by any means possible in the hope that illegal entry would be forgiven again in the future.

The United States' "good life" is the spur that beckons Mexicans north of the border. A Mexican who is lucky enough to have a job and who earns the equivalent of $4 a day in his own country can make $16 to $20 in the United States if he can cross the border and avoid law enforcement officers.

If the present trend of illegal immigration continues, the millions of additional Mexicans and other Hispanic people could change the characteristics of the population, and increase the requirements for all kinds of services and the pressures on the environment.

There are some things this country can do to ease Mexico's plight: by reviving the bracero program to supply farm labor on a legal basis when it is needed and by increasing trade south of the Rio Grande. Most Mexicans in this country, whether here legally or illegally, have made a worthwhile contribution to their chosen second home. Some of them do hard work spurned by American citizens; others compete in all areas of employment.

A TOUGH, INHERITED PROBLEM

The Carter administration has a real tough problem on its hands. It's an inherited problem—and doing something about it has been put off for too long. There is a movement now for a solution—and Congress should provide the necessary legislation.

It may come to the point that the land of the free and the home of the brave will require national identity cards for all its citizens to preserve a way of life that the whole world envies.

THE NATIONAL COUNCIL OF CHURCHES AND AFRICA: ACCOMMODATING TERRORISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. McDONALD. Mr. Speaker, in March the National Council of Churches conducted a week of meetings in New York City and upstate New York called a consultation on Southern Africa. The conference was designed to pressure prominent black African religious leaders into nonopposition or even alliance with the Soviet-sponsored terrorist movements thereby neutralizing religious leaders around which moderate, multiracial coalition governments might be built. The second purpose of the meetings was to develop concrete support from the U.S. religious community for the new Communist regimes in Angola and Mozambique, as well as for the Soviet-supported terrorists.

Whether or not the National Council of Churches and it allies were successful in this is debatable. Clearly a number of the moderate African church leaders were aware of what was going on, but their indignation was guarded since the NCC had been presented to them not as supporting the Marxist terrorist factions but as a "responsible" organization.

Preparations for the NCC consultation on Southern Africa moved into full swing early in February 1977, when the conference's principal organizer, Rev. Robert C. S. Powell, staff director of the Africa Committee of the Division of Overseas Ministries of the NCC, contacted a State Department political affairs official, Frank G. Wisner. Following the discussion with Powell, Wisner approved the sending of an unclassified State Department telegram to the American Embassies in South Africa, Zambia, Mozambique, Botswana, Lesotho, and Swaziland which read in part:

Subject: National Council of Churches of Christ Conference on the Church and Southern Africa.

1. The National Council of Churches (NCC) is sponsoring a conference on the Church and Southern Africa at Utica, New York, March 7–11. About 50 persons have been invited to participate. Foreign participants will have travel expenses and accommodation paid for.

2. NCC has asked us to alert posts to possibility of visa applications from personnel whose names listed below. Conference attendees will, of course, have to meet requirements for visa issuance. Should post have any question about individual applicant please advise department.

3. List of invitees is as follows:

NAMIBIA

Mr. Daniel Tjongarero.
Pastor Zephania Kameeta.
Reverend Cleopas Dumeni.

SOUTH AFRICA

Reverend John Thorne.
Mr. Oliver Tambo (currently working in Lusaka, Zambia).
Dr. Manas Buthelezi.
Bishop Desmond Tutu (Bishop of Lesotho, residing in Maseru).
Reverend Alan Boesack.
Mr. Revelation Ntoula.
Mrs. Mablietsa.
Reverend E. T. S. Buti, Sr.
Mrs. Sally Motlana.

ZIMBABWE

Mr. C. D. Watyoka.
Mr. Max Chigwida.
Dr. John Kurewa.
Bishop Abel Muzorewa.
Mr. Nathan Shamuyarira.
Mr. Oaanan Banana.

MOZAMBIQUE

Rt. Reverend Dinis S. Sengulane.
Mr. Rogerio Daniel Juane (Ndawana).
Reverend Isaac David Mahlalela (aka Machlalela).
Most Reverend Alexandre Dos Santos.

ANGOLA

Bishop Emilio DeCarvalho.
Madame Josepha Luis Antonio Neto.
Pastor Mbala Manual Lucumbona.

OBSERVERS

Zambia—Most Rev. Emmanuel Milingo, Archbishop of Lusaka.
Swaziland—Rt. Rev. Mandla Zwane, R.C. Bishop of Swaziland.

Oliver Tambo is president of the African National Congress—ANC—of South Africa, a revolutionary group with offices in London and Lusaka but whose literature is printed by the East Germans. ANC is controlled by the Soviet-directed South African Communist Party. ANC conducted a terrorist campaign through its "armed struggle" cadre called Spear of the Nation in the 1960's; it claims a major share of responsibility for the violent rioting which disrupted South Africa during 1976 and is active among the labor movement.

Tambo is a member of the presidential committee of the World Peace Council, a Soviet-directed front which campaigns for Western disarmament while providing logistical support for Soviet-approved Marxist terrorist groups. Tambo did not attend the NCC "consultation." Instead he participated in the official founding conference of the Communist Party which rules Mozambique, FRELIMO. FRELIMO Chairman Samora Machel, the president of Mozambique, told his followers that there must be "iron organization and discipline" in the new "vanguard Marxist-Leninist party" in order to "combat internal reaction" and "direct, organize, guide, and educate the masses towards building socialism."

Tambo and the leaders of the principal terrorist movements of Southwest Africa—Namibia—and Rhodesia—Zimbabwe—received assurance of support from Machel whose country has provided other terrorist groups with training bases. Stated the Mozambican Communists:

The Mozambican revolution is an integral part of the world proletarian revolution. Internationalism is a constant, major and fundamental feature of our revolution.

Late in March, Tambo and Joshua Nkomo of the Zimbabwe African People's Union met with Fidel Castro in Angola, to coordinate what sort of military and political support might be made available to the southern African terrorist forces.

Another terrorist leader who did not appear in person at the "consultation" was Abel Muzorewa, a Methodist bishop,

who from Zambia now heads a splinter group called the United African National Council. During the 1960's and early 1970's, Muzorewa was a leader of the African National Council—ANC—of Rhodesia which served as the umbrella coordinating group for the main Marxist terrorist organizations. These were—and are—the Maoist Zimbabwe African National Union—ZANU—and the pro-Soviet Zimbabwe African People's Union—ZAPU. Muzorewa was a leader of one of the ZANU factions.

Three years ago the ANC split on ethnic and political lines, not over using terrorism to intimidate innocent civilians. When ZANU Gen. Robert Mugabe, commander of the largest terrorist forces, formed an alliance of convenience with the staunchly pro-Soviet Joshua Nkomo of ZAPU, Muzorewa was left out. Now that the Soviet bloc, the Organization of African Unity and the five "frontline" states have recognized the Nkomo/Mugabe-led Zimbabwe Patriotic Front—ZPF—as the "only authentic and legitimate representative of the people of Zimbabwe," and are supplying funds and guns only to the ZPF, Muzorewa is without a power base.

During the past several months the former terrorist bishop has somewhat cooled his violent racist rhetoric and has reportedly made overtures that he would like to be considered a leader of Rhodesian moderates. The ZPF would no doubt like to neutralize that potential and cut Muzorewa off from his U.S. supporters. During the 1960's Bishop Muzorewa received support from the National Council of Churches and had spoken at NCC meetings in the United States.

Although the terrorist superstars did not attend the NCC's meetings, several second-rank terrorist leaders and Communist officials who should not have qualified for U.S. visas did attend. They will be discussed at length later in this report.

The conference was throughout organized and conducted by the National Council of Churches. Although the U.S. Catholic Conference was listed as a cosponsor, its involvement was small. The NCC organized the meetings, selected the invitees, and paid the travel and hotel expenses of participants; the USCC's contribution was making available the Bergamo East Conference Center in Marcy, N.Y., a suburb of Utica.

Activities opened on March 5 with a "Teach-in on Southern Africa" sponsored by the NCC's Africa Committee and held at Riverside Church. Sunday, March 6 featured a "Service of Prayer and Witness with the People of Southern Africa" with drumming and dancing in which Rev. Isac David Mahlalela, general secretary of the Christian Council of Mozambique, read a three-sentence poem in praise of the Marxist-Leninist Frelimo party:

> Today our Revolution is a great flower to which each day new petals are added.

The "church militants" concluded the service with an unsubtle choice for a recessional, "Rise Up O Men of God."

From March 7–11, the consultation meetings were held in Marcy, N.Y., near Utica.

The conference was opened on March 7 with an address by Rt. Rev. Desmond Tutu, Bishop of Lesotho—Anglican. Bishop Tutu said that in his opinion a race war was inevitable. He concluded:

> What is surprising is that blacks generally still want to speak to whites and still long for a peaceful but just solution. But this can't go on forever. We have no other option but to resort to violence.

Bishop Tutu expressed no concern with the illegitimacy of terrorism as a tactic for attaining and maintaining power. He likened the so-called liberation movements to the "underground resistance movements during the last World War" and to those Germans who sought to assassinate Adolph Hitler, a tyrant.

Terrorism is violence directed against the civilian noncombatant segment of the population in order to intimidate them and thereby attain a political or military goal.

Terrorism is not unconventional or guerrilla warfare against military targets. When the Nazi army took civilian hostages that was terrorism. Those resistance groups which attacked Nazi military targets were not terrorists. The ANC's attacks were directed against civilians. The Southwest Africa People's Organization—SWAPO—has had its snipers carry out assassinations of anti-SWAPO leaders. The victims of ZANU and ZAPU in Rhodesia have been overwhelmingly civilians living in rural villages and on farms; and the revolutionary groups have obtained recruits by mass kidnapings of schoolchildren. In each instance the goal has been to destroy the civilian leadership and terrorize the population into submitting to the terrorists. If an organization conquers civilian resistance by terrorism and then begins to attack military targets, the organization cannot be considered nonterrorist. It will use terrorism whenever it feels that would serve its purposes.

Bishop Tutu was followed by three other speakers active in terrorist support work in this country, George Houser of the American Committee on Africa—ACOA—Timothy Smith of the NCC's Interfaith Center for Corporate Responsibility—ICCR—and Rev. Powell.

George M. Houser, executive director of the American Committee on Africa since 1955, has long been an apologist and publicist for Marxist African revolutionaries. The ACOA was established early in 1952 as Americans for South African Resistance in anticipation of "acts of resistance" to be conducted by the Communist dominated African National Congress. At that time Houser was working with the militant socialist/pacifist Fellowship of Reconciliation and was serving as executive secretary of the Congress of Racial Equality. Houser made initial contact with the ANC via Bill Sutherland, an American with the American Friends Service Committee who has worked with African Marxists since the early 1950's.

Since then the ACOA has distributed propaganda, directly contributed funds to the "liberation movements," paid the travel expenses to this country for innumberable revolutionary leaders such as the late Amilcar Cabral, and arranged for their speaking and fundraising tours.

In his address, Houser noted that a number of the revolutionary movements were being supported by the Soviet Union. He warned that unless America immediately abandons its economic, strategic and political interests in South Africa, an "international conflict involving the "great powers" could erupt. Houser said he believed this country would not abandon South Africa "without a fight" but that U.S. participation in a worldwide effort to isolate South Africa economically, politically, and culturally would substantially aid the "liberation forces."

Tim Smith then took up ACOA's theme of economic blockade to cripple the South African economy, his specialized area of expertise. A Canadian educated at the University of Toronto—B.A. 1966—Smith's interest in African matters began in 1966 when he was sent to Kenya by Operation Crossroads Africa of whose board of directors he was a member in 1970.

While attending Union Theological Seminary, Smith served on the Southern Africa Committee of the University Christian Movement, the "Christian new left" counterpart to Students for a Democratic Society. Smith remains a member of the now independent Southern Africa Committee which continues to be a militant advocate for the African Marxist guerrilla movements through its monthly magazine, Southern Africa. The committee has stated it is under investigation by the Department of Justice for possible violations of the Foreign Agents Registration Act, and is being represented by Peter Weiss, National Lawyers Guild law partner of William Kunstler, who both tried to join the defense team for the Baader-Meinhof gang in West Germany in 1975. Weiss has been a leader of ACOA since 1961, and currently serves as ACOA counsel.

Tim Smith is a member of the ACOA board. He has held executive positions with the Committee for a Free Mozambique, a support group for the Marxist-Leninist FRELIMO; the Interfaith Committee on Social Responsibility in Investments; the Church Project on U.S. Investment in South Africa; and the Council for Christian Social Action of the United Church of Christ.

Smith described how the projects he had been associated with worked to persuade American corporations to divest themselves of their investments in southern Africa from the days of the Polaroid boycott to the antichrome ore import agitation and the proxy fights and disruptions of stockholder annual meetings. Smith attacked U.S. companies who pay fair wages to their African employees of all races as "aiding racism," presumably because this does not contribute to a revolutionary situation.

Reverend Powell then stated that the purpose of the "Consultation on Southern Africa" was to find ways that the U.S. churches can work with the southern African churches "for justice and reconciliation."

The remaining days of the "consultation" were devoted to drafting statements on the five targeted southern African regions: Angola, Mozambique,

South Africa—Azania—Rhodesia—Zimbabwe—and Southwest Africa—Namibia.

Control over the results was maintained by the choice of leaders and recorders for the meetings. The Angola task force was led by Fr. Rollins Lambert of the U.S. Catholic Conference and by Bishop Emilio de Carvalho, a supporter of the Marxist-Leninist MPLA regime installed by Cuban mercenaries equipped by the Soviet Union. The report drafted stated that the Angolan churches have a role "working with the government in the process of national reconstruction," and in supporting the rulers of the new Soviet satellite "in playing a critical role in the struggle against white minority rule and exploitation in South Africa, Namibia, and Zimbabwe." This refers to the terrorist training camps and bases in Angola maintained by the MPLA regime in support of SWAPO, ANC, and others.

The Angolan report recommended that—

The U.S. churches support a broad educational effort among their people which will lead to understanding and appreciation of Angola—of the * * * aims of the Angolan government in constructing a new society—of the threat from within and without which Angola faces as it builds anew * * *.

In plain English this calls for promoting the Soviet-dominated regime, its goals to build a Marxist-Leninist society, and condemning those pockets of resistance against the MPLA/Cuban forces.

Other recommendations included a church campaign for U.S. diplomatic recognition of the Angolan regime—as a preliminary to economic assistance—which would seriously hamper the remaining anti-MPLA resistance; and that the U.S. churches provide direct "material and financial assistance for the reconstruction of Angola" which "should come in response to specific requests" and be channeled in ways acceptable to the churches and to the Angolan Government."

The leading participants in the task force on Mozambique included Rogerio Daniel Juane Ndawana, who admits to being a functionary of the FRELIMO Marxist-Leninist vanguard party; Ruth Minter, an activist with the Southern Africa Committee; and Archbishop of Maputo, Most Rev. Alexandre Dos Santos. The Mozambican report asserted that "The church is grateful to FRELIMO for its liberation" which included the confiscation by the state of all church-run schools, hospitals and clinics. It suggests U.S. churches send aid to the "Christian Council on Mozambique, and direct to the government" and that any new, FRELIMO-approved "missionaries" will have to be "part-time church workers who also work in government institutions."

The task force on Zimbabwe demanded "an immediate transfer of power to the majority," claiming "gradual reform only prolongs the suffering." The report condemns institution of any internationally funded plan to subsidize the evacuation of Rhodesian whites. Last summer at a Capitol Hill Fund for New Priorities conference, the Rhodesian terrorist representatives from the various factions united in opposition to the evacuation plan, stating they preferred a "quick kill" policy to collect the "blood debt." Again, church aid and logistical support for the terrorist "liberation forces" was requested.

The South African task force contained similar provisions, with a call for economic pressure. It read in part:

The churches of North America have extensive contacts with South African churches, or others, and are often called upon to support the work of the churches, or others, involved in the liberation struggle. Such support should be provided—spiritual, moral and material—in so far as possible in order both to give evidence of solidarity in the struggle and to help those most involved in risk and danger in the struggle.

I would note in conclusion that a number of functionaries of Marxist terrorist organizations participated in the NCC "consultation." And although the NCC has denied any terrorists participated in the meetings, the evidence was provided by the NCC in the biographical sketches of foreign participants which it distributed to other attendees:

Josefa Luis Antonio Neto was jailed briefly by Portuguese authorities as a member of the MPLA.

Max Tongai Chigwida—"member of the Branch and District Executives of the United African National Council" and its "Publicity and Information Secretary (all honorary) since the end of the Muzorewa faction.

J. W. Zvomunondita Kurewa—"Administrative Assistant to Bishop Muzorewa of the United Methodist Church since November 1975."

Rogerio D. Juane Ndawana, a functionary of FRELIMO and employee of the Marxist-Leninist government of Mozambique.

I would also note in passing the number of representatives present from the World Council of Churches—(WCC)—whose Special Fund to Combat Racism has made substantial grants to the Marxist terrorist movements of Southern Africa and to their support groups in the United States. As I detailed in my report of January 19, 1977, the WCC provided substantial funding for ACOA's Washington Office on Africa, a registered lobbying group; to Africa News, a revolutionary news service disseminating communiques from and informat about the terrorists which is headed by William and Ruth Minter of the Southern Africa Committee; to the terrorist American Indian Movement—(AIM)—and to another U.S. terrorist support group, the Puerto Rican Solidarity Committee.

Attendance at the "consultation" included the following persons:

USCC/NCC CONSULTATION ON SOUTHERN AFRICA

Angola

Bishop Emilio de Carvalho, Methodist Bishop of Angola.

Madame Josefa L. A. Neto, General Chairwoman of the Angola Methodist Women's Society, MPLA.

Mozambique

Most Rev. Alexandre Dos Santos, Roman Catholic Archbishop of Maputo.

Rev. Isaac D. Mahlalela, General Secretary, Christian Council of Mozambique.

Mr. Rogerio D. Juane Ndawana, Mayor of Matola City, Methodist Circuit Steward, Frelimo.

Rt. Rev. Dinis S. Sengulane, Anglican Bishop of Libombos.

Namibia

Dr. Lukas de Vries, President, Evangelical Lutheran Church in South West Africa.

Rev. Kleopas Dumeni, Evangelical Lutheran Ovambokavango Church.

South Africa

Dr. Allan Boesack, Dutch Reformed Church of South Africa, Chaplain at the Cape University.

Dr. Manas Buthelezi, Bishop of Central Diocese, Evangelical Lutheran Church in Southern Africa.

Rev. E. T. S. Buti, Sr., Moderator, Nederduitse Gereformeerde Kerk of South Africa.

Rev. Boganjalo Goba, United Congregational Church of Southern Africa.

Mrs. Deborah Mabiletsa, Director of Women's Work, South Africa Council of Churches.

Mrs. Sally Motlana, Officer of the South African Council of Churches, Vice Chairlady, General Committee, All Africa Conference of Churches.

Mr. Revelation Ntoula, Communications Officer, South Africa Council of Churches.

Rev. John Thorne, President and General Secretary-Elect of the South Africa Council of Churches.

Rt. Rev. Desmond Tutu, Anglican Bishop of Lesotho.

Zimbabwe

Rev. Max Chigwida, Professor of Theology, Epworth Theological Seminary, Salisbury, Presbyterian Church of Southern Africa, V-ANC.

Dr. J. W. Zvonumondita Kurewa, Administrative Assistant, Rhodesia Annual Conference, United Methodist Church; V-ANC.

Mr. D. C. Watyoka, General Secretary, Christian Council of Rhodesia.

OBSERVERS

Africa

Most Rev. Emmanuel Milingo, Roman Catholic Archbishop of Lusaka (Zambia).

Father Joseph Ossei, General Secretary (Roman Catholic) Symposium of Episcopal Conferences of Africa and Madagascar (Ghana).

Most Rev. Mandlenkhosi Zwane, Roman Catholic Bishop of Manzini (Swaziland).

Mr. Thomas Leeuw, Student (South Africa).

Europe

Rev. Georges Andrie, Staff member of the Department Missionnaire de Eglises Protestantes de Suisse Roman.

Trevor B. Jepson, Society of Friends, Chairman of CCSA.

Mr. Ninan Koshy, Staff, Commission of the Churches on International Affairs, World Council of Churches.

Mr. Baldwin Sjollema, Commission on the Programme to Combat Racism, World Council of Churches.

Rev. James L. Wilkie, Executive Secretary (Africa), British Council of Churches.

North America

Dr. Bernard Brunsting, Reformed Church in America.

Bro. Joseph Davis, S.M., National Office of Black Catholics.

Ms. Adissa Douglas, IFCO.

Mr. Charles Brewster, New World Outlook, United Methodist.

Mr. Timothy Smith, Interfaith Center for Corporate Responsibility, ACOA Executive Board.

Ms. Therese Drummond, Agricultural Missions, NCC.

Dr. Norman Thomas, Faculty, Yale Divinity School.

Prof. Peter Walshe, Dept. of Government and International Studies, Notre Dame U.

Catholic Relief Services Representative.

Ms. Kathleen Wills, IMPACT, NOBC.

STAFF

Mrs. Barbara Brown.
Ms. Ginni Davis-Cook.
Mr. Willis Logan.
Fr. Robert C. S. Powell.
Mr. John Schultz.

North Americans

Ms. Barbara Barnes, Southern Africa Committee.
Mrs. Marion Bingley, The Episcopal Church.
Dr. Isaac Bivens, United Methodist Church, ACOA Executive Board.
Mr. Ray Brubacher, Mennonite Central Committee.
Dr. John Buteyn, Reformed Church in America.
Dr. Maynard Catchings, NCC.
Mrs. Rose Catchings, United Methodist Church.
Mr. Clarence Cave, United Presbyterian Church, USA.
Dr. John Collier, African Methodist Episcopal Church.
Dr. Gerald Currens, Lutheran Church in America.
Dr. J. Harry Haines, United Methodist Church.
Rev. Barry Hopkins, American Baptist Churches.
Mr. Paul Hopkins, United Presbyterian, USA.
Mr. George Houser, American Committee on Africa.
Ms. Violet Ifill, YWCA.
Rev. Roger Ingold, Church of the Brethren.
Prof. William Keeney, Mennonite Central Committee.
Rev. James Kirkwood, United Church of Canada.
Rev. James Knutson, American Lutheran Church.
Fr. Rollins Lambert, U.S. Catholic Conference.
Mr. M. Hershey Leaman, Eastern Mennonite Board of Missions and Charities.
Ms. Jane Leiper, NCC Washington Office.
Mr. Edgar T. Lockwood, The Washington Office on Africa, ACOA Executive Board.
Rev. J. Murray MacInnes, Anglican Church of Canada.
Dr. Chester Marcus, United Church Board for World Ministries.
*Dr. Clinton Marsh, United Presbyterian Church, USA.
Dr. Edward C. May, Lutheran Council in the USA.
Rev. David Miller, Presbyterian Church in the United States.
Rev. Ruth Minter, United Church of Christ, Southern Africa Committee.
Dr. Robert G. Nelson, Christian Church (Disciples).
Ms. Paula Newburg, Amnesty International.
Rev. Richard J. Niebanck, Lutheran Church in America.
Dr. Roland Pfile, Christian Church (Disciples).
Mr. William Schaufele, Department of State.
Bill Sutherland, American Friends Service Committee.
Mr. Robert Smylie, United Presbyterian Church, USA.
Dr. Eugene L. Stockwell, DOM/NCC.
Dr. David Stowe, United Church Board for World Ministries.
Mr. Mark Tatchell, Anglican Church of Canada.
Lyle Tatum, American Friends Service Committee.
Ms. Alice Wimer, DCS/NCC.

*Chairperson.

SOCIALIST WORKERS PARTY SPIES ON RIVAL MARXIST-LENINISTS: PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. McDONALD. Mr. Speaker, here is the second part of the reports on Maoist Communist groups which appeared in the new confidential publication of the Trotskyite Socialist Workers Party, Party Organizer, of March 21, 1977:

REPORT ON THE RCP'S 'CONFERENCE ON THE INTERNATIONAL SITUATION' HELD IN NEW YORK CITY, NOVEMBER 20, 1976

(By Les Evans)

This gathering, subtitled the "Conference on the International Situation, War, Revolution, and the Internationalist Tasks of the American People," was organized by the Maoist Revolutionary Communist Party and its youth affiliate, the Revolutionary Student Brigade. It was the largest Maoist meeting yet held in New York, drawing between 1,100 and 1,500 people as compared with about 900 for the "united front" meetings of two years ago to discuss Maoist regroupment between the RCP, the October League, and the *Guardian*. Unlike the previous meetings, this one was strictly an RCP affair, boycotted by both OL and the *Guardian*. Its aim was to establish the RCP's hegemony in the Maoist movement, especially in New York, and to settle a debate in the RCP's ranks and with other Maoist organizations over what China's foreign policy really is.

The size of the conference can be explained by two factors. First, it was advertised widely as a broad, nonsectarian discussion of world affairs. A number of big-name sponsors were secured including Nobel Prize winners and prominent China scholars. Second, it was built through a full-scale national mobilization of the RCP's membership with large delegations from the Midwest and the West Coast. (Many of the listed sponsors did not attend the conference, and three of them publicly withdrew their sponsorship the day before the meeting on the grounds that "it began to have the feeling of a left-sectarian event" [Prof. Richard A. Falk].)

Invited speakers who did attend included Dave Dellinger, Eqbal Ahmad, Dave McReynolds, Prof. Mark Selden, and organizations such as the Iranian Student Association, Indian Peoples Association in North America, and Vietnam Veterans Against the War. The steering committee passed a motion that no Trotskyists would be permitted to speak, but Ralph Schoenman was invited to be on the panel debating China's foreign policy. Evidently the organizers were unaware that his views on this question are similar to those of the SWP.

It was clear that for the RCP the real debate was between themselves and Willian Hinton. Hinton defended the position—which is China's actual policy—that the Soviet Union is the "main danger" and that Maoists should now seek an alliance with American imperialism against the USSR. The RCP position is equal blame to the "two superpowers" and a rejection of support to Washington. The "third" tendency permitted by the organizers was comprised of generally unaffiliated radicals who would uphold the view that the United States is the main danger, although with the exception of Schoenman most of these were half-Maoists who held that the Soviet Union was "probably" capitalist. No one openly defending the Moscow line participated.

The format was a three-way, equal-time debate, repeated throughout the day on different aspects of the attitude toward the United States and USSR. The RCP, whose members were a clear majority of the participants, at the beginning tried to keep its members polite and permit an exchange of views within the narrow framework of positions represented. As the day wore on, it became clear that its members weren't used to this and they became more and more hostile to the non-RCP speakers.

In the morning there was a three-way opening debate between Hinton; Nick Unger of the RCP; and Eqbal Ahmad, who held that the Soviet Union was capitalist but that the Soviet navy was not a threat to the Third World.

This was followed by two sets of workshops, run consecutively. The largest were on Angola in the morning and on China's foreign policy in the afternoon. I went to both, which were attended by about 400 people each. The audience was almost equally divided in the Angola workshop, with a slight majority for the RCP. The RCP defended the proposition that no support should have been given to any of the three nationalist groups in the civil war, but that the Cubans were "capitalist mercenaries" fronting for the Soviet Union in an attempt to turn Angola into a Soviet colony. They openly stated that Cuba had restored capitalism. Their opponents, mostly "Third Worldists" and *Guardian* types, supported the MPLA as "socialist" and backed the Cuban-Soviet intervention. The Spartacist League participated actively, criticizing the characterization of the Soviet Union and Cuba as capitalist. They were loudly abused by the Maoists but usually managed to finish their speeches in the question period.

The China foreign policy panel consisted of Ralph Schoenman, William Hinton again, and Clark Kissinger, former SDS and antiwar activist, who is now a hard-line RCP supporter although he may not be a member. Schoenman presented a revolutionary Marxist criticism of Chinese foreign policy, peaceful coexistence, and the lack of socialist democracy in China. About halfway through his speech, the audience got the drift of where he was going and the Maoists began to shout abuse and to boo him. He was defended by a significant minority of the audience. At the end he was jeered by about three-quarters of those present, but the other 25 percent applauded him loudly. This was clearly more than just the Spartacists and included many independents present and perhaps some RCPers who believed in democratic procedures.

Kissinger began by attacking the "Trots" and justifying the imprisonment of the Chinese Trotskyists. ("Once when speaking on China a fervent young man demanded to know why China had released a large number of Kuomintang war criminals but still kept Trotskyites in jail in China. I replied that I did not know precisely but that the penal policy in China is to work for idealogical reformation of the person and I could only conclude that Kuomintang generals were more liable to this process than Trotskyites.") This was applauded by the Maoists.

Kissinger's basic line was that China's policy of friendship for imperialism and for dictatorships in the colonial world was only a government-to-government policy, but that on a party-to-party level it still promoted revolution.

Hinton disputed Kissinger, but while he presented the actual policy, he was a poor debater and failed to cite any documentary proof. The whole debate turned on the "or-

thodoxy" of what Peking's line was supposed to be and not very much on the merits of the conflicting interpretations, and Hinton failed to make a serious case, out of incompetence.

The evening session was another three-way debate, between Hinton, Dave Dellinger, and Bob Avakian. Here the mask was taken off and the session was turned into an RCP victory rally. A standing ovation was organized for Avakian when he appeared on the platform. He shouted insults at the Guardian and the OL and proclaimed the RCP correct against Hinton and that it was the revolutionary party in the United States. He succeeded in whipping up his members and convincing the great majority of them that Hinton did not represent the real line: that it was possible to remain a Maoist and still be anti-imperialist and keep the Peking franchise.

The OL boycotted the conference on the grounds that "revisionists" were permitted to speak. They sent in a few people to participate from the floor in the question periods. One of them demanded to know what position Avakian had on the "gang of four." Avakian replied that the RCP was still considering this and had not made up its mind. It appears that despite his demagogy, the RCP has already lost the Peking mandate: Hsinhua has already printed lengthy excerpts from the October League's Call supporting the purge.

(Also in the question period, Avakian defended Stalin's reign of terror in the 1930s as a "great achievement of socialism" and promised that the RCP would know how to deal with "external and internal enemies" in the future.)

This conference reflects the fact that the RCP has become clearly the largest Maoist organization in the country. Judging from the applause in the evening "rally," some 700 or 800 of those present considered themselves Avakian supporters. Significantly, the conference projected no action of any kind and discussed no specific anti-imperialist struggles taking place in the United States today. Its purpose was to convince the membership of the RCP that they could at the same time retain the position of being a general anti-imperialist organization and still claim the authority of the Chinese state. The generally high spirits of the final meeting indicate that Avakian succeeded in this purpose for the time being.

Nevertheless, such a "victory" is plainly an ephemeral one. It rests on a deliberate "misunderstanding" of Peking's line that is certain to be revealed to even the least conscious RCPer in the period ahead. The fact that the RCP felt the need to permit the kind of debate that did take place at the conference shows that this is an issue of crisis proportions for them and that the crisis will be renewed and deepened not far down the road.

Most of the participants were young. Talking to a few of them I got the impression that many of them are in the RCP for largely accidental reasons. The leadership and the basic cadres are hard Stalinists of the most unregenerate type who are completely cynical about workers democracy and are openly against it. Even their commitment to "anti-imperialism" seems tactical, based on the realization that it is impossible to build anything in this country on the Hinton-Peking line. (Hinton advocated a campaign to pressure the Pentagon to send more arms to Japan and NATO and a campaign to oppose trade with the Soviet Union.) Many of the young RCPers and members of the RSB genuinely believe that there is socialist democracy in China and that is why they are Maoists. They are ignorant of Soviet history and accept what they are told about Stalin and Trotskyism, but they are genuinely repelled by the Soviet Union. (They accept without question that the Soviet Union is "capitalist," an assumption that underlies the whole current line of all the Maoist groups.)

(Even the OL is afraid to go the whole route with Peking and Hinton. Their official position is that the Soviet Union is the "main danger" and that they should wage a propaganda offensive against the USSR and the CP as "capitalists," but they stop short of an open bloc with Washington.)

If we can participate in the debate that is taking place and point out to some of the young RSBers the difference between what their leadership tells them Peking stands for and what it really stands for, we may have an effect in preventing the RCP from consolidating its hold on a number of young radicals who have joined it for reasons quite different from the policies it really represents.

MAOIST YOUTH ORGANIZATION IN THE U.S.

(By Rick Berman)

This report is based on information from the Young Socialist Alliance organizational tours and from phone calls to about fifteen cities.

The Revolutionary Student Brigade, the RCP's youth group, is probably about the same size as the YSA. Until about a year and a half ago, the RSB was a somewhat heterogeneous youth group. The Revolutionary Union was the most influential tendency in it and determined its national policy, but other Maoists also participated. In some chapters there were battles for leadership between RU and non-RU forces.

About the time RU decided it was the new communist party and changed its name to the Revolutionary Communist Party, it also decided that the RSB should affiliate to the RCP as its youth organization. The RSB held a special conference in the fall of 1975 to declare its support to the RCP.

The RCP openly sets the line of the RSB. For example, at the RSB conference in the fall of 1975, RCP leaders announced who would be the RSB national office staff. RSB members had no control over this.

The RSB publishes a regular monthly newspaper called Fight Back. Fight Back is more professional, and probably has a wider circulation on campus, than any of our other opponents' youth press.

The RSB's main activity is basic propaganda work. They have regular literature tables up on campus, they hawk Fight Back and Revolution, hold campus forums on different political issues, and are pretty thorough about paste-ups. On most campuses they are probably at least as visible as the YSA.

Like the RCP, the RSB is extremely sectarian and does not often participate in action coalitions around particular issues. When they participate in a struggle, they generally set up their own ultraleft "coalition" apart from any broader coalitions that exist. Often their "coalitions" include only RSB members and sympathizers.

I haven't been able to discover any important issue in the Black struggle that the RSB is involved in. From what we know, they have a smaller Black membership than the YSA. But they probably do have an edge over the YSA in Chicano and Asian-American members. Their isolation from the Black struggle is a result of their racist opposition to busing and affirmative action.

Comrades in California report that the RSB has lost some influence in recent months, particularly among Chicano students. The RSB abstained on the two most important issues Chicano students are involved in on campus: the campaign to pass Proposition 14 and the strugle to overturn the Bakke decision.

One struggle that the RSB has been involved in is the International Hotel struggle in San Francisco. This is a struggle against the eviction of mainly elderly Asian-American tenants. The RSB and the RCP have their own "coalition" on this issue, but since the RSB is the only organization working on this issue on campus, it has become identified with it on many campuses in the Bay Area.

The RSB works closely with a large number of Iranian students. One wing of the Iranian Student Association is in general political agreement with the RCP and RSB.

Vietnam Veterans Against the War is an RSB front group, which it captured several years ago. VVAW has a national newspaper and exists on some campuses in different parts of the country.

Until this fall, campus cutbacks and tuition hikes were the most prominent issues in the RSB press and it has been quick to initiate actions around these issues. On campuses where the YSA has participated in cutbacks fights, the RSB usually pulls out of coalitions and tries to set up its own coalitions, but in some areas such as New Jersey, it has been influential in broader coalitions.

This fall the RSB's major campaign was a campaign for a boycott of the presidential elections. Their main slogan was "Politicians Fight for $ Interests." At the University of California Berkeley campus, for example, they asked people to wear black armbands on election day to demonstrate their refusal to vote.

On other campuses the RSB challenged the Democrats to debate. They also challenged the YSA to debate them on the question of the elections in New York, at Kent State University, and in Boston. Our debates with them weren't too fruitful. Few independents attended, and the RSBers refused to discuss the main political issues raised in the election campaign, focusing their remarks on why bourgeois elections are a fraud.

These debates were a departure from previous RSB policy. They have a long record of trying to prevent Trotskyists from speaking at events they participate in. They have also threatened and at times physically attacked members of th SWP and YSA. In addition, they usually refuse to speak on the same platform with bourgeois politicians. I think this departure from their usual policy reflects the problems they had convincing their members, sympathizers, and contacts of a boycott position on the elections when both the SWP and the CP ran well-published campaigns. Fight Back carried a full-page article on why the Camejo-Reid campaign was a "phony left" campaign.

When I was in Madison, Wisconsin, this fall, about the time we found out about these challenges to debate, I asked an RSB member if they would challenge us to a debate in Madison. He explained to me that their policy was to debate us in cities where the YSA is bigger than the RSB, particularly in the big Eastern cities. So apparently these decisions to debate us were part of a national policy known to their membership, not isolated decisions by local leaderships.

Also, individual members of the RSB have approached YSA members privately to discuss China. These kinds of conversations between RSB and YSA members over coffee or a beer to talk about politics rarely happened in the past.

This fall the YSA has recruited a few former RSB members, mainly through the Camejo-Reid campaign.

The RSB generally abstains from struggles in the women's liberation movement. They oppose the Equal Rights Amendment and believe that defending abortion rights is un-

important. On campuses all over the country they held anti-ERA forums on International Women's Day last spring.

Right after Mao died, the RSB held memorial meetings on campuses all over the country. We don't have reports on how successful these were. *Revolution* reported that these meetings occurred on more than sixty campuses across the country. If this is accurate, it is another indication that the RSB is roughly the YSA's size.

In some cities during the past year or so, we've found that the RSB leaves different campuses as the YSA moves onto campus. They don't try to challenge us. That's been the case in Newark, Baltimore, Oakland, and Cleveland, for example. But in other cities that hasn't happened. For example, in San Jose, comrades reported that the RSB brought new people onto campus for reinforcement as the YSA began to grow.

In some areas the RSB is growing and getting some people who should be in the YSA. Although we don't have accurate figures, my impression is that they are stronger in more campus towns, regional areas, than the YSA.

One other thing I wanted to add is that comrades may have noticed an article in the issue of *Revolution* published right after the RCP's July 4 demonstration in Philadelphia. It pointed to some thinking in the RCP about setting up another youth group in addition to the student-based RSB. The article made a big point that a number of unemployed youth from street gangs attended their demonstration, and that there was potential to build a youth organization to attract people like that, separate from a student organization. The RCP hasn't said anything more specific about this, but it's worth noting.

I'd also like to report some information on the Communist Youth Organization, which is the October League's youth group. We know very little about it. The CYO is quite a bit smaller than the RSB. It is only about a year old. They claim they had 200 people at their founding conference; it could have been even smaller.

The OL does most of its campus work in its own name. Even on campuses where it has students and regular activity, only rarely is its activity carried out in the name of the CYO. My own opinion is that OL hasn't decided if it wants to build a separate youth organization.

CYO publishes on an irregular schedule a newspaper in a newsletter format, only 4 to 6 pages. It doesn't take up particular issues being discussed on campus.

ARE THERE DOVES IN THE KREMLIN?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 21, 1977

Mr. ASHBROOK. Mr. Speaker, from time to time we are regaled by Kremlinologists with stories of how there are doves and hawks in the Kremlin. To encourage the doves, the argument goes, we must be reasonable and responsible in our dealings with the Soviets. Such reasonableness and responsibleness often translates into caving into Soviet demands.

Recently, Daniel Graham, former head of the Defense Intelligence Agency, put the whole notion of doves and hawks to rest. His article was published in the Washington Post. It deserves attention not only in the Congress but in the State Department and the White House. The text follows:

KREMLIN DOVES AND HAWKS: A "FALLACIOUS NOTION"

(By Daniel O. Graham)

The recent series of columns in The Post by Victor Zorza about hawks and doves within the Soviet leadership is palpable nonsense. When a Post editorial picked up the fallacious notion of a counterpart to the U.S. hawk-dove political alignment in the Kremlin, it became too much for anyone remotely familiar with the facts to bear in silence.

Brezhnev came to power in the U.S.S.R. via a coup against Nikita Khrushchev, which was fully supported by the Soviet military. One of the main complaints the military had against Khrushchev was that he had entertained to some degree the heretical Western doctrine of mutual deterrence. He had stated publicly that both societies—capitalist and Communist—would be destroyed in a general nuclear war. He cancelled naval construction programs, deactivated some ground divisions and reduced Soviet forces to a mere 3.6 million. These were among the "hare-brained schemes" that the military could not abide.

Brezhnev took exactly the hawkish measures required of him. He poured resources into the Soviet military machine at an unprecedented rate. The Strategic Rocket Forces got six completely new ICBM systems and numerous modifications as well. The bomber force got a new strategic bomber. The Soviet navy got several models of missile launching submarines and a high rate of attack submarine and surface ship construction. The Soviet army got 30 more divisions, new tanks and armored personnel carriers, new tactical missiles and an entire new fleet of tactical aircraft for support. Brezhnev and company committed 26 divisions to crush the deviations of Dubcek's Czechoslovakia from the Soviet model. This is Brezhnev the dove?

Under the tutelage of Chairman Brezhnev, the heretical notion of Khrushchev that military forces might better be designed to deter rather than fight and win wars has been discarded. Although he occasionally argues that nuclear war menaces mankind, he has never repeated the Khrushchev heresy that the Soviet state would perish in a nuclear war. Further, he has boasted that "precisely" Soviet military might has "forced" detente upon the United States. There is not a shred of evidence that Brezhnev and his Zorza-alleged dovish majority has stopped or even slowed any Soviet military program in the SALT-detente era.

How can one conclude that an effective dovish faction exists *at all*, let alone dominates the Kremlin's present policies?

Brezhnev's insistence on fast progress toward new SALT agreements, in Zorza's theory, means that hawks are discontent with the results to date and threatening his position. Why should Brezhnev *not* press for quick new SALT agreements? From his point of view, both SALT and detente in general have argured well for the relative power of the Soviet Union as well as his own personal power. Why should the Soviet military balk at SALT, which to date has restrained their opponents' military programs and left their own unfettered?

Zorza noted that two marshals had changed jobs. Kulikov moved from his job as chief of the general staff to take direct command of the entire Warshaw Pact. He was replaced by Ogarkov. Since Ogarkov had been the military representative on the Soviet SALT delegation, Zorza assumes that he is a dove relative to Kulikov. He paints Kulikov's reassignment as punishment of a sort for being a hawk.

This is pure speculation. The Kulikov transfer is by no means a demotion. Command of the Warsaw Pact has in the past been the stepping stone to greater things. Grechko went from that position to Minister of Defense. There is no reason to believe that Ogarkov's views differ from those of Kulikov. His former position on the Soviet SALT delegation means only that he was well trusted by the military.

As for Lt. Colonel Rybkin's article, also cited by Zorza, Zorza reports it as an example of conversion from a hawkish to a dovish view. But Rybkin has always followed the party line faithfully and today is not dovish at all. He states that there will always be a real threat of war until the entire world is in the Communist camp. If his article is read in full, it is apparent that in his remark that more nuclear weapons are not helpful, he was talking to the *United States*, not the Soviet Union.

The motion that some mirror-image of the U.S. situation, including its civilian-versus-military contest for resources, can be entertained only by those ignorant of the nature of the Soviet state. In the U.S.S.R., as in the Russia of the tsars, the military establishment has been the backbone of society, *not* a social overhead as in the democratic countries of the West. With relative power shifting to the favor of the Soviet Union, we cannot afford more blunders based on this brand of bad analysis. In the end they could prove fatal.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Friday, April 22, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 25

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation.

Until 1 p.m. 4232 Dirksen Building

9:30 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.

1114 Dirksen Building

Veterans' Affairs

To hold hearings on S. 247, to provide recognition to the Women's Air Forces Service Pilots.

Until noon 318 Russell Building

10:00 a.m.
Armed Services
General Legislation Subcommittee
To meet in closed session to consider proposed fiscal year 1978 authorizations for the Defense Civil Preparedness Agency.
224 Russell Building
Banking, Housing, and Urban Affairs
To hold hearings on the nominations of John H. Dalton, of Texas, to be President of GNMA; William J. White, of Massachusetts, to be a member of the Board of Directors of the New Community Development Corporation; and Ruth Prokop, of the District of Columbia, to be General Counsel of HUD.
5302 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 1250, proposed fiscal year 1978 authorizations for the Coast Guard.
5110 Dirksen Building
Energy and Natural Resources
To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
3110 Dirksen Building
Environment and Public Works
Subcommitttee on Water Resources
To hold hearings on proposed fiscal year 1978 authorizations for river basin projects.
4200 Dirksen Building
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
6202 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To resume hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.
2228 Dirksen Building
Select Ethics
To hold an open business meeting to discuss committee organization, to be followed by a vote to close the meeting to discuss certain classified business.
1417 Dirksen Building

APRIL 26

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building
9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on proposed fiscal year 1978 authorizations for the Legal Services Corporation.
Until 11.30 a.m. 424 Russell Building
9.30 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.
S-146, Capitol
Human Resources
Subcommittee on Labor
To hold hearings on S. 995, to prohibit discrimination based on pregnancy or related medical conditions.
Until noon 4232 Dirksen Building
Select Small Business
To hold hearings on problems of small business as they relate to product liability insurance.
1202 Dirksen Building
10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings to receive testimony in connection with delays and congestion occurring at U.S. airports-of-entry.
5110 Dirksen Building
Environment and Public Works
Subcommittee on Water Resources
To hold hearings on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building
Governmental Affairs
To consider pending nominations; S. 826, to establish a Department of Energy; S. 904, to establish a center within OMB to provide current information on Federal domestic assistance programs; and to discuss committee funding resolution.
3302 Dirksen Building
10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building
11:00 a.m.
Select Small Business
To resume hearings on S. 972, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers.
S-126, Capitol
2:00 p.m.
Appropriations
Legislative Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Legislative Branch, on funds for the Senate Disbursing Office.
S-128, Capitol
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.
S-146, Capitol
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building
Select Intelligence
To meet in closed session to consider proposed fiscal year 1978 authorizations for Government intelligence activities.
S-407, Capitol

APRIL 27

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building
8:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
235 Russell Building
9:00 a.m.
Governmental Affairs
Governmental Efficiency and District of Columbia Subcommittee
To hold hearings on S. 1060, to restate the charter of George Washington University; S. 1061, to allow continued Treasury borrowing by the District of Columbia; S. 1062, to change the fiscal year of the Armory Board; S. 1063, to allow the issuance of revenue bonds by the District of Columbia for the building of university facilities; S. 1101, to terminate the District of Columbia borrowing authority from the Treasury for sewage works; S. 1102 to allow the District of Columbia to enter into interstate compacts; and S. 1103, to allow the States to sue for taxes in the District of Columbia Superior Court.
Until 11:00 a.m. Room to be announced
9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building
Human Resources
Subcommittee on Labor
To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related medical conditions.
Until noon 4232 Dirksen Building
Select Small Business
To hold hearings on proposed fiscal year 1978 authorizations for programs of the Small Business Administration.
424 Russell Building
Veterans' Affairs
To hold hearings on S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.
Until 12:30 p.m. 318 Russell Building
10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Judiciary.
S-146, Capitol
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building
Energy and Natural Resources
To consider pending calendar business.
3110 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To consider S. 708, to revise and strengthen standards for the regulation of clinical laboratories.
Until noon 1318 Dirksen Building
Judiciary
Subcommittee on Juvenile Delinquency
To hold hearings on S. 1021 and S. 1218, to amend and extend programs under the Juvenile Justice and Delinquency Prevention Act.
2228 Dirksen Building
Rules and Administration
To mark up S. 708, to improve the administration and operation of the Overseas Citizens Voting Rights Act of 1976, and to consider proposed authorizations for activities of the Federal Election Commission for fiscal year 1978.
301 Russell Building
Select Intelligence
To hold hearings with a view to determining whether disclosure of fiscal year 1978 budget figures for Govern-

ment intelligence activities is in the public interest.
S-407, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Japan-United States Friendship Commission, and the office of the Special Representative for Trade Negotiations.
S-146, Capitol

Judiciary
To hold hearings on S. 1231, to increase authorizations for the Civil Rights Commission for fiscal year 1978.
2228 Dirksen Building

Select Intelligence
To continue hearings with a view to determining whether disclosure of fiscal year 1978 budget figures for Government intelligence activities is in the public interest.
S-407, Capitol

APRIL 28

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:00 a.m.
Governmental Affairs
To hold hearings on the nominations of Gladys Kessler, Robert M. Scott, Robert A. Shuker, Annice M. Wagner, and Paul R. Webber, each to be a judge of the District of Columbia Superior Court.
457 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To consider S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children, and proposed legislation to extend the Child Abuse Prevention and Treatment Act.
Until 10:30 a.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Renegotiation Board, and SBA.
S-146, Capitol

Appopriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on proposed fiscal year 1978 authorizations for the Nuclear Regulatory Commission.
4200 Dirksen Building

Finance
To mark up proposed legislation authorizing funds for fiscal year 1978 for the U.S. International Trade Commission, and to consider pending nominations.
2221 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To hold hearings on biomedical research programs.
Until 12:30 1202 Dirksen Building

Select Intelligence
To continue hearings with a view to determining whether disclosure of fiscal year 1978 budget figures for Government intelligence activities is in the public interest.
S-407, Capitol

10:30 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 2:00 p.m. 4232 Dirksen Building

APRIL 29

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

8:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
6202 Dirksen Building

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youths.
Until 2 p.m. 102 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

Human Resources
Labor Subcommittee
To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related conditions.
Until noon 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee.
To hold hearings on proposed budget estimates for fiscal year 1978 for the Judiciary and FCC.
S-146, Capitol

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearings on rural housing legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Parks and Recreation
To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.
3110 Dirksen Building

MAY 2

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S.275 to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

10:00 a.m.
Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

MAY 3

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation amending the Federal Trade Commission Act.
5110 Dirksen Building

Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building

Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:30 p.m.
Banking, Housing, and Urban Affairs
To mark up S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building

MAY 4

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget

estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation to amend the Federal Trade Commission Act.
235 Russell Building

Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on H.R. 5306, Land and Water Conservation Fund Act amendments.
3110 Dirksen Building

Rules and Administration
To hold hearings on S. 1072, to establish a universal voter registration program, S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendations from the FEC submitted March 31.
301 Russell Building

MAY 5

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved.
5110 Dirksen Building

Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and message to amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

Select Small Business
To hold hearings to investigate problems in development of timber set-asides.
424 Russell Building

MAY 9

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

MAY 10

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
5110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 11

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Rules and Administration
To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962 and 966, President's message dated March 22, and recommendations of the FEC submitted March 21.
301 Russell Building

Veterans' Affairs
To mark up S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for Construction of veterans health care facilities.
412 Russell Building

MAY 12

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearing on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting and Management
To continue hearing to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 13

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 17

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on federally-guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and proceduers, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.

1224 Dirksen Building

MAY 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.

5302 Dirksen Building

MAY 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.

5302 Dirksen Building

MAY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on Federal procurement personnel an extended time period during which they may not work for defense contractors.

5302 Dirksen Building

MAY 24

9:30 a.m.
Select Small Business
To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.

424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

MAY 25

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.

424 Russell Building

MAY 26

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.

424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.

6202 Dirksen Building

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the cable TV system.

235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.

235 Russell Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.

235 Russell Building

CANCELLATION

APRIL 28

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.

154 Russell Building

HOUSE OF REPRESENTATIVES—*Friday, April 22, 1977*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Thine, O Lord, is the greatness, and the power, and the glory, and the victory, and the majesty; for all that is in the Heaven and in the Earth is Thine; Thine is the kingdom, O Lord, and Thou art exalted as head above all.—I Chronicles 29: 11.

"For the beauty of the Earth,
For the glory of the skies,
For the love which from our birth
Over and around us lies;
Lord of all, to Thee we raise
This our prayer of grateful praise."

We thank Thee for this land of liberty in which we live and pray that we may ever be a people mindful of Thy favor and glad to do Thy will. Bless our country with honorable industry, sound learning, and pure religion. Save us from violence, discord, and confusion, from pride and prejudice, and from every evil way. Fashion us into one people eager to walk in the ways of righteousness, justice, and good will for our own good and the good of all mankind. In periods of prosperity keep our hearts filled with gratitude and in times of trouble let not our trust in Thee fail; for Thine is the kingdom, the power, and the glory forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. SYMMS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. ROSTENKOWSKI. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI).

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 326, nays 8, answered "present" 1, not voting 98, as follows:

[Roll No. 145]

YEAS—326

Abdnor	Beard, R.I.	Brown, Ohio
Akaka	Beard, Tenn.	Broyhill
Alexander	Bedell	Buchanan
Allen	Benjamin	Burgener
Ambro	Bennett	Burke, Calif.
Ammerman	Bevill	Burke, Fla.
Anderson, Calif.	Biaggi	Burke, Mass.
	Bingham	Burleson, Tex.
Anderson, Ill.	Blanchard	Burlison, Mo.
Andrews, N.C.	Blouin	Burton, Phillip
Annunzio	Boggs	Butler
Applegate	Boland	Byron
Archer	Bonior	Caputo
Ashbrook	Bonker	Carr
Ashley	Bowen	Carter
Aspin	Breaux	Chappell
AuCoin	Breckinridge	Chisholm
Badham	Brinkley	Clausen, Don H.
Badillo	Brodhead	
Bafalis	Brooks	Clawson, Del
Baldus	Broomfield	Clay
Baucus	Brown, Calif.	Cleveland
Bauman	Brown, Mich.	Cohen
Coleman	Gilman	Lehman
Collins, Ill.	Ginn	Lent
Collins, Tex.	Goldwater	Levitas
Conte	Gonzalez	Lloyd, Calif.
Corcoran	Gore	Lloyd, Tenn.
Cornell	Gradison	Long, La.
Cornwell	Grassley	Lott
Coughlin	Gudger	Lujan
Crane	Guyer	Luken
D'Amours	Hagedorn	Lundine
Daniel, Dan	Hamilton	McCloskey
Daniel, R. W.	Hammer-schmidt	McCormack
Davis		McDonald
de la Garza	Hanley	McFall
Delaney	Hannaford	McHugh
Dellums	Hansen	Madigan
Dent	Harkin	Maguire
Derrick	Harrington	Mahon
Derwinski	Harris	Markey
Dickinson	Harsha	Marks
Dicks	Heckler	Marriott
Dodd	Hefner	Martin
Downey	Heftel	Mathis
Drinan	Hillis	Mattox
Duncan, Oreg.	Hollenbeck	Meeds
Duncan, Tenn.	Holt	Meyner
Eckhardt	Holtzman	Michel
Edgar	Hubbard	Miller, Calif.
Edwards, Calif.	Huckaby	Miller, Ohio
Edwards, Okla.	Hyde	Mineta
Eilberg	Ichord	Minish
Emery	Ireland	Mitchell, N.Y.
English	Jeffords	Moakley
Ertel	Jenkins	Moffett
Evans, Colo.	Jenrette	Mollohan
Evans, Del.	Johnson, Calif.	Montgomery
Evans, Ga.	Johnson, Colo.	Moore
Evans, Ind.	Jones, N.C.	Moorhead, Calif.
Fary	Jones, Okla.	
Fascell	Jones, Tenn.	Moorhead, Pa.
Fenwick	Jordan	Mottl
Findley	Kastenmeier	Murphy, Ill.
Fisher	Kazen	Murphy, N.Y.
Fithian	Kemp	Murphy, Pa.
Flood	Ketchum	Murtha
Flowers	Keys	Myers, Gary
Flynt	Kildee	Myers, Michael
Foley	Kostmayer	Natcher
Fountain	Krebs	Nedzi
Fowler	LaFalce	Nichols
Frey	Lagomarsino	Nix
Fuqua	Latta	Nolan
Gaydos	Le Fante	Oberstar
Gephardt	Leach	Obey
Giaimo	Lederer	Ottinger
Gibbons	Leggett	Panetta

Patten	Satterfield	Tucker
Pattison	Scheuer	Udall
Pease	Schroeder	Ullman
Pepper	Schulze	Van Deerlin
Perkins	Sharp	Vento
Pettis	Shuster	Volkmer
Pickle	Sikes	Waggonner
Pike	Simon	Waigren
Poage	Skubitz	Walsh
Pressler	Slack	Watkins
Pursell	Smith, Nebr.	Weaver
Quayle	Snyder	Weiss
Quie	Solarz	Whalen
Rahall	Spellman	White
Rangel	Spence	Whitehurst
Regula	Stangeland	Whitley
Reuss	Stanton	Whitten
Rinaldo	Stark	Wilson, Bob
Risenhoover	Steed	Wilson, C. H.
Roberts	Steers	Wilson, Tex.
Robinson	Stokes	Winn
Rodino	Stratton	Wirth
Rogers	Studds	Wolff
Roncalio	Stump	Wright
Rooney	Symms	Wylie
Rose	Thone	Yates
Rostenkowski	Thornton	Young, Fla.
Rousselot	Tonry	Young, Mo.
Roybal	Treen	Young, Tex.
Rudd	Trible	Zablocki
Russo	Tsongas	Zeferetti

NAYS—8

Armstrong	Mitchell, Md.	Steiger
Glickman	Pritchard	Taylor
Jacobs	Sarasin	

ANSWERED "PRESENT"—1

Patterson

NOT VOTING—98

Addabbo	Goodling	Price
Andrews, N. Dak.	Hall	Quillen
Barnard	Hawkins	Railsback
Beilenson	Hightower	Rhodes
Bolling	Holland	Richmond
Brademas	Horton	Roe
Burton, John	Howard	Rosenthal
Carney	Hughes	Runnels
Cavanaugh	Kasten	Ruppe
Cederberg	Kelly	Ryan
Cochran	Kindness	Santini
Conable	Koch	Sawyer
Conyers	Krueger	Sebelius
Corman	Long, Md.	Seiberling
Cotter	McCory	Shipley
Danielson	McDade	Sisk
Devine	McEwen	Skelton
Diggs	McKay	Smith, Iowa
Dingell	McKinney	St Germain
Dornan	Mann	Staggers
Early	Marienee	Stockman
Edwards, Ala.	Mazzoli	Teague
Erlenborn	Metcalfe	Thompson
Fish	Minkowski	Traxler
Flippo	Mikva	Vander Jagt
Florio	Milford	Vanik
Ford, Mich.	Moss	Walker
Ford, Tenn.	Myers, Ind.	Wampler
Forsythe	Neal	Waxman
Fraser	Nowak	Wiggins
Frenzel	O'Brien	Wydler
Gammage	Oakar	Yatron
	Preyer	Young, Alaska

Mr. GOLDWATER changed his vote from "present" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC OPPORTUNITY OF COMMITTEE ON EDUCATION AND LABOR TO SIT TODAY DURING 5-MINUTE RULE TO RECEIVE TESTIMONY ON H.R. 6111 AND H.R. 1137

Mr. ANDREWS of North Carolina. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Opportunity of the Committee on Education and Labor may be permitted to sit during debate today under the 5-minute rule to receive testimony on H.R. 6111 and H.R. 1137, bills to amend the Juvenile Justice Act of 1974.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman from North Carolina assure us that there will be no markup?

Mr. ANDREWS of North Carolina. There will be no markup.

Mr. ROUSSELOT. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FIRST AMENDMENT WRONGS

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, the recent outcry against a former President's comments on the present administration has prompted me to speculate on just how this "American political tradition" of mute ex-Presidents might best be institutionalized. The following is one possibility:

H. RES. —

A resolution to amend the Constitution of the United States of America in keeping with the American political tradition.

(Introduced by Mr. J. C. Mononeill of Demoland.)

Resolved, That the first amendment of the Constitution is amended to read as follows:

"Congress shall make no law abridging the freedom of speech, but, the President, Vice President, or any congressional leaders of their choosing or persuasion, may, in keeping with American political tradition, abridge the freedom of speech of any former President, provided that such former President is of an opposing political party beginning with the letter "R" and further provided that such speech is, in the determination of the Administration in power, critical of such Administration."

ANOTHER BROKEN POLITICAL PROMISE

(Mr. HARSHA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARSHA. Mr. Speaker, like the rest of the Nation, the people of Ohio have been deluged with self-serving rhetoric from Jimmy Carter about personal integrity and keeping faith with the people. Phony rhetoric is all that it is, and if Ohioans did not know it before, they know it now.

During the Presidential campaign, at the urging of Ohio Democrats, candidate Carter went around proclaiming his strong support of the planned $4.4 billion expansion of ERDA's gaseous diffusion plant near Portsmouth, Ohio.

Well, the people of Ohio have been had, and by some of the most sordid political shenanigans imaginable. After promising to support the plant's expansion and to request sufficient funds to start construction—before and after he entered the White House—President Carter has broken that promise and pulled the economic rug out from under Ohioans by scrapping the project he used to get elected in Ohio.

It is an outrageous breach of faith with the people and shows a callous contempt for those who supported him. The Democratic Party needed Ohio badly, and its candidate was willing to stoop to any level to carry the State, and indeed he did.

I am shocked at his action and stunned that he holds Ohioans in such low esteem. I am certainly not alone in that regard. The phones in my office have been ringing off the hook with calls from irate citizens who know the importance of the atomic plant to their area and remember well Jimmy Carter's promise to support the plant's expansion.

That such shabby treatment should be meted out from one who sanctimoniously boasted that he would never lie to the American people is absolutely unbelievable.

After all of the work that has gone into this project and after all of the public assurances by President Carter to the people of Ohio that it would proceed as planned, I find both his attitude and his action unconscionable. Obviously, campaign commitments are meaningless to this administration.

APPOINTMENT AS ADDITIONAL MEMBERS OF AD HOC COMMITTEE ON ENERGY

The SPEAKER. Pursuant to the provisions of House Resolution 508 and House Resolution 509, the Chair appoints as additional members of the ad hoc Committee on Energy the following Members of the House: The gentleman from Alabama (Mr. FLOWERS) to rank after the gentleman from Texas (Mr. ECKHARDT), the gentleman from Pennsylvania (Mr. MURPHY), and the gentleman from California (Mr. GOLDWATER), to rank after the gentleman from Texas (Mr. COLLINS).

DEPARTMENT OF DEFENSE AUTHORIZATION FOR FISCAL YEAR 1978

Mr. BENNETT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Florida.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 5970, with Mr. ROSTENKOWSKI in the chair.

The CHAIRMAN. When the Committee rose on yesterday, Thursday, April 21, 1977, title I had been considered as having been read and open to amendment at any point.

Are there any amendments to title I?

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will not take the 5 minutes but I want to say I know that many of the Members want to complete debate as expeditiously as possible. If they can stay on the floor and cooperate on this and have speeches promptly on each amendment, maybe we can get through this bill on time. It is not my purpose to rush anybody but if we can cooperate we can get through and it is just a matter of cooperating to get through as soon as possible.

AMENDMENTS OFFERED BY MR. BENNETT

Mr. BENNETT. Mr. Chairman, I offer some technical amendments, and I ask unanimous consent that they be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. BENNETT: Page 7, line 6, strike out "(A)" and insert in lieu thereof "(1)".

Page 7, line 12, strike out "(B)" and insert in lieu thereof "(2)".

Page 7, line 17, strike out "(C)" and insert in lieu thereof "(3)".

Page 7, line 19, strike out "(i)" and insert in lieu thereof "(A)".

Page 7, line 21, strike out "(ii)" and insert in lieu thereof "(B)".

Page 7, line 24, strike out "subparagraph (B)" and insert in lieu thereof "paragraph (2)".

Page 7, line 25, strike out "(D)" and insert in lieu thereof "(4)".

Page 8, line 4, strike out "(E)" and insert in lieu thereof "(5)".

Page 8, line 10, strike out "(F)" and insert in lieu thereof "(6)".

Page 24, line 23, strike out the semicolon and insert in lieu thereof a colon.

Page 25, line 14, strike out "84" and insert in lieu thereof "85".

Page 25, line 25, and page 26, line 13, strike out "Committee" and insert in lieu thereof "Committees".

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida (Mr. BENNETT).

The amendments were agreed to.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: Page 2, line 10 strike out the period and insert "of which $207,200,000 authorized for procurement of 3 E-3A airborne warning and control system (AWACS) aircraft and $41,300,000 for advanced procurement shall not be expended until a favorable decision is made by the North Atlantic Treaty Organization allies for procurement of the system."

Mrs. SCHROEDER. Mr. Chairman, I think this position is very easy for people to vote for. You voted for it last time, if you voted for the armed services procurement last year. The reason I had the amendment read was to show that it does not strike—repeat does not strike—the money for the AWACS aircraft. Instead the amendment puts the AWACS money in escrow until our NATO allies determine they are going to purchase it.

What is the AWACS? It is really a Boeing 707 with a lookdown radar system. The reason AWACS is so important is it is able to do two things that ground radar cannot do. It is able to see over the horizon and it is able to monitor low-flying aircraft. That is important. I will be the first to grant that.

Now, what is the problem? Why am I here? First of all, the original procurement was supposed to be for 34 of these and a majority, at least 20, were to go to NATO. What happened in the interim has gone on and on. We now have built 19. We have been told originally that we needed 10 for the United States Air Defense; so if we need 10 and we now have 19 and there are currently 3 more in the budget, what this amendment would do is we hold up the procurement of those 3 more until NATO agrees to buy them. If we proceed, we will then have 22 of AWACS. Again, remember, we were originally told we only needed 10. There is some question among many people whether we even need 10 in the United States, because AWACS basically only guards the United States against low-flying bombers. I question how much of a threat there is to the United States from low-flying bombers. One of the biggest problems is that we cannot defend the United States from strategic ballistic missiles, be they land-based or be they sea-based. Since we cannot protect the United States from them, there is some question whether we should attempt to protect them from low-flying bombers; for by the time any bombers reached here there would be nothing but cinders. Nevertheless, assuming we do want to protect against low-flying bombers, we have nine more than we need already.

Now, what has happened with NATO, every year we have been urged not to stop AWACS procurement because the sale to NATO was imminent.

We have constantly been told we must continue procuring these because NATO is going to purchase them. Last year we were told they said they were in contract negotiations.

Mr. Chairman, in the last couple weeks we now know that the West Germans have said they are not going to do this. The British pulled out of the whole deal and said they will not put up their amount of money to purchase AWACS. Instead, they are going to procure and build their NIMROD, which in essence is the same thing as the AWACS. It is now fairly clear that NATO will probably purchase the NIMROD not the AWACS.

We have statements of Secretary Brown saying that the United States will not purchase these planes for NATO. We will not give them the planes.

I think if this Congress wants to give to the Defense Department the strongest case for going forward in tough negotiations with NATO, we should adopt this amendment, because what it will say to NATO is, "Either you order the AWACS or we are not going to give them to you on a silver platter cost free."

Continuing to procure AWACS makes it appear that we are going to give NATO these planes free so why should they engage in serious contract negotiations.

Let me discuss several other AWACS issues.

The current cost of these planes is $138 million per copy. If we build 34 of them, the cost will be $109 million per copy. Either price makes the B–1 bomber look very cheap indeed.

Another point often made is we should go ahead and keep the production lines moving. Well, we have enough in procurement to keep the lines open until the middle of 1979. At that time, were the Defense Department to come up with a new mission for the AWACS, and it has had many new missions since its inception, the production line would still be available. Passing this amendment does not shut down the production line tomorrow.

The CHAIRMAN. The time of the gentlewoman from Colorado has expired.

(By unanimous consent Mrs. SCHROEDER was allowed to proceed for 1 additional minute.)

Mrs. SCHROEDER. So, I ask all the Members to remember several different items. No. 1, this amendment does not strike the amount from the bill, but only holds it in escrow until NATO makes a positive decision. We have been told that perhaps Iran or someone else will buy them, and so forth and so on. The only problem is that if we build up our inventory to that level, and if we have no use for the inventory we are going to have to give them away, so I think from a bargaining position with NATO it is best to adopt the amendment and send them a message Congress is serious.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, I think it would be well to consider what the effect of this amendment would be. If we had it within our power, I would certainly urge and, indeed, come close to requiring NATO to acquire this weapons system. This is not the issue. We would be hamstringing our own capabilities through this amendment.

AWACS is a magnificent technological achievement in the field of radar surveillance. It has taken many hard knocks since its initial contract in 1970, but through it all knowledgeable authorities have been unwavering in their support of the program for reasons that I think we should examine here today.

I have talked not only with Air Force planners here in Washington, but also with the future users of AWACS, the Tactical Air Command. I have ridden in this aircraft and have seen its most impressive capabilities.

Let me make two points. First of all, the military capability of AWACS would be of tremendous value. It has added new dimensions to aerial combat through its surveillance and tactical control systems and will give our fighter pilots what they need most, a jump on enemy action.

Second, turning away from the military aspect of AWACS, we as a nation will have, if we continue to support this program, the first system that we can use during day-to-day routine missions to perform many necessary and hitherto overcostly support missions for civil and environmental control agencies. For instance, the Treasury Department is most interested in utilizing AWACS on the southern and northern borders to help eradicate the drug traffic. The Coast Guard is interested in the control of supertankers in restricted waters and possible surveillance of our new 200-mile fishing limit. The Federal Aviation Agency sees many ways in which it could be used on standby emergency traffic control system, and the list goes on and on.

All of the above could be accomplished while the Tactical Air Command is conducting routine exercises and bringing their crews up to combat readiness. This means that there is no additional cost to the taxpayers of the United States. We can say that this is a two for one system that provides both a peacetime and wartime benefit for our civilian and military establishments.

Contrary to what my friend from Colorado has just said, the requirement is not 19 or 20. The U.S. Air Force is requesting 34 of these systems for the Tactical Air Command, which is minimal based on our worldwide commitments, the requirements of NATO aside.

It behooves us to provide all the support necessary to insure that these systems are authorized.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think that if everyone is listening to the argument, both pro and con, they should be struck by a curious fact. What the gentlewoman from Colorado is attempting to do is not to prevent NATO from having the AWACS aircraft. There is nothing in her amendment to stop them if they came forward and said, "Yes, we would like to buy this $160 million aircraft," from having the aircraft.

What the gentlewoman is doing is putting in escrow the money that would be authorized to buy three additional AWACS.

We already have authorized and appropriated 19 AWACS. The evidence and the testimony that our committee received indicates that we need 10 AWACS for the continental air defense, which wolud leave us 9 for other missions.

What the gentlewoman is attemping to do is put NATO's feet to the fire, and say, "If you want the airplane, we will be happy to provide it for you, but at least show the good faith of coming forward and saying you want that aircraft."

NATO has not done that.

I respectifully ask the gentleman from Virginia if in his presentation the gentleman covered the fact that the British, for instance, who were interested at one time in buying the AWACS, have now decided not to buy it and are purchasing the NIMROD, their own aircraft, and that the West Germans, originally interested in purchasing AWACS, are now reluctant to purchase it because they believe that if they wait long enough the United States will begin to deploy AWACS at German air force bases, without them having to spend the money. The Germans are also annoyed because we have not been able to come forward and purchase the Leopard tank or agree to some NATO standardization on the tank.

What the gentlewoman is attempting to do is put our allies' feet to the fire and saying, "If you want the aircraft, we will give it to you, but at least come forward and ask for it."

They have not done it. They have not done it for the last 3 years. I think it is time to have them act in good faith on this very costly weapon.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentlewoman from Virginia.

Mr. ROBERT W. DANIEL, JR. I thank the gentleman for yielding.

Mr. Chairman, I would say that, while we might be attempting to put the feet of NATO to the fire, we are at the same time eroding our own national defense capabilities, in view of the fact that we require 34. To acquire 19 or 20 will be very much short of what the United States needs, disregarding NATO.

Mr. DOWNEY. The gentleman is a conscientious member of the committee. No doubt the gentleman was there last year when we went over some of these requirements for the AWACS, and it was specifically asked of Mr. Jones—how many AWACS did we need for ourselves, "Do we need 10? Do we need 19? Do we need 34? Do we need 140?"

And at that time, when we were debating whether or not to go from 9 to 12, there was some question as to whether or not they would get their 12, and all of a sudden the requirement was for 10, where they could satisfy the continental air defense requirement with 10. We have 19. Nineteen of them. If NATO wants three more God bless them, let them have them. But at least let us have them ask for it.

Mr. ROBERT W. DANIEL, JR. If the gentleman will yield further, the U.S. Air Force requirement for worldwide operation is 34.

Mr. DOWNEY. But if we are going to have a worldwide requirement, at least our allies should share in the expense of that requirement. That is all the gentlewoman from Colorado is asking.

Mrs. HOLT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I think we are losing sight of the fact that we have a big investment in NATO. The leadership, our people there, are very concerned about the need that we have for the E-3A, and it has certainly been tested. The capabilities of this airborne surveillance system has caused our military planners to come up with a new set of rules regarding aerial combat, rules which now must reflect one F-15 under control of an E-3A can do the work of three.

Multiple jamming attempts against the E-3A can now be considered little more than a nuisance factor. It has been tested; it is needed; there are negotiations going on to buy it.

One of the problems we have not mentioned here is that if we cut back the production that we are contemplating, with the attending dollar and material changes, if we go through with this reduction, there are over 2,500 skilled and semiskilled workers who are going to be laid off within a short time. But the impact does not end there. The delay and the stretchout of the production program into later years are going to increase the cost. Cost increases ranging between 25 and 30 percent on avionics equipment will occur.

Mr. Chairman, I believe we ought to think very seriously about this. We know that it is wanted, and we must consider that negotiations are going forward to purchase the AWACS.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, the arguments presented in favor of this amendment fly in the face of all logic. Since the AWACS program's predevelopment phase was begun in 1970, we have hoped to see the development of an aircraft system that would offer a command and control capability that the world has never seen. Last month the first operational unit was delivered to the Air Force. The development, test, and evaluation programs which have been run on the aircraft since 1970 have proven that the AWACS has exceeded all initial hopes.

In April of 1975 the AWACS was sent to Europe to be evaluated in a number of areas. These were: First, detection of small vessels and low-flying aircraft; second, control of fighter aircraft in air-defense and antiship roles; third, deep-look capability into Warsaw Pact countries; fourth, friendly SAM support; fifth, integration of air-ground information; and sixth, interoperability with ground-based command and control systems. Each objective was met and exceeded.

We now have an aircraft that is unique. No such capability exists in the Soviet Union or the Warsaw Pact countries. We are asked today to support an amendment that can only diminish the military advantages this aircraft gives us.

We are asked to forfeit time and money. The time that is lost by postponing production will hurt us in two ways. We will be without the aircraft we need at a time when the Soviet Union is increasing the strength of their conventional forces, the very targets that this aircraft can most effectively identify. We will also be forfeiting time to the Soviet Union so they can develop their own electronic countermeasures against a radar system that would, under this amendment, be coming on line over a longer period of time. Above all, we will be denying ourselves a defensive advantage where our conventional defenses are most vulnerable: Europe.

We will lose money, not save money, by the passage of this amendment. The Boeing Co. has testified that production costs of the AWACS are based upon continuity of production. My colleagues on the Armed Services Committee can testify to the many occasions where procurement programs were postponed in the name of economy only to be begun later at a higher per unit cost. When the cost increases of inflation are added to the basic cost increases that would be the result of delaying production of the AWACS, the cost justification for this amendment disappears.

The more basic question to be answered in this debate is, Why unilaterally forsake the production of an aircraft system that is proven to increase our defensive capabilities? Can you justify to your constituents a vote that increases the potential deadlines of a surprise attack on our troops in Europe? Granted, all the contractual details have not been worked out with our NATO allies. But we do not live in the age of the bow and arrow. We must cope with lead times, production schedules, and above all, inflation. We literally cannot afford to reduce our procurement of the AWACS.

Mr. BADHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from California.

Mr. BADHAM. Mr. Chairman, I thank the gentlewoman for yielding.

I also rise in opposition to this amendment. Several of us who are members of the committee recently visited NATO and the American forces commanders in Europe, and the single most important request they have made to us is for fulfilling our pledge and our requirement to provide AWACS, which is absolutely essential to the defense not only of NATO and Central Europe and the Southeast but to the defense of our American forces presently in the European Theater.

Even if our friends in Germany and our allies in Great Britain were not to purchase AWACS, that would not relieve this Congress from the responsibility of providing that absolutely essential surveillance and airborne control system to our people who are defending our way of life, even though they are defending that way of life on another continent.

The respected gentleman from New York (Mr. DOWNEY), who is a member of the committee, has said that we only need 9 or 12. He is assuming, unfortunately, that these aircraft will never need service, that they will never need to have their crews rested, that they will always be in the same place, and that they only need one to fly in orbit. That is unfortunately not true.

Mr. Chairman, we must have these aircraft. We must have them for the protection of our own personnel. We must have them in Europe. Every commander of the armed services in Europe thinks this is absolutely essential. It is our duty constitutionally and as a Congress to provide these aircraft.

Mr. WHITE. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the Chairman of my subcommittee, the gentleman from Texas.

Mr. WHITE. Mr. Chairman, let me ask the gentlewoman this question:

Is it not true that some of our ground surveillance, as we have found it, has been diminished by reason of some of the Mideastern and Asian area altercations, as, for instance, that on Cyprus, and, therefore, that the commanders have told us that AWACS is a very much needed instrument by which we can maintain this surveillance?

Mrs. HOLT. Absolutely. This is the single most requested item to protect that southern flank of NATO. They want to get the AWACS coming along as quickly as possible. They feel that this would protect them and give us the opportunity to defend our troops and our allies there.

Mr. WHITE. And is it not also true that the Soviets have developed a very large tactical air force which is unlike their previous air force, and that, therefore, AWACS, which has been surveyed and studied for over several hundred miles, can see these tactical aircraft coming and can give adequate warning to prevent the possibility of attack?

Mrs. HOLT. That is absolutely true. This is the latest radar technology available, ably to fly at 30,000 feet, providing data on air and maritime activity in the immediate combat zone, but also 200 miles awav

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we ought not to lose sight of what is happening with regard to our NATO position; and we ought not to be playing games.

The gentlewoman from Colorado (Ms. SCHROEDER) is suggesting that we hold off on buying these aircraft until our NATO allies say that they are going to buy some or actually do purchase some. However, let us not kid ourselves. If anybody has been reading the papers lately, he will know that the German Bundestag has announced publicly that they are not going to buy any AWACS until the United States puts a German 120mm gun on our own XM–1 tank.

This bill in another title contains a provision that says that we are not going to put any 120mm gun on our XM–1 tank until we are satisfied that it has been properly tested and is the best thing we can get to protect our troops.

Mr. Chairman, are we going to vote here today to base our needs in the NATO theater on what the German Parliament is going to do, or are we going to base it on what our own U.S. Air Force needs?

Let us not kid ourselves again. If there is to be a war in Europe or if we are to have a confrontation in NATO, who is going to supply the air protection? It is going to be primarily and fundamentally the U.S. Air Force. Let us not kid ourselves on that.

Mr. Chairman, what we need the AWACS for is to provide the control, the overhead command and control, of American planes in NATO. So let us keep in the money that the Air Force needs. We are going to be protecting American flyers, American aircraft, and American troops on the ground in the event that anything—God forbid—should happen involving NATO. Let us not base our action on what may be the current political sentiment in the German Bundestag.

Mr. Chairman, let me also remind the committee that President Ford asked for six of these planes. President Carter took a look at the budget and reduced it to three; and that is all we have the money in there for, just for three planes. In line with the recommendations of the President, the Committee on Armed Services voted 28 to 8 to support President Carter's position.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I find myself on the other side of my good friend, the gentleman from New York (Mr. STRATTON), on this subject.

It seems to me that NATO is supposed to be an operation where all of the member countries cooperate as a unit. It is not going to be the United States against the common enemy. It is going to be all of these countries.

Why should they not pay their share and participate financially just as we do?

Mr. STRATTON. My information is that they are paying their share. But this is a plane needed to command and control air warfare, and, essentially, if we come to it, we are the ones who are going to be conducting that air warfare, not Belgium or Holland.

Mr. CHARLES H. WILSON of California. If the gentleman will yield further, Britain is going to build their own, too, now; and I think we could discontinue the AWACS.

Mr. STRATTON. The gentleman has his view. He was one of the eight who were outvoted.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, the gentleman from New York (Mr. STRATTON) has made an eloquent defense of the AWACS. I support his position.

Is it not also worthy of consideration that we are outnumbered in almost every category of weapons right down the line and that we need the most modern and effective weapons that we can obtain for the limited money that is available in this budget?

Mr. STRATTON. There is absolutely no doubt about that, and we should have had those charts here again today. We are effectively outnumbered when it comes to planes.

Mr. MARKS. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Pennsylvania.

Mr. MARKS. Mr. Chairman, there seems to be a basic concern and difference. That is, the gentlewoman from Colorado (Ms. SCHROEDER) and the gentleman from New York have suggested that we do not need 34. The gentleman from Virginia, the gentleman in the well, and others have suggested that we do.

Can we at least get some insight with respect to that question?

Mr. STRATTON. As our distinguished colleague, the gentleman from Virginia,

(Mr. Robert DANIELS) indicated, the Air Force says that they need 34. We are only up to about 20 at the present time.

President Ford said we needed six. President Carter cut it to three. That is all we are giving them, and that is still well below the need of the Air Force.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, the gentleman from California (Mr. CHARLES H. WILSON) made the point that as regards NATO, we ought to hold this off until we decide that NATO wants to use it.

The gentleman from California should be advised that we should have a separate, distinct defense responsibility and capability, separate from NATO's.

Mr. BYRON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I urge you to defeat the amendment offset by Representative SCHROEDER. The Armed Services Committee, after careful investigation and deliberation, did not choose to tie the future of the U.S. E–3A program to a favorable NATO decision on E–3A procurement. We should support their reasoned judgment.

Let us consider the probable outcome of this amendment. If NATO does not make a favorable decision by October 1—and chances of that are unlikely due to the complexity of ongoing negotiations among the several sovereign nations, each with their own national parliamentary procedures, time schedules and fiscal concerns—then the proposed amendment cuts off funds for the U.S. program. At the least, this would result in a production halt, which would not only unnecessarily increase the program cost, but would also delay delivery of this capable aircraft to operational units. At the worst, it could make the continuation of the program cost prohibitive, leaving the Air Force with insufficient numbers of a system that is urgently needed.

The Air Force Chief of Staff, General Jones, has testified that the E–3A is the Air Force's first priority system for our general purpose forces. Should we allow procurement of this first priority system to depend on the decision of other parliamentarians in other countries? I think not. If we are to terminate a vital program, let us debate the question directly.

By passing the proposed amendment, we are not encouraging continuation of the real progress NATO has made toward a positive decision—rather, we are placing the entire E–3A program in jeopardy. We probably would be terminating the program. Therefore, I urge you to join me in defeating the amendment under consideration.

Mr. TONRY. Mr. Chairman, I move to strike the requisite number of words, and rise in support of the amendment.

Mr. Chairman, I think the question before this House is whether or not we will finance NATO. I might say that I seldom rise in support of amendments offered to the defense bill from the Committee on Armed Services, on which I serve, but I think in this instance that the main question and the logical question before us is the question of whether we are going to ask the taxpayers of the United States to finance NATO. If we are going to fashion this logic, then it is not just a question of financing AWACS but also of financing the tanks, the guns, and the other airplanes used by NATO.

We have right now, according to the testimony that we have heard, enough AWACS to support the defense of the United States; that number is 10. The additional 11 AWACS will be used for NATO.

We are then faced with the essential question: Are we going to finance NATO and provide it with the planes needed for their defense, or require them to pay for them? Are we going to put the burden on the taxpayers of the United States? That is the essential question.

The amendment offered by the gentlewoman from Colorado (Ms. SCHROEDER) does not go to the quality or the merits of the plane itself, but would simply say that until NATO decides that they are going to buy these planes at this cost, let us not go into the business of financing NATO any more than we are already in it.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. TONRY. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I cannot seem to follow the reasoning of the gentleman from Louisiana, in that NATO is some strange alien force. The gentleman from Louisiana knows that we are part of NATO and that NATO is part of our defense. This is one of the essential weapons that we need not only for the defense of NATO but for the defense of this country.

Mr. TONRY. I think this is a matter of logic. I agree we are in support of NATO but we are not all of NATO. I think there should be contributions from the NATO countries themselves, because the essential defense tactics that these planes are going to do is for the NATO countries, not for the borders of the United States but for the NATO countries themselves. Admittedly they are intertwined with our own defense but, most importantly, the primary objective is their defense. If this plane is necessary for their defense, then let them bear the cost of it.

Ms. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. TONRY. I yield to the gentlewoman from Colorado.

Ms. SCHROEDER. Mr. Chairman, I think one of the issues missed here is that NATO will almost assuredly buy Nimrod rather than AWACS. We cannot impose our will on NATO and dictate on what they do.

Further, there has been some talk about waste if we shut the line down, but it will be very wasteful to procure nonneeded planes. Also as I stated before the line will not be down before May 1979.

As far as the 34 planes are concerned, they have been saying all along they intend to sell 20 to NATO but it now appears that if we will not give them to NATO and that NATO will not purchase them, for they will purchase the British plane. What do we do with them?

We have nine extra AWACS now. To continue development of AWACS and to build surplus planes at $138 million a copy means that we will get ourselves into the position where we will have to give them away if they are to be put to use. I think that is an improper way to proceed.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. TONRY. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I think the issue has been joined. The fact of the matter is that, in response to questions about the actual number of planes needed for the defense of the United States the witnesses for the Department of Defense could not give a specific number needed for the defense of the United States and for the defense of NATO.

It never has been indicated clearly by anyone that the need is any more than 10.

So, we have to ask outselves the question that the gentlewoman from Colorado (Ms. SCHROEDER) is posing: Whether or not we want to purchase, ourselves, all of the AWACS planes for NATO without their participation.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to try to see if we can conclude this. I do not want to conclude it on a negative note; we usually try to conclude these matters on a positive note to see if we can sustain the committee. Therefore, I want to review briefly what this is all about. This is not the purchase of any planes for NATO. This is the purchase of planes for woldwide commitment of the United States to protect our country, to see that our country is safe. It is true that only 10 are actually needed for U.S. defense but the number programed—and that is not definite, but certainly at least 24 are required, and this bill only brings us to 21. The Air Force says it needs 31. This will be the most economical way of proceeding. It is certainly a very cost-conscious proposition, because it was reduced from six to three. President Carter reduced the number and the committee agreed with him. I just want to emphasize that the committee studied this in depth and overwhelmingly was of the opinion that we need these for U.S. forces.

Mr. DORNAN. Will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from California.

Mr. DORNAN. I thank the gentleman for yielding.

Mr. Chairman, today is a very significant date in history. It is the birthday of Vladimir Ilyich Ulyanov Lenin. We have Russian Tupolev 95 bombers flying off the coast coming closer to our aircraft carriers than they ever have before and this inside of our coastal defense zones. This started years ago before we

ever started working with AWACS, but the Soviet planes have never flown with such provocation.

Let me emphasize that we are playing word games with people's lives. AWACS aircraft flying in the Southeastern Asian Theater of Operations literally saved hundreds of lives of U.S. fighter pilots. Ninety percent of all POW survivors were Air Force, Navy, and Marine fighter pilots. Many pilots went down and never knew what hit them because Mig's were vectored on their tails by enemy radar. Without the advance warning of these AWACS aircraft throughout the world today, fighter pilots could not accomplish anything in individual combat. He must have the advance warning. These NATO fighter pilots feel they are also flying in defense of the United States as well as their own country. God forbid, under the dictates of Lenin that the Soviets decide they can take us because of their overwhelming superiority in weapons and then move to take all of Europe—which I believe will happen before they would move in the Middle East—it will be the United States and NATO fighter pilots who will be the first line of defense.

We are issuing here a death sentence if we cancel AWACS not just on American fighter pilots rotating to the NATO Theater, but on British and other pilots in NATO who will be relying on this equipment, whether or not their governments play games as to whether or not it is going to be replaced by Nimrod instead of our superior Air Force aircraft. We need a ratio of three of these very complex electronic aircraft on the ground to every one we use in the air.

One of the most famous of Sir Winston Churchill's statements was the following:

> Never in the course of human conflict have so many owed so much to so few.

We are the many in that case, and the few were the handful of British Hurricane and Spitfire pilots in the Battle of Britain who really saved all of Western civilization by holding back the scourage of Hitler. Fighter pilots then could with their eyeballs protect us from the Messerschmitts and Fouke Wolfs and do battle with them.

But today we need this complex AWACS system, for sophisticated warning and we had better buy it, no matter what games European governments are playing with their young pilots' lives.

Mr. BENNETT. I appreciate the comments of the gentleman from California.

Mr. Chairman, I ask for defeat of this amendment.

Mr. RISENHOOVER. Mr. Chairman, I rise in opposition to the amendment although I am aware of the conflicts surrounding the continued procurement of the Air Force's AWACS system by both our own country and our own sister nations of NATO.

The controversy has vacillated over the capabilities of the system and the cost of the system requires no additional comment on my part. I choose to discuss the prime need for this advanced command control function.

As a nation, our country has prided itself on being the arsenal of peace and defense of the free world. Now, suddenly, we have awakened to an age of rapidly advancing technology especially in those areas of the world controlled by our potential enemies.

During the past year, startling and revealing statistics regarding the military strength of the Soviet Union have suggested that our military position has now been relegated to second place. But, still, there are those of us who would deny the seriousness of this challenge and continue a "business as usual" attitude toward our defense posture.

If ever there was a need for systems which can alert us to a threat—that time is now. That we have such a system, and continually argue over the politics of it, rather than the need of it, is almost unbelievable.

If I were to tell you for instance that I possessed an iron clad method for increasing the capability of our tactical fighter command by as much as 30 percent and could show you actual photographs and documented evidence of such fact, who then would deny the right of our military to utilize this system. In essence, we are doing this to our military when we disregard the tremendous inherent and potential capability of the E–3A AWACS and when we substitute petty bickering for commonsense.

The need for better command, control, and effectivity of our military forces is a daily subject of discussion, debated at great length during our hearings of the defense budget. But, we must remember, that these peacetime needs are magnified a hundredfold during the actual combat and failure to provide them could spell the difference between a military success or catastrophic failure. Commanders of all three services have witnessed the E–3A AWACS during actual flight operations, and their opinions, as to its needs in the national and international defense structure, have been unanimous. It is, they say, a necessary and vital addition to our military forces.

Our NATO allies foresee almost an unlimited usage of the system, not only in its tactical role but additionally as an airborne deterrent to those pact nations who would realize that by the AWACS presence alone, any prehostile activity on their part would be immediately exposed.

Let me conclude by emphasizing that continued procurement of the E–3A equates from the need for such a system in light of today's somewhat delicate balance of power coupled with the enormous strides being made in offensive weaponry. That we should disregard this need or fail to take the proper steps toward procurement of a system to fulfill this need is unthinkable.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The question was taken; and on a division (demanded by Mr. DOWNEY) there were—ayes 22, noes 67.

RECORDED VOTE

Mr. DOWNEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 135, noes 222, not voting 76, as follows:

[Roll No. 146]

AYES—135

Akaka	Edwards, Calif.	Oakar
Ammerman	Eilberg	Oberstar
Anderson, Calif.	Ertel	Obey
	Evans, Ind.	Ottinger
Applegate	Fascell	Panetta
Aspin	Fenwick	Patterson
AuCoin	Fithian	Pattison
Badillo	Fraser	Pease
Baldus	Gephardt	Pickle
Baucus	Gore	Pike
Beard, R.I.	Hamilton	Pressler
Bedell	Hannaford	Rahall
Bellenson	Harkin	Rangel
Benjamin	Harrington	Reuss
Bingham	Harris	Richmond
Blanchard	Heckler	Rodino
Blouin	Holtzman	Roncalio
Boland	Jordan	Roybal
Bolling	Kastenmeier	Russo
Bonior	Keys	Santini
Bonker	Kildee	Scheuer
Brademas	Kostmayer	Schroeder
Brodhead	Krebs	Seiberling
Brown, Calif.	Leach	Sharp
Burke, Calif.	Lederer	Simon
Burton, John	Leggett	Solarz
Burton, Phillip	Lehman	Stokes
Carr	Lloyd, Calif.	Studds
Chisholm	Lundine	Tonry
Clay	Maguire	Tucker
Collins, Ill.	Markey	Udall
Conte	Mattox	Van Deerlin
Conyers	Meyner	Vanik
Cornell	Miller, Calif.	Vento
Cornwell	Mineta	Volkmer
Coughlin	Mitchell, Md.	Walgren
D'Amours	Moakley	Waxman
Dellums	Moffett	Weaver
Diggs	Moorhead, Pa.	Weiss
Dingell	Mottl	Whalen
Dodd	Murphy, Pa.	Wilson, C. H.
Downey	Myers, Michael	Wirth
Drinan	Nedzi	Wolff
Early	Nix	Yates
Eckhardt	Nolan	
Edgar	Nowak	

NOES—222

Abdnor	Daniel, Dan	Harsha
Alexander	Daniel, R. W.	Hefner
Allen	Davis	Heftel
Ambro	de la Garza	Hillis
Anderson, Ill.	Delaney	Hollenbeck
Andrews, N.C.	Dent	Holt
Annunzio	Derrick	Hubbard
Archer	Derwinski	Huckaby
Armstrong	Dickinson	Hyde
Ashbrook	Dicks	Ichord
Ashley	Dornan	Ireland
Badham	Duncan, Oreg.	Jeffords
Bafalis	Duncan, Tenn.	Jenkins
Bauman	Edwards, Okla.	Jenrette
Beard, Tenn.	Emery	Johnson, Calif.
Bennett	English	Johnson, Colo.
Bevill	Erlenborn	Jones, N.C.
Biaggi	Evans, Colo.	Jones, Okla.
Boggs	Evans, Del.	Jones, Tenn.
Bowen	Evans, Ga.	Kazen
Breaux	Fary	Kelly
Breckinridge	Findley	Kemp
Brinkley	Fisher	Ketchum
Brooks	Flood	LaFalce
Broomfield	Flowers	Lagomarsino
Brown, Mich.	Flynt	Latta
Brown, Ohio	Foley	Le Fante
Broyhill	Fountain	Lent
Buchanan	Fowler	Levitas
Burgener	Frey	Lloyd, Tenn.
Burke, Fla.	Fuqua	Long, Md.
Burke, Mass.	Gaydos	Lott
Burleson, Tex.	Gibbons	Lujan
Burlison, Mo.	Gilman	Luken
Butler	Ginn	McCloskey
Byron	Glickman	McCormack
Caputo	Goldwater	McDonald
Carter	Gonzalez	McFall
Cavanaugh	Gradison	McHugh
Chappell	Grassley	McKinney
Clawson, Del	Gudger	Madigan
Cleveland	Guyer	Mahon
Cochran	Hagedorn	Marks
Cohen	Hall	Marlenee
Coleman	Hammer-schmidt	Marriott
Collins, Tex.		Martin
Corcoran	Hanley	Mathis
Crane	Hansen	Meeds

Michel	Rinaldo	Stump
Miller, Ohio	Risenhoover	Symms
Minish	Roberts	Taylor
Mitchell, N.Y.	Robinson	Thone
Mollohan	Rogers	Thornton
Montgomery	Rooney	Treen
Moore	Rose	Trible
Moorhead, Calif.	Rostenkowski	Tsongas
	Rousselot	Ullman
Murphy, Ill.	Rudd	Vander Jagt
Murphy, N.Y.	Sarasin	Walsh
Murtha	Satterfield	Watkins
Myers, Gary	Schulze	White
Natcher	Shuster	Whitehurst
Neal	Sikes	Whitley
Nichols	Skubitz	Wilson, Bob
Patten	Slack	Wilson, Tex.
Pepper	Smith, Nebr.	Winn
Perkins	Snyder	Wright
Pettis	Spellman	Wylie
Poage	Spence	Young, Alaska
Pritchard	Stangeland	Young, Fla.
Pursell	Stanton	Young, Mo.
Quayle	Steed	Young, Tex.
Quie	Steers	Zablocki
Regula	Steiger	Zeferetti
Rhodes	Stratton	

NOT VOTING—76

Addabbo	Holland	Railsback
Andrews, N. Dak.	Horton	Roe
	Howard	Rosenthal
Barnard	Hughes	Runnels
Carney	Jacobs	Ruppe
Cederberg	Kasten	Ryan
Clausen, Don H.	Kindness	Sawyer
	Koch	Sebelius
Conable	Krueger	Shipley
Corman	Long, La.	Sisk
Cotter	McClory	Skelton
Danielson	McDade	Smith, Iowa
Devine	McEwen	St Germain
Edwards, Ala.	McKay	Staggers
Fish	Mann	Stark
Flippo	Mazzoli	Stockman
Florio	Metcalfe	Teague
Ford, Mich.	Mikulski	Thompson
Ford, Tenn.	Mikva	Traxler
Forsythe	Milford	Waggonner
Frenzel	Moss	Walker
Gammage	Myers, Ind.	Wampler
Giaimo	O'Brien	Whitten
Goodling	Preyer	Wiggins
Hawkins	Price	Wydler
Hightower	Quillen	Yatron

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Waggonner against.

Mr. Thompson for, with Mr. Teague against.

Mr. Koch for, with Mr. Milford against.

Mr. Flippo for, with Mr. Ford of Tennessee against.

Mr. Hawkins for, with Mr. Shipley against.

Mr. Stark for, with Mr. Price against.

Mr. Rosenthal for, with Mr. Carney against.

Mr. Ford of Michigan for, with Mr. Staggers against.

Ms. Mikulski for, with Mr. Whitten against.

Mr. Mikva for, with Mr. Long of Louisiana against.

Ms. KEYS changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. EMERY

Mr. EMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EMERY: On page 2, lines 21 and 22, strike "$1,319,000,000"; and insert, in lieu thereof, "$1,611,000,000;"

On page 2, lines 22 and 23, strike "for the AO fleet oiler program, $322,700,000; for the fleet tug program, $52,700,000;"

On page 2, line 18 strike "$700,800,000" and insert, in lieu thereof, "$764,900,000;"

Mr. EMERY. Mr. Chairman and ladies and gentlemen of the committee, this amendment accomplishes several things. First of all, it strikes a total of $375.4 million from the bill, the cost of two fleet oilers and three tugs. It adds $292 million for two FFG–7 guided missile patrol frigates, and $64.1 million for long lead procurement for one additional SSN–688 class nuclear attack submarine. It cuts a total of $19.3 million from the bill. But at the same time, it provides funding for three additional combatant ships that the Navy very badly needs. If there has been any single thread which has tied our Seapower Subcommittee testimony together, it has been the great concern of the committee and of the Navy that we have not built a strong enough Navy, that we need more combative vessels with greater fire power to project our Naval influence throughout the various oceans of the world.

Another aspect which is equally as important is that the oilers and fleet tugs can easily be built by the merchant marine or supplied from vessels currently afloat. I for one believe that the U.S. merchant marine, which has sunk to No. 11 in the world in recent years, needs to accept more of the responsibility for supporting our Navy.

Mr. Chairman, this amendment is an important amendment. It adds more firepower to our fleet, it calls on the merchant marine to meet its obligations to our national security, and it cuts $19.3 million dollars from this defense bill.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, I thank the gentleman for yielding.

I think I can speak, Mr. Chairman, for the great majority of the members of the Committee on Merchant Marine and Fisheries in asking the committee to agree to this amendment as one element in increasing the seapower of the United States.

As the Members know, under the Merchant Marine Act of 1936, the merchant marine of this Nation is intended to be suitable to serve as an auxiliary to the Navy in time of war.

Essentially the bill that the committee came out with asks for the building of two tankers at a cost of $161 million each. That is $322 million for tankers. As the Members know, there are presently 30 million deadweight tons of tanker capacity laid up around the world. There are numbers of good, fast, modern tankers on the market today that can be purchased at a price of less than $20 million.

The committee has had estimates before that tankers that are now laid up in the fjords of Norway, off Japan, and elsewhere around the world can be bought for prices of between $8 million and $17 million.

What does this mean to the Navy? The Navy ran tests back in 1972 on the use of civilian tankers to fuel Navy ships at sea. Let me quote to the Members from the 1972 Maritime Administration/Navy joint findings, as follows:

. . . potential savings from using merchant ships for wartime Underway Replenishment are large enough to justify further, more detailed analysis and fleet testing. In addition to the $610 million savings to the Government from using simpler merchant designs in peacetime, an additional savings of $130 million would arise if ships to support two attack carrier groups deploying one month after D–Day were chartered only when war occurs. In peacetime, these ships would earn revenues which defray much of their cost to the government.

If we can require in the Federal construction subsidy for merchant marine ships that merchant marine tankers be capable of servicing the Navy in time of war, there is absolutely no need, and it seems almost insane, to build two tankers at $161 million each when we can buy similar tankers for $20 million each in the world market today and refurbish them to properly service the Navy, with adequate pumps, adequate self-defense mechanisms, and adequate communications gear.

In my judgment, Mr. Chairman, this amendment ought to be enacted. It transfers money for fleet oilers and tugs to combatant ships, which is the very direction the Armed Services Committee itself has stated is necessary in the opening paragraph of its report.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there is no comparison between the fleet oilers and tugs designed to go in harm's way—that is, in danger—and ordinary civilian oilers and tugs.

The fleet oilers must have special characteristics peculiar to fleet oilers. They must be able to sustain 20 knots on ocean transit; they must be able to maintain 15 knots replenishment speeds; they must be capable of operating with Navy task forces; they must have a self-defense capability; they must have a combat information center, special command and control, and communications equipment; they must have redundancy in critical engineering and steering systems; they must have extensive damage control configurations and fire control systems.

In addition, they must have modern firefighting equipment; they must have especially trained repair parties; they must have sufficient compartmentation to maintain a margin of survivability; they must have multiship refueling capability, since oilers usually refuel ships on both the port and starboard sides simultaneously; and they must have a high fuel transfer rate. These ships have the capability of transferring 900,000 gallons of propulsion fuel and 540,000 gallons of aircraft fuel per hour.

The same thing cannot be said about commercial oilers. This is a bulk oil carrier which cannot do what the military oilers have to do. They do not satisfy any of the above requirements.

The fleet tugs are discussed in the following manner: They are actually semi-combatants. The fleet tugs have been requested and designed primarily for open-sea towing of battle-damaged fleet units. Their primary peacetime role includes providing fleet target towing services, drone and torpedo recovery, coastal and open-ocean towing of non-operational units and other specialized support operations. To accomplish these missions, fleet tugs are deployed world-

wide as members of the mobile logistic force.

The fleet tugs will be capable of embarking transient salvage, diving and open-sea oil pollution control teams, and they will have space and weight reservations for portable salvage and diving equipment, as well as having emergency firefighting equipment and rescue capability.

Commercial tugs cannot meet these obligations. The tugs and oilers have to be combatant or semicombatant. There is no in-between.

Mr. Chairman, it is an expensive procedure to build these kinds of tugs and oilers.

I would rather have combatant ships of long range, expensive ones like the carrier or something like that. They would be better for our Nation at this time. But we have to have some sort of mix.

The ships, the oilers, and tugs we now have are so old that they are actually decades old and they must be retired.

The ones we need have capabilities the like of which no commercial tugs and oilers can match.

Therefore, Mr. Chairman, I ask that the amendment be defeated.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, the gentleman will concede, I am sure, that we would all like the merchant marine to be capable of serving as a naval auxiliary in time of war.

Is the gentleman not familiar with the tests of the *Irma Elizabeth*, a civilian tanker, with respect to which it was estimated it would cost only $30,000 to do the necessary refurbishing work to make the *Irma Elizabeth* capable of serving as an adequate fleet oil tanker? Is that not correct?

Mr. BENNETT. I do not believe it is.

Mr. McCLOSKEY. May I ask the chairman this question: Instead of building a new tanker at a cost of $161 million today, if we bought a 38,000 gross deadweight ton tanker on the market today for $20 million, could we not change that tanker and modify it to do all of the things the gentleman has said a Navy tanker would do at a cost of far less than $161 million?

Mr. BENNETT. There is no way of doing it through the merchant marine and getting the same ship in that way.

These oilers and these tankers are not standby. They are not stuck in some port. They are worldwide ships. They are used currently. They are not ships that can be brought in at some other time. They are needed now.

Mr. McCLOSKEY. If the gentleman will yield further, I do not think that I am getting my point across.

We have a particular situation in the world market today because of the tremendous surplusage of oil tankers.

The CHAIRMAN. The time of the gentleman from Florida (Mr. BENNETT) has expired.

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like further discussion with the gentleman from California (Mr. McCLOSKEY) because I think that basically what the gentleman from California would like to do sounds like a good idea.

I know that Admiral Zumwalt in the past has indicated a great deal of interest and that he tried to put across the idea of getting more use out of the merchant marine fleet for the benefit of the Navy.

My question is about whether this amendment is the way to do it, and how do we get to the place to which we want to go from where we are today.

Mr. McCLOSKEY. If the gentleman will yield, perhaps I could make this point: Because of the overbuilding of tankers prior to the 1973 Arab oil embargo, there are many good fast medium-size tankers laid up around the world of the type the Navy seeks.

Because of this peculiar situation we can build a civilian tanker today at a cost of $120 million in a Japanese shipyard or at perhaps twice that cost in a U.S. shipyard. However, with all of this tanker surplus that is laid up, we can buy the same tanker for $17 million, one-tenth of its price to build.

Mr. ASPIN. Mr. Chairman, I understand the gentleman's economic argument and I know about the numbers he uses for comparison.

I think his point is that we are talking about spending $10 million to $17 million for a civilian tanker, as opposed to about $161 million for a Navy tanker. I understand that the Navy ships are indeed a little bit more capable in certain areas and can do things which the civilian ship cannot. Maybe the civilian ship can be modified, but let me ask a couple of questions in particular about where we are in the bill.

Before this bill reached the floor the administration had more oilers and tankers in the bill than are in it as it is on the floor now.

I was concerned, when the bill was before the committee, that we had cut out too many oilers and tankers already and now I am concerned that we are cutting out the remaining oilers and tankers in the bill and putting in some combat frigates, which raises two questions in my mind.

No. 1: What assurances have we that the oilers and tankers will in fact be in the budget of the Committee on Merchant Marine and Fisheries? And, No. 2: What assurances do we have that these frigates we are putting in are going to survive over in the Senate?

Mr. McCLOSKEY. Both of those questions rest on future events. Certainly, it would appear to me, that no Member in this House could ever promise or even estimate what the Senate might do. But it would seem to me that since we have the maritime authorization bill coming before us next month and we have to report it out by May 15, the sole basis upon which we can ask this country to fund the construction of ships for the merchant marine is if they are helpful to us in time of war.

Mr. ASPIN. If the gentleman from California would respond to this question: Why is it not, in view of the fact that we have already cut out some oilers and tugs from this budget already, justification enough for us to put in some money in the budget of the merchant marine for the purpose of building tankers?

Mr. McCLOSKEY. The significant fact is that the only thing the subcommittee cut from this budget were tankers and oilers. The Navy asked for four tankers, claiming that they felt they had to have them. The Armed Services Committee cut it to two. The Navy asked for four tugs and the committee cut that to two, because the committee felt they were not necessary.

Mr. ASPIN. I do not think it is true the subcommittee felt they were not necessary. I think the subcommittee felt that it would be difficult or impossible to raise the defense budget and felt that fighting ships were more important than these oilers and tankers. The problem is, since we have already cut the oilers and the tankers in the budget before us, I do not know why the gentleman cannot go before the Committee on Merchant Marine and Fisheries and say that the House Committee on Armed Services has already cut the request of the administration from four to two, and that we ought to increase the number in the merchant marine budget to make up for these. We do not have to cut the last two.

Mr. McCLOSKEY. I believe our remedy for that problem is to insist that before we spend one more dollar on merchant marine subsidies that we require that any ships we fund be suitable as auxiliaries for the Navy, just as the 1936 law requires.

I think I can speak for the Merchant Marine Committee chairman, the gentleman from New York (Mr. MURPHY) on that point, although I have not discussed it with the gentleman.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, because of the noise that has prevailed in the House, I must say that I know very little about this amendment. I could hear the gentleman from Wisconsin (Mr. ASPIN), as I am sitting closer to him and I do concur with the gentleman. But I must say that we cannot write a defense bill on the floor of the House.

If this is such a good idea, why was it not submitted in the committee? Why did the author of the amendment not submit it in the committee?

As the Members I am sure know, the members of the Committee on Armed Services have the duty of determining priorities. We are working within a limited budget.

In fact, Mr. Chairman, I would state to the Members of the House that if we do not do something next week when the Committee on the Budget presents its proposal, there is no chance to have any stronger defense in this country. That is because the Ford administration proposed $122 billion, the Carter administration proposes $120 billion, and now the Committee on the Budget is only recommending $116 billion.

As I say, Mr. Chairman, we are dealing with priorities. We know very little about the effect of this amendment on the capability of the U.S. Navy.

I would ask the gentleman from Maine (Mr. EMERY) why the gentleman did not offer the amendment in the Committee

on Armed Services if it is such a good idea?

Mr. EMERY. Mr. Chairman, if the gentleman will yield. I would remind the gentleman that the last time I offered an amendment in the Committee on Armed Services, the same gentleman from Missouri objected that I offered it in the committee and not on the floor.

Mr. ICHORD. I opposed it because the gentleman had a bad amendment.

But, why did the gentleman not offer this amendment in the committee and give the committee a chance to consider it?

Mr. EMERY. Will the gentleman yield?

Mr. ICHORD. I will not yield at this time. The gentleman from Maine well knows that the chairman of the full committee, the gentleman from Illinois (Mr. PRICE) is very considerate of the rights of all members of the committee.

The gentleman could have authored it in the committee. Why did he not do it at that time?

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Maine.

Mr. EMERY. I thank the gentleman for yielding.

In the committee we discussed a great many alternatives for increasing the shipbuilding program, and it was the desire of the subcommittee to maintain at least a semblance of the original budget request. Consequently, when the Seapower Subcommittee program was considered by the full committee, we found that our request was practically the only one of all the other subcommittees that maintained the original budget request, and we were some $40 million below, if I remember correctly.

I want to point out to the gentleman that this amendment reduces the entire budget by $19.3 million. It does not merely add more money.

Furthermore, as the gentleman from Missouri well knows, the patrol frigate program, oiler program, tug program, and the attack submarine program have all been discussed in subcommittee—and I am a member of that Seapower Subcommittee. And certainly, I have the right to offer any amendments, such as this one, as the adopted rule permits. The gentleman's objections would, I think, carry more weight if they reflected facts, figures, and philosophy rather than his distaste for the fact that my amendment was offered.

Mr. ICHORD. I would state to the gentleman that he could have brought it up in time to hold hearings on it. I am not a member of the Seapower Subcommittee, and, in fact, most of the members of the House Committee on Armed Services are not members of the Seapower Subcommittee.

Mr. LOTT. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Mississippi.

Mr. LOTT. I appreciate the gentleman's yielding.

I am not on the Committee on Armed Services, and I do not have any vested interest in the frigates or in the amendment, but I should like to point out that the original defense authorization bill introduced this year did have these two additional frigates in it. So it was considered by the subcommittee.

I want to say to the gentleman from Missouri that his point is well taken. We should not be writing this sort of legislation on the floor of the House; but it is because of the inadequacy of this bill, especially in shipbuilding, that we are having to resort to this attempt to increase the Navy's authorization. Why did not the committee come forward with a better bill as far as naval firepower is concerned?

Mr. ICHORD. Can we make that determination in 15 minutes here on the floor of the House? Why did not the gentleman bring it up in committee? That is my question.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding.

I think that basically what the gentleman from California (Mr. MCCLOSKEY) is trying to do is in fact a very interesting and sensible approach. We have had suggestions similar to this from Admiral Zumwalt, when he was the Chief of Naval Operations, to get the merchant marine to support the Navy more. We are going to have to do that if we are going to have a strong Navy, because the Navy is going to have to do the fighting, and the merchant marine will have to support it and provide the replenishment of food and supplies in war.

But the problem is trying to build that policy with these specifics at this time. If we take out these support ships and put in two frigates, we are gambling on two things: one, the support ships will be built later for the merchant marine; and, two, the Senate will agree to the position of keeping two frigates in.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TRIBLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, as a member of the House Armed Services Committee and as a member of the House Merchant Marine and Fisheries Committee, I rise in support of the proposed amendment. America needs desperately to build combatant ships for our Navy and increase the size and capability of our merchant marine to serve as a naval auxiliary in the time of peace, war, or national emergency. This amendment points us in this direction.

First. We need to marshal our limited fiscal resources and build combatant ships. The size and threat of the Soviet Navy increases each day. We must increase the size and capability of our own naval forces. This amendment will add two needed modern, effective patrol frigates requested by the Navy; long lead funds for one nuclear attack submarine; and will save the hard-pressed taxpayers $19.3 million.

Second. Necessary support vessels and services are readily available in the private sector and can be acquired at significantly lower public expense.

There are a number of good reasons for striking the fleet oilers. There are over 30 million deadweight tons of tankers idle on the world market. We should not be building new tankers of any kind in the face of this surplus. The two Navy oil tankers proposed will cost $161 million each. Good new civilian tankers can be purchased for $10 to $17 million today.

A 1972 Navy/Maritime Administration study of the use of civilian tankers concluded that substantial savings could be gained by using merchant ships. Tests of the *Erna Elizabeth*, a civilian tanker, showed that civilian vessels were adequate to meet Navy needs.

The case for tug reduction is equally strong. In November 1975, GAO studied Navy harbor tugs—not the ocean tugs which are in the fiscal year 1978 DOD authorization bill. It concluded that,

> Greater requirements on the commercial sector for tug boat services with a concurrent day activation of Navy tug boats could bring about significant savings to the DOD.

GAO is now working on an analysis of ocean tugs. Tentative conclusions suggest there is little reason to build more Navy tugs at this time. For the period analyzed by GAO, 39 percent of the Navy's ocean tug requirements were point to point towing—the kind which requires no special military features. Yet only 3 percent of the Navy's ocean tugs services were performed by commercial tugs. Since there is no question but that commercial tugs could perform the point to point towing, this fact demonstrates that commercial tugs could be more extensively utilized.

Moreover, the costs of using commercial tugs are substantially less. In 1976 Navy tugs operating costs exceeded $10,000 per day. MSC tugs—military operation but manned with civil service crews—operated at $5,000 per day. Comparable civilian tugs were chartered at $2,884 per day.

Construction costs of commercial tugs are also substantially less than Navy tugs. The three proposed Navy tugs will cost $17.5 million each. Comparable civilian tugs cost $3 to $5 million. There are over 1,000 U.S. civilian tugs which can do the same jobs the Navy ships will do.

Third, this Nation needs to do all it can to encourage the development of our merchant marine fleet in order that we can conduct international trade and provide for our national defense. This is not going to be possible if the Navy continues to build its own support vessels.

For the foregoing reasons, I urge my colleagues to support this amendment. Such action will properly direct our efforts toward the construction of necessary combatant ships for the Navy and to the task of building a merchant marine capability necessary to meet our national commitments.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I think there would be a great deal of support to add two frigates, but the facts are we need

these support ships in spite of what the gentleman says about the merchant marine. We have eight fleet oilers that are Navy-manned, and they have 27-plus years of service, and eight oilers manned by the Sealift Command, and they have 31-plus years. Those are the only ones we have.

We need these combatant ships. I would support an amendment to add two frigates, but we should not take away these tugs. They are too important to the program.

Mr. TRIBLE. I agree we need more ships but operating under the constraints we are today I feel we should put our money in combat ships.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

There is one point that has been lost sight of in this discussion, which is that Navy tankers or oilers are combat ships. There is a whole world of difference between a Navy fleet oiler and the Texaco tankers, super-tankers or otherwise. This is not a case of building ships for the merchant marine and then when the balloon goes up suddenly taking them over the way we take over the reserve fleet and say: "From now on you go with the Navy."

A Navy fleet oiler has got to be able to keep up with the cruisers and aircraft carriers to which it is assigned and it has to be built with that in mind and not on the basis of whether they can maximize profits in transporting oil from the Alaskan Slopes to some other place. We cannot have a fleet oiler operating simply on a standby basis. It is part of the fleet.

This House, I think very mistakenly, but they did it a few months ago or weeks ago, voted to knock out a nuclear carrier the Navy wanted and substituted two oil-fired carriers of somewhat smaller dimensions. I do not know where we are going to get the oil because the President tells us there is not going to be any oil; but that is the way we voted.

But if we are going to build two more oil-fired carriers we are going to have to supply the oil for them, and so we will need the tankers to keep up with them. These are the oilers we have in this bill, oilers that will have to keep up with a carrier that will go 28 or 29 or 30 knots. This is an entirely different proposition from building a tanker that can be turned over to the Navy after an emergency has been declared.

I am in favor of building merchant ships that can be turned over to the Navy for use in time of war. But the ships we have got in this bill are fleet combat oilers and so long as we are going to rely on oil the ships that will have to carry that oil into combat are absolutely necessary, and as combat ships capable of speeds of the combat vessels.

Mr. McCLOSKEY. Mr. Chairman, if the gentleman will yield, all of those things being said, why did the gentleman vote to cut out two oil tankers from the budget which the gentleman already characterized as too low?

Mr. CHARLES H. WILSON of California. Because the Committee on Seapower recognizes they cannot have everything. We are trying to live within the budget and as the gentleman from Missouri indicated the Budget Committee has reduced the figure even lower.

Mr. STRATTON. The point is that I sympathize with the gentleman's objective, but we simply cannot meet the needs of the Navy with Texaco tankers.

Mr. McCLOSKEY. The *Erna Elizabeth*, it was testified in 1972, steamed 120,000 miles with an attack convoy and performed very adequately, to the extent the Navy said further tests should be done. Since 1972, nothing has been done although 5 years have passed.

Frankly, the Merchant Marine Committee has been wholly unable to get information from the Navy as to why.

Mr. STRATTON. Well, I cannot yield further, but the gentleman is suggesting that we buy prowl cars for the police department and then turn them over to the fire department and police department will only call on them when they need them.

If we are going to build these ships, they have got to be available now and at all times for the Navy. We cannot have it both ways.

Mr. McCLOSKEY. Mr. Chairman, if the gentleman will yield further, let me suggest that in the gentleman's own report that triggered this, the report states that the prime way the committee addressed the weaknesses of the administration's shipbuilding program is "through the allocation of a greater proportion of funds to combatant vessels and a smaller proportion to support vessels."

So the Navy did not have an adequate fleet building program, is that not correct?

Mr. STRATTON. Mr. Chairman, I yield to the chairman of the Committee on Seapower.

Mr. BENNETT. Mr. Chairman, I believe I attended all of those hearings, but I think I can answer the question. The truth of the matter is that the request by the Navy, because of the imposition of the budget, was for a lot of cheap ships. We thought that the Navy is supposed to fight, so we gave them some fighting ships, in addition to oilers and tankers. They need to protect themselves.

Just because someone has one steak for dinner does not mean he has to have five steaks for dinner.

Mr. LOTT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to indicate my support for the Emery amendment. In support of our argument that the shipbuilding portion of this bill is just insufficient, I urge the Members to look at page 45 of the measure. There is just an inadequate number of ships totally, but there is especially an insufficient number of ships with firepower. I would like to see us start adding ships across the board, the oil tankers, the tugs, and those with firepower, the combatants.

I have talked with almost every Member of the committee and there is no amendment going to be offered to add ships, so we have to offer one.

I strongly suggest to the Members again that they just look down the list. It is pitiful in terms of quantity and firepower.

The amendment gives us three or four advantages. No. 1, we are replacing auxiliary ships with ships with firepower. By substituting the two additional frigates and the SSN-688 class attack submarine under discussion, we save $98 million. I am surprised that the gentleman from Wisconsin, who is usually for saving money in a military authorization bill, is against this particular amendment.

Mr. Chairman, I think we have to have more firepower for combatant ships. This amendment would give us that additional capability.

Mr. McCLOSKEY. Mr. Chairman, I move to strike the requisite number of words. I rise in favor of the amendment.

Mr. Chairman, I will not take the full 5 minutes, but I wanted to read from the Armed Services Committee report to which I referred.

In its report on the authorization bill, the Armed Services Committee recognizes that "the—shipbuilding—program indicates no sense of purpose to achieve a balanced fleet of the appropriate numbers and kinds of ships required by the Navy of the future."

I think the committee stands by that language, and I think it is correct.

I think it stems from the committee's dismay and certainly the dismay of those of us on the House Merchant Marine Committee that in the 5 years since tankers were used to fuel ships at sea and there were studies to show they could be used, no further work has gone forward.

Yesterday, before the Merchant Marine Committee, we had testimony from a retired admiral of the Navy Reserve who said that this was because of Navy politics. He felt it was a Navy desire to preserve the Military Sealift Command fleet, and for that reason the Navy was not willing to consult with the Merchant Marine in developing a civilian Merchant Marine capable of servicing the Navy. What is the case for oilers, two oilers at $161 million each, when we could buy and refurbish them for a fraction of that sum?

But the case of the tugs is almost incredible. These tugs, incidentally, which are built in Senator PROXMIRE's State of Wisconsin—we have not heard from the Senator of the Golden Fleece on this subject—will cost $17 million each. Let me quote from a GAO study:

> The Navy used commercial tugs for only 3 percent of its ocean point-to-point towing last year, but conceded that 39 percent of the ocean point-to-point towing by the Navy could have been done by civilian tugs.

There were over a thousand ocean-going tugs in this country capable of performing this service for the Navy. Granted, a Navy tug has additional features, but look at the comparative costs in 1976 under the GAO study: The Navy tugs, manned by Navy crews, cost in excess of $10,000 per day to operate. The Navy tugs manned by civilian crews cost $6,200 per day to operate; and for the 3 percent of the ocean tug services which were chartered from the civilian fleet, those tugs cost $2,884 per day to charter.

So that, had the Navy chosen to use civilian tugs for that 36 percent of oceangoing tug work for which they used

Navy tugs, millions of dollars could have been saved. I think it is a fair lesson to the Navy at this point to vote against the request to build tugs; that civilian tugs can do the work as well and far more cheaply.

We transfer by this amendment funds for five support ships to two frigates the Navy wanted originally, and one attack submarine, plus the fact that passage of this amendment would finally demonstrate that the Congress does want the Merchant Marine Act of 1936 adhered to, that we have a civilian fleet capable of supporting the Navy.

The thing I want to pledge to the chairman is that if our two committees can work together we can say, "Let us force the Navy and the Merchant Marine to develop a Merchant Marine capability to help the Navy."

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Florida.

Mr. BENNETT. I will be very glad to consider joint hearings in the two committees and hope to find a course to pursue, but I think the amendment at this time would defeat the purposes of national defense for our country. I think we would wind up getting neither combatant ships or the oilers.

Mr. McCLOSKEY. Recognizing the vigor with which the chairman defends his position, and the respect in which he is held, he pursues the only course he can. I am hopeful we can go through the process the chairman steered his subcommittee through when he deleted two tugs and two oil tankers from the Navy's budget.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. EMERY).

The question was taken; and on a division (demanded by Mr. EMERY) there were—ayes 23; noes 45.

So the amendment was rejected.

(By unanimous consent, Mr. MONTGOMERY was allowed to speak out of order.)

PRESIDENT CARTER ANNOUNCES THAT VIETNAM WILL PROVIDE ADDITIONAL INFORMATION ON AMERICANS MISSING IN ACTION

Mr. MONTGOMERY. Mr. Chairman, President Carter today, at noon, announced that the Vietnamese have informed this Government that additional information on Americans missing in action and some remains of Americans will be given to the United States right away. The names of these deceased Americans will be given to the families after positive identification has been made at the identification laboratory in Honolulu. This is encouraging because of the quick reply of a communication from our country sent 2 weeks ago, and that the Vietnamese have asked for additional information on several Americans listed as missing.

I must caution the families of the missing, though, that a complete accounting of those lost is impossible. We cannot get a complete accounting because of the time, climate, jungles and those lost at sea.

I would hope that the Laotian Government would follow suit and give this Government the remains of the Americans that they might have in Laos.

There seems to be some type of light at the end of the tunnel for our sad involvement in Vietnam.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the gentleman for his continued interest and for his efforts on behalf of the MIA's and the effort to continue to get some comfort for the families of those who have not been informed as to what has happened to their loved ones.

But I was wondering if, in connection with this, there is a price tag on this that we are going to pledge to spend so much money in Vietnam or appropriate so much money.

Mr. MONTGOMERY. So far as I know, there is no price tag whatsoever. There will be talks started in Paris on May 3. There will be talks pertaining to information on the missing and other matters that affect both countries. But as to my involvement on the Commission appointed by the President and the select committee of the House, there is no price tag mentioned or committed, so far as I know.

Mr. DICKINSON. I thank the gentleman for his comments.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to join in commending the gentleman for his continuing interest and concern on this very vital issue. I, too, would like to encourage the gentleman and the Presidential Commission, the Woodcock Commission, that they urge upon the President in any further discussions of reparations or aid to Vietnam, recognition of Vietnam, or admission of Vietnam in the United Nations, that there be a definite linkage between an exhaustive accounting in those considerations.

Mr. MONTGOMERY. I agree with the gentleman.

Let me say that because of the action of the House of Representatives we have been able to get new information. The setting up of the House Select Committee, which the gentleman has served on, has brought about improved communications with the Vietnamese. So I think the House of Representatives should take some credit that we have begun a dialog and have been instrumental in bringing it about between our two countries.

Mr. GILMAN. Mr. Chairman, I thank the gentleman.

Mr. DOWNEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this will be the end of the procurement title, and I think it is important for the membership to know that in this title there is an authorization for three B–1 bombers. In the interest of time I am not going to offer an amendment to delete the bomber request. But I do think we should once again, very briefly, refresh ourselves with respect to the problems that the B–1 bomber creates.

First of all, the plane is very expensive. Everyone understands that. If there is a national security need for the B–1, then expense should not be a consideration. But there is a further problem with the B–1 bomber, and that problem is a military one. By the late 1980's and early 1990's the Soviet Union will probably have the same thing for the Soviet air defense that we have for the American air defense, the AWACS, we spoke about it before. Those AWACS will have the ability to shoot down a penetrating bomber. No matter how much faster the B–1 goes than the B–52—and it goes faster—no matter how much lower it flies—and it flies lower—it will still be vulnerable.

No matter how much smaller its radar cross section is, it will still be vulnerable.

Those of us on the committee who are opposed to the B–1 are not principally opposed to it because of its cost. We are opposed to it because conceivably by the 1980's, in the late 1980's and the early 1990's, the plane will be obsolete, and there is a suitable alternative.

What we need to do now is to take a look at a standoff bomber that can fire cruise missiles on Soviet targets. Our cruise missile technology is making tremendous advances. The cruise missile does not have the electronic countermeasures the B–1 has, but it does have the advantage of a much smaller radar cross section. It does not fly as fast the B–1, but it does fly as low, and in terms of cost, we can buy more of them. Cruise missiles can be fired at targets with greater advantage than that achieved by SRAMS or by gravity bombs.

Mr. Chairman, there is a military alternative. The Members of this Congress who are opposed to the B–1 do not want to denude this country of a bomber strike force. We understand it is a necessity, and we understand its requirement. However, we do want to prepare for the 1990's and the year 2000 with cruise missiles because we believe the B–1's will just not be able to penetrate to their targets.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Chairman, it is gratifying to this Member that no amendment will be offered to strike the money for the B–1 bomber. The committee proposal is in harmony with that of the President of the United States, and it is the judgment of this Member that the B–1 is needed.

Mr. Chairman, for purpose of this discussion, it would be well to restate a proposition with which no one disagrees.

Every credible review of this program and other strategic programs has concluded that there is a requirement for Triad.

This includes not just studies by those who favored the program from its begin-

ning, and who might reasonably be expected to stand by original positions.

It also includes the Brookings Institution, as reflected in its bomber study of a year ago, and the Congressional Budget Office, as stated in its study of strategic nuclear forces.

The question then becomes, not whether we will have Triad, which means whether we will have bombers, but what bombers will we have?

It has been suggested that upgraded B–52's, or other aircraft equipped with cruise missiles, be substituted for the B–1.

But why?

B–52's are old, in terms of technological comparability.

And no one has suggested they can match the B–1 in any contest of capability.

A spokesman for organized labor put it well when he said that the B–52 is a "noble warrior" that "will not be able to perform effectively against evolving Soviet technology."

Cruise missiles might have been a reasonable alternative, but what happens to the bomber leg of Triad if during SALT a range limitation is placed on them, as has been mentioned?

It is clear we have no logical choice—in fact, no choice at all—but to proceed with the B–1.

Now, we are not talking about starting from day one.

The development contract for the B–1 was awarded almost 7 years ago; the aircraft made its first flight more than 2 years ago; the technical risks have been taken; the aircraft is flying, and is meeting design specifications.

Twenty percent of the total cost for this program has already been spent, and this year's request of $1.87 billion represents some 8 percent of program cost.

Last year, we were told the program should be stretched out, so that the new President might make the decision on production.

Well, President Carter has reviewed this, he has requested funding at a reduced level, and he has also requested our support for this program.

Our committee has approved this.

No one agrees with everything that any President proposes, but if this were the reason for requesting delay last year, where does that put us today?

We are not operating here in a vacuum you know.

While we debate the virtues of one aircraft or another, the Soviet Union proceeds on its own.

Their Backfire bomber is flying—and no one questions its strategic potential.

And this strategic potential—this known capacity—is what we are really dealing with.

The decision to produce the B–1 cannot be intertwined with Soviet intentions.

There is only one logical factor to be considered, and that is Soviet capability.

The Soviet Union right now is developing and putting in place the weapons to destroy our land-based Minuteman Missiles.

They are actively engaged in antisubmarine technology, which could threaten our ballistic boats.

The B–1 fleet may well be one of the President's most important assets in the coming months of SALT negotiations.

As I said, there is no disagreement about the importance of bombers to TRIAD.

Stripping away the razzle-dazzle, it comes down to this:

More than half of our strategic megatonnage is carried by a bomber force, and the question—the only question in this regard—is, can we afford to rely on a bomber fleet more than 30 years old to perform this mission?

I think not.

Mr. DORNAN. Mr. Chairman, throughout the last few years some groups and individuals have questioned the need for the B–1 bomber. A few have actually called for the dismantling of the entire B–1 program. I believe that these groups and individuals are misinformed and possibly shortsighted. Competing national priorities have led them to believe that the costs of the B–1 program—and they are great—far outweigh the benefits of our national security and to the world's peace.

Mr. Chairman, I could not disagree with them more.

The acquisition of the new strategic bomber is central to overall national security, and since it is, it is imperative that any discussion of its merits be based on the fact and not on emotional rhetoric and misinformation.

Those critics of the B–1 who use emotional rhetoric need no rebuttal. They are easily identified and discounted. But those who have based their criticism on misinformation should be made aware of the true facts surrounding the production of the B–1 strategic bomber. Better and more complete information will improve the quality and validity of discussions in this area. I would like to take this opportunity to lay some of the important data before my colleagues today.

The Department of Defense has studied and analysed this critical issue in depth and has come down solidly on the side of the B–1. The Department views the U.S. strategic forces as a triad—three different components of force which are essential to the deterrence of nuclear war. The three aspects of this triple deterrent are intercontinental ballistic missiles, sea launched ballistic missiles and manned strategic bombers. When these three are put together in a coherent whole, their ability to deter attack on this Nation is enhanced. Each element complements and supports the other and the overall level of deterrence becomes greater than the sum of the individual weapons systems.

The importance of the B–1 must be seen in its relation within this triad. In times of crisis, it is the safest and most flexible of the three defense systems. Because it requires more time to reach its target than a ballistic missile, and since it can be recalled, it provides time for assessment and decision on both sides of the crisis. It reduces the potential for rapid, irreversible escalation. Most importantly, the B–1—and all manned bombers—involves human judgment throughout its mission, from launch to final weapons delivery.

Moreover, by utilizing the manned bomber in conjunction with missiles, the national vulnerability to a disarming attack is decreased. The bomber compounds the enemy problem in defending himself against a retaliation in response to an attack. Once airborne, a manned bomber is virtually invulnerable to nuclear attack. To catch the bomber force on the ground the attacker must use a weapon swift enough to prevent the bomber from launching and escaping its effects. Such weapons are available but they are not accurate enough to also pose a threat to U.S. ICBM's.

The reverse of this situation also shows the value of a mixed deterrent force. To successfully attack our ICBM's, the attacker would have to use a very accurate ICBM. But because ICBM attacks can be detected early enough for all our U.S. bombers to escape attack, ICBM's may threaten our ICBM's but they do not significantly threaten our alert bombers.

These examples illustrate how each element of the triad protects the other for greater security against attack. To defend against nuclear retaliation, a potential enemy would have to spread himself much thinner than he would were he able to concentrate his defenses against only one type of weapon.

The United States has an extensive background in the employment of bomber aircraft in combat. The manned bomber is an excellent hedge against any technological breakthrough that might challenge the retaliatory effectiveness of U.S. ballistic missiles. If the B–1 goes ahead at full production, it will modernize the strategic bomber force and the triple defense of our Nation.

I would like to take the opportunity to rebut the misinformed statements which have been bandied about during the debate on this part of the Defense authorization.

"The manned bomber is obsolete in a missile age."

This is not correct. The manned bomber in general and the B–1 in particular can be a vitally important part of our defense network.

Only the bomber offers the President a rational alternative to pushing a button that would irrevocably send massive numbers of U.S. missiles to the Soviet Union. The President can launch all or some of his bombers and keep them subject to recall, gaining several hours in which to negotiate. Because the bomber is recallable its very slowness is a virtue.

Retaliation is assured with a manned bomber. A bomber could carry out the difficult task of seeking out the many dispersed targets which, if destroyed, would deny the Soviets or other nuclear-age enemies victory in war and survival as a superpower.

The options offered by the manned bomber are more flexible than that of missiles. The bomber would provide a special capability for limited attacks. Using bombers instead of missiles for early, small responses would create less psychological incentive for escalation.

For these reasons, it is important to continue to have an effective bomber component in our strategic forces. And some of the opponents of the B–1 program agree with this point—but they

argue that there are more reasonable and cost efficient means to meet this need.

"There are better alternatives to the B–1."

This is not correct. The plain fact is that there is no better alternative at this time.

In the misinformed critic's mind, the cruise missiles are a better alternative since the B–1 is not the ultimate bomber and is too costly. B–1 opponents propose that a cheaper, better substitute for the B–1 would be the new cruise missile, launched outside the Soviet or enemy territory from a wide-bodied aircraft like the Boeing 747. The problem with this alternative is time.

It takes time to design, test, and produce both the long-range cruise missiles, and a new transport. It would mean that the system would not be ready until the late 1980's at the earliest. The United States needs new forces by the early to mid-80's not 5 to 10 years later. The B–1 would be ready in time.

Moreover, even if the cruise were ready in time, there are serious doubts whether it could perform all the necessary missions, whether the 747 type carrier would survive and whether the combined system would be cheaper, let alone as effective as the B–1. The cruise missiles which could be built in the next 8 to 12 years could not carry the "penetration aid" which insures that the bombers get through the Soviet defenses. The B–1 does have this penetration ability. Nor does the cruise missile have the ability to perceive that a given target has already been hit and to select another target. The manned B–1 does.

The B–1 bomber is clearly the best bomber for its purposes that can be built now.

"The B–1 is the most costly weapon available."

Many other weapon systems procurement activities have been far more costly than the B–1. The procurement costs of some of the Nation's nuclear submarine programs are excellent examples of such procurement actions.

Furthermore the $92 billion figure for the 244 B–1's which has been thrown about is inflated by a series of accounting tricks. It includes 30 years of operating costs; it includes predictions of inflation; it includes new tankers which will be built for other purposes and at most only shared by the B–1; and it includes improved weapons that will be built for the B–52 if there is no B–1.

In reality, the 244 B–1's will cost about $1 billion a year in 1976 dollars, if they are used for 30 years, or 1 percent of the defense budget. This is far less than the amount that has customarily been allocated to strategic bombers.

The Air Force estimates that the total cost of the program—244 aircraft, spares, ground suport equipment and development costs—to be approximately $21.4 billion allowing for inflation through 1985. If this cost is compared to the cost for the initial procurement of the B–52 force of 744 aircraft in terms of constant, uninflated dollars, the B–52 cost is more that 34 percent higher than the B–1.

The B–1 will not be an expensive system to operate and support. Under similar operating practices, it will use 25 percent less fuel than the B–52. However, it is programed to fly substantially less. On an equal basis, it will use about half the fuel of the B–52. Twenty-year operating and support costs for the planned B–1 force are several million dollars less than for the same number of B–52's.

When discounted for inflation and compared to alternatives using common criteria, the expense of the B–1 becomes both reasonable and justifiable.

"The B–1 would harm the environment."

Some critics of the B–1 base their opposition to the supposed effects the B–1 will have on the ozone layer in the atmosphere. This is not correct. The B–1 would seldom fly at extremely high altitudes where the ozone layer is encountered, since it is designed primarily for operation at much lower altitude.

Nor would the B–1 pollute the air we breathe. B–1 engines meet or surpass auto emission standards established by the government. The 99.5 percent combustion efficiency of the smokeless General Electric F101 engines has never been surpassed.

"The B–1 cost overruns show the lack of cost effectiveness of the system."

This is not correct.

Inflation, not overrun, is the sole cause of about 88 percent of the increase in the B–1 cost estimate since 1970. Testifying before the Senate Armed Services Committee in April 1975, former Air Force Secretary John McLucas pointed out that the B–1 program has an outstanding record compared to some other major programs of the past. The program's real cost growth since 1970—including the necessary design changes and excluding inflation—amounts to only about 12 percent.

Mr. Lucas told the House Committee on appropriations, May 20, 1975, that:

> This is an increase of less than 12% in real program growth over five years, which we believe is not unreasonable for a large, complex program involving relatively new and high-performance technology.

"The B–1 would be obsolete in a few years."

This is not correct.

With a planned life span of nearly 30 years, the B–1 represents the most cost effective design for a strategic bomber, and is a 25 year improvement in technology over the B–52. The B–52 illustrates how a well-designed strategic bomber can maintain effectiveness over a long life. In comparison with the strategic missile force, the life of the B–52 has spanned such missiles as tee Atlas D, E, and F; the Titan I and II; and Minuteman I, II, III. The B–1 incorporates advanced technologies which assure its effectiveness at the time it joins the U.S. arsenal and for years to come. The B–1 incorporates design features which provide growth potential to meet the uncertainties of future enemy developments.

The Air Force states that it expects B–1 service life would more than match that of the B–52. Unlike the B–52, the B–1 has been designed with a tough structure for low-level flight. It should last a very long time and require few, if any structural modifications.

"The B–1 is a pork barrel for a small segment of the economy."

The Department of Defense ordered design and development of the B–1 not to create jobs, but to satisfy a critical need for bomber modernization to insure that the United States maintains a credible deterrent to an attack on our Nation. If the B–1 goes into production, the first aircraft is expected to be delivered to the Strategic Air Command in late 1979. At that time, the latest models of SAC's B–52 will be nearly 20 years old.

The direct jobs created by the B–1 will number approximately 65,000. These include the Rockwell International employees who are working on the B–1 project, the subcontractors, and other support workers.

But the indirect jobs, created by the project—through a ripple effect—would total approximately 192,000 across the Nation.

These 192,000 jobs are only a side benefit of maintaining a strong, credible national defense.

Mr. Chairman, in closing, I would like to recall an article which was published in U.S. News & World Report on June 5, 1972. The relative strengths and weaknesses of the U.S. and Soviet forces was reviewed. The trend in relative strength was not pleasant to view. Unfortunately, I believe that this trend has continued during the 5 years since that article.

In the article, the whittling away of America's nuclear lead was graphically illustrated. In 1965, the United States had a lead of 8 to 1 in the number of missiles and bombers. In 1970, the lead was cut to 4 to 1. Not only was the numerical lead cut by half but also the United States imposed upon herself a ceiling of 1,710 land and sea missiles. The bomber fleet was cut to 600, with more than 1,000 scrapped. In 1975, the lead had been dissipated. The American force was roughly that of 5 years before, except for improvements in quality.

Now, I do not know what the figures are at the present moment, but I can venture with some assurance that this trend has not been reversed. Moreover, I have seen a growing sentiment in this body to make light of that trend. This should not be so. The Soviets are out in front and are widening the gap. This body must see that and act. The B–1 can go far toward narrowing the gap and protecting our shores. The Congress must act now to support the B–1.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to engage the chairman of the subcommittee, the gentleman from Florida (Mr. BENNETT), in a brief colloquy at this time.

Mr. Chairman, I am concerned about the relationship between the various strategic weapons programs authorized in this bill and the ongoing strategic arms limitations talks. As you know, in the SALT talks currently underway the administration has submitted proposals to place limits on the numbers of various types of launchers for strategic weapons, on the numbers of missiles which can be MIRV'ed, and on qualitative improvements to existing missiles and the development of totally new ones.

This bill, H.R. 5970, contains no explicit explanation of how the weapons programs it authorizes might relate to the SALT talks.

Would I be correct in assuming that there is nothing in this authorization bill that would preclude the President from pursuing the SALT negotiations, and specifically from pursuing the proposals he has made.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Chairman, I assure the gentleman there is nothing in this bill that would prevent that.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, fiscal year 1978 B–1 bomber production should be increased from five to eight aircraft—as originally proposed by President Ford—for the following reasons:

In cutting the planned production for fiscal year 1978 down to five aircraft, President Carter stated that the slowdown was primarily designed to adjust the pace of development and acquisition of the strategic programs to an efficient level while we examine the test results and the possibilities of further arms limitation agreements.

But, the reduction from eight to five B–1 aircraft could certainly not be considered as efficient. This reduction and the plan to likewise reduce the fiscal year 1979 procurement from 19 to 13 airplanes as part of the overall administration plan, will add a significant amount to the cost of the B–1 program. General Slay has stated that the slowdown would add $2 billion to the cost of the program. Cutting $280 million this year will drive the program cost higher and add almost $8 million to the per-unit cost of the aircraft. This $2 billion projected increase, as a result of program slowdown, is a reflection of inflation in later years, the cost of rephasing the program with the contractors and the direct costs introduced by buying smaller quantities at higher prices.

The reduction in B–1 bomber procurement in fiscal year 1978 certainly cannot be considered an "efficient" adjustment as characterized by President Carter. Defense procurement should be managed like any other business and manufacturing procedure, as efficiently as possible. We need the B–1 in our inventories as soon as possible; it is perhaps our most vital defense program today. We will save taxpayers' dollars by procuring these aircraft at an efficient rate.

The test results of the B–1 during the last year have shown exceptional progress. Following a thorough program review last November and December the Secretary of Defense, Rumsfeld, concluded that all preproduction test objectives had been achieved. Two independent organizations also firmly supported the production decision. In the recent GAO report on the B–1 it was concluded by GAO that "the flight testing of the development aircraft has proceeded reasonably well and has disclosed no major problems which would dictate a delay in production."

The other reason given by President Carter for a slowdown in B–1 production was the status of the SALT negotiations. However, the recent experience and breakdown in SALT would not justify a slowdown in B–1 production. In fact, they suggest otherwise. The Soviet Union is continuing its rapid buildup of strategic forces. On the eve of the recent meeting between Secretary Vance and Brezhnev in Moscow they test fired a 5,500 mile range submarine launched ballistic missile. This range exceeded earlier U.S. intelligence estimates for the Soviet SS–N–8 by a substantial percent.

Consequently, we should return to the original B–1 production schedule of eight aircraft in fiscal year 1978—actually we should accelerate it further—and at the same time save the taxpayers money in the long run.

Mr. ROUSSELOT. Mr. Chairman, I rise in vigorous support of continued funding for the B–1 bomber program. I am well known for my opposition to wasteful government spending programs and my proposals to significantly reduce Federal spending; however, it is my position that the B–1 Bomber program is one that we cannot afford to cut and one which is essential to the American people and our national security.

This authorization bill contains funding for procurement of five of the original eight B–1 Bombers that were scheduled to be constructed during the coming fiscal year. I am in favor of funding for all eight bombers and would encourage the Administration to support procurement for the additional three bombers.

We do need the B–1. We need its penetration ability; we need its range and we need the best bomber possible when we consider that over half our strategic weight is currently being carried by the B–52, a plane that is becoming rapidly outdated. Development of the B–52 was started back in 1945, more than 30 years ago, and although the versions retained in the Strategic Air Command have been upgraded, improved and modified a number of times, the basic airframe technology will be about 40 years old by the time the B–1 is fully operational in 1986. By that time, even the newest B–52 will be almost 25 years old. If the United States is to continue to have the flexibility and the survivability represented by the bomber component of the strategic triad, these ancient B–52's will have to be replaced. Only the B–1 can fill this role in time.

As my colleagues know, the strength of this Nation's strategic deterrence lies in the combination of forces that constitute the "Triad" or triple deterrent—strategic nuclear forces, tactical nuclear and nonnuclear. Within the category of strategic nuclear forces, we have another category of land-based, sea-based, and bomber-carried missiles. If we do not continue the B–1 bomber program, we will be virtually abandoning the manned bomber program as part of our defense capabilities. We must have this combination of forces to act as an effective "first strike" deterrent with the promise of this system continuing to be effective into the future.

Many of my colleagues have expressed concern over what they believe the exorbitant costs of the B–1 bomber program are. In a speech before the Council on World Affairs in Dallas on April 15, 1976, the then Secretary of the Air Force, the Honorable Thomas C. Reed, put the cost of the B–1 program into proper perspective:

The B–1 program through 1985 is expected to cost 21.4 billion dollars, including expected inflation between now and then. By dividing that total cost by the number of airplanes we expect to buy over a ten-year period, the average cost of each airplane is 87 million dollars in what are known as "then-year" dollars.

To look at it another way, let's look at "flyaway" costs, that's the cost of manufacturing a B–1 airplane. It doesn't include a proration of the development costs. You might think of it as the cost of adding, or replacing, one aircraft to the fleet. The B–1 flyaway cost, in fixed 1976 dollars, is $47 million.

To put these costs in perspective, consider the cost of a 747, about $40 million each. Those commercial transports must be hardened and upgraded to operate in the military environment: in-flight refueling and other endurance features, increased power supplies, structural and electromagnetic hardening, rapid start and fast escape features, and so forth must be added.

We have had experience in doing just that. We bought four 747s to use as airborne command posts. To simply "militarize" one costs an additional $25 million. That does not include any modifications for cruise missile carriage and launching. Thus, a military 747 starts at $65 million and could end up closer to the $100 million that our airborne command posts are costing. That's not exactly a "cheap and easy" alternative to the B–1.

None of this is to minimize a $21 billion investment. But let's put it in context. At the height of World War II, defense consumed almost 40% of our gross national product. During Korea that figure was about 13%. By the time of Vietnam, the figure was about 9%. Today it's under 6%. Development and acquisition of the B–1 will account for less than 2% of that total defense commitment over the next 10 years. To say that we cannot afford the B–1 does not make sense to me. The logical questions are whether it is needed and will work.

It is also interesting to note that a majority of Americans are in favor of retaining the B–1 bomber program according to reliable polls. The January 1977, edition of the Washington Report of the American Security Council reported the following:

1. An Opinion Research Corporation study released in December showed that 64 percent of the voting age public approved of the decision by the Air Force to proceed with production, only 18 percent disagreed, and another 18 percent were undecided.

2. A poll conducted in August by Roger Seasonwein Associates for Rockwell International agrees very closely with the Opinion Research Corporation results. In the Seasonwein poll, 57 percent favor the B–1 bomber program, only 16 percent oppose it and 27 percent "don't know."

Both polls showed overwhelming popular support for the United States to be militarily stronger than the Soviet Union.

While no questions were asked specifically about the B–1 bomber program, another poll, this one conducted by Gallup for Potomac Associates, showed that 52 percent of the American people were in favor of maintaining our "dominant position as the world's

most powerful nation at all costs, even going to the brink of war, if necessary." In the same poll, 71 percent wanted the defense budget increased or kept where it is while only 20 percent wanted the defense budget cut.

In conclusion, I feel it is important to remember several facts about manned bombers. First, considering our reduction of Armed Forces throughout the globe, the manned bomber may be the only weapon we have left that has the mobility and versatility to respond quickly to emergency situations—such as the *Mayaguez* incident. Second, the presence and knowledge that we have manned bombers with this versatility and mobility can be a deterrent to armed conflicts such as the Cuban crisis when the presence of our manned bombers was a deterrent to the Russian ships which attempted to enter Cuba in violation of our embargo. And third, to scrap the B–1 bomber would creat a serious time lag before anything could be developed to replace our aging B–52's. There is little doubt that such a time lag could jeopardize our defense posture.

Mr. KEMP. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the administration, as well as the Congress, is now facing an important decision with respect to the future composition and capability of our strategic nuclear forces. The most immediate decision at hand concerns the future of the B–1 bomber. As a member of the Defense Subcommittee of the Committee on Appropriations, I have had an opportunity to hear virtually all of the significant points of view with respect to the B–1 controversy. A crucial issue in my view, is whether or not procurement of the B–1 bomber will enhance the number of alternatives available to the President, both in terms of providing for the national defense, and retaining a viable posture for international negotiation.

A particularly new and fresh perspective on these issues has been provided in a recent study published by Georgetown University entitled "Slow to Take Offense: Bombers, Cruise Missiles, and Prudent Deterrence" by Francis P. Hoeber. This scholarly and well documented study deflates many of the popular cliches about manned bombers and cruise missiles. Mr. Hoeber finds that bombers are neither provocative nor obsolete. ICBM developments by the Soviet Union introduce destabilizing first-strike problems for the 1980's. Only by producing a survivable delivery system which can credibly be employed to deliver nuclear weapons to a target that is not vulnerable to the same set of countermeasures to which our ICBM's are now threatened can deter in the 1980's. Mr. Hoeber has also resolved once and for all, the assertions made in the oft-quoted Brookings Institution study that a large aircraft equipped with cruise missiles would be a cheaper alternative to the B–1. Mr. Hoeber demonstrates that not only is the B–1 as "cheap" as the Brookings alternative, but the latter would simplify the Soviet defense problem, thereby reducing costs for the Soviet Union. This would make it possible for them to pour even more resources into the deployment of additional offensive systems, further weakening deterrence. I include the text of Mr. Hoeber's conclusions to be printed in the RECORD at the conclusion of my remarks:

SLOW TO TAKE OFFENSE: BOMBERS, CRUISE MISSILES, AND PRUDENT DETERRENCE

(By Francis P. Hoeber)

CHAPTER VIII

Conclusions

It is hoped that this study will have clarified the principal issues in the ongoing national debate on procurement and R&D policy for the U.S. strategic bomber force. Though it has been necessarily brief, both in number of pages and in the time for its preparation and publication, and has been constrained to utilize unclassified information only, it is believed that the study justifies the following conclusions on matters of great import for the security of the United States.

The need for a strategic bomber force

Whatever the origins, rationale, and future fate of the concept of a Triad of U.S. strategic forces—ICBMs, SLBMs, and bombers—the strategic forces should for the foreseeable future include a manned-bomber component, for the following purposes:

To continue to complicate enemy planning for surprise or preemptive attack and to make infeasible a disarming first strike by the USSR.

To continue to provide insurance against the serious impairment or catastrophic failure of the missile forces, whether by enemy offensive or defensive action or by mechanical or command-control failure.

To provide an alternative to the use of ballistic missiles, whether in a large-scale or a limited fashion, an alternative that is highly survivable, slow, controllable, and recallable, providing considerable time for negotiation, hope for control of escalation and for early war termination, and protection against accidental nuclear war.

To keep the opportunity open for inclusion of strategic bombers in any future SALT agreements, even at significantly reduced total strategic force levels. To drop the strategic bomber component, for whatever reasons, would make it difficult and unlikely in a SALT context to reinstate it, if those reasons, or U.S. perceptions of them, changed.

To provide the most accurate means of warhead delivery, now and for some years, for the implementation of evolving doctrines that emphasize attack on military forces and, eventually if not now, sanctuary for civil populations, rather than threat to populations and sanctuary for military forces, as in the Assured Destruction doctrine. This is valid at both low and high levels of nuclear exchange and does not lessen the importance of the bomber in retaining a large, survivable, usable potential for all-out nuclear attacks with maximum destruction as the ultimate deterrent to uncontrolled escalation.

To retain in one arm of the U.S. strategic forces an accurate, global, nonnuclear capability as an additional flexible option that might in a crisis permit dampening fires of conflict before they escalate to nuclear levels.

The need for the B–52

No matter what other choices are made, the B–52 will continue for several years to be the backbone of the U.S. strategic bomber force. It should be kept in service in the 1980s, despite declining capabilities due to improvements in Soviet air defenses as well as slow attrition of the force level due to aging of the earlier planes, accidents, and even possible additional nonstrategic use. Pending potential SALT limitations on U.S. bomber numbers, the B–52 should be kept in the strategic forces as long as it is structurally sound and operationally effective, even if the B–1 is deployed, in order to maximize U.S. forces and the approach to equivalence during a period of Soviet potential strategic superiority.

Major modernization and rebuilding of the B–52Gs and B–52Hs should not be undertaken, for two reasons:

This would mean downtime for a major portion of the force during the crucial period of the early and mid-1980s;

In the longer-run the large resources needed for major rebuilding of the B–52 can better be allocated to the procurement of new systems that will be much more capable against the Soviet defensive threat of the 1980s, 1990s and beyond.

The need for the B–1

The B–1 should be procured on present schedules, starting immediately, because:

The B–1 is the only new bomber system that can be deployed in the period of urgent need when the Soviets will have strategic superiority in the 1980s;

Some or perhaps all of the B–52s will have to be phased out in the late 1980s, if they are not rebuilt (as we concluded above that they should not be), and in the 1990s, even if it is rebuilt;

The air-launched cruise missile with a standoff carrier has not been demonstrated to be capable of taking over the strategic bomber role by itself, and, even if it eventually can do so, such a system cannot be ready in the crucial period of the early and mid-1980s;

Initiation of production on present schedules will preserve the option for accelerating the rate of deployment and/or prolonging deployment to achieve higher levels, should failure of SALT and continued Soviet growth so require;

Failure to proceed with the B–1 procurement could weaken the prospect for an equitable, acceptable SALT II agreement;

Failure to go forward with B–1 procurement on schedule would signal to the Soviets acceptance of their approaching strategic superiority;

B–1 procurement could be the first step in signaling to the Soviets a U.S. determination to achieve and maintain equivalence for as much of the 1980s as possible.

The need for the air-launched cruise missile

The air-launched cruise missile should not at the present time be considered as a potential substitute for a penetrating bomber. This substitution implies the use of the ALCM in a standoff mode, with a new carrier as a launch platform. Such a system cannot be an adequate substitute for a penetrating bomber in the 1980s.

However, air-launched cruise missile research and development should go forward at a strong pace. The technology of the cruise missile, with its high accuracy, low altitude, low radar cross section, and no crew at risk, offers great promise for the future, both in strategic applications and in a variety of nonstrategic missions. As soon as an adequate ALCM is available, it should be added to the strategic bomber forces, with initial development on B–52s for use against appropriate undefended or lightly defended targets, and potential subsequent deployment on B–1s or new carriers. It can contribute to the efficiency of the forces by permitting shorter bomber exposures as well as fuel and tanker economies, and by complicating Soviet air defense requirements.

The prospects are dim for verifiable limitations on cruise missiles and for limitations that do not foreclose important nonstrategic options, and we should not unilaterally negotiate ourselves out of any options in SALT.

Vigorous R&D on cruise missiles can be an added signal—and terminating R&D would be the opposite signal—to the Soviet Union that the United States has the will to strive for equivalence in the 1980s.

Research and development on a carrier aircraft, whether new or a modification of an existing model, for use as a standoff launch platform for cruise missiles should not be pursued at this time but should wait until the air-launched cruise missile concept is more fully developed and its launch platform requirements more adequately defined.

The need for new SALT initiatives

The urgent need for deployment of the B–1 bomber and for further development of the air-launched ballistic missile indicated in the above conclusions signifies that these actions should not be foreclosed by any SALT agreement that is not verifiable with high confidence and does not insure equivalence. Recently-reported options for a SALT II agreement do not appear to meet these criteria. There is an urgent need for the development of imaginative new recipes for the use of SALT, while resisting the temptation to agree to using recipes that do not meet U.S. security needs.

Mr. BADHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would at this point like to indicate in as few words as possible my support, and, I believe, the absolute necessity to this Nation of the B–1 bomber.

The B–1 bomber has been criticized as too costly, but I believe the cost would be far greater to the people of the United States if we were to deprive our defensive capacity of this system.

Criticism of the B–1 has also in large part centered around a somewhat fuzzy contention that by the time the B–1 is deployed, it will be obsolete. I suppose based on the theory that new weapons inspire production of counterweapons, and it is indeed true that if we continue to play games with the B–1 as far as stretching out production is concerned, as far as testing is concerned, it could happen that with this kind of delaying tactic that the system would become obsolete before full deployment. However, even if the B–1 system is delayed, as it already has been in deployment, the fact remains that it is the only up-to-date strategic bomber available. The aging B–52, a great system in its time, is simply outdated as a strategic weapons system.

I should like to make a few comments on the testing program of the B–1 and the results. I think it would be safe to say that never in the history of aviation has a single system been tested so exhaustively. Commercial aircraft, upon which we, our loved ones, and American citizens, as well as people throughout the world fly, are tested only a fraction of the amount of tests accomplished by B–1. Static and fatigue tests on B–1 were begun in 1970. Over 6,200 structural element tests have been completed: 1,800 fracture mechanics, 2,000 material static and fatigue, and 2,400 fastener tests conducted to assure compliance with specifications on very small aircraft elements.

Major structural components of the aircraft were built and then subjected to static loading which exceeded by 50 percent the loads they were expected to experience on the aircraft in flight.

A completely assembled aircraft was subjected to design loads on the ground and through flight testing has confirmed analytical airloading estimates and ground test results. Fatigue testing to several lifetimes of expected service life has been accomplished. Over 23,300 wind tunnel hours have contributed to refining the airframe and engine design and defining performance characteristics. Some 14,500 hours of engine operation have been completed to date. The flight test program is in its third year, and overall the tests are demonstrating that this system with maximum speed to Mach 2.1 capacity, of terrain following capacity of Mach 0.85 at 200 feet, has performed in all tests at expectations or has in fact exceeded many of the expectations.

Mr. Chairman, I am convinced that this strategic system is the finest thus far developed anywhere in the world, and the time is now to move ahead with this system. Our defense capacity requires a strategic triad of manned bombers, ICBM's, and submarine launched ballistic missiles. It is unwise to assume we can defend this Nation with an imperfect strategic balance. As we cannot depend on any one element of the triad alone, neither can we shortchange any one of the elements while supporting the other two.

Mr. YOUNG of Missouri. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of H.R. 5970, the Defense authorization bill for fiscal year 1978. The Committee on Armed Services, under the very able leadership of my colleague from East St. Louis, the Honorable MELVIN PRICE, has done an outstanding job of separating the wheat from the chaff on this bill. The funds authorized to be appropriated will continue the modernization of our Armed Forces and will provide an adequate defense posture.

I am particularly pleased by the committee's action in recommending the continued production of the F–15 fighter at a rate of nine aircraft per month. The proposal to reduce the production rate to 6½ aircraft per month was unsound from both cost and military preparedness standpoints. The committee recognized this and in its report stated, and I quote:

The Committee concluded that the "cost savings" claimed in the budget amendment is purely cosmetic and recommend reinstating the full 108 aircraft per year production rate. . . .

I commend the Armed Services Committee for its wise judgment.

The F–15 is not an untried, unproven airplane. To date, more than 150 aircraft have been delivered to the Air Force. The first F–15 squadron achieved its initial operational capability at Langley Air Force Base last October. The first squadron overseas will be activated in West Germany by the Air Force in a matter of days. This airplane has established an unprecedented safety record during its development and operations. Just 2 years and 9 months after the first flight, F–15 established a new standard for the fighter aircraft development by completing the initial 5,000 flight hours without a major accident or personnel injury. As of March, the F–15 had accumulated 5,450 hours of flight test and 27,700 hours of flying with U.S. Air Force squadrons and the Israeli Air Force with only three major accidents and no loss of life or major injuries. That is an outstanding record.

It should be obvious to my colleagues that the F–15 is a superior airplane which is meeting all performance requirements and should not be tampered with by schedule stretchouts or delays. I urge the House to support the recommendation of the Armed Services Committee and continue the production of the F–15 at the already established rate of nine aircraft per month. If any adjustment is to be made, it should be to increase the production rate as proposed by the contractor as recently as February 1977 and thus effect a savings of several million dollars per aircraft.

Mr. BENNETT. Mr. Chairman, this year the House Armed Services Committee is recommending a bill calling for the new construction of 19 Navy vessels with long lead for 18 more new combatant vessels for a total of $5.7056 billion. This compares with the Carter budget request of $5.7512 billion for 22 new construction ships and long lead for 14 new construction ships. The main difference between the two budgets is the House Armed Services Committee increased the number of combatant ships while reducing the number of tugs and oilers.

The Armed Services Committee program differs from the Carter program as follows:

First, two SSN–688 nuclear attack submarines, in place of one, for $700.8 million;

Second, long lead for CSGN nuclear-powered cruiser program, in place of none, for $187 million;

Third, two fleet oilers, in place of four, for $322.7 million;

Fourth, three fleet tugs, in place of five, for $52.7 million; and

Fifth, in cost growth a reduction of $333 million for $233.1 million.

The committee program is $45.6 million under the Carter program.

Mr. Chairman, the responsibility of the Navy flows from title 10 of the United States Code which requires that—

The Navy shall be organized, trained and equipped primarily for prompt and sustained combat incident to operations at sea. It is responsible for the preparation of naval forces necessary for the effective prosecution of war. . . .

What the Armed Services Committee is trying to do with the present shipbuilding program is to see that the Navy can be successful in any combat operations it may be required to undertake. In so doing, the committee is recommending that the House exercise its constitutional authority to "provide and maintain a Navy" which will, in accordance with the provisions of title 10, be "effective" in the "prosecution of war."

As early as 1961, the Armed Services Committee reported that the Navy would not be effective in the prosecution of war for very long, for its ships were approaching block obsolescence. Still the

Navy was able to get an average of only 19 combatant ships authorized and appropriated each year from 1962 through 1967 when it shrank to only six combatants a year through the end of the war in Southeast Asia in 1971. Then it climbed again but to only 12 combatants a year. In 1967 the Navy had 974 ships with 484 combatants. Now it has 470 ships with only 240 combatants. On the face of it, the Navy is going to be hard pressed to carry out "prompt and sustained operations at sea" leading to the "successful prosecution of war."

What has happened?

The major decision was made in 1970 to decommission aging ships so that their operating funds could be used to buy new ships. Since that time the Navy has continued to decommission old ships.

However, the new ships have not been approved as readily as the Navy anticipated. Thus, in 1973 the Navy estimated that in 1980 it would have over 350 combatants, but now it foresees only about 270 combatants in 1980. In 4 years its combatant force has shrunk by 80 ships, with its total force dropping from 580 to 480 or a total force drop of 100 ships.

I have complained in the past about this drop in the Navy, without realizing just how drastically the Navy's wings were to be clipped. I have seen the need for some very capable ships and numbers of less capable ships. Yet the capable ships now are getting postponed. I have been told that they are present in the "out" years of proposed 5 year shipbuilding programs. They are not within the present year's program. Each year they are put off further into the future. Indeed, even when the Congress authorizes and appropriates funds to start the capable ships, the funds are rescinded by the executive. We have just witnessed that the rescission of the new nuclear-powered attack aircraft carrier and the planned conversion of the cruiser *Long Beach*, each of which would have provided the Navy with capability for the "effective prosecution of war," thus have been dropped before even 1 year has passed after their authorization. This reshuffling of programs goes on even with the newer, smaller types of ships. Thus the Department of Defense has just announced the rescission of the plan to build five small, fast, new technology ships using hydrofoils.

One of the programs which the committee supported was that for the construction of new fast submarines. Nuclear-powered submarines have been found to be very effective in a number of new roles, including antisubmarine warfare. The Navy has been authorized to have a fleet of about 90 nuclear-powered submarines. In the early 1970's there was a program of constructing five new submarines every year. At that time there were four builders of these submarines—Electric Boat, Newport News, Ingalls, and Mare Island. Then the production rate was dropped to five every 2 years, and Ingalls and Mare Island were dropped as new constructors. Now the administration wants to go to building one submarine every year. Testimony before the committee has clearly shown the many new roles these ships can play and the great need for them. To maintain a fleet of just 90 ships of proper age, there has to be a level sustained building rate of 3.6 ships a year. Therefore the committee voted to return to at least the latest schedule of building five submarines every 2 years. To drop to a production rate of 1 per year could lead to further reduction in available building facilities and to an impossibility of achieving the 90 submarine fleet requirement.

In order to provide a Navy capable of meeting its statutory requirement of "prompt and sustained combat at sea" leading to the "effective prosecution of war," the Armed Services Committee has taken the position that, in accordance with the provisions of title VIII of Public Law 93-963, the new ships entering the Navy's strike forces should be nuclear powered. Of all propulsion systems, nuclear power has proven itself capable of "prompt and sustained combat at sea." With 115 nuclear-powered ships in the fleet, no mission has ever had to be aborted because of the failure of the nuclear-powered propulsion. With nuclear power, no ship ever has to break off any engagement merely for replenishment of its propulsion fuel. What we are authorizing today, will be in the fleet into the early 2000's. At that time the oil situation will be most questionable. The CIA report just released by the President says:

> In the absence of greatly increased energy conservation, projected world demand for oil will approach productive capacity by the early 1980's and substantially exceed capacity by 1985. In these circumstances, prices will rise sharply to ration available supplies no matter what Saudi Arabia does.

We cannot have a strike fleet dependent upon oil flowing from other nations—it is foolish to have a strike fleet dependent upon our own oil, especially when we have the nuclear energy already at hand.

Largely because of our disposition to favor nuclear energy, we have included the first long lead funds for a new nuclear-powered strike cruiser. But, we are interested in this ship for other reasons. The Congress has been critical of the limited firepower that has been put on Navy ships in the recent past, and rightly so. The strike cruiser will have the heaviest firepower and the greatest amount of protection available to make it the mightiest warship in the world. We are authorizing one other ship—the Aegis destroyer this time, but the strike cruiser will have these advantages over the destroyer:

First. Nuclear power, giving it unlimited range.

Second. Substantial armor to protect vital spaces like the combat intelligence center, the computer center, and the magazines.

Third. Forty-five percent more standard missiles in its reserve.

Fourth. Twice as many Harpoon missiles.

Fifth. An 8-inch gun with nine times the area of coverage as the two 5-inch guns of the destroyer.

Sixth. Capacity to take the Tomahawk missile when it is ready.

Seventh. Capacity to take VTOL planes when they are developed.

Eighth. Superior chemical-biological defense potential.

Ninth. Superior air blast resistance—in atomic defense.

Tenth. Provided with electronic intelligence analysis space.

Eleventh. Room for a group commander and staff instead of smaller unit commander staff.

Above all while the Aegis antiair warfare system will be the same on both ships, the strike cruiser will not have to leave the scene of an engagement to replenish its propulsion fuel—or have a tanker come into the high threat area—at the height of the battle.

The Navy has strongly supported the strike cruiser because of its capacity to engage in independent action as well as to participate in nuclear task force operations. We have provided authority to use these funds to buy long leadtime items for a *Virginia* class cruiser with Aegis if the President finds it in the national interest.

For the rest of the bill, the committee generally followed the administration's request for combatants:

First. Two Trident submarines this year, continuing the production rate of three every 2 years.

Second. One Aegis destroyer—the lead ship of this line.

Third. Nine patrol frigates—FFG—seven class frigates.

The committee recommends reducing the oilers from four to two, the tugs from five to three, and the cost growth by $333 million.

I urge your support of H.R. 5970.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1978 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $2,365,232,000;

For the Navy (including the Marine Corps), $3,753,913,000, of which $2,000,000 shall be available only for improvement of the extremely low frequency (ELF) test bed system near Clam Lake, Wisconsin;

For the Air Force, $3,687,270,000;

For the defense agencies, $759,310,000, of which $25,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense;

For the Director of Defense Research and Engineering, $377,051,000.

SEC. 202. (a) The funds authorized to be appropriated under section 201 for the Director of Defense Research and Engineering during fiscal year 1978 shall be obligated only for the following purposes:

(1) An amount not to exceed $3,900,000 for analysis of the feasibility and utility of developing a ground-launched cruise missile.

(2) An amount not to exceed $321,100,000 for the development of a cruise missile capable of being launched from a ship or from a submarine, with emphasis to be placed on early deployment of an antiship cruise missile, and for the continued development of the Air Force AGM-86 air-launched cruise missile.

(3) An amount not to exceed $52,051,000 for 5-inch and 155-millimeter guided projectiles, but no funds for such purpose shall be

obligated until the Secretary of Defense submits a plan to the Committees on Armed Services of the Senate and House of Representatives providing (A) for the immediate conduct of engineering development of the 155-millimeter guided projectile and of the current Navy 5-inch guided projectile which shall provide for maximum implementation of common components for such projectiles and an initial operational capability for both such projectiles before January 1, 1980, and (B) for the immediate conduct of an effort by the Army and the Navy, to be performed by personnel of the Department of Defense, to validate the technical data packages for such projectiles, through actual fabrication and testing, to insure that such packages are adequate for manufacture of such projectiles by a source other than the developer.

(b) Competitive cruise missile development programs shall continue until the Secretary of Defense certifies to the Committees on Armed Services of the Senate and House of Representatives that (1) a single airframe for the cruise missile can be selected which meets all operational requirements, and (2) cost data clearly establish that termination of the competitive cruise missile development programs will result in lower development and procurement costs for the cruise missile.

SEC. 203. (a) No funds authorized to be appropriated under section 201 shall be obligated for the Roland Missile System until the end of the thirty-day period beginning on the date the Secretary of the Army provides written certification to the Committees on Armed Services of the Senate and House of Representatives that—

(A) all Roland Missile System engineering development models and equipment ordered in any Department of Defense contract in effect on March 31, 1977, for contractor use or delivery to the Department of Defense, shall continue to be ordered in the number of units specified in such contract or contracts;

(B) system performance specifications for the Roland Missile System will not be degraded from specifications in any Department of Defense contract in effect on March 31, 1977, with respect to the Roland Missile System;

(C) there shall be test, evaluation, data reduction, and analysis of the Roland Missile System conducted which shall include (i) flight tests against maneuvering targets, targets in electronic countermeasures environments, and targets in adverse weather, and (ii) all other tests required to determine the capability of the Roland Missile System to meet the specifications referred to in subparagraph (B);

(D) not less than 350 field-replaceable unit subsystems of the Roland Missile System shall be interchangeable with the comparable subsystems of the European Roland II Missile System;

(E) a complete technical data package, not containing proprietary data, for the Roland Missile System shall be ordered by the Secretary of the Army for delivery not later than October 1, 1979, in sufficient detail that the Roland Missile System can be manufactured from such technical data package; and

(F) the procurement cost of the Roland Missile System in fiscal year 1976 constant dollars will not exceed an average unit cost of $31,340 for 4,095 missiles and will not exceed an average unit cost of $2,126,000 for 135 fire units.

(b) None of the funds authorized to be appropriated for research, development, test, and evaluation for the Army by any Act approved after August 4, 1974, shall be obligated or expended in excess of $265,000,000 for the Roland Missile System.

SEC. 204. No funds authorized to be appropriated under section 201 shall be obligated for the fabrication of hardware required to accommodate a specific 120-millimeter gun in the XM-1 tank turret or for the installation of a 120-millimeter gun in an XM-1 tank full-scale engineering-development vehicle unless and until—

(1) comparative testing of the 105-millimeter gun system and the candidate 120-millimeter gun systems of the United Kingdom and the Federal Republic of Germany is completed;

(2) all the test results of such comparative testing are evaluated by the Secretary of the Army;

(3) the Secretary of the Army makes a recommendation to the Congress consistent with such test results and evaluations for development and procurement of a specific 120-millimeter XM-1 tank main gun; and

(4) sixty days, excluding periods of recess of more than three days by either House of Congress, elapse from the date on which the Secretary of the Army submits a recommendation under paragraph (3).

SEC. 205. The Secretary of the Army shall conduct a study to determine the feasibility of deploying the XM-1 tank with integral chemical, biological, and radiological warfare defensive equipment and shall report the results of such study to the Committees on Armed Services of the Senate and House of Representatives by January 1, 1978. The addition of any such defensive equipment as a result of such study shall not delay the initial operational capability date for the XM-1 tank.

SEC. 206. (a) The Secretary of the Army shall not obligate any funds authorized to be appropriated under this or any other Act for the improvement of the M-139 gun as an interim weapon system for use on the Mechanized Infantry Combat Vehicle or for the integration of the Tube-launched Optical-tracked Wire-guided (TOW) weapon system on the Mechanized Infantry Combat Vehicle before production of the Mechanized Infantry Combat Vehicle is initiated.

(b) Of the funds authorized to be appropriated under section 201 for the Army, $36,151,000 shall be available only for development of the Mechanized Infantry Combat Vehicle with a two-man armored turret.

(c) The Secretary of the Army shall structure the development program for the Mechanized Infantry Combat Vehicle to provide for initiation of production of the Mechanized Infantry Combat Vehicle not later than December 31, 1980.

Mr. BENNETT (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS: Page 5, line 4 after "for Air Force" strike the figure "$3,687,270,000" and insert in lieu thereof the figure $3,552,870,000".

Mr. DELLUMS. Mr. Chairman and members of the committee, today I am offering an amendment to the military authorization bill to end the MX missile development. The aims of this program include an increased number of much more accurate warheads, and the mobile development of the missile in long trenches. In my view, both of these goals will decrease our security. The greater accuracy of the missiles will pose a constant threat to the Soviet ICBM's, thus increasing the chances of a preemptive first strike. The mobile development will make arms control verification almost impossible. Another arms control difficulty is created by the possibility that these will be "cold launched" missiles—"cold-launched" means that the same launcher can be "reloaded" after each missile is fired—thus vastly increasing the number of missiles that can be fired from a single launcher. This in turn will greatly decrease the value of the SALT agreements that are based on the number of launchers not missiles. Since SALT limits the numbers of launchers rather than missiles, there is as yet no theoretical limit to the number of MX missiles we could fire at the Soviets or, for that matter, to the number of SS-18 missiles—also "cold-launched' which they would fire at us."

The value of strategic nuclear weapons should be based on its deterrence value, not the concrete political goals which can sometimes be attained by other weapons. We cannot use these missiles to impose our will on OPEC, or make European countries less friendly to the Soviet Union, or keep Zaire within our sphere of influence. Nuclear weapons are simply not a credible threat in situations like these.

On the other hand, the MX development does not aid deterrence. At present, the credibility of our deterrence rests on the invulnerability of our bombers and the third leg of the triad, the ICBM missiles, will progressively become more and more vulnerable to a first-strike attack, in the opinion of most experts. To try to avoid this problem through mobile deployment would make arms control impossible. What is so sacrosanct about the triad? We can fire 5,000 warheads from our submarine-launched missiles. If that is not deterrence, what is? This expensive and destabilizing program will only succeed in temporarily shoring up a part of our strategic defense that is already creating more obstacles to security than contributions to it.

In the end, the MX program will probably cost us at least $40 or $50 billion. That is a lot of money for a weapon that has been called "an arms controller's nightmare." President Carter has already expressed his desire to ban it altogether. But owing to the vertification problems it will cause, it may be too late to ban it after we have developed it.

The military budget is under a lot of pressure. I believe that those who defend it will find that they can save a great deal of money that would not really buy any security by joining me in voting to terminate the MX development program.

Mr. DICKINSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman and members of the committee, I am strongly opposed to the amendment to delete funds for the MX program. I cannot understand the rationale behind a move to terminate a program that is so essential to the successful negotiations with the Soviets in the next SALT meeting.

Mr. Chairman, three Secretaries of Defense have endorsed the requirement to press on with the research and development, not for the production of, but for the research and development of the MX program. Two Secretaries of State

have endorsed the program to date. The issue is not a partisan issue since the MX has been supported by both the present and past administrations.

Secretary Schlesinger testified 3 years ago that our ICBM forces will be vulnerable within the 1980 time frame.

Contrary to the belief of the gentleman from California, the MX program is not destabilizing. Quite to the contrary, it is the key to survivability. It is the very system that will turn around Secretary Schlesinger's frightening statement.

Mr. Chairman, I cannot stand up here today and promise my full support for so costly a program. As a matter of fact, I am not even convinced that this is the way to go.

As the gentleman from California has pointed out, to dig a trench 14 miles long, and to, perhaps, harden it, and then to have a trolley or a track and a cover over it to hide any missiles, is sort of like guessing under which shell the pea is. As I say, I do not know that this is the answer or the way we should go. However, we are in the research and development stage now and to deny ourselves, in this country, the right to proceed to develop the technology prior to our going to the SALT negotiations with the Soviets, is the height of absurdity, in my opinion.

So, Mr. Chairman, while I agree it is a terribly expensive program, and while I agree that this might not be the way for us to go, certainly we should not preclude ourselves from the opportunity of developing the concept, of proving or disproving it, so as to make our decision as to which way we should go.

In conclusion, Mr. Chairman, just let me say: Think where we would be today if we had no ICBM's? Where would we be? We would be entirely at the mercy of the Soviet Union.

We know that we are becoming more and more vulnerable as the ability to aim and to maneuver the Soviet missiles increases. We know that this is happening daily. We are, in effect, giving away our best defense in this country if we do not continue to develop this capability.

Mr. Chairman, I oppose the amendment and hope that the Members will oppose it also.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I appreciate the statement made by the gentleman from Alabama. It is obviously thoughtful and very sensitive.

I would simply like to ask the gentleman this question: With respect to research and development, because I think this weapon poses extreme difficulty of variability. In that 20-mile trench we do not know how many missiles are deployed.

Mr. DICKINSON. That is the idea.

Mr. DELLUMS. Then how do we ever accomplish arms control? The President of the United States says he would like to eliminate all nuclear weapons. The point is once we deploy this weapon it becomes an arms controller's "nightmare."

But the real question I want to ask is this:

Is it not true that once we develop this weapon that the Soviet Union then is forced to develop this weapon? And it becomes a verification problem. The United States realizes that the Soviet Union has already developed it and must deploy it once it is developed. The Soviet Union realizes we have deployed it so they then must deploy it, too, so that it becomes sort of a catch-22 question where we are spending between $30 to $40 billion of the taxpayers' money that I think ought to be used to solve other problems.

We are creating a nightmare for ourselves.

Mr. DICKINSON. Was that the question?

Mr. DELLUMS. I was trying to offer it in the form of a question.

Mr. DICKINSON. Let me say in reply to that that there is nothing unique certainly, or nothing desirable about it. Every time we have developed a system, or every time we see that the Soviets have developed a system, then we do our utmost to come up with a counter to it. So there is nothing new about it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. DELLUMS, and by unanimous consent, Mr. DICKINSON was allowed to proceed for 3 additional minutes.)

Mr. DICKINSON. But when the gentleman points out the inability or the difficulty in verifying it, then that is the very thing we are trying to accomplish. We have been at a disadvantage in verifying through our national intelligence means with any degree of accuracy that the Soviets have lived up to the SALT agreements so far. But when they cannot be sure of where our missiles are, when they cannot be sure that they have the accuracy to knock out our hard targets, then they are off balance. In that respect, then, I feel that this is a stabilizing factor. That is the reason I would support development of the concept, even though we do not at this time authorize the production, and we are not going to go full scale or commit ourselves at this point.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I will be glad to yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

My point in rather simple terms is, say we have two sides. Say that each side is going to have a rifle. One side has one bullet; then the other side puts a clip in and says, "We are even. We both have one gun."

The development and the ultimate deployment of the MX missile is like putting a clip in one weapon and saying, "We are even." The other side is going to put a clip in, and then we have escalated the arms race at a point in history when I feel we should be deescalating the arms race.

Mr. DICKINSON. I think the alternative to what the gentleman has said and what he would have us do is to unilaterally say we will not go ahead and develop through research and development any further capability. We do not know what the Russians are doing, and I think we would be very foolish to take that position.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from New York.

Mr. KEMP. I thank my friend for yielding and congratulate him on his outstanding statement and his leadership. The gentleman has made very solid arguments on the need to proceed with the M–X R. & D. money. I want to say to my friend, the gentleman from California, author of this amendment, that I think he has reached a logical conclusion but from a faulty premise. The premise upon which the gentleman's argument is based is that the United States is provocative and that the Soviets have not developed mobile land-based missiles. That is wrong. They do have right now a 3,000 to 4,000 nautical-mile range mobile SS–20. If they combined the SS–20 with the SS–16, it gives them a mobile intercontinental ballistic missile. It would have hard-target capabilities. It is the SS–20 that is destabilizing, not our M–X R. & D. program.

We should be giving the President the flexibility to go into SALT II negotiations with the support of this Congress by not tying his hands in this important weapons program, stopping it unilaterally.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SYMMS, and by unanimous consent, Mr. DICKINSON was allowed to proceed for 1 additional minute.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I would just like to say further in response to what the gentleman said that I think the question that should be asked that my friend, the gentleman from California, failed to ask is the question: Who is it in the Soviet Union who is seeing that an amendment will be passed over there that they will not build more Backfire bombers, the SS–17, SS–18, SS–19, and now the SS–20, where they are increasing their accuracy every year? That is the question we have to ask, and from that premise I share the position of the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. In answer to the gentleman's question as to who is going to offer such an amendment, I very seriously doubt that they will have anyone to offer such an amendment since it is not a free and democratic society.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

(Mr. ICHORD asked and was given permission to revise and extend his remarks.)

Mr. ICHORD. Mr. Chairman, like the gentleman from Alabama, I too can just not understand the rationale behind the amendment of my good friend, the gentleman from California (Mr. DELLUMS).

I might say that indeed I am surprised that the gentleman from California would offer this amendment at this particular time because he is striking out precisely at the program of President Carter. I say he is striking out at the program of President Carter because he amended the program specifically in light of the SALT II. We brought his program from the Research and Development Subcommittee to the full committee and the full committee brought his program to this House—the exact program of President Carter. The Ford administration had recommended $299.4 million for the MX program. The Carter administration reduced that program to $134.4 million.

Let me point out to the gentleman from California this chart:

U.S. ICBM's—1,054.
U.S.S.R. ICBM's—1,600.

That is a ratio of 1.5 to 1.

Then we have:

U.S. SLBM's—656.
U.S.S.R. SLBM's—739.

That is a ratio of 1.3 to 1.

The gentleman from California talks about loading the clip. Let me state to the gentleman from California that the Soviet Union already has the clip loaded. They have a mobile ICBM in the form of the SS–20 in existence today.

The gentleman from California, with all due respect, has made some very inaccurate statements, I believe. For example, he referred to this new program as a $40 or more billion trench program. I do not know whether we will have a trench or a shelter program. I do not know where he gets his figures. I have been on the Research and Development Subcommittee for 14 or 16 years. I am chairman. I have never heard such figures tossed around. I have heard some figures but they are much lower than the amount stated by the gentleman from California. We do not know even what kind of program we are going to have. That is the purpose of this program and the $134.4 million to definitize the type of mobile system that we will have.

The gentleman in his letter that he sent out to the colleagues on Wednesday concurs that the third leg of the triad, the ICBM missiles will progressively become more and more vulnerable to a first strike attack in the opinion of most experts, and that is what we want to avoid—we want to reduce the vulnerability in this program. That is what the money is for.

But the gentleman, by striking out with this amendment, is cutting the legs out from President Carter, because this is the leverage that we want to use to get the Russians to the bargaining table in SALT II, to really reduce arms.

I cannot understand the gentleman from California offering this amendment because time and time again he has stood in the well of this House and said we need to reduce armaments on the part of both the Russians and the United States. Why does the gentleman want to cut the legs out from under President Carter by this amendment?

I yield to the gentleman from California.

Mr. DELLUMS. To summarize very quickly, first of all to spend the extraordinary amount of money in research and development of this weapon means ultimately we are going to deploy, and if we deploy it will mean between $30 and $40 billion. If the gentleman will yield, let me respond, please. We will spend that many billions of dollars worth of resources that we ought to be spending somewhere else. That is A.

Mr. ICHORD. All right, I will reply to that.

Mr. DELLUMS. Does the gentleman yield briefly further?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 1 additional minute.)

Mr. ICHORD. Mr. Chairman, the gentleman from California is going to let the Russians have the mobile system and we are going to deny it to the United States of America. I cannot understand it.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield further?

Mr. ICHORD. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, for example, the gentleman indicates on the board that the Soviet Union has 1,600 ICBM's and the United States has 1,054, but does not mention the fact that the United States has had MIRV's for a long time and we so far exceed the Russians in that regard there is no comparison.

Mr. ICHORD. Is the gentleman keeping up with the progress of the Russians? That is the question. Does the gentleman think that the Russians do not have MIRV technology? Of course they do.

Mr. DELLUMS. They are developing them now. We have had them for over a decade.

Mr. ICHORD. I think the gentleman will find they have had MIRV technology and have advanced it a great deal.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to speak on this particular amendment, because while I understand and appreciate what my friend, the gentleman from California, is trying to do, I do not believe we should take the money out of the R. & D. budget for the M–X missile. What the President has suggested is to take out the R. & D. money for the mobile portion of the missile.

I want to refer to this chart. There is a very simple way of determining what the hard target lethality of our weapons is. We have talked about it before on the floor of the House. A hard target capability is $(NY)^{2/3}/(CEP)^2=K$. This gives us the hard target capability of our nuclear arsenal. Anyone can do that and take a look at our capabilities with ICBM's and SLBM's and find that we have a substantial lead, both now and in the future, in hard target capability.

What the gentleman is trying to do and bring to the attention of the House is the fact that if we go ahead without questioning the M–X we may make it more difficult to ever work out any sort of treaty with the Soviet Union.

The gentleman from New York, who is an esteemed member of the Committee on Appropriations and knowledgeable in this area talks about the SS–20 and the SS–16 and combining them, presumably to make it a SS–32. If we take the SS–16 and the SS–20 and take a look at their hard target capability, we find some interesting things about the SS–20. It is not an ICBM. It is an IRBM. The SS–16, while not mobilely based, does not have the accuracy and cannot destroy missiles in the silos.

I want to point out that the chart is terribly misleading in a number of areas. Yes, we have 1,054 ICBM's. Of course it does not mention how many of them are MIRV'ed.

In April 1977, that is today, these are only guestimates, but I believe reliable guestimates, the Soviets have less than 200 MIRV's. We have 550.

The chart shows the Soviets to have 730 and the United States 656. It implies that the Russians are ahead of us in SLBM technology and deployment. There is not one SLBM that the Russians have MIRV'ed, not one, whereas the United States has 448, all MIRV'ed. That simply means we cannot only deploy more warheads, but we have infinitely better dispersal and targeting capabilities at sea.

Let me get back to Mr. DELLUM's point. The gentleman is attempting to impress upon this House the understanding that President Carter has that we need to move cautiously when we consider mobile missiles.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for his very intelligent and thoughtful response on this amendment. I would simply say that I also appreciate the gentleman laying out the philosophy of this chart, but that is precisely the point.

We are frightening ourselves with these charts that are misleading, and frightening the American people with propaganda which is misleading. We are frightening the Soviets, who in turn frighten us, and we are in a never-never land. That is the tragedy of the whole thing.

Mr. DORNAN. Mr. Speaker, I move to strike the last word, and I rise to speak against the amendment.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate my friend yielding to me. I would just like to clear up the record with regard to some previous remarks.

The gentleman from New York, preceding me, said I was mistaken in suggesting that the SS–16 had intercontinental capabilities. According to most estimates, the SS–16 does have a range of around 5,700 or plus nautical miles. The SS–20 mobile missile has a range of between 1,500 nautical miles to 4,000 nautical miles and is, indeed, an IRBM, intermediate range.

My point was that if Soviets combine the SS–20 with two stages of the SS–16,

they would have a mobile intercontinental ballistic missile deployment capability; those of us who raise this issue, do so, not because we want to frighten people but because as we look on into the 1980's at what the Soviets are deploying and developing it is frightening to us.

This is not a scare campaign. This is an attempt to bring to the American people the facts about the Soviet strategic buildup and allow them to make the decision about what the strength of our country should be and the posture of our SALT negotiations. I submit that the American people understand very clearly that the purpose of our strength is to deter war and help assure peace and freedom.

Mr. DORNAN. May I please continue with my time.

Oftimes, we tragically divide up on each defense issue along ideological lines, forgetting that many times conservatives will cut out fat from military contracts such as today the oil tankers and tugboats, which are better utilized from private sector. Conservatives mistakenly often feel that liberals are united in ignoring the malignant growth of Soviet military power. This is not so. The gentleman from New York, unfortunately, took some offense concerning my pointing out earlier that today was the birthday of Lenin. I meant no inference in regard to his attempt to cut our national defenses. I only meant to point out that the most evil world mover and shaker in this century, Lenin, left such a legacy of hatred and blood that people are still dying because of it on every continent. Look at pathetic little Cambodia, where over 1 million to 2 million people are slaughtered because of Marxist-Leninism.

These charts on defense and Soviet growth are not misleading. If anything, they are an underestimation of U.S.S.R. power. I found it rather tragic, as a new Member of Congress, that so few Congressmen participated in the discussions here last month with people like U.S. negotiator Paul Nitze, during the 1972 SALT talks. They came over to our security-proof room, the former Atomic Energy Commission room, right inside the Capitol dome itself to talk to Congressmen about the Soviet threat, and I doubt very much that there were more than 8 to 10 Members who showed up on any one of the four Tuesday nights which concluded a few weeks ago. No wonder so many Members are uninformed on Soviet intentions.

There was another significant birthday 2 days ago relative to another evil force in world history. April 20 is the birth date of Adolph Hitler. I specifically submitted in the RECORD of April 20, because our lack of preparation against Hitler is discussed, a statement by a group of thoughtful, openminded liberals who formed themselves together under the title of, "The Committee on the Present Danger." They refer, of course, to the danger of Soviet military growth. Paul Nitze is in that group, together with John P. Roche, Dean Rusk, Eugene Rostow, Adm. Elmo Zumwalt, and others. I wish the Members would refer to the RECORD of 2 days ago where this committee's excellent report appears. I want to read just one part of this statement made by some of our finest liberal foreign policy thinkers. They say:

> In theory and in practice, Soviet grand strategy conceives military power as only one weapon (albeit a central and indispensable one) in a large arsenal of means of persuasion and coercion.

Further on it states:

> The attainment of the ultimate Soviet objective—a Communist world order—requires the reduction of the power, influence and prestige of the United States, the country which the Soviet leaders perceive as the central bastion of the "capitalist" or enemy camp. They see the global conflict as a drawn-out process with the Soviet Union and America the two principal contenders.

In that contest they see their task as isolating America and despite temporary reverses for their side reducing the United States to impotence. Further on, it states:

> Particular Soviet attention is paid to energy resources, especially oil. The USSR wishes both to make oil more costly (in part to profit from its own oil exports) but more importantly to be in a position to control oil supplies necessary to the West and thus to be able to exert political and economic pressure.

This point is important to consider because of our President's proper attention to our energy crisis. The Soviets also track our oil dependency with intense interest and plan to exploit it any way they can.

> The U.S.S.R. can also mobilize its population at will, whether to undergo compulsory military training or to participate in civil defense. Nor is it inhibited internally in the way it disposes of these forces; it can send military aid or dispatch its military forces to any part of the world where opportunity beckons. It can also influence client states to take similar action. These inherent advantages cause the Soviet leadership to rely heavily on military policy as an instrument of grand strategy not only in the strictly military sense of subduing and conquering, but also in the political sense of intimidating potential opponents.
>
> The Soviet military buildup of all its armed forces over the past quarter century is, in part, reminiscent of Nazi Germany's rearmament in the 1930s. The Soviet buildup affects all branches of the military: the army, the air force and the navy. In addition Soviet nuclear offensive and defensive forces are designed to enable the USSR to fight, survive and win an all-out nuclear war should it occur.
>
> To ignore declared Soviet intentions and demonstrated Soviet capabilities in an erroneous conviction that we have enough to defend ourselves and that there is always "time" to strengthen ourselves could prove to be fatal shortsightedness. In the nuclear age "enough" may not be enough, and "time" may run out unless our efforts keep pace.
>
> We live in an age in which there is no alternative to vigilance and credible deterrence at the significant levels of potential conflict. Indeed, this is the prerequisite to the pursuant of genuine detente and the negotiation of prudent and verifiable arms control agreements that effectively serve to reduce the danger of war.
>
> Weakness invites aggression, strength deters it. Thus, American strength holds the key to our quest for peace and to our survival as a free society in a world friendly to our hopes and ideals.
>
> The Soviet Union has a massive megatonnage lead, and in just one nuclear weapon area, sea launched ballistic missiles, SLBM's, as of the end of this fiscal year, they will have 1,600 to our 900. This type of malignant growth of Soviet power is what is destabilizing the world. I first heard this word "stabilization" used irresponsibly by a former Member of this body, while he was in Africa. I have heard nothing but the best about him while he was in Congress but since moving on to an assignment at the United Nations, his statements have the ring of absurdity. He stated that guerrilla mercenary troops of the Cuban Communist regime 90 miles off the coast of Florida, who are killing black Africans, that these murderers are somehow or other "stabilizing" the world. In that sick sense Hitler stabilized Europe until we interfered in his system of stable slavery.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(By unanimous consent, Mr. DORNAN was allowed to proceed for 2 additional minutes.)

Mr. DORNAN. Mr. Chairman, now we find that when the United States is trying to defend itself with a renewed civil defense program, when it is trying to defend itself with an advance warning control system, AWACS that when we allocate money for R. & D. on the M–X, somehow or another we are "destabilizing" the world. This is an affront to logic. It is as serious as watching a senior Member of the other body going down to Cuba recently and verbally licking the boots of Fidel Castro.

There has been unrefuted testimony from Ambassador Spruille Braden, a former Ambassador to Cuba, that Fidel Castro in his college days in a student union election, shot to death the leading opponent who was beating him in that election at the University of Havana. He then murdered in front of the man's wife and children, a security guard named Ortiz who had witnessed the first killing. This was in Fidel's youth. As he came to power he murdered over 100,000 people. Now that is what I call "destabilizing."

In this House if we want to find out how the vote is running today on any issue we look at the Control Data-made computers, at four positions throughout this Hall. The irony is that that company, Control Data, is making the words of Lenin, whose birthday is today, come true. He said we would "sell them our hanging rope."

We are not only not selling them the rope with which they will hang us, we are not even giving to them free. We are bribing them to take the rope at a loss to us. We give them advanced computers at a loss so they can bury us with ease.

We must begin to recognize the present danger, this malignant growth of raw Soviet power. The Press Gallery may be almost empty, but this is one of the most important subjects we are ever going to discuss in this body, our national existence and security, and we are going to have to cease using the word "destabilizing" when we defend ourselves against the horrors confronting

this Nation, or soon we will meekly submit when we are told to bug out of any section of the world where the Soviet Union finds our presence annoying.

Ms. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. DOWNEY. Mr. Chairman, will the gentlewoman yield?

Ms. SCHROEDER. I yield to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, I want to know if the gentleman (Mr. DORNAN) happens to know Fidel Castro's birthday, because if he does, I would hope that the defense appropriation bill not come up at that time.

Mr. DORNAN. I do not know Castro's birth date, but I can assure the gentleman from New York that I will speak on that day to remind the House that Castro is a first-degree mass murderer and I will again point out those U.S. businessmen and Senators who are down there licking his boots.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to express my opposition toward any amendment to delete funds or place restraints upon such strategic programs as the MX, B-1, and Trident.

We as a nation are secure today because of our actions in the past. In 1958, this country decided to produce the Minuteman and Polaris submarine. In 1952, this country made a commitment to the B-5 bomber. I wish to insure that we take the same steps toward insuring our future security by supporting the essential strategic programs that will play the same role in enabling us to reach our tricentennial as the Minuteman, the B-52, and the Polaris helped us reach 1976, our Bicentennial Year.

Mr. Chairman, everything the Soviets do in defense has to some extent, some bearing on what we as a nation must do.

In the 12 years since Brezhnev and Kosygin took over, the Soviet national defense has grown at the rate of 3 or more percent per year. Since 1965, the size of the Soviet rocket force has increased from 225 to over 1,600 ICBM's. Today, they enjoy a 4-to-1 throw-weight advantage over the United States.

In that same year they had a few dozen simple submarine ballistic launch tubes. Today, they have close to 800 submarine launch tubes and are deploying new modern Delta class nuclear submarines with missiles having ranges comparable to our, as yet to be deployed, Trident.

Mr. Chairman, these numbers are very accurate and can not be disputed by even the most staunch defense critic. The Soviet intentions are rather clear. Their negative attitude toward the first U.S. proposal to seriously limit arms is rather clear. I would like to emphasize the words of Alexandr Solzhenitsyn of last summer and I quote:

> There is no guarantee for anything in the West. You want to believe otherwise, so you cut down on arms, you cut down on research, but, believe me, the Soviets are not cutting down anything. Soon they will be twice as powerful as you, and then 5 times, and then 10 times, and someday they will say to you "We are marching our troops into Western Europe and if you act, we shall annihilate you" and the troops will move and you will not act.

Mr. Chairman, I want to insure that this Congress takes every measure to disprove Mr. Solzhenitsyn's speculation. I want to insure the viability of the Triad. To do so, we must constantly improve each leg of the Triad commensurate with advances in Soviet technology and advancement. We must make sure there is no known way to successfully attack all three legs of the Triad simultaneously. The ongoing strategic programs that we have today are helping reach this objective. The M-X program will significantly enhance the survivability of our ICBM forces. The B-1 program will insure the strength of the bomber leg of our Triad. Keep in mind that over half of our strategic megatonnage is bomber carried. Keep in mind that by the time we have any significant inventory of B-1's, the newest B-52's will be over 20 years old.

Mr. Chairman, the disturbing Soviet trends of the past decade continue almost unabated. I have not seen a strong indication or restraint in Soviet ICBM deployment, Backfire bomber production or submarine construction.

There is an increase in production in their tactical system and there are substantial differences between the United States and the Soviet Union that have hindered our efforts to achieve an acceptable SALT II agreement. Mr. Chairman, I strongly urge your support and the support of the Members here today for strategic programs. I wish to emphasize that the most important service that we, the Congress, can provide the people we represent is to keep them alive and free.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate this discussion on the ideology involved, but I want to ask a mundane question about the amendment if the chairman of the subcommittee or some member of the subcommittee can answer the question for me. I would like to know this:

First of all, I would like to know how much money we are talking about.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the amount is $134.4 million. The gentleman from California (Mr. DELLUMS) is trying to strike that amount.

Mr. FASCELL. That is for fiscal year 1978?

Mr. ICHORD. For fiscal year 1978.

Mr. FASCELL. And the R. & D. money, is that for the missile, is it for the launcher, or is it for the trench?

Mr. ICHORD. It is for the design of the missile. The gentleman uses the word, 'trench," but it would not necessarily be for the trench but for a mobile missile, a mobile launcher and missile.

Mr. FASCELL. How does the trench get into this? In other words, the gentleman is telling me now the R. & D. money is only for the missile?

Mr. ICHORD. That is just one of the proposals.

Mr. FASCELL. I want to vote for the R. & D. if I can get my questions answered.

In other words, what the gentleman is saying is that the R. & D. as far as the committee is concerned, and as far as the language of the report is concerned, is not specific. It is for a land-based mobile missile system?

Mr. ICHORD. That is true.

Mr. FASCELL. There is no specification with respect to the launcher or with respect to the characteristics of the missile or the trench?

Mr. ICHORD. Those items will be definitized, I will state to the gentleman.

Mr. FASCELL. No, I am asking these questions in relation to the committee report.

Mr. ICHORD. Mr. Chairman, the gentleman asked me a question, and I will try to answer it. The original program as proposed by President Ford was $294 million.

Mr. FASCELL. The gentleman means with respect to the R. & D.?

Mr. ICHORD. Yes, including R. & D. President Carter cut the amount back to $134.4 million, and this is the program we are bringing to the Members today. This is President Carter's program which he needs as leverage to deal with the Russian organization.

Mr. FASCELL. Mr. Chairman, I understand all that, and I appreciate the gentleman's logic. But what I would like to know is this: What is the R. & D. that is going to be carried forward, and what are the specifications that the committee has written, if any, in the report? That is all I am asking.

Mr. ICHORD. It will be to develop the mobile system that we will eventually use.

Now, the gentleman from California (Mr. DELLUMS) has tossed around the word, "trench." That would not necessarily be the one that will come out. This is just going to be the same old shell game. But this is the missile that will be used.

Mr. FASCELL. Mr. Chairman, perhaps I am not asking the question properly.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. Let me finish first, and then I will yield.

Mr. ICHORD. Mr. Chairman, if the gentleman will ask the question properly, I will attempt to give him the answer.

Mr. FASCELL. Whatever is in the report, apparently I am going to have to read that for myself eventually. I have been asking what is contained in the report, and I guess I will have to go and read it and find out about the specifications with respect to this R. & D.

If it is not in the report, then I would respectfully ask the chairman of the subcommittee to tell me what the administration's justification is for the R. & D. I am simply trying to find out what this is for. I know it is for a land-based mobile system. I know that, but I want further details.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, I will state to the gentleman that this money that is requested by our President is to lay out

design concepts. It is not to build anything.

Mr. FASCELL. No, I understand that.

Mr. ICHORD. It is simply to develop a concept.

What further question is the gentleman asking?

Mr. FASCELL. Well, I thought my question was quite clear.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I agree that the gentleman from Florida (Mr. FASCELL) has been very articulate. He asked a very clear, unequivocal question, and the answer is that there are no specifications. It is an open-ended situation, and that makes it even more dangerous.

Mr. FASCELL. Wait. I do not know if I agree with that or not, but at least I did get a definitive answer.

Mr. DELLUMS. There are no specifications in the reoprt.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, as I understand it, we had originally been involved in the program for R. & D., and we and the Russians are going down the road simultaneously. They were going to develop the concept of how it would be transported and launched, and they were developing the missile also.

The CHAIRMAN. The time of the gentleman from Florida (Mr. FASCELL) has expired.

Mr. SYMMS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, during the early 1980's time period the present U.S. Minuteman ICBM force will become vulnerable to a Soviet counterforce attack on the Minuteman silos. By 1984 the Soviets may have a "kill probability" of 75 percent—that is, an excellent chance of killing 75 percent of our land-based ICBM force in a first strike. This Soviet capability will result from the Soviet advantage in heavy throw-weight ICBM's of the SS–17, SS–18, and SS–19 class; the latter two are being deployed with MIRV's. By 1984 the Soviets are sure to have accuracies better than 0.2 nautical mile with these missiles and with warhead yields in excess of 1 megaton. This clearly gives them an effective hard-target counterforce capability.

So, the question is, What are we to do about this vulnerability problem with regard to our land-based ICBM force? Does anyone deny that this vulnerability problem will exist in the 1980's? It can be argued that "If the ICBM force is substantially negated we will still have our bombers and SLBM's intact," but the same people opposing continued development of the MX are also opposing the B–1 bomber program and some are even opposing the Trident submarine program.

The MX program is necessary if we are to be sure of having a survivable land-based ICBM during the next decade. Deployed in a hardened mobile mode it would be next to impossible for the Soviets to successfully attack the MX system. In any case, they would have to expend so much of their throw-weight and warheads in an attempt to kill the MX that they would be in a worse position militarily vis-a-vis the United States after the initial strike, thus making the attack futile. This, Mr. Chairman, is the essence of deterrence or strategic stability.

The MX, along with the B–1 bomber, is absolutely necessary if we are going to maintain a high quality deterrent during the 1980's and 1990's in the face of a Soviet strategic doctrine that emphasizes nuclear war survival/war winning capabilities. Consequently, I urge my colleagues to reject this amendment.

Mr. KEMP. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I want to just make two very brief points.

Mr. Chairman, I rise in opposition to this amendment and wish to make the following brief points:

Deterrence is now threatened by the fact that our landbased ballistic missile forces are vulnerable to direct attack by a new generation of Soviet ICBM's equipped with accurate, high-yield MIRV warheads.

Unless circumstances change, the United States will be faced with circumstances in the early 1980's where a major fraction of U.S. land-based ICBM's, submarines in port, and manned bombers not on strip or airborne alert will be subject to direct attack by Soviet nuclear forces.

The perception that such a Soviet attack is possible will erode deterrence, and make the United States vulnerable to nuclear blackmail in a crisis with the Soviet Union.

The only way this horrendous prospect can be avoided is by reducing the vulnerability of our land-based forces, and by improving the capacity of our strategic nuclear forces to threaten the survival of large, highly accurate Soviet land-based forces.

Mr. Chairman, our land-based forces can no longer be made more survivable by increasing the blast-resistance of the silos themselves. The missiles must be made mobile so they are not vulnerable to being pretargeted by the Soviet Union. The M–X system is the best bet for a land-mobile system because, while it cannot be pretargeted—since it cannot be known in advance where in the long trench the M–X missile will be—the number of missile launchers can be counted accurately for arms control purposes. Thus, deployment of M–X will be conducive to a new SALT agreement.

Further, the Soviet Union has invested billions of dollars in its land-based ICBM forces which now threaten the stability of deterrence. What is required is to persuade the Soviets that their investment has been wasted because the United States will deploy a highly accurate, but survivable ICBM force of its own that will threaten the survival of these dangerous destabilizing forces.

The M–X system is one of the best alternatives we have to prevent nuclear war.

When one weighs the vulnerability of the existing Minuteman force that is certain to emerge in the 1980's, the M–X is a far more cost-effective system to guarantee that deterrence of nuclear war will last through the end of the century.

Let us soundly defeat this amendment.

Mr. MARRIOTT. Mr. Chairman, I rise in opposition to the amendment to cut authorization of the M–X program.

We need the M–X program because projections for the 1980's show that the Minuteman survivability in times of a nuclear attack would be in question. Unless we maintain the survivability of the ICBM force, our deterrent capability will be greatly diminished.

Our strategic force, the Triad concept, which includes the land-based ICBM's, would have about the same value as a three-legged stool with only two legs.

Unless we proceed at once, the M–X will not be operational until it may be too late. It will require at least 6 years to develop and deploy the first M–X missile.

Continued delay on the part of Congress will only slide IOC—initial operational capability—further into the future. It is now 1985. The Soviets have developed and deployed many systems while we have been attempting to develop and deploy only three, none of which are yet operational: the B–1, the ALCM and the Trident.

The Soviets' program includes: 4 new ICBM's—the SS–16, 17, 18, and 19; 80 new Backfire bombers; and 3 new classes of ballistic missile submarines—D–1, D–2, and D–3. They have test fired a 5,500-mile range ballistic missile, the SS–N8 for submarine launch. They have developed two new SLBM missiles—the SS–NX–17, and the SS–NX–18, MIRV. And we were told in hearings this year that the Soviets are developing a new, more advanced series of ICBM's as well as a new heavy bomber.

While it is true that we have improved our existing systems, so have the Soviets improved all of their systems; but they are moving far ahead of us in the development of new system capabilities.

I feel that had we had the M–X operation or in development, the Soviets would not have been so quick in rejecting President Carter's recent strategic arms proposal. Its absence will probably result in a hard and rocky road to successful negotiations of a new, effective agreement.

The M–X is critically important to our defense capabilities, and I urge defeat of the proposed amendment.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. MARRIOTT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I would like to commend the gentleman from Utah (Mr. MARRIOTT) for his outstanding statement and his clear statement of the issue at hand.

As he points out, not only are the Soviets moving ahead with the development and deployment of the SS–16, SS–17, SS–18, SS–19, and SS–20, much of which are MIRV'ed, but in the face of this unilateral Soviet arms buildup the administration wants to stop the produc-

tion line of the only free-world, land-based intercontinental ballistic missile, the MM III. Not only are we slowing down the M–X by about $160 million or $170 million, what is worse we are doing these things unilaterally.

Mr. Chairman, again, I congratulate the gentleman in the well and I thank him for his leadership.

Mr. MARRIOTT. Mr. Chairman, I thank my colleague, the gentleman from New York (Mr. KEMP).

Mr. DAN DANIEL. Mr. Chairman, for those of you who may not have heard the morning news, yesterday, a Soviet "Bear" reconnaissance aircraft penetrated our air defense identification zone and came within about 60 miles of our coastline. I understand that it overflew a U.S. task force off the Georgia coast before it was driven off by two U.S. F–4 aircraft.

It is indeed interesting that while we are here arguing against the B–1 and the M–X and how the Soviet Backfire bomber cannot reach the United States, this 1954 vintage Soviet plane paid us a visit. Maybe if we kill M–X we will get a chance to get a closer look at their missiles.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DELLUMS).

The question was taken; and on a division (demanded by Mr. DELLUMS) there were—aves 11, noes 89.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CARR

Mr. CARR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CARR: page 5, line 4, delete "$3,687,270,000" and insert in its place: "$3,682,270,000, *Provided, however,* That funds authorized to be appropriated by this act shall not be obligated for research, development, test, or evaluation of the Advanced Medium STOL Transport".

Mr. CARR. Mr. Chairman, I offer an amendment which, very simply stated, deletes $5 million from the research and development budget for what is known as STOL technical cargo aircraft.

This is the kind of an amendment which lacks the sex appeal of a B–1 bomber, or a *Nimitz* class carrier but one which I believe just makes good practical sense from the standpoint of our military budget.

Let me explain to the Members why I oppose the AMST and hope that the Members oppose it as well.

First and foremost we have a great, strong, tactical cargo capability in our armed services known as the C–130. This is a plane that is built by Lockheed. It has given us great service. We are building new and modern C–130's. In fact, in our budget here we are going to buy some more. These planes will be good into the 1980's and beyond. They are fuel efficient. They are turboprop aircraft. They are flown around the world by the armed services of our allies and our friends. In short, they are darned good aircraft and we ought to keep them.

Waiting in the wings, however, is an effort being put together by the Air Force and the Army to develop a new kind of aircraft known as the AMST, the advanced medium STOL aircraft.

Unfortunately the AMST would cost twice as much as the C–130's. Unfortunately, particularly in view of our President's pleas this last week, the AMST is half as fuel efficient as the C–130. The AMST flies a little faster but its range is a little shorter.

In short, what is the big advantage of the AMST? The big advantage, we are told, is that its cargo box is 1.7 feet wider and 2.3 feet taller. Why do we have to spend all that money for a new aircraft that would cost twice as much and be half as fuel-efficient for such a small incremental size in cargo capability? We are told that the Army needs to have its self-propelled armored personnel carriers and mobile missile launchers and radars transported by aircraft and that they cannot get them inside the C–130. The problem with that analysis is that the Army originally came to the Congress and asked us to make these things self-propelled because they could not rely on the fact that the Air Force was going to be able to fly them at all. They are self-propelled, and the Army's needs, which still, incidentally, have not yet been quantified; they will not be quantified until September—their projects needs they state would be of marginal need for the kind of expense that this new aircraft is going to cost us.

The new aircraft would cost about $13 million. The C–130 costs about $6 million. The important thing about the C–130, in addition to its hardware fly-away cost, is that we are very high on the learning curve of the C–130. We know how to fly it. We have crews that know how to fly it. They know how to repair it. They have well-worn documentation on the aircraft. We have ground support equipment for the aircraft.

If we choose the AMST, this new airplane, there is going to be new training, new ground support. We are going to be fairly low on the learning curve. Furthermore, except for possibly Iran, there is no other country in the world that has expressed an interest in buying the AMST. Furthermore, there is, according to the people at Boeing and McDonnell Douglas, the two competitors for the AMST, no anticipated commercial application for the AMST such as where we went from the KC–135 and ended up with the Boeing 707 that we put into our commercial fleets. They are not going to do that either.

So I just ask the Congress, the House of Representatives, to make just a darned practical decision here and cut out this nonsense and vote for my amendment.

Mr. DAN DANIEL. Mr. Chairman, I rise in opposition to the amendment.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Virginia.

Mr. WHITEHURST. I thank the gentleman for yielding.

I should like to ask the gentleman from Michigan (Mr. CARR) a question with reference to his chart, a copy of which he sent to all of us in the House. This is with reference to the column entitled "volume." I should like to have the gentleman explain how he arrived at a figure of 726 cubic feet per million for the C–130, because it is my understanding that the C–130 has a total usable volume of about 3,000 cubic feet. The current cost of the C–130 is not $6 million, as the gentleman just mentioned in the well; it is $7½ million. If I divide 3,000 by 7½, I arrived at 400 and not his figure of 726. I would like to know how he explains the discrepancy in his figures.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman for yielding.

I tried to follow the gentleman, and I may have to ask him to repeat his analysis. The raw figure that we have for the C–130 is 4,650 cubic feet.

Mr. WHITEHURST. If the gentleman from Virginia would yield further, that is a mistake. We are talking about a usable figure of what can be carried in the aircraft. That is 3,000 cubic feet. Those are present Air Force figures.

Mr. CARR. If the gentleman from Virginia would yield, the ratio would stay the same, though. The ratio between the AMST and the C–130 in terms of usable space would stay about the same.

Mr. WHITEHURST. The gentleman's AMST figures are correct but not the figures on the C–130.

Mr. CARR. We got all of these figures from DOD.

Mr. WHITEHURST. I think they are in error. I think that is a fundamental question here, because it is very misleading. Furthermore, I submit to the gentleman that his cost figure—and I repeat this—on the cost of a C–130 is not $6 million right now; it is $7½ million. That is a substantial difference.

Mr. CARR. All of our figures were arrived at from the Air Force. We asked them repeatedly to supply us with data. They were reluctant to supply us with some data. For that data we had to go and get it out of the manufacturer's brochures.

Mr. WHITEHURST. We are talking about 726, are we not?

Mr. CARR. Yes.

Mr. WHITEHURST. I challenge the gentleman's figures. I think they are in error.

Mr. ROBERT W. DANIEL. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I yield to the gentleman from Virginia.

Mr. ROBERT W. DANIEL. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman from Michigan a question, if the gentleman from Virginia will yield to the gentleman from Michigan to respond.

Mr. DAN DANIEL. I will yield to the gentleman from Michigan.

Mr. ROBERT W. DANIEL. The gentleman from Michigan has given us ample evidence of his homework and I would like to get a bit of input into this presentation. I realize that, of course, because of the newer ultimate systems, the AMST will require three crew members whereas the C–130 requires five crew members. Is this saving in crew members reflected in the costs the gentleman has given us?

Mr. CARR. The costs I have given the gentleman in this particular chart are

hardware costs, not operational costs, but I might add the C–130 has a tremendous growth potential in the same kinds of ultimate systems that are the AMST's which can be applied to the C–130 or the C–130 STOL stretch, which is not reflected at the present time.

Mr. ROBERT W. DANIEL. But they do not reflect the crew savings which would result?

Mr. CARR. They do not reflect the crew savings which would result.

Mr. ROBERT W. DANIEL. I thank the gentleman.

Mr. DAN DANIEL. Mr. Chairman, I confess to some occasional confusion regarding this body.

We insist on streamlining our defense capability, then balk at providing the funds to do it.

The advanced medium STOL transport is not a new Pentagon toy.

It is not an untried concept.

Two competitive aircraft are flying.

It is a modern aircraft, designed to perform certain functions which are required by a modern American Army.

It is designed to respond to need with respect to air mobility. We accomplish little when we recruit and train our Army, and develop sophisticated weapons unless they can be efficiently and rapidly transported.

The committee recommends a reduction of $20 million from the Air Force request of $25 million.

The committee felt a compelling need to save this $20 million pending formulation of a better development and acquisition plan.

The plane is vitally needed, and the $5 million will be used for this purpose.

A quarter-century ago, 16 of the 19 Army divisions could be transported by C–130's, along with all the equipment they would require.

Today, only 3 of 16 divisions could be so moved, and retain a creditable combat capability.

The AMST can carry single items as large as the main battle tank, the 8-inch/155-millimeter self-propelled howitzer, the mechanized infantry combat vehicle, the M–578 armored recovery vehicle.

The C–130 can adequately carry none of these.

Certainly the C–130 is an excellent aircraft.

It has performed in a highly reliable manner the function for which it was designed.

And there is no question but that it will continue to serve a vital function.

But the C–130 is not enough.

The argument has been made that the C–130 has proved its worth in the Middle East, and so it has.

The AMST is designed to meet different conditions.

It is designed for use in a variety of ground environments, and under a variety of potentially hostile conditions.

It can move in and move out in less time and less space than the C–130, carry twice the payload at higher speed and requires half the operational space.

Although it sounds contradictory, it is nevertheless true: the Army of the eighties will be leaner, but heavier, as we replace man muscle with mechanical muscle.

If we do not improve our transport fleet, we will be moving a modern Army without sufficient equipment to perform the job for which they are trained; one result would be higher casualties.

Several years ago, the then Secretary of Defense stated that there would be a realinement of the military to provide a greater "tooth-to-tail" ratio.

Almost all of us applauded that.

But without the AMST or its equivalent, our Armed Forces will roughly compare to a man gone out to dinner who has left his dentures on the shelf.

Mr. HILLIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to make several points concerning this amendment because I think it focuses our attention on a change in technology and a moving forward of 1960 to 1977 technology. While volume and productivity are very important and the case has been made by my colleague, the gentleman from Michigan, about the carrying capacity of the C–130, if we are talking about carrying small combat items, let us talk about the small arms ammunition or hand grenades, the C–130 would undoubtedly compare very favorably with anybody in the world.

Unfortunately our ground forces in the future will require something more than small arms and hand grenades if they have to respond in a conventional war in a NATO environment.

The day of the soldier walking into war carrying his equipment on his back with which to wage war are fading. They are over. The Army is phasing out this type of foot soldier in the infantry and replacing him with what is known as heavy mechanized divisions. All of our plans are to upstage the infantry divisions and make them heavy divisions. This is a vital point.

These divisions are composed of large increments of firepower, such as the 8-inch self-propelled howitzers, for example, and they are expected to go to 150-millimeter rapid-fire weapons which would have to be deployed to move rapidly with the foot soldiers.

The anticraft unit is another type equipment that could be carried by the AMST but not by the C–130.

This is the crucial point. We are talking about out-sized equipment and whether we can move out-sized equipment. The gentleman from Michigan says that has not been formalized yet. The figure I was given from the OSD was that 32 percent of the Army's total tonnage in the first 30 days combat in the NATO environment would be outsized and would be unavailable to be moved by the C–130 or the 141 but it could be moved by AMST, and that is the basic difference we are talking about. That is the out-sized equipment.

That is the basic difference here. What we are talking about is the outsize equipment.

There is another point or two I want to make in the little time that is available to me, points that are of great importance. The runway length and type of runways that are available to the two aircraft, for the C–130 is limited to runways of over 3,000 feet in length, generally I would say hardened or improved runways.

The AMST aircraft can operate in 2,000 feet of unimproved runways. Something like a soft golf course will take an AMST, but will not handle a C–130. Available to the AMST would be 242, 2,000-foot runways. Available to the C–130, in comparison, are only 84, so we have a ratio of 3 to 1 in availability.

The aircraft has tremendous lifting power, the YF–15, the Boeing version, with 247 engines. Another thing is the sweep over the wings, one of which was 62,000 pounds in the aircraft's air lift on take-off on a normal day on a 2,000-foot unimproved runway. The C–130 cannot touch that; so we have the short field capacity.

I maintain that the graph here shows a rough comparability between the C–130 and the AMST, but that has to be based on a 3,500-foot improved length, and not the 2,000, because the C–130 cannot even maneuver in the 2,000 feet.

There is another very vital point of technology. In the caissons: we had to pull the C–130's back because they were shot at from ground fire. They were making a low, flat approach on a climbing slope of roughly 2½ degrees ascent and they were very vulnerable at 500, 600, or 700 feet to people on the ground with small arms.

The AMST is engineered in a STOL-type configuration that can approach at 6½ degrees.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent, Mr. HILLIS was allowed to proceed for 1 additional minute.)

Mr. HILLIS. It can make its approach at 6½ degrees into an unprepared 2,000-foot runway with 62,000 pounds of cargo. This means a very minimal time of exposure to hostile ground-fire activity.

For technical aircraft equipment, the AMST is the airplane of the future. The fact is we need both aircraft. We need the C–130 for the small size nonhostile operation at 3,000 feet or more runway, but we need the AMST and nothing else will do the job.

Mr. ICHORD, Mr. Chairman, I move to strike the requisite number of words.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from South Carolina.

Mr. DAVIS. Mr. Chairman, I rise in opposition to the amendment. I realize that the chairman of the R. & D. has some charts of his own that will portray the need for this new airplane where it is required.

Pending the gentleman's presentation, Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and one Members are present, a quorum.

The Chair recognizes the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I do not want to get into the battle of the charts, and I apologize for the fact that my chart does not look as good as or as attractive as the chart of the gentleman

from Michigan. I do not know who prepared the chart for the gentleman from Michigan. I will tell the Members that this chart was prepared—and I hope the Members can see it—by the staff of the House Armed Services Committee. It is a little small and not as pretty, but in answer to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.), this chart is much more accurate, I submit, than the chart and the mailout of the gentleman from Michigan (Mr. CARR).

I would state to the gentleman from Michigan (Mr. CARR) that I supported the gentleman from Michigan last year when he offered an amendment to strike out the COD. I did so because I thought that the information the gentleman had was right. Some of the other members of the committee have told me that I was taken, but I still believe that I was right when I supported the gentleman.

However, I think the gentleman probably got his information from a different source as far as the AMST is concerned. For example, in his mailout he says that the AMST is not a clear improvement over the C–130. He says that the U.S. Air Force says they are just responding to an Army requirement, but the screams on the cancellation came from the Air Force, not the Army. It is the Army that needs this airplane, I would state to the gentleman from Michigan, not the Air Force.

Members of the committee, the kev to the outcome of any battle is the ability to concentrate maximum fire power at the critical time and the critical place. The ability to move our self-propelled artillery and our air defense systems quicky around the battlefield is nonexistent today because the C–130 cannot do the job.

The alternative, I would state to the gentleman from Michigan, of increasing fire power with a larger number of units is neither attractive nor economical. With high manpower costs, the AMST is the attractive economic approach to the problem that we have. I am not challenging, and the committee does not challenge, the ability of the C–130. The C–130 will be in the inventory for a long time. The C–130 can be used to carry out many bulk cargo missions such as ammunition, POL, and so forth. However, it cannot satisfy the requirement to move outsized cargo.

Now, since we have the battle of the charts, let us look at the chart prepared by the House committee staff. This is what the Army needs. We need to be able to use the AAH, the advanced attack helicopter, and move it fast in a battle situation.

We need to move the UTTAS and move it fast. We need to move the SAM–D. We need to move the I–Hawk. We need to move the air defense gun.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, we need to move our radars into the battle situation. We need to move the 155-millimeter howitzer. We need to move the 8-inch howitzer. The Roland system, which is in this bill, we need to move to the place where we need it. We also need to move the MICV, and our tanks.

What can the C–130 move? Only the UTTAS. The AMST can move all of those weapons systems that I have just mentioned.

This is the reason why I do not know where the gentleman from Michigan got his facts and statistics, but it reminds me, I would say to the gentleman from Michigan that he is using his facts and his statistics like the drunk who leans on the lightpost, more to support himself rather than to shed any light on the situation.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Michigan (Mr. CARR).

Mr. CARR. I thank the esteemed chairman, and I want to comment that I think he has done a tremendous job with respect to all but this particular portion of title II of the bill.

Mr. ICHORD. Particularly on the Seafarer program, which we adopted at the request of the gentleman from Michigan because he was right. Now I ask the committee to support the Armed Services Committee because in this situation he is wrong.

Let me state that we have already cut $125 billion out of this program.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Michigan.

Mr. CARR. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the gentleman a question about the chart which he said the staff prepared.

Mr. ICHORD. Who prepared your chart, may I ask? Your staff? It is much prettier, and I apologize for mine.

Mr. CARR. I want to thank the gentleman about the kind remarks he has made about my chartmaking ability.

Mr. ICHORD. It is much more attractive.

Mr. CARR. As to the gentleman's chart, I have a briefing paper, which was supplied to me by the Air Force, which is strangely coincidental to the exact chart the gentleman has there, except the C–130 is on top, and the Army needs are in the middle. I would like to ask the gentleman, for the edification of the membership of the House, the AAH is a helicopter, is that correct, and it is able to fly itself?

Mr. ICHORD. That is the advance attack helicopter, yes.

Mr. CARR. It will fly itself?

Mr. ICHORD. But not as fast as the AMST will fly.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 3 additional minutes.)

Mr. CARR. If the gentleman will yield further, the AAH has the advantage because it is armed, and the AMST or the C–130 are not? The AMST and UTTAS, the rest of those items, they are self-propelled, are they not?

Mr. ICHORD. Many of them are. Of course, we cannot move them fast. We can only move the UTTAS with the C–130.

Let me tell the Members what this airplane, the AMST, is going to do. The STOL concept in the AMST will greatly enhance its survivability, and this is almost unbelievable. Its rate of climb will be such that it can climb almost three times as fast as the C–130. It can get in the air and get there fast. It will be able to get to 10,000 feet faster than the F–4 aircraft today and carry all of this cargo. That is why we need it.

The C–130 is here to stay, but it is not the followup airplane we must have. We have the C–130, we have the C–7, and we also have the C–17, but that is not sufficient for the future, I will state to the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I will state to the gentleman that compared with the AMST, the C–130 falls short with regard to its STOL capacity, but the C–130 can also have an adequate STOL capacity. It can have a better short field performance than the AMST.

I would also remind the House that the operational budgets for maintaining pure jet engines is about twice as great as for maintaining turboprop engines. The C–130 makes a lot of sense from the standpoint of maintenance as well.

Mr. ICHORD. Mr. Chairman, if I may reclaim my time, the gentleman on his chart did not take into consideration—and that is why I say he shuffled the facts and figures—the fact that the AMST can be operated by only three men. It takes five men, as pointed out by the gentleman from Virginia, to man the C–130.

Mr. WHITEHURST. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, in accordance with JCS directives, the Air Force is responsible for providing airlift for both the strategic deployment and the tactical employment of Army mobility forces. The C–130 aircraft has been the tactical intratheater workhorse since its introduction in the early 1950's. However, during its operational life, evolving Army combat equipment has outgrown the performance capabilities and the narrow fuselage dimensions of that airplane.

As the Army transitions from a posture heavy with infantry divisions to its future concentration of mechanized and armored divisions, basic firepower weapons such as the 8 inch and 155 MM self-propelled howitzers, the Vulcan, Patriot, Chapparral, MICV, the M–60, and the XM–1 tanks have outgrown the C–130 capacity. There is only one airborne division remaining within the Army; it is now considered a light infantry unit and its equipment is designed around the capability of the C–130. The C–130 can carry 55 percent of the equipment programed for the fiscal year 1982 Army, but only 4-percent of its firepower.

The AMST is designed to carry 100 percent of the current and future Army combat firepower.

While simple parametric analyses may indicate that the AMST is a poor substitute for the C–130, a real-world analysis reflects otherwise. Jet speeds and increased payload capacity make the AMST more than twice as productive as the C–130. This can best be illustrated by the AMST's ability to meet the Army's stated requirement to move division and brigade maneuver elements rapidly within a combat theater; 335 C–130 sorties complemented by 104 C–5 missions are required to move a mechanized brigade 500 miles. The C–5 missions are necessary to move the unit's essential heavy firepower. A total of 84 C–130 and 18 C–5 airplanes can complete this movement in 48 hours. Only 85 AMST's are necessary to do the same mission; they would require no C–5 augmentation.

This analysis is positive proof that when real world requirements are considered, the types, weights, and size of the equipment to be moved dictates the effectiveness of the particular vehicle employed. The Volkswagen automobile is an energy effective transportation vehicle, which carries four people fairly comfortably over short distances, but it is of limited value when the Washington Bullets basketball team or the Redskins need a ride, either across town or to their next away game. Such is the case with the C–130; it does a good job moving beans and butter but when combat firepower equipment vital to the needs of the modern Army have to be airlifted within the combat theater, the C–130 cannot do the job. The AMST is vital to the mobility capability of American conventional warfare forces.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to direct some questions to my friend, the chairman of the subcommittee.

Despite the black-and-white nature of the gentleman's chart, I think it is very effective, and one of the things I heard the gentleman say that I think is important is the fact that the AMST will be able to carry outsizes of cargo, and that the C–130 would not be able to carry those sizes.

I am curious about this. The MICV is one of the things that we want to have to move around very quickly on the battlefield; is that not correct?

Mr. ICHORD. Mr. Chairman, the AMST will move it, and the C–130 will not move the MICV.

Mr. DOWNEY. What I would like to ask the gentleman is this: Approximately how many MICV's will the AMST's carry?

Mr. ICHORD. I believe it will only carry one MICV.

Mr. DOWNEY. It will carry one MICV.

Approximately how many MICV's will we need on the battlefield?

Mr. ICHORD. It is going to carry much more than the C–130 can carry. The C–130 cannot carry nearly as much.

Mr. DOWNEY. Mr. Chairman, giving the gentleman that, I just want to establish the fact that the AMST can carry one MICV, which is a mechanized infantry carrier that protects our men on the battlefield.

Approximately how many MICV's do we need for mechanized infantry maneuvers?

Mr. ICHORD. Mr. Chairman, I will have to refer that question to some Member who is more expert on battlefield maneuvers than I.

Mr. DOWNEY. Perhaps I could ask the gentleman from Indiana (Mr. HILLIS) that question.

For the gentleman's edification, there are approximately 682 MICV's needed for one mechanized infantry division. The gentleman has just finished telling us that the AMST can carry one MICV.

If it—AMST—is going to go 400 miles, and assuming we have 100 AMST's available to us, which is approximately 50 percent of all the AMST's we will be building, it will take approximately 4 days, given a 4-hour round trip, to move the MICV's to the battlefield. The MICV goes approximately 40 miles an hour or perhaps a little faster than 40 miles an hour. and we can drive the MICV's to the battlefield. Perhaps we could also fly the UTTAS and the AAH.

Mr. ICHORD. Can we fly in the radar also, I will ask the gentleman?

Mr. DOWNEY. We might not be able to fly all those things in the C–130 but the question I want to ask is this:

Can some of these items be carried by truck, or are we going to have an R. & D. program for an airplane just so we can carry a few big trucks or a couple of tanks in it? Or can we just put some of those tanks, some of those MICV's and some of those radar units on a truck that will be in Germany perhaps and drive it to the battlefield? Why do we have to fly everything in to the battlefield with a new cargo aircraft that is going to cost as much money as the gentleman is talking about?

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, the gentleman has raised a good point. It seems to me that we have to take into account the fact that the aircraft can move a relatively great distance in a short period of time, say 500 miles.

Mr. DOWNEY. Yes, it can carry one MIVC very quickly.

Mr. HILLIS. Right. It can carry it very quickly, and then it can make another trip, and in 48 hours it can make many trips.

Mr. DOWNEY. But by that time they could be driven.

Mr. HILLIS. In 48 hours they can move 50 MICV's, and perhaps 80 MICV's can be moved in 48 hours for the mechanized infantry division.

I think we should look at this from a realistic standpoint. A small number of aircraft can move a great number of MICV's in a very short period of time over a distance of, say, 500 miles.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I have been advised that a brigade—and this came from information furnished by the Army—can be moved 500 miles in 48 hours. That is 84 AMST's, according to this information, that would be used.

Mr. DOWNEY. Well, we have to be on station and ready to go.

Mr. ICHORD. They can make several sorties.

Mr. DOWNEY. Mr. Chairman, could the gentleman explain the components of the brigade and what exactly they are going to do?

Mr. ICHORD. The gentleman should explain that that material appears on the chart.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I want to know if that will run on water or if we are trying to get across a river and if the bridge is blown out, what happens?

Mr. DOWNEY. That is a very interesting thing about the MICV. We are trying to make it run under water, as a matter of fact.

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has expired.

(By unanimous consent, Mr. DOWNEY was allowed to proceed for 1 additional minute.)

Mr. DOWNEY. Mr. Chairman, I would be happy to respond to the gentleman from Idaho (Mr. SYMMS) if he would like.

As to a question whether the AMST will cross the ocean, I ask, is the AMST prepared to fly across the ocean with this cargo?

Mr. SYMMS. If the gentleman will yield, it is after having refueled, as I understand it.

Mr. DOWNEY. If the gentleman understood a little more about the AMST, he would realize that it is for the battlefield and to fly equipment around the battlefield. It is not to fly outside cargo across the ocean. The C–5A does that—when the C–5A is able to fly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. CARR).

The question was taken; and on a division (demanded by Mr. CARR) there were—ayes 25, noes 51.

Mr. CARR. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. VANDER JAGT

Mr. VANDER JAGT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANDER JAGT: On page 4, line 24, strike out "$2,365,232,000;" and insert in lieu thereof "$2,375,232,000.".

Mr. VANDER JAGT. Mr. Chairman, compared to the amendments that have gone before and the arguments for and against them, this is a very simple and a very short amendment. Yet, I think that it will have significant impact on our program.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, the gentleman's amendment provides $10 million for further testing of the diesel engine in the XM-1 tank.

On page 37 of the committee report we point out that the turbine engine is going to require a good deal more testing. Since this is a less mature engine, it might well be proper for us to continue the testing of a standby diesel engine.

Mr. Chairman, the gentleman has been kind enough to show me his amendment. I have checked with the members of the committee on this side and with the chairman, and I think I can say for myself and, I believe, for the Members on the Democratic side that we are prepared to accept the gentleman's amendment.

Mr. BENNETT. Mr. Chairman, if the gentleman will yield, we accept it.

Mr. VANDER JAGT. Mr. Chairman, I thank the gentleman from New York (Mr. STRATTON) and the gentleman from Florida (Mr. BENNETT) very much.

To demonstrate appreciation for their cooperation, I will not deliver the speech that I had prepared.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. VANDER JAGT. I would be happy to yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I thank the gentleman from Michigan for yielding to me.

Let me say that on our side of the committee that we see merit in the gentleman's amendment and we will be most happy to accept the amendment.

Mr. VANDER JAGT. I thank the gentleman from Indiana and thank the gentleman, as well, on all of his work on this subject. This will make possible the continuation of the development of the diesel engine for the XM-1 tank.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. VANDER JAGT).

The amendment was agreed to.

Mr. GOLDWATER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wonder if I might have the attention of the chairman of the committee, the gentleman from Florida (Mr. BENNETT), and perhaps some of the other members of the committee in order to have some clarification on a particular section. I refer to section 809 on pages 26 and 27 of the bill. That is the section that deals with the prohibition of contracting out.

Mr. BENNETT. Mr. Chairman, if the gentleman from California will yield, let me say that we had not intended to get to that portion of the bill today. If the gentleman wishes, I could explain the section to him.

Mr. GOLDWATER. I would like to have that. I wonder if we could arrive at some kind of an explanation on this? Because, depending on that would determine whether, in my opinion, it would be necessary for some clarifving language to be inserted. Therefore I would like to engage in a colloquy with the chairman.

Mr. BENNETT. If the gentleman will yield, let me say that there has been emphasis by the executive branch to contract out with private enterprises. This has given rise to a lot of problems. In the first place, we have spent hundreds of millions of dollars, perhaps billions of dollars when we include the NARF and things like that, to provide facilities and personnel for performing these functions by the Government. So, to just close these things and put it out into private industry may not be the right answer. So we thought we ought to have a study made.

Mr. GOLDWATER. Mr. Chairman, I support the effort of the gentleman from Florida. However, the language itself appears not to be quite clear. That is what I would like to get some explanation on. An explanation as to certain words in specific subsections under section 809.

Specifically, does the committee agree that section 809 is a flat prohibition on any new contracting out or any additional contracting out?

Mr. BENNETT. No, it does not prohibit that which is underway but it does prohibit additional contracting out.

Mr GOLDWATER. Any new additional contracting out would be prohibited?

Mr. BENNETT. Until the study is completed, they could still contract out but not convert jobs.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, if I am not mistaken, the provision pertains to contracting out of personnel services of individuals, such as firefighters or janitorial services. It does not pertain to contracting out for goods and services and materiel, as I understand.

Mr. GOLDWATER. These are for services that are contracted out but not for procurement?

Mr. BOB WILSON. Personnel services, right.

Mr. GOLDWATER. But there is a flat prohibition against any further contracting out; is that correct?

Mr. BENNETT. Until the study is completed.

Mr. GOLDWATER. Until after the study is completed?

Mr. BENNETT. That is correct. In the meantime if the gentleman wishes, I will give him some of the horror stories on how much we have spent.

Mr. GOLDWATER. I can understand the purpose of it. I am merely asking these questions for clarification of the language.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, let me say, just by way of clarification that perhaps it would be better understood if we knew the history of this.

Mr. GOLDWATER. The gentleman from Alabama does not need to recite the history in the 5 minutes that are available to me.

Mr. DICKINSON. Very well. I will try to explain it briefly simply by saying that the Department of Defense has ordered various services to make studies on where they can contract out services, instead of doing it in-house.

Since they are planning on making many other such arrangements, we wrote this in here to say that there would be a moratorium for a year until we could take a look at it. In some instances they are going as high as 130 percent or better over the in-house costs in contracting out.

Mr. GOLDWATER. I have no problem with that.

I have the further question: Does subsection 809 in any way prevent extension of contracting out or reissuance of a contract prior to March 15, 1978? In other words, if a contract terminates between passage and the submission of the report, can that contract be reissued?

Mr. BENNETT. Yes, it can.

Mr. NEDZI. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Michigan.

Mr. NEDZI. I thank the gentleman for yielding.

Pursuing the point which the gentleman raised, which I think is very, very timely, I should like to direct my question to the chairman, and I seek an explanation of what he meant about nothing being contracted which is underway—his meaning of the word "underway."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GOLDWATER was allowed to proceed for 5 additional minutes.)

Mr. NEDZI. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield very briefly.

Mr. NEDZI. I think all of us are aware of studies underway at various installations for the purpose of contracting out. Some of these studies have gone to the point of tentative decisions being made to contract out, but no contracts are let. Some of them are under review.

Mr. BENNETT. If the gentleman from California will yield, this study is the overall study.

Mr. NEDZI. I understand, but does the limitation on the Department of Defense, or the departments of the Department of Defense, which pertain to March 15, 1978, apply to all of these which have not been finalized?

Mr. BENNETT. If the gentleman from California will yield, it does.

Mr. GOLDWATER. Mr. Chairman, I reclaim my time, if I may.

I ask the additional question: Why is there no authority given to the Secretary of the Department of Defense permitting him, if he makes a finding that it is in the national interest or consistent with national policy, to authorize activities that are not consistent with the restrictions of this act?

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I offered this amendment in committee. It is my amendment, and the reason behind and the purpose of the amendment are that all of the services are making studies at the present time.

Mr. GOLDWATER. I wonder if the gentleman would address himself to the specific question. I have only 5 minutes,

and I am trying to get some clarification.

Mr. ICHORD. I would state to the gentleman that if he had been here during general debate, the gentleman from Florida (Mr. SIKES)—and it is in the general debate record—did answer specific questions clarifying the meaning of the amendment. But if the gentleman will propound a specific question, I will attempt to answer it.

Mr. GOLDWATER. The specific question again is, There is no standby or permission for the Secretary?

Mr. ICHORD. That is true, there is not. We intend to look at it ourselves after the report back to us on December 31, 1977.

Mr. GOLDWATER. I have an additional question: What does the term "activities" mean? Are these custodial? Security? Procurement? Services, like food? Maintenance?

Mr. ICHORD. All personnel services. And I will state that the answer to that question is already in general debate answered by the gentleman from Florida (Mr. SIKES).

Mr. GOLDWATER. All right. What about new functions under this provision? Can new functions be contracted out?

Mr. ICHORD. It would not apply to actual workloads, as far as that is concerned.

Mr. GOLDWATER. All right. In addition, in subsection (b), lines 4 and 5, there is reference to industrial or commercial activities. What does "activities" mean?

Mr. ICHORD. The word is "functions," I believe, rather than "activities." The gentleman is referring to line 19 on page 26? It is not "activities." It states:

The Secretary of Defense shall conduct a complete and comprehensive study of the criteria used in determining whether commercial or industrial type functions at any Department of Defense installation should be performed by Department of Defense personnel or by private contractors.

Mr. GOLDWATER. All right, but on lines 4 and 5 there is reference to commercial or industrial activities.

Mr. ICHORD. Lines 4 and 5 on what page?

Mr. GOLDWATER. I do not have the page.

Mr. ICHORD. Is the gentleman speaking about page 27, the study required by subsection (a)?

Mr. GOLDWATER. Subsection (b), lines 4 and 5.

Mr. ICHORD (continuing):

The study required by subsection (a) shall be submitted to the Committee on Armed Services of the Senate and the House of Representatives not later than December 31, 1977, and no further conversion of commercial or industrial activities to be performed by contractors shall be made before March 15, 1978.

The purpose of that is to give the House Armed Services Committee and its counterpart in the Senate Armed Services Committee a chance to study to see what they are doing and to see whether we want to act on the situation or not.

Mr. GOLDWATER. OK. In subsection (b) are the prohibitions on contracting out in terms of functions, dollars, people, or installations, or what? I am talking about subsection (b).

Mr. ICHORD. In (b) or (c) it is in terms of functions, not activities.

Mr. GOLDWATER. It is in terms of functions.

Mr. Chairman, I thank the Committee for its indulgence.

The CHAIRMAN. There being no further amendments to title II, the Clerk will read.

The Clerk read as follows:

TITLE III—ACTIVE FORCES

SEC. 301. For the fiscal year beginning October 1, 1977, and ending September 30, 1978, each component of the Armed Forces is authorized an end strength for active duty personnel as follows:

(1) The Army, 790,425;
(2) The Navy, 536,000;
(3) The Marine Corps, 192,000;
(4) The Air Force, 572,000.

AMENDMENT OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS: On Page 10, after line 25, add the following language:

"SEC. 302. The Department of Defense is authorized an end strength for active duty personnel as follows: For the fiscal period beginning October 1, 1977 and ending September 30, 1978: 2,040,425. Within this authorization figure of 2,040,425 for active duty personnel of the Armed Forces, no more than 363,850 military personnel may be assigned to active duty on land outside the United States and its possessions and territories during this fiscal year."

Mr. DELLUMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DELLUMS. Mr. Chairman, before I go into a detailed discussion of my amendment. I would like quickly to summarize the practical effects of the amendment.

The amendment would reduce our overseas forces by 17,000. It would not only require that those overseas forces come back to this country but it would also deactivate those 17,000. It would also require a reduction in our end strength of a total of 50,000.

Again, to summarize, 17,000 reduction of our overseas land-based troops and an additional 33,000 to be deactivated for a total end strength deactivation of 50,000 troops.

My Chairman, my amendment would cut our overseas troops commitments by 17,000. I arrived at this figure in the following way. Last year, Mr. Chairman, I offered an amendment to reduce our overseas troop levels by 47,000. Although this amendment was opposed by the Administration, and by the Armed Services Committee, and defeated by this body, the Pentagon actually cut over 30,000 of our American troops from overseas.

What my amendment simply is trying to do is to get the additional 17,000 that I thought the committee lacked the wisdom in cutting last year.

This is the 5th year I have proposed an amendment to our overseas troops and last year in attempting to interject some humor into what often becomes a discussion where we tend to take ourselves too seriously and maybe we do not zero in on the question too seriously, as my annual exercise in futility—but I am an eternal optimist, Mr. Chairman—these amendments have never succeeded in the Congress. Yet the Pentagon seems to have been convinced of the logic behind the amendment. Published figures show that we had 497,000 troops stationed overseas in the year 1975, which was reduced to 462,850 in 1976.

Over the entire 5-year period, overseas troops have declined by 172,150—which means that approximately 33,000 troops were returned to this country, but not deactivated, and many of us took the floor and said we need those troops overseas and if they are not overseas, we do not need them. Well, the Pentagon has brought home 172,000 troops. Last year they brought home over 30,000. Therefore, the argument on the floor of the Congress last year was we need these troops overseas, but the Pentagon brought those troops back. What I would like to do in my amendment is deactivate those troops. If we do not need them around the world, why do we need 33,000 additional troops stationed in the United States?

Thus, these trends seem to show that my amendment has only anticipated the actual withdrawals by a year or two. It, therefore, seems there is little controversy about the desirability of our overseas troops returning home. The question seems to be whether we Members of Congress should say so, or whether it should be left up to the discretion of the Pentagon.

I would add, parenthetically, that I have always stated it is proper to leave military decisions to the military, but it seems to me that if we are going to earn our incomes, it is our responsibility as policymakers to be an inherent part of the process of making policy, not the Pentagon. Whenever the military is allowed to make political decisions, they are outside their baliwick; when we attempt to make military decisions on the floor of Congress, we are outside our bailiwick.

All I am attempting to do is get us to assume our responsibility.

There is also the question of whether authorized end strengths should be reduced, or whether withdrawal will be seen as merely shifting troops from one foreign base to a home base with little reduction in costs.

Mr. Chairman, I am offering this amendment because I strongly believe that Congress should make this policy decision. Our military budget at the present time is based on self-canceling confusion.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for an additional 3 minutes.)

Mr. DELLUMS. Mr. Chairman, on the one hand, we continue to vote for a costly military budget, but not near high enough to sustain a foreign policy based on interventionalist assumptions.

I have mentioned many times that

former Secretary Schlesinger was fired because he said we are not spending enough money to play the role of interventionalist in the world. I do not believe we ought to be playing that role in the world, but he was fired because he stood up and talked about it; but I am simply pointing out our rhetoric on the floor, which is to represent ourselves as the policemen of the world and the gunrunners of the world, but politically we are not willing to spend enough money to play that role, so we forget to balance it. I think that contradicts our stated policy and it violates the politics I am attempting to advocate as I represent my own district in the well.

On the other hand, whenever it becomes clear that the American people will not make or support the requisite sacrifices, the move is stopped.

Angola is a classic case in point. In either case, Congress becomes the subject of political rhetoric and abuse.

By trying to do too much, we merely deny ourselves the chance to do some things well. By refusing to face up to the real costs of our ambitions, we let our actions be determined by events, not by our will. To believe we can sustain our present goals, given present financial commitments, is to be trapped into a self-defeating illusion. The only way we can resolve this impasse is through explicit congressional decision.

As an example of one important area where a troop reduction could make a needed foreign policy statement is, obviously, in South Korea. The end of the present large-scale military presence would serve to loosen the close U.S. embrace with the present regime under which there has been a drastic increase in repression of political dissent, which I find totally contradictory to our stated principles of freedom of expression and dissent.

Since our troops are there more for political reasons than military necessity, troop withdrawal will give us a breathing space before heavy involvement, instead of the automatic trip wire strategy now in effect.

It should be noted, Mr. Chairman and members of the committee, that if actual end strengths are not reduced and the troops deactivated, there is very little in the way of savings. As I mentioned before, there is a gap of 33,000 troops that have not been deactivated, although they have returned home. Therefore, my amendment calls for an end-strength reduction of 50,000, which includes the proposed 17,000 withdrawal from overseas. The Pentagon has established that it costs between $14,000 and $15,000 per year for each troop we have stationed overseas, excluding transportation costs. To lower end strengths by 50,000 would result in a one-time saving of at least $750 million, and approximately $900 million annually thereafter, since we are not replacing these troops.

In conclusion, Mr. Chairman and members of the committee, I hope the Members will join me in making the choices that will move beyond rhetoric of a bygone era to the shaping of national policy for years to come.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I want to congratulate the gentleman. I supported him every year on this amendment in trying to withdraw from the mainland of Asia. I think perhaps one day we will finally get this across. I want to join the gentleman once again, although I do not know whether we will succeed this year or not.

Mr. DELLUMS. I thank the gentleman.

Mr. SEIBERLING. Mr. Chairman, in past years, I have frequently taken the floor to argue against procurement of the new B–1 bomber. Over the last year, no new evidence has been presented to alter my view that production of the B–1 is ill-advised at this time.

The United States has a perfectly adequate bomber fleet right now to fulfill its designated role in the TRIAD. The latest B–52's were built only 15 years ago and since then have been and continue to be upgraded with the latest navigation aids, electronic countermeasures, terrain avoidance equipment, structural rework, and numerous other improvements.

Last year, Secretary Rumsfeld, like Secretary Schlesinger before him, said that the B–52G's and H's would be good into the 1990 time frame. On April 15, 1976, Air Force Secretary Reed stated:

> We envision over 300 B–52's remaining in the active inventory for the rest of the century.

And the Brookings Institution, in its exhaustive study "Modernizing the Strategic Bomber Force," concluded:

> There is only a remote possibility that any potential enemy action could threaten the military effectiveness of the B–52 force before that time.

So let us stop talking about the aging B–52 fleet. We have a good strategic bomber fleet and will continue to have one for years—long enough to explore less expensive and more effective alternatives to the B–1.

By producing the B–1 bomber now we would only be prematurely locking ourselves into a technology which, if not obsolete already, may well become so by the time the production run would be concluded. The very same potential developments in Soviet anti-bomber defenses that could threaten the future effectiveness of the B–52 fleet, for example an airborne look-down radar capability, would in all likelihood also threaten the B–1.

As the cost of the B–1 continues to increase to ever higher and higher levels, the case for its procurement becomes more tenuous. Senator CULVER of the Senate Armed Services Committee now estimates that each B–1 will cost $117 million, and that is if the presently planned fleet of 244 planes is produced. If there is a substantial reduction in the size of the fleet, and such an option is apparently being given very serious consideration now at the Pentagon, the per plane cost is going to skyrocket. There has to be some point where our sense of priorities, indeed our commonsense, tells us that we just cannot afford it.

Last year at this stage of the authorization process, I asked the House to delay B–1 funding until after the next President could make a thorough review of the program. In modified form, my proposal was eventually adopted by Congress, limiting funding to a month by month level so that the President would have the opportunity for such a review.

In accordance with the wishes of Congress, President Carter is currently conducting a National Security Council study on the B–1. The President stated recently that the administration's decision on the future of the B–1 program will follow receipt of this study in May.

I commend the President's course of action in this matter, and would do nothing to foreclose his options now.

I feel confident that after a thorough review of our strategic bomber needs, the President will conclude that immediate production of a B–1 bomber fleet would not be in the national interest.

Mr. BENNETT. Mr. Chairman, in view of the tacit agreement that the House would adjourn at 3 o'clock, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, had come to no resolution thereon.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

> H. Con. Res. 198. Concurrent resolution to correct the enrollment of the bill H.R. 4877.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4877) entitled "An act making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes," and, that the Senate agreed to the amendments of the House of Representatives to the amendments of the

Senate numbered 7, 43, 45, 50, 52, 59, 60, 61, 83, 90, 91, 173, and 211 to the above-entitled bill.

And further, that the Senate receded from its amendment numbered 35 to the above-entitled bill.

LEGISLATIVE PROGRAM FOR WEEK OF APRIL 25, 1977

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader as to the program for the balance of the day and for next week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield.

Mr. WRIGHT. Mr. Speaker, there is no legislative business scheduled for the remainder of this week. On Monday next, the House will meet at noon. There are no District bills, but there are four bills currently scheduled under suspension of the rules. Votes on all these suspensions will be postponed until the end of all suspensions.

The bills are:

H.R. 2210, to name a certain building the "Gerald R. Ford Building";

H.R. 5675, authorization for investment of public moneys;

H.R. 5638, United States-Canadian Fisheries Agreement legislation;

H.R. 6370, International Trade Commission.

On Monday, we also will hope to conclude consideration of the bill H.R. 5970, the Department of Defense authorization for fiscal year 1978.

On Tuesday, the House would meet at noon. There are no bills currently scheduled under suspension, but we would take up House Concurrent Resolution 195, the first budget resolution for fiscal year 1978, subject to a rule being granted.

We would hope to conclude general debate that day, and if we do so, to get into the amending process.

On Wednesday, the House would meet at 3 p.m. and complete consideration of House Concurrent Resolution 195, the budget resolution.

Perhaps we will begin consideration of H.R. 2, Surface Mining Control and Reclamation Act, subject to the granting of a rule.

If it is possible to begin consideration of that bill on Wednesday, we would conduct general debate only and bring it over until 11 a.m. on Thursday, and complete consideration of H.R. 2 on Thursday and the balance of the week.

The House would adjourn by 3 p.m. on Friday and by 5:30 p.m. on all other days except Wednesday until May 15, according to the previous agreement.

Conference reports, of course, may be brought up at any time, and any further program will be announced later.

Mr. RHODES. Could the distinguished majority leader give me the benefit of his opinion as to whether or not H.R. 2, the Surface Mining Control and Reclamation Act, should not be properly referred to the newly established Select Committee on Energy? This is certainly an item which bears on the energy supply of the United States, and it just seems to me that since we do have this committee, rather than bring this matter directly to the floor, the select committee should have some input.

Mr. WRIGHT. If the gentleman will yield further, it is the understanding of the majority leader that this bill has been under consideration for some time in the Interior Committee and that that committee has reported it by a substantial margin to the floor.

It is further the understanding of the majority leader that the President has made one recommendation for change with respect to this legislation and that a committee amendment will be offered when the bill reaches the floor to accommodate that request on the part of the President.

That being the case, it was felt useful to proceed with consideration of this legislation next week.

Mr. RHODES. Mr. Speaker, the distinguished majority leader is correct that this bill has been around a long time, not only several months, but several Congresses, and I just thought it might be appropriate, since it has been here so long, to just let it go over until the Energy Committee had a chance to work on it. I understand the gentleman's problem, however.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, I want to thank the majority leader for informing members of the committee that there will be a committee amendment offered, because this is the first time this gentleman, who is the ranking minority member on the Subcommittee on Energy and the Environment, which reported this bill, has heard of this. We have had no committee meeting. The bill is to be filed. This is another reason why it should be delayed.

Mr. WRIGHT. Mr. Speaker, I might say that it is a pleasure for the majority leader at any time to be able to inform the gentleman from Maryland.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, APRIL 25, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNUAL REPORT OF SECRETARY OF THE INTERIOR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

In accordance with Section 511(a) of the Federal Coal Mine Health and Safety Act of 1969, I hereby transmit to you the Annual Report of the Secretary of the Interior.

Part I of the report details the activities of the Mining Enforcement and Safety Administration. Part II describes the mining research activities of the Bureau of Mines.

The report covers a period of time before I took office.

JIMMY CARTER.

THE WHITE HOUSE, *April 22, 1977.*

1976 ANNUAL PLAN FOR FISCAL YEAR 1978–1982—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

Pursuant to Title IV, Part A, Section 401A(b) Public Health Service Act, as amended (42 U.S.C. 286e(b)), I hereby transmit the 1976 Annual Plan for FY 1978–1982. This Plan was prepared prior to the beginning of my administration.

JIMMY CARTER.

THE WHITE HOUSE, *April 22, 1977.*

REFORM OF DAVIS-BACON ACT

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HAGEDORN. Mr. Speaker, I have introduced legislation designed to effect substantial reforms in the Davis-Bacon Act, about which I will be speaking more later in the day. I would, however, like to briefly describe a typical example of how the act operates with respect to a small subcontractor on a small project in Minnesota. It is, by no means, an extreme case but simply the kind that is repeated hundreds of times daily throughout the country.

In 1976, the city of Mankato, a city of less than 35,000 in my district, decided to build a regional library with Federal assistance from the Department of Housing and Urban Development. The subcontractor, a plumbing and heating firm from a smaller town near Mankato, paid his tradesmen an average of $10.23 per hour. In the apparent belief that this amount was inadequate, HUD reestablished minimum wage rates for these employees at $10.80 per hour, thereby subsidizing each of them by $.057 per hour at

Federal and local taxpayer expense. Payroll costs were increased by 5 percent.

In addition, the contractor has estimated compliance costs of the act, including the additional bookkeeping required for weekly payroll reports at $3,073, adding an additional 1.5 percent to total costs.

On the whole project, the compliance costs of all contractors and subcontractors totaled more than $17,000. These costs were imposed on the entire project solely because of the fact that the Federal Government contributed $139,000 of a total cost in excess of $1,400,000. Thus, on this project 12 percent of the total Federal contribution was consumed purely by the paperwork and bookkeeping costs that were required by Davis-Bacon.

Thus, as a result of Davis-Bacon, a group of upper middle-class workers were treated to a healthy pay raise, and dozens of Federal employees were undoubtedly kept busy shuffling around thousands of wage forms. At the same time, apart from the increased taxes that had to be levied to pay these costs, Mankato has less money available for new books, less money to pay personnel to keep the library open for longer hours and, generally, less money to do what libraries are supposed to do.

Multiply this single, unspectacular example of the working of Davis-Bacon thousands of times, in the areas of school construction, water resources projects, rural development assistance, military construction, housing and highway programs, and one gets an idea of the costs of this outdated piece of legislation. Undoubtedly, there are similar cases in the districts of each and every Member of Congress. I hope that you will ask yourself whether or not we can continue to afford an act whose sole assurance is that the public will never get the most value for its tax dollar.

THE ROLE OF RESEARCH, DEVELOPMENT AND DEMONSTRATION IN ENERGY POLICY FORMULATION

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of California. Mr. Speaker, as we embark on our attempt to formulate a comprehensive national energy policy and program, it is important that we recognize the contribution of every approach to solving our energy problems. In the recent past the Congress has recognized the need to change our taxing policy, our regulatory policy, our human assistance policy, and our research, development and demonstration policy to meet our energy needs. The proposal by President Carter for a new Department of Energy, and the energy package released this week recognize the contribution of each of these areas.

The news media, not surprisingly, has focused on the tax regulatory issues. Unfortunately, they have greatly neglected the research, development and demonstration issues which are so very important to our ability to solve our energy problems. President Carter's energy message did devote considerable attention to the research, development and demonstration issues, and his proposed Department of Energy is really an expanded Energy Research and Development Administration.

The factsheet on the proposed Department of Energy shows that of a total budget of $10,611,600,000, $7,485,000,000 comes from ERDA. The bulk of these funds are under the authorizing jurisdiction of the Committee on Science and Technology. In terms of personnel, 9,052 slots come from ERDA, although this figure does not include the more than 100,000 people who work at our national laboratories, which work under contract to ERDA.

Mr. Speaker, I do not believe the Congress has any serious doubts about the need for a strong and vigorous research, development, and demonstration program in developing new energy sources; including energy conservation, and developing environmental and safety control technologies for those energy sources. The Subcommittee on Environment and the Atmosphere of the Science and Technology Committee, of which I am the chairman, has direct responsibility for the environmental and safety research of several agencies, including and especially ERDA and the EPA. In this role, and through my other assignments, I have developed a special awareness of the role of research, development, and demonstration in formulating our national energy policy.

An excellent book on this subject was recently published, entitled "Our Energy Future: The Role of Research, Development, and Demonstration in Reaching a National Consensus on Energy Supply." I would commend this document to all of my colleagues. A very good summary of the findings of this book was recently brought to my attention by the National Conference of State Legislatures in their April 11, 1977, "Energy Report to the States."

At this time, I would like to place in the RECORD this report, and recommend it to my colleagues.

The material follows:

[Energy Report to the States, National Conference of State Legislatures, Monday, Apr. 11, 1977]

THE ROLE OF R, D&D IN ENERGY POLICY FORMULATION

The 1973 OPEC oil embargo generated widespread calls for energy independence and the development of a national energy policy. Three years later, we still have no policy and are even more dependent on foreign sources for petroleum. The Nation is divided not only on the choices which must be made among energy resource alternatives and available technologies, but on issues such as the scope and pace of energy development activities. Thus, energy policy decisions must be made in a manner which tends to accommodate potentially conflicting interest groups.

State legislators and other public officials will ultimately have to balance these competing interests in a manner which best serves the public interest. One potential source of useful and reliable information in these ongoing policy debates—a resource that has not been fully utilized to date—is energy research, development and demonstration (R, D&D).[1]

The study[2] from which this article is drawn says that R,D&D can make a major contribution to the resolution of national energy policy conflicts. Financed by a National Science Foundation grant and undertaken by a group of University of Oklahoma researchers, the study concludes that the production of information useful for energy-related decision making ought to be the "primary purpose" of R,D&D.

At present energy R, D&D is almost totally concerned with serving the information needs of those charged with development responsibilities. This focus fails to respond to the essential needs of any policy in a democratic society: The need to build a broad-based constituency before any major new policy initiative can be taken.

In the absence of a widespread consensus on policy, the American system is so constructed that opposing groups can successfully frustrate energy supply initiatives. The critical national need, then, is to accelerate the process of accommodation. R, D&D can help fulfill this need if it is consciously designed to serve the information requirements of the whole range of potentially conflicting interest groups.

What follows is a summary of the study team's views on R, D&D and energy supply; some procedural and organizational changes that are needed to assure that the resulting R, D&D information will be useful; and an appropriate 5-year R, D&D program.

THE ROLE OF R,D&D

The primary purpose of R,D&D should be to produce information useful for energy-related decision making. This requires that energy R,D&D be designed to answer questions that are far broader than ones limited to technological capabilities.

The principal reason for a broader conception of R,D&D is a change in the past two decades in the way energy supply decisions are made. They now involve as participants a wide range of groups and interests in society: federal, state, and local governments; industry; labor; national and local citizens' groups, and others. Although it is widely recognized that the demand for energy in the United States is outstripping domestic supplies, this enlarged group of participants has been unable to reach a consensus on energy supply policy, in part, because of four types of uncertainty about energy decisions:

(1) Institutional uncertainty: appropriate public/private sector relationships; the historical separation between coal, oil, gas, electricity, and nuclear energy policy.

(2) Performance uncertainty: the efficiency, safety, and economic costs and benefits on new energy technologies.

(3) Demand uncertainty: future demand

[1] The National Conference of State Legislatures in cooperation with the National Science Foundation is engaged in an ongoing project to strengthen the ways in which science and technology can be applied to the needs of state government. The transfer of useful energy R,D&D information from its source to state legislatures, which must deal with technical issues, is very much a part of this project. For more information, contact John Reuss, Director of NCSL's Science & Technology Project, 1305 Curtis Street, Suite 2300, Denver, Colorado 80202. 303/623-6600.

[2] Copies of the study, entitled "Our Energy Future: The Role of Research, Development, and Demonstration in Reaching a National Consensus on Energy Supply," are available from the University of Oklahoma Press, Norman, Okla. 73019 for $5.95.

levels, prices, and international relations.

(4) Impact uncertainty: the impacts of new energy supply technologies on their sites, with a particular concern about negative impacts.

A variety of policy tools are available to reduce these uncertainties: for example, the possibilities include foreign policy initiatives, legislative/regulatory actions, and the commitment of resources for R,D&D activities. Since the oil boycott in 1973, the most consistent response from both the public and private sectors has been the promotion of R,D&D, at least partly because it is politically easier to create new technologies than to induce changes in lifestyles.

Solving the nation's energy problem by R,D&D, however, has turned out to be difficult because the mere demonstration of technical feasibility has not been sufficient to resolve all the kinds of uncertainty listed above. It has not led to the rapid implementation of new energy supply technologies or the rapid development of new source areas, because technical feasibility is not the primary concern of many of the participants in energy decisions.

Consequently, if R,D&D is to serve as an instrument for achieving a broad political consensus regarding U.S. energy supply, it must be redefined as a generator of a broad range of reliable and credible information, not just a producer of new technologies.

Given this broadened use of R,D&D as a policy tool, three interrelated categories of activity need to be reviewed: (a) hardware R&D, which generates information about the performance characteristics of energy supply technologies; (b) non-hardware R&D, which produces information about the relation of the technologies to the social, economic, biological, and physical environments in which they will be used; and (c) demonstrations. Hardware and non-hardware R&D activities coverage at the point of commercial scale demonstrations, which provide integrated hardware and non-hardware information in the most credible and reliable form. But the energy supply R,D&D effort in the United States has neglected the need for non-hardware research, and it has overlooked the importance of commercial-scale demonstrations as a possible focus for political accommodation. Because the four kinds of uncertainty require substantial lead times for resolution; this is a serious mistake.

PROCEDURES FOR EFFECTIVE R,D&D

The effectivenes of an R,D&D program for increasing domestic energy supply capabilities depends not only on what is done, but also on how it is done. Consequently, some procedural and organizational changes are desirable in how R,D&D is conducted, especially in its more advanced stages. The changes relate both to how information is generated and to how it is disseminated.

Unlike the suggested R,D&D activities discussed later on in this article, which are identified without a definition of the best division of effort between the public and private sectors, the procedural recommendations are explicitly focused on the federal government. In part, this recognizes the role of government as a meeting point for different segments of American society as they make demands for assistance, regulation, and direction. It also recognizes the very broad involvement of the federal government in energy R,D&D at the present time. And it reflects the conclusion of the research team that procedures under the jurisdiction of the federal government have turned out to be constraints on energy supply rather than solutions.

Generating Reliable and Credible Information. Reducing uncertainty about a variety of energy supply options is central to finding a social and political accommodation that will allow domestic energy supplies to be boosted. And the key to such a reduction of uncertainty is the generation and diffusion of reliable and credible information.

Several procedural modifications would be useful. Information should be gathered earlier, involving more of the interested parties at a time when the mood is more exploratory. For commercial utilization decisions, information can be based on facilities whose characteristics can be observed by all parties at commercial scale—verified side by side by the entire range of participants. And comprehensive information can be provided freely and easily to all interested parties from a central location. Initially, the effect of these changes may be to slow the energy supply decision making process, but it will significantly speed decisions once the reliable and credible information is available.

More specifically, the following policies are recommended:

(1) For every step in the development phase of an R,D&D program there should be a parallel technology assessment by a group without a vested institutional interest. This requires two institutional initiatives:

(a) An independent agency for supporting non-hardware R,D&D should be established (analogous to NSF) to fund and monitor technology assessments for energy technologies in the development phase of the R,D&D spectrum. The agency would identify needs for assessments, select and fund groups to do the studies, and assure that each assessment involves representatives of the entire range of interested parties as consultants and reviewers.

(b) Institutions should be created that have the capability of conducting credible non-hardware R,D&D. The institutional-support for these organizations should involve an assured floor level of support on a continuing basis from the previously recommended independent non-hardware R,D&D agency.

(2) As a general rule, every new energy technology or new technology application should be demonstrated at commercial scale before a decision is made on commercial utilization. Such a demonstration would include a series of related procedures:

(a) Broadly-conceived baseline studies (including social data) should be initiated for each demonstration facility at the time possible sites are first identified. All interested parties should be consulted about the phenomena and processes to be included, in order to reduce the likelihood of overlooking important impact categories or interpretations.

(b) The requirement for a preconstruction environmental impact statement should be suspended for energy demonstration facilities, because of the importance of obtaining information from the following step.

(c) A comprehensive post-demonstration assessment should be prepared for each commercial-scale energy demonstration facility. Conducted under the auspices of the independent agency proposed above, and assuming the full participation of all interested parties, this assessment should serve as the basis for decision on commercial utilization of the technology.

(d) The decision to undertake commercial utilization of a technology should not be made until the post-demonstration assessment has been prepared and studied. A negative assessment of the demonstration facility should result both in shutting down the facility and blocking commercial development.

(3) In order to assure full and effective participation, a program should be established to provide financial support for the development of technically competent staffs for interest groups concerned with the technology assessments and demonstrations.

(4) Every effort should be made to increase the openness of mission agency non-hardware RD&D. Because the credibility of non-hardware information depends on broad-based participation in the process of generating and evaluating it, this work should be characterized by unrestrained access and widespread consultation with diverse interests.

Disseminating Reliable and Credible Information: Once reliable and credible information is generated, it should be made readily accessible to the public, so that alternatives can be characterized and compared by any interested party. At present, the available data are plagued by overlaps and gaps; many kinds of data are fugitive, in the sense that they are accessible only to parties who are familiar with informal channels of information and the information system is unresponsive to parties who lack access to a technical staff.

Three types of information would benefit from an improved federal dissemination system: resource/reserve data for all energy sources, hardware performance data for all energy technologies, and siting prospects for all proposed commercial-scale demonstrations and proposed commercial energy facilities.

Consequently, a national energy data center should be established as a central repository for these kinds of information. Such a center should be user-oriented, highly professional, and have as its sole function the collection, analysis, and dissemination of energy data. Three purposes should be defined for the center.

(1) to develop a data presentation format which facilitates comparison among alternatives and is usable by the layman;

(2) to facilitate access to energy data for all participants in energy decision making and to use this participatory process as a means of data verification; and

(3) to provide data analyses that serve a full range of parties at interest.

A PRIORITY R,D&D PROGRAM

A suggested five-year R,D&D agenda for energy supply that emphasizes high priority tasks would cost between $18–19 billion. (A more ambitious program would cost about $28 billion).

Starting with the point of view that R,D&D can contribute to political accommodations and ought to be structured to do this, it is possible to identify domestic alternatives for supplying energy, to characterize the major constraints that limit the production of energy from each alternative, and to suggest R,D&D programs that can help to resolve the constraints.

In determining specific R,D&D items for inclusion in a five-year program "high priority" indicates that the activity provides information that is potentially so critical to resolving energy supply constraints that R,D&D must proceed as rapidly as possible, with full funding. "Middle priority" means that the item is of importance to resolving constraints but, if funding is limited, it could proceed more slowly than would be the case with unrestricted funding. "Low priority" refers to a program that would contribute to resolving constraints but, given limited funding, it need not be funded in the next five years.

General Priorities: In establishing priorities, some basic facts about the U.S. energy picture should be recognized.

(1) There is no persuasive evidence to support optimism about domestic energy supply to the year 2000. Most forecasts of supply, such as those in FEA's National Energy Over-

look, are unrealistically optimistic because they fail to recognize the importance of nontechnological constraints.

(2) Any energy demand projection is highly uncertain. R,D&D strategies should be designed to work within this inherent uncertainty rather than being planned to meet a specified demand at some point in the future.

These conditions call for an emphasis in energy supply R,D&D on: multiple options, the short-term time frame, and non-hardware R&D. Developing and maintaining multiple resource and fuel options is a direct response to pervasive uncertainty; when the future is unpredictable, it is sensible to keep many possible options open. Emphasizing items with potential short-term payoff is desirable because short-term domestic energy supply prospects are troubling. answers to questions about resource availability are important for future decisions, and the resolution of many social constraints to short-term options will also contribute to energy supply in later time frames. R,D&D aimed at reducing institutional, demand, and impact uncertainty has a high priority because the primary short-term constraints are of these types—and because it makes a direct contribution to addressing the concerns of many of the new participants in energy decision making.

Coal as a Solid Fuel: The primary R,D&D emphasis in the solid fuel area should be the resolution of uncertainties about the availability and environmental acceptability of coal. In particular, it is essential to test available technologies for the precombustion clean-up of coal, and it is essential to reduce uncertainties about the impacts of large-scale surface mining.

The two largest high-priority items are an assessment of the enviromental/health effects of using fossil fuels and commercial-scale demonstrations of available precombustion coal clean-up processes. Other important items concentrate on other approaches to clean coal combustion, coal mining, information about coal resources, and institutional questions.

Nuclear Power: As part of an effort to assure multiple options for electricity generation, the highest priorities should be given to (a) resolving systemic constraints on an expansion of the use of nuclear power (waste disposal and safeguards) and (b) clarifying current constraints on light-water reactor (LWR) deployment (uranium resource limitations, reactor safety questions, and fuel cycle needs). Another emphasis should be on the continued development of multiple nuclear options, including the high temperature gas-cooled reactor (HTGR), because of the uncertainties surrounding any one alternative.

Oil: Oil R,D&D should be focused on additional crude supplies in the near-term from new sources: the outer continental shelf, Alaska, and enhanced recovery techniques. Other needs have to do with research on incentives and regulatory schemes. It is important to stress that this offers the only possibility of significant increases in the domestic supplies of liquid fuel in the short term.

Natural Gas: For natural gas, the picture is similar to that for crude oil. The R,D&D should emphasize new sources: offshore, Alaska, and techniques for recovery from tight formations. Other items deal with resources and reserve estimation and institutional questions. This effort is the only possibility for increasing domestic supplies of gas fuel in the short term.

Synthetic Fuels: The primary R,D&D emphasis for synthetic fuels should be on demonstrating at a commercial scale available technologies for producing synthetic liquid and gas fuels: the above-ground retorting of oil shale (the only method for producing synthetic crude oil that is now technically feasible) and Lurgi-type coal gasification with a methanation step (the only method for producing synthetic natural gas that is now technically feasible). Other high-priority items are relatively inexpensive assessments that offer the possibility of a relatively large payoff.

Other technological alternatives for synthetic fuel production are assigned a middle priority because they are unlikely to contribute to energy supply in the short-term, regardless of their funding level.

Solar Energy: Most of the solar energy R,D&D items are high-priority, including all solar heating and cooling, solar thermal electricity, and windpower activities. In addition, there is a critical need for institution-building and technology assessment activities in the field of solar energy. Recommended budget levels are limited not by a lack of need but by the lack of an established organizational research base of sufficient size to use large amounts of money effectively.

Nuclear Fusion: Under a restricted budget, it is recommended that the commitment on the fusion R,D&D program to the tokamak concept be delayed until a comprehensive evaluation of the direction of the program is conducted.

Other Alternatives: Recommendations for other R,D&D activities include (a) the continued attention to multiple options, even if their contribution to the nation's energy supply picture is likely to be relatively small (geothermal and organic options), and (b) the systemwide R,D&D activities for electricity—items that will be of value whether electricity is generated from coal, nuclear energy, or some other energy source.

THE DAVIS-BACON ACT—ANACHRONISTIC LEGISLATION

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. HAGEDORN) is recognized for 30 minutes.

Mr. HAGEDORN. Mr. Speaker, while there are great differences among Members on the proper role of Government and on which public programs ought to be funded and to what extent, there is general agreement that, through the elimination of wasteful and unnecessary expenditures, the Government ought to make sure that it gets the most value for its money. Whether or not one favors the development of a B-1 or the construction of a new public housing project, one normally wants to get the job done for the lowest cost.

The Davis-Bacon Act makes this objective impossible. It is a perfect example of anachronistic legislation which has remained unchanged on the statute books long after the problems toward which it was directed have not only ceased to be problems, but long after it has begun generating its own problems.

The act was enacted in 1931 for the purpose of protecting local wage rates on Federal construction from the competition of lower wage, nonlocal labor, the first Federal law regulating the wages of non-Federal employees. It was alleged by supporters of the act that successful bidders were in the habit of importing substantially lower paid laborers from one region of the country for work in another region. To remedy this situation, the Davis-Bacon Act required that, on all Federal construction projects in excess of $2,000, contractors and subcontractors would be required to pay their employees the wage rate that was determined by the Secretary of Labor to be prevailing in the city, town, village, or other civil subdivision of the State, in which the work is to be performed.

In effect, the result was to transform a prevailing, or average wage for an area into a minimum—or superminimum—wage rate for the purpose of Federal construction. By virtue of Davis-Bacon, the Federal Government was assured of having to pay more than the private sector for comparable construction. As a result of the fact that, on at least 80 occasions, Congress has chosen to make the provisions of Davis-Bacon applicable to federally assisted construction as well, including work done with revenue sharing funds, State and local governments have increasingly been treated to this same assurance.

By effectively prohibiting all wage competition, Davis-Bacon results in the grossly wasteful misallocation of scarce public resources. The General Accounting Office estimated in 1971 that the act typically results in increased public construction costs of 5 to 15 percent, translating into approximately $1 to $3 billion annually. A 1975 study published by the Wharton School of Business reached similar conclusions. Even these figures, however, underestimate the true cost of the act in a number of ways.

These figures reflect costs attributable to inaccurate prevailing wage determinations by the Department of Labor and do not attempt to estimate further savings that might be effected by modifying the prevailing wage concept itself. Nor do they reflect administrative costs incurred by the Labor Department and numerous other Federal agencies in administering the act, the compliance costs incurred by covered contractors and subcontractors—who must file millions of wage certification statements each year—nor the impact of Davis-Bacon upon construction costs in the private sector. It is unrealistic to suppose that wage rates on the 30 percent of total national construction that is covered by Davis-Bacon does not affect rates on the 70 percent that is not, especially among contractors who do a high percentage of public construction work. One noted economist has suggested that construction unions have become increasingly intransigent in insisting upon large increases in negotiated rates at least partly because of the propensity of the Labor Department to equate union rates with prevailing rates.

The costs of Davis-Bacon are felt in a wide variety of public programs. They are strongly felt in public employment and job-creating programs which are able to put fewer unemployed persons to work. A study at the State University of New York at Buffalo concluded that Davis-Bacon was an extremely important factor in limiting the job-creation aspects of public works legislation. Arthur Burns, Chairman of the Federal Reserve Board, has argued that Davis-Bacon effectively hinders the number of hard-core unemployed persons who can be absorbed on Government projects due to the high wages that would have to be paid them.

Another study by Dr. Armand Thieblot of the University of Maryland has ana-

lyzed the costs of school construction in those States which had their own versions of "Little Davis-Bacon" laws and those which did not and concluded that the prevailing wage concept increased school construction costs by at least $240 million annually.

It has also been estimated that Davis-Bacon has added, cumulatively, at least $3 billion to the costs of the Federal highway program. Earlier this month, Virginia Governor Mills Godwin complained that rates set by the Department of Labor on work on Interstate 66 in his State were as much as 125 percent higher than rates which had been previously established. Kansas Governor Robert Bennett recently estimated that Davis-Bacon will add 38 percent to the total cost of highway construction in his State over the next 5 years.

Davis-Bacon also drives up the costs of water resources projects, establishes needlessly high military construction costs, and insures that HUD interest subsidies are often entirely consumed by exorbitant wages rates. Prof. Yale Brozen of the University of Chicago has stated that—

> Federal subsidies for housing are largely consumed in paying higher rates to construction workers. As a consequence, little benefit emerges for the families who are presumably to be assisted.

At a time when Federal, State, and local budgets are being squeezed from every direction, Davis-Bacon serves to frustrate public objectives and add needlessly to the costs of hundreds of public programs.

As questionable is the basic concept of the prevailing wage, even more objectionable is the administration of the Davis-Bacon Act by the Department of Labor. Considerable discretion to administer the act has been left with them, as a result of the original act's failure to spell out precisely procedures for determining prevailing wages. They define the geographical area in question, how projects are to be classified, how workers jobs are to be classified, within what time period to look for similar projects upon which to justify a prevailing wage, what projects are of a similar character, as well as a number of other factors important in computing the final project wage rates.

The initial shortcomings of the Davis-Bacon Act have been seriously compounded by the frequently inaccurate wage determinations of the Department of Labor. While in 99 out of 100 cases, the errors are on the high side, the basic inability of the Department to accurately assess area wage rates is called into question by each of these cases. While the Department is expected to obtain wage rate information from a number of sources, a study by the American Enterprise Institute concluded that—

> In practice, it appears that an overwhelming proportion of wage determinations carry union wage rates regardless of area or type of construction. . . . The bias in favor of union wage rates is also likely to be a consequence of the very large number of determinations that have to be made each year and resulting pressure for expedience in making determinations.

Another factor contributing to this is the Department's own unreviewable regulations which authorize the use of a 30-percent rule in computing prevailing wage rates. The rule states that any single wage rate which is paid, to the penny, to at least 30 percent of the work force in an area may be used as the prevailing wage. The effect is to enable the Department to avoid long, drawn-out wage surveys and simply use collectively bargained rates as the prevailing wage rates in areas which are at least 30 percent organized. The wage rates of the remaining 70 percent of the area workers is then completely ignored.

The impact of wage determinations is especially marked when union wage rates from large urban areas are imported to rural areas by the Department, ostensibly because no other data is available. After such rates have been posted for a project, urban firms, who customarily pay these rates, are often the sole bidders, with local firms incapable of bidding competitively. The result is the exact problem that Davis-Bacon was originally designed to combat: The use of atypical area wage rates on Federal construction projects. Instead of lower rates being imported to higher rate areas, the exact opposite result has occurred. It is not unusual for the Department of Labor to look to urban areas more than 100 miles away in order to justify prevailing wages for small rural projects. GAO studies have confirmed that a large percentage of wage determinations made by the Department import union rates into noncontiguous counties. Union contractors commonly obtain Government construction contracts in nonunion localities, excluding in the process local workers and local contractors from the jobs.

I have introduced legislation which would affect substantial reforms in the operation and administration of the Davis-Bacon Act. Economists, and other observers, representing all spectrums of opinion have recognized the shortcomings of the Davis-Bacon Act and urged major changes. In a letter to former President Ford, Walter Heller, chairman of the Council of Economic Advisers under President Johnson stated that—

> A government that is dead serious about fighting inflation ought also, at long last, under your leadership, put an end to the laws, regulations and practices that make government an accomplice in many cost and price-propping actions, running from over-regulation of transportation rates and under-enforcement of antitrust laws to fair trade laws and the Davis-Bacon Act. . . . Such actions will step on the toes of articulate, well-heeled pressure groups, but now is the time, under your leadership, to take those political risks.

Major reforms in the act have also been urged by economists as diverse as Hendrik Houtthaker, Paul McCracken, and Milton Friedman, by the General Accounting Office, the Council on Wage and Price Stability, and—in an interim report—by the Joint Economic Committee. The National Association of Minority Contractors, noting the act's reinforcement of discriminatory apprenticeship practices, has recommended suspension of the Davis-Bacon Act.

During the last session of Congress, we overturned the blatantly anticompetitive fair trade laws, once considered, like Davis-Bacon to be untouchable legislation. I believe that we now ought to consider long-overdue reforms of Davis-Bacon. Our country is no longer experiencing a depression, itinerant contractors are no longer a prevalent phenomenon, and building trades unions are no longer in need of the massive subsidies or protections accorded them by Davis-Bacon. During the recent debate on common situs picketing, these unions carried the banner of equal rights. That is exactly what my reform of Davis-Bacon would achieve.

The following is a brief summary of the changes in Davis-Bacon which would be called for by my bill. While leaving intact basic minimum protections for all workers on Federal construction sites, it would, I believe, introduce important elements of wage competition and wage flexibility, benefiting, in one fell swoop, both the tax payers and the tax users of the country. I would very much welcome the cosponsorship of interested Members.

FEDERAL CONSTRUCTION COSTS REDUCTION ACT

PROJECT COVERAGE

The Act would increase the threshold level for Federal and Federally-assisted construction to be covered by Davis-Bacon from $2000 to $40,000 to eliminate nuisance coverage, and to reflect the inflation of the past forty-five years. The threshold limit would be "indexed" on an annual basis to reflect further cost-of-living changes.

PREVAILING WAGES

A "super-minimum" wage would be retained for all employees on public construction projects based upon the "prevailing" or average wage for unskilled laborers. Skilled tradesmen would be removed from further "prevailing wage" coverage, although market conditions and collective bargaining agreements would ensure that their wages would continue to be established in rough proportions to those of unskilled laborers. While the cost to the government of construction would still be slightly above comparable private costs, because of the use of an average wage as a minimum, the difference would be much less than under current law because only unskilled wage rates would be rigidly set in this manner.

GEOGRAPHIC AREA

The Department of Labor would be limited in its discretion as to what geographic areas it could look to in order to determine "prevailing area wages". It would not, for example, be able to base wage rates for a project in a rural community upon wage rates for a similar project in a large urban community 100 miles away.

SUFFICIENCY OF DATA

In order to justify a prevailing wage determination, the Department of Labor would be required to find a minimum of three similar projects in the contract area. It would be limited in its discretion to go back indefinitely in time in order to find earlier construction work upon which to base a prevailing wage. Under the Act, it would be permitted to go back no further than two years and, upon finding comparable projects within that period, would be required to consider all such projects, not simply the highest paying ones.

PROJECTS OF A SIMILAR CHARACTER

One of the most controversial aspects of the Department of Labor's administration of Davis-Bacon is their practice of basing prevailing wage determinations upon projects varying substantially from the contract work. The Act would expressly require the Secretary to consider a number of factors prior to making these decisions, e.g. similar-

ity of engineering, architectural, and construction operations, etc. This would help eliminate Labor Department actions, as have occurred on I-66 construction in Virginia, where equipment operators grading roadways are paid $6.50/hour, while equipment operators performing the same work in the median are classified differently and paid $11.45/hour.

APPRENTICES AND HELPERS

Apprentices, helpers, and trainees would be exempt from Davis-Bacon, and the Department of Labor would be prohibited from promulgating rules or regulations interfering with the apprentice, helper, or trainee practices of contractors and subcontractors, provided that such practices were of the sort customarily followed on non-Davis-Bacon work.

WAGE DETERMINATION DEADLINES

Wherever possible, final wage determinations would be required by the Department of Labor no later than 60 days prior to the opening of invitations for bids. This would provide opportunity for bidders to assess fully their possible participation, and time for interested parties to challenge improper determinations.

ADMINISTRATIVE REQUIREMENTS

In the absence of evidence of violations of Davis-Bacon, the Department of Labor could require nothing more from contractors and subcontractors than weekly affidavits of compliance signifying that proper wage rates were being posted for all employees and in fact being paid. This would eliminate most of the immense paperwork burdens now imposed upon these parties, and, likely, enable the Labor Department to more effectively monitor public construction work. Where evidence of violations existed, the Department could require the submission of whatever information it considered necessary.

FEDERAL CONSTRUCTION APPEALS BOARD

For the first time, a wage appeals board would be provided for in the Davis-Bacon Act. Three members would be appointed by the President for six-year terms subject to Senate confirmation. Any interested persons (defined to include contractors likely to bid on a project, labor organizations whose members are likely to be employed on a project, and communities likely to be impacted by costs of a project) would be able to appeal wage rate determinations, or other Labor Department rules or regulations likely to have a substantial impact upon future wage rate determinations. Expeditious consideration would be required to be given all appeals, with judicial review available.

EFFECTIVE DATE

The Act would take effect 90 days after enactment and would not affect existing bids or contracts.

THE NEED FOR ALTERNATIVES TO THE TELLICO PROJECT

The SPEAKER. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 15 minutes.

Mr. DUNCAN of Tennessee. Mr. Speaker, I think it is well known that I am an advocate for completion of the Tellico project in Tennessee. The vast majority of the people in my district have also indicated, by and through private polls, my legislative questionnaires, and other means of conveying opinion, that they also want the project completed.

There are however a dedicated number of people who seriously believe that the project should not be completed. It is my opinion that everyone should be allowed to have his views known. I am therefore including with my remarks—an essay, "The Need for Alternatives to the Tellico Project." This essay was sent to me by my constituent, Mr. James Lyle of Knoxville, Tenn.:

THE NEED FOR ALTERNATIVES TO THE TELLICO PROJECT

(By James Lyle)

Although Congressman Duncan has stated that the majority of people in the area affected by the dam would like to see it completed, there certainly exists strong opposition to it; the majority of speakers at all three of his legislative hearings concerning the project have opposed it. It's also questionable whether those supporting the project have taken a good look at its alternatives.

The most frequently stated reason for completing the Tellico Dam is that so much money has been spent on it, and that the electricity it would produce is badly needed. Yet out of the $116 million needed for the project, only $25-30 million was actually spent for the dam and lake. Another $15 million has not been spent yet. The rest was spent to buy the land and build roads and bridges, which could be used for agricultural development. Intensive agriculture on the bottomland in the Little T valley would generate $130 million in revenue in 8 years at the 1975 prices. TVA claims that industrial development would bring $10-15 million into the area each year, yet agriculture would bring in at least $28-30 million each year.

Although the lake could be used for industrial development, none is planned at the present. The area would probably remain unused like many other similar areas nearby, due to a nation-wide decline of industrial development of this sort. Yet agriculture would produce 300-350 jobs each year. The people living in this area would be better served by guaranteed employment, rather than a pie-in-the-sky indefinite possibility. As for electricity, the dam would only supply one-tenth of 1% of TVA's power needs, and in 10 years, TVA estimates there will be a surplus of electricity in the areas they serve. Yet if we lose these 25,000 acres of rich farmland, we may create a food shortage by not planning ahead for more important future needs.

Of equal importance is the historic and recreational value of this area. TVA claims the recreational value of the Tellico reservoir to be $1.44 million each year. The Tennessee Wildlife Resources Agency estimates that use of the Little T for a trout river would exceed its use for a dammed reservoir by $44 million each year—and that's just from leaving this area the way it is! Although there are 22 lakes within a 50 mile radius of the Tellico Project, the Little T is the last big, clean river in the state, and the finest trout stream in the southeastern United States. Approximately 80% of the fish stocked are taken, compared to 15% in a lake. The trout fishery is far more attractive to the fisherman-tourist than a lake fishery, which already exists in abundance.

The river area has fantastic potential as a co-ordinated multi-purpose development area, combining recreation, agriculture, historical preservation, and a scientific study in a co-ordinated manner. It could be used for an extremely broad spectrum of recreational activities, while another lake would only dudplicate the surplus of existing areas, without having these benefits.

The reason the Little T is so clean and pure is that its watershed comes from the adjacent Cherokee National Forest and the Great Smoky Mountains National Park, which already attracts more visitors than any other national parks. Together those areas complement each other both in ecological inter-relatedness and tourist attractiveness. This protected watershed affords a unique and scenic free-flowing river, an extremely productive cold water trout stream, and one of the very few remaining areas of its kind. Since the Smokies are so overcrowded, visitors could be diverted to the Little T area where they could enjoy recreational benefits which the more mountainous National Park can't provide. It's frightening to think what increased visitor use of the Smokies will do to the ecology of the area in the years to come. This would implement a visitor dispersal plan which is already recommended by Park officials to preserve the integrity of the Park. Thus ecological and economical needs would be served by the Great Smoky Mountains' steady flow of pure clean water and increased tourism into the Little T River area. The Little T controversy effects both the residents of that area and the rest of the nation, in view of its potential for absorbing increasing tourism demands. It could make the difference between tourism hurting, or tourism helping, this part of Tennessee.

It is also important to consider the wealth of archeological remains in the Little T valley. This area was the cradle of the Cherokee nation, which existed as an advanced civilization all over the southeast United States long before the white man inhabited this area. The old Cherokee center of government—the capital town of Chota, and over a hundred other sites which have not been fully studied, might well be the most outstanding archeological heritage in Tennessee. The preservation and perhaps the reconstruction of these and other Anglo-American sites, combined with continued exploration and excavation which may lead to new discoveries, would promote an understanding and knowledge of this important but relatively unknown culture, and would create attractions for tourists.

In a 1964 meeting with the local residents of the Little T Valley, TVA board member Aubrey Wagner stated that if the majority of the people did not want the project, TVA would not built it. Not one person spoke in favor of the project or dam, but in 1966 the money was appropriated for the project, TVA bought over twice as much land as they needed for the reservoir, so that they would profit from industrial and residential development. This land not needed for the reservoir itself should have been left with the people who owned it—and this represents a dangerous trend, when a government agency can take away people's land in such a manner. Many land owners did not want to sell, because they knew the land would soon be worth far more than what they were paid, and such is now the case. Many took a loss from the land purchases, and were unable to find similar farms for what they were paid.

At that same meeting, Aubrey Wagner also stated that the electrical generation, flood control and recreational benefits of the project would be "relatively insignificant." As a matter of fact, at 7 percent annual interest, the money spent for the project would buy twice as much electricity from TVA's competitors as will be actually produced by the Tellico Dam. In regard to flood control, TVA claims that "given an average flood, the Tellico Dam would reduce the flood crest at Chattanooga by some 7 inches," and tried to blame environmentalists who opposed dams for the 1973 flood damage to Chattanooga. Yet the year before TVA recommended that Chattanooga relax its flood plain zoning ordinance to allow 2,600 additional acres for development—much of which was damaged. This relaxation lowered the elevation at which building was permitted by 21 feet. Seven inches is less than 3 percent of the difference between the 1961 Chattanooga flood plain ordinance and the current shore-

line development regulation. The Tellico Dam would have only a miniscule effect on the problem of flooding in Chattanooga, and the sum total of TVA's recent actions appear to have worsened, rather than alleviated the problem.

There is a serious question in regards to TVA's adherance to the law of the land—that is, the Endangered Species Act of 1973. Sixty-five million dollars was spent on the project after the Endangered Species Act was passed and the Snail Darter's existence established. The money spent on the dam is TVA's main reason for closing it, but the tax-payers' money should never have been spent in the first place, while this controversy was unresolved. It is being used to pressure the courts and the government to change the law to suit TVA. The money of the people should not be used to finance the buying and selling of our nation's laws. Furthermore, TVA ignored the July 27, 1976 temporary injunction issued by the Sixth Circuit Court of Appeals to halt construction on the dam. After the Snail Darter was placed on the Federal Endangered Species list, TVA began a 24-hour-day construction schedule, and bulldozed Coytee Springs, the site where 80% of the Snail Darters were captured and where the majority of the species spawn. It is obvious that the agency's concern was to complete their project regardless of any laws which might make it illegal.

This kind of blind progress is responsible for so many of our problems today. In a few short years, decisions have been based upon maintaining the political power and economic profit of a few, instead of the health and well-being of the people and their world as a whole. This trend must be reversed if our world is to continue to support us, and if our lives are to continue to be meaningful. An endangered species, an irreplaceable river, and beauty itself must be preserved and protected from blind progress and violations of the law. Because the Tellico Project is both an environmental and economical mistake, as the facts bear out, it demands a just and firm "No" to its completion.

HIGHER TAXES DO NOT INCREASE THE SUPPLY OF ENERGY: WHY SHOULD THE PEOPLE HAVE TO SUFFER FOR THE MISTAKES OF GOVERNMENT?

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, earlier this week President Carter addressed the Nation on energy goals for 1985. Later in the week, he addressed a joint session of Congress in greater detail.

The President is to be applauded for moving quickly on this energy issue, making it one of the first tasks of his administration. It is a problem of major proportions for modern, technological societies, for everything will grind to a halt without fuel.

It is not the existence of a long-term energy shortage that is at question here. Unless the world develops new energy sources, it has to be taken as a given fact that we will not long have enough energy resources to meet energy demands.

But just because we recognize the existence of a malady, we do not have to accept a specific remedy offered—by President Carter or anyone else.

There are few issues in which I have been more deeply concerned and involved over the past 7 years than energy, and I frankly believe the specific remedies put forth by the President in his messages are counterproductive.

The President said in the opening paragraphs of his remarks to us that the problem could be solved only through the Federal Government. That is as wrong as wrong can be. To solve this problem we will need the combined, cooperative, and understanding efforts of both the public and the private sectors.

His energy proposals will cost this country higher taxes, reduced supplies and jobs. That runs directly counter to any economic recovery program.

His proposals will fuel inflation, causing substantial cost rises for the average American family. That also runs counter to economic recovery.

His proposals concentrate almost exclusively on reducing demand. They do almost nothing to increase supply. In an economic scheme of things, there are two factors in an equation: supply and demand. He has concentrated on reducing demand—which penalizes the American people—when he should have concentrated on increasing supply.

The President has asked the American people to sacrifice, to assume the hardship of resolving this crisis, when the American people have not done one thing wrong for which to be penalized. And let there be no mistake about it, the American people would be penalized by the proposals he has set forth.

The American people are being asked to take it on the chin for what Government policies have done in the energy picture. It is those Government policies which are the greatest causes of the energy shortage we face.

It was the Government that created the natural gas shortage.

It was Government that encouraged American oil companies to develop foreign oil, a policy that led to our present dependence on that foreign oil.

It was Government that held up the construction of powerplant after powerplant across the country.

It was Government that told the utility companies to switch from coal to natural gas and oil because coal was dirty, and then turned around after they had made those switches and told those same companies to go back to coal.

It was Government's usurpation of the private sector's research and development of new energy sources which has led to a virtual halt in new initiatives.

And who has paid the bill for all these mistakes? The average American consumer, the American worker trying to make a living and trying to get ahead. They have had to pay more for natural gas, more for oil and gasoline, more for commodity made with or by these energy sources.

President Carter cannot be held responsible for these past mistakes. He was not part of the Government during the years in which these mistakes were made. But he will be held accountable for the policies set in motion during his term in office. He still has an opportunity to set a new course, one which would take those prior experiences as sound lessons on what not to do.

In reporting on the President's decision to back away from his $50 tax rebate plan, several Washington columnists with contacts inside the White House have indicated the President never really favored the plan anyway, that he had let himself be talked into it by the so-called economic experts, and that when he returned to his own, original gut reactions about the proposal, he abandoned it. I hope he is inclined to do the same here.

WHY THERE IS AN ENERGY SHORTAGE TODAY

I intend to offer some comments on the specific components of the President's messages in a moment. But I think it is important to understand more fully how we got into this mess.

I wish to discuss natural gas, oil, and electrical power in that context and in that order.

The Natural Gas Act was passed by Congress in 1938. The gas pipeline companies were regulated under that act, the commerce clause of the Constitution being the legal justification for control. After the Second World War, the issue evolved that the Government could not effectively regulate the natural gas in the pipelines unless it regulated the producers of that gas. The debate over this issue continued for a period of about 6 years.

In June of 1954, the Supreme Court of the United States interpreted the Natural Gas Act to apply to the gathering of natural gas for sale or resale. The dissent to that decision was by Mr. Justice Douglas. The ramifications of that landmark decision were apparent. Congress moved to override the decision, but President Eisenhower vetoed the measure. That is where we have been for the past 20 years.

The Federal Power Commission administered the natural gas program in conformity with the law and the Supreme Court decision. The agency held the regulated price of natural gas below the true market costs—below what it would have been had it been left to market forces operating between producers, distributors, and consumers.

Two very undesirable consequences arose from this.

First, because the regulated price was below what the market price would have been, the policy artificially stimulated demand. It gave natural gas a preference, in the fuel pricing scheme, over other energy resources in almost every area of the country. That, in turn, depleted our country's natural gas supplies much more rapidly than would have otherwise been the case.

Second, because the regulated price was so low in relation to real costs, natural gas companies had inadequate returns on investment with which to carry out substantial exploration and recovery of new natural gas supplies. That worsened the shortage.

That is why we have a natural gas shortage today, and in the face of the worst shortages of natural gas in our history, Congress has still refused to act.

What about oil and gas?

Oil and gas are another example of misdirected Government policies having created shortages. And in this instance,

substantial dependence on foreign supplies.

In the early 1960's, Congress passed into law a foreign investment tax credit which created a preference for investment in foreign countries, instead of our own. The rationale for this was an altruistic notion on the part of the internationalists in our Government that we should use American capital and know-how to develop energy for the underdeveloped and developing countries. Tax policy has always steered private investment policy, and that was certainly true here. To put it in laymen's terms, as a result of this law, U.S. oil companies got more for their dollar by putting it into the ground in foreign countries, than by putting it into the ground here. Exploration and recovery of oil in foreign lands zoomed, while exploration and recovery of new sources here at home just moseyed along. Each year that went by, we imported a greater share of our total oil consumption, all as a result of Government policy.

Then the Yom Kippur war flared up in the Middle East in October 1973. The Arab countries embargoed oil shipments to the United States, and the waiting lines at gasoline stations in this country grew to miles in length.

Did Congress adopt policies to lessen dependence on Arab oil? Did Congress create new incentives to explore and recover here in the United States? No, in both instances. As a matter of fact, Congress repealed the depletion allowance which was the oil industry's only immediate hope of stepping up domestic production. And, of course you have to keep in mind that Congress also delayed for nearly 7 years the construction of the pipeline to bring the crucially needed supplies of oil down from the North Slope in Alaska.

Again, it was the American consumer who bore the brunt. It was the consumer that had to wait in line for hours and hours. It was the consumer who saw the price of gasoline at the pump go up over 100 percent and then start toward 200 percent. And the same for his home heating oil, his crankcase oil. And, of course, he saw it in the increase in prices of goods made from oil and its byproducts—from house paint to cattle feed—and delivered by gas and oil power vehicles—especially trucks.

What about electric power?

It is nearly the same case.

This country would not be short of electrical power today if it were not for Government policies. Powerplant production in the United States was held up by extreme environment considerations. The point of the criticism here is not that we have given too much weight to environmental considerations, but rather the inordinate amount of bureaucratic redtape in reaching final decisions on the environmental factors. Decisions which could have been made just as wisely in a year have taken 3, 4, or more years.

Out of concern for the environment, Government policy directed the electric utility companies to stop using coal and convert over to natural gas and oil. That was a questionable decision to start with, because while we have almost unlimited coal resources—at least enough for 400 years—we have very limited natural gas and oil supplies. Thus, Government was telling these companies to use precious supplies of natural gas in order to generate another type of power—electricity. So all the powerplants converted—at great expense. Then Government reversed itself, deciding natural gas and oil were too scarce, and told the companies to convert back to coal—just like they were when Government decided to stick its nose into the matter. So, now they are going back to coal.

Who paid for the billions of dollars in conversions from coal to natural gas and oil and back to coal? The consumers paid for it in higher electric utility bills each month.

It seems to me that there are many lessons in this recitation of how we got where we are. The biggest lesson is that Government intervention produced shortages and higher prices. Yet the American people want—and have every right to expect—adequate supplies and reasonable prices.

I hear it said so many times that most people take it as the gospel truth that the day of cheap energy is over. The day of cheap natural gas, oil, gasoline, and any other fossil fuel may be over, because we have increasing demands and dwindling supplies of fossil fuels. Now, we have waited so long for Government to get its act together that even if we did have mamoth exploration and recovery programs, our supplies would run out at some point in the not-too-distant future—viewed from the perspective of history.

But in every situation that I have read about, when available fuels started into short supply, other fuels were found. When England depleted its forests at the end of the Middle Ages, it turned to coal. When coal and whale oil did not meet our demands in the 19th century, we developed means of harnessing oil and gas. It is just like our shift to the automobile from the horse, a shift occasioned by our desire to end the waste pollution on the streets in our metropolitan areas. The human mind has unlimited potential for building those proverbial better mouse traps. I see no reason—unless it is Government's strangling of the creative process through the bureaucracy it has laid on research and development in the energy field—why, if we are running out of one type of fuel, that we cannot devise and harness others. And do it at less cost to the consumer.

I have spent this time talking about the mistakes made heretofore by Congress because it is obvious that the President's messages put the ball squarely in our court to act on these energy questions.

I think we can examine the President's messages more perceptively in light of this background.

THE CARTER PLAN: HIGHER COSTS, MORE INFLATION, FEWER JOBS AND LESS SUPPLY

As I said at the outset, while I agree with the Presidents' motivation, I cannot agree with his specific plan. It just boils down to higher costs, more inflation, fewer jobs, and less supply. That is not what the American people want. It is certainly not what they expected.

My able colleague, BUD BROWN of Ohio, the ranking minority member of the House Energy and Power, has prepared an analysis of the President's messages. It supports out my conclusion.

Let me run through some of the most critical points.

The program provides for billions of dollars in new, additional taxes, but very few dollars for additional supplies of either gas or oil. Here, again, we see him concentrating on reducing demand instead of increasing supply. Those taxes will take between $25 billion and $35 billion from the private, productive sector of our economy, funds the private sector must have to develop new sources and supplies. The program almost completely ignores necessary production incentives for development of oil and gas.

The conservation measures relating to the automobile are misdirected and discriminatory. A gasoline tax and a tax on larger automobiles discriminates against rural and suburban areas in favor of urban areas—where mass transit is more readily available. They also discriminate against those in the lower, lower-middle, and middle-income groups. When the cost of gasoline goes up, well-to-do people will be able to afford it. Businesses will be able to pass the cost along in the form of higher prices for the goods they produce and distribute, and we must keep in mind that these businesses will find it almost impossible to cut fuel consumption. Trucks cannot stop taking goods from factories to warehouses to retail outlets.

The program overemphasizes collecting taxes, rather than giving tax credits. In other words, it concentrates on punishing, instead of rewarding; it focuses of the stick, not the carrot.

The use of the tax and rebate mechanisms is an inefficient use of our resources. The administrative costs of collection and redistribution of funds—that is, what the Government skims off the top to administer the program—will be enormous and will add to the already too high cost of government. The United States must slow its ever-increasing rate of fossil fuel consumption, but the tax mechanism is an inefficient method of raising energy prices to reduce consumption.

How can rebates be distributed equitably? Who is to determine what is equitable and what is not? The most equitable way to determine anything is through the interplay of market forces. Anything else is the biased socioeconomic judgment of a small group of policymakers—department or agency personnel, Congressmen, or whatever—masquerading as equity.

You can rest assured of one thing: The tax on some cars and the rebates on others will vastly favor foreign manufacturers over domestic ones. I thought this administration and this Congress were committed to restoring American jobs, to reducing dependence on foreign imports, to improving our foreign trade balance. I must have been mistaken.

Of course, this will not only affect jobs, it will also affect environmental quality, especially air pollution. What happens when a family needs—has to have—a large or medium-sized car, let us say a

station wagon, but cannot afford to buy a new one because of the heavy new tax? It will keep the old one. That, of course, destroys jobs in Detroit and other car manufacturing towns, but it also means less-efficient, old-style pollution control devices on a greater number of cars. Instead of getting a new car embodying the latest air emission technology, the family keeps the old one.

What about the President's natural gas plans?

Extending Federal controls into both the intrastate and interstate market after the serious distortions that have occurred in the interstate market will not encourage added natural gas supply. As a matter of fact, the $1.75 is a rollback from the present new contract prices of $1.80–$2 prevailing in the majority of the intrastate markets and thus is a disincentive to exploration. The extremely narrow definition of new natural gas qualifying for a $1.75 Mcf—instead of the current $1.45—will bring a negligible supply response for the interstate market.

Of course, no one really knows whether the President's vastly increased coal use program can be implemented, in light of two other legislative measures he is also supporting—restrictive strip mining legislation and new Clean Air Act amendments. His programs are, here, working at cross-purposes.

We have a long way to go before a unified, consistent national energy policy. The debate is a healthy one and to that end I commend the President for shaking up the apathy of the Congress.

GOLDWATER INTRODUCES AIRCRAFT NOISE CONTROL BILL

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 30 minutes.

Mr. GOLDWATER. Mr. Speaker, the issue of aircraft noise impact on communities around U.S. airports, both civil and military, has frustrated aviation growth and derogated the quality of life for many Americans.

The question of aircraft noise was recognized 25 years ago in the report of the President's Airport Commission. Known as the "Doolittle report," it was submitted to President Truman May 16, 1952.

The President's Airport Commission accurately assessed the projected magnitude of the aircraft noise problem some 6½ years before the first jet transport was operated in commercial service in this country.

Unfortunately, the prophesy of Gen. James Doolittle and Messrs. Jerome Hunsaker and Charles Horne who comprised the Commission has not been fulfilled because its recommendations have gone largely unheeded. Recognizing the lack of implementation of regulatory controls on noise from aircraft, the Congress enacted in 1968, the Aircraft Noise Abatement Act and in 1972, the Noise Control Act, each dealing specifically with aircraft noise. In addition to statutory enactments, congressional committees have held interminable hearings and produced innumerable reports. Indeed, three committees of this House are holding hearings this month.

Apart from Congress, a great many other organizations across the country have met and organized to seek relief from aircraft noise. Millions of our citizens have become increasingly annoyed and frustrated by the absence of aircraft noise abatement. I believe, Mr. Speaker, this long-standing issue has contributed in no small part to the cynicism with which many of our citizens are viewing this Government. Noise impacted airport neighbors would not be so annoyed if they did not realize as more and more they have, that there are available numerous measures to significantly reduce the impact of aircraft noise.

The common thread running throughout this issue of aircraft noise is the apparent lack of institutional incentive on the part of the FAA to promulgate regulations for noise control. Actually, there are positive means available to obtain present relief from aircraft noise. One is the subject of a bill I have introduced "to require the Secretary of Transportation to establish mandatory operating procedures to reduce noise, conserve fuel, and improve the degree of safety in the operation of civil turbojet powered aircraft in the United States and for other purposes."

It provides relief through safe, fuel efficient reduced noise flight procedures. Such procedures are demonstrably available having been in use on a system-wide basis by Northwest Airlines since 1970 and before. It is interesting to note in this connection that Capt. J. J. O'Donnell, president of the Air Line Pilots Association, testified before the Aviation Subcommittee in support of Northwest's procedures as compared to others recommended by either the FAA or the Air Transport Association.

In adddition, it would prohibit the retrofit of JT–8D engined aircraft—B–727, B–737, and DC–9—with sound absorbent materials—SAM. Such a retrofit is both costly, time consuming and of questionable benefit in terms of noise reduction. Further, and of increasing relevance to the Congress, this retrofit would act to perpetrate the service life of older technology which cannot be considered either fuel efficient or quiet—even when retrofitted.

I have learned that the applications of operating procedures which Northwest Airlines has perfected would result conservatively, in greater than 50 percent reduction in the current area of noise impact if enforced upon all jet operators, foreign as well as domestic, and without regard to arbitrary weight cutoffs of 75,000 lbs, etc.

Frankly, Mr. Speaker, I dislike having to incorporate specific measures and time deadlines in legislation. However, in the absence of administrative agency action, Congress in this case has no alternative but to specify how a new law is to be implemented.

Another purpose of my bill is to put to rest the suggestions that individual airport operators or even State aeronautical agencies should prescribe aircraft or airport operating procedures for noise abatement. The FAA and no other agency, Federal, State or local, should enforce such procedures. However, the FAA must undertake measures for noise control which have demonstrably been available for many years.

The text of my bill is as follows:

H.R. —

A bill to require the Secretary of Transportation to establish mandatory operating procedures to reduce noise, conserve fuel, and improve the degree of safety in the operation of civil turbojet powered aircraft in the United States and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That not later than the ninetieth day after the date of enactment of this Act, the Secretary of Transportation, after consultation with the Administrators of the Environmental Protection Agency and the National Aeronautics and Space Administration shall, by rule, establish mandatory operating procedures to reduce noise, conserve fuel, and improve the degree of safety in the operation of civil turbojet powered aircraft which shall be applicable to the operation of any such aircraft during its operation in the United States. Such procedures shall be established for each type of civil turbojet powered aircraft and shall include, but not be limited to—

(1) with respect to the takeoff procedure for any such type of aircraft, a requirement that an expedited flap retraction schedule in combination with a reduced thrust level commensurate with actual weight, elevation and atmospheric conditions which produces the minimum amount of noise without decreasing the degree of safety be used; and

(2) with respect to the entire landing procedure under normal operating conditions for any such type of aircraft, a requirement that the flap configuration to be used be the minimum flap configuration which the Administrator of the Federal Aviation Administration by regulation has certified for use in the landing of such type of aircraft, taking into account the maximum degree of safety for that particular operation.

SEC. 2. The Secretary of Transportation, in consultation with the Administrators of the Environmental Protection Agency and the National Aeronautics and Space Administration, shall study the advisability of requiring the use of new flight instruments in the landing operations of civil turbojet powered aircraft which would result in the reduction of noise and an increase in the degree of safety in such landing operations. Not later than the three-hundred-sixty-fifth day after the date of enactment of this Act, the Secretary of Transportation shall submit the results of such study to Congress.

SEC. 3. No two or three engine civil turbojet powered aircraft having an engine bypass ratio of less than 1.5 shall be subject to any standard or regulation prescribed under any provision of law which permits the acoustic retrofit of such aircraft after a specified date.

HOMEOWNER TAX DEDUCTION FOR NEW WELLS IN DROUGHT AREAS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. MCFALL) is recognized for 5 minutes.

Mr. MCFALL. Mr. Speaker, I am today introducing legislation that provides a tax deduction for homeowners who, because of drought, must repair or replace a well that is the principal source of water for use in their home. Businessmen and farmers can now deduct the cost of replacement wells as a business expense, but the homeowner is offered no relief.

This deduction will only be available to homeowners in areas the President de-

clares to be drought emergency areas or major disaster areas due to drought. Additionally, the deduction will not be available to homeowners who receive insurance compensation to cover well repair or replacement costs or homeowners who receive any assistance—including direct loans, loan guarantees, and insurance of loans—from the Federal Government with respect to such well repair or replacement.

California, and my congressional district in particular, is presently experiencing the worst drought in its recorded history. In providing drought relief to drought victims, the Federal Government must strive for equal treatment of all persons and interests. The legislation I am introducing will correct a present inequity, and I urge its prompt consideration by the House.

Mr. Speaker, I include the text of this legislation as part of my remarks:

H.R. 6562

A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain repairs, improvements, or replacements of residential water wells

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. QUALIFIED RESIDENTIAL WATER WELL EXPENDITURES

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the qualified residential water well expenditures paid or incurred by the taxpayer during the taxable year.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED RESIDENTIAL WATER WELL EXPENDITURES.—The term 'qualified residential water well expenditures' means any amount paid or incurred by the taxpayer for the repair, improvement, (including altering the depth or slant of such well), or replacement of any eligible residential water well to the extent that—

"(A) such repair, improvement, or replacement is necessary, as a result of any drought which is determined by the President to be an emergency or a major disaster under the Disaster Relief Act of 1974, to maintain an adequate quality and quantity of water available from such well (determined under regulations prescribed by the Secretary) for the duration of such emergency or major disaster,

"(B) such amount is paid or incurred—

"(i) after the date such drought is so determined to be an emergency or major disaster, and

"(ii) before the date such emergency or major disaster terminates,

"(C) the taxpayer is not compensated by insurance or otherwise for such repair, improvement, or replacement, and

"(D) the taxpayer does not use any assistance (including direct loans, loan guarantees, and insurance of loans) from the United States with respect to such repair, improvement, or replacement.

"(2) ELIGIBLE RESIDENTIAL WATER WELL.—The term 'eligible residential water well' means any well—

"(A) which, before the drought described in paragraph (1)(A) in connection with which the deduction under this section is claimed, was used as the principal source of water for use in any residence of the taxpayer; and

"(B) which is owned by the taxpayer or of which the taxpayer is the lessee.

"(3) RESIDENCE.—The term 'residence' means any house, condominium, apartment, or mobile home which is located within the United States and which is used to provide living accommodations for individuals; except that such term does not include any unit in a hotel, motel, inn, or other establishment which is used primarily to provide living accommodations on a transient basis.

"(c) NO DOUBLE DEDUCTION.—Any qualified residential water well expenditure shall not be taken into account under subsection (a) to the extent the taxpayer is entitled to take such expenditure into account under section 167 or 212."

(b) The table of sections of such part VII is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 221. Qualified residential water well expenditures.

"Sec. 222. Cross references."

(c) Section 62 of the Internal Revenue Code of 1954 (relating to adjusted gross income defined) is amended by inserting after paragraph (13) the following new paragraph:

"(14) QUALIFIED RESIDENTIAL WATER WELL EXPENDITURES.—The deduction allowed by section 221."

(d) Paragraph (1) of section 263(a) of the Internal Revenue Code of 1954 (relating to capital expenditures) is amended by striking out "or" at the end of subparagraph (E), by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(G) qualified residential water well expenditures allowable as a deduction under section 221."

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years ending after the date of the enactment of this Act.

THE HONORABLE THOMAS L. ASHLEY, CHAIRMAN OF THE COMMITTEE ON ENERGY

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, on behalf of the Ohio delegation in the 95th Congress, I want to take this opportunity to express our pride on the occasion of the appointment of our distinguished colleague, THOMAS LUDLOW ASHLEY, as chairman of the House Committee on Energy.

"LUD" faces the greatest challenge of his public career in his chairmanship of the Energy Committee, the first "super" committee of the Congress dealing with the most serious domestic problem of our time.

We wish him well in this opportunity to lead America to energy independence.

DESIGNATING APRIL AS "FAIR HOUSING MONTH"

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

Mr. DODD. Mr. Speaker, yesterday I introduced a resolution, House Resolution 510, designating the month of April as Fair Housing Month. Nine years ago this month, the Fair Housing Act of 1968 which guarantees all Americans the right to live where they wish to live, when they wish to live there, for as long as they can afford to do so became law.

Although this act has done much towards insuring that every American has decent housing, the last 9 years have also revealed weaknesses in the law which need to be corrected in order to provide for its effective enforcement. So, on this ninth anniversary of the enactment of the Fair Housing Law, let us dedicate ourselves to making the necessary changes in the law which will make good the promise of protection against discrimination that the Federal Government made to all Americans in 1968.

The resolution I offered calls on the Congress to rededicate "itself to the promulgation and practice of the letter and spirit of the Fair Housing Law so that fair housing will become a right that can be realized by every American."

With the passage of this law, the Federal Government extended to housing its formal acceptance of the principle that black Americans so valliantly fought for all through the 1960's—no American should be denied his constitutional right to equal protection of the laws because of his race, religion, or national origin.

While many still hailed the passage of this landmark piece of legislation, it became more and more clear that the law's failure to grant the Federal Government strong enforcement powers made it almost impossible for HUD to process housing discrimination complaints in a timely manner, and therefore greatly reduced the number of cases that HUD could successfully resolve.

In testimony last September before the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee, on which I had the honor of serving in the last Congress, former HUD Secretary Carla Hills said:

> Respondents know all too well that HUD has no meaningful enforcement power . . . and many have virtually ignored (HUD's) conciliation efforts because they have no inducement to cooperate.

Similarly, the U.S. Civil Rights Commission has also found that the law needs to be significantly strengthened.

Mr. Speaker, justice delayed is justice denied—and a right that is thwarted is a right denied. No longer can we in the Congress deny all Americans their rights by not giving HUD and the Justice Department the kind of strong enforcement authorities they need to make fair housing a reality in practice and not just meaningless words, once stated and now forgotten.

A lot can be done by the administration acting under its own authority, by assigning more people to enforce the law, but unless the Congress gives HUD the statutory authority it needs, these additional personnel will not have the tools they need to make this law work.

I am happy to say that legislation has already been introduced in this Congress which will significantly strengthen the law. A bill, H.R. 3504, introduced by Representative DON EDWARDS, chairman of the Subcommittee on Civil and Constitutional Rights, would grant the administration important new enforcement powers such as the authority to issue cease-and-desist orders and the authority to

initiate a suit without having to establish a pattern or practice of discrimination as is now required.

Mr. Speaker, with these authorities HUD and the Justice Department can make this law work, but they need our help. I ask all my colleagues to support both this resolution and the strengthening of the Fair Housing Act of 1968.

Mr. Speaker, at this time I would like to introduce the text of my resolution into the RECORD:

H. RES. —

Resolution recognizing the month of April as Fair Housing Month

Whereas it is the policy of the United States to guarantee to every citizen the right to fair housing; and

Whereas this right and the responsibilities attendant on it are set forth in the National Fair Housing Law, title VIII of the 1968 Civil Rights Act; and

Whereas, since 1968, the month of April has been set aside each year for commemoration of the Fair Housing Law; now, therefore, be it

Resolved, That the House of Representatives (the Senate concurring) recognizes the month of April as Fair Housing Month and that the Congress of the United States hereby rededicates itself to the promulgation and practice of the letter and spirit of the Fair Housing Law so that fair housing will become a right that can be realized by every American.

GENERAL LEAVE

Mr. BEILENSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include therein extraneous material, on the subject of the special order today by the gentleman from Connecticut, (Mr. DODD).

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ASSISTANT SECRETARY GENO BARONI

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes.

Mr. ASHLEY. Mr. Speaker, this week my good friend Msgr. Geno Baroni was sworn in as the new Assistant Secretary of Housing and Urban Development for Neighborhoods, Non-Governmental Organizations and Consumer Protection. Geno Baroni is certainly one of the most exciting appointments that President Carter has made, especially in the Department with which I have the most familiarity with—the Department of Housing and Urban Development.

Geno Baroni has been called a "pesky gadfly" by numerous people and groups, and he has been a "pesky gadfly" in seeking to draw the attention of the Congress and the Executive to view the urban community as a network of local community groups, rather than one urban entity. Geno Baroni is an outspoken man whose deep perceptions of American society are increasingly gaining respect by all of us who are concerned with the plight of urban America.

Last week Assistant Secretary Baroni was in my district speaking at a 3-day conference on the role that community organizations can play in revitalizing urban neighborhoods, sponsored by St. Stephen's Catholic Church in Toledo. Geno Baroni's appearance as usual stimulated considerable excitement and discussion and I am pleased that he was able to be in Toledo for this occasion. Mr. Speaker, I would like to include in the RECORD my statement welcoming Monsignor Baroni, as well as an article appearing in the Toledo Blade Saturday, April 16, an article appearing in the Washington Post, Saturday, April 16, and an article appearing in the New York Times, Wednesday, April 20:

STATEMENT OF CONGRESSMAN ASHLEY TO CONFERENCE ON ROLE OF COMMUNITY ORGANIZATIONS

Conference Members, Reverend Hernady and, of course, Monsignor Geno Baroni: I regret very much that my schedule did not permit me to be present tonight to congratulate all of you on the success of your conference, and more particularly to pay tribute to my good friend, Father Geno Baroni. Several long years ago, many would have doubted that there could even be such a conference, or a meaningful agenda for discussion. That there can be is, in large measure, a tribute to Father Geno.

A number of us in Congress, and many at HUD have maintained an interest over the years in the process of revitalizing America's neighborhoods. We stand now on the verge of seeing a neighborhood commission established, and formal administration recognition of the concept that neighborhoods do matter and can be a significant force for urban change. As chairman of the Housing Subcommittee, I have been in a unique position to monitor the sometimes-rocky course of this progress. I feel confident in stating that Father Geno, more than any other person, is responsible for that progress.

In the past several years I have seen Father Geno wear several hats. In his advocacy of the cause of neighborhoods. That of president and founder of the National Center for Urban Ethnic Affairs. That of dynamic leader of the campaign for human development. That of visionary community consultant and organizer, from Toledo to Washington. And that of ghetto priest. During all that time and in all those roles, he has been this country's leading proponent of strong, vitalized neighborhoods. He now brings all of that energy, all of that vision, and all of that commitment to HUD—as assistant Secretary for Neighborhood Development and Consumer Affairs. You and I know that there isn't a better man for the job. If inclusion of Geno Baroni in the Carter administration is going to be typical of their efforts to seek out commitment and excellence, then I think all of us ought to offer our congratulations to President Carter and to Secretary Harris.

Father Geno's appointment indicates an administration and Agency commitment to the revitalization and significance of neighborhoods. That, ladies and gentlemen is an indication from which we can all take heart.

In the next several weeks the conference committee of the Senate and House will be hammering out the final version of the supplemental housing authorization bill. It is very likely (and very encouraging) that the final version will contain provision for a national neighborhood movement in this country, and it is a tribute to Father Geno's drive and tenacity. It is especially fitting that he will have a critical ongoing role in the commission's functioning.

You are meeting at a hopeful and exciting time. I offer you all my congratulations on your conference, and I offer my special congratulations to Father Geno. Those of us in Toledo will always have a special regard for him.

HUD AID URGES FEDERAL SHIFT IN ATTITUDE ON NEIGHBORHOODS

The Federal Government should end its negative policies toward neighborhoods and adopt policies that will encourage their preservation, an assistant secretary of the Department of Housing and Urban Development said here Friday.

Msgr. Geno Baroni, interviewed prior to his appearance before a regional conference on "parishes and neighborhoods," said that most policies in the past have been destructive toward neighborhoods.

"Urban renewal was really urban removal, and whole areas, with rich cultural and ethnic heritages, were destroyed and never rebuilt," he said.

Expressways likewise have destroyed and split neighborhoods, since they were built with little regard for the effect on neighborhoods, but rather with the objective of providing fast transportation between the central cities and suburbs, Monsignor Baroni added.

THREE OFFICIALS TO SPEAK

He is one of three Washington officials who are featured speakers at the three-day conference at St. Stephen's parish hall. The meeting is dealing with what roles that parishes and community organizations can play in revitalizing urban neighborhoods.

Monsignor Baroni took his post a month ago, with responsibilities in consumer affairs and regulatory functions. One of his objectives will be to help form a policy to encourage people to stay in ethnic communities, rather than move away.

"People don't live in cities, they live in neighborhoods. But for years, neighborhoods have been used up, then thrown away like paper towels."

Housing policies should be changed to make it easier for families to keep homes, rather than losing them by foreclosure to the Government, Monsignor Baroni said.

He said that HUD is foreclosing on 360 homes each month in Detroit and has 51,000 defaulted homes on its hands. This has cost the government $10,000 on the average for each home that it has repossessed, he added.

FAVORS CHANGE IN PLAN

"We don't need these homes to go back to the Government. My job will be to help people stay in these homes, and it will probably cost less than it does to foreclose," he declared.

He suggested that the federal Section 8 housing plan, whereby homes are offered on a subsidized rental or purchase arrangement, be liberalized to permit a larger share of the population to have housing.

"Four out of five U.S. families cannot afford to buy a new home, and the idea of a home on a half-acre lot in the suburbs is beyond their reach and probably will remain so for many years."

A bill, co-sponsored by Toledo Congressman Thomas L. Ashley, would establish a national neighborhood policy committee, Monsignor Baroni said. It would establish a panel to examine present federal policies which adversely affect neighborhoods and make recommendations on how they should be changed.

Monsignor Baroni has appeared here several times, he said. In 1971, he spoke to several Toledo-area parishes on the social plight of white urban ethnic groups. Three years ago, he announced a grant for Toledo to train city officials in methods of neighborhood revitalization. At the time, he was president of the National Center for Urban Ethnic Affairs, an independent, nonprofit organization which he still heads.

More than 175 persons have registered for the business sessions, which are being held at the Quality Inn in Northwood through

Sunday, Peter Ujvagi, conference director, said.

A dinner meeting will be at 8 tonight in St. Stephen's parish hall.

GENO BARONI: WAR STORIES

(By Eugene L. Meyer)

Before "Roots" became a best-seller, television series and national pastime, there was Geno Baroni.

Since the fabled melting pot boiled over in the racial and ethnic polarization of the 1960's, Geno Baroni has been talking about "who am I, the identity issue, the issue that won't go away, the issue of background."

For the 46-year old Catholic priest, roots means neighborhood. Both are in these days, suggesting that Geno Baroni may just be a man whose time has come. Social activist-cum gadfly to the liberal establishment, Baroni is moving into a new arena as assistant secretary of Housing and Urban Development for, according to his own job description, "neighborhoods, non-governmental organizations and consumer protection."

"I don't think a lot of people understand what I'm going to do or where I come from," Baroni said recently. Where he's coming from is easier to understand, however, than how that translates into policies and programs at HUD.

Like a veteran retelling war stories, Baroni reviewed his life and times over a hamburger at Trio's Restaurant, a neighborhood eatery around the corner from his National Center for Urban Ethnic Affairs at 1521 16th St. NW. Trio's is an informal place where his friend, the late Dr. George Wiley, launched the welfare rights movement of the 1960s. It was a sort of a war room then, where social activists would meet to draw up strategies for change.

Like a battle tactician, Baroni drew circles and lines on any available scrap of paper to illustrate his points. It was like a nostalgia trip through a turbulent time that is only yesterday but seems light years away.

He came from the coal mining region of Western Pennsylvania where his father, an Italian immigrant, worked for 47 years. "The Episcopalians owned the coal mines, the Methodists and Lutherans were the bosses, and the Italians, Hungarians and Appalachians, we dug the coal," he said.

"We all went to the same company store and the same public school, and the bosses' daughters were our teachers in the grade school. They were great Americanizers, you know. Melting pot. 'These are the foreigners kids,' you know. I didn't speak English until I went to grade school."

He lived in the small mining town of Acosta, whose children "were looked down upon because we came out from the sticks on the school bus" to Somerset, the county seat, to become Americanized in "the Protestant school."

Baroni was ordained in 1956 from Mt. St. Mary's, a small Catholic college in Emmitsburg, Md., near the Pennsylvania border. He is now on the school's board of directors, along with Peter F. O'Malley, an Irish kid from Clinton, Mass., who is president of the Washington Capitals hockey team.

After a stint as a parish priest in working class neighborhoods of Altoona and Johnstown, Pa., Baroni came to Washington in 1960 to attend Catholic University, but there was a bureaucratic snafu and he wound up walking the streets of Shaw, in the inner city, and living at the St. Paul & Augustine Rectory at 1425 V St. NW.

Before the federal war on poverty, Baroni was becoming involved in neighborhood programs from the church as well as coordinating Catholic participation in the 1963 March on Washington for jobs and equality.

With the advent of the Great Society, he became part of a clerical mafia that dominated the District's politics of poverty. The also group included Walter E. Fauntroy, now D.C. Delegate to Congress, Channing E. Phillips and others. "We were like traveling in a little pack," Baroni recalled.

The ghetto priest was pushing social programs for poor blacks his own family in Pennsylvania could not comprehend. His truck-driving brother-in-law would say, "We're making it. Why can't they?"

"We'd get into an argument," said Baroni, "and my mother would say, 'Shut up and stop fighting. It's Thanksgiving.'" Baroni's youngest brother, meanwhile, had gone to Vietnam. "He didn't relate to Abbie Hoffman, Angela Davis, Dr. King. He went off to war because my old man said, 'We beat Hitler. You're supposed to fight for your country, America.' I say, 'This war is no good.' He says. 'You ain't the President.'"

By 1968, the brother-in-law had been laid off, the antiwar movement was in full swing, "and I was getting concerned about the alienation of Middle America—the alienation was economic, social, cultural, political—and wondered how was I ever going to get support for what I was concerned about, justice, poverty, the cities . . .

"Here I come from the working class, and here I was in the ghetto," Baroni said. "At the same time in the 60s, there was kind of intellectual/minority thing going on. Some guy at Harvard gave a lecture. He said, 'Some of us up here are enlightened. Let's help the people at the bottom.' The people in between were the enemy."

The 1968 assassinations and civil disorders deeply affected Baroni's thinking. "Here I was a white person in a black community. I became concerned about the relationship between white and black in the cities, about polarization between groups."

He began looking for the "bridge issues" that could unite ethnic whites and urban blacks and left 14th Street in 1969 in search of those issues in industrialized northern cities.

"I was concerned about who was bearing the burden of social change, and who's going to shape and share the burden of social change," he said. "In the 60s, these (white ethnic) people were the enemy. The intellectual, far liberal left began to make fun of them. . . . So in 1972, here's Massachusetts and D.C. voting for McGovern. We went from the Lyndon Johnson landslide to the Nixon landslide."

Baroni founded the National Center for Urban Ethnic Affairs and, armed with public and private grants, initiated neighborhood programs in 45 cities. "I began to realize people live in neighborhoods. People got identity from them," he said.

From his programs emerged new leaders, such as Rep. Barbara Mikulski (D-Md.) from Baltimore. The Neighborhoods United Project (NUP), a citizen lobby in close-in Prince George's County, also sprung from his efforts.

In the five-towns area of Prince George's next to the District line, he found, blacks and whites were able to unite around community issues of transportation and health. "We didn't try to deal with the black-white thing right away," Baroni recalled. 'The issue was stop the freeway, a bridge issue."

Forsaking the melting pot for ethnic pride, saving the neighborhoods—how do these ideas translate into HUD programs, under Baroni's "consumer" mandate? Baroni paused to think about it.

"I intend . . . I hope to be part of the policy team in terms that will relate to the revitalization of the city," he said slowly, measuring his words. I'm going to try to develop some programs, some small programs, just like I did at the Center, involving third parties, non-governemntal groups, neighborhood groups. . . .

"See, neighborhoods have never been a part of urban policy. We ran freeways through them, right? We did urban renewal on them, right? We destroyed neighborhoods in order to save them. Remember? It sounds like Vietnam."

A PRIEST IS STIRRING THE MELTING POT TO REVITALIZE ETHNIC NEIGHBORHOODS

(By Robert Reinhold)

WASHINGTON, April 19.—When Msgr. Geno Baroni was growing up in western Pennsylvania, his teachers urged him to blend into the American melting pot and forget the language of his Italian immigrant parents. He has since tried valiantly and vainly to learn it, even taking a last-ditch fling at Berlitz, but to this day he can scarcely say "good morning" in Italian.

Monsignor Baroni's block against his ancestral tongue, symbolic of the heritage so many "ethnic" Americans have lost to assimilation, is tinged with irony. For he has emerged as perhaps the leading champion of the revitalization of the Italian, Polish, Irish and other ethnic neighborhoods that once so enlivened American cities.

LEARNING ABOUT BUREAUCRACY

The activist priest has finally been embraced by the Federal Government, whose policies he has long denounced as destructive of those neighborhoods. He is scheduled to be sworn in tomorrow as Assistant Secretary of Housing and Urban Development for Neighborhoods, Nongovernmental Organizations and Consumer Protection.

The ponderous title fits the gregarious, amply proportioned priest about as well as a business suit. He has been blithely breezing through the halls of Government in blissful ignorance of such hard facts of bureaucratic life as the President's Office of Management and Budget.

"It's like a secret place, like the Vatican curia," he said of the powerful budget office. "I don't know the address, I don't know who runs it, but they always say no."

KNOWN AS PESKY GADFLY

If Monsignor Baroni fails to get his plans past the managers, budgeters, lawyers and other nay-sayers in Government, it will not be for lack of social conviction or enthusiasm, or, for that matter, lack of such essential Washington commodities as political savvy and flair for publicity.

A Congressional aide who has watched the 46-year-old priest promote legislation against mortgage redlining and other concerns calls him a "problem solver" who can push minor conflicts aside to find "a community of interests" among competing groups.

On the outside for years, Monsignor Baroni was a pesky gadfly of banks that take deposits from central city residents and invest them in condominiums in Acapulco and Federal agencies that put highways through old neighborhoods. As founder of the Washington-based National Center for Urban Ethnic Affairs, he has helped channel millions of dollars in grants to local community groups in such cities as Newark, Providence, Baltimore and Toledo.

His elevation to a $50,000 a year sub-Cabinet post follows valuable service to the Carter campaign in smoothing the rift between Jimmy Carter and the Catholic bishops over abortion. It is the latest stop in an improbable odyssey for the coal miner's son, who was once fired for trying to organize a union in a factory, was roughed up in a civil rights march in Alabama, who helped blacks rehabilitate a Washington, D.C. neighborhood and sheltered antiwar protesters in Washington before turning to the needs of white ethnics, "my people," as he calls them.

Slightly disheveled, the buttons of his shirt barely able to contain his belly, the

Monsignor, who is known as Geno to everybody, peers at the world through gray eyes set deep in a furrowed face framed with thick wavy black hair. Words come out of his mouth in an avalanche and he seems unable to talk without paper and pencil. In a recent lunch conversation he filled six pages with a maze of circles, crosses, arrows, boxes and lines to illustrate his points.

Monsignor Baroni's argument is that the mostly Catholic ethnic groups represent a force for liberal social change in housing, health care and jobs, but that they are angry and alienated, feeling scored by the liberal left and threatened by the blacks with whom they must share the decayed inner cities.

"The grandparents of the people who supported [former Senator] Jim Buckley probably voted for Robert Wagner Sr.," he said. "But in the 1960's we drew the line very tight at class and race. Here were the student on one end and the blacks on the other, and here's my brother-in-law who works for Mack Truck in the middle. And the left began to dump on middle Americans, especially lower income whites who lived next to the blacks.

"So in the social and economic alienation the right was coming along—Agnew, Nixon, Wallace—and catering to them. Mayor [Frank] Rizzo in Philadelphia was a byproduct of liberal neglect."

The neglect of working class needs, he says, has sped the decay of the urban neighborhoods that form the fabric of older cities. The remedy, he argues, is to find "convergent issues" such as redlining, [the practice by some mortgage companies of withholding loans for homes in certain neighborhoods] jobs, drug problems and other concerns around which both black and white communities can coalesce rather than clash. "These people who live next to blacks do not necessarily want to move—they need help," he says.

If the cities are to be saved from becoming "black, brown and broke," the monsignor maintains, ethnic diversity must be nurtured.

"My little nephew studies Eskimos in schools," he says. "He thinks Eskimos are great, but he has no sense of his own identity. I'm afraid my nephews and nieces will grow up like Wonder Bread—no crust, no identity. People want to be somebody."

He disputed suggestions that the end result may be to create ethnic ghettos. "The issue is tolerance for diversity," he said. "Equity, be it racial, sexual, economic, comes in dealing with those tensions more honestly. So I am for doing away with the melting pot, which tried to level out the differences. We should deal with the differences. The diversity can be a strength."

Accordingly, his emphasis at H.U.D. will be on supplying local communities with the technical expertise to help themselves. He expects to build bridges to local unions, Urban League chapters, tenants groups. He wants to teach local groups the fine art of pyramiding private and public money to encourage investment in declining neighborhoods. "There's never been a Federal policy that respected neighborhoods," he said. "We destroyed neighborhoods to save them."

A top priority will be reversing the "disinvestment" that takes place once a neighborhood starts to decline, the reluctance of people and stores to fix up a dying area. "I am going to look at reinvestment strategies, and reinvestment starts with people."

PENSION RIGHTS OF SURVIVING SPOUSES

The SPEAKER. Under a previous order of the house the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker. I am introducing legislation which will amend the Employee Retirement Income Security Act of 1974 to protect the pension rights of surviving spouses.

It is crucial that our pension law provide full coverage for the people they are supposed to protect. Unfortunately the present law does not do this. Take the case, for example, of a woman whose husband has worked for the same company since he was 25 years old. He has been covered by a pension plan which has "joint and survivors" benefits and which gave him vested rights to those benefits when he had been with the company for 15 years—that is, when he was 40 years old. He suddenly dies at the age of 60. What happens to his widow under the new pension reform law?

She gets nothing.

The reason for this is that the new law contains a major loophole that leave widows—and widowers—completely unprotected. Behind the technical language of the new law is a provision which prevents a widow from receiving survivor's benefits unless her husband dies after he has reached retirement age. Retirement age in most cases is 65; some plans may have a lower age. This means that a man who has worked for a company for 15 or 20 years, and whose pension benefits have become fully vested by the time he reaches the age of 45 or 50, had better remain alive for another 15 or 20 years if he wants his wife to receive her share of those vested benefits even if he dies 1 day before he collects his first pension check, she will get nothing. The same situation, of course, applies to surviving husbands.

I believe that many of my colleagues as well as the public have the impression that under the new pension reform law, once a worker's benefits have vested, his wife will be provided for in the event he predeceases her. This was apparent to me during the debate on the new law (ERISA) last year when I introduced an amendment to close this loophole. Certainly most workers believe that under the new law, their vested benefits will automatically go to their widows or widowers regardless of when the workers die.

Such is not the case. This gap in the new law is particularly unfortunate, because it is not apparent from the language of either the law or the report which is supposed to explain the law. I am afraid that employees have a false sense of security that once their pension rights are vested, their wives or husband will be provided for, regardless of what happens to them.

My bill will correct this problem. It will allow a widow to receive survivors' benefits to which she would have been entitled if her spouse had lived to retirement age. A widow will be eligible to receive such benefits at the time that her husband—had he lived—would have been entitled to start receiving pension benefits. The same will be true for widowers.

Providing adequate survivors' benefits under private pension plans will help solve one of the most pressing needs of our over-65 population—the lack of income for older women. Women over 65 who live alone comprise the poorest segment of our population. Six out of every ten have incomes below the poverty level.

If pension plans are to be more than a gamble on survival and a bet on coverage, and if we sincerely want to protect the rights of the surviving spouse, then my bill should be adopted.

The text of the bill follows:

H.R. 6559

A bill to provide joint and survivors' annuity benefits under private pension plans based upon the participant's vested benefit

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AMENDMENT OF ERISA

SECTION 1. Section 205 of title I of the Employees Retirement Income Security Act of 1974 (relating to joint and survivors' annuity requirements) is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) A plan shall not be treated as satisfying the requirements of this section unless, under the plan if the participant dies before the earliest retirement age, the plan provides a survivor's annuity for the spouse (1) which begins on the annuity starting date (determined as if the participant had lived until such earliest retirement age) and (2) the payments under which are not less than the payments which would have been made under the survivor's annuity to which the spouse would have been entitled if the participant had separated from the service on the date immediately preceding the date of his death.".

AMENDMENT OF INTERNAL REVENUE CODE

SEC. 2. Section 401(a)(11) of the Internal Revenue Code of 1954 (relating to joint and survivor annuity requirements) is amended by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following:

"(B)(i) which begins on the annuity starting date (determined as if the participant had lived until such earliest retirement age), and

"(ii) the payments under which are not less than the payments which would have been made under the survivor's annuity to which the spouse would have been entitled if the participant had separated from the service on the date immediately preceding the date of his death.".

EFFECTIVE DATE

SEC. 3. The amendments made by this Act shall apply with respect to plan years beginning after December 31, 1978.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. COTTER (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. MANN (at the request of Mr. WRIGHT), for April 22 and 25, on account of official business of the Subcommittee on Criminal Justice.

Mr. SEBELIUS (at the request of Mr. RHODES), for today, on account of official business.

Mr. STANGELAND, for today after 2:30 p.m., on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legis-

lative program and any special orders heretofore entered, was granted to:

Mr. BROWN of California, for 5 minutes, today, and to include extraneous matter.

(The following Members (at the request of Mr. RUDD) to revise and extend their remarks and include extraneous material:)

Mr. HAGEDORN, for 30 minutes, today.

Mr. DUNCAN of Tennessee, for 15 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. GOLDWATER, for 30 minutes, today.

(The following Members (at the request of Mr. BEILENSON) and to revise and extend their remarks and include extraneous matter:)

Mr. MCFALL, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. BADILLO, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. DODD, for 5 minutes, today.

Mr. LE FANTE, for 5 minutes, today.

Mr. ASHLEY, for 5 minutes, today.

Ms. HOLTZMAN, for 15 minutes, today.

Mr. ROGERS, for 60 minutes, on April 25.

Mr. VANIK, for 5 minutes, on April 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. RISENHOOVER, immediately prior to the vote on the Schroeder amendment on H.R. 5970 today.

Mr. SEIBERLING, on H.R. 5970, in the Committee of the Whole today.

Mr. ROUSSELOT to revise and extend his remarks following remarks of Mr. SYMMS on B–1 bomber.

Mr. DORNAN, immediately following the remarks of Mr. DOWNEY concerning the B–1 bomber on H.R. 5970 today.

Mr. DAN DANIEL, to extend his remarks immediately preceding the vote on the Dellums amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. RUDD) and to include extraneous material:)

Mr. HILLIS.

Mr. STEIGER in two instances.

Mr. KEMP in two instances.

Mr. DERWINSKI in two instances.

Mr. GILMAN in two instances.

Mr. SYMMS.

Mr. ANDERSON of Illinois.

Mr. SHUSTER.

Mr. LAGOMARSINO.

Mr. MICHEL.

Mr. TREEN.

(The following Members (at the request of Mr. BEILENSON) and to include extraneous matter:)

Mr. CORNELL in two instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. CORRADA.

Mr. RAHALL.

Mr. PATTISON of New York.

Mr. LEHMAN.

Mr. HOLLAND.

Mrs. CHISHOLM.

Mr. PANETTA.

Mr. LUKEN.

Mr. MOORHEAD of Pennsylvania.

Mr. FARY.

Mr. KOSTMAYER.

ADJOURNMENT

Mr. BEILENSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 8 minutes p.m.), under its previous order, the House adjourned until Monday, April 25, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1324. A letter from the Chairman, Indian Claims Commission, transmitting the Commission's final determination in docket No. 73–A, *The Seminole Indians of the State of Florida, plaintiff,* v. *The United States of America,* defendant, pursuant to section 21 of the Indian Claims Commission Act; to the Committee on Interior and Insular Affairs.

1325. A letter from the Secretary of State, transmitting a draft of a proposed amendment to the International Security Assistance and Arms Export Control Act of 1977 to provide security assistance to Greece and Turkey; to the Committee on International Relations.

1326. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to the Republic of Korea (transmittal No. 77–22), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1327. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain major defense equipment sold commercially to Zaire (Transmittal No. MC–31–77), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

1328. A letter from the Chairman, Federal Trade Commission, transmitting the 62d Annual Report of the Commission, covering fiscal year 1976, pursuant to section 6(f) of the Federal Trade Commission Act; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of Committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2. A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes; with amendment (Rept. No. 95–218). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DON H. CLAUSEN:

H.R. 6549. A bill to provide temporary authorities to the Secretary of Commerce to facilitate emergency actions to mitigate the impacts of the 1976–77 drought and promote water conservation; to the Committee on Public Works and Transportation.

By Mr. PHILLIP BURTON (for himself, Mr. SKUBITZ, Mr. UDALL, Mr. DON H. CLAUSEN, Mr. GUDGER, Mr. LAGOMARSINO, Mr. KASTENMEIER, Mr. KETCHUM, Mr. FLORIO, Mr. WON PAT, Mr. DE LUGO, and Mr. TSONGAS):

H.R. 6550. A bill to authorize certain appropriations for the territories of the United States, to amend certain acts relating thereto, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CORNELL (for himself, Mr. FISHER, Mr. STEERS, Mr. CORNWELL, and Ms. HOLTZMAN):

H.R. 6551. A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. FINDLEY, Mr. RAILSBACK, Mr. CLEVELAND, Mr. KELLY, Mr. LUJAN, Mr. DAVIS, Mr. MANN, Mr. JONES of Oklahoma, Mr. MAGUIRE, Mr. BAUMAN, Mr. GLICKMAN, Mr. STEERS, Mr. PURSELL, Mr. GRASSLEY, Mr. SNYDER, and Mr. STUMP):

H.R. 6552. A bill to require that the U.S. Government prepare and make public annual consolidated financial statements utilizing the accrual method of accounting, and for other purposes; to the Committee on Government Operations.

By Mr. CRANE (for himself, Mr. MANN, Mr. ROUSSELOT, Mr. DORNAN, and Mr. SYMMS):

H.R. 6553. A bill to limit U.S. contributions to the United Nations; to the Committee on International Relations.

By Mr. CRANE (for himself, Mr. COLLINS of Texas, Mr. KEMP, and Mr. KETCHUM):

H.R. 6554. A bill to amend the Securities Act of 1933, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GILMAN (for himself, Mr. BEDELL, Mr. EDWARDS of California, Mr. GEPHARDT, Mr. GLICKMAN, Mr. JENRETTE, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. MADIGAN, Mr. MURPHY of Pennsylvania, Mr. PURSELL, Mr. SCHEUER, and Mr. STEERS):

H.R. 6555. A bill to amend the Internal Revenue Code of 1954 to allow a credit for amounts paid for insulation and solar energy equipment, and for other purposes; to the Committee on Ways and Means.

By Mr. HANNAFORD (for himself, Mr. BINGHAM, and Mr. CORRADA):

H.R. 6556. A bill to amend title 5, United States, to provide that any Federal employee who, as the time of retirement, does not elect a reduced annuity in order to provide a survivor annuity to a spouse or other person may make such an election within 1 year after retiring; to the Committee on Post Office and Civil Service.

By Mr. HARRIS (for himself and Mr. TUCKER):

H.R. 6557. A bill to amend the act of April 17, 1954, which preserved within Manassas National Battlefield Park, Va., important historic properties relating to the battles of Mannassas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND:

H.R. 6558. A bill to amend the Internal Revenue Code of 1954 to provide for the discharge of an unrecorded tax lien against a personal residence purchased from a de-

linquent taxpayer; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 6559. A bill to provide joint and survivors' annuity benefits under private pension plans based upon the participant's vested benefit; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. LEHMAN:

H.R. 6560. A bill to amend the Immigration and Nationality Act, to make it unlawful to knowingly hire an alien not lawfully admitted into the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 6561. A bill to reduce title II of the Social Security Act to reduce from 20 to 10 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on Ways and Means.

By Mr. McFALL:

H.R. 6562. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain repairs, improvements, or replacements of residential water wells; to the Committee on Ways and Means.

By Mr. McKINNEY (for himself, Mr. BADHAM, Mr. BALDUS, Mr. BEDELL, Mr. BEVILL, Mr. BOLAND, Mr. COTTER, Mr. DOWNEY, Mr. EMERY, Mrs. FENWICK, Mr. HARRINGTON, Mr. JENRETTE, Ms. MIKULSKI, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Mr. ROSE, Mr. SCHEUER, Mr. SEIBERLING, and Mrs. STEERS):

H.R. 6563. A bill to amend the Mineral Leasing Act of 1920 as amended by the Trans-Alaska Pipeline Authorization Act to insure domestic distribution of Alaskan crude oil through clarification of the 1973 Trans-Alaska Pipeline Authorization Act; jointly, to the Committees on Interior and Insular Affairs, and International Relations.

By Mr. MURPHY of New York (by request):

H.R. 6564. A bill to provide for the addition of certain lands in the State of Alaska to the National Park, National Wildlife Refuge, National Forest, and the Wild and Scenic Rivers Systems, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. PEPPER (for himself and Mrs. SCHROEDER):

H.R. 6565. A bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to establish demonstration programs to educate, motivate, and encourage secondary school students from disadvantaged backgrounds to pursue professional training at the graduate level in the biomedical sciences; to the Committee on Education and Labor.

By Mr. PRICE (by request):

H.R. 6566. A bill to authorize appropriations for the use of the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, and for other purposes; to the Committee on Armed Services.

By Mr. RAHALL:

H.R. 6567. A bill to amend the Small Business Act to reduce the rate of interest on disaster relief loans under such act, to apply special provisions of such act to such loans made in connection with major disasters occurring after April 1, 1977, and before June 6, 1977, and for other purposes; to the Committee on Small Business.

By Mr. SARASIN:

H.R. 6568. A bill to amend title XVIII of the Social Security Act with respect to the types of transportation for patients which may be included in the definition of medical and other health services under such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. WHITTEN:

H.R. 6569. A bill to amend the Clean Air Act to establish certain motor vehicle emission standards, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CRANE (for himself, Mr. KELLY, Mr. BAUMAN, Mr. ROUSSELOT, Mr. SNYDER, Mr. MOTTL, Mr. COCHRAN of Mississippi, Mr. MILLER of Ohio, and KINDNESS):

H. Res. 513. Resolution insisting upon retention of undiluted U.S. sovereignty over the Canal Zone and the Panama Canal; to the Committee on International Relations.

By Mr. RAILSBACK (for himself and Mrs. HECKLER):

H. Res. 514. Resolution expressing the sense of the House of Representatives that the effect on our society of the level of violence depicted on television requires more consideration and study; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

101. By the SPEAKER: Memorial of the Senate of the State of Hawaii, relative to reforms in the food stamp program; to the Committee on Agriculture.

102. Also, memorial of the Legislature of the Territory of Guam, relative to a study of Chamorro aboriginal land claims; to the Committee on Interior and Insular Affairs.

103. Also, memorial of the Legislature of the State of Michigan, relative to visitor facilities at the Sleeping Bear Dunes National Lakeshore; to the Committee on Interior and Insular Affairs.

104. Also, memorial of the Legislature of the Territory of Guam, relative to relations between the United States and the Republic of China; to the Committee on International Relations.

105. Also, memorial of the Senate of the State of Hawaii, relative to establishment of a National Commission on Reform of Social Welfare Programs; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII,

89. The SPEAKER presented a petition of the Board of Election Commissioners, Jackson County, Mo., relative to the proposed Universal Voter Registration Act of 1977; to the Committee on House Administration.

SENATE—*Friday, April 22, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 12 meridian, on the expiration of the recess, and was called to order by Hon. DANIEL PATRICK MOYNIHAN, a Senator from the State of New York.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, the light of those who seek Thee, grant to us in the affairs of government, that illumination without which we would walk in darkness, not knowing whither we go. Brighten our daily duties by an awareness that Thou art with us to strengthen and guide us, even when we are least aware of Thee. Show us clearly the things which must be changed and the things which should remain unchanged, and give us the courage to persevere as "one nation under God" for that better world according to Thy kingdom.

We pray in His name who is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 22, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DANIEL PATRICK MOYNIHAN, a Senator from the State of New York, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. MOYNIHAN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Thursday, April 21, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—AMENDING SENATE RESOLUTION 83, AS AGREED TO ON FEBRUARY 11, 1977

Mr. ROBERT C. BYRD. Mr. President, on February 11 of this year, the Senate agreed to Senate Resolution 83, amending paragraph 3 of rule XXV of the Standing Rules of the Senate. Paragraph 3 has three parts, (a), (b), and (c). As the resolution was worded, it would have the effect of striking all three parts of paragraph 3 and inserting substitute language for only 3(a) as adopted in Senate Resolution 4. In other words, parts (b) and (c) of paragraph 3 of rule XXV would be automatically eliminated. That was not the intent of the resolution.

Inasmuch as the Rules Committee is in the process of revising the pocket

manual of the Standing Rules of the U.S. Senate, I ask unanimous consent that the resolution be amended in three places to read amending paragraph "3(a)". This will avoid the elimination of 3(b) and 3(c) in the revised manual.

For the distinguished minority leader, let me state again the purposes of this resolution.

On February 11 of this year the Senate agreed to Senate Resolution 83 amending paragraph 3 of rule XXV of the Standing Rules of the Senate. That paragraph has three parts, (a), (b), and (c). The resolution really was intended to be addressed only to 3(a) of the rule, but as it was agreed to by the Senate it inadvertently knocked out the whole paragraph—3 (a), (b), and (c)—and left standing only the change that was intended in 3(a). In the revision of the Standing Rules, if we do not correct this now, there will only be the revision of 3(a), but 3 (b) and (c), which were not intended to be eliminated, will be automatically eliminated.

Therefore, I ask unanimous consent that the resolution now be amended in three places to read amending paragraph "3(a)" so that it will specificate 3(a) only, thus leaving 3 (b) and (c) as they now exist untouched.

Mr. BAKER. Mr. President, will the Senator withhold this for a moment?

Mr. ROBERT C. BYRD. Yes.

Mr. President, it really amounts just to a clerical error, but it would be unfortunate if it were allowed to stand.

Mr. BAKER. Mr. President, I have only just had this called to my attention, but I observe that there is no substantive change in the situation as we understand it and there is no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, for the moment I reserve my time under the standing order.

THE PRESIDENT'S ENERGY PROPOSALS

Mr. ROBERT C. BYRD. Mr. President, there is considerable discussion in the media concerning the economic impact of the President's energy proposals. It is, of course, essential that we gather as much pertinent information from economists and econometricians as is possible, and that we be aware of the possible impact on jobs, inflation, and growth of any action we take in the Congress. But I think a word of caution should be injected here. We have not yet seen the specific legislation. We have not yet received the total energy package. Neither have our friends in the press or in the academic or business world.

I noted a story yesterday in the newspaper that alluded to the statements which were being made by various respected economists throughout the country and, of course, they were of different and varying opinions in their views. But the headlines we are reading today are based on educated guesses, not necessarily real facts in every case. I believe it would be wise for all of us to keep that thought in mind.

Second, we must begin to examine each of these impact projections in terms of the alternatives. When we are told that "if we pass this part of the President's energy package," the economic impact will be thus and so, we should also ask, "What will be the economic impact if we do not pass that proposed part of the package? What are the alternatives?"

We are today, even more than we were prior to the Arab embargo, in hostage to OPEC, and our energy cancer is growing. I refer to the word "cancer." An individual looks well. He carries a cancer. He is unaware of that fact until he begins to feel the pain. All too often it is then too late.

So, this energy crisis is upon us. Like a cancer, it is not so readily apparent, perhaps, but the President has submitted a proposal which is calculated to deal with that energy crisis before the pain becomes unbearable and before it is too late to deal with it effectively.

We all may find justifications at the moment for being hesitant to embrace this or that part of the proposal. I can understand how it is going to create problems in various regions of the country. It is also going to cut across parochial interests.

However, there is plenty of time to shoot holes in it; plenty of time to knock it down. I think we should study it and if we can come up with better alternatives and refinements, that is fine. I hope, however, that as we talk about the economic impact of this or that particular component of the package, even though the economic impact may or may not be exactly what would be ideal under normal circumstances, we also consider the potential result against what will very likely be the situation, not only from the standpoint of our economic security, but also from the standpoint of our national security, if some action is not taken.

Certainly, we must be aware of the economic impact on the American people of any program we propose in dealing with the energy crisis.

But we must also be aware of the economic impact on our people of inaction on our part in failing to face up to the energy problem. I believe that most Members of Congress will agree that inaction would be disastrous. There are times in Government when no action is better than action, but this, in my opinion, is not one of those times.

Mr. BAKER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I think it is appropriate to remark that I have no disagreement with the tone and tenor and most of the substance of the majority leader's remarks. I think they are appropriate. I might add to them and extend them with this one further admonition.

As I have said here from this place on other occasions and from other fora from time to time, there is only one place in the Government of the United States where the Founding Fathers institutionalized controversy. That is in Congress. There is a single President. He is the President of all the people of this country. We respect him, we are his partners whether he is of our party or not.

There is the Court, the only constitutional court, the Supreme Court, which is apolitical, as it should be. It is immune, in a way, from the political process, the forces and the vectors of force that play on the rest of us. That immunity is guaranteed by their Presidential appointment, by their Senate confirmation, and their life tenure. The Court is not a forum for energetic discussion and public debate. It is only in Congress, where there is a majority and a minority, where there is the considered design for debate and controversy.

So, you see, Mr. President, in that way and in that view, it seems to me that it is our opportunity to examine and understand the proposals of this and other Presidents from time to time, but it is also our obligation to do so.

My remarks are, in part, to say that sometimes I have observed that the country, even the press and the electronic media, as it is called, sensationalize that controversy. The country, from time to time, I suspect, is turned away by it, is afraid of the disagreements and the disputes of Congress. I think it is worthwhile, then, to point out from time to time that this controversy and this conflict are an essential, an integral, and an important part of the governing process.

There will be a debate on the energy policy of the United States. This President has rightly proposed to the country that it hear and understand his admonitions. His predecessors, President Ford and President Nixon, did the same thing. We Members of Congress, I think, did not give adequate attention to those previous admonitions, but we should now.

For my part, insofar as I can speak for the minority in the Senate, I assure these things: First, that I shall help and we shall help, to the extent that we can, to verify and validate the nature and the scope of the problem—indeed, of the emergency—and there is an emergency.

Second, that we shall hear and try to understand the proposals of the President of this administration, and to consider them; to agree with them if we can, to disagree if we must, but to debate them, in any event.

Third, to propose, as we can propose, alternatives, separate and different initiatives, and to reach the synthesis of ideas that will translate into public policy.

There is no doubt, Mr. President, that there is a great crisis before us in this country in terms of our energy requirements. There is no doubt that we have the constitutional responsibility to test, to debate, and, finally, to synthesize and formulate a public policy to serve the country for decades, indeed for generations to come.

There is no doubt that there have been few times in the history of the Republic when there is a greater charge to this body than now before us. So I urge, Mr. President, that the country understand that, as we disagree, as we debate, as we criticize, as we talk, as we originate new and different ideas, as we may dispute with each other and with the President, it is not because we do not serve the same interests; but because we are exercising the fundamental responsibility that the Constitution gave us as the legislature of this country.

It will be an energetic time, Mr. President, but I think it will be a good time for the country, because I foresee a genuine debate on the ramifications and the full spectrum of complications that beset us.

Mr. ROBERT C. BYRD. Mr. President, I agree wholeheartedly with the distinguished minority leader that there will be a national debate, and there ought to be one, on this very vital subject of energy and the solution to the energy problem.

What gave rise to my remarks was a story in yesterday's Washington Star entitled "Nongovernment Economists Less Optimistic on Carter Plan."

I can understand how the economists will disagree on this plan. I do not think they have ever been able to agree on any plan heretofore, and I do not say this in a pejorative sense. It was the same in the case of previous Presidents.

I take one sentence, for example, one quotation by one very highly respected economist:

> We are doing to ourselves about 15 percent of what OPEC did to us in 1973 and 1974 by raising prices.

Well, that may be true. I am in no position to say whether it is true or not. But what is the alternative? That is the point I am making. While one may raise questions about what we may be doing to ourselves by raising prices, I think we should also ask ourselves what is the alternative if we do not do something? Assuming that the distinguished economist is correct—that we would be doing to ourselves about 15 percent of what OPEC did to us in 1973 and 1974 by raising prices—the implication of that sentence, to me, is that if we do not take action, we shall be leaving OPEC in a position to do 100 percent to us next year, or 2 years from now of what OPEC did to us in 1973 and 1974.

Down the road, if we do not take action, they can do to us what they did 3 years ago, which will not be 15 percent. The economist I quoted says we will be doing 15 percent of what they did. Well, 15 percent is a bargain basement price. So if we do nothing, we are leaving it up to OPEC to do 100 percent of what they did 3 years ago, and the situation would be much worse at that time.

So I think we have to weigh the alternatives, Mr. President.

If we do nothing now, what will the alternative be to the economy, to the national growth rate, to jobs, to business, and to the national security?

So while the economists focus on it, and quite rightly so, I think we must also address the inconvenience, or the adverse effects, if need be, on the economy if we take no action to deal with the energy problem.

What would be the alternative on the economy, on the national security, on unemployment, on the national growth rate, on business investment, on the construction industry, if something is not done about the growing energy needs of our country and soon? That is my point.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, and this has been cleared with the distinguished minority leaders and others, that the distinguished Senator from Arkansas, the chairman of the Appropriations Committee (Mr. McCLELLAN) may call up at this time the conference report on the supplemental appropriations bill without prejudice to the distinguished Senator from New York (Mr. JAVITS) who was to be recognized at the close of the standing orders recognizing the two leaders.

Mr. BAKER. Mr. President, if the distinguished majority leader can withhold for just a moment, I need to try to obtain the attendance of one Senator who requested to be present when it was called up. So might we have a brief quorum call?

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, if the distinguished Senator will yield, I ask that the committees be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATIONS, 1977—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on H.R. 4877, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4877) making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The ACTING PRESIDENT pro tempore. Without objection the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of April 6, 1977.)

Mr. McCLELLAN. Mr. President, the committee of conference met on H.R. 4877, the supplemental appropriations bill for fiscal year 1977, on April 4 and 5. The report was finalized and filed in the other body on April 6.

Mr. President, the committee of conference considered a total of 237 amendments. Of that total, the Senate receded on 40, and the House receded on 77. A total of 29 Senate amendments were further amended and agreed to by the House and 91 amendments have been reported to the House in technical disagreement of which only 14 will require further action in the Senate.

The bill, as agreed to in conference, is $28.9 billion, which is $4.7 billion below the President's budget estimates; $1 billion over the House bill; and $3.8 billion below the Senate bill.

Mr. President, I ask unanimous consent that immediately following my remarks there be printed in the RECORD a summary table showing the conference totals and the usual comparative figures.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. McCLELLAN. Mr. President, I do not think it is necessary to go into the details of how the 237 amendments were resolved. The conference report has been available for 2 weeks and I am sure this has given the Members an opportunity to study the results of the conference.

I do want to assure the Members that the Senate conferees worked very hard to sustain as much as possible of the Senate amendments in conference.

Mr. President, I yield to my colleague, the distinguished Senator from North Dakota and the ranking minority member of the committee, Mr. YOUNG.

EXHIBIT 1

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1977 recommended by the Committee of Conference, with comparisons to the budget estimates, and the House and Senate bills follows:

Budget estimates of new (obligational) authority [1] [2]	$33,621,799,315
House bill	27,892,597,271
Senate bill [2]	32,730,485,710
Conference agreement [2]	28,923,859,260
Conference agreement compared with:	
Budget estimates of new (obligational) authority	−4,697,940,055
House bill	+1,031,261,989
Senate bill	−3,806,626,450

[1] Includes $699,467,649 of budget estimates not considered by the House, contained in House Docs. 95–29, 95–89, and 95–97 and Senate Docs. 95–31 and 95–32.

[2] Includes $1,025,000 for fiscal year 1976.

Mr. YOUNG. Mr. President, the conferees have agreed in this conference report to an appropriation of $29.0 billion. This is $3.8 billion below the bill that was passed by the Senate. Included in this $3.8 billion reduction from the Senate bill is a cut of $3.5 billion for waste treatment plant construction grants. The remaining $300 million in reductions is an aggregate of various items in the bill.

There are provisions in this supplemental appropriations bill which have merit, and there are provisions which are necessary to provide funding for under existing law. However, as I stated when this bill was before this body previously, there are many items in this bill that could have been reduced without causing any undue harm or hardship.

Mr. President, I reluctantly signed this conference report because of those items in it absolutely necessary to be provided with funding. I am still concerned about the effect the spending contained in this bill and the $19.8 billion in the economic stimulus bill will have on inflation, the deficit and the debt.

Mr. President, I believe the Senate should approve this conference report.

Mr. President, one of the able, hard working, and effective members of the Committee on Appropriations is the junior Senator from Massachusetts (Mr. BROOKE). He is not able to be here this afternoon, and I ask unanimous consent that a statement prepared by him be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY MR. BROOKE

I am pleased to recommend the adoption of the Conference Report on the Labor-HEW chapter (Chapter VII) of the fiscal year 1977 general supplemental appropriations bill.

The Labor-HEW part, at $5.8 billion, is the largest part of this bill. However, much of this amount, more than $3.4 billion, is for health and education programs which could not be funded in the regular FY 77 bill because of the lack of authorizing legislation at that time.

I am glad to report that we were in substantial agreement with the House on most items in the Labor-HEW chapter of the Supplemental. We were successful in sustaining the majority of our amendments to the House bill and were able to reach acceptable agreements where there were differences in recommended dollar levels.

In the vital area of higher education we provide $3.1 billion for student assistance programs. Under the Conference agreement, it will be possible to provide a Basic Opportunity Grant (BOG) averaging $847 per student. For work study, we provide a program level of $420 million—an increase over FY 76. And I was pleased the Conferees agreed to my requests to provide increases for supplemental grants and direct loans. Taken together our student assistance package will help to ease the financial burden of colleges for disadvantaged and middle-income students.

I also was pleased the Conferees accepted a portion of the increases I recommended to provide proper growth for the effective Cooperative Education program, to train language and area specialists and to step up training of minority librarians.

The conference recommendations in the area of health total $616.8 million, or $19 million more than the House.

The increases provided by the Conferees include additional funds for immunization, biomedical research, alcoholism grants, health planning and for medical and other health professional schools experiencing financial problems.

At our urging, the House agreed to an additional $5.9 million for alcoholism project and formula grants. And within this increase the House agreed to my request to include $1.3 million and bill language to prevent 31 states, including Massachusetts, from losing funds under the formula grant program in FY 77.

In another helpful action the House agreed to our amendment providing $5 million to maintain average funding for state health planning agencies at no less than their 1976 level.

Our bill includes funds for a variety of health professions programs. The Conferees agreed to additional amounts for health service scholarships and, at my request, for financial distress grants.

In most instances both Houses were in agreement on the appropriate levels for health professions. This, I am glad to say, includes capitation funding for medical, osteopathic and dental (MOD) schools. Initially, our Subcommittee decided to reduce the capitation grants, but I urged that the decision be reversed.

The costs of attending medical school can be astronomical and it is vital that a private medical education not be put out of the financial reach of students of modest means. Capitation grants can be of substantial assistance in this regard, and I am pleased the Senate agreed with my amendment to maintain the House level for MOD at $101.1 million.

The House and Senate also were able to reach agreement on the need for additional funds to permit the development or expansion of regional veterinary schools at Tufts University in Boston, the University of Pennsylvania, Washington State University, and Tuskegee Institute.

I was particularly pleased that the House and Senate were in agreement on the need for a substantial increase in funding for Emergency Energy Conservation Services under the Community Services Administration.

Of the total provided, $200 million is to help low-income householders pay past due bills and avoid the threat of utility shut-off now hanging over many.

The additional $82.5 million for weatherization will permit the expansion of the program to insulate the homes of the elderly and low-income and thereby conserve fuel and hold energy costs down.

I think we have come out of conference with a supportable bill. I believe the level of the Labor-HEW chapter is reasonable considering the needs which we are addressing in this supplemental. I urge the Senate to adopt the conference report containing these funds and the President to sign the measure which we send him.

Mr. MAGNUSON. Mr. President, today we are going to vote on the conference report on H.R. 4877, the 1977 supplemental appropriations bill. I would like to briefly discuss some of the highlights of the Labor-HEW chapter of this bill.

This chapter includes nearly $6 billion, and is $839 million over the budget request. Each of the increases is for programs which the Congress has always placed a high priority on—new health programs and continuation of the national direct student loan program—plus initiatives in energy conservation and fuel assistance for those hardest hit by the severe winter just past.

Health programs will receive $616 million. After a long 3-year wait, we are finally able to provide funds for health training programs. Many people are saying that we have enough doctors and nurses now. While we may or may not have enough, here is a serious need to get these health professionals to underserved areas. That is exactly what we try to do in this bill—train doctors and provide incentives for them to go to underserved areas.

The Labor-HEW chapter also includes $3.6 billion to expand and improve education in our Nation's schools and universities. Contained in the bill are funds for vocational education and higher education, including over $2 billion for student assistance programs. The conferees also agreed to provide $17.5 million for emergency school aid. These funds will be used to assist local school districts to implement voluntary desegregation programs—programs designed to prevent crisis situations in our schools before they happen.

We are also providing $2 million to assist HEW in preparing for national health insurance and welfare reform. These funds will finance 50 or more positions in HEW so that we can begin a strong effort to lay the groundwork for these two important proposals by the Secretary.

Congress has made a strong commitment to all of these programs. We must continue our drive to improve education and health care in the Nation—these funds will continue this commitment

Mr. BELLMON. Mr. President, the conference report before us today on the supplemental appropriations bill, fiscal year 1977, is certainly an improvement over the bill originally passed by the Senate. I would like to commend my colleagues on the Appropriations Committee who served as conferees on this measure for bringing a bill back to the Senate which is more reasonable in its spending levels than the bill we took to conference.

The problems with the supplemental as originally passed by the Senate, Mr. President, was the result of a number of amendments which were added on the Senate floor. Having supported the bill as reported from the Appropriations Committee, I was disappointed to learn prior to final passage in the Senate that close to $1 billion had been supplemented to the supplemental through floor amendments. As a result of this, I voted against the supplemental when it was considered for final passage in the Senate.

However, Mr. President, since the conference report before us is more in line with the recommendations of the Arpropriations Committee, I intend to support this bill at this time.

As we all know, this conference report contains $28.9 billion in budget authority and $7.4 billion in outlays for virtually every department and agency of the Federal Government for the remainder of this fiscal year. While I am prepared to support this measure in its present form, I am very concerned over the need for the Congress to continually deal, year after year, with multibillion supplemental appropriations requests as contained in this bill. I have difficulty in understanding why the Government cannot conduct this business in accordance with the annual appropriations bills.

Mr. President, I realize fully that many departments within the Federal Government will unavoidably underestimate their budget projections from time to time. But for the entire Government to underestimate its budget projections by $30 billion is inconceivable.

It leads me to believe that the executive branch deliberately underestimates its original budget figures to make the formal budget look more palatable to the Congress and the taxpaying citizen. By doing so, the Congress is then forced to deal with such measures as the supplemental before us today, which falsely gives the impression to the American people that the Congress is made up of "big spenders."

The Federal Government, through the assistance of the Office of Management and Budget, is certainly capable of accurately estimating its annual expenditures and submitting these budget estimates to the Congress at the time the Federal budget is formally transmitted. If such a procedure were followed, the Congress would be in a much better position to deal with the overall picture rather than having to piecemeal the Federal budget together throughout the fiscal year. This would not only be helpful to the Appropriations Committee, Mr. President, but would be particularly beneficial to the Senate Budget Committee and the entire Congress as a whole in arriving at its spending targets and subsequent ceilings which are required by the Budget Reform Act of 1974.

Mr. President, the end result of such an undertaking by the executive branch would be to allow the Congress to deal in full force with the Federal budget through the regular appropriations process and reserve any supplemental action to emergency situations which require additional funding. I, for one, would be delighted to see the Government institute such practices so that the Congress would be precluded from dealing with supplemental appropriations bills to the tune of $30 billion.

I am sure that the chairman of the committee is concerned about this, as are the other members of the committee, and I hope the new administration will put an end to this practice. I believe that we should be very critical of these large supplemental requests and should turn them down until the administration does send us more realistic budgets.

Mr. HEINZ. Mr. President, I rise for the purpose of bringing to the attention of this body the fact that yesterday the House rejected an amendment that the Senate had included in the conference report, the Bayh amendment, to provide $20 million for snow removal in four States in which emergencies were declared; namely, Pennsylvania, Ohio, Indiana, and Michigan—and that the House insisted on its disagreement, which was carried to a vote. That vote was 124 to 279.

The Bayh amendment was approved by this body, and it was approved for a very good reason. It is well known how severe the winter weather was in many States, but it was particularly difficult in Ohio, Indiana, Michigan, and Pennsylvania.

The President of the United States recognized this difficulty when he made a series of declarations applying to each of those four States. To paraphrase the declarations he made, he determined that an abnormal accumulation of snow and ice resulting from a series of blizzards and snowstorms in the various States was of sufficient severity and magnitude to warrant a declaration of an emergency. He, therefore, declared that such emergencies existed in each of those States. He went on to say that the purpose of the declarations was to provide Federal aid for the opening of the vital transportation arteries, the provision of public health services, the reopening of blocked supply routes to educational, governmental, commercial, and industrial establishments, and such other emergency assistance as might have been required to protect the public health and safety.

The fact is that the Federal Disaster Assistance Administration did not meet the cost of any of those substantial additional expenses incurred in those four States. In the case of the 21 affected counties in Pennsylvania, the expenses borne by hard-pressed local governments, many of which do not have the strongest of tax bases, amounted to more than $4.8 million.

I express sincere regret, Mr. President, at the action taken by the House in insisting on its disagreement with the Senate. I do not want to let this rejection pass unnoticed. While I will not request that we insist on our position at this time, I want to make it very clear to the Members of the House that this issue remains of great concern to this Senator; that there may be an opportunity in the near future to resolve the issue more favorably both in the House and the Senate. I hope that the Members of the House who joined in rejecting this very real need will bear in mind that they should not vote simply parochial interests; that whether it is one area of the country or not, each area of the country gets into disaster problems, whether it is flood, snow removal, weather, or drought; that we should approach this matter on the basis of need, on the merits and the hardships, and particularly have a great deal more understanding regarding the tremendously severe tax consequences that ultimately must be inflicted upon the residents of the various counties affected.

At a time when Congress is enacting various measures involving countercyclical assistance, it seems tremendously inconsistent to me that the House should have rejected something that is totally consistent with the spirit of disaster relief. When our economy is unhealthy, we need countercyclical assistance in the form of an appropriation for fiscal assistance, in the form of a tax stimulus, which is to be considered not only today but also next week, and in the form of revenue sharing or seeded jobs.

Mr. MUSKIE. Mr. President, the conference agreement on H.R. 4877, the regular spring supplemental for fiscal 1977, provides for appropriations of $28.9 billion, which would result in an estimated $7.4 billion in outlays during fiscal 1977. These levels are $3.8 billion in budget authority and $0.1 billion in outlays lower that the Senate-passed version of this bill.

Mr. President, the conference agreement on this bill is below the levels passed by the Senate primarily for two reasons. First, the conferees reduced budget authority for Environmental Protection Agency construction grants from $4.5 billion as passed by the Senate to a level of $1 billion. Second, the conferees removed $275 million in budget authority and $100 million in outlays for Economic Development Administration and Small Business Administration disaster assistance.

However, I am disappointed that the conference did not sustain the full $4.5 billion for EPA construction grants. The water pollution program must be fully funded. Deadlines for water cleanup depend on an even flow of financial resources to meet community waste treatment needs. These funds were assumed in the congressional budget and the President requested full funding. But the Appropriations Committee has bowed to the House; and thereby to the intimidation of the House Committee on Public Works. By only making available $1 billion and then limiting these funds to the present formula for allocation among the States, only $223 million of at least $900 million in demonstrated needs are provided in this conference agreement.

Lack of new authorizing legislation was an ostensible objection to allowing the full $4.5 billion, but that may be remedied during the remaining 5½ months of the fiscal year. The issue of full funding for fiscal year 1977 for this important environmental program thus remains open and, assumedly, the additional funding can be included in a future supplemental appropriation. But that is not a sufficient reason for denying these critical funds.

Mr. President, when the bill was before the Senate, I pleaded for the conferees to uphold the Senate's position on full funding. I even went so far as to provide an option to the conferees. I said:

> I believe that a strong case can be made for appropriation of the full $4.5 billion. In that case, full allotment to all 50 states can be justified on the basis that adequate funds can be made available to all states. However, if an amount less than $4.5 billion is agreed upon in conference, I would urge that it be made available only to those states which need the funds—and only on a first come-first serve basis. This procedure would assure that funds are directed to the areas where they can be used, and would avoid tying up needed funds in states unable to use them.

This failure on the part of the conferees not only threatens the integrity of the water pollution construction grant program but it provides an opportunity for the House Committee on Public Works to continue to hold the program hostage to a series of unjustified and unwise amendments to the clean water law.

Mr. President, the water pollution program means clean water and economic activity. An appropriation of $4.5 billion represents an opportunity to reduce our backlog of needed waste treatment facilities by 10 percent and to provide 200,000 jobs. All of these facts were apparently ignored by the Senate conferees. I cannot understate my distress with the result with which the Senate is presented.

Mr. President, I ask unanimous consent that a New York Times editorial be included in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MUDDYING THE CLEAN-WATER LAW

The Federal Water Pollution Control Act of 1972 was a major turning point in the long struggle to clean up the nation's rivers and protect its water resources. For the first time, Congress adequately responded to two grim facts: Every major river system in America is seriously polluted, and the nation's ponds, marshes and other wetlands have been systematically diminished to a dangerous extent. As a result of recent actions by the House of Representatives, the act is now in jeopardy.

The law set the bold goal of "zero discharge" of pollutants into the nation's rivers by 1985. It created a licensing system for the Army Corps of Engineers to control dumping into any stream, river or wetland. Previously, under an 1899 law, the Army Engineers regulated only streams and rivers used in interstate commerce.

The extension of Federal protection to small streams and to wetlands was of critical importance. Wetlands are nature's breeding grounds and also its backup system where water from storms and floods is absorbed, fish are spawned, and birds pass part of their life cycle. Dumping, particularly of materials containing heavy metals or toxic pesticides, has had a disastrous effect.

Last year, the House passed legislation that would have virtually repealed the law as far as regulating wetlands and small streams was concerned. That attempt died in a House-Senate conference, but this year the House has again passed a bill that would substantially weaken the licensing authority.

The bill as passed by the House contains other dubious amendments; they pose complex questions that the Senate Public Works Committee wants to restudy in hearings later this spring. This cautious approach is also favored by the Carter Administration. Unfortunately, in an effort to pre-empt the contest, the House attached its amendments to the President's $4 billion emergency public works bill, which must be dealt with promptly.

The Senate and the Administration may yet conclude that clarifying language is necessary to exempt normal activities in farming, ranching and forestry that have only minor environmental impact on rivers and wetlands. But the House amendments go well beyond any such necessary clarification. The nation's water resources are too scarce and precious to allow a return to the reckless practices of the past.

Mr. MUSKIE. Turning to other matters in the bill, the EDA and SBA disaster assistance funds were removed by the conferees pending passage of authorizing legislation which may yet be forthcoming during the remaining months of this fiscal year. Therefore, we should regard these two items, totaling $275 million, as possible later requirements for supplemental appropriations in fiscal year 1977.

From the viewpoint of human needs, we are an important step closer to enactment of funding for one program which sorely needs to get underway. I refer to the $200 million for emergency fuel bill assistance to low-income people, including the elderly, who are unable to pay the enormous fuel bills caused by the severe cold of this past winter. Many families who were able to survive the winter without fuel cutoffs now face the prospect of having their utility service cut off, because they have not been able to pay their fuel bills. This appropriation, therefore, is coming not a moment too soon.

Mr. President, this bill as approved by the conferees and the possible later requirements for EPA construction grants and EDA and SBA disaster assistance are, together, no higher than the Senate-passed version of H.R. 4877. They can be accommodated within the third budget resolution.

Mr. BAYH. Mr. President, the Senate is today considering the conference report on H.R. 4877, the supplemental appropriations bill for fiscal year 1977. This bill appropriates $29 billion for many vital programs including higher education, health programs, and waste water treatment.

I am particularly pleased that funding is provided in the legislation for several programs of specific interest to the citizens of Indiana. Contained in this legislation are amendments, which I sponsored, providing $300,000 for research into pseudorabies, a viral disease in hogs; $161,000 for completion of the headquarters at the Indiana Dunes National Lakeshore and an additional $1 million over the House-passed figure of $3 million for immunization against childhood diseases.

However, I would like to take this opportunity to express my disappointment that the House did not accept my amendment for $20 million to be used to reimburse communities in Indiana, Ohio, Michigan, and Pennslyvania for the cost of snow removal during the Presidentially declared emergency this winter.

This past winter was particularly difficult for several areas of the country. Many States in the West have suffered from severe drought and have been declared eligible for massive Federal assistance. Some areas in the East received disaster declarations as a result of heavy snowfalls and extremely cold temperatures. In the Midwest the States of Indiana, Michigan, Ohio, and Pennsylvania all suffered a series of severe winter storms.

The bad weather culminated in a storm during the last week of January causing these four States to apply for Federal assistance. Counties in all four States received emergency declarations from the President and were later turned down by the Federal Disaster Assistance Administration—FDAA—for major disaster declarations.

While I was most disappointed that Indiana did not receive a major disaster declaration which I believed was amply justified, this amendment was not designed to activate major disaster declarations. That decision has been made. The $20 million was to provide assistance which was both fair and justified under the terms of the emergency declaration for the duration of the actual emergency.

A snow emergency was very much in evidence in Indiana as of Friday, January 28. However, it took time for the Governor to make application for Federal assistance and more time for the Federal Government to respond. In fact the emergency declaration was not approved until February 2 and as a practical matter, not much Federal assistance was available until February 3. This was a full 6 days after the snow emergency began. Similar timelags occurred in the other three States involved.

Any community that immediately responded to the snow emergency and directed its scarce resources to clearing vital transportation arteries in order to protect the health and safety of its citizens has not been reimbursed by the Federal Government for any expenditures incurred during the 6 days it took the bureaucratic machinery to declare that an emergency existed. Communities that waited for the emergency declaration and delayed their response to the snow emergency have found the Federal Government paying for the cost of snow removal.

This interpretation of the Federal Disaster Relief Act by FDAA seems to me to be totally out of line with the congressional intent of this legislation. The Federal Government ruled that an emergency situation existed in Indiana, Michigan, Ohio, and Pennsylvania and it is obvious that the emergency began several days prior to the issuance of the declaration. It seems only just that the Federal Government cover costs directly related to the emergency even if they were incurred prior to the date the declaration was issued. In fact this is exactly the procedure followed by FDAA with major disaster declarations. Aid is given from the date of the disaster not from the date of the declaration.

Many of the 40 counties in Indiana covered by the emergency declaration expended their entire year's road maintenance budget clearing snow which resulted during the emergency and I think it is only just that they be reimbursed for the expenses incurred as a result of a federally declared emergency.

In the coming weeks I will be looking into possible amendments to the Federal Disaster Relief Act which will clearly spell out for FDAA what would be an equitable interpretation of existing law. I believe that the authority for the reimbursements sought by my amendment is already in the present law but it may be necessary to make that crystal clear to FDAA so that the situation which occurred in Indiana, Ohio, Michigan, and Pennsylvania this winter will not arise in the future.

I appreciate Senator PROXMIRE'S cooperation in permitting me to offer my amendment at the HUD Appropriations Subcommittee markup of the supplemental appropriations bill. I particularly want to thank Congressman BRADEMAS, who along with other members of the Indiana delegation in the House of Representatives, made a valiant effort to persuade the House to accept this amendment.

Mr. NUNN. Mr. President, I would like to ask the able chairman of the Appropriations Committee one question before the Senate votes on the conference report on the supplemental appropriations bill.

The Senate Appropriations Committee included language in their report on this bill that directs up to $250,000 of the $3,326,000 which will be available for startup assistance to Mercer University in Macon, Ga., for initial planning

and startup for a medical school. This program is authorized under section 788 (g) of Public Law 94-484, the Health Professions Educational Assistance Act. These funds are extremely important to the development of this medical program at Mercer since a commitment of Federal funds will release a substantial amount of State and local funds for use in the development of this school.

The committee, in its report, also directs HEW to submit a plan for the use of these funds within 60 days after the enactment of this bill. I would like to know if this language and instructions are still the intent of Congress under this bill.

Mr. McCLELLAN. Yes, the Senate report language regarding the Mercer University Medical School is still the intent of Congress under this bill.

Mr. EAGLETON. Mr. President, the conference report contains language which is somewhat critical of Amtrak's relations with Congress. While I share the concern of the rest of the conferees in this matter, I do want to say that I am encouraged by recent efforts on the part of Amtrak to correct some of the misunderstandings and problems that may have existed. I think Amtrak is aware of the need for good communication with the Congress and I want to make note of what I think is a good faith effort to fully cooperate with the committees.

Mr. PERCY. Mr. President, I am pleased that the 1977 supplemental appropriation bill, H.R. 4877, as passed by the Senate contained $4.5 million to the National Park Service for repairs to the John F. Kennedy Center for the Performing Arts—and that this Senate provision was retained in conference.

As Vice Chairman of the Board of Trustees of the Kennedy Center and as one who has maintained an interest in its affairs over the years, I have followed closely matters pertaining to it. It is my judgment that inclusion of this appropriation to the Park Service is very helpful and will facilitate the necessary roof and other repairs.

On March 22, I wrote the chairman of the Interior Appropriations Subcommittee, the distinguished majority leader, Senator BYRD, of West Virginia, requesting that funds be included in this supplemental bill and I thank him for his help and assistance. I understood this request was fully supported by the distinguished Senator from Idaho, Mr. McCLURE, and our distinguished minority leader, Senator BAKER.

Mr. President, I believe it is very important that this necessary repair work on the Kennedy Center commence as quickly as possible. I, therefore, strongly hope that the Senate and House conferees can expeditiously agree to authorizing legislation and that it will enable this appropriation to be obligated.

KENNEDY CENTER APPROPRIATION

Mr. McCLURE. Mr. President, I am very pleased that the 1977 supplemental appropriations bill contains $4.5 million to the National Park Service for repair and reconstruction of the John F. Kennedy Center for the Performing Arts.

I want to take this opportunity to especially thank the distinguished majority leader and chairman of the Appropriations Subcommittee for the Department of Interior and related agencies, Senator BYRD of West Virginia. On March 22, I wrote Senator Byrd stating that because of the need to begin emergency repairs promptly, I hoped the subcommittee could include the necessary repair funds for the Park Service in the supplemental appropriations bill. I appreciate his attention and assistance, and I am glad funds to the Park Service were included in the Senate bill and maintained in conference.

Mr. President, I ask unanimous consent that a copy of my letter to the distinguished subcommittee chairman be included in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. McCLURE. As my colleagues may recall, when S. 521 was passed on February 24, the Senate adopted my amendment to authorize repair funds directly to the National Park Service, rather than to the Center itself. The purpose of my amendment was to fix responsibility in a Federal line agency, with an experienced service having capability and established procedures, and enjoying a recognized relationship with the Congress and within the executive branch. The Park Service has, since 1973, been responsible for operation and maintenance of the nonperforming arts functions of the Center under authority of Public Law 93-67. Placing responsibility and authority also for this repair work in the Park Service, I believe will facilitate the proper performance of the work and its more effective planning, budgeting, contracting, supervision and auditing.

Mr. President, the funds provided in this appropriation bill are contingent upon the enactment of S. 521, or similar legislation. The House-passed authorization bill directed the appropriation to the Board of Trustess of the Kennedy Center rather than to the National Park Service. With resolution of this point, I trust other differences may quickly be settled by our Senate-House conferees. Prior to the Easter recess I had occasion to speak—on behalf of myself and Senator BURDICK—chairman of our conferees—to Congressman MINETA, chairman of the House Public Works and Transportation Subcommittee on Buildings and Grounds. I am consequently hopeful that this matter can be completed so that the funds provided by this legislation can be obligated expedititiously.

I would also like to point out that I understand the distinguished senior Senator from Illinois, Senator PERCY, who is Vice Chairman of the Kennedy Center Board of Trustees, also supports this provision in the supplemental appropriation bill.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., March 22, 1977.

Hon. ROBERT C. BYRD,
Chairman, Appropriations Subcommittee for the Department of Interior and Related Agencies, U.S. Senate, Washington, D.C.

DEAR BOB: You may recall that, on February 24, when the Senate passed S. 521, to authorize an appropriation for the repair of the Kennedy Center, the Senate adopted my amendment authorizing the roof and damage repair funds directly to the National Park Service. The House has enacted a somewhat different bill, but we have not yet been able to hold a conference to resolve differences.

Because of the need to begin emergency repairs, I hope very much that your subcommittee may include the necessary funds in the 1977 Supplemental bill as an appropriation to the Park Service. I fully expect completed authorization action to take place prior to final enactment of the supplemental.

The purpose of my amendment to authorize funds to the Park Service, rather than to the Center itself, was to fix responsibility in a Federal line agency, with an experienced Service having capability and established procedures, and enjoying a recognized relationship with the Congress and within the Executive Branch. The Park Service, as you know, has since 1973 been responsible for operation and maintenance of the nonperforming arts functions of the Center under the authority of P.L. 93-67. I believe this approach will facilitate the proper performance of the work and its more effective planning, budgeting, contracting, supervision and auditing.

I would be glad to discuss with you any questions you may have on this subject.

Sincerely,

JAMES A. MCCLURE,
U.S. Senator.

Mr. McCLELLAN. Mr. President, I move that the conference report be agreed to.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion.

The motion was agreed to.

(Subsequently the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider the vote by which the conference report on the supplemental appropriation bill was agreed to.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report on the supplemental appropriations bill was agreed to.

Mr. CURTIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Agricultural Conservation Program

For an additional amount to carry out the Agricultural Conservation Program, $100,000,000, to incur obligations for the period ending September 30, 1977, and to liquidate such obligations for soil and water conserving practices in major drought or flood damaged areas as designated by the President or the Secretary of Agriculture: *Provided*, That not to exceed five per centum of the amount herein may be withheld with the approval of the State committee and allotted to the Soil Conservation Service for services of its tech-

nicians in the designated drought or flood damaged areas.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 43 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

Construction and Maintenance

For an additional amount for "Construction and maintenance", $600,000, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 45 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $800,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 50 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: ", of which $4,025,000 shall remain available until September 30, 1978".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 52 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$90,855,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 59 to the aforesaid bill, and concur therein with an amendment as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 59 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$34,200,000, of which $15 000,000 shall be available only upon enactment of authorizing legislation".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 60 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: $25,700,000, of which $15,000,000 shall be available only upon enactment of authorizing legislation".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 61 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment insert: "$22,460,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 83 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert:

"$120,949,000, *Provided*, That allotments to each State under section 302 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act shall not be less than the allotments made to such States in fiscal year 1976."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 90 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

"EMERGENCY SCHOOL AID

"For an additional amount for 'Emergency School Aid', $17,500,000 of which $7,500,000 shall be for carrying out section 707(a)(13) through 707(a)(15) of the Emergency School Aid Act and $10,000,000 shall be for activities under section 708(a) of said Act, notwithstanding any other provision of said Act, to provide assistance to school districts for which section 706(a) funding is insufficient to meet their needs and which are implementing voluntary plans to eliminate or reduce minority group isolation."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 91 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: "$3,187,168,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 173 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

"OFFICE OF SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS, SALARIES AND EXPENSES

"For an additional amount for 'Salaries and expenses', $266,000: *Provided*, That not to exceed $3,800 shall be available for official reception and representation expenses."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 211 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$167,680,000".

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 35 to the aforesaid bill.

Mr. McCLELLAN. Mr. President, I move that the Senate concur en bloc in the amendments of the House to the amendments of the Senate Nos. 7, 43, 45, 50, 52, 59, 60, 61, 83, 90, 91, 173, 211.

The ACTING PRESIDENT pro tempore. Without objection, the motion is agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate recede on amendment No. 35.

The ACTING PRESIDENT pro tempore. Without objection, the motion is agreed to.

HOUSE CONCURRENT RESOLUTION

Mr. McCLELLAN. Mr. President, I ask the Chair to lay before the Senate House Concurrent Resolution 198, which makes certain corrections in H.R. 4877, the 1977 supplemental appropriations bill and ask unanimous consent for its immediate consideration.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. McCLELLAN. Mr. President, this resolution merely authorizes the Clerk of the House of Representatives to make certain corrections in the enrollment of H.R. 4877, the 1977 supplemental appropriations bill. During the recess, it came to the attention of the House that a certain citation should have read "section 203" rather than "section 204." This resolution merely corrects the mistake.

Mr. President, I move the adoption of the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 198) was agreed to.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

Mr. ROBERT C. BYRD. Mr. President, will the Chair lay before the Senate the tax bill?

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 3477, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. ROBERT C. BYRD. Mr. President, under the order Mr. JAVITS is to be recognized at this time.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT NO. 200

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. JAVITS) is recognized.

Mr. JAVITS. Mr. President, our purpose today is to discuss an amendment to the pending measure which will be introduced by Senator DANFORTH and myself and, hopefully, other sponsors, which provides for a permanent income tax cut in the income tax rates in the personal columns and for incomes, generally speaking, below $20,000.

Now, we mean the adjusted gross income, the taxable income, upon which tax is paid, and this figure includes about 90 percent of all taxpayers and, at a given point in my stating my views upon this question, I shall lay out the various categories in which taxpayers are found.

Now, the amount of the reduction is somewhere between 4 and 14 percent, depending upon the individual tax bracket.

In dollar figures, the savings will run to something in the area of $200 a year in their taxes for the great bulk of the taxpayers, and it will, in a practical sense, have no effect upon those whom we encourage as the "working poor." It will give them back a kind of negative tax reimbursement, in accordance with recent laws which we have passed.

The percentage distribution of this tax benefit is important. Those who have

enjoyed taxable incomes of $5,000 to $10,000 per year will receive 24.5 percent of the aggregate reduction, which will mean that those taxpayers in that particular bracket, who are now paying roughly a 19-percent rate, under our plan will pay an 18 percent rate. Taxpayers with incomes of $10,000 to $15,000 will receive 26.8 percent of the benefit of the tax reduction we are proposing here.

They are normally now in the 22-percent range for income tax purposes, and will be reduced to 21 percent.

The taxpayers in the range of $15,000 to $20,000 will receive about 17 percent of the benefit of the tax reduction, and those in the $20,000 to $30,000 range will receive a comparable 17.5 percent.

From then on, it diminishes to practically nothing in terms of taxpayers having higher taxable incomes.

The amount of the cost of the Treasury which is involved here is an average of $6.2 billion for 1977 and 1978, and $7.9 billion in 1979. Actual revenue losses in monetary terms will be $2.2 billion for fiscal years 1977 and 1978, as not a great part of those fiscal years will be included, and $10.2 billion when we get into the first fully realized year, which will be fiscal year 1979. So the aggregate cost for the rest of fiscal year 1977, which we are in now, fiscal year 1978, and fiscal year 1979 is $12.4 billion.

This is not after considering the reflows which occur by virtue of these tax cuts. These include reduced Federal transfer payments and increased tax revenues generated by the tax reductions themselves, and hence the projected net revenue loss—I have given the gross net revenue loss, which is $12.4 billion—is $1.8 billion in 1977 and $7.1 billion for the next fiscal year, making a 2-year total, which is as far ahead as we figured, of $8.9 billion.

A very critical aspect of this matter is how it affects the individual family, and I would now like to detail that.

We have combined in our amendment the effect of the present standard deduction increase, which will result, it is our understanding from the Treasury, in about 90 percent of all taxpayers taking the standard deduction—and, by the way, that is to be contrasted with about 70 percent now, so there will be a very material increase in the number of taxpayers who will take advantage of the standard deduction. Combining that, plus the effect of the rate cuts that we propose, we find, among taxpayers having taxable incomes of $8,000—again, I repeat, that is adjusted gross income for tax purposes—there will be a total reduction in the existing tax at the lowest level of $210 per year; for those at $10,000, $263; for those at $12.500, $280; for those at $14,000, $247; and from that point on it diminishes, and we get down to the figure of $183 per year for those at $17,500; $198 per year for $20,000; at $25,000, $220; at $30,000, $220; at $35,000, $220; and at $40,000, $220.

I ask unanimous consent that the table from which I have just read be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FEDERAL INDIVIDUAL INCOME TAX BURDEN—MARRIED COUPLE WITH 2 DEPENDENTS

[Combined effect of Javits/Danforth rate cuts and standard deduction changes]

TAX CUT

Adjusted gross income	Rate cut effects	Standard deduction effects	Total reduction
$3,000	0	0	0
5,000	0	0	0
6,000	0	0	0
8,000	$36	$174	$210
10,000	58	205	263
12,500	83	197	280
15,000	108	139	247
17,500	133	50	183
20,000	156	0	156
25,000	198	0	198
30,000	220	0	220
35,000	220	0	220
40,000	220	0	220

TAX LIABILITY

Adjusted gross income	Under present law	Under the proposals	Reduction	Tax cut (percent)
$3,000	−$299	−$299	0	----
$5,000	−300	−300	0	----
$6,000	−200	−200	0	----
$8,000	294	84	$210	71
$10,000	651	388	263	40
$12,500	1,114	834	280	25
$15,000	1,519	1,272	247	16
$17,500	1,976	1,793	183	9
$20,000	2,480	2,324	156	6
$25,000	3,570	3,373	198	6
$30,000	4,808	4,588	220	5
$35,000	6,218	5,998	220	4
$40,000	7,778	7,558	220	3

Mr. JAVITS. Percentage cuts, of course, are very high in the $6,000, $8,000, and $10,000 ranges, and start at as high as 71 percent for $6,000. Then they come down, at the $40,000 rate, to a 3-percent tax cut. Hence, the figures which I have, give a range of roughly 4 to 14 percent, on the average.

Mr. President, we have just been through the proposition of a $50 rebate, which the President withdrew. There is one popular conception—perhaps popular only here in Congress, but nonetheless it may have some attention in the country as well—which I think we have to deal with immediately, and that is the question of whether or not the rate cut which we proposed was a rate cut simply proposed as an alternative to the President's rebate, or whether it has a substantive standing of its own and is required by the existing and prospective economic situation.

It is our case, and I think it is a critically important element of our case, that it has an independent standing of its own, and is not only dictated but demanded by the present situation, and that, indeed, the promise which we have of further and more taxation—as, for example, in the President's energy package, and in the continuation of an accepted, no matter how we slice it, deficit of the order of magnitude of $50 billion—dictates a reduction of this character. Especially it is an essential element of our case that the history if this kind of tax reduction develops the proposition that more rather than less revenue will be engendered. Indeed, we think the case is made very strong for the proposition that even if we engendered just about the same amount of revenue, the situation of our country demands this kind of approach.

With that in view, I ask unanimous consent to have printed in the RECORD a schedule of individual income taxes reported in returns showing significantly the situation in tax reduction years and the situation in ensuing years, which is taken out of a report of the Finance Committee, Report No. 95–66, prepared as of March 28, 1977. I ask unanimous consent that that be printed in the RECORD at this point.

There being no objection, the schedule was ordered to be printed in the RECORD, as follows:

INDIVIDUAL INCOME TAXES (AS REPORTED IN RETURNS)

[In billions of dollars]

Year	Amount	Tax reduction
1944	16.216	----
1945	17.050	----
1946	16.076	(1)
1947	18.076	----
1948	15.442	(1)
1949	14.538	----
1950	18.375	----
1951	24 228	----
1952	27.803	----
1953	29.431	----
1954	26.666	(1)
1955	29.614	----
1956	32.732	----
1957	34.394	----
1958	34.335	----
1959	38.645	----
1960	39.464	----
1961	42,225	----
1962	44.903	----
1963	48.204	----
1964	47.153	(1)
1965	49.530	(1)
1966	56.087	----
1967	62.920	----
1968	76.638	----
1969	86.568	----
1970	83.787	(1)
1971	85.240	(1)
1972	93.360	(1)
1973	107.901	----
1974	123.560	----
1975 (estimate)	120.514	(1)
1976 (estimate)	140.414	(1)

[1] Years in which taxes were substantially reduced.

Mr. JAVITS. That does show an extraordinary pattern going back to 1944 of tax reduction years and very interesting results as a result of tax reduction in terms of more individual income reported for tax purposes.

Mr. President, I am not so naive as to pretend for a minute that the sole and only reason why individual income tax returns increased in such large amounts to be the fact that there was tax reduction, but it certainly is an interesting statistical pattern. I believe, because it is so generally consistent as a pattern, we have the right to make it a point in favor of this approach to our situation.

Mr. President, I believe the main reasons for our case are:

First, the structural weaknesses which have been demonstrated in the U.S. economy. These structural weaknesses are slow growth in the gross national product; an absolutely sticky unemploy-

ment situation, which the Government and the most optimistic forecasters do not predict will ease at all materially in the next 1, 2, or 3 years, and a persistent inflationary bias which, the moment you have a hard winter and take your eye off the ball for 5 minutes, results in double-digit inflation and a ruinous situation for the United States with an unbelievably deteriorating social, economic, and political effect on interest rates and on about any other standard that we could have.

Because I think it is so critical, I ask unanimous consent that some economic forecasts from leading analysts of the Wharton School and the Chase Bank be printed in the RECORD. They illustrate the danger which I am describing for the period ending in the fourth quarter of 1978.

There being no objection, the forecasts were ordered to be printed in the RECORD, as follows:

ECONOMIC FORECASTS, WITHOUT STIMULUS FROM TAX REBATES

Forecast variable	1977 (quarters)			1978 (quarters)			
	2d	3d	4th	1st	2d	3d	4th
Real gross national product (billion dollars):							
Wharton [1]	1,320	1,341	1,364	1,386	1,406	1,422	1,437
Chase [2]	1,309	1,317	1,326	1,329	1,332	1,337	1,346
Data Resources [3]	1,306	1,316	1,337	1,362	1,378	1,394	1,411
Percentage change:							
Wharton [1]	8.7	6.3	7.2	6.5	6.0	4.5	4.3
Chase [2]	4.5	2.3	2.7	1.1	0.9	1.4	2.7
Data Resources [3]	3.7	3.1	6.6	7.5	4.6	4.6	4.9
Consumer Price Index (1972=100):							
Wharton [1]	180.0	183.3	186.2	189.1	192.5	196.1	199.5
Chase [2]	179.3	182.4	185.7	187.7	189.7	191.7	194.0
Data Resources [3]	180.2	182.5	184.8	187.2	189.6	191.9	194.3
Percentage change:							
Wharton [1]	6.8	7.3	6.6	6.3	7.4	7.7	7.2
Chase [2]	7.0	6.9	7.5	4.3	4.5	4.4	4.8
Data Resources [3]	6.1	5.1	5.0	5.2	5.1	4.9	5.0
Unemployment rate (percent):							
Wharton [1]	7.3	6.9	6.6	6.3	6.0	5.8	5.8
Chase [2]	8.0	8.1	8.3	8.5	8.7	9.0	9.2
Data Resources [3]	7.5	7.5	7.3	7.1	6.9	6.7	6.6

[1] Wharton Economic Forecasting Associates, Apr. 1, 1977, forecast.
[2] Chase Econometrics, testimony of Michael Evans before Ways and Means Committee, Feb. 4, 1977, comparison tables 1 and 2.
[3] Data Resources, Inc., Quarterly Model of United States. Simulation performed by House Budget Committee staff for Joint Committee on Taxation.

Note: Predictions are at annual rates.

Mr. JAVITS. The fact is, Mr. President, that the gross national product was only a little over an annual rate of 5.3 percent in the first quarter of 1977; that the long-term outlook, as shown by this analysis and by many others, is depressing in terms of what we have to look to for the future in the growth of the gross national product and, what is so critical, in unemployment.

It should alarm my colleagues to note the wide difference between the Chase econometrics analysis model for the future and the Wharton School model for the future.

According to the Wharton School we will be down to a 5.8-percent rate of unemployment, which has, heretofore, been considered horrendous for the United States anyhow—5.8 percent means that we have almost 6 million unemployed—at the end of the fourth quarter in 1978. According to the Chase econometrics testimony we will have materially increased our unemployment by the end of that quarter to 9.2 percent of the working force, which verges on 10 million.

Another excellent source, Data Resources, which is widely quoted, comes to a figure about in between. It gets up to about 6.6 percent, roughly speaking about 6.5 to 7 million unemployed.

None of these figures, Mr. President, can be regarded as anything but most depressing, concerning, and pessimistic on the future of the economy, because of the structural defects which are evidenced by these matters I have discussed.

Mr. President, what are some of those structural defects which have been uncovered in our economy? Probably the prime one is the seeming inability to absorb new workers into the economy, especially youth, with an extraordinary figure of one-half of the unemployed, roughly 3.5 million, who are young people between the ages of 16 and 24, and the proportion which is an unbelievably catastrophic element of many communities in the United States where that unemployment rate for the particular community, often a minority community, runs between 40 and 60 percent.

In one group, for example, female minority teenagers, it runs almost consistently at two-thirds of those who are eligible for work but cannot find it.

Mr. President, that is a structural element of unemployment of a first character. Other structural elements of unemployment are the presence of jobs which require given kinds of training as our industrial machine is becoming more and more sophisticated; the location of those jobs in given areas of the country, with a seeming inability to come up with the necessary training to equip people to occupy those jobs or to put people in those areas of the country where those jobs are located.

Also, we have, by no means, dealt with the demographic shift in the United States which also results in enormous unemployment, a shift in the civil rights struggles in the fifties and the sixties from the South to the North; a shift from Puerto Rico to industrial areas; an important move out of Cuba into the United States when hundreds of thousands came here and found a place and found jobs, and comparable demographic shifts including the movement of a very large number of people from Mexico into the United States, because of depressed economic conditions there.

(Mr. ANDERSON assumed the chair at this point.)

Mr. JAVITS. These are some, but far from all, of the structural defects to which I refer.

To complicate our problem even further we have the fact that there has been a very material fall in productivity in the United States which for decades was the great strength of this country, our ability to produce per man hour in a way in which no other nation could, both because of the methods of production and the machinery through which production was carried on. We are now in the cellar, as they say in baseball, among the 10 leading industrial nations of the world in terms of productivity.

These problems have presented us with certain results which also make the problems even more severe, to wit, and inadequate capital investment, a very disappointing capital investment development even in the recovery, which is ongoing right now, which leaves us, and threatens to continue to leave us, in the cellar on this issue of productivity.

Let us look at a figure which is interesting. The Council of Economic Advisers, in its 1977 annual report to the President, noted that, while growth and output per manhour in the private business economy averaged 3.3 percent in the years from 1948 to 1966, it fell by one-third, to 2.1 percent, in the years from 1966 to 1973. Though the data was not immediately available for the years following that, the Council, which is an official Council of the President, itself declared that—

> The decline in productivity growth has been appreciative and the report said the reasons for this slowdown are not fully understood.

One reason adduced by the CEA report is a marked slowing in the growth of capital relative to the growth of labor input as measured in hours of labor, increases in the capital-labor ratio, which have been associated closely with gains in labor productivity. So the growth of the labor force has accelerated since the mid-1960's, but the growth of the capital stock, which makes the labor force truly meaningful in terms of production,

has not kept pace. It is a very severe and serious problem.

Finally, many of our experts are now coming up with a proposition that our industrial plant is obsolescent. The vaunted and justifiably vaunted power of our country in terms of its productive machinery is getting out of date, simply because it has not been adequately renewed. We see now quite a number of demonstrations and stories which tell us that industrial plants of one kind and another, in countries which normally did not keep pace with the United States—in Western European countries, in Japan, and, indeed, in other parts of the world, even some of the less developed countries—are far ahead of our own in terms of the modern technologies which are employed. In short, because of the difficulties which I have described, the very elementary strength of our country in this particular field is ebbing. If we are going to do anything constructive with a stimulus program which depends upon taxation, we have to make a strong and definitive move in that regard.

Mr. President, I was pleased that the 12-percent figure was kept respecting corporations and other business concerns. I think that Congress, by a very decisive vote, evidenced its view that we have to stimulate business investment and business reemployment in the votes which were taken yesterday. It seems to me, Mr. President, that left an absolute vacuum on the question of stimulating the individual, both in his desire to put out as a worker and in his capacity to invest, because of his confidence in the future of the country.

Mr. President, which of us, and I speak of us as Senators, no matter what State we come from, does not feel the deep public costs respecting the fact that, somewhere, somehow, there has to be recognition of the incentive factor which comes out of taxation? Of course, we have the salient example of our sister country, the United Kingdom, where all or a great deal of the initiative has been sapped away because of the tax system, which has resulted in such a precipitate decline of industrial power and then of the political power and the security power of one of the greatest nations that has ever existed on Earth.

So, Mr. President, in debating this issue and this particular amendment, there are very serious and very permanent problems of the American economy which are involved. I believe that it dictates very clearly that in this measure, which contains other aspects of benefit to the taxpayer, if we wish it to have a meaningful economic effect—and that is, after all, its whole purpose and intent—we have to make a material contribution to that particular result. The way in which we can make it without a loss of such amount of revenue as to jeopardize the order of magnitude in which we are accepting a deficit in respect of what remains of 1977 and 1978 is by a reasonable cut in the permanent income tax rates. That is the history. That represents a very deep demand on the part of our people in terms of a stimulus to their own creativity and to their own initiative and development quality. It represents a response which seems appropriate to the particular situation in which we find ourselves.

Let us remember that what we need to do is create real demand in this country on a capital goods level. That is the big thing which is lagging in our existing situation.

One other observation, Mr. President, about the individual, which is interesting to me. Ever since I have been an adult and been engaged, whether as a practicing lawyer or otherwise engaged in the affairs of my city, State, and country, I have taken great pride in the fact that the total condition of our people was moving upward, improving. Now we have what perhaps is the most depressing statistic of all, which is that the real standard of living of the American people is somewhat depreciated, estimated to be down about 3 percent. If there is anything that proves more conclusively than anything else that there is something very deeply wrong in the system, it is that kind of figure. We are slipping back instead of moving forward as the remarkable example to the world which we have always been. Again, this dictates an approach to our situation which will give our people encouragement, a greater sense of confidence in the future, a sense that we know how to deal with our economic situation in intelligence terms, and that we intend to deal with them fairly whenever the situation at all allows, as it does right now—with, as I say, the vacuum created by the fact that we have no provision in this bill for the individual which equates with that which is made available to the business community.

That is a very, very critical reason for the amendment which we are proposing to the Senate.

The other matter which is critical right now is that our taxpayers have been put into—I do not like to use the word "artificial," but simply for the purpose of giving us a picture of the situation which we face, it is a useful word. They have been put into artificially higher brackets simply by inflation itself and, therefore, a readjustment of that situation is the reason why I say that it will contribute to a sense of confidence to give initiative for working and working better, initiative for investing in the future of the country and not being as intimidated as I feel investors are today by the specter of inflation.

We find that because of our progressive income tax percentages. The more dollars we earn, regardless of what they buy—and that is a critically important distinction—the more dollars we earn, regardless of what we buy, the higher becomes our tax rate and we get into what we call higher brackets.

Now, when this is attributable only to inflation, because we are getting more dollars through negotiations and relationships with our employer, but we are falling behind instead of catching up, there is no reason why we should not recognize that in the income tax rates we fix, and, as I say, to inspire confidence to get us to move forward in terms of the investment in the country which is so very badly lagging, this becomes a critical issue.

It is estimated that inflation alone will increase tax collections about $6 billion per year. In 1975, a family of four earning $12,000 paid 8.7 percent of its income in Federal taxes.

Under current law, under the current tax schedules, that percentage will increase to 10.5 percent, about a 25-percent increase in 1978.

The proposed cut in the tax rates which we make in this amendment, combined as they are with the proposed changes in the standard deduction, would reduce that tax liability to 8.7 percent in 1978.

Comparably, a family of four with an income of $18,000 in 1975 paid 12.1 percent of that income in Federal income taxes.

This is expected to increase to 13.5 percent, roughly a 10-percent increase, through inflation alone by 1978.

The tax cut in the rates proposed in our amendment would reduce the 1978 liability to 12.7 percent, or in round figures something like 3 or 4 percent increase.

Only a permanent income tax can offset the effect of inflation in moving taxpayers into successively higher progressive tax brackets, thereby eroding disposable personal income and, obviously, weakening consumer confidence, the desire or willingness to invest, and other comparable factors.

The former Council of Economic Advisers Chairman, Arthur Okun, has pointed out that a major cause of the decline in the disposable personal income which precipitated the 1974–75 recession was:

> The value of personal exemptions and the width of tax brackets are set in nominal rather than real terms. The progessivity of the tax system operated with respect to gains in nominal income.

Therefore, drawing my own conclusion, because of the earned personal income share that went to personal income taxes being increased out of line with what that money bought, it is necessary, for that reason alone, to adjust those figures, and our amendment just about does it. It just about does it and no more.

If we needed any absolutely final and decisive reason for our attitude on this amendment, it would be that one.

Mr. President, there is only one argument and that is the fiscal responsibility which is involved. I should deal with it, because our side of the aisle here has prided itself on this as one of its major political and public positions which would dictate against a cut in the permanent tax rates, and every other consideration, including the one of equity and fairness in readjusting the progressivity of the tax brackets into which people ascend purely in dollar terms regardless of what the dollars buy.

In other words, do we have a right to increase the deficit even momentarily in order to realize these objectives which I described?

That has not only been the result in considerations by me, but by many others concerned in this body, and with some of our leading economists around the

country, I believe that it is justified in this case on the same ground that we make an investment, in order to get a return or to get a result at a future date.

I know of no investment more desirable from the point of view of the United States than an investment in the creativity and the initiative of our people, giving a stimulus to that creativity and initiative, and an inducement to put it forth in the very great tradition which has represented the productivity of the United States.

That is why I spent so much time, Mr. President, analyzing in detail the structural deficiencies in the American economy which can be better dealt with if we have a people with confidence, real confidence in its future, in the soundness of its money, in the fact that its Government is not only compassionate—and I certainly will yield to no one in that practice and that preachment here on the Senate floor and in everything that I have done—but is also intelligently stimulating the resources of its own people by encouraging to continue the path which has characterized the growing strength of our country, the path of productivity, the path of investment, the path of confidence in the country's future.

Finally, Mr. President, I would not complete my argument for this amendment without a reference to its international implication. This is not because of hands across the sea, or being kind to my fellow men, or the fact that we cannot be a rich man on a poverty stricken street, all of which are classic arguments respecting the foreign aid programs of the United States and are absolutely valid and true today as they were beginning in the period after World War II.

But, Mr. President, this is even a superior point to the ones I have uttered, and for this reason. Notwithstanding our detractors all over the world, our detractors in the so-called free world and our detractors in the so-called Communist world, the fact is that the U.S. economy is the linch pin of the world's economy.

If our economy is not strong and prosperous, the whole world lags with the most devastating social effects and effects upon the prospects for peace and the prospects for freedom, let alone their economic and political effects.

Mr. CURTIS. Will the distinguished Senator yield?

Mr. JAVITS. Of course.

Mr. CURTIS. Mr. President, I commend the distinguished Senator from New York for his presentation of the need for a permanent tax cut.

I should like to ask the distinguished Senator a few questions.

Is it not true that the current inflation has caused many people to be moved into a higher tax bracket, while the purchasing power of their earnings has not increased?

Mr. JAVITS. That is absolutely true, borne out by the facts. They have even slipped back, because we show a 3 percent diminution in the real value of people's earnings.

Mr. CURTIS. The time may come when we will have what is called indexing. That is a complicated matter, and the formula must be worked out with care. But does not the presentation and adoption by Congress of a permanent tax cut, even though it is modest, assist people in meeting that problem, of having an increase in tax and no increase in real earning power?

Mr. JAVITS. It assists them in two ways. The Senator is absolutely right. It assists in absolute terms. They pay less money for taxes, and I have given the figures. It assists them also in the feeling that they have a government which understands the people's problems and that when it can, it acts in order to deal with those problems; that it is not just a compassionate government, but that it also is a just government.

Mr. CURTIS. I refer to those groups of people who have to watch their money carefully, but they are on the verge of perhaps buying a home or improving a home or buying some needed utility for the house, or even getting a new automobile. The fact that this tax consideration can be given to them and would be in the nature of a permanent tax cut, which they could depend upon, may assist that particular group in generating more activity in our economy. Is that not right?

Mr. JAVITS. I thoroughly agree with that.

It is a very interesting point that one of the bright spots in the recovery is even the marginal recovery in home acquisition. We are not at the 2 million mark yet, which should be the very minimum for our country. We are at 1,850,000. But the fact that that has been seized upon as showing recovery really is happening indicates that it is critically important.

My State has an enormous population, as the Senator knows—his own State may reflect the same thing—and many families have expressed it by saying that they see some light at the end of the tunnel, that government understands that we have to show that income tax rates can go down as well as up.

Mr. CURTIS. Is it not true, also, that when there are hands reaching in and taking part of the pay check, whether it is a heavy tax load or inflation, it follows that there is less money left in the pay check for the purchase of things?

Mr. JAVITS. There is no question about it.

We understand here—though the Senator and I do not necessarily vote the same way on many things—that we cannot always please everybody, that you cannot run a government without cost. With respect to armaments, the Soviet people are paying right out of their backs, almost one-third of the national sustenance, which is an unbelievable figure, but that is what they are doing. You cannot do that without it costing a great deal of money and a great deal of taxes.

Therefore, we cannot be popular all the time. We have to tax, too. But when we can, as in a situation such as this, as I have described it, we certainly should do it; and it certainly will contribute to the point the Senator makes—to wit, giving the individual more disposable income of his own.

Mr. CURTIS. When his disposable income is cut down, his purchases are reduced to the bare necessities of living. Is that not correct?

Mr. JAVITS. That is right.

Mr. CURTIS. And perhaps sometimes it has gone to a level where it should not be. This is related to our employment problem. Is it not true that it does not take very much of the work force of the country to produce merely the bare necessities of life?

Mr. JAVITS. We are operating today at about 80 percent of our plant capacity. I do not know of any shortages.

Mr. CURTIS. My point is this: If the tax load and inflation take so much of the income—the pay checks and other income—the people's purchases are reduced to bare necessities. They are not buying those things which lead to additional employment, such as rugs, draperies, new TV's, skis, boats, whatever they want to spend their money for.

That is one lesson that Washington must keep in mind all the time: That if we are going to have full employment in this country, our citizens must be able to purchase beyond the bare necessities of life.

Mr. JAVITS. That is right.

Mr. CURTIS. I will not take any more time of the distinguished Senator. I commend him for his presentation and the strong argument for the need of a permanent tax cut. I am sure he shares the view of many people that a sizable tax cut would be very welcome. But within limits, a tax cut can so encourage the people and spur our economy that the base upon which the taxes are levied goes up, and we actually lose no revenue. Is that correct?

Mr. JAVITS. That is the history. That is why I produced the table, with which the Sentor had much to do in preparing.

Mr. CURTIS. I thank the Senator for yielding.

Mr. JAVITS. Mr. President, I should like to finish my observations on the international level.

The economy of the United States is the linchpin of the world's economy. There was some talk here the other day about the less-developed countries which are being subjected to tremendous financial danger by the borrowings which they have to make in order to meet their international balances of payments, heavily attributable to the oil situation, the OPEC oil price, which is a highly uneconomic price; that the economies of the United States, Germany, and Japan, in terms of success and productivity, should be stimulated; that they would have a chance through foreign aid to make themselves more viable in terms of the enormous amounts of money they have had to borrow, including billions of dollars, as we all know, from U.S. banks, dollars which give us considerable concern, though we are well satisfied that our banks are well able to meet those responsibilities.

That was true not only of these less developed countries, representing almost three-quarters of the world's population, but also of the developed countries. They, too—Britain, Italy, and other countries, highly developed countries—felt that it was absolutely essential to stimulate the economies of these three unusually productive countries—to wit, the United States, the Federal Republic of Germany, and Japan—in order to assist them to avert the worst consequences of recession.

So, Mr. President, I feel it consistent with my philosophy. I am not known as a cutter or as necessarily the greatest economizer in Congress. I believe that we have to incur bills for things which need to be done for our people and to pay the tab.

But when, in a situation like this, it is possible and constructive and will reduce rather than increase inflation to adjust the tax rates to a situation which has been forced upon the American people through no fault of their own really, wars and other dislocations in our country, and which have put them into tax brackets in which they should not be in real purchasing power terms, when we have the opportunity to readjust those brackets I believe we should take advantage of it.

For those reasons, Mr. President, I hope very much the Senate will sustain Senator DANFORTH, myself, and our other colleagues who will join with us in respect to this amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. DANFORTH. I yield.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Paul McDaniel be granted the privileges of the floor during the consideration of the tax bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I am certain that the very able Senator from New York (Mr. JAVITS) has done an outstanding job of informing the Senate as to what is involved in this amendment.

If you examine the text of the amendment it appears to be an amendment containing charts with figures on them, and sometimes charts are not the easiest things to understand.

But putting it in the simplest possible terms, what this amendment does is to start out with the action that was taken in the Committee on Finance, and that is in the bill before us; namely, to adopt the modification in the standard deduction, and then to add on to that modification of the standard deduction a rate reduction in the marginal tax rates for taxable income of $20,000 or less.

This means that because the marginal rates on the first $20,000 are affected, all taxpayers will benefit by this tax cut. No taxpayer is left out as a result of this proposal.

However, what has been done in this amendment is that the effect of the rate reduction has been targeted on the first $20,000 of adjusted gross income, and that means that the beneficiaries of most of the effect of this amendment would be middle income and low income taxpayers.

People who have adjusted gross incomes of zero to $5,000 would receive 5.1 percent of the benefit of this amendment. Taxpayers falling between $5,000 and $10,000 would receive 24.5 percent of the benefit. Taxpayers with adjusted gross incomes of between $10,000 and $15,000 would receive 26.8 percent of the benefit, and taxpayers between $15,000 and $20,000 of adjusted gross income would receive 17.7 percent; and taxpayers between $20,000 and $30,000 would receive 17.4 percent of the benefit.

That leaves only about 8 percent of the total amount of dollars reduced in taxes going to people with adjusted gross incomes of over $30,000. However, typically, all taxpayers would receive a tax cut if they had a family of four. Taxpaying units with a family of four would typically receive a tax reduction as a result of this amendment of about $200. That would be the result of the amendment when combined with the effects of the change in the standard deduction, which we adopt in this amendment.

The way the proposal would work, typically, would be to knock a percentage point off the marginal tax rates for taxpayers with taxable incomes of $20,000 or less. For example, the marginal tax rate for a taxable income between $16,000 and $20,000 is now 28 percent. The effect of this amendment would be to reduce that from 28 to 27 percent.

Similarly, the marginal tax rate for a taxable income betwen $12,000 and $16,000 is 25 percent. This proposal would reduce that from 25 to 24 percent. The marginal tax rate for an income between $8,00 and $12,000 is 22 percent. Again, this would reduce that from 22 to 21 percent; and so it goes down the scale.

The tax rate between $1,000 and $2,000 is 15 percent, and that would go to 13 percent, a 2-percent reduction. Between zero and $1,000, it would go from 14 to 12 percent. So we are talking generally about a reduction of one point, or at some levels two points, in the tax rates for joint returns, which are the figures I have been giving, for joint returns for the first $20,000 of adjusted gross income.

The effect of this would be that if you look at the tax rates themselves of people in this category, $20,000 or less, the tax rate reductions for them would range between 4 and 14 percent.

The effect of this plus the standard deduction which is incorporated, as I say, in this amendment, the change in the standard deduction which is already in the Finance Committee bill, would be as follows:

For a married couple with two dependents now earning $8,000, their total tax reduction would be $210. Of that amount, $174 would be accounted for by the change in the standard deduction, and $36 would be accounted for by the change in the tax rate.

Picking another range, for a married couple with two dependents with adjusted gross income of $15,000, the total tax saving as a result of this amendment would be $247. Of that amount $108 would be accounted for by the rate reduction and $139 would be accounted for by the change in standard deduction as recommended by the Finance Committee.

For a married couple with two dependents with an adjusted gross income of $17,500, the total tax saving would be $183. Of that amount, $133 would be accounted for by the rate cut proposed in this amendment, and $50 of the change would be accounted for by the standard deduction.

For families of four with adjusted gross incomes of $20,000 or more, all of the benefits that they would receive would be a result of the rate reduction rather than of the standard deduction.

The basic theory of this amendment, Mr. President, is that a good part of the problem with the economy today derives from the fact that the average taxpayer, the low- and middle-income taxpayer, is being penalized by a combination of a high rate of inflation and a high rate of taxation, and the result is that for every marginal increase in a person's income, for particularly middle- and low-income taxpayers, much of that increase goes not into the pocket or into the bank account of the taxpayer, but instead is being drained away either directly by taxes or by inflation, and it is our position in presenting this amendment that the problems with the economy are built into the high rate of inflation and the high rate of taxation hitting this middle- and low-income group of taxpayers.

Mr. PERCY. Mr. President, will our distinguished colleague from Missouri yield for a unanimous-consent request?

Mr. DANFORTH. Certainly.

Mr. PERCY. Mr. President, I ask unanimous consent that the comments that I made following the President's speech on the energy crisis and certain editorials be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S NATIONAL ENERGY PLAN

Mr. President, I would like to take this opportunity to voice my strong support for the goals and objectives of President Carter's energy program outlined in his speech to the joint session of Congress last night. In future weeks, I will be commenting in greater detail on the specifics of the plan. But today, I simply want to voice my admiration for the President's effort to make fuel efficiency the cornerstone of the nation's energy policy.

In calling for substantial participation by all sectors of society, the President has acted boldly and courageously. As he publicly

acknowledged, special interest groups will inevitably object to the sections of his proposal which require sacrifices from them, while applauding the imposition of hardships on others. We would all do well to heed the President's advice and show ourselves willing to compromise our own selfish interests in the pursuit of the common good.

What makes President Carter's program so different from earlier attempts to resolve our energy problem is its heavy emphasis on conservation. Strong measures to curb our consumption of fossil fuels have been rejected in the past because a slowdown in energy-use growth was thought to lead to an inevitable slowdown in economic growth. This assumption has been resoundingly disproved by economists in government and academia. If anything, the President's program will improve the state of the economy through creation of jobs and through curtailment of costly energy waste.

If it has not been clear in the past, it is painfully clear now—conservation of energy is absolutely crucial. Heedlessly, we have been doubling and redoubling the amount of energy we consume, as though supplies were limitless. The end to the period of cheap and plentiful energy is now a reality, one we must accept.

We must reject the advice of those who tell us that the U.S. need only produce more and more energy in order to evade the crisis. For years we have listened to these soothing voices, and now we have drawn perilously close to an energy catastrophe. The time has come to reject this illusory solution and accept the need to curb our energy appetite by using fuel more efficiently. Conservation is the only lasting means of resolving the related problems of increasingly scarce fuel supplies, over-dependence on foreign oil, environmental degradation and capital constraints.

Cutting back on wasteful and inefficient uses of energy has long been one of my own personal projects. For this purpose, the distinguished Senator from Minnesota (Senator Humphrey) and I founded the Alliance to Save Energy, a private, nonpartisan, nonprofit organization dedicated to the promotion of rational energy-use habits in all sectors of our economy. It was very heartening to see included in the Carter plan many of the measures I have been advocating for years: a tax on gasoline a "gas-guzzler" penalty on automobiles which fail to meet minimum mileage standards, peak-load pricing for electrical utilities, and the encouragement of residential and industrial insulation, to name just a few.

Naturally, I have some reservations about the President's plan. I have long been an opponent of excessive government intervention in the private marketplace, and the proposals embodied in the Carter program for increased restrictions on energy pricing are troublesome to me. But all of us will have to make adjustments of some kind or another as we develop an oversee balance program.

We desperately need a comprehensive energy policy of the sort envisioned by President Carter. We will never have one unless we in the Congress approach the subject in a spirit of constructive compromise. But in our efforts to reject the one extreme of self-serving obstructionism, we must not fall victim to the other extreme of passive and uncritical acceptance.

There are several aspects of the plan which need careful scrutiny. For example, the "gas-guzzler" tax must somehow be reconciled with our long held support for freer trade and does not violate any of our existing trade agreements. Also, we must be sure that the plan provides sufficient help to low-income and elderly people, the groups hardest hit by higher fuel prices.

As suggested by President Carter, the Congress can best demonstrate its support of the goals of the National Energy plan by enacting a Joint Resolution committing the Nation to:

Reducing annual growth of United States energy demand to less than two percent;

Reducing oil imports from a potential level of 16 million barrels a day to less than 6 million barrels, about one-eighth of total energy consumption;

Achieving a 10 percent reduction in gasoline consumption;

Insulating 90 percent of all residences and other buildings;

Increasing coal production on an annual basis by at least 400 million tons; and

Using solar energy in more than two and a half million homes. I endorse these goals and urge my colleagues to enact a Joint Resolution committing us to them.

Reaction on the President's energy message are contained in a statement I released after the President's speech. The President has received thought provoking press coverage of his findings and plan of action. On April 20, 1977, there appeared three incisive editorials on this subject, one in the Washington Post and two in the New York Times:

STATEMENT BY SENATOR CHARLES H. PERCY ON PRESIDENT CARTER'S ENERGY MESSAGE TO CONGRESS

President Carters energy message to Congress is a bold and comprehensive challenge for a national attack on America's critical energy crisis. The President's proposals deserve the careful but prompt consideration of Congress. And, more important, the Congress and all sectors of our society must get behind a comprehensive plan to save energy or we risk the future well being of all Americans.

By emphasizing the necessity of energy conservation because of inevitably higher energy prices, the President has taken the tough approach to cutting our extravagant waste of both expensive foreign oil and dwindling domestic supplies of oil and natural gas. For consumers, conserving energy is one of the best ways to save money. The President also has provided sound incentives for environmentally-safe use of our abundant coal supplies and development of such new energy sources as solar power. Only strong incentives will work; voluntary measures have not worked.

Every American is being asked to join the energy conservation effort to avert what the President has correctly warned will be a national catastrophe if we fail to act. Sacrifice will be required by every citizen and every interest group, but it is far better to sacrifice now than to do nothing and eventually face the day when America would go into economic decline, hostage to the nations which control the world's energy resources.

It is absolutely essential that American motorists stop squandering energy. A higher Federal gasoline tax, along with an equitable income tax rebate, will place a realistic price on gasoline. What is more, stiff taxes on the purchase of gas-guzzling cars and rebates on the purchase of fuel-efficient cars will reward the purchase of cars that meet the nation's conservation goals.

The President has wisely provided consumers with attractive economic incentives to improve energy efficiency in their homes. Through tax credits for installation of insulation, storm windows and clock thermostats, along with requirements that utilities offer financial and technical assistance for the installation of these energy-saving devices, the national conservation effort will reach out to every homeowner, and at the same time will provide savings in fuel bills.

The President has correctly extended the war on energy waste to the artificially-low pricing of domestic oil and natural gas. Once again, realistic pricing is the best mechanism to end waste of cheap, underpriced fuel.

It is essential that Congress work diligently in the weeks ahead to assure that new energy policies enacted into law are fair to every American. We also must accommodate the needs of those hit hardest by higher energy prices—particularly the aged and the poor.

President Carter has delivered the strongest challenge to America of any peacetime President. There will be disagreement and debate over many of his specific proposals, but no one can soundly question the severity of the nation's energy crisis or the urgent need for action. It is up to every American to join the national energy conservation effort. This is the underlying purpose of the recently created Alliance to Save Energy.

[From the New York Times, April 20, 1977]

CARTER'S FIRST BIG CRUNCH

(By C. L. Sulzberger)

PARIS.—President Carter has addressed himself admirably to the greatest long-range problem of the United States and the rest of the industrialized world. If he succeeds in gaining national and international support for his energy program he will have shown himself able to act in the grandly effective manner of another Democratic leader, Franklin D. Roosevelt. But the road remains long, twisting and studded with pitfalls.

Mr. Carter's first step was to charge the brilliant, tough James Schlesinger with the principal task of coordinating a policy designed, in the very long run, to prevent America from either sliding into the paralysis of subzero growth, such as that toward which unhappy Cambodia now stumbles, or heading gradually toward old-fashioned recourse to war in search of raw material sources—in this case fuel. Neither extreme need ultimately be considered absurdly alarmist.

The nation's energy problem—as Mr. Carter said Monday night—is already worse "than it was in 1973 or a few weeks ago." Without enough energy a wasteful, over-industrialized society must grind to a halt just as inevitably as Cambodia doomed itself when it deliberately destroyed its few factories, such as sugar refineries and slew its few technicians.

As for war in quest of material gain—known familiarily as imperialism—this is a very old and ingrained habit in mankind, the only living species save the harvester ant to organize conquests for that purpose. Anyone who remembers those trial blimps floated during the Kissinger-Ford Administrations implying that Washington might encourage Israel to seize Saudi Arabia's petroleum wells, can see that the idea is not 100 percent removed from contingency "thinking."

The Carter energy program is the first fully thought-out prescription for one of the nation's crucial difficulties. Should it succeed, it will take its place among historic milestones such as the N.R.A. (National Recovery Administration) or the Lend-Lease Act. One inevitable short-term development will be Mr. Schlesinger's assumption of the Cabinet's principal post—coordinating all energy problems as a kind of souped-up, perhaps less crusty, certainly more intellectual Harold Ickes.

Already, though the barest blueprint has yet been outlined—stressing conservation of automobile fuel, air conditioning, etc.—so-called "special interests" (normal to any free society) have begun to holler: oil companies, automobile manufacturers, coal producers,

economists, consumer pressure groups. But Mr. Carter is on the right road, and he and Mr. Schlesinger will have to bulldoze their way down it.

It is beyond high time for the West's fat-dripping societies to cease choking themselves on the uninhibited exhaust of factory and engine pipes; stalling amidst traffic jams induced by overuse of cars (in two-, three-, or four-car families); freezing themselves in air-cooled summers and boiling themselves in air-cooked winters, all devouring petroleum we haven't got.

Is it unreasonable that a nation which can dispatch men to the moon should be unable to build more efficient automobiles with engines that expend less fuel for more power?

Even four years ago James E. Akins, then U.S. Ambassador to Saudi Arabia and later fired by Mr. Kissinger for being abrasively and profoundly right, wrote: "To look simply at the world's oil reserves and conclude they are sufficient to meet the world's needs can no longer be acceptable."

It is a fortunate coincidence that Mr. Carter's energy policy assumed shape just before his first Presidential trip abroad to London's economic summit and also as the International Atomic Energy Agency convenes a conference in Salzburg on nuclear power.

There have already been differences in energy approaches between the United States and other industrial nations. These seemed heightened by the President's attempt to ban the spread of weapons-grade plutonium, thus hindering certain reactor projects.

All aspects of energy—petroleum, natural gas, solar power, coal, hydro-electric power and nuclear—are indeed linked and some industrial lands—notably Japan and France—are woefully short on fossilized fuel. But Mr. Carter already has indicated to Roy Jenkins, president of the European Commission, that Washington's plutonium views won't harm Europe's energy plans.

Yet these remain details—crucial details but incidental to the problem of getting the world to agree on how to face future energy needs. And it is right that the largest industrial power and greatest energy consumer should lead the way in showing what can be done to conserve what exists, rationally share out what is coming, and pioneer in the development of new sources like the sea and air around us and the sun above.

[From the New York Times, April 20, 1977]

MR. CARTER'S CERTAIN TRUMPET

But even those two Midwestern potentates would never have been able to wreak such havoc had it not been for the . . . total incompetence of the last three men to occupy the White House, especially the fool who finished off our country by presiding over the Crash of '79.

That havoc, described in Paul Erdman's best-selling novel of petrodollar intrigue, is, of course, imaginary. But something approaching it is imaginable. The muscle and comfort of the United States depend on energy—and increasingly, on foreign oil. And, the world's oil supply is getting scarcer and scarcer all the time. The perils may not cause a "crash" by 1979 but they are already alarmingly evident.

Fortunately, as his first energy message demonstrates, Jimmy Carter is no fool. He has taken as his text the famous lines of William James: "What we now need to discover in the social realm is the moral equivalent of war, something heroic that will speak to men as universally as war does." In words as somber as his suit, Mr. Carter has called the nation, peaceably, to arms. There will be time enough, after Mr. Carter details his energy program tonight and in coming days, to assess the merits and the politics of specific proposals. For the moment, he is entitled to respect and support for a brave beginning.

Mr. Carter did more than he had to, as a politician concerned with the moment. He did all that a President concerned for the future could do. Rather than wrap an innovation or two in an otherwise familiar—and safe—catalog called an energy program, he outlined a complete, coherent strategy. His approach lays out the problem for the public to understand; but it also exposes the Administration to maximum political risk as it tries to press its strategy on several difficult fronts at once. As an example, note the haste with which Senator Howard Baker, the Republican leader, moved to pronounce, even before tonight's detailed message and without regard to need or alternative, that he is "unalterably opposed to a gas tax."

It is doubtful that the public will rally quickly to Mr. Carter's trumpet, no matter how certain its call. The embargo of 1973 has faded; it is almost an exercise in nostalgia to recall such emblems as the anti-Arab bumper strips that read "The faster you drive, the richer they get." Now, to the ordinary householder the problem of how to pay last month's fuel bill looms much larger than whether there'll be enough fuel, at any price, in the winter of '85.

Still, the President is right, as well as brave, to press this test of Americans' willingness to behave in their long-term best interests. He may not win on every front quickly. But the effort will make the development of a sound energy program steadily easier and the threat of upheaval steadily less fearsome, until finally the United States can gain energy security, and with it, the moral equivalent of peace.

[From the New York Times, April 20, 1977]

THE PRICE OF ENERGY INSURANCE

As the Congressmen trooped out of the briefings yesterday on the President's energy program, they agreed, apprehensively, that it would be "controversial." A truer word was never spoken. Sen. Howard Baker has already pledged undying hostility to the gasoline tax. He claims to see in it another attempt by the bloated East to fasten its hegemony on the sturdy motor-driven yeoman of rural Tennessee. Members from the oil states deplored the inadequate emphasis, they said, on increased domestic oil production. Meanwhile, the members from the automobile states deplored the excessive emphasis, they said, on automobiles. It was a busy day—and, remember, the legislative details won't begin to appear until the President speaks to Congress tonight.

Oil imports are currently just over half of our national oil supply. Depending on 9 million barrels a day of other people's oil is hazardous to your economic health. That huge volume, and the prospect of continuous increases, maintains a tight seller's market for OPEC.

Some Americans, including some in Congress, seem to have the idea that OPEC's current price, around $13 a barrel, somehow reaches the limit of possibility. On the contrary, OPEC could raise it to $20 tomorrow and, as a matter of economics, the United States couldn't do anything but to keep buying and keep crying. If the Arabs wanted to use the oil weapon again and cut off sales altogether, the whole industrial world would be thrown into chaos—again. This country and the countries of Europe have been pouring armaments into the Perisan Gulf region to pay for oil. If somebody ever begins to use those weapons, it wouldn't take much of a war to close the Gulf completely to oil tankers.

For people in politics, it's an awful position to be in. If Mr. Carter and Congress put through all these severe and unwelcome measures to reduce our oil imports, maybe the country can avoid the dire possibilities of embargo and extortionate pricing. But then no congressman could ever prove to his constituents that this insurance policy had been necessary. It's like taking a flu shot. You always remember the sore arm, but never the case of flu that you didn't get. Nobody can count the people who didn't die in the epidemic that didn't happen. Nobody can reckon the cost of an oil shortage that wise public policy prevented.

It's Congress' job to challenge and test each line of the President's energy program. As the President himself candidly observed, it's a complex structure, and there's something in it for everybody to hate. But for Congress and everyone else, in the end the question isn't whether you like it all down to the last nut and bolt. It's whether you can think of any better answer to a danger that is, unfortunately, a real one.

Mr. PERCY. I would incidentally like to point out that though I disagree with the President in some areas, in thrust I certainly agree with him, and I think that this tax bill is a wonderful opportunity for us to provide support for the President and, in the first instance, in many of those conservation measures that require tax incentives, so that tax incentives are being offered as an inducement, to offer people and industry an inducement to do something that is necessary in our national interest and in the interest of conservation of energy.

As to the parts of this bill regarding energy reported out by the Finance Committee, I commend the chairman and the entire Finance Committee for an excellent job.

Mr. LONG. Mr. President, will the Senator yield at that point, while he is still on the floor?

Mr. PERCY. I yield.

Mr. LONG. Let me state that I am anxious, too, to see that the President's energy program is presented for a vote, and that we pass as much of it as Congress can agree upon. I do think that those things which provide tax credits and tax cuts ought to be coupled with the tough proposals, the ones which provide some tax increases. For example, in my judgment, we ought to measure up to the President's challenge to put a tax at the wellhead on energy. It will increase the price of energy, but the President's plan is to return that same money to the taxpayers to buy whatever they want to buy with it, hoping they will not spend it all on energy.

This was the type of thing that was proposed by President Ford.

But I hope we will not just pass all the sweeteners, the tax cuts separate from the tough ones, the tax increases, because my experience is that when you do this we tend to find that all the easy things, the sweeteners, sail through and the tough ones are left behind.

The Senator from Illinois has been one of the leaders in the fight for fiscal solvency, and I know he realizes that we have to measure up to some of the difficult things as well as the easy ones.

Mr. PERCY. Mr. President, I concur

completely with my distinguished colleague, and I certainly concur that we have to move forward as rapidly as we possibly can, and I believe the part the chairman of the Finance Committee wants to put in is absolutely right.

The Senator from Illinois would like to point out that the sacrifices are not as great as sometimes they have been made out to be. There is a tremendous financial incentive to do a lot of these things. There is no better way than to insulate our homes and stop heating and cooling the outdoors. Tighten up. We can get a 40-percent return on our investment. That is the kind of investment of taxpayers' money I think we will get back very, very quickly.

I thank my distinguished colleague and, again, my friend from Missouri for yielding his valuable time this afternoon.

The PRESIDING OFFICER (Mr. HOLLINGS). The Senator from Missouri.

Mr. DANFORTH. Mr. President, just to provide the Senate with some examples of the plight of low income and middle income taxpayers today, let us suppose an example of a married couple with two children, a family of four, with wages of $12,000. It is not a high income group by any stretch of the imagination.

Let us suppose that this family of four with $12,000 income receives a wage increase. For $1 of increase, here is what would happen to that $1.

First of all, considering inflation, which is going along at varying rates depending upon the year but, say, about 6 percent a year, 6 cents of that $1 would be taken away by inflation alone. It would just be to keep up with the rate of inflation. Approximately 6 cents would be taken up in the form of social security taxes. That would leave 88 cents.

Nineteen cents would be taken up by Federal income tax on that $1, for a total of 31 cents, leaving 69 cents.

Assuming that State and local taxes, income and sales, would also go up by about 9 cents in a typical instance, the combined effect of a family of four, where the wage earner is earning $12,000 a year, would be that of the extra $1, 60 cents would be kept by the family to spend and 40 cents would be taken away by the combined action of Government.

I say that advisedly because on the 6-percent increase in the rate of inflation, while it has a number of factors contributing to it, a substantial portion of that inflation is accounted for by action which takes place here in the Congress.

In computing this 40 cents that would be taken up and only 60 cents of the $1 that would be left in the pocket of the taxpayer, this does not envision any effect of the proposed tax on energy which has been proposed by the administration. I hasten to say I am not entirely clear as yet as to what, precisely, the administration intends to do with the increased wellhead tax on oil.

I hope it is by understanding that it would intend to reflow or recycle that money back into the hands of the people who are struggling in this country, to make it possible for them to pay their utility bills. But insofar as the administration would not do that but simply tax it and keep it for further governmental programs, that would be even more of the $1 that would be increasing this individual's income that would be available not for his use and the use of his family but for the use of Government.

Let us take another example. This is a family of four, a husband, wife, and two children. The wages earned by this family are $15,000 a year. How much of that would be kept? What would happen to $1 extra income if the person got a $1 raise over the $15,000? What would happen to the $1. Again, 6 cents would be taken by inflation and 6 cents would be taken by socal security. In this case, 22 cents would be taken by Federal income taxes. Thirty-four cents would be taken directly or indirectly by act of Congress.

Then assuming State and local taxes of about 11 cents on this typical family, of the $1 extra earned, 45 cents would be taken away by government and 55 cents would be left for this family to spend.

In this case, we are talking not about the wealthy people of America, not about the privileged people in America, not about people who can afford the luxuries of life. We are talking about a family of four with $15,000. We are talking about the average wage-earning taxpayers of this country.

We talk so much about compassion. It is the favorite political word in America, that we have to have compassion for people. Indeed, we do. Government has to be compasionate. But when we are compassionate why can we not show a little bit of compassion for the taxpayers of America; for the wage earners of America; for the people who are trying to make do in this country.

The $15,000 is just about what the average family earns, or maybe it is just a little below the median income. Then we say, "OK, you will get $1 extra and of that $1 extra you can keep 55 cents. We want the rest."

We in Congress want the rest. We want to take 22 cents from them in income taxes on the theory that we want to spend it and not let them spend it.

Let us take another example. This is a slightly better off family. Again, the family is composed of a husband, a wife, and two children, with wages of $20,000. It is hardly a wealthy family in this day and age. And $20,000 does not seem to go very far. What happens if this family with $20,000 gets another extra $1 of earnings? What happens to that $1? Again, 6 percent is taken by inflation. They are over the social security base so none of the additional money in this case would be paid in social security taxes. Thirty-two cents, just short of one-third, of the extra $1 would be paid in Federal personal income taxes. So a total of 38 cents of the $1 would be taken up by income taxation by the Federal Government and by inflation caused largely by the the fiscal policies of the Government which we in this room are charged with setting.

Then assume State and local taxes of about 12 cents on this family, income taxes and sales taxes. They are left with about 50 cents on the $1.

This is what we are talking about.

We are talking about the first $20,000 of adjusted gross income in this bill. Again, everybody is going to benefit, because people who have $100,000 income are still going to get the benefit of a tax reduction on the first $20,000 of adjusted gross income. But, again, what we are doing in this amendment is targeting not the wealthy people of America but the ordinary people of America, the middle income, the low income taxpayers, the people who, right now, for every dollar that their earnings are increased, are allowed to keep—allowed to keep by us—50 cents or 60 cents on the dollar.

Sometimes I think that we have the wrong idea about the relationship between the American people and their Government. I met, with a group of Senators, with Charles Schultze a few weeks ago when the rebate was still on the agenda. Fortunately, that was an idea which did not float, a gimmick. But it was a very enlightening thing that he said during that discussion.

He could not understand the great opposition in this country to the rebate and the great popularity of a permanent tax cut such as we are talking about today in this amendment. He said, "What difference does it make if we give people $50 in a rebate or if we give them $50 in a permanent tax cut?"

As though a tax cut is a gift. What does that assume, that notion? That notion assumes that every dollar that we earn, you and I, properly belongs to the government and that tax reductions and laying off of people in the form of not taxing 100 cents on the dollar is a gift; that everything a person owns belongs to government and government gives people back whatever it does not tax from them. That is a misguided notion, in my opinion, of the relationship between government and the American people.

The distinguished chairman of the Committee on Finance was reported by an admirer of his to have opened up a tax reform hearing a number of years ago in the Finance Committee by saying something that I think is priceless. Nobody has a greater respect and admiration for Senator LONG than I do. He is one of the most able people I have ever known, and he has a great way of putting things in a way that can be understood by all of us. But he opened up this hearing on tax reform by saying that what most people mean by tax reform is, "Don't tax you; don't tax me; tax the fellow behind that tree."

Our idea of tax reform is that somebody else should bear the burden of taxation. What we are talking about today is the fact that the person behind that tree, the fellow behind the tree, is the ordinary citizen of America. It is the ordinary person. It is the middle-income person, it is the lower income taxpayer, who is paying such a tremendous proportion of every extra dollar he earns to

Uncle Sam. That is the fellow behind the tree.

We can raise taxes on upper income people and we can raise taxes on corporations, if that is what we want to do, and have a negative effect in doing so on capital formation and on investment in plant and equipment and jobs in the future, if that is what we want to do, and still, we are going to have this kind of tax bite on the ordinary citizen. That is what we are talking about today.

What has been the trend line on the portion of a person's earnings that have been taken by Government over the last couple of decades? We have described the condition today. We have pointed out that today, when you earn an extra dollar, this tremendous percentage—40 or 50 percent—is taken away by Government in one form or another. What has been the trend line over the past couple of decades in what Government has done and the portion Government has taken from a family's income? The answer is that the bite has gotten larger and larger over the past two decades. Again, some statistics are in order.

In 1953, government at all levels consumed 11.8 percent of the income of the average family. That is, taking at that time what the average family income was in America and then applying to that what the tax was at that time, government at all levels was taking 11.8 percent of the earnings of the average family in 1953. In 1975, that percentage had increased from 11.8 percent taken by government at all levels to 22.7 percent taken by government at all levels, a 94-percent increase in the size of the bite of government from the average family in this country.

Federal income taxes have increased from 7.6 percent to 9.6 percent of the income of the average family in America, and that is a 26-percent increase. When you take Federal income taxes plus social security taxes, the percent of the average family's income taken in 1953 by Federal income and social security taxes was 8.7 percent. In 1975, that number had increased to 15.5 percent.

What does the trend look like in the future? The fact of the matter is—and a lot of people do not understand that—but the great beneficiary of inflation is government, not the people. That is because the effect of inflation is that, if all we do with our earnings is keep up with inflation, if our incomes increase at precisely the increase in the rate of inflation and we are just standing still, although we have more paper dollars in our pocket, this places us in higher tax brackets so that the percentage of taxation on the increased number of dollar bills in our pocket goes up.

Mr. HANSEN. Will the Senator yield?

Mr. DANFORTH. Yes, I yield.

Mr. HANSEN. Mr. President, I must say in all candor that I think the remarks of the distinguished Senator from Missouri are most noteworthy. He has probably done as much work on this issue as anyone I know. He has been indefatigable in trying to learn what the effect of inflation has been on everyone in the United States. I know of no person for whom I have a higher regard for pointing out what the economic facts of life are in the United States today.

I must observe that while we were going through the debate on the steps that we took determining whether we should vote up or down the pay raise, I did not get any requests from constituents in Wyoming saying, "We hope you will pass an ethics bill." The average person in my State was saying, "It seems as though what you are doing is taking care of the problems of Members of Congress," as inflation has impacted upon them. They felt we were doing precisely what is now being pointed out by my distinguished friend from Missouri, and forgetting, at the same time, the other 217 million Americans, I make this point not to divert attention from what is being said by the Senator from Missouri but, rather, to underscore the importance in my mind of a broader understanding of what he is saying.

The sad situation is that we have altogether too few Members of this body to hear what he is saying. I am not going to suggest the absence of a quorum and let it become live to try to get Members here because I am not unaware of the fact that a number have good reason to be away from the Chamber this afternoon. But it certainly is true that no one can challenge the logic, no one can challenge the facts, no one can challenge the conclusions that inevitably must be reached by listening to the remarks of the distinguished Senator from Missouri.

I am strongly inclined to believe that if a cross section of America could hear what is being said by the Senator from Missouri, and then if one of the pollsters were to be called upon to respond to the question, Should the Danforth-Javits amendment be attached to this bill or should it not be attached to this bill, I venture to predict that by a vote of 4 to 1 or maybe 5 to 1 we would find support throughout America for precisely the concept that is embodied in the Danforth-Javits amendment.

I know that a few Senators likely will read what is said here. I do hope the press will take occasion to summarize the speech by Senator DANFORTH. Hopefully, those persons who are interested enough—and believe me I think most people are—to read something of what has gone into the deliberation of Senators as we tried to work the Senate's will on this issue will have an opportunity to read a summary of the remarks by my friend from Missouri.

I say that because I have great respect and admiration for his scholarship, for his objectivity, for the rightness of his conclusions. I am terribly sorry there are not more people here this Friday afternoon to hear what my friend from Missouri has said.

I thank my friend for permitting me to make the observation.

Mr. DANFORTH. I thank the Senator from Wyoming for his very kind comments.

Mr. CURTIS. Will the Senator yield for a few questions?

Mr. DANFORTH. I yield.

Mr. CURTIS. I ask the distinguished Senator, is it not true that because of the inflation, many workers and people of modest income, as well as others, have been moved up into a higher bracket, which really for tax purposes does not reflect any real gain in their purchasing power?

Mr. DANFORTH. That is exactly the right point to make, that even without any increase in the tax rate, even without any act of Congress to increase the rate of tax, inflation itself kicks people into higher tax brackets, even though their real income remains exactly the same.

I am sure that this particular amendment will be attacked as a budget buster. It is interesting to note that the estimated tax loss for 1979, two years down the road, as a result of this is $7.9 billion. That is a paper loss because it is anticipated that this will have a stimulative effect on the economy.

It is estimated that more people will be put back to work as a result of this amendment, if it is enacted into law, and that, in fact, revenues generated by additional people on the tax rolls and by less money being paid out of emergency unemployment compensation and welfare, as a result of getting people onto the payrolls of this country, may, in fact, even increase revenues.

But let us just take the paper loss of $7.9 billion in 1979.

It is interesting to note that each year the Federal Government makes an estimated $6 billion in additional revenue simply because of the effect of kicking people in higher tax brackets as a result of inflation.

Mr. CURTIS. In that connection, the proposal has been made that our income tax system should be indexed so it is automatically adjusted to inflation.

I am sure there would be a great deal of equity in that. To do it on a permanent automatic basis does call for some detailed and lengthy study and to write the correct formulas.

But in the meantime, the amendment proposed by the distinguished Senator from Missouri would very definitely help meet the problem of people who are having a tax increase because of inflated prices, would it not?

Mr. DANFORTH. It certainly would. I would like to illustrate that with some further thoughts because I think the Senator has put his finger on the problem.

We will have to keep the dollars constant, so we will use 1974 dollars constant and see what happens to a family which had an adjusted gross income of $15,000 in 1974.

In 1975, the Federal tax burden on that family was 11.2 percent. In 1978, under current law, if nothing is to be done by way of tax relief for that family, the percent of the Federal income tax burden on that family would increase from 11.2 to 12 percent.

Mr. CURTIS. Let me ask this, as a practical matter, when a paycheck or other earnings, whether it be from a

farm or small business, or what, is so diminished by inflation and the hand of the taxgatherer that there is only a minimum left, is it not true that, to a large degree, the total spending of that family will have to be for the bare necessities of life?

Mr. DANFORTH. Absolutely. I think this is why so many people who have income, families with income of $15,000 or $20,000, which a decade ago people thought, "Gee, that's pretty good income," now it is viewed as very hard to keep going with that kind of income because of the effect of inflation and the effect of taxation.

Mr. CURTIS. If we do not have inflation and taxes are not too high, individuals of low and modest income oftentimes have savings and they have money to buy things beyond the bare essentials of ekeing out a living, is that not correct?

Mr. DANFORTH. That is correct.

Mr. CURTIS. Does it take a very sizable portion of our workforce to produce just the bare necessities of life? If no family bought any more than just the meager things to exist, we would have a tremendous amount of unemployment in the country, would we not?

Mr. DANFORTH. There is no doubt about that.

Mr. CURTIS. I believe it is true that we have full employment when our people can buy beyond the necessities of life, when they can buy furnishings for their house, when they can buy boats and skis and automobiles, when a farmer can buy new machinery, when they can buy essential utensils and fixtures for their house, or add a new room or buy a house. Those are the things that bring about full employment in the country, are they not?

Mr. DANFORTH. Yes, they are.

Mr. CURTIS. If we permit our tax policy to drift and we grant no relief to our people who are forced into a higher tax situation by inflation when their real earning power has not increased, we are slowing down our economy and adding to a trend of unemployment, are we not?

Mr. DANFORTH. The Senator from Nebraska is absolutely correct.

I plan to illustrate—I hope persuasively—that this is an economic stimulus measure that we are talking about. The whole point of this particular tax bill is economic stimulus, and that is really a good part of the thrust of what we are getting at.

Mr. CURTIS. I know the Senator will do it. He is articulate and is able to do it. He has been very kind to me.

I wish to say one more thing. Our distinguished colleague from Wyoming expressed regret that the crowd here, listening to the Senator from Missouri, is very small; but I assure the Senator that it is a very good crowd.

I thank the Senator for yielding.

Mr. DANFORTH. It is an excellent crowd.

With respect to the so-called indexing problem, that is the problem in which, even without an increase in tax rates voted on by Congress, people find themselves pushed into higher and higher tax brackets because their paper income increases to keep up with the cost of living; yet, their real income is not increasing.

Here is the effect of this on various classifications of taxpayers today:

Assuming an income of $15,000 in 1974, inflation alone would increase the bracket so that that family of four would be taxed at a rate in 1978, assuming no change in the law, of 12 percent, as opposed to 11.2 percent.

Assuming a family of four with an income of $18,000, that family would find their tax burden from the Federal Government increased from 12.1 to 13.5 percent through the effect of inflation alone, putting them in higher brackets.

Assuming a family of four with an adjusted gross income of $22,000, they would find their effective rate increased from 14 to 15.3 percent as a result of inflation putting them in higher tax brackets.

Much has been said about indexing and about the desirability of trying to guard the American people from having their taxes increased not by a vote of Congress but by the effect of inflation.

This amendment, strictly speaking, is not an indexing move, but it has something of that effect. That is to say, the family with $15,000 of adjusted gross income would hold its own. Instead of having its tax burden increased from 11.2 to 12 percent, it would stay at 11.2 percent.

The family with the adjusted gross income of $18,000, instead of having its tax burden increased between 1975 and 1978 from 12.1 percent to 13.5 percent, would have it increased from 12.1 percent to 12.7 percent.

The family with an adjusted gross income of $22,000 instead of having its tax burden increased from 14 to 15.3 percent, would have it increased from 14 to 14.5 percent.

However, when inflation, itself, increases Federal tax revenue in real dollars by 6 percent a year, the time has come, I believe, to return some of that money to the people who have had their tax rates increased not by vote of Congress but by the effect of inflation.

One way to view current trends and the relationship between the Government and the American people is the extent to which the gross national product—the total output of goods and services in a year—is accounted for by the Government's activities.

In the late 1950's, the Federal share of the gross national produce was 18.5 percent. In 1975, it had increased to 22.5 percent. When we consider Government at all levels—Federal, State, and local—in 1955, Government at all levels accounted for 27.7 percent of the gross national product. In 1974 that had increased from 27.7 to 37 percent.

If we envision the total economy as a pie, the wedge of that pie taken up by Government at all levels has increased, from 1955 to 1974, from a wedge that was 27.7 percent to a wedge that is 37 percent.

What we really are talking about in debating this amendment has to do with that portion of the gross national product that is going to be taken up by Government and that portion of the gross national product that is going to be left in the hands of the American people.

As I pointed out in the colloquy with the Senator from Nebraska, what we are talking about in this bill is economic stimulus and the plight of the economy in America in 1977. What we are talking about in this amendment is not simply tax relief, although that is important in and of itself, but we are talking about the economy and, more specifically, we are talking about jobs.

The fact is that this amendment, by reducing taxes on individuals and families in this country, would create more jobs for the American people. The rate reduction alone which would be created by this amendment would create approximately 150,000 additional jobs in America by the end of 1977. That number would be on the increase, unlike the rebate idea, which was a quick influx of money into the American economy. The rate reduction approach would increase jobs to 150,000 by the end of 1977 and would increase that to approximately 350,000 by the end of 1978.

Combined with the change in the standard deduction—and this amendment incorporates the increase in the standard deduction with a rate reduction—the combined effect would be to create 225,000 additional jobs by the end of 1977, and 600,000 additional jobs by the end of 1978.

These are not just my figures; these are figures that were arrived at by the staff of the Budget Committee, and then concurred in by the Congressional Budget Office.

Much has been said in the last week or so about the economic recovery in America, and I am sure we are grateful for the fact that the economy has been improving somewhat in this past quarter, particularly in the month of March. But it is important to recognize that the recovery has been fragile, to say the least.

Unemployment rates are still, according to the last available figures, at 7.3 percent. In January when the President proposed his economic stimulus package, unemployment was at 7.3 percent. Data Resources, Inc., which projects trends in the economy, has estimated that unemployment by the end of 1977 will be at 7.1 percent.

The estimates for 1978 vary widely, and it depends on whom you listen to. Data Resources, Inc., has projected that unemployment at the end of 1978 will be 6.3 percent. Chase Econometrics, which is also in the business of predicting trends in the economy, has projected that unemployment by the end of 1978 will be 8.8 percent.

But no matter whose figures you are looking at, 6, 7, 8 percent is the range that the economists are talking about for unemployment over the next year and a half.

It is important to recognize that these percentages stand for something. They

stand for human beings. They stand for actual people, men and women, all over the United States who are trying to find jobs.

Sometimes we think only about statistics, and only about percentages, when what we are really talking about is the tragedy of human beings who want to have work. They do not want handouts. They want jobs, and they want jobs that last; not make-work jobs, jobs that last.

The human tragedy of somebody going out week after week, month after month, until he or she finally loses hope that there is any work that is available, that is what we are talking about, not just percentages.

When people are out of work, when people are suffering because of the lack of meaningful employment in this country, the Congress of the United States has an obligation to try to do something about it and to try to do something effective about it.

We cannot say to people who are out of work, "We don't care about you." We cannot say, "There is nothing we can do," not after all the campaign rhetoric we hear every 2 years or every 4 years about the great things that Government is going to do to get the economy moving again.

It cannot be just a matter of oratory. If we mean what we say in our campaign speeches, then we have got to do something about it, and we have got to do something effective about it in order to try to provide meaningful employment for the American people.

What we are talking about in this amendment are 150,000 more jobs by the end of 1977, and 350,000 more jobs by the end of 1978 over and above the employment that would be created by stimulus already in this bill.

Yes, we had some good economic figures come out a week or so ago, reasonably encouraging figures—not great, reasonably encouraging figures. But the unemployment problem has not gone away in America, and it is not going away in America in the foreseeable future.

There has been some talk about the fact that the attention to this particular bill has been eclipsed by our new concern with energy. Energy is, indeed, a crisis-type problem in our country and it deserves our careful consideration. But energy is not the only problem. Hopefully, we are not a people who rush from crisis to crisis, give each emergency perhaps a few weeks or a few months of attention and then sweep it under the rug and go on to something else.

We cannot sweep unemployment under the rug and then go on to the energy crisis. We have got to consider both at the same time, particularly when they are going to interrelate with each other.

Unemployment still deserves the close attention of the Congress of the United States. Effective programs in dealing with unemployment are called for today just as they were 2 weeks ago or a month ago, and the fact that statistics come out in 1 day do not turn the American economy on the dime.

It is true that the gross national product for the first quarter of 1977 was up by 5.2 percent. But as yesterday morning's Washington Post pointed out, economists are saying that a substantial portion of that increase in GNP was accounted for by replenishing inventory, which was at an artificially or unusually low level.

"Real final sales," which is an economist's term which includes most of gross national product other than the restocking of inventory, in the first quarter of 1977 was only up 3.9 percent.

On March 8 of this year Charles Schultze, the Chairman of the Council of Economic Advisers, said:

> In order to get Americans back to work our goal for 1977 should be an increase in gross national product in the neighborhood of 5¾ to 6 percent.

On March 30, Data Resources, Inc., projected an increase in gross national product of 4.4 percent. This does not consider the effect of the energy problem, and it does not consider the effect of any action Congress might take with respect to the energy problem on the economy and on gross national product.

But in yesterday's Washington Post, Dr. Otto Eckstein, the director of Data Resources, Inc., estimated that the energy program would reduce the growth rate in America in 1978 by approximately 0.2 of a percentage point.

What is the effect of this amendment on gross national product? What would it do?

In 1977, according to Data Resources, Inc., this amendment would increase the gross national product by 0.2 of a percentage point, faster than it would increase without the amendment. By mid-1978, this permanent tax reduction would increase the rate of growth of the gross national product by a full half of a percentage point. That would be the difference, for example, between a growth rate of 5.3 percent and a growth rate of 5.8 percent; and if we could get it to 5.8 percent, according to Mr. Schultze, that would go a long way toward getting the unemployment problem truly resolved in America.

It is also important to note that the effect of this amendment on inflation, far from being inflationary, would be a negligible effect, if any, on the rate of inflation. Chase Econometrics estimates that the effect on the Consumer Price Index by this amendment would be to increase it by 0.1 of a point. That is, if you assume a Consumer Price Index at, say, 175, it would increase it from 175 to 175.1—almost nothing.

Finally, I would like to address myself to one of the arguments against reducing tax rates at this time.

It was said by the chairman of the Finance Committee earlier in the day, in his colloquy with Senator PERCY, that you have to have some sweeteners in tax reform, and that we cannot give out all the goodies now, but that we are going to have to save them for a later day. The theory that has been articulated, and was also articulated by Mr. Schultze when he appeared before the Finance Committee, is that if you do not offer people rate reductions when you offer them so-called tax reform, you are not going to get the tax reform.

To that I would like to say, "What do you mean by tax reform?" When we talk about a tax reform package coming out late next September or early October, as the administration is proposing doing, what is the tax reform proposal? What does the administration have in mind in the way of tax reform?

If we ask administration spokesmen, they will not tell us what they have in mind by tax reform. They are simply using a term, "tax reform." We do not know what it is. We do not know if it is good tax reform or bad tax reform. But we have had one inkling of what is in it, and that is that whatever it is, it is going to be something that is going to be very, very unpopular in America. It is going to be something the people will not be willing to accept on its own merits. It is going to be something that, if people are going to accept it, it will have to be sweetened by rate reductions offered along with the tax reform.

What is tax reform? People talk about simplification of the Internal Revenue Code. Fine; let us make it simpler. But the last tax reform proposal passed by Congress just last year in the name of tax reform and simplification was a bill that was 1,500 pages in length. Is that tax reform? Is it simplification simply to call something reform, when it turns out to be 1,500 pages long?

Some people who have used the new so-called tax reform say it is more complicated than the tax laws ever were before. But what do people mean when they talk about simplification? Do they mean, for example, we are going to tax capital gains as ordinary income? Does it mean we are going to do away with the interest deduction on mortgages? Does it mean we are going to do away with the charitable deduction in the name of simplification and reform? Is that what reform is supposed to be? Because if that is what they have in mind for reform, no wonder they are scared to present it on its own merits. No wonder they want some sweeteners.

Let us be clear whom they are holding in hostage for tax reform. It is not the wealthy people. It is not General Motors and it is not IBM that is being held hostage if this amendment is not passed. It is the ordinary individual taxpayer in this country, and particularly the people with adjusted gross incomes under $20,000 a year. These are the people who are suffering now, and maybe it is a fair approach to say if we only keep the pressure on them a little longer, if we only twist their arms and create real pain on the part of the average American taxpayer, they will scream out for anything we call tax reform; they will say "uncle."

I do not think it is fair. I do not think it is fair to the ordinary person, who has been suffering too long. When you take a family with an income of $15,000 or $20,000 a year, and get them in a situation where 40 or 45 or 50 percent of every additional dollar they make is taken

away for government, I do not think it is fair to say, "We are not going to give you any relief now; we are going to wait until you are really suffering and cry out for whatever relief we come up with."

Tax reform is not something you get just by snapping your fingers. It is not something produced instantaneously, in just a short period of time. Let me give you the history of the so-called Tax Reform Act of 1976, and how long that took from the time it was first unveiled until the date it was finally enacted into law. This is that 1,500-page bill that has been called tax reform.

In February of 1973, hearings were commenced in the Ways and Means Committee of the House of Representatives on many of the items that turned out to be in the 1976 tax reform bill. In 1974, late in the year, Ways and Means held markup, and the tentative decision was that no bill was to be reported in that year.

In 1975, in June and July, the Ways and Means Committee of the House held hearings, and on November 12 of 1975, H.R. 10612 was reported.

On December 3 and 4, the House of Representatives passed H.R. 10612. In March and April of 1976, the Finance Committee of the Senate held hearings on this so-called tax reform bill. In June the bill was reported out by the Finance Committee. In August, the bill passed in the Senate. On September 16, the conference report was approved, and on October 4, 1976, the bill was signed into law by the President.

So it took from February of 1973 until October of 1976—3 years and 7 months—to enact into law what turned out to be the Tax Reform Act of 1976.

What is the point of going through this history? The point is simply this: We are asked, as I understand it, to put off even the kind of modest tax proposal contained in this amendment. We are told to put that off so we can have some mystery, which has been called reform. We are not told what the proposed reform is. It is indicated that it is going to be terribly unpopular, because it will take sweeteners in order to get it enacted into law. We are faced with a situation of waiting maybe a year or two or three before we get this so-called tax reform enacted with any rate reductions included.

I just do not think the American people should be asked to wait that long. I believe they have been suffering long enough under conditions where rates are too high, where inflation rates are too high, and the time has come for permanent tax relief as contained in this amendment.

Mr. President, I suggest the absence of a quorum.

Mr. HANSEN. Will the distinguished Senator withhold that suggestion for a moment?

Mr. DANFORTH. I do.

The PRESIDING OFFICER. Does the Senator withhold his request?

Mr. KENNEDY. What was the request?

Mr. DANFORTH. I requested a quorum call and I withhold the request.

Mr. HANSEN. The distinguished Senator from Massachusetts deserves to be recognized next.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. HANSEN. Will the Senator yield to me for just a moment?

Mr. KENNEDY. I yield.

Mr. HANSEN. Mr. President, let me say once again how meaningful and thoughtful are the remarks of the distinguished Senator from Missouri.

As one of the conferees on last year's so-called tax reform bill—and I note the distinguished occupant of the chair was also one of those conferees—we had 4½ pages of revenue estimate, as I recall.

I cannot imagine how the Congress could have entered into a more exhaustive exercise trying to make the tax code complicated and more difficult to understand than resulted from our efforts last year.

The Senator from Missouri first spoke about the persuasive reasons why the Danforth-Javits amendment should be adopted. He spoke about the need to not only bring about some true reform, which this measure would achieve in significant degree, but also he intimated that we did not do anything last year to simplify, to make more easily understood, the tax law. Most people now require the services of an accountant in preparing their tax forms.

Is that not true?

Mr. DANFORTH. The Senator is correct. I think it does not necessarily make a bill a reform bill to simply call it a reform bill.

Mr. HANSEN. Of course, that was the point the distinguished Senator underscored more than one time.

Mr. DANFORTH. Absolutely. To be promised reform and not be told in advance what the reform is supposed to be causes somebody from the show-me State to say, "Show me."

Mr. HANSEN. I just have to say I think that the title was a ploy that has been used successfully many, many times. If you want to help insure the passage of certain legislation, hang a good, euphemistic title on it. That certainly does not hurt its chances of enactment. That is precisely what we did last year.

I appreciate the remarks and observations of the distinguished Senator. I hope they may be summarized in the press in order that persons who are unable to be here this afternoon have a chance, before next week, to read the cogent and persuasive arguments and the good logic that I find threaded and woven throughout his remarks.

Mr. DANFORTH. I thank the Senator from Wyoming.

Mr. HANSEN. I thank my distinguished colleague from Massachusetts.

The PRESIDING OFFICER (Mr. ALLEN). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, although I am sympathetic to the current proposal on the tax bill for approximately $10 billion a year in permanent tax cuts for individuals, I believe it would be unwise, on the grounds of both economic policy and tax policy, for Congress to adopt such reductions at this time.

With respect to economic policy, the proposal is, in effect, a proposal for a permanent $50 rebate. It is also a proposal for a rebate that will not have significant economic effects until a year from now—there will be only a $2.5 billion effect in fiscal year 1977, and the full $10 billion effect will not be felt until fiscal year 1978.

Just a few days ago, President Carter and his economic advisers determined that a $50 rebate costing $10 billion in 1977 is unjustified at this time, because of the improved condition of the economy. It would be even more unwise to legislate a revenue loss now of $10 billion for 1978, when we can do no more than speculate about the condition of the economy in the year ahead. It will be time enough, in light of future GNP, inflation, unemployment, and other data in the second and third quarters of 1977, to determine that a further economic stimulus is needed for fiscal year 1978.

The proposal also significantly aggravates the budget deficit for fiscal year 1978. The projected deficit for 1978 was put at $63.2 billion in the first resolution, as reported recently by the Senate Budget Committee. As a result of yesterday's action increasing the jobs credit, the deficit will touch $66 billion. To add an additional $10 billion to the deficit at this time can only be described as "budget-busting."

With respect to tax policy, a key ingredient of tax reform is necessarily tax relief. As a practical matter, the burden of increased taxes from urgently needed reforms can only be—and must be—offset by revenue reductions. President Carter has pledged to submit a proposal for comprehensive tax reform early in the fall. If massive permanent tax cuts are enacted now, President Carter's drive for tax reform may well be crippled from the outset.

The proponents of the present tax cuts argue that tax relief is being held hostage to tax reform. But it would be more accurate to say that the drive for massive immediate tax relief is a Trojan horse designed to scuttle comprehensive tax reform. Almost all of those who now advocate the proposal for immediate permanent tax cuts have been notoriously resistant to tax reform in the past. To yield to their views now would play into the hands of those who wish to destroy tax reform at the outset.

The biggest spenders in Congress today are those who so blithely accept massive Federal spending through the tax laws. Federal tax expenditures are mushrooming now at a faster rate than direct expenditures. In 1971, tax expenditures totaled $51 billion. In 1978, it is estimated that the total will be $124 billion, a rise of 141 percent. Over the same period, direct expenditures have climbed by only 117 percent. It is ironic, in light of these facts, that those who are the first to call for cuts in the Federal budget and direct expenditure are the last to call for cuts in Federal tax expenditures.

Nor is there likely to be a serious de-

lay before substantial tax relief is enacted as part of tax reform. If the present schedule holds, I would expect Congress to complete action on President Carter's tax reform proposals well before the adjournment of Congress next year.

In this situation, no persuasive case can be made for tax relief at this time, and I hope the Republican proposal will be defeated.

Mr. President, I welcomed the opportunity to listen to my colleagues, for whom I have a great respect, in terms of their intention as to how we best can meet our responsibilities in the cause of tax equity and justice, and also to insure that we are going to adopt a responsible position in terms of the economy of this country, to promote its real growth, and to deal with its problems of inflation and unemployment.

I take strong issue with some of the basic and fundamental premises which they advance here, preceding the amendment which, I understand from their commentary, will be offered this afternoon. I am very hopeful that after we have an opportunity to examine it, the amendment will be defeated. It really does not reach the legitimate goals of tax reform and tax relief which have been espoused by those who offer the amendment. I believe it also fails to meet our responsibilities, both in the short term and long term, to the American people in insuring that the Internal Revenue Code is fair, just, and equitable.

Mr. President, if we review the activities of the past few days, we see that President Carter withdrew the $50 rebate on the basis of the most recent economic information available to him. The first quarter statistics for 1977 showed surprisingly strong economic growth. Reviewing the rate inflation, the rate of unemployment, the real growth in GNP, he indicated to Congress that he did not believe it was necessary to move ahead on the tax rebate program or the other provisions for incentives to American business. And he so recommended to Congress. The Senate has acted on part of his proposal. We have dropped the $10 billion stimulus program which would have brought the $50 rebate to 87 million taxpayers. But we have declined to drop the $2.4 billion in business tax incentives.

We see that the death of the rebate has generally been accepted, even by those who have supported the current proposal for a permanent tax cut.

But, Mr. President, the proposal being advanced by our colleagues on the other side of the aisle is not related to 1977. They are talking about a proposal that is going to be related to 1978 in terms of its economic impact. They want a $10 billion stimulus for 1978, when we have just withdrawn a $10 billion stimulus for 1977. This is not a responsible attitude as a matter of economic policy. So I have reservations about that particular feature.

Beyond that, the question has been raised whether Congress can meet its responsibilities in attempting to insure tax equity and tax justice. They question whether we can act appropriately within a reasonable period of time on tax reform. President Carter made a firm and fundamental commitment across this country last year. It was about as clear and firm a commitment as we could expect to hear from any American political leader. It is one which I believe he will fulfill and must fulfill.

On the matter of timing, we know that Congress can act rapidly on tax reform. Look at the example of the tax reform act of 1969. We had a new administration, a Republican administration, in 1969. In the early period of that administration they appeared to be committed to tax reform. I admit, they were pushed out front a bit by the outgoing Democratic administration. The Senate Finance Committee and House Ways and Means Committee were deeply involved with tax reform that year. Within a single year, we enacted the Tax Reform Act of 1969. We made some fundamental, basic, and constructive improvements in the Internal Revenue Code which justified the name of tax improvement and tax reform.

If we look at the Tax Reform Act of 1976, we recall the extensive debates which were held here in the Senate in 1976 and in the House of Representatives in late 1975. One would have to agree, looking back over the period of legislative history, the debates were conducted within a single Congress. We had the Finance Committee committed to reform, a Ways and Means Committee committed to it, and a Congress that wanted to commit this Nation toward a sense of equity and justice.

We can meet these responsibilities quickly. The Senate Finance Committee has demonstrated that. We have now a firm commitment by an American President. We have the statesmanship of the chairmen and the leaders of our respective committees. They are prepared to live up to that fundamental commitment for tax reform.

In addition, Mr. President, the new administration has gone to the American people on the important issue of energy and the challenge which the energy crisis presents to this nation. The President has laid out the critical needs of this country on energy. He made his proposals to a joint session of Congress and also to the American people. He outlined an extremely challenging and an extremely constructive proposal to help guide Congress and the American people toward a realistic energy policy. The proposals are filled with a series of adjustments in the Internal Revenue Code. There are some which we may agree with and others which we may take issue with. It will have a variety of different impacts on the Internal Revenue Code, affecting what individuals will pay, what tax credits will be available, and what benefits and burdens will go to industries and individuals. The President has asked the cooperation of Congress in this area.

We have the commitment of the Congress to move expeditiously. We know that our action is going to have a significant impact on the Internal Revenue Code.

Welfare is another area where close relationships with the Internal Revenue Code are involved. The President has established a task force in HEW to try to deal with the complex, involved issues of welfare and welfare reform. These issues are going to have many implications for our tax laws.

What we are talking about, I believe, is what can be achieved in a constructive way by the Congress of the United States and how we can attempt to deal with the continuing significant challenges which are presented to us and on which the President has dared to stake out important and challenging positions.

So these matters are related to the issues which we are facing here today.

Mr. President, I also think it is important, when we are talking about this issue, that we recognize that the Committee on Finance proposal already contains an important and useful advance toward greater equity within the Internal Revenue Code, the change in the standard deduction. Even that raises some questions, but they have moved, I think, to help those people who deserve the greatest degree of tax relief and justice.

Even more important, Mr. President, I believe that the issues of tax reform and permanent tax reduction cannot be separated. What we do by permanent tax reform could make the rate changes proposed today completely inappropriate.

Mr. President, I think that we should not be considering this proposal, either from an economic point of view, in terms of the macro-economic implications of the proposals, or from the tax policy point of view. I do not think it is appropriate for us to consider it now from a timeliness point of view. The proposal is premature. It is closely related to energy reform, to welfare reform, and above all, to tax reform.

There are areas which I am very hopeful that a comprehensive tax reform review would consider. Take, for example, the enormous complexity of the marriage penalty, which this proposal would not affect. Under the existing law, unaffected by the measure which is being advanced here today, people pay more if they are married individuals who are working than if they are living together but not married. We are not going to affect this kind of inequity in terms of the lower rates they talk about. The inequity which is built into the Internal Revenue Code between the treatment of single persons and married couples will not be affected. but, as more and more families have two wages earners within the family, the issue becomes a central problem of tax relief and tax reform.

We can talk about the question of deductions and exemptions. The fact of the matter is that with the reduction in rates from 14 percent to 12 percent, the value of the personal exemption in terms of the tax benefit to an individual

is actually being reduced for low-income people as compared to those in the highest income brackets. It is a very interesting phenomenon. Even though the taxes paid by the individual might be reduced, the amendment will increase the discrimination against low-income persons in terms of the benefits they receive from tax deductions.

For a person in the 14-percent bracket, his $750 personal exemption brings him a tax savings of $105. The amendment would reduce the benefit to $90. Yet the 70-percent-bracket taxpayer gets a benefit of $525. The amendment makes this discrimination even worse.

So, Mr. President, these are complex issues which, reach to the heart of the entire Internal Revenue Code. Tax relief must be tied to tax reform.

Not long ago, we had a Republican Secretary of the Treasury, Mr. Simon, recommend a dramatic reduction of tax expenditures and a corresponding reduction across the board, in rates. He saw that as the best and the most effective and efficient way to reach tax equity and tax reform. Wipe out all the special tax benefits and loopholes and use the revenues we gain to reduce the rate of tax.

Maybe that is the way to do it. Maybe the way to do it is some modification of the proposal that is being advanced here today. What I am suggesting is that we cannot say for sure that either is the best and the most efficient way. What we can say is that we should not deal with these problems peacemeal. The basic inequities that work to discriminate to the disadvantage of middle-income people and lower middle-income people and working poor people are unaffected by the changes of tax rates that are proposed, as useful as they are and as worthwhile as they may appear and as legitimate as I believe the motivations are of those that put forward this amendment, and their attempt to target it to the low- and middle-income groups.

But, Mr. President, we cannot settle what is the best tax rate structure for low- and middle-income Americans until we get these basis structural inequities resolved.

There are a variety of other factors that reach the heart of the whole question of equity and justice. It is for those reasons, Mr. President, that we recognize the importance of following the recommendations made by the chairman of the Finance Committee and by the President in terms of attempting to meet our responsibilities to the American taxpayer and to consider tax relief and tax reform together.

Mr. LONG. Will the Senator yield for a question?

Mr. KENNEDY. Yes, I am glad to yield to the Senator.

Mr. LONG. I say first that I agree with the Senator's argument. I am pleased to see we are on the same side today.

I think the Senator has covered the arguments pretty well, but I would like to add one point.

When we try to correct inequities in the law, such as the marriage penalty, we find that it is easy enough to try to provide better equity by reducing taxes, for example by saying that married people will receive a greater standard deduction than they receive now.

But if we do not have slack in the budget so that we can stand the revenue loss, then we are compelled to do the kind of thing we have in the bill before us, where in order to reduce the marriage penalty we have to ask the single people to pay somewhat more.

When the House faced that same problem, they felt, "No, we can't ask anybody to pay more taxes; we want to have some tax relief for married people, but there can't be anything to require single people to pay more taxes."

In the Finance Comittee, we tried to bite the bullet and fix this problem in the bill.

Of course, an amendment will be offered to reverse what the judgment of the committee was. It may very well carry, for all I know. I am just saying that the area where we are going to want to reform injustice and inequity usually can be done much more easily if we can stand a revenue loss than if we have to put more taxes on somebody to accommodate the overall budget picture.

If we cannot anticipate a substantial amount of revenue to help sweeten the tax reform bill, I do not believe we can pass it, because there will have to be so many things to raise people's taxes. We know that nobody remembers very long when we cut their taxes, but they remember for a long time and with bitter resentment when we raise them even by a little bit. If we give away the revenue now in a permanent tax cut, frankly, I think the Senator is correct in saying we are not going to be able to pass a major tax reform bill, not one that is meaningful, that the President would like to advocate and each Senator would like to support.

Obviously, an across-the-board tax cut, as is being suggested, would assume that the tax system is fair the way it is now. The whole burden of the tax reform bill is the assumption that this is not necessarily so. We want some changes; we want to tighten up loose ends and loosen some tight ones.

But if we have to tighten a great number, every time we tighten we lose votes, and the bill will not pass.

Mr. KENNEDY. The Senator knows my respect in his being able to analyze where the votes are.

Mr. LONG. It is mutual.

Mr. KENNEDY. The Senator said it very well. I think he said it in a way which reaches the merits of the argument.

With all of the problems we are going to face, and differences that will be expressed here in terms of what deserves the label of tax reform, the Senator I believe is quite corect. If there is going to be a significant revenue loss at this time, it will make it virtually impossible to seriously consider the tax reform later, as a practical and political reality.

The Senator has stated it. I have heard him state it many times. He states it with great accuracy and I agree with the Senator.

This proposal being advanced does not really touch the heart of the many inequities which currently exist in the tax laws, and which I think we ought to examine in some detail, such as the need to shift from deductions and exemptions to credits, and the wide variety of other matters so familiar with the chairman of the Finance Committee. But I certainly agree with that. If we deal only with the rate structure, we are looking only at the tusk and missing the rest of the elephant.

Let me just ask if I am not correct—in excess of 40 percent of the families in my own State have two wage earners, and I believe it is about the same for the rest of the country. But, if we have two wage earners in a single family and they are married, they would be better off, in terms of the tax point of view, if they were separated. Is not that the practical effect of the Internal Revenue Code?

Mr. LONG. If we assume their incomes are relatively equally divided. As long as each spouse receives more than 20 percent of their combined income, there is a tax advantage to being single.

Mr. KENNEDY. The Senator puts it very well. There is a marriage penalty in the tax laws that is unfair to working couples.

Mr. LONG. That is correct. If they just lived under the same roof and did not marry, or if they were married and divorced, they would have better tax treatment and have substantial tax savings over a period of years.

Mr. KENNEDY. The point is a valid one, I think.

Mr. LONG. The tax penalty from marriage could amount to as much as 20 percent of their taxes.

Mr. KENNEDY. That is a significant amount. Yet, the proposal advanced here does not affect that kind of inequity at all.

If a single person marries, he is better off to marry somebody not working, under the current Internal Revenue Code, am I correct in that?

Mr. LONG. Yes. A woman would be better off marrying a man not a wage earner and a man would be better off taxwise in marrying a woman not a wage earner.

Mr. KENNEDY. This is a relatively new phenomenon that has developed in recent times. But it is a practical situation which affects millions of American taxpayers. It needs serious attention. I know it is a concern to the members of the Finance Committee, and we are not doing anything about that in this particular proposal.

Finally, I just mention that it is always interesting to me to listen to those who are advocating additional tax reductions. We are going to increase the deficit now anywhere from $10 billion to $11 billion and yet we have not heard very much discussion or debate about the impact on the deficit by the proponents of

this particular issue, or the problems of inflation and how future generations are going to have to pay for that.

The President has stated his intention to achieve comprehensive tax reform. We should not tie his hands and prevent him from meeting that responsibility by a premature tax reduction.

Mr. JAVITS. Mr. President, I have heard with the greatest interest the views expressed by my colleague, the Senator from Massachusetts.

I just wish to state the propositions he has made, as I understand them. I assure him that as the debate develops, we will address ourselves very thoroughly to those questions.

One is that we do not affect by our amendment the inequities. In the tax code now, one of the salient inequities is that married taxpayers, where both are working, fare worse because they are married than if they were single or living in sin.

The second is that we increase the disparity and reduce the tax benefit of the poor when contrasted with those better off, because under this provision we are giving the reduction to essentially middle class taxpayers in a range of income subject to tax from $8,000 to $20,000, while the taxpayer in lower elements, including those who get a refund, stand still. They are not reduced; they are not increased.

If I understand it correctly—I do not want to start it this afternoon—we will deal with it next week.

Mr. KENNEDY. Mr. President, will the Senator yield for an observation?

Mr. JAVITS. I yield.

Mr. KENNEDY. The lowest rate now is the 14 percent rate. Under the Senator's proposal, it is reduced to 12 percent. If we multiply the 12 percent by the personal exemption of $750, we are actually reducing the benefit of that exemption to individuals in the lowest bracket, as compared to wealthy persons in the 70 percent bracket.

I can understand and appreciate what the Senator is attempting to do for the lowest income groups. But one side effect of this amendment is to increase the disparity in terms of the benefit of deductions to low and high income persons.

Mr. JAVITS. I think I stated that, but I am glad the Senator has said it in his own words.

As I understand Senator LONG's point, "If we give away the revenue now, we will be unable to pass a tax reform bill later." I will deal with that, and so will my colleagues, as the debate resumes.

I just wanted to spread that on the RECORD so that those who read the RECORD this weekend may look for the answers, though I think we have given them in our presentations—Senator DANFORTH and I. But we will do it again and specifically divert it toward these questions.

I yield the floor, Mr. President, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT FOR PERMANENT TAX REDUCTION

Mr. DOMENICI. Mr. President, in rising to express my strong support for this amendment to reduce permanently individual income tax rates, I want first to commend President Carter for withdrawing his so-called tax rebate program. Many of us had long maintained, and apparently the President finally agreed, that the tax rebate was an inappropriate response to the economic circumstances that presently exist in this country.

I will not belabor these points, because the tax rebate plan is not at issue here today, but it does seem proper to observe simply that elimination of the tax rebate should not put an end to consideration of other fiscal policy options. The tax rebate was inappropriate because our economy is improving without the quick but temporary surge expected of such a huge, one-time infusion of money into the economy. Its stimulative benefits were questionable at best and it was a huge direct deficit item. People in my State were surprised, and not pleasantly, when they learned that it would have required all the Federal taxes collected from my entire State for the next 14.7 years to repay the $10.4 billion we would have had to borrow to pay out $50 a head under the Senate's version of the tax rebate plan. That just did not make sense to many people, including, in the end, the President.

Those of us who have from the first advocated the substitution of a permanent rate reduction for the rebate feel that our case was extremely strong. The question now becomes, whether a permanent tax cut is justified on its own merits. We who propose and support this amendment are convinced that the answer to that question is an unqualified "Yes." For my own part, I say yes for two reasons: First, the permanent tax reduction is good, sound fiscal policy. Second, the American people deserve a tax cut to make up for the effects of inflation and they deserve that cut now.

Mr. President, there can be no question that our Nation's economy is in a period of recovery, as most recently indicated by the GNP growth figures for the first quarter of 1977. Economic models also indicate that the current and near-term outlook is good, but the longer term outlook is not nearly so bright. This is particularly true when one considers the wide variety of complex and difficult structural defects in the economy, defects which take time to correct or eliminate.

A permanent tax reduction, creating an increase in the purchasing and investing power of the American people, would provide a solid base for continued economic recovery and noninflationary growth for the long term.

We cannot forget, even with the encouraging growth rate of the last quarter, that we still have more than 7 million Americans unemployed. It would be a mistake to fail to respond to this unacceptable condition and run the risk of a continuation of unemployment of this magnitude. Permanent tax cuts are, in my opinion, an opinion shared by many prominent economists, the best action the government can take to increase the availability of permanent, meaningful jobs that in turn further stabilize the economy.

There is a great deal of concern about the increase in the deficit caused by a permanent tax reduction. I share that concern, a bigger deficit does bother and alarm me and I must admit that this amendment would increase the fiscal year 1978 deficit. But, I am also aware that past experience with rate reductions of a more or less permanent nature indicates that for each percentage point reduction in the unemployment rate, revenues increase by about $14 billion a year and spending is reduced by about $4½ billion.

Further, Mr. President, from studies I have seen, I am convinced we will not reduce the deficit at any real growth rate of less than 5 percent and even at that rate it would take 7 to 8 years to reach a balanced budget. These studies indicate that we need to maintain a 5½ to 6 percent real growth rate, while restraining government expenditures to about 20 percent of GNP, if we are to balance the budget by 1981. We simply cannot generate that level of real growth without the added strength a permanent tax reduction for individuals would provide.

As good as most of the recent economic news has been, there is one factor pointing to a basic underlying weakness—the rate of business fixed investment. Nonresidential fixed investment still remains well below 1973–74 levels and is indicative of a lack of confidence which is necessary before consumers will undertake time payments on larger items or for business to increase investments to produce those items. Because, the tax cut we recommend is permanent, business will be encouraged to make long term capital investment decisions, thereby decreasing inflationary pressures that could be created by excess demand while at the same time substantially improving the productivity of this Nation's industry.

In that regard, Mr. President, productivity will also curb the upward trend of inflation we are beginning to experience. This creeping inflation eats away at every person's income, and we must counter this trend. To tighten the consumer's belt only elicits the tightening of our business sector, and this is detrimental for all. A permanent tax reduction is the most efficient method in the long-run for maintaining the demand side of our economy. By fiscal year 1979, Chase Econometrics estimates that a $10 billion permanent tax cut would increase nominal GNP approximately 20 percent more than would occur if the Government were to spend that same $10 billion retained from the income of the American people.

The choice is, therefore, between allowing the Government to decide how to spend the people's income with far less benefit to the economy, or allowing the

people the deserved right to spend their income in the manner they wish, with greater beneficial impacts on the economy. I do not find this decision a hard one to make.

Finally, on this matter, Mr. President, the current report of the Joint Economic Committee confirms the point I have made. On page 84, the JEC report states without qualification that "tax reduction will be needed in 1978 to sustain strong growth of the private sector." Surely, we all recognize that the private sector drives the great economic machine we depend on for the abundant blessings of living in America. We cannot fail to heed the recommendation of the Joint Economic Committee to provide steady, strong growth for the private sector.

Turning now to my other major reason for supporting this amendment, let me first point out that inflation has caused personal income tax collections to rise to 8.5 percent of GNP, up from 8 percent since the tax reductions of 1975. In other words, inflation has acted as an unlegislated tax increase for the vast majority of Americans with the unintended result that Americans make more money, but have less to spend for their own needs. Inflation, much of which has been the product of inappropriate government actions and policies, has eroded the purchasing power of American workers and destroyed the confidence of American investors. Are we to stand idly by while these factors continue to inflict these unfair burdens on our people or are we going to have the courage to reduce taxes and live with the charge of increasing the deficit momentarily. Again, for me, the decision is easy, the responsible course to me is clear—enact a meaningful permanent tax cut now.

A good deal has been said by administration officials about the need for tax reform. Such statements are usually quickly followed by assertions that true tax reform cannot be accomplished if permanent tax reductions are enacted now. Are we to hold the American middle class and its working people hostage, withholding from them the right to keep a greater proportion of what they earn, all in the name of tax reform? Are the American people to accept the proposition that the Congress must be pressured by the politically popular notion of lower taxes before we will move on tax reform?

The answer to both questions must be emphatically "No." Inflationary effects on taxpayers justify a rate reduction now. Effective economic stimulation through a permanent tax reduction is needed now. To delay permanent tax reduction in the name of tax reform is to deceive the American people.

Perhaps the real reason for delay is the reluctance to give up or reduce future revenues because future needs might not be met. Again I ask—are we to hold hostage American taxpayers because we refuse to recognize that permanent tax reductions are justified now for reasons my colleagues and I have stated? Are the American people to accept the proposition that the Congress will not follow the economically sound and politically responsible course of permanent tax reduction in order to preserve its ability to fund more costly programs in the future? These are serious questions that cannot be avoided. The Joint Economic Committee recognized that fact by emphasizing on page 84 of its report that we cannot continue to commit such a large share of the GNP to personal income taxes and that there must be a reduction in fiscal year 1978. I say—Why not now?

SENATE SHOULD PASS TAX REDUCTION AND STIMULATION BILL OF 1977 WITHOUT DELAY

Mr. NELSON. Mr. President, I support the Tax Reduction and Simplification Act of 1977 (H.R. 3477) as modified by the Senate Finance Committee, and urge that it be speedily approved by the Senate with a more effective small business provision included.

BILL IS BALANCED

In my view, this legislation is fairly balanced between individual taxpayers and the business sector. It continues for another year—1978—$12 billion of tax reductions for individuals and $2.3 billion of similar relief for business, which were carefully conceived by Congress in the emergency Tax Reduction Act of 1975. Additionally, the bill proposes a further $7.6 billion per year tax cut for individuals by way of liberalization of the standard deduction and about $2.4 billion for businesses for 2 years by way of an elective employment or investment credit.[1]

Thus, the 1975 ratio of individual-to-business benefits was 5.2 to 1. These 1975 benefits are extended by this bill. Over and above that, the ratio for the new proposals in the Senate version of H.R. 3477 in favor of the individual taxpayers, including the $327 million in relief from postponement of the 1976 sick pay provision, would be 3.3 to 1 for 1978. But, the $2.4 billion per year business incentives are temporary and their revenue effect ends in 1979. In contrast, the standard deduction changes are intended to be permanent, so the $6 to $7 billion in benefits to individual taxpayers should continue year after year into the indefinite future. That tips the ratio in H.R. 3477 even further in favor of individual taxpayers.

President Carter recently made the decision that the $50 per person individual tax rebate for 1976 on the grounds that the economy is reviving, and that adding the $10.7 billion needed to finance the rebate to the deficit was potentially inflationary. The President's judgment was reported to be a "close call," and he emphasized that a major stimulus program remains, which includes about $20 billion, of which $3.5 billion would fall into this current year.

NECESSITY OF REDUCING UNEMPLOYMENT

However, as a legacy of the 1974–75 recession, the United States currently has an unacceptable unemployment level of 7.3 percent, with over 7 million people looking for work. Because of the economic and human consequences of those statistics, I feel that we must pursue every avenue that is available to provide employment opportunities to those who are looking for work. This includes public works programs, public service employment, and tax incentives for the private sector to provide additional jobs. Jobs in business offer the greatest promise of developing into permanent and stable employment.

Small business deserves particular attention in this process because it provides about 55 percent of the jobs in the private sector.

We are all attempting to find the proper combination of measures to stimulate employment which will, at the same time, avoid stimulating inflation. In searching for this formula, there is special appeal in seeking additional capacity for business.

The greater capacity to produce, distribute and market goods and services reduces their prices and that helps to hold down inflation. An employment credit reduces the cost of labor and likewise exerts a dampening impact on inflation.

Stimulating the creation of jobs has many direct and indirect advantages for the economy. In 1975, a congressional study concluded that a 1-percent change in employment would produce a $16 billion change in Federal revenue.[2] A recent estimate is that the average job produces somewhat more than $2,500 in taxes of different kinds in each year. Therefore, a one-time temporary 25 percent employment tax credit of $1,050 as placed in the Senate bill by the amendment of the Senator from Texas (Mr. BENTSEN) or a 40-percent credit of $1,680 as in the House bill, or even $2,000 or $2,100 employment credit, would be a bargain in return for the greater amounts of taxes which would flow into the U.S. Treasury beginning in 1977 and continuing for every subsequent year in which the individual remained employed. In fact, the President's inflation program announced April 15 includes the following two items:

(4) Incentives for Increased Investment and Expanded Capacity. . . .

(7) Employment and Manpower Programs . . . (to) reduce both unemployment and inflation. . . .

SMALL BUSINESS AMENDMENTS DESERVE CONSIDERATION

It is for these reasons that I would support an amendment to increase the percentage credit for employment to either 50 or 33 percent of the Federal unemployment tax—FUTA—base—$2,100 or $1,386—from the 25 percent—or $1,050—level now in the Finance Committee bill.

In public hearings on February 22, 1977, the Senate Small Business Committee, led by the Senator from Colorado (Mr. HASKELL), received evidence from a broad spectrum of knowledgeable witnesses on the employment tax credit.

[1] "Tax Reduction and Simplification Act of 1977," S. Rept. 95–96, April 1, 1977, Table 1, page 20.

[2] "Inflation and Unemployment," Congressional Budget Office, June 30, 1976, page 46.

Considerable Committee effort went into the development of Senator HASKELL's proposal to the Senate Finance Committee to increase the employment credit to 50 percent of the FUTA base—or $4,200. While the 50-percent figure was not approved at that time several important parts of the small business amendment were adopted by the committee.

For the purposes of this debate, the committee amendment has been advanced again. It appears that a cap on the amount of credit that may be taken by each firm and raising the credit to 33 or 50 percent, would have the potential of assisting a very substantial number of small and independent enterprises.

According to the Joint Tax Committee, such a $100,000 cap would fully cover every firm which makes this election up to 72 workers and all but 10 or 15 percent of the work force. It would only reduce the credit below 100 percent for fewer than 2,000 large firms, many of which already enjoy alternative tax advantages.

We are also advised by the Joint Tax Committee that increasing the credit to 33 percent with a cap would not change the revenue impact of this measure, because the revenue saved by a reimposition of a cap at $100,000 compared to $40,000 in the House bill—would fully provide that revenue needed for increasing the credit to 33 percent. If it is the sentiment of the Senate, I would favor increasing this percentage to 50 percent as proposed by the Senator from Colorado.

Since the employment tax credit is proposed as a temporary stimulation device, in my view, it should be enacted at a meaningful dollar level to provide a fair test of its effectiveness. Because the FUTA base is scheduld to rise to $6,000 in 1978, while the credit base will not rise, an employment tax credit of $2,100 per worker will provide such an effective test. That sum would compare to approximately $21 per worker in the original administration proposal and is more likely to be perceived by the business community as a persuasive stimulus to employment.

SUMMARY

The pending tax reduction and simplification bill as reported by the Finance Committee appears to be equitably balanced as between individual taxpayers and business. It also attempts to recognize the needs of both large and small business, especially with the inclusion of the additional consideration in the employment tax credit area as I have described.

The condition of the economy, particularly the necessity of reducing unemployment, calls for action on all fronts, including encouragement across the spectrum of private sector businesses.

For these reasons, I hope that the Senate will act promptly in approving the Finance Committee version of H.R. 3477 with the inclusion of a stronger small business committee amendment.

TEAMSTERS' UNION CENTRAL STATES PENSION FUND 1977

Mr. ROBERT C. BYRD. Mr. President, there is one bill on the unanimous-consent calendar that has been subject to passage by unanimous consent for at least 2 days previous to today.

I ask unanimous consent that the Senate proceed to the consideration of calendar order No. 75 on the unanimous-consent calendar.

The PRESIDING OFFICER. The clerk will please state the resolution by title.

The assistant legislative clerk read as follows:

Calendar No. 75, Senate Resolution 139, authorizing the Committee on Human Resources to inspect and receive tax returns, and tax related matters of the Central States, Southeast, and Southwest Areas Pension Fund under sections 6103 and 6104 of the Internal Revenue Code of 1954.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the resolution.

The question is on agreeing to the resolution.

The resolution was agreed to.

The Preamble was agreed to.

The resolution (S. Res. 139), together with the Preamble is as follows:

Whereas, in order to conduct a study of and to discharge its oversight responsibility over the investigation of allegations relating to the Teamsters' Central States Southeast and Southwest Areas Pension Fund, it is necessary for the Committee on Human Resources of the Senate to inspect and receive tax returns, and tax related matters, held by the Secretary of the Treasury;

Whereas information necessary for such study and oversight cannot reasonably be obtained from any other source; and

Whereas, under section 6103(f) and 6104 (a)(2) of the Internal Revenue Code of 1954, a committee of the Senate has the right to inspect tax returns if such committee is specifically authorized to investigate tax returns by resolution of the Senate: Now, therefore, be it

Resolved, That the Committee on Human Resources of the Senate is specifically authorized, in conducting its study and in exercising its oversight jurisdiction over the investigation of the Teamsters' Central States Southeast and Southwest Area Pension Fund, to inspect and receive any tax return, return information, or other tax related matter, held by the Secretary of the Treasury, with repect to the Teamsters' Central States Southeast and Southwest Area Pension Fund, and any other tax return, return information, or other tax related matter held by the Secretary of the Treasury which the committee demonstrates, to the satisfaction of the Secretary of the Treasury, contains or may contain information directly relating to its study and oversight proceedings.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF MEASURES TO UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are three measures on the calendar which can be passed by unanimous consent at a later time. Calendar Order No. 77 can be placed on the consent calendar. There is no Budget Committee problem with that measure.

Calendar Order No. 78 can be placed on the consent calendar. There is no Budget Committee problem with that measure.

Calendar Order No. 79 requires a budget waiver. I have discussed this with the distinguished minority leader. It is my understanding that this measure can be passed by unanimous consent once the budget waiver is received.

Consequently, I would ask the clerk to move those three measures to the Consent Calendar with the understanding that the leadership will not attempt to call up Calendar Order No. 79 from the Consent Calendar until the budget waiver has been cleared.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I thank the majority leader for yielding.

These three orders are cleared on the notation on my calendar, and as soon as the budget waiver is received on Order No. 79, of course, we are willing to proceed with it.

So I understand we are in agreement that Calendar Orders Nos. 77 and 78 will go now, on the majority leader's suggestion, to the Unanimous-Consent Calendar, as will Calendar Order No. 79, but 79 will not be acted on from the Unanimous-Consent Calendar until the budget waiver is received.

Mr. ROBERT C. BYRD. That is correct.

The PRESIDING OFFICER. The measures will be transferred to the Consent Calendar.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

ANNUAL REPORT OF THE SECRETARY OF THE INTERIOR—MESSAGE FROM THE PRESIDENT—PM–70

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Human Resources:

To the Congress of the United States:

In accordance with Section 511(a) of the Federal Coal Mine Health and Safety Act of 1969, I hereby transmit to

you the Annual Report of the Secretary of the Interior.

Part I of the report details the activities of the Mining Enforcement and Safety Administration. Part II describes the mining research activities of the Bureau of Mines.

The report covers a period of time before I took office.

JIMMY CARTER.

THE WHITE HOUSE, *April 22, 1977.*

NATIONAL CANCER PROGRAM, 1976 ANNUAL PLAN—MESSAGE FROM THE PRESIDENT—PM-69

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Human Resources:

To the Congress of the United States:

Pursuant to Title IV, Part A, Section 401A(b), Public Health Service Act, as amended (42 U.S.C. 286e(b)), I hereby transmit the 1976 Annual Plan for FY 1978–1982. This Plan was prepared prior to the beginning of my administration.

JIMMY CARTER.

THE WHITE HOUSE, *April 22, 1977.*

COMMUNICATIONS FROM EXECUTIVE DEPARMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1201. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report relating to the transportation and distribution of Alaskan North Slope crude oil (with an accompanying report).

Mr. CRANSTON. Mr. President, I ask unanimous consent that a communication from the Administrator of the Federal Energy Administration, relative to equitable sharing of North Slope crude oil be referred jointly to the Committees on Commerce, Science and Transportation; and Energy and Natural Resources.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

EC-1202. A letter from the Secretary of State transmitting an additional section to the draft bill previously transmitted entitled "International Security Assistance and Arms Export Control Act of 1977" (with accompanying papers); to the Committee on Foreign Relations.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-136. Senate Resolution No. 8 adopted by the Senate of the State of Tennessee to urge the National Park Service to permit Mt. LeConte Lodge in the Greaty Smoky Mountains National Park to continue in operation; to the Committee on Energy and Natural Resources;

"SENATE RESOLUTION NO. 8

"A resolution to urge the National Park Service to permit Mt. LeConte Lodge in the Great Smoky Mountains National Park to continue in operation

"Whereas, the National Park Service has indicated that it may not renew the contract under which Mt. LeConte Lodge operates in the Great Smoky Mountains National Park when the current contract expires at the end of this year; and

"Whereas, the Lodge has furnished food and lodging to overnight guests since 1926, under three different ownerships, and provides a valuable service which ought to be continued; and

"Whereas, the present owners have indicated a willingness to make substantial improvements to the property if they can get a contract extending for a term long enough to allow for the amortization of the expenses of such improvements; now, therefore,

"Be it resolved by the Senate of the Ninetieth General Assembly of the State of Tennessee, That the National Park Service is urged to permit the continued operation of Mt. LeConte Lodge in the Great Smoky Mountains National Park, as a lodging and meal facility for overnight guests.

"Be it further resolved, That copies of this resolution be forwarded to President James Earl Carter; Vice President Walter F. Mondale; United States Senator Howard H. Baker; United States Senator James R. Sasser; each member from Tennessee in the United States House of Representativs; Secrtary of the Interior Cecil Andrus; the Director of the National Park Service; and Mr. L. Caesar Stair, III, Chairman, Great Smoky Mountain Park Commission, 5617 Lyons View Drive, Knoxville, Tennessee 37919."

POM-137. A petition from Mr. L. E. Doxey of Decatur, Ga., urging the President and Congress to stop the surrender of the Panama Canal by the United States of America; to the Committee on Foreign Relations.

POM-138. House Concurrent Resolution No. 7 adopted by the Legislature of the State of Utah memorializing appropriate Federal agencies and Congress to prohibit the placement of Navajo Indians on lands in San Juan County; to the Select Committee on Indian Affairs:

"NAVAJO PLACEMENT RESOLUTION

"A concurrent resolution of the 42nd Legislature of the State of Utah, the Governor concurring therein; relating to the placement of Navajo Indians; memorializing appropriate Federal agencies and Congress to prohibit the placement of such Indians on lands in San Juan County

Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

"Whereas, the United States Congress, in 25 U.S.C. 640d provided that the approximately 3,500 Navajo Indians presently sharing lands in Arizona with the Hopi Indians should be given alternative land in Arizona or New Mexico;

"Whereas, the Navajo Environmental Impact Study Team has been instructed to study the environment impact on suggested parcels of land for said Indians;

"Whereas, said Study Team has been further instructed to investigate the possibility of relocating said Indians in San Juan County, Utah;

"Whereas, the United States Congress, in 25 U.S.C. 337a, has previously forbidden further allotments of lands to Indians in San Juan County, Utah;

"Whereas, the placement of said Indians in Utah would have a multiplicity of adverse effects on Utah, to-wit:

"(1) No benefits whatsoever would be derived by the residents of Utah;

"(2) No benefits whatsoever would be derived by the Navajo Indians presently residing in Utah;

"(3) The Navajo Indians presently residing in Utah would suffer a serious dilution of their 37½% Navajo Indian royalty fund;

"(4) The population density would be four times as much as the present population density in surrounding areas;

"(5) The proposed land area will not support the influx of 3,500 additional persons;

"(6) Educational systems would be overloaded.

"(7) The increase of non-taxpaying county residents would have a devastating effect on the ability of the county to provide necessary services;

"(8) Welfare costs would be substantially increased;

"(9) Such vesting of federal, state and private lands in said Indians would create a serious loss of tax revenues, future mineral receipts and in-lieu tax revenue;

"(10) Present land use would be seriously disrupted;

"(11) Valuable coal, gas and oil reserves would be lost to the State of Utah and its people;

"(12) Federal, state and private lands in Utah would be used to solve a problem of the State of Arizona;

"(13) Extensive archaeological resources would be lost to the State of Utah; and

"(14) Significant hunting and recreational assets would be lost to the State of Utah.

"Now, therefore, be it resolved, that the 42nd Legislature of the State of Utah, the Governor concurring therein, memorializes the Bureau of Indian Affairs, the Bureau of Land Management, and the United States Congress to cease any further action directed towards the investiture of any lands in the State of Utah to those Navajo Indians presently residing with the Hopi Indians in the State of Arizona.

"Be it further resolved, that copies of this Resolution be forwarded to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate; the Congressional Delegation from Utah, the Director of the Bureau of Indian Affairs and the Director of the Bureau of Land Management."

POM-139. House Joint Resolution No. 503 adopted by the Legislature of the State of South Dakota making application to the Congress of the United States to call a convention for the purpose of proposing a human life amendment to the Constitution of the United States in accordance with article V of said Constitution; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION NO. 503

"A joint resolution making application to the Congress of the United States to call a convention for the purpose of proposing a human life amendment to the Constitution of the United States in accordance with article V of said Constitution

"Whereas, millions of abortions have been performed in the United States since the abortion of the Supreme Court of January 22, 1973; and

"Whereas, the Congress of the United States has not to date proposed, subject to ratification, a human life amendment to the Constitution of the United States; and

"Whereas, in the event of such congressional inaction, article V of the Constitution of the United States grants to the states the right to initiate constitutional change by applications from the Legislatures of two-thirds of the several states to the Congress, calling for a constitutional convention; and

"Whereas, the Congress of the United

States is required by the Constitution to call such a convention upon the receipt of applications from the Legislatures of two-thirds of the several states:

"Be it resolved, by the House of Representatives of the State of South Dakota, the Senate concurring therein:

"That the Legislature of the state of South Dakota does hereby make application to the Congress of the United States to call a convention for the sole purpose of proposing an amendment to the Constitution of the United States that would protect the life of all human beings, including unborn children.

"Be it further resolved, that this application shall constitute a continuing application for such convention pursuant to article V of the Constitution of the United States until the Legislatures of two-thirds of the states shall have made like applications and such convention shall have been called by the Congress of the United States;

"Be it further resolved, that certified copies of this resolution be presented to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States, and to each Member of the Congress from this state attesting the adoption of this joint resolution by the Legislature of the State of South Dakota."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry:

S. Res. 144. An original resolution authorizing additional expenditures by the Committee on Agriculture, Nutrition, and Forestry for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. EASTLAND, from the Committee on the Judiciary:

Without amendment:

S.J. Res. 16. A joint resolution to restore posthumously full rights of citizenship to Jefferson F. Davis (Rept. No. 95-100).

By Mr. WILLIAMS, from the Committee on Human Resources:

S. Res. 146. An original resolution authorizing additional expenditures by the Committee on Human Resources for inquiries and investigations. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated

By Mr. HELMS:

S. 1354. A bill to reorganize the executive branch of the Government and increase its economy and efficiency by establishing Offices of Inspector General within the Departments of Agriculture, Commerce, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Energy Research and Development Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, and the Veterans' Administration, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CURTIS:

S. 1355. A bill for the relief of Martina Navratilova; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 1356. A bill for the relief of Aurora Munar; and

S. 1357. A bill for the relief of Soo Jin Lee; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1358. A bill to authorize appropriations for continuation of construction of distribution systems and drains on the San Luis unit, Central Valley project, California, to mandate the extension and review of the project by the Secretary, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MORGAN:

S. 1359. A bill to amend the Housing Act of 1949; to the Committee on Banking, Housing and Urban Affairs.

By Mr. CHURCH (for himself, Mr. MCCLURE, Mr. HATFIELD, Mr. PACKWOOD, Mr. MELCHER, and Mr. HANSEN):

S. 1360. A bill to establish an Advisory Committee on Timer Sales Procedure appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service, and to restore stability to the Forest Service timber sales program and provide an opportunity for congressional review to the Committee on Energy and Natural Resources, by unanimous consent.

By Mr. HELMS (for himself, Mr. ALLEN, Mr. GARN, Mr. HATCH, Mr. MCCLURE, Mr. SCHMITT, Mr. THURMOND, and Mr. TOWER):

S. 1361. A bill to preserve the academic freedom and the autonomy of institutions of higher education and to condition the authority of officials of the United States to issue rules, regulations, or orders with respect to institutions of higher education; to the Committee on Human Resources.

By Mr. ROBERT C. BYRD (for himself and Mr. RANDOLPH):

S. 1362. A bill to amend the Small Business Act to reduce the rate of interest on disaster relief loans under such act, to apply special provisions of such act to such loans made in connection with major disasters occurring after April 1, 1977, and before June 6, 1977 to the Select Committee on Small Business.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HELMS:

S. 1354. A bill to reorganize the executive branch of the Government and increase its economy and efficiency by establishing Offices of Inspector General within the Departments of Agriculture, Commerce, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Energy Research and Development Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, and the Veterans' Administration, and for other purposes; to the Committee on Governmental Affairs.

Mr. HELMS. Mr. President, the bill I am introducing today would set up an office of Inspector General or the equivalent for the purpose of conducting and supervising audits and investigations relating to programs and operations in each of the following departments and agencies: The Department of Agriculture, the Department of Commerce, the Department of Housing and Urban Development, the Department of the Interior, the Department of Labor, the Department of Transportation, the Energy Research and Development Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, and the Veterans' Administration.

The Office of Inspector General would follow the pattern of such an office established for the Department of Health, Education, and Welfare in the last Congress. I am pleased to note that my good friend and distinguished colleague from North Carolina, L. H. FOUNTAIN, has introduced similar legislation in the House of Representatives designated as H.R. 2819.

Mr. President, I will not indulge myself in a long-winded dissertation concerning the merits and purposes of this legislation. I believe that they are rather obvious. Further, I would be the first to acknowledge that this legislation is not the answer to all the problems of the Federal bureaucracy. However, its enactment will provide a very important—and very badly needed—step in the right direction.

This legislation will establish in these departments and agencies a high-level official, with no program responsibilities, who is charged with giving undivided attention to the prevention of fraud and program abuse and the promotion of economy and efficiency in the administration of Federal programs and operations.

If properly implemented, it will provide effective leadership in areas where it does not now exist. It will help coordinate the work of the many units, thereby creating some centralized responsibility for preventing fraud, abuse, and mismanagement. This responsibility is presently scattered throughout the bureaucracy in a disorganized fashion. It will provide a means for informing the Secretary and the Congress about serious problems and for helping to insure prompt corrective action.

It is time to take action to give this country's taxpayers some relief from the unwarranted and inexcusable burden being imposed upon them by massive fraud and abuse in many Federal programs. This legislation is badly needed, and I urge all Members of the Senate to join me in assuring its passage.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 1358. A bill to authorize appropriations for continuation of construction of distribution systems and drains on the San Luis unit, Central Valley project, California, to mandate the extension and review of the project by the Secretary, and for other purposes; to the Committee on Environment and Natural Resources.

Mr. CRANSTON. Mr. President, I rise to introduce for myself and Senator HAYAKAWA for appropriate reference a bill to authorize appropriations for fiscal year 1978 for continuation of construction of distribution systems and drains on the San Luis unit, Central Valley project, California.

In addition the bill mandates the Secretary of Interior to appoint a task force to review the management, organization, and operations of the San Luis unit to determine the extent to which they conform to the purposes and intent of the act of June 30, 1960, the original authorization of the San Luis unit, and the act of June 17, 1902, our basic Federal reclamation law.

Finally, the bill provides that the proposed amendatory contract or any other contract amending the current water service contract or the current repayment contract cannot be approved by the Secretary until after completion of the task force investigation and the submission of its report on January 1, 1978, or before.

Mr. President, it is essential that this bill be given prompt consideration and hopefully reported on or before the May 15 Budget Act deadline. The additional authorization is urgently needed or construction will be forced to cease, jeopardizing a number of jobs in the Fresno area.

This bill is identical to legislation now being considered in the House Interior and Insular Affairs Committee. I look forward to its prompt and favorable consideration in the Senate.

By Mr. MORGAN:

S. 1359. A bill to amend the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

Mr. MORGAN. Mr. President, today I introduced a bill, at the request of the administration, to extend the authorizations for rural housing programs. As chairman of the newly created Rural Housing Subcommittee of the Banking, Housing, and Urban Affairs Committee, I am most concerned about the neglected state of rural housing. For far too long, low- and moderate-income persons residing in rural areas have been forgotten by Congress as we have attempted to provide a decent home for every American.

The Farmers Home Administration was initially created to provide low cost credit to farmers who could not obtain credit through normal channels but has now grown into a major financial agency providing assistance for agricultural and rural development. Supervised credit and grants for rural housing needs is a major function. Some of the authorities under which the Farmers Home operates terminate on specific dates, while others have no termination date. The bill which I am introducing today would extend the expiring authorities for 1 year, correlate them with the new fiscal year, and in the case of low-income repair loans and grants and financial assistance for labor housing, amends the authorizations for appropriations.

On April 29, we will be holding hearings on this bill and look forward to hearing from the administration and other witnesses as to whether or not increased demands on staffing can be met under the present budget authorization request. I might also add that on May 9 I will be holding field hearings in my home State of North Carolina on S. 1150 introduced by Senator HUMPHREY which seems to address many of the problems facing the Farmers Home Administration today.

Mr. President I am totally committed to the idea of a strong Farmers Home program and intend to work closely with the Carter administration during the additional year's extension provided by this bill to see that a cohesive and sound framework can be achieved to serve the needs of our rural Americans.

By Mr. CHURCH (for himself, Mr. MCCLURE, Mr. HATFIELD, Mr. PACKWOOD, Mr. MELCHER, and Mr. HANSEN):

S. 1360. A bill to establish an Advisory Committee on Timer Sales Procedure appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service, and to restore stability to the Forest Service timber sales program and provide an opportunity for congressional review; to the Committee on Energy and Natural Resources, by unanimous consent.

Mr. CHURCH. Mr. President, I introduce a bill to establish an advisory committee on timber sales procedure appointed by the appropriate Secretary, and I ask unanimous consent that the bill be referred to the Energy and Natural Resources Committee.

The PRESIDING OFFICER. Without objection, the bill will be received and referred in accordance with the Senator's request.

Mr. CHURCH. I thank the Chair.

By Mr. HELMS (for himself, Mr. ALLEN, Mr. GARN, Mr. HATCH, Mr. MCCLURE, Mr. SCHMITT, Mr. THURMOND, and Mr. TOWER):

S. 1361. A bill to preserve the academic freedom and the autonomy of institutions of higher education and to condition the authority of officials of the United States to issue rules, regulations or orders with respect to institutions of higher education; to the Commiee on Human Resources.

ACADEMIC FREEDOM ACT OF 1977

Mr. HELMS. Mr. President, the policy of Congress against Federal intervention in the American system of higher education is consistent and long standing. Congress has recognized on many occasions that the fundamental premise of academic freedom is academic autonomy. On numerous occasions Congress has enacted laws to guarantee the autonomy of higher education. Even when Congress substantially increased Federal financial assistance to education in legislation such as the Higher Education Act of 1965, it provided:

> Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, or over the selection of library resources by an educational institution.

Yet, in the face of this clear intent of Congress to prohibit Federal intervention in the operation of America's colleges and universities, Federal bureaucrats have entangled college administrators and professors in a web of Federal regulations, reports and controls which have caused educators across the country to warn that the very existence of independent education in the United States is being threatened. These educators point with concern to the emergence in reality, if not yet in name, of a new and unauthorized national "Ministry of Education." I believe, Mr. President, it is time for Congress to fulfill its responsibility and regulate the Federal regulators, before Federal regulation of colleges and universities becomes Federal strangulation. Therefore, I am today introducing legislation to reduce the adverse effects of Federal regulation in interpreting congressional enactments which go beyond the scope of such legislation and impose upon academic freedom.

PAPERWORK MEASURED BY THE POUND, NOT THE PAGE

America's colleges and universities are laboring under a staggering amount of federally required paperwork. Government demands upon collegiate institutions to gather, analyze, and transmit information in confusing and sometimes contradictory form is increasing each year. Federal bureaucrats are producing a constant flood of new and revised laws, regulations, and guidelines that often leave college administrators confused, frustrated, and exhausted. Today, Federal paperwork is measured by the pound, not the page. For example, one report from the University of North Carolina in Greensboro to the Office of Civil Rights weighed more than 12 pounds.

Recently, the Southern Association of Colleges and Schools studied the impact of Federal regulation on its member colleges. The report found that the cost of compliance with Federal regulations required some institutions to spend as much as 50 cents to administer every Federal dollar received. Others stated that they must spend more to comply with Federal regulations than they do to operate many academic departments. One college reported spending over $2 million in a single year merely to comply with various Federal requirements. The response of one administrator was typical:

> All of us agree that for the most part the ideas behind the regulations are good and worthy; the difficulty is that when bureaucrats begin to write regulations, they become extremely complicated and, in many instances, difficult to administer as well as expensive in time and effort. They are becoming so numerous that they involve a genuine encroachment on the freedom of action of the private colleges.

This destructive governmental interference with academic freedom is not peculiar to universities located in southern States. Bureaucratic regulatory overkill is nationwide. Derek Bok, president of Harvard University, asserted recently that 60,000 hours of faculty time at

Harvard were spent complying with Federal regulations during 1975. Administrators at North Carolina State University estimate that, during the same year, their faculty and staff spent at least 61,000 hours in complying with Federal regulations.

Change magazine recently estimated that the cost to institutions of higher education of federally mandated programs reached $2 billion in 1976. This $2 billion figure is shocking in itself, but the real cost to colleges is revealed when it is remembered that the total amount of voluntary private contributions to institutions of higher education that year was approximately $2 billion. Change also estimates that for every new bureaucrat added to oversee university compliance another 150 university administrators must be hired to keep up with the increased workload.

Terry Sanford, president of Duke University, observes that—

The avalanche of recent Government regulations threatens to dominate campus management. At the present rate, it is not difficult to imagine a day when facilities and administrators spend all their time filling out Government forms. It is just preposterous. The regulators must be regulated.

Over 25 years ago, President Eisenhower warned that "the prospect of domination of the Nation's scholars by Federal Government, project allocation, and the power of money is ever present, and is gravely to be regarded." Today, American educators too often echo President Eisenhower's warning. Charles Saunders of the American Council on Education recently asked

Is regulation strangulation? The question aptly conveys our uneasy awareness that government legislation and court decisions are increasingly influencing the shape of higher education in America. . . . In practice, federal regulations too often impede and subvert the educational process by stifling diversity and imposing costly, burdensome, and unnecessary requirements.

During 1976, four private universities located in Washington, D.C.—American, Georgetown, Catholic, and George Washington—issued an unprecedented public declaration of independence from Federal control resolving to—

. . . affirm our intention to maintain institutional independence from any external intervention which threatens the integrity of our institutions, including refusal of Federal funds which carry such threats.

AFFIRMATIVE ACTION IS REALLY AFFIRMATIVE DISCRIMINATION

By far, the greatest cause of this flood of Federal regulations affecting higher education is the social engineering of Federal bureaucrats. And by far, the greatest mechanism to implement these regulations has been the use of affirmative action quotas and goals.

The concept of affirmative action first surfaced as a matter of substantial Federal regulation in Executive Order 11246, issued by President Johnson in 1965. Executive Order 11246 as amended prohibits employment discrimination by the Federal Government and Federal contractors on the basis of race, color, religion, sex, or national origin. It also requires employers to—

. . . take affirmative action to ensure that (people) are treated . . . without regard to their race, color, religion, sex, or national origin.

The inclusion of an "affirmative action" mandate in Executive Order 11246 distinguishes it from other Federal laws and regulations dealing with civil rights and nondiscrimination. A basic responsibility of Federal agencies administering this Executive order has been to articulate a constitutionally proper meaning for the ambiguous term "affirmative action" which is consistent with the intent of Congress in its landmark civil rights legislation.

The legislative history of the Civil Rights Act of 1964 clearly shows the intent of Congress to outlaw preferential employment practices on the basis of race or sex. The floor managers of the act in the Senate, Senators Joseph Clark and CLIFFORD CASE stated that—

It must be emphasized that discrimination is prohibited as to any individual . . . The question in each case is whether that individual was discriminated against. (110 Cong. Rec. 7213)

Senator Clark rejected any suggestion that the act could lead to the establishment of quota hiring of nonwhites. He stated emphatically that—

Such quotas are themselves discriminatory. (110 Cong. Rec. 12723)

Senator WILLIAMS stated that—

The Act would specifically prohibit the Attorney General, or any agency of the government, from requiring employment to be on the basis of racial or religious quotas. Under (the Act) an employer with only white employees could continue to have only the best qualified persons even if they were all white.

Senator HUBERT HUMPHREY, then majority whip, maintained that—

The proponents of the bill have carefully stated on numerous occasions that Title VII does not require an employer to achieve any sort of racial balance in his work force by giving preferential treatment to any individual or group. (110 Cong. Rec. 14331)

Despite this intent of Congress in the Civil Rights Act of 1964 to prohibit discriminatory hiring practices through the use of numerical quotas and goals, Federal bureaucrats have interpreted the term "affirmative action" as requiring quotas and goals.

The Equal Employment Opportunity Commission, as well as other Federal agencies, has time and again told employers that "any discussion of equal employment opportunity programs is meaningful only when it includes consideration of their results—or lack of results—in terms of actual numbers of jobs for minorities and women." The Office of Civil Rights has defined the mandate of "affirmative action" as follows:

The concept of Affirmative Action requires more than mere neutrality on race and sex. It requires the university to determine whether it has failed to recruit, employ, and promote women and minorities commensurate with their availability, even if this failure cannot be traced to specific acts of discrimination by university officials. Where women and minorities are not represented on a university's rolls, despite their availability (that is, where they are "underutilized") the university has an obligation to initiate affirmative efforts to recruit and hire them. The premise of this obligation is that systemic forms of exclusion, inattention, and discrimination cannot be remedied in any meaningful way, in any reasonable length of time, simply by ensuring a future benign neutrality with regard to race and sex. This would perpetuate indefinitely the grossest inequities of past discrimination. Thus there must be some form of positive action, along with a schedule for how such actions are to take place, and an honest appraisal of what the plan is likely to yield—an appraisal that the regulations call a "goal."

The interpretation of "affirmative action" as an obligation which "requires more than mere neutrality on race and sex" is fundamentally opposed to the equal opportunity mandate of title VII. Under this formulation, affirmative action is, in reality, affirmative discrimination. The inevitable result of affirmative action implementation within the academic community has been the creation of a system of reverse discrimination. Affirmative action quotas and goals inescapably produce a situation where de facto discrimination is commonplace. Edward Levi, former U.S. Attorney General and past president of the University of Chicago rejected HEW's claims that the "hiring goals" it repeatedly imposes are different than numerical quotas. Said Levi:

The country has been on a program where affirmative action requiring the statement of goals is said with great profoundness not to be setting quotas, But it is the setting of quotas.

The following quotations from letters from universities to applicants for faculty positions reveals the stark reality of affirmative discrimination.

Dear Sir: The Department of Economics at Chico State is now just entering the job market actively to recruit economists for the next academic year . . . Chica State College is also an affirmative action institution with respect to both American minority groups and women. Our doctoral requirements for faculty will be waived for candidates who qualify under the affirmative action criteria.

Dear Colleague: Claremont Men's College has a vacancy in its . . . Department as a result of retirement. We desire to appoint a black or Chicano, preferably female. . . .

I should very much appreciate it if you could indicate which of your 1972 candidates are either Negro or Mexican American.

Dear . . .: We are looking for females . . . and members of minority groups. As you know, Northwestern along with a lot of other universities is under some pressure . . . to hire women, Chicanos, etc.

Your prompt response to my letter of May 12 with four candidates, all of whom seem qualified for our vacancy, is greatly appreciated. Since there is no indication that any of them belong to one of the minority groups listed, I will be unable to contact them. . . .

Dear Mr. . . .: All unfilled positions in the university must be filled by females or blacks. Since I have no information regarding your racial identification, it will be pos-

sible for me to contact you for a position only in the event you are black.

Proponents of discriminatory hiring through affirmative action quotas and goals have been partially successful in blurring the distinction between nondiscrimination and affirmative action. In a classic example of Orwellian "newspeak" the Department of Labor's revised order No. 4, issued in 1971, characterized "affirmative action" as part of an employer's larger obligation not to discriminate. This fostered confusion between nondiscrimination and affirmative action has allowed a system to develop in which discrimination is being institutionalized under the guise of a nondiscrimination program.

A 1976 report by the University of North Carolina clearly identified the distortion of nondiscrimination programs developed by institutions of higher learning by this radical interpretation of affirmative action. The report states in part the following:

Can we not now acknowledge forthrightly that the critical difference (between nondiscrimination and affirmative action) is that under the "nondiscrimination" principle we seek to search for, identify, and fix some real blame at its real source, in order to identify the entity inherently responsible for remedy, whereas under the "affirmative action" principle we pass beyond consideration of specific blame and consequent responsibility and attendant questions about possible correlation of the two factors. "Affirmative action" is intrinsically different from "nondiscrimination," in that it requires individual employers to do more than eliminate and rectify the consequences of discriminatory practices for which they were responsible. It separately requires all covered contractors to share in the national responsibility for remedying the consequences of pervasive and long-standing social conditions, even though those individual employers in fact may have made no direct culpable contributions to those conditions.

The interpretation of affirmative action as requiring hiring and admission quotas and goals is not compelled by Executive Order No. 11246. Nor is it mandated by any act of Congress. Instead, affirmative discrimination through the use of quotas and goals is a bureaucratic creation.

Affirmative discrimination is being promoted by its supporters as the only practical response to discrimination. To the contrary, there are many Federal and State laws which prohibit discrimination in almost every area of life including education, employment, and accommodations. The continued vigorous enforcement of these laws has been the most effective method of eliminating discrimination in the recent past and is still the most effective method today.

Just as affirmative discrimination is legally unnecessary to promote equal opportunity in higher education, it is also unnecessary as a practical matter. Professor Thomas Sowell of UCLA observes that contrary to the myths fostering affirmative action plans—

The effect of the straightforward anti-discrimination loss of the 1960s and of the general drive toward racial integration had created a premium for qualified black academics, even before HEW's goals and timetables. Moreover, the improvements that have occurred since then need not be due to HEW pressures but may be thought of as a continuation of trends already evident before affirmative action programs began.

Robert Hall and Richard Kasten in a recent study for the Brookings Institute concluded that—

Young black men entering the labor market were just as likely as whites to find high-paying jobs and just as likely to escape from bad jobs . . . The sixties saw the nearly complete elimination of racial bias in the way that the labor market assigned individuals of occupations.

In another Brookings study, examining current changes in the labor market for blacks, Richard Freeman wrote:

While black-white differences have not disappeared, the convergence in economic position in the fifties and sixties suggests a virtual collapse in traditional discriminatory patterns in the labor market.

In the academic marketplace, Prof. Kent Mommsen reported in the Journal of Higher Education that the first national statistical study of the salaries of black academics revealed that the difference in salaries between white doctorates and black doctorates was only $62. Within specific fields of concentration, Professor Mommsen found that black doctorates were generally earning more than white doctorates similarly situated and they were also receiving more job offers per year.

ADVERSE IMPACT OF AFFIRMATIVE DISCRIMINATION

Quota hiring and special privileges often undermine the very benefits these measures seek to bestow upon the favored groups. Affirmative action programs injure not only those who are discriminated against by the policy, but also those who are the "beneficiaries" of this new discrimination. Every competent minority member who was hired without regard to race or sex will sooner or later fall under suspicion that his success was due more to special privilege rather than talent and hard work. The noted black professor, Thomas Sowell of the University of California of Los Angeles forcefully rejected the proposition that affirmative discrimination was the answer to past discrimination. In response to the typical "affirmative action letter," variations of which I quoted from earlier, Professor Sowell states as follows:

DEAR PROFESSOR PIERSON: This morning I was pleased to receive a letter from Swarthmore College, an institution for which I have long had respect, and reports from which have added to my admiration.

Then I opened the letter and learned that "Swarthmore College is actively looking for a black economist . . ." and the phrase that came immediately to mind was one from a bygone era, when a very different kind of emotionalism was abroad, and a counsel facing Senator Joseph McCarthy said, "Sir, have you no shame?" What purpose is to be served by this sort of thing?

Surely a labor economist of your reputation must know that unemployment among black Ph.D.'s is one of the least of our social problems, and has been for many years—long before "affirmative action." In general even, the salary is no higher at a top college than at less prestigious institutions for a given individual. So you are doing very little for black faculty members with broadcast recruiting campaigns like this (I note the letter is mimeographed). Maybe you think you are doing something for race relations. If you are going to find a Swarthmore-quality black faculty member, that is one thing. But Swarthmore-quality faculty members are found through Swarthmore-quality channels and not through mimeographed letters of this sort. Many of self-respecting black scholar would never accept an offer like this, even if he might otherwise enjoy teaching at Swarthmore. When Bill Allen was department chairman at UCLA he violently refused to hire anyone on the basis of ethnic representation—and thereby made it possible for me to come there a year later with my head held up.

Your approach tends to make the job unattractive to anyone who regards himself as a scholar or a man, and thereby throws it open to opportunists. Despite all the brave talk in academia about "affirmative action" without lowering quality standards, you and I both know that it takes many years to create a qualified faculty member of any color, and no increased demand is going to increase the supply immediately unless you lower quality. Now what good is going to come from lower standards that will make "black" equivalent to "substandard" in the eyes of black and white students alike? Can you imagine that this is going to reduce racism? On the contrary, more and more thoughtful people are beginning to worry that the next generation will see an increasing amount of bigotry among those whites educated at some of the most liberal institutions, where this is the picture that is presented to them, however noble the rhetoric that accompanies it.

You and I both know that many of these "special" recruting efforts are not aimed at helping black faculty members or black or white students, but rather at hanging onto the school's federal money. Now, I have nothing against money. I have not been so familiar with it as to have contempt for it. But there are limits to what should be done to get it, and particularly so for an institution with a proud tradition, at a time when the government itself is wavering and having second thoughts about this policy, and when just a little courage from a few men in "responsible" positions might make a difference.

Yours sincerely,

THOMAS SOWELL.

The cost of implementing Federal regulations adversely affects minority students as well. For example, at Duke University the cost per student of implementing federally mandated social programs has increased from $58 in 1968 to $451 in 1975. The cost of compliance has affected other private universities even more drastically. To take another example, the cost at Georgetown University has risen from only $16 per student in 1965 to $356 in 1975. This increase in the cost of attending college most affects minority and low-income students. These students can least afford any increase in the cost of attending school. Minority and low-income students are most dependent upon financial aid. The millions of dollars which are today spent implementing Federal regulations could be spent providing thousands of minority and low-income students with a college education.

A recent study by the American Council on Education of the cost of complying with Federal regulations at six institutions of higher learning in the United States found that the combined cost for only six colleges is approximately $10 million. And this $10 million figure does not include the cost of implementing those regulations which apply partic-

ularly to educational institutions under title IX of the Education Amendments of 1972 and the so-called Buckley amendment regarding student privacy. If the cost of these programs are also added, the cost per student would be much greater.

The cost of developing and implementing affirmative action and equal employment opportunity programs constitute a substantial share of the total cost of Federal regulation. The impact is substantial on both large State universities and small junior colleges. For example, at the University of Illinois, equal employment and affirmative action requirements consume 64 percent of all funds spent to comply with Federal mandates and at Miami-Dade Junior College, 40 percent of all compliance funds are used for that purpose. Simply developing an affirmative action plan can cost hundreds of thousands of dollars. For example, a single affirmative action plan cost $400,000 to develop at the University of California at Berkeley, while the one developed at the University of Michigan cost $350,000.

The total amount of money actually spent by such institutions to comply with all regulations usually runs into the millions of dollars. In 1975, the University of Illinois spent $1,302,545; Georgetown University spent $3,603,243; and Duke University spent $3,618,070. And according to the report of the American Council on Education, the cost impact of affirmative action programs "has only just begun to be felt."

Not only do compliance requirements cost millions of dollars, but they also divert existing resources from their intended purposes. At the University of North Carolina at Greensboro, compiling 10 reports required by HEW "swamped" the University's computer facilities. The director of institutional research recalled: All other uses of the computer stopped. For a 6-month period we did nothing but HEW reports.

AFFIRMATIVE DISCRIMINATION VIOLATES THE CONSTITUTION

I have described at some length the ways in which discrimination through the use of numerical goals and quotas in affirmative action programs work to the disadvantage of people of all races and both sexes. I oppose affirmative action discrimination, because of the real hardships it imposes on innocent individuals and on society as a whole. I oppose it also because the granting of special privilege and other forms of discrimination violates the fundamental principles of American constitutional law.

The 14th amendment of the U.S. Constitution reads:

> . . . nor shall any state deprive any person of life, liberty or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

When Federal bureaucrats require colleges and universities to adopt different criteria on the basis of race in determining their admission or hiring policies, that is a violation of the Constitution's guarantee of equal protection of the laws. As the U.S. Supreme Court stated several years ago:

> Few principles of law are more firmly stitched into our constitutional fabric than the proposition that a state may not discriminate against a person because of his race . . . (398 U.S. 144)

Proponents of affirmative action discrimination mistakenly rely upon Supreme Court decisions regarding the elimination of discrimination. These cases do not hold that the Government may implement a system of special privilege based upon the principle of nondiscrimination. The Supreme Court has never formulated the principle that certain members of a majority race may be denied equal protection of the laws for the benefit of minority races. The Court has never held that it is constitutionally permissible to eliminate discrimination against one race by creating discrimination against another race. And it is also a fundamental principle of constitutional law that Government officials may not induce, encourage or promote "private" persons to accomplish what they are constitutionally forbidden to accomplish.

The more radical advocates of affirmative action discrimination argue that legal principles articulated by various Federal courts in dealing with elementary and secondary schools must now be applied to State systems of higher education. In the present case of Adams against Califano, currently pending in the Federal district court for the District of Columbia, the extreme position has been argued that affirmative discrimination mandates the elimination of standards for student admission, the reassignment and distribution of staff and faculty, and the abandonment of duplication of programs at neighboring black and white institutions. These proponents of affirmative action argue that such programs can become effiective only when responsibility for student admission, teacher and staff hiring, scholarship aid and educational programs is taken out of the hands of individual institutions and exercised on a statewide basis.

These proponents of affirmative discrimination maintain that the principles articulated in *Brown* v. *Board of Education*, 347 U.S. 483 (1954); 349 U.S. 294 (1955) and those cases following it, such as *Swann* v. *Charlotte-Mecklenburg Bd. of Educ.*, 402 U.S. 1 (1971) and *Keyes* v. *School Dist. No. 1 Denver*, 413 U.S. 189 (1973); which relate to elementary and secondary education be applied to higher education. This is a position held by a narrow minority and one that is opposed by many black educators. The National Association for Equal Opportunity in Higher Education—a voluntary independent association of presidents of 110 predominantly Negro colleges and universities—has spoken out against the proposed application of Brown and its progeny to higher education.

In a brief filed in the case of *Adams* v. *Califano*, (see also *Adams* v. *Richardson*, 480 F.2d 1159 (D.C. Cir., 1973) the National Association for Equal Opportunity in Higher Education opposed this assault upon the independence of colleges and universities. It argued that the problems of discrimination in higher education are different than problems of discrimination in elementary and secondary institutions.

The problems of discrimination in these school systems are different as a result of substantial differences in the systems themselves. While colleges and universities vary considerably in their academic functions, elementary and secondary schools have a more uniform academic role. Education at the elementary and secondary level is, of course, compulsory, while attendance at colleges and universities is voluntary. Attendance at secondary and elementary schools is determined by specific attendance zones, whereas attendance at college is voluntary and based on a number of factors. Elementary and secondary schools are administered by school boards with authority over many schools within a school district; however, institutions of higher education are much more independent. The traditional development of American education and the recent decisions of the U.S. Supreme Court dealing with education has brought about the situation where elementary and secondary public educational institutions should be more or less "fungible," while institutions of higher education offer students the greatest possible freedom of choice regarding educational and athletic programs, faculty, size, and many other variables.

The national association clearly realizes that affirmative discrimination to achieve an artificial racial composition at every college and university will result in black institutions being "assimilated out of existence."

It maintains that:

> Any activity by the federal or state government to undermine the supportive role which these institutions presently perform is of itself discriminatory and contrary to the intendment of the (Fourteenth Amendment). To remove the compensatory bridge which Blacks now have to any hope of equality of educational attainment is violative of the constitutional guarantees.

AFFIRMATIVE DISCRIMINATION VIOLATES THE CIVIL RIGHTS ACT OF 1964

Federal bureaucrats impose affirmative action quotas and goals upon colleges and universities receiving Federal funds. Such federally assisted institutions fall directly within the terms of title VI of the Civil Rights Act of 1964, which provides:

> No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Contrary to this civil rights mandate, affirmative action requires, by the use of quotas and goals, that certain persons be denied admission to colleges, excluded from advance degree programs and employment opportunities by reason of their race in order that persons of other races can be given specific privileges. Proponents of this affirmative discrimination argue that although the language of the Civil Rights Act clearly prohibits discrimination on the basis of race, its intent is to protect only members of minority races. In this belief they are clearly mistaken. Federal courts have rejected this interpretation of the civil rights statutes. The equal protection af-

forded under the recent landmark civil rights legislation applies to people of all races. For example, a Federal court in 1969 stated:

While the Court recognizes the fact that these statutes were passed primarily to insure the rights of non-white Americans, nothing in the statutes limit their application to cases where the civil rights of non-whites are being violated. Indeed, it would be unfair to deprive white Americans of the benefit of these sections when their constitutionally-protected rights are being violated. *General Presbyterian Church v. Black Liberation Front*, 303 F. Supp. 894 (1969).

BUREAUCRATIC DISTORTION OF TITLE IX TO IMPOSE AFFIRMATIVE DISCRIMINATION

Title IX of the Education Amendments of 1972 prohibits, with certain exceptions, discrimination on the basis of sex in any educational program or activity which receives Federal financial assistance. Title IX also directs administrative agencies which administer such Federal funding to develop regulations to implement the title's prohibition against set discrimination. In 1975, the Department of Health, Education, and Welfare issued regulations under the authority of title IX which were reviewed briefly by the 94th Congress. Several Members should recall that during that review, I introduced Senate Concurrent Resolution 46 to disapprove of these regulations under the procedures established by the General Education Provisions Act. I introduced that concurrent resolution, because I believed at that time—and still believe—that those regulations constituted an unwarranted intrusion by Government into American society and an unauthorized invasion of academic freedom. Although the supporters of Senate Concurrent Resolution 46 received assurances from members of the committee to which it was referred that it would receive prompt attention during congressional review of these regulations, this was never done.

Title IX directs Federal bureaucrats to enforce its provisions among institutions of higher learning "receiving Federal financial assistance." Hence, what constitutes a "recipient institution" under the regulations adopted pursuant to and within the scope of title IX determines, in large part, the extent of the bureaucracy's power under the statute. HEW has interpreted the word "receive" in such a fashion as to gain control over almost every aspect of university life in almost every college in the United States. It has done so in disregard of the limited language and purpose of title IX, and the intent of Congress.

The HEW regulations provide that not only does "Federal financial assistance" include grants and other funds given directly to the institutions themselves or to one of their programs or activities, but also scholarships, loans and other funds made directly to students. Title IX provides that Federal agencies administering its provisions may withhold or teminate "Federal financial assistance" to institutions which do not comply with their implementing regulations. The immense power such a provision grants Federal regulators is obvious. HEW and other Federal agencies have used this power to impose affirmative discrimination by requiring quotas and goals under the threat of the termination of Federal funds for noncompliance. However, the Federal bureaucracy has not found this provision sufficient to implement many of its regulations which have proved widely unpopular and of questionable legality.

In 1975, HEW adopted regulations implementing title IX which took the position that all educational programs and activities of a "recipient institution" benefited from Federal financial assistance to any program or activity. The regulation defines "recipient" as any institution that "operates an education program or activity which receives or benefits from such assistance." This assertion by HEW, that it may regulate all aspects of all education activities of an institution of higher education which receives Federal funds for any program, has allowed HEW, without congressional authorization, to direct almost every aspect of university life in almost every college in the United States. According to Dr. Dallin Oaks, president of Brigham Young University and director of the American Association of Presidents of Independent Colleges and Universities, the effect of this HEW action is such that—

...if an educational institution has received, even indirectly, a single dollar of federal money, every decision, activity, facility, educational policy or communication of that institution is subject to review and regulation by the Department... The Department has therefore taken the position that if a college or university receives some direct or indirect financial assistance for its department of chemistry it must accept government supervision of all of its other academic departments, its dormitories, its admissions and financial aids policies, and every other aspect of its operations.

HEW has adopted a philosophy of regulation regarding higher education described by Kingman Brewster, president of Yale University, as "now that I have bought the button, I have a right to design the coat." Many private universities have refused Federal assistance in the form of grants and other aid on the grounds that such assistance must necessarily entangle them in Federal controls. They hold that the Constitution's first amendment freedoms create a wall of separation between Government and academia. Indeed, the U.S. Supreme Court has recently stated that—

The right of freedom of speech and press includes not only the right to utter or print, but... the freedom of the entire university.

Many colleges have never accepted Federal assistance and, therefore, fell outside title IX enforcement provisions regarding the loss of Federal funds. To overcome these obstacles, HEW has gone beyond the intent and scope of title IX.

Thus, HEW interpreted a "recipient institution" to include an institution whose students receive Federal assistance in the form of scholarships, loans, grants, or other funds. Under the HEW formulation a college with a student who receives Federal assistance, also "receives" such assistance. Such a holding not only distorts the purpose of such assistance, but it also distorts the meaning of the word "receive" itself. According to the legal encyclopedia, "Corpus Juris Secondum," volume 72, page 643, the word "receive" is defined in reference to "a change of possession, as when one parts with the control of a thing and another takes and accepts it." Clearly under the conventional and legal definition, the act of receiving Federal financial assistance is complete when the student receives the assistance, whether it be in the form of veterans educational benefits or national student defense loan. The impropriety of HEW's application of the term is evident when applied to other situations. Applying HEW's interpretation, Nobel Prize winner, Prof. Milton Friedman has pointed out:

The corner grocer and the A & P are "recipient institutions" because some of their customers receive social security checks. The New York Times and The Chicago Tribune are federal contractors because welfare recipients buy papers.

As Professor Friedman concludes:

No argument is too silly to serve as a pretext for extending still further the widening control over all of our lives that is being exercised by government.

Yet the results are anything but funny. Many private colleges and universities have, as a matter of academic or religious principle, refused Federal assistance suspecting that Federal control would soon follow. In the case of title IX, administrators of religious colleges like Dr. Willis Weatherford of Berea College, observe that HEW's implementing regulations would force the college to violate its religious principles in regard to the subjects of marriage, abortion, and pregnancy. Others agree with Dr. George Roche of Hillsdale College, that—

Rather than allow such a federal takeover of our campus, we are prepared to refuse compliance with the government edicts.

However, this position should not underestimate the power of the Federal Government to harass and even destroy institutions which refuse to comply. There are many institutions with such a large number of students receiving Federal assistance, that should this regulation be allowed to stand, their only alternatives, according to Prof. Virgil Mitchell will be to "obey the Federal Government or cease to exist."

AFFIRMATIVE DISCRIMINATION PREMISED UPON STATISTICAL DISTORTIONS

The slavish and facile reliance of advocates of affirmative action quotas upon statistical analysis of the racial and sexual composition of academia breeds cynicism and disillusionment among administrators, teachers, and students. Bureaucrats have seized upon the statistical approach to prove discrimination within a particular institution, because of the ease in which the desired result of finding discrimination can be obtained. A simple adjustment in the methodology of the statistical analysis, the exclusion of a single variable, can produce the desired conclusion of pervasive and substantial discrimination.

If discrimination means the dissimilar treatment of similar individuals, then the comparison of such individuals within a statistical study must include the variables considered by the employer in the hiring decision. For example, in the case of discrimination in employ-

ment of college faculty members, any statistical study should take account of those variables which determine employment, pay, and promotion. As Professor Sowell correctly points out:

> One of the perverse aspects of this residual method of measuring discrimination is that the more determining variables that are overlooked or ignored, the more discrimination there seems to be.

All of us are familiar with the claim that women in the American work force earn considerably less than do men. Often this fact is simply taken for granted by Federal bureaucrats and the burden in them shifted to the employer to prove that he is an exception to the rule. However, studies which allow for the inclusion of variables which normally govern the hiring, salary, and promotion decision of employers, produce unexpected results for the proponents of quota hiring.

In 1971, the median annual earnings of women were only 40 percent of those of men. However, when the study compared only year-around, full-time employees the median annual earnings of women rose to 60 percent of those of men. When the study compared single women and single men between the ages of 30 and 44 with continuous work experience, the 1973 economic report of the President found that "single women who had worked every year since leaving school earned slightly more than single men."

In regard to academic employment, the American Council on Education reports similar findings. At institutions of higher learning, academic women who have never married again earn more than their mail counterparts who have never married. This suggests that marriage often adversely affects the careers of academic women and that if their is a difference of treatment of men and women in the academic world, it is between married women and all others. Certainly marriage places substantial responsibilities upon a wife and mother which are normally different than those which it places upon a husband and father. The recognition of this fact and its consideration in making a hiring, salary, or promotion decision of an employer is not normally considered discrimination. At least it cannot be said that such consideration was intended by Congress to be construed as discrimination under the civil rights and equal opportunity legislation it has recently passed.

Not only does this bureaucratic reliance upon statistics create a distorted picture of academic institutions, but it also greatly distorts the institution's employment procedures for the future. Often when a university has a faculty vacancy, it is not unusual for the proponents of affirmative action quotas to demand that since there may be hundreds of minorities and women holding doctorates in that subject, it is presumptively discrimination for the university to hire a nonminority person. This analysis misunderstands the needs and nature of a university. For example, an economics department or a history department with a job opening is not looking for an "economist" or a "historian," or even a "qualified" one. They may need an international trade specialist with an econometrics background or a medieval historian with a concentration in medieval political theory. Statistics concerning the number of "qualified" minority or female "economists" or "historians" who are available is meaningless. Such an analysis also overlooks the fact that even within such fields as economics and history, minorities, and women are not proportionally distributed. For example, Myra Strober, in a recent article in the American Economic Review, reports that female economists and male economists are not distributed in the same proportion among the various economic specialties. Furthermore, such hiring guidelines overlook possibly the most important factor of all: How many persons holding advance degrees in that subject desire an academic career? The present use of statistics to determine the number of "qualified" minorities and women places burdens upon institutions of higher learning which completely distort their role and that of their faculties.

Similarly the use of statistics to determine the "availability" of minorities and women cannot take into account enough individual variables to reveal the realistic employability of such persons. For example, assume that a university chemistry department's faculty consists of 19 males and 1 female—a situation where females make up only 5 percent of the department's work force. Proponents of affirmative action quota requirements maintain that the sufficiency of current "utilization" of females can be achieved only by relating this present hiring situation with the "availability" of females who possess the requisite "qualifications." Even in light of the above discussion, assume that the simple possession of an earned doctoral degree in chemistry provides the requisite qualification for inclusion within this national "availability" pool. Also that 10 percent of those holding doctorate degrees in chemistry are women. Proponents of affirmative action quota hiring argue that no further refinement of this data is necessary to determine "availability" and that other variables are unnecessary to determine the university's past compliance with affirmative action mandates or the establishment of remedial hiring goals. The university would thus be under an affirmative action obligation to increase the number of females in its department in proportion to the proportion of women holding such degrees nationwide.

Whether this formula is employed as a means to determine past "deficiency" or for developing remedial goals and quotas, the consequences of such a simplistic test are apparent. Under this proposal all university-level institutions would be subject to affirmative action plans requiring that the number of women in their respective chemistry departments match the nationwide proportion of women to men holding doctorates in chemistry. To seriously assume that such perfect representation can exist in every university in a free society is, as some have recently suggested, "to court delusion of the most extreme variety." Indeed, William Bowen, president of Princeton University, suggests that—

> If the distribution of employment in a university were to conform exactly, department by department, to the distribution suggested by availability data, it would be powerful evidence of the presence of discrimination.

Such a simplistic understanding of "availability" fails to take into account other important factors. Not all persons holding advance degrees desire careers in educational institutions. Many minorities and women who hold such degrees, especially seek out employment opportunities with Government and private industry. Thus, statistics as to the number of persons holding degrees in chemistry or other fields is no indication of the number of persons available for academic employment. As mentioned before, such statistical data does not provide information on the number of persons holding advanced degrees who also have the necessary subspecialties for the particular requirements of a department seeking to fill a vacancy. Furthermore, such statistics fail to take into consideration the percent of the "qualified" employment pool, who are presently employed and who, for any number of reasons, are not interested in changing their employment.

The result of this bureaucratic obsession with statistics is, in the words of the 1976 report of the University of North Carolina:

> A growing monolith of prescribed processes, involving data collection, evaluation, and reporting, which are excessive, burdensome, and largely irrelevant to any demonstrable legitimate purpose.

AMERICAN ASSOCIATION OF PRESIDENTS OF INDEPENDENT COLLEGES AND UNIVERSITIES ENDORSES THE ACADEMIC FREEDOM ACT OF 1977

Mr. President, I am pleased to announce that the Board of Directors of the American Association of Presidents of Independent Colleges and Universities has endorsed the Academic Freedom Act of 1977.

Although the provisions of this bill are not restricted to private colleges and universities, it is apparent from many of the examples which I have just discussed that the adverse impact of Federal regulation is often most greatly felt by these schools. Unlike their counterparts in the public sector, private colleges do not have the ability to pass along to the taxpayers of their State the increased costs of Federal regulation. Recently, many small private colleges have closed their doors and gone out of existence, in part due to the spiraling costs of Federal intervention.

Additionally and perhaps most importantly, private colleges and universities are least likely to possess the resources necessary to withstand this Federal assault and preserve their institution's independent existence. Dr. Dallin H. Oaks, president of the American Association of Presidents of Independent Colleges and Universities, stated this March in an address to the Western College Association, in regard to academic freedom, that—

> An institution which lacks freedom from government interference in the management of its educational functions cannot protect its faculty from government interference in theirs.

On April 15, 1977, the Board of Directors of the American Association of

Presidents of Independent Colleges and Universities adopted the following resolution:

The proposed Academic Freedom Act of 1977 is a sound legislative corrective for serious problems that beset the private sector of higher education. We support it in principle and request congressional hearings in which AAPICU and its members can give suggestions on specific phraseology.

CONCLUSION

Mr. President, the Academic Freedom Act of 1977 is an eightfold solution to the problem of Federal entanglement in higher education. First, it requires that any Federal agency issuing a rule affecting institutions of higher education must adopt an education impact statement which shall determine whether any information sought under the rule is already available from or being gathered by another Federal agency, and also assess the cost and time involved by institutions in complying with such rule. Second, it provides for the maintenance of educational standards by prohibiting a rule which would directly or indirectly require, promote, or encourage the abandonment or reduction of academic requirements for admission to any undergraduate or graduate degree program. Third, it provides an exemption from Federal regulation for any institution which, during the last fiscal year, does not receive more than $300,000 or 5 per centum of its annual current funds budget in Federal assistance. Fourth, it provides that Federal regulations may apply only to those educational programs or activities which are direct recipients of Federal financial assistance. Fifth, it limits the power of a Federal agency to terminate financial assistance only to a program which is in noncompliance with a lawful regulation and prohibits that program from being used as the basis for terminating assistance to other programs of the institution which are in compliance with that regulation. Sixth, it provides that noncompliance with regulations promulgated under certain equal opportunity legislation shall not constitute sufficient grounds for the termination or withholding of any institution's tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1954. Seventh, it provides that scholarships, loans, grants, wages, or other funds extended to an institution on behalf of students or extended directly to students shall not be construed as Federal financial assistance to that institution. And eighth, it provides that no Federal financial assistance shall be terminated, withheld, or otherwise encumbered on the basis that the institution is in noncompliance with a Federal regulation when the institution has sought judicial review and until all appeals of such action have been exhausted.

Mr. President, I ask unanimous consent that the Academic Freedom Act of 1977 be printed at this point in the RECORD. I also ask unanimous consent that the remarks of a cosponsor of this bill, the Senator from Idaho (Mr. MCCLURE), which were printed in the RECORD on April 19, be reprinted at his request, following the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1361

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Academic Freedom Act of 1977".

FINDINGS

SEC. 2. The Congress finds that—

(1) the excessive demands on time which administrators and teachers of institutions of higher education must utilize in order to responsively reply and conform with regulations, reporting requirements, compliance proposals and other administrative regulations adversely affects the financial resources of such institutions and the educational quality of such institutions;

(2) increasing Federal intrusion into the curricula and grading, admission, and hiring policies of institutions of higher education in the United States is endangering the academic freedom of such institutions;

(3) Federally mandated goals, timetables, and quotas for the admission of students and the appointments of teachers and administrators constitutes a substantial invasion of the freedoms of the citizens of the United States guaranteed under the First and Fourteenth Amendments to the Constitution of the United States of America;

(4) the diversity and independence of higher education in the United States, founded on the philosophy of local autonomy and service to a local community, offers Americans the greatest freedom to pursue their education and exercise their First Amendment freedoms; and

(5) it is necessary and proper that the Congress, pursuant to the powers granted to it by the Constitution of the United States, including, but not limited to, the First and Fourteenth Amendments thereof, should take action to enhance and to promote its long standing protection of academic freedom among institutions of higher learning.

DEFINITION

SEC. 3. As used in this Act the term—

(a) "regulation" means any rule, guideline, interpretation, order, or requirement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy and includes record-keeping or reporting requirements imposed by any agency or authority of the United States.

(b) "institution of higher education" means an educational institution in any State which—

(1) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) is legally authorized within such State to provide a program of education beyond high school;

(3) provides an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathmetical principles or knowledge;

(4) is a public or other nonprofit institution; and

(5) is accredited by a nationally recognized accrediting agency or association listed by the Commissioner of Education pursuant to section 601(e) of the Elementary and Secondary Education Act of 1965 (79 Stat. 27).

(c) "Federal financial assistance" includes, but is not limited to, grants, loans, and any other payments made out of appropriated funds including funds made available under any contract to which the United States is a party or with respect to which the United States is a beneficiary.

EDUCATION IMPACT STATEMENT

SEC. 4. Notwithstanding any other provision of law, no regulation affecting any institution of higher education in the United States, promulgated on or after the date of enactment of this Act, shall become effective unless such agency causes to be published in the Federal Register a copy of such proposed regulation together with an educational impact assessment statement which shall—

(1) determine whether any information required to be transmitted under such regulation is already being gathered by or is available from any other agency or authority of the United States; and

(2) assess the cost and time involved in complying with such regulation by institutions of higher education which would be affected thereby.

Notwithstanding the exception provided under section 553(b) of title 5, United States Code, such statement shall be based upon the record established under the provisions of section 553 of title 5, United States Code, compiled during the rulemaking proceeding regarding such regulation.

MAINTENANCE OF EDUCATIONAL STANDARDS

SEC. 5. No agency or authority of the United States shall promulgate or enforce any regulation under any Act of Congress or pursuant to any Executive Order which directly or indirectly requires, promotes, or encourages, the abandonment or reduction of academic requirements for admission to any program or activity, or to any undergraduate or graduate degree program of such institution of higher education.

HIGHER EDUCATION FINANCIAL ASSISTANCE LIMITATION

SEC. 6. (a) As used in this section the term "current funds budget" means all anticipated operating revenues, expenditures, transfers, and allocations applied to all operations and activities for the educational and general functions and auxiliary enterprises of any institution of higher education, including anticipated uses of current funds revenues for purposes other than current operations and restricted current funds.

(b)(1) No institution of higher education shall be deemed to be the recipient of Federal financial assistance under any equal employment opportunity law or order, when the total Federal financial assistance received by such institution during the last fiscal year does not exceed $300,000 or 5 per centum, whichever is greater, of such institution's annual current funds budget.

(2) Nothing contained in this subsection shall prohibit the maintenance and filing of records in compliance with laws governing the normal financial administration of such Federal financial assistance.

(c) No officer or employee of the United States shall have the authority to issue any regulation pursuant to any Act of Congress or Executive Order with respect to educational programs or activities of any institution of higher education which is the recipient of Federal financial assistance unless such educational program of such institution is the direct recipient of such Federal financial assistance.

(d) Termination of, refusal to grant, or to continue Federal financial assistance to education programs or activities of any recipient institution of higher education or to any such institution pursuant to the provisions of any Act of Congress or any Executive Order shall apply only to the specific program or activity in which a finding of noncompliance with a lawful regulation with respect thereto has been made. A finding of such noncompliance in one program or activity of such an institution to which Federal financial assistance has been extended does not empower or otherwise authorize any officer of the United States administering such assistance to terminate such assistance to oth-

er education programs or activities conducted by the recipient institution of higher education to such recipient institution itself.

(e) A finding of noncompliance with respect to any lawful regulation adopted under the authority of title VI and VII of the Civil Rights Act of 1964 (78 Stat. 241) or title IX of the Education Amendments of 1972 (86 Stat. 235) or pursuant to any Executive Order relating thereto, by an officer of the United States with respect to any institution of higher education which is the recipient of Federal financial assistance under such provision of law shall not constitute adequate or sufficient grounds for the termination of or the withholding of any such institution's exemption from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

(f) For purposes of this section, scholarships, loans, grants, or wages or other appropriated funds extended to any institution of higher education for payment to or on behalf of students admitted to such institution, or extended directly to such students for payment to such institution, shall not be construed as Federal financial assistance to such institution for any purpose under any Act of Congress or any Executive Order, even where such assistance to such institution constitutes a reimbursement for the administration of other funds or other substitutable funds.

JUDICIAL REVIEW

SEC. 7. No Federal financial assistance granted to any institution of higher education which is a party to any action in the courts of the United States alleging in whole or in part the failure of such institution to comply with any regulation or that any regulation is unlawful or otherwise improper in its substance or in the administration or application thereof may be terminated, withheld, or otherwise encumbered until all appeals of such action have been exhausted.

REMARKS OF MR. MCCLURE

Mr. MCCLURE. Mr. President, today I join my friend, Senator HELMS, in introducing legislation which, if enacted, would bring some needed rationality to the application of Federal rules and regulations affecting our Nation's institutions of higher learning. The constant deluge of rules, regulations, and guidelines, and the unavoidable flood of paperwork accompanying them inevitably result in the diminution of educational quality and the effectiveness of institutional research and service as money and manpower is diverted to complying with Federal requirements never contemplated by Congress.

Just as the heavy hand of Federal intervention and regulation has stifled business development and growth in the United States, so the effect on our colleges and universities is in the long run detrimental to the very institutions and citizens we seek to serve.

As far as I am concerned Federal aid to higher education should promote the functions of teaching, research, and service traditionally associated with academic endeavor; it should enable greater numbers of our citizens to reap the benefits of these functions, not hinder them by forcing compliance with rigid guidelines dreamed up by mid-level bureaucrats to promote some ill-defined social goal.

It is inordinately unfair that support of any university activity often subjects the entire institution to requirements and guidelines unrelated in scope to the particular area of aid, and effectively adds to the institution's operating expense even where the Federal Government is providing no monetary assistance. A case in point is the application of title IX even to those institutions receiving no direct Federal funds merely because students receive Federal aid through such things as federally insured loans. Last fall, during consideration of the Higher Education Amendments of 1976, I proposed an amendment limiting the applicability of title IX to those institutions directly receiving Federal aid; however, the Senate chose not to accept my amendment. I am especially pleased to point out the bill introduced today again addresses itself to clarifying the issue.

Unfortunately, the problem of Federal intervention and regulation of education is not limited to higher education alone. The excesses of the title IX regulations have been discussed at length before, but the fact these excesses continue is well illustrated by an editorial from the Washington Star, dated April 16, 1977. I ask that it be included as part of my remarks in the RECORD. It congratulates HEW for its decision that title IX does not prohibit the boys' choir in a public school in Connecticut; but the question which comes to my mind is how in the world HEW presumes to have the authority to prohibit such an activity in the first place. I certainly remember no discussion of that subject when I voted in favor of passage of the provisions of title IX in 1972.

The point is this: The time is long overdue for Congress to reassert its responsibility to write the laws of this Nation. It, not the executive, is the policymaking branch of Government.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Apr. 16, 1977]

TITLE IX FOOLISHNESS

If you wonder why the Equal Rights Amendment has been taking its lumps here and there, there may be a clue in the damnfool controversies that have sprung up since Title IX of the 1972 education act was added to the armory of federal regulators. Does Title IX foreshadow the absurdities to be expected from a constitutional declaration of sexual equality?

Last year, a small Midwestern town was imperiously informed by the HEW commissariat that under Title IX the local school could not hold its customary "father-son" banquet. That edict was so patently silly that President Ford summarily reversed it.

Father-son banquets are of less than earth-shaking importance—so little so, in fact, that it had probably occurred to almost no one to be outraged until HEW stepped in.

Far more serious, in our view, is the Title IX controversy involving the public school boys' choir of Wethersfield, Conn., which that city disbanded last summer. There had been a grim warning from HEW that choral music, to be legal, must henceforth be unisex.

After a prolonged correspondence, Rep. William R. Cotter, who represents Wethersfield, succeeded in getting the edict rescinded. Now, by the grace of HEW's office of civil rights, "a distinction may be made between boys' and girls' voices either on the basis of range or quality."

Congressman Cotter was generous in victory. Last year's HEW intervention, he declared, "may illustrate what happens when well-meaning but overzealous bureaucrats get hold of a good law and make it absurd." He is, in fact, too generous. The edict against boys' choirs was not just an exercise in misguided zeal. It was a menacing exercise in the political control of the performing arts. Any law that makes such exercises possible, or even imaginable, is to that extent not a "good" law but a bad one. Its absurdities are not discretionary; they are built in.

For hundreds of years, more so in Europe than in America, the distinctive timbre of boys' voices has been valued for its own sake. Many of the great cathedrals and, in England, some of the great Oxford and Cambridge colleges are noted for the excellence of their choral music—of which boys' voices are an essential element.

Perhaps it is unreasonable to expect Washington bureaucrats to be sensitive to such musical niceties—which, indeed, is just why they should not enjoy the power to interfere in the cultural choices made by American schools. Title IX, considering the intrusions it has already led to, is indeed our closest approach to what Dwight Macdonald has called *culturbolshevismus:* that is, "cultural bolshevism," political manipulation of the arts.

The power to threaten schools and colleges with a suspension of federal funding unless they meet HEW's half-baked notions of what is culturally permissible or wise is not merely absurd, it is outrageous. Title IX should be amended to prevent episodes of the Wethersfield sort. If that is impossible it should be stricken from the books.

ADDITIONAL COSPONSORS

S. 528

At the request of Mr. WILLIAMS, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 528, relating to collective bargaining contracts.

S. 987

At the request of Mr. ANDERSON, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Illinois (Mr. STEVENSON), and the Senator from New Jersey (Mr. CASE) were added as cosponsors of S. 987, to amend the Immigration and Nationality Act.

S. 1021

A the request of Mr. BAYH, the Senator from Hawaii (Mr. MATSUNAGA) and the Senators from Alaska (Mr. GRAVEL and Mr. STEVENS) were added as cosponsors of S. 1021, a bill to extend the Juvenile Justice and Delinquency Prevention Act of 1974, for 5 years.

S. 1218

At the request of Mr. BAYH, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1218, a bill to extend the Juvenile Justice and Delinquency Prevention Act of 1974, for 3 years.

S. 1230

At the request of Mr. BAKER, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1230, the Emergency Highway Repair Act of 1977.

S. 1324

At the request of Mr. LONG, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 1324, the Regional Rail Reorganization Act.

SENATE CONCURRENT RESOLUTION 18

At the request of Mr. EAGLETON, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Montana (Mr. MELCHER), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Tennessee (Mr. SASSER), the Senator from Maryland (Mr. MATHIAS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Carolina (Mr. THURMOND), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of Senate Concurrent Resolution 18, relating to a commemorative postage stamp in honor of Saint Elizabeth Ann Seton.

SENATE CONCURRENT RESOLUTION 20—SUBMISSION OF A CONCURRENT RESOLUTION PROVIDING FOR ADDITIONAL PRINTING

(Referred to the Committee on Rules and Administration.)

Mr. EAGLETON (for himself and Mr. DANFORTH) submitted the following concurrent resolution:

SENATE CONCURRENT RESOLUTION 20

Resolved by the Senate (the House of Representatives concurring), That there shall be printed six hundred additional copies of the document entitled "Jerry L. Litton, Late a Representative from Missouri, Memorial Addresses Delivered in Congress". Five hundred and fifty of such copies shall be for the use of Mr. Charley Litton, of Chillicothe, Missouri, in the administration of the Jerry Litton Family Memorial and fifty of such copies shall be for the use of Mr. E. Thomas Coleman, successor in office to the late Jerry L. Litton.

SENATE RESOLUTION 144—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL COMMITTEE EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, reported the following resolution:

S. RES. 144

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition, and Forestry, or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $325,318, of which amount (1) not to exceed $17,302 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 145—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF A REPORT

(Referred to the Committee on Rules and Administration.)

Mr. RANDOLPH submitted the following resolution:

S. RES. 145

Resolved, That the annual report of the Secretary of Transportation to the Congress of the United States (in compliance with section 144, title 23, United States Code), entitled, "Special Bridge Replacement Program," be printed, with illustrations, as a Senate document.

SEC. 2. There shall be printed 500 additional copies of such document for the use of the Committee on Environment and Public Works.

SENATE RESOLUTION 146—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL COMMITTEE EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. WILLIAMS, from the Committee on Human Resources, reported the following resolution:

S. RES. 146

Resolved, That in holding hearings, reporting such hearings and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Human Resources or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,648,000, of which amount not to exceed $45,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 147—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL COMMITTEE EXPENDITURES

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH (for himself and Mr. DOMENICI) submitted the following resolution:

S. RES. 147

Resolved, That the Special Committee on Aging, established by section 104 of Senate Resolution 4, 95th Congress, agreed to February 4 (legislative day, February 1), 1977, is authorized from July 1, 1977, through February 28, 1978, in its discretion, to provide assistance for the members of its professional staff in obtaining specialized training, in the same manner and under the same conditions as a standing committee may provide such assistance under section 202(j) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. In carrying out its duties and functions under such section and conducting studies and investigations thereunder, the Special Committee on Aging is authorized from July 1, 1977, through February 28, 1978, to expend $432,000 from the contingent fund of the Senate, of which amount (1) not to exceed $50,000 may be expended for a study or investigation of health related issues, (2) not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (3) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

AMENDMENTS SUBMITTED FOR PRINTING

HEALTH SERVICES EXTENSION ACT OF 1977—H.R. 4975

AMENDMENT NO. 210

(Ordered to be printed and to lie on the table.)

Mr. TALMADGE. Mr. President, I send to the desk an amendment to H.R. 4975, the Health Services Extension Act of 1977. This act would extend funding for 1 year for a whole series of programs contained in the Public Health Service Act.

The House bill was referred to the Senate Committee on Human Resources which had jurisdiction over the vast mapority of material in the bill. The bill, however, did contain two amendments to the Social Security Act which the Human Resources Committee stripped from the bill on the grounds that they should more properly be considered by the Finance Committee.

I am introducing these two social security provisions of the House bill as an amendment to the version of H.R. 4975 reported by the Senate Human Resources Committee.

My intent is to raise the substance of these two social security amendments before the Senate Finance Committee next week, and recommend that the Finance Committee approve the amendment.

When H.R. 4975 is considered on the Senate floor, I would then plan to propose my amendment as a Finance Committee amendment to the bill.

The two social security provisions contained in my amendment are the following:

The first amendment would increase the authorization for the maternal and child health program. The maternal and child health program is a formula grant program which provides funds to States in order to extend and improve services for reducing infant mortality, for promoting the health of mothers and children, and for serving the needs of crippled children.

For the past 5 years, authorizations under this program have been set at $350 million per year. For fiscal year 1977 the appropriation for the program was $347,703,000.

Since the appropriations have essentially reached the authorization ceiling, my amendment would increase the authorization level to 115 percent of the

fiscal year 1977 appropriation, thereby allowing an increase in appropriations to reflect the inflation which has occurred in health care costs and prevent what otherwise might be a decrease in services provided.

The second provision in my amendment would extend the authority for 100 percent Federal financing of medicaid skilled nursing and intermediate care facility inspection, and enforcement costs.

Section 249B of the Social Security Amendments of 1972 authorized temporary 100 percent Federal funding of expenditures under medicaid for the survey and inspection costs of skilled nursing and intermediate care facilities participating in the medicaid program.

In 1974 this authorization was extended to June 30, 1977.

Because of the importance of State inspection programs to the health and safety of the thousands of individuals in long-term care institutions, and the need to assure that sufficient well-trained inspectors are available, this amendment would extend the authority for full financial support to September 30, 1980.

When the Finance Committee considers medicare and medicaid reform amendments later this year we will look toward a more permanent solution to this funding problem.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977—H.R. 3477

AMENDMENTS NOS. 211 AND 212

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT (for himself, Mr. TOWER, and Mr. BELLMON) submitted two amendments intended to be proposed by them jointly to the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. BARTLETT. Mr. President, President Carter has taken a half-step in the right direction in proposing a change in the tax treatment of unincorporated oil and gas producers.

In suggesting that these operators enjoy the same intangible tax benefits as major corporations, the President has proposed a repeal of the minimum tax on intangible drilling costs paid by independents. This action represents a shift toward more reasonable application of intangible tax credits as a means of attracting capital for exploration and development by independent producers.

However, the President's action does not go far enough. The minimum tax on intangible drilling costs, contained in the Tax Reform Act of 1976 and applied retroactively to the 1976 tax year, was also imposed on outside investors in independent drilling ventures. President Carter has made no provision for replacing the minimum tax for these investors.

In stating that "profiteering through tax shelters should be prevented" the President has revealed an unfair and inaccurate perception of the role outside investors play in the production of oil and gas by independent operators.

These small, independent businessmen drill more than 90 percent of the high-risk, exploratory, "wildcat" wells in the United States. Because they are small, they depend to a large degree on outside investors for operating capital. To deny outside investors the same intangible tax credits extended to the operators themselves and to major corporations will severely inhibit the ability of independent producers to attract the capital necessary to finance their ventures.

While major corporations may use every avenue open to them for the formation of operating capital, unincorporated producers often have only one method and that method will be denied them by the imposition of the minimum tax on outside investors. It is impossible to measure the impact this tax will have in drying up sources of capital ventures by unincorporated producers.

Far from being a matter of profiteering, financing by outside sources should be considered a welcome and essential investment in greater domestic production of oil and natural gas. Such investments are just as legitimate, and, in my opinion, far more constructive than the various investments in conservation so highly recommended by President Carter.

I am hopeful that the President's action regarding intangible tax credits for unincorporated producers will then be carried through to the logical and necessary extension of these credits to outside investments.

Today I am introducing, as amendments to the Tax Simplification and Reform Act, two proposals which address this need. One amendment would simply strike from the Tax Reform Act of 1976 the section providing a minimum tax on intangible drilling costs.

As an alternative, my second amendment would delay for 1 year the imposition of this tax. Passage of the second amendment would allow time for a thorough study of the implications of this tax on oil and gas production by unincorporated operators.

AMENDMENTS NOS. 216 AND 217

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted two amendments intended to be proposed by him to the bill (H.R. 3477), supra.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1977—S. 7

AMENDMENTS NOS. 213, 214, AND 215

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. HARRY F. BYRD, JR. Mr. President, I am today introducing three amendments to S. 7, the Surface Mining Control and Reclamation Act of 1977.

The purpose of these amendments is simple. It is to prevent the destruction of the surface mining industry in the State of Virginia.

This is not a melodramatic exaggeration. It is a plain statement of fact, documented by evidence which I shall place in the RECORD at the conclusion of my remarks.

The amendments which I am introducing today have been drawn up in close consultation with the Virginia Department of Conservation and Economic Development. They are designed to permit the continuation of surface mining of coal in Virginia under the same kind of strict and carefully drawn standards as are now imposed by State authorities.

These standards do not permit the reckless scarring of mountainous landscape which characterized the early days of surface mining and which left a bitter legacy of disfigured lands in so many areas of Appalachia. Virginia's standards today require carefully supervised reclamation, and the resulting land uses—agricultural, residential, recreational, and other similar uses—are uniformly beneficial.

Under the provisions of S. 7, mining in steep terrain such as we find in southwest Viriginia—and in parts of southern West Virginia, eastern Kentucky, and northern Tennessee—is singled out for special restrictions. Among the burdensome requirements imposed upon operators in such mountainous areas is restoration of mined land to "approximate original contour."

This is a requirement which sounds fine in theory but which has no basis in experience or fact. No one can say with certainty that restoration of the original contour is the best form of reclamation.

Indeed, there is evidence that it is not.

A study commissioned by the Environmental Protection Agency and carried out by Hittman Associates has this to say:

> Slope design should be based on the erodibility of the surface soils as well as stability against landslides. Restoring the approximate original contour may not be desirable in all cases. A reduction in relief and an overall flattening of the topography may be desirable from an erosion and sediment control standpoint. It must be remembered that shorter or flatter slopes are less erodible.

A similar conclusion was reached in a 1977 study by IFC Inc., performed for EPA and the Council on Environmental Quality.

These studies commissioned by the Federal Government show forcefully that there is a need for flexibility in establishing rules for surface mining in the mountains. It is flexibility which is missing from S. 7, and it is flexibility which my amendments seek to restore.

If the rigid requirements of S. 7 are imposed upon southwest Virginia, the economic impact will be disastrous.

Estimates prepared by the Virginia Department of Conservation and Economic Development show that enactment of S. 7 as originally drawn would result in loss of up to 11.5 million tons of low-sulfur coal—the kind most needed to preserve clean air—and up to 4,320 jobs.

Such rigid standards as are contained in S. 7 fly in the face of national policies designed to develop domestic energy resources and cut the rate of unemployment. More than that, these rigid standards are not needed to protect the environment.

I hope I do not need to assure the Senate that I would not condone any damage to the land in Virginia. Nor would the

officials of my State, who are four-square in support of the principles behind the amendments I am submitting today.

All I am asking is that the Senate apply a rule of reason to surface mining in steep terrain.

I must add that the amendments I am submitting apply to S. 7 as originally drawn. I recognize that changes in the bill have been made by the Committee on Energy and Natural Resources, and that adjustments in wording would be needed to achieve the objectives of my amendments.

I am sure that the committee will understand the thrust of these amendments—to give the state regulatory agencies sufficient rein to regulate surface mining on steep slopes in such a way as to preserve jobs and extract a needed resource, without sacrifice of environmental values.

I ask unanimous consent that the text of my amendments to S. 7 be printed at this point in the RECORD.

Further, I ask unanimous consent that several items supporting the contentions which I have made be printed in the RECORD following the text of my amendments.

First are two position papers from the Virginia Department of Conservation and Economic Development, entitled "Impact of Returning to Approximate Original Contour in Steep Slopes in Virginia," and "Production and Employment Impact of H.R. 2 on Virginia."

Parenthetically, I should point out that H.R. 2 is the House version of the surface mining bill. The regulatory provisions are almost identical and the points made in the studies apply to both bills.

Second is an excerpt from the testimony of J. Jack Kennedy, Jr., a young miner and college student in southwest Virginia, before the House Interior and Insular Affairs Committee. I found the testimony of this young Virginian particularly cogent and moving.

Third is a letter from the members of the executive board of the United Mine Workers of America to President Carter, setting forth their opposition to imposition of rigid Federal standards on surface mining of coal.

Fourth is the testimony of Mr. Daniel W. Gregory, vice president of the First State Bank of Wise, Va., before the House Interior and Insular Affairs Committee. Mr. Gregory's statement shows clearly the horrendous financial consequences that would follow upon adoption of provisions such as those in S. 7.

Fifth is a resolution of the General Assembly of Virginia approved on February 1, 1977, calling for regulation of surface mining in accordance with standards of the States.

Sixth, and last, is a letter to me from Chairman Preston C. Shannon of the Virginia State Corporation Commission, which also urges that the States be permitted to handle the regulation of surface mining within their boundaries.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 213

On page 69, delete all following the colon in line 4 through line 21 and insert in lieu thereof the following: *"And provided further,* That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that the amount of overburden and other spoil and waste materials cannot be economically restored to the approximate original contour, the operator shall backfill, grade, and compact (where advisable) the overburden and other spoil and waste materials to the maximum extent possible in accordance with regulations of the regulatory authority and shall cover all acid-forming and other toxic materials in order to achieve an ecologically sound land use compatible with the surrounding region in accordance with the requirements of subsection (c)(1)(B) and that such overburden or spoil shall be shaped and graded in such way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;".

AMENDMENT NO. 214

On page 78 delete all after line 5 and all through page 81, line 16, and insert in lieu thereof the following:

(c)(1) Where the mining operation will remove an entire seam or seams running through the upper fraction of a mountain, ridge, or hill by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, and capable of supporting postmining uses in accord with the requirements of this subsection, the requirements of restoring the mined area to approximate original contour as provided in subsection 415 (b) (3) of this section shall not apply where—

(A) the reclaimed area will be suitable for an agricultural, industrial, commercial, residential or public use (including recreational facilities);

(B) after consultation with the appropriate land use planning agencies, if any, the potential use of the affected land is deemed to constitute an equal or better economic or public use, as compared with the premining use and is—

(i) compatible with adjacent land uses;

(ii) obtainable according to data regarding expected need and market;

(iii) assured of investment in necessary public facilities;

(iv) supported by commitments from public agencies where appropriate;

(v) practicable with respect to private financial capability for completion of the proposed development;

(vi) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use;

(vii) designed by a registered engineer in conformance with professional standards established to assure the stability and configuration necessary for the intended use of the site; and

(viii) consistent with adjacent land uses, and existing State and local land use plans and programs,

(C) the regulatory authority provides the governing body of the unit of general-purpose government in which the land is located and any State or Federal agency which the regulatory agency, in its discretion, determines to have an interest in the proposed use, an opportunity of not more than sixty days to review and comment on the proposed use; and

(D) all other requirements of this Act will be met.

(2) In granting a permit pursuant to this subsection the regulatory authority shall require that—

(A) the resulting plateau or rolling contour drains inward from the outslopes except at specified points; and

(B) all other requirements of this Act will be met.

(3) The regulatory authority shall promulgate specific regulations to govern the issuance of permits in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(4) All permits granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the permittee affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

AMENDMENT NO. 215

On page 82, delete all through pages 83, line 3, inserting in lieu of the deleted text the following, and renumbering succeeding sections accordingly:

(1) Insure that when surface coal mining is performed on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block cut of earth in a surface coal mining operation can be placed on a limited and specified area of the downslope below the initial cut in accordance with regulations adopted pursuant to the provisions of paragraph 415(b) (3) if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided,* That spoil material regulated under the provisions of paragraph 415(b)(3) or 415(d)(2) or excess spoil from a surface coal mining operation granted a permit under subsection 415(c) may be permanently stored at such offsite spoil storage areas as the regulatory authority shall designate and for the purposes of this Act such areas shall be deemed in all respects to be part of the lands affected by surface coal mining operations. Such offsite spoil storage areas shall be designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site.

IMPACT OF RETURNING TO APPROXIMATE ORIGINAL CONTOUR IN STEEP SLOPES* IN VIRGINIA

H.R. 2, Section 515(b)(3) requires that "all surface coal mining operations backfill, compact, . . . and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated . . ." Section 515(d)(1) also states that in steep-slope coal surface mining no spoil material can "be placed on the downslope below the bench or mining cut, except that where necessary spoil or spoil material from the initial block or short linear cut . . . can be placed downslope. . . ."

An analysis by U.S. Geological Survey indicates that 95 percent of Virginia's strippable coal reserves are located in areas with slopes greater than 20 degrees. In 1976, the average degree of slope being surface mined in Virginia was 25 degrees. The following table is a summary of the surrounding states including Virginia, showing the percentage of the strippable reserves that would be affected by Section 515(d)(1).

TABLE 1

Percent of reserves affected

State:	
1. Kentucky:	
East	75
West	0
2. Ohio	1
3. Pennsylvania	6
4. Tennessee	40
5. Virginia	95
6. West Virginia	43

Source: Data from "Slope Angle Distribution of Coal Beds with Strippable Reserves" by K. J. England, U.S.G.S.

*Greater than 20 degrees.

Mathtech and Ford, Bacon and Davis Utah, Inc. in the report, Evaluation of Current Surface Coal Mining Overburden Handling Techniques and Reclamation Practices, Phase III Eastern U.S. prepared for the Department of Interior, Bureau of Mines, in 1976 divided the overall area into three regions as follows:

1. Northern Appalachia: eastern Ohio, western Pennsylvania, northern West Virginia and Maryland;

2. Central Appalachia: southern West Virginia, southwestern Virginia, east Kentucky and northern Tennessee;

3. Southern Appalachia: central and southern Tennessee and northern and central Alabama.

Members of the House Committee on Interior and Insular Affairs suggest that the impact of Federal legislation will be similar for all Eastern States. However, Mathtech's description of the general topography of the entire area would not support this conclusion:

"Topography in the Appalachian Coal Region ranges from gently rolling in central Alabama and northeastern Ohio to mountainous in southern West Virginia, southwestern Virginia, and east Kentucky. As a general rule, the steepest slopes and greatest relief occur in Central Appalachia, which is mountainous, followed by Northern Appalachia, best described as rolling-to-hilly, and Southern Appalachia, where gently rolling terrain predominates. Topographic relief for the region ranges from 2,500 feet in southwestern Virginia to 300 feet in parts of Ohio and Alabama.

"Qualitatively speaking, most mining in Central Appalachia takes place on steep slopes, defined here as natural ground slope angles greater than 17 degrees. Natural ground slope angles as high as 35 degrees were observed at some active mines in southern West Virginia. Slope angles in Northern Appalachia are more gradual, with angles of 10–18 degrees being the rule at active mines visited during the field survey. It should be noted that there are some very steep slope areas in the Northern Appalachia coal region, but available data suggests that most of the surface mining activity takes place in rolling and hilly terrain. Topography at mines visited in south-central Tennessee and central Alabama is best described as gently rolling with natural ground slope angles less than ten degrees being the general rule."

The latest published information regarding the price for strip and auger mined coal for these States is set forth in the following table:

TABLE 2

State:	*Average value in dollar/per ton FOB Mines*
1. Kentucky—East	$15.46
West	12.00
2. Ohio	13.43
3. Pennsylvania	19.21
4. Tennessee	17.63
5. Virginia	20.70
6. West Virginia	17.75

Source: Data From "Coal-Bituminous and Lignite in 1975." Division of Fuels Data and Division of Coal, U.S. Department of Interior, February 10, 1977.

To determine the increased mining cost as a result of the requirement to return to approximate original contour and the provision which allows no spoil to be placed downslope is a difficult process in view of the complex combination of physical, economic and management characteristics affecting various operations. However, it has been estimated that the increased cost for backfilling without completely eliminating the highwall in contour mining versus area mining is as follows:

TABLE 3

Description	*Total increase in reclamation cost per ton*
Contour/backfill	$2.70–4.74
Area	1.02–2.34

Source: Data from Bureau of Mines Information Circular, IC 8695.

The difference in reclamation cost between area and contour mining methods is the result of being able to use large-scale overburden handling equipment in conjunction with the efficiencies of being able to place overburden in the previously mined cut in area mining operations. Another factor which influences the cost of coal production in Virginia is that in 1976 there were only two mines that produced more than 250,000 tons. According to the U.S. Bureau of Mines, mining operations of less than 500,000 tons per year have an increase in cost of $0.42 per ton more than those operations mining more than 500,000 tons a year.

A report entitled "Energy and Economic Impact of HR 13950," dated February 1, 1977 was prepared for the Council of Environmental Quality and Environmental Protection Agency by IFC Incorporated. This report discusses surface mining cost as follows: "In Appalachia, cost increases are generally between $0.50 and $2.00 per ton except in Alabama and Virginia where costs for some mine types could increase by over $4.00 per ton." One of the assumptions upon which the above conclusion is drawn by ICF is that equipment performance standards for operational efficiency in past studies* are incorrect. Therefore, ICF utilized performance standards from manufacturers representatives and not actual field exprience which was utilized in the Oak Ridge Study. If more realistic performance standards reflecting actual field experience as contained in the Oak Ridge study were factored into the ICF study, the increase in cost to return to approximate original contour would be greater than $5.00 per ton for all surface mine operations in Virginia on slopes greater than 20 degrees. Also, the increase of $5.00 ton does not take into acount other incremental requirements of HR 2 or S 7. Other assumptions in the ICF study indicate a possible understated increase of costs associated with the Federal legislative proposals.

CONCLUSION

An analysis of the impact of returning to the approximate original contour in steep slope regions of Virginia would indicate that the increase in production cost per ton of coal will be significant. With 95% of Virginia's strippable reserves in slopes greater than 20 degrees, the provisions of HR 2 could increase the production cost of a ton of coal in Virginia by more than $5.10 per ton. This conclusion is based on the provisions in HR 2 not generating permit delays through additional hearings, etc; the operator not having to operate under different economic and environmental requirements than these currently imposed except for the provision to return to the approximate original contour, but not completely eliminating the highwall. If the highwall must be completely covered, this increase in cost will be higher.

The approximate original contour requirement and the provision not to allow spoil downslope will impose a financial burden on Virginia's coal surface mine operators which they cannot meet. The requirement to cover the highwall completely is physically impossible and in fact, environmentally unsound in many instances. These provisions will require additional off-road haul vehicles and long-term capital investment, neither of which are currently available. The small mines in Virginia average less than 60 acres and produce less than 50,000 tons per year. Because of the lack of long-term contracts and available reserves, investment institutions will not make the long-term financial obligations necessary to purchase the equipment. As a result, a majority of operators will probably discontinue to mine coal because most cannot meet the additional capital costs and other front-end expenses, and therefore, will be out of business.

Another aspect of the impact of HR 2 is that more than 50 percent of Virginia's coal, both deep and surface mined, is utilized by electric utilities because Virginia's surface mined coal is low sulfur steam coal. The impact of HR 2 will make this coal economically and physically impossible to produce.

PRODUCTION AND EMPLOYMENT IMPACT OF H.R. 2 ON VIRGINIA

The estimates of the adverse impact on production and employment that HR 2 will have in Virginia is reflected in the analysis of various state agencies utilizing data generated from in-house studies and from reviews of available literature.

Factors that will influence the estimates of the impact of HR 2 will be interpretations of specific sections of the legislation by the regulatory authority or judicial branch. A low range of estimates will be given that will reflect a less restrictive interpretation. A high range of estimates will be given to indicate the consequences of a strict interpretation of the bill with strong enforcement action by both the administrative and judicial branch.

IMPACT

1. Loss of Coal production (in millions of tons) 7–11.5.

2. Job Losses- (assumes 0.8 additional non-mining jobs lost per mining job loss).

Direct job losses. 1,140–2,400.

Indirect job losses, 912–1,920.

Total, 2,052–4,320.

3. Fee for reclamation per year:

Strip, $2.66 million.

Deep, $3.36 million.

Total Fund, $6.02 million.

Also additional costs will stem from public notices, suits and other provisions of HR 2.

ASSUMPTIONS

The small surface mines of Virginia produce the majority of the surface mine coal. These small mines cannot comply with the provisions of HR 2 relating to bonding and permit application requirements. Specifically, the requirement for collection of extensive hydrologic data, for preparing detailed underground maps, for strata cross sections and various other environmental requirements are beyond the capability of the small operator.

The steep slope requirements could not be met by at least 75% of the operators in southwest Virginia because of the lack of necessary equipment, undercapitalization and the thin seams of coal currently being mined. The siltation structures required by the legislation would result in a loss in production because of operator's inability to construct the necessary diversion ditches and sediments ponds in the steep slope regions of Virginia.

The estimates of loss which could result are from 50% to 85% of the current production of the surface coal in Virginia.

TESTIMONY OF J. JACK KENNEDY, JR.

Mr. Chairman and members of the committee, my name is J. Jack Kennedy, Jr. I am a resident of Wise County, Virginia. Wise County is located in the southwestern sec-

* "Costs of Coal Surface Mining and Reclamation in Appalachia," E. A. Nephew and R. L. Spore, Oak Ridge Laboratory, January 1976. NTIS No. ORNL–NSF–EP–86.

tion of the Commonwealth of Virginia, the heart of the Virginia coalfields. I am twenty years old and a life long resident of Wise County, I am presently a fourth year student at Clinch Valley College of the University of Virginia in Wise, Virginia. My father is a coal miner in Virginia. My grandfather was a coal miner in West Virginia and Virginia. Personally, I have held summer jobs on mining sites. I am knowledgeable about surface mining operations in Virginia.

I requested the time to come before the Committee today to state my major objections to H.R. 2 from the prospective of a young man interested in the future development of the central Appalachian mountain region. I am interested in the future job opportunities for thousands of young people in Appalachia. Furthermore, I am interested in a sound and solid economy in the Appalachian region. The future of the coal industry is the key to the job opportunities and the economy. Coal is the root of our economy in southwestern Virginia. I hope that this Committee will give serious consideration to the amendments being suggested by interested people from Virginia today.

In the present form, H.R. 2 requires that the land be returned to the "Approximate original contour" of the land after surface mining by backfilling, compacting and grading of the land with all highwalls, spoil piles and depressions eliminated.

It is my most honest opinion that this section of H.R. 2 may be completely unnecessary for putting mined land back in a responsible condition after surface mining. Currently many areas are being developed with residential housing projects, mobile home parks, hospitals, cattle grazing lands and many, many other commercial and industrial use after surface mining. In many cases the land is more valuable for development after surface mining than before the mining.

Furthermore, to return the land to the "approximate original contour" after surface mining in southwestern Virginia would be very costly. Hundreds of small coal companies could simply not afford the new equipment and labor costs to return the land to the "approximate original contour". And if the small coal companies put the land back to the "approximate original contour" the cost of doing so would be so great that the coal could not be mined profitably thus forcing the company to fold.

The "approximate orginal contour" section of H.R. 2 should be amended by this Committee to recognize that post-mining use of the land may not be best served by rigid requirements for restoration of the "approximate original contour."

UNITED MINE WORKERS OF AMERICA,
Washington, D.C. February 11, 1977.

THE PRESIDENT,
The White House,
Washington. D.C.

DEAR PRESIDENT CARTER: Certainly one of the most troublesome problems facing our country today is that of our diminishing energy supply. As elected executive board members of the union which produces the bulk of our nation's coal supply, we watched and listened very closely to your campaign pledges related to the increased reliance on coal as a solution to our energy crisis. We were sufficiently impressed, and as you will recall, our union enthusiastically endorsed your candidacy.

With these events behind us, we are now entering into a different period. It is our sincere hope that in the months to come our organization can develop a smooth working relationship with your administration on matters concerning the welfare of the citizens of this country in general and those of coal miners in particular.

One item which is quickly becoming a significant issue to many Americans is strip mining legislation which has already been introduced in both the Senate and the House of Representatives. Inasmuch as it is somewhat of an emotional issue, pitting environmentalists concerned with the aesthetics of landscape in areas which coal is mined versus those who fear that enactment of such legislation will bring about a curtailment of much needed coal production, we fully understand that it presents your administration with a difficult problem.

As far as the United Mine Workers of America is concerned, however, we feel we can safely advise you that we are generally against such legislation. While there has been considerable confusion on this issue in the past, our most recent Constitutional Convention held in Cincinnati, Ohio in September, 1976, at which we had the pleasure of hearing from then Vice President elect Mondale, went overwhelmingly on record in opposition to strip mine legislation. In spite of the clear intent of the delegates at the Convention, we are aware that other elected officials are undermining this mandate. These individuals represent a small minority opinion within our union and are technically in violation of our union's Constitution.

So that this matter can be resolved to the satisfaction of all concerned, we would appreciate the opportunity to meet with you or one of your appropriate subordinates to thoroughly discuss the issue in question. Your prompt attention to this request would be deeply appreciated.

With warm regards, we are
Sincerely yours,

Mike Trbovich, Vice President; Nick DeVince, Floyd Lamb, Robert Edney, Eugene Mitchell, Robert Long, Nick Halamandaris, Lonnie Brown, Franklin Clements, Donald Lawley, Lee Roy Patterson, Arvil Sykes, Francis Martin, J. B. Trout, Andrew Morris, UMWA International Executive Board Members.

STATEMENT OF DANIEL W. GREGORY, VICE PRESIDENT OF THE FIRST STATE BANK OF WISE

Mr. Chairman, Members of the Committee: May I express my sincere appreciation for the opportunity to appear before you today.

I am Daniel W. Gregory, Vice President of the First State Bank of Wise, located in the far Southwestern Virginia County and Town of Wise.

I represent the Board of Directors and the Chief Executive officer of the First State Bank of Wise and the majority of the banking institutions in Lee and Wise Counties Virginia. Our position on S. 7 in its current form is supported by our larger banking correspondents in Virginia and our neighboring states, particularly those in a position to lose hundreds of thousands of dollars in outstanding loans as a result of the impending decline of our surface mining industry. In fact, I have not talked to a single financial institution or banking association representative that does not fear the adverse economic impact of S. 7.

The economic health of the coal mining industry directly affects the economies of our Southwestern Virginia Counties. Any adversity falling upon that industry is felt sharply here, across Virginia and into neighboring states. When a legislative proposal as far reaching as S. 7 is presented, it is incumbent upon us as bankers to make an objective assessment of its probable economic impact upon our banks and the respective communities they serve. That assessment was made independently by our area banks utilizing their knowledge of the mining industry gained over the past several years and their insight into communities they serve, giving due consideration to the requirements of S. 7. Their conclusions are outlined briefly below and very frankly, they are frightening

Approximately 95% of our recoverable surface coal reserves lie in areas having surface slope angles greater than 20°. Thus the majority of our surface mine operators will be required to meet that part of S. 7 relating to steep-slope surface mining in addition to the other standards imposed. It is our opinion as area bankers that the costs of additional equipment to handle spoil placement, of providing for high-wall and bench covering and of securing the necessary engineering and geological services would be more than the smaller operators could bear. This is even more evident when the extensive data collection, surveying, bonding, public hearing delays and other permitting plans and requirements are considered. It must be remembered that our surface mine operators are at this time only beginning to recover from a recessionary lack of market demand and extremely low prices during 1975 and 1976. This adverse market condition was immediately followed by sub-zero weather conditions in early 1977 that completely precluded production.

We conservatively estimate that from 80 to 95% of the surface coal mines in Southwest Virginia will be forced to close if S. 7 becomes law in its present form. The majority of our surface mines are small operations producing on the average, 25–35 thousand tons per annum, employing an average of 5–7 production workers and 2–3 office workers per mine.

If only 80% of our surface mines close, the minimum annual loss of high quality strip and auger coal from Southwestern Virginia would be over 9,800,000 tons. Valued at a conservative $12.00 per ton the annual revenue lost to our area and to the Commonwealth of Virginia would be $117,600,000.00.

We expect over 2,000 surface mine production and clerical jobs to be lost and the resulting decline in annual payrolls to exceed $30,000,000.00. I wish to stress that neither the unemployment figure nor the payroll dollar loss includes another 5,000–6,000 persons in this area employed in providing goods and services directly to the mining industry.

There is no doubt that the expected losses of revenue, jobs and payroll dollars, or even half those amounts would result in economic chaos in Southwest Virginia and its neighboring states. It would surely turn the clock back twenty-five years bringing us again to the brink of economic disaster experienced in the late 1940's and early 1950's. Please remember that the production and sale of coal was and still is the most important factor in the economic health of our area.

Area banks and their correspondents have in good faith made substantial investments in the future of the surface mining industry. We have financed much of the equipment used for extraction, for transportation and for processing of coal. We have extended loans to individuals directly and indirectly employed by the surface mining industry, those loans being for the most part to purchase homes, automobiles, furniture and other needs. We have participated out large commercial mining loans to our Virginia and Tennessee correspondent banks; still other large banks have purchased substantial amounts of mortgage paper from area banks and have otherwise assisted in serving the needs of our people.

The expected closure of the majority of our surface mines after enactment of S. 7 will have a devastating impact upon our banking system. In addition to a heavy run-off of deposits from all sources it is expected that a substantial number of individuals and organizations will be unable to repay their borrowings after the effects of increased unemployment and area revenue are felt. If the results of the previous months establish any sort of guideline, the banks face a major catastrophe.

Upon debtor default with no hope for future repayment, the lending banks will have no alternative to securing all supporting col-

lateral and disposing of it at less than average market conditions. Substantial loan losses are inevitable under these circumstances.

Of course, some banks will be unable to meet this sudden and unusual economic strain caused by S. 7, and will be forced to look to the Federal Deposit Insurance Corporation to absorb the excess losses. Those area banks that may remain would take many years to recover, if ever.

In fact, our outside auditors have now requested a statement on the probable effects of S. 7 to go in our annual report to the stockholders.

In addition to debtor default, we are concerned that S. 7 is unclear with respect to "unreclaimed" or "abandoned" surface mines. We understand the definition of "unreclaimed" or "abandoned" to include any mine that has not had a high-wall removed or has benches remaining. Our banks hold first mortgages on several such properties on which homes, business structures and other improvements have been located. Reclaiming of such properties by the regulatory authorities and the subsequent filing of liens for reclamation expenses would seriously and unjustly deteriorate the collateral position of our banks and of our correspondents purchasing our mortgage paper.

Federal Deposit Insurance Corporation examining personnel have stated that our largest probable loss would in fact be in residential properties.

In the short time allotted I have presented a rather bleak economic picture for our area and State if S. 7 is implemented, but we truly believe it to be most accurate. We know that we do and must have environmental protection, but that must be balanced with economic protection as well. With the jobs and lives of thousands of Virginians at stake in this legislation, we implore you to restudy this bill giving due consideration to the human rights of our people to be employed in an area of their choosing and to our economic health. We would seriously urge you to give consideration to amendments that would compensate our operators, our communities and our banks for losses suffered as a result of enactment of S. 7. Whatever amendments are needed to allow us to survive should be seriously considered.

We are not the economic moguls or powerful and reactionary corporate interest as has been suggested. Rather we are simply common people trying to make a decent living for ourselves and our children, and to provide those children with a better standard of living than most of us had. Most of our operators are local people having their life savings tied up in their mines and equipment; if S. 7 is enacted it will all be lost.

We have recently learned in a most dramatic way the adverse effect upon our communities of stopping the surface mining industry for one month. We simply cannot survive this on a permanent basis.

Thank you for your time and should you have any questions I would be most happy to entertain them.

HOUSE JOINT RESOLUTION No. 270

Memorializing Congress to allow regulation of surface mining of coal to remain in the hands of the States

Whereas, coal is our nation's most abundant fossil fuel; and

Whereas, our nation faces an energy crisis of potentially devastating proportions, with coal being the only reliable and proven energy source available to meet our needs for the foreseeable future, and

Whereas, over one-half of our total coal production now comes from surface mines; and

Whereas, recognizing the necessity to properly control mining and reclamation operations, Virginia and thirty-seven other states, including all major coal-producing states, now have surface mining laws; and

Whereas, these laws are based on the desires and judgments of the citizens of the respective states, taking into account differences in climate, terrain, coal quality and quantity, transportation facilities, and other unique considerations; and

Whereas, there is overwhelming evidence that House Resolution 2 and similar bills before the Congress would result in reduced coal production, greater dependence upon foreign oil, increased unemployment in the coal-producing counties of Virginia and other states, and unnecessary economic disruptions throughout our nation; and

Whereas, the United Mine Workers of America voted overwhelmingly on September twenty-nine, nineteen hundred seventy-six, at their Cinncinnati, Ohio, convention to withdraw their previous support of federal coal and surface mining legislation; now therefore, be it

Resolved, by the House of Delegates, the Senate concurring, That regulation of coal surface mining and reclamation should remain the exclusive responsibility of the several states, and that Congress should refrain from forcing federal intrusion into this area which is, and ought to remain, a matter properly under the control of those citizens directly affected; and, be it

Resolved further, That the Clerk of the House of Delegates is hereby instructed to send copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, the Secretary of the Interior, and the members of the Virginia delegation to the United States Congress as an expression of the sense of this body.

STATE CORPORATION COMMISSION,
Richmond, Virginia, March 10, 1977.

Hon. HARRY F. BYRD, JR.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: The Virginia State Corporation Commission is greatly concerned about the provisions contained in H.R. 2 and S. 7. After careful review of these legislative proposals, we have determined that the goal of reclamation of land disturbed by surface mining is good but the approach taken by these bills is extreme and will severely curtail the supply of coal.

Virginia has an excellent land reclamation law drawn to address the particular soil composition, topography, climate and vegetation conditions in our State. The continued strengthening of these laws as needed is much more effective and responsible than complex Federal legislation drawn to meet the conditions in all coal producing areas throughout the nation. It is our understanding that nearly forty states already have strong land reclamation statutes that are rigidly enforced and drafted to meet the needs of their states.

The State Corporation Commission is committed to the ultimate goal of energy independence for our nation. Remote as this goal may be, striving toward anything short of it is contrary to the best interest of the future of the United States. Energy independence can only be achieved through conservation of scarce energy resources and increased dependence on coal and nuclear energy. Every effort must be made to increase production of coal on a substantial scale by surface and underground methods. An estimated one-third of our proven coal reserves can be extracted only by surface mining. At the present time surface mining produces 55 percent of the nation's coal, and 65 percent of the electric utilities' coal supply comes from surface mines.

The State Corporation Commission is responsible for the regulation of financial institutions and utilities. We are convinced that the enactment of H.R. 2 or S. 7 will have a drastic adverse economic impact on both of these entities and their customers.

The vast majority of Virginia surface mining operations are small businesses which are just now recovering from the coal industry's economic disaster of the late 1940's and early 1950's. The coal industry is the backbone of Southwest Virginia's economy, and financial institutions in that area have made substantial investments through financing the needs of surface mining operations. Also, loans have been extended to individuals who are dependent on the soundness of the coal industry. If a fraction of the surface mining operators who say they will have to go out of business because of the enactment of H.R. 2 or S. 7, do in fact go out of business, the banking system in Southwest Virginia and their correspondents may face a major catastrophe of a heavy run-off of deposits and debtor default.

Electric utilities will face major expense if H.R. 2 or S. 7, as presently drafted, become law. This legislation will require an increase in usage of coal from the Midwestern United States and the decrease in the usage of coal from the Eastern United States which would result in significantly higher transportation costs, use of fuel with a higher sulfur content and use of fuel with a lower BTU capability. In other words, utilities will have to use coal which would be more expensive, harmful to the environment and less efficient. Of course, all of this directly relates to Virginia ratepayers who are already paying rates that are much higher than we would like for them to be.

We respectfully urge you to oppose H.R. 2 and S. 7 because they are an encroachment into an area that is being handled well by state governments and it could adversely affect the lives of every Virginian.

Sincerely,

PRESTON C. SHANNON,
Chairman.

NOTICES OF HEARINGS

SUBCOMMITTEE OF GOVERNMENTAL EFFICIENCY

Mr. EAGLETON. Mr. President, the Subcommittee on Governmental Efficiency of the Governmental Affairs Committee has rescheduled its April 22 hearing for Monday, April 25, at 1 p.m. in room 1224, Dirksen Senate Office Building on the General Accounting Office report on weaknesses in the financial controls of the national flood insurance program.

AGRICULTURE SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE

Mr. EAGLETON. Mr. President, the Agriculture Subcommittee of the Appropriations Committee has completed its hearings on the fiscal year 1978 budget of the Department of Agriculture and related agencies.

I would like to announce that the hearing record will remain open until Wednesday, April 27, 1977, for the submittal of statements to be included as a part of the record. Please make the necessary arrangements with the subcommittee staff located in room 1320 of the Dirksen Building, or by calling 224-7272.

FOREIGN CURRENCY REPORTS

In accordance with the Mutual Security Act of 1954, as amended, the Secretary of the Senate herewith submits the following reports of the several committees of the Senate, certain joint committees, and special and select committees, concerning the foreign currencies and U.S. dollars utilized during the calendar year 1976 in connection with foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
None.									

Mar. 1, 1977.

FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, AND FORESTRY, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Herman Talmadge:									
New Zealand	$NZ	59.25	64.86					59.25	64.86
Robert Dole:									
Mexico	Peso	4,385.73	351.14	7,267.50	581.86			11,653.23	933.00
Carl T. Curtis:									
Tokyo Japan	Yen	44,280	150.00					44,280	150.00
Hong Kong	HK$	489.75	105.00	1,154.29	244.60			1,644.04	349.60
Henry Bellmon:									
India	Rupee	2,072.25	225.00	80	8.95	10	1.12	2,162.25	235.07
Bangladesh	Taka	329.56	21.22					329.56	21.22
Thailand	Baht	3,045	150.00	1,012	50.24			4,057	200.24
Thomas Saylor (staff member):									
Japan and China	Yen	191,000	650.00					191,000	650.00
Indonesia	Rupee	62,175	150.00					62,175	150.00
Egypt	Pound	111.05	200.00					111.05	200.00
Italy	Lira	125,700	150.00					125,700	150.00
Germany	D. mark			2,557.68	1,074.00			2,557.68	1,074.00
Total			2,217.22		1,959.65		1.12		4,177.99

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$4,177.99

Mar. 7, 1977.

HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John Brian Atwood:									
Egypt	Pound	166,670	300.00					166,670	300.00
Saudi Arabia	Riyal	392.75	111.42					392.75	111.42
Syria	Pound	547.50	150.00					547.50	150.00
Italy	Lira	81,500	93.36					81,500	93.36
Spain	Peseta	33,227	495.13	19,950	294.68			53,177	789.81
Birch E. Bayh:									
Germany	D. mark	378.00	150.00					378.00	150.00
Refund	D. mark	(70.50)	(28.00)					(70.50)	(28.00)
Henry Bellmon:									
Austria	Schilling	2,572.50	150.00					2,572.50	150.00
Israel	Pound	2,628	300.00					2,628	300.00
Refund	Pound	(1,310.35)	(150.61)					(1,310.35)	(150.61)
Egypt	Pound	166,665	300.00					166,665	300.00
Edward W. Brooke:									
United Kingdom	Pound	36.58	75.00					36.58	75.00
U.S.S.R.	Ruble		375.00						375.00
Poland	Zloty	7,500	150.00					7,500	150.00
Italy	Lira	115,200	150.00					115,200	150.00
Air fare	Zloty				1,720.00				1,720.00
Greece	Drachma	11,190	300.00					11,190	300.00
Cyprus	Pound	91,108	218.66					91,108	218.66
Italy	Lira	64,875	75.00					64,875	75.00
Portugal	Escudo	7,087.30	225.00					7,087.30	225.00
United Kingdom	Pound	268.65	450.00					268.65	450.00
Air fare	D. mark				2,005.40				2,005.40
James R. Calloway:									
Japan	Yen	87,450	300.00					87,450	300.00
Richard L. Collins:									
Egypt	Pound	211.34	380.41	445.55	802.00			656.89	1,182.41
Zaire	Zaire	211	280.23					211	280.23
Tanzania	Shilling	1,771	212.60					1,771	212.60
Zambia	Kwacha	114.90	143.62					114.90	143.62
Kenya	Shilling	3,710.20	443.43					3,710.20	443.43
Italy	Lira	45,175	52.22					45,175	52.22
Air fare	D. mark			2,839.55	1,203.20			2,839.55	1,203.20
Air fare (Kenya)	Shilling			500.59	59.88			500.59	59.88
James H. English:									
England	Pound	112	225.00					112	225.00
France	Franc	750	150.00					750	150.00
Germany	D. mark	945	375.00		110.00				485.00
Air fare					844.00				844.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Ernest F. Hollings:									
Australia	$A	357.40	450.00	209.13	263.30	5	6.30	571.53	719.60
New Zealand	$NZ	214.90	300.00					214.90	300.00
Tahiti	$NZ	142.50	150.00					142.50	150.00
Mexico	Peso	936.75	75.00					936.75	75.00
Hong Kong	HK$	1,057.50	225.00	1,154.29	244.60			2,211.79	469.60
Japan	Yen	44,280	150.00					44,280	150.00
J. Bennett Johnston:									
Philippines	Peso		75.00						75.00
Thailand	Baht		75.00						225.00
Hong Kong	Dollar		75.00						225.00
Republic of China	Dollar		75.00						150.00
Republic of Korea			75.00						150.00
Japan	Yen	44,280	150.00					44,280	150.00
Hong Kong	HK$	1,057.50	225.00	1,154.29	244.60			2,211.79	469.60
William P. Jones:									
Germany	D. mark	918.75	375.00	57.10	23.31			975.85	398.31
Belgium	Franc	8,662.00	225.00					8,662.00	225.00
Austria	Schilling	3,900.40	225.00					3,900.40	225.00
Switzerland	Franc	365.90	150.00					365.90	150.00
France	Franc	1,858.50	375.00					1,858.50	375.00
Air fare	D. mark				1,528.00				1,528.00
William H. Jordan:									
Mexico	Peso	2,498	200.00	9,770.68	782.28			12,268.68	982.28
Colombia	Peso	4,524	138.60					4,524.00	138.60
Peru	Sol	11,562.50	256.95	7,500.15	166.67			19,062.65	423.62
Bolivia	Peso	3,000.50	147.23					3,000.50	147.23
Panama	Dollar	52	52.00					52	52.00
Japan	Yen	166,696	577.50	316,998	1,098.21			483.694	1,675.71
Greece	Drachma	7,307.50	195.91					7,307.50	195.91
Egypt	Pound	128	230.40	912.44	1,642.56			1,040.44	1,872.96
Saudi Arabia	Riyal	505	143.26					505	143.26
Iran	Rial	19,888	282.09					19,888	282.09
Israel	Pound	1,720.05	197.97					1,720.05	197.97
Turkey	Lira	1,830.50	111.18					1,830.50	111.18
France	Franc	280	56.50					280	56.50
Charles W. McBride:									
Philippines	Peso		75.00						75.00
Hong Kong	Dollar		75.00						225.00
Thailand	Baht		75.00						225.00
Republic of China	Dollar		75.00						150.00
Republic of Korea			75.00						150.00
Bernard B. Meng:									
Australia	$A	357.40	450.00					357.40	450.00
New Zealand	$NZ	214.90	300.00					214.90	300.00
Tahiti	$NZ	142.50	150.00					142.50	150.00
Mexico	Peso	936.75	75.00					936.75	75.00
William Frederick Rhodes:									
United States	Dollar		132.50						132.50
Australia	Dollar	243.49	300.00					243.49	300.00
Indonesia	Rupiah	62,175	150.00					62,175	150.00
Singapore	Dollar	365.85	150.00					365.85	150.00
Hong Kong	HK$	1,057.50	225.00					1,057.50	225.00
Thailand	Baht	3,050.00	150.00					3,050	150.00
Iran	Rial	5,288	75.00					5,288	75.00
Turkey	Lira	2,475	150.00					2,475	150.00
France	Franc	750	150.00					750	150.00
Germany	D. mark				3,588.50				3,588.50
William David Rossiter:									
France	Franc	15.00	3.36	63	14.30	52	11.66	130	29.32
Senegal	Franc	40,363	180.50			2,453	10.97	42,816	191.47
Mali	Franc	8,660	19.42			13,655	30.62	22,315	50.04
Sierra Leone	Pound	119.60	124.80	27	28.17	24.17	25.22	170.77	178.19
Kenya	Pound	799	97.85	181	21.94	117	14.58	1,097	134.37
Ethiopia	Dollar	67.28	32.75	6.72	3.27			74	36.02
Egypt	Pound	42.58	76.64	2	3.60	7	12.60	51.58	92.84
Air fare	D. mark				1,260.30				1,260.30
United Kingdom	Pound	26.64	54.60	2	4.10	7.94	16.30	36.58	75.00
U.S.S.R.	Ruble		174.96		66.64		43.61		285.21
Poland	Zloty	3,208	64.16	777.50	15.55	947.50	18.99	4,933	98.70
Italy	Lira	124,339	161.90	14,976	19.50	20,851	27.15	160,166	208.55
Air fare	Zloty				1,720.00				1,720.00
Italy	Lira	87,000	100.69	19,123	22.13	23,477	27.18	129,600	150.00
Egypt	Pound	97.75	175.95	6	10.80	6.25	11.25	110.00	198.00
Syria	Pound	451.85	123.78					451.85	123.78
Jordan	Dinar	21.615	65.50					21.615	65.50
Israel	Pound	1,337.58	175.53			15	1.98	1,352.58	177.51
United Kingdom	Pound	80.95	150.56	29.39	54.67	10.62	19.77	120.96	225.00
Air fare (Egypt)	Pound				1,893.00				1,893.00
Philippines	Peso	2,123	285.50	484	65.09	147	19.77	2,754	370.36
Indonesia	Rupiah	27,589	66.55	1,890	4.56	5,246	12.66	34,725	83.77
Thailand	Baht	1,946	95.86	1,339	65.96	417	20.54	3,702	182.36
Pakistan	Rupee	1,034	104.44	35	3.54	75	7.58	1,144	115.56
Greece	Drachma	1,685	45.30	54	1.45	205	5.51	1,944	52.26
Italy	Lira	25,400	29.33	13,433	15.51	15,990	18.46	54,323	63.30
Air fare	Rupee				1,924.00				1,924.00
Greece	Drachma	7602	203.81	600	16.09	845	22.66	9,047	242.56
Cyprus	Pound	54.000	129.60	2.000	4.80			56.000	134.40
Italy	Lira	46,400	52.48					46,400	52.48
Portugal	Escudo	4,675	148.41			100	3.18	4,775	151.59
United Kingdom	Pound	121	202.68	19	31.83	28	46.90	168	281.41
Air fare	D. mark				2,005.40				2,005.40
Terrence E. Sauvain:									
England	Pound	83.69	46.43					83.69	46.43
Germany	D. mark	378.25	147.18	4,027.19	1,567			4,405.44	1,714.18
Switzerland	Franc	326.55	131.67					326.55	131.67
Spain	Peseta	14,788	217.07					14,788	217.07
Portugal	Escudo	4,495.50	143.47					4,495.50	143.47
France	Franc	1,320	269.39					1,320	269.39
Burkett Van Kirk:									
England	Pound	152.82	84.78					152.82	84.78
Germany	D. mark	383.25	149.13	3,837.52	1,493.20			4,220.77	1,642.33
Switzerland	Franc	326.55	131.67					326.55	131.67
Spain	Peseta	10,185	149.60					10,185	149.60
France	Franc	1,320	269.39					1,320	269.39

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Milton R. Young:									
Japan	Yen	44,280	150.00					44,280	150.00
Hong Kong	HK$	1,057.50	225.00	1,154.29	244.60			2,211.79	469.60
Refund	HK$	(36.5)	(7.73)					(36.5)	(7.73)
Birch Bayh, Jr.:									
Japan	Yen	44,280	150.00					44,280	150.00
Hong Kong	HK$	1,057.50	225.00	1,154.29	244.60			2,211.79	469.60
Thomas F. Eagleton:									
Austria	Shilling		75.00					2,572.50	150.00
Israel	Pound		75.00					3,225	375.00
Egypt	Pound		75.00					166.665	300.00
Iran	Rial		75.00					31,725	450.00
England	Pound		75.00					131.96	225.00
Ted Stevens:									
Japan	Yen	44,280	150.00					44,280	150.00
Hong Kong	HK$	1,057.50	225.00	1,154.29	244.60			2,211.79	469.60
Refund	HK$	(164.50)	(35.00)					(164.50)	(35.00)
Total			21,668.52		29,691.39		435.44		53,793.96

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	53,793.96

JOHN L. McCLELLAN,
Chairman, Committee on Appropriations.

Mar. 11, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS (AMENDED REPORT), EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Amount brought forward			21,668.52		29,691.39		435.44		53,793.96
Charles McC. Mathias, Jr.:									
Italy	Lira	81,050	93.79			18,050	20.89	99,100	114.68
Egypt	Pound	85.00	158.10		1,893.00	20	37.20	105	2,088.30
Syria	Pound	700.00	191.78			84.75	23.22	784.75	215.00
Jordan	Dinar	18.500	55.56			5.901	17.72	24.401	73.28
Israel	Pound	1,330.45	174.60			285.31	37.44	1,615.76	212.04
Total			22,342.35		31,584.39		571.91		56,497.26

RECAPITULATION

	Amount
Total	$56,497.26

JOHN L. McCLELLAN,
Chairman, Committee on Appropriations.

Apr. 20, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
T. J. Ball:									
France	Franc	1,760.10	374.49	70	14.89	20	4.26	1,850.10	393.64
Italy	Lira	147,962	179.41	300	.36	24,600	29.83	172,862	209.60
Belgium	Franc	2,690	67.75			1,622	40.86	4,312	108.61
England	Pound	126.37	171.23	6.50	8.81	15	20.32	147.87	200.36
Germany	D. mark			4,053.06	1,518.00			4,053.06	1,518.00
D. F. Bartlett:									
Portugal	Escudo	2,051	150.00	73,311	2,533.60			75,362	2,683.60
South Africa	Rand	37.35	43.02					37.35	43.02
Belgium	Franc	5,362	144.53					5,362	144.53
Germany	D. mark	877	365.42	3,182.60	1,326.09	352	146.65	4,411.60	1,838.16
Austria	Schilling	1,164	67.67					1,164	67.67
Italy	Lira	96,972	112.11					96,972	112.11
Spain	Peseta	13,960	211.52					13,960	211.52
T. E. Braswell, Jr.:									
Greece	Drachma	4,705	132.16	100	2.81	250	7.02	5,055	141.99
Turkey	Pound	1,024	68.27	50	3.33	195	13.00	1,269	84.60
Israel	Pound	1,678	231.77	50	6.91	52	7.18	1,780	245.86
Germany	D. mark	1,756	683.25	368,517	3,733.66	195.25	75.98	370,468.2	4,492.89
Spain	Peseta	4,497	75.71	150	2.53	250	4.21	4,897	82.45
P. Bruhn:									
England	Pound	33.70	64.70			4.22	8.10	37.92	72.80
Belgium	Franc	3,100	77.50			405	10.12	3,505	87.62
Germany	D. mark	80	31.37	3,509.68	1,375.00			3,589.68	1,406.37
Italy	Lira	60,120	75.15			20,280	25.35	80.400	100.50
H. W. Cannon:									
Austria	Schilling	2,029	122.96			450.33	27.04	2,479.33	150.00
Israel	Pound	2,900	337.20			325	37.80	3,225	375.00
Egypt	Pound	126,000	226.80			40,665	73.20	116,665	300.00
Iran	Rial	15,629	221.69			16,096	228.31	31.725	450.00
England	Pound	101	172.21			30.96	52.79	131.96	225.00
J. J. F. Clark:									
Greece	Drachma	4,705	132.16	100	2.81	250	7.02	5,055	141.99
Turkey	Pound	1,024	68.27	50	3.33	195	13.00	1,269	84.60
Israel	Pound	1,678	231.77	50	6.91	52	7.18	1,780	245.86
Germany	D. mark	1,756	683.25	368,517	3,733.66	195.25	75.98	370,468.2	4,492.85
Spain	Peseta	4,497	75.71	150	2.53	250	4.21	4,897	82.45

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
C. H. Cromwell:									
Belgium	Franc	2,850	81.00					2,850	81.00
Germany	D. mark	330	134.00	3,678.48	1,404.00			4,008.48	1,538.00
Italy	Lira	72,000	113.00					72,000	113.00
England	Pound	37	82.00					37	82.00
J. C. Culver:									
Australia	Dollar	357.40	450.00					357.40	450.00
New Zealand	Dollar	426.78	450.00					426.78	450.00
Mexico	Peso	937.50	75.00					937.50	75.00
Austria	Schilling	2,572.20	150.00					2,572.20	150.00
Israel	Pound	3,225	375.00					3,225	375.00
Egypt	Pound	116,665	300.00					116,665	300.00
Iran	Rial	31,725	450.00					31,725	450.00
England	Pound	131.96	225.00					131.96	225.00
H. Fine:									
France	Franc	1,609.10	342.36	70	14.89	63	13.40	1,742.10	370.65
Italy	Lira	132,349	160.48	1,500	1.82	40,100	48.62	173,949	210.92
Belgium	Franc	2,910	73.30	1,682	42.37			4,592	115.67
England	Pound	109.39	148.22	5.10	6.91	27	36.59	141.49	191.72
Germany	D. mark			4,053.06	1,518.00			4,053.06	1,518.00
K. W. Fish:									
England	Pound	81	135.68			1	1.68	82	137.36
Denmark	Krone	1,215	207.10					1,215	207.10
Netherlands	Guilder	170	67.97					170	67.97
Germany	D. mark	325	135.98	3,529.91	1,476.95			3,854.91	1,612.93
France	Franc	1,020	204.00					1,020	204.00
J. A. Goldsmith:									
Hong Kong	Dollar	354.40	70.88	10.60	2.12	10	2.00	375	75.00
Thailand	Baht	8,691.90	428.17	831.60	40.90	65.60	3.23	9,589.10	472.30
France	Franc	987.90	222.00	47	10.56	13.35	3.00	1,048.25	235.56
Germany	D. mark			7,968.71	2,946.68			7,968.71	2,946.68
G. Hart:									
England	Pound	85	144.50	15	25.50			100	170.00
Spain	Peseta	2,915	43.00					2,915	43.00
Italy	Lira	50,375	59.97					50,375	59.97
Germany	D. mark			3,122	1,301.20			3,122	1,301.20
J. F. Hollingsworth:									
Belgium	Franc	5,387	145.20					5,387	145.20
Germany	D. mark	912	380.00	3,182.60	1,326.09	275	114.58	4,369.60	1,820.67
Austria	Schilling	1,179	68.55					1,179	68.55
Italy	Lira	99,787	115.36					99,787	115.36
Spain	Peseta	14,700	222.73					14,700	222.73
T. Hoog:									
England	Pound	210	357.00	20	34.00			230	391.00
Spain	Peseta	2,915	43.00					2,915	43.00
Italy	Lira	50,375	59.97					50,375	59.97
Germany	D. mark			3,933	1,639.20			3,933	1,639.20
E. B. Kenney:									
Belgium	Franc	6,749	170.00	1,191	30.00	993	25.00	8,933	225.00
Norway	Kroner	1,045	190.00			83	15.00	1,128	205.00
England	Pound	244.44	440.00	22.22	40.00	25	45.00	291.66	525.00
Germany	D. mark			24,030	961.20			24,030	961.20
J. E. Kneale:									
Hong Kong	Dollar	354.40	70.88	10.60	2.12	10	2.00	375	75.00
Thailand	Baht	8,692.80	428.21	101.50	5.00	63.20	3.11	8,857.50	436.32
France	Franc	966.25	217.13	15.00	3.37	20	4.04	1,001.25	224.54
Germany	D. mark			7,968.71	2,946.68			7,968.71	2,946.68
F. X. Krebs:									
Austria	Schilling	1,350.43	79.00					1,350.43	79.00
Israel	Pound	1,468.51	165.00					1,468.51	165.00
Egypt	Pound	126,000	226.80			40,665	73.20	166,665	300.00
Iran	Rial	20,930.03	298.87					20,930.03	298.87
England	Pound	56.69	97.50					56.69	97.50
P. J. Leahy:									
England	Pound	35	67.20			4	7.68	39	74.88
Belgium	Franc	3,800	95.00			307	7.67	4,107	102.67
Germany	D. mark	80	31.37	3,509.68	1,375.00	20	7.84	3,609.68	1,414.21
Italy	Lira	102,500	128.12			22,450	28.06	124,950	156.18
G. R. Lord:									
Belgium	Franc	2,680	67.00	130	3.25	580	14.50	3,390	84.75
Germany	D. mark	514	207.24	3,640	1,467.65	324	130.63	4,478	1,805.52
England	Pound	102	167.30	6	9.90	16	26.40	124	203.60
J. P. Mathews:									
England	Pound	203	345.00	24	41.00			227	386.00
Spain	Peseta	4,915	72.00					4,915	72.00
Italy	Lira	53,375	62.00					53,375	62.00
Germany	D. mark			3,933	1,639.20			3,933	1,639.20
W. C. McFadden II:									
Japan	Yen	69,635	236.85	17,049	57.99	10,220	34.76	96,904	329.60
Germany	D. mark			10,216	3,923.91			10,216	3,923.91
England	Pound	134.68	264.60	41	80.55			175.68	345.15
Italy	Lira	80,225	117.80					80,225	117.80
Israel	Pound	1,251.40	172.85			377.60	52.15	1,629	225.00
G. Miller:									
Belgium	Franc	6,749	170.00	1,191	30.00	993	25.00	8,933	225.00
Norway	Krone	1,045	190.00			83	15.00	1,128	205.00
England	Pound	244.44	440.00	22.22	40.00	25	45.00	291.66	525.00
Germany	D. mark			13,180	527.20			13,180	527.20
S. Nunn:									
Belgium	Franc	5,327	143.58					5,327	143.58
Germany	D. mark	858	357.50	3,182.60	1,326.09	328	136.65	4,368.60	1,820.24
Austria	Schilling	1,227	71.34					1,227	71.34
Italy	Lira	97,787	113.04					97,787	113.04
Spain	Peseta	14,160	214.55					14,160	214.55
R. Q. Old:									
Belgium	Franc	3,059	76.47					3,059	76.47
Germany	D. mark	342.50	130.15	3,678.48	1,404.00			4,020.98	1,534.15
Sweden	Kronor	660.45	151.90	70	16.10	40	9.20	770.45	177.20
England	Pound	24.70	50.75			1.69	3.48	26.39	54.23

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
R. C. Parland:									
England	Pound	37.15	71.25	3	5.75			40.15	77.00
Belgium	Franc	4,400	110.00	400	10.00	200	5.00	5,000	125.00
Germany	D. mark	120	47.00	3,544.68	1,388.72	15	5.88	3,679.68	1,441.60
Italy	Lira	94,120	117.65			6,000	7.50	100,120	125.15
J. Record:									
Belgium	Franc	5,452	146.95					5,452	146.95
Germany	D. mark	873	363.75	3,182.60	1,326.09	377	157.08	4,432.6	1,846.92
Austria	Schilling	1,137	66.10					1,137	66.10
Italy	Lira	99,787	115.36					99,787	115.36
Spain	Peseta	14,360	217.58					14,360	217.58
E. C. Fiel:									
Francde	Franc	1,690.40	359.65	70	14.89	2	.43	1,762.40	374.97
Italy	Lira	136,454	165.46	900	1.09	32,100	38.92	169,454	205.47
Belgium	Franc	3,015	75.94	1,692	42.62	100	2.52	4,807	121.08
England	Pound	112.34	152.22	5.00	6.77	25	33.88	142.34	192.87
Germany	D. mark			4,053.06	1,518.00			4,053.06	1,518.00
P. K. Robinson:									
Belgium	Franc	2,581	64.53	300	7.50	322	8.05	3,203	80.08
Germany	D. mark	469.53	179.22	3,678.48	1,404.00	18.86	7.20	4,166.87	1,590.42
Sweden	Kronor	565.50	130.00	84	19.31	3	.69	652.40	150.00
England	Pound	69.56	142.94					69.56	142.94
F. A. Ruth:									
Portugal	Escudo	2,051	150.00	73,311	2,553.60			75,362	2,703.60
South Africa	Rand	39.23	45.19					39.23	45.19
Belgium	Franc	5,412	145.88					5,412	145.88
Germany	D. mark	942	392.50	3,182.60	1,326.09	251	104.58	4,375.60	1,823.17
Austria	Schilling	1,159	67.37					1,159	67.37
Italy	Lira	98,972	114.42					98,972	114.42
Spain	Peseta	14,590	221.06					14,590	221.06
J. C. Smith:									
Belgium	Franc	2,595	69.02			257.6	6.85	2,852.6	75.87
Germany	D. mark	502	209.16	3,247.2	1,353.00	301	125.42	4,050.2	1,687.58
England	Pound	95	153.22			69	111.29	164	264.51
L. K. Smith:									
England	Pound	34.10	65.47					34.10	65.47
Belgium	Franc	3,250	79.55			23	.56	3,273	80.11
Germany	D. mark	80	31.37	3,509.68	1,375.00			3,589.68	1,406.37
Italy	Lira	71,450	85.77					71,450	85.77
H. J. Steenstra:									
Belgium	Franc	5,542	149.38					5,542	149.38
Germany	D. mark	907	377.92	3,182.60	1,326.09	338	140.83	4,427.60	1,844.84
Austria	Schilling	1,275	74.13					1,275	74.13
Italy	Lira	101,225	117.02			12,300	14.22	113,525	131.24
Spain	Peseta	14,850	225.00					14,850	225.00
C. A. Stevenson:									
Australia	Dollar	357.40	450.00					357.40	450.00
New Zealand	Dollar	426.78	450.00					426.78	450.00
Mexico	Peso	937.50	75.00					937.50	75.00
J. J. Stirk:									
England	Pound	81	135.68					81	135.68
Denmark	Krone	1,215	207.10					1,215	207.10
Netherlands	Guilder	170	67.97					170	67.97
Germany	D. mark	325	135.98	3,857.11	1,613.85			4,182.11	1,749.83
France	Franc	1,020	204.00					1,020	204.00
F. J. Sullivan:									
Belgium	Franc	5,452	146.95					5,452	146.95
Germany	D. mark	915	381.25	3,182.60	1,326.09	275	114.58	4,372.60	1,821.92
Austria	Schilling	1,207	70.17					1,207	70.17
Italy	Lira	99,200	114.68					99,200	114.68
Spain	Peseta	14,730	223.18					14,730	223.18
G. L. Thorpe:									
Italy	Lira	100,609	139.00	8,192	12.00	14,301	21.00	123,102	172.00
Israel	Pound	1,027	145.00	265	35.00	337	45.00	1,629	225.00
Germany	D. mark			5,521.07	1,698.79			5,521.07	1,698.79
J. Tower:									
Germany	D. mark			4,690.50	1,863.52			4,690.50	1,863.52
Total			27,091.46		62,224.40		2,805.36		92,121.22

Mar. 7, 1977.

JOHN C. STENNIS,
Chairman, Committee on Armed Services.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Stevenson, Adlai U.S.S.:									
Egypt	Egypt pound	83.330	150.00					83.330	150.00
Saudi Arabia	Saudi ryal	126.50	35.89					126.50	35.89
Syria	Syrian pound	83.25	22.81					83.25	22.81
Iran	Rial	25,931	375.00					25,931	375.00
Israel	Pound	852	115.45					852	115.45
Subtotal			699.15						699.15

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Buell, William A., Jr.:									
Egypt	Egypt pound	83.330	150.00					83.330	150.00
Saudi Arabia	Saudi ryal	126.50	35.89					126.50	35.89
Syria	Syrian pound	83.25	22.81					°3.25	22.81
Iran	Rial	25,931	375.00					25,931	375.00
Israel	Pound	893	121.00					893	121.00
Subtotal			704.70						704.70
Total			1,403.85						1,403.85
Buckley, Jeremiah S.:									
United Kingdom	Pound	36.58	75.00					36.58	75.00
U.S.S.R.			250.00		64.40		40.00		354.40
Poland	Zloty	4,140.00	82.80			1,250.00	25.00	5,390.00	107.80
Italy	Lira	8,481.00	110.00			385.50	5.00	8,866.50	115.00
Air transportation	Zloty			87,374.50	1,747.49			87,374.50	1,747.49
Subtotal			517.80		1,811.89		70.00		2,399.69
Coan, Carl A.S.:									
United Kingdom	Pound	153.75	75.00					153.74	75.00
U.S.S.R.	Ruble	195.26	257.60	48.82	64.40			244.08	322.00
Poland	Zloty	4,140.00	82.80					4,140.00	82.80
Italy	Zloty	83,712.00	109.00					83,712.00	103.00
Air transportation	Zloty			87,374.50	1,747.49			87,374.50	1,747.49
Subtotal			524.40		1,811.89		0		2,336.29
Total			1,042.20		3,623.78		70.00		4,735.98
Brooks, Thomas A.: United Kingdom	Pound	279.46	525.00					279.46	525.00
Air transportation					1,241.00				1,241.00
Subtotal			525.00		1,241.00				1,766.00
Marcuss, Stanley J.: Romania	Leis	4,455	375.00					4,455	375.00
Unused refund:									
Romania	Leis	(2,652)	(222.23)					(4.455)	(375.00)
Poland	Zloty	3,375	75.00					3,375	75.00
U.S.S.R.	Pound	257.14	300.00					257.14	300.00
Prepaid hotel by State Department not received before arrival, therefore paid 4 days at $42 per day on arrival:									
Erroneously given 4 days per diem at $33 a day			132.00						132.00
Refunded overpayment of $33 a day for 4 days			(132.00)						(132.00)
			750.00						750.00
Total			1,275.00		1,241.00		00		2,516.00

RECAPITULATION

Foreign currency (U.S. dollar equivalent) total $8,655.83

WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs.

Mar. 22, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S currency
Flickner, Charles:									
United Kingdom	Pound	271	450.00	80	133			351	583.00
Switzerland	Franc	549	225.00					549	225.00
					713				713.00
Shilling, David:									
Japan	Yen		192.98						192.98
Korea	Won		23.30						23.30
Phillipines	Peso		43.00						43.00
	US$				1,665.40				1,665.40
Total			934.28		2,511.40				3,445.68

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$808.00
Appropriated funds: Senate Budget Commission (S. Res. 364)	2,637.68
Total	3,445.68

EDMUND S. MUSKIE,
Chairman, Committee on the Budget.

Mar. 4, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON COMMERCE, EXPENDED BETWEEN JAN. 1 AND DEC. 31 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Baker, Howard H.:									
Australia	$A	337.40	424.75					337.40	424.75
New Zealand	$NZ	214.90	300.00					214.90	300.00
Tahiti	$NZ	142.50	150.00					142.50	150.00
Mexico	Peso	936.75	75.00					936.75	75.00
Subtotal			949.75						949.75
Goldman, Leslie J.:									
Algeria	Dinar	32.78	7.80					32.78	7.80
Spain	Peseta	5,100	75.00					5,100	75.00
Germany	D. mark			1,801	783.00			1,801	783.00
France	Franc	1,125	225.00					1,125	225.00
Subtotal			307.80		783.00				1,090.80
McMahon, Ronald:									
Australia	$A	357.40	450.00					357.40	450.00
New Zealand	$NZ	214.90	300.00					214.90	300.00
Tahiti	$NZ	142.50	150.00					142.50	150.00
Mexico	Peso	936.75	75.00					936.75	75.00
Subtotal			975.00						975.00
Perles, Steven:									
Japan	Yen	729,157	2,475.00	195,705	671.00			924,862	3,146.00
Germany	D. mark			3,123	1,357.00			3,123	1,357.00
Subtotal			2,475.00		2,028.00				4,503.00
Pertschuk, Michael:									
Germany	D. mark			4,262.77	1,752.00			4,262.77	1,752.00
Japan	Yen	30,282	103.00			65,562	223.00	95,844	326.00
Subtotal			103.00		1,752.00		223.00		2,078.00
Stevenson, Adlai E.:									
France	Franc	1,125	225.00					1,125	225.00
Algeria	Dinar	272.23	65.60					272.23	65.60
Spain	Peseta	5,100	75.00					5,100	75.00
Germany	D. mark			1,801	783.00			1,801	783.00
Subtotal			365.60		783.00				1,148.60
Fogarty, Joseph R.:									
England	Pound	165.50	339.28	15	30.75			180.50	370.03
Germany	D. mark			1,227	523.92			1,227	523.92
United States	Dollar				8.10				8.10
Subtotal			339.28		562.77				902.05
Total			5,515.43		5,908.77		223.00		11,647.20

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$11,639.10
Appropriated funds	8.10
Total	11,647.20

Mar. 21, 1977.

WARREN G. MAGNUSON,
Chairman, Committee on Commerce.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON THE DISTRICT OF COLUMBIA, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency

None.

Mar. 21, 1977.

THOMAS F. EAGLETON,
Chairman, Committee on the District of Columbia.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, FINANCE COMMITTEE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Packwood:									
United Kingdom	Pound	248.62	450.00	142.50	371.20			391.12	821.20
Senator Ribicoff:									
England	Pound	121.29	221.35					121.19	221.35
Kenya	Schilling	3,145.10	375.00					3,145.10	375.00
France	Franc	348.75	75.00					348.75	75.00
Senator Gravel:									
Italy	Lira	190,125	225.00					190,125	225.00
Kenya	Shilling	3,150	375.00	2,568	305.10			5,718	680.10
Michael Stern:									
Switzerland	Franc	918.75						918.75	
	D. mark		375.00	1,696.37	705.00			1,696.37	1,080.00
George W. Pritts:									
Switzerland	Franc	1,962.50	785.00			100	40.00	2,062.5	825.00
Robert A. Best:	D. marks			1,438.00	575.20			1,438	575.20
Peoples Republic of China	Yen	145,900	496.27		1,783.00				2,279.27
Switzerland	Franc	550.85	216.70		727.00				943.70
Italy	Lira	463,200	516.39	21,400	23.86			484,600	540.25
Robert C. Cassidy:									
Switzerland	Franc	3,118.75	1,200.00		472.80			3,118.75	1,672.80
Belgium	Franc	11,700	300.00					11,700	300.00
Switzerland	Franc	3,120.55	1,275.00		564.30			3,120.55	1,839.30
Belgium	Franc	13,912	375.00					13,912	375.00
Richard Rivers:									
Great Britain	Pound	129.29	225.00		1,604.00				1,829.00
Kenya	Shilling	3,873.35	450.00						450.00

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent), total	$15,107.17

Mar. 7, 1977.

RUSSELL B. LONG,
Chairman, Senate Finance Committee.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Joseph R. Biden, Jr.:									
Senegal	Franc	13,250	53.00					13,250	53.00
Kenya	Shilling	308.58	37.00					308.58	37.00
Lesotho	Rand	230.02	265.00			8.68	10.00	238.70	275.00
Sierra Leone	Pound	148.75	125.00			7.14	6.00	155.89	131.00
Dick Clark:									
Germany	D. mark			7,892.49	3,333.00			7,892.49	3,333.00
Switzerland	Franc	146.40	61.00					146.40	61.00
Angola	Franc	146.40	61.00					146.40	61.00
South Africa	Franc	146.40	61.00					146.40	61.00
South Africa	Rand	380.23	330.00					380.23	330.00
Namibia	Rand	172.80	150.00					172.80	150.00
Lesotho	Rand	864	750.00					864	750.00
Rhodesia	Rand	345.66	300.00					345.66	300.00
Total			2,193.00		3,333.00		16.00		5,542.00
Robert P. Griffin:									
Italy	Lira	64,800	75.00					64,800	75.00
Kenya	Shilling	1,220.12	146.17					1,220.12	146.17
Tanzania	Shilling	1,249.50	150.00					1,249.50	150.00
Zambia	Kwacha	180	225.00					180	225.00
Mozambique	Escudo	5,177.37	165.00					5,177.37	165.00
Zaire	Zaire	64.50	75.00					64.50	75.00
Nigeria	Naira	234	300.00					234	300.00
Australia	Dollar	301.7	379.82					301.70	379.82
New Zealand	Dollar	284.28	300.00					284.28	300.00
Tahiti	Dollar	142.50	150.00					142.50	150.00
Mexico	Peso	687.5	55.00					687.5	55.00
Austria	Schilling	2,572.5	150.00					2,572.5	150.00
Total			2,170.99						2,170.99
Jacob K. Javits:									
Israel	Pound	2,580	300.00					2,580	300.00
Egypt	Pound	166.665	300.00					166.665	300.00
Iran	Rial	25,835	366.46					25,835	366.46
United Kingdom	Pound	88.23	150.00					88.23	150.00
Germany	D.mark	378	150.00	26,948	7,813.59			27,326	7,963.59
Brazil	Cruzeiro	2,706	300.00					2,706	300.00
Peru	Peso	6,750	150.00					6,750	150.00
Panama			150.00						150.00
Colombia	Peso	963	225.00					963	225.00
Venezuela	Bolivare	4,944	150.00					4,944	150.00
Switzerland	Franc	370	150.00					370	150.00
Italy	Lira	255,600	300.00					255,600	300.00
Total			2,691.46		7,813.59				10,505.05
Spain	Peseta	15 255	225.00					15,255	225.00
Senegal	DFA	17,520	75.00					17,520	75.00
Kenya	K Sh	2,516.10	300.00					2,516.10	300
United Kingdom	Pound	341.24	600.00					341.24	600
Yugoslavia	Dinar	3,061.25	150.00					3,061.15	150

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equi alent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jacob K. Javits—Continued									
Belgium	Franc	5,490	150.00					5,490	150.00
Egypt	Pound	125	225.00					125	225.00
Syria	Pound	273.75	75.00					273.75	75.00
Israel	Pound	2,301	300.00	8,152.8	948			10,453.8	1,248.00
France	Franc	3,690	750.00	1,546	309			5,236	1,059.00
Total			2,850.00		1,257.00				4,107.00
Mike Mansfield:									
Japan	Yen	214,828	725.77					214,828	725.77
Hong Kong	HK$	2,539	525.00					2,529	525.00
Thailand	Baht	1,508	74.28					1,508	74.28
Burma	Kyat	1,002	47.94					1,002	47.94
Philippines	Peso	1,115	150.00					1,115	150.00
Papua New Guinea	Kina	56.65	75.00					56.65	75.00
Fiji	Dollar	135.89	150.00					135.89	150.00
Germany	Mark			11,861.9	4,982.00			11,861.9	4,982.00
George McGovern:									
Portugal	Escudo	1,992	73.24					1,992	73.24
India	Rupee	3,991	450.00	3,506	395.11			7,497	845.11
Bangladesh	Taka	3,278	225.00					3,278	225.00
Italy	Lira	358,575	525.00					358,575	525.00
Total			3,021.23		5,377.11				8,398.34
James B. Pearson:									
Germany	Mark			8,948	3,323.22			8,948	3,323.22
Austria	Schilling	2,572.5	150.00					2,572.5	150.00
Israel	Pound	2,580	300.00					2,580	300.00
Egypt	Pound	166.665	300.00					166.665	300.00
Iran	Rial	26,437	375.00					26,437	375.00
United Kingdom	Pound	44.11	75.00	185.29	315.00			229.40	390.00
Germany	Mark			880.75	349.50			880.75	349.50
Claiborne Pell:									
Portugal	Escudos	7,166	55.00					7,166	55.00
Spain	Peseta	3,551	53.48					3,551	53.48
Germany	Mark			1,666.82	661.44			1,666.82	661.44
Belgium	Franc	9,076	245.56	14,261	358.54			23,337	604.10
Austria	Schilling	226.50	124.13	3,269.83	187.32			5,496.33	311.45
Total			1,678.17		5,195.02				6,873.19
Charles H. Percy:									
Italy	Lira	281,125	325.00	291,678	337.20			572,803	662.20
United Kingdom	Pound	105.95	180.81					105.95	180.81
Italy	Lira	16,250	18.15					16,250	18.10
Zambia	Kwacha	96.12	150.00					96.12	150.05
Mozambique	Escudo	1,100	42.00					1,100	42.00
South Africa	Rand	260.37	300.00	889.70	1,025.09			1,150.07	1,325.09
Germany	Mark			5,137.77	2,038.80			5,137.77	2,038.80
Hugh Scott:									
Japan	Yen	49,318	177.00	10,341,368	2,879.00			10,390,686	3,056.00
Hong Kong	HK$	1,012.5	220.00					1,012.50	220.00
Malaysia	M$	766.75	306.00					766.75	306.00
Singapore	S$	366	150.00					366	150.00
Philippines	Peso	1,115.25	150.00					1,115.25	150.00
Total			2,018.96		6,286.07				8,299.25
George W. Ashworth:									
Portugal	Escudo	1,992	73.24					1,992	73.24
Pakistan	Rupee	1,727	174.44					1,727	174.44
India	Rupee	2,783	313.75	3,068	345.99			5,851	659.74
Bangladesh	Taka	2,297	157.64					2,297	157.64
Italy	Lira	203,575	297.19					203,575	297.19
Germany	Mark			8,948	3,323.22			8,948	3,323.22
Frank Ballance:									
Brazil	Cruzeiro	2,706	300.00					2,706	300.00
Peru	Peso	6,750	150.00					6,750	150.00
Panama	US$	150	150.00					150	150.00
Colombia	Peso	4,318	132.29					4,318	132.29
Venezuela	Bolivare	393	91.82					393	91.82
Germany	Mark			3,853.33	1,529.10			3,853.33	1,529.10
Total			1,840.37		5,198.31				7,038.68
Barbara Bengston:									
Australia	$A	337.4	424.82					337.40	424.82
New Zealand	$NZ	234.28	252.58					234.28	252.58
Tahiti	$NZ	142.50	150.00					142.50	150.00
Mexico	Peso	759.75	60.78					759.75	60.78
Stephen Bryen:									
Turkey	Lira	4,800	300.00					4,800	300.00
Greece	Drachma	11,040	150.00					11,040	150.00
Cyprus	Pound	63.08	150.00					63.08	150.00
Belgium	Franc	5,944.50	150.00					5,944.50	150.00
Iran	Rial	65,776.5	933.00	2,904	42.00			68,737.5	975.00
Israel	Pound	5,233.96	627.41	128.04	17.35			5,362	644.76
Germany	Mark	385.50	150.00	19,075.74	7,444.34			19,461.24	7,594.34
United Kingdom	Pound	178.51	375.00					178.51	375.00
Total			3,723.59		7,503.69				11,227.28
Geryld Christianson:									
Italy	Lira	188,075	222.54					188,075	222.54
Zaire	Z	255.64	300.00					255.64	300.00
Rhodesia	Rand	440.10	507.08					440.10	507.08
Kenya	Shilling	625.25	75.00					625.25	75.00
Egypt	Pound	208.330	375.00					208.330	375.00
Netherlands	Guilder	174.5	70.94					174.5	70.94

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Geryld Christianson—Continued									
Portugal	Escudo	1,373.6	50.54	200	7.35			1,573.6	57.89
Spain	Peseta	6,132	92.35	400	6.02			6,532	98.37
Germany	D. mark			3,328.36	1,320.78			3,328.36	1,320.78
Belgium	Franc	10,875	294.00	18,218	492.42			29,093	786.42
Austria	Schilling	6,027	351.43	3.238	188.95			9,265	540.38
Italy	Lira	232,375	268.64	291,678	337.20			524.053	605.84
Total			2,687.62		2,332.72				4,960.24
Robert Dockery:									
United Kingdom	Pound	175.95	300.00					175.95	300.00
Mexico	Peso	7,460	373.00	9,030	452.00	1,240	62.00	17,730	887.00
Guatemala	Quetzal	358.42	358.42			21.58	21.58	380	380.00
Nicaragua	Cordobal	1,563.45	223.36			361.55	51.64	925	275.00
Germany	D. mark			1,531.4	589.00			1,531.4	589.00
Patricia Donovan:									
Portugal	Escudo	1,992	73.24					1,992	73.24
Pakistan	Rupee	100	10.10					100	10.10
India	Rupee	3,991	450.00	3,068	345.99			7,059	795.99
Bangladesh	Taka	3,278	225.00					3,278	225.00
Italy	Lira	203,575	297.19					203,575	297.19
Germany	D. mark			8,948	3,323.22			8,948	3,323.22
Constance Freeman:									
United Kingdom	Pound	22.26	41.52	8	14.88	10	18.60	40.26	75.00
Total			2,351.83		4,725.09		153.82		7,230.74
Zambia	Kwacha	243.39	379.07	4	6.26	29	45.84	276.39	431.17
Mozambique	Escudoe	1,831.8	61.59					1,831.8	61.59
South Africa	Rand	180.27	212.75			15	17.25	195.27	230.00
Tanzania	Shilling	1,912	228.39	389.25	46.61			2,301.25	275.00
Zaire	Zaire	59	66.65	9	10.35			68	77.00
Germany	Mark			6,561.33	2,583.20			6,561.33	2,583.20
Richard Gilmore:									
Germany	Mark	159.8	61.40	4,261.86	1,311.34			4,421.66	1,372.74
Netherlands	Florin	118.81	44.00					159.80	44.00
Belgium	Franc	4,602	115.90					4,602	115.90
France	Franc	1,335	300.00					13.35	300.00
Switzerland	Franc	195.95	75.00					195.95	75.00
United Kingdom	Pound	73.34	150.00					73.34	150.00
Total			1,694.75		3,657.76		63.09		5,715.60
Donald G. Henderson:									
Belgium	Franc	13,385	341.40	9,000	226.52	495	12.68	22,880	580.60
Italy	Lira	335,080	398.90	246,340	293.26	14,280	17.00	595,700	709.16
United Kingdom	Pound	68.66	124.55	295	535.13	1.3	2.36	364.96	662.04
William F. Hildenbrand:									
Australia	$A	357.40	450.00					357.40	450.00
New Zealand	$NZ	184.28	194.00					184.28	194.00
Tahiti	$NZ	142.50	150.00					142.50	150.00
Mexico	Peso	936	75.00					936	75.00
Pat M. Holt:									
Australia	$A	430.74	507.98	111.60	139.97	60.86	74.74	603.20	722.69
New Zealand	$NZ	260.43	259.63	33.43	33.46	54.60	52.66	348.46	345.75
Tahiti	$NZ	120.73	114.49	30	28.45	9.17	8.70	159.90	151.64
Mexico	Peso	759	60.77	100	8.10	77.75	6.23	936.75	75.10
Japan	Yen	89,312	303.78	17,079	58.09	39,509	134.38	145,900	496.25
Total			2,980.50		1,322.98		308.75		4,612.23
John Holum:									
Germany	Mark			6,514.95	2,535.00			6,514.95	2,535.00
Pakistan	Rupee	510	51.52					510	51.52
Portugal	Escudo	1,992	73.24					1,992	73.24
India	Rupee	3,991	450.00	3,068	345.99			7,059	795.99
Bangladesh	Taka	3,278	225.00					3,278	225.00
Italy	Lira	203,575	297.15					203,575	297.15
Germany	Mark			8,948	3,323.22			8,948	3,323.22
Norvill Jones:									
Japan	Yen	216,080	729.00	2,960	10.00	25,490	86.00	244,530	825.00
Republic of China	NT$	6,026	158.82	190	5.00	2,322	61.18	8,538	225.00
Germany	Mark			12,380.95	5,200			12,380.95	5,200.00
Burma	Kyat	1,843	84.13			1,226	56.00	3,069	140.13
Hong Kong	HK$	2,490	515.00	48.50	10.00			2,539	525.00
Total			2,583.86		11,429.21		203.13		14,216.25
Thailand	Baht	4,872	240.00			1,218	60.00	6,090	300.00
Philippines	Peso	765	102.96			121	16.30	886	119.26
Indonesia	Rupiah	23,626	57.00			7,461	18.00	31,087	75.00
Papua New Guinea	Kina	36.85	60.00			19.80	15.00	56.65	75.00
Fiji	Dollar	135.89	150.00					135.89	150.00
Geoffrey T. H. Kemp:									
Israel	Pound	19,350	225.00					19,350	225.00
Iran	Rial	77,794	1,125.00					77,794	1,125.00
Germany	Mark			5,320.57	2,111.34			5,320.57	2,111.34
George Kroloff:									
United Kingdom	Pound	154.10	255.42	27.45	43.97	15.51	42.28	207.06	341.67
Kenya	Shilling	6,181.6	739.64	516.50	70.00	392.6	46.96	6,684.60	856.60
Germany	Mark			5,518.56	2,307.00			5,518.56	2,307.00
Total			2,955.02		4,532.31		198.54		7,685.87
Arthur M. Kuhl:									
Australia	$ A	348.75	439.43					348.75	439.43
New Zealand	$ NZ	265.87	279.86					265.87	279.86
Tahiti	$ NZ	142.50	150.00					142.50	150.00
Mexico	Peso	815.38	65.23	4,820	385.91			5,635.38	451.14

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Albert A. Lakeland, Jr.:									
Germany	Mark	361.50	150.00	4,364.64	1,732.00			4,726.14	1,882.00
France	Franc	3,000	600.00	115	23.00			3,115	623.00
United Kingdom	Pound	407.85	450.00					407.85	450.00
Belgium	Franc	5,490	150.00					5,490	150.00
Italy	Lira	129,750	150.00					129,750	150.00
Yugoslavia	Dinar	1,181.25	65.00					1,181.25	65.00
Jerome Levinson:									
United Kingdom	Pound	354.40	600.00					354.40	600.00
France	Franc	2,625	525.00	381	76.20			3,006	601.20
Total			3,624.52		2,217.11				5,841.63
Germany	Mark	358.5	150.00	8,978.45	3,625.00			9,336.95	3,775.00
Iran	Rial	25,938	367.00					25,938	367.00
Karin Lissakers:									
Belgium	Franc	5,970	150.00	354	77.54			6,324	227.54
Switzerland	Franc			123.40	48.15			123.40	48.15
United Kingdom	Pound	249.76	420.00					249.76	420.00
Germany	Mark	1,849.50	750.00	10,760.7	4,261.48			12,611.20	5,011.48
Greece	Drachma	8,257.5	225.00					8,257.5	225.00
Italy	Lira	126,675	150.00					126,675	150.00
France	Franc	2,625	525.00	381	76.20			3,006	601.20
Doris Lovett:									
Austria	Schilling	1,100	64.70					1,100	64.70
Israel	Pound	1,683.10	195.71					1,683.1	195.71
Egypt	Pound	142.065	208.84					142.065	208.84
Total			3,206.25		8,088.37				11,294.62
Iran	Rial	18,343	260.18					18,343	260.18
United Kingdom	Pound	88.01	149.60					88.01	149.60
Robert B. Mantel:									
Germany	Mark	385.50	150.00	19,554.32	7,975.34			19,939.82	8,125.34
Israel	Pound	1,290	150.00					1,290	150.00
Iran	Rial	77,794	1,125.00					77,794	1,125.00
Greece	Drachma	2,767.5	75.00					2,767.5	75.00
Pakistan	Rupee	2,217.5	223.99	204	20.60			2,421.50	244.59
India	Rupee	1,452.5	162.47					1,452.5	162.47
United Kingdom	Pound	42	75.00					42	75.00
Philippines	Peso	3,168.62	426.18					3,168.62	426.18
Thailand	Baht	4,570	225.00					4,570	225.00
Total			3,022.42		7,995.94				11,018.36
Charles F. Meissner:									
Germany	Mark	308.25	123.30	9,479.34	3,874.13	11.75	4.70	9,799.34	4,002.13
Jamaica	Dollar	230.43	256.03	28.59	31.77	6.68	7.42	268.38	295.22
Japan	Yen	186,087.65	628.25	5,835.14	19.70	8,012.21	27.05	199,935	675.00
United Kingdom	Pound	420.94	735.80	19.43	33.90	8.88	15.70	450.22	785.40
Switzerland	Franc	2,049.728	43.45	82.76	34.10	54.52	22.45	2,187	100.00
France	Franc	1,382.04	270.20	44.55	9.00	58.41	11.80	1,485.00	300.00
Kenya	Schilling	3,808	476.00			64	8.00	3,872	484.00
Italy	Lira	2,347.80	279.50	113.40	13.50	58.80	7.00	2,520	300.00
Belgium	Franc	5,670	141.75	330	8.25			6,000	150.00
Mary McLaughlin:									
Mexico	Peso	2,682.26	217.56	2,622.90	210.00	583.97	44.03	5,891.81	471.59
Spain	Peseta	38,936	574.27	1,898	28.00	2,585	38.13	43,421	640.40
Germany				3,475.08	1,379.00			3,475.08	1,370.00
Total			3,746.11		5,641.35		186.28		9,573.74
Australia	$A	239.71	301.82			23.70	29.84	263.41	331.66
New Zealand	$NZ	248.77	262.30			35.75	37.70	284.52	300.00
Tahiti	$NZ	135.17	142.52			7.09	7.48	142.26	150.00
Richard Moose:									
Japan	Yen	125,622	427.29					125,622	427.29
Germany	Mark	6,247.31	2,459.57					6,247.31	2,459.57
Ira S. Nordlicht:									
Germany	Mark	135.65	51.40	1,0025.31	3,591.84			10,160.96	3,643.24
Iran	Rial	24,675	350.00					24,675	350.00
Netherlands	Guilder	125	46.79					125	46.79
Belgium	Franc	7,329	184.58					7,329	184.58
France	Franc	1,335	300.00					1,335	300.00
Switzerland	Franc	195.95	75.00					195.95	75.00
United Kingdom	Pound	92.99	189.69					92.99	189.69
Total			4,790.96		3,591.84		75.02		8,457.82
Joanne Novins:									
Australia	$A	333.15	419.47					333.15	419.47
New Zealand	$NZ	284.28	300.00					284.28	300.00
Tahiti	$NZ	142.50	150.00					142.50	150.00
Mexico	Peso	745	59.64					745	59.64
Austria	Schilling	2,277.5	132.80					2,277.5	132.80
Israel	Pound	1,675	194.76			200	23.26	1,875	218.02
Egypt	Pound	143.265	257.87			11	19.80	154.265	277.67
Iran	Rial	20,225	286.88	150	2.13	1,250	17.73	21,625	306.74
United Kingdom	Pound	78.96	135.23	6	10.20	2	2.40	86.96	147.83
Peter A. Poole:									
Germany	Mark	9,137.02	3,625.80					9,137.02	3,625.80
Japan	Yen	123,185.12	402.50	14,537.38	47.50				450.00
United Kingdom	Pound	39.20	73.00	24.15	45.00			63.35	118.00
Total			6,037.95		104.83		63.19		6,205.97
Tanzania	UK pound	29.60	55.00	80.60	150.00	48.40	90.00	158.60	295.00
Zambia	Kwacha	77.56	125.00			24.10	45.00	101.69	170.00
South Africa	Rand	128.45	165.00	111.80	137.00	22.05	41.00	163.25	343.00
Portugal	Escudo	4.30	8.00					4.30	8.00
Mozambique	Escudo	700	23.68					700	23.68
Namibia	SA Rand	134.80	155.00			21.70	25.00	156.26	180.00

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Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
William Richardson:									
Switzerland	Franc	95.40	39.75					95.40	39.75
Angola	S. franc	95.40	39.75					95.40	39.75
Djibouti	S. franc	95.40	39.75					95.40	39.75
South Africa	S. franc	95.40	39.75					95.40	39.75
South Africa	Rand	380.23	330.00					380.23	330.00
Namibia	S.A. rand	172.80	150.00					172.80	150.00
Lesotho	S.A. rand	864	750.00					864.00	750.00
Total			1,920.68		287.00		201.00		2,408.68
Italy	Lira	64,800	75.00					64,800	75.00
Kenya	Ksm	1,220.12	146.17					1,220.12	146.17
Tanzania	Shilling	1,249.5	150.00					1,249.5	150.00
Zambia	ZK	180	225.00					180	225.00
Rhodesia	Rand	345.66	300.00					345.66	300.00
Mozambique	Escudo	5,177.37	165.00					5,177.37	165.00
Zaire	Zaire	64.50	337.50					64.50	337.50
Ethiopia	Birr	330	165.00					330	165.00
Somalia	Shilling	1,650	275.00					1,650	275.00
Germany	Mark	16,390.06	6,766					16,390.06	6,766.00
Turkey	Lira	4,160	260.00	480	30.00	160	10.00	4,800	300.00
Greece	Drachma	9,568	260.00	1,104	30.00	368	10.00	11,040	300.00
Total			9,124.67		60.00		20.00		9,204.67
Cyprus	Pound	147.18	350.00			10.51	25.00	157.69	375.00
Italy	Lira	87,727	105.00	20,888	25.00	16,710	20.00	125,325	150.00
United Kingdom	Pound	34.67	62.00	4.47	8.00	2.80	5.00	41.94	75.00
John Ritch:									
Germany	Mark	1,425	560.00	1,533.2	570.00			2,958.20	1,130.00
France	Franc	625	125.00	100	20.00			725	145.00
Luxembourg	B. Franc	22,698	635.00					22,698	635.00
Alison Rosenberg:									
Germany	Mark	328.25	127.72	4,147.5	1,659.00			4,475.75	1,786.72
Kenya	Shilling	3,776	472.00	16	2.00	80	10.00	3,872	484.00
Italy	Lira	242,760	289.00	5,040	6.00	4,200	5.00	252,000	300.00
Switzerland	Franc	522.97	217.00	12.05	5.00	7.23	3.00	542.25	225.00
Belgium	Franc	5,771	144.82			195	4.89	5,966	149.71
United Kingdom	Pound	243.50	438.30	3.40	6.12	3	5.40	249.90	449.82
Total			3,525.84		2,301.12		78.29		5,905.25
Rudolph Rousseau:									
Germany	Mark			16,599	6,656.00			16,599	6,656.00
Guatemala	Quetzal	255	255.00					255	255.00
Nicaragua	Cordoba	1,695	242.14	130	18.57			1,825	260.71
India	Rupee	712	80.00			85	9.00	797	89.00
Bangladesh	Taha	3,284	220.00			260	15.00	3,544	235.00
Pakistan	Rupee	3,321	335.00	249	27.00	516	52.00	3,748	414.00
United Kingdom	Pound	23	40.00			4	7.00	27	47.00
Hong Kong	HK$	676	141.00	36	7.50	8	1.50	720	150.00
Indonesia	Rupiah	276,471	667.00	74,159	179.00	9,268	22.36	359,898	868.36
Japan	Yen	12,995	44.00	2,043	7.00	653	2.21	156.91	53.21
Marianne Spiegel:									
Germany	Mark			7,892.49	3,333.00			7,892.49	3,333.00
Switzerland	Franc	180	75.00					180	75.00
Total			2,099.14		10,228.07		109.07		12,436.28
Angola	S. franc	180	75.00					180	75.00
South Africa	S. franc	18	75.00					180	75.00
South Africa	Rand	380.23	330.00					380.23	330.00
Namibia	S.A. rand	172.80	150.00					172.80	150.00
Lesotho	S.A. rand	864.00	750.00					864.00	750.00
Italy	Lira	64,800	75.00					64,800	75.00
Kenya	Ksm	1,220.12	146.17					1,220.12	146.17
Tanzania	Shilling	1,249.5	150.00					1,249.50	150.00
Zambia	ZK	180	225.00					180	225.00
Rhodesia	S.A. rand	345.66	300.00					345.66	300.00
Mozambique	Escudo	5,177.37	165.00					5,177.37	165.00
Zaire	Zaire	64.50	75.00					64.50	75.00
Nigeria	Naira	234	300.00					234	300.00
Total			2,816.17						2,816.17
Francis R. Valeo:									
Germany	Mark			8,830.08	3,504.99			8,830.08	3,504.99
Korea	K	100,425	208.51			7,944	16.49	108,369	225.00
Japan	Yen	123,125	415.40	5,400	18.21	1,545	5.22	130,070	438.83
Hong Kong	HK$	2,376.3	491.50	62	12.78	100.45	20.72	2,538.75	525.00
Thailand	Baht	1,756.8	86.54			333.2	16.41	2,090	102.95
Burma	Kt	1,645.50	78.75					1,645.5	78.75
Philippines	Pesa	984.5	132.50			130.75	17.50	1,115.25	150.00
Indonesia	Rupiah	31,087	75.00					31,087	75.00
New Guinea	K	56.65	75.00					56.65	75.00
Fiji	F$	126.5	139.40			9.30	10.60	135.89	150.00
United Kingdom	Pound	41.54	84.22	71.38	144.73			112.92	228.95
India	Rupee	2,391.5	269.62	600	67.64			2,991.5	337.26
Total			2,056.44		3,748.35		86.94		5,891.73
Pakistan	Rupee	1,970	198.98					1,970	198.98
Bangladesh	Taha	1,024	71.68			590	41.30	1,614	112.97
Bruce van Voorst:									
Belgium	Franc	11,100	300.00	10,980	296.75			22,080	596.75
Germany	Mark	2,178	900.00	3,475.08	1,379.00			5,653.08	2,279.00
United Kingdom	Pound	159.95	266.50					159.95	266.50
France	Franc	2,970	600.00					2,970	600.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON FOREIGN RELATIONS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S currency
Octa Watson:									
Australia	$ A	357.40	450.00					357.40	450.00
New Zealand	$ NZ	285.00	300.00					285.00	300.00
Tahiti	$ NZ	107.50	102.13					107.50	102.13
Mexico	Peso	937.50	75.00					937.50	75.00
Total			3,264.29		1,675.75		41.30		4,981.34
Jack Blum:									
Belgium	Franc	5,970	150.00	354	77.54			6,324	227.54
Switzerland	Franc			123.4	48.15			123.4	48.15
France	Franc	667.5	150.00					667.5	150.00
Germany	Mark	1,761	675.00	7,966.7	3,097.48			9,727.7	3,772.48
Greece	Drachma	8,257.5	225.00					8,257.5	225.00
Italy	Lira	126,675	150.00					126,675	150.00
Michael Kraft:									
United Kingdom	Pound	90.97	150.50	5	8.27	8.66	14.33	104.63	173.10
Israel	Pound	4,184.95	486.62	75	8.72	300.05	34.89	4,560	530.23
Italy	Lira	37,000	42.77	4,750	4.34	3,000	3.74	43,750	50.85
Zaire	Z	162	215.40			16	21.28	188	236.68
Rhodesia	S.A. rand	300	345.00	35	40.25	55.10	63.37	390,10	448.62
Kenya	Shilling	273.40	32.80	20	2.40	40	4.80	333.40	40.00
Total			2,623.09		3,287.15		142.41		6,052.65
Egypt	Pound	197.495	355.40			10.335	18.60	208.330	374.00
Netherlands	Guilder	130.5	53.51	6.25	2.56	13.75	5.64	154.50	61.71
Germany	Mark			8,985.6	3,510.00			8,985.6	3,510.00
Total			408.91		3,512.56		24.24		3,945.71
Total			89,628.69		123,017.32		1,971.12		214,617.13

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent), total	$214,617.13

JOHN SPARKMAN,
Chairman, Committee on Foreign Relations.

Mar. 7, 1977.

CONSOLIDATED REPORT OF EXPENDITURES OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON FOREIGN RELATIONS (AMENDED REPORT), EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Amount brought forward			89,628.69		123,017.32		1,971.12		214,617.13
Salpee Sahagian:									
Hong Kong	Dollar	720	150.00					720	150.00
Philippines	Peso	1,115.25	150.00					1,115.25	150.00
Indonesia	Rupiah	31,087.50	75.00					31,087.50	75.00
New Guinea, Papua	Kina	56.64	75.00					56.64	75.00
Fiji	Dollar	135.89	150.00					135.89	150.00
Total			90,228.69		123,017.32		1,971.12		215,217.13

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent), total	$215,217.13

JOHN SPARKMAN,
Chairman, Committee on Foreign Relations.

Mar. 14, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENTAL AFFAIRS (FOR GOVERNMENT OPERATIONS), EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Frank Ballance:									
Ethiopia	Dollar	462.44	225.00					462.44	225.00
Mozambique	Escudo	4,063.50	136.52					4,063.50	136.52
Zambia	Kwachl	144.19	225.00					144.19	225.00
South Africa	Rand	195.27	225.00					195.27	225.00
Airfare Johannesberg to Capetown	Ksh			1,341/90	160.00			1,341/90	160.00
Tanzania	Tsh	1,878.75	225.00					1,878.75	225.00
Kenya	Ksh	2,516/10	225.00					2,516/10	225.00
Kenya	Ksh	3,156/40	375.00					3,156/40	375.00
Airline ticket; Pan American	DMK			3,136.25	1,254.50			3,136.25	1,254.50
Subtotal			1,636.52		1,414.50				3,051.02

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENTAL AFFAIRS (FOR GOVERNMENT OPERATIONS) EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ribicoff:									
Switzerland	Franc	742.05	300.00					742.05	300.00
Italy	Lire	186,225	225.00					186,225	225.00
Austria	Schilling	2,572.50	150.00					2,572.50	150.00
Israel	Israeli pound	[1] 3,225	375.00					3,225.00	375.00
Egypt	English pound	166.665	300.00					166,665	300.00
Iran	Iranian rial	[1] 31,725	450.00					31,725	450.00
London	Pound	131.96	225.00					131.96	225.00
Subtotal			2,025.00						2,025.00
Arthur H. House:									
Austria	Schilling	1,452	84.66	154.35	9.00	137.20	8.00	1,743.55	101.66
Israel	Pound	1,524.7	177.29	43	5.00	240.65	27.98	1,808.35	210.27
Egypt	Pound	123	221.40	2	3.60	10.49	18.88	135.50	243.90
Iran	Rial	18,094	256.65			2,140	30.35	20,234	287.00
United Kingdom	Pound	47.74	81.16	3.5	5.95			51.24	87.11
Subtotal (returned $569.39)			821.18		23.55		85.21		929.94
Richard A. Wegman:									
Austria	Schilling	1,614.5	94.14					1,614.5	94.14
Israel	Pound	1,735	201.74	30.1	3.50			1,765.1	205.24
Egypt	Pound	154.4	277.92					154.4	277.92
Iran	Rial	15,994	226.87	176.3	2.50			16,170.3	229.37
England	Pound	53.6	91.12	1.5	2.50			55.1	93.62
Subtotal (returned $599.71)			891.79		8.50				900.29
Total			1,712.97		32.05		85.21		1,830.23
Constance B. Evans:									
Austria	Schilling	1,887.5	110.06					1,887.5	110.06
Israel	IL pound	1,592	185.12			43	5.00	1,635	190.12
Egypt	LE pound	138.72	249.70			2.78	5.00	141.5	254.70
Iran	Rial	16,468.5	233.59	70.5	1.00	325	5.00	16,891	239.59
England	Pound	43.3	73.60	1.76	3.00	2.94	5.00	48	81.60
Subtotal			852.07		4.00		20.00		876.07
Charles D. Ferris:									
Austria	Schilling	2,572.50	150.00					2,572.50	150.00
Israel	IL pound	2,580	300.00					2,580	300.00
Egypt	LE pound	166.665	300.00					166.665	300.00
Iran	Rial	26,437	375.00					26,437	375.00
England	Pound	131.96	225.00					131.96	225.00
Subtotal (returned $100)			1,350.00						1,350.00
Total			2,202.07		4.00		20.00		2,226.07
William F. Hildenbrand:									
Austria	Schilling	1,450.50	84.58					1,450.50	84.58
Israel	Pound	1,716	200.00					1,716	200.00
Egypt	Pound	145,665	262.00					145.665	262.00
Iran	Rial	20,850	295.74					20,850	295.74
England	Pound	63.18	106.00					63.18	106.00
Subtotal			948.32						948.32
Gail S. Martin:									
Austria	Schilling	1,762.50	102.77					1,762.50	102.77
Israel	Pound	1,290	150.00					1,290	150.00
Egypt	Pound	149.04	268.27					149.04	268.27
Iran	Rial	16,710	237.02					16,710	237.02
England	Pound	62.58	106.39					62.58	106.39
Subtotal			864.45						864.45
Total			1,812.77						1,812.77

[1] $150 refunded Jan. 21, 1977; $75 Israel, $75 Iran.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent), total	$10,945.09

ABRAHAM RIBICOFF,
Chairman, Committee on Governmental Affairs.

Mar. 11, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS (AMENDED REPORT), EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Leonard Bickwit, Jr.:									
Austria	Schilling	2,210	130.00					2,210	130.00
Israel	Pound	1,720	200.00			34.4	4.00	1,754.4	204.00
Egypt	Pound	132.665	250.00			4.42	6.50	137.085	256.50
Iran	Rial	15,862	225.00	21.15	3.00			15,883.15	228.00
United Kingdom	Pound	70.83	120.00	2.90	5.00			73.73	125.00
Total			925.00		8.00		10.50		943.50

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	943.50
Appropriated funds:	
Returned	331.50
Amount brought forward	10,945.09
Total	12,220.09

Apr. 1, 1977.

ABRAHAM RIBICOFF,
Chairman, Committee on Government Operations/Codel.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Floyd K. Haskell:									
Italy	Lira	134,250	150.00					134,250	150.00
Egypt	E. pound	109,290	196.72			15,710	28.28	125,000	225.00
Saudi Arabia	S. riyal					100	28.57	100	28.57
Syria	L. Syr	168	46.50			42.50	11.65	210.50	58.15
Jordan									None
Israel	I.L pound	1,325.30	172.79			275.45	35.91	1,600.25	208.70
					2,207.00				2,207.00
Total									2,877.42
Dayton L. Olson:									
Italy	Lira	120,350	133.00					120,350	133.00
Egypt	E. pound	98,810	176.58			17,440	31.40	116,250	207.98
Saudi Arabia	Riyal					150	42.85	150	42.85
Syria	L. Syr	390	106.84			22.50	6.16	412.50	113.00
Jordan									None
Israel	Israeli pound	1,471.65	191.87			229.10	29.86	1,700.75	221.73
					2,207.00				2,207.00
Total									2,925.56
Michael D. Hathaway:									
Germany			81.00						81.00
United Kingdom			600.00						600.00
Airline ticket	DM				1,043.70				1,043.70
Total									1,724.70
James A. McClure:									
Germany			74.00						74.00
United Kingdom			600.00		153.90				753.90
Airline ticket	DM				993.10				993.10
Total									1,821.00
Harrison Loesch (appropriated funds):									
Taiwan, Guam, and Micronesia			271.50		36.00				307.50
Ben Yamagata:									
Japan	Yen	70,597	247.62	8,262	28.98	6,671	23.40	85,530	300.00
Hong Kong	$HK	618	128.75	30	6.25			648	135.00
Australia	$A	355	493.97	12	15.01			367.77	508.98
Airline ticket	DM				3,105.00				3,105.00
Total									4,048.98
James P. Beirne:									
Philippines	Peso	1,041.25	140.00	74	10.00			1,115.25	150.00
Australia	Dollar	200.28	247.00	43	53.00			243.28	300.00
New Zealand	Dollar	542.69	525.00					542.69	525.00
French Polynesia	CPF	19,960	225.00					19,960	225.00
Airline ticket	DM				3,128.65				3,128.65
Appropriated funds			722.78						722.78
Total									5,051.43
David P. Stang:									
United Kingdom	Pound		864.14		146.00				1,010.14
							3,664.00		3,664.00
Total									4,674.14

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
Winfred O. Craft, Jr.:									
Philippines	Peso	1,115.25	150.00					1,115.25	150.00
Australia	Dollar	243.28	300.00					243.28	300.00
New Zealand	Dollar	542.69	525.00					542.69	525.00
French Polynesia	CPF	19,960	225.00					19,960	225.00
Airline tickets	DM				3,248.25				3,248.25
Appropriated funds		772.00							772.00
Total									5,220.25
Ted E. Orf:									
Philippines	Peso	1,115.25	150.00					1,115.25	[2] 150.00
Australia	Dollar	243.28	300.00					243.28	300.00
New Zealand	Dollar	542.69	525.00					542.69	525.00
French Polynesia	CPF	15,010	169.20	4,950	55.80			19,960	225.00
Airline ticket	DM				3,040.35				3,040.35
Appropriated funds			702.00						702.00
Total									4,942.35
Grenville Garside:									
England	Pound	182.09	300.00					182.09	300.00
France	Franc	1,125	225.00					1,125	225.00
Airline ticket	DM			3,299	1,379.00			3,299	1,379.00
Total									1,904.00
William J. Van Ness, Jr.:									
England	Pound	182.09	300.00					182.09	300.00
France	Franc	1,125	225.00					1,125	225.00
Airline tickets	DM			3,299	1,379			3,299	1,379.00
Total									1,904.00
Dale Bumpers:									
Austria	Schilling	1,957.16	114.12			20.24	1.18	1,977.40	115.30
Israel	Pound	1,555.14	180.83			282.51	32.85	1,837.65	213.68
Egypt	Pound	382.36	240.26					382.36	240.26
Iran	Rial	17,238	244.52			2,521	35.75	19,759	280.27
England	Pound	72.70	123.66					72.70	123.66
Total									973.17
Daniel A. Dreyfus:									
New Zealand	$NZ	365.16	349.00					365.16	349.00
French Polynesia	CPF	15,310	173.00	4,650	52.00			19,960	225.00
Airline ticket	DM				2,698.90				2,698.90
Appropriated funds			360.98						360.98
Total									3,633.88
James A. McClure:									
New Zealand	$NZ	465.16	450.00					465.16	450.00
French Polynesia	CPF	15,310	173.00	4,650	52.00			19,960	225.00
Airline ticket	DM				2,713.30				2,713.30
Appropriated funds			274.25						274.25
Total									3,662.55
Grand total			13,946.88		27,752.19		3,971.86		45,670.93

[1] Includes NZ$95 (US$99) returned to U.S. Embassy in Wellington.
[2] Includes 10 pesos turned back in Manila.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent)	$42,531.42
Appropriated funds:	
S. Res. 66	307.50
S. Res. 360	2,832.01
Total	45,670.93

HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs.

Mar. 4, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem: Foreign currency	Per diem: U.S. dollar equivalent or U.S. currency	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency	Miscellaneous: Foreign currency	Miscellaneous: U.S. dollar equivalent or U.S. currency	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency
deHaan, Dale:									
France	Franc	1,168.12	262.50	75	16.52			1,243.12	279.02
Returned	Franc	1,000	224.72					1,000	224.72
Subtotal		168.12	37.78					243.12	54.30
Thailand	Baht	10,657.5	525.00					10,657.5	525.00
Switzerland	S. franc	192	75.00					192	75.00
Airline fare					3,201.00				3,201.00
Subtotal			637.78		3,217.52				3,855.30

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
eHran, Dale—Continued									
Italy	Lire	317, 025	375. 00	74, 416	89. 05			391, 441	464. 05
Switzerland	S. franc	565. 20	225. 00	101. 06	40. 23			666. 26	265. 23
France	Franc	1, 057. 50	225. 00	14. 99	3. 19			1, 072. 49	228. 19
Netherlands	Guilder	409. 84	150. 00					409. 84	150. 00
Airline fare	Mark			2, 888	1, 141. 57			2, 888	1, 141. 57
Greece	Drs	16, 785	450. 00					16, 785	450. 00
Switzerland	S. franc	336. 50	150. 00					336. 50	150. 00
Airline fare					1, 611. 00				1, 611. 00
Subtotal			1, 575. 00		2, 885. 04				4, 460. 04
Kimmitt, J. S.:									
Austria	Shilling	2, 572. 50	150. 00					2, 572. 50	150. 00
Israel	Pound	2, 580	300. 00					2, 580	300. 00
Egypt	Pound	166. 665	300. 00					166. 665	300. 00
Iran	Rial	26, 437	375. 00					26, 437	375. 00
England	Pound	131. 96	225. 00					131. 96	225. 00
Subtotal			1, 350. 00						1, 350. 00
Klein, Wells:									
Italy	Lire	253, 500	300. 00	122, 400	73. 24			375, 900	373. 24
Airline fare	D. mark			3, 610	1, 426. 59			3, 610	1, 426. 59
Subtotal			300. 00		1, 499. 83				1, 799. 83
Schneider, Mark:									
Costa Rica	Colone	1, 921. 5	225. 00					1, 921. 5	225. 00
Scott, Wm. L.:									
Philippines	Peso	4, 463. 63	600. 00			555	75. 00	5, 018. 63	675. 00
Tinker, Jerry:									
France	Franc	498. 12	114. 60	75	16. 52			573. 12	131. 12
Thailand	Baht	10, 657. 5	525. 00					10, 657. 5	525. 00
Switzerland	S. Franc	192	75. 00						
Airline fare					3, 201. 00				3, 201. 00
Returned			75. 00						
Subtotal			639. 60		3, 217. 52				3, 857. 12
Total			5, 327. 38		10, 819. 91		75. 00		16, 222. 29

RECAPITULATION

	Amoun
Foreign currency (U.S. dollar equivalent), total	$16, 222. 29

JAMES O. EASTLAND,
Chairman, Committee on the Judiciary.

Mar. 18, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON LABOR AND PUBLIC WELFARE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Stafford, Robert:									
Brazil	Cruziero	600	36. 54					600	36. 54
South Africa	Rand	142. 84	163. 00					142. 84	163. 00
Kenya	Shilling	1, 066. 80	127. 50					1, 066. 80	127. 50
Italy	Lira	72, 900	105. 53					72, 900	105. 53
Mexico	Peso	4, 692. 50	375. 70	5, 027. 50	402. 52			4, 692. 50	778. 22
Durkin, John A.:									
England	Pound	80. 53	150. 00					80. 53	150. 00
Switzerland	Franc	942. 75	375. 00					942. 75	375. 00
Eagleton, Thomas:									
England	Pound	458. 33	815. 00					458. 33	815. 00
Laxalt, Paul:									
Austria	Schilling	2, 572. 5	150. 00					2, 572. 5	150. 00
Israel	Pound	1, 892	220. 00			688	80. 00	2580	300. 00
Egypt	Pound	166. 665	300. 00					166. 665	300. 00
Iran	Rial	26, 439	375. 00					26, 439	375. 00
United Kingdom	Pound	88. 24	150. 00					88. 24	150. 00
Quick, H. E., Jr.:									
England	Pound	458. 33	815. 00					458. 33	815. 00
Power, Michael B.:									
England	Pound	80. 53	150. 00					80. 53	150. 00
Switzerland	Franc	942. 75	375. 00					942. 75	375. 00
Total			4, 683. 27		402. 52		80. 00		5, 165. 79

RECAPITULATION

	Amount
Foreign currency (U.S. dollars equivalent), total	$5, 165. 79

HARRISON A. WILLIAMS, JR.,
Chairman, Committee on Labor and Public Welfare.

Feb. 18, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
None.									

Feb. 2, 1977.

QUENTIN N. BURDICK,
Chairman, Committee on Post Office and Civil Service.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Richard D. Grundy:									
United Kingdom	Pound	£245.97	510.51					£245.97	510.51
South Africa	Rand SAR	310.63	357.85					310.63	357.85
	D. mark				2,143.80				2,143.80
Australia	A dollar	521.71	680.44					521.71	680.44
Japan	Yen	152,775	525.00	116,361	396.73			269,136	921.73
	D. mark				3,139.20				3,139.20
Senator Robert B. Morgan:									
Taiwan	New T$	4,064.80	101.62			2,474.00	61.85	6,538.80	163.47
Korea	Won	31,650.30	63.30			51,871.70	103.74	83,522	167.04
Japan	Yen	32,458	108.19			12,489	41.63	44,947	149.82
Richard L. Fischer:									
Taiwan	New T$	3865.80	96.65			2673.00	66.83	6538.80	163.48
Korea	Won	31,650.30	63.30			31,870.70	63.74	63,521.00	127.04
Japan	Yen	38,773.00	129.24			2,768.00	9.23	41,541.00	138.47
Subtotal			2,636.10		5,679.73		347.02		8,662.85
Michael Mann:									
Taiwan	New T$	3,909.80	97.75			2,629.00	65.73	6,538.80	163.48
Korea	Won	31,650.30	63.30			62,871.70	125.74	94,522	189.04
Japan	Yen	32,978.00	109.91			7,969.00	25.56	40,947	135.47
Michael D. Hathaway:									
Japan	Yen	130,950	450.00					130,940	450.00
Mike Gravel:									
Japan	Yen	132,750	450.00					132.750	450.00
	Deutsche mark				1,813.00				1,813.00
Terry Adlhock:									
Japan	Yen	177,120	600.00					177,120	600.00
Donald Argetsinger:									
Japan	Yen	177,120	600.00					177,120	600.00
Robert Mitchell:									
Japan	Yen	154,875	525.00					154,875	525.00
Total			5,532.06		7,492.73		564.05		13,588.84

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent), total	$13,588.84

Mar. 1, 1977.

JENNINGS RANDOLPH,
Chairman, Committee on Public Works.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON RULES AND ADMINISTRATION, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
None.									

Feb. 4, 1977.

HOWARD W. CANNON,
Chairman, Committee on Rules and Administration.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
None.									

Feb. 17, 1977.

ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, JOINT COMMITTEE ON ATOMIC ENERGY, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Howard H. Baker, Jr.:									
Austria	Schilling	2,232.50	130.18					2,232.50	130.18
Egypt	Pound	154.165	277.50					154.165	277.50
Iran	Rial	25,337	357.98					25,337	357.98
Israel	Pound	2,394.93	278.48					2,394.93	278.48
United Kingdom	Pound	83.24	141.50					83.24	141.50
Norman P. Klug:									
Austria	Schilling	1,150	67.06					1,150	67.06
Egypt	Pound	146.34	263.41					146.34	263.41
England	Pound	50.66	86.38					50.66	86.38
Iran	Rial	17,075	242.20					17,075	242.20
Israel	Pound	1,645	191.28					1,645	191.28
George F. Murphy, Jr.:									
Austria	Schilling	4,896.25	275.00					4,896.25	275.00
Belgium	Franc	5,955	150.00					5,955	150.00
Egypt	Pound	159.665	299.00					159.665	299.00
England	Pound	109.75	223.01					109.75	223.01
France	Franc	667.50	150.00					667.50	150.00
Iran	Rial	22,207	315.00	80,229	[1] 1,138.00			102,436	1,453.00
Israel	Pound	2,725	327.00					2,725	327.00
West Germany	D. mark	195	75.48	2,038.29	[1] 789.00			2,233.29	864.48
	D. mark							2,719.50	
John Young:									
Austria	Schilling	2,719.50	150.00	618	258.00			618.00	408.00
Total			4,000.46		2,185.00				6,185.46

[1] Commercial air transportation.

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent), total	$6,185.46

Mar. 3, 1977.

HENRY M. JACKSON,
Vice chairman, Joint Committee on Atomic Energy.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, JOINT ECONOMIC COMMITTEE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Karlik, John:									
Jamaica	Dollar	235	258.50		170.00	8.44	9.28		437.78
France	Franc	352.50	75.00		702.00				777.00
Jackson, Sarah:									
Canada	Dollar	450	450.00	155.17	155.17			605.17	605.17
Long, Gillis:									
Canada	Dollar	225	225.00	114.85	114.85			339.85	339.85
Slater, Courtenay:									
Germany	DM			1,114.47	423.50			1,114.47	423.50
Britain	Pound	321.28	600.00					321.28	600.00
France	Franc	1,743.75	375.00					1,743.75	375.00
Hardt, John:									
Germany	Kronen	4,133.35	675.00		936.00			4,133.35	1,611.00
Poland	Zloty	1,850	36.50					1,850.00	36.50
Hungary	Florin	3,220.30	154.63					3,220.30	154.63
Romania	Lei	3,118.50	262.50					3,118.50	262.50
Casas-Gonzalez, A.:									
Venezuela					542.00				542.00
Subtotal			3,112.13		3,043.52		9.28		6,164.93
Stark, John:									
Japan/P.R.C./Hong Kong	Yen	263.050	894.73					263.050	894.73
	German, DM				2,163.37				2,163.37
Krumbhaar, George:									
	DM			3,638.23	1,493.22			3,638.23	1,493.22
Philippines	Peso		300.00						300.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, JOINT ECONOMIC COMMITTEE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Barnicle, Tim:									
Ireland	Pound	187.85	300.00					187.85	300.00
England	Pound	136.75	225.00					136.75	225.00
Germany	DM	542.25	225.00	194.00	81.48			736.25	306.48
France	Franc	3,000	600.00					3,000.00	600.00
Italy	Lira	454,125	525.00					454,125	525.00
	Dollar				719.60				719.60
Subtotal			6,181.86		7,501.19		9.28		13,692.33
Heckler, Margaret:									
Italy	Lira	64,875	75.00					64,875	75.00
Greece	Dr	5,595	150.00					5,595	150.00
Egypt	English pound	125,000	225.00					125,000	225.00
Azores	PE	1,650	50.00					1,650	50.00
					1,774.00				1,774.00
Total			6,631.86		9,275.19		9.28		15,936.33

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent), total	$15,966.33

HUBERT H. HUMPHREY,
Vice chairman, Joint Economic Committee.

Mar. 3, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, SPECIAL COMMITTEE ON AGING, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency

None.

FRANK CHURCH,
Chairman, Special Committee on Aging.

Mar. 1, 1977.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Julia Change Bloch:									
Guatemala	Quetzal	300	300.00			NA	NA		300.00
Nicaragua	Cordoba	[1] 3,150	450.00	PS. 18,492	804.00	NA	NA		450.00
Peru	Sole	20,319	300.00			NA	NA		300.00
Wayne A. Fletcher:									
Italy	Lire	645,000	750.00		870.00	NA	NA		1,620.00

[1] C.450 was refunded.

RECAPITULATION

Foreign currency (U.S. dollars equivalent), total	$3,474.00

GEORGE McGOVERN,
Chairman, Select Committee on Nutrition and Human Needs.

Mar. 2, 1977.

U.S. Senate,
Select Committee On Small Business,
Washington, D.C., February 4, 1977.

Office of Public Records,
119 D Street NE.,
Washington, D.C., 20510

Dear Sirs: Enclosed is form B, Consolidated Report of Expenditure of Foreign Currencies and Appropriated Funds for Foreign Travel, marked "None," for your records and information.

Sincerely,

GAYLORD NELSON, Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON SMALL BUSINESS, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency

None.

GAYLORD NELSON,
Chairman, Committee on Small Business.

Feb. 4, 1977.

U.S. Senate,
Select Committee on Intelligence.
Washington, D.C., March 7, 1977.

Mr. Francis R. Valeo,
Secretary of the Senate,
U.S. Senate,
Washington, D.C., 20510

Dear Mr. Valeo: Section 109 of the Legislative Branch Appropriation Act of 1977 (PL 94-440) states:

"Section 502(b) of the Mutual Security Act of 1954 (22 USC 1754(b)) is amended—

(2) by adding at the end thereof the following new sentence: 'In the case of the Select Committee on Intelligence of the Senate, such consolidated report may, in the discretion of the chairman of such select committee, omit such information as would identify the foreign countries in which members and employees of such select committee traveled.'"

Pursuant to the above Section, the attached Consolidated Report of Expenditure of Foreign Currencies and Appropriated Funds for Foreign Travel does not indicate particular countries or foreign currencies. The report does specify continents and dollar expenditures. A full, detailed report is also provided to assure full accountability. I request that pursuant to Section 109 of the Legislative Branch Appropriation Act, the full details not be published.

Aloha,

DANIEL K. INOUYE, Chairman.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, SELECT COMMITTEE ON INTELLIGENCE, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1976

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Gary Hart:									
Europe, Asia									2,618.00
William D. Hathaway:									
Europe									1,830.32
Robert Morgan:									
North America, South America									1,117.00
Karl Inderfurth:									
Asia, Europe									2,543.00
Michael T. Epstein:									
Europe									1,759.76
William G. Miller:									
Europe									1,661.50
Walter Ricks:									
South America, North America									1,153.00
Maj. Richard Pahland:									
South America, North America									1,182.00
Howard Liebengood:									
Asia, Africa, Europe									1,062.31
Total									14,926.89

RECAPITULATION

	Amount
Foreign currency (U.S. dollar equivalent), total	$14,926.89

DANIEL K. INOUYE,
Chairman, Select Committee on Intelligence.

Mar. 7, 1977.

ADDITIONAL STATEMENTS

PROCLAMATION IN HONOR OF QUEEN ISABELLA

Mr. CASE. Mr. President, April 22 is the 526th anniversary of the birth of Queen Isabella of Castile who is credited for her contribution to the discovery of the New World, as well as achievements in the Old World, including the unification of the Iberian Peninsula.

In addition, according to the Encyclopedia Britannica, Isabella was much concerned about the well-being of the Indians in the New World, being willing to accord them certain rights. She is said to have continued her interest and worked in their behalf until her death in 1504.

I ask unanimous consent that a proclamation by Gov. Brenda Byrne of New Jersey be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

Whereas, the enthusiasm and support of a single ruler led to the discovery of America and the resounding effect this discovery had upon the history of the world; and

Whereas, this great ruler, Queen Isabella of Castile, wife of Ferdinand of Aragon, was the sole backer of Christopher Columbus, whose proposed expedition to the New World was contrary to the 15th century concept of the world; and

Whereas, the shrewd intuition of Queen Isabella, as well as the financial support and risk taken by Her Majesty on behalf of Spain, was responsible for uncovering the unknown riches of the Western Hemisphere; and

Whereas, the history of America has direct linkage to the birth of Queen Isabella on April 22, 1451;

Now, therefore, I, Brendan Byrne, Governor of the State of New Jersey, do hereby proclaim April 22, 1977 as Queen Isabella Day in New Jersey, in honor of the great Spanish Queen whose daring vision prompted laying the foundation for contemporary American societies.

TERMINATION OF DIRECT LOANS—TERMINAL FOR IDAHO STUDENTS

Mr. CHURCH. Mr. President, last year the Congress expressed its clear intention not to make major structural changes in college student financial assistance programs. The Higher Education Act amendments enacted into law continue all grant and loan programs, with only fiscal and administrative changes. Despite this solid expression on the need for all of these programs, the Ford administration recommended termination of the direct loan program for the very first year of its renewal by Congress.

Regrettably, the Carter administration has gone along with this termination proposal. The argument advanced is that the indirect grant and loan programs are sufficiently successful so that direct loans are no longer necessary. This is not the case in my State, and it is my understanding that Idaho is far from alone.

The 1976 Higher Education Act amendments do make improvements in other programs, such as basic education opportunity grants. They do make administrative and fiscal alterations in the guaranteed student loan program. They also encourage the furtherance of State guaranteed programs, based upon findings that State-operated programs are much more efficient and less subject to abuse than those run by the Federal Government. But at the same time, Mr. President, the direct loan program is renewed with virtually no amendments at all, thus emphasizing its necessity for the near future.

The administration's recommendation to terminate direct loans has given Congress occasion to reconsider this program. The congressional conclusion is again clear: With passage of the supplemental appropriations bill before the Senate, the Congress has flatly rejected termination of direct loans. The bill contains over $300 million for direct loans, essentially the same amount as last year.

Three hundred million dollars is a lot of money. It is a lot of assistance for a lot of college students. It is also an

appropriation, a debit in the Federal budget. Seen in this perspective, the real purpose of the administration becomes apparent. Federal guarantee programs constitute a contingent liability, not an immediate appropriation; the amount to be guaranteed is not an expenditure in the budget for that year. If guaranteed loans could replace direct loans, an expenditure of over $300 million could be stricken from the Federal budget.

But will guaranteed loans serve students as well as direct loans? Certainly not in my State. The higher education community of Idaho has been emphatic on this point. They describe guaranteed loans as a shrinking program. They relate the reluctance of Idaho banks to participate, and conclude that guaranteed loans are available only to a very small segment of the Idaho college students. I ask unanimous consent that the compelling correspondence to this effect from Idaho education officials be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. CHURCH. Mr. President, the Congress is keenly aware of the shortfall for students that would occur if direct loans were immediately terminated. Budgetary sleight-of-hand will be of no consolation to students forced to drop out of school for lack of financial aid. There may be a time, in the years ahead, when direct loans can be terminated without impairing educational opportunity. However, as the situation in my State attests, that time is not now.

EXHIBIT 1

UNIVERSITY OF IDAHO,
Moscow, Idaho, March 3, 1977.

Hon. FRANK CHURCH,
Russell Office Building,
Washington, D.C.

DEAR FRANK: We are now aware of the nature of President Carter's budget proposals for student assistance programs in higher education. We are somewhat apprehensive, for the proposals of the new administration fail to overcome the seemingly whimsical, ill-conceived policies of its immediate predecessors.

The executive budget has, for a number of years, placed heavy reliarce on the theory that the Basic Education Opportunity Grant program, augmented by the Federal Guaranteed Student Loan program, should evolve as the principal student assistance programs in higher education. While Basic Grants have been most helpful, they are no panacea for the financial ills of all students. In our case, they supply less than one-quarter of our students' total financial needs and they are not available to graduate students. Only about 800 of our students will qualify for BEOG, whereas there will be well substantiated need in upwards of 2000 cases. The Carter budgt request of $1.9 billion will barely hold BEOG at its present level.

Although emphasized in the executive budget, the Federal Guaranteed Student Loan program provides scant comfort to our students. Lending agencies in Idaho have, year-by-year, shown increasing reluctance to participate. We processed $847,000 in Federal Guaranteed Student Loans at this university in 1972–73. This year we will process about $325,000. Typical attitudes expressed by major Idaho banks are quoted as follows:

BANKING CHAIN "A"

"Our policy pertaining to the Federally Insured Student Loan Program has the following restrictions: the student must be a permanent resident of the State of Idaho, he must be at least a third year student and the maximum amount allowed for an academic year is $1,000."

BANKING CHAIN "B"

". . . it is not currently the policy of the . . . bank to make Federally Guaranteed Student Loans. We do feel responsible for those students who received such loans in the past from us and will consider applications for additional funds from these students only."

BANKING CHAIN "C"

"The (bank) at the present time is not participating in making any loans under the Federal Guaranteed Student Loan program."

INDEPENDENT BANK "D"

"Our present policy on new loans is that they have to be an established or regular customer or an individual we have already committed loans to by granting them prior loans. This year we will be granting very few new loans so do appreciate your informing students when they fill out their applications as it will save them a trip over here."

Lending agencies in sister Northwest states are reluctant to loan to students attending schools outside their own boundaries. Neither do they favor loans to Idaho residents entering schools in their states. Sallie Mae and the Educational Amendments of 1976 notwithstanding, the Federal Guaranteed Student Loan program seems in disarray in our area and may well be terminally ill. This should be acknowledged by Congress as it considers the Carter budget recommendations.

The President's proposals for the funding of institutionally based programs cause us deep concern. These campus-based programs (National Direct Student Loan, College Work-Study, Supplemental Educational Opportunity Grants and the State Student Incentive Grants), combined with Basic grants, provide both marrow and muscle of our student financial aid programs. They are administered by knowledgeable professionals at each institution who are intimately familiar with an individual student's need and with the institutional milieu in which that need must be met. They operate at very low cost. They are efficient and are understood by students. Yet the proposed executive budget cuts CWS funds, holds SEOG and SSIG programs at current levels and reduces NDSL funding by $332M from the current year.

College Work-Study money, for example, produces multiple dividends by:

Meeting the student's dollar need;

Enriching the student's academic experience by providing work in a related field;

Enhancing students' self-respect as they work in support of their education;

Providing solution to the institutional need for a talented work force in laboratories, classrooms, offices, etc.

In a nutshell, we get "four bangs from every buck." Yet the Carter budget recommends $390M for College Work-Study—a reduction of $30M from the current year.

Many graduate students cannot spare the time for employment in College Work-Study. Their principle financial salvation lies in the National Direct Student Loan program. The executive budget proposes no new federal capital for National Direct Student Loans, thus crippling the only reliable source of aid for a massive number of advanced degree candidates. We started the present academic year with a loaning capability of $800,000. Every cent has been used and all of our student loan needs have still not been met. It should be noted that the repayment record of National Direct Student Loans has been vastly better than in the Federal Guaranteed Student Loan program. Continued availability of funds in each institutional account depends on collections. There is no government benevolence to pay off defaults. We must collect (at institutional expense) or *our* future students suffer.

Trying to solve the student financial aid problems with emphasis only on Basic Grant and Federal Guaranteed Student Loan programs is like trying to pull the Budweiser beer wagon with an ox and a sick Shetland pony. We should stick with our Clydesdales—and give them a full ration of oats!

Previous congresses have displayed wisdom and foresight in preserving appropriate levels of funding in the National Direct Student Loan, College Work-Study, Supplemental Educational Opportunity Grant and State Student Incentive Grant programs. We hope this approach will prevail in this session.

With respect and gratitude,
ERNEST W. HARTUNG,
President.

COLLEGE OF SOUTHERN IDAHO,
Twin Falls, Idaho, March 8, 1977.

Hon. FRANK CHURCH,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR CHURCH: I have just been notified of President Carter's proposed FY78 budgets for student financial assistance programs and it has prompted me to write you of my concern.

I have worked in student financial aid for eleven years at the College of Southern Idaho and I have watched these financial aid programs grow each year with your continued support. It seems that each year or so, we in the financial aid community, have to call on you for your renewed support due to the administrations desire to reduce these same programs.

Carter's proposal calls for reduced funding over FY77 funding in the College Work/Study Program and the National Direct Student Loan Program. The Work/Study program would be reduced from $430 million to $390 million and the NDSL program from $332 million to zero! I can understand some reduction in the NDSL program due to repayments being made by former students but not down to zero!

The BEOG program continues to grow by leaps and bounds. This particular program has certainly been very helpful to the financial aid community. Now that the BEOG program is better known nationally and more planning is involved we can better utilize all of the campus based funds in coordination with the BEOG program.

As you probably know, the BEOG grant can only meet ½ of the student's expenses. The other ½ has to come from the other programs of student aid. However, Carter is proposing a cut in these programs of FY78 and an increase in the BEOG program. Where are we, as financial aid officers, going to get the other ½ for the student if these programs do not keep stride with the growth of the BEOG program? We will have hundreds of students getting large BEOG grants but not enough money to get through an entire school year. These students will attempt to make it on the Basic Grant but will probably wind up dropping out of college because of limited funding. This has already happened here, at our college, this present school year. Many people believe the lending community will pick up the other ½ to match the Basic Grant but in reality more and more banks are becoming very reluctant to award FISLoans, particularly to freshmen and sophomore students. The banks will sometimes loan to juniors and seniors if the stu-

dent has some financial strength and has been a client in the past. Most BEOG recipients would not get a Federal Insured Loan from a bank due to their poor financial background.

Our work/study program and National Direct Student Loan programs have been able to help our middle income level students as well as all of our low income level students. I believe we owe some assistance to our middle-income families as they are the principal tax payers of this country and need the assistance almost as much as low income families. These students rarely qualify for the BEOG grants and SEOG grants and therefore need to rely on the NDSL and work/study programs. Yet Carter is proposing severe cuts in these programs for FY78.

The College Work/Study Program has been by far the most popular program for us. The students not only help pay for their education; they learn something from the job and they help colleges and public agencies.

I can safely predict that if Carter's proposals are followed it will mean that approximately 100 students will not be offered financial assistance for that school year at our college and they probably will not attend college for that reason.

Another item that is important but not as critical as the above issue is the funding for the BEOG administrative allowances. Each college in the U.S. currently processes huge amounts of dollars under the BEOG program and we are not allowed any administrative allowances for this. To avoid abuses in this program colleges must check each individual BEOG recipient for place of residence, correct number of college credits, previous academic progress, other amounts of financial assistance, determine amount of BEOG, inform student of award, process 1st half of check and then repeat the entire process the second semester. This administrative allowance for BEOG has been approved but no funding is in sight at this time. We need this allowance to off-set at least some of the administrative expenses each of us realize from the BEOG program so I ask for your support on this matter as well.

To summarize, I feel we need to continue supporting all of the campus based programs to keep stride with the BEOG program. We also need to continue with programs that assist the middle-income students as their financial need can just as easily keep them from attending college.

You have always been a great supporter of higher education and these student financial aid programs. I hope we can count on your continued support in the future. I encourage you to support the funding recommendations of the National Association of Student Financial Administrators as follows:

CWSP—$450 million.
NDSL—$332 million.
SEOG—$350 million.
SSIG—$66 million.

Thank you again for your past interest, attention and support.

DAVID PERKINS,
Director of Student Personnel Services.

THE COLLEGE OF IDAHO,
Caldwell, Idaho, March 22, 1977.

Hon. FRANK CHURCH,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: Recently, the new Administration presented to the Congress its recommended funding levels for programs which provide financial assistance to students attending institutions of higher education. Still more recently, the House of Representatives' Education Committee established its own recommendations.

On behalf of the faculty, staff, and student body of The College of Idaho, I seek your support of at least those funding levels recommended by the Education Committee. If I may impose upon your valuable time, may I review the programs that concern us?

The Supplemental Educational Opportunity Grant Program was established to help exceptionally needy students. At The College of Idaho, students in this category have financial needs ranging from $3,000 to $4,500. This group represents approximately 28% of the student body and 56% of these students who have financial need. By judicious use of the pitifully small funding we received this year, we were able to provide some grant assistance to them. Further aid was provided by generous help from institutional funds and some aid from Basic Educational Opportunity Grants. But, despite these efforts, they all incurred loans ranging from $1,000 to $1,250 for the present academic year. These are huge commitments for persons who are members of low-income families residing in economically depressed areas. If they return to those areas, and many will, improvement in their economic conditions will be slow. It will be even slower if they are hampered by loan repayments over a long period of time, a situation that is developing more fully each year. To preclude and retard this development, exceptionally needy students should receive greater grant assistance and less loan assistance. This goal could not be met from present funding levels nor can it be met from the $240 million level being recommended by the Administration and the Education Committee. To reach this goal, the level must be set at $450 million, as recommended by the National Association of Student Financial Aid Administrators. I support this recommendation.

As the foregoing illustrates, the National Direct Student Loan Program is integral to any financial aid package developed for the exceptionally needy. None of our present grant recipients could have attended the College this year without loans to "beef-up" their packages. Loans are also integral to packages developed for stuednts from middle-income families. They cannot qualify for grants and must, therefore, rely upon loans for assistance. It is improbable that our other 151 loan recipients could have attended this year if loans had been eliminated or significantly curtailed. This is especially probable because, contrary to the Administration's arguments, Federally Insured or Guaranteed Student Loans are not easy to obtain from banking institutions. Only one banking system in Idaho will provide loans on a regular basis, but generally to only third-year, fourth-year or graduate students. Banks in California and Nevada lend sporadically, if at all. Although there is replenishment of National Direct Student Loan monies through collections, it is not sufficient to meet the increasing need for loans, which partially results from the abysmal failure of the other loan program. I cannot—and I doubt that the Administration can—project with any certainty the year when the National Direct Student Loan Program will become self-sustaining, but most assurredly it will not occur in the near future. Yet, despite these realities, experienced by all financial aid administrators, the Administration clung to its unfounded premises and recommended no capital funding. If its recommendation is approved, there are at least 224 students who will be unable to return to the College next year. However, the Education Committee has recognized the Administration's folly and has recommended a funding level of $300 million. This is a $32 million decrease in the current level. In view of the above regarding Federally Insured or Guaranteed Student Loans and collections, a reduction in funding is not justified. Therefore, I recommend that the program be funded at $332 million, the current level.

The College Work-Study Program is in my opinion an extremely useful self-help program. It provides students with funds to meet some of their incidental expenses—books, supplies, toiletries, etc.—provides work experience—some students have never had a JOB; oftentimes provides experience in their chosen vocation; and enables the institution to have many low priority tasks done that it could not otherwise afford and releases staff and faculty from housekeeping and minor administrative chores so that they can concentrate on management and teaching. The Administration recommended that the program be funded at $390 million, a $40 million reduction from the current level. The Education Committee recommended sustaining funding at $430 million. Since this is such an efficacious program, it should be at least funded at the current level and perhaps greater if post-secondary institutions can provide the jobs. As an aside, the program has the effect of removing students from the labor market, thus reducing unemployment and lessening competition for scarce jobs. Reduction of unemployment, of course, is one of President Carter's major economic goals.

Both the Administration and the Committee recommend funding the Basic Educational Opportunity Grant Program at $1.9 billion, which would sustain the maximum grant award at $1,400. The $1,400 maximum has been in effect for three years. I suspect that inflation has eroded its purchasing power considerably. For instance, it represented 67 percent of the College's tuition and 37 percent of its standard cost of education for the 1974–75 academic year. This year it represents 53 percent of tuition and 30 percent of the standard cost of education and next year it will represent 52 percent and 28 percent respectively. Furthermore, this funding level does not provide for an administrative allowance to be paid to institutions. All institutions incur such costs and all find it more difficult each year to obtain the funds to hire people and purchase the supplies and equipment necessary to assure compliance with the myriad of regulations spewing from the U.S. Office of Education, including those for the Basic Educational Opportunity Grant Program. An administrative allowance would eliminate some of the hardship that institutions are now experiencing, especially small schools. The National Association of Student Financial Aid Administrators has recommended a funding level of $2.13 billion which would provide monies for administrative allowances and overcome some of the ravages of inflation by increasing the maximum grant award to $1,600. I support this recommendation.

This has been a long letter which has probably tried your patience, but I strongly feel that the drastic reductions financial aid programs face may well lead to their early demise. If they are eliminated, the nation, and the Government as its spokesman, can never meet the national goal of providing all citizens with the opportunity to obtain a higher education. Consequently, they deserve detailed comment. I urge your support in our efforts to sustain viable national financial assistance programs. After all, if the Federal government can spend $20 billion for welfare programs, it certainly can spend $3.34 billion for programs which will eventually reduce welfare expenditures.

With Respect,

BLOUNT J. HALL,
Director of Financial Aids.

IDAHO STATE UNIVERSITY,
Pocatello, Idaho, March 2, 1977.

Hon. FRANK CHURCH,
U.S. Senate, Russell Building,
Washington, D.C.

DEAR SENATOR CHURCH: While President Carter's programs to reduce federal spending is generally an admirable policy, there

are certain proposals for the reduction of support to higher education which could yield severe consequences for Idaho State University students and surely hundreds of other colleges and universities throughout the nation. Two proposed program cuts in particular have very serious implications:

1. Drastic reductions in the NDSL Loan Funds (100%), the College Work-Study Program (64%), the Supplemental Educational Opportunity Grant Program (54%) and the Veterans Cost of Instruction will eliminate financial aid opportunities for hundreds of our students, including veterans and the services the University provides for them.

2. The reduction or elimination of capitation grants for Pharmacy in which ISU excels will destroy our efforts to maintain current levels of programs and virtually assure that we will not be able to meet the new accreditation requirements for an eventual Doctor of Pharmacy degree enforced by the American Pharmaceutical Association. We have relied heavily on capitation grants to maintain the high quality of our College of Pharmacy and the previous Administration and Congress had assured a three-year continuation of the capitation funds. If this program is curtailed or discontinued, this University and the State of Idaho will lose one more of its excellent programs which will doubtlessly be picked up by wealthier states that do not need to rely so heavily on federal assistance.

Any assistance you can give to preserving higher education support in these two vital areas will be most gratefully appreciated. I am also requesting assistance on these important issues from your three colleagues in the Idaho Congressional delegation.

Thank you for your consideration of this request. It is not only for Idaho State University, nor indeed for our sister Idaho institutions only, but for all colleges and universities which will be seriously affected.

Sincerely yours,

MYRON L. COULTER,
President.

BOISE STATE UNIVERSITY,
Boise, Idaho, February 28, 1977.

Senator FRANK CHURCH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CHURCH: Our Career & Financial Services office has participated in the Basic Educational Opportunity Grant Program from its initial stage in 1973 to now being the largest of the programs which we have to provide direct aid to enrolled students. BEOG's comprise 33% of the aid we administer and the average is $703.00 this year. Basic Grants are working and we are pleased to be involved.

Eighty-nine percent of our students with documented need rely upon the other student aid programs packaged with their Basic Grant to make it through the year.

The administration's proposed cut in College Work-Study Program funds, *if applied uniformly* across the state, would remove 60 students (each averaging $658 gross earnings) from the work roll at Boise State University.

Concurrently, if the administration's recommended cut-off of new capital for the National Direct Student Loans is observed, we would have to *deny* loans averaging $734 to 158 students next year. These students will be forced to compete off-campus in a troubled job market for enough subsistence to continue their studies.

We believe that there should be *no* reduction in College Work-Study funds. We support our National Association of Student Financial Aid Administrators' studies that recommend adding 20 million dollars to the Fiscal 1978 requests. We believe this to be consistent with President Carter's announced goals to increase employment opportunities.

Your views on the FY '78 appropriations are important. I should like to respond to questions you and your staff may have about student aid in Idaho and the Northwest, Region X.

Yours concernedly,

F. RICHARD REED,
Coordination, Student Financial Aid Programs.

INTRODUCTION TO MILTON FRIEDMAN'S ARTICLE

Mr. BARTLETT. Mr. President, I have spoken many times in the Chamber about the inherent dangers to our political freedoms of allowing the Federal Government to become the major determinant of our citizens' economic prerogatives. Today, I shall introduce into the RECORD an article by one of the most articulate and respected spokesmen of the dangers we are allowing ourselves to be led into. Milton Friedman is the United States most recent recipient of the Nobel prize in economics. He has been a vigorous advocate of the efficiency and justice of free market economics.

The following article very clearly demonstrates the consequences of allowing the Government to become the predominant factor in national income. I commend this article to all our colleagues in Congress and to every citizen, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PATH WE DARE NOT TAKE

(By Milton Friedman)

America is at a crossroads, warns this Nobel Laureate economist. Will we redirect our course toward fiscal responsibility? Or will we spend our way down the ruinous path taken by Chile, Great Britain and New York City?

Those of us fortunate enough to have been born in the United States in the 20th century take freedom for granted: it seems to us the natural state of mankind. But that is a misconception. Freedom is an extraordinarily unusual situation. If one looks back through history, one finds that the natural state of mankind in most periods has been tyranny and misery.

There was a free society in ancient Athens, but it was free only for the citizens, not for the slaves. And there was a brief spurt of freedom in Europe during the Renaissance. But the most extended period of freedom has occurred in the 18th, 19th and early 20th centuries in Western Europe and the United States. Yet look at how fragile that freedom has been. During that time, only a handful of English-speaking and Scandinavian countries have been able truly to maintain something approaching a free society.

This fragility of freedom was brought home to me in 1975 when I spent a week in Chile considering that country's economic problems—problems which we are likely to have in the future. Chile, of course, is much poorer than the United States; yet, of all South American countries, it had the longest history of reasonably democratic government.

Today, Chile has lost its freedom and is governed by an authoritarian regime. Its problems had their origin, in my opinion, some 50 or 60 years ago, when Chile became one of the first countries in South America to institute welfare-state measures. Those measures, introduced by good people for good objectives, led to an expansion in the role of the State and to an increasing accumulation of areas in which government controlled what people could and could not do. The economic counterpart of this was an increase in government spending until, by the time Salvador Allende came to power in 1970, government spending had reached 40 percent of the national income.

Since Chile was a poor country, it was difficult to impose explicit taxes to generate revenues of 40 percent of national income. As a result, taxes were imposed indirectly in the form of inflation (reaching as high as 900 percent annually). Allende, clearly seeking to turn Chile into a communist state, actually introduced very little that was radically different. He only carried out the laws enacted by his predecessors during the preceding 30 to 40 years. However, the end result was the tipping point at which the willingness of the public to put up with increasing involvement in their own lives was exceeded. To control the people, the Allende regime threatened a left-wing dictatorship. A counter-revolution followed, at the end of which an authoritarian junta was established by the military. In either case, Chile lost its freedom.

Now cast your eyes across the Atlantic to the home of most of the ideas of freedom that we cherish—to the United Kingdom. Britain is a much richer country than Chile, with a far stronger tradition of freedom and democratic rights. Yet the U.K. is going down the same path as Chile. It is almost impossible for any one of us brought up in the great traditions emanating from Great Britain to think that Britain is in danger of losing its freedom and democracy. And yet it is a fact!

Although government spending in Great Britain today amounts to 60 percent of national income, there is enormous pressure for still more. Nobody is satisfied; society is being polarized. In a recent year the inflation rate reached something over 25 percent and the government budget was enormously in deficit. Britain has been able to survive primarily by borrowing from overseas, but I fear very much that within the next five years British freedom and democracy, as we have known it, will be destroyed.

Now let me come closer to home. Consider New York City.

Like Chile and the United Kingdom, New York City has been following a policy of ever-growing governmental involvement in the affairs of its citizens. Wherever this path has been followed, whether in Chile or in the U.K. or in New York, it has two consequences: financial crisis, and loss of freedom. New York's financial crisis is obvious; its loss of freedom only slightly less so.

The city today is no longer solely governed by its citizens or by people elected by the citizens; it is governed by a committee of overseers appointed by the State of New York with power to overrule the elected city officials. In fact, there is only one important difference between New York City and Chile or the United Kingdom: New York cannot print its own money. Chile and Britain could issue their own money and therefore their financial crises took the form of inflation. In New York, the crisis degenerated more promptly to virtual bankruptcy.

From the founding of this country until 1929, leaving aside periods of major wars, our total government spending (federal, state and local) never exceeded 10 percent of the income of the people. State and local expenditure was twice as large as federal, which in 1929 was only 3 percent of national income. In the years since, total governmental expenditures have risen to 40 percent of national income, and federal spending is twice as high as state and local, something like 25 percent of national income—almost ten times as large as in 1929.

Clearly, we have been moving in the same direction as Chile, Great Britain and New

York City. We have already experienced signs of financial crisis—higher and higher inflation. We have also been experiencing the second effect: loss of freedom.

Where has freedom been reduced? Well, for one thing, the spending of 40 percent of our income for us by government is certainly a restriction of freedom. But aside from the question of income, consider freedom of speech. How often does one read in today's papers any statement on public issues by a major businessman or industrialist except where it immediately concerns his own enterprise? The head of a great corporation must think three times before he speaks out on a major public issue. He looks over his left shoulder and sees the Internal Revenue Service getting ready to audit his accounts, and he looks over his right shoulder and sees the Department of Justice standing only too ready to launch an anti-trust suit against him. And then he asks what the Federal Trade Commission is going to do about his advertising; and what the Food and Drug Administration is going to do about the products he produces; and what the Safety Commission is going to do about this and that. You don't feel free to speak if you are in that position.

Every academic institution in the United States is threatened in exactly the same way. The Department of Health, Education and Welfare in Washington seeks to impose requirements on them that, in my opinion, seriously interfere with scholarly performance. Do they object? Only to a very limited extent. Their dependence on federal funds has a "chilling effect" on their freedom of speech.

Why does this happen? In its simplest form, the fundamental fallacy of the Welfare State lies in the attempt to do good at somebody else's expense.

First, nobody spends somebody else's money as carefully as he spends his own. That is why trying to do good at someone else's expense leads to financial crisis.

Second, if you are going to do good at somebody else's expense, you have to take the money away from him. So coercion and destruction of freedom are at the very source of attempts to do good at somebody else's expense.

Some years ago, in an article in *New York* magazine, John Kenneth Galbraith was quoted as saying, "I have no doubt that nearly all of the problems of New York could be solved by the single device of spending enough money." In the interim the city government's budget has doubled, and so have the problems. And the reason is straightforward. While the city government had more to spend, the citizens had less to spend because the government can get the money only by taking it away from somebody else.

More fundamentally, what is at the base of our problems is the failure to recognize the distinction between the "political market" on the one hand, and the economic market on the other. For the political system is a kind of "marketplace" just like the economic system—except that it employs a different kind of market mechanism, with very different consequences. In the political market, all decisions have to be yes or no. The result is that there is often very little relation between what you vote for and what you get.

Suppose the question at issue is whether neckties should be red or green. If that is decided by a political mechanism, and 51 percent vote that ties shall be red, 100 percent of the people get red neckties. In the economic market, each of us goes to the shopping center separately. If 51 percent of the people vote that ties shall be red, 51 percent get red neckties, and 49 percent get green neckties. Everybody gets what he votes for.

There are some things for which the vote has to be Yes or No. For example, there is no way in which 51 percent of the people in the United States can be at war and 49 percent of the people can be not at war—that is the kind of a decision that has to be decided through a Yes/No vote. The problem is that we have extended the political market beyond things of that kind into areas where it is possible for each person to get what he votes for.

If you have a Yes or No decision, then there is almost always only a loose, relation between your vote and the result; you do not have much incentive to examine thoroughly the issue you vote on. This leads to weighted voting in favor of special interests. If some piece of legislation is going to benefit a small group a great deal, they have a real incentive to lobby for it in Washington. The rest of us? It may mean 50 cents extra on our tax bill. Why bother?

President Nixon once tried to eliminate a program under which the federal government had for many years been subsidizing people who tasted tea. The government graded tea for the benefit of importers, and we paid taxes to hire people to grade it. Nixon made the simple, obvious proposal that we should eliminate the service. We still have that program because the people in the tea industry fought to keep it. Is there anyone in the vast American electorate who would take his vote away from a Representative simply because that Representative voted to keep the tea-tasting arrangement?

This, then, is the fundamental defect of the political mechanism: it is a system of highly weighted voting under which special interests have a great incentive to promote their own interests at the expense of the general public. Each of us separately tries to use the government mechanism to get special benefits. The benefits are concentrated; the costs are diffused; and that produces a bias which leads to ever greater expansion of government and, ultimately, to ever greater control over the individual.

The characteristics of the economic market are very different. In this market—in which individuals buy from and sell to one another—each person gets what he pays for. If you are paying out of your own pocket for something and not out of somebody else's pocket, then you have a very strong incentive to see whether you are getting your money's worth. In addition, nobody can get money from you unless you agree. Thus, paradoxically, the economic market is a more effective means for achieving political democracy than is a political market.

Which way will America choose? Like other Western societies, we are coming to a crossroads. In going from 10 percent of national income being spent by government to 40 percent, it was possible to maintain a large element of individual liberty. But we cannot continue along that road. Chile, a poor country, tipped over at 40 percent. Wealthier Britain appears on the verge of tipping over at 60 percent. Where we go from here depends on whether we recognize in time that this is a false road which leads to tyranny and misery, not to freedom. Let me propose that, as we contemplate the future, we take as our major motto what I would like to see as an 11th commandment: that everyone shall be free to do good at his own expense.

MASTER TEACHERS PROGRAM

Mr. HATCH. Mr. President, I am pleased to call to the attention of colleagues the fact that Ms. Earlene C. Mitchell, a member of the faculty at Hillcrest High School, Midvale, Utah, has been selected to participate in the National Humanities Faculty's 2-year master teacher in the humanities program.

The master teachers program is funded by a 2-year elementary and secondary education grant from the National Endowment for the Humanities. It is designed to strengthen teacher mastery of materials in language, history, philosophy, and related disciplines. The project also prepares the master teachers to lead curricular renewal, initiated and sustained by the local school's humanities task force.

Ms. Mitchell was one of only 50 chosen nationwide, and I am extremely proud to see that someone from the State of Utah has been selected for this honor. This committee has chosen well, and I extend my personal congratulations to Ms. Mitchell.

SKI LIFT TICKET PRICES

Mr. HASKELL. Mr. President, yesterday I introduced S. 1338, a bill to reform the system of issuing and administering permits for ski areas and other commercial outdoor recreation facilities and services in national forests. In my statement yesterday, I discussed the purposes and need for the proposal.

However, 2 days ago, I received information which makes the prompt enactment of this bill a much more urgent matter than before. This week the supervisor of the White River National Forest in Colorado approved daily lift ticket rate increases for seven of the ski resorts in Colorado, ski resorts which are giants of the Colorado—and, for that matter, that national—industry. These rate increases—most of which were for $2 or about 20 per cent more than last year's rates—were based not only on secret information provided by the ski area operators, but also on newly designed secret guidelines.

Last year despite the failures of the House to take up my Senate-passed bill, S. 2125, the Forest Service took action in recognition of one of the purposes of the bill—to insure more objective and public consideration of the charges to the public made by ski area operators. The agency contracted for a study of ski pricing. The study was to determine whether competition existed in the ski industry and to develop objective guidelines for the review of rate increase requests. Although the completed study has not yet been submitted to the Forest Service or made public, apparently the guidelines found in a preliminary study draft were used by the forest supervisor to approve the rate increase requests.

It is my understanding that these guidelines recommend that requests by ski area operators on National Forest lands for increases in their lift ticket prices should generally be met with benevolent approval by the forest supervisors. In effect, these guidelines state that, at least for the 1977–78 ski season, the ski area operators will be given a free hand to set their own prices.

Mr. President, I regard this situation as nothing short of scandalous. The Forest Service, stung by criticism over the subjective methods and secret informa-

tion used to review ski pricing in the past. has now apparently established new guidelines for the pricing review task, yet, these guidelines are a travesty. They are secret—privy only to the eyes of the Forest Service.

They have not been afforded the dignity of publication as Federal regulations before their use; therefore, scrutiny of them by the public has been neatly avoided. Instead, the public must accept on faith that the guidelines exist, that they are objective, that they are reasonable, and that they are in the public interest.

These assumptions are difficult to make given the apparent lack of any substance in the guidelines themselves. Guidelines for the review of ski pricing are certainly unnecessary if they fail to guide—if their message is simply "read and concur." It is a waste of the guidelines, a waste of paper, a waste of Forest Service personnel's time—and certainly a waste of taxpayers dollars—for permittees to submit rate increase requests to the Forest Service for review if the agency plans to do nothing but rubber stamp those requests.

What is most extraordinary about this week's rate increase requests is that the ski area operators involved apparently justified the increases on the basis of their need to recoup losses incurred by the poor snow conditions of this last ski season.

Last December, I announced that I would ask for disaster relief for the Colorado ski industry and Colorado ski communities because of the inadequate snowpack. However, I was roundly criticized by these same ski operators who have requested and received these rate increases for even suggesting the need for disaster relief. As a result, many less well-to-do ski resorts and small businessmen in the ski communities were unnecessarily hurt by the drought conditions.

Now, these same fat-cat ski resorts who were not anxious to see other Coloradans receive critically needed and timely relief are asking for their own version of disaster relief for themselves. But their version of disaster relief is better than any which might have been available to others. These wealthy resorts are not apparently asking for relief that is temporary. To my knowledge they have not committed themselves to a reduction in the lift ticket prices as soon as last year's losses are overcome.

Instead, I suspect that they asked for and were given by the Forest Service a permanent subsidy. What is now justified on the basis of relief from poor business conditions will not be altered when those conditions improve. Instead, the increases will be permitted to continue by a pliant Forest Service employing guidelines which do no guiding and which are shielded from scrutiny normally provided to Federal regulations. This subsidy does not help the many small businessmen serving ski communities to recoup their much more severe losses and it certainly penalizes the public upon whose land these operators are conducting their business.

The existence of these new secret guidelines and the effect they have already had on Forest Service decisionmaking in Colorado make prompt passage of S. 1338 necessary.

THE NEW YORK TIMES DISCOVERS THAT THE ARTS FLOURISH IN NORTH CAROLINA

Mr. HELMS. Mr. President, it is always gratifying when others speak well of those things we ourselves are fond of. And so when I noticed the New York Times of March 8 had a rather fulsome report on North Carolina's symphony and our State's receptive climate for the arts, I was especially pleased. You see, we do not get many rave reviews from the brahmins of Manhattan.

It is amazing to note the sometimes patronizing attitude on the part of much of our national press toward the South's contributions in the arts—reminiscent somehow of Dr. Johnson's comment on the "dog walking on his hind legs. It is not done well, but you are surprised to find it done at all."

Actually, though not so well publicized—should I say promoted—as the tradition of the performing arts in the North, the South has every reason for pride in its contribution from the earliest days.

The first American drama "The Prince of Parthia" was written in 1765 in North Carolina by Thomas Godfrey. Indeed the first community theatre in the colonies was established in Wilmington, N.C., as the Thalian Association. By 1855, this group of theatre lovers built the magnificient Greek revival structure Thalian Hall which still stands, and, recently restored, is still in use by the Thalian Association.

And it seems now generally conceded that North Carolina can claim the first chamber music composed in the United States. It was written in 1789 by John Frederick Peter in the little town of Salem, N.C. Salem was a remarkable cultural center: This community in 1783 celebrated the Fourth of July with a full cantata composed and performed by its own citizens, complete with organ, string and brass ensemble, and chorus.

So our more recent efforts in the arts build on a continuing tradition coupled with a determination that access to the arts should enrich the life of every citizen of our State.

This has been no easy task in a State of small towns, with a population 55 percent rural. But we have done our best.

The North Carolina Symphony, for example, under the baton of the great Benjamin Swalin, now Conductor Emeritus, was the first State-supported symphony orchestra. Under Swalin's leadership, the orchestra began a pattern of traveling by bus from one town to another, from the Outer Banks of the coast into the hidden valleys of the Appalachians. The pattern rarely varied: in the day, the orchestra would perform for the school children. At night, it would perform for the adults.

Mr. President, last year almost 200,000 children in the schools of my State had the experience of enjoying a live symphony performance. I wonder if this can be equalled even in the most sophisticated metropolitan centers of our Nation.

It is with real pride, therefore, Mr. President, that I ask unanimous consent that an article appearing in the March 7 issue of the New York Times entitled "Symphony Heading for Carnegie To Bolster 'New Image' of South" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARTS IN AMERICA: NORTH CAROLINA—SYMPHONY HEADING FOR CARNEGIE TO BOLSTER "NEW IMAGE" OF SOUTH

(By Wayne King)

WINSTON-SALEM, N.C.—Why would the North Carolina Symphony, an orchestra whose major endeavor for years has been concert tours for 250,000 North Carolina schoolchildren, decide suddenly to appear at New York's Carnegie Hall in the most culturally competitive city in the country?

"It's part of the new image of the South," said Elissa Josephson, spokesman for the symphony, who is doing advance work for the Carnegie appearance tomorrow night. "It's no longer the Sahara of the Bozarts."

There is, nonetheless, a Southern accent to the effort, with ticket sales directed at the substantial number of North Carolinians in New York, with a cultural tour that will bring a planeload of Tar Heels to the city, and, inevitably, a visit from the new Governor, Jim Hunt, who will mix business with culture by reminding anybody who's interested that North Carolina is a good place to bring up the kids—and locate a business or industry.

The Governor will bring a party of 400 economic leaders from the Northeast to the concert; 1,000 tickets are reserved for contingents from North Carolina colleges and universities, and the North Carolina Society in New York, made up of Tar Heel expatriates, is also selling tickets. Thus, with some local sales, the symphony expects a sellout of the 2,784-seat hall. Among those expected to attend is Juanita Kreps, the new United States Secretary of Commerce.

TRULY PROFESSIONAL

But the event is fundamentally a work of culture-craft, offering the New York premiere of "Assembly and Fall," a work by Ned Rorem that was commissioned by the symphony, on a program that also includes Stravinsky's "Petrouchka," Dvorak's "Carnival" Overture and Poulenc's "Stabat Mater," with the Duke University Chapel Choir and Chorale and Janice Harsanyi, soprano soloist.

The symphony was designated a "major symphony" last June by the American Symphony Orchestra League, the most recent of 31 so designated nationally, and promoters say that a New York appearance should be part of "a truly professional image."

John Gosling, the conductor, is not exactly a household name, but he has achieved favorable critical response—The Washington Star called his conducting "impeccable." The Washington Post applauded his "incisive command"—in sorties outside North Carolina. In five years with the North Carolina Symphony, he has been building a strong financial base for the orchestra, and now feels that it is ready to make a bid for national status.

OTHER COMPANIES

Beyond that, the appearance seems to serve as something of a symbol of the cultural yeasting that has taken place in North Carolina, a rural state—the third most rural

in the nation by census standards—with a conservative tradition.

Besides the state-supported symphony there are thriving civic symphonies and ballet companies in Greensboro, Charlotte and Winston-Salem; a multitude of arts councils and projects, mostly state sponsored, and, most unusual, the highly successful North Carolina School of the Arts at Winston-Salem the only such state-supported school in the country that trains students from seventh grade through college in the performing arts, dance, drama, music, stage design and production. It was at this school that Agnes de Mille set up her Heritage Dance Theater; last week, Alexandra Danilova staged four student performances of "Coppelia."

It is something of a measure of the state's exceptional progress to recall that when the school was first proposed, in 1963, a rural legislator took one look, popped his galluses, and promptly took strong exception to spending tax money "to teach these people to toe-dance, pick banjos and sing in foreign languages."

But the bill survived—triumphed in fact, by a vote of 80 to 18, helped along by the promise of a $1.5 billion Ford Foundation grant—and the school has subsequently grown from 200 students in 1965, when it opened, to 600 today about half from the state, half from elsewhere around the country.

Moreover, under the umbrella of the state's five-year-old Department of Cultural Resources, directed by a full-time secretary with cabinet status, North Carolina has developed an extensive program to "bring the arts to the people," 55 percent of whom live outside towns of 2,500 or more. Under challenge grants, for example, the state matches local community contributions to develop dance, drama, and other arts programs. In three years, such programs have grown from 16 to 95, two-thirds of them in towns with less than 10,000 population.

SIX TO CITY BALLET

The North Carolina Museum of Art in Raleigh, fully supported by the state, with a current appropriation of about $900,000 a year, was established in 1947 and will move to a new building in several years. It has a strong collection of Dutch and Flemish Baroque painting, Spanish still lifes, and works of the Italian Renaissance. It is growing rapidly in the areas of ancient and ethnographic arts.

A three-year-old theater-arts program provides $75,000 to communities, which in turn have attracted $300,000 in foundation grants, to make professional theater available throughout the state. The money helps support 18 professional theater companies, including three regional Equity companies.

The state's most conspicuous success, however, has been the aforementioned School of the Arts, both in terms of its graduates and in cultural contributions to the state.

Its School of Dance, for example, has placed graduates in all the nation's major ballet companies. Six dancers—all of them male—are members of the New York City Ballet. Other graduates are with such companies as the Dance Theater of Harlem, the Elliot Feld, American Ballet Theatre, the Joffrey and the Alvin Alley Dance Theater.

"We have more dancers come out of the North Carolina School of the Arts than any school except the School of the American Ballet, and we send many dancers to them," said Robert Lindgren, the dean of the School of Dance, whose own experience includes Ballet Theatre, the Ballet Russe de Monte Carlo and the New York City Ballet.

The school's dancers—who, like most of the students, live on campus—enroll as young as 12, usually with previous training, and may be of professional caliber by 17 or 18.

Male dancers can begin later. "But it's harder for men," said Mr. Lindgren. "If a young boy wants to dance, his family is suspicious. We have to convince parents that dancing is o.k., that you can earn a living and have a good life doing it."

Graduates in the school's other disciplines—music, drama and stage design and production—have also done well. The school's musicians hold chairs in symphonies across the country, and most of its actors and actresses have found work in their profession, from a current job as understudy in "Equus" to a two-year role in television's "Guiding Light" to posts as directors of community theaters.

The school is relentlessly "performance oriented," moreover, which means that its students spend as much time as possible in front of audiences. Each year, in all areas, the school produces 300 separate performances before an aggregate audience of more than 140,000 in a dozen states. These range from small recitals to lavish productions of "The Nutcracker," an annual event, or this year's Brecht's "The Caucasian Chalk Circle," with a cast of 70, more than 160 costumes and a stage that at one point floats into the air.

The school sponsors two professional affiliates, the Pidmont Chamber Orchestra, composed of faculty members and young professions and directed by the school's dean of music, Nichols Harsanyi, and the North Carolina Dance Theater, a 15-member professional company directed by Mr. Lindgren. East year, a 70-piece School of the Arts orchestra performs summer concerts in Europe.

The school's accomplishments have been such that its per-student support from the Legislature now exceds that of any of the 15 other institutions in the state university system and private gifts total upward of $1 million a year.

"Suddenly," said Robert Suderburg, the school's chancellor, himself a composer, "It is politically attractive to support the school."

The students are not abashed. For a football game between a team from a local fraternity from another college and the Arts School's unofficial varsity squad (called, for obscure reasons, the Pickles), the Art School men, in tights, warmed up by performing plies at a portable dance-exercise bar set up beside the gridiron. The score was not recorded.

THOMAS HUDSON CROSS, A MUCH BELOVED CITIZEN OF GADSDEN, ALA.

Mr. ALLEN. Mr. President, in these days when so many people and groups are petitioning the Federal Government to help them carry out ideas for personal success, I get a lift from reading of someone who reaches success by his own abilities, his own acumen, his own drive and personality and willingness to work.

Such a story has just come to my attention, and I am happy to report that it has happened and is happening in my own hometown, Gadsden, Ala., and to a longtime friend from our boyhood days and a public school classmate, Mr. Thomas Hudson Cross. This story, entitled "No One A Stranger, All Are Fed Well—To Thomas H. Cross," was written by David Royal, staff writer for the Gadsden Times, and appeared in the Sunday, April 3, edition of that fine newspaper.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Gadsden Times, Apr. 3, 1977]

NO ONE A STRANGER, ALL ARE FED WELL—TO THOMAS H. CROSS

(By David Royal)

What would you do if you had more mouths to feed and strangers knocking at your door than you could shake a stick at, or would dare to?

If you were Thomas H. Cross, vice president and director of sales at the Downtown Motor Inn, you'd be on the phone calling or visiting all parts of the Southeast to bring them some company.

And you'd be good at it, too . . . carefully laying the groundwork to make those folks interested in visiting, happy when they get here, and leaving with a want to come back.

Tom, as most folks call him, returned to his native Gadsden, where he graduated from high school with Sen. Jim Allen, when his company assumed control of the then Rich Hotel in 1970.

"Back then, there were three or four conventions a year that were being hosted," Cross recalls. "We decided we wanted to have that business and went after it."

Cross, affable, with a personality that endears him to an acquaintance almost immediately, cites two reasons for the increase in number of conventions.

"We try to please. That means from the chef, his staff, to those who serve food and carry out the arrangements. We all work as a team," Cross said.

Cross said a second factor has been the efforts of local civic groups, the Chamber of Commerce, the Mayor, and city and county commissioners.

"After all, our local people must want the convention here for us to be successful," he added.

As a result of those efforts, he said, the inn now has 30 different groups booked for conventions this year—some of them repeaters from past years.

"We have come of age in conventions," Cross said.

That's not just good news for the Downtown Motor Inn, he pointed out.

"About $50 a day, according to figures compiled by the Chamber of Commerce, is spent by hotel guests on gifts and clothes—things that are purchased in town," Cross said.

"About $30 is spent at the hotel also, and that means a total of about $75 to $80 spent each day by an average of 250 attending the conventions for a two-day visit," he said.

Added to the convention visitors are local groups that meet weekly and monthly.

The weekly average in number of visitors is about 275, Cross estimated, with about 500 in once-a-month meetings.

Those, plus the normal amount of transients, brings through the hotel doors a lot of people to entertain.

But the public relations man par excellence isn't intimidated. He has a lot of experience to draw on since his school days at Vanderbilt and Northwest University.

He has been employed at Swift and Company in their sales promotional department, based in Memphis, Tenn., employed at Pioneer Life Insurance Company, and later the Life Insurance Company of Alabama, which he is currently with.

Cross is married to the former Lola Ralls,

daughter of Dr. and Mrs. A. W. Ralls of Gadsden. He hints he and his wife have 17 children, but then he readily admits many are his children's mates and his grandchildren.

"We Crosses have no in-laws," he explained with tongue in cheek.

The Crosses, or at least Tom, have never met a stranger, either.

"I enjoy working with people, and that's what it takes. Here at the Downtown Motor Inn, it's akin to grand central station because of the different people—from civic club meetings to wedding receptions.

"There are sad times—such as meetings of veterans who must take note of those missing from past conventions. But you get a broad look at the funny side of life, and a broad look at the social side.

"You get a kaleidoscopic view of people," he summarized.

MECKLENBURG COUNTY BOARD OF ELECTIONS COMMENTS ON "UNIVERSAL REGISTRATION" PLAN, S. 1072

Mr. HELMS. Mr. President, the President has proposed that this Nation adopt the principle of "universal registration" of voters up to and including election day itself. There has been a great deal of comment on this topic, but mainly it has been by those who are merely expressing hopes or opinions about the American electorate. What is needed is comment from those who have actually dealt with the process of voter registration, and who can speak on the basis of fact.

The Mecklenburg County Board of Elections has recently written to me expressing its views on universal registration. Mecklenburg County, of course, is the most populous county in North Carolina, and the county in which the city of Charlotte is located. The board's views, therefore, are quite pertinent to the problem of registering large numbers of voters quickly and efficiently.

In this letter, the board details the extensive steps which were taken to make voter registration accessible and convenient to the voting-age populace. As a result of intensive and commendable efforts by the board, some 80 percent of the Mecklenburg County voters were registered. Yet only 70 percent actually voted. The board concludes, therefore, that the problem is not one of registration, but of motivation.

I commend the Mecklenburg County Board of Elections for their fine record and the conscientious efforts that they have made in this matter. I especially want to thank them for the fine analysis and comments which they have sent to me, and I am sure that my colleagues will want to study their remarks with care.

Mr. President, I ask unanimous consent that the letter from the Mecklenburg County Board of Elections be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MECKLENBURG COUNTY,
BOARD OF ELECTIONS,
Charlotte, N.C., April 12, 1977.

Hon. JESSE HELMS,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HELMS: The Mecklenburg County Board of Elections respectfully requests that you consider our reasons for opposing the "universal registration" concept offered to Congress by President Carter. We are of the unanimous opinion that this proposal is unnecessary and will present the voters of North Carolina with a contradictory and confusing situation.

We have attempted to provide accessible voter registration for all the citizens of Mecklenburg County through a variety of techniques. For example:

(1) Voter registration in all sixteen public libraries during regular hours (utilizing library personnel).

(2) Mobile City Hall that sets up in a different location each day and provides a long list of services including voter registration.

(3) Town Halls in Davidson, Cornelius, Pineville during regular office hours.

(4) Community Registration Units to respond to specific requests from special interest groups. Units are set up during evenings, weekends, or any reasonable time period requested.

(5) Prior to major elections we also set up Shopping Center Registration to accommodate the large number of citizens who need to register or transfer.

Through these and other methods we have registered over 80% of those eligible within Mecklenburg County. It is our contention, since only 70% of those registered actually voted in the 1976 General Election, that the problem is motivation and education rather than voter registration.

We are greatly concerned about the confusion that will be created on election day by this proposal. We experience many problems now with long lines and misinformed voters, but this new proposal will place additional stress and pressure on those entrusted with the integrity of the election process. We have eliminated fraud and corruption in the election process, but those who would cheat are always ready to try again if the opportunity presents itself. This legislation will create an atmosphere in which the process will be overburdened and all of us will suffer the consequences.

We urge you to oppose the "universal registration" concept and instead urge increased availability of registration opportunities. This is the only way to insure the integrity of the election process and meet the obvious needs of some citizens who find it difficult to register.

During the next few months we will continue our study and correspond with you on specific suggestions to alter or amend this proposal. Please inform us of any area in which we can be of assistance or furnish information on voter registration.

Sincerely yours,

LOUIS D. STUBBS,
Chairman.

WILLIAM B. A. CULP, Jr.,
Executive Secretary.

GOV. HUGH CAREY CALLS FOR PEACE IN NORTHERN IRELAND

Mr. KENNEDY. Mr. President, today in Dublin, Gov. Hugh Carey of New York has delivered an excellent and deeply moving address calling for an end to violence in Northern Ireland and for a new effort toward peace and reconciliation in that troubled land.

In his address, Governor Carey sends a strong signal to both the Protestant and Catholic communities of Northern Ireland. As he states:

The people of the North—both Protestant and Catholic—should know that the vast majority of the Irish American community have no desire to intrude upon any future form of government democratically arrived at.

In addition, Governor Carey expresses the great hope, which I share, that political leaders of the two communities of Northern Ireland will be able to summon the courage to make a fresh start toward ending the violence and destruction and beginning a new political life for Northern Ireland.

In this effort, Governor Carey expresses his readiness to work with other leaders in the Irish American community to see that any request for assistance from persons of peace and justice in Northern Ireland will not go unheeded by Irish Americans in the United States.

I join Governor Carey in this pledge, and I commend him for his leadership in this address and its important message to both the Protestant and Catholic communities in Northern Ireland.

In March of this year, I joined Governor Carey, Senator MOYNIHAN and Speaker O'NEILL in a statement appealing to organizations engaged in violence in Northern Ireland to renounce their campaigns of death and destruction. We also appealed to our fellow Americans to renounce any action that promotes the current violence or provides support or encouragement for organizations engaged in violence.

Mr. President, I was honored to join Governor Carey in that statement last month. I believe his courageous address in Dublin today is an important additional step in the long journey toward a peaceful solution to the conflict in Northern Ireland, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TEXT OF REMARKS BY GOV. HUGH L. CAREY

I am proud and grateful to have been invited here this day to the Royal College of Surgeons to deliver the Harry O'Flanagan lecture. Proud because I am a citizen of the United States, and the first to be so honored. Grateful, because I love this College, the City in which it sits, and the Country of which Dublin is the heart.

The Royal College is a personal place to me. The rooms and the corridors in this building's magnificent and pitted facade and the green place across the street—all bring back the pieces of conversation, the smiles and concerns of the last joyous visit I made here with my wife Helen, before her young death. And this is the place in Ireland that my children and I have chosen to memorialize her, for she loved it so, the people in it and their work.

This is the College that has allowed my colleague and dear friend, Kevin Cahill, to devote so much time, and energy, and affection to its growth. I constantly hear of your deeds and achievements, the successes of your students, their dreams and your dreams for humanity and the science you serve so well. In all of his life, this is Kevin's place.

So I am no stranger in spirit to the Royal College—I am as comfortable in this building and in your presence as I am in the great halls of my own State Capitol across the sea. I am grateful to you all for that, and I shall attempt in the thoughts I express today to be guided and inspired by my deep personal affiliation with this institution.

We have other bonds as well, less distinct but no less strong; that bond of belief that in the healing process lies the greatest potential to show human love, and by so doing confound the voices of hate throughout the world.

As a young man, in the Congress of the United States, my closest friend and mentor was John Fogarty of Rhode Island—a man who created health systems and institutions through his use of the law-making process, a man who was blessed with the ability to bring dreams of adequate health care for all into being through sheer determination and the proper use of political power. Throughout his active life John and I worked together, and the product of our efforts can be seen in our Government's research institutes and programs delivering health care to the needy in both my country and abroad. Over 130 years ago, the first academic post in public health in the English speaking world was created at this very College. The title given the post was "Professorship in Political Medicine," and while I did not have the opportunity to take the course, I can only hope that by my life's work to date, I can be counted as a student in the field—thus furthering the ties I feel to the College of Surgeons.

To return to Ireland is always an experience that is uniquely moving to me as it is to most of my countrymen of Irish descent. Those of you who have lived your lives here must understand and be patient with some of us—for we come back with our heads full of stories and myths acquired at the kitchen tables of our youth. We know the poems, the songs, the heroes of old. We know the sacrifices, the valor, the counties, by heart. Those of us who are Roman Catholic were taught by the priest and nuns that you sent. And we have family and civic traditions that reinforce all of these things—no matter how distorted by time, no matter how far from reality. For we live in a country that is young, transient and quiet impersonal—little wonder that we hope to find an Ireland that conforms to our view of what is stable and traditional in life.

But there is no such Ireland of story and song. The Ireland I see and know is a mature and growing nation, a land no different than other western countries struggling with the burdens of its past, straining to emerge into its promising future, and questioning the rules established by still cherished institutions. And I find Ireland as vibrant in that activity as I did in the tales of its past.

Even one, however, who understands the difference between fable and fact is moved upon return to this country—for no matter how far removed by distance in space or time, the bond remains. When Ireland progresses, we share in her joy, when Ireland is suffering we suffer, and as a people there is the tie of common traits and quite similar emotional responses to the problems of life. When thinking of my own grandparents, I often reflect that I do not owe them so much that they came to America, but that they were born in this place—allowing me to be a part of that segment of the human family called Irish.

Yet on my trip here for this occasion, I know I owe them more—whatever courage they displayed in uprooting their lives and moving to an often hostile country, calls upon me to speak with candor, not only here, but in my own beloved city and State, on the questions that currently surround Ireland.

For me, a government leader, to be worthy of them and of you, I must follow my conscience. Therefore, I cannot stand here today and utter polite, meaningless words while children die in violence on this very soil.

I am here to fulfill my moral responsibility, my genetic commitment to the country to which I owe my tongue and my laugh and my tears, the country which I love very much.

I am not here as an outsider to interfere. I am here as the Governor of a State of the United States, a State of 18 million people, with a city of eight million people, a place containing more Irish than there are in all of Ireland.

And it is a State, New York, which always embraced the great Irish leaders when they came to us for strength and refuge and support.

Wolfe Tone came to our City.

As did O'Donovan Rossa and Davis and Devoy and Parnell. And James Connolly and DeValera. And Patrick McCarten, a graduate of this college, who combined the worlds of medicine and politics at a critical juncture in your history.

They came to America, to the City that is the womb of my country, my City of New York.

I stand here as a political leader in the United States well aware of the torment in the North, well aware of the fact that children—both Catholic and Protestant—are called upon to die in Northern Ireland by those who debate and actively deal in the politics of death.

To be in a school of medicine and to speak of death as a political instrument may seem incongruous. To ask those who have contracted for a lifetime of work for life to listen to a man speak out against death seems hardly a proper request. But those fascinated by death as a political weapon are surely as sick as people can be, and I have a history of looking to people of medicine for their abilities to be employed far beyond their chosen careers. The fact that this college holds the distinction of being the most international medical school in the Western world, with students from over 35 newly independent and developing countries, bears out the point that in medicine and its development, lies so much of our hope for future peace in this world. So I will speak to death—and its brother violence—only to condemn it in my own land and yours.

One cannot have been in American political life since 1960 and not be a student of this subject. For myself, I was drawn to public life by the candidacy of John F. Kennedy. I worked long and hard for his success in achieving office. What sickness killed him, but the disease of another man's mind? His brother, Robert, was my political leader, friend and indeed my neighbor. What disease did he die of but that contracted by a man who thought he had a cause—a holy cause stretching back to the religious differences of the Middle East? I knew Martin Luther King and was inspired by his total commitment to non-violence and love among people who seek change through the political process. He died from fear and hate, from those who see no future if the past must submit to change. To men of medicine, I submit these are diseases and no less cancerous than those described in your texts.

And during the sixties my nation went to war. We attempted and we succeeded, at killing people who would not respond to our vision of an orderly and balanced world. It was a national disease spread by jingoism, a disease not treated because of apathy or the fear of speaking out. My children were raised in the presence of nightly news broadcasts that always began with the day's body-count in Southeast Asia. And in this setting, all protest tended to violence, for whatever the cause; all protest became more righteous than men could bear—and campuses closed, and some of our cities were put on fire, and people died.

To what end? To what end did all of the violence and all of the deaths bring us. At the violent death of our President, commentators said that perhaps some good would flow for America—not so, we went on to war. When Martin Luther King died, it was hoped that the cause of civil rights would advance—not so, we still await the day for true equality for all races in America. When my friend Robert Kennedy died, we were told that American Presidential politics would forever be different—not so, for in his absence we had a Watergate and the first Presidential resignation in our history. And in the wake of Vietnam, that war filled with political but devoid of moral purpose, we have only a populace more distrustful of governmental acts abroad regardless of merit.

To what end then do the apostles of death and violence lead us? To no end, I say, worthy of human consideration. Is the assassin the best hope for positive political change? Is the bomber to be trusted to end economic or religious persecution? Is it human rights that flows from the barrel of a gun? Just what is this mad fascination with killing and maiming and burning?

This activity is, I would suggest, the politics of death. The politics of death that allows gains to be made in the short run by those who call for it, who revel in it, who can easily judge others by their adherence to its use. It is my belief that whatever gains there are for those so stricken with this disease, it is only because our own fear or apathy allows them their moment, not in the sun, but in the mania of fearful night. The criminal who kills for lust or money is frightening enough, but the political act of killing is a reflection of the deepest and darkest tendencies in mankind. And the slightest indication that it is condoned by any member of any society is the encouragement upon which that tendency feeds. No matter how strong the argument to differentiate the cause, no matter what the history of the dispute, no matter how deep the frustrations that give rise to the act, the political pillar is to be condemned. For literally thousands of years the best in mankind have sought to repress this darkest side of human behavior to little avail, and this rough beast, this politics of death, each time feeling "its hour come round at last, slouches toward Bethlehem to be born."

Is this to say that on no occasion may men of good will arm themselves, defend themselves and resort to force? Of course it is not, and to answer otherwise is to deny our own sophistication to detect a true peril to human life from one concocted in the sick and selfish interests of a few. I have no desire now to enter into a discourse on the "just war" or the ability of people to defend their lives and loved ones. I have been involved in war, I have been decorated in war, I have buried my friends in war—including my brothers from Britian, Ireland and Canada. I believe I know war and when its horror can be justified in a man's heart. Suffice it to say therefore that I believe most conflicts that arise in the human experience lend themselves to the politics of accommodation, compromise and ultimate peaceful settlement. Those that do not are readily apparent to the vast majority of informed opinion and call for different acts. But all of this is different from those who play at death, who always call upon violence in the first instance, and who seeek to enhance themselves by these means in a society that has otherwise denied them respect and status. They, to me, are the leaders in the politics of death. They, to me, are the most reprehensible—and they must be stopped.

I dwell upon my experiences from the United States because I am somewhat reluctant to speak as an expert on the dif-

ficulties in the North of Ireland. I have studied the problem, I know of the history, I have been to Belfast, and I have friends with strong opinions. Yet none of this makes me expert in the affairs of Ireland, except on the broadest philosophic level. I would appreciate the moment, however, to express some views that are strongly held.

On March 17th of this year, I signed a public statement along with Thomas P. O'Neill, Speaker of the House of Representatives, Senator Edward M. Kennedy of Massachusetts and Senator Daniel Patrick Moynihan of New York. This is the first time in my memory in the United States that four elected officials at the State and Federal level have joined in a call for peace and reconciliation in Northern Ireland. The response to that statement was favorable among Americans of Irish descent. From all across the country, from every walk of life, I heard not only sentiments of concurrence, but received statements of active support for the stand that we took. Naturally, there were some letters of rebuke, threats of reprisals, and even the interruption of a public meeting that I was conducting. I have not responded to those communications, for I have determined that those who approve of violence and death will never, God willing, approve of me.

I recount this only to make the point that I am convinced that in the United States there is an overwhelming sentiment among Irish citizens that the havoc wrecked by the violence on both sides in the North must cease. There is a recognition that to whatever extent violations of human rights continue to exist, to whatever extent crass economic discrimination prevails, to whatever extent denial of political involvement is prevalent, no further death will right the wrongs. There are no bombs nor guns available to mankind that will cause the creation of the new political institutions that are needed for a peace and a future in the North. There has been enough bleeding by far, and too many children's lives destroyed or warped to be eager for any more.

Those, in the United States, who really love Ireland, love all of it, all of the people who live there, and only hope for its well being and the well being of its future generations. The people of the North—both Protestant and Catholic—should know that the vast majority of the Irish American community have no desire to intrude upon any future form of government democratically arrived at. We have full faith in the people of goodwill on both sides to create their own institutions and laws in the making of an equitable society. And the people of the North should know, as all people in Ireland should know, that we are sickened by the violence, the waste and the wrecking of human lives in a land, and on an island, that we all hold dear in our hearts.

We have no simple solutions to offer. We Americans now know the danger of that. We have hopes, however, that I must express as a friend who is mindful that he is a guest in your land.

Our hope for the North is not based on the quick or easy answer that lends itself to the slogan. For we know of the centuries of distrust between the two traditions there, we know that many minds are frozen shut to the ordinary acts of compromise by which brothers usually settle their political differences. Our hope is that among the leaders of the Protestant community and among the Catholic leaders there will arise—in the best Irish tradition—those with the moral courage to make the first moves to end death and start a new political life. And we hope such people will be actively encouraged by the rest of Ireland and her leading voices of Church and State. In this hope I pledge that those men and women of both traditions who seek to find the way, who seek to create the new political institutions that will guide and govern the North of the future, will receive whatever assistance they should ask from the American Irish community.

If our goodwill and voice of support is enough—those with the courage to compromise have it now If support is needed in organized world forums, those committed to the end of death in the North need only ask—and they will have it. If any peaceful material resource would be of assistance, or any direct moral or political suasion would assist—we pledge ourselves to it. This is my pledge—my personal pledge—that I will bend every effort in dealing with other leaders in American life to see that any request of assistance from men of peace and justice in the North will ever go unheeded. It is our view that the day is gone when those on either side who call for "ourselves alone" will be listened to—for now we in America hear the new voices, we are taken with the men of new courage—men of worth who say "Without brotherhood we will have only soil. Without brotherhood, that Irish soil will form only our common Irish grave".

And for all of the people of this land we have our hopes. We hope for an Ireland that successfully seeks her economic future in the European community, an Ireland of growth and prosperity that finds her rightful industrial and technological place in the Western world of the future. Not simply the Ireland of the past that gave to the world by sending her sons and daughters to teach, heal and labor—but an Ireland that now receives, keeping her gifted children at home and welcoming those who wish to come to her and participate in the new day.

Finally, in keeping with this future, we hope for an Ireland that is sensitive to the demands of the new age. The moderation of tradition is hard and we all seek change that does the least harm to the long held values of the past. Too slow has been the emergence of women in America as an equal partner in all social economic activities, but great and inspiring has been the result.

But ultimately in my own land we have discovered that all human hope is in the mind of the child. While a painful process in the United States, we have fought to see the races educated in unison, we have fought against chaining the child to the wall of our own prejudices, be they religious, racial or regional. We believe our future demands no less and we are committed to it. We hope for the same here.

And so it is that while the Ireland of yore is in my heart, the Ireland of today and tomorrow is on my mind and lips. Between that past and this future, however, there is the dark creature of unreasoned hate and violence, of misguided righteousness and fear—that plague, that from time to time affects all mankind but in the modern Western world is peculiar to the land of my family.

I pray for its removal, I speak to men of medicine to help seek its cure, I shall work and dedicate myself to those who pledge to speak against it. As a politician, I shall fight against the politics of death so that the people I love will live, finally freed of the curse of past religious differences that the true Christ had no hand in making.

I come from across the sea to the home of my forebears and hold out one single human hand to the others gathered here who hate death. And I ask that I be permitted to join in the true humane effort of our time. I want to be a part of that attempt, in the sentiment of Yeats, in calling down the hawk from the air, and hooding or caging him until his yellow eye has grown mild.

AUTOGENOCIDE IN CAMBODIA

Mr. CHURCH. Mr. President, one of the most important developments in American foreign policy is the renewed interest in the subject of international human rights. I have found this reassertion of the moral dimension in our relations with other nations heartening, for surely we drifted away from our basic values in the years following the Second World War.

But our enhanced awareness of human rights has been uneven. As Columnist Anthony Lewis writes about Cambodia in his New York Times editorial of March 21, 1977, entitled "Where Terror is King":

> Those of us in the West who are particularly concerned about human rights may naturally incline to exert influence where it may have an effect: in countries sensitive to our criticism or dependent on relations with us. But utility cannot be the only standard in these matters.

We cannot ignore the appalling disregard for human life in Cambodia. If they have not yet done so, I urge my colleagues to read Mr. Lewis' editorial an autogenocide in Cambodia. The outrage of world public opinion must be focused on these practitioners of mass murder.

Mr. President, I ask unanimous consent that the editorial on Cambodia be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHERE TERROR IS KING

(By Anthony Lewis)

BOSTON, March 20.—Communist Vietnam and Laos welcomed President Carter's commission on Americans missing in Indochina, but the Government of Cambodia would not allow a visit. It was a decision to be expected from "the most tightly locked up country in the world, where the bloodiest revolution in history is now taking place."

That description of Cambodia today comes from an article by Jean Lacouture in the March 31 issue of the New York Review of Books. It is an article whose painful honesty lends ghastly conviction to its terrible conclusions.

"Genocide," Lacouture writes, "usually has been carried out against a foreign population or an internal minority. The new masters of Phnom Penh have invented something original—auto-genocide. After Auschwitz and the Gulag, we might have thought this century had produced the ultimate horror, but we are now seeing the suicide of a people in the name of revolution; worse; in the name of socialism. . . .

"A group of modern intellectuals, formed by Western thought, primarily Marxist thought, claim to seek to return to a rustic Golden Age, to an ideal rural and national civilization. And proclaiming these ideals, they are systematically massacring, isolating and starving city and village populations whose crime was to have been born when they were."

There have been many reports of mass killing and brutality in Cambodia since the Khmer Rouge took over in April, 1975. A book on the subject, "Murder of a Gentle Land" by John Barron and Anthony Paul, was condensed in the February Reader's Digest.

The smell of horror was too strong to be ignored by any fair-minded person, and it

has not been ignored. But in this country, and the West generally, there has been less outcry about the savagery in Cambodia than its dimensions might have suggested. Why?

The reports from a sealed country were necessarily second-hand—largely from refugees—and may have seemed exaggerated. Americans generally were weary of everything about Indochina. And those of us who had been critics of the war may have felt skeptical about some of the Cambodian reports because they came from right-wing quarters that had been indifferent to the misery inflicted on Cambodia by American bombers. When Henry Kissinger cries for Cambodia, there is reason for skepticism.

But those explanations wither in the presence of Jean Lacouture. He is a leading French expert on Indochina. And he was a profound critic of the American war. He has no reason of ideology or ignorance to exaggerate the crimes committed by the Khmer Rouge.

Lacouture's article is in form a review of "Cambodge, année zero," a book just published in Paris. It is by François Ponchaud, a priest who was in Cambodia for 10 years, until three weeks after the Khmer Rouge took Phnom Penh—an informed and sympathetic witness.

Among other things, Ponchaud quotes from orders by the revolutionary government itself. Texts it distributed to local officials, he says, urged them to "cut down" corrupt elites and "carriers of germs," including "their offspring until the last one." Lacouture comments: "The strategy of Herod."

Cambodia may have lost as many as 1 million to 7 million people in the war. Some have estimated, on the basis of both refugee accounts and statements by Khmer Rouge leaders themselves, that another 1 million have been killed since. Lacouture sees that scale of killing when he asks: "What Oriental despot or medieval inquisitors ever boasted of having eliminated . . . one-quarter of their own population?"

American policy helped bring disaster on Cambodia, and Lacouture knows it. Today's reality, he says, should shame "those in the Nixon Administration who bombed and laid waste Cambodia, undermining Sihanouk's regime, and refused to pursue negotiations with him in Peking, making an unmitigated Khmer Rouge victory all the more likely." But he rightly sees that as no reason for silence about Cambodia today.

It is true also that there is not much hope of affecting the Cambodian Government. Among the world's tyrannies, it may be the least likely to be moved by outside protest. Those of us in the West who are particularly concerned about human rights may naturally incline to exert influence where it may have an effect: in countries sensitive to our criticism or dependent on relations with us. But utility cannot be the only standard in these matters.

To remain silent in the face of barbarism as enormous as Cambodia's would be to compromise our own humanity. It would be to say that hundreds of thousands of Cambodians do not count in the human scale. It would be to repeat the West's corrupting mistake in 1972 of ignoring tribal genocide in Burundi. In today's world, we ignore mass murder anywhere at our own peril.

JUDGE MILTON B. CONFORD: A DESERVED TRIBUTE

Mr. WILLIAMS. Mr. President, recently there appeared in the Star Ledger of Newark, N.J., an editorial honoring Judge Milton B. Conford who served as a member of the New Jersey Supreme Court on an acting basis while at the same time he continued to serve in his permanent role as presiding judge for administration of the appellate division of the supreme court.

The editorial most eloquently reflects the outstanding service of Judge Conford on our State's highest court. However, the praise could be equally applicable to Judge Conford's entire career which is a truly distinguished one. He is a man of great legal ability, unimpeachable integrity, and genuine human understanding.

I am proud to know him and, even more, proud and happy that New Jersey has persons of this caliber in our courts.

Mr. President, I ask unanimous consent that the full text of the Star Ledger editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FITTING TRIBUTE

The "permanent" acting justice of the New Jersey Supreme Court has served his final official working day on that tribunal, an emergency assignment that was filled in an effective, conscientious manner by Milton B. Conford, the senior judge in the state appeals court.

For the first time in almost two years, the vacancy on the state's highest court will be occupied on a permanent basis by Alan B. Handler, who was sworn in this week as a justice.

The Supreme Court is now at full strength, but it was evident in the unusually protracted period in which it operated with a temporary member that the court did not suffer any debility in performance or fall-off in quality.

It represents a mark of the professional competence of Judge Conford, a thoroughly experienced jurist (he has been on the state bench for 22 years) who is highly regarded as a legal craftsman with a capacity to deal with intricate, complicated issues.

Judge Conford's dual service as a member of the Supreme Court and as presiding judge for administration of the Appellate Division was duly noted by Chief Justice Richard J. Hughes, who commended him for his "faithful, industrious and able service."

It should be noted, too, that Mr. Hughes discussed his commendatory evaluation with his colleagues and they agreed there was "no possible dissenting opinion," a rare concurrence for the high court, but one no doubt fully justified.

A PLEDGE ON AGING HONORED BY ROSALYNN CARTER

Mr. CHURCH. Mr. President, last September at a meeting of the National Council on the Aging in Chicago, it was my good fortune to be present when Rosalynn Carter addressed a large crowd.

She spoke directly from personal experience about her concern for older Americans. As first lady of Georgia she had known of people in need and programs designed to meet such need—programs which did only part of the job that had to be done. She spoke, too, of elderly individuals she met along the campaign trail, many of them fighting desperate daily battles with the cost of living.

And she pledged that she would not forget aging if candidate Carter were to become President Carter.

On Monday of this week, again before the NCOA, Rosalynn Carter let another audience know that her pledge was not made lightly.

She announced plans for a White House meeting with national organizations and individuals on May 10. She said she would help develop new means for exchanging information about aging. She also expressed her obvious personal concern about problems of older Americans described in many of the 3,000 or so letters she receives every week.

Mrs. Carter spoke movingly about persons who wrote to tell her of their struggle to stay warm during the winter, of an elderly homeowner who pays one-third of his income on property tax, of a 76-year-old widow who finds that her prescription drug costs are terribly high and of a New Hampshire woman who would like to see group living by older persons on farms now so often abandoned in that State.

All in all, Mrs. Carter gave a very welcome and timely assurance that problems and progress in aging would be noticed directly in the White House. Her leadership is indeed welcome to the Senate Committee on Aging and, I think, to everyone who cares about the overall strength of the American family, including its grandparents and great-grandparents.

Mr. President, the New York Times and the Washington Post have provided useful summaries of the First Lady's comments in stories appearing on April 19, and I ask unanimous consent to have them printed in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Mr. President, I would also like to note that Mrs. Carter's talk was preceded by another significant address which certainly bore a direct relationship to the theme of the NCOA's 27th annual conference: "Aging-77: A Time for Setting New Goals."

Arabella Martinez, Assistant Secretary for Human Development at the Department of Health, Education, and Welfare, called for a national policy on social services which would address the needs of whole persons to replace the present situation in which private and public efforts so often meet only pieces of need distorted to fit program categories.

She explained that the Administration on Aging within her Office of Human Development will closely monitor an elaborate network of area agenices on aging in terms of direct impact upon the well-being of older Americans. She also called for greater involvement of older persons themselves in decisionmaking for the programs meant to serve them.

Mrs. Martinez noted that there is much talk about zero-based budgeting, but she also asked for "zero-based thinking" in the development of a comprehensive service policy for older persons. Her talk was a refreshing and informative survey of the current scene, together with chal-

lenging concepts for future change. I believe that the Congress will welcome the opportunity to work with her in innovative efforts to bring people and programs together.

EXHIBIT 1

[From the New York Times, Apr. 19, 1977]

MRS. CARTER PLANS WHITE HOUSE CONFERENCE ON AGING

(By Nancy Hicks)

WASHINGTON, April 18.—Rosalyn Carter said today she would be the host at a White House conference on aging next month to help "personally spotlight" the problems of old people in America.

The May 10 meeting will be a roundtable discussion involving experts in the field and groups representing the elderly. Mrs. Carter said she hoped the meeting would help her find answers to problems such as forced retirement and high health care costs outlined in the 3,000 letters a week her husband received from older citizens and their families. "I am determined that the White House will be a place where people can turn for help," she told the opening meeting of the National Council on Aging, a group of professional workers.

"I have searched for a way I could be helping personally spotlight and call attention to problems," she added. "There are many programs already, but the problem is that they don't reach the people they are supposed to reach."

SPECIAL TOURS PLANNED

As a gesture she said she was working on a plan that would allow older people to take White House tours without having to wait in the long lines that form each day.

But there are far more serious problems, she said, citing the case of a California man who wrote the President to complain that his property taxes had risen by one-third this year and that it would take five of his $221 a month Social Security checks—his sole source of support—just to pay them.

Last week, the Senate Special Committee on Aging issued its annual report which showed that poverty among the elderly was rising steadily. Some 3.3 million of the 22 million Americans over 65 are living below the poverty line.

"The likelihood of being poor among elderly blacks is almost three times as great as for aged white," the report said. "Nearly three out of every eight older blacks were impoverished in 1975. And over half of all blacks 65 or older lived in poverty or near poverty."

LOW FIXED INCOMES CITED

"Inadequate income in retirement is the number one problem affecting older Americans" according to the report. It called for a general increase and a cost-of-living escalator in the Supplement Security Income program, which is the basic support for the elderly poor.

Low fixed incomes make old poor people much more susceptible to economic hardships such as the increased cost of home heating fuel, according to the report.

Home fuel expenses for the elderly rose almost 40 percent for the nation as a whole and almost half again as much for those living in the Northeast. Old people were paying as much as 30 percent of their income for fuel, according to the committee chairman, Frank Church, Democrat of Idaho.

Problems such as these are magnified as the number of older Americans increases, the report noted. By 1980, 25 million people are expected to be 65 or older, and the number will continue to rise into the next century, through the life cycle of the post World War II baby boom.

[From the Washington Post, Apr. 19, 1977]

LAUNCHES CAMPAIGN TO AID ELDERLY, MENTALLY DISABLED—MRS. CARTER BEGINS FULFILLING HER PLEDGE

(By Donnie Radcliffe)

Armed with the influence of her husband's position and a determination that the White House will be "a place that people can turn to for help," Rosalynn Carter set out yesterday to focus attention on two fields of particular concern to her—the elderly and the mentally disabled—and the problems unique to each.

It was her first major move toward keeping some campaign promises of her own.

In a mid-morning address to 1,100 delegates to the 27th Annual Conference of the National Council on Aging, the First Lady announced a May 10 "roundtable discussion" on the aging at the White House, which she called "a first step" in her campaign pledge "to help personally."

Reading excerpts from four of the 3,000 letters she receives weekly on such subjects, she said their elderly authors represented old people everywhere who "struggle to stay warm, have decent clothes, decent food to eat, try to pay their bills and not be a burden to anybody."

She told of inviting representatives and experts from 17 lay and professional groups "to discuss the problems and also to seek solutions. I know there are many programs already for the elderly but the concern I have is that these programs do not reach the people they are supposed to reach."

She said she will seek greater coordination through "an agenda for channeling information about valid programs. I am determined that the White House will be a place that people can turn to for help. I am determined that the White House will be open and available for help."

Later, at the Department of Health, Education and Welfare, she participated in a meeting of the President's Committee on Mental Retardation, exhorting its 25 members to provide specific recommendations that could provide a basis for legislation her husband may propose.

She wanted recommendations on how to help families of the mentally retarded through programs similar to those offered families of alcoholics. She called for suggestions on training professionals to work with those families, ways to dispel the stigma of retardation and illness, and ideas on educating the public to "understanding and acceptance."

She had a word of advice, while she was at it. Knowing from experience that "if you give Jimmy specific, brief, understandable recommendations," the likelihood of results was better than if he is presented "reams" of text.

She wanted some answers herself, she indicated during presentations by heads of the committee's seven task forces.

"It distresses me to see funds cut," she told Dr. Cecil B. Jacobson, head of research and prevention. "I don't think we had enough in the first place."

"I don't think that's the major problem," Jacobson replied. "I think the major problem is in applying what we already know."

Eunice Kennedy Shriver, a special guest at the session, said later that Rosalynn Carter had made "a good point but she didn't get a very good answer. In fact, less than $2 million goes into research on prematurity . . . Research and reproductive biology are important for prevention (of mental retardation) but nobody is really very interested."

HEW Secretary Joseph A. Califano Jr., however, was hopeful that "the next few years are going to mean to the handicapped and retarded some turmoil but the kind of progress the blacks made in 1960."

As for Rosalynn Carter, Califano, who is automatically chairman of the committee, which was established in 1966, was equally optimistic.

"It may be the best thing that's happened in this area isn't the direct election of Jimmy Carter," he said, "but the indirect election of Rosalynn Carter."

STAFF ECONOMIC ANALYSIS

Mr. MUSKIE. Mr. President, the Senate Budget Committee met this morning to reassess the status of the third budget resolution for fiscal year 1977 and the first budget resolution for fiscal year 1978. We undertook this reassessment as a result of the recent decision of the administration to withdraw its support for its original proposal for the $50 rebate and business tax credits, the actions of the Senate on the pending tax bill now under consideration, and the appearance of new economic information in recent weeks. These recent actions pose severe problems for both the maintenance of a steady congressional fiscal policy and for the future of the congressional budget processes.

The committee decided that it required more information before it could reach an informed and responsible decision on the desired revision, if any, of either of the two budget resolutions. We decided we needed more information from the administration on the economic circumstances which led to its abrupt reversal policy, since it did not see fit to discuss the matter with the Congress before hand. We decided we needed new information on estimated budgetary authority outlays and receipts, especially in light of recent statements that the budget deficit for fiscal year 1977 might be as much as $23 billion lower than that projected in the administration's original budget revisions.

We were assisted in our deliberations this morning by an analysis of the present economic situation and recent economic data by the economists from our staff. Both majority and minority staff economists indicated that, in their judgment, the current state of the economy and the economic information which has appeared during the first quarter of 1977 would not, in themselves, justify the change in fiscal policy which has been proposed.

Because much of the information on which this economic analysis was based has appeared very recently, and because the Members of the Senate are presently considering tax legislation which affects fiscal policy for both fiscal year 1977 and 1978, I ask unanimous consent that the economic analysis presented by the staff economists of the Budget Committee be printed in the RECORD so that it will be available for consideration by Members.

There being no objection, the staff analysis was ordered to be printed in the RECORD, as follows:

STAFF ANALYSIS

Chairman MUSKIE. Is this the proper time to get your total economic evaluation at this point before we hear the rest of it?

Senator MCCLURE. Well, was the administration right ten days ago or were they right four days ago?

Chairman MUSKIE. I am sure those are the questions Van has prepared to address himself to.

Mr. OOMS. Thank you, Mr. Chairman. I am going to argue that the recent economic data does not support the kind of change which we have seen. Before doing that, however, I would like to make three very brief remarks with respect to the fact that I think the change was inappropriate even if the economic data for this brief period did suggest a very clear strengthening for this brief period.

I still think the change would have been inappropriate. I would like to indicate why that is so. The first, Senator McClure has already said very eloquently and I simply want to underline, you should not try and fine-tune the economy on the basis of a month's or even a quarter's worth of data. I think economists learned through the 1960's and early 1970's, and in a painful way, not to try to promise too much with respect to the ability of the economic policy to fine-tune the economy.

I think most economists now recognize that we simply do not know enough to try to adjust policies on a short-term basis in that way. Therefore, even if the first quarter did unambiguously show strengthening of the economy, fundamentally and over a longer term basis, which I don't think it did, I still think the policy would be inappropriate. I simply want to underline as many times as possible what Senator McClure said in this respect.

The second reason why I think it would have been inappropriate is that it is quite unclear to me what the administration means when it argues that the stimulus which it previously had argued was necessary is now "unnecessary." The only economic interpretation I could put on that remark would be that—that is to say, the only interpretation I could put on it with the unemployment rate still at 7.3 percent, is that the likelihood of inflation was increased or that there would be crowding out, that there would be some other unfortunate economic effects that would result from that.

The administration itself has indicated that it does not think the rebate was inflationary. So it is simply unclear to me, with about 7 million Americans out of work, what it means to say a stimulus proposal is not necessary. Put slightly differently, when we marked up the First Concurrent Resolution for fiscal 1978, we pointed out that the administration forecast, we thought, was slightly optimistic with respect to the amount of growth that they would get out of their budget and out of the stimulus package. But we said there was a possibility that they would get it because the economy might, as their forecast suggested, be somewhat stronger, stronger than we expected on a conservative basis that it would be.

We applauded that and we said that that is fine. If that is what results, that is well and good. That will create more employment.

Suddenly we have a situation in which the administration interprets the evidence as showing some strengthening is taking place and they turn around and they change the policy, the very policy they were hoping would produce that kind of strength. It simply doesn't make sense to me.

The third point I would like to make, which was dramatized in a headline in the Washington Post on Wednesday, which read, "U.S. Plan to Bolster Worldwide Economy Quietly Laid Aside," is that we are not simply engaged in an attempt to fine-tune the American economy. However inappropriate that would be, we were giving very clear signals to our trading partners and to the rest of the world of the determination of the administration in this country to undertake a worldwide leadership role with respect to reflation; not only that, we were leaning rather hard on some of our trading partners to get them to follow along in that direction.

Suddenly we turn around. But we cannot expect them, if we change signals on them in that way, to believe in the credibility of our steady fiscal policy. So there are international implications of this, some of which this committee addressed in hearings in January, which are very important.

We have only begun, I think, to understand what some of the implications of those are.

Chairman MUSKIE. Are you prepared to more explicitly discuss your view of what lies ahead for the economy?

Mr. OOMS. Yes, sir, and I would like to do that by remarking, first, on what I think the recent economic data in fact, mean.

As I said, I don't believe that what the data we have for the first quarter clearly indicate a stronger economy in any sort of permanent sense of that term, which would have important implications for 1977 and 1978.

There has been a lot of attention given to the fact that we were expecting a relatively low growth rate in the first quarter, for perhaps 3 percent revised upwards to 4 percent in real terms, and it suddenly came in at 5.2 percent. One would have thought all of our economic goals had been reached given the amount of attention given to that number.

The main thing to note about that number is that although it does represent a somewhat higher rate of GNP growth than we were expecting, final sales—that is to say, the sales that reflect the underlying strength of final demand in the economy—apart from inventory accumulation, in fact, fell from 5.7 percent rate of growth in the fourth quarter to 3.9 percent rate of growth in the first quarter.

Now, what that means is that you should not look just at single quarter growth rates because the changes in inventory accumulation tend to dominate the total growth rate of GNP. It means that inventory growth lopped 3 percent off the fourth quarter and added back a point to the growth rate in the first quarter.

This was true even though the rate of accumulation of inventories in the first quarter was only 60 percent of the 1976 average; in real 1972 dollars the inventory accumulation was $4.9 billion, where the 1976 average was $8.1 billion.

What does this mean? Well, I can summarize it perhaps in the easiest way by saying that it means that the fourth quarter was so bad that you had to look good in the first quarter. You could look good in the first quarter even by having a very moderate rate of inventory accumulation because it was zero in the fourth quarter. That is really what we are seeing in these numbers.

To underline that, I would like to look briefly at a couple of the components of it. We heard a lot about retail sales and how strong they were and how the administration had to change its policy because of the strength in retail sales.

Senator MCCLURE. Wouldn't it be fair to say that the fourth quarter looked so bad because the second and third quarters looked so good relatively?

Mr. OOMS. Well, the slowdown tended to take place for GNP as a whole over a good part of the year. Really the first quarter was the only strong quarter as to the GNP growth.

Senator MCCLURE. All right.

Mr. OOMS. As I said, we heard a lot about the administration changing its policy on the basis of retail sales. Consumption growth at 6.2 percent in real terms in the first quarter was again down from 7.6 in the fourth quarter. This was so in spite of the fact that the savings rate fell to 5.0 percent.

Now 5.0 percent savings rate is extremely low by recent historical experience. It means that it is very likely that consumption is not going to expand rapidly over the next couple of quarters because the savings rate is almost surely going to go back up. So there is nothing in the retail sales figures and the consumption figures that suggest that dramatic strengthening of the economy.

What we were seeing was a rebound from the very bad month of January and the effects thereof. If you look at the investment sector, take housing first of all. Now it is true there was a dramatic rebound in March in the housing start numbers and we saw thousands, but if you take the first quarter as a whole, housing starts were almost identical with the fourth quarter. There was no discernible difference between the two.

Again we ought to look at broader numbers. As Senator McClure said, you were trying to indicate that policy should be made on the basis of one month's set of numbers today.

If you look at expenditure on residential construction, its growth was lower in real terms in the first quarter than in the fourth quarter.

If we look at business investment, it is true that the rate of business investment growth was up in the first quarter over a very bad fourth quarter. However, again if you take the two quarters as a whole, you come out with a 7.5 percent real growth rate, which is not an investment boom by any stretch of the imagination.

Yesterday it was announced that nondefense capital goods orders in March fell for the second consecutive month, which is an indicator of relatively weak investment—what we can expect from the investment side. So the investment boom is still light at the end of the tunnel as far as I am concerned.

I don't see the clear indications that it is about to come off.

Real exports fell again in the first quarter after declining in the fourth quarter. Those are the fundamental underlying components of GNP.

Now, what does this really mean? What it means is if you take the last two quarters as a whole, GNP grew at 3.9 percent on the average. Final sales grew at 4.8 percent. Both of those numbers are well under the target of a 5½ to 6 percent real growth rate which this committee addressed in the Third Concurrent Resolution for fiscal '77.

I find nothing in those numbers that indicates that a change in fiscal policy was necessary, and desirable at this time.

I would like to close by referring to a remark which the Director of the Congressional Budget Office, Alice Rivlin, made in her testimony on March 2 before this committee.

This was referred to in an April 5th forecast update by the CBO which I should point out was before the change in the administration's policy and before some of the most very recent economic data had come in.

But Dr. Rivlin said the following, "A rebound from the weather caused reductions and a move towards rapid inventory accumulation are very likely with double digit rates of growth in real GNP or industrial production in the spring, a distinct possibility. Last year many forecasters including those at CBO were misled by a similar inventory spring in the late winter and spring and failed to anticipate the return to a slower rate of recovery later in the year. We may

need to guard against making this similar error this year."

I would argue that the administration was so misled and the administration has changed its policy in a way which invites a similar result.

Thank you.

Senator CRANSTON. Your conclusion would be that we should keep the same stimulation we had in the First Concurrent Resolution, I gather.

Mr. OOMS. In the Third Concurrent Resolution.

Senator CRANSTON. In the third? What about the first for 1978?

Mr. OOMS. As I argued at the time of the markup for the '78 budget, I felt that if there was any appropriate adjustment in the 1978 budget it would appropriately be in a degree towards modestly more stimulus, but very modest. It does not appear that any revision in the 1978 budget would be required at this time. As Sid Brown pointed out before, the economic effects of the policy changes take place largely in 1977 rather than in 1978 although there are some 1978 effects.

I don't believe that the revision of the '78 budget would be in order on economic grounds.

Senator CRANSTON. Thank you.

Mr. OOMS. I could perhaps just indicate very briefly and the figures are only quite crude as to what one might expect if the administration's change in policy were to be implemented and we had both the rebate and the business tax cuts removed.

You would expect as far as the change in GNP is concerned—that is to say the change in total product and income to our society—you lose about $9 billion in 1977 and about $7 billion in 1978. Those are not trivial numbers; they are not large in terms of total GNP, but when we think in terms of what we could in fact do with $9 billion worth of resources this year and another $7 billion next year, it seems a shame to throw them away.

With respect to unemployment, we could expect a rising unemployment rate in the fourth quarter of '77 of about .2 percent, a loss of something on the order of 200,000 to 250,000 jobs. By 1978 the effects are less strong, as we said, by the end of '78 we would expect an increase of .1 percent which would be on the order of 100,000 jobs.

The update of the estimates that I have made and those made by CBO suggest that the effects on inflation and the effects on the interest rate would be essentially negligible. You might get a change on the inflation rate or interest rate of a tenth of one percent in '77 and '78, but that sort of change is so small in relation to the estimating difficulties and the way in which those numbers bounce around that you have to argue that it was economically negligible.

Chairman MUSKIE. Can I ask both you and Sid to address the budget implications, budget-wise and economy-wise of the President's energy proposals with respect to, I assume—I would doubt if it would affect '77; are you far enough along in your evaluation to give us those?

Mr. OOMS. Senator, I am really not. I think it is going to be a lengthy process to get any sound estimates of the President's proposals. I think we can develop crude estimates in a few days when we have had time to look over them but I don't think it would be responsible to try to comment off the wall on those at this time from the economic point of view.

Senator BELLMON. Mr. Chairman, would it be in order to ask Ted Haggart if he has any comments?

Chairman MUSKIE. Yes.

Mr. HAGGART. Thank you. I think Van has very clearly represented what the first quarter data means and I think all of it is such that we expect to be looking at this as an averaging of the two quarters which is very useful. I agree fully that there is no reason to change our underlying forecasts. One perspective that I think is useful for the committee is when we look at the Third Concurrent Resolution in January and February, we were talking about economic policy over a two-year span, 1977 and 1978.

It looked at that time that if we continued the Second Resolution current policies we would have real growth in the 4½ to 5 percent range on the average over that two-year period.

I don't think that the underlying forecast is changed any based on the recent data. We fully anticipated at that time that as compared to the very poor performance, reasonably poor performance in the latter part of '76 that the first quarter of '77 and probably the second quarter would be fairly strong.

The 5.2 percent real growth may be a little stronger than we had expected especially in light of the weather effects, but still I don't think it is justification for a major revision in the estimates, especially when you look at the period 1978. The policies that we considered were in the context of a stimulus package for a two-year period and much of the concern was with the necessity of continuing the recovery through the latter part of '77 and on into '78.

The scenario that we foresaw without a stimulus package was that a fairly good first and second quarter of '77 with real growth tapering off thereafter.

The latter part of '77 and '78 is still a very real concern and I think that the general dimension of the policies that the committee adopted are still appropriate.

Now, that does span the Third and First Concurrent Resolutions which is embedded in both of those. I think there was good agreements at the time as to the approximate magnitude of the stimulus needed from our witnesses and among the committee discussions. Of course, there were differences of opinion as to the timing and expenditure and outlay components but the basic judgment about a policy that expands that spans that two-year period has not changed, I don't think, on the basis of recent data.

Chairman MUSKIE. Is there significant disagreement in your analysis among other economists?

Mr. HAGGART. I have not heard any feedback just based on a two or three-day period to indicate there are major revisions of the two-year forecasts by the major econometric forecasting services. I am sure on a month-to-month basis they tend to feed in a little more data and it does affect the quarter by quarter statistics that they are predicting, marginally. But I think it's unlikely that you will see a significant change from any of the major forecasting services. That is speculation but I have not seen any revisions at this point.

For instance, Data Resources was anticipating 4.5 real growth in the first quarter. It turns out to be 5.2. They may go back and reestimate some of the future anticipations in light of that.

One further thing I think should be mentioned, an afterthought, if you look at the release from the Commerce Department they point out that in the back that these data are revised in subsequent months and what we can really say based on the numbers we have now which are preliminary and incomplete is that with about 50 percent surety, we can say real growth in the first quarter was between 4.2 and 6.2, and it remains to be seen for several months to see how those numbers are revised. There is uncertainty at this point.

Mr. OOMS. Mr. Chairman, I would like to make two points. First of all, I think the point that Ted made is fundamental and again underlines what Senator McClure said earlier, given the enormous forecasting difficulties that we have and also given the uncertainty about the statistics themselves in the preliminary estimates when we don't have complete data for March in several areas, to make a broad policy change on the basis of that kind of evidence really doesn't make sense.

In response to your question economists that I have talked to I think are in agreement that an abrupt policy change of the magnitude that was made with that kind of information simply does not make sense. We should have learned our lesson by this time.

With respect to the forecasts, I would like to make one point which Dr. Oken made when he testified before the committee on the First Concurrent Resolution for 1978.

He pointed out at that time that a critical factor in the forecast for 1978 in particular was business investment. Now there could be disagreement about what the factors are which eventually will bring on strong business investment. But he pointed out that it was his analysis that you stimulate business investment by business in 1978 by having a stronger economy in 1977. It wasn't until, as he said it, you sent customers to the people that were not investing that they were going to begin to raise their investment plans and you get the business investment expenditure.

Econometric models are not very good at picking up the relationship between the strong economy one year and investment in the next year. There have been instances in which they have clearly underestimated that relationship. Therefore, when the econometric models tell us that removal of the President's stimulus package will have some fairly important, not enormous but fairly important economic effects in 1977, but that these tend to fade out so that they are smaller by the end of '78 and they disappear by 1979, those econometric models are not picking up the exact thing that the administration was hoping for and hoping for a stronger economy. They were hoping for a stronger 1977 consumption behavior and a stronger 1977 economy which would kick off an investment boom by 1978 and which would give that optimistic forecast validity.

This is precisely the sequence of economic change, it seems to me, which the change in administration policy has now made less likely to take place.

Senator MCCLURE. Could I ask a question on that, Mr. Chairman?

Chairman MUSKIE. Yes, Jim.

Senator MCCLURE. It seems to me that one other thing the econometric models don't really reflect and find very difficult to reflect, and that is the psychological effect of political estimates, the psychological effects of the climate, climate of confidence or whether they lack confidence. While the President may have reduced stimulus by reducing certain portions of the spending package, he may have increased stimulus by increasing confidence by telling people and persuading them that things are going to be good. So there may be an offsetting effect in what he has done by convincing people that indeed things are going to be better, they are better now and they will go right out and spend more money and go right out and invest more money, as a matter of fact the reduction in spending may be offset by an increase in confidence.

How is that measured and how sure are we of its effect?

Mr. OOMS. We are sure that its effects are important and we really do not know very well how to measure them except that there are some attempts made as you know in the consumer surveys and we have referred previously to some of those done at the University of Michigan by the survey research institute there.

One of the interesting things they show in the February survey was that consumer confidence was much stronger among people that expected that there would be a tax rebate than among those who expected there would not be a tax rebate. It is through that part of the business community and the financial community indicated some skepticism about the rebate. I think one could argue about whether that was justified or not. But I am not sure how comprehensive a survey was taken of the opinion of lower and middle income Americans who were expecting their $50 or indeed many of whom had already spent their $50 for heating bills—I don't know how much of a survey was taken of those people to see what happened to their confidence in economic policy when the change of this sort was made.

(This concludes additional statements submitted today.)

CONCLUSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Without objection, morning business is closed.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is the committee amendment to the table of contents, as amended by the Haskell amendment to the tax bill.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE RECORD TO REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the RECORD be left open until 5 p.m. for bills, statements, insertions, and so forth.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL MONDAY, APRIL 25, 1977

Mr. CRANSTON. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. CRANSTON. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized, that there be a period for the transaction of routine morning business of not to exceed 20 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I also ask unanimous consent that on Monday no resolutions come over under the rule at the conclusion of morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESUMPTION OF THE UNFINISHED BUSINESS ON MONDAY

Mr. CRANSTON. Mr. President, I address the following inquiry to the Chair: Is it the case that at the conclusion of morning business on Monday, H.R. 3477 will automatically be the pending business?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that when the Senate returns to the pending business on Monday, the Senator from Missouri (Mr. DANFORTH) be recognized for the purpose of carrying on a colloquy on that subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Rules and Administration may meet while the Senate is in session on April 27 and May 2, 3, 4, 5, 6, and 11.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, and I am not objecting on this matter, but on the unanimous-consent request propounded just a moment ago, to conduct a colloquy on this measure, referring to the recognition of the Senator from Missouri (Mr. DANFORTH), will the Chair advise whether that would include the right on the part of the Senator from Missouri to propose an amendment to the pending business at that time?

The PRESIDING OFFICER. Only to the pending committee amendment, until that is disposed of.

Mr. BAKER. Yes; but nothing in the unanimous-consent agreement would diminish or otherwise affect the right of the Senator from Missouri to offer an amendment?

The PRESIDING OFFICER. He would have that right, yes.

Mr. BAKER. I thank the Chair.

Mr. CRANSTON. Mr. President, I ask unanimous consent that all committees may meet on Monday and Tuesday while the Senate is in session.

The PRESIDING OFFICER. Is there objection? The Chair hearing none, it is so ordered.

RECESS UNTIL 12 NOON ON MONDAY

Mr. CRANSTON. Mr. President, if there is no further business to come before the Senate at this time, and I gather there is none, I move, in accordance with the previous order, that the Senate now recess until 12 noon on Monday.

The motion was agreed to; and at 3:55 p.m. the Senate recessed until Monday, April 25, 1977, at 12 noon.

EXTENSIONS OF REMARKS

THE ARMY'S SUPER SALESMEN ARE "MAKING" THE OBJECTIVE

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. STEIGER. Mr. Speaker, one of the least understood, best run, and most unfairly criticized aspects of today's Volunteer Army is its recruiting force.

The U.S. Army Recruiting Command, under the positive, inspired leadership of Maj. Gen. Eugene P. Forrester, has done a superb job of attracting quality young men and women into today's Army. Without the coercive influence of the draft as a lever to encourage recruitment, the Army's recruiters have met or exceeded almost everyone's expectations.

Top priority has been given by the Department of the Army to insure both high quality and sufficient quantity of personnel assigned to recruiting duties. The recruiting force is young, well-educated, highly motivated, and dedicated to bringing the best young men and women available into the Army.

General Forrester wrote an excellent article, "The Army's Super Salesmen Are 'Making' the Objective" which ap-

peared in the January 1977 edition of Army magazine. It gives some very good insights into qualifications of a good recruiter and the tools recruiters have to work with to attract enlistees.

His piece is one that deserves thoughtful attention by all who read the RECORD. I commend it to your attention:

RECRUITING COMMAND MOVES OUT—THE ARMY'S SUPER SALESMEN ARE "MAKING" THE OBJECTIVE

(By Maj. Gen. Eugene P. Forrester)

George Bernard Shaw had a tongue-in-cheek recommendation for Americans back in 1931. He said:

"Every person who owes his life to a civilized society and has enjoyed since his childhood its very costly protections and advantages should appear at reasonable intervals before a properly qualified jury to justify his existence, which should be summarily and painlessly terminated if he fails to justify it."

For the past three years, the volunteer Army has done exactly what Mr. Shaw suggested—except that our appearance before the public jury occurs at weekly intervals through an accessions management system.

In the more than 156 weeks of the volunteer Army's life span, our existence has never been placed in jeopardy because of an occasional failure to meet recruiting objectives. But there have been some anxious moments along the way.

When the last draftee left the Army in November, 1974, the Army reverted back to an all-volunteer force for the first time since 1950. No one said, "Let's form a volunteer force," but in the political campaign of 1968 many championed the end of the draft.

We had, therefore, to eschew old cumbersome and expensive methods of recruiting and look toward more sophistication and institutionalization in order to meet the inevitable challenge of raising a volunteer Army. Nothing was more institutionalized than the draft.

Its epitaph reads like the Mexican expression John Wayne wants carved on his tombstone: *"Feo, fuerte y formal"*—ugly, strong and with human dignity.

Thus, when the induction authority ended on 30 June, 1973, volunteers and recruiters became synonymous with soldiers and salesmen.

Make no mistake about it. Recruiters are salesmen up against some of the stiffest competition imaginable. Besides rival recruiters they encounter other factors.

The recruiter's prime market is the slightly more than 10½ million 17- to 21-year-old male population in the United States. But everybody and his brother and sister seeks the same people for employees or students. To make matters worse, almost half the ten million prospects are, for some reason or other, unqualified for military service.

For example, if a recruiter were to locate 62 prospects outside a bowling alley or high school gymnasium, chances are that 26 would be disqualified for military service and 20 would already be veterans or have pledged to continue their civilian education. That would leave 16 available. Of those left, Department of Defense recruiters would have to sign up two, of which one would have to be obtained by Army recruiters.

To handle this tough job, the U.S. Army Recruiting Command (USAREC) has been given the highest DA priority in quantity and quality of personnel assigned to recruiting duties. Officers are graduates of schools commensurate with their ranks. More important, they have successfully served as commanders before assuming leadership roles in the Recruiting Command.

Enlisted recruiters, the backbone of the force, are all volunteers and high school graduates. Many have completed higher levels of education. Their average age of 34.6 years drops steadily with the infusion of young sergeants into the force. Most have served 12 years in the Army and have attained a GT score of 110 or higher.

In brief, they are dynamic, intelligent, young and experienced professional noncommissioned officers.

Recruiting no longer has the luxury of the draft to take up the slack in filling the Army's needs. Current recruiting calls for top-notch recruiters and guidance counselors who can obtain quality applicants to match the particular job to the title and priority skills required by the Army. It is the job of the more than 4,600 Army field recruiters to fill these needs.

People who say the modern, peacetime Army is without heroes should see these super salesmen in action. They weekly fill the Army's ranks with quality soldiers and get 106 cents' worth for every tax dollar invested in their efforts.

Their families pitch in, too. Often Mom addresses envelopes for her recruiter husband while the kids wait to deliver his direct mailings to the post office.

Army recruiters are walking billboards in the communities they serve and their families help keep them glued together through pressures and demands that no other soldiers face in peacetime.

When Sgt. Maj. Hiawatha Smith, of Montgomery, Ala., retired after more than 30 years' service, most of it in Army recruiting, his wife was at the ceremony. She told his colleagues that out of habit she would still call the District Recruiting Command (DRC) office each week to see if it were "making" its objective.

The Montgomery DRC commander replied, "Mrs. Smith, if we aren't making our weekly objective, we'll be calling you."

G. B. Shaw's requirement for "justification" appears satified, but what are some of the costly projections and benefits Army recruiters enjoy? First, they usually end up with "personalized" assignments, which means they can pick their assignments—within reason. They also receive professional sales training that can be parlayed into a civilian second career.

Other incentives include special duty assignment proficiency pay, stable tours, special awards programs and the challenge and competition of recruiting duty.

Through steady improvement and updating of content in the Army Recruiting Course (ARC) at Fort Benjamin Harrison, Ind., the Army helps recruiters learn the art of selling. There are also professional development programs for guidance counselors, station commanders and DRC commanders that help to increase productivity.

Effectiveness of these development programs is substantiated by a lower relief rate for ineffectiveness throughout the command.

Another rate that continues a downward trend is that of recruiter malpractice. There is no quicker way for a recruiter to lose his or her job than to deceive potential enlistees, provide them with test answers, conceal facts about their backgrounds or engage in other dishonest actions.

Every specific allegation of such practice is formally investigated and reviewed. When there is substantial evidence that a recruiter has committed deliberate malpractice, he is, without exception, reassigned outside the Recruiting Command, regardless of past recruiting and performance records and in addition to any disciplinary actions which may be taken under the Uniform Code of Military Justice. As Mr. Shaw would put it, "his existence" (as a recruiter) is "summarily" (and not too painlessly) "terminated."

Since the beginning of 1976 to date, only .06 of one percent of all enlistments have resulted in substantial allegations of recruiter malpractice. This compares to .13 of one percent in 1975 and .18 of one percent in 1974.

Thus, it is something we constantly watch. Placed in perspective, recruiter malpractice falls far short of being our biggest problem.

While there is no single critical factor (outside USAREC control) which alone affects recruiting success, budget restraints, reductions in military benefits, restrictions on how recruiting dollars can be spent and reductions in recruiter strength all have an impact.

To a lesser degree changes in the marketplace (such as the employment posture) also affect recruiting success. Some of these outside factors include:

LOSS OF THE G.I. BILL

Surveys indicate that this means a reduction of at least ten percent of the Army's high school graduate accessions. It is estimated that the substitute bill involving a voluntary monthly contribution may cut this reduction in half, but it is too soon to tell—we'll just have to wait and see.

THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT

It has created some difficulty in certain areas in obtaining the names of leads for vocational testing in high schools and the necessary follow-up of potential applicants.

ENLISTMENT BONUS

Any erosion or change in this bonus reduces its effectiveness as a selling tool. This may create a loss of combat arms and other critical skills and cause a definite reduction in four-year enlistments.

RESOURCES

Fewer dollars, recruiters and support personnel are available as a result of cuts in the Recruiting Command's budget.

On the economic side, a recent analysis by General Research Corp. indicates that a reduction in overall unemployment from 7.7 percent to 7.1 percent could decrease high school diploma graduates enlisting in the Army by 1.5 percent to two percent annually.

Why the emphasis on high school diploma graduates as a measure of quality? Because it has been shown that a person who finishes high school has a higher probability of staying with something until completed. Our experience shows the loss rate among diploma graduates is much less than among nonhigh school diploma graduates.

Also, the high school diploma graduate is often more trainable because of his or her higher educational level. No doubt about it, taxpayers' money is saved if we can avoid higher drop-out rates among our soldiers.

The number of nonprior service male enlistees with high school diplomas increased from some 78,000 in fiscal 1974 to more than 91,000 for fiscal 1976. Since mid-fiscal 1976, the high school diploma graduate enlistment rate has been on a downgrade, but the CAT IV—the lowest mental category we can accept—content has steadily decreased since fiscal 1974.

Generally, the present recruit compares quite favorably to his predecessor of the draft era. He is as intelligent and probably slightly better motivated because of his volunteer status.

An insight into the character of today's soldier is attained through our advertising program which focuses on the individual, his loyalties and his lifestyle. Our soldier ads are authentic, undoctored testimonies. USAREC's, advertising agency works hard to portray the soldier on the job.

The voices on the radio and the words on the printed page belong to bright, articulate and outgoing soldiers who are photographed in their company areas, with their peers standing by to insure authenticity. Each candidate selected for an Army ad is interviewed by a writer who comes away with some amazing pearls of contemporary language.

An example is Sp. 4 Bill Robenson, of Fort Carson, Colo., discussing his definition of "country." He said:

"A soldier doesn't think a lot about his country. Not while he's doing his job. You think about doing the best you can. About not disappointing your friends. About the man next to you who expects your help. You think about home, or some little place that means something to you. Oh, sure, you sometimes feel that spark of spirit your country stands for. But later."

How effective is the national advertising program? Recent surveys among recruits indicate that Army advertising is believed generally or partically by 69 percent of those engaged in basic combat training or advanced individual training.

Moreover, parents express the opinion that from what they have heard, the Army is changing and becoming more selective in its choice of enlistees. They regard this as a plus because it makes them feel that there are good quality young men and women going into the Army with whom their sons and daughters would associate, instead of those they feel are troublemakers.

Congress has helped in this area by lifting previous constraints on paid broadcast advertising. But rather than leap into broadcast advertising we are compelled at this stage to walk slowly and deliberately. Down the pike we hope to improve our radio and TV advertising programs as we gain experience and our allocated resources.

We have started at a modest level, with our major thrust in spot radio in selected markets where recruiting has failed to measure up to potential.

More help is on the way with a recently instituted program of recruiter aides. These young men and women, who have recently completed advanced individual training (AIT), fan out into their home communities before their first permanent duty asignments. For about 30 days they work with local recruiters, generating leads and discussing Army opportunities with their peers.

Although we place a great deal of hope in our advertising and recruiting aides programs for generating leads, our faith rests with the serving soldiers and their friends who can put the Army over the top in the days of challenge ahead.

Unabashedly, we seek support in an AIDES program that anyone can tackle:

A—Ask a young person to consider an Army career.

I—Invite Army recruiters to participate in your activities.

D—Develop leads on quality prospects.

E—Encourage the hometown media to tell the Army story like it is.

S—Sell the Army in every forum.

If every soldier or friend of the Army would assume the recruiter's mantle as continued, it would be no problem to match the more than 650,000 young men and women who have entered the Army since 1 July, 1974. With the hardest years still to come, the Army can take pride in three successful years; but it would be folly to rest on our laurels at this point.

Recruiting needs the very active assistance of everyone who believes in a strong Army.

Gen. Bernard W. Rogers, Army chief of staff, said, "The challenge of making the volunteer Army work doesn't fall only on Recruiting Command . . . it falls on every one of us leaders. We need your help."

For our part, we will continue to get the right person in the right job at the right time—the three "Rs" of recruiting. We will also strive to increase the numbers of high school diploma graduates and make the most of every recruiter, every employee and every tax dollar.

In sum, the volunter Army is alive and struggling to stay that way with strength and human dignity. G. B. Shaw's alternative is unacceptable.

BEHIND MOSCOW'S "NYET"

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following column by William Randolph Hearst, Jr., editor in chief of the Hearst newspapers. Mr. Hearst's commentary analyzes the recent American initiatives on arms control during Secretary Vance's trip to Russia and the Soviets' reaction to them:

BEHIND MOSCOW'S "NYET"

(By William Randolph Hearst, Jr.)

NEW YORK.—Although Secretary of State Cyrus Vance said he was "greatly disappointed" over the refusal of Soviet leader Leonid I. Brezhnev to give further consideration to two specific arms-agreement proposals advanced by the United States, I suspect that he was not greatly surprised.

Cy is a hard-headed and pragmatic man—or so he has appeared to me over the years I have known him—and any long-term appraisal of the policies of the Kremlin by a pragmatist would indicate that the Russians would not negotiate, at this time at least, on a cutback of their most advanced weaponry. It is simply not the Russian nature.

There was value in his trip to Moscow, however, if it revealed to the starry-eyed liberals and the Carter administration (in what the New York Times poetically calls the "springtime" of its diplomacy) the solid, unshakeable nature of Russian strategy. Now, perhaps, the President and those around him, will see the Soviets with clearer vision, unclouded by wishful thinking.

Soviet policy is really quite simple. It is to achieve and maintain military supremacy. It will not settle for military equality with the U.S. or any other nation.

Without going into all of the details, the Carter proposals, as delivered to Brezhnev by Secretary Vance, would have cut back on a wide variety of strategic and tactical weaponry on both sides, but would have left to future discussions the controls on the U.S.-owned Cruise missile and the Soviet-owned Backfire.

The Cruise is the most advanced weapon in the world's arsenal. It is unmanned, capable of flying beneath radar detection, and delivering an advanced nuclear warhead. The Russians' Backfire is their most advanced weapon. It is the fastest strategic bomber ever built, capable of leaving Moscow, bombing the East Coast of the U.S., and landing in Cuba. It is the equivalent of what our B–1 bomber would be. So, clearly, they are not going to agree to cut back its production or its deployment until they can develop a weapon that matches or supersedes the Cruise missile.

The Kremlin has not forgotten the lesson learned in Cuba during the missile crisis: When we told them to back off or suffer the consequences, they were forced to comply. At that point they resolved never again to rank second in weaponry. At that time, like now, we had a new president, evolving his own foreign policy, and the Russians had hoped to bluff and crowd him a bit for the sake of world prestige. It didn't work, and the ploy backfired.

The Soviets do not seem to fear nuclear war as much as we do. As realists they know that both of our nations have so much sophisticated nuclear capability that we are both in position to administer enormous overkill, either on a first strike basis, or in retaliation. Therefore they consign the nuclear threat to that semi-limbo where abide the threats from poison gas or from bacterial warfare.

Nuclear arms, in reality, are principally for saber-rattling purposes. They are too fearsome for anything else.

On top of that, the Russians have what amounts to supreme confidence in the nonwarring nature of the American people and American policies. They know we will not initiate war. They know that when we had sole possession of the nuclear bomb we did not use it or threaten to. They look, with great comfort, at our long history as peacemakers.

The discussions now revert to "working groups" composed of both Russians and Americans and they will meet in continuing sessions during the next few weeks until a resumption of the SALT talks in Geneva early in May. At that time, presumably, the basic issues again will be considered. Then, however, our chief negotiator—will not be Secretary Vance, but Paul Warnke, who has said that he believes in unilateral arms reduction on the part of the United States. If we cut back, he believes, the Russians will respond with cuts of their own. That alone seems to me like an inducement to Brezhnev to postpone the talks.

The Kremlin strategists believe in an ancient maxim—having the second best military machine is like having the second best hand in a poker game. You lose.

The Soviets with this as their policy are achieving their goals with Angola-like steps in Africa and elsewhere by feeding on the world's unrest.

Thus there may be benefits to us in the long haul if Soviet leader Brezhnev has taught us this lesson. It appears that he might have, for President Carter has stated bluntly that if Moscow balks at further talks he will be "forced to consider" acceleration of American weapons development.

The United States does not want an arms race. It is not only futile, it is wasteful and costly. However, Russia can better afford it than we can, for in many respects the Soviets benefit militarily from their totally-controlled economy; they need only print more rubles to build or buy all of the armament they need or want. We have taxpaying voters to check with.

It stretches reason to believe that President Carter's declamations about human rights in Russia had no bearing on Brezhnev's attitude, even though Secretary Vance went to elaborate lengths to claim otherwise.

Our seasoned reporter, John P. Wallach, White House correspondent and former State Department reporter for The Hearst Newspapers, who accompanied Mr. Vance, reports that there is considerable official resentment in Moscow over what they regard as Mr.

Carter's meddling in Soviet internal affairs. Wallach's interview with Georgy Arbatov, member of the Communist Party Central Committee and director of the U.S.A. Institute in Moscow, reveals deep feelings about Mr. Carter's position.

The Russians are angry, too, Wallach reports, because of President Carter's off-hand remark to the effect that everyone jumps when Brezhnev sneezes—which just happened to follow a major policy speech by Brezhnev. Again, as we pointed out last week, it shows Mr. Carter shooting from the hip in the dangerous area of foreign diplomacy.

These, however, are but details. The important thing to bear in mind is that when it comes to conventional weapons—ships, submarines, tanks, planes, artillery—the Russians far outstrip us. The same holds true for trained men under arms. That, it seems to me, should be our first concern.

MISS AMERICAN TEEN-AGER

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. CORRADA. Mr. Speaker, Miss Widalys Romero López, 14, of Calle Pedro Arcielago, Levittown, Cataño, Toa Baja, Puerto Rico, won the title of Miss American Teen-Ager of 1977 in the 17th annual pageant held at the Sheraton Heights Hotel in Hasbrouck Heights, N.J.

A sophomore at the Albizu Campos High School, Widalys, who is known to her friends as "Gigi," is 5'4" tall, weighs 110 pounds, has brown hair and black eyes. She is an honor student and received certificates of merit in drama and other subjects. She was the winner of an essay based on "The Community." For the past 3 years she participated in such extracurricular activities as drama, chorus, dancing and sports at school. In her spare time, she helps care for her disabled grandmother.

"Aside from the fact that human beings enjoy giving of themselves," she explains, "I wish to develop all of my abilities to the best of my capacity to understand the sorrows and happiness of my people and others—and to project all my love and peace to mankind."

Widalys describes Puerto Rico as historic, appealing, and picturesque. She describes the United States of America as scientific, powerful, and cooperative and herself as humanistic, dynamic, and persistent. She was the first winner of the Miss American Teen-Ager title ever to come from off the mainland of the United States, the first title winner to win the Miss Congeniality Award, an award voted by her sister contestants themselves and also the first Miss American Teen-Ager of Hispanic ancestry.

Judges for the Miss American Teen-Ager Pageant included Virginia Gottermeir, of Teen Beat magazine and Ideal Publications, of New York City; Susan Charney, of Ford Model Agency; Shirley Sinclair, of the Sheraton Heights Hotel and former fashion model; Victor K. Brown, noted New Jersey attorney; Dock Ellis, pitching star of the New York Yankees; and London Lee, popular TV and nightclub comedy star.

Runnerups were Marika Dicklich, 16, of San Gabriel, Calif.; Ronda Pierson, 17, of Zion, Ill.; Julie Ann Gordon, 17, of Gaithersburg, Md.; Deborah Ann Denomme, 15, of Las Vegas, Nev.; Lisa Felicia Masse, 14, of West Hartford, Conn.; and Lora Lee Hall, 14, of Sarasota, Fla.

Forty-three finalists representing as many States and the Commonwealth of Puerto Rico, coming from as far as Hawaii and Alaska competed in the televised finals. Widalys was crowned by her predecessor, Cindy Lee, now 18, of St. Paul, Minn., who won the title of Miss American Teen-Ager last year.

An estimated 250,000 girls between the ages of 13 through 17 entered the Miss American Teen-Ager Pageant in 1976.

As winner of the pageant, Widalys will receive among other prizes, a 1977 Dodge Aspen, the official car of the Miss American Teen-Ager Pageant; a $1,000 Norwegian blue fox pant coat from Flemington Fur Co., a Hollywood, Calif., dream trip, with opportunities for roles in ABC-TV's "Happy Days" and "General Hospital."

The Miss American Teen-Ager Pageant was founded to honor the American teenage girl and the role she plays in her community, including her family and home, her house of worship, her school and community organizations.

SUPPLEMENTAL IRA NEEDED NOW

HON. ROBERT J. CORNELL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. CORNELL. Mr. Speaker, today, on behalf of Representatives FISHER, STEERS, CORNWELL, and HOLTZMAN, I am reintroducing my bill to permit working men and women the opportunity to have a more secure retirement. The legislation would allow employees with low employer-financed pensions the opportunity to supplement such annuities by establishing so-called "supplemental individual retirement accounts." With the addition of these four Members, I am pleased to report that 72 of my colleagues have joined me in endorsing this proposal.

I am sure that most Members of Congress hear daily from their constituents about the inadequacy of social security benefits or other forms of annuities. The supplemental IRA approach holds out the promise that these citizens will be able to prepare adequately for their retirement by establishing tax-sheltered accounts for their later years.

The concept is not a new one. Last year the House approved a similar provision as part of the Tax Reform Act of 1976. Although the section was ultimately deleted from the bill, the Joint Committee on Taxation was directed to conduct a study of the supplemental IRA concept. This study is now underway. I trust the Joint Committee will conclude as 72 of my colleagues have: We should pass this legislation now.

EXPORT ADMINISTRATION ACT AMENDMENTS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. LUKEN. Mr. Speaker, on April 20, 1977, I joined an overwhelming majority of my colleagues in voting for a bill which will make it a crime for American companies and citizens to cooperate with the Arab boycott.

The economic boycott of Israel by Arab League nations has spread to include in some cases their requiring companies in third nations to abide by their boycott as a contractual prerequisite for commerce with Arab nations. The Commerce Oversight and Investigations Subcommittee, of which I am now a member, found last year that in the face of a threatened trade limitation, American companies complied with boycott demands in more than 90 percent of all cases.

It is shocking that foreign interests can so boldly dictate trade practices to American businessmen—even to coerce them into tertiary boycotts of other American companies which trade with Israel or have executives of the Jewish faith. The Oversight Subcommittee reported that at least $4.5 billion of goods in 1974 and 1975 were subject to Arab boycott provisions.

The existing antiboycott policy of the United States has proven to be alarmingly ineffective, with the Commerce Department actually obstructing the spirit of the law by taking no action to stop American companies from having to make a decision on compliance with foreign interference. The companies which have refused to cooperate with the boycott are blacklisted and suffer competitive penalties for their decision. Only by restricting all American businesses, banks, and individuals from honoring the boycott will all be placed on a fair and equally competitive base for seeking business in the Middle East.

By mandating an end to American complicity with the Arab boycott, the House has asserted the principles of fairness and open trade, declaring that the United States will not tolerate discrimination against its Jewish citizens. I would urge my colleagues to insist on this strong stand if the bill must come back before us for a final vote.

PITTSBURGH. REVAMPED AND REVITALIZED

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. MOORHEAD. Mr. Speaker, for too many people the image remains that my home city of Pittsburgh still is the "Smoky City" of the early 1950's.

William Stevens, writing in the April 16 New York Times, puts to rest many of these popular but misguided beliefs as well as many other raps that Pittsburgh has had to bear.

Instead, Mr. Stevens paints a picture of Pittsburgh as a thriving northeastern city which has learned to live with a dwindling population, learned to adjust to tight city budgets, learned to adapt to changing industrial patterns, attracted new industry, and in the process may have established the standard of survival for America's large older urban communities.

Stevens' Pittsburgh, my Pittsburgh, is a delightful city, filled with hardworking, proud people, whose civic pride can be seen in its safe streets and attractive neighborhoods.

Pittsburgh is not without its problems, as Stevens points out, but our city has set sail on a course of rehabilitation and rejuvenation that few cities in the world can match.

For the information of all, I would like to included in the RECORD at this time, Mr. Stevens' article on Pittsburgh:

PITTSBURGH, REVAMPED AND REVITALIZED, SHEDS ITS STEEL-TOWN IMAGE

(By William K. Stevens)

PITTSBURGH, April 15.—In all urban America there may be no more dramatic spectacle than the wonderland that bursts suddenly into view as one emerges from the Fort Pitt Tunnel and sees downtown Pittsburgh, the Golden Triangle, glittering across the Monongahela River.

On a clear night, the impact is almost physical (so close are the skyscrapers, sharp, dark presences aglow with soft yellow light from thousands of windows. The steel-and-aluminum towers are guardians of a resurrected downtown where the safe streets, compact walkability and general warmth have lately been compared to the ambience of San Francisco before World War II.

That may or may not be an exaggeration. But the Golden Triangle is widely perceived as a true gem, a triumph in the city that Charles Dickens is said to have described as "hell with the lid lifted." More important, however, the Triangle is one symbol of the new industrial society that seems to be emerging in what used to be the Steel City.

ECONOMICS FORCED CHANGES

Steel is now only one part, and in some ways, not the most important part, of Pittsburgh and its metropolitan era today. The rebirth of the downtown is also only part of the city's new image.

Metropolitan Pittsburgh has been forced to change by the harsh imperatives of economics. Faced with a steady contraction of the steel-mill workforce in the last 20 years, and a loss of population for at least the last 15, metropolitan Pittsburgh was forced to either change or stagnate. As a result, it is no longer mainly a blue-collar town and no longer a metropolis that depends solely on iron and coal.

"Pittsburgh affords us our first example of zero population growth on a large scale," says Dr. Wilbur Thompson, an urban economist at Wayne State University in Detroit. Pittsburgh seems to be demonstrating that it is possible not only to stay alive, but even to thrive, in a no-growth setting.

And in doing that, Pittsburgh and surrounding counties may provide at least a glimpse of a possible future for the Industrial Crescent of which they are a part—that vast region of 35 million people, containing the bulk of the nation's heavy manufacturing, that sweeps around the southern rim of the Great Lakes from Buffalo to Milwaukee and Green Bay, Wis.

The entire Crescent has entered an age of cutting back as manufacturing has declined in the total economy, and as the competing Sunbelt attracts money, industry and talent. Many of the Crescent's metropolitan areas, not merely the aging central cities, are losing population.

Metropolitan Pittsburgh is leading the way. It has been losing population since the 1960s. The United States Census Bureau calculates that the population of the four counties of greater Pittsburgh fell by 85,000 between 1970 and 1975. The four-county population for 1975 was estimated at slightly more than 2.3 million.

HEAVY DROP IN POPULATION

Downtown renaissance notwithstanding, Pittsburgh proper had an estimated population drop of 8.4 percent between 1970 and 1975, to 476,354, a full 128,000 fewer people than in 1960. Retrenchment has been the watchword of central city Pittsburgh in the 1970s. For every new house that is built in Pittsburgh today, it is reported that four are torn down.

Mayor Peter Flaherty has made Pittsburgh famous for belt-tightening. He has cut city employee rolls by 25 percent since 1970, reduced the uniformed police and fire departments, and, in general, pursued a policy of austerity. He has made many enemies along the way, but he is also widely credited with having saved Pittsburgh from the incipient financial disaster that other cities are facing.

Some steel mills have closed here in the last two decades and automation has caused the workforce to further decline. When new mills are built, they are usually built elsewhere. Consequently, in greater Pittsburgh, only one worker in 10 is now a steelmaker.

The reigning symbol of Pittsburgh today would not be the smokestack or the blast furnace. It may not even be the Golden Triangle, which has the third biggest collection of corporate headquarters.

Instead, it could be the great gothic skyscraper called the Cathedral of Learning, jutting up from the middle of the bustling Oakland section of the city. The university is now the city's biggest single employer, a sign, perhaps, that metropolitan Pittsburgh can survive largely because its sheer size makes it a regional opportunity center.

Another symbol might be any of the small, modernistic research-and-development centers in the hills and valleys of the city's outskirts. Research and development is now the area's third largest economic activity.

The symbol might be the 30-odd European companies, making a variety of products, that have been persuaded by energetic industry-hunters to locate in the nine counties of the Pittsburgh region. Or it might be the Thorn Hill Industrial park in the far nothern suburbs, where modest brick buildings have recently sprouted as headquarters for enterprises ranging from electronics to food processing to the Society of Automotive Engineers. The society moved here from New York in 1974 because it was less expensive to operate.

SHOPPING CENTER AS SYMBOL

Or even Monroeville Mall, the flashy shopping center 15 miles from downtown, a climate controlled small-town center under one roof, with 135 different stores, restaurants, an ice rink, fountains, waterfalls and live foliage.

Before about 1950, Pittsburgh was notorious for its dirt and ugliness and for the general harshness of its existence. Ramshackle buildings, 12-hour work days, lives brightened by little leisure or grace, and above all, the smoke were the characteristics of that era. Photographs showed that the reports of the city were true: The heavy smoke from the mills made it dark at noon.

Pittsburgh emerged from World War II exhausted and rundown, a perfect candidate for the remedy that Frank Lloyd Wright, the architect, is said to have prescribed: Abandon it.

The rise from decrepitude began in the late 1940s, when stiff smoke-control ordinances went into effect. In the 1950s, strong flood-control measures liberated the downtown from periodic inundations. And by the 1960s, the rebuilding of downtown was far advanced.

STEEL INDUSTRY IN DECLINE

Penn's Southwest Association, a nonprofit industry-hunting organization backed by a variety of Pittsburgh interests, estimates that between 1952 and 1962, the nine-county region lost 105,000 jobs all but 5,000 in manufacturing.

From 1962 through 1973, the same region regained 136,000 jobs, of which only 10,000 were manufacturing. This seems to be a clear measure of the variety and diversity of economic effort, and of the shift to white-collar dominance in an area long famous as a blue-collar preserve.

The biggest industry-hunting coup of the Penn's Southwest Association was promoting the establishment of a Volkswagen assembly plant in Laurel Highlands, 40 minutes southeast of the Golden Triangle. The location of the plant, which is to begin operating in a few months, is one aspect of the shift in urban geography that has accompanied the shift in Pittsburgh's economy. Decentralization and dispersal are the key characteristics. The old, centralized metropolis, like a cosmic mass, has broken into swirling submasses that are now congealing around new centers of gravity.

The decentralization of the Pitsburgh area goes beyond conventional suburbanization. Instead, the outer rings are developing into clusters of "mini-cities," usually at the crossroads of major superhighways.

Perhaps the best example is Monroeville, with its mall, about 20 minutes from downtown Pittsburgh. No fewer than five research centers underpin the town's economy, and it keeps growing and growing. Its population is 30,000 and climbing, and already it rates nearly equal billing with Pittsburgh on the road from the airport.

The new Pittsburgh is hardly problem-free, of course. The smoke is mostly gone, but the burning of coal still generates one of the highest concentrations of noxious sulfur dioxide in the country. The rivers are less polluted than they were and gamefish in the Monongahela have multiplied astronomically in recent years, but are hardly pristine.

STILL SOME COMPLAINTS

Pittsburgh proper is ridding itself of substandard, aging housing. But leaders among the city's blacks, who make up about 20 percent of the central-city population, main-

tain that conditions for the minorities is little better than it was a decade ago.

And the new Pittsburgh is built on the availability of energy. The climate-controlled malls, the transportation system that makes dispersal possible, indeed the whole urban structure, is vulnerable to energy shortages. Some authorities believe that because of that vulnerability, the outward spread has gone about as far as it can.

It is problematical whether other cities in the Industrial Crescent can adjust as Pittsburgh has to the era of contraction. Pittsburgh began its downtown renaissance early, perhaps before it was too late. It is renowned for a concerned, committed civic leadership that some other cities may find lacking.

And because its economic shrinkage began early, it did not attract the great post-war waves of Southern migrants as did cities such as Detroit and Cleveland. Consequently, now that industrial decline has reduced opportunity for the unskilled and semi-skilled, Pittsburgh does not now have as many unemployed and unemployable persons as some other cities.

It could be argued, as some Pittsburghers are arguing, that "levelling-off" is the best thing that could happen to any big city in the North. It makes the problems manageable, those city residents say.

In that context, Jay D. Aldridge, executive director of Penn's Southwest Association, might have been expressing the new Pittsburgh philosophy when he said:

"Population growth for the sake of population growth is absolute folly."

THE B–1 BOMBERS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. KOSTMAYER. Mr. Speaker, I rise today to speak about one aspect of the Defense Department authorization which we will consider this afternoon. It has not gone unnoticed this authorization includes $1.1 billion for the construction of five B–1 bombers.

The B–1 is yet another example fitting the pattern of similar projects advanced by the Defense Department in the past.

The estimate of the B–1 has more than doubled from an original $46 million per plane to the latest estimate of $95 million per plane.

And, as with many other military program estimates, as the price has gone up, the performance claims have gone down. Originally championed as being able to travel at three times the speed of sound—we now discover the top speed is actually half that.

The Congress is as much to blame for the continuance of such profligate waste as anyone. The habit around here has been to accept Defense Department requests without sufficient scrutiny of the implications for our budget and other national priorities.

The action we take today to authorize $1.1 billion for the B–1 is not an appropriation—it provides merely the authorization and the time the President requested while he fulfills his campaign pledge to conduct an indepth review of the project.

I hope neither the President, nor the country, will interpret our actions today to be any more than that. In no way should our votes be misconstrued to suggest approval for the B–1 by any of us who grant the President his request.

In fact, quite the opposite is so. Were the President to terminate the B–1, there would be widespread support in Congress. It would be a way for us to send a message to the big spenders at the Pentagon: The Congress will no longer blanketly accept wasteful programs for weapons we do not need and whose contribution to the military superiority which America must maintain is questionable.

GEORGE MEASER, DEDICATED PUBLISHER AND CIVIC LEADER, TO BE HONORED FOR DISTINGUISHED SERVICE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. KEMP. Mr. Speaker, on May 3, one of the most outstanding citizens of New York State will receive the coveted and prestigious Daemen College President's Award.

The recipient will be Mr. George J. Measer, the highly respected publisher of Bee Publications, Inc., one of my constituents and, I am proud to say, a personal friend.

During my years as a resident and as a representative of western New York, it has been my privilege to witness and to enjoy the benefits of George Measer's civic leadership, his studious counsel and his concerns.

These concerns and George Measer's outstanding abilities as a newsman and small business person have not only been invaluable assets to our Niagara frontier community but also to our State and our country. He and his family are dedicated Americans.

It is an honor to join Dr. Robert Marshall, the eminent president of Damaen College, and other friends and guests in honoring George for his numerous contributions to higher education and his consistent service to the broader community.

At this point, I include the contents of a news article concerning the forthcoming award and Mr. Measer's meritorious activities and honors.

George J. Measer, publisher of Bee Publications Inc., has been selected as the recipient of the Daemen College President's Award.

The Award is given annually to a person who has distinguished himself or herself in service to Daemen College, higher education and the community.

Dr. Robert S. Marshall, President of the College, said Mr. Measer will be honored the evening of May 3 at the third annual President's Scholarship Dinner. The event raises scholarship funds solely on the basis of academic excellence.

Mr. Measer, whose firm publishes five suburban weekly papers, the Amherst Bee, Cheektowaga News, Depew Herald, Clarence Bee, Lancaster Enterprise and Suburban Bee, is president of Western New York Offset Press Inc.

He is a member of the Council of the University of Buffalo, the Citizens Advisory Council of the University of Buffalo, the Journalism Council of St. Bonaventure and the Public Information Committee of the Cancer Society.

Mr. Measer is past president of the New York Press Association, past president of the Western New York Publishers Association, past director of Sigma Delta Chi, Greater Buffalo Chapter, and is currently a Director, National Newspaper Association, and a member of the Suburban Newspapers of America.

He was the chairman of the Village of Williamsville's 175th anniversary in 1975 and Bicentennial Chairman for the Town of Amherst in 1976. He is past president of the Amherst Chamber of Commerce, a member of the Liaison Committee of the Millard Fillmore Suburban Hospital, where he also serves as a director, and a member of the Buffalo Area Chamber of Commerce.

Mr. and Mrs. Measer have three children and live on Oakgrove Drive in Williamsville.

Prior recipients of the Annual President's Award are Willard Genrich, and Mrs. Marie Corcoran.

DIVESTITURE EDITORIAL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. UDALL. Mr. Speaker, I would like to share with my colleagues an editorial from the Fort Wayne Gazette-Journal. I believe it is important for us, as we analyze the President's fine energy program, to remember the importance of increasing competition in all energy markets.

I believe that in the long run prices are best set by the free market system. Unfortunately, a free and competitive market does not now exist in the energy industries. I have joined with a number of my colleagues in proposing legislation to create competition in energy markets. The following editorial, written by Lou Wein of the Gazette-Journal's staff, provides a succinct evaluation of divestiture:

BREAKING UP THE ENERGY INDUSTRY

Rep. Morris Udall of Arizona recently introduced what the late Sen. Philip Hart of Michigan would have called a "modest little bill" to break up the oil industry's vertical and horizontal structuring. Mr. Udall's Energy Industry Divestiture Act is a promising little bill too.

In just three and a half pages, the divestiture legislation neatly handles the immensely complicated job of reorganizing the nation's energy giants over a five-year period. The bill's objective is to promote competition in an industry which exhibits many typical trappings of anti-competitive behavior, but which doesn't always fit into the classic mold of monopoly.

Mr. Udall's bill is straightforward, and its intent is crystal clear. It doesn't leave room for the courts to second guess the Congress. The measure contains five well-conceived provisions to restructure the energy industry.

First, during the next five years, the bill would phase out the energy companies' horizontal control of the nation's three primary energy sources—petroleum and natural gas, uranium and other fissionable mineral and coal. Each company would be allowed to control only one of these energy resources. Second, in the same time frame, the bill would separate the vertically integrated oil companies into production, refining, transportation and retail marketing entities.

Third, the bill would make the Federal Trade Commission the referee to monitor industry compliance with the horizontal and vertical divestiture schedule.

Fourth, the bill would prohibit the major oil companies and their affiliates from undertaking joint energy ventures unless the attorney general certifies they are beneficial to competition.

Fifth, the bill would outlaw any individual from joint participation as a director, officer or employe of two or more companies involved in coal, oil and gas, or uranium and other fissionable minerals.

Divestiture is an issue the Congress should not place on the legislative back burner, as many energy industry interests would of course prefer. The Congress should pride itself as the national forum where the merits of both sides of a great issue prevail over everything else. Both sides should concede that the structure of the nation's energy industry is directly related to, and probably the key factor in, the development and use of energy. It's a relationship that played a major contributing role in the nation's energy crisis. It will largely determine the success or failure of President Carter's national energy policy.

The Udall bill, for example, limits the industry's role in fossil and fission fuels, but doesn't restrict entry into geothermal, ocean-thermal and solar energy. That redirection of private-sector initiative may harmonize with the President's expected long-range emphasis on thermal and solar energy in his national energy policy.

Focusing strictly on divestiture's non-energy policy implications, the case for a vertical breakup alone is strong but not overwhelming. Yet as the oil companies vigorously expand their operations horizontally into coal and uranium, the case for vertical divestiture gains new strength since the horizontal or classic monopoly power is transmitted directly up the vertical structure into the marketplace.

That dynamic makes a potent argument for divesting both horizontally and vertically at the same time. And that's why Mr. Udall's legislation is considerably stronger than earlier measures addressing only vertical divestiture.

FINANCING PUBLIC INTEREST LAW

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, from our student days to the present, when we sit as representatives of the people, you and I have witnessed and appreciated the vitality and viability of our constitutional system of checks and balances. It is that dynamic which has helped safeguard our federal system from the overreaching grasp of any of our three separate and coequal branches of government.

Our citizens, too, must serve to check and balance governmental power. Yet, in recent years, many Americans have felt helpless in the presence of a growing and pervasive bureaucracy, like woeful Davids confronting a faceless Goliath. Few slingshots could overcome those odds.

Since the late 1960's, a new force of public-spirited lawyers has assisted many citizens—particularly those with the least access to the legal system—address their grievances. The relatively small number of these public interest lawyers belies their accomplishments. In the following article from the March edition of the American Bar Association Journal, Mitchell Rogovin details their achievements and suggests new methods for financing public interest advocacy. As I am sure you know, Mr. Rogovin has served with distinction in and out of government, always as a defender of the public interest, and his views are worth our consideration:

PUBLIC INTEREST LAW—THE NEXT HORIZON

(NOTE.—Public interest law can point with pride to some remarkable contributions to the political process, but now steps must be taken to assure that public interest lawyers become a permanent part of the legal community. A dues checkoff system within the American Bar Association would give lawyers a chance to support public interest, as would broader legislation for the allowance of attorneys' fees.)

Of the four hundred thousand lawyers in the United States, only about six hundred work for the nonprofit, tax-exempt groups that have "public interest law firms." While they constitute only one thousandth of 1 per cent of the profession, these public interest lawyers have had a significant effect on the American legal system. Just what have they done, and why has their impact been so great?

Public interest law is the name that has been given to efforts to provide legal representation to groups and interests that have been unrepresented or underrepresented in the legal process. These include not only the poor and the disadvantaged but ordinary citizens who, because they cannot afford lawyers to represent them, have lacked access to courts, administrative agencies, and other legal forums in which basic policy decisions affecting their interests are made.

A recently completed study by the Council for Public Interest Law, *Balancing the Scales of Justice*, revealed that there are nearly one hundred public interest law centers in operation today. That number, however, does not include the scores of legal aid societies, public defenders, and neighborhood legal services offices across the country that are providing important day-to-day services to needy clients. It includes only policy-oriented groups that are concentrating on broad impact cases in which the decision will affect large numbers of people or advance a major law reform objective.

These policy-oriented public interest law centers got their initial impetus from lawyers working to provide equal treatment under the law for those who could least afford the financial costs—racial minorities and the poor. The progress achieved by minorities and the poor since the early 1960s in education, employment, housing, voting rights, and public accommodations has been in significant part the result of actions undertaken by the public interest bar.

But as many social commentators have pointed out, it is not just the nation's disadvantaged and poor who often feel helpless in our society. Millions of middle class Americans, faced with governmental and institutional conduct they do not like but cannot seem to change, feel frustrated and overpowered. They read in the newspapers about impure drinking water and unsafe products, about sky-rocketing utility bills and corrupt politicians, and they feel they can do nothing about these problems. What public interest law has shown is that sometimes something can be done—that with effective legal representation citizens can often make their voices heard and help shape the public policy decisions that affect their lives.

It was in the late 1960s that the first public interest law centers concentrating on issues affecting broad segments of the public, such as consumer and environmental protection, began operations. These centers were established in response to the problem that policy formulation in our society is too often a one-sided affair, a process in which only the voices of the economically or politically powerful are heard. While special interest groups with substantial financial resources typically are able to marshall teams of lawyers and other experts to plead their case before courts and government agencies, ordinary citizens, because they are poorly organized and without financing, are unable to purchase the legal representation necessary to make their interests known, too. As a result, legal rights and regulatory schemes established by Congress and the states to protect the public interest have been undermined and citizen interests have suffered.

Public interest law centers, by giving voice to citizen views in public policy deliberations, have made great strides in correcting this imbalance and assuring that government works for everyone, not just the rich and powerful. Because of their work, our political system is functioning not only more equitably but more efficiently and responsively as well. This can be seen and documented in a number of important areas.

PRODDING FOOT-DRAGGING AGENCIES

To begin with, public interest lawyers are helping to ensure that governmental agencies are implementing statutes as Congress and state legislatures intended. Many a well-drawn law has remained mere words on the statute books because of ineffective enforcement. By carefully monitoring administrative agency activity, these lawyers have substantially improved administrative enforcement of statutorily mandated rights and programs.

Take, for example, a case involving enforcement of a federal drug safety program. In 1962 Congress passed a law requiring the Food and Drug Administration to remove all ineffective drugs from the market. Despite the findings of National Academy of Sciences-National Research Council review panels that a high percentage of drugs on the market were ineffective, the F.D.A. took little action. Engaging in what a federal court later called "intolerable procrastination" and undue "solicitude" for the industry, the F.D.A. would typically conclude that a drug was ineffective and then grant the manufacturer additional time to bolster the record on effectiveness, meanwhile allowing the manufacturer to continue selling the drug.

Disturbed by this foot dragging, which had gone on for eight years, the American Public Health Association and the National Council of Senior Citizens turned to the Center for Law and Social Policy, which filed suit on their behalf to compel the F.D.A. to

speed up its enforcement. That suit was won in August, 1972, when the court ordered the F.D.A. to act immediately to remove all ineffective drugs from the market. American Public Health Association v. Veneman, 349 F.Supp. 1311 (D.D.C.). But even before that decision was handed down, the F.D.A., apparently in response to the center's challenge, had increased the manpower working on safety and efficacy reviews from three to fifty and speeded them up significantly. One former F.D.A. official commented, "The center's suit resulted in the F.D.A.'s timetable being reduced from forty years to four."

Another area in which vigorous monitoring of agency action has been crucial to effective enforcement of the law is protection of the environment. In 1972 Congress passed amendments to the Federal Water Pollution Control Act that made it the nation's first tough, comprehensive clean water law. The act's goals of restoring all the nation's waters to "fishable and swimmable" quality by 1983 and of completely ending water pollution by 1985 were highly laudable, but the question was whether administrative enforcement would be vigorous enough to meet those goals.

To ensure strong enforcement, the Natural Resources Defense Council set up a project on clean water to serve as a watchdog for the Environmental Protection Agency's application of the law and to work with interested citizen's groups around the country. When E.P.A. missed fourteen rule-making deadlines in the first few months after the act was passed, the council brought a suit that resulted in a court-ordered schedule for publishing those regulations. *Natural Resources Defense Council* v. *Fri*, 5 Envir. L. Rep. 20173 (D.D.C. 1974). When E.P.A. missed its deadline for issuing regulations to set limits for the discharge of industrial pollutants, N.R.D.C. brought suit again; as a result, the regulations were finally promulgated. *Natural Resources Defense Council* v. *Train*, 510 F. 2d 692 (D.C. Cir. 1975). These actions have led E.P.A. Deputy Administrator John Quarles to hold up N.R.D.C.'s project on clean water as an example of an effort that has had an "astonishingly effective impact on the conduct of [federal] environmental programs" aimed at pollution.

Another important area in which public interest law centers have sought to guarantee that public agencies are serving people in the way that legislators intended is health care, especially for children and the poor. Centers have been instrumental in forcing effectuation of two significant health programs that had been virtually dormant because of administrative lassitude. In one case Congress had enacted in the 1967 Child Health Act a provision that required states to include periodic screening, diagnostic services, and treatment programs for poor children in their medicaid programs in order to assure the early identification and treatment of health problems. The program was designed to make available preventive health care to the roughly thirteen million children whose families cannot afford regular medical checkups.

Despite the clear congressional requirements that this care be included in state medicaid programs, years passed, and the Department of Health, Education, and Welfare still did not issue regulations directing the states to begin the services. After unsuccessfully trying to prod H.E.W. at the administrative level, the Children's Defense Fund decided to restort to the courts. In the fall of 1972, on behalf of the National Welfare Rights Organization, C.D.F. won an out-of-court settlement in which H.E.W. finally agreed to issue regulations. C.D.F. and the National Health Law Program then followed up by assisting legal services attorneys in about a dozen states to file lawsuits to force states to set up screening programs. As a result of these efforts, approximately three million children have been screened through the diagnostic program, about half of whom have required follow-up treatment for health problems that probably would have remained neglected.

Again taking legal action to transform paper programs into real benefits for people, lawyers at the Food Research and Action Center have gone to court several times to force the Department of Agriculture to put into motion a federal child nutrition program authorized by Congress in 1972. The program, called "Women, Infants, Children," was designed to provide twenty-five dollars worth of especially nutritious food each month and regular medical screenings to low-income pregnant mothers and to children up to the age of five in order to stop the brain and growth damage that malnutrition causes in infants and young children.

But the W.I.C. program remained only an empty promise because U.S.D.A. officials refused to spend appropriated money to draft the regulations needed to put the program in motion. So in 1973, the F.R.A.C. sued the U.S.D.A. and won a court order requiring the agency to implement the program. Dotson v. Butz, unreported, D.D.C. in 1973. When the U.S.D.A. continued to lag, F.R.A.C. went to court again, eventually seeking and obtaining several additional court orders directing the department to stop delaying the program. As a result, the W.I.C. program is now in operation, serving up to 550,000 children and mothers each month.

WORKING WITH AGENCIES AND LEGISLATURES

Conscious that court actions are a last resort to improve agency performance, public interest lawyers, whenever possible, have tried to make their case at the administrative level by participating in agency proceedings and co-operating with agency officials: bringing new ideas or information to their attention, assisting them in analyzing scientific data and interpreting technical aspects of the law, and, most important, providing key support for agency officials when they are under siege from recalcitrant industry interests.

The Center for Auto Safety, for example, has sometimes served as a crucial ally to the National Highway and Traffic Safety Administration, which is responsible for setting automobile safety standards. In one case the agency proposed a standard limiting the flammability of car upholstery materials to a burn rate of four inches a minute. The industry was arguing for a burn rate of up to fifteen inches a minute. The center, pointing to a study showing that fifteen inches a minute is a burn rate roughly equal to that of paper toweling, argued for a zero-inches-a-minute rate, helping the agency to overcome industry criticism and to stick with its four-inches-a-minute standard.

Although much of what public interest law has accomplished has been done by making certain that public officials are properly carrying out statutes, in some cases it has been the work of the centers themselves that has inspired the passage of new legislation. For example, in 1974 the Environmental Defense Fund released a study done by its scientists that linked the presence of a number of cancer-causing substances in Mississippi River drinking water to higher cancer rates among the populations using that water. Wide publicity ensued, including a Columbia Broadcasting System television report for which E.D.F. did the research, that raised serious questions about the safety of the nation's drinking water. The furor caused by E.D.F.'s findings, coupled with similar findings by the E.P.A., forced a previously uninterested Congress to pass the Safe Drinking Water Act in December of 1974.

REFORMING PUBLIC INSTITUTIONS

Another major role of public interest law has been to assert new constitutional theories in order to achieve reforms of public institutions such as schools, mental hospitals, and persons. In several cases court actions brought by public interest lawyers won changes after all previous attempts at reform had failed.

In 1975, for example, lawyers from the Mental Health Law Project and the American Civil Liberties Union—asserting that the Constitution gives involuntarily confined mental patients a right to treatment—won a landmark Supreme Court ruling that a state cannot, under the Constitution, continue to confine against their will mentally ill persons who are not dangerous to themselves or others and who are receiving only custodial care. *O'Connor* v. *Donaldson*, 422 U.S. 563 (1975). That case, which potentially affects more than two hundred thousand persons who are involuntarily confined in mental institutions, arose in 1956 when Kenneth Donaldson, at the age of forty-eight, was involuntarily committed to a Florida state mental hospital because he purportedly suffered from harmless delusions. The judge told him he would be there "for a few weeks," but almost fifteen years later he still remained in locked wards against his will and receiving no treatment. Finally, his public interest attorneys obtained his discharge and subsequently won the Supreme Court ruling. By forcing the treatment or release of nondangerous mental patients the lawyers hope to provide leverage to convince localities to set up community-based treatment centers to give those patients the care they need.

Earlier cases brought by public interest lawyers, often using constitutional arguments, led to important court rulings requiring local school systems to give suitable educational opportunities to physically or mentally handcapped school-age children. In one of those cases it was found that the District of Columbia Board of Education had illegally failed to provide access to formal education for as many as 80 per cent of the estimated twenty-two thousand district of Columbia children who have speech or learning disabilities or are blind, deaf, retarded, or emotionally disturbed.

FUTURE OF PUBLIC INTEREST LAW

These are but a few of the cases that demonstrate the value of public interest law in making governmental institutions more accountable and responsive to citizens' needs. But of these centers are to continue to make important contributions to our political process, steps must be taken to assure that they become a permanent part of the legal community. There is currently one major roadblock, however, to the continued viability of public interest law; lack of adequate and stable sources of funding.

The funding of public interest law centers has increased steadily as their accomplishments have become known, growing from $25.8 million in 1972 to $40.1 million in 1975. Their resources, however, are still far from adequate—indeed, meager in comparison to those of the private bar. The $40.1 million attracted by public interest law centers in 1975, for example, is roughly equal to the annual billings of but two of the largest Wall Street corporate law firms. According to the Bureau of the Census, the gross receipts of the private bar in 1972 alone were $10.8 billion.

The principal sources of funding for public interest law have been foundation grants, government funds, and contributions from the general public raised through direct mail appeals. While many private lawyers and bar associations have contributed time and moral support to public interest law programs, financial support from the private bar has been negligible. It is time that the legal profession itself begin to pay for these programs—programs that are taking the profession's concept of justice for all and translating it into concrete reality.

An American Bar Association voluntary dues checkoff system, in which members could make donations in support of public interest law activity through the annual dues process, could help provide these groups with the regular, institutionalized funding base they so critically need. The State Bar of Arizona has instituted a dues checkoff system, and it is a model that should be emulated by other state bars as well as by the American Bar Association.

Because public interest law centers are so heavily involved in the monitoring of government, it is crucial that their major support continue to come from non-governmental sources, but there are steps the government itself could take to strengthen the funding of these centers and not compromise their independence.

The Federal Trade Commission last year instituted a program to provide financial assistance to citizen representatives who wish to participate in F.T.C. rulemaking proceedings but could not afford to do so. According to the former bureau chief in charge of this program, the $500,000 the F.T.C. has given in grants so far has resulted in "rave reviews" for citizen participation from the agency's staff. A bill to authorize all federal agencies to fund public interest representation in their proceedings, as well as to permit court awards of attorneys' fees in judicial review of agency actions, was introduced in the last session of Congress. It was reported out of the Senate Judiciary Committee but died on the Senate floor. Its sponsor, Senators Kennedy, Democrat of Massachusetts, and Mathias, Republican of Maryland, have promised to reintroduce it this year. The American Bar Association's endorsement of this legislation could be the key to its passage in the new Congress.

Taken together, these proposals for new funding through the bar and government would help to build into the American legal system permanent mechanisms for assuring that citizens views are heard regularly by policy makers and that the entire legal process functions with the fairness and equity that the canons of our profession demand.

ACTION IS NEEDED NOW ON THE DEFENSE COOPERATION AGREEMENT WITH TURKEY

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. TREEN. Mr. Speaker, last week several members of the House Armed Services Committee visited Turkey. We had the opportunity to meet with Ambassador Macomber, Gen. William Knowlton, Commander of Land Forces, Southeast, for NATO, as well as other United States and Turkish military leaders. The effects on NATO readiness of the U.S. embargo of arms and equipment to Turkey is very serious indeed. Our delegation will be issuing a report to the Congress on our findings and impressions, so I will not go into detail at this time.

However, I believe that I speak for most, and possibly all, of the members of our delegation that visited Turkey in saying that we should do everything possible to have the defense cooperation agreement with Turkey, which was negotiated by the previous administration, approved by the Congress at the earliest possible time. Our NATO readiness is at stake, and the political implications for our relationship with Turkey, if we fail to take action soon, are most worrisome.

The issues arising from the several conflicts between Greece and Turkey are complex and every effort must be made to resolve them. But we should not defer approval of the defense cooperation agreement to the solving of those problems. In this connection, I found the Rowland Evans and Robert Novak column, which appeared in this morning's Washington Post, an excellent statement on this subject. The article follows:

TURKEY'S TROUBLED "U.S. CONNECTION"

(By Rowland Evans and Robert Novak)

ANKARA.—Prime Minister Suleyman Demirel, the foremost Americanist in the bitter election campaign being fought out here, received a fluffy, no-comment reply when he asked President Carter earlier this year for an end to U.S. pressure on Turkey and restoration of the old intimacy.

Declining to discuss details of his letter or the reply, Demirel nevertheless left no doubt in an interview with us that the break between the two countries—triggered by the 1974 U.S. arms embargo and Turkey's closing of U.S. bases here—was having a profound impact on Turkish politics.

Demirel may be able to defend his two-year record as prime minister against increasingly harsh attacks from his main opponent, left-leaning Bulent Ecevit, on such traditional issues as the economy, growing student terrorism, soaring unemployment and inflation. His real vulnerability in the June 5 election, however, will be his inability to explain why the United States has subordinated its NATO alliance with Turkey to the relatively inconsequential Greek-Turkish dispute over Cyprus.

"I cannot defend the U.S. in this campaign," Demirel said, "and our relationship with the U.S. is certain to become a very big issue. All I can do is defend myself and my feeling for the U.S. I can say this is a good—was a good—relationship."

Demirel wants Carter to take one positive step: Persuade Congress to approve the U.S.-Turkey defense agreement signed with fanfare 13 months ago. That does not mean simply talk about the administration's hope that Congress will approve the new defense pact and its provision for grant military aid, as expressed by Vice President Mondale Wednesday. It means a sustained White House commitment to moving the agreement through Congress. Lacking that, Demirel can be painted into a corner by Ecevit—accused of signing a meaningless agreement that he cannot persuade the United States to carry out.

Beyond this surface political fact, a psychological shift in Turkish politics is building that transcends any agreement: a potential shift of the political base, dominated by strongly pro-American forces for more than two decades, to something not yet definable but deeply foreboding for the United States. In short, the growing perception here that the U.S. connection apparently cannot surmount the issue of Cyprus has provided an opening for political trends that see Turkey's future in wholly different modes.

It would be a mistake to overstate this danger, but historical facts point straight to it. When modern Turkey, one of the few remaining democracies, was founded on the ruins of the Ottoman Empire by Ataturk after the First World War, it followed conscious neutrality until just before the end of World War II. As one of the world's foremost Moslem states, it has deep cultural and historical ties to the Middle East. Contacts have been growing between youthful military officers in Turkey's superb army and such rabid, anti-Western radicals as Libya's Quaddafi.

Serious Turkish politicians now warn privately that with the American connection coming into question, a new political movement founded on Moslem nationalism and looking east and south cannot be ruled out. An experienced British diplomat put it grapically to us: "What is your country doing? My God, if the Soviets could detach Turkey from NATO the result would be catastrophic."

Ecevit himself suggested that political change stimulated by U.S. punishment for the Cyprus invasion could lead Turkey down new roads. In an interview with us last week in Istanbul (where he was campaigning in a white, all-purpose campaign bus topped with loudspeakers), he said he believes Demirel to be "very vulnerable" because of U.S. failure to approve the new defense agreement.

"The Turkish people are not adventurers," he told us, "but they know they can no longer rely exclusively on American military aid and cooperation. We must learn to take care of ourselves but without upsetting the balance in the world. We know the world is not what it was more than 20 years ago [when Turkey joined NATO] and that we can afford to follow a more flexible policy." Referring to the Greek lobby in the U.S. Congress, he said: "I do not criticize ethnic politics. That is for you to decide. But we must evaluate it realistically."

During the last two years of decay in the American connection, the Soviet giant to Turkey's north has conducted an impeccably correct policy here, waiting for the "realistic evaluation" to ripen. The Kremlin's program to exploit the bitter feelings here for the United States—and what Moscow hopes to accomplish—will be discussed in a final report from Turkey.

HARVEST IN VIETNAM

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. HILLIS. Mr. Speaker, I found the following article, "Harvest in Vietnam," as printed in the Wall Street Journal of April 21, 1977, to be of great interest. This is the first information I have seen in the press dealing with the denial of human rights of South Vietnamese by North Vietnamese.

In keeping with the present administration's position on the issue of human

rights, I feel the proper congressional committees should look into this situation. If the information contained in the article is correct, it must be determined what the appropriate response of the Congress should be.

The article follows:

HARVEST IN VIETNAM

During the last months of Lyndon Johnson's presidency, when our national debate over the Vietnam war had entered its ugliest phase, Mr. Johnson sometimes used to defend his policies by warning about the Communist tyranny that would descend on South Vietnam if we withdrew our war efforts. His opponents would reply that his picture of Communism was a paranoid fiction, that the harsh conditions of North Vietnam were hardly likely to be replicated in the south, or that it was hard to imagine anything worse than the repressive South Vietnamese regime that the Americans were already supporting.

For better or for worse, history has given us the opportunity to judge the debate; and in recent months even some of the most vocal antiwar protestors of a decade ago have shown signs of now knowing that Mr. Johnson's prediction was not so paranoid after all.

A few weeks ago The New York Review of Books reprinted without editorial comment an interview given to the French newspaper L'Express by Andre Gelin, a priest expelled from Vietnam by the new regime after he had lived and worked there for 28 years. Father Gelin told in some detail how the South Vietnamese revolutionaries had been displaced by rulers from the North. He described a regime without even the remnants of shame about its complete lack of political liberties. He recounted massive violations of human rights—imprisonments, forcible deportations, executions, forced migrations and their attendant deaths. And he described an economy in ruins, with the South Vietnamese reduced to physical misery.

It was remarkable that such a document should appear in the New York Review, a journal that had printed some of the most violent of the opposition to the American anti-Communist effort in Vietnam. But the latest issue of Worldview Magazine makes clear that this article was only one sign of the distress in the old antiwar movement.

Worldview gives us another description of life in postwar South Vietnam—this one by Theodore Jacquency, who quit the State Department in protest over continuing American support of Nguyen Van Thieu. Mr. Jacqueney describes the conditions in South Vietnam's "re-education" camps for the politically retrograde and dangerous. The camps house some 300,000 souls, at a widely accepted minimum estimate, and their guests include many of the prominent opponents of the Thieu regime. By now, reports are numerous and reliable enough for one to conclude that conditions in many of the camps are nothing less than disgusting, and that those who run them must be called despicable.

We also learn from an article by James Finn in this same issue of Worldview that such reports have come to disturb more and more of those who protested our involvement in Vietnam. Mr. Finn says that antiwar concern over human rights violations by the Communists began to show effect about six months ago, when several antiwar activists started writing private letters to the Vietnamese observer to the UN to ask for an accounting of all the stories of arrests and detentions. There were no answers. Finally the activists made their request public in a petition signed by a collection of antiwar luminaries, including Joan Baez, Daniel Ellsberg and Staughton Lynd.

The petition was no denunciation of the new regime; it was merely a request for an inquiry. And the Vietnamese, needless to say, did not make a cooperative response. But this public act was enough to touch off a controversy among doves that is still growing. On one side, some from the antiwar movement—Richard Falk, Cora Weiss—replied that the present suffering of the Vietnamese people should be laid at the doorstep of America and its war. On the other, movement participants have produced more news of atrocities and more protest against them.

The present awakening is not without its interest to those of us who watched antiwar protest grow during the 1960s. One sees, first of all, that many of its leaders were well-meaning men and women who are now willing to voice their doubts about the new regime despite a certain embarrassment to some of their past political declarations.

But one sees even more clearly that the embarrassment—and more—is richly deserved. These atrocities in the new Vietnam are not universally surprising accidents of history; these were things that were predicted and could have been known. Our experience of the postwar years has quite clearly been that Communist regimes practice repression on a larger, more irreversible and thus more monstrous scale than that of less ideologically inspired tyrants; one could not have trusted this experience and at the same time reviled America and American motives in Vietnam as the antiwar movement came to do. Perhaps next time around in our debates about foreign policy, we can be spared this particular kind of blindness about the nature of the world we have to deal with.

INDEXING OF FEDERAL TAX LIENS

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. HOLLAND. Mr. Speaker, the Tax Reform Act of 1976 added a provision to the Internal Revenue Code that requires the Internal Revenue Service to maintain in each of its district offices an index of the notices of tax lien that have been filed with the appropriate State or local office. The provision was enacted in response to a court decision holding that a purchaser of a residence from a delinquent taxpayer took the property subject to a prior tax lien where the notice of the tax lien had been filed by the IRS but had not been indexed or recorded by the clerk for the local recording office.

The Federal indexing requirement has caused a number of problems. First, implementation of the new system has been costly to the Federal Government. On a long-range basis, I have been informed that the cost of maintaining the index may run to nearly $1 million a year. This is a significant cost to provide a public index that is repetitious of the public index that is maintained in some form in every local jurisdiction in the country. Second, the indexing requirement will impose a significant burden in searching titles in connection with real estate sales. The title searcher will have to check the records at the local courthouse and also at some distant district IRS office for Federal tax liens. The extra cost will eventually be passed on to the consumer in the form of higher fees to search a title.

My amendment would eliminate these problems by repealing the costly IRS indexing requirement and providing remedies that are specifically targeted for the situation involved in the court decision. Under my amendment, the IRS would be required to discharge a tax lien against a personal residence if the notice of tax lien was not properly recorded at the time of purchase in the office designated for filing these notices. In these cases, the purchaser could request a discharge of the tax lien under an administrative procedure within the IRS and he could have his right to receive the discharge adjudicated in a U.S. district court.

I believe this approach will specifically deal with the problems raised by the court decision in a manner that is far less costly to the public and the IRS. In addition, it is estimated that this provision will not result in any revenue loss.

My amendment provides essentially the same solution suggested recently by the Acting Commissioner of the IRS to the staff of the Joint Committee on Taxation.

THE EQUAL RIGHTS AMENDMENT

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mrs. CHISHOLM. Mr. Speaker, the equal rights amendment has suffered three serious setbacks recently when the legislatures in Florida, North and South Carolina failed to ratify it. This amendment, which states simply that no individual's constitutional rights can be denied or abridged on the basis of sex, is a modest and appropriate first step in our efforts to end the pervasive discrimination against women. It is a concept whose value no thinking American can deny.

Yet, the campaign against ratification throughout the country has been emotional and bitter, and the opponents of the ERA have distorted both the purpose and the potential of this amendment to the extent that few Americans realize what the ERA would do. In the meantime the disparity in pay, in social security benefits, credit practices, and property laws affecting women, is still in evidence in this country. If we are going to be serious about fully extending individual rights to all Americans, then it becomes necessary that we secure those rights legally; and it is time—past time—that women be recognized as equals under the law.

Ellen Goodman's insightful article in today's Washington Post details how necessary the ERA is and how, ironically, many of our citizens do not yet recognize how much discrimination women at all levels in our society face. I would like to insert her article in today's RECORD:

SOUTHERN WOMEN IN THE ERA

(By Ellen Goodman)

BOSTON.—I was in Virginia on the day they opened debate in Florida on the Equal Rights Amendment.

I was riding through the lush Southern countryside, overwhelmed by the peak season of azaleas and dogwood, when Lori Wilson, of Cocoa Beach, closed the Florida Senate's debate with a plea: "ERA is going to be ratified, so just one time let it be because of the South, not in spite of it."

My destination was a small college founded by Baptist women at the beginning of the century. A college of 700 women students, mosty white and nearly all Southern. The average income of the families that send their daughters to this contained brick campus in the country is $30,000.

I was invited there to talk with the seniors at their last class dinner, two weeks before they left the womb of the college (in the 16th year of their prepackaged school lives) and took their first steps out of the shelter.

The dean had cheerfully introduced me as "an emissary from the real world."

The escort was a senior with curly brown hair, a smile and a bright printed skirt. Her teaching degree was about to be signed, sealed and delivered. We talked about jobs, and we talked about her mother, a woman in her mid-40s who was trying to change her own life, now that the children were grown.

Maybe, I thought, the South wasn't that different. At least not on its northern border. By the time we sat down for dinner in the wood-beamed dining room with 150 seniors and alumni, the ERA has been defeated in Florida.

My topics were life choices and change, some of the new conflicts and opportunities there were for men and women in this society. They were some of the same things that had been discussed recently at Yale and the University of Minnesota.

But this audience was different. Quiet. Not merely polite, but both intense and subdued. I wasn't able to understand it until later. It was clear from the questions that the 22-year-old almost-graduates on this Virginia campus were hearing fresh, "new" information.

It appeared that they didn't know that half the mothers in the country are working outside the home. They didn't know that the average work-life of the American women is 25 years. They didn't know that fewer than 10 per cent of American families are still "typical"; a daddy at work, a mommy at home, and two kids. They didn't know that the wage gap between men and women has increased in the last five years. And they didn't know that a divorced homemaker can lose her Social Security.

Only the emissary from the real world seemed to know the odds: That these seniors would have to take care of themselves and possibly their families, for much of their lives.

Of course, there had been changes on this manicured campus. There was a new "lifestyle" committee. There were thoughtful administrators and some very astute students. The almost-graduates worried more about jobs and less about wedding rings than the alumnae had at their age. It seems that their basic life plan had at least adjusted to a delayed timetable.

But there were so many who were so obviously unprepared.

I didn't read about the Florida defeat until the next morning on my return flight. Then, somewhere over New Jersey, I wondered about the crucial importance of the "New" South, that big blank on the ERA map: 10 states, and not one of them for the amendment.

Will it be a minority of men in a minority of states who deny equal rights to the women of the entire country? Will they do it in the name of protection? Will the ERA be defeated because of the South, not in spite of it?

The South "protects" women—from reality, from planning their futures—while they stay in duly appointed shelters. It may well be the South that keeps all women as unprotected in the real world as the eager and pretty and bright and naive almost-graduates of a small women's college in Virginia.

PAGING RUBE GOLDBERG

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. MICHEL. Mr. Speaker, many of us fondly remember the cartoons of the gifted and zany Rube Goldberg. His fantastically complicated machines became so well known that the very name "Rube Goldberg" conjures up an image of needlessly complicated methods of achieving relatively simple needs.

I thought of Rube Goldberg as I studied the President's energy proposals. The President has created a plan, that much is certain. But precisely what the exact nature and effect of that plan would be no one seems quite certain, even the President's chief aides. Today we read that his energy program will have no significant effect on economic growth, despite a statement in a fact sheet released by the White House that the plan would have small but generally positive impacts on the economy. The President in his speech said that what we needed was an independent information system to give us reliable data on energy.

Yet, as New York Times columnist James Reston points out, the President has put forward his program and asked for sacrifices without such a source. And what about this Central Intelligence Agency study the President refers to and which has been used to back up his fundamental thesis which is that we are running out of energy? For years now we have been hearing criticism of CIA studies on subjects in which that organization presumably has competence—but now we are asked to swallow a study in a subject about which the CIA has as little expertise as any non-energy-related organization.

The President's plan, then, resembles one of Rube Goldberg's masterpieces: an intricate and increasingly complicated series of devices including rebates, taxes, taking money out of one pocket to put into another, a bigger bureaucracy in the name of efficiency and a lack of emphasis on production and research and development. And no one can say just what, in the long run, this machine, to be run by an army of bureaucrats, really will do.

Today's Chicago Tribune carries two splendid editorials which are the most clear and most convincing statements I have seen outlining the inherent problems in the President's plan. I include these editorials in the RECORD at this point.

ENERGY: TOO LITTLE ON SUPPLY . . .

President Carter's proposals for a national energy policy rely too much on curbing demand and consumption and too little on increasing domestic supplies of natural gas and petroleum. The President should have called for the gradual deregulation not only of natural gas prices, as he promised in his campaign, but also of petroleum prices.

That would help achieve conservation by allowing prices more nearly to reflect the true cost of replacing present supplies. Market-oriented prices would also provide producers with the capital and the incentive for more drilling. A sensible policy would also insure that producers plow increased profits back into petroleum, natural gas, and other forms of energy production. Profits not used for energy development could be taxed away.

Instead, Mr. Carter's plan would tax petroleum producers so as to raise prices to world levels—set by the foreign oil cartel—and would pass the revenues on to the government, which would then return part of them to the public through rebates. That is backwards, since it is neither the government nor the public that needs the money for exploration and drilling. The Carter proposal is regressive also on natural gas. It would regulate the heretofore unregulated intrastate price and do little to increase supplies.

The demand side of the President's scheme, on the other hand, has several good elements. Taxing gasoline, "gas guzzling" autos, and other energy-inefficient machines and appliances might succeed in restricting the growth in U.S. demand for energy. It might insure a little more time than will perhaps actually be needed to bring into use energy sources to replace finite supplies of petroleum and natural gas. That would be desirable for this nation's economy.

But the program is so one-sided as to be self-defeating. It contemplates stiff taxes to conserve gasoline, but nowhere suggests that the resulting revenues might be used to improve alternatives to the highway—such as mass transit—or railroad trackage.

But very likely the chief failing of Mr. Carter's plan is that, by concentrating so heavily on holding down demand rather than increasing supply, it may end up paradoxically making us even more dependent on foreign energy sources. That could drive up the cost of nearly everything and could jeopardize our economic growth without the compensating promise of increased domestic oil and gas supplies.

. . . AND A BIGGER BUREAUCRACY

Thanks to what appears to be a paranoid fear of the free market, the Carter administration has produced an energy bill that would not only do little to encourage the development of new sources of energy, but would inevitably depend for enforcement on a gigantic, costly, and oppressive new bureaucracy.

And so we find an administration which was elected on a promise to streamline the federal government proposing a plan which would have the very opposite effect. In fact, the White House staff has already grown by about 30 per cent since Mr. Carter took office.

Oh, we know that Mr. Schlesinger, the federal energy administrator, and other White House spokesmen deny that a new bureaucracy would be required. But if there is not to be an increase, then how are all the new controls going to be policed?

To say that a bigger bureaucracy won't be necessary is to suggest that the new controls won't really be enforced at all—that people will go through all of the prescribed motions and fill out all of the required forms and that their work will then be filed away in warehouses, never to be seen again, or perhaps even thrown away like the dividend reporting forms which corporations have been submitting to the Internal Revenue Service at great expense.

Instead of moving toward the free market, as industry and most sensible economists have been urging, the Carter administration is inviting the worst of both worlds: tough and politically unpopular conservation meas-

ures plus tough and unpopular controls which may end up making the conservation measures futile.

For example, Mr. Carter is not calling for the deregulation of the price of natural gas, even though he once promised to do so. On the contrary, he is calling for a new ceiling on the price of gas which, though higher than the present one, links the price of gas to the price of fuel oil and applies the new ceiling to gas sold within the producing state as well as beyond its borders. Does anybody seriously believe this can be enforced without thousands of new payrollers?

Similarly, the incentive to produce new oil is based not on the free market, but on another intricate formula based on world prices. Who would police this? And who would police the complicated schedule of taxes and rebates attending the purchase of new cars, based on the fuel consumption of the cars? Who would determine the fuel consumption?

We're told that much of the suffering caused by higher fuel prices would be offset by higher credits for the poor on income tax returns and by direct payments to those who don't file income taxes. This sounds alarmingly like a reincarnation of the late and unlamented tax rebate—a scheme to distribute alms about the country without any apparent relationship to whether the beneficiaries pay for gasoline or heating oil.

In short, Mr. Carter has called courageously for temporary sacrifies and would now impose a new array of agencies and controls whose long run effect, we suspect, would be to make those sacrifices permanent. And once again, the country is asked to suffer in order to gratify the ego of planners who think they can outsmart the free market.

TAX INCENTIVES FOR ENERGY CONSERVATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. GILMAN. Mr. Speaker, on February 24 I introduced H.R. 4029, a measure which would provide tax incentives to promote taxpayers to invest in energy conservation and renewable energy equipment.

Under this proposal, a homeowner or apartment renter would receive a maximum tax credit of 30 percent or $225 of insulation expenses not exceeding $750. Insulation includes installing a storm or thermal window, or any other device designed to reduced heat loss and has a useful life of at least 3 years. Individuals installing solar heating and cooling equipment in their residence would also be eligible for a maximum credit of 25 percent or $2.000 of the cost of equipment and installation not exceeding $8,000. Installation of this type of equipment prior to the enactment of this measure would also qualify for a tax credit. Further, solar energy equipment installed in a building used as a business would receive investment credits as depreciable property.

Further, a taxpayer would be entitled to a deduction for amortizing for 60 months equipment that: First, uses, processes, or recycles waste into fuel; second, reaches, converts, or extracts oil shale into oil or gas; or third, uses geothermal energy or solar energy equipment to heat or cool a building, or to provide hot water or steam for the building.

Subsequent to the introduction of H.R. 4029, several of my colleagues expressed an interest in this legislation. Accordingly, today I am reintroducing this measure which has been cosponsored by 12 colleagues:

Mr. BEDELL of Iowa.
Mr. EDWARDS of California.
Mr. GEPHARDT of Missouri.
Mr. GLICKMAN of Kansas.
Mr. JENRETTE of South Carolina.
Mr. KINDNESS of Ohio.
Mr. LAGOMARSINO of California.
Mr. MADIGAN of Illinois.
Mr. MURPHY of Pennsylvania.
Mr. PURSELL of Michigan.
Mr. SCHEUER of New York.
Mr. STEERS of Maryland.

The full text of this legislation appears in the February 24, 1977, CONGRESSIONAL RECORD on pages 5378–5381. I welcome the support of all my colleagues of this legislation, which would help to encourage the investment in energy saving devices in every State.

I am pleased that the President endorsed this general concept of providing tax incentives for energy conservation in his recent energy policy message to Congress.

THE BOY WHO CRIED "WOLF"

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. PATTISON of New York. Mr. Speaker, we all recall the story of the boy who cried "wolf." You will recall that the moral of that story is that if you give out false reports when there is no danger, no one will pay any attention when you really need them. It is the ancient equivalent of what we today call a "lack of credibility."

On the other hand, it should be remembered that, in part, when the boy who cried wolf did so the last time, there really was a wolf who proceeded to make a meal on the unfortunate boy.

So the fact that many Americans may not believe that there is an energy shortage to be dealt with from now on, and base that view on the fact that they have been misled by erroneous Government pronouncements over the years, like those who decided not to come to the aid of the boy who cried wolf, is understandable but unfortunate both for themselves and the country.

Recently, I was given an article written by Dr. Arthur M. Bueche, vice president, research and development, of the General Electric Co. It is well written, well reasoned, and very convincing both as to the problem and the remedies. Of course, I cannot vouch for the validity of many of the underlying assumptions of the author. If they are not accurate, then the conclusions are also not accurate, and vice versa.

However, due to a cost in excess of $1,000, it is impossible to reprint this article in this RECORD. If you would like a copy of Dr. Bueche's article, please contact my office, or write directly to: Mr. R. Ned Landon, manager, communications branch, GE RND Center, P.O. Box 8, Schenectady, N.Y., 12301. I would be extremely interested in an analysis of those assumptions by anyone taking the time to read the article I have mentioned above.

PLEASE, MR. PRESIDENT, SPARE US THOSE RHODESIAN HOMILIES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. McDONALD. Mr. Speaker, it is interesting to learn in recent days that attempts are being made by our Government to "gag" the Rhodesian Information Office here in Washington, D.C., by means of harassment by Federal agents. This certainly recalls to mind the early 1960's when poor Michael Strulens, as an agent of Moise Tshombe, was hounded out of the country when he tried to present to the American people the facts about the Congo—Zaire and Katanga that our Government was hiding from view.

Later, of course, Tshombe headed the Congo for a while and Strulens came back as his Ambassador. This censorship and hounding of the Rhodesians is perhaps more appropriate to the Soviet Union than the United States. Mr. Smith Hempstone has written a column showing the hypocrisy of our policy and I commend it to the attention of my colleagues. The column appeared in the Richmond Times-Dispatch of April 7, 1977.

PLEASE, MR. PRESIDENT, SPARE US THOSE RHODESIAN HOMILIES

(By Smith Hempstone)

WASHINGTON.—At a time when the U.S. is falling all over itself to establish diplomatic relations with two of the world's nastier dictatorships—Communist Cuba and Red Vietnam—the Carter administration is preparing to gag the small voice of white-ruled Rhodesia here.

The U.S. has let it be known that it will support a United Nations resolution that will make it impossible for Rhodesia to fund its Washington information office. This office, which is manned by two officers, was favored with visits for the last 10 days of March by teams of Justice Department lawyers and FBI agents, apparently seeking evidence that the Foreign Agents Registration Act had been violated.

On March 15, at the administration's urging, Congress repealed the Byrd amendment that for the past five years had made it possible for the U.S. to buy Rhodesian chrome in defiance of a U.N. embargo regularly breached by many members of the international organization. The U.S. now will buy its chrome from such pillars of civil liberties as the Soviet Union and South Africa—at a higher price, of course.

The administration, naturally, has cloaked its moves with lofty rhetoric about legitimacy, civil rights and freedom. But the truth is a little more cynical: Washington is trying to ingratiate itself with the black

guerrillas fighting to "liberate" Rhodesia from its white-minority government.

Of course, one man's liberty is another's tyranny. The guerrillas, who are supported by the neighboring African states and the Soviet Union, have threatened reprisals against those blacks who make up the majority of the Rhodesian armed forces, murdered white missionaries, abducted black schoolchildren and rejected the notion of a plebiscite to determine who the Rhodesian people want for their black leaders.

Prime Minister Ian Smith, in contrast, at considerable political risk to himself, last spring accepted the Kissinger plan for black rule of Rhodesia within two years, and since has moved to do away with many forms of racial discrimination.

The Smith regime is far from perfect and, in some respects, has been its own worst enemy. It has had more than 11 years since Rhodesia's unilateral declaration of independence to win the loyalty of the country's 5.5 million Africans by dealing fairly and generously with them.

Until relatively recently, however, it did very little in this respect, and a great opportunity was lost. Yet the fact remains that the Smith regime, with all its faults, emerges as positively Jeffersonian when compared with those in power in Cuba and Vietnam—or in most of Africa, for that matter.

Bloody and tyrannical as they are, one does not quarrel with the notion of establishing diplomatic relations with Cuba and Vietnam. The establishment of such relations, in diplomatic practice, implies neither approval nor disapproval of a regime. It amounts only to acceptance of the fact that a regime exists and is in control of its territory. The bloody repression of the opposition in both countries had indeed established the control of these regimes over their territories.

But if we can have relations with Vietnam, which has tortured American prisoners of war, and with Cuba, which has sent its soldiers half a world away to teach new nations that power grows out of the barrel of a gun, where is the equity in treating Rhodesia as if it were the world's polecat?

It is true that the Rhodesian regime is "illegal" in the sense that in 1965 it unilaterally declared itself independent of Britain. So did another country 189 years before that.

It can be said that Rhodesia declared its independence to defend white privilege, not to proclaim the brotherhood of man. But those who were slaves in this country in 1776 might find a certain irony in that criticism.

Despite President Carter's rhetoric about returning morality to the conduct of foreign policy, diplomacy—which involves the balancing of interests with ideals—remains an essentially amoral game.

And recognizing the emotional appeal of the Rhodesian issue to the American black leaders who helped put him in the White House, one does not urge—or expect—the President to rush out and recognize the Smith government.

But it is at least arguable that *neither* equity nor the national interests of the U.S. lies in berating Rhodesians of both races who are willing to give moderation a try and encouraging Soviet-backed guerrillas who promise to bring only violence and repression to a small land.

Nor does it further discussion of the merits of the case to harass and threaten to gag a two-man office with the temerity to speak for the other side.

Yet if against equity and the national interest the deed must be done for political reasons, then the President, out of a decent respect for the truth and the people's intelligence, ought to spare us those homilies about the lofty ethics and morality involved.

NEWTON, MASS.—ALL-AMERICAN CITY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. DRINAN. Mr. Speaker, I am proud to announce that Newton, Mass., which lies within my congressional district, has been selected by the National Municipal League as one of the 10 All-American cities of 1976-77.

The residents of Newton, a city of some 90,000, certainly deserve this extraordinary honor. Their participation in community services and cooperation with local government in the effort to solve community problems can serve as a model for other municipalities.

The civic-minded nature of the residents of Newton is exemplified by the following three major accomplishments.

Faced by the deterioration of the commercial district within their neighborhood, the residents of Newton Highlands amended the city's charter to establish the Newton Highlands Neighborhood Council. The council obtained a grant from the U.S. Department of Housing and Urban Development and set about to rejuvenate the ailing commercial area. With the input of 1,500 Highlands residents, the council will continue to establish future neighborhood priorities.

In an effort to expand Newton's educational system and to strengthen the bond between the community and its schools, parents of elementary school-aged children established afterschool programs for both children and adults. The success of the original programs quickly prompted other parents to initiate similar workshops. At this time, all but one of the 23 elementary schools in Newton offer afterschool programs.

The historic and esthetic concern of Newton's residents rescued an historic landmark from neglect and abuse. When the 19th century Bigelow House designed by famed architect Henry Hobson Richardson, was abandoned after the school of which it was a part closed, a group of Newtonites organized to save the building. With the help of Newton CETA workers, the group has begun renovation of the valuable structure as a public service project.

Newton is a city which has provided its residents with a maximum of human services at a minimum of cost. This achievement would have been impossible without the active participation of Newton residents who volunteer their time, energy, and concern for the well-being of the city as a whole.

Although citizenship participation has been the indispensable element which made Newton, Mass., one of the 10 all-American cities, the leadership of public officials has also been essential. The mayor, Theodore D. Mann, the president of the aldermen, Joseph M. McDonnell, and the chairman of the school committee, Alvin Mandell, have all—along with their colleagues in government—contributed immeasurably to the latest honor which has come to a city whose governance has always attracted able leaders.

I commend the National Municipal League for recognizing the merits of an outstanding city.

GOVERNMENT INSPECTIONS UNDER SCRUTINY

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. HANSEN. Mr. Speaker, the fourth amendment fight against the Occupational Safety and Health Act—OSHA—has now officially reached the U.S. Supreme Court.

As a longstanding leader in this fight against OSHA and as chairman of the American Conservative Union's National Stop OSHA Campaign, my office has for over 2 years been developing and coordinating efforts to put an end to OSHA's highhanded practices.

This has been done through legislative procedure in committee and by action on the House floor, as well as through the special activities of the Republican Research Committee's Government Executive Agency Review—GEAR—Task Force of which I am chairman.

Our efforts have had some positive impact on the executive department, as well, in their administrative procedure, particularly in enforcement attitudes, thrust of emphasis, and restrained agricultural policies and implementation timetables.

However, the greatest success has been achieved in the courts as a matter of preserving basic constitutional rights. I have coordinated a highly successful nationwide uprising of court cases at both Federal and State levels against OSHA's abuse of fourth amendment rights which is now before the Supreme Court for a final decision.

Courts in a dozen States in the past 16 months have unanimously come down against the warrantless searches of OSHA, the most telling blow being dealt by a Federal three judge panel in my own State of Idaho which declared the inspection section of the law "unconstitutional and void."

As the case comes to the Supreme Court for final review American businessmen and farmers should continue to refuse to waive their constitutional rights—they can and should reject inspections by OSHA. OSHA has the authority to temporarily continue inspections in all areas of the Nation, but this does not prevent each individual with proper legal advice from rejecting an OSHA inspection based on the abundant court precedent now established. Thus the OSHA inspector can knock, but the businessman and farmer can refuse to let him in on fourth amendment grounds. The point is that OSHA's inspection provisions have been declared unconstitu-

tional and that is the brass ring to grab for anyone willing to assert his rights.

Mr. Speaker, I include for the RECORD at this point an article in the April 19, 1977, Washington Star newspaper by staff writer Lyle Denniston which describes the recent Supreme Court activity.

COURT TO SAY IF OSHA CAN USE SURPRISE

Federal inspectors' authority to make surprise safety checkups on 6 million places of work will remain intact—but in doubt—for the next year.

Yesterday, the Supreme Court agreed to review a lower court decision that would force so-called "OSHA" inspectors to get a judge's permission before they could enter any private business to look for safety hazards to workers.

It probably will be next spring before the court reaches a final decision.

In the meantime, inspectors will have the right to decide for themselves to go ahead with their surprise visits. That's because Justice William H. Rehnquist gave temporary permission for such visits pending the outcome of the test case.

The only place such a visit cannot be made is Barlow's Inc., a plumbing and heating firm in Pocatello, Idaho—the company whose challenge produced the test case.

Twice, in September 1975 and January 1976, Barlow's turned away inspectors from the Occupational Safety and Health Administration, thus setting the stage for a ruling on their authority.

The inspectors had received no complaints about Barlow's, but simply wanted to look at its facilities as part of a routine investigation.

Barlow's complained to a three-judge federal court in Boise that it had a constitutional right to its privacy, and inspectors could come in only if they had convinced a federal judge that they had cause to do so.

The three-judge court agreed, and struck down the OSHA inspection system nationwide. The government then appealed the issue to the Supreme Court.

OSHA, which is a part of the Labor Department, has some 1,300 inspectors who make about 100,000 visits a year.

Mr. Speaker, the story of Bill Barlow, the Horatius standing guard at the fourth amendment bridge against the inspectors of OSHA who represent the forces who would deprive us of our basic rights, is told well by Kenneth Reich, political writer for the Los Angeles Times in his article of April 17, 1977, which I submit for the RECORD at this point:

INSPECTIONS BY GOVERNMENT SCRUTINIZED IN IDAHO CASE

POCATELLO, Idaho — Important constitutional cases often arise out of rather prosaic circumstances.

And few would have guessed on Sept. 11, 1975, when Daniel Sanger, a young compliance officer with the U.S. Occupational Safety and Health Administration (OSHA), left his office here and walked a half a block to the offices of F. G. Barlow, an electrical, plumbing and heating subcontractor, that such a potentially very important case was about to begin.

Barlow, then 60 years of age, an active member of the John Birch Society and a fervent conservative, met Sanger at the door.

When the OSHA employe told him that he had come to perform a routine, on-site safety inspection of his 30-employe facility, Barlow politely refused him permission to enter. Barlow said Sanger first had to produce a warrant.

In the ensuing legal cases, a three-judge federal court panel in Idaho unanimously ruled that the section of the OSHA enabling act of 1970 allowing warrantless inspections is an unconstitutional violation of the Fourth Amendment, which relates to searches and seizures of persons and private property.

That decision is the latest in a string of federal and state court decisions that have cast doubt on the validity of basic procedures by which a host of government agencies closely supervise business and even individual activities in this country. The case is on Monday's U.S. Supreme Court conference calendar, and the high court within the next few weeks is expected to announce that it is setting it for formal hearing later in the year.

In the meantime, Barlow's place of business goes uninspected.

"A man should be capable of inspecting himself," he asserted last week in an interview. "As strong as the unions are and as restrictive as the insurance companies are, you can't go around hurting employees anyway . . . We have a union shop and three different unions involved."

The contractor added that his place of business has an excellent safety record, a fact agreed to by the government.

"This is one thing that helped our case in court," Barlow said. "There had been no complaints to bring Sanger in, no accidents."

So the Barlow case comes to the courts for determination in what is known as a "pure" state. The government is asserting, as OSHA's enabling act did, its interest in making unannounced inspections of businesses where there has been no complaint in order to be sure that safe practices do prevail everywhere.

Barlow and his attorney, John Runft of Boise, counter that such inspections must follow a warrant procedure and that a warrant can only be obtained for "probable cause" of something wrong.

Such cases have been a major preoccupation of the ultra-conservative Birch Society for several years now. But in a striking development in this instance, the American Civil Liberties Union may file in support of the Parlow position.

ACLU attorney Joel M. Gora said in a telephone interview from New York Friday that the liberal-oriented organization has "long been concerned about administrative searches" as "an inroad on privacy" and that there was "a very definite strong possibility" that it will file a friend-of-the-court brief backing Barlow.

Also expected to support Barlow are attorneys for the American Conservative Union, the National Federation of Independent Businessmen, the Idaho attorney general's office, the American Farm Bureau Federation, the Pacific Legal Foundation and the National Center for the Public Interest.

When the Barlow case came to the federal court panel in Idaho last year, government attorneys argued that requiring warrants would put in mortal jeopardy a procedure designed to make American businesses safer and healthier for those who work in them. And they argued that, far beyond OSHA, the requirement would place in doubt all kinds of building inspections, fire inspections, airplane inspections and the like.

The Fourth Amendment declares:

"The right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures, shall not be violated and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

"If the (OSHA) law is to be properly enforced and inspection made effective, inspections without warrant must be deemed reasonable official conduct under the Fourth Amendment," Asst. U.S. Atty. Paul Westberg contended in a March, 1976, brief. "If inspection is to be effective and serve as a credible deterrent, unannounced, even frequent inspections, are essential.

"In this context, the prerequisite of a warrant could easily frustrate inspection . . ."

"Over 70% of initial OSHA inspections reveal safety and health violations resulting in citations," Westberg added. "The Act covers nearly 6 million workplaces and the (agency) is currently conducting tens of thousands of inspections yearly. In these circumstances, requiring inspectors to obtain a warrant before each inspection would place an intolerable burden on its limited enforcement resources, create severe delays in implementing inspections and further undermine the Act's basic purpose of assuming the swiftest possible abatement of occupational hazards.

"More importantly," Westberg concluded, "as a practical matter, the (agency) would not—except in limited circumstances of employe complaints, open violations or suspicious fatal accidents—be able to demonstrate the existence of probable cause to believe statutory violations exist at any particular workplace."

But Barlow's attorney, Runft, declared in his answering brief:

"The ultimate issue of this case is whether a warrantless administrative search may lawfully be made under the authority of an Act of Congress which seeks to dispense with the need for a neutral magistrate's detached examination of the need and justification for a research in an overly broad class of cases. . . .

"OSHA applies to every business affecting commerce in the entire United States, ranging anywhere from a big steel company to a shoeshine shop. The act is applicable to some 60 million employes and five million businesses. (We) respectfully submit that the possibilities of abuse and the threat to privacy are of most impressive dimensions."

In their decision, U.S. Circuit Judges M. Oliver Koelsch and J. Blaine Anderson and U.S. Dist. Judge Ray McNichols, arguing from a long and somewhat divergent line of cases, held for the Barlow side' and the government appealed to the Supreme Court. There have been cases over the years on the validity of administrative searches, but the trend of decisions on them has not resolved the issue definitely.

OSHA has stirred often bitter opposition from the political right and some business circles ever since its inception, while it has generally been supported by organized labor.

But in Idaho, where the Birch Society has been quite active, the opposition has been particularly strong and growing. Even Idaho's liberal Democratic senator, Frank Church, said last year that he thinks the OSHA law goes too far.

"It attempts to cover every business and every farm in America," he said, speaking before Congress amended the act to exclude farms employing less than 10 employes. "Resistance will grow until at last the scope of the law is reduced to the point where there can be equitable enforcement on a reasonable scale."

Actually, despite suggestions in Birch Society literature and broadcasts that OSHA is a Gestapo-like organization, reaching toward harassment and persecution of every business, the indications in Idaho and elsewhere are that it has consistently been understaffed and underbudgeted in relation to its announced mission. It has had enough resources to inspect only about 2% of the nation's businesses annually.

In an interview in Boise last week, OSHA's area administrator for Idaho, Richard C. Jackson, said that, including himself, OSHA has but 13 inspectors in the state to examine

40,000 businesses and thousands of farms. Including follow-up visits, he said, only about 1,000 inspections a year are performed.

Most of these, he added, involve imminent danger or other serious complaints, fatality-disaster cases and other kinds of complaints.

Jackson said only a relatively few of the inspections could be termed fishing expeditions, where the OSHA compliance officers go into an establishment like Barlow's, without receiving any complaints, to see what's what.

In Pocatello, one compliance officer, speaking unofficially, said that in many complaints the informal policy is to suggest to the caller that he seek internal correction of the situation. Only in case of repeated complaints, he said, does an inspector go to see for himself.

Jackson, asked about this, said that it was an accurate statement of the way OSHA operates in Idaho.

Such information tends to suggest that in most present inspection cases in the state, OSHA would have little difficulty securing a warrant, if they were to be required, although, of course, OSHA inspectors would lose the advantage of surprise.

One persistent complaint of OSHA critics is that businessmen are sometimes unjustly and heavily fined without being given a chance to first correct violations. Jackson scoffed at this, saying that during last October, a fairly representative month, total fines amounted to only $11,805 statewide.

But the OSHA director declined for the most part to respond to another series of questions, saying he had been instructed on higher authority not to.

These questions involved a lengthy letter, highly critical of OSHA's fairness and its procedures, that was inserted into the CONGRESSIONAL RECORD recently and that was signed by Sanger, the very compliance officer who had sought to inspect Barlow's plant.

Sanger claimed in the letter that statistics showing a reduction in the industrial accident rate in Idaho since OSHA came on the scene had been gathered on an erroneous basis, that fines and citations were often levied inconsistently and that in his view present OSHA inspection procedures violate not only the Constitution's 4th but the 7th Amendment (the right to trial by jury).

In Pocatello, an associate of the young compliance officer said he was on a leave of absence and could not be reached for comment.

Meanwhile, Barlow goes about his business in a low-key manner these days, although he expressed pride in an interview that his may end up being a landmark case. Birch Society literature is on prominent display in his office and he credits the society with educating him to his 4th Amendment rights.

Coming in from lunch the other day, he answered with an enthusiastic "Great!" when one of his seven children told him the Florida Legislature had just voted down the Equal Rights amendment.

"NONSOLUTIONS" TO THE POPULATION PROBLEM

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. SCHEUER. Mr. Speaker, I am disturbed by some ideas about how we should cope with the world population explosion, which appear to have gained acceptance in certain circles. I am speaking particularly about the subject of triage.

Because I have been active in the population field for many years, I wish to express my profound reservations about this point of view and make it clear that I do not share it.

Briefly stated, if the United States adopted a policy of triage, we would increase aid to those countries which make a genuine effort to reduce the birth rate, and cut off aid to those who do not choose to do so. It is the latter part of this formula that gravely concerns me.

I would hope that our Nation, in its search for viable and long-term solution to the world population problem, would not adopt simplistic and possibly dangerous approaches.

As many of my colleagues know, I have been working for the establishment of a Select Committee on Population whose goal would be to educate and motivate policymakers and the general public, both here and abroad, on the need to understand population dynamics and to respond effectively and in a timely manner to perceived problem areas. Ours would be a positive consciousness-raising mission, not a negative exercise in wielding a meat ax.

I would hope that the Select Committee on Population, should it be established, would be viewed as a positive body, incorporating many constructive ideas and sensitive to the needs and wants of all the people of the world.

OUTSTANDING SERVICE RECOGNIZED

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. PANETTA. Mr. Speaker, Members of the House, I would like to bring to your attention a turning point in the lives of two men who between them have logged over 44 years of dedicated service to their communities. On Monday, the 3d of January, Mr. Herman Botelho and Mr. Jack Vassalo retired from the San Benito County Board of Supervisors.

Jack and Herman will be sorely missed by the members of the board and the people of San Benito for their wit, wisdom, and evenhandedness in dealing with issues that confronted them during their tenure in public office. Fortunately, they will continue to be active as private citizens in the life of San Benito County.

I would like to chronicle for you the fine accomplishments of these men.

JACK VASSALO

Jack Vassalo was born in Sydney, Nova Scotia, and was raised in Boston where upon graduation he worked for the Boston Herald newspaper. In 1940, he first came to the city of Hollister in San Benito County, where he lived for 3 years before the call to duty brought him into the U.S. Army.

It was during World War II that Jack met Edna. They were both stationed in Africa, and upon returning to the United States in December of 1945, they were married and settled in Hollister. For 12 years Jack worked at Tiffany Motors before entering the furniture business in December of 1957. It was in 1964 that he began his distinguished tenure as the the fifth district's representative on the San Benito County Board of Supervisors.

He served as chairman of the Agency Formation Commission, as director of the California Council on Criminal Justice, as a director of health planning, and as a commissioner of the County's Veterans Memorial Park. In addition, he is a member of the American Legion and of the Veterans of Foreign Wars, past president of San Benito County Chamber of Commerce, and past Secretary of the Hollister Rotary Club. Jack, Edna, and their daughter, a teacher in the local school, reside today at the family home in Hollister.

HERMAN BOTELHO

Herman Botelho is a native Californian, born in Santa Clara, and a resident of San Juan Bautista since April of 1920. He and his brother Anthony have been in the growing and shipping industry for many years.

His long history of community involvement started in 1944 when he began what came to be 10 years of service as a member of the San Juan Union School Board of Trustees. During that period he became the city's leading citizen by being elected city councilman in 1946 and mayor in 1949, an office he held until he stepped down in 1962.

It was in September of 1963 that Herman was appointed to fill the unexpired term of Curtis Archibald as county supervisor of District Two. He gave up his positions on the San Benito County Planning Commission and the 33d District Agricultural Association Board of Directors to devote himself to his new duties. As supervisor, he distinguished himself as the board's representative and later chairman of the Monterrey Bay Unified Air Pollution Control Board.

Herman is a member of the Knights of Columbus, the Hollister Elks Lodge, the prestigious Commonwealth Club of California, and is past chairman of the San Juan Service Club.

Jack and Herman have become good friends during their 13 years of joint service on the San Benito County Board of Supervisors. Together they fought the battles and shared the victories and defeats. Their presence on the board will be missed but their accomplishments will be remembered fondly by the people they served. I congratulate them on a job well done.

THE ILLEGAL ALIEN IMPACT EXAMINED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues an excellent column written in the New York Post by Harriet Van Horne. The column discusses the increasingly nega-

tive impact of illegal aliens on the economic life of this Nation.

The simple fact is, our Nation cannot afford to subsidize the illegal aliens who are here. We provided almost 3 million of them with jobs—we provide hundreds of thousands of others with welfare and other public assistance. We allow their children to attend our schools, we allow them to compete with low-income American citizens for scarce public housing.

What we do know for certain is we must close the floodgates to prevent new illegals from entering. I have introduced H.R. 6525 which seeks to accomplish this goal by making it an immediate crime to hire illegal aliens. Employment continues to be the primary magnet which lures illegal aliens into this Nation, and to be successful in keeping new illegals out we must deter employers from hiring them. My bill also provides for an additional 2,500 Immigration Service enforcement personnel to help better patrol our borders to prevent new illegals from entering. Finally, my legislation also increases the penalties for smuggling illegal aliens into this Nation. Estimates show that the numbers of illegal aliens being smuggled into this Nation has tripled since 1972.

We are aware that the Carter administration is contemplating some form of amnesty for illegal aliens who have been in this Nation for a certain time. I am adamently opposed to granting blanket amnesty for illegal aliens. I do feel that certain consideration should be given to avoiding the unnecessary breakup of families through deportation.

The decisions which have to be made with respect to illegal aliens will be difficult ones. We may need a restructuring of our immigration laws. We should, as I have proposed, convene an international conference to discuss the illegal alien problem and its international ramifications. We must be cognizant of the fact that at the present time the population of the 15 major nations supplying illegal aliens is almost five times greater than our own and by the year 2000 the combined populations of these nations will exceed 1 billion persons. It is imperative that we develop both immediate and long-range solutions to this problem.

I feel Ms. Van Horne's article clearly describes both the illegal alien problem and its effects. The illegal alien problem does pose special problems for the city of New York which has one of the largest illegal alien populations of any area of the United States. It is obvious that solutions must be developed. They will cause some hardships but it is time that we gave American citizens and legal aliens better economic protection. Illegal aliens continue to drain the economic lifeblood of this Nation and unless we put an end to it, the economic security of all Americans will be threatened.

Ms. Van Horne's article follows:

THE ILLEGAL ALIENS

(By Harriet Van Horne)

Can you imagine New York without the Public Library?

The library's current appeal for funds asks the question and it may be a chilling portent of things to come.

"Civilization is the making of civil persons," John Ruskin wrote in the 19th century. Now, amid the endangered splendors of the 20th, we are facing a hard truth: civility is giving way to a new kind of barbarism. Literacy is declining, our traditions are falling away. Poverty and crime—those handmaidens of disaster—are worsening every day.

An alarm rings as the great New York Public Library goes begging. But our civic penury is not unique.

In every large city the libraries, the parks, civic orchestras, and museums, along with programs for the handicapped and the elderly, are being cut back. A new Dark Age is falling. And unless we get our priorities in order, it will continue to fall.

A fiscal expert could cite the many reasons our cities are turning into small garrison states. It's the horrendous welfare burden, the erosion of the tax base, the growing subculture of crime.

New York's welfare burden costs a billion dollars a year. But we remain the city of the golden door, welcoming the huddled masses, paying them in effect not to riot in the streets. But we stand by helplessly as they burn down The Bronx and murder the elderly for small change and cheap watches.

We live in a city of dreadful night. The amenities, the simple decencies are going.

One of our basic problems is that we have too many people and too few jobs. The simple, glaring logic of this situation continues to elude Congress, however. And so the tide continues, with some 20 per cent of the population of Mexico said to be among us now.

Economists, social workers, ecologists all agree: there is no more room in the lifeboat. New York has more than a million illegals. They number eight million in the nation as a whole. They contaiinue to arrive at the rate of 500,000 a year. They are largely illiterate, unskilled and wantonly fertile. Among Mexicans, six to eight children is the rule.

This week the Carter Administration is holding meetings to work out a new immigration policy. Issues to be decided include: whether amnesty should be granted illegals who have been here five years or more, whether all workers should be required to carry ID cards, and—the most vital point—should sanctions be imposed on employers who knowingly hire illegal aliens.

Some 50 bills have been proposed that would penalize employers of illegals. But the bills haven't a chance while illegals can be trucked like cattle to pick Sen. Byrd's apples and Sen. Eastland's cotton. It is Sen. Eastland's committee, in fact, that deliberately tables every proposal that might turn back the invasion of illegals.

Until recently it was not generally known how heavy a burden the illegals imposed upon taxpayers.

Being desperately poor, these migrants pay no taxes. But they require services that cost $13 billion a year. One infant, born here to a Mexican family, automatically brings in a weekly welfare stipend.

Being strangers in a strange land, the illegals, who are predominantly Mexicans, for communities whose very existence depends on law-breaking. Some 20 per cent of the inmates in New York's jails are illegal aliens. In Los Angeles, the figure rises to 40 per cent.

"Hundreds of Mexican Children Cross Border to Engage in Crime," a recent headline in The Times informed us. Some of the children are only 12, but they engage in prostitution, purse-snatching, shop-lifting and burglary. Narcotics dealers use children to transport drugs across the Mexican border. The children travel in packs and are known as "lobatos," or wolf cubs.

A Gallup poll has shown 80 per cent of the public favoring a stoppage of illegal immigration. Labor unions fear the inroads illegals are making in the job market. Aliens work for less than the minimum wage. Their fear of deportation keeps them from complaining about violations in health and safety standards.

A Texas sociologist, writing in the magazine Human Behavior last year said that the Immigration and Naturalization Service had orders from "upstairs" not to crack down on wetbacks from Mexico. Agribusiness needs them, and can get away with paying them a pittance.

One of the most sickening stories about exploitation of illegal aliens appeared recently in the magazine New West. In a sworn statement, a worker told how he paid $100 to one Alberto, a smuggler of aliens who transported him and 20 others from Mexico to Arizona. On a desert march of four days and nights one lad injured his leg. "Alberto wouldn't let us carry him" the deposition reads. The boy was left in the desert with one gallon of water. This, authorities admit, is a not uncommon practice.

Historically, we are an open-minded, hospitable nation. But unless we turn back the illegals, we shall one day be a mere extension of Latin America, with English the minority language.

CURBING FRAUD AND ABUSE IN THE MEDICARE AND MEDICAID PROGRAMS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. CRANE. Mr. Speaker, the health subcommittees of the Ways and Means and Interstate and Foreign Commerce Committees of the House are in the midst of marking up H.R. 3, a bill aimed at curbing fraud and abuse in the medicare and medicaid programs. Last month the two subcommittees held 2 days of joint hearings on the bill, during which we heard testimony from a wide variety of medical professionals and organizations. This joint action by the subcommittees has been an unprecedented effort in cooperation, and I commend my colleagues on these subcommittees.

However, I have a great concern that in attempting to put the so-called medicaid mills out of business, we will be doing a great disservice to the overwhelming majority of doctors who are providing quality care under these programs despite the paperwork, delays in reimbursement, and other program redtape. Far more physicians serve these patients at a net loss than realize any profit from providing their care. By singling out those doctors who earn more than a certain income from treating medicare and medicaid patients, we are automatically branding them as criminals without due process of law.

Already we have seen what can happen when overzealous bureaucrats make public the names of physicans that HEW implies have been "ripping off" these programs. The information released was grossly in error and did irreparable harm to the reputations of those physicians who were incorrectly named as receiving more than $100,000 in medicare and medicaid payments.

Because of my concern that these errors be corrected and steps be taken to insure that such an incident is not repeated, I have asked Chairman GIBBONS of the Ways and Means Oversight Subcommittee to call for an investigation of this matter. Unfortunately the damage has already been done, but unless we take some action now, it will reoccur.

At this point, I would like to insert a column by James Kilpatrick which details this deplorable incident:

[From the Washington Star, Apr. 21, 1977]

GRAND ERROR, ERROR TO BE MARVELED AT, BY HEW

(By James J. Kilpatrick)

A month or so ago, the Department of Health, Education, and Welfare released some titillating figures to the press: Approximately 400 American physicians had raked in more than $100,000 from Medicare payments in 1975, and 16 of the doctors had ripped off the taxpayers for upwards of $250,000.

The release, to be sure, did not use such verbs as "raked in" and "ripped off," but these were the clear implications. Inevitably the data suggested that physicians and surgeons were profiteering off a great, humanitarian program. This was the universal interpretation. One cartoonist imagined two surgeons operating on a Medicare patient. "Go on, Joe," says one, "cut on down to the $5,000 layer."

As it swiftly transpired, HEW's facts and figures were wrong. The errors were not few and small. The errors were numerous and massive. This was wholesale error—error on a grand scale—error to be marveled at. Of the 16 top rip-off artists, those identified with earnings of $250,000 or more, HEW had its facts wrong as to 14. That is an error rate of .875. A shortstop who muffed seven grounders out of eight could not stay long even in the bush leagues.

The American Medical Association managed to query 208 of the 407 identified physicians. It turned out that HEW was wrong as to 135 of them. HEW reported, for example, that Dr. Cem A. Bayar of Chicago received $258,139 in 1975; trouble was, Dr. Bayar died in 1974. HEW reported that Dr. Ernest Watson of Elmhurst, Ill., received $233,871 in 1975; trouble was Dr. Watson, a pediatrician, retired in 1965 and moved to Arizona.

In more than a hundred cases, the HEW disclosures dealt not with individual physicians, but with groups and clinics. Starting at the top, HEW identified a New York doctor as Number One, with earnings of $412,757; the figure was for a group of physicians. Number Three on the list, with $315,454, actually was a group of four internal medicine specialists. A doctor in Rhode Island reportedly raked in $307,452; this doctor is in fact a salaried staff member of a hospital. His personal Medicare earnings amounted to $625 only.

So it went, on down the incriminating list. The named doctors suffered immediate abuse. Dr. J. C. Pruitt of St. Petersburg sent the American Medical Association a sample of letters he had received denouncing him as a "medical parasite" and a "disgrace to the medical profession" who should make amends to "those poor souls that you have robbed."

A press spokesman at HEW explains defensively that Secretary Califano didn't intend to embarrass anyone, and didn't release the figures voluntarily. It appears that an amendment to the Freedom of Information Act became effective on March 12. A number of reporters had asked for the figures on Medicare payments to doctors. Califano therefore had no choice. He fed the hungry reporters the figures for release on March 14.

Besides, says the HEW spokesman, the error wasn't exactly human error. This was "computer error." The input was wrong. This is diagnosed in computer practice as the GIGO syndrome: Garbage In, Garbage Out. A corrected list is now being prepared, and will be released as soon as it is ready.

Alas, as all of us in the news business know, the truth will never catch up with the falsehood. Truth plods along in walking boots, while error runs on winged feet. The doctors who have been effectively libeled will go to their graves with a taint of greed still clinging to them.

I say "effectively libeled" as distinguished from actually libeled, for the doctors have no recourse at law against Secretary Califano. If HEW's Medicare spokesmen acted with reckless disregard for the facts, which they did, this is tough stuffsky; sorry 'bout that. The government has a kind of sovereign immunity in these matters. The computers' errors were inhuman; they were also divine.

The whole business is regrettable. The individual doctors are hurt. Their profession suffers. We of the press gain nothing; we were unwitting conduits of error. HEW's reputation for credibility is damaged. Who will believe the next set of government "facts"? Everyone is sorry, but make no mistake about this: It will happen again.

COMPENSATION TO VICTIMS OF CRIME

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. LEHMAN. Mr. Speaker, in the last few years there have been many legislative and judicial reforms to improve the quality of our criminal justice system. This work is of the highest order and is to be commended. Yet it seems that in the midst of massive reforms, the needs of victims of crimes have been all but forgotten. H.R. 3686 is an attempt to deal with this problem by providing for grants to States for the compensation of victims of certain crimes. I am pleased to be a cosponsor of this legislation which was introduced earlier this session by the distinguished chairman of the House Judiciary Committee, Congressman RODINO.

There are two reasons why victims of crime should be compensated for their losses. First, the criminal clearly has some obligation to the victim for loss of property or personal harm. Second, society also has an obligation to the victim since it failed in its duty to protect him.

The idea of compensation for crime is not a new one. It originated after the fall of the Roman Empire to avoid blood feuds which were so devastating. With the rise of the kingship system, a fine was levied against a criminal to be paid to the victim's family. A portion of this was paid to the king as the "kings peace." Eventually the crown received the total portion of the fine. Compensation was again renewed in the late Middle Ages with the establishment of the penitentiary system. While serving their time, criminals would work at specified tasks to earn the money to compensate their victims.

In the United States at the time of the American Revolution, it was common practice to assess the criminal triple the damages or loss he had caused. If he could not afford to pay, he could be given to the victim as a slave or sold for damages. This practice lasted until 1807 when modern penology was first practiced in this country.

In modern times, the first area to set up a crime compensation program was New Zealand, which did so in late 1963. Great Britain soon followed in 1964, and since then several other European countries have adopted such programs. The first State in this country to establish victim compensation programs was California in 1965, and to date there are a total of 22 American States and territories which have compensation programs.

Unfortunately, many of these areas are experiencing difficulties in funding or starting to fund victim compensation programs. H.R. 3686 would alleviate this problem by providing that States meeting the guidelines shall receive grants equal to 100 percent of the costs to the State of compensating victims of Federal crimes, and 50 percent of the cost of compensating victims of State crimes, excluding administrative costs for which the State itself must pay.

The advantages of a compensatory system are many from the viewpoint of society, the individual victims, and even for the criminal. It is a more just system in that the debt to society is paid directly to the person harmed. Under the terms of this bill, the victim must cooperate with law enforcement agencies, thus encouraging swifter justice and prosecution. This has the effect of reinforcing public confidence in the criminal justice system, and enables the system to function more efficiently.

Specifically, money would be authorized for qualifying crimes which involve personal injury. Victims would be compensated for out of pocket medical expenses, lost time from work, and rehabilitative physical or occupational therapy.

Mr. Speaker, H.R. 3686 would set up an Advisory Committee on Victims of Crime under the leadership of the Attorney General, which would advise the Attorney General with respect to administration of this act and the problems of victims of crime. The Attorney General would be responsible for establishing the necessary guidelines to make grants available to those States having a victim compensation program.

In order to qualify, State programs would have to meet the rules set by the Attorney General and the following criteria:

First, compensation for personal injury resulting from qualifying crimes which are designated by the State;

Second, compensation to the surviving dependents of individuals whose deaths were the result of qualifying crimes;

Third, the program must offer indi-

vidual claimants the right to a hearing with administrative or judicial review to any aggrieved claimant;

Fourth, the program must require as a condition for compensation that claimants cooperate with law enforcement authorities with respect to the qualifying crime for which compensation is sought; and

Fifth, there is in effect in the State a requirement that law enforcement agencies and officials take reasonable care that victims of qualifying crimes be informed about the existence of a compensatory program and the procedure for applying for compensation under that program.

Mr. Speaker, with the constant increase in crime, we must either protect our citizens, or compensate them for our failure to do so. I believe that this bill would fulfill this latter need, and I would ask that my colleagues give it their full consideration.

KEMP'S PLAN CUTS TAXES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. COLLINS of Texas. Mr. Speaker, Congress is looking for a permanent solution to inflation and energy. The soundest economic plea has been before us on the Hill for several years. We call it the Kemp plan and I am proud to join JACK KEMP as one of the many cosponsors.

Down in Texas, we have a great editorial page headed up by Dick West at the Dallas Morning News. Here is the hard hitting statement on JACK KEMP'S plan as written in the Dallas Morning News:

GO, KEMP GO

The 15th of April—better known as the income-tax deadline—being only two days in the past, the time is right to talk of taxes; or, rather, of the only really creative taxation idea that seems currently to be in circulation.

The idea is that Rep. Jack Kemp of New York, the onetime Buffalo Bills quarterback who has become one of the savviest of congressmen. Kemp for four years has been beating the drums in behalf of his proposal to cut all our taxes. Incredibly, he finds only a minority of his colleagues ready to march with him. Yet of late the Kemp plan has been receiving more serious interest than ever—if only because it contrasts so favorably with President Carter's defunct plan to pass out $50 bills.

A permanent tax cut is what Kemp advocates; a rate reduction of approximately 15 per cent. The highest rate would fall from 70 per cent to 60 per cent, the lowest from 14 per cent to 12 per cent. It will be asked: Why does Kemp want to do such an outlandish thing? Why does he want Americans to keep a greater share of their earnings?

For the solid reason that he believes the economy to need stimulus. Stimulus? Surely that is what the President proposes. Kemp differs, however, as to technique. The technique he himself advocates has historical sanction. The Republican administration of Warren G. Harding resorted to permanent tax cuts in order to revive a war-fagged economy. But far more recent is the precedent of—can you guess?—John F. Kennedy.

Yes, Kennedy, who persuaded Congress in 1962 to lop some 25 per cent off the various tax brackets, so that at last the country might get "moving again." "The main block to full employment," reasoned Kennedy, "is an unrealistically heavy burden of taxation. The time has come to remove it." The strategy worked, too. Economic activity increased sharply. Whereas the Treasury had feared the loss of $89 billion in revenue over six years, the rejuvenated economy poured an increased $54 billion into the federal coffers. Not bad.

To talk of duplicating the Kennedy-Harding accomplishment in 1977 is to indulge perhaps in an academic exercise. But not because the nature of economics has changed; rather, because Congress' membership among the members in 1962, as it was the disposition in the White House, was to cut taxes and let the economy rip. But the taxpayers are less trusted nowadays than they used to be. The suspicion among congressmen is deep that the federal government must control and direct any economic recovery.

What a futile notion, to say the least. For such is the volatile character of economics that no one can truly "control" events. Adam Smith taught us this fully 200 years ago, and Congress needs now to relearn the lesson.

Kemp is patiently essaying the re-education process. (Anyone who persists for four years in trying to get the same bill passed is patient.) And who knows, maybe he makes headway. The rebate scheme is discredited and laughed at. No other new schemes jostle with Kemp's for public attention. His stands alone. Sooner or later we ought to catch sight of it.

EMERGENCY ASSISTANCE TO FLOOD AREAS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. RAHALL. Mr. Speaker, on Friday, April 22, 1977, I introduced legislation to amend the Small Business Act in hope that it will provide the people of the Appalachian region more appropriate emergency assistance to flood areas.

The States most affected are West Virginia, Virginia, Kentucky, and Alabama.

My bill amends the Small Business Act on a temporary basis, just as it was temporarily amended for Hurricane Agnes.

The Small Business Act would be amended in the following way:

Provides that the SBA make temporary loans at a lower interest of 3 percent between April 1, 1977 and June 6, 1977.

Reactivates the "forgiveness" clause on a temporary basis of the Small Business Act in the amount of $5,000 and 1 percent interest on the balance for disasters occurring from April 1, 1977 to June 6, 1977.

Provides a $5,000 grant to the elderly for immediate relief from the effects of a disaster.

The present crisis is serious. I do not think it is being overstated in any way. In my area of the country as well as in Virginia, Kentucky, and Alabama, people are suffering severe economic hardships as a result of this flood. It is the intent of my bill to enable these people to benefit on a temporary basis from SBA loans at a lower rate of interest.

Many of my friends and neighbors have had all they have worked for their entire lives, destroyed by the waters of the Tug Fork River.

It is estimated that at least 57,470 persons have been assisted by relief operations so far, according to the Red Cross.

A total of 17,854 persons have been sheltered at 171 relief centers throughout the disaster area and 393 homes have been completely destroyed. Another 1,052 have sustained major structural damage, and 3,241 have sustained minor damage, 282 mobile homes have been destroyed; 435 businesses have either been destroyed or have sustained major damage. What is worse, these are only preliminary figures on the wide-reaching destruction.

West Virginians are a proud people. They do not want handouts. They intend to rebuild their homes, their businesses, and their towns: such as Williamson and Matewan, two communities that have for all purposes been washed off the map by the worst flood in West Virginia's history.

The suffering experienced by the people of southern West Virginia over the last 2 weeks, would have been much less I judge, if more personnel had been on hand to guide the victims through the maze of forms and applications they had to complete before obtaining the assistance they were entitled to.

I also feel that the clean up operation would have been taken place sooner if more workers were available. Now much of the mud has turned to rock and the effort is much more difficult.

One can never do enough when such disasters take place, but we must be prepared and we must try. The span of time in which an individual experiences the actual disaster, in this case the flood, and the time it takes for them to put their lives back together, is terrifying.

Federal funds must be available at all times to finance the speedy implementation of a Federal disaster relief operation. The victims do not want excuses as to why help is not readily on hand, and they should not be given any excuses. We owe them answers and immediate results.

It almost tore my heart out to tell some of my constituents, who had just lost their home, all of their belongings, their car and their livelihood, that help would arrive in 2 or 3 days.

I witnessed this type of situation all too often during those 15 days. And I hope none of my colleagues in the House of Representatives or the Senate ever have to face a similar occurrance.

Mr. Speaker, I am asking for my colleagues to take action on this legislation today—the people need and want this now.

WHAT PUBLICATIONS ARE MOST FREQUENTLY QUOTED IN THE CONGRESSIONAL RECORD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. STEIGER. Mr. Speaker, it is instructive, I believe, to look at the sources of materials which we daily insert into the CONGRESSIONAL RECORD. All of us use the RECORD to "educate" our colleagues. In doing so, we rely heavily on newspaper and magazine articles which relate to issues about which we are deeply concerned.

As one who has studied the RECORD very carefully in my efforts to make it a more accurate reflection of our deliberations, I have had a real interest in looking at what goes into the RECORD daily. It was with considerable interest, then, that I read the fascinating article of Craig Grau, assistant professor of political science at the University of Minnesota, Duluth, which appeared in the Winter 1976 issue of Journalism Quarterly.

The article, "What Publications Are Most Frequently Quoted in the Congressional Record," provides some good insights into the publications we read and rely on for your information. I think you will find his conclusions interesting. The article follows:

[From Journalism Quarterly, Winter 1976]

WHAT PUBLICATIONS ARE MOST FREQUENTLY QUOTED IN THE CONGRESSIONAL RECORD

(By Craig H. Grau) *

More than half the items put in the Record come from the Washington Post and the New York Times, and the proportion from these two papers seems to be rising.

One of the advantages of the printed press is the ease for those motivated to cut out articles they deem important for future reference or placement in prominent locations so that those who initially did not read them will have an opportunity to do so. Churches and schools place these articles on bulletin boards; professors may tape them on their doors; hundreds of congressmen and senators put them in the Congressional Record.

The Congressional Record does not contain merely an account of what transpires on the floors of the United States Senate and House of Representatives. It includes a great variety of items among which are thousands of reprints of articles and editorials from newspapers and magazines along with a few advertisements, interviews, book reviews and letters to the press.

It appears that while some of these insertions may be placed in the Record to impress constituents, they may also represent attempts to persuade fellow legislators. Morris Udall and Donald Tacheron have written: "For most Congressmen, paging through the Congressional Record is one of the first tasks of the working day."[1] Additionally Leroy Rieselbach had indicated that if a legislator "reads articles or speeches inserted in the Congressional Record, his conception of elite opinion may alter."[2] An examination of the newspapers and magazines quoted most frequently, therefore, may suggest which are the most useful to the legislator and possibly the most influential.

METHOD

An attempt was made to examine the most extensively quoted newspapers and magazines in the Congressional Record to see which were used more than others, to determine changes in recent times and get at least an impression of what type of legislators were using them. To accomplish this purpose the index of the Congressional Record was examined and the number of times certain publications were quoted was counted. Using the 1960, 1965 and 1970 indexes, each newspaper and magazine with 10 or more citations and listed.[3] These 158 newspapers and magazines were counted for the 15 years 1960–1974. The top one dozen for each year, which accounted for between one-half and two-thirds of the articles with the mean being 58.6 percent, were then selected and the percentage that each included from the total of the 12 was listed.

RESULTS

Certain newspapers are consistently quoted more than others. (Table 1) The Washington *Post*, the New York *Times*, the Washington *Star-News* and the *Wall Street Journal* are among the top four every year. The *Christian Science Monitor*, the Chicago *Tribune*, the Baltimore *Sun* and the news-magazine *U.S. News and World Report* are also in the top dozen rather consistently. These similarities in rankings occurred throughout a time frame in which there was a greater than 70 percent turnover in Congress.[4]

In addition to these findings three other developments seem to be evident. First a couple of major newspapers have either gone out of business or merged with others—most notably the New York *Herald Tribune* and the Washington *News* Secondly, the Los Angeles *Times* and the Boston *Globe* have been rising in their rankings, especially in the last few years. Thirdly, it appears that the Washington *Post* and the New York *Times* have traded the top two places and especially because of the former, they are getting a higher and higher percentage of quotes in recent years. If one looks at medians in five-year segments, it becomes evident that the Washington *Post* and the New York *Times* have increased their share of the top one dozen. For the period 1960–1964 their median was 44 percent, for the period 1965–1969 it was up to 47.6 percent and by 1970–1974 it had climbed over one-half to 55.9 percent. This may be due to the increased visability they received as a result of the Pentagon Papers and the Watergate crises. Also a rough calculation indicates that the top 12 newspapers and magazines have slowly increased their share of the quotations from the 158 publications examined. The medians for the three five-year divisions were roughly 55.3 percent, 57 percent and 64.8 percent.

These findings compare quite favorably to those of Carol Weiss in her examination of "What America's Leaders Read."[5] In her subset on Congress she asked some senators and leaders of committees in the House of Representatives which publications they read regularly. Of the 45 respondents asked in 1971–72 which newspapers they read 82 percent said the Washington *Post*, 67 percent the New York *Times*, 58 percent the Washington *Star* and 31 percent the *Wall Street Journal*. All others seemed to have one legislator or less responding.[6] Regarding the regular reading of magazines and professional publications, 70 percent of 44 respondents indicated *U.S. News and World Report*, 68 percent *Newsweek* and 66 percent *Time*.[7] While every legislator can put articles in the *Congressional Record*, the similarity to Weiss' sample is in nearly the same rank order.

TABLE 1.—PERCENTAGE OF TOTAL QUOTES FROM TOP 12 NEWSPAPERS AND MAGAZINES [1]

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Washington Post	21.2	19.4	18.2	22.9	20.2	23.1	22.0	22.9	24.4	28.5	28.5	25.8	28.4	31.8	30.8
New York Times	31.4	24.6	22.5	20.8	27.2	23.4	25.6	25.5	21.9	23.4	27.0	30.1	26.7	24.8	25.
Washington Star (News)	11.1	13.1	13.4	14.6	14.2	13.6	13.6	17.0	17.7	15.8	13.3	13.4	14.6	13.3	11.2
Wall Street Journal	6.7	9.7	11.1	11.0	9.1	8.5	7.9	8.0	9.2	8.1	8.5	7.7	9.1	9.3	10.8
New York Herald Tribune	5.1	7.5	10.5	4.9	5.4	6.5	3.0								
Christian Science Monitor	5.7	5.4	3.8	4.2	3.2	4.1	5.6	4.3	4.2	5.6	5.8	6.0	5.6	4.9	4.1
Chicago Tribune	2.0	5.6	4.9	4.3	5.2	4.1	4.6	5.2	6.2	4.3	3.5	3.7	3.6	2.9	3.6
Washington News	4.8	4.2	5.4	4.5	5.2	4.3	4.3	2.8	4.1	3.9	2.9	2.5			
Los Angeles Times			2.1			2.5	3.6	3.1		3.1	3.2	2.7	3.4	2.7	3.6
U.S. News & World Report	4.0	3.7	3.2	4.5	3.2	3.3		3.1	3.2	2.6	1.9	2.6	2.6	2.7	2.0
Baltimore Sun				2.7	1.9	3.4	4.0	3.4	2.7	1.6	2.1	2.0	1.6	1.9	1.8
Boston Globe												1.8	2.0	2.5	2.6
Chicago News		1.9				3.0	2.9								
Philadelphia Inquirer								2.4	2.0						2.1
Cleveland Plain Dealer								2.2	2.3	1.6					
Newsweek										1.6	1.8	1.8	1.3		
Total number of articles	1,785	2,249	2,359	3,025	2,028	2,510	2,480	3,605	2,585	2,940	2,842	3,084	2,421	3,343	3,526

[1] Others include: Milwaukee Journal: 1960–3.7, 1961–2.4; Dallas News: 1962–3.1, 1963–3.0; Chicago Sun Times: 1964–2.6, 1972–1.2; San Diego Union: 1964–2.6, 1970–1.5; St. Louis Post Dispatch: 1960–2.2; Life: 1960–2.1; Saturday Evening Post: 1961–2.5; Newark News: 1962–1.9; Charleston Gazette: 1963–2.8; Honolulu Star: 1966–2.9; Columbia State: 1968–2.2; New York Post: 1973–1.7; Time: 1973–1.7; Business Week: 1974–1.7. The 1972 figures were adjusted for minor errors found in the index.

Given the enormity of the task, the top dozen newspapers and magazines in 1972 only were chosen to see what types of individuals were contributing articles, editorials, advertisements, interviews, book reviews and letters to the various newspapers and magazines for reprint in the Congressional Record. It appears that more senators participate than do House members. Roughly 88 percent of the Senate placed items of this type as opposed to 54 percent of the House.

The type of legislator that uses the Record in this manner more than others is difficult to determine based on the limited data but some tendencies might be suggested. Those ostrasized by their colleagues were a type tending to use the Record this way. They may not accomplish a great deal in the chamber, but they can send reprints of the

Footnotes at end of article.

Record back home where voters might be influenced. Another motive of this type of legislator could be to convince their fellows that their opinions are based on facts and supported by others outside the chamber. A second type of legislator is one wishing to speak out on a national issue to a nation l constituency. This may be for the purpose of gaining support outside his state for a future bid at "higher" office or to convince others of a need for legislation.[8] Senators come to mind here, especially liberals such as Frank Church, Hubert Humphrey, Jacob Javits, Walter Mondale and Charles Percy. Political party leaders such as the majority and minority leaders of the Senate are a third type. Some of their articles may include evidence of support for party members, presidential candidates or issues.

Examination of the 1972 submissions to the Record also indicate that in many instances legislators who submit items to the Record from a particular newspaper live in the area where it is published. There are differences, as might be expected from those familiar with the papers. Nearly three of every four submissions from the Chicago Sun Times and the Chicago Tribune are from Illinois legislators. About half of the items from the Los Angeles Times and the Boston Globe are from their respective state's national legislators. The same is true for about two of every five submitted from the Baltimore Sun. However, for the New York Times and the Wall Street Journal the ratio is only one of six and one of twelve respectively from the state of New York.

The findings using this crude measure indicate, as most have realized, that the Congress seems to rely on certain print media sources from the BoWash megalopolis. It also appears that members of Congress seem to be relying more and more on the big two: the Washington Post and the New York Times. A survey of the first six months of 1975 indicates that generally the same pattern is followed with the Los Angeles Times continuing a trend to increase relative to the second tier of quoted publications.[9] Legislators, of course, have other sources for news, including radio and television programs, but a different methodology will have to be used to pick this type of media input as an information source. More importantly, the influence of particular print media on specific policy is yet to be determined in a systematic way.

FOOTNOTES

[*] The author is assistant professor of political science at the University of Minnesota, Duluth.

[1] Donald G. Tacheron and Morris Udall, *The Job of the Congressman: An introduction to service in the U.S. House of Representatives*, 2nd ed. (Indianapolis: The Bobbs-Merrill Company, Inc., 1970), p. 135.

[2] Leroy N. Rieselbach, *Congressional Politics* (New York: McGraw-Hill Company, 1973), p. 338.

[3] For the years 1960–1972 the annual index was used and for 1973 and 1974 the index for the daily edition was employed. Generally articles, editorials, advertisements and interview citations were counted. If an article was placed in the *Record* by more than one member, it was counted only as one as were series and certain sundry articles. This conforms to the method used by the *Record* indexers. Remarks in the chamber regarding the publications were not counted. Using the 1968 index as a guide, articles and editorials accounted for 96.5%, advertisements contained in the publications .5%, interviews .4% and letters 1.8%. The remainder included tables, texts of addresses, statements and book reviews. It should be noted that the index is not without mistakes but had to be employed to make the task manageable. The method also excludes newspapers or magazines that for one or two years had a large number of entries but less than 10 in the three years used for selecting the universe.

[4] Michael Barone, Grant Ujifusa and Douglas Matthews, *The Almanac of American Politics 1974* (Boston: Gambit, 1973).

[5] Carol H. Weiss, "What America's Leaders Read," *Public Opinion Quarterly*, 38:1–22 (Spring 1974).

[6] *Ibid.*, pp. 1, 6.

[7] *Ibid.*, p. 8.

[8] Nelson W. Polsby, "Goodbye to the Inner Club," *Congressional Behavior*, ed. Nelson W. Polsby (New York: Random House, 1971), pp. 109–10.

[9] Using the top 15 of 1974, the top 12 in 1975 were: the Washington *Post* 31.8%, the New York *Times* 27.7%, the Washington *Star* 11.7%, the *Wall Street Journal* 10.7%, the Los Angeles *Times* 3.4%, the Chicago Tribune 2.7%, the *Christian Science Monitor* 2.4%, *U.S. News and World Report* 2.4%, the Baltimore *Sun* 2.0%, the Boston *Globe* 1.9%, the Philadelphia *Inquirer* 1.9% and *Business Week* 1.4%.

DUBIOUS STEP ON NUCLEAR POWER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. DERWINSKI. Mr. Speaker, one of the points of Mr. Carter's energy proposals that needs constructive review from Congress is the area of nuclear power.

Mr. Carter, for reasons he has stated, looks with disfavor at the expansion of nuclear energy. An editorial in the Chicago Daily News weekend edition of April 9–10, discusses the complexities on this issue in a very penetrating manner. I commend this commentary to the attention of the Members:

DUBIOUS STEP ON NUCLEAR POWER

The necessity of halting the proliferation of atomic weapons under the guise of nuclear power is beyond question. The risk of allowing nuclear capability to spread among unstable and belligerent nations is too great to bear.

But in his statement on nuclear power, President Carter outlined plans that might even assure the proliferation of nuclear technology without any guidance or influence from the United States.

Carter wants the United States to abandon its present leadership in the area of nuclear-fuel reprocessing by unilaterally withdrawing from the field. Specifically he would close down U.S. research and development of breeder reactors, the nuclear power plants that produce more fuel than they consume. Further, he would prevent the export of U.S. technology that permits spent fuel from nuclear reactors to be reprocessed into usable fuel—fuel that might be used in nuclear weapons.

Carter's assumption—and we believe it is questionable—is that a unilateral decision by the United States to halt its breeder-reactor program will persuade other nations to do the same, thus halting the spread of nuclear technology.

What Carter may have misjudged, however, is the need for nuclear-generated energy in the rest of the world and the determination on the part of responsible nations to acquire that capability and sell it to others. Japan, Brazil and Spain, to name but a few of the nations involved, are in desperate need of energy resources and already have turned to conventional nuclear reactors. Their plans for future growth are based on acquiring the means to reprocess their spent fuel of today to make it suitable for use in breeder reactors in the future. Either they will reprocess the fuel themselves—by importing the necessary technology—or have it done for them.

The United States is not the world's sole repository of nuclear reprocessing technology. France, Canada, West Germany and Britain have spent billions on developing their nuclear industries and in some areas rival the United States in expertise. They see themselves as future reprocessing centers and exporters of nuclear technology to meet growing energy needs throughout the world and to help alleviate strains on their domestic economies and their foreign trade debts.

It seems doubtful—and risky—for Carter to assume that any of these nations will surrender their future plans for industrial growth at the behest of the United States. More likely, and more in keeping with their national interests, these nations will attempt to strengthen present international treaties on the safeguarding of nuclear fuel and development. It is in this area of influencing the inevitable spread of nuclear technology that American leadership is needed most, but where, under Carter's plan, it would be totally lacking.

Uranium, which powers present-day nuclear reactors, is no more abundant than petroleum. Chances that geothermal, solar, fusion, coal or any other known energy resource can solve the world's energy shortage are tenuous at best.

For all its risks, nuclear power offers the best hope of meeting future energy needs. And the way to address those risks is to recognize them, minimize them through vigilant oversight and attempt to contain them within acceptable limits. The United States should not abrogate its responsibility of leadership in this critical area.

AIR TRANSPORTATION—HOW SAFE?

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. SHUSTER. Mr. Speaker, the U.S. News & World Report of April 11 had a very informative article on the problem of aviation safety and I commend it to my colleagues for their consideration.

NEW QUESTIONS ABOUT AIR SAFETY

The worst disaster in airline history—a collision of two jumbo jets on a runway in the Canary Islands on March 27 that claimed more than 570 lives—has aroused new concerns over air safety.

Are the risks increasing? What are the greatest dangers? What is being done to improve safety in the air?

Here, from experts both in and outside the Government, are answers to those and other questions.

How dangerous is plane travel?

Flying is a relatively safe way to travel. Statistics indicate it is more than 10 times safer than driving, as measured by deaths per miles of travel. Compared with train or bus trips, however, flying is slightly riskier, as indicated by the chart on page 38.

Are plane crashes increasing?

No. In fact, the safety records of both domestic and foreign carriers have shown a fairly steady improvement. In 1976, the U.S. airline industry had the fewest accidents in its history and the lowest number of fatalities in 20 years, even though a record 2.5 billion miles were logged and the number of passengers hit an all-time high of 220 million. For U.S. commercial air carriers, the

National Transportation and Safety Board recorded 28 accidents, of which four were fatal, killing 39 pasengers and six crew members.

The chart on this page shows the declining trend in the fatality rate in recent years. During the first two years after jets were introduced, 1959 and 1960, these planes averaged one fatal crash for every 150,000 hours flown. Last year, U.S. airlines averaged more than 2.5 million flying hours for every accident.

Are charter flights, such as were involved in the Canary Islands disaster, as safe as regularly scheduled ones?

The Government does not have passenger-mile accident rate figures for charter flights comparable to those it compiles on scheduled airlines.

NTSB records indicate, however, that until the crash in the Canary Islands, U.S. carriers had not had a fatal accident involving a charter flight since 1970.

How safe are private and corporate planes?

These are the least-safe aircraft. In 1976, they averaged 12.5 accidents for every 100,000 hours flown. Commuter airlines had the second worst record with 3.3 accidents for every 100,000 hours; commercial airlines had the best record with 0.457 accidents for every 100,000 hours.

Are foreign airlines less safe than American ones?

Apparently. A recent study done by the *London Sunday Times* indicates that airlines registered in the U.S. are at least four times as safe as the world average and 25 times as safe as airlines in Eastern Europe. The reason: U.S. safety standards are stricter and more stringently enforced. Foreign countries usually adopt each new American safety standard but not until several years after it has been in force in the U.S.

Do accidents involving jumbo jets like the 747s carry a higher risk of fatalities?

Since the first commercial flight in 1970, 747s have flown some 2.25 billion miles and carried 140 million passengers, with only two fatal accidents, killing 76. That was before the Canary Island crash involving two 747 jets operated by Pan American World Airways and KLM Royal Dutch Airlines.

Aviation officials argue that without the jumbo jet, more flights would be needed to carry the same number of passengers. With more planes in the air, risk of accidents would increase, although the toll from one incident would probably be lower.

At what point on a flight is the risk of a crash the greatest?

Almost half of all fatal accidents occur while landing; 1 in 4 takes place in flight, and 1 in 7 during take-off. Landings take complicated maneuvering at a point where there is little time or altitude to deal with a problem.

What causes most crashes?

It is hard to pinpoint the blame since most crashes are caused by a combination of factors, including: misjudgment by pilots, traffic controllers, and other flight personnel; bad weather; faulty instruments, aircraft-engine problems; poor airport facilities, and a breakdown in communications.

According to the latest NTSB statistics of recent crashes that occurred during landing, pilot error was a factor 85 per cent of the time; mistakes by other flight personnel, 43 per cent. Bad weather figured in nearly two thirds of these fatal accidents, while engine failure and faulty equipment accounted for few.

Are risky airports a problem?

Not over all. Officials blame few crashes on airport facilities.

However, the International Federation of Airline Pilots Associations lists 26 airports used by international carriers, as "critically deficient"—so bad that operations should be restricted.

Airports can get the federation's "black star" rating for a variety of reasons: inadequate runway length, insufficient electronic safety equipment, air-traffic-control problems, congestion in the air, terrain hazards, or communication problems—unclear radio frequencies or language difficulties.

Two of the American airports on the "black star" list—Boston's Logan International and Los Angeles International—are rated dangerous by the pilots because of their nighttime noise-abatement procedures that require aircraft to take off and depart "head to head" on the same runway.

The Tenerife airport in the Canaries was a secondary facility crowded with planes from the Las Palmas airport, which was closed because of a terrorist bombing.

Could a Canary Islands type of crash happen at a larger airport with more sophisticated equipment?

Yes. In fact, a similar crash occurred at O'Hare airport in Chicago in 1972 when 10 passengers were killed. There, too, a plane taking off crashed into another plane, taxiing across the runway in foggy weather. Bad weather, errors by the pilot of the taxiing plane and by traffic-control personnel were cited as factors.

Since then, nine heavily used airports, including O'Hare, have installed equipment that gives air-traffic controllers a picture of what is happening on the ground to help them prevent such disasters. The system has some flaws, officials say.

Radar equipment for controllers that would mark each plane's position on a computer-generated map of the airport is being developed. This specialized radar is used now only to identify aircraft and mark their position in the sky.

However, this equipment does not let pilots know of other airport activity.

What else is being done to improve air safety?

Investigation of crashes, such as the one now being conducted in the Canary Islands, plays an important role in improving air safety. In the U.S. federal officials, pilots, controllers, the airlines involved, the aircraft manufacturers and the flight attendants' union all participate to determine what happened, why, and more importantly, what can be done to keep such accident from happening again.

Recent probes have led to a new glossary of air-traffic-control terms, modification of aircraft, and the installation of proximity warning devices in planes and traffic-control towers to alert a pilot when he is in danger of running into a hill approaching an airport.

Is anything being done to improve airports?

The Government has a 500-million-dollar grant program to improve airfield runways, taxiways, lighting systems, and visual-landing aids, and a 250-million-dollar grant program to provide for installation of automation equipment in control towers.

LET US REMEMBER—THE HOLOCAUST

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. GILMAN. Mr. Speaker, 32 years ago, on April 11, 1945, General Patton's tanks rumbled up to the gates of Buchenwald. From the time these gates opened on July 16, 1937, 238,980 victims of Nazi terror were incarcerated there. At first, most were political prisoners. Germans of every religious belief who opposed Hitlers' regime. Then, after the barbaric "Crystal Night" of 1938, when synagogues throughout Germany were looted, burned, and destroyed, thousands of Jews were imprisoned there. Then followed the prisoners of war: Russians, Czechs, Polish, French, and British soldiers.

Today, Buchenwald, as well as Dachau and Auschwitz, the Ravensbrueck camp for women, the Sachsenhausen camp near Berlin, and others, are preserved as memorials—as a reminder to civilization of mankind's brutality. It was at these camps, with their ovens and medical experimentation rooms for humans, that almost 6 million Jewish men, women, and children met their deaths. Countless other Jews died during the heroic uprising of the Warsaw ghetto in Poland, in the hundreds of underground resistance groups formed during the duration of the war, and in the armed forces of the allied nations.

Today, 32 years later, those camps still stand as memorials to the dead; flowers grow over the mass gravesites outside the camp walls and inside, schoolchildren and tourists wander through the crematoriums, staring at the grisly reminders left behind by the Nazis.

April 27 of this year commemorates the "anniversary"—if one can use such a word for such an occasion—of a crime without precedent in history: the systematic, mechanized mass murder of European Jewry and political dissidents of all religions and creeds by Nazi Germany during the Second World War.

The holocaust still haunts our thoughts: perhaps more so today, several generations removed from 1945, when Patton's tanks, rolling up to Buchenwald, were greeted by the liberation banner flying over its entrance.

Mankind will not soon relegate the destruction of so many millions of people to the closed chapters of history. Although those events were unique in their scope and savagery, similar crimes against humanity have been committed against other groups before and are being committed today in the Soviet Union, in Uganda, in Latin America and in Northern Ireland. It is evident that education and culture are not safeguards against inhumanity—for one of the most bizarre things about the German camps are not only the horrors perpetrated inside their walls, but their location.

These places, symbols of the ultimate in human cruelty, were erected in a country which was the seat of Europe's humanist tradition. Here, in the 18th and 19th centuries, Bach, Mozart, and Liszt composed their masterpieces of music; here Schiller and Goethe wrote their poetry. It is difficult to conceive that these condemned were forced to build their own death camps in the very forest where Goethe frequently hiked; that they traveled on a death march on the very roads which Mozart used to travel home. This ambiguous juxtaposition of culture and cruelty stands as testimony to the fact that, given certain circumstances, men can and do perpetrate the most appalling injustices upon

their brothers, even to the point of mass murder and torture.

Humanity must remember, so that similar disasters will not be repeated by our own or future generations. If the people of all nations will work actively to combat injustices against any group, we may perhaps be able to prevent holocausts in our own time and in the future. This is why we must commemorate what happened at Warsaw and in Buchenwald, Auschwitz, Dachau, Treblinka and Bergen-Belsen—if a people forgets its past, it loses the very essence of its personality, for the memory of a people is its character. By the same token, a living memory, a living past, nourishes a people's maturation.

Therefore, to omit any part of our past, particularly a significant portion of recent history, despite the insidious connotation it evokes, diminishes the character of its heirs. To ignore the history of Nazi Germany would represent the grossest injustice to 6 million innocent Jews and countless hundreds of thousands of other victims of Nazi barbarities. And it reflects, particularly when tolerated and prolonged in other nations, an inexcusable indifference to evil.

Warsaw and the German concentration camps stand as symbols to those who suffered and died there to keep the torch of human liberty burning in the darkness of a war that still envelops the hearts and souls of millions who witnessed its horrors. Their stand against the onslaught of the Nazi forces will forever remain a symbol of the indistinguishable prerogative of human liberty, of right against might, of justice against injustice, and of that substance of men's souls which neither bayonet nor the refined torture of an inhuman tyrant can subdue, much less destroy. The Warsaw ghetto, now changed beyond recognition, and the work camps, now converted to museums, will stand as a memorial to the men and women who died there centuries after their oppressors are buried in oblivion.

There is always a threat to the survival to those minority groups that wish to cultivate and perpetuate their religious and cultural heritage. Today, in Uganda, an African dictator voices undisguised approval of Hitler's final solution; in the Soviet Union, work camps have been resurrected to incarcerate Jewish and political dissenters; in North Ireland, the British carry out systematic warfare and torture against the protesting citizenry. Has this generation so soon forgotten the lessons taught us by the martyrs of the Warsaw ghetto? Shall we forget what happened within the walls of the death camps in Poland and Germany?

There are an ever-increasing number of people who do not want to remember what happened in the Polish ghettos and in the German camps, who do not want to see what is repeating itself today in other nations. But anyone who has any sense of responsibility, not only to the memory of the past but to the lives of their fellow men, must settle with his own conscience whether he has reason to feel guilty, to watch and be ashamed of his own inaction. I am proud that our Nation has chosen not to be a silent observer, but has consistently fought bigotry within its own boundaries and is now speaking out against the violation of human rights by other governments.

It is time for us to once again remind the world of the senseless slaughter of 6 million men, women, and children who were the victims of the cruelty and hatred of their fellow men while the world watched in silence. It is time for us to take up their torch and to continue their fight for human liberty and dignity.

In recalling the words of the American philosopher, George Santayana:

Those who cannot remember the past are condemned to repeat it.

Let us vow that we will not forget; that we will not abandon their struggle; that we will remember the men and women who gave a new meaning to the word "freedom."

AMERICANS OPPOSE SURRENDER OF PANAMA CANAL

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 22, 1977

Mr. HANSEN. Mr. Speaker, the question of the disposition of the Panama Canal is indeed an issue which is burning through the minds of all America. Three out of every four Americans who do not favor surrendering any American rights or property to the Republic of Panama.

The Council for Inter-American Security is conducting a national poll and tabulating citizen opinion on the Panama Canal question on a State by State basis. Results are now available and an update on its findings will be forthcoming in a few weeks.

The council also recently published an excellent study by the late Dr. Lazo entitled "Panama Canal Giveaway: A Latin American View," which I urge Members of Congress to analyze.

I commend the council for its important work toward a better public understanding of Inter-American issues and offer for the RECORD and the edification of my colleagues a March 6 news release which announces the results of the council's recent poll concerning a new Panama Canal treaty and diplomatic recognition of Cuba:

COUNCIL FOR INTER-AMERICAN SECURITY SHOWS U.S. PUBLIC OPPOSES SURRENDER OF PANAMA CANAL

At least 70% of the U.S. public opposes giving up U.S. control or U.S. rights of the Isthmian Canal across Panama. There is also widespread concern over growing Communist power on our Country's Southern shore. That is the inescapable conclusion of extensive opinion polls and research by the Council for Inter-American Security, a non-partisan, independent education group dedicated to the freedom and security of the nations of the Western Hemisphere.

President's Carter's clear reversal of his earlier position against any surrender of vital interests in the U.S. Isthmian Canal is deeply troubling.

In his second debate with President Ford, then Candidate Carter said he "would never give up complete control or practical control of the Panama Canal Zone . . .".

Yet, that is exactly what he is about to do, despite the fact that overwhelming majorities of Americans have repeatedly said that they do not favor a Surrender of our Canal.

It is hard to believe that the new President could so soon forget the sound thinking of his countrymen on this issue. The plain fact is that a far greater percentage of the American electorate favors continued U.S. operation and control of the Panama Canal than voted for Mr. Jimmy Carter on election day last November.

Any student of History knows that the Isthmian Canal was built across territory to which the United States was granted rights as if sovereign in 1903. However, there are those who contend we should give up what is ours, even if it is needed for national security.

What the Council for Inter-American Security (CIS) is reminding President Carter, is that the American people oppose what his administration is trying to do in secret negotiations on a secluded island off the Coast of Central America.

CIS reveals that a 1975 poll by the prestigious Opinion Research Council showed that 66% of a scientific, nationwide sample favored continuing U.S. ownership and control of the Panama Canal. By April 1976 a second Opinion Research Council pool showed 75% of Americans took a pro U.S.-Canal position. Gallop polls showed similar results, particularly in President Carter's native South where 68% opposed surrendering U.S. Control of the Panama Canal.

The American public has shown growing concern for the security of the United States Southern-Gulf Coast, and the grave danger that would accompany abandonment of the strategic Canal to the leftist Government of Panama Dictator General Omar Torrijos.

The Council for Inter-American Security's own poll was conducted nationally by direct mail from September through November, 1976. A geographic cross section of over 13,000 participants produced the following response:

[In Percent]

The U.S. Should Maintain Control of the Panama Canal	77
The United States should not grant diplomatic recognition to Fidel Castro's Communist Cuba while that nation exports violent revolution and terrorism throughout Latin America	71

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such informa-

tion daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

MEETINGS SCHEDULED

APRIL 25

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation.

Until 1 p.m. 4232 Dirksen Building

9:30 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Forest Service.

1114 Dirksen Building

10:00 a.m.

Armed Services

General Legislation Subcommittee

To meet in closed session to consider proposed fiscal year 1978 authorizations for the Defense Civil Preparedness Agency.

224 Russell Building

Banking, Housing, and Urban Affairs

To hold hearings on the nominations of John H. Dadton, of Texas, to be President of GNMA; William J. White, of Massachusetts, to be a member of the Board of Directors of the New Community Development Corporation; and Ruth Prokop, of the District of Columbia, to be General Counsel of HUD.

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 1250, proposed fiscal year 1978 authorizations for the Coast Guard.

5110 Dirksen Building

Energy and Natural Resources

To resume hearings on S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

3110 Dirksen Building

Environment and Public Works

Subcommittee on Water Resources

To hold hearings on proposed fiscal year 1978 authorizations for river basin projects.

4200 Dirksen Building

Governmental Affairs

Energy, Nuclear Proliferation, and Federal Services Subcommittee

To resume hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.

6202 Dirksen Building

Judiciary

Antitrust and Monopoly Subcommittee

To resume hearings on S. 825, to foster competition and consumer protection policies in the development of product standards.

2228 Dirksen Building

Select Ethics

To hold an open business meeting to discuss committee organization, to be followed by a vote to close the meeting to discuss certain classified business.

1417 Dirksen Building

11:00 a.m.

Foreign Relations

Foreign Assistance Subcommittee

To hold hearings on proposed fiscal year 1978 authorizations for security assistance programs.

4221 Dirksen Building

2:00 p.m.

Armed Services

To continue, in closed session, consideration of S. 1212, authorizing funds for fiscal year 1978 for military procurement.

212 Russell Building

APRIL 26

9:00 a.m.

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To continue hearings on proposed fiscal year 1978 authorizations for the Legal Services Corporation.

Until 11:30 a.m. 424 Russell Building

9:30 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the FEA.

1114 Dirksen Building

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.

S-146, Capitol

Energy and Natural Resources

To continue markup of S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface coal mining operations.

3110 Dirksen Building

Human Resources

Subcommittee on Labor

To hold hearings on S. 995, to prohibit discrimination based on pregnancy or related medical conditions.

Until noon 4232 Dirksen Building

Select Small Business

To hold hearings on problems of small business as they relate to product liability insurance.

1202 Dirksen Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings to receive testimony in connection with delays and congestion occurring at U.S. airports-of-entry.

5110 Dirksen Building

Environment and Public Works

Subcommittee on Water Resources

To hold hearings on projects which may be included in proposed Water Resources Development Act amendments.

4200 Dirksen Building

Foreign Relations

To consider proposed legislation authorizing funds for fiscal year 1978 for bilateral development assistance; S. Res. 94, international cooperation to curb nuclear proliferation; proposed committee budget; and the nominations of Philip H. Alston, Jr., of Georgia, to be Ambassador to Australia; Kingman Brewster, Jr., of Connecticut, to be Ambassador to Great Britain and Northern Ireland; and Wilbert J. Lemelle, of New York, to be Ambassador to the Republic of Kenya and the Republic of Seychelles.

4221 Dirksen Building

Governmental Affairs

To consider pending nominations; S. 826, to establish a Department of Energy; S. 904, to establish a center within OMB to provide current information on Federal domestic assistance programs; and to discuss committee funding resolution.

3302 Dirksen Building

10:30 a.m.

Commerce, Science, and Transporation

To hold a business meeting.

235 Russell Building

Judiciary

To hold a business meeting

2300 Dirksen Building

11:00 a.m.

Select Small Business

To resume hearings on S. 972, to authorize the Small Business Administration to make grants to support the development and operation of small business development centers.

S-126, Capitol

1:30 p.m.

Conferees

On H.R. 11, authorizing funds for public works employment programs.

Room to be announced

2:00 p.m.

Appropriations

Legislative Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the Legislative Branch, on funds for the Senate Disbursing Office.

S-128, Capitol

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Department of Justice.

S-146, Capitol

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.

1224 Dirksen Building

Select Intelligence

To meet in closed session to consider proposed fiscal year 1978 authorizations for Government intelligence activities.

S-407, Capitol

APRIL 27

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

8:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.

235 Russell Building

9:00 a.m.
Governmental Affairs
Governmental Efficiency and District of Columbia Subcommittee
To hold hearings on S. 1060, to restate the charter of George Washington University; S. 1061, to allow continued Treasury borrowing by the District of Columbia; S. 1062, to change the fiscal year of the Armory Board; S. 1063, to allow the issuance of revenue bonds by the District of Columbia for the building of university facilities; S. 1101, to terminate the District of Columbia borrowing authority from the Treasury for sewage works; S. 1102 to allow the District of Columbia to enter into interstate compacts; and S. 1103, to allow the States to sue for taxes in the District of Columbia Superior Court.
Until 11:00 a.m. Room to be announced

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

Environment and Public Works
To consider proposed Clean Air Act Amendments, committee budget, Disaster Relief Act amendments, and S. 1270, the Community Emergency Drought Relief Act of 1977.
4200 Dirksen Building

Human Resources
Subcommittee on Labor
To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related medical conditions.
Until noon 4232 Dirksen Building

Select Small Business
To hold hearings on proposed fiscal year 1978 authorizations for programs of the Small Business Administration.
424 Russell Building

Veterans' Affairs
To hold hearings on S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.
Until 12:30 p.m. 318 Russell Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Judiciary.
S-146, Capitol

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Energy and Natural Resources
To consider pending calendar business.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To meet with Representative Findley, Ranking Minority Member of the Subcommittee on Europe and the Middle East of International Relations Committee, to discuss the implementation of title XII of the Foreign Assistance Act.
6202 Dirksen Building

Foreign Relations
International Operations Subcommittee
To hold hearings on proposed fiscal year 1978 authorizations for the Department of State.
4221 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To consider S. 705, to revise and strengthen standards for the regulation of clinical laboratories, and S. 621, 945, and 1217, to establish guidelines for regulating research relating to Recombinant DNA.
Until noon 1318 Dirksen Building

Judiciary
Subcommittee on Juvenile Delinquency
To hold hearings on S. 1021 and S. 1218, to amend and extend programs under the Juvenile Justice and Delinquency Prevention Act.
2228 Dirksen Building

Rules and Administration
To mark up S. 708, to improve the administration and operation of the Overseas Citizens Voting Rights Act of 1976, and to consider proposed authorizations for activities of the Federal Election Commission for fiscal year 1978.
301 Russell Building

Select Indian Affairs
To consider S. 773, authorizing the Wichita Indian Tribe of Oklahoma to file claims against the U.S. for lands taken without adequate compensation; S. 842, to limit to monetary damages the remedy available to the Passamaquoddy and Penobscot Indian Tribes in Maine; and S. 838, requesting the Court of Claims to review the finding of the Indian Claims Commission in the case affecting the Black Hills portion of the Great Sioux Reservation, South Dakota.
S-126 Capitol

Select Intelligence
To hold hearings with a view to determining whether disclosure of fiscal year 1978 budget figures for Government intelligence activities is in the public interest.
S-407, Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Japan-United States Friendship Commission, and the office of the Special Representative for Trade Negotiations.
S-146, Capitol

Judiciary
To hold hearings on S. 1231, to increase authorizations for the Civil Rights Commission for fiscal year 1978.
2228 Dirksen Building

Select Intelligence
To continue hearings with a view to determining whether disclosure of fiscal year 1978 budget figures for Government intelligence activities is in the public interest.
S-407, Capitol

APRIL 28

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:00 a.m.
Governmental Affairs
To hold hearings on the nominations of Gladys Kessler, Robert M. Scott, Robert A. Shuker, Annice M. Wagner, and Paul R. Webber, each to be a judge of the District of Columbia Superior Court.
457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for ERDA.
1114 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To consider S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children, and proposed legislation to extend the Child Abuse Prevention and Treatment Act.
Until 10:30 a.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Renegotiation Board, and SBA.
S-146, Capitol

Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on proposed fiscal year 1978 authorizations for the Nuclear Regulatory Commission.
4200 Dirksen Building

Finance
To mark up proposed legislation authorizing funds for fiscal year 1978 for the U.S. International Trade Commission, and to consider pending nominations.
2221 Dirksen Building

Foreign Relations
International Operations Subcommittee
To hold hearings to receive testimony from representatives of Voice of America.
4221 Dirksen Building

Select Intelligence
To continue hearings with a view to determine whether disclosure of fiscal year 1978 budget figures for Government intelligence activities is in the public interest.
S-407, Capitol

10:30 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 2:00 p.m. 4232 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

APRIL 29

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

8:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
6202 Dirksen Building

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youths.
Until 2 p.m. 1202 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

Human Resources
Labor Subcommittee
To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related conditions.
Until noon 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Judiciary and FCC.
S-146, Capitol

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearings on rural housing legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Energy and Natural Resources
Subcommittee on Parks and Recreation
To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.
3110 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
6226 Dirksen Building

MAY 2

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275 to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

10:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

2:00 p.m.
Environment and Public Works
Water Resources Subcommittee
To resume hearings on the proposed replacement of Lock and Dam 26, Alton, Ill.
4200 Dirksen Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue mark up of legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

MAY 3

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs.
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation amending the Federal Trade Commission Act.
5110 Dirksen Building

Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To resume hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
4200 Dirksen Building

Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:30 p.m.
Banking, Housing, and Urban Affairs
To mark up S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building

MAY 4

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

Rules and Administration
To hold hearings on S. 1072, to establish a universal voter registration program, S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendation from the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation to amend the Federal Trade Commission Act.
235 Russell Building

Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on H.R. 5306, Land and Water Conservation Fund Act amendments.
3110 Dirksen Building

MAY 5

9:30 a.m.
Environment and Public Works
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations

thereon to the Budget Committee by May 15.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved.
5110 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 6

9:30 a.m.
Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building

Select Small Business
To hold hearings to investigate problems in development of timber set-asides.
424 Russell Building

MAY 9

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

MAY 10

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
5110 Dirksen Building

Environment and Public Works
To mark up proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
4200 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 11

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building

Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

Rules and Administration
To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962 and 966, President's message dated March 22, and recommendations of the FEC submitted March 21.
301 Russell Building

Veterans' Affairs
To mark up S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.
412 Russell Building

MAY 12

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.

Environment and Public Works
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 13

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130 to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 17

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 24

9:30 a.m.
Select Small Business
To resume hearings on alleged restric-

tive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 25

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

Veterans' Affairs
To hold hearings on S. 247, to provide recognition to the Women's Air Forces Service Pilots.
Until noon 318 Russell Building

1:00 p.m.
Governmental Affairs
Governmental Efficiency Subcommittee
To hold hearings to receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
1224 Dirksen Building

MAY 26

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the cable TV system.
235 Russell Building

JUNE 14

9: 30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building

CANCELLATION

APRIL 26

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

APRIL 28

10:00 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on biomedical research programs.
Until 12:30 1202 Dirksen Building

SENATE—*Monday, April 25, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. JAMES R. SASSER, a Senator from the State of Tennessee.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, midst all the traffic of our busy ways we are grateful for this sanctuary of the spirit when we contemplate Thy majesty, Thy holiness, and Thy mercy. Forgive us for the littleness of our faith and the feebleness of our prayers. Lead us to the source of spiritual power and moral energy, that our limited wisdom may have Thy divine supplement.

We pray for the President and for the Congress, and for all in every land who bear the responsibility of public office.

Grant us so to know Thee that we may truly love Thee, and so to love Thee that we may freely serve Thee, to the honor and glory of Thy great name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 25, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES R. SASSER, a Senator from the State of Tennessee, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. SASSER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, April 22, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS, MAY 2, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committees on Human Resources and Commerce be authorized to meet during the session of the Senate at 1 p.m. on Monday, May 2, 1977, for the purpose of conducting a joint hearing with respect to S. 1350, the sea-grant college authorization.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

PERMANENT TAX REDUCTION

Mr. BAKER. Mr. President, one of the problems inherent in Congress as an institution, particularly Congress as it has become in recent years, is its inability to formulate policies and plans which look beyond the immediate problems of the present, and which deal comprehensively with the problems of the future. Almost without exception, we legislate to provide the quick fix or the solution, forced by an impending crisis, which is often ineffective, usually inefficient, and which almost always creates even more problems to face further on down the road.

As the President's decision to withdraw the tax rebate proposal indicates, the Nation is enjoying still a gradual, but steady, recovery from the effects of the recent economic recession. Nevertheless, both unemployment and inflation remain very much with us, both as problems of the present and specters of the future. In a sense, we are holding our own; but I am concerned lest improving economic indicators beguile us into the complacent belief that no further action is necessary.

Today we are debating a measure that provides us the opportunity not only to react to the present but to plan for the future. A permanent tax reduction not only addresses the immediate problems of unemployment and inflation, it is one of several proposed measures necessary to deal with these problems over the longer term.

A permanent tax reduction now will have a gradual but important effect on the overall nature of our economy for the next several years. Unlike the temporary and inflationary "fix," a permanent reduction in taxes increases consumer confidence, mitigates the immediate impact of inflation, and directly contributes to sustained economic growth above that necessary merely to hold our own with unemployment.

Because unemployment, inflation, and economic growth are so inextricably intertwined it is important to note that for every percentage point of employment gained by increased economic growth, Federal revenues increase by approximately $14 billion and expenditures decrease by approximately $4½ billion. If we are to have any hope of decreasing the inflationary pressure of the enormous Federal deficit by balancing

the budget by 1981, we must take advantage of this interaction between economic growth and unemployment. A permanent tax reduction is but one step in that direction.

Other steps, of course, are necessary to further encourage production and we will need to provide measures that enhance capital formation and investment without debt financing, we will need to minimize inflationary pressures of energy conservation programs; and, above all, we will need to restrain Federal spending.

I would encourage colleagues, Mr. President, to consider this permanent tax reduction an important and necessary step in the right direction. It is but one of several that we will need to take, but its value cannot be overstated. Moreover, it gives us the opportunity to say to the American people that this Congress can, in a realistic and meaningful way, provide solutions for the problems of the future before they became the crises of the present.

PROJECTION OF SENATE BUSINESS

Mr. BAKER. Mr. President, if I may have the attention of the majority leader, I noticed over the weekend in the press that the majority leader indicated certain things with respect to the schedule of the Senate for the remainder of this session. I wonder if the majority leader at this time is in a position to express an evaluation on the prospects of adjournment.

I am sure many of our colleagues will begin soon to make plans for the remainder of the year. Both of us have expressed the hope that Congress might adjourn sine die on October 7. If there is a growing possibility that may not occur, I wonder if we could explore that at this time.

Mr. ROBERT C. BYRD. Mr. President, I cannot explore that at this time. It is my intention to discuss this matter, however, with the distinguished minority leader in the near future.

I will also want to discuss it with the chairmen of committees and subcommittees of the Senate, and especially with those chairmen of committees and subcommittees which will have under their jurisdiction the various aspects of the energy proposals, together with other important "must" legislation.

THE ENERGY PACKAGE

The energy package by its very nature, by its very urgency, and by virtue of the emphasis which has been placed on it by the President of the United States, will, in my judgment, be one that should be given the very highest priority by both Houses.

I have the impression that the other body will give the energy proposal very high priority.

This is not to say that there is not other legislation which is of a very high priority, likewise. Naturally, there are appropriation bills. There are any number of subjects which I am sure we will agree are of such an important nature that they will require action during this session.

I think I can say no more than that at the moment. I appreciate the question by the distinguished minority leader. It is a matter which I had intended to discuss with him at considerable length and one which I will be talking with him about in the very, very near future. It is a matter which was discussed between the House and Senate democratic leaders on last Friday morning at a breakfast. I would still hope that the Senate and House can wind up their work in October.

We must agree, however, that the energy proposals, being very controversial in some respects, will require some time, in committees, on the floor, and in conference with the other body. It may be that, as we get further down the road, we will want to meet in longer sessions daily and will have to meet on some Saturdays.

As the distinguished minority leader knows, and to which he has made reference on previous occasions, the majority leader has attempted to have sessions of the Senate, as much as possible, convene no earlier than noon each day during the months of January, February, March, and April. I have kept my commitment to Senators in this regard so as to enable committees and subcommittees to have as much time as possible to meet without interruptions from the floor. But as the measures begin coming to the floor in May, June, and July, and subsequent thereto, we will have to have lengthier sessions—and there will have to be some Saturday sessions—if we are going to get our work done in October.

I ought also to say this: If the Congress is unable to complete its work on the "must" legislation—which would certainly include most of the energy proposals—by October, I think we would have a responsibility to readjust our own schedules accordingly.

That is about the most I can say at this time.

Mr. BAKER. Mr. President, I thank the majority leader. I share with him a hope that we can meet our earlier sine die deadline. If we cannot, then I also agree with the majority leader we owe an obligation to stay here and finish the necessary work of the Congress. Certainly, an energy proposal or set of proposals should be fully and thoroughly ventilated and discussed, as they are of extraordinary importance. While I hope we can finish by October 7, I understand the possibility that we cannot, and I understand the necessity to remain. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. I yield to the Senator from New York.

WELFARE REFORM

Mr. MOYNIHAN. Mr. President, I thank the majority leader for this opportunity to continue the colloquy regarding the Senate schedule for this session.

Over the weekend the press, widely and properly, reported a statement by the majority leader that the Senate will have to devote itself full time to energy this year, so that "welfare reform will simply have to wait."

I think it will be useful to all of us to have his remarks, which seem to be very clear, nonetheless extended for the RECORD to note what I believe to be the case. This is that if welfare reform has to wait its turn, which indeed it must, as far as we know from the President's schedule of priorities its turn is next.

We expect a message from the President proposing a sweeping change in our welfare program, a proposal as large in its consequence as the energy proposal itself.

I spoke this morning with Mr. Stewart Eizenstat, who is the Assistant to the President for Domestic Affairs. He tells me that the President now hopes simply to present to us a set of general principles on welfare reform in May and that he will submit actual legislation to us in the fall.

The thrust of this legislation is clear. In the President's own compilation of campaign promises, he lists six points. The fifth is "enacting one uniform nationwide payment." The sixth is "removing the welfare burden from cities, with welfare costs being paid by the Federal and State Governments." Obviously, sir, we could not expect to enact so large a program within days of receiving it, particularly in terms of the deadline that the majority leader has suggested for our adjournment.

We are not new to this matter. We know what is involved. The family assistance plan took up half the 91st Congress and all the 92d and still was not adopted, but it is still the case that we can have a bill on the floor of the Senate in January if the President's message reaches us in the fall. I think that the Nation would be reassured to hear the majority leader say that he sees it this way.

Mr. Eizenstat noted to me this morning that the President's proposal is not expected to take effect until fiscal 1977. But, sir, two points need to be made. First, we have to establish that welfare is not turning out to be one of those problems which our political system simply cannot resolve and, accordingly, we find an excuse for putting it aside. To the contrary, the Nation, and particularly the cities of the Nation, need to be reassured that welfare reform has not been doomed by the energy crisis; that it becomes more important than ever; that the President's fifth principle of energy matters applies here as well. He said, "We must be fair, our solutions must ask equal sacrifices from every region." Nowhere is the principle of equal sacrifice so much violated as in the distribution of the Nation's welfare burden.

New York City, Mr. President, has a greater number of welfare recipients than the population of 12 States in the Nation. A quarter of our States do not have as many citizens as we have welfare recipients.

It seems to me that if the President is to send his message of general principles to us in May, speaking, as I can, for the chairman of the Committee on Finance, and speaking as chairman of the Subcommittee on Public Assistance, Mr. President, I say that we shall begin holding hearings on the President's principles the day after his message reaches us. We fully expect to be in a position to treat

immediately with his legislative program when it comes in the fall.

I ask the majority leader if he does not think it both possible and desirable that such legislation should be ready for consideration by the Senate in January, when we reconvene in our second session?

Mr. ROBERT C. BYRD. Mr. President, I do think it is desirable, and as I look at it from the vantage point of today, I think it is possible that Congress could begin action on the floor—certainly, I hope, here in the Senate—by next January on a welfare reform bill.

On the points that the distinguished Senator from New York has raised, I assure him that welfare reform is not being put aside by virtue of the energy crisis.

The committees and subcommittees of Congress can be working on the problem in the meantime. It was my understanding from the beginning that the President would not submit his welfare legislative package in May. I was a little bit nonplussed when I saw something to that effect surface recently. It was my understanding originally, and I believe that this was stated in one of our leadership breakfasts at the White House—though I am not absolutely sure that was the precise place—I was under the very clear impression that the President's welfare legislative package would not be sent up to Congress until the fall.

Mr. MOYNIHAN. Which Mr. Eizenstat has confirmed specifically this morning.

Mr. ROBERT C. BYRD. That being the case, I think it is only reasonable to expect that Congress could not really take floor action on such a proposal until January, at the earliest. This does not mean that the Senator and his subcommittees or that other Senators and subcommittees having jurisdiction over welfare matters could not begin holding hearings and study of the problem at any time in the near future, beginning as soon as possible; because, after all, the committees are the small legislatures of this Congress and the work has to be done there first.

Most work is done in the committees, actually, as the Senator knows. I think he is to be commended for not only his concern about the problem—certainly, he is conversant with the desire for urgent action in connection with the problem. But he is also to be commended for his desire to move ahead at the earliest possible date to bring legislation to the floor.

So I say that I support the Senator in his desire to move as quickly as possible. I support him in what I know will be an early scheduling of hearings in connection with this matter and the subcommittees on which he holds membership. I assure him that there is not going to be any desire on the part of this Senator to delay early Senate action on a legislative package in view of the fact that the administration will not send up the package until fall—and I think the administration should be held to its commitment. I think it should send up a package. It should be a well-thought-out, carefully planned package.

However, in view of the fact that the legislation will not be coming up until the fall, I join the Senator in urging that the administration fulfill its commitment to get up a package, not necessarily by a particular day, but in time for the committees to begin their work.

In the meantime, committees do not have to wait. They can call before them the administration officials who have jurisdiction over this matter, have hearings, and help the administration to develop a solution; and then, come next January, hopefully, the legislation will be ready for Congress—certainly for the Senate—to begin work on it.

Mr. CURTIS. Mr. President, in response to the majority leader, I am sure that there will be no disposition to delay the matter—at least, not to delay it unnecessarily. It is a difficult and complicated subject. There will be witnesses from municipalities, from States, as well as from congressional interests, and it will be necessary to explore the many details.

So I think it is something that is going to take time. It so happens that both those committees will be involved in quite a little other legislation that is high on the list of the President of the United States.

Mr. BAKER. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes.

Mr. BAKER. Mr. President, I yield 6 minutes to the Senator from Nebraska.

Mr. ROBERT C. BYRD. Mr. President, will the minority leader and the Senator from Nebraska permit the Senator from New York to make a few comments about the matter we have been discussing?

Mr. CURTIS. I yield.

Mr. MOYNIHAN. It is most gracious of the minority leader, as always.

Mr. President, the statement of the majority leader is exactly what my understanding is of his views.

The agenda for those of us involved in welfare reform in Congress is clear. I hope that this clarity is seen with the same precision in the confines of HEW itself—a murky and often inaccessible environ into which many proposals have gone but from which few have emerged.

Mr. ROBERT C. BYRD. I thank the Senator, and I thank the distinguished minority leader and the distinguished Senator from Nebraska.

HUMAN RIGHTS: DO WE REALLY CARE?

Mr. CURTIS. Mr. President, every American is, I am sure, pleased with the Carter administration's recent emphasis on the question of basic human rights. This is an issue that goes to the very heart of the true meaning of America as the greatest exemplar of freedom in the modern world.

I am concerned, however, that the administration has shown a decided tendency to be one sided in its approach to this issue. Without for 1 minute trying to cast even the slightest doubt on the President's intentions, which are, I realize, in the finest tradition of concern for one's fellow man, I would observe that if we are to make our emphasis upon human rights truly effective, we must strive for at least minimal consistency.

It is commendable, for example, to bring pressure to bear on the Soviet Union to ease its emigration restrictions to allow Soviet Jews, victims of the most savage persecution for their beliefs, to leave the Soviet Union to seek freedom in other lands. Indeed, we all agree that religious persecution is particularly offensive and that it must be countered wherever and whenever it raises its ugly head.

It is also desirable that we express concern over possible political persecution in various countries, including the holding of political prisoners by governments that are allied with us. But what is disturbing to me is that, while many people in our Government have decried the holding of political prisoners in, for example, Chile, there has been a noticeable lack of expressed concern for a situation of genuinely horrifying proportions in Cuba, which is far closer to home.

We hear much these days about South Korea, which is also allegedly guilty of political repression; but where are our official government spokesmen when it comes to the nightmare horrors perpetrated by the Communist leaders who control Vietnam?

There is a disquieting pattern in these cases. I note that there has developed a perceptible move toward lessening our aid to such governments as those of Chile and South Korea at the same time we appear to be moving steadily toward so-called normalization of relations with Cuba and Vietnam. Such a policy bespeaks an inconsistency and lack of realistic priorities that is, to put it charitably, cause for severe apprehension.

South Korea and Chile, to use but two examples which are especially prominent these days, are both strong allies of the United States. They pursue foreign policies that are, like ours—or certainly as ours should be, at any rate—anti-Communist and essentially supportive of our position as the obvious leader of the free world. Neither government is, insofar as its internal policies are concerned, pursuing political policies of the sort we have been committed to historically. But one should ask whether that is sufficient reason for us to cut off or reduce our aid when it plainly makes so little difference in our dealings with the Communist powers.

Mr. President, I would suggest that we must pursue the goals of human rights everywhere if we are to pursue them anywhere. If we are going to try to pressure the Governments of Chile and South Korea in the area of human rights, is it not far more urgent that we also try to pressure the Governments of Cuba and Vietnam, both of which are, and have been from their inception, characterized by a blatant lack of regard for even the most rudimentary rights to which all people are, by the very fact of their existence, entitled?

Consider Castro's Cuba. It is a country locked in the grip of a tyranny so savage that it must repel even the most hardened among us. Political prisoners have been languishing in Castro's jails from the earliest days of the present Communist dictatorship. Torture has been institutionalized. In Castro's Cuba, under one of the most ruthlessly efficient Communist dictatorships in the world.

human rights are merely some particularly grim sort of gallows humor.

A revealing look at the denial of human rights in Communist Cuba was provided by the Inter-American Commission on Human Rights in reports made public by the Organization of American States in June 1976. The Commission found that the Cuban Government's treatment of political prisoners has, over the years, far from softened; rather, it has contained to reveal a complete disdain for the dignity of the human being.

This disdain for the dignity of the human being includes arbitrary executions and death by torture or because of lack of medical attention. It also includes the especially appalling practice of experimenting on political prisoners, a phenomenon strongly reminiscent of the more malodorous activities carried on in the Nazi death camps.

A letter smuggled out of a Cuban prison in 1974 contained the following account sent by a group of Cuban political prisoners, who stated they were being experimented upon by Russian, Czech, and Cuban Communist doctors. According to the prisoners:

> The doctors come to the cells to weigh us, they observe us, they evaluate our reactions, they alter our metabolism with unknown substances incorporated in the food. We are not men, we are specters, skeletons covered with skin, human rags . . . We have reflex problems, with coordination, lack of equilibrium; we have nervous and digestive disturbances of all kinds . . . Scurvy makes most of us hemorrhage in the nose just from sneezing.

Such is the inhuman treatment visited upon the upward of 50,000 political prisoners in Castro's Cuba. I shall not dwell upon the many specific devices used to torture these hapless souls. It is enough to say that these despicable practices are carried on in a network of concentration camps and prisons strung across Cuba in the same manner in which the Gulag Archipelago is strung across the Soviet Union.

Human rights in Chile? What about Communist Cuba? Should we not at least try to apply a consistent standard if we are to avoid making a mockery of the entire issue?

And what of Vietnam, that ravaged country in which we made such a heavy investment in material goods and human life? An article in the March-April 1977 Freedom at Issue, a publication of the authoritative Freedom House, reminds us that, by the estimates of the Communists themselves, there are today, in southern Vietnam, some 200,000 people in what is euphemistically called thought-reform camps.

The unmitigated savagery with which the Communists took over all of Vietnam has apparently been forgotten by too many people, including many of our top policymakers, but we forget it only at our peril. I urge all my colleagues to go back to the public record and to reread the available telegrams sent to our State Department from South Vietnam in the final days of the war, as the long Communist night descended on that tragic land and its people.

Stories are today coming out of Vietnam, stories of brutal persecution, summary executions, and bestial atrocities. According to an article in the April 29 issue of National Review written by Le Thi Anh, a member of President Ford's Advisory Committee on Indochinese Refugees, there are, in all, "some 300,000 people * * * detained in re-education camps," with one of every three Saigon families having a member in one of these camps, which surely indicates a systematic attempt to intern anyone even remotely dangerous to the present Communist dictatorship.

One Jesuit priest recently expelled from Saigon estimates that as many as 20,000 Vietnamese have committed suicide since the Communists took power. One father, preferring death to torment under Communist persecution and torture, killed his wife, his 10 children, and his mother-in-law before killing himself. Such are the fruits of Communist rule in Vietnam, with which we are now going to "normalize" relations.

There are entirely credible stories of outright massacres of people being taken to the "reeducation camps." There are stories of torture, of summary execution, of forced relocation, and of dreaded "People's Tribunals," used earlier in North Vietnam from 1956 to 1959, during which time they accounted directly for the deaths of 200,000 people in a mercilessly efficient campaign of political terror and repression.

The available evidence, though unfortunately not widely publicized by our major news media, clearly shows that the Communists in Vietnam are carrying out what can only be termed a bloodbath, surely one of the grossest violations of human rights imaginable. As Mrs. Anh so perceptively observes in her article in National Review:

> The bloodbath is motivated not so much by hatred or revenge as by the necessity for the Communist system to purge itself of undesirable elements. From a Marxist viewpoint, political purge is a necessity in order to achieve political purity, a precondition to the building of socialism. Political purity ensures singlemindedness, which in turn achieves high efficiency. . . . For those who are too old or too stubborn to change, elimination is the only alternative.

That is the reality of Communism in Vietnam and in Cuba: For those who would resist, there must be a Hitlerian "final solution."

Mr. President, let us not be misled by myopia. Let us maintain our perspective and apply our concern for human rights where it is truly needed. It is dishonest to carp about such countries as Chile and South Korea while turning aside from the charnel pits of Vietnam and the concentration camps of Castro's Cuba.

Mr. President, if the United States proceeds to normalize relations with Castro's Cuba and with Vietnam we will be betraying the cause of freedom everywhere in the world.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 20 minutes, with statements therein limited to 5 minutes each. Is there morning business?

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED IMPROVEMENTS IN THE HEALTH CARE SYSTEM—MESSAGE FROM THE PRESIDENT—PM 71

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States:

To the Congress of the United States:

This country spends more on health care than any other nation—$160 billion this year, almost nine percent of our Gross National Product. We have the finest medical facilities and highly skilled, dedicated health professionals. Yet many of our people still lack adequate medical care, and the cost of care is rising so rapidly it jeopardizes our health goals and our other important social objectives.

I am transmitting to the Congress two major pieces of legislation to improve our health care system: The Hospital Cost Containment Act of 1977 to hold down rising health care costs, and the Child Health Assessment Program (CHAP) to improve health services for children of low-income families.

I. Hospital Cost Containment Act of 1977.

First, I am today proposing legislation which will limit the growth of the major component of health cost increases—rising hospital expenditures. The Hospital Cost Containment Act will restrain increases in the reimbursements which hospitals receive from all sources: Medicare, Blue Cross, commercial insurers, and individuals. The limit will be set using a formula which not only reflects general inflation, but also extends to hospitals an additional allowance for improving their quality of care. Based on current trends, the limit for fiscal year 1978 will be approximately nine percent.

The legislation will also impose a limit on new capital expenditures for acute care hospitals. The program will fix a national level for such expenditures below that of recent years and allocate new capital spending among the states by formula. With the assistance of local planning agencies each state will determine which facilities merit new capital expenditures.

Specifically, the Hospital Cost Containment Act of 1977 will:

—Limit the in-patient reimbursements of acute care hospitals, excepting new hospitals, federal hospitals and Health Maintenance Organization (HMO) hospitals.

—Provide an automatic formula to

adjust the nine percent limit for moderate changes in expected patient load. The formula will contain strong incentives to discourage unnecessary hospitalization.

—Include an adjustment for hospitals which provide wage increases to their non-supervisory employees.

—Provide an exceptions process for the small percentage of hospitals which will undergo extraordinary changes in patient loads or major changes in capital equipment and services. The program will require the Department of HEW to respond to any application for an exception within 90 days.

—Disallow in the computation of a hospital's base cost any unwarranted expenditures made in anticipation of the implementation of the program.

—Allow states which operate cost containment programs, and are capable of meeting the federal program's criteria, to continue their own regulatory approaches.

This program will save about $2 billion in fiscal year 1978—over $650 million in the federal budget, over $300 million in state and local budgets, and almost $900 million in private health insurance and payments by individuals. In fiscal year 1980, total savings will exceed $5.5 billion.

These savings will slow a devastating inflationary trend, which doubles health costs every five years. This year health care will cost an average of over $700 for every man, woman, and child. Each worker's share of our Nation's health bill will require more than a month's work.

For the federal budget, rising health spending has meant a tripling of health outlays over the last eight years. Without immediate action, the Federal government's bill for Medicare and Medicaid—which provide health care for our elderly and poor citizens—will jump nearly 23 percent next year, to $32 billion.

Rising health costs attack state and local governments as well. State and local Medicaid expenditures have grown from $3 billion in 1971 to $7 billion in 1976, forcing cutbacks which harm the low income recipients of the program.

Unrestrained health costs also restrict our ability to plan necessary improvements in our health care system. I am determined, for example, to phase in a workable program of national health insurance. But with current inflation, the cost of any national health insurance program the Administration and the Congress will develop will double in just five years.

Finally, uncontrolled medical care spending undermines our efforts to establish a balanced health policy. Medical care is only one determinant of our people's health. The leading cause of death for Americans under 40 is motor vehicle accidents. The leading causes of death for older Americans—heart disease and cancer—are directly related to our working conditions and our eating, drinking, smoking, and exercise habits. We can better confront these broader health problems if we can limit the increase in soaring medical care costs.

Containing hospital cost increases is of central importance. Hospitals absorb 40 cents from each of our nation's health care dollars, and the cost of hospital service is rising faster than the cost of other health services. As in recent years, our country's total hospital bill this year will climb 15 percent—to $64 billion.

Since 1950, the cost of a day's stay in the hospital has increased more than 1,000 percent—over eight times the rise in the Consumer Price Index. Today, the average hospital stay costs over $1,300; just 12 years ago, a slightly shorter stay cost less than $300. This relentless increase places a severe burden on all of us—and strikes hardest at the poor and the elderly.

To control escalating hospital costs, some have proposed to cap Medicare and Medicaid expenditures. Such a federal spending limit would encourage hospitals to reduce their services to low-income and elderly patients and to recoup rising expenses by increasing their charges to all other Americans. In contrast, the legislation I am proposing today reduces the growth in federal Medicare/Medicaid expenditures without imposing such severe new burdens on other purchasers of health services.

This legislation is not a wage-price control program. It places no restrictions on the hospital's ability to determine its charges for any particular service. It places no limit on the size of any wage demand or settlement. The program establishes an overall limit on the rate of increase in reimbursements, permitting doctors and hospital administrators to allocate their own resources efficiently, responding to local needs and individual circumstances.

This proposal relies heavily on the initiatives of the private sector. For it to succeed, businesses, unions, and insurers, working with providers, must continue to pursue innovative techniques for reducing the cost of high-quality health care. The private sector's response to the challenges of cost containment will help decide its future role in our health care system.

The federal sector must also hold down the costs of its own hospitals. The Administration will carefully review the operating and capital expenditures of federal health facilities, to insure that unwarranted increases do not occur. Further, we will eliminate unnecessary federal regulations which lead to increased costs for all hospitals.

Our hospital cost containment system is transitional. It is intended to flow directly into a long-term prospective reimbursement system, which will not accept a hospital's base cost as given. The long-term system will be able to analyze and compare base costs and provide greater incentives to those hospitals which are most efficient. The Congress and the Administration are already at work on this long-range system.

At the same time, I am committed to strengthening competition in the health industry. For example, we should encourage HMOs and other organizational arrangements which give providers an incentive to reduce costs, and we should encourage consumers to become more aware of the charges of different providers.

Finally, all of us—consumers and providers—must work together to reduce the unnecessary use of hospital facilities and services. By cutting down excessive utilization we can help preserve our valuable resources.

II. Child health assessment program (CHAP).

The second piece of legislation I am proposing today, the CHAP Program, will replace Medicaid's Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT) for children. The CHAP legislation, which calls for new expenditures of $180 million, will:

—Raise from 55 percent to over 75 percent the average federal payment to the states for health care provided to children whose health needs are assessed under the program.

—Extend benefits to children under age six whose family income level makes them eligible for assistance but who do not meet additional state eligibility requirements.

—Encourage states to assure the availability of comprehensive health providers for low-income children.

—Assure continuity of treatment by providing care for children six months after the family's eligibility for assistance otherwise terminates.

—Improve the federal program enforcement mechanism.

Like the cost containment program, the CHAP legislation is a crucial first step. Other children's health programs also require significant improvement, and the Administration will take steps to meet these needs. But the CHAP program is urgently needed to assure that more low-income children receive regular, high-quality primary and preventive care.

Currently, twelve million children are eligible for Medicaid, yet the EPSDT program is reaching only two million. Further, only slightly more than half of all children screened actually receive treatment for conditions that are identified. The CHAP program will assist the states in rectifying these deficiencies.

I call upon the Congress to act favorably on both of our new health initiatives.

JIMMY CARTER.

THE WHITE HOUSE, *April 25, 1977.*

ORDER FOR JOINT REFERRAL OF MESSAGE FROM THE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, in the last two decades, we have made tremendous progress in the medical technology aspect of our continuing battle to improve health care in America. Healing procedures which were unheard of a few years ago are today bringing relief and hope to our ailing. This says much about the potential in our country for an ever-increasing quality of life.

However, major problems remain. Medical progress is not available to all of our citizens. The cost of our health delivery system continues to skyrocket. Over the past 10 years, medical care costs paid by private health insurance companies have jumped 229 percent. During the same period, the costs of

medicare and medicaid have risen 484 percent.

Over the past 10 years the medical care component of the Consumer Price Index has escalated at an average annual rate of 9.5 percent. The index as a whole increased at an average annual rate of 7.5 percent. Between 1974 and 1976, medical care expenses have increased on the average of almost 11 percent per year.

Using January and February of 1977 as a base, medical care expenses would increase almost an additional 17 percent in 1977.

There is a continuing and pressing need for a total review of the provision of health care in our Nation, and of the legislative role in this area. The availability of health services to all sectors of our society—to rich and poor alike—as well as the quality and cost of such services are among the issues which require study and legislative action.

The Hospital Cost Containment Act of 1977 received today from the administration will address one of these issues. The impact of the cost containment provisions will need to be carefully evaluated. Hopefully, these provisions will make better health care increasingly within the economic reach of all Americans.

Mr. President, I ask unanimous consent that the message from the President of the United States dealing with the cost of health care be referred jointly to the Committee on Human Resources and the Committee on Finance.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are two measures on the Unanimous-Consent Calendar that were transferred over to that calendar last week. They are Calendar Order Nos. 77 and 78. I ask unanimous consent that the Senate proceed to the consideration of those measures.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

DEFERRAL OF WHEAT REFERENDUM

The Senate proceeded to consider the bill (S. 1240) to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1978, which had been reported from the Committee on Agriculture, Nutrition, and Forestry, with an amendment to strike all after the enacting clause and insert in lieu thereof:

That section 336 of the Agricultural Adjustment Act of 1938 (52 Stat. 55, as amended; 7 U.S.C. 1336) is amended by striking out the last four sentences and inserting in lieu thereof a new sentence as follows: "Notwithstanding any other provision hereof, the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1978, may be conducted not later than the earlier of the following: (1) thirty days after adjournment sine die of the first session of the Ninety-fifth Congress, or (2) October 15, 1977.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–97), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

S. 1240 would permit the wheat marketing quota referendum for the 1978 crop to be deferred until 30 days after the adjournment of Congress or October 15, whichever is earlier. Congress is presently considering new legislation which would suspend marketing quotas for the 1978 and subsequent crops. If the legislation is enacted, a referendum would not be required.

COMMITTEE AMENDMENT

On page 1, strike out lines 3 through 5 and insert in lieu thereof the following: "That section 336 of the Agricultural Adjustment Act of 1938 (52 Stat. 55, as amended; 7 U.S.C. 1336) is amended by striking out the last four sentences and inserting in lieu thereof a new sentence as follows:".

The committee amendment is technical in nature, deleting from existing law obsolete provisions relating to deferrals of wheat referendums in prior years.

PURPOSE

Since 1965, there have been amendments to the permanent legislation governing the wheat program which suspended wheat marketing quotas, thereby alleviating the need for any referendum. The Agriculture and Consumer Protection Act of 1973 provided for such a suspension; however, the suspension expires with the 1977 crop. Under section 332 of the Agricultural Adjustment Act of 1938, the Secretary of Agriculture is required to determine whether a wheat marketing quota should be in effect for the 1978 crop. A quota must be proclaimed if the Secretary determines that the total supply of wheat will, in the absence of a marketing quota program, likely be excessive.

Secretary Bergland has proclaimed a 1978 national wheat allotment of 61.5 million acres and a national wheat marketing quota of 1,905 million bushels. In order for the marketing quotas to be effective, they must be approved by two-thirds of the producers voting by secret ballot in a referendum. The referendum must be held not later than August 1. If approved, quotas would limit the wheat acreage which a producer could plant for market without penalty.

Congress is presently considering new legislation for the 1978 and subsequent crops of wheat. Should the legislation be enacted, a wheat referendum would not be required. The purpose of S. 1240 is to permit deferral of the wheat referendum and the expenses for preparing for it until Congress has had a further opportunity to develop new legislation.

DEPARTMENTAL VIEWS

In a letter to Chairman Talmadge dated April 7, 1977, Deputy Secretary John White stated that the Department of Agriculture recommended the enactment of S. 1240. The letter from the Deputy Secretary reads as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., April 7, 1977.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: This replies to your request for our comments on S. 1240, a bill to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1978.

If this bill is not enacted into law shortly, it will be necessary to start preparing for a referendum which, under existing law, must be held before August 1, 1977. We estimate that the cost of preparing for the referendum would be approximately $85,000. This estimate includes only the cost of acquiring necessary materials. It does not include the cost of conducting the referendum.

Because the Congress is presently considering new legislation which would not require a wheat referendum, we recommend that the Senate favorably consider the passage of S. 1240.

Sincerely,

JOHN C. WHITE,
Deputy Secretary.

REGULATORY IMPACT EVALUATION

In compliance with subsection 5 of rule XXIX of the Standing Rules of the Senate, the committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 1240.

The bill is not a regulatory measure in the sense of imposing government-established standards or economic responsibilities on private individuals or businesses. It creates no additional regulation; it merely extends the time limitation for conducting a referendum which is required by law.

COST ESTIMATE

I

In accordance with section 252 of the Legislative Reorganization Act of 1970, the committee estimates that no additional costs would be incurred in carrying out S. 1240.

The committee estimate is in accordance with the cost estimate of the bill prepared by the Congressional Budget Office.

According to the Department of Agriculture, the cost of preparing for the referendum would be approximately $85,000. This estimate does not include the cost of conducting the referendum.

II

The cost estimate prepared by the Congressional Budget Office, dated April 18, 1977, reads as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., April 18, 1977.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 1240, a bill to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1978.

Based on this review, it appears that no additional cost to the government would be incurred as a result of enactment of this bill.

Sincerely,

ALICE M. RIVLIN,
Director.

INCREASE IN CAPITAL STOCK OF THE FEDERAL CROP INSURANCE CORPORATION

The bill (S. 955) to amend the Federal Crop Insurance Act, and for other pur-

poses, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 504(a) of the Federal Crop Insurance Act (52 Stat. 72, as amended; 7 U.S.C. 1504(a)) is amended to read as follows.

"SEC. 504 (a) The Corporation shall have a capital stock of $150,000,000 subscribed by the United States of America, payment for which shall, with the approval of the Secretary of Agriculture, be subject to call in whole or in part by the Board of Directors of the Corporation.".

The title was amended so as to read:

A bill to amend the Federal Crop Insurance Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–98), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

BACKGROUND AND NEED FOR LEGISLATION

I

The Federal Crop Insurance Act was enacted in 1938 to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Federal crop insurance is offered to farmers by the Federal Crop Insurance Corp., a wholly-owned Government corporation. In 1975, Federal crop insurance was available in 1,467 of the 3,066 counties in the continental United States. Policies were in effect for 314,745 crops that year, and premium income totaled $73,416,000. (See appendix A of this report for a brief history and description of the Federal crop insurance program.)

The Corporation obtains working capital through the issuance of capital stocks, all of which is subscribed by the United States of America. The Act authorizes capital stock of $100 million, and the Secretary of the Treasury has advanced $90 million against this amount. Earlier this year, the Corporation requested a supplemental appropriation for fiscal year 1977 for the issuance and subscription of the last $10 million of stock. (See appendix B for an analysis of the Corporation's capital position during fiscal year 1977.)

Over the years, the Corporation's capital stock has periodically been drawn on to meet farmers' indemnity claims and administrative and operating costs not covered by appropriations. This is necessary in years when the Corporation's liability for losses and its administrative and operating expenses not covered by appropriations exceed premiums.

II

During 1976, insured farmers in the upper Midwest suffered catastrophic crop losses due to widespread drought. As a result of the reduction in the capital stock occasioned by paying these loss claims, the Secretary of Agriculture estimates that the Corporation's net capital will be reduced to $7,966,000 at the end of fiscal year 1977—or $17,966,000 if the remaining $10 million in capital stock is subscribed.

Record breaking cold weather hit Florida in January 1977, causing extensive damage to citrus crops covered by Federal crop insurance. There is also the possibility of additional heavy losses to other 1977 crops (such as winter wheat in Kansas, Oklahoma, and Colorado) due to the unusually severe winter.

It appears likely that indemnity payments on winter 1977 crops will substantially exceed premiums, and thus completely exhaust the Corporation's capital.

III

On March 9, 1977, Senator Talmadge introduced S. 955 at the request of the Secretary of Agriculture. The bill would authorize an additional $50 million in capital stock for the Corporation.

The Secretary of Agriculture also submitted to Congress a request that the proposed supplemental appropriation for subscription of capital stock of the Corporation be increased from $10 million to $60 million.

Pursuant to the Secretary's request, the Senate Committee on Appropriations amended H.R. 4877 (the fiscal year 1977 supplemental appropriations bill) to include this increase. However, $50 million of the additional appropriation is to be made available only upon enactment of the authorizing legislation.

The Senate approved H.R. 4877, as amended, on April 1, 1977. The conference report on H.R. 4877, which was filed in the House on April 6, provides, in pertinent part, that "the managers on the part of the House will move to concur in the Senate amendment which provides $60 million to enable the Secretary of Treasury to subscribe and pay for capital stock of the Federal Crop Insurance Corp. instead of $10 million as proposed by the House."

IV

There is, therefore, a clear need to authorize the issuance of an additional $50 million in capital stock. The additional capital is essential to enable the Corporation to meet its obligations to insured farmers who suffer crop losses and to establish a capital reserve for continuation of operations in a business like manner.

DEPARTMENTAL VIEWS

S. 955 is an administration request bill. The letter from the Secretary of Agriculture recommending the enactment of the bill reads as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., February 18, 1977.

Hon. WALTER MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a proposed bill to amend the Federal Crop Insurance Act as amended (7 U.S.C. 1501–1520) to authorize an additional $50 million in capital stock.

The Department of Agriculture recommends that the draft bill be enacted.

Presently under the Federal Crop Insurance Act, the Corporation is authorized $100 million in capital stock. Of this amount $90 million is issued and outstanding. A supplemental request for an appropriation for issuance of the remaining $10 million authorized has already been transmitted to Congress.

Catastrophic 1976 crop year losses in the drought-stricken Midwest have drained the Corporation's operating capital. In addition, early estimates of the freeze damage to the Florida citrus crop indicate the Corporation's resources will be all but exhausted when the indemnity payments are made. Should early heavy losses occur on 1977 winter crops, the Corporation would be unable to meet contractual commitments to farmers even with issuance of the additional $10 million in capital stock that has been requested in the form of a 1977 supplemental. The additional $50 million authority would facilitate issuance of additional stock needed to continue operations and provide producers protection on 1977 crops. Additionally, it will avoid the possible necessity of withholding payment of claims pending receipt of 1977 crop year collections. Details of the Corporation's capital position and the effect on budget authority and outlays are shown on schedules attached.

Section 102(2)(c) of Public Law 91–190 does not apply to this legislation; therefore, an environmental statement is not enclosed.

An identical letter has been sent to the Speaker of the House.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation and that enactment of this proposed legislation would be consistent with the administration's objectives.

Sincerely,

BOB BERGLAND,
Secretary.

REGULATORY IMPACT EVALUATION

In compliance with subsection 5 of rule XXIX of the Standing Rules of the Senate, the committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 955.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses. Participation by farmers in the Federal crop insurance program is voluntary.

The bill amends the present Federal crop insurance program only to the extent of increasing the capital stock from $100 million to $150 million. The amendment will not change the procedures under which the program presently operates. Further, it is not anticipated that any new regulations, instructions, or forms under the existing program will result from the enactment of the bill.

Federal crop insurance is widely used by farmers in areas where it is available. By insuring producers against unavoidable losses, the program improves the economic stability of agriculture and helps assure consumers of an abundance of food and fiber at reasonable prices.

COST ESTIMATE

I

In accordance with section 252 of the Legislative Reorganization Act of 1970, the committee estimates that the increased costs which would be incurred in carrying out S. 955 would not exceed $50 million.

The Committee's estimate is in accord with the cost estimate of the bill prepared by the Congressional Budget Office and the budget projection for the Federal Crop Insurance Corp. furnished the committee by the Department of Agriculture.

II

The cost estimate prepared by the Congressional Budget Office reads as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., April 6, 1977.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 995, a bill to amend the Federal Crop Insurance Act.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

ROBERT A. LEVINE,
(For Alice M. Rivlin, Director).

COST ESTIMATE

1. Bill No. S. 955.

2. Bill title: Amendment to the Federal Crop Insurance Act.

3. Bill status: As introduced on March 9, 1977.

4. Purpose of bill: The capital stock of the

Federal Crop Insurance Corporation is utilized when indemnity payments exceed the premiums paid by subscribers. The capital stock is currently authorized at $100 million. Because of heavy crop losses this year and expected future losses, the Corporation has exhausted its premium income and will fully utilize the capital stock still available. S. 955 would raise the authorized level of capital stock from $100 million to $150 million which if appropriated would provide the Corporation with additional working capital.

5. Cost estimate: The additional costs of S. 955 are shown in the table below.

Fiscal year 1977:	Cost (millions)
Authorization	$50
Costs	---
Fiscal year 1978:	
Authorization	---
Costs	50
Fiscal year 1979:	
Authorization	---
Costs	---
Fiscal year 1980:	
Authorization	---
Costs	---
Fiscal year 1981:	
Authorization	---
Costs	---

The costs of this legislation fall within budget function 350.

6. Basis of estimate: If the authorized level of capital stock were increased to $150 million and fully appropriated, new budget authority of $50 million would be provided. It was assumed that this new budget authority would be made available for fiscal year 1977, as indicated in President Carter's budget proposal. Because the existing capital stock is expected to provide sufficient funds for fiscal year 1977, the bill would not affect outlays in that year. However, poor crop conditions are projected for the near future and as a result, the Corporation believes all of the $50 million in new budget authority will be spent in fiscal year 1978.

7. Estimates comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Bob Gordon (225-7760).

10. Estimate approved by:

ROBERT A. SUNSHINE,
(For James L. Blum,
Assistant Director for Budget Analysis).

III

The budget projection for the Federal Crop Insurance Corporation furnished the Committee by the Department of Agriculture reads as follows:

U.S. DEPARTMENT OF AGRICULTURE

LEGISLATIVE PROJECTIONS

[In thousands of dollars]

	1977	1978	1979	1980	1981	1982
Existing legislation:						
Budget authority	52,000	12,000	12,000	12,000	12,000	12,000
Budget outlays	74,279	18,655	18,385	18,385	18,385	18,385
Proposed legislation:						
Budget authority	102,000	12,000	12,000	12,000	12,000	12,000
Budget outlays	74,279	18,655	18,385	18,385	18,385	18,385
Net change:						
Budget authority	50,000					
Budget outlays						

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider, en bloc, the votes by which the two measures were passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees, and the withdrawal of the nomination of Alex P. Mercure, of New Mexico, to be a member of the Board of Directors of the Commodity Credit Corporation.

(The nominations received today are printed at the end of the Senate proceedings.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1203. A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, a report of the Commission's final determination in respect to claim case No. 73-A, the Seminole Indians of the State of Florida, plaintiff against the United States of America, defendant (with an accompanying report); to the Committee on Appropriations.

EC-1204. A letter from the Executive Secretary of the Cost Accounting Standards Board transmitting a response to a petition of Newport News Shipbuilding & Dry Dock Co. which criticized the GAO report entitled "Status Report on the Cost Accounting Standards Program—Accomplishments and Problems" (with accompanying papers); to the Committee on Banking, Housing, and Urban Affairs.

EC-1205. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Alcohol and Tobacco Excise Taxes: Laws and Audits Need Modernizing" (GGD-76-91) (with an accompanying report); to the Committee on Finance.

EC-1206. A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the annual report of the Social Security Administration for fiscal year 1976 (with an accompanying report); to the Committee on Finance.

EC-1207. A letter, dated April 22, 1977, from the Acting Assistant Legal Adviser for Treaty Affairs transmitting, pursuant to law, international agreements other than treaties entered into by the United States within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

EC-1208. A secret communication from the Comptroller General of the United States transmitting, pursuant to law information on Fleet Air Defense (PSAD-77-82) (with an accompanying report); to the Committee on Governmental Affairs.

EC-1209. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act No. 2-18, "An act to authorize the charging of fees for the provision of clinical services at District of Columbia health clinics, and for other purposes" (with accompanying papers); to the Committee on Governmental Affairs.

EC-1210. A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, Council Act No. 2-29, "An act to establish a 6-month limitation on the payment of benefits under the General Public Assistance Program" (with accompanying papers); to the Committee on Governmental Affairs.

EC-1211. A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting a draft of proposed legislation to repeal Sections 1735 and 1736 of the Revised Statutes (22 U.S.C. 1199) (with accompanying papers); to the Committee on Governmental Affairs.

EC-1212. A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a list of reports of the General Accounting Office for March 1977 (with an accompanying report); to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SCOTT, from the Committee on the Judiciary:

Without amendment:

S.J. Res. 40. A joint resolution to authorize and request the President to issue a proclamation designating May 13 of each year as "American Business Day" (Rept. No. 95-101).

By Mr. INOUYE, from the Select Committee on Intelligence:

S. Res. 148. An original resolution authorizing additional expenditures by the Select Committee on Intelligence; referred to the Committee on Rules and Administration.

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

S. Res. 149. An original resolution authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated;

By Mr. HART:

S. 1363. A bill to promote the recovery of waste heat energy resources and the expedited development and commercial application of dual purpose powerplants, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1364. A bill to provide for the subsistence electrical needs of elderly residential consumers, promote equity in electrical costing through reform of current electric rate structures, and other purposes; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS:

S. 1365. A bill for the relief of Nicholas A. Aguwa; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 1366. A bill to deauthorize the Nebraska Midstate Division of the Pick-Sloan Mis-

souri Basin program, Nebraska; to the Committee on Energy and Natural Resources.

By Mr. DURKIN:

S. 1367. A bill to amend the Small Business Act with respect to loans for home builders;

S. 1368. A bill to amend the Small Business Act with respect to compliance loans;

S. 1369. A bill to amend the Small Business Act with respect to loan moratoriums;

S. 1370. A bill to amend the Small Business Act with respect to displaced business loans; and

S. 1371. A bill to amend the Small Business Act with respect to certificates of competency; to the Select Committee on Small Business.

By Mr. STENNIS (for himself and Mr. TOWER) (by request):

S. 1372. A bill to amend titles 10 and 5, United States Code, to disestablish one of the positions of Deputy Secretary of Defense and establish an Under Secretary of Defense for Policy, and for other purposes; to the Committee on Armed Services.

By Mr. INOUYE:

S. 1373. A bill to modify the plan for harbor improvement at Honolulu Harbor, Oahu, Hawaii; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 1374. A bill to amend the act entitled "An act authorizing Federal participation in the cost of protecting the shores of publicly owned property," approved August 13, 1946, as amended, to raise the limitation from $1 to $2 million; to the Committee on Environment and Public Works.

S. 1375. A bill to clarify provisions of the Barber's Point Deepdraft Harbor project at Oahu, Hawaii; to the Committee on Environment and Public Works.

S. 1376. A bill to authorize the Secretary of the Army to make a study of the Trust Territory of the Pacific Islands in order to promote improved utilization of water and related land resources; to the Committee on Environment and Public Works.

By Mr. ABOUREZK:

S. 1377. A bill to extend the time for commencing actions on behalf of an Indian tribe, band, or group; to the Select Committee on Indian Affairs.

By Mr. CRANSTON (by request):

S. 1378. A bill to extend the programs authorized by the Child Abuse Prevention and Treatment Act; to the Committee on Human Resources.

By Mr. SASSER:

S. 1379. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest on a deficiency of income taxes which results from an error of an employee of the Internal Revenue Service, and for other purposes; to the Committee on Finance.

By Mr. HATHAWAY:

S. 1380. A bill to amend the Department of Defense Appropriation Act, 1977, to authorize labor surplus area and small business set-aside programs, and for other purposes; to the Committee on Governmental Affairs.

By Mr. MAGNUSON (for himself, Mr. INOUYE, Mr. STEVENSON, Mr. DURKIN, Mr. MOYNIHAN, and Mr. STEVENS):

S. 1381. A bill to provide basic standards for State no-fault benefit plans for the rehabilitation and compensation of motor vehicle accident victims, and for other purposes; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HART:

S. 1363. A bill to promote the recovery of waste heat energy resources and the expedited development and commercial application of dual purpose powerplants, and for other purposes; to the Committee on Energy and Natural Resources.

COGENERATION AND WASTE HEAT UTILIZATION ACT

Mr. HART. Mr. President, today I am introducing the Cogeneration and Waste Heat Utilization Act, a comprehensive measure addressing what will be a vital component of our national energy conservation policy—the recovery and utilization of our waste heat energy resources. My proposal facilitates a rapid and orderly transition from our current practice of mindlessly wasting this important energy source to a national policy of recovery and utilization of that abundant resource. At this very moment, this energy resource is escaping through smokestacks into the skies above every city in the Nation. The process through which the Nation can recover this resource and use it to generate electricity is called cogeneration; the process is both painless and efficient.

COGENERATION

Mr. President, many industries require large amounts of steam in their production processes. In fact, about one-fifth of all fuel consumed in the Nation is expended to produce this "process steam." If this steam is used only once, as is normally the case, only about one-third of its potential energy is actually utilized in the manufacturing process, and two-thirds is simply wasted. This means that about 13 percent of all fuel consumed in the United States is presently wasted by this practice alone.

It does not have to be this way. It is clear that our Nation can no longer afford to waste two-thirds of this energy resource when it has been demonstrated over and over again that directing the same process steam through an electricity generating turbine first, and using the excess from the turbine for the required production process, will double fuel efficiency. Waste heat energy is currently being recovered and utilized in Europe for electrical generation and heating with great success.

There are a number of industries currently producing a sufficient amount of process steam to simultaneously cogenerate marketable quantities of electricity at one-half the fuel cost of the most efficient central station powerplant. These include: petroleum refining; stone, clay and glass; paper and pulp; transportation equipment; nonelectrical machinery; chemicals; primary metals; food; textiles; and breweries.

Cogeneration is not an exotic, futuristic, or uneconomical concept. As late as 1960, this country produced 21 percent of its industrial electricity needs by cogeneration. Due to a number of factors, including the artificially low price of fuel and myriad institutional barriers, this percentage had dropped to a dismal 10 percent in 1975. In contrast, however, Sweden is currently producing 29 percent of its total electricity through cogeneration. West Germany produces in excess of 17 percent of its needs via cogeneration. And remember, cogenerating electricity uses 50 percent less fuel per kilowatt hour than the most efficient utility.

Currently, there are two methods of cogeneration—closed cycle systems and open cycle systems. Of the two, the open cycle system has proven to be the most efficient way to use our precious petroleum and natural gas resources. Several recent studies of both systems have demonstrated that cogeneration can:

Save the Nation 1.86 million barrels of oil-equivalent every day by 1985 from only three open cycle system cogenerating industries. Report for the Federal Energy Administration by Thermo Electron Corp. entitled, "Final Report, a Study of Inplant Electric Power Generation in the Chemical, Petroleum Refining and Paper and Pulp Industries, 1976."

Reduce ERDA's estimate for nuclear power needs in the year 2000 by about one-half from only three open cycle system cogenerating industries. Frank von Hippel and Robert H. Williams, "Energy Waste and Nuclear Power Growth." Bulletin of Atomic Scientists, December 1976, Von Hippel and Williams study.

Produce 30 percent of ERDA's total electricity budget for the year 2000 from only three open cycle cogenerating industries with a 50 percent fuel savings, von Hippel and Williams Study.

Reduce required capital investments in electricity production by $5 billion every year during the next decade, even using less efficient closed cycle systems. Report for the National Science Foundation by Dow Chemical Co. entitled "Energy Industrial Center Study," June 1975, the Dow Study.

Save household consumers as much as $3.6 billion every year in electric bills, using less efficient closed cycle systems, the Dow Study.

Reduce consumer electric bills by over 15 percent in 2000, other factors remaining constant, von Hippel and Williams Study.

Reduce air pollution by as much as 50 percent wherever cogeneration is substituted for our present wasteful practices, the Dow Study.

WHY ARE WE NOT COGENERATING

The list of benefits could go on and on, but they all paint the same picture—enormous energy, consumer, capital, and environmental savings can be achieved through cogeneration, an energy conservation practice from which there are widespread and known benefits. So why are we not cogenerating? The reasons are both numerous and complex. Legal and regulatory impediments raise a number of questions. For example, who should own industrial site cogenerating equipment and facilities? How should such facilities be regulated, or should they be regulated at all? How will cogeneration affect the national electrical network? How shall rates be set for backup power which utilities provide to cogenerators? How can we insure that cogeneration will uniformly produce net energy and social savings?

Further, due to today's tight credit market, many industries believe they will obtain greater returns from investing in their product line rather than increasing their energy conservation efforts. But the greatest barrier to cogeneration applications is a reluctance of some electric utilities to purchase surplus cogenerated power from industries at reasonable rates. Beyond this, in some parts of the Nation, it is actually

illegal for industries to employ cogeneration.

During my research into this subject, it became increasingly clear that many of these issues should be resolved by the Congress and the President. But both will continue to be incapable of devising long-term solutions until more information can be obtained through intensive study and analysis.

THE COGENERATION ACT

Mr. President, the bill I am offering today presents a procedure for resolving the complex questions raised by industrial cogeneration and other waste heat recovery practices. It provides immediate incentives which will result in rapid and substantial increases in cogeneration while at the same time leaving all options open for Congress. The Cogeneration and Waste Heat Utilization Act represents an immediate and workable approach to this issue.

First, the bill would direct a comprehensive series of waste heat recovery and utilization policy analyses to be completed within 2 years. The studies will make recommendations on the most practicable means of achieving recovery and utilization of waste heat, and on model legislation and regulations designed to facilitate rapid commercial application of cogeneration by industries and utilities. Each recommendation will be accompanied by at least two alternative proposals. During the investigation, progress reports will be submitted to Congress every 6 months.

In the interim, it is all too clear that we cannot afford to sit idly by. Action is needed now to encourage industries to cogenerate. The Cogeneration and Waste Heat Utilization Act takes a reasonable three-sided approach to the problem.

First, an additional 10 percent refundable investment tax credit is provided for industrial cogeneration facilities and equipment. This incentive will make it economical for industries to cogenerate. Second, utilities must be encouraged to purchase surplus cogenerated power. The bill addresses this problem by removing the investment tax credit for utilities which unreasonably refuse to purchase. This is the most equitable incentive, because purchasing cogenerated power reduces utility capital investment requirements.

Third, State utility commissions will need help in updating their sometimes archaic regulations on cogenerators. My proposal includes provisions for Federal grants which will aid the commissions in this modernization process. All three incentives will automatically expire in about 3 years.

Rather than forcing the Congress and the President into hastily made major policy decisions which may plague us for years to come, this bill delays most major decisions until the Congress has all the facts at hand. Its immediate effect will be to speed up cogeneration efforts by encouraging industries, utilities, and utility commissions to voluntarily resolve some of the major institutional barriers.

In addition, the bill provides for an intensive research program within the Energy Research and Development Administration to improve present cogeneration and other waste heat utilization technologies.

Mr. President, the President's energy message marks our first profound step as a nation toward the efficient use of our finite energy resources—away from our past inexcusable wastefulness; toward a reliance on our infinite energy supplies—instead of those that will soon be depleted; toward establishing the goal of improving the quality of consumption—rather than our past fixation on sheer quantity.

We must act rapidly and deliberately toward these ends, as today might otherwise be remembered as our last opportune moment to begin.

Cogeneration is an essential ingredient of any true energy conservation policy. We must move immediately toward this goal, but we must also insure that the major policy decisions involved in such a program are thoughtfully considered. For this reason, I would urge all of my colleagues to examine this important bill. At this time, I ask unanimous consent that the text of the bill and an accompanying telegram of support from the National Rural Electric Cooperative Association be printed in the RECORD:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1363

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cogeneration and Waste Heat Utilization Act."

TITLE I—WASTE HEAT ENERGY RECOVERY POLICY ANALYSIS

SEC. 101. (a) The Administrator of the Federal Energy Administration (hereinafter referred to in this Act as the "Administrator") is authorized and directed to conduct, in consultation with the Environmental Protection Agency, the Federal Trade Commission, and other appropriate agencies, a full and complete analysis of the economic, social, environmental and technological feasibility and consequences of implementing, on a nationwide scale, various waste heat energy recovery and use techniques. The policy analysis shall focus primarily on industrial site and utility site dual purpose powerplant systems, and shall include the development and application of industry-by-industry surveys of existing and projected patterns of steam or heat energy generation, according to steam pressure, size of installation, load curve characteristics and other appropriate criteria, to ascertain the national potential for recovering and using waste heat energy and for the development of industrial and utility site dual purpose powerplants.

At or before the expiration of each six-month period following the date of the enactment of this Act, the Administrator shall submit to the Congress and to the President an interim report on the status of the policy analysis provided for by this Title. A final report, in three parts, shall be prepared and submitted as hereinafter specified.

(b) PART 1: FEASIBILITY AND CONSEQUENCES.—At or before the expiration of the twelve-month period following the enactment of this Act, the Administrator shall submit to the Congress and to the President Part 1 of the Policy Analysis Final Report. The scope of Part 1 shall be the potential benefits and impact of a national policy promoting the recovery of waste heat energy and the development of dual purpose powerplants. Part 1 of the Final Report shall include a thorough examination and assessment of at least the following subjects:

(1) the net potential energy, capital and consumer savings realizable from maximum development of industrial and utility site dual purpose powerplants;

(2) the effects of industrial site electric power generation on the United States electrical network;

(3) the reliability and defense security of multisource versus larger single source systems;

(4) any and all air, water, solid waste or other possible environmental problems associated with industrial and utility site dual purpose powerplants and with various coal-burning technologies such as fluidized bed combustors;

(5) the effect of existing public policies, including subsidies and economic incentives and disincentives, on efforts to recover and use waste heat energy; and

(6) waste heat energy conservation and recovery practices and policies in foreign countries.

(c) PART 2: COMPETITION IN THE ELECTRIC UTILITY INDUSTRY.—At or before the expiration of the eighteen-month period following the enactment of this Act, the Administrator shall submit to the Congress and to the President Part 2 of the Policy Analysis Final Report. Prepared in consultation with the Bureau of Competition of the Federal Trade Commission, Part 2 shall analyze the interrelationship between increased competition in the electric utility industry and the objective of promoting the recovery of waste heat energy and the development of dual purpose powerplants. Part 2 of the Final Report shall include a thorough examination and assessment of at least the following subjects:

(1) appropriate ownership arrangements for equipment, transmission lines and energy required or created by application of cogeneration or waste heat recovery techniques;

(2) the feasibility and consequences, from a regulatory, economic and technological standpoint, of separate ownership and operation of facilities for generating, transmitting and distributing electric energy, and means to promote such separate ownership and operation;

(3) the effect on competition, and on the ability to compete, of tax and other public policies relating to the sale of electric energy;

(4) means to reduce legal and regulatory restrictions on entry into the business of generating, transmitting and distributing electric energy;

(5) means to promote greater use of wheeling and sales of electric energy for resale; and

(6) the feasibility and consequences of separate ownership and operation of facilities for electric energy and for natural gas distribution.

(d) PART 3: PROPOSALS FOR GOVERNMENTAL ACTION.—At or before the expiration of the twenty-four month period following the enactment of this Act, the Administrator shall submit to the Congress and to the President Part 3 of the Policy Analysis Final Report. Part 3 shall identify the legal, regulatory, economic, and social factors impeding the rapid development of industrial and utility site dual purpose powerplants and other waste heat energy recovery techniques. In addition, Part 3 shall contain specific proposals for governmental action designed to reduce or eliminate existing impediments to such rapid development, and shall include a thorough examination and assessment of at least the following subjects:

(1) JURISDICTION.—Identification of the governmental authority or authorities most properly charged with regulating the development and operation of industrial site and utility site dual purpose powerplants and related transmission, distribution, and other facilities, including specifically:

(A) the determination of rates or guide-

lines for rates for sales of electric power from industrial site dual purpose powerplants to utilities and for sales of electric power from utilities to industrial site dual purpose powerplants; and,

(B) the establishment of a forum and procedure for the fair and efficient resolution of disputes between generators, transmitters, and distributors of industrially generated electric power;

(2) REGULATORY MEASURES.—Identification of such regulatory action as may be appropriate to promote increased waste heat energy recovery and use, including:

(A) requiring that electric utility transmission facilities be deemed common carriers, with wheeling services available to all producers of electric power at a published tariff rate;

(B) reducing standby demand charges to industry in consideration of industrial assumption of a portion of the burden of providing electric power;

(C) granting industrial generation of electric power for sale to the utility system a priority use status in any national allocation of fuels;

(D) requiring industrial site dual purpose powerplants to provide auxiliary electric power generation capacity for use during industrial plant shut-down periods;

(E) assessing peak-load pricing as a policy tool for encouraging waste heat recovery and use;

(F) evaluating the effect of proposed rate structure changes such as time-of-day pricing, life-line costing, marginal pricing, and constant industry and residential rates on extensive development of waste heat conservation and recovery practices; and,

(3) INCENTIVES AND DISINCENTIVES.—Identification of measures calculated to encourage private action leading to increased waste heat energy recovery and use, including:

(A) amendments or additions to those provisions of the Federal Power Act, Public Utility Holding Company Act, related federal legislation, and state and local public utility regulations having the greatest effect on waste heat conservation, recovery and use techniques;

(B) employing waste heat charges as a waste heat conservation, recovery and use strategy;

(C) various tax incentives and disincentives such as an increased investment tax credit and accelerated depreciation for properties and equipment dedicated to waste heat energy conservation and recovery uses, and increased taxes on enterprises wasting excessive quantities of heat energy;

(D) regulatory disallowance, in determining just and reasonable rates, of capital costs for the construction of additional electric utility generating capacity where industrially generated electric power is available; and,

(E) fuel taxes on enterprises requiring significant quantities of steam or heat energy that do not adopt measures to conserve, recover and use that energy.

SEC. 102. Beginning one year following submission of Part 3 of the Policy Analysis Final Report and continuing at annual intervals thereafter, the Administrator shall report to the Congress and to the President on the progress made toward definition and implementation of an effective national policy promoting waste heat energy recovery and development of industrial and utility site dual purpose powerplants. The Administrator's annual reports shall include at least the following subjects:

(a) Current forecasts of technological, economic, social and environmental factors bearing upon effective implemenation of the national policy;

(b) Perceived trends and changed circumstances anticipated to effect the national policy;

(c) Effectiveness of policy measures thus far adopted; and

(d) Proposed additions or modifications to the national policy as then constituted.

SEC. 103. The Administrator and the Director of the Bureau of Competition of the Federal Trade Commission are each authorized, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53, title 5, United States Code, relating to classification and General Schedule pay rates, to appoint and fix the compensation of such additional personnel as may be necessary to enable the Administrator and Director to carry out their functions under this Act.

SEC. 104. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

TITLE II—RESEARCH, DEVELOPMENT, DEMONSTRATION, AND TECHNOLOGY TRANSFER PROGRAM

SEC. 201. (a) The Administrator of the Energy Research and Development Administration shall initiate and carry out a research, development, demonstration and technology transfer program for the purpose of (1) improving the efficiency and performance of industrial and utility site dual purpose powerplants and (2) providing industrial and utility site dual purpose powerplants a capability to use effectively coal or fuels other than natural gas or petroleum as the primary energy source. Such a program shall be formulated and carried out to effect a smooth transition from petroleum and natural gas to coal, and to a lesser degree, synthetic fuels derived from coal and oil shale, or alternate fuels derived from nonpetroleum sources. Technology development shall focus on improving the cost effectiveness, performance and efficiency of prime movers and ancillary equipment of the scale required for dual purpose powerplants. Ancillary equipment development shall emphasize heat recovery components with a view to improving existing powerplants and providing the necessary technology base for optimized heat recovery systems in new powerplants. To facilitate eventual replacement of present generation dual purpose powerplant prime movers that normally require distillate or natural gas as fuel, emphasis shall be placed on prime mover technology that will permit durable operation on lower grade heavy petroleum fuels with an ultimate capability for conversion to synthetic or alternate fuels when they are commercially available.

(b) Prime mover alternatives shall also be developed to permit future commercialization of more optimized dual purpose powerplants. These shall include options such as external combustion engines capable of efficient operation with fluidized beds of all scales and other methods for environmentally acceptable coal utilization, fuel cells capable of operation with coal or gasified coal, and topping cycles that can extend the upper temperature operating limit and substantially increase the efficiency of dual purpose powerplants while retaining the capability for virtually complete fuel source flexibility.

(c) The Administrator of the Energy Research and Development Administration shall take such action as may be necessary to assure that a reasonable proportion of the demonstration programs under this title are sited in electricity deficient areas of the United States.

SEC. 202. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

TITLE III—INTERIM INCENTIVES FOR INDUSTRIAL COGENERATION

SEC. 301. INVESTMENT TAX CREDIT AMENDMENTS RELATING TO CERTAIN ELECTRICAL ENERGY GENERATING EQUIPMENT.

(a) ADDITIONAL CREDIT ALLOWED.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to rules for computing credit for investment in certain depreciable property) is amended by inserting immediately after section 46 the following new section:

"SEC. 46A. SPECIAL RULES RELATING TO CERTAIN ELECTRICAL ENERGY GENERATING EQUIPMENT.

"(a) IN GENERAL.—In lieu of the amount which would be determined under section 46 (a)(2) with respect to property which is qualified electrical energy generating equipment, the amount of the credit allowed by section 38 for the taxable year with respect to such property shall be an amount equal to 20 percent of the qualified investment (as determined under section 46 (c) and (d) in section 38 property which is (or, for the purpose of applying section 46(d), will be) qualified electrical energy generating equipment.

"(b) ADDITIONAL PERCENTAGE.—In the case of a corporation which elects to have the provisions of this subsection apply, the amount of the credit allowed by section 38 for the taxable year with respect to such property shall be an amount equal to the percentage determined under subsection (a) plus—

"(1) an additional percent of the qualified investment in such property (as determined under subsections (c) and (d) of section 46), and

"(2) an additional percent (not in excess of ½ percent) of such qualified investment (as so determined) equal in amount to the amount determined under section 301(e) of the Tax Reduction Act of 1975.

An election may not be made to have the provisions of this subsection apply for the taxable year unless the corporation making the election meets the requirements of section 301(d) of the Tax Reduction Act of 1975. An election by a corporation to have the provisions of this paragraph apply shall be made at such time, in such form, and in such manner as the Secretary may prescribe.

"(c) Definitions; Special Rules.—For purposes of this section—

"(1) ELECTRICAL ENERGY GENERATING EQUIPMENT.—The term 'electrical energy generating equipment' means any equipment or device of a character subject to depreciation installed in connection with, and as an integral part of, a system of heating, cooling, or providing power for manufacturing goods which, in addition to its principal purpose, generates electrical energy in excess of the user's needs in such a fashion as to produce commercially marketable quantities and durations thereof, as determined by the Secretary after consultation with the Administrator of the Energy Research and Development Administration.

"(2) QUALIFIED ELECTRICAL ENERGY GENERATING EQUIPMENT.—The term 'qualified electrical energy generating equipment' means electrical energy generating equipment (other than public utility property (as defined in section 46(f)(5)) which is used to produce marketable quantities and durations of electrical energy, a substantial amount of which is used by the taxpayer to meet his electrical energy needs or which is sold by the taxpayer to a public utility.

"(d) CONVERSION OF ELECTRICAL ENERGY GENERATING EQUIPMENT TO OTHER USE.—If property with respect to which the credit allowed by section 38 was determined under this section is not used to generate substantial amounts of excess electrical energy in

any taxable year before the close of the useful life which was taken into account in computing the credit, the taxpayer shall be treated, for purposes of section 47, as having disposed of such property on the first day of such taxable year.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section. Initial regulations shall be promulgated within 180 days after the date of enactment of the Cogeneration and Waste Heat Utilization Act."

(b) CLERICAL AMENDMENT.—The table of sections for such subpart B is amended by inserting immediately after the item relating to section 46 the following new item:

"SEC. 46A. SPECIAL RULES RELATING TO CERTAIN ELECTRICAL ENERGY GENERATING EQUIPMENT.

SEC. 302. UTILITY INCENTIVE

Subsection (f) of section 46 of the Internal Revenue Code of 1954 (relating to limitation in case of certain regulated companies) is amended by adding at the end thereof the following new paragraph:

"(10) No credit shall be allowed by section 38 with respect to any property described in section 50 which is public utility property (as defined in paragraph (5)) of the taxpayer if the taxpayer—

"(A) is engaged predominantly in the trade or business of the furnishing or sale of electrical power, and

"(B) unreasonably refuses (as determined by the Federal Power Commission under standards prescribed by the Commission)—

"(i) to purchase electricity generated by customers of the taxpayer in excess of their requirements,

"(ii) to establish physical connection of its transmission facilities with the facilities of one or more other persons engaged in the transmission or sale of electric energy, or

"(iii) to sell electrical energy to, transmit such energy for, provide transmission services or wheeling for, exchange electrical energy with, provide pooling services for or coordinate with, such other persons.".

SEC. 303. PARTIAL REFUND OF EXCESS CREDIT.

(a) Section 6401(b) of the Internal Revenue Code of 1954 (relating to amounts treated as overpayments) is amended by adding at the end thereof the following new sentence: "If the amount allowable as a credit under section 38 (relating to investment in certain depreciable property) exceeds the limitation provided by section 46(a)(3), the amount of the excess shall be considered an overpayment to the extent that it is attributable to the amount determined under section 46A."

(b) Section 6201(A)(4) of such Code (relating to erroneous credit under section 39 or 43) is amended—

(1) by striking out "section 39 or 43" in the caption and inserting in lieu thereof "section 38, 39, or 43", and

(2) by adding at the end thereof the following new sentence: "If on any claim for refund of income taxes under subtitle A there is an overstatement of that portion of the credit allowable by section 38 (relating to investment in certain depreciable property) which is treated as an overpayment under section 6401(b), the amount so overstated which is allowed as a refund may be assessed by the Secretary in the same manner as in the case of a mathematical or clerical error appearing upon the return, except that the provisions of section 6213(b)(2) (relating to abatement of mathematical or clerical error assessments) shall not apply with regard to any assessment under this sentence.".

SEC. 304. EFFECTIVE DATE.

The amendments made by this title apply with respect to—

(a) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1976, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection after such date and before January 1, 1981;

(b) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after December 31, 1976, and placed in service before January 1, 1981; and

(c) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after December 31, 1976, and before January 1, 1981.

SEC. 305. FINANCIAL ASSISTANCE TO STATE REGULATORY AUTHORITIES.

(a) The Administrator is authorized to make monetary grants to state utility regulatory authorities, on an interim basis, for the specific purpose of assisting such authorities in efforts to:

(1) facilitate the recovery and use of waste heat energy;

(2) promote the exchange of electric power between industrial site dual purpose powerplants and electric utilities at reasonable rates; and

(3) encourage electric utilities to transmit electric energy, and provide transmission services or wheeling, to industrial site dual purpose powerplants at reasonable rates.

(b) No monetary grant shall be made under this section unless a formal application therefor has been submitted in such manner as the Administrator may require. The Administration shall promptly review, on a case-by-case basis, each application submitted by a state authority, but may not authorize the issuance of funds to such authority unless:

(1) the Administrator determines that explicit standards satisfying the objectives of this section have been prescribed by the applicant authority; or

(2) the Administrator determines that, although the applicant authority has not yet prescribed explicit standards satisfying the objectives of this section, such standards will be forthcoming in the near future. In such case, however, the Administrator may grant to the applicant authority no more than fifty per centum of the funds that would otherwise be granted, until such time as the authority has submitted, and the Administrator approved, explicit standards satisfying the objectives of this section.

(c) The Administrator may not approve the application of a State authority should the Administrator determine that the State has reduced, or intends to reduce, appropriations for its utility regulatory authority in anticipation of the receipt of funds pursuant to this section.

(d) The Administrator may withhold all or any part of a grant made pursuant to this section should the Administrator determine that the State authority is not diligently carrying out the program described in its application or is failing to abide by assurances given in such application.

(e) There is authorized to be appropriated under this section a sum not to exceed $20,000,000 in grants during any fiscal year. Such grants shall be allocated by the Administrator among the various States on an equitable basis, taking into consideration such objective criteria as population and existing energy deficiencies.

(f) No grant shall be made pursuant to this section after the close of a three-year period commencing with the date of the enactment of this Act.

[Telegram]

APRIL 30, 1977.

Hon. GARY HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: The National Rural Electric Cooperative Association has supported energy conservation technologies for many years and your bill proposing to study the problems of waste heat recovery and utilization, could be an important strategy to conserve our decreasing supply of energy.

NRECA supports the "Cogeneration and Waste Heat Utilization Act," and will be happy to assist you in any way possible.

Sincerely,

ROBERT D. PARTRIDGE,
Executive Vice President and General Manager.

By Mr. HART:

S. 1364. A bill to provide for the subsistence electrical needs of elderly residential consumers, promote equity in electrical costing through reform of current electric rate structures, and other purposes; to the Committee on Energy and Natural Resources.

Mr. HART. Mr. President, electrical energy is an indispensable necessity of our modern way of life. It is a lifeline which sustains virtually every American household.

For too many Americans today, however, that lifeline is perilously close to breaking because they can no longer afford adequate amounts of electricity. In a nation which has committed itself to affordable electricity for Americans, there are many for whom "affordable electricity" is a thing of the past.

The onset of the energy crisis, the unusually harsh winter of 1977, and inflation have all contributed to record-high prices for electricity. The situation is bad enough for people whose earnings cover most essential needs. But for senior citizens, many of whom are on low, fixed incomes, drastically increased prices spell disaster. For the elderly person, even the smallest increase in the price of a necessary commodity—for which it is impossible to "shop around" or do without—can be terrifying. In regional hearings before the Senate Special Committee on Aging held last month in Denver my distinguished colleague, Senator CHURCH, heard witnesses say that spiraling energy costs may be the greatest concern of older citizens in that part of the Nation.

In a recent report to the Special Committee on Aging, Federal Energy Administrator John O'Leary cited statistics which indicate that fuel expenses for the elderly increased by more than 44 percent between 1973 and 1976. In 1976—a comparatively mild winter—the low-income elderly living in the Northeast spent almost 30 percent of their income on home fuel. The figure was 18.5 percent of income in the Western States.

This problem is exacerbated by the fact that home fuel costs for the elderly are generally higher on a per capita basis than the average of residential heating bills for all ages in the United States. This is due primarily to the special health requirements of many senior citizens who must maintain a warmer home environment in the winter and a moderate temperature in the summer.

The same FEA report demonstrates that increases in retirement, social security, and income support payments, which are often tied to increases in the consumer price index—CPI—have not kept pace with increased energy costs—although they do reflect the overall rate of inflation. The CPI as a whole increased 28.1 percent between 1973 and 1976. While prices for some items increased at rates slower than the CPI, the indexed price of energy products rose at a greater rate: 42.2 percent for electricity, 57.8 percent for natural gas, and 83.3 percent for fuel oil. Thus, while social security and supplemental security income—SSI—benefits increased by about 30 percent between 1973 and 1976, this increase did not adequately compensate the low fixed income elderly for rising energy costs.

Clearly, we must provide affordable electricity for these Americans who are especially dependent on this commodity to maintain health and home.

Today I am introducing the Electrical Lifeline for the Elderly Act of 1977. It would insure that a basic amount of electricity be made available at minimum cost to senior citizens.

This bill would require State or regional regulatory authorities to establish a subsistence quantity of electricity for residences in which the head of household is at least 62 years of age or receiving social security benefits. The subsistence level of electricity would be the minimum amount necessary for cooking, food refrigeration, heating, lighting, cooling, medical, and other essential purposes. The rate charged for this amount of electricity would be equivalent to the lowest rate charged to any consumer served by a given utility on the date of enactment of this bill. Amounts of electricity in excess of the subsistence amount would be priced at the regular rate.

Mr. President, "lifeline" rates for the elderly would represent a significant departure from current electric rate schedules. In most States, utilities provide electricity for industrial and other large consumers at a cheaper rate than small residential users must pay. The more electricity used, the lower the unit cost becomes. The elderly, therefore, who are bound to use as little possible, now pay the highest rates.

With the institution of lifeline rates, the householder age 62 and over would get a subsistence amount of electricity at the same rate as the largest industrial user—the lowest rate instead of the highest.

Mr. President, I view this bill establishing "lifeline" rates for senior citizens as an easily administered interim solution to a well-documented problem while Congress addresses the larger issue of electric utility rate reform in the coming months and years. The "declining block rate" structure, which charges quantity discounts to those consumers who use the most electricity and the highest rates to those who use the least, is regressive and should be changed. This practice promotes wasteful consumption by industrial and other large users while residential consumers must bear a larger burden for increases in electric prices. It serves neither the interests of equity nor the goals of a national energy policy.

Although lifeline rates would be equivalent to the lowest rates in the declining block rate structure, this bill is not intended to validate this kind of electric pricing.

As an alternative, the bill requires the FEA to study a comparatively new concept in electrical pricing—incremental costing—which, in my judgment, could do much to promote equity, efficiency and conservation in the use of electricity. Under this rate structure, all consumers would pay a price for electricity based on the incremental cost of supplying it. Under incremental costing methodologies—such as peak-load and long-run incremental pricing—the incremental cost may exceed the average cost of supplying electricity. Thus, total revenues based on such a schedule would exceed total costs of operation.

To bring revenues and costs into balance, the FEA would examine various alternatives for selling subsistence quantities of electricity to residences at a lower rate.

Under such a plan, it is possible that monthly electricity bills could decline for small-quantity consumers and increase for many large-quantity consumers. Because low-income persons are usually small-quantity consumers, this plan establishes a "progressive" electric rate structure.

Such a plan would provide significant incentives for conservation and economic efficiency in addition to potential relief for low-income consumers. Because the electric rates for home consumption above subsistence levels would presumably be increased, consumers will perceive a greater reward for conservation. Businesses and industry will also receive an increase in rates, and thus be similarly inclined to conserve.

Mr. President, this bill enunciates two goals which must be an integral part of a comprehensive national energy policy. The first is the goal of providing senior citizens and all Americans with adequate, affordable, and equitably priced electricity. The second is the importance of conservation and the prudent use of our limited energy resources. If current electric pricing policies remain in effect, they will perpetuate wasteful consumption while failing to provide for the essential needs of an increasing proportion of our population. Lifeline for the elderly is an important first step in converting ours from a consumptive to a quality-oriented society. Only in this way will we be able to provide for the energy needs of all Americans while protecting our limited energy resources from waste and misuse.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1364

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Electrical Lifeline for the Elderly Rate Reform Act of 1977."

FINDINGS

SECTION 1. (1) The Federal Government has long recognized that supplying low-cost electricity to all Americans is a fundamental need which is equal in importance to the nutritional, health, education and other essential needs of our citizenry;

(2) rates for electric energy have increased dramatically in recent years, creating severe hardships for many elderly Americans on low-fixed incomes who often must choose between this and other essential items;

(3) the vast majority of existing electric rate schedules include quantity discount rates and declining block rates which result in large-scale consumers paying less than the full cost of the service they receive;

(4) the inequitable distribution costs in electric rate schedules encourages increased and often wasteful consumption of electricity by large-scale consumers while many individual elderly residential consumers must struggle to pay for limited but essential quantities of power;

(5) therefore, existing electric rate schedules serve neither the interests of equity nor the goals of a comprehensive national energy policy.

PURPOSES

SEC. 2. It is the purpose of this Act to provide:

(1) an interim solution for the subsistence residential electrical needs of the elderly while Congress attempts to construct an equitable electric utility structure which adequately meets the needs of all classes of electrical consumers;

(2) to promote equity in electrical costing;

(3) to demonstrate the effects of lifeline costing on electric utility rate structures, consumption patterns and the operation of electric utilities, and to demonstrate the feasibility and desirability of action by Congress to extend lifeline costing to other segments of American society.

LIFELINE RATES

SEC. 3. (a) No rate schedule of an electric utility shall provide for a rate under which the charge per kilowatt-hour to an elderly residential consumer for a subsistence quantity of electric energy in any month for such consumer's principal place of residence exceeds the lowest charge per kilowatt-hour of any other electric consumer to whom electric energy is sold by such utility (or any electric utility which controls, is controlled by or under common control with, such utility). Such rates shall not exceed the average of residential rates in effect on the date of enactment of this Act. The relevant regulatory authority shall consider seasonal and climatic variations as they affect electric consumption in determining the subsistence electric needs of elderly residential consumers.

(b) for the purposes of this section, the term—

(1) "subsistence quantity" means the number of kilowatt-hours per month which the relevant regulatory authority determines is necessary to supply the minimum subsistence electric needs of elderly residential electric consumers at their principal place of residence for the following end-uses: heating, lighting, cooking, cooling, food refrigeration, medical or other essential purposes as determined by the relevant regulatory authority;

(2) "elderly residential electric consumer" means an individual who demonstrates to the supplying electric utility for such individual that such individual is—

(A) (i) at least 62 years of age; and

(ii) the head of a household or principal income earner; or

(B) is receiving benefits from the Social Security Administration

(3) "relevant regulatory authority" means the regulatory body which has ratemaking authority with respect to electric rate schedules within its jurisidiction.

ENFORCEMENT

SEC. 4. (a) No electric utility may sell electric energy except in accordance with a rate schedule which has been fixed, approved, or allowed to go into effect by a regulatory authority. No regulatory authority may fix, approve, or allow to go into effect any rate schedule which violates section 3.

(b) If any person alleges that a regulatory authority's action, or failure to act, violates subsection (a)—

(1) in the case of a regulatory authority which is a Federal regulatory authority (or which is a State regulatory authority whose action or failure to act is not reviewable by a State of competent jurisdiction), such person may obtain review of such action or failure to act, insofar as it relates to a violation of subsection (a)—

(A) in any statutory review proceeding which is otherwise applicable to such action or failure to act, or

(B) if there is no such statutory review proceeding applicable to such action or failure to act, by commencing a civil action in the United States court of appeals for any circuit in which the utility sells electric energy, which court shall have jurisdiction to review such determination in accordance with chapter 7 of title 5, United State Code; and

(2) in the case of a regulatory authority which is a State regulatory authority, such action, or failure to act, insofar as it relates to a violation of subsection (a)—

(A) may be reviewed by any State court of competent jurisdiction, and

(B) if such action is reviewable by such a State court, may not be reviewed by any court of the United States, except by the United States Supreme Court on writ of certiorari in accordance with section 1257 of title 28, United States Code.

(C) Any individual found guilty of fraudulently misrepresenting his or her status as a residential electric consumer shall be punished by a fine not to exceed $5,000 or imprisonment for not more than 6 months or both.

FEDERAL ASSISTANCE

SEC. 5. (a) The Administrator of the Federal Energy Administration or his successor in any department or agency established by law to carry out the functions of said Administration, shall provide technical assistance, including grants, or such other financial assistance as he deems necessary and appropriate to State and municipal regulatory authorities to assist these bodies in the establishment of subsistence standards for the elderly.

REPORTING REQUIREMENT

SEC. 6. The Administrator of the Federal Energy Administration or his successor in any department or agency established by law to carry out the function of said Administration, shall submit a report to Congress within 18 months after the date of enactment of the bill on the effects of this Act on electric utility rate structures, electric consumption and the operation of electric utilities.

Additionally, the Administrator shall study the extent to which cost-justified changes in rates will require incremental pricing (such as long-term incremental costing, peak load pricing, etc.) whereby the incremental costs will exceed the average costs of electricity. In cases where the incremental costs will exceed the average costs of electricity, the Administrator shall study the extent to which subsistence levels of electric consumption may be priced at lower levels, so that total revenues and costs are brought into balance.

The Administrator shall also study the extent to which such a pricing schedule would alleviate the difficulties which low income residences have in paying electricity bills.

The Administrator shall also study the impacts of such pricing schedule on the conservation efforts of all classes of consumers.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 8. The provisions of this Act shall take effect ninety days after enactment and remain in force for a period of not less than three years thereafter.

By Mr. DURKIN:

S. 1367. A bill to amend the Small Business Act with respect to loans for home builders;

S. 1368. A bill to amend the Small Business Act with respect to compliance loans;

S. 1369. A bill to amend the Small Business Act with respect to loan moratoriums;

S. 1370. A bill to amend the Small Business Act with respect to displaced business loans; and

S. 1371. A bill to amend the Small Business Act with respect to certificates of competency; to the Select Committee on Small Business.

Mr. DURKIN. Mr. President, I am introducing today a package of five bills which will enhance the ability of the Small Business Administration to serve the needs of small businessmen in this country. The economic disaster of the past years has resulted in substantial difficulties for small businesses.

Small business failure in 1974 and 1975 increased 72 percent over 1973. We must recognize the vast importance of the 13 million small businesses for this country, and do everything possible to resolve their pressing difficulties.

This legislation is designed to correct many of the problems which small business concerns presently are experiencing or could experience in the future with respect to their dealings with the Small Business Administration. These bills will:

First, allow SBA to extend its loan authority to small homebuilders and cooperative groups for rehabilitation of blighted areas previously ruled ineligible;

Second, authorize SBA loans to facilitate compliance with Federal laws which were enacted subsequent to enactment of the compliance loan authorization of the Small Business Act;

Third, provide for a moratorium in SBA loan repayments for up to 5 years in specific situations;

Fourth, improve the SBA disaster loan program; and

Fifth, expand the Small Business Administration's certificate of competency program.

The first bill I am introducing will specifically authorize the Small Business Administration to make regular business loans to small homebuilders to finance residential or commercial construction or rehabilitation for sale. The bill would also authorize the SBA to make such loans to individuals and nonprofit cooperative groups with a limit of 75 members which are organized for purposes of rehabilitating blighted urban or rural areas. These loans could not be used primarily for the acquisition of land. This bill will insure that the small homebuilder, like other small businessmen, will be able to obtain SBA loans and assistance.

There are numerous homebuilders who are small businessmen who would benefit from this loan provision. Many small homebuilders cannot obtain loans from banks because of the modest size of their operation. Neither HUD nor any other agency of the Federal Government, presently provides the type of direct financial assistance to homebuilders as the SBA does with other small businesses.

Presently, small homebuilders are precluded from receiving SBA financial assistance as a result of administrative regulation. In times of high interest rates and other adverse economic conditions, the homebuilding industry is often more adversely affected than other segments of the economy, and individual homebuilders needs for loan assistance is often greater. It was intended that the Small Business Administration should meet the needs of all small business concerns in this nation, and the failure to include homebuilders illustrates a severe flaw in the SBA's mission.

My second bill will authorize the Small Business Administration compliance loans under section 7(b)(5). These loans may be provided to a small business concern in order to meet the requirements of a Federal law, or any State law, or regulation which was issued in conformity with a Federal law, without regard to the date on which the law or regulation was adopted.

Section 7(b)(5) of the Small Business Act authorizes the SBA to make loans to small business concerns in order to assist them in effecting additions or alterations in its plan, facilities, or methods of operations to meet requirements imposed upon the business pursuant to any Federal or State law or regulation issued in conformity with the Federal law. Presently, however, the compliance loan authority denies assistance to small concerns which are required to meet federally imposed or authorized standards established by earlier law. Where a Federal law was adopted before enactment of section 7(b)(5), the SBA has refused to make compliance loans for this purpose.

Regardless of the date when a requirement is imposed, the Federal or State law will place a substantial burden on small business concerns who must meet these standards. Suffering the same burden, these small businesses should be eligible to receive the same type of assistance, regardless of the date of enactment of the requirements.

The third bill in this package will authorize the Small Business Administration to assume or suspend for a period not to exceed 5 years a small business' obligation to make the required payments under an SBA loan. This moratorium is limited, however, to situations where without an assumption or suspen-

sion the small business would become or remain insolvent and where with the assumption or suspension the small business would become or remain a viable small business concern. The small business would be required to agree with SBA as to repayment of the amounts that became due during the period of the moratorium. The SBA would be authorized to extend the maturity date of the loan for a period to coincide with the moratorium.

Presently, as a prerequisite to making a loan, the SBA must determine that there exists a reasonable assurance of repayment. Further, there is a maximum maturity date or a maximum term for the loan. Many SBA loans are made for the maximum statutory term. Many small businesses would be able to survive and grow if SBA was granted the specific authority to defer the payments due either to SBA or to a bank which had made a guaranteed loan. This bill will give the Small Business Administration specific statutory authority to grant deferments.

My next bill will authorize the Small Business Administration to make displaced business loans to small businesses which are suffering substantial economy injury as a result of its displacement or location near a project constructed by a State or local government or public service entity which has the authority to exercise eminent domain. These loans would enable the affected small businesses to revitalize or reestablish themselves at the same or a different location.

Under section 7(b)(3) the SBA is specifically authorized to make loans to small business concerns to assist them in continuing in business at existing locations, in reestablishing a new business if the concern has suffered substantial economic injury as the result of its displacement by or location in or proximity to, a project or program constructed by or with Federal funds. These loans are funded through SBA's business loan and investment fund, whereas all of SBA's other nonphysical disaster loans are funded under its disaster fund.

Small businesses sustain just as much financial injury when they are displaced by a project or program by a State or local government or public service entity and need Federal loan assistance to assist in their recovery. This loan assistance provided under this bill, which will carry interest at a rate above the cost of interest to the Federal Government, should be funded under the SBA's disaster loan revolving fund in the same way as are all other nonphysical disaster loans.

The final bill which I am introducing in this legislative package will authorize the Small Business Administration to make all determinations regarding the responsibility of a small business concern to perform a specific Government contract, rather than having such final determination made by procurements officers. The bill also provides that a contract may not be withheld for such reason without referring the matter to SBA for a determination. Further, if the procurement officer believes that an otherwise qualified business is in violation of the Walsh-Healey Act, this finding is referred to SBA which can either dismiss the finding and direct the officer to award the contract or if in agreement it will submit the finding to the Department of Labor for final disposition.

The SBA certificate of competency will be conclusive and the contract must be awarded.

Under present law, section 8(b)(7) of the Small Business Act authorizes the Small Business Administration to issue a certificate of competency. This document "certifies to a Federal procuring activity that a small business concern is competent as to capacity and credit to perform a specific Government contract." Where there is a question as to the capacity and credit of such small business concern, the Government procurement officer refers the matter to the Small Business Administration, and its decision on the issue is conclusive. However, once the certificate is issued, the contracting officer is merely "authorized" to let the contract. Presently there is no statutory requirement mandating that once a certificate is issued the contract must be let to the small business, nor does the statute include other elements aside from a small business' capacity or credit. This has resulted in severe problems for the small business community.

Small businesses have been denied Government contracts because the procuring activity has determined that the small business lacked the requisite "tenacity, perseverance or integrity" to perform a specific Government contract. Such a finding results in the small firm being branded as "nonresponsible." Resort to the certificate of competency procedure in such cases is not available since capacity and credit are, purportedly, not involved.

A further problem arises where a bidder on a Government contract must also show that it is "eligible" to receive a contract award. One element of eligibility is the requirement that all potential contractors must meet the criteria found in the Walsh-Healey Public Contracts Act.

Section 1 of that act requires that in all Government contracts in excess of $10,000 there must be a stipulation "that the contractor is the manufacturer of or a regular dealer in the materials, supplies, articles, or equipment to be manufactured or used in the performance of the contract." Rules and regulations of the Department of Labor require that a procurement officer must reject bids from a bidder who is not a "manufacturer or dealer" within the meaning of the statute. If a small business is deemed ineligible due to this provision of the Walsh-Healey Act, there is no recourse to the certificate of competency procedure.

Mr. President, the importance of small businesses to the Nation's economy should not be underestimated. The 13 million small businesses account for 97 percent of all U.S. businesses, more than one-half of all private sector employment, 43 percent of business output, and one-third of the gross national product. Small businesses, however, have been hit the hardest during the recent period of inflation and recession. Wholesale prices charged by producers to distributors rose 20.9 percent while the Consumer Price Index was rising only 12.2 percent. Prices of construction material, with its tremendous impact on small business, rose 21.2 percent in 1974. I urge prompt consideration of these bills which I believe will provide a partial solution to the pressing problems of this Nation's small businesses.

I urge unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by inserting the following after the semicolon at the end of the first clause "or to finance residential or commercial construction or rehabilitation for sale, or to provide financial assistance to individuals and nonprofit groups with a limit of 75 members organized for purposes of rehabilitating blighted urban or rural areas: *Provided, however,* That such loans shall not be used primarily for the acquisition of land;".

S. 1368

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, section 7(b)(5) of the Small Business Act is amended by inserting immediately after "any Federal and State law" the words "heretofore or hereafter enacted".

S. 1369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(f)(1) Subject to the requirements and conditions contained in this subsection, upon application by a small business concern which is the recipient of a loan made under this Act, the Administration shall assume the small business concern's obligation to make the required payments under such loan or shall suspend such obligation if the loan was a direct loan made by the Administration. While such payments are being made by the Administration pursuant to the assumption of such obligation or while such obligation is suspended, no such payment with respect to the loan shall be required by the small business concern.

"(2) The Administration shall assume or suspend for a period of not to exceed five years any small business concern's obligation under this subsection only if—

"(A) without the assumption or suspension of the obligation, the small business concern would, in the opinion of the Administration, become insolvent or remain insolvent;

"(B) with the assumption or suspension of the obligation, the small business concern would, in the opinion of the Administration, become or remain a viable small business entity; and

"(C) the small business concern executes a satisfactory agreement in writing as provided by paragraph (3).

"(3) Notwithstanding the provisions of sections 7(a)(4)(C) and 7(1)(1) of this Act, the Administration may extend the maturity of any loan on which the Administration assumes or suspends the obligation pursuant to this subsection for a corresponding period of time.

"(4)(A) Prior to the assumption or suspension by the Administration of any small business concern's obligation under this subsection, the Administration, consistent with the purposes sought to be achieved herein, shall require the small business concern to agree in writing to repay to it the aggregate amount of the payments which were required under the loan during the period for which such obligation was assumed or suspended, either—

"(i) by periodic payments not less in amount or less frequently falling due than those which were due under the loan during such period, or

"(ii) pursuant to a repayment schedule agreed upon by the Administration and the small business concern, or

"(iii) by a combination of the payments described in clause (i) and clause (ii).

"(B) In addition to requiring the small business concern to execute the agreement described in subparagraph (A), the Administration shall, prior to the assumption or suspension of the obligation, take such action, and require the small business concern to take such action, including the provision of such security as the Administration deems appropriate in the circumstances, as may be necessary or appropriate to insure that the rights and interests of the lender will be safeguarded adequately during and after the period in which such obligation is so assumed or suspended.

"(5) The term 'required payments' with respect to any loan means payments of principal and interest under the loan.".

S. 1370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, section 7 of the Small Business Act is amended by striking "federally aided urban renewal program or a highway project or any other construction constructed by or with funds provided in whole or in part by the Federal Government" and by inserting in lieu thereof "program or project constructed by or with funds provided in whole or in part by the Federal Government or by a program or project by a State or local government or public service entity, providing such government or public service entity has the authority to exericse the right of eminent domain on such program or project".

S. 1371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, section 8(b) of the Small Business Act is amended by striking paragraph (7) and by inserting in lieu thereof the following:

"(7)(A) To certify to Government procurement officers, and officers engaged in the sale and disposal of Federal property, with respect to all elements of responsibility, including, but not limited to, capability, competency, capacity, credit, integrity, perseverance, and tenacity, of any small business concern or group of such concerns to receive and perform a specific Government contract. A Government procurement officer or an officer engaged in the sale and disposal of Federal property may not, for any reason specified in the preceding sentence, preclude any small business concern or group of such concerns from being awarded such contract without referring the matter for a final disposition to the Administration.

"(B) If a Government procurement officer finds that an otherwise qualified small business concern may be ineligible due to the provisions of section 35(a) of title 41, United States Code, of the Walsh-Healey Act, he shall notify the Administration in writing of such finding. The Administration shall review such finding and shall either dismiss it and certify the small business concern to be an eligible Government contractor for a specific Government contract or if it concurs in the finding, forward the matter to the Secretary of Labor for final disposition, in which case the Administration may certify the small business concern only if the Secretary of Labor finds the small business concern not to be in violation.

"(C) In any case in which a small business concern or group of such concerns has been certified by the Administration pursuant to (A) or (B) to be a responsible or eligible Government contractor as to a specific Government contract, the officers of the Government having procurement or property disposal powers are directed to accept such certification as conclusive, and shall let such Government contract to such concern or group of concerns without requiring it to meet any other requirement of responsibility or eligibility.

By Mr. STENNIS (for himself and Mr. TOWER) (by request):

S. 1372. A bill to amend titles 10 and 5, United States Code, to disestablish one of the positions of Deputy Secretary of Defense and establish an Under Secretary of Defense for Policy, and for other purposes; to the Committee on Armed Services.

Mr. STENNIS. Mr. President, by request, for myself and the senior Senator from Texas (Mr. TOWER), I introduce, for appropriate reference, a bill to amend titles 10 and 5, United States Code, to disestablish one of the positions of Deputy Secretary of Defense and establish an Under Secretary of Defense for Policy, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the listing of the bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., April 7, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to enclose a legislative proposal "To amend titles 10 and 5, United States Code, to disestablish one of the positions of Deputy Secretary of Defense and establish an Under Secretary of Defense for Policy, and for other purposes." The proposal is a part of the Department of Defense legislative program for the 95th Congress.

PURPOSE OF THE LEGISLATION

The proposed legislation replaces one senior position in the Department of Defense with another at a slightly lower level with more specialized duties. It also changes the title of another senior Defense position. This is accomplished by eliminating one of the two Executive Level II positions of Deputy Secretary of Defense which now exists, and establishing in its place a new position of Under Secretary of Defense for Policy, with pay grade reduced to Executive Level III.

The proposed legislation is part of an effort to strengthen management, by reducing span of control, to streamline organizational arrangements, and to reduce staffing levels within the Department of Defense. As presently structured, twenty-nine major offices of the Department (plus seven Commanders of the Unified and Specified Commands) report to the Secretary and Deputy Secretary of Defense. Of these, thirteen are within the Office of the Secretary. Virtually every group which has reviewed this Department's organization has concluded that this span of control is entirely too broad for effective management.

COST AND BUDGET DATA

Enactment of this proposal will result in no increase in budgetary requirements of the Department of Defense. It will facilitate a reduction in the size of the staff of the Office of the Secretary of Defense, with concomitant budget savings for the future.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. This proposal is also being sent to the Speaker of the House. It is recommended that the proposed legislation be enacted by the Congress.

Sincerely,

HAROLD BROWN.

By Mr. INOUYE:

S. 1373. A bill to modify the plan for harbor improvement at Honolulu Harbor, Oahu, Hawaii; to the Committee on Environment and Public Works.

Mr. INOUYE. Mr. President, in the review and reevaluation of the navigation improvement project for Honolulu Harbor, during phase I of the design memorandum stage which was completed in July 1976, two very important points were made, which bear directly on the need for modification of the original project authorziation under the River and Harbor Act of 1965.

First, according to the original project authorization, the State of Hawaii is required to make a cash contribution of 2.6 percent of the project first cost based on land enhancement benefits. This contribution is currently estimated to be about $200,000. However, as a result of the recent reevaluation of the project by the Army Corps of Engineers it has been determined that the material dredged during construction of the project will be disposed of at a deep-ocean site and will not be used to create new lands offshore from Sand Island as assumed in the original project document.

The 2.6-percent figure for the State of Hawaii's cash contribution for the navigation improvement project for Honolulu Harbor was established on the assumption that approximately 93 acres of land would be created with the Honolulu Harbor dredged material. The net annual value of this land was estimated to be $471,000 in 1963 dollars. It was then estimated that alternative sources of fill materials could create the same land for an annual cost of $54,100. The annual land enhancement benefit claimed for the project, and used for the determination of the portion of the total first cost of project construction allocated to land enhancement, was the $54,100 figure. The cost allocated to land enhancement was $118,000, which was computed according to the division of the annual land enhancement benefit, $54,100, by the total project annual benefits, $1,042,000, then multiplied by the total project first cost in 1963 of $2,283,000. The State's cash contribution was established as 50 percent of the cost allocated to enhancement, which

was approximately 2.6 percent, or $59,000, of the estimated Corps of Engineers first cost of project construction, $2,283,000, at Honolulu Harbor.

Since it has been determined that the material dredged during construction of the navigation improvement project for Honolulu Harbor will be disposed of at a deep-ocean site and will not be used to create new lands offshore from Sand Island, the State of Hawaii's cash contribution toward the first cost of the project construction should reflect the reduction in land enhancement benefits which originally would have accrued to the State. It is on this basis that I propose that the authorization for the Honolulu Harbor project be modified so as to eliminate the State's cash contribution.

Second, the original authorization for the Honolulu Harbor project included deepening of the main entrance channel, the main harbor basin, and Kapalama Channel, but did not include deepening of Kapalama Basin. In the review and reevaluation of the project in phase I of the design memorandum stage, it was determined that incorporation of Kapalama Basin into the deepening project is essential to accommodate present and future needs of waterborne commerce.

The Honolulu Harbor area is used extensively by container vessels and petroleum tankers, and ship traffic is expected to accelerate when the container facilities on Sand Island are developed. Plans have been underway for some time to develop a second deep-draft harbor for Oahu at Barber's Point in order to alleviate the expected, increased demand for use of Honolulu Harbor. It is estimated that Honolulu Harbor by itself would be increasingly overcrowded in the 1980's and would reach a saturation point by 1995. While I support the construction of a second deep-draft harbor for Oahu, in the interim period without that harbor, it is absolutely essential that plans go forward for the improvement of Honolulu Harbor. It is for this reason that I am deeply concerned about the incorporation of the deepening of Kapalama Basin into the Honolulu Harbor project. Failure to include the deepening of Kapalama Basin would limit unnecessarily the future capacity of Honolulu Harbor to accommodate the increasing amount of oceangoing ship traffic which is projected. Modification of the original project authorization to include the deepening of Kapalama Basin is therefore crucial, if the expected improved capacity of Honolulu Harbor is to be achieved.

I urge expeditious action on the two modifications of the original authorization for the navigation improvement project for Honolulu Harbor, under the River and Harbor Act of 1965, I have proposed in submitting this legislation.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1373

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the plan for the harbor improvement at Honolulu Harbor, Oahu, Hawaii, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1092) is hereby modified (1) to delete the requirement that local interests contribute in cash, prior to initiation of construction, a lump sum amounting to 2.6 percent of the estimated first cost of the general navigation facilities for the project, ascribed to land enhancement through deposition of dredged material; and (2) so that the Secretary of the Army, acting through the Chief of Engineers, shall dredge the Kapalama Basin portion of the project to depths commensurate with the needs of existing and projected commerce utilizing the harbor complex.

By Mr. INOUYE:

S. 1374. A bill to amend the act entitled "An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property," approved August 13, 1946, as amended, to raise the limitation from $1,000,000 to $2,000,000; to the Committee on Environment and Public Works.

Mr. INOUYE. Mr. President, the Army Corps of Engineers has authority to construct small beach erosion control projects, under section 103 of the River and Harbor Act of 1962, as amended, without specific authorization of Congress if the Federal costs do not exceed $1,000,000. The legislation I am introducing today would raise this amount by $1,000,000 in recognition of the inflation in construction costs which has occurred since the enactment of the authority.

Similar legislation, now section 133 of the Water Resources Development Act of 1976, was passed last year to raise by $1 million the limitation on the amount of Federal construction costs that could not be exceeded by the Corps of Engineers in building small flood control and river and harbor projects without specific authorization of Congress. My bill would simply extend that authority to all of the small continuing projects program of the Corps of Engineers by including this provision for small beach erosion control projects.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1374

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3 of the Act entitled "An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property," approved August 13, 1946, as amended, is amended by striking out "$1,000,000" and inserting in lieu thereof "$2,000,000".

(b) The amendment made by this section shall not apply to any project under contract for construction on the date of enactment of this Act, except in those cases where the authorized project includes periodic beach nourishment in accordance with section 1(c) of the Act approved July 28, 1956.

By Mr. INOUYE:

S. 1375. A bill to clarify certain provisions of the Barber's Point Deepdraft Harbor project at Oahu, Hawaii; to the Committee on Environment and Public Works.

Mr. INOUYE. Mr. President, today I am introducing a bill to clarify certain provisions of the Barber's Point Deepdraft Harbor project for Oahu, Hawaii. One of the purposes in introducing this legislation is to reaffirm that the local cash contribution, which the State of Hawaii is required to give toward the first cost of construction of the general navigation facilities at the Barber's Point Deepdraft Harbor, Oahu, shall be 2.1 percent of that cost, as authorized by section 301 of the River and Harbor Act of 1965. In addition, my bill provides that the material dredged from the construction of the general navigation facilities at Barber's Point shall become the property of the State of Hawaii for disposal.

There is one problem in the eyes of some detractors of the proposed Barber's Point Deepdraft Harbor project that has been of particular concern to me; the State of Hawaii's cost-sharing agreement with the Federal Government has been questioned as inadequate. But before I address this aspect of the present authorization of the Barber's Point Deepdraft Harbor, I would like to emphasize the clear need for a second deepdraft harbor for Oahu to supplement not only the present Honolulu Harbor facilities but the planned improvement of those facilities.

In planning for Honolulu Harbor, a multimodal task force, consisting of members of the maritime and aviation industries, Government and industry leaders, as well as knowledgeable outsiders, after 2½ years of work developed a series of recommendations on harbor development for Oahu to a 1995 time frame. It appears from this study that Honolulu Harbor facilities will prove inadequate in the decade of the 1980's. Some rearrangements and adjustments there may extend this date to the 1990's with completion of work proposed in the navigation improvement project for Honolulu Harbor. But beyond the 1990's, additional oceangoing-vessel facilities will we required on Oahu. By the year 2030, for example, the total Oahu needs for container acreage will be between 400 and 500 acres, or more than twice the area that can ultimately be provided at Honolulu Harbor. It must be realized that the land in and around Honolulu Harbor is the subject of intense competition since this area adjoins the Government and private enterprise financial center of the State. It is estimated, however, that the combination of Honolulu Harbor and Barber's Point Harbor will accommodate Oahu's container facility needs for at least the next 50 years.

I think that it is both fair and proper for the State of Hawaii's local cash contribution to remain, as presently authorized, at 2.1 percent of the first cost of construction of the general navigation facilities for the Barber's Point Deepdraft Harbor. The manner in which the State's local cash contribution was determined by the Army Corps of Engineers created some misunderstandings because the report prepared by the Pacific division of the corps used one average annual value of the material to be dredged in constructing the harbor in calculating the benefit analysis and another average annual value for the cost sharing between the Federal Government and the State. The average annual value of $925,000 was used in the benefit

analysis as the net market return on the sale of the dredged material. The average annual value of $235,000 was used in the cost-sharing computations based on the premise that local interests, the State, could create an equivalent stockpile for an average of $235,000 annually from strip-mining operations nearby. I think that it is entirely appropriate to use two separate values for this dredged material for reasons I will explain in some detail.

The basis for the cost-sharing agreement is the value of the dredged material within the context of construction of the Barber's Point Deep-Draft Harbor. If land is created with dredged material, the value used by the Corps of Engineers in computing the benefits and the cost-sharing requirement is the annual net economic rent expected from the created land or the cost of equivalent fill, whichever is less. The reasoning behind putting the equivalent fill qualifier into the analysis is to prevent local interests from being charged a cash contribution based on a value higher than that they could create for the equivalent amount of land derived from alternative means. The value most appropriate for cost sharing based on dredged material at Barber's Point would be the cost of equivalent fill; that is the cost to create an equivalent stockpile. However, dredged material sold as a raw material or mineral does not change the value of any existing land or create any new land. Dredged material marketed as a raw material does not create any land enhancement benefits. The product does not remain at a fixed place and is not immobile but becomes distributed physically throughout a wide variety of economic activities. The increase of product created by a harbor, such as an increased fish catch, is usually treated as a general benefit and no cost sharing is required. It follows that dredged material should not require cost sharing if it is sold as a raw material. After wide distribution throughout the economy, it is not a windfall to a limited number of beneficiaries as land would be. Because the dredged material before its sale and distribution, is given as property to a single entity, it does seem appropriate that that entity be asked to cost share with the Federal interest. This should be limited, however, to the extent of recoverable value by this entity, or the cost of creating an equivalent stockpile, whichever is less. It is, therefore, appropriate to use two separate values for this dredged material. The value used as a benefit is the increase to the national economy resulting from the utilization of this byproduct as a material or mineral, and is a general benefit. The value local interests are asked to cost share on is the recoverable value by that interest as a first owner of the material, or the cost of an alternative source whichever is less.

As outlined above, the basis for the Army Corps of Engineers' computation of the State of Hawaii's local cash contribution toward the first cost of the construction of the general navigation facilities for the Barber's Point Deep-draft Harbor is both equitable and proper. The reason why I ask that the State's cost-sharing requirement of 2.1 percent of the first cost of construction be reaffirmed is that I believe that the construction of the Barber's Point Deep-draft Harbor project is being delayed due to the dissatisfaction of the executive branch of the Federal Government with the authorized cost-sharing agreement.

The last part of my bill addresses the question of ownership of the material dredged from the construction of the Barber's Point Deepdraft Harbor. It is appropriate, as specified in House Document No. 93, 89th Congress, 1st session, that the dredged material from the construction of the general navigation facilities become the property of the State of Hawaii for disposal. This is advantageous to the Federal Government since it is less costly than disposal at sea and the State then accepts the uncertainties of monetary return, time, and quality of materials that will be available for disposal.

I urge expeditious passage of this legislation and ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1375

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the local cash contribution of 2.1 percent of the first cost of construction of the general navigation facilities at the Barber's Point Deep-draft Harbor, Oahu, Hawaii, authorized by section 301 of the River and Harbor Act of 1965, is hereby reaffirmed. The material dredged from the construction of the authorized general navigation facilities shall become the property of the State of Hawaii for disposal.

By Mr. INOUYE:

S. 1376. A bill to authorize the Secretary of the Army to make a study of the Trust Territory of the Pacific Islands in order to promote improved utilization of water and related land resources; to the Committee on Environment and Public Works.

Mr. INOUYE. Mr. President, today I am introducing legislation which would authorize the Secretary of the Army, acting through the Chief of Engineers, to make a study of the Trust Territory of the Pacific Islands in order to promote improved utilization of its water and related land resources.

Prudent and timely planning for the development, utilization and conservation of the water and related land resources of the Trust Territory of the Pacific Islands will enable the new Government of the Commonwealth of the Northern Marianas to more wisely manage its resources for the benefit of its people. I urge expeditious passage of this legislation to allow the Army Corps of Engineers to assist the Government of the Northern Marianas in developing a comprehensive study of its water and related land resources needs.

I ask unanimous consent that the text of my bill, as well as a letter from Mr. Erwin D. Canham, the Resident Commissioner of the Government of the Northern Mariana Islands, in support of my bill, be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1376

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is hereby authorized and directed to make a study in cooperation with the government of the Trust Territory of the Pacific Islands for the purpose of providing a plan for the development, utilization, and conservation of water and related land resources of such territory. Such study shall include appropriate consideration of the needs for flood protection, wise use of flood plain lands, navigation facilities, hydroelectric power generation, regional water supply and waste water management facilities systems, general recreation facilities, enhancement and control of water quality, enhancement and conservation of fish and wildlife, and other measures for environmental enhancement, economic and human resources development, and shall be compatible with comprehensive development plans formulated by local planning agencies and other interested Federal agencies.

GOVERNMENT OF THE NORTHERN MARIANA ISLANDS, OFFICE OF THE RESIDENT COMMISSIONER,
Saipan, Mariana Islands, April 9, 1977.

Hon. DANIEL K. INOUYE,
U.S. Senate, Washington, D.C.

DEAR SENATOR INOUYE: The new Government of the Commonwealth of the Northern Marianas will be placing great emphasis on water and land resources management planning. Contacts have been established with the Army Corps of Engineers, Honolulu Branch, relative to the type of assistance the Corps can provide to the Commonwealth of the Northern Marianas in the above area. We were informed that before the Army Corps of Engineers can provide any assistance to the Northern Marianas, legislation is required.

The purpose of this letter is to request your assistance in passage of an enabling legislation to authorize such studies. The required legislation will authorize and direct the Secretary of the Army, acting through the Chiefs of Engineers, to make a study in cooperation with the Northern Mariana Islands with particular reference to providing a plan for the development, utilization and conservation of water and related land resources. Such study shall include appropriate consideration of the needs for flood protection, wise use of flood plains, navigation facilities, hydroelectric power generation, regional water supply and waste water management facilities systems, general recreation facilities, enhancement and control of water quality, enhancement and conservation of fish and wildlife, and other measures for environmental enhancement, economic and human resources development, and shall be compatible with comprehensive development plans formulated by local planning agencies and other federal agencies.

The Government of the Northern Marianas respectfully solicits your assistance in the introduction of the above-mentioned legislation and also appropriation therefor.

Mr. Clarence Fujii at the United States Army Corps of Engineers, Honolulu Branch, Telephone Number 808/438-9218, can provide all of the required information with regards to their assistance program for the Northern Marianas and the estimate of funds required for appropriation to undertake the planning studies which will outline areas of need for development.

Thank you in advance for your assistance.
Sincerely yours,
ERWIN D. CANHAM.

By Mr. CRANSTON (by request):

S. 1378. A bill to extend the programs authorized by the Child Abuse Prevention and Treatment Act; to the Committee on Human Resources.

Mr. CRANSTON. Mr. President, the Secretary of Health, Education, and Welfare has submitted a draft bill to extend for fiscal year 1978 the authorization of appropriations for the Child Abuse Prevention and Treatment Act, at the fiscal year 1977 appropriation level of $19 million. As the chairman of the Subcommittee on Child and Human Development of the Committee on Human Resources, I am introducing this bill at the request of the Administration.

Our subcommittee will be considering legislation to extend these provisions in a markup on April 28.

Mr. President, I ask unanimous consent that the text of the bill and the transmittal letter be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1378

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Child Abuse Prevention and Treatment Act is amended by inserting ", and $19,000,000 for the fiscal year 1978" before the period at the end thereof.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
April 12, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft bill "To extend the programs authorized by the Child Abuse Prevention and Treatment Act."

The draft bill would extend the programs authorized by the Child Abuse Prevention and Treatment Act for an additional year, in order to enable us to review the ability of the programs to attain their intended objectives, and would authorize the appropriation of $19 million for fiscal year 1978—the amount requested in the budget revisions of February 22, 1977.

We are advised by the Office of Management and Budget that enactment of this draft bill would be consistent with the objectives of the Administration.

Sincerely,
JOSEPH A. CALIFANO, Jr.,
Secretary.

A BILL

To extend the programs authorized by the Child Abuse Prevention and Treatment Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Child Abuse Prevention and Treatment Act is amended by inserting ", and $19,000,000 for the fiscal year 1978" before the period at the end thereof.

By Mr. SASSER:

S. 1379. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest on a deficiency of income taxes which results from an error of an employee of the Internal Revenue Service, and for other purposes; to the Committee on Finance.

Mr. SASSER. Mr. President, today I am introducing a bill that would remove, in many cases, a taxpayer's liability for interest penalties if a deficiency in his tax payment were the result of bad advice or assistance by the Internal Revenue Service employees. The need for this type of legislation is, in my opinion, compelling.

Federal and private studies have shown repeatedly that the advice given by the IRS cannot be counted on to be correct. Error rates of between 25 and 75 percent—depending on the type of assistance sought—have been reported. The IRS itself has subjected its taxpayer assistance program to intense scrutiny, but has still found it impossible to upgrade its services enough to stand by the advice it gives. As stated in the 1040 form instruction booklet:

We are happy to assist you by answering questions to help you prepare your return. But you should know that you are responsible for the accuracy of your return and for the payment of the correct tax. If we do make an error, you are responsible for the correct tax and we are generally required by law to charge interest.

Mr. President, I find it astonishing that the IRS gives such poor advice and then is allowed to exempt itself from responsibility for that advice. I believe in the principle that citizens who deal with agencies of Government should not be subject to later penalties for taking the Government's advice. The best place to begin, Mr. President, is the IRS, with which almost every adult citizen must deal each year.

As many of my colleagues will recall, the distinguished Senator from Florida, Mr. STONE, introduced similar legislation in the 1st session of the 94th Congress. Although this bill, S. 1652, was not enacted into law in its original form, an amendment to the Tax Reform Act of 1976 lets the IRS abate interest if computational errors made by the IRS were responsible for a tax deficiency. This amendment was a legislative compromise which opened the door for the more comprehensive legislation which I send to the desk today.

Mr. President, my bill would prevent the IRS from collecting interest penalties if a deficiency were caused by mistaken advice or mistaken return preparation assistance given by taxpayer service representatives. This provision would broaden the concept of justice embodied in the Stone amendment to the Tax Reform Act of 1976 by extending it to include noncomputational, substantive, errors made by IRS in filling out tax forms, and to cover mistaken answers to taxpayer inquiries as well.

Taxpayers also would be given the legal right to request written confirmation of any advice they receive from IRS taxpayer assistance people. The Service would be required to provide such written confirmation within 10 days. And the IRS would be obligated to inform every taxpayer receiving advice that he is entitled to get written confirmation if he wants it.

I believe that our taxpayers deserve this protection from the mistakes of this agency of Government. Year after year, Americans have been promised true and meaningful tax reform, only to see that political considerations and special interests have gotten in the way. Average taxpayers have willingly suffered an unfair tax burden, even in the face of Government mismanagement of tax money and misplaced Government spending priorities. Their willingness is even more admirable when one considers the trouble we put them through in order to follow the inequitable laws that the Congress has passed.

While the wealthy have certified public accountants and tax lawyers to calculate how much tax they owe and to tell them how to take legitimate advantage of the tax breaks for which they are eligible, average Americans suffer quietly each April and fill out whatever forms the IRS has developed for them. And when these average Americans go to their Internal Revenue Service for help, they involve themselves in a game of governmental "Catch 22"—the IRS says, "Sure, we'll help you, but you can't believe a word we say."

This bill is certainly not the be-all or end-all for tax reform. Broader areas of public policy will be addressed later this year when President Carter submits his tax reform plan to the Congress. I want to stress that my bill does not offer a single new tax break to a single American citizen—each person would still be liable for the tax that he or she legitimately owes. Comprehensive tax reform will not in any way be endangered or forestalled by this bill. What the bill does is to pave the way toward greater tax justice by offering assistance to those taxpayers who need it most and by providing some sort of assurance to our citizens that they will not be penalized unfairly for taking advantage of Government programs that are established for their benefit.,

George Washington once said:

No taxes can be devised which are not more or less inconvenient or unpleasant.

I am sure that my colleagues will agree with this statement. But I think that we owe it to our constituents at least to make these unfair and unpleasant taxes as just and as simple as possible.

CONGRESS SHOULD SET STANDARDS

The taxpayer service programs of the Internal Revenue Service were originated by the Agency, rather than by the Congress. The development of taxpayer assistance has taken place on an ad hoc basis, without the planning or foresight one would expect for a program affecting millions of Americans. According to an internal IRS memorandum cited in the Administrative Conference of the United States "Report on Administrative Procedures of the IRS," in October 1975:

Internal Revenue Assistance to taxpayers probably originated soon after the individual income tax was enacted in 1913. Until 1952, the provision of such assistance was the responsibility of Internal Revenue Collectors whose primary duties were processing returns and collecting delinquent taxes. Over the years, the work of

collectors was augmented by Audit personnel, particularly during the tax return filing season. In 1952 taxpayer assistance was made the responsibility of the Audit Division, where it remained until 1959. Having each had exclusive responsibility for taxpayer assistance, the Collection and Audit Divisions shared the responsibility from 1959 to 1963. This arrangement proved unsatisfactory, and in 1963 taxpayer assistance functions were consolidated within the Collection Division. A national office branch in the Collection Division developed, and in 1971 it became the Taxpayer Service Division under the Assistance Commissioner [Accounts, Collection and Taxpayer Service (ACTS)] in the national office.

I applaud the Service's initiative in setting up these programs. However, I am convinced—by the constant shifts in responsibility and the seeming inability of the IRS to bring its programs into compliance with any reasonable sort of accuracy standards—that the Congress should at this time set workable but tough standards for the IRS to meet. These taxpayer service programs affect millions of Americans and, in spite of their good intentions, subject taxpayers to penalties for participating—they must be subject to the scrutiny and the legislative control of the Congress.

BETTER EVALUATION MEANS BETTER PROGRAMS

In addition to the need for better Congressional control of the taxpayer assistance programs, I feel strongly that the Service itself could upgrade its assistance by performing more rigorous evaluations of the programs. I am distressed that the IRS is unable to break down in a comprehensive manner its error rate for various types of advice. For example, a member of my staff called the IRS and was informed that the Service was unable to determine, from its own internal studies, how many of its errors were made in answering telephone inquiries, how many were made by IRS personel filling out tax returns, or how many were the result of inadequate information supplied by the taxpayer. The IRS had figures that were not based on any sort of statistically meaningful sample size. Instead, their numbers only served to obscure the areas in which assistance could be improved, rather than to clarify them. My bill contains provisions that would mandate that the IRS evaluate its programs comprehensively and report to the Congress suggestions for improving the programs' quality and accuracy.

BILL WOULD NOT CREATE AN UNWORKABLE BUREAUCRACY

This bill would basically mandate the upgrading of the present IRS programs. The only new feature is a system of sending out written confirmation of advice already given—a simple extension of the taxpayer assistance philosophy to those Americans who are limited by lack of time or transportation from participating in the programs directly in the IRS service centers. The additional manpower generated by these written confirmations would be mainly clerical workers to type the confirmations. An efficiently operating program will already have in place employees with the necessary knowledge and legal expertise.

Also, the bill would allow the Service to suggest to the Congress modifications the IRS feels are necessary because of additional costs and administrative changes imposed by the bill. This provision will allow the IRS to upgrade its programs in line with Congressional desires and administrative realities. In order for the IRS to have sufficient time to begin this cooperative process, amendments under section 2 will not apply until the tax year 1978—or, effectively, advice given in 1979.

WORTH THE COST

Although the IRS has always testified that a mandatory or considerably-upgraded taxpayer assistance program would be too costly, I believe that the benefits from improved advice and a more just tax system would be worth the cost. Such an expenditure, while benefiting millions of Americans, would probably amount to less of a cost than just a handful of the tax loopholes that now pervade the Tax Code for the benefit of the few. While the revenue loss to the Government from reduced penalty interest income would be marginal, the amount of interest for an individual taxpayer who has relied on the mistaken advice of the IRS is often substantial. These people—the ones who must rely on the IRS for help—are usually the people who can least afford interest payments.

RESTORING TAXPAYER CONFIDENCE

A taxpayer service program without teeth is only a half-hearted effort. It should be the policy of the Government that the IRS offer true assistance; such help, I believe must take the form of written confirmation upon request and interest abatement when the assistance proves to be incorrect. Adoption of this bill will result in greater accuracy on the part of IRS employees, greater taxpayer trust in their IRS and in their Government, and increased use of taxpayer service programs by taxpayers with no other means of obtaining help.

Mr. President, I ask unanimous consent that the text of this bill appear in the RECORD, immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1379

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Taxpayer Assistance Fairness Act of 1977".

SEC. 2. (a) Section 6601(c) of the Internal Revenue Code of 1954 (relating to suspension of interest in certain tax cases) is amended to read as follows:

"(c) Suspension of Interest in Certain Income, Estate, Gift and Chapter 41, 42, 43, or 44 Tax Cases.—

"(1) IN GENERAL.—In the case of a deficiency as defined in section 6211 (relating to income, estate, gift, and certain excise taxes), if a waiver of restrictions under section 6213(d) on the assessment of such deficiency has been filed, and if notice and demanded by the Secretary for payment of such deficiency is not made within 30 days after the filing of such waiver, interest shall not be imposed on such deficiency for the period beginning immediately after such 30th day and ending with the date of notice and demand.

"(2) INTEREST ON DEFICIENCY RESULTING FROM INTERNAL REVENUE SERVICE.—In the case of a deficiency (as so defined) of an income tax, if—

"(A) the return was prepared by a taxpayer service representative of the Internal Revenue Service acting under the program established by the Secretary to provide assistance to taxpayers in preparation of income tax returns, or

"(B) the return was prepared by the taxpayer on the basis of written interpretations or advice given directly to the taxpayer by a taxpayer service representative of the Internal Revenue Service under that program, and the deficiency did not result from a failure by the taxpayer to provide adequate information to the taxpayer service representative, or from a willful misrepresentation of information by the taxpayer, interest shall not be imposed on such deficiency (but only to the extent such deficiency is attributable to such confirmation or advice in the case of subparagraph (B)) for any period ending on or before the 30th day after the date of notice and demand by the Secretary for payment of the deficiency.

"(3) SPECIAL RULES FOR ORAL INFORMATION.—

"(A) WRITTEN CONFIRMATION.—In any program established by the Secretary to provide assistance to taxpayers in the preparation of income tax returns, the Secretary shall provide that if a taxpayer service representative gives any oral interpretations or advice to a taxpayer, the taxpayer shall be notified that he may request (but only at the time the oral interpretation or advice is given to him) a written confirmation of such oral interpretation or advice and that such written confirmation shall be sent within 10 days after the date of such request.

"(B) EFFECT OF WRITTEN CONFIRMATION.—For purposes of paragraph (2)(B), if a taxpayer prepares a return on the basis of any oral interpretations or advice received by him for which he has also received a written confirmation, the taxpayer shall be treated as having prepared the return on the basis of written interpretations or advice.

"(C) EXCEPTION.—This paragraph shall not apply to any request for any written confirmation which is made after the 10th day immediately preceding the date (determined without extensions of time for filing) on which the return of income tax is due.".

(b) Section 6404 of such Code (relating to abatements) is amended by striking out subsection (d).

SEC. 3. (a) Each calendar year the Secretary shall report to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate with respect to—

(1) the numbers of people requesting and receiving assistance during the previous calendar year under taxpayer assistance programs established by the Secretary;

(2) the amount of the interest suspended during the previous calendar year as a result of the amendments made by section 2 of this Act;

(3) the results of random audits which shall be taken by the Secretary by auditors posing as taxpayers as to the quality and accuracy of taxpayer service representatives' responses; and

(4) the cost of providing taxpayer assistance service.

(b) Within 180 days of the date of the enactment of this Act, the Secretary shall report to the committee referred to in subsection (a) with respect to—

(1) alternative structural, administrative, or filing deadline changes to improve the quality and accuracy of taxpayer assistance programs; and

(2) the classification of taxpayer inquiries which are so complex as to impose an unacceptable cost in complying with the amendments made by section 2 of this Act.

SEC. 4. The amendments made by section 2 shall apply to taxable years beginning after December 31, 1977.

By Mr. HATHAWAY:

S. 1380. A bill to amend the Department of Defense Appropriation Act, 1977 to authorize labor surplus area and small business set-aside programs, and for other purposes; to the Committee on Governmental Affairs.

UNEMPLOYMENT AND FEDERAL PROCUREMENT POLICY

Mr. HATHAWAY. Mr. President, the bill I introduce today would channel a greatly increased number of Government procurement contracts into areas of high unemployment. It is similar to amendments I have offered to Department of Defense appropriation bills during the last three sessions of Congress. Each of these amendments was accepted by the Senate, but was subsequently dropped in conference. The Senate has therefore approved the goals of this proposed legislation 3 years in a row and I am hopeful that these changes will ultimately be enacted into law during the 95th Congress.

MODIFIES MAYBANK AMENDMENT

The bill I propose today would modify language contained in the 1977 defense appropriations bill, and in every DOD appropriation since 1953. The language I wish to modify is the so-called Maybank amendment, named after Senator Burnet R. Maybank who first introduced it. It states that:

No funds shall be used for the payment of a price differential on contracts made for the purpose of relieving economic dislocations.

Senator Maybank's goal was to prohibit the DOD from paying more for textiles obtained from mills in New England than from mills in other parts of the country, particularly the South, where labor costs were lower. At that time the DOD was prone to pay these higher costs in an attempt to stop or slow the trend of many New England firms moving to areas with lower labor costs. The Maybank amendment was intended to counteract this regional favoritism which imposed higher costs for the defense of the country as a whole.

As we all know, most of the mills moved, and therefore the historic phenomenon to which the Maybank amendment was addressed no longer is significant.

LABOR SURPLUS AREA SET-ASIDE PROGRAM

The Maybank amendment, however, has lived on, and became a significant problem in its own right as it has affected the DOD's labor surplus area set-aside program. This program was initiated in 1952 under Defense Manpower Policy No. 4 which requires that certain procurement contracts be set aside for bidding in areas of substantial unemployment. The program was meant to preserve management and employee skills useful to the Nation's defense during times of economic downturns. This program is a valuable one, and ought to gain increased attention today as unemployment hovers at an unacceptable level of 7.3 percent.

The General Accounting Office has, however, in its construction of the Maybank amendment and the labor surplus area set-aside program, limited implementation of the goals of the latter by its determination that a defense procurement contract cannot be totally set aside for award to firms located in labor surplus areas, but rather must be split up into two or more units with at least one of those contract units beginning bidding competitively among all firms, within and without labor surplus areas. Under the GAO interpretation, the open competition on a portion of the total contract award determines the highest price payable on the remaining portion of the contract to be set aside for labor surplus areas. This construction is based on the theory that the best price can only be obtained by an open competition among all sorts of firms and would not be obtainable under a total set-aside to labor surplus areas. Such a theory might have made some sense in times of low levels of unemployment where there were few qualifying labor surplus areas, but makes little sense today.

I might add that in 1953, when Senator Maybank first introduced his amendment, unemployment was only 3 percent. In a time of 7.3-percent unemployment when approximately 800 areas across the country were designated by the Secretary of Labor as having substantial unemployment in a count made a year ago, setting aside a Government contract for procurement among firms in these areas would surely yield a competitive price. Furthermore, the GAO interpretation which refuses to allow such a total set-aside severely limits the labor surplus area set-aside program's goal of helping alleviate localized severe unemployment. The time has come to change the statutory structure to allow total labor surplus set-asides and to eliminate the GAO's tortured construction to the Maybank amendment.

SPECIFIC PROCEDURES

My bill would allow the Secretary of Defense or his delegate, the contracting officer, to make a total set-aside to labor surplus areas of a Government contract when the Federal Government will not be forced to pay an unreasonable contract price. In order to make the determination the officer should look at the number of labor surplus areas, the overall unemployment level, the number of firms within the labor surplus areas willing and capable of performing such contracts and the probability of such firms competing such contract at a fair and reasonable cost.

This determination would be made on a contract-by-contract basis, substituting specific criteria for the present procedure which arbitrarily decides that a total labor set-aside is not feasible.

The procedure I suggest for allowing total labor surplus area set-asides borrows heavily from current procedures followed by a contract officer in placing a procurement into a total small business set-asides, regarding which the Armed Forces procurement regulation states that:

The entire amount of a procurement may be set aside for exclusive small business participation if the contracting officer determines that there is a reasonable expectation that officers will be obtained from a sufficient number of responsible small business concerns so that awards will be made at reasonable prices.

This procedure has worked well for such total small business set-asides. The procurement officers solicit bids from available firms on bidders lists compiled by the Small Business Administration and from lists compiled by the DOD of firms which have bid in the past on other contracts to insure adequate competition. The same sort of lists could be obtained of the labor surplus area firms.

The contracting officer has an additional safeguard against an unreasonably high bid price under total small business set-aside which would also be available under a total labor surplus area set-aside; he may cancel the set-aside and readvertise among all firms.

My bill would extend these well established and workable procedures to make them applicable to total labor surplus area set-asides, and would remove the current blanket prohibition against such set-asides.

PRIOR OBJECTIONS

My bill would not mandate a total labor surplus area set-aside in situations where such a procedure would prove uneconomical. In previous Congresses I had attempted an outright repeal of the Maybank amendment. In fact, the last session of the 93d Congress, an amendment offered by Senator Pastore and myself which did repeal Maybank, was accepted by the Senate, but dropped in conference, apparently due to DOD opposition. The DOD objected to outright repeal because in certain circumstances a total labor surplus set-aside would not result in an economical contract price, such as where there were an insufficient number of firms within the labor surplus area to generate a fair price. I appreciate the nature of such objections and have drafted the bill accordingly. The bill would preserve the positive features of the Maybank amendment and at the same time unfetter the labor surplus area set-aside program, so badly needed in today's economy.

Based on my prior experiences in having this proposed change in law rejected by House conferees due to expressed opposition from the Department of Defense, I would like to make my colleagues aware of some of the arguments raised against this proposed change, and my rebuttal to these arguments.

In this regard, I prepared two letters to Chairman McCLELLAN in November of 1975. I ask unanimous consent that these letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., November 26, 1975.

Hon. JOHN L. McCLELLAN,
Chairman Senate Appropriations Committee, Washington, D.C.

DEAR JOHN: I understand that you have been contacted by the Department of Defense regarding its objection to the Senate amendment to H.R. 9861, which modifies the Maybank Proviso to permit a procurement contract to be totally set aside for firms located in labor surplus areas where the Sec-

retary of Defense determines that sufficient competition exists in these areas to insure a reasonable price to the government. Such a total set-aside is not possible under the current G.A.O. interpretation of the Maybank Proviso.

First, I would like to stress that the amendment as finally drafted was intended to meet the previously expressed objections from DOD to my earlier attempts to repeal the Maybank Proviso. On those occasions, the DOD had objected on the grounds that the Maybank Proviso was necessary lest the government be forced to pay unreasonable prices on contracts, whether or not procured through the labor surplus set-aside program. Consequently, my amendment this year was intended both to allow for total labor surplus area set-asides and insure that contracts would be bid at a fair price to the government. At the time the amendment was offered, I was advised that the DOD had no objections, that it met DOD's concerns. Now it is disturbing that a new source of objection has arisen, and ironic that DOD bases its objection over a concern for small business. While I understand that the DOD opinion could change upon further reflection, I wonder whether this further objection ought to be considered to be in good faith, and not simply motivated out of an aversion to any change in status quo.

The DOD's objection, as I understand it, is based upon a concern that such a modification would result in fewer contracts going to small businesses which are not located in labor surplus areas. As you may recall, the same concern was expressed last year by the Small Business Administration to a Senate amendment which would have repealed the Maybank Proviso. At that time I offered a rebuttal to their expressed concern, but unfortunately the amendment was dropped in Conference. I repeat that rebuttal now.

The Small Business Act provides that small businesses shall receive a fair proportion of total government purchases and contracts. To implement this mandate, the Armed Services Procurement Regulations establish preference categories when set-asides are to be made.

A procurement officer gives primary consideration, or first preference to making a small business set-aside, a portion of which is further set aside for small business located in a labor surplus area. Thus the first preference is given to small business both in and out of labor surplus areas.

Second preference is given to partial set-asides in labor surplus areas. With the modification of the Maybank Proviso, total set-asides could be given to those labor surplus areas.

Third preference is given to total set-asides to small business only with no part of the procurement being reserved to small businesses located in labor surplus areas.

Fourth preference is given to partial set-asides to small business.

The DOD seems to be concerned that, if the restriction against total set-asides is eliminated from the second preference category, more procurements will go into the labor surplus area program and fewer procurements will be assigned to the third category, giving total set-asides for small business only.

Last year, 73.4 percent of the contracts set aside for labor surplus areas went to small business. I am of the opinion that, with the authority to make total set-asides to labor surplus areas, larger numbers of contracts will go to this program, and small business will most likely retain its proportionate share. The enlargement of the labor surplus area program has a two-fold purpose—one, to aid small business and the other to alleviate unemployment in labor distressed areas.

If modifying the restrictive language of the Maybank Proviso does result in fewer contracts being set aside for small business under the third preference, then in accordance with the mandate of the Small Business Act, the preference categories should be rearranged to assure that a fair proportion of purchases and contracts go to small business.

In fact, a reordering of these relative priorities is now being considered by the Office of Federal Procurement Policy of the Office of Management and Budget. Mr. Hugh Witt, Administrator of the O.F.P.P., stated in testimony at hearings before my Subcommittee on November 11 that a determination would be made within 60 days of that date. The Senate amendment, by allowing total labor surplus set-asides, would give the O.F.P.P. increased flexibility in making such a determination.

The claim that allowing for increased use of the labor surplus area set-asides would injure small business located outside labor surplus areas rests on a false premise: that any increase in one program would result in a concurrent loss in the other. It is far more likely that small businesses located both inside and outside labor surplus areas would benefit from an increase in the variety of set-aside programs which the DoD must fulfill. In this way the total number of contracts going to small business in all areas would increase.

My intention in offering the amendment to modify the restrictive language of the Maybank Proviso from the Defense Appropriations bill was to aid small business in an area which I feel is being hampered by the restrictions of the Maybank Proviso. I believe that the modification will be an aid to small business, and I urge the members of the conference committee to support the modification of this restrictive language from the legislation before it.

With best regards.

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Senator.

U.S. SENATE,
COMMITTEE OF LABOR AND
PUBLIC WELFARE,
Washington, D.C., December 2, 1975.

Hon. JOHN L. MCCLELLAN,
Chairman, Senate Appropriations Committee, Washington, D.C.

DEAR JOHN: I would like to supplement my letter to you dated November 26, to explain further my goal in offering my amendment to H.R. 9861 and my hope that this amendment will be retained in conference.

It is my understanding that the Department of Defense has now been joined in opposing the amendment by the Small Business Administration and the Office of Federal Procurement Policy. I would agree that the united opposition of these different entities of the Executive Branch ought to be carefully considered, but also ought to be examined for motive and purpose.

All of these entities seem to be concerned that any increased emphasis on the labor surplus area set-aside program would necessarily have an adverse impact upon the small business set-aside program. Such a result would be contrary to existing law and contrary to the intent of my amendment. I suspect that this charge on the part of these entities is motivated more by an affection for the status quo than any legitimate dispute regarding the impact of the amendment.

At heart, the objections are based on a unified sentiment that the amendment would be difficult to administer, that it would be hard to simultaneously fulfill the Nation's defense goals and to channel contracts to areas of high unemployment and to small business. Of course the task may be difficult but it can and ought to be done. Without the amendment it will never be done and the labor surplus area set-aside program will continue as a dead letter with little if any practical significance.

All of the expressed objections could be met with a simple reordering of the current Armed Services Procurement Regulations, to allow for total labor surplus area set-asides and uphold the precedence of small business in this and other set-aside programs. I would envision the following priority structure emerging from this administrative change in regulations:

1. Highest priority be given to total set-asides for small businesses located within labor surplus areas, followed by:
2. Total set-asides for small businesses located anywhere, then:
3. Partial set-asides for small business anywhere, and finally:
4. Total set-asides for firms located within labor surplus areas, whether or not small businesses.

Such a change in the priority structure or something very close to it would be required in order to assure the precedence of small business as mandated by the statutory authority of the Small Business Act. I believe the SBA makes a mistake in seeing the current regulations as static and not requiring such change.

Regulations that are not static must change as their statutory underpinnings change. Let us not lose this opportunity to remove an anachronistic constraint from the Defense Appropriations legislation simply because the Executive branch prefers not to amend its regulations.

Sincerely,

WILLIAM D. HATHAWAY,
U.S. Senator.

Mr. HATHAWAY. Mr. President, in order to make totally clear my intention that small business not be adversely affected by modification of the Maybank proviso and to insure that small business, both within labor surplus areas and outside such areas receive special consideration and priority in Government procurement procedures, the bill I am introducing today in subsection (b) stipulates the order of priority as delineated in my previous letter to Chairman MCCLELLAN.

The difficulties I have experienced in seeing this needed change become law have in large part resulted from the lack of attention given and lack of understanding regarding our very complex Federal procurement procedures.

I first learned of the existence of Defense Manpower Policy No. 4 and of the impediment posed by the Maybank amendment in the course of my work as chairman of the Subcommittee on Government Procurement, but I understand that my interest and expertise in this area are not shared by all of my colleagues.

Consequently, I was most pleased to learn that the Northeast-Midwest Research Institute on March 28, 1977, published a complete history and analysis of DMP 4 titled "Federal Procurement and Regional Needs: The Case for Defense Manpower Policy Number Four." The Institute was set up by the Northeast-Midwest Economic Advancement Coalition, and at the request of its chairman, Congressman MICHAEL HARRINGTON, has embarked on a study of our Federal procurement policies. Its initial report on DMP–4 prepared by Laurence Zabar, is an excellent piece of research, and highlights the need for expansion of DMP–4 and elimination of the impediment to this goal posed by the Maybank amendment.

Mr. President, I ask unanimous consent that at the conclusion of my remarks the text of my bill be printed in the RECORD, and that subsequent thereto, Mr. Zabar's excellent study be printed in the RECORD along with its appendixes, as further background to the goals of this proposed legislation.

There being no objection, the bill and study were ordered to be printed in the RECORD, as follows:

S. 1380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second proviso to section 723 of the Department of Defense Appropriation Act, 1977, is amended by inserting immediately after "economic dislocations" the following: "except that nothing herein shall be construed to preclude total labor surplus area set-asides pursuant to Defense Manpower Policy No. 4 (32A C.F.R. Part 8) if the Secretary specifically determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards will be made at reasonable prices".

(b) In carrying out labor surplus areas and small business set-aside programs, departments, agencies, and instrumentalities of the executive branch shall award contracts, and encourage the placement of subcontracts for procurement to the following in the manner and in the order stated:

(1) Concerns which are located in labor surplus areas, and which are also small business concerns, on the basis of a total set-aside.

(2) Concerns which are small business concerns, on the basis of a total set-aside.

(3) Concerns which are small business concerns, on the basis of a partial-set-aside.

(4) Concerns which are located in labor surplus areas on the basis of a total set-aside.

FEDERAL PROCUREMENT AND REGIONAL NEEDS: THE CASE OF DEFENSE MANPOWER POLICY No. 4

(By Laurence Zabar)

EXECUTIVE SUMMARY

At the request of Congressman Michael J. Harrington, Chairman of the Northeast-Midwest Economic Advancement Coalition, the Northeast-Midwest Research Institute has examined how federal procurement can be used to stimulate economic activity in areas of high unemployment.

The vital importance of this question is clear: In FY 77, the federal government spent more than $60 billion on procurements—approximately four times the annual amount requested by the President for his economic stimulus program.

The concept of targeting federal procurement moneys to areas of economic need dates to the early 1950's and is embodied in Defense Manpower Policy Number Four (DMP–4), issued by the Director of Defense Mobilization in 1952. The Institute studied the use of DMP–4 by the Defense Department which is responsible for 73% of federal procurement this fiscal year. The study reveals that the program has been used for only a tiny fraction of procurements and that its use has fallen since 1964.

During the year of greatest use, 1964, DOD spent .69% of a $25 billion procurement budget under the provisions of DMP–4. In the period 1973–1975, a period when unemployment rates in some sections of the country reached heights unattained since the depression, DOD spent only .23% of its total procurement budget under DMP–4. In each of those years, the percentage decreased from the preceding year: from .36% in 1973, to .30% in 1974, to .19% in 1975.

This study details the procurement process under DMP–4 and outlines limitations in its design and execution. The concluding section lists alternatives for change including:

A redefinition of the unemployment rate triggering the use of DMP–4; changes in legislation; and

A wide variety of changes in administration to make the program more effective and efficient.

Future Institute research will study this policy vis-a-vis at least three other major departments of the government that engage in substantial procurement activity: The Department of Labor, the Department of Health, Education, and Welfare, and General Services Administration. Additional research will also explore the use of DMP–4, with respect to facilities in addition to procurements.

I. DESCRIPTION AND HISTORY OF DMP—4

Targeting federal procurement funds to areas of economic stagnation is not a new concept. In the summer of 1951, no general government policy was to encourage total commitment to defense production, in support of the U.S. engagement in Korea. Numerous firms, however, contacted the Office of Labor in the National Production Authority, wanting to know why they were not being awarded defense contracts while they had unused facilities and idle manpower.

In 1951 CIO Textile Workers met in Washington with The Office of Labor to request that the government take immediate action to relieve the serious unemployment in the region's textile industry.

In response to this request, the Office of Labor contacted the Central Military Procurement Information Office of the Munitions Board. The Board replied that there was no legal means for DOD to channel contracts to firms or areas to relieve unemployment. It quoted from a DOD pamphlet: "No legislation exists which will permit the selective placing of contracts based on size of a business concern without regard to lowest cost."

The Office of Labor did not agree with that opinion and contacted numerous DOD officials concerning the placing of contracts in labor surplus areas in order to relieve unemployment. DOD repeatedly took the position that its procurement policies were controlled by the 1947 Armed Services Procurement Act (P.L. 413, 80th Congress), which required that only the most advantageous contract awards be made. DOD interpreted "most advantageous" to mean the lowest price.

The Office of Labor countered by quoting Section II(c)(1) of the Act which stipulates that the advertising policies in awarding contracts need not be complied with during a national emergency. Labor argued that since President Truman had declared a national emergency on December 16, 1950, DOD's interpretation was not applicable.

The Office of Labor also quoted five other opinions and directives that were at odds with DOD's version of awarding contracts to firms in labor surplus areas.

After a meeting on unemployment with Congressional leaders, in September of 1951, President Truman directed the Office of Defense Mobilization (ODM) to undertake a review. The ODM review determined that one of the solutions to the unemployment problem was the placement of government contracts in the area.

As a result of the study, the Office of Defense Mobilization, on February 7, 1952, issued Defense Manpower Policy Number Four (DMP–4). The purpose of DMP–4 was "to provide for procurements by negotiated contracts and purchases with responsible concerns which are in an area of current or imminent labor surplus . . ." (For text, see appendix 1)

To accomplish the objectives of DMP–4, regulations provided that preference in certain federal contracts be given to employers who would perform substantial portions of awarded contracts in areas which the Department of Labor classifiied as "persistent" or "substantial" unemployment areas.

In 15 years of operation, however, this program never realized its expected potential. DOD during this period spent an average of only $23 million per year of a multi-billion dollar budget for procurements under DMP–4.

Due to low levels of participation, a major revision of this program was introduced by the Director of the Office of Emergency Planning in October, 1967. This modification created a new category of high unemployment areas: "sections of concentrated unemployment or underemployment."

The mandate of the revised DMP–4 program was specified in the Federal Register on July 20, 1968: (For full text see Appendix 2)

"It is the policy of the Federal government to encourage the placing of contracts and facilities in sections of concentrated unemployment or under-employment and in areas of persistent or substantial labor surplus with preference being given in accordance with regulations prescribed by the Secretary of Labor in making the best use of their available resources . . ."

Describing procurement agencies:

"All procurement agencies shall use their best efforts to award negotiated procurement contracts to contractors who will perform a substantial portion of the production on those contracts within or near sections of concentrated unemployment or within labor surplus areas, giving preference to contractors in accordance with regulations prescribed by the secretary of Labor to the extent that procurement objectives will permit."

Furthermore, the Secretary of Commerce is directed to:

". . . assist employing establishments, certified in accordance (with the provisions detailed above) which have agreed to perform contracts in or near sections of concentrated unemployment or underemployment by (a) providing such firms with timely information on proposed Government procurements; (b) maintaining current information on the manufacturing capabilities of such firms with respect to Government procurement and disseminating such information to Federal procurement agencies . . ."

Despite these revisions, neither contract awards or jobs created for the unemployed increased under DMP–4. Between 1967–1969, DOD averaged an increase of only .02% over the 1952–1966 period in the value of procurements secured under DMP–4 in relation to total procurements. (See Section III)

A revision of the process governing certification of firms took effect May 1, 1970.

II. PROCUREMENT PROCESS UNDER DMP–4

During the Senate hearings on the Defense Appropriations Bill in 1953, Senator Burnet Maybank (D-SC) offered an amendment that prevented any preferential treatment on price to firms located in labor surplus areas when bidding on defense contracts. Senator Maybank's goal was to prohibit the Department of Defense from paying more for textiles produced in New England mills than they would have to pay were the textiles purchased from southern

mills. DOD at this time was willing to pay the higher price in an attempt to slow the exodus of many New England mills to areas of the country with cheaper labor costs.

The Maybank amendment has been added routinely to the Defense Appropriations Bill each year since 1953. This year (FY77) the language of the amendment read: "provided further, that no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocation;"

In 1972, the interagency Surplus Manpower Committee set up by DMP–4 determined that the only way to insure that the government can comply with Maybank was to insure that only those products that can be divided into two full production runs be considered under DMP–4. This determination used the theory that a reasonable price—the lowest or "base price"—can be determined only if bids are invited from all interested firms and that this price cannot be obtained if a contract award is totally set aside for a labor surplus area.

When a procurement agency identifies such a "splittable" item and decides to offer part of that contract to a labor surplus area firm under DMP–4, the contract is processed according to the following methodology:

The contracting officer publicizes the procurement as a "labor surplus area set-aside." This means that 50% of the award is set-aside to be bid on only by those firms certified for preference. This is known as the "reserved" portion. The other 50%—the "unreserved" portion—is open to all employers to bid on. To be considered in negotiations on the reserved portion, however, employers must also have bid on the unreserved part of the contract.

The contracting officer initially awards the unreserved portion to the lowest bidder. Once this "base price" has been determined, the reserved part is offered, at the base price, to firms in this prioritized manner:

1. Small firms with a first preference rating.
2. Large firms with a first preference rating.
3. Small firms with a second preference rating.
4. Large firms with a second preference rating.
5. Small firms with a third preference rating.
6. Large firms with a third preference rating.
7. Small firms not located in a labor surplus area and with no preference certificate.

If no firm in a labor surplus area can accept this contract, it is then offered to any firm that can meet the base price.

EXAMPLE OF DMP–4 IN PRACTICE

An agency must purchase 100 widgets. Bids are accepted from all interested firms on the unreserved portion of the contract (50 widgets) and the contract is awarded to the lowest bidder. Assume, however, that the lowest bidder can produce widgets for $1.00 each but can only produce 25. The contract for the remaining 25 on the unreserved portion is awarded to the next lowest bidder (for the sake of this example, assume that bid was $1.05 each).

Once these contracts are awarded and the base price determined, the reserved portion of the contract is offered to labor surplus area firms at the highest price paid on the unreserved portion, that is, $1.05 each. If no firm is capable of producing 50 widgets at this price, the contract is available to any firm nationwide at the lowest price paid on the unreserved portion—$1.00 each.

The Maybank amendment, coupled with the GAO interpretation discussed earlier, effectively insures that the more expensive procurements will not be directed to labor surplus areas under DMP–4. Only such products as clothing, food, construction supplies, medical supplies, etc. can be divided into two full production runs and therefore set-aside under DMP–4. Obviously, the cost for these splittable items cannot compare to the cost of an engine for a nuclear submarine.

For the past three years, Senator William Hathaway (D-Maine) has introduced an amendment to the Defense Appropriations Bill to repeal the Maybank amendment. During the debate on the FY77 Defense Appropriations Bill, Senator Hathaway's amendment provided: ". . . that no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocation, except that nothing herein shall be construed to preclude total labor surplus area set-asides pursuant to Defense Manpower Policy Number Four . . . if the Secretary specifically determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards will be made at reasonable prices."

This amendment passed the Senate by a voice vote on August 2, 1976 but was not discussed by the House when it considered the Defense Appropriations Bill. The amendment did not survive the House-Senate Conference. Senator Hathaway is likely to offer the same amendment again this year.

Should the Maybank amendment be repealed, the result would be that the contracting officer of DOD will be able to award a total set-aside of a government contract to a labor surplus area under DMP–4, if the Secretary of Defense determines that the government will be paying a reasonable price. This would substantially increase the number and value of contracts which could be awarded to labor surplus areas.

The Secretary could use any of a variety of methods for determining if a reasonable price was being paid; such as:

1. Using the last price paid for a similar or idential item, plus a normal inflator, or percentage of a normal inflator, to discourage "self-fulfilling inflation";
2. Employing experts knowledgable in the market for specific items to recommend a reasonable price or range of prices; and
3. Developing an explicit permissable price difference between the lowest bid price and the lowest DMP–4—certified firm bid price, such as .5% or 1%. This permissable difference would represent the net "price" the Federal Government is willing to "pay" to use procurements to promote employment in depressed regions. The permissable difference could be applied to all procurements, or some sub-set of all procurements.

III. PATTERNS OF UTILIZATION OF DMP–4

Between December 1972 and December 1975, the number of areas within each classification has changed as follows: (See Chart A)

1. The number of labor surplus areas has increased by 30 percent.
2. Areas of persistent unemployment have declined by 46 percent (due, in part, to the rise in the average national unemployment rate).
3. Areas of substantial unemployment have increased by 139 percent.

Thus, the number of major areas of persistent and substantial unemployment almost doubled between 1972 and 1975. Yet, during the same period the number of certified establishments under DMP–4 has grown by only 4.5 percent. (See Chart B)

The limited use of this program by DOD may discourage many eligible firms from expending the effort, minimal as it is, to obtain preference certificates. Since FY72, the ratio of the value of DOD contract awards under DMP–4 to the total DOD contract awards has dropped from .62 percent to .19 percent (less than one-fifth of 1 percent). In FY75 this amounted, to an outlay of only $64 million of a procurement budget of over $40 billion. (See Chart C)

There is also evidence that the federal dollars being spent under this program are not being targeted to areas of greatest need. For example, in FY74, the Boston area received 18 percent of all DMP–4 awards from DOD (worth $13 million); in FY75, while unemployment rose, this area received only 8 percent of all DMP–4 awards from DOD (worth $4 million). In contrast, the Atlanta region, with substantially less unemployment, received 21 percent of all DMP–4 awards in FY74 (worth $15 million) and 39 percent in FY75 (worth $19 million). (See Chart D)

The minimal use of DMP–4 can be attributed to some extent to the limitations imposed by the Maybank amendment. No explanation can be found, however, for the existing regional disparity in the allocation of federal dollars under DMP–4 by DOD.

CHART A

NUMBER OF LABOR SURPLUS AREAS (LSA's)

Area classification	Total, December 1972	Number, December 1975	Substantial, December 1972	Unemployed, December 1975	Persistent, December 1972	Unemployed,[1] December 1975	Total (percent)	Percent change in numbers, December 1972–75	
								Substantial	Persistent
Major areas [2]	45	131	36	122	9	9	+191	+239	0
Other areas [3]	830	1,009	325	741	505	268	+22	+128	−47
Total areas	875	1,140	361	863	514	277	+30	+138	−46

[1] For explanations and definitions of area classifications see Area Trends. In times of a rising national unemployment rate, persistent unemployment may become "substantial."

[2] Major labor areas usually have at least 2 central cities with a population of 50,000 or more. In most cases the geographical boundaries are the same as an SMSA.

[3] In most cases, areas smaller than the 150 major labor areas listed in Area Trends.

Note: Sections of concentrated unemployment and underemployment eligible for certification under the DMP–4 program, have not increased or decreased for some y ears. See Area Trends for definitions and listings.

Sources: Area Trends in Employment and Unemployment, December 1972 and October–December 1975; Division of Labor Market Information, Office of Policy, Evaluation and Research, Employment and Training Administration, U.S. Department of Labor.

CHART B

DMP-4: AVERAGE NUMBER OF DMP-4 CERTIFIED ESTABLISHMENTS AT END OF THE MONTH

[By region and fiscal year: 1972, 1973, and 1976]

Headquarters city for region	Average number of certified establishments at end of the month			Percent change in monthly average		Percent of total certified establishments, 1976
	1972	1973	1976	1972–73	1973–76	
Boston	89	85	110	−4.5	+29.4	+10.1
New York	242	271	281	+12.0	+3.7	25.8
Philadelphia	113	114	141	+.9	+23.7	13.0
Atlanta	89	74	116	−16.9	+56.8	10.7
Chicago	140	144	117	+2.9	−18.8	10.8
Dallas	91	82	73	−9.9	−11.0	6.7
Kansas City	52	50	37	−3.8	−26.0	3.4
Denver	17	14	10	−17.6	−26.0	.9
San Francisco	223	185	184	−17.0	−.5	16.9
Seattle	21	21	18	0	−14.3	1.7
Total	1,077	1,040	1,087	−3.4	+4.5	100.0

Source: Monthly MA 7–38 reports from State employment security agencies in 50 States, Puerto Rico, and the District of Columbia.

CHART C

TOTAL DEFENSE MANPOWER POLICY NO. 4 PREFERENCE TO LABOR SURPLUS AREAS, 1962–75

[Dollar amounts in millions]

	Total DOD procurement	Preference awards	Percent of all defense contracts
Fiscal year:			
1952	$38,479	41.6	0.11
1953	26,994	23.0	.09
1954	10,632	8.5	.08
1955	13,972	47.8	.34
1956	16,491	4.2	.03
1957	18,027	10.8	.06
1958	21,116	36.6	.17
1959	22,000	96.0	.44
1960	20,505	22.3	.11
1961	22,181	50.5	.23
1962	25,016	106.1	.42
1963	25,091	137.8	.55
1964	$25,196	172.9	.69
1965	24,299	109.0	.45
1966	32,763	98.2	.30
1967	38,364	57.8	.15
1968	38,337	108.4	.28
1969	36,280	185.2	.51
1970	30,680	135.5	.44
1971	29,809	99.3	.33
1972	33,601	208.9	.62
1973	32,328	117.2	.39
1974	34,445	183.8	.30
1975	39,418	74.4	.19

Notes: Excludes work performance outside the United States. Includes civil functions. Excludes prime contracts under $10,000. Prime contract awards to large firms certified for preference under provisions of Defense Manpower Policy No. 4. Includes value of awards to subcontractors receiving a substantial proportion of prime contract award received by certified prime contractor. Does not include awards under $10,000 or awards to small business with DMP-4 preference. Values are net values.

Source: Department of Labor compilation from Department of Defense, OASD (Comptroller Directurate for Information Operations).

CHART D

TOTAL VALUE OF DMP-4 PARTIAL SETASIDES AWARDS BY DOD, BY REGION (FISCAL YEARS)

[Dollar amounts in thousands]

Regional headquarters	Total value of DMP-4 awards by the DOD [1]		Value of awards to region as percent of all awards		Rank of region by percent of United States	
	1974	1975	1974	1975	1974	1975
Boston	$12,752	$3,738	18.0	8.0	3	4
New York	14,827	11,215	21.0	23.7	1	2
Philadelphia	5,050	2,233	7.1	4.7	7	6
Atlanta	14,635	18,607	20.7	39.3	2	1
Chicago	6,766	4,948	9.6	10.4	5	3
Dallas	6,134	1,651	8.7	3.5	6	7
Kansas City	0	−$63	0	−.1	10	10
Denver	$1,715	766	2.4	1.6	8	8
San Francisco	8,352	3,541	11.8	7.5	4	5
Seattle	477	687	.7	1.4	9	9
Total, United States	70,708	47,383	100.0	100.0		

[1] Awards for partial setasides under DMP-4 preference only. DOD dollar value of awards are for contracts of $10,000 or more. Does not include awards of less than $10,000 for combined awards to small business/DMP-4 preference, or awards under DMP-4 to civilian departments.

Source: Directorate for Information Operations and Control, OASD (comptroller), DOD; Prime Contract Awards in Areas of Substantial Unemployment, fiscal year 1974 and fiscal year 1975, table 4.

IV. ALTERNATIVES FOR CHANGE

Several alternatives exist to allow the DMP-4 program to more fully realize its potential for economic development. These include the following:

1. The definition of "substantial unemployment" could be revised upward. This definition, 6 percent, has not been changed in the 24 years that this program has been operative. The 6 percent definition now includes nearly every area in the country and thus gives little, if any, selective advantage to firms located in areas especially hard hit by recession.

2. The requirement that only those items that can be split into two production runs be included could be eliminated or altered to include total set-asides of some contract awards to firms located in labor surplus areas. An instrument like the Hathaway amendment would accomplish this end and would establish the machinery necessary to direct the more expensive defense contracts to areas of highest unemployment.

3. The administration of DMP-4 can be made more effective. Because DMP-4 only encourages placing facilities and contracts in areas of high unemployment; the increased use of the DMP-4 program would appear to require an Administration willing to enforce this policy rigorously. This can be done through:

(a) Increased training of federal procurement agents in the DMP-4 program;

(b) Increased staff for DMP-4 administrators in Department of Defense, Department of Labor, Department of Health, Education and Welfare, Department of Commerce, General Services Administration, and other appropriate agencies;

(c) Increased public encouragement by federal and state agencies of obtaining DMP-4 preference certificates and increased technical assistance by these agencies to interested firms;

(d) Lengthening the time a DMP-4 certificate is usable by a firm;

(e) Federal encouragement of large contractors to put production into plants in areas of high unemployment;

(f) Requiring government agencies to set and meet dollar amount quotas to meet in the implementation of DMP-4; and

(g) Providing for more equitable distribution and efficient targeting of DMP-4 use.

CONCLUSION

Unemployment continues to be a major national problem. This year (FY77), the Federal government will spend $174 billion—nearly 40% of the total budget—on income maintenance programs (Food Stamps, welfare, unemployment compensation); funds that could be used to enhance cities, improve educational facilities, and clean up the environment were they not needed to bolster a lagging economy.

The potential for effectively utilizing the

federal procurement process to aid areas suffering from chronic unemployment exists. Specifically, Defense Manpower Policy Number Four was implemented in 1952 to serve just this purpose.

The Department of Defense, with a procurement budget of over $47 billion, is capable of targeting some of these funds through DMP–4, to firms located in areas in particular need of economic stimulation. Our research, however, demonstrates a very minimal use of this program by DOD. This can be explained, in large part, by three factors:

1. The lack of commitment by any previous administration toward addressing the unemployment problem through the procurement process;

2. The absence of any educational campaign, either on the federal or state level, directed toward those who could benefit from this program; and

3. The limitations imposed by the Maybank amendment.

The enormous potential of DMP–4 can never be realized if these obstacles remain substantially in place.

APPENDIX I.—DEFENSE MANPOWER POLICY NO. 4

Subject: Placement of Procurement in Areas of Current or Imminent Labor Surplus

I. INTRODUCTION

The aim of the mobilization program is to develop and maintain the necessary military and economic strength to carry out the policy of the United States to oppose acts of aggression and promote peace. As was declared in Defense Manpower Policy No. 1, success of the mobilization program requires efficient use of all our resources, including manpower as well as facilities. The conversion from civilian to military production, unless carefully coordinated, would result in dislocations causing serious waste of manpower and facilities in many areas and thereby reducing our defense potential. The overriding need is to obtain on schedule the goods and services required for defense. In achieving this goal, every effort must be made to hold to a minimum any waste of manpower which may result from materials shortages and conversion to defense production.

II. PURPOSE

The purpose of this Defense Manpower Policy No. 4 is to provide for procurement by negotiated contracts and purchases with responsible concerns which are in an area of current or imminent labor surplus (including a surplus of manpower possessing skills necessary to the fulfillment of Government contracts and purchases), in cases where the public interest dictates the need for doing so in order to achieve the following objectives:

a. To coordinate conversion from civilian to military production;

b. To minimize strains and dislocations in the economy resulting from such conversion;

c. To preserve employee skills necessary to the fulfillment of Government contracts and purchases;

d. To maintain productive facilities;

e. To assure utilization of the Nation's total manpower potential by making use of the manpower resources of each area; and

f. To help assure timely delivery of required goods and services by locating procurements where the needed manpower and facilities are fully available.

III. IMPLEMENTATION

By virtue of the authority vested in me by Executive Order 10193 and to supplement the national Manpower Mobilization Policy issued by the President on January 17, 1951, and to carry out the purpose set forth above, it is hereby ordered that:

1. There is created a Surplus Manpower Committee. The members of the Committee shall be appointed by the Chairman of the Manpower Policy Committee and shall include representatives from the Department of Defense, Department of Labor, Atomic Energy Commission, Defense Production Administration, General Services Administration, Small Defense Plants Administration and National Production Authority.

2. The Defense Manpower Administration of the Department of Labor will certify to the committee the existence of surplus labor area under standards to be established by the Secretary of Labor.

3. Upon such certification of surplus labor area the Committee shall obtain from the appropriate manpower and production agencies manpower facilities information which shall include the following:

a. The nature and extent of the labor surplus involved, including the availability of skills necessary to the fulfillment of Government contracts and purchases, and the need for preserving these skills in the national interest.

b. The nature and extent of the facilities involved, including their suitability and availability for the fulfillment of Government contracts and purchases, and the need for maintaining these facilities in the national interest.

4. The Committee shall make findings in appropriate cases that:

a. There exists an area of current or imminent labor surplus, including a surplus of manpower possessing skills necessary to the fulfillment of Government contracts;

b. There exists in such area facilities suitable and available for the employee skills found surplus in (a);

c. The public interest dictates the need for the negotiation of Government contracts, at reasonable prices, in such area although lower prices might otherwise be obtainable elsewhere, in order to achieve the purposes of this policy as set forth in II above;

d. Such findings may set forth any other factors which may assist in the placement of contracts in such areas including (1) an indication of the dollar amount of contracting which is desired to be placed in such area based upon the amount and timing of Government needs and (2) a determination of the maximum price differential considered appropriate to effectuate paragraph 4(c) hereof.

5. The Committee shall report these findings to the Director of Defense Mobilization with a recommendation that he notify the Department of Defense and the General Services Administration that he has concluded that it is in the public interest to give preference to such area in the placement of contracts in accordance with the findings of the Committee. The recommendations of the Committee shall be reviewed within the Office of Defense Mobilization to determine the relationships of such recommendations to other policies affecting procurement for which the Office of Defense Mobilization has responsibility, and if there are conflicts, they shall be resolved by the Director.

6. On receipt of such notification from the Director of Defense Mobilization, the Department of Defense and the General Services Administration shall (a) determine what procurement contracts can be fulfilled by utilization of the manpower skills and facilities described in the Committee's surveys and findings; (b) take all practicable steps, consistent with other procurement and military objectives, other than price, to locate procurement in the areas covered by the Committee's findings; and (c) within a reasonable time, report to the Director of Defense Mobilization the steps taken, and furnish any other relevant information requested by him.

7. After receiving reports in accordance with paragraph 6(c) above, the Committee shall request from the appropriate agencies information concerning the utilization of manpower in the area involved, and shall report to the Director the effects of the actions taken, with recommendations as to whether it is necessary to continue to give preference to such area in the placement of contracts.

8. When the application of this policy would have a major effect on the operation of an entire industry, appropriate recommendations shall be made to the Director relative to that industry in lieu of recommendations relative to specific geographical areas. In such cases, after notice to and hearings of interested parties, consideration will be given to a separate certification applying to the entire industry.

9. This Manpower Policy No. 4 shall not be deemed to authorize the payment of prices higher than ceiling prices established by the Office of Price Stabilization.

10. The appropriate departments and agencies shall furnish information and assist the Committee as necessary to carry out this policy.

11. This policy shall take effect on February 7, 1952.

TITLE 32A.—NATIONAL DEFENSE, APPENDIX 2

CHAPTER 1.—OFFICE OF EMERGENCY PLANNING

(Defense Manpower Policy 4, Revised)

DMP 4.—Placement of procurement and facilities in sections and areas of high unemployment

Pursuant to the authority vested in me by Executive Order No. 10480 and Executive Order No. 11051, as amended, Defense Manpower Policy No. 4 is hereby amended to read as follows:

1. Introduction. Success of the defense program depends upon efficient use of all our resources, including manpower and facilities, which are preserved through practice of the skills of both management and workers.

A primary aim of Federal manpower policy is to encourage full utilization of existing production facilities and workers in preference to creating new plants or moving workers, thus assisting in the maintenance of economic balance and employment stability. When large numbers of workers move to already tight areas, heavy burdens are placed on community facilities—schools, hospitals, housing, transportation, utilities, etc. On the other hand, when unemployment develops in certain areas, unemployment compensation costs increase and plants, tools, and workers' skills remain idle and unable to contribute to our defense program.

2. Purpose. It is the purpose of Defense Manpower Policy No. 4 to direct attention to the potentialities of sections of concentrated unemployment or underemployment and of areas of persistent or substantial labor surplus for the placement of procurement contracts of the location of new plants or facilities, and to assign responsibilities to specified officials of the Government to carry out the policy stated below.

3. Policy. It is the policy of the Federal Government to encourage the placing of contracts and facilities in sections of concentrated unemployment or underemployment and in areas of persistent or substantial labor surplus with preference being given in accordance with regulations prescribed by the Secretary of Labor in making the best use of the available resources in order to achieve the following objectives.

(a) To preserve management and employee skills necessary to the fulfillment of Government contracts and purchases;

(b) To maintain productive facilities;

(c) To improve utilization of the Nation's total manpower potential by making use of the manpower resources of each area;

(d) To help assure timely delivery of re-

quired goods and services and to promote readiness for expanded efforts by locating procurement where the needed manpower and facilities are fully available.

4. Implementation. By virtue of the authority vested in me by Executive Order No. 10480 and Executive Order No. 11051, as amended, and to carry out the purpose and policy objectives set forth above, the following assignments of responsibilities are made to the specified officials of the Government:

(a) The Secretary of Labor shall:

(1) Classify sections of concentrated unemployment or underemployment, and areas having a persistent or substantial surplus of labor under standards to be established by the Secretary of Labor.

(2) In cooperation with State and local authorities, provide labor market data and related economic information in efforts to assist in the initiation of industrial expansion programs in these areas.

(3) Identify skills which are in surplus supply within such sections and areas and make this information available to firms requiring such skills and interested in establishing new plants and facilities.

(4) Identify occupations and skills for which labor will be needed by new or expanding industries; and, in collaboration with other government agencies, make assistance available to area institutions and manpower users in developing on-the-job apprentice or other training programs for developing skills of the workforce.

(5) Certify employing establishments which have agreed to perform contracts in or near sections of concentrated unemployment or underemployment and which have agreed to comply with regulations of the Secretary of Labor with respect to the employment of disadvantaged applicants.

(6) Prescribe regulations establishing the order of preference in which procurement contracts shall be awarded with respect to sections of concentrated unemployment and underemployment and areas of persistent or substantial labor surplus.

(b) All procurement agencies shall:

(1) Use their best efforts to award negotiated procurement contracts to contractors who will perform a substantial proportion of the production on those contracts within or near sections of concentrated unemployment or underemployment or within labor surplus areas, giving preference to contractors in accordance with regulations prescribed by the Secretary of Labor to the extent that procurement objectives will permit; Provided, That in no case shall price differentials be paid for the purpose of carrying out this policy.

(2) Where deemed appropriate, set-aside portions of procurements for negotiations at prices no higher than those paid on the balance of these procurements exclusively with firms which have agreed to perform or cause to be performed a substantial proportion of the production on these contracts within or near sections of concentrated unemployment or underemployment or within labor surplus areas, giving preference to firms in accordance with regulations prescribed by the Secretary of Labor. Provided further, That firms which have agreed to perform in areas not meeting the minimum size qualifications for classification by the Secretary of Labor shall be eligible for participation in setasides, if these firms submit a certificate issued by the Secretary of Labor that a persistent or substantial labor surplus exists in the area in accordance with standards and procedures prescribed by the Secretary of Labor.

(3) Assure that firms that have agreed to perform contracts in or near sections of concentrated unemployment or underemployment or within labor surplus areas that are on appropriate bidders' lists will be given the opportunity to submit bids or proposals on all procurements for which they are qualified. Whenever the number of firms on a bidders' list is excessive, there will be included a representative number of firms from labor surplus areas.

(4) In the event of tie-bids or offers on any procurement, award the contract to the firms which has agreed to perform a substantial proportion of the contract in or near sections of concentrated unemployment or underemployment or in persistent or substantial labor surplus areas by incurring costs on account of production or manufacturing in such sections or labor surplus areas (by itself or its first-tier subcontractors) that amount to a substantial proportion of the contract price, giving such preference as the Secretary of Labor may by regulation prescribe.

(5) Encourage prime contractors to award subcontracts to firms that have agreed to perform a substantial proportion of the production on those subcontracts in or near sections of concentrated unemployment or underemployment or in labor surplus areas.

(6) The preferential actions described in this policy shall in addition to other such actions to which firms may be entitled because of performance in substantial labor surplus areas, such as additional preference under the "Buy American Act."

(7) Cooperate with the other agencies listed herein in achieving the objectives of this policy.

(c) The Secretary of Commerce shall:

(1) In cooperation with State development agencies, the Secretary of Defense, the Administrator of General Services, and the Administrator of the Small Business Administration, assist employing establishments, certified in accordance with sec. 4(a)(5) above, which have agreed to perform contracts in or near sections of concentrated unemployment or underemployment and manufacturers in areas of persistent labor surplus in obtaining Government procurement business by (a) providing such firms with timely information on proposed Government procurements; (b) maintaining current information on the manufacturing capabilities of such firms with respect to Government procurement and disseminating such information to Federal procurement agencies.

(2) Urge firms planning new production facilities (where Federal assistance or interests are involved) to consider the industrial location advantages of sections of concentrated unemployment or underemployment and labor surplus areas.

(3) Provide technical advice and counsel to groups and organizations in such sections or areas on planned industrial parks, industrial development organizations, expanding tourist business, and available Federal aids.

(d) The Administrator of the Small Business Administration shall make available to small business concerns in sections of concentrated unemployment and underemployment and labor surplus areas all of its services, endeavor to insure opportunity for maximum participation by such concerns in Government procurement, and give consideration to the needs of these concerns in the making of joint small business set-asides with Government procurement agencies.

(e) There is hereby continued in operation within the Office of Emergency Planning the Surplus Manpower Committee:

(1) This Committee shall be chaired by the Director of the Office of Emergency Planning, or his designee, and shall include representation from the Department of Defense (including the three military departments), Department of Commerce, Department of Labor, General Services Administration, and Small Business Administration.

(2) The Committee shall advise the Director of the Office of Emergency Planning on policies, procedures, and activities in existence or needed to carry out the purpose of this policy.

(3) When an entire industry, which sells a significant proportion of its production to the Government, is generally depressed or has a significant proportion of its production units located in sections of concentrated unemployment or underemployment or in areas of persistent or substantial labor surplus, the Committee may make appropriate recommendations relative to that industry in lieu of recommendations relative to specific geographical areas. In such cases, after notice to and hearing of interested parties, the Director of the Office of Emergency Planning will give consideration to appropriate measures applicable to the entire industry.

(f) All Federal departments and agencies shall give consideration to labor surplus areas, particularly to persistent labor surplus areas, in the selection of sites for Government-financed facilities expansion, to the extent that such consideration is not inconsistent with essential economic and strategic factors that must also be taken into account.

(g) Notifications No. 38.39, 53, 57, and 58, dealing with the placement of procurement with the textile, shoe, apparel, shipbuilding, and petroleum and petroleum products industries, are continued in effect to the extent that they are not inconsistent with this revised policy.

Effective date. This revised policy shall take effect upon the date this document is filed with the Office of the Federal Register.

Dated: October 16, 1967.

APPENDIX 3

In the revised Department of Labor regulations, effective May 1, 1970, the Secretary of Labor established the following order of preference for applicable Federal contracts:

A. First Preference Group: Employers who will perform or cause to be performed a substantial portion of a Federal contract awarded under this program: (1) in or near classified sections of concentrated unemployment or underemployment, or (2) in areas of persistent unemployment, or (3) in areas of substantial unemployment, providing that such contracts or substantial portions thereof will be performed in an establishment(s) certified by the Department of Labor in accordance with its regulations pertaining to the employment of disadvantaged workers.

B. Second Preference Group: Employers, regardless of where they are located, who will perform or cause to be performed a substantial portion of a Federal contract awarded under this program in an establishment(s) which has been certified by the Department of Labor in accordance with its regulations pertaining to the employment of disadvantaged workers.

C. Third Preference Group: Employers who will perform or cause to be performed a substantial portion of a Federal contract awarded under this program in areas of persistent or substantial unemployment.

D. Priority for Small Business Concerns: Federal procurement procedures implementing DMP-4 give priority to small business concerns. Thus, within each of the preference categories listed above, small business concerns shall receive first consideration in making awards under the program. In the event all set aside contracts under this program have not been awarded to employing establishments eligible or such preference under categories A, B, and C above, small business concerns not eligible for such preference will be afforded an opportunity for an award of a contract at the highest award price paid on an unreserved portion of the contract. However, no price differentials shall be paid in connection with any of the above mentioned preference categories.

III. REQUIREMENTS FOR CERTIFICATION

To be eligible for first or second preference, an employer must submit with his bid a

copy of a certificate of preference issued by the Department of Labor or its authorized representative to the bidding employer or the subcontractor designated to perform the subtantial portion of the contract. To be certified in the first or second preference group, an employer must meet the conditions outlined below:

A. First preference group certificate

1. The establishment must be located

a. In or near a classified section of concentrated unemployment or underemployment, or

b. In an area of persistent unemployment, or

c. In an area of substantial unemployment

2. Irrespective of whether a contract is awarded as a result of the certification, the employer must agree, in writing, to comply with the following provision:

a. The employer will hire, in the certified establishment, a proportion of disadvantaged residents from the classified labor surplus area equaling at least 25 percent of the total new hires each month, beginning with the first full month following the date of certification and continuing until the expiration of the validity period of the certificate or the completion of an awarded contract or subcontract, whichever is later. This commitment relates both to new hires to replace turnover and to new hires for expansion purposes.

b. The disadvantaged new hires shall be identified and referred by the local State employment service office, the local Concentrated Employment Program agency, or by any other nonprofit community agency designated by the local employment service office of the Manpower Administrator's Representative (MAR) as a referral source.

c. The employer will furnish to the certifying employment service office, by the tenth of each month, a report of new hire activity for the previous calendar month. The report shall include the following:

(1) A statement of the total number of new hires in the certified establishment.

(2) A list of names and social security numbers of the disadvantaged residents of the classified labor surplus area who were hired during the month.

(3) The identity of the employment service office or agency which identified and referred each of the disadvantaged residents of the classified labor surplus area.

B. Second preference group certificate

1. The employer, regardless of location, must agree in writing to comply with the following provisions, regardless of whether or not a contract is awarded as a result of the certification:

a. The employer will hire a proportion of disadvantaged workers equaling at least 15 percent of the total new hires in the certified establishment each month, beginning with the first full month following the date of certification and continuing until the expiration of the validity period of the certificate or the completion of an awarded contract or subcontract, whichever is later. This commitment relates both to new hires to replace turnover and to new hires for expansion purposes.

b. The disadvantaged new hires shall be identified and referred by the local State employment service office, the local Concentrated Employment Program agency, or by any other nonprofit community agency designated by the local employment service office as a referral source.

c. The employer will furnish to the certifying employment service office, by the tenth of each month, a report of new hire activity for the previous calendar month. The report shall include the following:

(1) A statement of the total number of new hires in the certified establishment.

(2) A list of names and social security numbers of disadvantaged workers hired during the month.

(3) The name of the employment service office or agency which identified and referred each of the disadvantaged workers.

C. Third Preference Group. No certificate is necessary for the third preference group, since no commitment to employ disadvantaged workers is required. The location of the bidding employer or his designated subcontractor in an area of persistent or substantial unemployment is sufficient to qualify for third preference.

IV. CERTIFICATION PROCEDURES

A. Responsibility for Certification. Local offices of State employment security agencies are responsible for certifying establishments for first and second preference. First preference group certificates will be issued by the local employment service office which has administrative jurisdiction over the classified labor surplus section or area. Where the employing establishment applying for certification is located in the administrative area of a local employment service office other than the office that serves the classified labor surplus area, the two offices will collaborate in deciding whether the establishment is eligible for certification, compliance, and reporting functions.

Second preference group certificates will be issued by the local employment service office which serves the administrative area in which the employing establishment is located.

B. Review of Applications for Certification. Within five working days after receipt of an application for certification, an authorized local employment service staff member will review the application, preferably in the presence of the applying employer's representative, to insure that the application is completed correctly and to clarify any points that may have a bearing on the employer's eligibility for certification or his ability to comply with the agreement. Information received from the employer's representative during the discussion may also be used to determine the type of service which the certified employer may require and the measures employment service staff and other agencies must take to insure referral of a sufficient number of applicants.

Upon completion of the review, the employment service manager should verify all information which is not known to be factual. For example, if the employment service manager does not know that public transportation exists in the manner described by the employer's representative, the information should be verified. When the application has been reviewed, the employment service manager will either approve or disapprove the application and proceed with the issuance or denial of the certificate.

C. Disapproval of an Application for Certification. If the eligibility of an employer is questionable, the area or local office manager should review the application with appropriate officers in the State agency. The State agency may authorize approval or disapproval of questionable applications. If both the local office and State agency agree that an application should be disapproved, the area or local office manager will notify the employer in writing. The notification should include the following:

1. Reasons for disapproval.

2. Statement of the employer's right to request reconsideration by the U.S. Department of Labor.

3. Procedure for requesting reconsideration.

V. SERVICE TO EMPLOYERS

Identification and Referall of Disadvantaged Applicants. Local employment service offices are responsible for providing a sufficient number of disadvantaged applicant referrals to enable certified employers to hire the required percentage.

Local employment service offices, the Concentrated Employment Program agencies, and other referring agencies are also responsible for providing intensive employability services in accordance with the Human Resource Development (HRD) concept so that the disadvantaged applicants will be better equipped to enter a job with a certified employer.

Disadvantaged applicants referred to employers in the first preference group must be residents of the classified labor surplus area. There is no residence restriction on the disadvantaged applicants referred to employers in the second preference group.

VI. RESPONSIBILITY OF CERTIFIED ESTABLISHMENT

A. Employment of Disadvantaged Applicants. Under provisions of the agreement for First Preference Group Certification, an employer is obligated to employ a percentage of disadvantaged residents of classified labor surplus areas which equal 25 percent of the total number of new hires at the certified establishment each month for the duration of the validity period of the certificate, or the completion of an awarded contract or subcontract, whichever is later.

The agreement for Second Preference Group Certification obligates an employer to employ a percentage of disadvantaged applicants which equals 15 percent of the total new hires at the certified establishment each month for the duration of the validity period of the certificate, or the completion of an awarded contract or subcontract, whichever is later. While an employer must obtain at least the required percentage of disadvantaged applicants from local employment service offices or other designated sources, he is not relieved of the responsibility for providing job opportunities acceptable to disadvantaged applicants. The intent of DMP–4 is not served unless disadvantaged applicants enter a job in the certified establishment, continue in gainful employment, and have equal opportunity for upward mobility.

B. Monthly Report of New Hire Activity. Certified establishments are required to submit a monthly report covering employment activity which occurred during the previous month. The report is to be submitted to the certifying employment service office by the tenth of each month covering the first full month following certification, and each subsequent month during the certificate's validity period, or the completion of an awarded contract or subcontract whichever is later.

C. Surrender of Certificates. Certified establishments may surrender their certificates at any time unless they are performing a contract which has been awarded on the basis of the certificate. The return of such certificates to the issuing local employment service office releases the employing establishment from its commitment to hire disadvantaged applicants and submit monthly reports.

VII. COMPLIANCE PROCEDURES

A. Responsibility. Local employment service offices which certify employers for preference are also responsible for insuring that employers comply with the agreement for certification. In situations where the certified employer is in the administrative area of a local employment service office other than the certifying office, the two offices work together to bring the certified employers into compliance. Employment service representatives are also to be available to give technical assistance to certified firms by suggesting practices which industry has proved to be successful in retraining and retaining newly hired disadvantaged workers, including equal opportunity for good wages and working conditions and upward mobility.

B. Recall of Certificates. Certificates will be recalled by the local employment service office whenever an establishment fails to submit the required reports for 2 months and cannot be persuaded to do so; or whenever the proportion of disadvantaged new hires falls below the agreed proportion for 2 consecutive months or 2 months in any 3-month period. After all efforts have been made to bring an employer into compliance with his agreement and it becomes necessary to recall a certificate, the employment service local office manager should review the case with the appropriate official in the State agency. If the State agency agrees that the certificate should be recalled, the employment service local office manager will notify the employer by letter that the certificate is being recalled and will not be valid after a specified date. Copies of the letter will be forwarded to the State agency, the Regional Manpower Administration office, and the Manpower Administration national office. In addition, if the employer is currently performing a contract awarded under this program, the procurement officer who awarded the contract should be notified of the recall of the certificate and given a copy of the notification of recall. The notification to the employer should include the following:

1. Reason(s) for recall.

2. Statement of the employer's right to request reconsideration by the U.S. Department of Labor.

3. Procedure for reconsideration.

VIII. RECONSIDERATION OF LOCAL OFFICE ACTION

A. Rights of Employers to Request Reconsideration. The Code of Federal Regulations (Section 8.9 Part 8, Subtitle A, Title 29) provides that any employer denied a certificate of eligibility may request reconsideration or review by the Secretary of Labor, or his authorized representative. The Secretary has authorized the Manpower Administrator to review such requests and render a decision.

The disapproval of an application for certification, or the recall of a certificate, constitutes denial of a certificate. In either case, therefore, employers may request reconsideration.

B. Procedures for Requesting Reconsideration. If the employer wishes to have his case reconsidered, he will be instructed to prepare a statement of justification and to forward the request for reconsideration to the appropriate Regional Manpower Administration office.

Upon receipt of a request for reconsideration, the regional office will secure from the State agency information pertinent to the case. After a review of all the facts, if the regional office determines that an employer is eligible for certification, an explanation will be made to the State agency which, in turn, will cause the employer to be certified. When the regional office agrees with the State agency that the employer should not be certified, all correspondence and other pertinent information, including the regional office's recommendation, will be forwarded to the Manpower Administration national office for final determination. The national office will inform the employer of the decision by letter signed by the Manpower Administrator. Copies of the decision and appropriate instructions will be transmitted to the regional office and State agency.

By Mr. MAGNUSON (for himself, Mr. INOUYE, Mr. STEVENSON, Mr. DURKIN, Mr. MOYNIHAN, and Mr. STEVENS):

S. 1381. A bill to provide basic standards for State no-fault benefit plans for the rehabilitation and compensation of motor vehicle accident victims, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. MAGNUSON. Mr. President, lately there has been much discourse about how we waste our limited resources, about new proposals to increase efficiency in Government and the private sector, about new measures to insure the needy receive the benefits of social programs instead of a greedy bureaucracy, and about how the consumer ought to pay the cost of goods received rather than some middleman's overhead. We have heard a great deal about these "new" ideas from both the White House and here in Congress. Well, I am here again with an old idea. Maybe if I label it a "new" idea, people will notice that it has all the attributes of these "new" models which Congress and the administration have been actively considering. You may have guessed that the old "new" idea that I am talking about is basic standards for no-fault motor vehicle insurance.

I have stood in this Chamber talking about this idea since 1971 when Senator HART and I introduced the first national no-fault insurance legislation. Since then the Department of Transportation has looked at the idea to the tune of 26 volumes. In the Senate, the Commerce and Judiciary Committees have considered it favorably; in fact, the Commerce Committee has reported favorably on the bill three times. Last year the House Subcommittee on Consumer Protection and Finance and the Commerce Committee over there looked the idea over. Together, the Senate and House committees have heard 7,703 pages of testimony on the subject of no-fault. We even have a model statute from the National Conference of Commissioners on Uniform State Laws.

But this testing has not been limited to theoretical projections and model laws. We have some "real life" evidence because testing has been going on at the State level since 1970 when Massachusetts passed the first State no-fault law. To date, 16 States have adopted some form of no-fault concept, and eight others have enacted some related reform. Quite frankly, not all of these State laws are adequate. Most are seriously flawed, but we have benefited from these States' experiences. We have learned that the inadequate laws succeed only in part whereas the adequate no-fault laws, such as Michigan's, succeed in full. We have also learned that we cannot rely on the States to enact a uniform, sensible statute.

While almost all of the State no-fault laws represent an improvement on the tort system, overall we are still faced with a hodgepodge system of automobile reparation which, to quote the Department of Transportation:

> Ill serves the accident victim, the insuring public and society. It is inefficient, overly costly, incomplete and slow. It allocates benefits poorly, discourages rehabilitation and overburdens the courts and the legal system. Both on the record of its performance and on the logic of its operation, it does little if anything to minimize crash losses.

It is, therefore, my pleasure to introduce today for appropriate reference a bill that would change that hodge-podge and provide basic standards for State no-fault benefits plans for the rehabilitation and compensation of motor vehicle accident victims.

Substantively, it contains the best of its predecessors in the Senate in the 92d, 93d, and 94th Congresses, the best of its companion bill in the House from the 94th Congress, H.R. 9650, and several modifications which have been culled from experience with various State laws.

In his confirmation hearings Secretary of Transportation Adams spoke favorably about the issue while retaining the option to comment on the bill more fully after the Department of Transportation has completed its study on the State no-fault experience.

A moment ago I spoke about waste, efficiency, as well as allocation of benefits and costs. I should appreciate my colleagues' keeping these four items in mind as I briefly describe the bill.

This bill sets forth basic standards for State no-fault benefit plans for the restoration and compensation of all persons injured as a result of a motor vehicle accident. Each State will establish its own State no-fault plan which meets these basic standards. Some States already have plans which meet these standards in part or in full, and some States may choose to enact no-fault plans which exceed the basic standards. Many options are left to the States, so that each no-fault plan will be responsive to local or regional needs, but under this bill, regardless of the site of the accident, every victim will be assured the following basic benefits.

First, payment for emergency treatment and care, and medical and rehabilitation expense up to $100,000 or $250,000 with an option in each policy to increase that coverage up to $1,000,000.

Second, wage losses up to $12,000, computed on the basis of a State/nationwide fraction of average incomes.

Third, replacement services loss benefits for up to 1 year, computed on a daily basis of $20 multiplied by the same State/nationwide fraction. That means that a victim has the means to hire someone to perform tasks which he cannot manage as a result of his injuries.

Fourth, funeral and death benefit for survivors which may be limited to $1,000.

The victim of an accident, or in the case of death the survivor, will receive payment by his or her insurance company within 30 days of submission of proof of loss. A penalty of an 18-percent interest charge in addition to the amounts due on benefits will assure prompt payment. Furthermore, if payment is not forthcoming, the victim may retain an attorney, and the insurance company would be liable for a reasonable attorney's fee if the insurer has improperly withheld benefits.

Mr. President, these benefits contrast sharply with the situation under the tort system. Under the tort system, if the accident involved a single vehicle, a hit-and-run driver or an uninsured motorist, the victim receives nothing. If the victim can identify the defendant in order to file a suit, he must still prove by a preponderance of the evidence that, first,

the other driver was at fault, and second, caused the injury and that, third, the victim was free of fault or, in some States, that he was less at fault before he receives any compensation. If the victim does prevail, and if the defendant is financially capable of paying a judgment, it still takes an average of 19 months to receive final payment. This means that if the victim is a wage-earner put out of work because of injuries, his or her family will be without support for this period. If the victim is seriously injured, rehabilitation probably will not take place because of uncertainty of ever receiving compensation for medical costs. In the interim, the victim must pay for losses unless he or she is lucky enough to have other insurance coverage such as health insurance.

Mr. President, the recovery statistics concerning judgments awarded those victims "lucky" enough to recover under the tort system speak for themselves. To begin with, one-third, and sometimes more, of the total recovery is forfeited to the lawyer as a contingent fee, regardless of the actual time expended and regardless of the sufficiency of the remaining amount to pay even the doctor bills. Approximately $1.7 billion out of $18.5 billion of annual premiums for private passenger bodily injury liability insurance goes to attorneys.

In other words, about 20 cents out of each premium dollar is expended on attorney's fees. The victim recovers about 44 cents on the premium dollar for compensation.

Under the basic standards of this legislation, lawsuits are not completely barred. The victim may sue the person at fault for any economic losses for which he is not compensated under the applicable State no-fault plan. In addition, fault-based lawsuits for noneconomic detriment—pain and suffering—are permitted in all wrongful death cases and in all cases in which the victim suffers a certain severity of injury, which the bill defines in terms of loss of a bodily function or member, significant scarring, or 180 days of continuous disability. Uninsured motorists, manufacturers of defective products, and intentional tortfeasors remain subject to liability in tort. Under the fault system litigation arising out of motor vehicle accidents uses up about one-fifth of the judicial system's resources. In a few States that figure is as high as 46 percent. Of those suits, more than half require over 2 years to reach their conclusion.

Michigan's experience under no-fault proves that no-fault does relieve court congestion. From June 1975, to June 1976, when that State's court calendar included some cases dating from before no-fault was in place, lawsuits declined 20 percent.

In addition to receiving prompt compensation for injuries, the consumer derives other benefits under this bill. The bill provides that each State will maintain a plan to assure that insurance is available to all, including the poor, at reasonable rates. The consumer is protected against capricious and unfair cancellation and nonrenewal of policies. Comparative pricing information for compulsory insurance will be available from the State insurance commissioner. A State plan will protect the consumer against duplicative costs by, first providing for coordination of benefits such as medicare, and second, passing along those savings to the consumer. To assure that the value of a consumer's benefits remain adequate, there is an economic conditions adjuster.

A State plan must have "an adequate and impartial entity or mechanism" to set and periodically review prospective guidelines for evaluating and supervising emergency medical services, medical treatment, and care and vocational rehabilitation. Likewise, guidelines must be prepared for determining what constitutes reasonably needed, reasonable charges and reasonable value. This accountability section is essential to protect the consumer against the burden of overutilization of medical services, with its accompanying costs.

The administrative or "housekeeping" provisions of this bill have been proved since the last Congress. While rate regulation and administration have been left to the States, as is proper under the McCarran-Ferguson law, in past years this bill's predecessors have been criticized for too much Federal involvement. While the substance of those bills flies in the face of that criticism, I and my cosponsors are aware of the sensitivity of States to this issue. Therefore, the bill has been modified so that the review panel and the review process are totally State controlled. State interests dominate the review panel, which consists of four persons appointed by the President from lists submitted by the National Governors Conference, the National Association of Insurance Commissioners, and the Secretary of Transportation. This is a procedure which is similar to the very successful process used to select the board members of the U.S. Railway Association. In contrast to past years, when critics charged that the bill penalized the States with a title III plan more restrictive of tort liability than required under the minimum standards, and providing higher benefits than the minimum standards, this bill provides that the alternative plan shall be the same.

The Governor of a State certifies to the review panel that the State no-fault plan is in accordance with the specified standards. Such certification is considered prima facie evidence that a plan is in accordance with basic standards. If a State has not submitted a no-fault plan which is in accordance with basic standards within 3 years, then the alternative plan will go into effect. The Secretary of Transportation will administer the plan unless the Governor certifies that he has the authority and intention of administering it himself. Thus, the State retains the right and means to administer the alternative plan at all times until it has an approved State plan.

After you have had the opportunity to look over the bill yourselves, I think you will conclude that it is a good bill which deals squarely with a difficult set of problems which confront a highly mobile society—namely, what are the most efficient, humane, and cost-effective means of dealing with accident victims. I submit that trying to find out whose fault the accident was does not help the victim with the economic or noneconomic effects of that accident. I think we owe more to insurance policyholders than a lottery ticket. It is time we looked to supporting the victim and his recovery instead of feathering the nests of the trial bar.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1381

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, together with the following table of contents, may be cited as the "Standards for No-Fault Motor Vehicle Accident Benefits Act".

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SEC. 2. FINDINGS.

The Congress finds and declares the following:

(1) Motor vehicle transportation contributes to the Nation's economy and welfare. The more than 100,000.000 motor vehicles in the United States operate in or affect interstate commerce.

(2) Since 1946 the Federal Government has expended more than $80,000,000,000 on the construction and improvement of highways for motor vehicle transportation.

(3) The human cost of motor vehicle transportation in the United States has been enormous. Since 1946 more than 1,250,000 individuals have been killed, and more than 10,000,000 individuals have been seriously injured, as a result of motor vehicle accidents.

(4) It is necessary and proper for the Congress, in the exercise of its authority to establish post roads and to regulate commerce among the several States, to assure that the victims of motor vehicle accidents in the United State receive adequate emergency medical services, medical treatment and care, medical and vocational rehabilitation services, and compensation for their economic losses.

(5) The traditional system for compensating motor vehicle accident victims is a fault system that denies a victim any benefits, unless he satisfies the following prerequisites:

(A) establishes that another person was at fault and that the other person's fault was a legal cause of the accident that resulted in the victim's injury;

(B) establishes his own freedom from fault, or his degree of fault, with respect to the accident;

(C) establishes the tangible and intangible damages caused him as a result of the other person's fault;

(D) obtains a settlement or prevails in a lawsuit, whenever the matters referred to in subparagraphs (A) through (C) are in dispute; and

(E) is able to collect damages, through liability insurance or other means, from the person at fault, or a person responsible for that person's conduct.

This traditional fault system denies more than half of the victims of motor vehicle accidents in the United States any benefits; is inefficient, incomplete, and slow; allocates benefits poorly; discourages rehabilitation; overburdens the courts; and does little if anything to minimize crash losses.

(6) Many States have modified their traditional fault systems to provide for the payment of some benefits to victims without regard to fault. These no-fault systems are improvements over traditional fault systems, but most of these systems are inadequate because they fail—

(A) to offset the cost of the no-fault benefits by an equivalent reduction in the utilization of the traditional fault system; and/or

(B) to provide sufficient no-fault benefits to meet the major needs of seriously injured victims.

The failure to provide for an equivalent reduction is likely to lead to premium increases, or decreases in the availability of insurance, for the consumers of motor vehicle insurance. The failure to provide sufficient benefits for seriously injured victims is likely to result in needless human suffering and public welfare expenditures.

(7) The remaining traditional fault systems and the inadequate no-fault systems are not coordinated with each other and lack the uniformity that is necessary to assure victims of substantially similar benefits and quality of treatment throughout the United States.

(8) The nationwide effect of the shortcomings summarized in paragraphs (5), (6), and (7) is that motor vehicle accident victims in the United States, in general, do not receive adequate emergency medical services and medical treatment and care, needed medical and vocational rehabilitation services, and efficient compensation for their economic losses.

(9) An adequate system for compensating motor vehicle accident victims is a no-fault system that—

(A) permits victims to recover compensation without first having to satisfy the restrictive and time-consuming prerequisites of the traditional fault system;

(B) provides for sufficient no-fault benefits to meet the needs of seriously injured victims; and

(C) assures the reduction in the utilization of the traditional fault system that is necessary to preclude increases in premiums, or decreases in the availability of insurance, which would otherwise follow.

An adequate no-fault system delivers benefits to all victims rapidly and fairly; is efficient; provides for emergency medical services that can save lives and for rehabilitation services that can restore victims to productive lives; removes an unnecessary burden on the courts; contains incentives for improving motor vehicle safety; and is a desirable replacement for a traditional fault system or an inadequate no-fault system.

(10) Direct Federal Government preemptive action is not necessary to achieve the replacement of traditional fault systems and inadequate no-fault systems by adequate no-fault systems. The replacement, and the uniformity among State laws that is necessary to assure accident victims substantially similar benefits and quality of treatment throughout the Nation, can be realized through the enactment by the Congress of basic standards for no-fault benefit plans and an alternative no-fault plan.

TITLE I—STANDARDS FOR STATE NO-FAULT BENEFIT PLANS

SEC. 101. STATE PLAN FOR NO-FAULT BENEFITS.

(a) AUTHORITY.—A State has the authority to establish at any time a plane for no-fault benefits for motor vehicle accident victims in accordance with the basic standards.

(b) APPROVED STATE PLANS.—A State plan for no-fault benefits for motor vehicle accident victims is in accordance with the basic standards, and shall be considered to be an approved State plan, if the Review Panel determines, pursuant to section 202, that the plan—

(1) provides for benefits in accordance with section 102;

(2) provides for restrictions on lawsuits in accordance with section 103;

(3) provides for insurance requirements in accordance with section 104;

(4) provides for obtaining no-fault benefits in accordance with section 105;

(5) provides for the availability of benefits in accordance with section 106;

(6) provides for conflict of law resolution in accordance with section 107;

(7) provides for consumer protection in accordance with section 108;

(8) provides for avoidance of duplication in accordance with section 109;

(9) provides for reimbursement by insurers in accordance with section 110;

(10) provides ineligibility requirements in accordance with section 111;

(11) provides certain other requirements in accordance with section 112; and

(12) does not include any provisions that are inconsistent, in whole or in part, with any of the foregoing provisions.

A provision in a State plan is in accordance with the applicable foregoing provision if it complies with the substance of that provision.

SEC. 102. BENEFIT LEVELS.

(a) MEDICAL EXPENSE BENEFITS.—An approved State plan shall provide for the payment of basic no-fault benefits for medical expense for each victim and may limit those benefits to—

(1) a total amount equal to $100,000; or

(2) a period of not less than 2 years, if the plan provides for—

(A) the payment of those benefits beyond that 2-year period upon receipt by the insurer of a certification from the entity or mechanism established by that plan pursuant to section 108(d), that additional benefits are necessary to sustain the life of a victim or to enable the victim to complete a program of medical or vocational rehabilitation services; and

(B) the payment of an aggregate amount of those benefits of not less than $250,000 to a victim entitled to the additional benefits specified in subparagraph (A).

(b) WORK LOSS BENEFITS.—An approved State plan shall provide for the payment of basic no-fault benefits for work loss to each victim and may limit those benefits to—

(1) a monthly amount equal to the lesser of—

(A) $1,000 multiplied by a fraction whose numerator is the average per capita income in that State and whose denominator is the average per capita income in the United States, according to the latest available statistics designated for the purpose by the Review Panel; or

(B) the disclosed amount, in the case of a named insured who, before the accident resulting in injury, voluntarily discloses has actual monthly earned income to his insurer and agrees in writing with the insurer that

the amount so disclosed shall measure work loss; and

(2) a total amount equal to 12 times the monthly amount determined pursuant to paragraph (1) (A) or (B), whichever is applicable.

(c) REPLACEMENT SERVICES LOSS BENEFITS.—An approved State plan shall provide for the payment of a reasonable amount of basic no-fault benefits for replacement services loss to each victim and may limit those benefits—

(1) to a daily amount equal to $20 multiplied by a fraction whose numerator is the average income in that State and whose denominator is the average per capita income in the United States, according to the latest available statistics designated for that purpose by the Review Panel; and

(2) to a period of not less than 365 days following the date of the accident resulting in injury.

(d) FUNERAL AND DEATH BENEFIT.—An approved State plan shall provide for the payment of a reasonable amount of basic no-fault benefits for loss due to death to the survivors of each victim and may limit those benefits to an amount equal to $1,000.

(e) DEDUCTIBLES.—An approved State plan shall provide that any insurer (other than a self-insurer) may offer—

(1) a deductible, not to exceed $200, or one week's actual earned income (if disclosed), from basic no-fault benefits (other than benefits for emergency medical services) for each victim who is a named insured; and

(2) a deductible, not to exceed an amount which the commissioner determines to be reasonable, for each victim who is a named insured and who sustains injury while operating, or riding as a passenger on, a motor vehicle having less than four wheels.

(f) TORT LIABILITY DAMAGE AWARDS.—An approved State plan shall require each person obligated to provide compulsory coverage to carry liability insurance for the payment of tort liability damages for injury in any case in which liability arises under section 103(b), and may limit that coverage to—

(1) $15,000 for each victim; and

(2) $30,000 for each accident.

An approved State plan shall require that each insurer (other than a self-insurer) make available coverage for the payment of tort liability damages for injury in excess of any limitation imposed by that plan under this subsection.

(b) SPECIAL REDUCTION IN BENEFIT LEVELS TO PRECLUDE PREMIUM INCREASES.—(1) A State which has an approved State plan may, by statute, authorize its commissioner, in accordance with the provisions of this subsection, to lower, for a specified period of time, the level of the benefits that are required by the provisions of the plan that comply with the substance of subsections (b), (c), and (f). Such a commissioner may take any such action if—

(A) he finds, by a preponderance of the evidence, after notice to interested persons and an opportunity for a hearing on the record, that the lower level is necessary to assure that the average cost of premiums for compulsory coverage is not greater than the average cost of adequate premiums for equivalent coverage (as adjusted for inflation) in that State; and

(B) the finding is based upon reliable actuarial evidence.

(2) As used in this subsection, the term "equivalent coverage" means—

(A) in a State that had no first-party benefits law in effect for motor vehicle accident victims before the date of the enactment of this Act, bodily injury liability coverage, uninsured motorist coverage, and medical payments coverage with limits equal to that carried by the average insured motorist in the State immediately before the date of adoption by that State of an approved State plan; and

(B) in a State that had some form of first-party benefits law in effect for motor vehicle accident victims before the date of the enactment of this Act, first-party economic loss benefits coverage and bodily injury liability coverage with limits equal to that required to be carried, or carried by the average insured motorist in the State immediately before the date of adoption by that State of an approved State plan.

(h) ADDED NO-FAULT BENEFITS.—An approved State plan shall require that each insurer (other than a self-insurer) make available coverages which will provide—

(1) benefits for medical expense in excess of any limitation under subsection (a), in reasonable increments up to a total of $1,000,000;

(2) benefits for work loss in excess of any limitation under subsection (b);

(3) benefits for replacement services loss in excess of any limitation under subsection (c);

(4) benefits for loss due to death in excess of any limitation under subsection (d); and

(5) basic no-fault benefits with respect to a motor vehicle having less than four wheels in the case of a State which treats differently or excludes such a vehicle from its approved State plan.

SEC. 103. RESTRICTIONS ON LAWSUITS.

(a) IN GENERAL.—An approved State plan shall provide that no claimant shall be entitled to maintain a civil action based on liability in tort against any person, with respect to an injury as to which basic no-fault benefits are payable, unless the person is or may be liable in tort in accordance with one of the exceptions set forth in subsection (b) and in that plan.

(b) EXCEPTIONS TO RESTRICTIONS.—(1) Except as provided in paragraph (2) of this subsection, an approved State plan shall provide, in accordance with applicable law, that a person may be liable in tort—

(A) for any loss which is in excess of any applicable limitation in accordance with section 102(a), 102(b)(2), or 102(c), and which is not compensated by added no-fault benefits;

(B) for—

(i) any loss which is in excess of the applicable limitation in accordance with section 102(d) and which is not compensated by added no-fault benefits; and

(ii) damages for noneconomic detriment which is sustained by a victim who suffers injury resulting in death or by any survivor of the victim as a result of that death;

(C) for noneconomic detriment which is not compensated by other benefits and which is sustained by a victim who suffers an injury resulting in—

(i) significant permanent scarring or disfigurement;

(ii) the permanent loss of an important bodily function;

(iii) other serious and permanent injury. As used in this subparagraph, "other serious and permanent injury" means an injury which results directly in a substantial and medically demonstrable permanent impairment that significantly affects the ability of the victim to resume his usual and customary daily activities; or

(iv) more than 180 continuous days of total disability. As used in this subparagraph, "total disability" means an injury which results directly in a medically demonstrable impairment that prevents the victim from performing all or substantially all of the material acts and duties which constitute his usual and customary daily activities;

(D) for any injury arising out of the maintenance or use of a motor vehicle with intent to injure himself or another person;

(E) for any injury arising out of a defect in a motor vehicle that was designed, manufactured, repaired, serviced, or otherwise maintained by that person in the course of his business (other than a defect that occurs while the vehicle is being operated in the course of the business) if the defect was caused or not corrected by an act or omission in the course of the business; or

(F) for any injury that is caused in whole or in part by any act or omission not connected with the maintenance or use of a motor vehicle by that person. (2) An approved State plan may provide for a longer time period than that specified in subparagraph (C)(iv), and may exclude any or all of the exceptions to restrictions on lawsuits specified in paragraph (3).

(c) TORT PENALTIES.—An approved State plan may provide for a mechanism to assess the individual responsibility of motor vehicle operators and a process or procedure for the imposition of tort penalties, to deter negligent and unsafe maintenance and use of motor vehicles in that State. Those tort penalties may include—

(1) the imposition of fines;

(2) the suspension or revocation of motor vehicle operators' licenses;

(3) compulsory driver education;

(4) orders to participate in programs designed to prevent driving while intoxicated;

(5) the impoundment of motor vehicle owned by those operators for specified periods; and

(6) any other penalty that is considered appropriate by the State.

No penalty imposed pursuant to the authority set forth in this subsection shall be paid or reimbursed, directly or indirectly, by an insurer.

(d) ATTORNEY'S FEES.—A defendant shall be awarded a reasonable attorney's fee by the court for defending a claim for liability in tort if the court determine that—

(1) the claim is fraudulent; or

(2) there is no reasonable foundation for believing that the claim falls within an exception to the restrictions on liability in tort set forth in subsection (b) and in the applicable approved State plan.

SEC. 104. REQUIREMENT OF INSURANCE.

(a) COMPULSORY COVERAGE.—(1) An approved State plan shall require each owner of a motor vehicle which is registered in that State to continuously provide and maintain compulsory coverage with respect to that motor vehicle, in accordance with the provisions of the plan. Each owner of a motor vehicle which is operated in that State by or with the express or implied consent of the owner shall continuously provide and maintain compulsory coverage, through endorsement or other means, while the vehicle is operated in that State, if that coverage is not provided or maintained under any other approved no-fault plan. Any other person may provide and maintain compulsory coverage with respect to any motor vehicle. The compulsory coverage shall assure the payment of all benefits required to be provided pursuant to any applicable approved no-fault plan, including the payment of any benefits required by such a plan but not required by the basic standards.

(2) The compulsory coverage required by paragraph (1) shall be provided by an owner of a motor vehicle—

(A) by entering into a contract of insurance with an insurer (other than a self-insurer); or

(B) by issuing a commitment to pay the required benefits under, and to meet the other requirements of, any applicable approved no-fault plan and, in the case of any owner that is not a government, by qualifying, pursuant to any applicable State law, as a self-insurer for that purpose by submitting to the appropriate State agency ade-

quate evidence of the commitment and of the owner's ability to make those payments and to meet those other requirements.

An owner of a motor vehicle or a self-insurer may also provide added no-fault benefits and other coverages in the same manner and as specified in the applicable contract of insurance or commitment.

(b) ADMINISTRATION.—An approved State plan shall provide for the administration and enforcement of the requirement set forth in subsection (a).

(c) AVAILABILITY.—An approved State plan shall provide that the commissioner shall, pursuant to any applicable State law, establish and implement, or approve and supervise, a program to assure that compulsory coverage is available on reasonable terms to each owner of a motor vehicle that is registered or operated in that State.

SEC. 105. OBTAINING NO-FAULT BENEFITS.

(a) ENTITLEMENT TO NO-FAULT BENEFITS.—(1) An approved State plan shall provide that a victim, any survivor of a victim, or any provider on behalf of a victim is entitled to basic no-fault benefits (unless the victim is ineligible for those benefits pursuant to section 111) under the plan if, on the date of the accident resulting in injury, the principal place of residence of the victim—

(A) is in that State, and—

(i) the injury is suffered in any State; or

(ii) the injury is suffered in Canada, Mexico, or Puerto Rico and the victim is an insured, as of that date, or an occupant of a motor vehicle for which compulsory coverage is provided; or

(B) is not in that State or any other State, and the injury is suffered in that State.

(2) An approved State plan shall also provide that such a victim, survivor, or provider is entitled to basic no-fault benefits in that State; and

(A) the accident resulting in injury occurs in that State; and

(B) the principal place of residence of the victim, on the date of the accident, is in a State that does not have an approved no-fault plan.

(b) SOURCE OF NO-FAULT BENEFITS.—(1) An approved State plan shall provide that if two or more obligations to pay basic no-fault benefits apply to an injury, the insurer liable to pay those benefits shall be determined in accordance with the priorities set forth in this subsection. The insurer liable to pay those benefits is the insurer providing—

1st; compulsory coverage to an employer, if the victim is an employee, or an employee's spouse or other relative residing in the same household as the employee, if the accident resulting in injury occurs while the victim is driving or occupying a motor vehicle provided or made available by that employee's employer in the course of his employment;

2d; compulsory coverage under which the victim is an insured;

3d; compulsory coverage covering a motor vehicle involved in the accident resulting in injury, if the victim is an uninsured occupant of that motor vehcle;

4th; compulsory coverage covering any motor vehicle involved in the accident resulting in injury, if the victim is not an insured;

5th; benefits under the program required by section 106.

For purposes of this section, a parked and unoccupied motor vehicle is not a motor vehicle involved in an accident unless it was parked so as to cause unreasonable risk of injury.

(2) An approved State plan shall provide that if two or more obligations to pay basic no-fault benefits apply equally to an injury under the priorities set forth in paragraph (1), the insurer against whom a claim is asserted first shall process and pay the claim as if wholly responsible. That insurer is thereafter entitled to recover contribution pro rata from any other such insurer for the basic no-fault benefits paid and for the costs of processing the claim involved. If contribution is sought among insurers responsible under the 4th priority in paragraph (1), proration shall be based on the number of involved motor vehicles.

(c) PAYMENT OF NO-FAULT BENEFITS.—(1) An approved State plan shall provide for the payment of no-fault benefits in accordance with this subsection.

(2) No-fault benefits, subject to section 109, are payable monthly as loss accrues. Loss accrues not when injury occurs, but as medical expenses, work loss, replacement services loss, or loss due to death is incurred.

(3) No-fault benefits are overdue, except as otherwise provided in this paragraph, if not paid by the applicable insurer—

(A) within 30 days after that insurer receives a submission of reasonable proof with respect to the loss for which those benefits are payable; or

(B) within 15 days after the close of each accumulation period if, upon receipt of an initial claim for no-fault benefits, the insurer designates accumulation periods not to exceed 31 days each for accumulating all such claims received within each such period. No-fault benefits for medical expense are not overdue with respect to any claim or portion of a claim that the insurer submits for arbitration, pursuant to section 108(d), within the applicable period specified in subparagraph (A) or (B), if the claim or any portion of the claim is disputed in good faith.

(4) An approved State plan may provide that an applicable insurer may require a victim to submit to any reasonable examination or re-examination, at times and places convenient to the victim, by medical experts selected by the victim from a list provided by the insurer, on such terms and conditions as are provided for in the plan. The cost of any such examination or re-examination shall be paid by the insurer. A written report of any such examination or re-examination, including the results of all tests, diagnoses, and conclusions, shall, upon request, be disclosed to the victim, to applicable providers, and, if the victim asserts that another person is liable in tort pursuant to section 103(b), to that other person.

(5) Unless the applicable insurer is otherwise requested by the victim involved, an obligation to pay any no-fault benefits for medical expense shall be discharged by an insurer by direct payment to the provider within the period required by paragraph (3), and no such provider may receive any additional amount therefor from any victim or survivor personally. Each such provider shall furnish to the applicable victim an itemized bill of the services rendered by the provider.

(6) No-fault benefits shall be paid without reduction for any benefits that are to be subtracted pursuant to section 109(b), unless those other benefits have been paid (or are payable) or have been provided before the date on which the no-fault benefits are overdue. An insurer making a payment for any such benefits shall have a right, without regard to the provisions of any other law, to recover from—

(A) the person who is obligated to pay or provide the benefits; or

(B) the claimant who actually receives those benefits.

(7) An insurer may maintain a civil action to recover any no-fault benefits which the insurer has paid as a result of an intentional or knowing misrepresentation of a material fact by a claimant, if it reasonably relied upon the misrepresentation in paying those benefits. An insurer may deduct the amount of any judgment obtained by it in such an action from any no-fault benefits which the insurer is required to pay to the same claimant.

(8) If an insurer rejects a claim for basic no-fault benefits, the insurer shall give written notice thereof to the claimant within 30 days after the date of receipt of the claim and proof of loss. The notice shall specify the reason for the rejection, inform the claimant of his right to obtain an attorney, as specified in subsection (d)(3), and inform the claimant of his rights pursuant to section 106.

(d) RECOVERY OF NO-FAULT BENEFITS.—(1) An approved State plan shall authorize the claimant to maintain a civil action against an insurer or the program required by section 106(b), in an appropriate court of that State, for the payment of overdue benefits and any applicable interest penalty. If no-fault benefits have not been paid to the claimant with respect to an injury, such an action shall be commenced within 4 years after the date of the accident resulting in that injury. If any no-fault benefits have been paid to the claimant with respect to an injury, such an action shall be commenced within 3 years after the date of the last such payment.

(2) An approved State plan shall require insurers to pay claimants an interest penalty on overdue payments of no-fault benefits. The amount of any such penalty shall be calculated, at the rate of not less than 18 percent per year on the overdue amount, from the date on which payment becomes overdue pursuant to subsection (c)(3) until the date on which payment is made.

(3)(A) An approved State plan shall provide for the payment of attorney's fees and other reasonable litigation costs in accordance with the provisions of this paragraph.

(B) If overdue no-fault benefits are recovered by a victim or any survivor in a civil action against an insurer, or if those benefits are paid by an insurer after that insurer receives notice that a victim or any survivor has retained an attorney, the insurer shall pay that attorney a reasonable fee, based upon the actual time expended by the claimant (at prevailing rates for the services of the attorney) and any other reasonable costs connected with those services. In any action brought against a claimant by an insurer, the court may award the claimant's attorney a reasonable fee, on the same such basis for defending the action, and the fee shall be paid by the insurer. No part of the no-fault benefits recovered or paid may be applied to, or used to pay in whole or in part, any attorney's fees for services connected with the recovery of no-fault benefits.

(C) An insurer shall be awarded a reasonable attorney's fee by the court with respect to a claim for no-fault benefits if the court determines that the claim, or any significant part of the claim, is fraudulent or so excessive as to have no reasonable foundation. That insurer may deduct the amount of that fee against any other no-fault benefits that the insurer is required to pay to the claimant involved.

SEC. 106. AVAILABILITY OF BENEFITS.

(a) IN GENERAL.—An approved State plan shall provide for the availability of basic no-fault benefits in accordance with the provisions of this section.

(b) ESTABLISHMENT OF PROGRAMS.—The Commissioner shall, pursuant to any applicable State law, establish and implement, or approve and supervise, a program to assure that basic no-fault benefits are available, with respect to any victim who is entitled to basic no-fault benefits under the approved State plan of that State, in any case in which—

(1) no other obligation to pay basic no-fault benefits applies to that victim or is

identifiable, provided that the victim is not ineligible for those benefits pursuant to section 111; or

(2) the insurer obligated to pay basic no-fault benefits with respect to that victim is financially unable to meet the obligation in full, unless those benefits are available through a State insolvency plan.

(c) ASSIGNMENT; NOTIFICATION.—The program required by subsection (b) shall provide for the prompt—

(1) assignment, to an insurer (other than a self-insurer) providing compulsory coverage in that State, of each case covered by subsection (b); and

(2) notification, to the claimant involved, of each assignment made under paragraph (1).

Each notice under paragraph (2) shall include the name and address of the insurer assigned, the name and business telephone number of an authorized claims representative of the insurer, and a statement as to applicable procedures and remedies. The insurer to whom a case is assigned under this subsection has the same rights, duties, and obligations as if it had issued compulsory coverage with respect to the victim involved. That insurer shall pay basic no-fault benefits on behalf of the program required by subsection (b), subject to reimbursement by the program. The program shall have a right of reimbursement for basic no-fault benefits paid through the program against any insurer legally obligated to pay those benefits.

(d) PARTICIPATION IN PROGRAM.—Each insurer providing compulsory coverage under the approved State plan of that State shall participate, on a fair and equitable basis of allocation, in the cost of the program established in subsection (b). Each insurer (other than a self-insurer) providing compulsory coverage in that State shall accept any case assigned to it under subsection (c).

SEC. 107. CONFLICT OF LAW RESOLUTION.

(a) IN GENERAL.—An approved State plan shall include provisions relating to conflict of law resolution in accordance with the provisions of this section.

(b) DETERMINATION OF BENEFITS.—The right of any claimant to obtain no-fault benefits, and the nature and extent of those benefits, shall be determined by the provisions of the approved no-fault plan that is in effect in the State in which the applicable victim is entitled to no-fault benefits, pursuant to section 105(a).

(c) CIVIL ACTIONS.—The right of a victim or any survivors to maintain a civil action based on liability in tort (other than an action pursuant to section 103(c)), and to recover any damages in such an action, with respect to any injury to which an approved no-fault plan applies, shall be determined by the local law of the State in which the victim is or was entitled to no-fault benefits.

(d) REIMBURSEMENT.—The right of any insurer to recover reimbursement for any no-fault benefits paid or required to be paid by an insurer shall be determined pursuant to the provisions of the approved no-fault plan that is in effect in the State in which the accident resulting in injury occurs.

(e) COMPLIANCE.—An owner of a motor vehicle who has complied with the requirements of compulsory coverage in any State shall be considered to have complied with the requirements of that coverage in any other State.

(f) COVERAGE REQUIREMENTS.—An insurer shall provide, and each contract of insurance for the payment of basic no-fault benefits shall be construed to contain, coverage sufficient to satisfy the requirements for compulsory coverage in any State.

SEC. 108. CONSUMER PROTECTION.

(a) RESTRICTIONS ON CANCELLATION, NONRENEWAL, AND MODIFICATION OF INSURANCE.—

(1) An approved State plan shall provide for restrictions on cancellation, nonrenewal, and modification of insurance in accordance with the provisions of this subsection.

(2) No insurer (other than a self-insurer) may cancel any compulsory coverage, except as authorized under paragraph (8), if—

(A) timely payments of all required premiums, or premium installments, for that coverage have been made; and

(B) each insured under that coverage has a valid license to operate the motor vehicle for which the coverage is provided.

(3) No insurer (other than a self-insurer) may fail to renew compulsory coverage because of the race, color, creed, national origin, ancestry, age, sex, religion, place of residence, marital status, or lawful occupation of an insured.

(4) No insurer (other than a self-insurer) may fail to renew compulsory coverage or increase the cost of that coverage solely because an insured has filed a valid claim for basic no-fault benefits.

(5) A self-insurer may not cancel or fail to renew compulsory coverage issued by it pursuant to section 104(a)(2)(B) unless it simultaneously provides compulsory coverage pursuant to section 104(a)(2)(A).

(6) If any insurer—

(A) cancels any compulsory coverage in violation of paragraph (2) or (5); or

(B) fails to renew any compulsory coverage in violation of paragraph (3), (4), or (5);

that cancellation or failure to renew shall not relieve that insurer of any obligation under the terms of that coverage.

(7) An insurer (other than a self-insurer) may, pursuant to any applicable State law, cancel or fail to renew any compulsory coverage because of fraud or other willful misconduct of an insured in entering upon the compulsory coverage or provide for reform of the terms of the compulsory coverage on the basis of mutual mistake of fact.

(8) An approved State plan may provide for a period, not to exceed 75 days from the date an insured first enters into compulsory coverage with a particular insurer, during which the insurer (other than a self-insurer) may, upon reasonable notice, cancel an insured's compulsory coverage on the basis of facts discovered as a result of investigating the insured during that period, except that the cancellation may not be based upon any ground specified in paragraph (3).

(b) CONSUMER INFORMATION.—An approved State plan shall provide that the commissioner shall establish and maintain a program designed to assure that purchasers of insurance are adequately informed with respect to the availability and comparative cost of compulsory coverage.

(c) FRAUD PREVENTION.—An approved State plan shall provide for an entity or mechanism to which reimbursement or payment is volving victims in that State and with respect to which reimbursement or payment is sought from or made by an insurer. Insurers providing compulsory coverage in the State shall assist and cooperate with the entity or mechanism, and those insurers may exchange information with respect to those claims and their prevention. An approved State plan may provide that any person who knowingly—

(1) submits a claim for no-fault benefits in violation of the provisions of an approved State plan or guidelines established under subsection (d); or

(2) assists, conspires with, or enables any other person to make such a submission or to commit such a violation;

shall be guilty of an offense under the laws of that State and shall be subject to any applicable criminal or civil penalties and also, where applicable, to suspension or loss of any applicable license, certification, or authority which entitles that person to practice in the State the profession or occupation in the course of which the violation was committed.

(d) ACCOUNTABILITY.—An approved State plan shall provide for an adequate and impartial entity or mechanism, which shall be empowered and directed to establish (and periodically review) prospective guidelines, for—

(1) evaluating and supervising—

(A) emergency medical services;

(B) medical treatment and care; and

(C) medical and vocational rehabilitation services;

which are supplied to, or provided for, victims in that State and with respect to which reimbursement or payment is sought from or made by an insurer;

(2) evaluating, with respect to a victim, the need for and the efficacy of medical expense items, and reviewing the condition and the future treatment and rehabilitation service needs of a victim; and

(3) assuring the accountability of providers for the quality of, and charges for, products, services, and accommodations; and for determining what constitutes "reasonably needed", "reasonable charges", and "reasonable value", as such terms are used in section 301(19).

The approved State plan shall also provide for the arbitration of disputes relating to the matters for which the guidelines are established.

(e) REHABILITATION SERVICES.—(1) An approved State plan shall include the requirements contained in this subsection with respect to medical and vocational rehabilitation services.

(2) An approved State plan shall provide for the vocational rehabilitation of victims. If the State has a State plan for vocational rehabilitation services under section 101 of the Vocational Rehabilitation Act of 1973 (29 U.S.C. 721), the approved State plan shall provide for that rehabilitation in a manner consistent with the State plan under that Act.

(3) An insurer obligated to pay basic no-fault benefits with respect to a victim who is seriously injured shall refer the victim to a qualified provider of medical and vocational rehabilitation services and shall simultaneously furnish the victim with a list of other qualified providers, and shall advise the victim of the benefits and value of those services. An insurer may similarly refer and advise any other victim.

(4) An insurer is not obligated to pay basic no-fault benefits for medical expense for medical and vocational rehabilitation services unless—

(A) the provider of the services is licensed or approved, by an appropriate agency or entity, as qualified to provide those services; and

(B) there is compliance with any applicable guideline established under subsection (d).

SEC. 109. AVOIDANCE OF DUPLICATION.

(a) IN GENERAL.—(1) An approved State plan shall establish, and the commissioner shall implement, a provision that fairly and equitably—

(A) eliminates any unintended duplication in the benefits otherwise available with respect to a victim or any survivors with respect to any injury; and

(B) passes on the cost savings which result from that elimination to all persons who would otherwise be entitled to receive those duplicative benefits, or utilizes the savings to defray the cost of other benefits.

(2) In any offer to provide benefits and in any contract providing for those benefits, when any person clearly and conspicu-

ously discloses the relationship between any additional benefits offered and the benefits available under compulsory coverage in a manner which would not mislead the average consumer, duplication which results shall not be considered unintended.

(b) REDUCTION FOR BENEFITS RECEIVED FROM GOVERNMENTS.—An approved State plan shall provide that all benefits (less reasonably incurred collection costs) that an individual receives pursuant to entitlement, or in entitled to receive, with respect to an injury, from—

(1) social security (except benefits under title XIX of the Social Security Act);

(2) workmen's compensation;

(3) temporary nonoccupational disability insurance that is required by a State; and

(4) any government (except the proceeds of government life insurance);

shall be subtracted in calculating basic no-fault benefits, unless the law authorizing or providing for those benefits makes them secondary to or duplicative of basic no-fault benefits.

(c) UNINSURED MOTORIST COVERAGE.—An approved State plan shall, to the extent necessary, provide for the amendment of any law of the State that requires the offering of uninsured motorist coverage to assure that no such uninsured motorist coverage shall—

(1) duplicate payment for any of the basic no-fault benefits available to a victim or any survivors with respect to any injury; and

(2) provide any payments or benefits for noneconomic detriment suffered by a victim, except to the extent that there is liability in tort pursuant to section 103(b) (2) and (3).

SEC. 110. RIGHT OF REIMBURSEMENT BY INSURERS.

(a) IN GENERAL.—Except as otherwise provided, an approved State plan shall provide that no insurer has or may exercise any right of reimbursement for any no-fault benefits paid or obligated to be paid by that insurer with respect to an injury—

(1) from any other insurer;

(2) from a victim; or

(3) from any person who may be liable in tort, pursuant to section 103(b), to a victim.

(b) ACCIDENTS INVOLVING CERTAIN VIOLATIONS.—(1) An approved State plan may grant an insurer a right of reimbursement from any other insurer for any no-fault benefits paid or obligated to be paid by that insurer as a result of an accident with respect to which there is an adjudication that the operator of a motor vehicle insured by the other insurer was guilty of manslaughter, negligent homicide, driving while under the influence of alcohol or a controlled substance, or any other act or omission which constitutes a felony under the laws of the jurisdiction involved, in connection with the operation of that motor vehicle.

(2) As used in this subsection, the term "adjudication" means any determination by a court of competent jurisdiction or by an administrative agency that a person is guilty of a crime or traffic violation described in paragraph (1), and includes a plea of guilty or nolo contendere to such an offense.

(c) ACCIDENTS INVOLVING NON-PASSENGER MOTOR VEHICLES.—An approved State plan may grant an insurer a right of reimbursement from any other insurer, based upon a determination of fault, for any no-fault benefits paid or obligated to be paid by that insurer as a result of an accident that involved two or more motor vehicles, at least one of which was of a type other than a passenger motor vehicle, if the commissioner in that State has designated that type as a type of motor vehicle whose owner is likely to receive unreasonable economic advantage or to suffer unreasonable economic disadvantage in the absence of the reimbursement.

SEC. 111. INELIGIBILITY FOR BENEFITS.

(a) CONVERTER.—An approved State plan shall provide that no-fault benefits are not payable with respect to any victim who is the converter of a motor vehicle and who suffers injury arising out of the maintenance or use of a motor vehicle that has been converted, except that this provision shall not apply to—

(1) a converter who is less than 15 years of age on the date of the accident resulting in injury; and

(2) a provider of emergency medical services for any such victim.

For purposes of this subsection, an individual is not a converter of a motor vehicle if he uses it in a good faith belief that he is legally entitled to do so.

(b) INTENTIONAL INJURY.—An approved State plan shall provide that no-fault benefits are not payable with respect to any victim who suffers injury arising out of the maintenance or use of a motor vehicle with intent to injure himself or another individual, except that a provider of emergency medical services for such a victim is eligible to receive no-fault benefits for medical expense. For purposes of this subsection and section 103(1)(D), an individual—

(1) intentionally injures himself or another individual if he acts or fails to act for the purpose of causing injury or with knowledge that injury is substantially certain to follow; and

(2) does not intentionally injure himself or another individual (A) merely because his act or failure to act is intentional or done with his realization that it creates a grave risk of harm; or (B) if his act or failure to act is done for the purpose of averting bodily harm to himself or another individual.

(c) UNINSURED MOTORIST.—An approved State plan may provide that if a victim—

(1) is the owner of a motor vehicle involved in the accident resulting in the victim's injury; and

(2) failed, as of the date of the accident, to provide and maintain compulsory coverage with respect to that motor vehicle;

no-fault benefits with respect to that victim shall be paid subject to such reasonable deductions or limitations on benefits as are specified in the plan, if those deductions or limitations are provided for in that plan in order to encourage owners of motor vehicles to provide and maintain compulsory coverage.

SEC. 112. OTHER REQUIREMENTS.

(a) IN GENERAL.—An approved State plan shall provide for each of the requirements set forth in subsections (b) through (f).

(b) REGULATION AND RATES.—The commissioner shall have exclusive authority, in accordance with applicable State law, to regulate insurers. The rates charged by insurers for compulsory coverage in a State having an approved State plan shall be established, determined, and modified only in accordance with the provisions of the applicable rating law of that State.

(c) INCLUDED COVERAGE.—A contract of insurance covering liability arising out of the ownership, maintenance, or use of a motor vehicle registered in a State is a contract for the payment of basic no-fault benefits, unless—

(1) the contract provides only tort liability coverages that are in excess of those required by the approved State plan of that State; or

(2) the commissioner determines, by regulation, that the contract provides motor vehicle bodily injury tort liability coverage only as incidental to some other basic coverage.

(d) TERMS AND CONDITIONS.—The terms and conditions of any contract, certificate, or other evidence of compulsory coverage (including any form or rating plan used by insurers) shall—

(1) be subject to regulation by the commissioner; and

(2) accurately reflect the status of the insured involved as a result of the measure of work loss, the election of a deductible, and eligibility for other benefits, as provided in sections 102(b)(1)(B), 102(e), and 109(b).

(e) ECONOMIC CONDITIONS ADJUSTMENT.—Beginning in 1980, and at 3-year intervals thereafter, any dollar figure used in any of the basic standards shall be adjusted to reflect economic conditions at that date, pursuant to formulae and statistics designated for that purpose by the Review Panel.

(f) CALCULATION OF WORK LOSS.—(1) The work loss of a victim shall be determined pursuant to the provisions of this subsection.

(2) The term "work loss" means—

(A) loss of income; and

(B) reasonable expenses of, or on behalf of, a victim for hiring a substitute to perform self-employment services or for hiring help, so as to enable the victim to mitigate his loss of income.

(3) The term "loss of income" means the gross income loss of a victim, as calculated pursuant to paragraph (4), (5), or (6), whichever is applicable, subject to paragraph (7) (or the gross income that would have been lost by a victim but for any income continuation plan that is a primary benefit source pursuant to section 109(a), as so calculated), reduced by—

(A) any expected reduction in the amount payable by the victim for purposse of Federal income taxation;

(B) 90 percent of any income which the victim earns from substitute work;

(C) income which the victim would have earned in available substitute work he was capable of performing but unreasonably failed to undertake; or

(D) any income which the victim would have earned by hiring an available substitute to perform self-employment services but unreasonably failed to do.

(4) The gross income loss of a victim whose income before the date of an accident resulting in injury was realized in regular increments shall be calculated by—

(A) determining his probable weekly income by dividing his probable annual income by 52; and

(B) multiplying that quantity by the number of workweeks, or fraction thereof, during which the victim was unable to perform work during the accrual period because of the injury.

(5) The gross income loss of a victim whose income before the date of an accident resulting in injury was realized in irregular increments shall be calculated by—

(A) determining his probable weekly income by dividing his probable annual income by the number of weeks he normally works; and

(B) multiplying that quantity by the number of workweeks, or fraction thereof, during which the victim was unable to perform, and would have performed, work during the accrual period, but for the injury.

(6) The gross income loss of a victim who is not employed when the accident resulting in injury occurs shall be calculated by—

(A) determining his probable weekly income by dividing his probable annual income by 52; and

(B) multiplying that quantity by the number of workweeks, or fraction thereof, if any, during which the victim would reasonably have been expected to perform work for income during the accrual period, but for the injury.

(7) The gross income loss of a victim shall be periodically recalculated and increased to reflect any increase in the victim's annual compensation that would predictably have occurred but for the injury.

(8) As used in this subsection—

(A) the term "probable annual income"

means, absent a showing that it is or would be some other amount, the following:

(i) 12 times the monthly gross income earned by the victim from work in the month preceding the month in which the accident resulting in injury occurs, or the average annual income earned by the victim from work during the years, not to exceed 3, preceding the year in which the accident resulting in injury occurs, whichever is greater, for a victim regularly employed at the time of the accident;

(ii) the average annual gross income earned by the victim from work during the years in which he was employed, not to exceed 3, preceding the year in which the accident resulting in injury occurs, for a victim seasonally employed or not employed at the time of the accident; or

(iii) the average annual gross income of a production or nonsupervisory worker in the private nonfarm economy in the State in which the victim has his principal place of residence during the year in which the accident resulting in injury occurs, for a victim who has not previously earned income from work;

(B) the term "weekly income" means income earned during a workweek; and

(C) the term "workweek" means the number of days an individual normally works in a consecutive 7-day period.

TITLE II—REVIEW PANEL AND PROCESS; ALTERNATIVE NO-FAULT PLAN

SEC. 201. REVIEW PANEL.

(a) ESTABLISHMENT AND MEMBERSHIP.—(1) There is established, in accordance with the provisions of this section, an independent instrumentality within the Department of Transportation, which shall be known as the Standards for No-Fault Benefits Review Panel.

(2) The Review Panel shall consist of five members, as follows:

(A) the Secretary or his delegate; and

(B) four individuals who shall be appointed by the President, by and with the advice and consent of the Senate, on the following basis:

(i) two, to be selected from a list of qualified individuals submitted to the President by the National Governor's Conference; and

(ii) two, to be selected from a list of qualified individuals submitted to the President by the National Association of Insurance Commissioners.

(3) Except as provided in paragraph (2)(A), no individual who is, at the time of appointment, an employee of, or a consultant to, the Federal Government or any agency, instrumentality, or other entity of the Federal Government, shall be appointed to or serve as a member of the Review Panel.

(4) As used in this paragraph—

(A) the term "list of qualified individuals" includes the names (including pertinent biographical data) of not less than six such individuals for each applicable vacancy; and

(B) the term "qualified individual" means an individual who is knowledgeable or experienced with respect to no-fault motor vehicle insurance, the basic standards, and the provisions of this Act.

(b) TERMS OF OFFICE AND GENERAL PROVISIONS.—(1) Each person who is appointed under subsection (a)(2)(B) to be a member of the Review Panel shall serve for a term of 4 years, except that, with respect to the members initially so appointed, the President shall designate two to serve for a term of 2 years, and two to serve for a term of 4 years. Successors to the members of the Review Panel shall be appointed in the same manner as the original members. Any individual appointed to fill a vacancy occurring before the expiration of any term of office shall be appointed for the remainder of that term.

(2) A majority of the members of the Review Panel shall constitute a quorum, but one or more of the members designated by the panel may hold hearings.

(3) The members of the Review Panel shall elect a Chairman of the panel from among its members.

(4) The Review Panel shall meet, at times and locations convenient to its members, at the call of the Chairman or upon the request of a majority of the members.

(5) If any member of the Review Panel disagrees with any action of the panel, the member may prepare a statement setting forth the nature of, and the reasons for, that disagreement. Any such statement shall be made available to the public by the panel.

(6) The Review Panel shall make available to the public, and revise as necessary, a statement of its organization, practices, and procedures, including the mailing address to be used for submitting certifications, reports, and recertifications.

(7) A member of the Review Panel who is an employee of the Federal Government or a State government shall serve on the panel without any compensation in addition to compensation received for his service as such an employee, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the panel. A member of the Review Panel who is not a Federal or State employee shall receive—

(A) the highest daily rate in effect, from time to time, for grade GS-18 of the General Schedule (5 U.S.C. 5332) when engaged in the actual performance of duties vested in the panel; and

(B) reimbursement for travel, subsistence and other necessary expenses incurred in the performance of those duties.

(8) The Review Panel shall have the power to perform such functions as may be necessary to carry out the purposes of section 202.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Review Panel to carry out its functions under this Act such sums as are necessary, not to exceed $500,000. Any sums appropriated under this subsection shall remain available until expended.

SEC. 202. REVIEW PROCESS.

(a) PREEMPTION.—Any provision of State law that would prevent the establishment and implementation in that State of a plan for no-fault benefits in accordance with the basic standards is preempted by the provisions of this Act.

(b) CERTIFICATION BY CHIEF EXECUTIVE OFFICER.—(1) If the chief executive officer of a State determines that the State has enacted a plan for no-fault benefits for motor vehicle accident victims that is in accordance with the basic standards, the chief executive officer may, at any time following that enactment, submit to the Review Panel a certification that the State has established a plan in accordance with the basic standards, together with a certified copy of the plan and any necessary supporting materials.

(2) Such a certification, and any recertification pursuant to subsection (c), shall be in the following form: "The State of (insert name) has enacted into law a plan for no-fault benefits for motor vehicle accident victims. I hereby certify (recertify) that I have caused this plan to be examined and have determined that it is in accordance with the basic standards of the Standards for No-Fault Motor Vehicle Accident Benefits Act.".

(c) PERIODIC REPORT AND RECERTIFICATION.—(1) If an approved State plan is in effect in a State, the chief executive officer of that State shall submit a report and recertification to the Review Panel every 3 years. The report shall evaluate the performance and the effect of the plan with respect to the State, in terms of—

(A) the effectiveness of the plan in rehabilitating and compensating motor vehicle accident victims;

(B) the cost of providing compulsory coverage under the plan;

(C) the impact of the plan on different sectors of society;

(D) the effect of the plan on the caseloads of the courts;

(E) the impact of the plan on competition within the motor vehicle insurance industry, particularly with respect to the competitive position of small insurance companies; and

(F) any other factors which the Review Panel, by rule, determines are relevant to the evaluation.

(2) If a chief executive officer determines that the approved State plan in effect in that State remains in accordance with the basic standards, he shall submit a recertification of the plan pursuant to subsection (b)(2). Such a recertification shall be accompanied by a report pursuant to paragraph (1), a certified copy of the plan (and any amendments to the plan), and the guidelines established pursuant to section 108(d). The Review Panel shall prepare annually, not later than March 1, a comprehensive report summarizing and containing its conclusions and recommendations with respect to the reports and plans received by it under this subsection. The Review Panel shall submit a copy of each such annual report to the chief executive officer of each State, the President, and the Congress.

(d) REVIEW PANEL REVIEW.—(1)(A) If the chief executive officer of a State certifies, or recertifies, that the State has enacted a plan for no-fault benefits for motor vehicle accident victims that is, or remains, in accordance with the basic standards, the Review Panel shall, within 90 days after the date on which it receives that certification or recertification—

(i) review the certification or recertification and the plan for no-fault benefits covered by it; and

(ii) take one of the actions described in subparagraph (B).

The Review Panel shall treat any certification or recertification submitted to it under subsection (b) or (c) as prima facie evidence that the plan for no-fault benefits covered by it is in accordance with the basic standards.

(B) Upon review under subparagraph (A), the Review Panel may—

(i) determine that the certified or recertified State plan is or remains in accordance with the basic standards and that the State involved has an approved State plan;

(ii) take no action, in which case the certified or recertified State plan shall be considered to be in accordance with the basic standards and that State shall be considered to have an approved State plan; or

(iii) determine, on the basis of substantial evidence, that the certified or recertified State plan is not in accordance with the basic standards and that the State does not have an approved State plan.

(C) If the Review Panel determines that a certified or recertified State plan for no-fault benefits is not in accordance with the basic standards, the Review Panel shall issue a declaration that the State does not have an approved State plan. A copy of the declaration shall be transmitted to the chief executive officer of the State involved, together with a statement of the reasons for the determination and an invitation to the State to submit a plan that is in accordance with the basic standards.

(2) If the chief executive officer of a State fails to submit to the Review Panel—

(A) within 2 years after the date of the enactment of this Act, a certification, pursuant to subsection (b), that the State has enacted a plan for no-fault benefits for motor vehicle accident victims that is in accordance with the basic standards; or

(B) within 180 days after it is required by the Review Panel, a recertification, pursuant to subsection (c)(2), that the State's plan for

no-fault benefits for motor vehicle accident victims remains in accordance with the basic standards;

the Review Panel shall, within 90 days after the end of the applicable period, issue a declaration that the State does not have, or no longer has, an approved State plan.

(3)(A) If the Review Panel issues a declaration, pursuant to paragraph (1)(C), that a State does not have an approved State plan, the chief executive officer of the State may submit to the Review Panel a new certification or recertification pursuant to subsection (b) or (c) at any time thereafter. The Review Panel shall review and act upon the new certification or recertification in the same manner and time period as an initial certification or recertification. The Review Panel shall withdraw its determination that the State does not have an approved State plan upon its determination, pursuant to paragraph (1)(B)(i), that the plan covered by the new certification or recertification is in accordance with the basic standards and is an approved State plan.

(B) If the Review Panel issues a declaration, pursuant to paragraph (2), that a State does not have an approved State plan, the Review Panel shall withdraw the declaration upon receipt of the required certification or recertification (and all other required materials) and upon its determination, pursuant to paragraph (1)(B)(i), that the plan involved is or remains in accordance with the basic standards and is an approved State plan.

(C) Pursuant to section 204, if the alternative no-fault plan is in effect in a State, on the date on which the Review Panel withdraws a declaration that a State does not have an approved State plan, then the State plan which is determined as of that date to be an approved State plan shall take effect 120 days after the date of that determination.

(D) At any time before the Review Panel acts pursuant to paragraph (1) (B) on a certification or recertification, the chief executive officer of the applicable State may withdraw the document without prejudice.

(e) CRITERIA.—The Review Panel shall determine that a certified or recertified State plan for no-fault benefits is in accordance with the basic standards or shall take no action, pursuant to subsection (d), only if the plan is in compliance with all the provisions set forth in section 101(b).

(f) JUDICIAL REVIEW.—(1) A declaration by the Review Panel that a State plan for no-fault benefits is not in accordance with the basic standards shall be subject to judicial review in the United States court of appeals for the circuit in which the State is located or in the United States Court of Appeals for the District of Columbia Circuit. Any such review shall be instituted only by the State involved and shall be commenced within 60 days after the date on which the declaration was issued. The provisions of section 204(b) shall apply and shall not be stayed pending any such review.

(2) If a State plan for no-fault benefits is found to be in accordance with the basic standards, pursuant to subsection(d)(1)(B)(i) or (d)(1)(B)(ii), the action of the Review Panel shall be subject to judicial review to the extent authorized by, and in accordance with, chapter 7 of title 5, United States Code, except that—

(A) section 705 thereof is not applicable;

(B) the appropriate court shall only hold unlawful and set aside such a determination on a ground specified in subparagraph (A), (B), (C), or (D) of section 706(2) thereof; and

(C) any such review shall be instituted within 30 days from the date on which such a determination was made public.

SEC. 203. ALTERNATIVE NO-FAULT PLAN.

The alternative plan for no-fault benefits for motor vehicle accident victims shall include each of the requirements for an approved State plan specified in sections 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, and 112. The benefits required to be provided under the alternative no-fault plan pursuant to the provisions of section 102 (a), (b), (c), (d), and (f) shall be the amount set forth in those provisions as the amount at which an approved State plan may limit the particular category of benefits.

SEC. 204. APPLICATION AND IMPLEMENTATION OF ALTERNATIVE NO-FAULT PLAN.

(a) IN GENERAL.—The alternative no-fault plan shall only become applicable and take effect in a State if the Review Panel issues a declaration, pursuant to section 202(d), that the State does not have an approved State plan. The alternative no-fault plan shall—

(1) take effect in that State on the effective date established in accordance with subsection (b);

(2) cease to be in effect in that State under the circumstances described in subsection (c);

(3) be implemented and administered pursuant to subsection (d); and

(4) constitute the law of that State for purposes of any judicial determination.

(b) EFFECTIVE DATE.—The alternative no-fault plan shall take effect in an applicable State one year after the date on which the Review Panel issues a declaration, pursuant to section 202(d) (1) or (2), that the State does not have an approved State plan unless, before that date, the Review Panel withdraws the declaration pursuant to section 202(d)(3). Notwithstanding any other provision of this Act, the alternative no-fault plan shall not take effect in any State before the third anniversary of the date of the enactment of this Act.

(c) TERMINATION DATE.—The alternative no-fault plan shall cease to be in effect in a State 120 days after the Review Panel determines that the State has an approved State plan.

(d) ADMINISTRATION.—(1) Whenever the alternative no-fault plan is in effect in a State, the plan shall be implemented and administered exclusively by the Secretary, unless the chief executive officer of that State certifies to the Secretary that the State—

(A) has authority, under the laws of the State, to carry out the administrative functions required by the plan; and

(B) intends to exercise that authority and implement and administer the plan.

Upon such a certification, the State shall implement and administer the alternative no-fault plan.

(2) If a State fails to issue a certification under paragraph (1), the Secretary may promulgate any regulations that are necessary to implement and administer the alternative no-fault plan in that State. There are authorized to be appropriated to the Secretary such sums as may be necessary for those purposes.

TITLE III—DEFINITIONS AND MISCELLANEOUS PROVISIONS

SEC. 302. DEFINITIONS.

As used in this Act, unless the context otherwise requires:

(1) The term "accident" means an untoward and unforeseen occurrence—

(A) arising out of the maintenance or use of a motor vehicle; or

(B) in the case of, and limited to, a pedestrian, arising out of the maintenance or use of a motor vehicle that is treated differently or excluded under paragraph (20).

(2) The term "alternative no-fault plan" means the no-fault plan described in section 203.

(3) The term "approved no-fault plan" means an approved State plan or the alternative no-fault plan.

(4) The term "approved State plan" means any plan for no-fault benefits for motor vehicle accident victims that the Review Panel determines is in compliance with all the provisions enumerated in section 101 (b).

(5) The term "basic no-fault benefits" means benefits, as specified in section 102 (a), (b), (c), and (d), provided without regard to fault in accordance with an approved no-fault plan.

(6) The term "basic standards" means all of the provisions enumerated in section 101 (b).

(7) The term "claimant" means a victim, a survivor, or a provider who makes a claim for no-fault benefits under an approved no-fault plan.

(8) The term "commissioner" means the commissioner of insurance of a State or the head of the department, commission, board, or other agency which is charged by the law of a State with the supervision and regulation of the business of insurance in that State, except that the term means the Secretary under the alternative no-fault plan if that plan is in effect in a State and is being implemented and administered by the Secretary.

(9) The term "compulsory coverage" means the insurance which every owner of a motor vehicle is required to provide and maintain under an approved no-fault plan, pursuant to section 104(a).

(10) The term "emergency medical services" means services necessary to mitigate injury to any victim during the period immediately following an accident (including communications, transportation, and treatment by medical and paramedical personnel).

(11) The term "government" means the Federal Government, any State, any political subdivision of a State, any instrumentality of two or more States, any agency, subdivision, department, or instrumentality of any government, any corporation or other association organized by a government for the execution of a government program and subject to control by a government, or any corporation or agency established under an interstate compact or international treaty.

(12) The term "injury" means bodily harm to an individual sustained in an accident and that individual's illnesses, disease, or death resulting from that bodily harm.

(13) The term "insured" means a named insured and any other individual who—

(A) is the spouse or other relative of a named insured or who is less than 18 years old and in the custody of (i) a named insured; or (ii) a relative of a named insured;

(B) is not a named insured under any contract of insurance providing compulsory coverage; and

(C) usually makes his home within the same family unit as a named insured even if he temporarily resides elsewhere.

(14) The term "insurer" means—

(A) a person who is authorized, pursuant to applicable State law, to provide compulsory coverage in the State;

(B) the owner of a motor vehicle who is providing compulsory coverage with respect to that motor vehicle in accordance with section 104(a)(2)(B); and

(C) the program under section 104(c).

(15) The term "loss" means economic detriment incurred as a result of an accident resulting in injury, consisting of, and limited to, medical expense, work loss, replacement services loss, and loss due to death.

(16) The term "loss due to death means the economic detriment incurred by any survivors as a result of the death of a victim. The term includes and is limited to—

(A) the loss of income of the victim, to the extent that it would probably have been contributed to any survivors, if that victim had not sustained the fatal injury;

(B) expenses directly related to the funeral and to the burial, cremation, or other form

of disposition of the remains of a deceased victim; and

(C) expenses reasonably incurred by any survivor, after the victim's death, in obtaining ordinary and necessary services in lieu of those which that victim would have performed for that survivor's benefit (other than to provide income) had he not sustained the fatal injury, reduced by expenses which the survivor would probably have incurred, but did not, by reason of the victim's death.

(17) The term "maintenance or use of a motor vehicle" means any activity involving or related to transportation by a motor vehicle, including occupying, entering into, alighting from, repairing, or servicing, except that the term does not include—

(A) conduct within the course of a business of repairing, servicing, or otherwise maintaining motor vehicles unless the conduct occurs off the business premises; or

(B) conduct in the course of loading or unloading a motor vehicle.

(18) The term "medical and vocational rehabilitation services" means any devices, equipment, facilities, therapies, procedures, or services that may—

(A) reduce, or contribute to reducing, the duration or degree of a victim's disability;

(B) restore, or contribute to restoring a victim's physical, psychological, or vocational functioning to the pre-accident level, or to a reasonable equivalent of that level; and

(C) enable, or contribute to enabling, a victim to function independently and to carry out the daily activities that were usual and customary for him before the accident resulting in his injury.

The term includes transportation and other services necessary to the foregoing. The term does not include educational services that are not related to vocational objectives of a victim.

(19) The term "medical expense" means reasonable charges incurred for, or the reasonable value (when no charges are incurred) of, reasonably needed and used products, services, and accommodations for—

(A) emergency medical services;

(B) medical treatment and care; and

(C) medical and vocational rehabilitation services.

The term does not include any charge for, or the value of, a room in any facility engaged in providing any such treatment, care, or services to the extent that the charge or value is in excess of a reasonable and customary charge for semiprivate rooms, unless private rooms are medically required. Nothing in this Act shall be construed as prohibiting an insurer from providing benefits for remedial religious treatment and care as benefits for medical expense.

(20) The term "motor vehicle" means a vehicle of a kind required to be registered under the laws relating to motor vehicles of the State in which the vehicle is principally located, except that an approved State plan may treat a motor vehicle having less than four wheels differently than it treats other motor vehicles for purposes of that plan, including partially or completely excluding such a vehicle from the requirements and benefits of the plan.

(21) The term "named insured" means an individual who is identified by name as an insured in a contract of insurance providing compulsory coverage.

(22) The term "noneconomic detriment" means pain, suffering, inconvenience, physical impairment, and any other nonpecuniary damage incurred as a result of an accident resulting in injury and which are elements of damage under the applicable tort law.

(23) The term "no-fault benefits" means basic no-fault benefits, added no-fault benefits, or both.

(24) The terms "owner of a motor vehicle" and "owner" mean—

(A) an individual who, or a corporation, company, association, firm, partnership, joint stock company, foundation, institution, society, union, club, church, or any other group that—

(i) owns or has title to a motor vehicle; or

(ii) is entitled to the use and possession of a motor vehicle, subject to a security interest in any other person;

(B) the Federal Government with respect to a Federal motor vehicle;

(C) any other government, to the extent that its vehicles are included in or covered by the approved no-fault plan for the State in which the government is located, that—

(i) owns or has title to a motor vehicle; or

(ii) is entitled to the use and possession of a motor vehicle, subject to a security interest in any other person; and

(D) a lessee of a motor vehicle having the right to possession of the vehicle under a lease with the option to purchase.

The terms do not include a lienholder or a secured party having an interest in, but not possession and use of, a motor vehicle.

(25) The term "passenger motor vehicle" means a motor vehicle other than—

(A) a vehicle having less than four wheels; or

(B) a truck not designed primarily to carry its operator or passengers.

(26) The term "person" includes a government.

(27) The term "provider" means a person who furnishes any product, service, or accommodation which constitutes a medical expense.

(28) The term "replacement services loss" means expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those a victim would have performed, not for income, but for the benefit of himself or him family, if he had not suffered injury.

(29) The term "Review Panel" means the Standards for No-Fault Benefits Review Panel established in section 201.

(30) The term "Secretary" means the Secretary of Transportation.

(31) The term "self-insurer" means an owner or any person providing compulsory coverage pursuant to section 104(a)(2)(B).

(32) The term "State" means a State of the United States, the District of Columbia, Guam, or the Virgin Islands.

(33) The term "survivor" means an individual identified, in the wrongful death statute of the State in which a deceased victim had his principal place of residence on the date of the accident resulting in injury, as one entitled to receive benefits by reason of the death of that victim.

(34) The terms "victim" and "motor vehicle accident victim" mean an individual who suffers injury as a result of an accident.

(35) The terms "without regard to fault" and "no-fault" mean irrespective of fault as a cause of injury or as a prerequisite to compensation for injury.

(36) The term "work loss" has the meaning set forth in section 112(f)(2).

SEC. 302. JURISDICTION OF FEDERAL COURTS.

No district court of the United States shall have jurisdiction over any civil action for the payment of no-fault benefits unless the United States (or a Federal agency which can sue or be sued in its own name) is a party to the action.

SEC. 303. TREATMENT OF FEDERAL MOTOR VEHICLES.

(a) IN GENERAL.—Notwithstanding any other provision of law, a claim against the United States (or a Federal agency) for injury arising out of the maintenance or use of a Federal motor vehicle, or out of the maintenance or use of any motor vehicle by an employee of the Federal Government during the course of official business, shall be governed by the applicable approved no-fault plan. Compulsory coverage shall be provided for any Federal motor vehicle, whenever it is located or operated in the territorial area of any State, Puero Rico, Canada, or Mexico.

(b) PROCEDURES.—The Administrator of General Services shall promulgate, and may from time to time revise, regulations with respect to insurance covering a Federal motor vehicle, and administrative procedures to be followed in all claims against the United States (and a Federal agency) for no-fault benefits.

(c) DEFINITIONS.—(1) As used in this section, the term "Federal agency" means any department, agency, corporation, independent establishment, or other entity of any branch of the Federal Government.

(2) As used in this section and in section 301(24)(B), the term "Federal motor vehicle" means a motor vehicle which is owned or leased by a Federal agency and operated with its express or implied permission.

Mr. DURKIN. Mr. President, as my colleague from Washington pointed out, the bill which we introduce today has a long history before this body, 7,703 printed pages of testimony and many days of floor debate add up to 7 years worth of legislative activity. But during those 7 years about 316,000 persons were killed and millions seriously injured in motor vehicle accidents on our highways. Fewer than half of those victims recovered any portion of their economic losses. In addition to the trauma of their injuries, they and their families had to face the uncertainty surrounding litigation, while watching their savings and other financial resources dwindle. In the past, I have characterized the tort system as the "Trial Lawyers' Economic Relief System." Not supporting this bill is tantamount to financing special interest at the cost of the American consumer.

As a former insurance commissioner for the State of New Hampshire, I am familiar with what consumers want and need from insurance, with what frustrates and angers them. I am also aware of the intricate and difficult calculations which go into the business of providing insurance. An insurance commissioner gets an earful from both the public and the insurance industry, for he is responsible to both.

A consumer pays his premiums to make sure that he will be compensated in the case of an accident. What frustrates and angers him is the situation where he has paid his premiums over the years, yet seems to have purchased nothing—no assurance that his medical expenses or wage loss will be taken care of if he is incapacitated. He feels betrayed and swindled by the company he has paid all those premiums for all those years. If he recovers at all, he must deal not only with his own insurance company's lawyers to make his case, but also with his opponent's—that is, the other driver's—company. It should come as no surprise that the relationships established in such a climate tend not to be cordial. Somebody is bound to be dissatisfied, if not disgusted.

Insurance companies, large and small, are in the business of taking risks. They spend vast resources to calculate costs to the last decimal point; however, under the tort system they have no idea for

what or whom they are at risk. Therefore, they must make decisions based on the assumption that the worst will happen, that the insured will injure—and the insurer have to support—someone at the top of his or her earning power with numerous dependents. In dollar terms, that kind of risk management means high premiums for consumers.

This bill to provide basic minimum standards for State no-fault plans serves both the consumer and the accident victim better. The consumer gets what he has paid for—the assurance that he and his family will be cared for, should the misfortune of an automobile accident occur. The insurance company can make exact calculations because no-fault is a first-party system. The insurance company insures against the known risk of the insured with resulting lower premiums.

The insurance company deals directly with the person it insures, and therefore, must respond to the needs of the insured or lose his business. The incentives flow toward offering better service, faster claims service, for example.

This bill represents an improvement for the consumer over S. 354, the bill we considered in the last Congress, in that it offers a more consolidated and tougher consumer protection section. Not only does this bill embrace the systemic improvements of the no-fault concept—that is, comprehensive benefits paid to every victim promptly and efficiently—but it also include additional benefits for consumers. It assures equitable policies for nonrenewal, cancellation, and modification, ease of access to information about the availability and comparative cost of compulsory coverage, and the accountability of medical and rehabilitation services provided. It also provides that consumers will be protected against the fraud which has riddled some insurance programs. The grand jury investigations in Dade County and cases from New York City have proven that the consumer needs protection against the costs of fraudulent practices—the overall costs to the system which are transferred to the consumer with premium increases.

Another important change is that the elderly who live on reduced incomes, students, the poor, all of those who need it most, get a break under this bill. Under the tort system, they have been subject to underwriting procedures reminiscent of the Salem Witch Trials.

The poor suffer more than any other group from the deficiencies of the present liability system. Poor victims suffer most from the delays of the liability system because of their limited economic resources. Most compensation received by victims while the insurance companies are doing battle in and out of court from collateral sources of reparations, such as health insurance, and wage continuation systems. These resources are often not available to the poor victim.

Adequate medical benefits like the ones contained in this bill are of critical importance to poor people, because they may mean the difference between full rehabilitation and permanent disability. The affluent sometimes have other resources to obtain the treatment they need; the poor must depend on their no-fault coverage. The affluent may be able to pay medical bills and await reimbursements, whereas the poor have to find doctors and other health care providers willing to treat them and wait for future payment. This bill eliminates that discrepancy of treatment.

The poor will also fare better under a basic minimum standards no-fault system which allows tort suits for nonmedical expense damages only for serious accidents, rather than basing standing on the actual expenses of the victim. The dollar amount medical expense threshold which several no-fault States have now is particularly detrimental to the poor. Such medical expense thresholds have the potential of favoring the affluent, because of medical profession standards favoring fees set according to a patient's ability to pay. So, as usual, the poor are caught between the devil and the deep blue sea. They can hardly go to a private physician, whose skyrocketing bills will wreak great havoc with their budgets over the long term. On the other hand, if they go to a clinic or to a provider who offers services on an ability to pay basis, then they reach the tort threshold later than the affluent victim who has suffered the same injury. From the standpoint of fairness, the best choice of threshold is one which uses the severity of the injury rather than any dollar figure to determine which cases remain in the tort system. This bill offers just such a threshold.

Income loss is a major item compensable under a no-fault plan. Under this bill the insured person's actual income would control the premium cost. In other words, the person with a lower income would pay a lower premium, because the insurer knows in advance what the potential is for income loss. The same would apply for students, traditionally high premium payers. Our youthful drivers would pay lower premiums under this bill, because they would have minimum income loss, if injured. While they would be judged by the actuarial facts regarding accident frequency and severity, under this no-fault bill they would not face double jeopardy.

The loss-of-income section fits together with the coordination of benefits section to improve the lot of senior citizens, another group which has suffered under the tort system. Senior citizens living on social security benefits will receive their checks regardless of whether they have been in an automobile accident. This bill permits that unaffected income to be factored into their premiums; thus this bill avoids the consumer's picking up the tab for needless duplicative benefits.

Mr. President, this is an even-handed and carefully considered bill which represents the combination of enlightened and humane social policy with good business practice.

I have been involved personally with the no-fault concept for many years. The bill which we are introducing today has been vastly improved over earlier versions. In the 93d Congress, I testified before the Commerce Committee as New Hampshire's insurance commissioner, and made some recommendations to tighten the bill with respect to medical expense, and to modify it to reflect local economists in State plans. We have an interesting situation in southern New Hampshire with the so-called "bedroom communities" whose residents—numbering in the thousands—commute daily to Boston, Mass. Their needs vary distinctly from New Hampshire consumers who inhabit more rural areas. Yet I felt then and continue to feel now that those varying needs within a State can be better served by an insurance system which the State controls, administers, and regulates.

My opposition to Federal underwriting or regulating of automobile insurance remains unalterable. I was able to support S. 354 in the 94th Congress enthusiastically because it has been modified along the lines I had recommended in the previous Congress. The bill we are introducing today leaves control, administration, and regulation of insurance intact at the State level without overbearing Federal regulation.

I am satisfied as a former insurance commissioner that this system will work, that it is fiscally sound. The insuring public has lived through too many lean years. It deserves better. It will get better with this bill.

Mr. STEVENS. Mr. President, I once again cosponsor the Standards for No-Fault Motor Vehicle Accident Benefits Act introduced by Senator MAGNUSON. The chairman and I have come together before on many occasions to urge the passage of this critical legislation.

On March 31 of last year the Senate, by a narrow margin, voted to recommit the National Standards No-Fault Motor Vehicle Insurance Act. It was the third time in three successive Congresses that we have tried to reform the archaic, inefficient, and anticonsumer automobile accident victim compensation system in the United States; it was the third time that the Committee on Commerce had passed such legislation by overwhelming votes; it was the third time in three successive Congresses that the legislation had failed of enactment.

I hope that someday the American people realize how much they owe to the tenacity and determination of the Senator from Washington. No-fault, like the 200-mile law, will just be known as one of the Commerce Committee's goals that took a little bit longer and required a little bit more of that tenacity and determination.

The bill that is introduced today and that I am cosponsoring is more than just a reintroduction of the bill that was recommitted last year. We have examined the votes of the Senate seriously. In this case, staff was directed to take the legislation apart and put it together again—better than it was before. That has been done. This bill is easier to understand and also more precise.

Most importantly for me, however, and for many of my colleagues this bill executes completely my principal objective with respect to no-fault insurance legislation. It clarifies the relationship, with respect to the compensation of highway accidents, between the States and the Federal Government. Under this bill, the Federal Government has no role whatever except for the action of the

Congress in this act in setting certain basic standards. Everything operational will be done, under this legislation, by the States. The standards are just what they are called: Basic. We have laboriously studied the experiences of States under no-fault laws. As a result of this comprehensive examination Senator MAGNUSON's bill contains the essential basic standards needed if no-fault is to work for the benefit of consumers, who must pay insurance premiums, and victims, who need prompt emergency medical services, rehabilitation, and compensation for their economic losses.

Mr. President, I hope that this legislation will be acted upon quickly by the Commerce Committee, which has already conducted thousands of pages of hearings on the subject, and reported to the full Senate so that we may discuss this and other issues in the course of debate and Senate passage.

ADDITIONAL COSPONSORS

S. 312

At the request of Mr. BELLMON, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 312, to amend the Agricultural Act of 1970.

S. 664

At the request of Mr. BROOKE, the Senator from Rhode Island (Mr. PELL) and the Senator from Oklahoma (Mr. BELLMON) were added as cosponsors of S. 664, the Young Families' Housing Act.

S. 846

At the request of Mr. DOMENICI, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 846, the Water Resources Research and Technology Development Act.

S. 1140

At the request of Mr. HART, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 1140, the Federal Aid in Nongame Fish and Wildlife Conservation Act of 1977.

S. 1167

At his own request, Mr. DOMENICI and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 1167, the Native Latex Commercialization Act.

S. 1315

At the request of Mr. DECONCINI, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 1315, the Bilingual Courts Act.

AMENDMENT NO. 190

At the request of Mr. CHURCH, the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Wisconsin (Mr. NELSON), and the Senator from Montana (Mr. METCALF) were added as cosponsors of amendment No. 190, intended to be proposed to H.R. 3477, the Tax Reduction and Simplification Act of 1977.

AMENDMENT NO. 200, AS MODIFIED

At the request of Mr. DANFORTH, the Senator from Nebraska (Mr. CURTIS), the Senator from Wyoming (Mr. HANSEN), and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of amendment No. 200, as modified, proposed to the bill (H.R. 3477), the Tax Simplification and Reduction Act of 1977.

SENATE RESOLUTION 148—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

(Referred to the Committee on Rules and Administration.)

Mr. INOUYE, from the Select Committee on Intelligence, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 148

Resolved, That the Select Committee on Intelligence, in carrying out the duties and functions prescribed by S. Res. 400, Ninety-fourth Congress, agreed to May 19, 1976, as amended by S. Res. 4 of the Ninety-fifth Congress, agreed to February 4, 1977, is authorized from July 1, 1977, through February 28, 1978, to make expenditures from the contingent fund of the Senate.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,210,000, of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 149—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. CRANSTON, from the Committee on Veterans' Affairs, reported the following original resolution:

S. RES. 149

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Veterans' Affairs, or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $198,843, of which amount (1) not to exceed $20,000 may be expended for the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 150—SUBMISSION OF A RESOLUTION RELATING TO A STUDY ON TAX POLICY TOWARD THE TRANSPORTATION INDUSTRY

(Referred to the Committee on Finance.)

Mr. LONG submitted the following resolution:

S. RES. 150

Whereas, major expansion, improvement, and technological advancement of the commercial transportation system of the United States is required to insure that such system fulfills its role in achieving national transportation objectives; and

Whereas, it is expected that the Federal Government will continue to assist the private sector in financing the needed expansion, improvement, and advancement of that system through tax incentives and revenue measures designed to fund other Federal aid programs which are important in achieving national transportation objectives; and

Whereas, it is essential that actions of Congress concerning such tax incentives and revenue measures be based on a comprehensive and unified review of such tax incentives and revenue measures, and the programs which they finance, and such a review is not now available to the Congress; and

Whereas, the Department of Defense, Department of Transportation Policy Study Commission, and other departments and agencies of the Federal Government are now engaged in studying, investigating, and reporting on various aspects of commercial transportation requirements, policies, and programs: Now, therefore, be it

Resolved, That the Committee on Finance shall conduct a comprehensive study and review of present tax incentives and revenue measures relating to the commercial transportation system of the United States, and the Federal programs which such incentives and measures finance, including, but not limited to a study and review of the direct and indirect benefits, and the cost and impact, of the various methods and forms of providing transportation tax incentive to and raising revenues for transportation programs for the general public and individual transportation modes, agriculture, commerce, industry, and consumers in various regions of the United States.

SEC. 2. The Committee on Finance shall, within twenty-four months after this resolution is agreed to, report to the Senate the results of its study and review under the first section of this resolution together with its recommendations with respect to the methods and forms for tax incentives and revenue measures to finance a national transportation system which achieves the transportation objectives of the United States and is most equitable to the general public.

SEC. 3. In carrying out its responsibilities under this resolution, the Committee on Finance shall consult with the committees of the Congress with an interest in the matter under review and shall consult with the departments and agencies of the Federal Government which are studying and reporting on such matters.

Mr. LONG. Mr. President, there is no industry more important to the national economy than transportation. In a fundamental and crucial way, transportation enters into the cost of almost every economic transaction. In the past few years, Congress has enacted a whole

series of tax benefits and incentives which help assure the availability and efficiency of essential public transportation services. Some Federal incentives and aids date back to the Nation's earliest years. The policies and programs involving tax benefits, incentives and, in general, the use of Federal tax revenues in various ways in the interest of better transportation now amount to a very substantial and multifaceted Federal effort which has never had a unified and comprehensive review.

There is no doubt that major enlargements and improvements of the entire national transportation system will be required in the years ahead for the maintenance of a satisfactory rate of economic growth. It is, therefore, imperative that such a review be undertaken promptly if we are to proceed in a manner consistent with the national interest in a sound, dependable, and efficient transportation system.

I have found, both in my role as chairman of the Finance Committee and as surface transportation subcommittee chairman of the Commerce, Transportation, and Science Committee, that there are numerous unanswered questions which need to be resolved if we are going to have intelligent use of tax measures and moneys in this extremely important industry. No one doubts the crucial importance of transportation to any number of priority national goals. A faltering highway, navigation, rail, pipeline, or air system can fatally undermine some of our most significant national objectives.

To ascertain information not now available to the Congress, it is my intention to order a study by the Finance Committee leading to recommendations concerning Federal tax revenues used in transportation. Such an inquiry is important, I believe, in developing future transportation financing policy.

An efficient, expanding, and improving multimodal transport system significantly helps achieve major national objectives, including those relating to national defense, security and efficient use of our energy supply, economic growth and improved productivity, expanded employment opportunities, reduced inflationary pressures, a proper balance of trade, efficient distribution of ever more urgently needed food supplies, and improved quality of life. There is hardly any aspect of national activity on which transportation does not have an important effect. It is itself one of the largest of all the Nation's industries.

The Nation relies primarily on the private sector for its commercial transport services; but as with other major industries deeply affected with the public interest, the Federal Government has in the past and will continue in the future to perform functions that the private sector cannot perform and, at the same time, stimulate needed expansion, improvement, and technological advance through various incentives, aids and facilities deemed important to the achievement of national interest objectives served by the system.

This study, therefore, will develop a comprehensive and unified review of all Government programs involving tax benefits, incentives, and the direct and indirect use of Federal funds which affect the ability of transportation to function well. The purpose will be to investigate and study relevant direct and indirect measures, programs, benefits, costs, and impacts of various methods and forms of Federal revenue financing which, of course, affect the interests of agriculture, commerce, industry and consumers in the various regions of the Nation.

The suggestion has been made that congressional actions would be much sounder if all direct and indirect Federal incentives, aids, and facilities now benefiting those who use commercial transportation services were brought together in a single transport account. This idea has considerable merit. A combined transport account could enable Congress to be informed currently as to how any particular action fits into the overall transportation picture as actions are taken. Such information is not now available.

I believe that this is a particularly good time to begin a study on this subject because the Department of Defense, the Department of Transportation, the Department of Commerce, the Department of Agriculture, the National Transportation Policy Study Commission, and other departments and agencies are engaged in making various studies, investigations, and reports on various aspects of commercial transport requirements, policies, and programs.

I am hopeful that, following this study, the Finance Committee can report to the Congress its findings and recommendations as to what methods and forms or combination of methods and forms of Federal tax revenue financing of incentives, aids and facilities for the Nation's transportation system may be most equitable to the public in the achievement of national interest objectives.

We have been hearing a great deal recently about the various tax and other incentives and aids to the railroad system. We have general programs of financing for the highway system. Similarly, we have certain programs of Federal financing of airports, airlines, and airways.

We have been urged to review the present method of financing navigation improvement. There are advocates of imposing user taxes on the Nation's harbors, inland waterways, and Great Lakes. Some would single out only the inland rivers for such a tax. It is alleged that Federal investment in navigation is inequitable to competing modes. At the same time, we know that there are very substantial Federal commitments which have benefited and will continue to benefit the railroads. In short, there is a confusion of counsels, arising mainly from a ,lack of unbiased and relevant information.

With respect to the waterway user tax controversy, I have had my staff research a series of bills incorporating various waterway impositions previously proposed, directly or indirectly, by Members of Congress, executive agencies or other governmental bodies. I do not endorse any of these approaches at this time, but I do wish to list them as a means of highlighting the complexity of this issue. I bring to the attention of my colleagues the wide variety of legislative measures which have been advocated in only one area of transportation financing—that of the water mode.

These measures, if introduced as bills would, of course, be subject to the jurisdiction of the Finance Committee. They include the following:

One. Legislation proposed by former Transportation Secretary William T. Coleman, Jr., in December 1976—circulated to the executive agencies but not submitted to the Congress—to levy a uniform fuel tax on shallow-draft, Great Lakes and deep-draft shipping starting at 6 cents per gallon on diesel fuel and $1 per barrel on residual fuel oil, with the level of taxation to double after 3 years if an impact study revealed no deleterious economic repercussions. To this proposal has been added a provision deferring its effective date until the Interstate Commerce Commission certifies that competitive rail rates reflect fully distributed costs, in line with the recommendations of several study commissions, including President Truman's Water Resources Policy Commission, 1950, and the National Water Commission, 1973.

Second. Legislation offered in the 94th Congress by former Senator James L. Buckley of New York (S. 3126) to impose a fuel tax of 4 cents per gallon on commercial operators on the inland waterways, excluding the Great Lakes. A similar provision was offered on the Senate floor as amendment No. 2090 to the Tax Reform Act of 1976.

Third. Legislation advanced by former Transportation Secretary Alan S. Boyd in 1968 to levy a tax on the shallow-draft inland waterways starting at 2 cents per gallon and escalating at 2 cents per year until a tax rate of 10 cents per gallon is reached, with the tax to cover recreational as well as commercial usage. (Gasoline used in recreational craft is already subject to federal tax at an effective rate of 2 cents per gallon but tax revenues from this source are channeled into the Land and Water Conservation Fund).

Fourth. Legislation introduced in the 94th Congress by Representative TOM HARKIN of Iowa (H.R. 15613) to impose a tax of 5 cents per gallon on the fuel used in moving commerce on the inland waterways, including the Great Lakes.

Fifth. Legislation proposed November 26, 1974, by former President Ford and introduced in the 94th Congress by Representative JOE SKUBITZ of Kansas (H.R. 8590) to require "segment tolls" on 20 specified shallow-draft waterway segments at a level sufficient to recover all operation and maintenance costs and also to establish lockage fees for recreational craft.

Sixth. Legislation based on a proposal submitted to the Congress on January 19, 1977, by former Asistant Army Secretary Victor V. Veysey to require recovery of at least 50 percent of the Federal cost of constructing, operating, maintaining, rehabilitating and administering

each waterway segment—shallow-draft, Great Lakes, and deep-draft harbors and connecting channels—through a system of user taxes to be developed by the Secretary of the Treasury. Recreational and passenger craft as well as commercial vessels would be subject to user taxes. In addition, the legislation contains the stipulation that the act will not become effective until the Interstate Commerce Commission acts to regulate railroad rates "in such a way as to encourage the use of the waterways for any traffic that could move by that mode at the least economic cost to the Nation," as so recommended by the National Water Commission—1973—and other study groups.

Seventh. Legislation offered by Congressman FRED B. ROONEY of Pennsylvania, chairman of the Transportation and Commerce Subcommittee of the House Committee on Interstate and Foreign Commerce, in the 94th Congress (Title XI, H.R. 9802) which, as part of a plan to establish a multimodal transportation fund, would impose a tax upon the amount paid for transportation of property by rail, motor vehicle, or water in an amount equal to 5 percent of such amount.

Eighth. Legislation levying a railroad and marine diesel fuel tax as stipulated in the proposed Surface Transportation Development Act of 1975 advocated by the Illinois Department of Transportation which would impose a tax of 4 cents per gallon on diesel fuel used in rail and water transportation—the same rate as existing taxation of highway-related diesel fuel consumption. (In 1975 hearings on railroad revitalization, Congressman BROCK ADAMS of Washington, now Secretary of Transportation, indicated support for "all transportation units paying a similar type diesel tax * * *." In 1976, a special task force on transportation funding of the American Association of State Highway and Transportation Officials considered a uniform 4-cent-per-gallon tax on railroads and waterways, in addition to the present tax on motor vehicles, as one of two alternative proposals to finance the Federal share of an enlarged transportation program.)

Ninth. Legislation based on a transportation financing concept advanced during the 1975 hearings on railroad revitalization which would impose a ton-mile tax of one-half mill per ton-mile on railroad, highway, and waterway commerce.

Mr. President, there is, in addition, at least one other approach which would require all water resource program functions—reclamation and irrigation, water supply, flood control, navigation, et cetera—to operate on a full cost-recovery basis, in line with the specific recommendation of the National Water Commission—1973—the "identifiable users of project services insofar as is practicable and administratively feasible to bear their proportional share of development and operating costs of projects through systems of pricing or beneficiary charges such as special assessments, taxes, and fees."

The above nine bills are representative of the various proposals which have previously been put forward for imposition of certain taxes on waterways and other forms of transportation. In describing these measures, Mr. President, I wish to emphasize the wide range of alternative financing mechanisms which have been discussed in the past. It would be a serious mistake, I believe, to focus on any particular legislative proposals until after we have had an opportunity to examine the fundamental issues involved. The primary question to be resolved is this: What is the proper Federal role in providing transportation assistance in a manner which is equitable, fair and even-handed?

We cannot, of course, develop sensible tax and revenue financing policies which bear on this question until we have a comprehensive review of all direct and indirect incentives, aids, and facilities available to all modes. Ascertaining this information will be one of the objectives of this study.

It is my intention, Mr. President, that the information resulting from the study we expect to develop will lead to specific recommendations. We may find we want to continue and expand what we have done in the past; we may want to change certain of our present policies; we may want to develop new approaches.

In the course of this study, we will be seeking the views of the various Federal departments and agencies, the affected modes of transportation, shippers, and the wide variety of interests involved in providing and operating transport facilities, together with the views of State and local interests, including governmental entities and advisory groups that may be in a position to determine the practical impact and the value of public incentives and aids and the impact of tax and revenue financing methods in transportation.

Finally, Mr. President, I ask unanimous consent that a letter of December 13, 1976, which I addressed to then Secretary Coleman of the Department of Transportation, be placed in the RECORD. This letter was a request that the DOT study, under section 902 of Public Law 94–210, answer a number of specific questions relating to uses of Federal tax revenues in various programs to assist the several modes of domestic transport.

Unfortunately, the inquiry reached Secretary Coleman too late in the previous administration and too near the conclusion of the section 902 study for these specific items to be answered.

I ask unanimous consent that the letter be printed as part of my remarks in order to indicate some of the specific sorts of questions which the Finance Committee study will be designed to answer.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., December 13, 1976.

Hon. WILLIAM T. COLEMAN,
Secretary, Department of Transportation, NASSIF Building, Washington, D.C.

DEAR MR. SECRETARY: In the Rail Revitalization and Regulatory Reform Act of 1976 (Public Law 94–210), the Department of Transportation is charged in Section 902 with making a comprehensive study of the uses of federal tax revenues in various programs to assist the several modes of domestic transport.

As part of its continuing review of our tax laws, the Committee on Finance next session may be examining ways in which the various transportation modes benefit from aids, incentives and facilities which are financed out of federal tax revenues. In order to provide guidance to the Committee and to the Congress as a whole in analyzing relative benefits and advantages enjoyed by the waterway and rail transportation industries, your study should include the following information:

I. *Tax Expenditures:*

A. A compilation and analysis of the dollar amount of federal income tax incentives and concessions of individual railroads and the rail industry as a whole over the past five years, and how these benefits have been translated into low effective tax rates.

This will include types of tax concession, such as rapid amortization and accelerated depreciation and the investment tax credit, which are available to other forms of transportation and to other industries as well as to railroads, but which benefit the railroads and other capital intensive industries disproportionately. Such compilation and analysis should specifically include an accounting of railroad-generated tax savings which are allocated to or taken advantage of by parent or subsidiary companies.

B. An evaluation and projection of the tax savings which are expected to accrue to railroads each year for the next five years under the provisions of recently enacted tax reform legislation.

C. A similar compilation and analysis of tax incentives and concessions used by domestic water carriers.

II. *Government loans, guarantees, grants:*

A. A review of the experience under all government programs for loans, guarantees, and grants to railroads prior to the flow of government funds to faltering Northeast and Midwest roads in the 1970's. This would include rehabilitation loans after World War I, RFC financing, and government guarantees under the Transportation Act of 1958.

B. A comprehensive analysis of all government financial assistance programs for railroads since 1970. This would include the successive sums provided for the Eastern and Midwestern railroads prior to the 1976 Railroad Revitalization Act, as well as the various types and amounts of "railroad rehabilitation and improvement" financing provisions of that Act and the entire structure of financing provided in implementation of the Final System Plan, including later supplemental legislation.

C. As an adjunct to (B) above, an analysis of the capital structure and projected flow of funds and capital requirements of Conrail, to include a projection of the types of government capital which will be required under various assumptions over the next ten years.

D. A compilation and analysis of domestic navigation investment since 1824 and of the use made by domestic water carriers of Title XI construction loan guarantees for equipment financing and such other aids to water transport as are relevant to the domestic segment.

A compilation and analysis of the current value of the government land grants now held by railroads or their affiliates. This would include establishing the flow of income, present and projected, derived by railroads or their affiliates from non-transportation use of those lands, including oil and gas, coal, and other operations.

IV. *Railroad Retirement:*

An analysis of the Federal Government's contribution (directly and through tax benefits) to retirement, survivor, and disability

benefits for railroad employees, as compared to similar benefits for waterway employees.

V. *Passenger Operations:*

A. An analysis of the financial terms under which passenger operations were transferred from the railroads to AMTRAK, and other sources of support and the compensation paid by AMTRAK over the past five years and projected for the next ten years under appropriate assumptions for use of the railroads' right of way, including the financing of maintenance.

B. An analysis of the provisions of the Railroad Revitalization Act affecting passenger operations, including any arrangements for the share of joint freight-passenger costs in the Northeast Corridor to be borne by AMTRAK.

It may be that much or all of this data is already included in your study. If not, however, this information is vital to any fair comparative analysis of the various benefits received by waterway and rail transportation industries, and I trust you will be able to include it in your study before it is transmitted to Congress next year.

I would appreciate your advising me at your earliest convenience whether this will be possible.

Thanking you in advance, I remain

Sincerely yours,

RUSSELL LONG, *Chairman.*

AMENDMENTS SUBMITTED FOR PRINTING

PUBLIC OFFICIAL INTEGRITY ACT OF 1977—S. 555

AMENDMENT NO. 218

(Ordered to be printed and referred to the Committee on Government Operations.)

Mr. RIBICOFF (for himself and Mr. PERCY) submitted an amendment intended to be proposed by them jointly to S. 555, the Public Official Integrity Act of 1977.

FINANCIAL DISCLOSURE AMENDMENT

Mr. RIBICOFF. Mr. President, the distinguished Senator from Illinois (Senator PERCY) and I have joined today in the introduction of an amendment to S. 555. The Public Official Integrity Act of 1977.

This amendment would establish a financial disclosure requirement for all high level Federal officials similar to that which was adopted for Senators and Senate staff. In addition, the amendment prescribes procedures for review of these disclosure statements by each agency to determine the existence of actual or potential conflicts of interest, provides audit procedures and strict enforcement standards.

It is the intention of the Committee on Governmental Affairs to hold hearings May 3, 4, and 5, 1977, on S. 555 and related legislation. The Senator from Illinois and I anticipate that the amendment which we offer today will be used by the committee as a working draft in order to generate comment and discussion regarding the applicability of a financial disclosure requirement to all three branches of the Federal Government.

I ask unanimous consent that a summary of the provisions of the amendment be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF PRINTED AMENDMENT TO S. 555 ON FINANCIAL DISCLOSURE

(1) Public financial disclosure statements must be filed by:

(a) the President and Vice President;

(b) each Member of Congress;

(c) each justice or judge of the United States;

(d) each Presidential nominee;

(e) each candidate for federal office;

(f) each officer or employee paid at the rate of GS–16 or above; and

(g) each member of a uniformed service paid at grade 0–7 or above.

(2) The contents of the financial disclosure statement are identical to the contents of the financial disclosure statement required to be filed by Rule XLII of the new Senate Code of Official Conduct. Therefore, assets, liabilities and unearned income will be listed according to categories of value. There are no requirements for a code of conduct.

(3) The statements will be filed as follows:

(a) Members, officers and employees of the Senate with the Secretary of the Senate;

(b) Members, officers and employees of the House, with the Clerk of the House;

(c) Judges, and justices and all other members of the judicial branch with the Judicial Conference of the United States;

(d) Civil Service and Ethics Commissioners with the Comptroller General and;

(e) All other individuals with the Civil Service and Ethics Commission.

(4) The statements will be subject to random audit as follows:

(a) Members, officers and employees of the Senate and House of Representatives, justices and judges, the President, Vice President and the Civil Service and Ethics Commissioners by the Comptroller General;

(b) All other members of the judicial branch by the Judicial Conference of the United States; and

(c) All other individuals by the Civil Service and Ethics Commission.

(5) General enforcement and review responsibilities with respect to financial disclosure, codes of ethical conduct and other programs for the avoidance of conflict of interest shall be placed as follows:

(a) For Members, officers and employees of the Senate with a committee designated by the Senate;

(b) For Members, officers and employees of the House with a committee designated by the House;

(c) For judges, justices and all other members of the judicial branch with a committee designated by the Judicial Conference of the United States;

(d) For the Civil Service and Ethics Commissioner, the General Accounting Office; and

(e) For all other individuals, the Civil Service and Ethics Commission.

(6) Criminal penalties, not to exceed $10,000, or one year imprisonment, or both are established for willful failure to file or falsify financial disclosure reports. A civil penalty not to exceed $5,000 may be assessed against an individual for failure to file a financial disclosure statement.

(7) Employees at levels above GS–13 but below GS–16 (and certain other employees in responsible positions below GS–13) have to file the same financial disclosure statements as high level officials but the statement is only filed with their agency head and is kept confidential.

(8) The President is directed to designate an official in the Executive Office of the President to provide reports and information to the President concerning the administration of this Act and conflict of interest matters generally, and to review the financial disclosure statements of Presidential nominees.

(9) The Civil Service Commission is renamed the Civil Service and Ethics Commission and an Ethics Division within the Commission is created which is headed by a Director appointed by the President with the advice and consent of the Senate. The Ethics Division is responsible for administering, interpreting and enforcing laws, executive orders and regulations concerning financial disclosure, codes of ethical conduct and other programs for the avoidance of conflicts of interest (except with respect to the legislative and judicial branches of the government).

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977—H.R. 3477

AMENDMENT NO. 219

(Ordered to be printed and to lie on the table.)

Mr. MCCLELLAN (for himself, Mr. BUMPERS, Mr. MUSKIE, Mr. SPARKMAN, and Mr. ALLEN) submitted an amendment intended to be proposed by them to H.R. 3477, a bill to provide for a refund of 1976 individual income taxes and other payments, and to provide tax simplification and reform.

NOTICES OF HEARINGS

PUBLIC OFFICIAL INTEGRITY ACT OF 1977

Mr. RIBICOFF. Mr. President, I wish to announce that on May 3, 4 and 5, 1977, the Committee on Governmental Affairs will hold hearings on S. 555, "The Public Official Integrity Act of 1977," amendments thereto and related legislation, S. 113, S. 290, S. 383, and S. 673.

The hearings will be held in room 3302 of the Dirksen Senate Office Building and will begin each day at 10 a.m.

ETHICS COMMITTEE NOTICE: PROHIBITION OF STAFF POLITICAL FUND ACTIVITY UNDER RULE 49, EFFECTIVE MAY 1, 1977, AND REPORTS DUE THEREON

Mr. STEVENSON. Mr. President, I and Senator SCHMITT, for the Select Committee on Ethics, have notified each Senator of the provisions of rule 49, enclosing copies of necessary report forms. Rule 49 prohibits and controls political fund activity by Senate staff and takes effect May 1, 1977.

I ask unanimous consent that the text of our notification be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. SENATE,
SELECT COMMITTEE ON ETHICS,
Washington, D.C., April 22, 1977.

Re notification under rule 49 to designate staff for political fund activity before May 1, 1977.

U.S. Senate
Washington, D.C.

DEAR SENATOR: Senate Rule 49, paragraph 1, agreed to in S. Res. 110 as part of the Code of Official Conduct, takes effect May 1, 1977. It provides "no officer or employee of the Senate [including staff not paid by the Senate] may receive, solicit, be the custodian of, or distribute any funds in connection with any campaign for the nomination for election, or the election, of any individual to be a Member of the Senate or to any other Federal office."

Nevertheless, the new Rule permits a Senator to designate one or two, but no more, assistants to "receive, be the custodian of, or distribute" such funds, but *not* to "solicit" them, if these tests are met:

1. The designated employee must be on the personal staff and paid from "administrative and clerical assistants to Senators" funds (and therefore may not be a committee "S. Res. 60," Sergeant at Arms or Secretary of the Senate employee, for example).

2. One of the two designated employees—or the single employee if only one is named—must be in Washington, D.C.

3. The employee must be paid at an annual rate in excess of $10,000.

4. The employee must file "a financial statement in the form provided under Rule 42 for each year during which he is designated." This means the designated employee must: (a) file under new Rule 42 a public disclosure of the financial interests of himself, his spouse, dependents and other relatives, on any day his Senate employment ceases after October 1, 1977, and before May 15, 1978, or by May 15, 1978, if still employed, for the period October 1, 1977, until December 31, 1977, or the date of his departure; and (b) file a public statement of contributions and honorariums under old Rule 42 and 44 and a sealed statement of financial interests under old Rule 44, for the entire year 1977 on any day his Senate employment ceases after acecpting this designation or by May 15, 1978.

Rule 49 and its history emphasize that a designated employee may not solicit funds at all, nor spend much time on the political fund activity assignment. Senate Report 95-49 states: "The basic intent of the rule is to prohibit Senate employees from getting involved in the process of raising funds for a political campaign." It further states one reason for the exception for designated staff is that political funds "will often come to the Senator's office mistakenly," and that another reason is the allowed use under Rule 46 of political funds to pay necessary expenses requires a custodian or distributor of such funds on the Senator's staff. The report further states that designated staff "may only hold or accept contributions or deposit them with the appropriate campaign organization;" that the designated individuals "should not be spending much of their time in connection with receiving or handling political funds;" and that if work "engages a substantial portion of the individual's time, that person should go off the Senate payroll and go on the payroll of the campaign committee." In other words, designated staff may not solicit (even to the extent of inviting friends of a Senator to assist in buying his table at a national political dinner) or spend much time handling funds. We add the warning, as well, that, this Rule notwithstanding, it is unlawful to accept any contribution in a federal building.

The Rule 49 prohibitions do not apply to an office employee's performance of such routine clerical tasks as opening a letter which contains a contribution, distributing such mail to the designated employee of the Senator, or mailing the contribution from the Senator's State office to his Washington, D.C. Senate office.

We advise that compliance with Rule 49 requires the following action on your part:

1. Prior to May 1, 1977, and as new staff are hired: advise all staff subject to your supervision of the prohibitions in Rule 49, paragraph 1 (repeated in the enclosed form).

2. Prior to May 1, 1977: file the enclosed form, properly completed, with the Secretary of the Senate (attention: Office of Public Records, Room A-623, Immigration Building). Please note that staff previously designated for political fund activity under old Rule 43 will no longer qualify after April 30 unless redesignated on the enclosed form pursuant to this notice.

3. At any time you designate new staff to perform this activity, amend your designation on file with the Secretary of the Senate by completing and filing a new form with the Secretary.

Thank you for your assistance. If you have additional questions, please call the committee staff (4-2674).

Sincerely,

ADLAI E. STEVENSON,
Chairman.
HARRISON H. SCHMITT,
Vice Chairman.

ADDITIONAL STATEMENTS

INDIA'S CHOICE OF DEMOCRACY

Mr. SASSER. Mr. President, I ask unanimous consent to have printed in the RECORD the following remarks of a constitutent, Mr. M. S. Kanthi. I feel that his comments on the recent elections in India are informative and worthy of consideration.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

INDIA'S CHOICE OF DEMOCRACY

The recent elections to the sixth Parliament of India have indeed sprung many surprises, the most unexpected being the defeat of the Congress Party which ruled this country for thirty years. It is now clear that India is advancing toward a virtually two party system just as in the case of United States or Britain. If this trend is consolidated, it is indeed a most desirable thing in the evolution of this young and the largest democracy. The intense participation of the bulk of the entire nation in the elections, that such unprecedently heavy polling shows, is also a welcome indication of the awareness and alertness of the Indian electorate. For it does serve as a warning to its neighbors that no national government can take the people for granted and that even good intentions cannot make up for bad implementation. The illiterate people of India have unmistakably shown that the basic purpose of using their vote is to preserve human rights and guard civil liberties—both of which are sacred to their land. Indians have shown themselves to be clearly against Marxism and the repressionism of any form. All of these developments infuse a heartening confidence for the entire free world in that—impoverished and ordinary peoples of the developing world know how to apply their political prerogatives.

POSSIBLE AVENUES FOR CLOSER TIES BETWEEN THE UNITED STATES AND INDIA

United States and the peoples of the free world at large should rejoice and be inspired when the poor in India have reaffirmed their faith in the democratic ideals. India is a key country in Asia and its adherence to the basic principles of democratic ideals is a matter of great significance to the U.S. The areas of commonness that could be explored and initiated between these two democratic nations are as below:

(1) The new Prime Minister of India Mr. Morarji Desai has shown clear indications of cooling trend toward the Soviet Union and at the same time he has expressed hopes for strengthening relations with the West and the U.S. in particular. It is now left to the U.S. Presidency to take initiatives both economic and political to start a new era of friendship based on basic principle of freedom—which is the foundation of both these nations.

(2) More U.S. Senators could start making open pronouncements of appreciation and admiration of India's peaceful reaffirmation in democratic ideals.

(3) Few prominent Senators (who are active in South Asian relations) could visit India and assess its needs and aspirations for a better economic life.

(4) New joint ventures between the U.S. and India could be negotiated covering vast areas of industry, education and culture.

(5) U.S. can take initiative in assisting India to check its fast growing population.

(6) Amongst the industrialized nations of the 'Third World' India ranks the top most in its capacity to produce most of the modern machinery—being so U.S. could use this as a base to preserve freedom in other Asiatic nations.

(7) U.S. could use India's leadership as a mediator to solve unsettled problems like the Cyprus and the North South Dialogue being held at Geneva at regular intervals.

(8) It is more meaningful for the U.S. to adopt a policy of friendship and strong alliance toward India. It is only through such closer ties with other democratic nations that the moral of the U.S. foreign policy could be enhanced.

(9) The new Prime Minister of India has indicated that he intends to check the proliferation of nuclear weapons. To this end President Carter should feel more delighted to see that the sixth nuclear power like India is in line with his thinking.

Preserving freedom and by making India a viable country—U.S. would have enhanced the cause of freedom around the world. Other nations of the 'Third World' would no doubt carefully watch the success/failure story of India and the role U.S. plays. All who love freedom are safer today than before the Indian elections. The U.S. Congress, the Senate and President Carter can take pride that —India's new government brings to this ancient land the claim of democracy is valid once again, and the proof was in nearly 200 million secret ballots.

TWENTIETH ANNIVERSARY OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

Mr. MATHIAS. Mr. President, 20 years ago, when President Eisenhower was just starting his second term and the space age had not begun, the Metropolitan Washington Council of Governments was established.

COG was formed on April 11 of that year, and I am proud to call its anniversary this month to the attention of our distinguished colleagues. I have been privileged to serve as a member of COG since my early years in Congress.

This organization was founded not under Government orders, not because of the lure of Federal dollars, but because of the vision and awareness—and the initiative—of the local officials of Metropolitan Washington.

It is a source of pride to me that one of my colleagues in the Maryland General Assembly, former State Senator Edward S. Northrop, of Montgomery County, presently chief judge of the U.S. district court, was one of three elected officials who led the effort to form a regional organization of local elected officials.

COG is the areawide association of the Washington region's 16 major local governments. Its members are those officials who compose the governing bodies of these cities and counties, the elected

chief executives, and the area members of the Maryland and Virginia Legislatures and of the U.S. Senate and House of Representatives.

Through their COG, these officials have worked together over the past 20 years toward solutions to such regional problems as growth, transportation, paying for Metro, inadequate housing, water supply, air and water pollution, and crime.

Members of COG have not solved all of the region's problems over these 20 years, but we have helped to make life better. We have pioneered the efforts to provide more and better housing at a cost which our police officers, school teachers, and Government workers can afford. For this, our cities and counties have received additional millions of dollars in Federal bonuses.

COG showed the way to coordinated air pollution ordinances which are beginning to reduce some of our pollutants, and it is COG which declares air pollution alerts to notify our citizens when the air is becoming unhealthy for some people.

COG is bringing new effectiveness to the regional program to establish the area's first coordinated emergency medical services system, just as it successfully developed agreements enabling police and fire departments to aid each other in emergencies.

Our own Council of Governments is one of several hundred in the Nation. I was privileged to address the annual conference of their organization, the National Association of Regional Councils, last year. I am pleased to be able to say that the Washington COG is clearly one of the Nation's most advanced, most effective regional councils.

I am also proud, Mr. President, that COG, established with the leadership of one Maryland citizen, Chief Judge Northrop, is observing this anniversary year with another distinguished Marylander, Neal Potter of the Montgomery County Council, as its president.

Mr. President, I know colleagues in this body are happy to join me in this salute to the Metropolitan Washington Council of Governments on its 20 years of valuable and productive service to the government of the Washington area and all their citizens.

CALIFORNIA'S FORGOTTEN VICTIMS WEEK

Mr. CRANSTON. Mr. President, this week California, under the leadership of the California District Attorneys Association, will give special attention to the victims of violent crime—our "forgotten victims."

"California's Forgotten Victims Week" April 25–29, has been proclaimed by Gov. Jerry Brown pursuant to a joint resolution of the State legislature. The purpose is to educate and motivate the public and the government to respond to the plight of the victims and witnesses of crimes, and to seek improvement in the criminal justice system.

I applaud this effort and commend Assemblyman Alister McAlister who took the lead in introducing the resolution in the assembly. The resolution was cosponsored by 96 legislators and had the support of many State officials and agencies.

The victims of crime are society's forgotten victims. We daily deplore crime, yet for unfathomable reasons society turns its back on the innocent victims. The treatment of victims of crime is a national shame.

Some in society go so far as to intimate that the victim may have been at fault for the crime, not the assailant. Rape is a worst form of assault. Yet, many victims of rape have testified that although the trauma of rape was awful, it was exceeded by humiliation and neglect showered upon the victim by law enforcement officers, hospitals, the courts, and the public.

The elderly are particularly vulnerable victims of violent assault. Yet the aged victim is often ignored, blamed for walking alone on a public street, and left to public welfare agencies for assistance.

If the victim of a crime hopes to find satisfaction in the courts, he or she is normally doomed to disappointment. At some point in the process the victim usually concludes that society is not at all concerned with his welfare.

Mr. President, a new balance must be struck in favor of the rights of the victims of a crime, and of those witnesses and individuals who aid victims of crime.

We are neglecting one of the fundamental aspects of the administration of criminal justice: We are failing to meet the needs of the victim for compassion, compensation, and restoration of the personal dignity which were torn away by the act of criminal assault.

The arrest, conviction, and punishment of the criminal is only part of the process of dealing with crime. From the victim's point of view it may not be the most important part.

Our police, prosecutors, court officials, and emergency medical personnel should be encouraged to take the time and effort to show the victim of a violent crime the compassion that all of us feel. This may call for an increase in human and financial resources. There should be a nationwide system of compensating the victims of crime similar to California's successful program.

Finally, we should aid the victim of violent crime in regaining his health, and the sense of personal dignity and well-being which often are destroyed by criminal attacks.

I am very encouraged, Mr. President, that California's Forgotten Victims Week will be a week of action, not mere formal observance.

During this week law officials will meet with the public and with other criminal justice agencies to discuss means of easing victim stress and reducing the inconveniencing of witnesses in court. Special attention will be given to the problems of crimes against the elderly. Efforts will be made to establish better coordination among the many separate local programs which attempt in one way or the other to improve court conditions for witnesses and victims of crime.

California's own program of financial assistance to victims of crime will be stressed.

Mr. President, these are worthy activities and I wish the supporters of Forgotten Victims Week much success. I ask unanimous consent that the text of the California Legislature's joint resolution declaring California's Forgotten Victims Week be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. HAYAKAWA. Mr. President, today marks the beginning of a week Californians have devoted to recognizing the plight of victims of violent crimes and to urging citizens everywhere to recognize their responsibilities in restoring effectiveness to the administration of justice. April 25 through 29, California's Forgotten Victims Week, has been officially proclaimed by the California State Legislature and duly endorsed by Governor Brown. Many other public officials, including delegation members, district attorneys, State officials, and mayors, have given their support in similar proclamations and endorsements.

In bringing this week to the attention of our fellow colleagues, I, too, wish to endorse the principles and ideals of California's Forgotten Victims Week. The people of my State do well to remind us that a victim's plight is all too often overlooked and forgotten in the administration of justice. Much has been said in these Chambers about the rights of criminals to a fair trial. How often do we hear about the rights of their victims? We must remember the innocent victims and their families who suffer in silence through long and demanding court proceedings knowing, in most cases, their lives will never be the same.

I applaud the efforts of my constituents to devote their time and attention this week to forgotten victims.

I ask unanimous consent that the text of the State legislature resolution proclaiming this special week be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it so ordered.

(See exhibit 1.)

EXHIBIT 1

RELATIVE TO "CALIFORNIA'S FORGOTTEN VICTIMS WEEK"

Whereas, It is the duty of all citizens and institutions to play positive roles in improving the plight of victims of violent crime and their survivors and to restore effectiveness in the administration of justice; and

Whereas, According to the National Institute of Law Enforcement and Criminal Justice in Washington, D.C., older citizens in this country suffer more crime than almost any other group and seldom fully recover, financially, physically, or psychologically; and

Whereas, The criminal epidemic has been projected as likely to affect, directly or indirectly, one of every three Californians in 1977, with the poor and minority citizens more likely to be victims than most other groups; and

Whereas, "California's Forgotten Victims Week" is being observed to provide a framework for two broadly based educational programs to be simultaneously conducted in Sacramento and Los Angeles during the week of April 25 through April 29, 1977; and

Whereas, Assistance has been solicited and is expected from the Law Enforcement Assistance Administration, the Los Angeles Witness Project, the Office of Criminal Justice Planning, the National District Attorneys As-

sociation, the California District Attorneys Association, the California Peace Officers Association, the California Sheriffs Association, the California Police Chiefs Association, the Sacramento County District Attorney's Office, the Los Angeles County District Attorney's Office, the California Commission on the Status of Women, the California Chamber of Commerce, the California Labor Federation, the California Office of Aging, and the League of California Cities, with business, labor, and professional associations expected to assist; and

Whereas, The Members desire to take this opportunity to encourage the Honorable Edmund G. Brown Jr., Governor of the State of California, to officially proclaim April 25–29, 1977, as "California's Forgotten Victims Week"; now, therefore, be it

Resolved by the Joint Rules Committee of the Senate and the Assembly, That the Members extend public recognition to the observance of "California's Forgotten Victims Week," April 25 through April 29, 1977, and urge the citizens of the state to become aware of their responsibilities to restore effectiveness of the administration of justice and the need to improve the plight of victims of violent crime and their survivors; and be it further

Resolved, That a copy of this resolution be transmitted to Governor Edmund G. Brown Jr., and that suitably prepared copies be transmitted to the Law Enforcement Assistance Administration, the Los Angeles Witness Project, the Office of Criminal Justice Planning, the National District Attorneys Association, the California District Attorneys Association, the California Peace Officers Association, the California Sheriffs Association, the California Police Chiefs Association, the Sacramento County District Attorney's Office, the Los Angeles County District Attorney's Office, the California Commission on the Status of Women, the California Chamber of Commerce, the California Labor Federation, the California Office of Aging, and the League of California Cities.

LASTING PEACE IN THE MIDDLE EAST

Mr. PACKWOOD. Mr. President, I know many of our colleagues share my belief that one of the most critical objectives of U.S. foreign policy should be the establishment of a lasting peace in the Middle East—a peace which guarantees the sovereignty, territorial integrity, and political independence of Israel and all other States in this troubled area.

The question, of course, is how can this goal most readily be achieved. Prof. Hans Morgenthau, long one of America's most distinguished political scientists and theorists, has written an extremely illuminating examination of the various military, political, and philosophical beliefs that influence the delicate balance in the Middle East. In his analysis, he recommends strongly that current U.S. policy should be directed toward guaranteeing Israel the defensible, recognized borders that are so necessary to Israel's survival.

Because many Senators may not have had an opportunity to read Professor Morgenthau's article, Mr. President, I ask unanimous consent that it be printed in the RECORD for their review.

I also ask unanimous consent that a memorandum from the American Israel Public Affairs Committee be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INDEFENSIBLE BORDERS—THE THREAT TO ISRAEL'S SECURITY

(By Hans J. Morgenthau)

Israel lives because it has been able to maintain itself against those who have tried to destroy it. It owes something to aid received from the United States and to support from Jews throughout the world. It owes nothing to United Nations resolutions or the preferences of the great powers. Had either prevailed, Israel would no longer be around. It has survived because it demonstrated that it could not be destroyed.

This stark and simple reality not only explains the history of the State of Israel but also foreshadows its future. More particularly, it is responsible for the change in Arab strategy that, at least for the time being, has moved the focus of the Middle Eastern conflict from the battlefield toward the conference table. The shift is due to the experience of four defeats in war suffered by the frontline Arab states. The government of Egypt, certainly, cannot be insensitive to the likelihood that a fifth such attempt at the elimination of Israel will end in still another failure.

Consequently, the Arab states have chosen diplomacy as the continuation of warfare by other means in order to achieve their ultimate goal: the destruction of the state of Israel. Since Israel cannot be forced militarily to retreat from defensible frontiers, it must be induced to do so by diplomatic pressure—backed by world public opinion so-called, especially as manifested in the United Nations. After this is accomplished, the next step is a matter of logical necessity. For when Israel is no longer able to defend itself, it will be at the mercy of its Arab neighbors.

If this analysis is correct, then the much-discussed present and future intentions of those neighbors are irrelevant. True, unlike fanatics and lunatics, nations do not allow goals incapable of attainment to misdirect their foreign policies for any length of time. But when what appeared to be unattainable yesterday becomes attainable today, intention will follow opportunity. The Arabs have abandoned their objective of driving the Israelis into the sea because it has proved to be beyond their capability. Once Israel is reduced to an indefensible blot on the map, however, the temptation to administer the *coup de grâce* will be irresistible. That is clear from the deeply ingrained and frequently murderous hatred which traditionally marked Arab treatment of the Jewish population of Palestine, long before the establishment of the State of Israel in 1948.

(It should be noted in passing that current speculations about Russian intentions similarly miss the point. Are the Russians satisfied with nuclear equality, or do they aim at superiority? Their position in this respect is very much like ours. Both of us are at present satisfied with equality, for that is the best both of us can get. But this does not preclude either of us from welcoming superiority if there were a way to achieve it.)

It is therefore both futile and misleading to listen anxiously for voices of "moderation" from Arab heads of state, let alone the Palestine Liberation Organization (PLO). These voices have been, as it were, very moderate in their moderation, and they have fallen far short of accepting Israel as a legitimate member of the community of nations. Moreover, the rhetoric address to the Western world differs significantly, in tone as well as substance, from what the Arab leaders are telling their own peoples. At home, unyielding animosity is the order of the day. How thin the veneer of Arab moderation actually is can be measured, too, by the ceaseless anti-Israel propaganda the Arab states indulge in within and outside the United Nations.

Take, as one example among many, the operations and report of the United Nations Committee on the Exercise of the Inalienable Rights of the Palestine People, established by the 1976 General Assembly at the instigation of the PLO. The report questioned retroactively the legality of the 1947 partition that officially created Israel, and hence the Jewish State's right to exist. Nevertheless, Arab speakers praised its mildness and even "magnanimity,' dismissing its call for the dismemberment of Israel as a "linguistic nuance." The then United States Ambassador, William Scranton, declared the report "unfair," "senseless" and "totally devoid of balance, with conclusions that are unworkable and recommendations which prejudge the outcome of negotiations."

The bifurcation of Arab propaganda would make it extremely difficult for the Arab governments to embark upon a policy of conciliation and compromise vis a vis Israel. If they were to move toward recognition of Israel's legitimacy as a sovereign nation, they would be condemned out of their own mouths as traitors to the Arab cause.

The likelihood of such a development, though, is remote. The Arab leaders have been emphatic in denying the possibility of peace with Israel in this generation, regardless of the concessions Israel might offer. The best that can be expected is a cessation of the state of war—that is, an ill-defined, precarious, intermediate stage between peace and war. The scales might indeed tilt toward peace, the peace of the cemetery, if Israel were weakened to the extent that it was unable to defend itself.

That is the crucial issue of the pre-conference negotiations: How much can Israel afford to concede to the Arabs without jeopardizing its very survival? There is only one standard by which this question can be answered: the preservation of adequate military power. For just as the Arabs have chosen for the time being to pursue their ends through diplomacy because they have found it too risky to challenge Israel militarily again, so they will choose peaceful coexistence with Israel if they find this to be their only rational choice.

It is obvious that in this scheme of things the United States occupies a key role. Its position has from the outset been self-contradictory. On the one hand, the United States has supported Israel politically, economically and militarily to the point where its existence has been assured. On the other hand, it has intervened in the four Middle Eastern wars to save the Arab states from complete military collapse. In other words, long before Henry Kissinger started to become the advocate of Arab interests in Jerusalem as he was the advocate of Israeli interests in the Arab capitals, the United States was pusuing an "evenhanded" policy in the Middle East, assuring the survival of Israel and preventing it from becoming the military master of the region. But more will be expected from Washington in the negotiations now planned.

To suit American policy, a peace settlement must meet three requirements: the satisfaction of Arab aspirations, the chance for Israel to preserve itself in the midst of hostile Arab states, and the maintenance of a balance of power between Israel and the Arab states. The simultaneous fulfillment of these requirements would tax the ability of a Kissinger and is probably beyond the ken of his successors. They are likely to be concerned more with legal documents recognizing the right of Israel to exist, or at the very least not expressly denying that right, than with Israel's military security. In these circumstances, Israel will be asked to give up territories essential for its defense in exchange for assurances recognizing its new, indefensible frontiers as inviolate. Israel will be legally guaranteed what it has to give

up in reality; the security of its future. A bargain falling short of this result would not be accepted by the Arab states.

And failure to bring it about would conjure up two consequences that in different ways would put in jeopardy the wider interests of the United States. The frontline Arab states have consciously exchanged the American for the Russian card. They are free, and will be encouraged by the Soviet Union, to reexchange these cards when they have concluded that the American is no better than the Russian one. The reappearance of the Soviet Union as active factor in the Middle East, hostile to Israel, would not only ruin all attempts at a negotiated settlement but would also place new emphasis upon the alternative, always lurking ominously in the background, of war.

Secondly, also always lurking in the background is the ability of the oil-producing Arab states to impose another oil embargo. This would greatly embarrass the United States and could plausibly threaten the ruin of some of its allies. It is of course apparent, in spite of disclaimers to the contrary, that Western dependence on Arab oil weakens the hand of the United States in negotiations with the Arab states. The threat of another embargo does not need to be articulated; it is inherent in the objective situation. It is the check that in this game of bluffs and counterbluffs, threats and counterthreats, remains firmly in the hands of the Arab states.

Finally, although President Jimmy Carter's statements in support of Israel have been as emphatic as those of his predecessor, the new Administration does not, any more than President Ford's did, present a united front on behalf of Israel. Since the establishment of the State of Israel, a group within the State Department, now strengthened by backing from the military and influential sectors of public opinion, has endeavored to check and, if possible, undermine, the Presidential support for Israel. The recent maneuvering to cancel the sale of concussion bombs to Israel, at the center of which appears to have operated the National Security Advisor to the President, continues an old tradition: If you cannot stymie a policy through head-on opposition, manipulate its executors in such a way as to frustrate their policy by making it appear you are actually supporting them.

The substitution of legal recognitions and promises for tangible military advantages is likely to be the main weapon friends of the Arabs, and even well-meaning by unwitting friends of Israel within the American government, will use to bring Israel to terms. In particular, one ought to watch out for the effort to change defensible frontiers guaranteed by Israel's military might for indefensible frontiers guaranteed by the United States either alone or in concert with other powers. History shows that such guarantees do not withstand the pressure of contrary national interests.

Imagine another Middle Eastern war following a settlement that has left a weakened Israel depending upon great-power guarantees. Is it likely that these guarantors of the status quo will take up arms on behalf of Israel against its Arab neighbors? And even if the answer to that question were in the affirmative, military aid would be too late to save the status quo. Thus to be serious about the survival of Israel means not only to indulge in the rhetoric praying homage to it, but to pursue a policy that actually serves this purpose.

[From the American Israel Public Affairs Committee, Mar. 15, 1977]

MEMORANDUM—DEFENSIBLE BORDERS FOR ISRAEL: KEY TO PEACE

Since 1948, the absence of defensible, recognized borders has encouraged Arab aggression against Israel and postponed a genuine peace settlement. UN Security Council Resolution 242, the only plan for a Mideast peace which has been accepted by both Israel and the Arab states asserts: ". . . a just and lasting peace in the Middle East . . . should include . . . Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force." Israel's desire for secure and defensible borders should be supported by the United States in its quest for a durable peace.

THE FACTS

1. The pre-June 1967 borders were merely armistice lines. They were never recognized by the Arab states as permanent international boundaries and were repeatedly penetrated by acts of Arab aggression. Located close to Israel's population centers, the pre-June 1967 lines promised an easy victory to would-be Arab attackers. Before 1967, all Israeli government buildings in West Jerusalem—including the Israeli Knesset (Parliament)—were within easy mortar range of Jordanian forces in nearby East Jerusalem. Jordan's army on the West Bank was but nine miles from the Mediterranean Sea, poised to cut Israel in two in less than an hour. Eighty percent of Israel's population was concentrated nearby, and all of Israel's cities were within artillery range.

2. In 1948, the armies of five Arab nations stormed across Israel's UN-mandated boundaries at the moment of Israel's birth. Those attacks were repelled and Armistice lines were drawn in 1949. From 1953 onward, the Sinai and the West Bank were used by terrorists to hit Israeli civilian settlements and murder hundreds of people. From 1950 until 1967, Israeli farmers and settlements in the Huleh Valley were regularly shelled and fired upon by Syrian forces on the Golan Heights above.

3. In the mid-1960's, Syria and Jordan began a project to divert two of the three sources of the Jordan River—the Baniyas and Hasbani rivers—which were controlled by Syria. This action was initiated in order to deny Israel its major source of water. Adjustments in the Golan borders are needed to eliminate both this threat and Syria's potential of shelling northern Israel from the commanding position of the Heights.

4. The Egyptian blockade at Sharm el-Sheikh of the Gulf of Eilat was a major factor leading to the outbreak of two wars—in 1956, and 1967. In May 1967, the Egyptian presence at Sharm el-Sheikh at the tip of the Sinai peninsula allowed Egypt's President Nasser to order a blockade of Israel's access to Asia and Africa through the Straits of Tiran—a clear act of war under international law. Five Egyptian divisions massed in the Sinai and Gaza ready to strike at Israel, while two Syrian and two Jordanian divisions were poised in the Golan and West Bank, respectively. A peace settlement must affirm clearly that the Straits comprise an international waterway, and Egypt's ability to again blockade must be eliminated by Israeli control and presence at Sharm e-Sheikh.

5. Before 1967, Israel did not have any strategic depth. Egyptian aircraft based in Gaza were less than five minutes flying time from Tel Aviv. Today, Egyptian aircraft are 30 minutes from Israeli cities, and Israel's air defense is much more capable of defending Israel's population and of responding to any surprise attack. Before 1967, Israel lacked a strategic buffer of warning space in the event of an attack. Israel, unlike its Arab adversaries, depends not on a large standing army, but primarily on mobilization of a reserve citizens' army. Despite the vaunted fighting skills of the Israel Defense Forces, Israel requires at least 48 hours mobilization time to mount a credible defense. Israel is economically incapable of keeping reserve forces on active duty for a prolonged period of time, or of calling up reserves frequently. During the 1973 Yom Kippur War, it was the strategic depth afforded by the Sinai and Golan which allowed Israeli forward units to hold off vastly superior Egyptian and Syrian forces while the Israeli Army mobilized and deployed. With the range of today's surface-to-air missiles now in Arab hands, a return to the 1967 borders would allow Egypt, Syria, and Jordan to control almost all of Israel's airspace. A hair-trigger situation would be created by a return to the pre-1967 lines, making a new war more likely and U.S. involvement more probable.

6. There is an extreme asymmetry of the two sides. Israel's 3.5 million citizens are surrounded by 134 million Arabs; Israel's 28,500 square miles (which include the administered territories) are surrounded by the Arabs' 5,300,000 square miles. Israel's military victories over the Arab states have not threatened their very existence as sovereign states or the lives of their civilian population. In contrast, military defeat of Israel would mean the physical extinction of a large part of its population and the political elimination of the Jewish state.

CONCLUSIONS

Clearly then, the issue of defensible borders is a concern for both Israel and the United States. But truly secure and defensible borders must be agreed borders, pointing thus to the need for direct, face-to-face negotiations to build trust and move towards reconciliation. Recent history has shown that geography is still the best guarantee of a nation's own security rather than paper assurances and third party guarantees. The fact that this is an era of long-range missiles does not mean that territory is no longer significant. A country can only be conquered when its territory is invaded by foot soldiers and tanks. Defensible borders for Israel can be the bulwark against war and the cornerstone of peace at the same time, increasing and promoting security by their presence.

WATER POLLUTION

Mr. MUSKIE. Mr. President, recently our distinguished colleague from Iowa, JOHN CULVER, addressed the Association of Metropolitan Sewerage Agencies, AMSA, at its annual legislative meeting in Washington, D.C. This association consists of the operators of the municipal wastewater treatment facilities of our major metropolitan areas.

In his speech, Senator CULVER underscored the need to continue our national commitment to clean our waters while recognizing that some changes may be in order. And he stressed the accomplishments we have made to date.

The Subcommittee on Environmental Pollution, which I chair, will soon begin oversight hearings and legislative consideration of the Federal Water Pollution Control Act Amendments of 1972. This will be an indepth examination designed to find ways to improve the ambitious clean water program on which we are embarked.

The subcommittee is fortunate that JOHN CULVER is a member. His intelligence, diligence, and far-sightedness will be invaluable to our deliberations.

I believe Senator CULVER's remarks present an important examination of the dynamics of our water pollution control program, and I commend his speech to our colleagues. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech

was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JOHN CULVER

It is a privilege to meet with you members of the Association of Metropolitan Sewerage Agencies for this early morning fireside chat. I am happy to be here and want to thank Ron Linton and Lee White for inviting me.

It would be impossible to find a group of people more thoroughly aware of the importance of adequate supplies of clean, fresh water to our country and to the world than you who are gathered here this morning. Despite the acute drought conditions we are experiencing in this period, energy still ranks ahead of water as a glamor issue in the public's concern.

As you know, they are in the process of setting up a House Select Committee on Energy to help implement the President's energy proposals, and apparently Speaker Tip O'Neill is having a regular stampede of Members who want to be on the committee. When asked how many had applied, one of Tip's assistants replied—"435."

Yet, it is ironic that any scientific long range projections of priority global problems would put the possibility of severe water shortages at the top of the list. Moreover, many of our available energy sources are dependent on adequate water supplies.

It is interesting to note that Kuwait, which is one of the OPEC countries awash with oil, has virtually no fresh water supplies and depends heavily on desalinized sea water.

I note that you have some highly qualified professional staff members from Congress on your program who will deal with specifics of legislation coming up before the 95th Congress. For my own part, I would like to deal with some of the broader aspects of water pollution control policy that underly the legislative job we have ahead of us.

The whole problem area is awesomely massive, complex and technical. It would be nice we think at times, to retreat into the past, the "good old days" when life was less complicated and on a smaller scale. There is a considerable following now for E. F. Schumacher's philosophy of "small is beautiful." We can learn some useful things from this philosophy, but the realities are that while small may be beautiful, big is here to stay and to be dealt with.

In pollution control, as in other major areas of public policy, I am an ardent believer in the imperative need to develop long range foresight capability. Futurists deal with what they call "alternative futures," based not on certainties but on highly likely possibilities. Obviously the future is not always a direct continuation of the past. If nuclear war or some other world disaster strikes or if we experience a revolution of new breakthroughs in technology, then all bets are off.

But much of what will take place in the years ahead can be foreseen by careful study and planning and many crises can be avoided before they roll over us from the blind side.

I know that when I talk about the need for developing foresight expertise and exercising the discipline of long range planning, I am getting into an area in which you people live and have your professional being. I know, for example, that you are interested in an ongoing struggle for longer range funding to permit longer range planning, and this aspect of your problems will be carefully considered by the Congress.

Although America is still a comparative oasis among other countries in a world of spreading global shortages, it is clear to all of us that in the third century of our republic, we must develop new attitudes and new methods in the management of our natural resources.

In the first 200 years, we proceeded along developmental lines that were roughly the same from the beginning—aggressive geographical expansion, unlimited economic growth, lavish use of resources, and unplanned use of space and energy. Now we must proceed in a more rational, disciplined, and foresighted way if we are to continue the good life.

The environmental laws, written primarily by the subcommittee on environmental pollution on which I serve are an important beginning. Their commitment to the future is staggering in its scope—but it must be met. We have all been part of the problem; we must all be part of the solution.

The '76–'77 drought has gone a long way to awaken the public awareness to the seriousness of the water problem. Americans in the far west have always been concerned about water shortages, but we in the midwest and eastern states have taken our water supplies for granted as a limitless resource.

The suggestion some citizens made to the President during this past winter—that we should load snow from upstate New York on flat cars and ship it to the drought areas—may have been naive and impractical, but it shows the awakening of some elementary awareness to the problem.

However, even with this winter's drought that has made water scarce in most areas of our nation, most Americans probably see this shortage as a temporary problem only. However, scientists warn that the present situation could represent the early phase of a major climate shift that could continue for years or could at least recur more frequently than in past decades.

As you professionals well know, and as the American people should begin to realize, although water is one of the most abundant materials on earth, almost 99 percent of it is inaccessible for human use. Nor have we yet made any major technical breakthrough to convert these sources of water—such as the oceans, icebergs and polar snowcaps—to human use.

In the meantime both domestic and industrial demand for water keeps increasing at an accelerated rate. For instance, it is estimated that producing a ton of steel requires 40,000 gallons of water, and making a ton of paper requires 250 tons of water.

You all know the story of the critical point to which the deterioration of the nation's waters had come at the beginning of the present decade. By 1971, 29 percent of the country's lakes and rivers were polluted, according to a council on environmental quality report.

The response of Congress came in the form of the 1972 Federal Water Pollution Control Act amendments (P.L. 92–500), one of the most important and far-reaching laws ever enacted.

While congressional efforts prior to 1972 had failed to keep water pollution from increasing both in outright tonnage and in lethality to man and aquatic species, the 1972 legislation represented a landmark in one strategy to control discharges of effluent into our waterways. It also marked a fundamental re-thinking of our national pollution control policy. Instead of selective enforcement against the worst offenders, all polluters were to be regulated under a nation-wide permit program. And major funding was authorized for municipal treatment construction grants in order to carry out the mandate of the legislation.

There is no doubt we have made significant progress under the changes mandated in 1972 in cleaning our water—from both industrial and municipal sources—and I commend you members of the association for your part in this.

We have cleaned up major waterways that once were dead. For example, the Rouge River in Detroit used to be choked with a mounting tide of sewage, chemicals, waste oils, acids and paper sludge, and a quarter-inch thick coating of oil covered the shoreline. Now the water qualty in the river has improved so much that you can fish from it in front of Cobo Hall.

In contrast with these successes, we have also had a substantial number of set-backs, lags and delays. The Potomac River is still a national disgrace and New York Harbor remains stagnant. Eighty-one per cent of over 200 lakes recently studied by the E.P.A. are in an advance state of eutrophication.

In the Implementation of P.L. 92–500, some mid-course corrections are undoubtedly in order. But the commitment and objectives are still sound.

As a member of the Senate Subcommittee on Environmental Pollution, I intend to participate in a thorough examination of the specific provisions of this program in the months ahead. This has always been the firm commitment of Senator Ed Muskie, who chairs the subcommittee, and Chairman Randolph.

I can assure you that the subcommittee will be willing to work with you and other experts in the field about the mechanics of the program. In order to preserve the central legislative intent, the subcommittee has resisted piecemeal amendments that have been offered up to this point.

The constraints of the Federal budget are more stringent than perhaps ever before, but I believe the recent decision by the committee to authorize $4.5 billion annually for fiscal years 1977 and 1978 demonstrates our desire to maintain a strong level of Federal funding. I know that many cities have a backlog of projects ready to go. The Metropolitan Sanitary District of Greater Chicago, for instance, has $1.3 billion in construction plans for sewer runoff tunnels, approved and awaiting Federal funds.

The difficulties in keeping faith with America in controlling the pollution of our fresh waters remain enormous. The nation has many other priority needs and the competition for public funds will be of unmatched ferocity. The nation is struggling to get back on the expressway to economic recovery, and it is necessary to seek a careful balance between the needs of economic growth and of environmental protection.

But one thing is clear. For the benefit of ourselves and of generations to come, we cannot abandon our commitment to clean water USA.

SENATOR PELL TO RECEIVE GOVERNOR'S ARTS AWARD

Mr. JAVITS. Mr. President, later this month, one of our colleagues will receive recognition in his home State which he most richly deserves. On April 29, Senator CLAIBORNE PELL will be presented with the Governor's Arts Award for 1977 by the Rhode Island Council on the Arts. Anyone familiar with Federal support of cultural activity need not be told of the leadership and diligence which CLAIBORNE PELL has provided as the chairman of the Arts and Humanities Subcommittee since its inception over a decade ago. While I have labored for almost three decades to first establish and then enhance the Federal support for cultural activities, I look upon my collaboration with Senator PELL in 1965 as being one of the greatest legislative hallmarks in this vital area which reaches the life of every American.

The Rhode Island Council on the Arts is making this presentation in conjunction with its 10th anniversary celebration. I think it is noteworthy to examine the growth of artistic and cultural activity over the last decade which has been markedly stimulated by the crea-

tion of the National Endowment for the Arts and the subsequent establishment of State Arts Councils. This success has been characterized by cooperation from all levels of Government and private sources. I believe this was stated best by NEA Chairman Nancy Hanks in her congressional testimony of November 12, 1975: At this time, Chairman Hanks stated:

One of the most remarkable achievements of the past ten years is that unprecedented partnerships have been forged between all sources of support for cultural activity. Of course, the situation could be better. But, we are developing a method of encouraging the arts that is totally unique and better than any in the world.

Another achievement has been a major strengthening of what might be called our "cultural base," both individual (our artists) and institutional—in both numbers and quality.

There is a tremendous development of talented artists all over the country. This is particularly noticeable in the craft arts, the folk arts, the poets and writers, the photographers, musicians, architects. There are still major concentrations in New York and on the West Coast, and probably always will be.

There has been an incredible expansion in the number of activity of cultural institutions.

Today, there are more than 50 resident professional theaters instead of approximately 15 a decade ago.

The 60 resident professional dance companies have increased from a mere 10, ten years ago. There is every reason to believe that one of the reasons for this phenomenal growth is the level of interest raised in dance by the national Dance Touring Program.

Regional film centers did not really exist ten years ago. There are now approximately 25. Film as a major art form has been given growing emphasis.

Orchestra and opera company seasons have expanded to meet the needs of their communities.

Museums have increased in number and especially in the quality of their offerings and community services.

There are numbers of community cultural centers that did not exist ten years ago.

Communities and campuses all over the country have art centers.

There are many literary magazines, though all struggling—that bring the brilliance of our young writers to ever-broadening readership.

The members of these Committees of the Senate and House, and your colleagues who are members of the Appropriations Committees, should be aware that people all over this country rightly believe that the support and encouragement of the Congress of the United States is importantly responsible for the situation as I describe it today.

The National Endowment for the Arts has acted as an essential catalyst in making this decade of growth and its potentials possible. The members of the National Council on the Arts are very pleased with the programs which are in operation now and which are summarized for you in Chapter V of this testimony, "The Past and Present." We believe that these programs are working well. They are under constant review by the panels and Council, they are receiving a continuing positive reaction from our constituencies, both artistic and public, and they should be continued.

Growth in the arts can be measured by the interest expressed by the population. This country over the last decade has experienced a virtual explosion of interest in cultural affairs. Data compiled by NEA show this increase most graphically. I ask unanimous consent that a table prepared by the Endowment be printed in the RECORD to illustrate the growth of cultural organizations over the decade 1965–75.

Mr. President, I should like to add my commendations to the people of the State of Rhode Island in honoring their senior Senator for his contribution to the arts. I am sure that this award, only one of many which Senator PELL has received marking his dedication and success in this vital field, will simply serve to inspire the gentleman from Rhode Island to further successful efforts in increasing opportunities for cultural activities to the citizens of his home State and of the Nation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED GROWTH IN SELECTED CULTURAL FIELDS, 1965–75

Field	Number in 1965	Number in 1975	Number supported by arts endowment
State arts agencies	12	55	55
Community arts agencies	175	900	29
Museums	1,700	1,880	413
Art	(320)	(350)	(321)
Science	(270)	(290)	(58)
History	(640)	(705)	(17)
Combination	(470)	(535)	(17)
Professional orchestras	58	105	105
Professional opera companies	27	45	43
Independent schools of music	20	17	9
Resident professional theatres	15	50	45
Developmental theatres	10	95	79
Resident professional dance companies	10	51	19
Professional touring dance companies	27	87	73
Regional media centers	1	29	20
Graduate programs of arts administration	0	14	5
Community cultural centers/ expansion arts	6	25	16
Small literary magazines	450	700	161
Independent presses	200	350	67
Total, number of groups	2,711	4,403	1,139

BEA ROSENTHAL IS HONORED

Mr. RIBICOFF. Mr. President, Beatrice Holt Rosenthal of Waterford, Conn., has devoted her life to public service.

An energetic, imaginative, and highly intelligent woman whose taste for colorful hats always signalled her presence at any gathering, Bea Rosenthal enjoys a unique place in Connecticut's politics and human events.

She is admired and respected and held in deep affection by persons of all political persuasions.

Bea represents the very best in what I believe to be a typical American tradition of citizens who take an active part in local and State politics. These men and women give much of themselves and ask for little in return. Their satisfaction comes in doing a good job—for their community, State, Nation, and political party.

A hard working, enthusiastic Democrat, Bea Rosenthal's positions in her party have ranged from being town chairman of her hometown of Waterford to being national committeewoman from Connecticut.

While she has demonstrated a strong sense of loyalty to the Democratic Party, Bea Rosenthal's more basic loyalty is to the principle of striving to make the democratic ideal a reality.

By her actions and demonstrated good will toward all, Bea Rosenthal has earned the reputation for being a person who, although she may be an opponent, plays according to the rules of civility and decency. She is respected by Republicans and Independents, as well as Democrats, for being a woman of principle.

As one Republican leader has remarked about Bea:

I learned more from Bea Rosenthal about politics than I ever did from any Republican.

Bea Rosenthal's interests are not limited to politics. She has made major contributions in Connecticut in support of many community projects, devoting her talents to improving education, health care, medical research, and the arts.

Bea Rosenthal is one in a million. There will never be another like her.

Some 600 persons from southeastern Connecticut and throughout the State took part in a well deserved tribute to Bea Rosenthal in Norwich on April 15, 1977.

The New London Day commented on the significance of this tribute in an editorial of April 15, 1977. The Day reported on the event itself in an article on April 16, 1977. Mr. President, I ask unanimous consent that the editorial and the article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A DAY FOR BEA

This might properly be known as Bea Rosenthal Day in Southeastern Connecticut. We cannot think of another woman in our midst who so richly deserves the tribute she will receive at a gathering tonight of sincerely appreciative friends and neighbors at the Norwich-Sheraton.

Beatrice Holt Rosenthal is perhaps best known to the public as a most effective political leader on the local, state and national levels. Most recently, she was an influential member of the Democratic National Committee from Connecticut. Indeed, she was held in the highest esteem by four Presidents—Roosevelt, Truman, Kennedy and Johnson—for whom she worked tirelessly here and around the nation.

And a lot of us also associate her with those distinctive, colorful and becoming hats she herself fashioned. Hats are great conversation pieces but it is what's under them that counts.

The tribute tonight has little to do with politics or with hats, in or out of the ring. It was arranged almost overnight by an ad hoc committee who define themselves as Republicans, Democrats and people of no particular political persuasion.

It represents long-overdue recognition of Bea's leadership in such diverse humanistic fields as children's welfare, education, health programs, retardation, mental illness, aid for the blind and the deaf, historic preservation, libraries, the arts—the list of worthwhile causes which have benefitted by her loving attention and her remarkable mind is all but endless. In some way or another over a period of more than 50 years, she has

touched the lives of virtually everyone who reads these words.

There is much, too, that is not widely known. For Bea Rosenthal, daughter of a college president, member of a family which settled Woodstock, Conn., and widow of Capt. Josseph S. Rosenthal, a former commanding officer of the old Coast Guard Training Station in Groton, did not confine herself to formal good works. Her compassion raised the spirits of countless individuals beset with reversals.

All of this was and is being done by Mrs. Rosenthal without being asked and without material reward. A woman of grace and modesty to match her spirit, she is, to put it simply, a great lady whose works for humanity are beyond calculation. She is a model for the best that is in all of us.

They say 500 persons will be there tonight. Many more will count themselves there in spirit. But there isn't a hall in this world large enough to accommodate all those who are in her debt.

MORE THAN 600 PAY HOMAGE TO 'BEAUTIFUL BEA' ROSENTHAL

(By David L. Heckerman)

NORWICH.—What the world needs more of, they said time and again here Friday night, is people like "Beautiful Bea."

"Lovely Bea," they said, has spent her lifetime fueling the engine of democracy, broadening the scope of culture and strengthening the foundation of humanitarianism.

Without Bea, they said, our lives would be much the poorer.

The object of this testimony and more was Beatrice H. Rosenthal of Waterford—Southeastern Connecticut's 76-year-old *grand dame* of politics, the arts and human-service programs.

A glittering audience of more than 600 persons paid $15 a head to crowd into the ballroom of the Norwich Sheraton to smile at Mrs. Rosenthal and say nice things about her.

The assemblage included leaders of business, the professions, the theater, charitable enterprises, historical societies and agencies benefitting the handicapped. Also present was just about every Democrat in the state who cares about his standing in Southeastern Connecticut.

"Bay-atrice"

Gov. Ella T. Grasso was there to pay tribute to "my frend, Bay-atrice."

"Bay-atrice has the gift of selfless love," Mrs. Grasso said. "We have all been the beneficiaries of her largesse."

Former Gov. John N. Dempsey spoke for 10 minutes in his most laudatory tones.

"Nowhere was a more worthy tribute ever paid to an individual in Connecticut than the one we pay to Bea tonight," Dempsey said.

Congressman Christopher J. Dodd remembered that Mrs. Rosenthal was among his first callers after the deaths of his father and mother. State Sen. Richard F. Schneller suggested that his political career might never have gotten off the ground without her.

Republican leader Emma E. Lincoln praised Mrs. Rosenthal's political skills.

"I learned more from Bea Rosenthal about politics than I ever did from any Republican," Mrs. Lincoln said.

Other speakers—there were 13 in all who went on for 130 minutes—traced her political career from the time she became Democratic town chairman in Waterford in 1958 to last year when she stepped down as Democratic national committeewoman

They also mentioned the leadership roles she played with the Mystic Oral School, Waterford Country School, Norwich Hospital, Eugene O'Neill Memorial Theater, Goodspeed Opera House, the Heart Fund, the Cancer Society and the Cystic Fibrosis Association, among other organizations.

SHE DID IT ALL

Away from the podium, people in the crowd talked about her ability to thrive in either the most sophisticated fund-raising settings or in the smoke-filled back rooms of politics.

Bea Rosenthal can smile and be sweet when the situation calls for it, but also can maneuver in the background or attack her opponents bluntly and forthrightly when necessary, they said.

Her allies are "dear boys" and "dear girls," but her political enemies are inevitably "wretched people."

Someone recalled that she had been among the party loyalists invited to Hyannisport in 1960 to watch the first televised Kennedy-Nixon debate in the company of Jacqueline Kennedy. Her comments afterwards were typical.

"Kennedy was flawless," she said. "Nixon not only looked like a dead rat but he acted like one."

Among her allies Friday night, Mrs. Rosenthal showed all her charm and social skills. She circulated among the crowd while dinner was being served touching hands and shoulders and whispering thanks in many an ear.

Later, after the speech-making, she kept her remarks brief.

"My life has been so enriched," she said. "I only wish I had worked harder."

GERALD FORD SPEAKS ON FOREIGN POLICY

Mr. GRIFFIN. Mr. President, recently former President Gerald R. Ford delivered the first John Sherman Cooper lecture at the University of Kentucky.

I ask that the text of his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY GERALD R. FORD

It is an honor and a very special privilege for me to deliver the first John Sherman Cooper Lecture at the University of Kentucky.

To know John Sherman Cooper is to know one of the finest statesmen this country and the Commonwealth of Kentucky have ever produced.

As a serious student of government, and as an able lawyer, Senator Cooper devoted much of his time and thought to the search for a proper balance of powers—particularly in foreign policy—between the executive and legislative branches of government.

How should the powers of the executive and legislative branches be coordinated, especially in the field of foreign policy?

I address this question tonight as one who has been honored to serve at both ends of Pennsylvania Avenue over the past thirty years.

In the years just following World War II, there was a remarkable degree of national consensus about the role America should play in the world.

We held the noble conviction that since we alone had emerged virtually unscathed by the destruction of war—since the war had in fact made us the most formidable military and economic power on earth—we had a special responsibility to build a new and better world from the ruins of the old.

This national consensus was made possible by such men as Senator Arthur Vandenberg, my own political mentor, who championed bipartisanship in foreign affairs and helped cement with President Truman a common bond of purpose between the legislative and executive branches of government.

Underlying every Presidential initiative was a broad foundation of support in the United States Congress. Even in the case of Vietnam, the SEATO treaty was approved by the Senate 82 to 1 in 1955, and the Gulf of Tonkin Resolution was passed in the Senate 88 to 2, and in the House of Representatives 414 to 0, in 1964. But as that frustrating war went on year after year, our national unity was shattered, and with it the essential foreign policy coordination between President and Congress.

Old assumptions were challenged. Long-standing commitments were called into question. Bipartisanship in foreign affairs gave way to deep divisions within the parties themselves.

Members of Congress who came to oppose the war would also come to oppose the Presidents who prosecuted the war.

In the end, they would argue that the Presidency itself had grown too powerful, that a usurpation of powers by the President from the Congress was chiefly to blame for our disillusioning involvement in Vietnam.

These concerns found legislative expression in the War Powers Resolution of 1973.

This resolution claimed for the Congress unprecedented power in the conduct of foreign policy, at the same time holding the President in strict account for his own actions in international affairs.

The arrangements which the Constitution makes for the conduct of foreign policy involve a complex interplay between the legislative and executive branches.

Congress is given the power to declare war and to raise an army and navy. The Senate is given the additional power of advice and consent in the ratification of treaties and the appointment of ambassadors and other officials, including the Secretaries of State and Defense.

The President is made Commander-in-chief and head of state. By fundamental definition, the chief executive is also given the power to execute American foreign policy.

It was not intended that these powers be consolidated in the interest of efficiency, but rather that they be separated in the interest of democracy.

Coordination between the two branches was obviously to be encouraged. The brilliant system of checks and balances which the Founding Fathers devised was not meant to breed constant, paralyzing confrontation between the President and Congress of the United States.

The War Powers bill seeks by simple legislation to codify the military powers of the President, spelling out exactly what he can and cannot do, and how, and under what circumstances, to defend the United States and its citizens from international danger.

The resolution also grants to the Congress powers which tend to make it superior to the executive branch, as in the provision that Congress may order the withdrawal of troops within 60 days by a concurrent resolution not subject to Presidential veto.

Furthermore, the resolution requires consultation with Congress in military emergencies. No President with common sense would dream of neglecting this aspect of his obligation. But can it be mandated by law? And what does it mean Finally, there is a question of how closely this Resolution would involve the Congress in the actual execution, as opposed to the general direction, of foreign policy, particularly in times of crisis.

Does the consultation provision require the approval of the Congress before executive action is taken? What if the President and Congress disagree? Which of these separate but equal powers would prevail in such a confrontation?

These arguments of constitutionality can

be more than matched by arguments of workability.

The United States was involved in six military crises during my Presidency: the evacuation of U.S. citizens and refugees from DaNang, Phnom Penh and Saigon in the spring of 1975, the rescue of the Mayaguez in May, 1975, and the two evacuation operations in Lebanon in June, 1976.

In none of those instances did I believe the War Powers Resolution applied, and many members of Congress also questioned its applicability in cases of protection and evacuation of American citizens.

Furthermore, I did not concede that the Resolution itself was legally binding on the President on constitutional grounds.

Nevertheless, in each instance, I took note of its consultation and reporting provisions, and provided certain information on operations and strategies to key Members of Congress.

It is my view that when the President as Commander-in-chief undertakes such military operations, he would inevitably take the Congress into his confidence in order to receive its advice and, if possible, insure its support.

This type of consultation makes common sense and certainly strengthens trust between the executive and legislative branches. But it is to be distinguished from the detailed information and time limits imposed by the War Powers Resolution.

Once the consultation process began, the inherent weakness of the War Powers Resolution from a practical standpoint was conclusively demonstrated.

When the evaculation of DaNang was forced upon us during the Congress' Easter recess, not one of the key bipartisan leaders of the Congress was in Washington.

Without mentioning names, here is where we found the leaders of Congress: two were in Mexico, three were in Greece, one was in the Middle East, one was in Europe, and two were in the People's Republic of China. The rest we found in twelve widely scattered States of the Union.

This, one might say, is an unfair example, since the Congress was in recess. But it must be remembered that critical world events, especially military operations, seldom wait for the Congress to meet. In fact, most of what goes on in the world happens in the middle of the night, Washington time.

On June 18, 1976, we began the first evacuation of American citizens from the civil war in Lebanon. The Congress was not in recess, but it had adjourned for the day.

As telephone calls were made, we discovered, among other things, that one Member of Congress had an unlisted number which his press secretary refused to divulge. After trying and failing to reach another Member of Congress, we were told by his assistant that the Congressman did not need to be reached.

We tried so hard to reach a third Member of Congress that our resourceful White House operators had the local police leave a note on the Congressman's beach cottage door: "Please call the White House."

When a crisis breaks, it is impossible to draw the Congress into the decisionmaking process in an effective way, for several reasons.

First, they have so many other concerns: legislation in committee and on the floor, constituents to serve, and a thousand other things. It is impractical to ask them to be as well versed in fast-breaking developments as the President, the National Security Council, the Joint Chiefs of Staff, and others who deal with foreign policy and national security situations every hour of every day.

Second, it is also impossible to wait for a consensus to form among those congressional leaders as to the proper course of action, especially when they are scattered literally around the world and when time is the one thing we cannot spare. Again, we should ask what the outcome would be if the leaders consulted do not agree among themselves or disagree collectively with the President on an action he considers essential.

Third, there is the risk of disclosure of sensitive information through insecure means of communication, particularly by telephone. Members of Congress with a great many things on their minds might also confuse what they hear on the radio news in this day of instant communication with what they are told on a highly classified basis by the White House.

Fourth, the potential legal consequences of taking executive action before mandated congressional consultation can be completed may cause a costly delay. The consequences to the President, if he does not wait for Congress, could be as severe as impeachment. But the consequences to the Nation, if he does wait, could be much worse.

Fifth, there is a question of how consultations with a handful of congressional leaders can bind the entire Congress to support a course of action—especially when younger Members of Congress are becoming increasingly independent.

A survey reported by Congressional Quarterly last November indicated that an overwhelming majority of the Congress believed the legislative branch had an inadequate role in the international crises I have mentioned.

Sixth, the Congress has little to gain and much to lose politically by involving itself deeply in crisis management.

If the crisis is successfully resolved, it is the President who will get credit for the success. If his efforts are not successful, if the objectives are not met or if casualties are too high, the Congress will have seriously compromised its right to criticize the decisions and actions of the President.

Finally, there is absolutely no way American foreign policy can be conducted or military operations commanded by 535 Members of Congress on Capitol Hill, even if they all happen to be on Capitol Hill when they are needed.

Domestic policy—for housing, health, education or energy—can and should be advanced in the calm deliberation and spirited debate I loved so much as a Congressman.

The broad outlines and goals of foreign policy also benefit immensely from this kind of meticulous congressional consideration.

But in times of crisis, decisiveness is everything—and the Constitution plainly puts the responsibility for such decisions on the shoulders of the President of the United States.

There are institutional limitations on the Congress which cannot be legislated away.

Yet since the Mayaguez incident, there has been talk of putting more teeth into the War Powers Resolution, intensifying congressional participation in actual crisis management.

There have also been attempts to introduce the Congress into sensitive negotiations with foreign nations.

The Jackson-Vanik Amendment to the Trade Act of 1972, proposed to liberalize emigration from the Soviet Union by legislative decree had precisely the opposite effect.

The Congressional restrictions on military assistance to Turkey after the latest Cyprus crisis prove how determined—and how wrong—the Congress can be, and how cumbersome diplomacy by rigid legislative dictate can be.

Where, then, does the balance of powers lie?

It cannot lie in a constant rivalry for power. As Eugene Rostow has written this "would tend to convert every crisis of foreign policy into a crisis of will, of pride and of precedence between Congress and the President."

The balance must lie, instead, in a frank recognition of the basic strengths and weaknesses of both the executive and legislative branches of government, in the institutional capabilities and limitations imposed by the Constitution and by common sense.

The bitter experiences of Vietnam and the national atmosphere in the last decade have encouraged, I believe, too much tampering with the basic machinery by which the United States Government has run successfully for the past two hundred years.

We must not abandon the wisdom of the ages in the passion of a moment.

If we have disagreements of policy, let us resolve them as matters of policy, rather than escalating them into constitutional confrontations.

Tragically, in recent years, the bases of trust, cooperation and civility between the legislative and executive branches of our government have been eroded.

In their place, there has been an attempt to build new and permanent structures on the shaky ground of mutual suspicion.

This is no way for the government to serve the American people. It is, instead, the sure way to division at home and danger abroad.

We need to seek once again a common ground on which the President, the Congress and the American people can proudly and firmly stand through crisis and calm.

We must decide again, as a Nation, what is important to us, what goals we will set, what dangers we will risk, what burdens we will bear, in our dealings with the wider world.

The Congress has the responsibility to do now what it does best—debate these great issues, openly, freely and thoroughly—and help us find a new path on which we all may travel together.

The new Administration—free of the burden of war, unfettered by mistakes of the past—has an historic opportunity to lead America to a new age in foreign policy: an age in which the goals and commitments we hold precious as a Nation may be fulfilled through the quiet, beneficent strength that commands respect and invites cooperation.

All this will not be easy. The world is very different now than it was thirty years ago. We are different, and our problems and aspirations more complex.

But we are still Americans who love our country, who cherish peace and freedom in the world.

Let us in the months ahead open a constructive dialogue among the American people, the Congress and the President, leaders past and present, so we can preserve the bulwark of our strength—the Constitution—and find the mechanisms and the spirit that have made America what it is today—free and dedicated to a better world for all peoples.

THE QUESTION OF SEALED BIDS

Mr. CHURCH. Mr. President, on Friday, I introduced legislation on behalf of myself and Senators McCLURE, HATFIELD, PACKWOOD, MELCHER, and HANSEN, to repeal section 14(e), the so-called sealed bid provision, of the National Forest Management Act of 1976, and to create an advisory committee to study Forest Service timber sale procedures.

This legislation has recently been reported by the House Forestry Subcommittee, which has spent a great deal of time studying this problem.

For the past few months, section 14 (e) has been a thorn in the side of Northwest communities which are economically dependent upon a steady supply of national forest products. This sec-

tion, originally intended by Congress to obviate collusive practices in bidding, has been misinterpreted by the Forest Service from the start.

Many concerned citizens have been in touch with me since this whole controversy began last October. They are worried that the Forest Service's definition of what constitutes a collusive practice may include normal discussion among timber operators—for example, as to the marketing of different types of trees to mills or plants that can most efficiently utilize them, as recognized by the Forest Service appraisal process. They are also concerned about the three different bidding policies adopted by the Forest Service, because they constitute such major departures from prior procedures.

These concerns center directly around the way in which the Forest Service has interpreted section 14(e) to mean that sealed bidding must be used on most timber sales, regardless of whether collusive practices are suspected or not.

Although it has been revised twice, the present Forest Service approach still does not provide the degree of flexibility that may be necessary to protect community stability. The intent of Congress has not been followed. It was those traditional methods of bidding for national forest timber were to continue, except that the Secretary could use a variety of methods, including sealed bids, where there was reason to believe collusion was taking place.

Traditionally, national forest materials have been sold primarily by oral auction in the Northwest. Oral auction methods allow those timber operators who depend extensively upon the national forests to bid against their competitors directly at the time the sale is made. Oral bidding is often necessary to assure that community sawmills will have enough timber to continue operation and provide the jobs upon which local logging communication depends.

Mr. President, the legislation I am introducing today would allow a return to traditional bidding methods until such time as a study of Forest Service timber sale procedures can be completed. Throughout this whole controversy, one thing has been clear: Not enough is presently known about which timber sale procedures best protect the public interest.

The bill establishes within the Department of Agriculture a 17-member advisory committee to study Forest Service timber sale procedures. The study is to include, among other things, the means by which national forest timber is put up for sale, appraised, bid upon, and the factors affecting pricing of such timber. The study will result in recommended procedures by which the Forest Service will sell timber in a manner which will provide for community stability and fully recognize the diversity of geographical location, climate, species and other factors.

The recommendations, which would be presented to the Secretary of Agriculture and Congress, are to be completed by January 1, 1979, and the advisory committee would be abolished at that time.

Mr. President, this bill will allow a return to traditional timber sale methods, while at the same time provide us with recommendations for future sale procedures.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1360

A bill to establish an Advisory Committee on Timber Sales Procedure appointed by the Secretary of Agriculture for the purposes of studying, and making recommendations with respect to, procedures by which timber is sold by the Forest Service, and to restore stability to the Forest Service timber sales program and provide an opportunity for congressional review

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT

SECTION 1. There is hereby established an Advisory Committee within the Department of Agriculture to be known as the Advisory Committee on Timber Sales Procedures (hereinafter referred to as the "Committee").

PURPOSE OF COMMITTEE

SEC. 2. (a) The Committee shall study the procedure by which the Forest Service sells timber. Such study shall—

(1) include, but not be limited to, a study of the methods and conditions of sale including among other things the means by which such timber is put up for sale, appraised, bid upon, and the factors affecting pricing of such timber; and

(2) be made for the purpose of providing its independent recommendations with respect to establishing procedures by which the Forest Service will be able to sell timber in a manner which will provide for community stability and will fully recognize the diversity of geographical location, climate, species and other factors, and will be, over the long term, the most beneficial to the public interest and provide the most stable return to the Federal Government while maintaining diversity in terms of sizes, types, and locations of operations and facilities which process timber.

(b) It is the sense of Congress that the advice and recommendations of the Committee should be the result of the Committee's independent findings and judgment.

MEMBERSHIP

SEC. 3. (a) The Committee shall be composed of seventeen members appointed by the Secretary of Agriculture (hereinafter referred to as the "Secretary") within thirty days from the date of enactment of this Act, as follows:

(1) Four members who represent those segments of the timber industry which purchase timber from the Forest Service;

(2) Four members from labor organizations representing workers engaged in the processing of timber; and

(3) Nine members from the general public who otherwise have a significant interest in the use of timber resources.

(b) The Secretary shall appoint a Chairman of the Committee.

PAY AND TRAVEL EXPENSES

SEC. 4. (a) (1) Except as provided in paragraph (2), members of the Committee shall serve without pay.

(2) Members of the Committee who are full-time officers or employees of the United States shall receive no additional pay on account of their service on the Committee.

(b) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

MEETINGS

SEC. 5. The Secretary shall provide that the Committee shall meet as soon as practicable after all the members are appointed and shall meet as often thereafter as the Secretary determines is necessary to complete, in a timely fashion, the report required by section 7.

STAFF

SEC. 6. The Secretary shall provide an adequate number of employees from the Department of Agriculture to assist the members of the Committee in performing their duties.

REPORT

SEC. 7. The Committee shall transmit to the Secretary and to the Committee on Agriculture of the United States House of Representatives and the Committees on Energy and Natural Resources and Agriculture, Nutrition, and Forestry of the United States Senate a final report not later than January 1, 1979. The report shall contain a detailed statement of the findings and conclusions of the Committee, together with such recommendations as it deems appropriate.

TERMINATION

SEC. 8. The Committee shall cease to exist on the date on which the report is transmitted under section 7.

BID METHODS

SEC. 9. Subsection (e) of section 14 of the National Forest Management Act of 1976 (Public Law 94-588, 90 Stat. 2959; 16 U.S.C. 472(e)) is hereby repealed, and subsections (f) through (i) of said section are redesignated respectively as subsections (e) through (h).

WALLACE AWARD—HON. FRANCIS L. KELLOGG

Mr. JAVITS. Mr. President, I would like to call the attention of my colleagues to the address of the Honorable Francis L. Kellogg, Senior Advisor of the U.S. Mission to the United Nations, on his receipt of the Wallace Award at the annual American-Scottish Society dinner on March 30. Mrs. Javits also offers her congratulations.

Frank Kellogg has served his country admirably during his remarkable career, serving as Special Assistant to the Secretary of State for Refugees from 1971 to 1975, and currently as President of the U.S. World Wildlife Fund.

I ask unanimous consent that the text of his remarks before the American-Scottish Society be printed in the RECORD, as well as my telegram of congratulations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY THE HONORABLE FRANCIS L. KELLOGG

The Wallace Award is named in honor and memory of Sir William Wallace, famous Scottish patriot and leader who died in 1313 A.D. He has been known throughout history for his outstanding attributes of character, courage, ingenuity and integrity. The Wallace Award is presented annually to several leading Americans of Scottish descent or birth who have made a significant contribution or rendered distinguished service to the United States. Since 1970, twenty-five such citizens have been so honored.

Madam President, Mr. Chairman, fellow Wallace awardees, Your Excellencies, distinguished guests:

As an Assistant Chief of Protocol, how else would you have expected me to commence these few remarks?

Let me begin by saying if I had not been chosen to receive the honored Wallace Award, I could have written a fabulous speech. Losers usually are more eloquent because their fires burn hot and passion is the stuff for fine rhetoric.

So instead let me resort to a quotation.

I do not recall a more thrilling opening to any book than the lines with which Bertrand Russell, now 95, begins his autobiography:

"Three passions, simple but overwhelmingly strong, have governed my life: The longing for love, the search for knowledge, and the unbearable pity for the suffering of mankind. These passions, like great winds, have blown me hither and thither, in a wayward course, over a deep ocean of anguish reaching to the verge of despair."

Bertrand Russell expresses the waywardness of man's destiny. I feel indeed fortunate because my life has been—like most Scotsmen, I would believe—disciplined and ordered—necessarily "compartmentalized"—business, a concern for mankind, most particularly refugees, and the conservation of endangered species and wild places.

I wish time permitted me to dwell for a moment on each—not in the first person singular—but because each is so vital to all our lives.

The position of Special Assistant to the Secretary of State for Refugees was unique—the focal point of the United States Government for worldwide human concern and emergency relief—a tangible expression of goodwill on the part on the American people for the oppressed and less fortunate on this "unburnt cinder."

Like Bertrand Russell, it took me 'round our planet to every continent. Aside from human deprivation and despair, refugees are the "eye of the storm" in international affairs and all too frequently the cause of civil uprising or warfare. Examples are too obvious to need more than a mention: India and Pakistan, Cyprus, civil war in the Sudan . . . the Palestinians . . . In addition to being at the keystone of American foreign policy—which is, of course, maintenance of world peace, there is the infinitely complex logistical challenge of bringing food, hospital supplies and medicine, shelter—human needs—to the homeless in many troubled far away places.

In my five years as Special Assistant I administered the expenditure of more than one-half billion dollars for refugee relief.

Yes, Bertrand Russell, soul-searching but infinitely rewarding . . .

The World Wildlife Fund represents "passion" with which I have been overwhelmingly involved for nearly two decades. The Fund, which has been called the United Nations of Conservation, recently held its Fourth World Congress in San Francisco. As Dillon Ripley said at the opening plenary: "Conservation of nature is inevitably involved with the problem of world stability and peace." So perhaps a concern for refugees and human rights is not so far removed from a dedication to conservation.

Indeed only ten days ago the President of the United States said before the United Nations: "We must use our collective natural resources wisely and constructively. Today our oceans are being plundered and defiled" . . .

And a moment later . . .

"The basic thrust of human affairs points toward a more universal demand for fundamental human rights . . . the United States is the global forum dedicated to the peace and well-being of every individual—no matter how weak or how poor."

I regret to report we are losing the race to save our world. Sir Peter Scott said during the World Wildlife Congress, "I think that disaster lies ahead unless we change course . . . the future of all life on earth depends on earth care . . . on the respect and reverence that we feel collectively for our planet, the Blue Planet, so far the only home of our species."

I have talked overlong but let me say in closing I refuse to feel, as a World Wildlife colleague described himself: "like a peacock in the garden of an 18th Century British Manor house—ornamental but useless."

So I accept this high honor as a new challenge. The Wallace Award may yet be the incentive that will keep me honed to a fighting edge!

Thank you.

WASHINGTON, D.C.,
March 29, 1977.

Hon. FRANCIS KELLOG,
American Scottish Foundation,
St. Regis Hotel,
New York, N.Y.:

Congratulations from Marion and me on receiving the distinguished Wallace Award. You have richly earned it by your national and international services to our people, to the plight of refugees and to the basic cause of human rights throughout the world. Love to Mercedes and please also present my respects to Lady Malcolm Douglas-Hamilton and to all present.

JACOB K. JAVITS,
U.S. Senator.

ARMS CONTROL

Mr. HUDDLESTON. Mr. President, one of the most pressing problems facing this Nation and the world is that of arms control, both on the strategic and conventional levels.

While we must always maintain a credible deterrent strength and force sufficient to protect our interests, we must also be aware that the proliferation and advancement in arms which allows growing numbers of nations to possess a wide assortment of weapons capable of raising any local conflict to a highly sophisticated level is destabilizing and a threat to involving unintended nations in local disagreements.

The total value of conventional arms transferred worldwide in 1975, according to the Arms Control and Disarmament Agency, was approximately $9.7 billion.

This may not seem particularly significant in view of the fact that total world exports of commodities in 1975 are estimated at $869 billion.

The situation takes on a different hue, however, when one looks at the items involved and the pattern of their distribution. When we talk of conventional arms transfers, we talk of a wide variety of items including ammunition, tactical guided missiles and rockets, military aircraft, naval vessels, armored and nonarmored military vehicles, military communications and electronic equipment, artillery, infantry weapons, small arms, and other ordnance, parachutes, and uniforms.

Perhaps the point is more vividly illustrated by the compilation in the GAO report of June 1976 which shows the number of various systems which were sold in recent years by the United States under the Foreign Military Sales Act:

Major U.S. items ordered under FMS

Item	Fiscal year 1973	1974	1975
A-4 aircraft	50	82	61
F-5 aircraft	117	59	72
Submarines	10	17	4
Destroyers	17	31	13
Armored personnel carriers	539	3,458	735
Tanks	---	1,177	211
Hawk missiles	1,490	100	312
TOW missiles	12,868	3,780	4,724

A second trend which is important to note is that while the sales prior to 1969 were concentrated in the developed countries, during the more recent years, such sales have shifted to the Middle East and Africa, where a number of potentially tumultuous situations persist.

For many years, Congress failed either to secure adequate information regarding proposed sales or to provide a means whereby it might prevent conventional arms sales programs from being used in a manner with which it disagreed. This has, to a significant extent, been modified by the 1974 Foreign Assistance Act, especially by section 36(b), which provided Congress not only with information prior to the issuing of letters of offer, but also provided a mechanism for disapproval of both cash and credit sales. This provision was amended and strengthened in the Arms Export Control Act of 1976.

I recently requested the Congressional Research Service to summarize the experience under section 36(b), and I think the result is both illuminating and instructive. Following is the summary which Dr. Herbert Y. Schandler, specialist in national defense, prepared:

First. How many proposed sales has Congress been notified of since enactment of section 36(b)?

Answer:

Fiscal year 1975	39
Fiscal year 1976	56
Fiscal year 1977	57
Total	152

Second. Have all notifications been published in the CONGRESSIONAL RECORD?

Answer. Since the passage of this legislation, Senator SPARKMAN, chairman of the Committee on Foreign Relations, has entered all such notifications, with classified portions deleted if appropriate, in the CONGRESSIONAL RECORD.

Third. How many of the proposed sales have been the subject of congressional hearings?

Answer. The following proposed sales have been the subject of congressional hearings:

House of Representatives, 94th Congress, 1st session:

First, arms sales to Ethiopia;

Second, training of foreign military forces by U.S. civilian contractors;

Third, sale of Hawk missiles to Jordan;

Fourth, sales to Saudi Arabia; and

Fifth, sales of Sidewinder to Kuwait.

Ninety-fourth Congress, 2d session:

First, sales to Saudia Arabia;

Second, sales of AWACS to NATO;

Third, sales of C–130 aircraft to Egypt;
Fourth, sale of auxiliary submarine to Peru;
Fifth, sale of certain ships to Venezuela; and
Sixth, sale of naval vessels.
Senate, 94th Congress, 1st session:
First, sale of Hawk to Jordan.
Ninety-fourth Congress, 2d session:
First, sale of AWACS to NATO;
Second, sale of C–130 aircraft to Egypt;
Third, sale of F–16 to Iran;
Fourth, sale of Maverick to Saudi Arabia; and
Fifth, sale of naval vessels.

Fourth. How many of the proposed sales have been disapproved by Congress?

Answer. No sales have been disapproved by Congress. However, informal consultations between the Congress and the administration have resulted in modifications to administration proposals in the case of the sale of Hawk surface-to-air missiles to Jordan and of Sidewinder air-to-air missiles and Maverick air-to-ground missiles to Saudi Arabia.

Fifth. How many of the proposed sales have actually been the subject of a vote in either the House or the Senate?

Answer. None.

Sixth. Is there any pattern to the timing of the notifications?

Answer. During fiscal year 1976, the first full year that the provisions of the law applied, the notifications were spread throughout the year with no seeming pattern, as follows: July—3; August—1; September—5; October—8; November—5; December—6; January—4; February—12; March—4; April—2; May—3; June—3. During the transition quarter, July 1–September 30, 1976, however, 57 notifications were provided, one more than in the entire previous fiscal year.

Seventh. Have justifications presented generally indicated the scope and extent of sales anticipated by the administration?

Answer. Administration justifications have generally detailed the scope and extent of anticipated credit sales.

There has been little testimony as to anticipated cash sales. The International Security Assistance and Arms Export Control Act of 1976 (P.L. 94–329, June 30, 1976), however, adds the following section to the Arms Export Control Act:

SEC. 25. ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM.—(a) The President shall transmit to the Congress, as a part of the presentation materials for security assistance programs proposed for each fiscal year, a report which sets forth—

(1) an estimate of the amount of sales expected to be made to each country under sections 21 and 22 of this Act, including a detailed explanation of the foreign policy and United States national security considerations involved in expected sales to each country;

(2) an estimate of the amount of credits and guarantees expected to be extended to each country under sections 23 and 24 of this Act;

(3) a list of all findings which are in effect on the date of such transmission made by the President pursuant to section 3(a)(1) of this Act, together with a full and complete justification for each such finding explaining how sales to each country with respect to which such finding has been made will strengthen the security of the United States and promote world peace; and

(4) an arms control impact statement for each purchasing country, including: (A) an analysis of the relationship between expected sales to each country and arms control efforts relating to that country, and (B) the impact of such expected sales on the stability of the region that includes the purchasing country.

(b) not later than thirty days following the receipt of a request made by the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives for additional information with respect to any estimate submitted pursuant to subsection (a), the President shall submit such information to such committee.

(c) the President shall make every effort to submit all of the information required by this section wholly in unclassified form. In the event the President submits any such information in classified form, he shall submit such classified information in the addendum and shall also submit simultaneously a detailed summary, in unclassified form, of such classified information.

Certainly, the provision of the information and the printing in the CONGRESSIONAL RECORD of the proposed sales in excess of the specified amounts has alerted Congress to the specifics of what it has approved through authorizations and appropriations for the military sales program. Although there have been no disapprovals, the fact that a number of hearings have been held and that several disapproval resolutions have been introduced indicates that Congress is exercising oversight responsibilities in this area. This is an appropriate move and one which I believe is healthy in our system of government.

While information has also been made available on an expanded basis regarding commercial export sales which are regulated under licensing procedures of the international traffic in arms regulations, Congress has not moved either to limit these sales or to create a means of exercising disapproval at a certain sales level. Since they are private sales, less stringent requirements have been imposed upon them.

During this session of Congress, we will have to reauthorize the foreign military sales program. I am certain that the Foreign Relations Committee which did such a fine job previously will make similarly effective proposals this year. It is my hope, however, that they will seek to emphasize several things: First, we need to make it clear that it is U.S. policy to restrict conventional arms sales throughout the world. This will require cooperation by many nations. There is some truth in the argument that it does little good for the United States to restrict sales because other nations are ready and eager to make the sales anyway.

Second, we have to look very closely at the possible need for cumulative limits for individual countries. The reviews of individual sales which result from the 1974 legislation, as amended in 1976, do not allow for adequate congressional evaluation of overall sales by the United States to a single country within a year or over a period of several years. And, the ability to disapprove sales on a proposal-by-proposal basis makes it difficult to determine what the total amount of sales to a single country is going to be and to determine how the various separate sales fit together.

Third, we need to review our very sophisticated weapons system to determine whether there are some such systems which are so advanced and potentially destabilizing to certain areas of the world that they should be made available outside the United States, or perhaps outside the NATO countries, only by joint decision of Congress and the executive.

Fourth, we need to reassess sales policy to insure that such sales are in conformity with U.S. policy interests. Past experience with arms impact statements has not been good; but we should not abandon this approach, only strengthen it. Well prepared statements could give Congress a renewed basis for analysis and evaluation.

Finally, we should review commercial sales to insure that they are made in such a manner that items do not fall into the hands of terrorist groups.

FLORA KAREL TEMPLETON

Mr. ANDERSON. Mr. President, on May 1, Flora Karel Templeton of 3117 Irving Avenue South, in Minneapolis, will celebrate her 100th birthday. Mrs. Templeton was born on May 1, 1877, in Kewaunee, Wis. She married Charles L. Templeton there in 1910, then moved to Minneapolis in 1911 where she has lived ever since.

Mrs. Templeton still occupies the home she and her husband purchased in 1918.

Mr. Charles Templeton died several years ago and Flora now lives with her daughter, Mrs. Karel Hannon, and her granddaughter, Elizabeth Hannon.

Flora Templeton's father, John Karel, of Chicago and Kewaunee, was general counsel to Russia during the administration of President Grover Cleveland.

Her brother, John C. Karel, Jr., served as a municipal judge in Milwaukee for 30 years, and in the 1920's was a Democratic candidate for Governor of Wisconsin. Mrs. Templeton's grandson, John C. Hannon currently serves in the Foreign Service in the U.S. Embassy in Moscow.

Mr. President, I know my colleagues join me in extending congratulations and best wishes to Flora Karel Templeton on her 100th birthday.

REFUNDABLE INVESTMENT TAX CREDIT

Mr. KENNEDY. Mr. President, during the consideration by the Senate of H.R. 3477, the pending tax bill, I plan to offer a refundable investment credit amendment in order to improve the business tax incentives in the bill. The amendment will be offered as a substitute for the portion of the bill containing the 12-percent investment credit. The refundable credit will be available in addition to the Senate-passed jobs tax credit, so that firms qualifying for the jobs credit will also be eligible for the investment credit.

As the bill now stands, firms must choose between either a 2-percent increase in the present 10-percent invest-

ment credit or the newly proposed jobs tax credit. But many firms that need help the most will not receive any current benefit from either of these measures. No firm can qualify for either of the two tax credits, unless it incurs some tax liability. And even firms with some tax liability may be ineligible for the benefits, or for the full amount of the benefits, because of the limitations that apply to both credits.

The amendment guarantees that virtually every firm will receive some stimulus from the tax package. The amendment achieves this result by providing for partial—one-third—refundability of the present 10-percent investment tax credit. A firm will calculate the amount it would receive if the credit were fully refundable, and receive a refund equal to one-third of that amount—the one-third level was chose to produce the same $1.2 billion revenue effect as the 12-percent investment credit.

Refundability of the investment credit means that firms which suffered losses during the recession, new businesses with large initial expenses, and rapidly expanding firms will be able to obtain some benefit from the credit.

I believe these are the firms on which the Senate should focus its tax stimulus effort at this time, rather than the large corporations with comfortable profit margins, which can make capital investments without further Federal financial aid.

The current investment credit is a $10.6 billion a year Federal subsidy for business. Refundability will make the credit a more equitable and more efficient method of assistance to investment.

Mr. President, I ask unanimous consent that the text of the amendment and a brief summary and description of it may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEXT OF REFUNDABLE INVESTMENT CREDIT AMENDMENT

On page 89, lines 8 and 9, strike out "At the election of the taxpayer, there" and insert in lieu thereof "There".

On page 89, beginning with line 12, strike out through line 5 on page 90.

On page 90, line 6, strike out "'(c)" and insert in lieu thereof "'(b)".

On page 103, beginning with line 3, strike out through line 22 on page 104 and insert in lieu thereof the following:

(d) Refund of Portion of Investment Credit.—

(1) Paragraph (3) of section 46(a) (relating to limitation based on amount of tax) is amended to read as follows:

"(3) LIMITATION BASED ON AMOUNT OF TAX.—

"(A) Notwithstanding paragraph (1) and except as provided in subparagraph (B), the credit allowed by section 38 for the taxable year shall not exceed—

"(i) so much of the liability for tax for the taxable year as does not exceed $25,000, plus

"(ii) for taxable years ending on or before the last day of the suspension period (as defined in section 38(j)), 25 percent of so much of the liability for tax for the taxable year as exceeds $25,000, or

"(iii) for taxable years ending after the last day of such suspension period 50 percent of so much of the liability for tax for the taxable year as exceeds $25,000.

"(B) If the amount determined under paragraph (1) for the taxable year exceeds the limitation imposed by subparagraph (A) for the taxable year, and the excess is attributable (in whole or in part) to the amount determined under subparagraph (B) of paragraph (1), then the amount of the credit allowed by section 38 for the taxable year shall be increased (over the amount of the limitation imposed by subparagraph (A)) by an amount equal to so much of the excess so attributable as does not exceed the smaller of—

"(i) 50 percent of so much of the liability for tax for the taxable year as exceeds $25,000, or

"(ii) one-third of the amount of the excess so attributable.

"(C) In applying clause (iii) of subparagraph (A) to a taxable year beginning on or before the last day of such suspension period and ending after the last day of such suspension period, the percent referred to in such subparagraph shall be the sum of 25 percent as the number of days in such year after the last day of the suspension period bears to the total number of days in such year. The amount otherwise determined under this paragraph shall be reduced (but not below zero) by the credit which would have been allowable under paragraph (1) for such taxable year with respect to suspension property but for the application of section 48(h) (1).".

(2) Paragraph (1) of section 46(b) (relating to general rule for carryback and carryover of unused credits) is amended by inserting after "subsection (a)(1)(B)" the second time it appears the following: "shall be reduced by the amount of any overpayment made under the last sentence of section 6401 (b) and, as so reduced,".

(3) Section 6401(b) (relating to amounts treated as overpayments) is amended by adding at the end thereof the following sentence: "Except in the case of an organization which is exempt from the tax imposed by chapter 1, there shall be considered as an overpayment the amount by which one-third of the amount determined under paragraph (2) of section 46(a) exceeds the amount determined under subparagraph (B) of section 46(a)(3).".

(4) The amendments made by this subsection shall apply to—

(A) property to which subsection (d) of section 46 of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1976, but only to the extent as a basis thereof attributable to construction, reconstruction, or erection after such date and before January 1, 1981,

(B) property to which such subsection (d) does not apply, acquired by the taxpayer after December 31, 1976 and before January 1, 1981, and placed in service by the taxpayer before January 1, 1981, and

(C) property to which such subsection (d) applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after December 31, 1976, and before January 1, 1981.

On page 114, line 3, strike out "The amendmendments" and insert in lieu thereof "Except as otherwise provided in this section, the amendments".

SUMMARY OF KENNEDY REFUNDABLE INVESTMENT CREDIT AMENDMENT

A. DESCRIPTION OF THE REFUNDABLE CREDIT

The proposed amendment will delete the 2 percent optional increase in the present 10 percent investment tax credit, and replace it with a partially refundable investment credit. The refundable investment credit will be available to all taxpayers in addition to the jobs tax credit already approved by the Senate. Thus, a business that increased its employment and increased its capital investment in machinery and equipment could receive the benefit of both tax credits. By contrast, under the Senate bill, a firm must choose either the jobs credit or the 12 percent investment credit, but not both.

The amendment provides that one-third of the 10 percent investment credit would be refundable. The revenue cost is $1.2 billion a year, or the same revenue effect as the 12 percent credit it replaces. As a result, adoption of the amendment would produce no net revenue change in the bill.

B. HOW DOES THE KENNEDY AMENDMENT CHANGE PRESENT LAW?

Under present law, a taxpayer can take the 10 percent investment credit in an amount equal to no more than 50 percent of the taxpayer's tax liability. Any credit in excess of this amount is disallowed in the current year (even though the investment has been made in that year) but can be carried back three years, or forward for seven years to offset past of future tax liability.

A taxpayer who has no tax liability for the year gets no current benefit from the investment credit even though he has made qualified investments.

C. HOW A REFUNDABLE CREDIT WORKS

Example 1: Assume that during the recession years 1974–75, a firm suffered substantial net operating losses, which will be carried forward through 1979. As a result, this business will not incur any tax liability for 1977. However, in 1977 the firm is experiencing a recovery and buys new machinery and equipment costing $1 million. The firm would qualify for a 10 percent investment credit equal to $100,000. Under present law, the firm would receive no tax benefit at all. By contrast, under the proposed amendment, the business would receive a 1977 tax refund of $33,333 (⅓ of $100,000). The remaining $66,667 of investment credit would be carried forward, as under present law.

Example 2: Assume a firm that is rapidly expanding would incur a 1977 tax of $100,000 on its income. It buys machinery and equipment costing $2 million. Under present law, it can use the investment credit to offset only 50% of its tax liability. Therefore, in 1976, it can use only $50,000 of its available $200,000 investment credit. Under the proposed amendment, it could take an additional $50,000 credit in 1977 (one-third of the remaining $150,000).

D. WHO DOES THE REFUNDABLE CREDIT HELP?

The refundable investment credit primarily helps new firms, firms hard hit by the recession and firms making large current capital investments compared to tax liability.

New firms frequently do not incur any tax liability for the first several years they are in business, since their large start-up costs often exceed their income. Nonetheless, these firms must make significant investments in machinery and equipment. It is no help to these firms to tell them that they will get an investment credit seven years from now. They need financial assistance now to help pay for the costly machinery and equipment that they require in order to get started in their operations. The current 10% investment credit does not provide that assistance. Increasing the current credit to 12% is even more restrictive, since firms bumping against the present limits will be unable to use the additional 2%. But a partially refundable credit can give new firms immediate cash to help offset costs of vital plant machinery and equipment.

Other firms, over the past three years, have suffered losses due to the severe recession in the economy. These losses resulted not from

mismanagement, but from poor economic conditions over which they had no control. However, for tax purposes, these losses will reduce or eliminate their tax liability during 1977 and 1978. An additional 2% investment credit is of no help to these firms; it merely increases the carryover of already unusable investment credits. A refundable investment credit will provide needed immediate stimulus for these firms to make capital investments.

Many rapidly expanding firms are already at or above the 50% limit on the current investment credit. These are profitable businesses with tax liabilities. However, increasing the investment credit is equally useless to many of them, because their investment tax credits already exceed the 50% limit. However, these firms are still expanding their capital investments; they are precisely the firms that should be provided encouragement. The refundable investment credit provides that incentive.

E. WHY IS A REFUNDABLE CREDIT PREFERABLE TO AN INCREASE IN THE 10-PERCENT CREDIT?

As discussed above, the refundable credit helps a large class of businesses that get no help at all from an increase in the current investment credit. According to Treasury estimates, only 68 percent of the eligible investment credits at the 10 percent level for 1977 will actually be claimed on 1977 returns. If the credit goes to 12 percent, only 56 percent of the credits would be claimed, as more and more firms become trapped by the limits of the credit.

In addition, increasing the current 10 percent credit to 12 percent provides a windfall to firms that were going to invest in any event. A 2 percentage point increase is a drop in the bucket for firms that are already using the 10 percent credit in full. Two-thirds of the present 10 percent credit goes to the top 0.1 percent of corporations; a 2 percent increase in the credit will have no effect on the capital investment programs of these corporate giants.

On the other hand, the refundable credit could provide substantial and measurable benefits for firms that are presently receiving no investment credit at all.

The business incentive program in the tax bill is a temporary measure. It is therefore necessary to get the maximum benefit for scarce federal tax dollars in 1977 and the following three years. The carry-forward provisions in current law are of little help in this result—now is when we need the capital investment, not seven years from now. Refundability of the investment credit insures the maximum input into the economy during the period of time when the federal stimulus should be felt most directly.

F. THE REFUNDABLE CREDIT MAKES THE INVESTMENT CREDIT MORE EQUITABLE

The investment credit is the major program by which the federal government provides financial assistance to industry. Because of its present limitations, however, the program is inequitable. Two firms can make identical investments, yet one of them may receive the investment credit currently and one may not.

When General Motors buys a $100,000 machine, it pays only $90,000 because of the investment credit. It makes no sense to say that American Motors must pay the full $100,000 for the same machine. Yet this is precisely the discrimination caused by current law, which favors wealthy firms at the expense of less affluent and struggling firms.

It is safe to say that if the investment credit program were run as a direct subsidy program through the Commerce Department, no one would try to condition the subsidy for capital investment on the amount of a taxpayer's income tax liability to the Treasury. Instead, two taxpayers who made a $100 investment would receive a $10 Commerce Department check, regardless of their tax situation. The refundable amendment moves us in the direction of this more rational system.

G. THE REFUNDABLE CREDIT IS TEMPORARY

The refundable investment credit will be available during the next four years. Congress will have an opportunity to see how the refundability feature works, before deciding whether to make it a permanent feature of the tax system.

H. PRECEDENTS FOR REFUNDABLE CREDITS

There are several precedents for the proposed refundable investment tax credit:

1. In 1975, under Senator Long's leadership, Congress enacted the first refundable credit—the $400 earned income credit for low income workers.

2. In 1976, the Senate adopted refundable energy tax credits to encourage the goal of energy conservation. The provisions were later dropped in the conference with the House.

3. In 1976, the Senate also voted to make the child care credit refundable, but the refundable feature was dropped in the conference with the House.

4. In 1974, the Treasury, under Secretary Simon, proposed that the then existing 7 percent investment tax credit be made refundable.

5. On April 7, 1977, Senator Long introduced S. 1270, a bill to make the investment credit refundable on a permanent basis.

There are thus ample precedents for adopting refundable credits in the tax system. It is entirely proper for the Senate, as a matter of sound economic policy and sound tax policy, to make the investment credit refundable.

I. REVENUE EFFECTS

The one-third refundable credit amendment will cost an estimated $1.2 billion a year. Therefore, it exactly substitutes for the $1.2 billion revenue loss that would result from increasing the 10 percent investment credit to 12 percent. As a result, the amendment produces no net revenue loss in the bill.

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, has morning business been closed?

The ACTING PRESIDENT pro tempore. Morning business has not been concluded. Is there further morning business? If not, morning business is closed.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of H.R. 3477, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments to reduce individual and business income taxes and to provide tax simplification and reform.

The Senate resumed the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, Mr. DANFORTH, is to be recognized, I believe, under the order previously entered.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri (Mr. DANFORTH) is recognized.

Mr. JAVITS. Mr. President, will the Senator yield to me to suggest the absence of a quorum?

Mr. DANFORTH. I yield.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Missouri.

Mr. DANFORTH. Mr. President, on Friday, the senior Senator from New York (Mr. JAVITS) and I presented at some length the principal arguments in favor of our forthcoming amendment on a permanent tax cut for middle- and low-income taxpayers.

During that afternoon presentation and previously in the media, some questions were raised as to the validity of a permanent tax cut at this time. So today, what I will do is begin examining the reasons given in opposition to the permanent tax cut and subjecting them to the light of day and to the clearest possible presentation in refutation.

First, it was suggested on Friday that this amendment—this proposed permanent tax cut—would do nothing to affect the so-called marriage penalty which is now present in the existing tax laws. That statement is simply not true.

In the Finance Committee during the hearings on this bill that is now before us, a lengthy amount of discussion was directed at the so-called marriage penalty and various alternative propositions were placed on the blackboard and were discussed in detail by staff of the Finance Committee and of the Joint Committee on Taxation.

Members of the committee had various alternatives presented to them for dealing with the marriage penalty and, in fact, the Finance Committee devised its own version of the standard deduction.

It had as its effect both a simplification of the present law and a moderation of the marriage penalty.

The amendment that has been proposed by Senator Javits and me takes into account the changes made by the Finance Committee. Those changes in the standard deduction are incorporated in our amendment. Our amendment simply adds to the changes effected by the Finance Committee in the standard deduction an additional permanent tax cut aimed at middle- and low-income taxpayers.

Therefore, it is simply not true to say that our amendment does nothing to affect the marriage penalty. It does precisely the same amount as the bill that is pending before us does without the amendment.

A second argument that was made last Friday against this amendment is that somehow, at least theoretically, our amendment discriminates against low-income taxpayers with respect to the benefit an individual receives from the personal exemption.

This is a very theoretical argument but it deserves explanation and then refutation. The argument is, in substance, as follows:

In computing his taxable income, each taxpayer now receives a personal exemption of $750. If a taxpayer is in a high tax bracket, that exemption is worth more to him than it is to a taxpayer in a lower tax bracket. For example, if a taxpayer is in the highest tax bracket, that is, 70 percent, the value of a $750 personal exemption to him is 70 percent of $750. If a taxpayer is in the lowest tax bracket, which is 14 percent, the value of the standard deduction is 14 percent of $750. So it is argued that the personal exemption means more to a person in the higher bracket than to a person in the lower bracket.

(Mr. DECONCINI assumed the chair at this point.)

Mr. DANFORTH. The argument continues, as I understand it, that if the tax rate on the lower income taxpayers is reduced from 14 percent to 12 percent, the value of the personal exemption to that taxpayer is reduced from 14 percent of $750 to 12 percent of $750.

This is indeed an interesting theoretical argument, but it is a purely theoretical argument. It has nothing whatever to do with the real concern of taxpayers at all levels. That is not abstract theory but dollars available after the Government has finished the job of exacting taxes.

The issue before the Senate now is quite simply the issue of dollars. How many dollars will a taxpayer have after he finishes paying his taxes? The greatest dollar effect of the amendment proposed by Senator JAVITS and myself is targeted at taxpayers with adjusted gross incomes between $10,000 and $15,000 a year, low-income and middle-income taxpayers.

The value of the tax cut proposed by us for them ranges between $247 and $263 a year for a family of four.

Far from being an amendment which would discriminate against the middle-income and low-income taxpayers, our proposed amendment is aimed at furnishing maximum benefits to low-income and middle-income taxpayers. The 74.1 percent of the tax benefit contained in this amendment would be for taxpayers with adjusted gross incomes of under $20,000 a year. While 74.1 percent is for taxpayers under $20,000 a year, only 2.2 percent of the benefit is targeted for taxpayers with adjusted gross incomes of over $50,000 a year.

So much, Mr. President, for the argument that this amendment discriminates against the low-income taxpayers. It does quite the contrary. It provides the greatest benefit for low-income taxpayers because, as pointed out last Friday, these people in the middle-income and low-income brackets are suffering the most from the ravages of inflation combined with high tax rates.

As pointed out on Friday afternoon concerning taxpayers with adjusted gross incomes between $15,000 and $20,000 a year for a family of four, people in income groups where it is very difficult for them to make ends meet under today's conditions, when these people, for every extra $1 they make as family income, lose 45 cents to 50 cents by virtue of taxes or by virtue of inflation, then the time is long past due for tax relief which is targeted specifically at them.

While the argument that is made against this proposal is theoretical, it is important to note that people who have to pay their food bills today cannot pay those food bills with theory; and people who have to pay their utilities in the year 1977 cannot pay their utility bills with theory. They pay their bills with dollars. The whole point of this amendment is to provide, after taxes, more dollars in the hands of the typical taxpayer.

The third argument that has been made against this amendment is that it is inflationary. As a matter of fact, this argument is also fallacious because the proposal that we have made would have almost no effect whatever on the cost of living. According to Chase Econometrics, which is in the business of projecting the future of the economy on the basis of economic models, the effect of this proposal for a permanent tax cut on the Consumer Price Index would be to raise the Consumer Price Index by 0.1. That means, for example, that if the Consumer Price Index is 175.0 before this amendment becomes law, it would be increased from 175.0 to 175.1 by virtue of the amendment, almost an insignificant effect, almost no effect whatever, on the rate of inflation.

Unlike the proposed rebate, which, fortunately, has been withdrawn by the administration, a permanent tax cut does not result in a sudden flood of money into the marketplace. Instead of the sudden influx with the great pressure that places on demand, this would be a permanent tax cut with a steady flow of increased demand and, therefore, much less of an inflationary effect than would be the case with a rebate.

On revenue losses, after adjusting for reflow by virtue of the fact that the economy is stimulated by a permanent tax cut, revenue losses after such adjustment in 1977 would be only $1.8 billion. In 1978, that would be increased to approximately $7.1 billion. However, it is important to note that each year the Federal Government makes between $6 and $7 billion a year because of inflation. That is to say, without any act of Congress at all, without any increase in tax rates, inflation itself places taxpayers in higher tax brackets than they were in the previous year.

If for the typical taxpayer his income is increased not to produce any better standard of living but only to adjust for the effects of inflation, only to keep up with inflation, that taxpayer has no additional real income, but the taxpayer does have additional paper income and, therefore, is placed in a higher tax bracket than he was in the preceding year. As a result of such increases in the tax rates without any act of Congress, the Federal Government makes between $6 and $7 billion a year on inflation.

What we are saying is that the revenue loss for 1978 would be $7.1 billion. However, the Federal Government would be making up between $6 and $7 billion of that $7.1 billion as a result of inflation.

The way we are operating now, Mr. President, is that we in Congress are using inflation to fight inflation. We are reducing the deficits that we create by allowing inflation to put taxpayers in higher brackets so that we can extract more and more of their earnings from them. Under present circumstances, the only beneficiary of inflation is the Government itself.

A third criticism of the proposed amendment which would give a permanent tax cut for middle- and low-income taxpayers is that much of the stimulus would come in 1978 rather than 1977. This, of course, is true. Whereas, with a rebate or a refund, all of the money can be refunded in 1977, a permanent tax cut begins in the last part of 1977, and then extends into 1978 and succeeding years. This, I believe, is a plus, not a minus, in this proposal, because the President has withdrawn the idea of the rebate on the theory that the economy is somewhat, at least, on the upswing in 1977. Yet, the projections of some economists indicate that, while we might be on the upswing in 1977, that recovery cannot be sustained and, in fact, we are facing a renewal of the recession in 1978. Chase Econometrics predicts that, by the fourth quarter of 1978, unemployment will reach 8.85 percent. Even if this is greater than reality, the fact of the matter is that no economist that I know of has predicted a total end to the recession by the end of 1978. No economist has predicted a recovery in gross national product or a recovery in unemployment rates which would place us at the stage where we were, say, in the latter part of the 1960's.

Therefore, it seems that a tax stimulus package which did more than the quick fix approach of the rebate, but which would provide a gradual influx of money into the marketplace, would offer the maximum amount of stimulus precisely when we shall be needing it most—namely, in the latter half of 1978.

At the time when the rebate was still under consideration, I called Paul Samuelson, I suppose one of the best-known economists in the country and a professor at Massachusetts Institute of Technology, and asked him about his views on the rebate and on the possibility of a permanent tax cut. He said to me that a shift in the stimulus from 1977 to 1978 would be a very desirable thing; that this would place the stimulus precisely at the time that it would be the most needed.

Another factor also has to be brought into consideration at this point. That is, what is stimulus? Is it simply a matter of how many dollars we have in our pocket at a given moment, or is it the total confidence of the American people in the economy? If one reads the newspapers, there is a great amount of emphasis placed by economists and by people who take public opinion polls on the question of confidence of the consumers. The $50 rebate, when it was proposed, was not a popular proposal. It came under fire from all kinds of people. Especially, it came under fire from the

public at large, from a great cross-section of America, who viewed it as nothing more than a gimmick.

A permanent tax cut is not a gimmick. A permanent tax cut is not $50 which is provided once, and that is that. A permanent tax cut says to the consumer, "We are reducing your taxes in 1977 and also in 1978 and on into the future."

It is that kind of knowledge as to what a person's condition is going to be in future years that provides that individual—even now, even before receiving the money in the future, or being allowed the tax break in the future—with the kind of confidence in the ability to plan his or her life which is necessary to go out and make the consumer purchases on the durable items which are so important if we are going to have the real recovery that the American people need.

Finally, I suppose the most often voiced criticism of the permanent tax cut at this time goes to the question of its timing. It is said that this is not the time for a permanent tax cut. It is said that the American people waited a long time and they can continue to wait for the tax cut that we are calling for. It is said, and as a matter of fact, that they should wait because tax reform is on the way and if we are going to have tax reform, we have to accompany that tax reform with a permanent tax cut at that time.

To that, I say, what reform are we talking about? What is the meaning of the term, "tax reform"? Have we been told what the administration has in mind by way of permanent tax reform, or what the House Ways and Means Committee or the Senate Committee on Finance have in mind by way of permanent tax reform? Tax reform is a phrase that has been used over and over again to justify a delay in tax reduction. Yet nowhere has it been specified what this mysterious tax reform is to be. What is it to consist of?

Some people talk about simplification of the Internal Revenue Code. What simplifications do they have in mind? Do they have in mind doing away with the deduction of interest on mortgages or charitable contributions? That would be simplification, but it would not be desirable and it would be rejected, I think, by the vast majority of the American people.

The last time Congress talked about tax reform was in 1976 when it came out with a bill of 1,000 pages or so, which was reported in the press to be one of the most obscure, technical, confusing bills ever passed by Congress, and it was supposed to be reform.

So we are told that, some time down the road, we are to have this wonderful thing called tax reform, and we should delay a tax reduction so we can get it. But nowhere have we been told what tax reform is in the wind. We are told to wait, but we are not told how long we are supposed to wait.

Someone pointed out last Friday afternoon that the time that it took between the initial idea that was behind the Tax Reform Act of 1978 until the time it was signed into law by the President was 3 years and 7 months. Are we supposed to wait 3 years and 7 months between now and when we can offer some tax reduction to middle- and low-income people?

Then it is said that when we get tax reform, that is supposed to be coupled with some kind of tax reduction. Does this mean that we have a commitment of tax reduction for middle- and low-income taxpayers; and if so, who made that commitment? Has the administration committed itself to a rate reduction for low-income taxpayers? Has anybody in Congress committed himself or herself to a tax reduction for middle- and low-income taxpayers? We are talking now, in this amendment, about a rate reduction for middle- and low-income taxpayers which could begin now, not at some future date.

I am not aware that anybody has committed himself, and certainly not the administration, to tax reduction in the future or to any precise amount of tax reduction, or to tax reduction for this particular group of taxpayers.

It is not sufficient that some future tax reduction be aimed at people who do not need it, or be aimed at creating more loopholes rather than less loopholes, or be aimed at cushioning the blow of reform for people who do not need the cushion. The great need in America today is for the middle-income taxpayer and the low-income taxpayer, and the time has come to act now.

Then there is the question of whether or not this mysterious reform—we do not know what it is—is so much worth waiting for that we are willing not only to put off tax reduction today but also to deny people who are today out of work the kind of jobs that could be provided by the stimulus proposal.

Again taking the proposed rate reduction alone, which is a part of this amendment, it is estimated to create, by the end of 1977, 150,000 additional jobs; by the end of 1978, 350,000 additional jobs. Combined with the change in the standard deduction which is incorporated in this proposal, what we are talking about by the end of 1977 is 225,000 additional jobs; by the end of 1978, 600,000 additional jobs.

So why should these people, who could be put to work by this kind of stimulus, be told, "No, you are not supposed to have jobs now, because we are going to do something wonderful for you in the future. We are going to have tax reform. Do not ask us any more questions, please, because if you do, we will not tell you what we mean by tax reform. We will not tell you who is going to get the reductions, if any, that come out at that time."

Because we need more jobs now, because we have not yet come out of the woods with respect to our economic problems, because the extent of recovery that we are hopefully undergoing now is as yet unknown, because we are basing our most optimistic projections on figures for 1 month, we have to move on the problem of unemployment now.

My principal objection to the bill as it is now before us is not that it is a bad bill but that it is too little. I am terribly concerned that what we have done is to put the problem of unemployment on the back burner; that we have moved to another more exciting subject, the energy problem; and that we have taken the position that we had better wait on doing something effective for those who are now out of work.

This amendment would put people to work, and it would do so by saying to people who are in the middle- and low-income tax brackets, "We are going to offer some relief to you, and we are going to do it now."

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, the distinguished Senator from Missouri has described to you the nature of amendment No. 200 to H.R. 3477, and has indicated many of the detailed reasons why such an action by Congress would be appropriate at this time.

I wish to associate myself very closely with his remarks and to expand, to some degree, on more general aspects of the macroeconomic situation that we face in this country today.

Macroeconomics generally, I take it, refers to the economics of the country as a whole versus the economics of a house in the country.

It is interesting that as I travel through New Mexico and occasionally in other parts of this country, the average homeowner and homemaker tend to understand better why we have inflation than does the Government itself, because they understand what happens when you spend beyond your means.

It is clear from the recent recess, as it has been for some months if not years, that the two most critical economic problems facing the average American are inflation and unemployment. Inflation is probably a worse problem because it affects the entire country. Unemployment as bad as it is, affects individual Americans but not across the board. They are very closely tied to each other, as I will discuss.

I believe the President took the correct action when he withdrew his support for the $50 rebate as it had been proposed earlier to Congress. However, the withdrawal of that support did not make the basic problems of inflation and unemployment go away.

The $50 rebate was probably the best example I can imagine of what not to do in our present economic situation.

History shows clearly that most of the $50 each person would have received probably would have been used to pay an old bill or for basic necessities. As important as paying those bills and providing for necessities is, as near as I can tell during the recent recess most people realized that such an act by the Federal Government would accelerate the inflationary pressures they feel and will feel in the future and would lose far more than the $50 in the long run.

The $50 rebate would have increased

the spending power within our society, but it would also have increased the Federal deficit by somewhere between $11 billion and $12 billion, thereby increasing the Federal deficit without any long-term increase in demand or productivity. More inflation would have been the inevitable result.

At present, the economy seems to be recovering from the downturn of recent months, and it could well be that with this kind of economic stimulus we should learn to leave well enough alone.

However, the economy very clearly is inadequate for a large number of people and for many of the purposes to which this country is dedicated.

Inflation is the biggest economic problem that faces Americans, that faces the country, and that faces the world. There is very little disagreement on this fact.

Unemployment is a direct consequence of modern inflation. Thus a reduction in inflation deserves the priority attention of Congress just as does a reduction of unemployment.

Although it may be hard for the average working American to see it in his or her own life, our inflation is the result of too much money in the country as a whole and too little productive work. The government is distributing money at a much greater rate than the people create basic goods and services for which that money can be spent. This causes a steady increase in prices.

There are two ways by which Government gets the money it spends; both ways cause increased unemployment in the private sector. It taxes and it borrows. Taxation reduces the amount of money that would be saved or reinvested in a home or business. Borrowing reduces the amount of money in banks and other financial institutions which the private sector would borrow to invest in homes and businesses. Thus, both taxation and borrowing by the Government reduces the availability of money that the private sector could invest to create new jobs.

Much is also being made of governmental stimulus spending to create public service jobs. However, in creating public sector jobs, the Government eliminates private sector jobs in many cases. Since the bureaucracy is very inefficient and costs a great deal to run, this process eliminates more potential jobs than are created. Also, the public sector jobs produce much less than private sector jobs in terms of goods and services for the money spent, causing even more inflationary pressure.

Mr. President, I should add at this point, to repeat something that I have said before on this floor, that the single greatest complaint that my constituents have in New Mexico, and I believe that constituents throughout the country have when they talk to their Senators or Representatives, is the complaint about the impersonal nature of Government and of the bureaucracy. And this impersonal nature directly reflects the inefficiency with which our Government is operating in many, many ways.

But taking money in taxes and borrowing is still not enough to pay for all the programs Congress creates. In order to have an even greater supply of money in the economy, the Federal Reserve System creates money either by adjusting the amount of credit people can get or by creating new money to buy back Federal securities from the private sector. This process would not hurt us if the rate of increase in credit and new money equaled the rate of increase in the production of goods and services. However, in recent years the rate of increase in credit and money has far outstripped the rate of increase in productivity, and we have seen a rate of inflation somewhere around 6 percent—higher, unfortunately, about a year ago—and now we see signs in the wholesale price index of double-digit inflation returning.

Eventually, when the Federal Reserve System tries to control inflation, it does so by reducing credit, increasing interest rates and restricting its purchase of securities. When these actions are taken, money for investment drops off even further and new jobs are not created at a rate to match the constant increase in the labor force.

Obviously, a more realistic reaction by Government must be to gradually and simultaneously reduce both taxes and Government spending, so that money can be returned to the private sector where it can be used in the creation of real jobs and more goods and services. Control of the money supply is a prerequisite for any stabilized economy; however, that supply must match the real availability of goods and services.

Mr. President, I am supporting the permanent tax cut as proposed in amendment No. 200 primarily because I think that the people of this country will respond to a permanent and predictable increase in their available income by raising the demand for major goods, which, in turn, as the inventories for such goods are depleted, will increase the demand for new production and, therefore, for increased employment.

There is considerable historical precedent for such happening, although, as with most historical precedents, that can be debated. I hope that in the course of this debate relative to H.R. 3477 and amendment 200, we in Congress will grodually come to grips with the reasons why there is unemployment of various kinds and what it takes to do something about this very bad problem.

However, in the process of passing a permanent tax cut which will decrease the revenues available to the Government and therefore increase the deficit to some degree, we must do everything we can to decrease Government spending by a comparable amount; and in this regard I commend the President for his campaign promises to increase the efficiency of Government and, by so doing, to decrease its cost.

As Government reorganization takes place, with the approval of Congress, I hope that our prime consideration in that approval will be to increase efficiency and therefore decrease costs. In this process, I am sure that any inflationary pressure that might come from a permanent tax cut such as we are discussing will be mitigated. But I think it is important that as we discuss the problems of reducing unemployment we understand that our unemployment is composed of two basic types, one of which will be affected in a very positive way by the tax cut and the increase in demand that will come from that cut, and the other of which is going to take even more special measures.

The first type of unemployment is the so-called cyclical unemployment, which is basically unemployment that relates to the ups and downs of our basic economy. We should add to that the type of unemployment that will result in a static economy from just the yearly increase in the labor force. It is this cyclical unemployment and new labor force unemployment that is most affected by the lack of capital investment. Capital investment is stimulated by demand, by consumer confidence, and by the availability of risk capital for that investment, but it is depressed by overregulation of the economy and of business, and of personal lives. It is depressed by the judicial hassles that one gets into in trying to do business in this country today, and just living in this country today. It is depressed by inflation. For example, as the price of owning a home or buying a home increases, there is less incentive to buy homes, and therefore a decrease in the incentive to invest capital in a home.

Maybe one of the most critical long-term depressions on the rate at which we invest capital will be our inability to come to grips with the energy crisis. I am sure that particular question will be debated for some great length of time in this session of Congress.

The other form of unemployment is commonly called structural unemployment, but really means those individuals who, through basically no fault of their own, cannot find a job in our economy no matter how well that economy is doing.

It is this type of unemployment that is going to take some very special measures, which I am sure will be discussed further as we debate H.R. 3477.

I hope that we will target some special efforts to train the structurally unemployed so that they can, in fact, participate in the economy as it expands under the helpful influence of amendments like amendment No. 200, which would give us a permanent tax cut.

But I mention as preliminary to the debate that it is in the heart of our educational system where we find the true roots of the problem of the structurally unemployed. It is the 16-year-olds who find there are not jobs available for them in our economy. Our educational system is failing us and failing the society as a whole.

Mr. President, I hope that this body will realize why the American people feel greatly inhibited by the level of Federal taxation.

They watch as inflation takes its toll by raising them into progressively higher income brackets without any real increase in take-home pay.

I think one of the best things we can do for the American people at this stage of our slow and gradual economic recovery is to give them the opportunity to spend more of their income and take away some of the opportunity for the

Government to spend that income for them.

I can only speak for the people of New Mexico, but I think it would be hard to find any significant number of those who would say that the Government can spend their money better than they can spend it themselves.

As this debate over the permanent tax cut goes on, I think we are going to find an increasingly larger interest among our constituents for the kind of permanent stimulation that they would offer to our economy if afforded the opportunity to spend these dollars week after week, month after month and year after year.

With the passage of the Danforth-Javits amendments, however, we are not relieved of our responsibility to insure that all of the gains that would be realized by such a tax cut are not lost because we in the Congress did nothing to reduce the level of outlays by the Federal Government and to take permanent steps to reduce the impact of the Federal Government on the daily lives of individuals in this country, an impact that is not only financed through taxes, but is extended through the ever presence of that government into almost every activity that we undertake.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORGAN). Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, essentially what is before us now is the tax stimulus bill as it was reported by the Finance Committee. The amendment which will be offered by Senator JAVITS and myself would offer a rate cut for middle income and low income taxpayers.

In the hearings before the Finance Committee substantial discussion was given to the so-called marriage penalty, which means that under the law as it is presently written, it sometimes makes more sense to be single than to get married in that you have a higher standard deduction if you aggregate the standard deductions for two single people than for a married couple. Therefore, the Finance Committee addressed itself at some length to doing something about the standard deduction, both to simplify the present law, which we did do, and to lessen the amount of the marriage penalty.

However, what we did in dealing with the marriage penalty was to increase the standard deduction for married people and to reduce it somewhat for single people. The result of this is that under the bill as it was reported by the Finance Committee there are some people who will be paying higher taxes as a result of what we did than they are now paying.

As a matter of fact, an estimated 1,725,000 Americans are going to end up paying more taxes under the bill before us now as a result of what we did to correct the so-called marriage penalty in the standard deduction.

With the proposal which has been offered by Senator JAVITS and myself, amendment No. 200, as modified, no taxpayer will be paying more taxes than he or she is now. The people who are going to be paying more taxes under the bill as it came from the Finance Committee are single people, single taxpayers with adjusted gross incomes of $13,750 or more. Under the present bill, these people will actually be paying more taxes in the future than they are paying today.

Under the proposal Senator JAVITS and I have offered in amendment No. 200, as modified, this group of taxpayers will not be paying more taxes, but all taxpayers, in fact, will be paying less in taxes.

Of the single people with adjusted gross incomes of $13,750 or more, who are these people? Well, of course, all kinds of people in all age brackets are single, but especially the people who will be affected by this are people who have just gotten out of college, who have just begun their careers, who do not yet have jobs which pay them large incomes. Oftentimes, they have worked their way through college. They have incurred debts in order to complete their education. They have their initial startup expenses in life.

So many people whom I have interviewed for employment in my office in the Senate—and before that, when I was attorney general of Missouri—are just getting out of law school, young people complaining about how hard it is to get started in life and start providing for a family if they are married. This group, of course, is not the married group. These are the single people who are trying to get established and get their feet on the ground.

We are saying through the bill as it now stands before us: "We have a surprise in store for you because we are not getting rid of, though we are at least mitigating the so-called major penalty; but guess how we are doing it. We are going to increase taxes on you who are single."

So I think this is a further reason, among the number of persuasive reasons, for going with the amendment that Senator JAVITS and I have proposed.

This is simply not the time in our country's history, given the present unstable state of the economy, to say to any group of taxpayers, and especially to younger people who are trying to get going, "You are going to have to pay more taxes, not less." I do not think that group would view it as tax reform. I think they would view it as a penalty they are not able to pay.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that the name of the Senator from Nebraska (Mr. CURTIS) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, the debate upon this amendment of Senator DANFORTH and myself has extended through a weekend which had some extremely portentous developments respecting the economic issues which are here concerned. This weekend saw a very drastic revision of the economic facts upon which the administration has based its position on this tax bill.

In this connection, I ask unanimous consent to have printed in the RECORD an article detailing these facts, published in the Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REVISED U.S. ECONOMIC FORECAST INDICATES SLOWER GROWTH, HIGHER INFLATION FOR 1977

WASHINGTON.—Despite all of its optimistic talk recently about the economy, the Carter administration has scaled down the official economic forecast for 1977.

The Office of Management and Budget published a revised forecast that projects slightly slower economic growth, sharply higher inflation and about the same unemployment rate. The new forecast reflects the effects of the severe winter weather and the continued drought in the West, the Budget Office said, adding that the "overall adverse effects" of the weather have proved "small and temporary" so far.

Budget Director Bert Lance insisted that "the economic recovery is proceeding along the general lines expected in February," when the first Carter economic forecast was made, and is doing so without some of the original stimulus measures proposed and in the face of continuing lower-than-expected federal expenditures.

But the official administration optimism, which first surfaced when the President decided earlier this month to kill the $50-a-person tax rebate, isn't shared by many government economists. For example, just before the revised forecast was published last Friday, one senior analyst said, "there's plenty of cause to be worried about the rest of the year."

Specifically, the revised forecast calls for:

A 4.9% gain in 1977 in "real" gross national product, the total output of goods and services adjusted for inflation, compared with the 5.4% gain projected in February. In 1978, the administration expects a 5.6% gain in real GNP, up from the 5.4% forecast in February.

A 6.7% increase in the consumer price index from December 1976 to December 1977, up sharply from the 5.3% forecast earlier. The comparable 1978 increase is expected to be 5.6% compared with the 5.2% forecast earlier.

An average unemployment rate this year of 7.2 percent, compared with the 7.1 percent forecast earlier; the Budget Office noted that unemployment "is still estimated to fall below 7 percent by the end of calendar year 1977." In 1978, unemployment would average 6.4 percent, compared with a February forecast of 6.3 percent, and is projected to fall to nearly 6 percent by year-end.

As expected, the Budget Office also published revised federal budget figures that narrow the projected federal deficit for fiscal 1977, ending Sept. 30, to $48.7 billion from the February estimate of $68 billion. Of this $19.3 billion reduction, $12.2 billion comes from the administration's withdrawal of the tax rebates and business tax incentives, $6.1 billion from lower-than-expected federal

spending and $1 billion from an increase in anticipated federal revenue.

The projected deficit for fiscal 1978 was widened to $57.9 billion from $57.7 billion. The administration has always stated its economic growth goal as a 5.75 percent to 6 percent rise in real GNP as measured from the fourth quarter of 1976 to the fourth quarter of 1977. Administration officials now say that the goal is for growth of slightly under 5.75 percent.

The concern of many government analysts who question the administration's optimism is that consumer spending won't be able to continue supporting the recovery and that there aren't any strong signs of a major upturn in business spending on plant and equipment. Moreover, these analysts say, the President's new energy program may have the effect, at least in the short run, of turning businessmen's capital investment plans even more cautious.

In that event, says a top economist, the big worry is economic performance in 1978.

Mr. JAVITS. Mr. President, Budget Director Lance, though insisting that the "economic recovery is proceeding along the general lines expected in February"—to wit, February last—went on to revise the very material forecasts—and I assume he was referring to the third concurrent resolution on the budget for fiscal year 1977, to which I will return—though he said that generally it is going along as anticipated, what he then gave as a revised forecast was drastically different from what was anticipated in February.

For one, we scaled down the real growth rate—that is, the real gross national product—from 5.4 percent, which was a gain for 1977 fiscal year, projected in 1977, to 4.9 percent.

Mr. President, people should not be confused about those figures. That is a 10-percent drop. When you apportion 10 percent to a $1.6 trillion-plus economy, that is an enormous figure and represents an enormous revision in every prospect which an economy as great as ours has.

Also, Mr. President—and this is not an inconsiderable fact—it gives signals to the whole world, all of which, except for three countries—the United States, the Federal Republic of Germany, and Japan—is in a downtrend economic situation.

The rest of the world has exhorted those three countries to stimulate their economies. Germany and Japan have been very reluctant to do that and have not done it yet. Whether they are waiting for our lead or whether our lead will bring them on, I do not know, but they have not done it.

When our country, which has the leading economy on Earth, announces this reduction in our forecast, this is very major news to everybody in the world who is interested in the economic situation, let alone the economic situation in the United States.

Another revision was a very sharp increase in the Consumer Price Index—that is, in the inflationary rate. It is now estimated that that rate will hold at 6.7 percent, as against the previous forecast of 5.3 percent. That is in the area of 20 percent. For an economy of this size, that is an enormous concession to inflation and represents a real shock to the wage earners in terms of their calculation as to what will be their real income based on the wages and salaries they receive.

Also, it represents a very important escalation in our argument that, at the worst, this revision of individual income tax rates should be taken as a readjustment to the higher brackets in which wage earners have been cast without improving or increasing in any way their actual living opportunities, living standards. Simply by the erosion of inflation, this gives them more of the same and is a cause for very deep concern that the economy is not being stimulated in the way which was contemplated in February.

Then, to add the crowning blow, we have even a slight increase in the average unemployment rate forecast for this year. We already have a very serious and completely unacceptable unemployment of 7 million Americans, and we had hoped for even a marginal decrease in that. It is now assumed that we are unlikely to do better than to have a 7.7-percent average unemployment rate, with the hope that the actual figure by the end of calendar 1977—to wit, December—will fall below 7 percent.

Even the forecasts for next year do not give us much hope. With all of next year's forecast, it is 6.4 percent, and possible a fall to nearly—not even below, but nearly—6 percent by the end of the year.

Mr. President, these three critically depressing facts are almost irrefutable proof that we have to do more in the way of the right kind of stimulus to the economy than we are doing on the basis of this bill, with the President's $50 tax rebate now omitted.

Our argument on this side never was with the amount of the stimulus; it was with the method of the stimulus. That is why we propose the permanent personal income tax cut. We felt that to borrow $11.5 billion in order to hand out checks to millions of taxpayers, based upon surveys which have been made, presents the near certainty that it simply would be used to pay old bills or would be put in the bank or, even if used for shopping, would make a difference of somewhere between 30 and 90 days; and then you would be back exactly where you were. That was the reason for our opposition. We felt that readjusting the opportunities for maintaining the living standards of the American people through reducing the brackets in which they fell was the way to go. It seems to me that we are fully sustained now by the obviously more realistic look, having had one quarter's experience, which the administration has taken at the economic facts.

Mr. President, as to the fiscal policy—as to the Government income and the Government outgo—again it seems to me that we are very strongly sustained. The fact is that we all want a balanced budget; that we want no deficit; and that the only excuse for a deficit is either to maintain the national security, to maintain a very basic justice in our society, or to stimulate the economy for a better day next year or the year after that.

The last was the policy along which we were engaged in this whole venture of a tax bill.

Now, Mr. President, we find that that deficit has very materially been reduced by some $19 billion not only by the withdrawal of the tax rebate, which I discussed a minute ago, but also by the expectation of much lower expenditures than we contemplated, and by a slight increase, $1 billion, in anticipated Federal revenues.

It shows that we can within the compass of our advanced planning do exactly what this amendment recommends, to wit, reduce the permanent personal income tax rates.

We are sustained further, Mr. President, by the comparable projection of the deficit for 1978. This deficit is estimated to be $57.9 billion absent the kind of stimulus which this tax cut would give and, it seems to me, therefore, that the material—now, that also estimates the situation as a tax bill without rebate but without the personal income tax cuts, and shows a deepening requirement for stimulating the economy rather than a lighter one.

In short, if we are going to have a much bigger deficit in 1978 on the administration's approach to it, then by all means the case for endeavoring to stimulate the economy so it materially reduces that deficit—and we know from history that individual income tax cuts ever since the end of World War II have resulted in bringing in more rather than less revenue and in giving a feeling of confidence to our people, a willingness to invest, a feeling they do not have to go out and deal only with short-term problems, that our country continues to have as we have always had the deep faith it has in a very long-term future, and that Congress is cognizant of the tax problems of the people, and when it can, as it can, by virtue of these deficit figures give the people an opportunity to improve their tax situation, that it will do so.

It seems to me that again the administration's own findings confirm the argument which we make, to wit, that the deficit this year, much smaller than we had contemplated, affords us the opportunity to make this investment in ourselves, and that the deficit next year makes it essential that we make an investment in ourselves which will materially improve the economic and fiscal situation in our country.

This will mean increased economic activity which this will engender. This is especially true as the two elements which make up the rather dimmer prospects for 1978 are a failure of capital investment, the very thing I am talking about now, to come up to any optimum figure, and also the weakness of consumer demand. Both of those things are expressly targets for the kind of amendment which we have called for.

In addition, Mr. President, we are very, very deeply concerned about the fact that economic performance in 1978, absent some affirmative constructive and statesmanlike action such as the one we recommend in our amendment, will very materially lag even below the estimates which are made at this time, in the spring of 1977, with an enormous amount of justification as I find from discussions with many of the country's

leading economists to sustain that proposition.

A few other things: In February of 1977 we adopted the third budget resolution, Mr. President, and the committee reported in its report No. 95–9—that is the Budget Committee on this particular proposition, at page 4 the following:

On February 9, 1977, the Committee ordered reported a third concurrent resolution on the budget which took these various proposals into account.

To wit, the various proposals from the President, leading economists, business and financial experts, et cetera.

Without exception, the expert testimony and many of the reports from other standing committees recommended economic measures at least as stimulative as those provided for in this third budget resolution.

The third budget resolution took into account the stimulation of an expenditure of over $11.5 billion in the so-called $50 rebate, and what the committee was talking about was the global effect of that impact of buying power rather than the specific details as to how it went out to the public.

The Budget Committee continued:

The committee believes that the fiscal stimulus recommended in this resolution will make it possible for the economy to resume a vigorous recovery in 1977 and make substantial progress toward the Congress' longer-term goals.

Let us see what they specified as their longer-term goals and compare them with the revised goals of the administration.

I go back to the report, page 4:

Real GNP should expand at a rate of 5½ to 6 percent during 1977 and bring employment to 7 percent or less by the end of the year.

Now, the forecast is for a real growth rate of under 5 percent, 4.9 to be exact, rather than 5½ to 6, and the forecast for unemployment, though it continues to be hopefully in the very last month less than 7 percent, is nonetheless calculated for the year at an average of 7.2 percent.

In short, Mr. President, the downward revision indicates that the absence of a constructive kind of stimulus such as we argue for would be extremely damaging, and even the Budget Committee contemplated some kind of rate reduction, and this is what they said at page 5 of this report:

The committee's recommended revenue floor would permit enactment of up to $12 billion of the tax relief as proposed by the Carter administration—

Then I go on to quote again from the same sentence:

or enactment of permanent tax reductions or other forms of temporary tax relief of comparable amount.

In short, they themselves contemplated exactly the situation for which we are contending.

Now, Mr. President, there are other aspects of the report of the Budget Committee which are also very interesting. They forecast at page 7 a deficit of $50.6 billion for fiscal 1977 in their second budget resolution, and in their third budget resolution they adjusted that figure to $68.2 billion for fiscal 1977.

Our amendment is calculated at an expenditure on the order of magnitude of $4 billion in fiscal 1977, coming very, very handily and very easily within the expected deficit figures and the budgetary figures which they had contemplated.

In addition, they dismissed in their report any really inflationary aspect in the utilization of this figure. They said, for example, at page 12:

The temporary inflationary effects of these supply difficulties should not be allowed to impede the implementation of appropriate fiscal and monetary policies.

Then they took account of the problems we had had this winter, and said, at page 12 again:

... the effects of the winter provide an additional reason for personal tax relief at this time.

They dismissed the idea that the ordinary rate of consumption would give us the rate of economic recovery we needed, and they said, at page 11:

... consumption is unlikely to lead to economic recovery except to the extent that it is stimulated by the increased disposable income resulting from a tax reduction.

Indeed, as you read this report, it was very clear that they themselves were rather unsure about the rebate, even though this is the report of the majority, and very favorable to the administration, as we would fully expect. They themselves constantly raise the issue of a different kind of approach, to wit, a cut in the personal income tax rate.

Now, Mr. President, some other evidence which it seems to me is critically important. I am the ranking Republican member this year—we change from House to Senate and back again every 2 years, but this year I am the ranking member—of the Joint Economic Committee. It is extremely interesting to see how the Joint Economic Committee, which is supposed to be the "think" committee of the House and the Senate, reacted to the same situation in its report on the economic report of the President, which was issued March 10, 1977. I would like to refer to that because it is so interesting.

They said, at page 42:

In short, the economy is presently at least one full year behind the time table previously recommended by this Committee and others for recovery from the 1974-1975 recession. The present year offers no prospect of regaining this lost ground.

Then they go on as follows, on the same page, skipping one sentence that is technical in nature:

The loss of output during 1976 just from falling short of the recommended recovery path amounts to about $43 billion or an average of about $200 per person for each individual living in the United States.

This was their feeling. And they go on to further point out what would be the consequences of not reducing personal income taxes. This time they add relevance to the extension of the cuts which are also contained in this bill, which were continued last year, which amount to about $18 billion; but what they say about it, which is the principle involved in this discussion, bears just as much upon the amendment which we are recommending to the Senate.

They said, on page 83—they pointed out that there would be a sharp rise in the effective tax rate if we did not continue these cuts, and they said:

Such a sharp rise in the effective tax rate would seriously erode the growth of consumers' real after-tax incomes and restrict the growth of the private economy.

That is exactly what we contend, Mr. President: that putting the taxpayer, simply because of the money amount involved, without regard to his real purchasing power, into the higher bracket into which he has been put, and therefore taking out of his pay envelope the higher number of dollars, would meet exactly this test, to wit: It represents a sharp rise in the effective tax rate, seriously eroding the growth of the consumer's real after-tax income, and restricting the growth of the private economy.

In fact, Mr. President, we have all seen and been alarmed by recent figures which indicate that there is really, when you take the average family in the United States, for the first time in a very long while a diminution in the real purchasing power, to wit, the real living standard, of that family, by about 3 percent—literally a reversal of everything we consider to be almost sacred in the American economic system.

Here again, I find in the report of the majority of the Joint Economic Committee confirmation for the proposition for which we are contending. They say, at page 84 of their report, to which I have generally referred—by the way, they themselves were deeply concerned about the rebate as being a proper way in which to approach this matter, and I would like to read that paragraph, because it is very interesting and important as it leads into the basic point which I shall make in a moment.

I read from pages 83 and 84:

Most of us have supported the tax rebate this year—

This is the majority; I do not support it, and did not support it, but I go back to the quotation:

Most of us have supported the tax rebate this year for lack of a better alternative to stimulate the economy quickly. But, we do not wish to see the rebate repeated in 1978. Tax rebates have the disadvantage that a lower proportion tends to be spent than would occur if the tax change were permanent. A related defect is that rebates have little secondary effect on business investment because businessmen are aware that the rebate-induced rise in consumer spending is only temporary.

And so on.

Mr. President, that also has a very direct bearing upon the concept of stimulating the economy, in a real as well as in a psychological way, by cutting the permanent personal income tax rates.

Now they go on with this rather important passage on page 84:

The large increase in the share of personal income taxes in GNP which would occur under the Administration's proposed budget for fiscal year 1978 should be avoided. This will require a tax reduction somewhat larger than just the extension of the present personal tax credits. In the First Concurrent

Resolution on the Budget for fiscal year 1978 Congress should make provision for this larger personal tax reduction.

The tax reduction could be achieved, they go on to say, by temporarily lowering the tax rates, by enlarging the personal credit, or in other ways. To quote the remainder of the paragraph:

In designing the specifics of the tax reduction, every effort should be made to ensure that it meets distributional objectives as well as fiscal policy requirements and that it does not introduce any new obstacles to tax reform in 1979.

Incidentally, what we are advocating here meets exactly every one of those tests and I think they are very worth detailing, because there is nothing like an analysis of points of view which are established before the political situation really gets hot, as it is now.

First, they say every effort should be made to insure that a tax cut meets distributional objectives.

By that I assume they mean justice and equity of distribution to the various participants in that tax cut.

Our tax cut starts at a peak of 14 percent of taxes at the point in the scale of taxable income which stands at $8,000. Then it goes down to as little as 1 percent of taxes at the point of those who pay taxes on $30,000. From then on, it is meaningless in terms of any real effect. But it seems to me that meets distributional tests in that the overwhelming weight of the tax cut comes in the bracket of those who are the best customers, the most likely to buy the things which represent investment and which represent big ticket items, being in the bracket from $8,000 to $20,000 of taxable income.

I think we meet very accurately the distribution test.

Second, that it meets fiscal policy requirements.

It seems to me that we certainly have met that test admirably well. The contemplated deficit was about $68 billion. That deficit is now, in round figures, estimated at about $20 billion less, to wit, $48 billion. Our permanent tax cut, even on a full year basis is several billion dollars less than that. It is something estimated in the area of $12 billion.

Three, that it does not introduce any new obstacles to tax reform in 1979.

Mr. President, that is one issue to which I would really like to address myself, because that is very much at the heart of this debate.

I do not think, in my honest opinion—I can be argued with, but I have been around here a little while—that there is anything less than an extremely decisive majority in the Senate for a permanent personal income tax rate cut.

But what is in the minds of enough people to make the difference between a decisive majority and a skinny majority, or perhaps no majority at all, is whether or not it suits better those who advocate tax reform to sweeten it—to use a popular word—with this tax cut when tax reform comes along.

I have practiced politics a long while, it is not only a great democratic exercise assuring our freedom, but also a great game in which very brilliant men of vast experience are engaged. Normally, we would say, "Fine, that's just part of the game in which we're all engaged and, after all, there's some privilege in being in the majority and there's some penalty we have to pay for being in the minority."

The only difficulty is that it is not only politically we would be paying it. It is in the interests of our country that we would be paying it, and for the following reasons:

First, we already know energy is going to take up most of this session. The minimum required, based on history and tax reform measures, is somewhere between 1 and 3 years.

Let us assume it is just 1 year, Mr. President—a very conservative assumption, indeed.

We have already been told energy has to dominate this session. We have no time, for example, for welfare reform and many of our cities may well go broke because that has been deferred on the calendar.

So, Mr. President, given at the very basic minimum tax reform by toward the end of 1978, before it gets in here and the President recommends it, we have hearings, we spend a minimum of 6 weeks fighting about it, maybe another 6 weeks in conference, maybe another 6 weeks to get that conference report approved.

In all of that time, Mr. President, Rome will be burning while we fiddle, because the President now opines that 1978 will not be as good a year as 1977. So that reduction will come in the very year which could have been avoided if we had acted in time in 1977. It seems to me that is a very powerful argument in our national interest and the interest of thousands of people who would not otherwise be unemployed.

Next, Mr. President, is the sweetener argument. What kind of tax reform is this going to be? Is it going to be a tax reform that can stand on its own feet? Or is it going to be a tax reform in which with every bit of tax reform a lollipop has to be given to induce people to do it, even though it is not a good tax reform at all and may make the tax code far more unjust after than before?

We have had lots of examples of that, Mr. President. I think our people should be alerted and warned against the need of having a sweetener in the tax reform, because it cannot stand on its own feet as a desirable reform in the interests of the American people in simplifying the tax code and distributing more justly the tax load, which already most of the American people in simplifying the tax code and distributing more justly the tax load, which already most of the American people consider to be backbreaking.

Mr. President, it seems to me, aside, as I say, from gamesmanship, to wit, Democrats versus Republicans, that in the highest national interest that argument must yield.

It must yield, because this is the timely moment and the President's own estimates, own forecasts, own people, and own plans, say it is the timely moment and that next year we may be in the soup if we do not act at once.

Indeed, that is their estimate, their projection, their prediction, in terms of unemployment, gross national product, as well as inflation.

Second, that woe be to us if we have a tax reform that has to have a big sweetener in order to get us to swallow it, because otherwise it would be too bitter and we would cough it up and we just would not take it.

Mr. President, it seems to me that that is a very strong argument for acting now rather than not for acting now.

It would be highly desirable if the President had said, instead of just, "I withdraw the $50 rebate, it isn't a very good idea, I believe the American people are entitled to have their brackets adjusted, because we have a progressive income tax in terms of the impact upon them of inflation."

By the way, this particular amendment does not even quite do that. Generally, overall, it reduces taxes about 7 or 7.5 percent, and the adjustment required is somewhat higher than that. But at least it makes a very good effort in that direction and does have some substantial results in that direction.

But, Mr. President, we do not live in that kind of society and the President did not feel he wanted to do that. Perhaps the President himself, eminent, distinguished as he is, and as much as we wish him the best of everything, because that is, after all, the future of our country, may also have had in mind the idea of sweetening to get tax reform which he will propose by having a tax cut in his pocket which can accompany that tax reform.

Mr. President, that is not necessarily what we ought to decide, looking at the highest interests of the United States. I deeply believe, Mr. President, on the contrary, that what we have to decide is with the President's own figures, the anticipations of the Budget Committee and the Joint Economic Committee, the broad opinion of distinguished economic and business thinkers dictates that this is precisely the time and precisely the occasion to adjust the personal income tax rates of Americans who are paying taxes in the true middle-income bracket. Therefore, the proposal which we shall make in the form of an amendment should be adopted by the Senate.

Mr. CHAFEE. Will the Senator yield for a question?

Mr. JAVITS. I yield.

Mr. CHAFEE. I would like to ask the distinguished Senator from New York if he will amplify a bit on two parts which seem to me to be the heart of this issue, which I thoroughly support: Namely, that it will stimulate the economy by encouraging those who receive a tax cut to start into long-range purchases of the type that will foster increased production and thus greater employment, and the second point made which seems to be so valid, the fairness that it is going to achieve in our individual income tax rates, because those who have been moved from a lower bracket into a higher bracket due to inflation achieve no greater relative income advance, because they are in higher brackets and thus have a greater portion of their income taken by the income tax.

As I understand, in 1956, 3 percent

of the American taxpayers were in the 30-percent bracket. Currently, 30 percent of the American taxpayers are in the 30-percent bracket. Thus, those who are in the lower half of our income range, we might call it, are paying a far greater proportion of taxes than they formerly were. Is that correct?

Mr. JAVITS. That is entirely correct. The savings which are incorporated, roughly in the order of magnitude of $225 to $250 per taxpayer, apply to taxpayers in relatively low-income ranges. That is to say $8,000 a year to $12,500 a year. When we realize that for a family of four their aggregate income is $6,400 a year or less, they are in the poverty level. We cannot call such people affluent. Yet so large are the taxes for that group that even a modest cut such as the one we are describing in terms of their rates will reduce their taxes so materially, in the area, as I say, somewhere between 6 and 7 percent and 12 and 14 percent.

Mr. CHAFEE. I would like to return to the points the Senator from New York made in connection with tax reform. We are all told to postpone this action, because the administration is going to come forward with a tax reform proposal in the fall.

The Senator pointed out that this Senate is going to wrestle with the energy program starting soon and that will take up well up into the summer, I presume.

Mr. JAVITS. Easily.

Mr. CHAFEE. Then we get to the question, are we going to get to the so-called tax reform? I feel, and I know the Senator shares these views, that we should get on with the tax cut for the American public, both for the reasons which have been cited before, the stimulation for the fairness of those who have been forced into higher brackets although their net take home pay in the value of their dollars has decreased, and also I think we want to get on with this, because I do not see what else is going to be done.

Mr. JAVITS. The Senator is 100 percent correct. We are deeply indebted to my collaborator, Senator DANFORTH, a member of the Finance Committee who proposed the amendment which we will propose to the Finance Committee, who traced the history in terms of time lapse of the 1976 Tax Reform Act. Let us remember that when we talk about tax reform allegedly we just had a tax reform, dealing with the maximum tax, the minimum tax, in many other ways dealing with tax shelters, et cetera. It was a very, very complex law. As a matter of fact, only about a week ago in the New York Sunday Times a good deal of the financial section was taken up with the problems which had arisen, with the fact that in many cases regulations had not come out yet, with the fact that interpretations from the courts would take some years in order to deal with a specified section of that reform.

As Senator DANFORTH so eloquently pointed out:

> That reform commenced in February 1973 with hearings before the Ways and Means Committee.
>
> He said on page 11882 of the RECORD:
>
> It took from February 1973 until October 1976, 3 years and 7 months, to enact into law what turned out to be the Tax Reform Act of 1976.

So to pretend for a minute that it is going to serve the national interest to defer what we are trying to do in this amendment until there is tax reform is simply asking us to guess absolutely blind and wild. In 1, 2, and 3 years the economic situation unquestionably will be radically different from anything we can see now. Indeed, the economic situation was so radically different between February and April that President Carter, who had passionately pleaded for the rebate in February—this is the one thing he was going to stand on, the one thing that was going to do wonders for the American people—said in April, after saying that in February, that consumer confidence had now returned, the consumer was buying, and it was unnecessary to give the $50 rebate.

Then we get these revised figures which I have just given from the Director of the Budget, Mr. Lance, of the Office of Management and Budget, again radically revising the whole forecast.

Again I repeat, when we say a 10-percent revision in this economy, we are talking about over $100 billion in GNP. We have a gross national product of $1 trillion, which is $1,000 billion. It will probably be more in dollar figures in 1977.

So the Senator is absolutely right. First, it will take a long time, and second, as they say in the theater, what will be the situation then can only be dimly perceived darkly. That is hardly a standard by which to deal with the national interests of the people of the United States.

Mr. CHAFEE. I thank the Senator very much. I believe his arguments have been persuasive. I have seen the senior Senator from Virginia hang on to every word. I believe we have him tilting. I think probably the only thing we need to make this thing completely successful is to put that magic word "reform" before it. That gives it a mythical quality that all can support. A tax reform seems to have a better savor to the American public and to the Senators than just the mere words "tax reduction."

Mr. JAVITS. I thank my colleague. I hereby dub our amendment the tax reform individual tax rate reduction of 1977.

Mr. CHAFEE. I think with that we can proceed to a vote and to success.

Mr. JAVITS. Mr. President, I thank my colleague.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MELCHER). The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—H.R. 3477

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, at 11 a.m., the Senate proceed to debate the amendment which will be offered by Mr. DANFORTH and Mr. JAVITS; that there be a 2-hour limitation for debate on that amendment, to be equally divided between Mr. LONG, the manager of the bill, and Mr. JAVITS and Mr. DANFORTH, the authors of the amendment, with 1 hour to Mr. LONG and 1 hour to Mr. JAVITS and Mr. DANFORTH; that at 1 p.m. on Wednesday a vote occur up or down on the amendment.

Mr. JAVITS. Mr. President, reserving the right to object—and I shall not object; I agree thoroughly with what is being done—I just want to be sure that we understand the ground rules.

A vote up or down means that the unanimous-consent agreement includes the fact that we will not have a motion to table.

Second, I hope the leader will add to the unanimous-consent agreement that this amendment may be offered at the proper place in the bill which is before us, which is at page 32, in connection with the standard deduction, rather than where it would come under the present parliamentary situation, where we are just at the table of contents.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object—and I am sure there will not be objection—one of the principals on our side who is involved in this matter, Mr. BELLMON, is on his way to the floor of the Senate and will be here momentarily.

I ask the majority leader if he has any plans for the disposition of the remainder of this bill.

Mr. ROBERT C. BYRD. Yes. If we could get the agreement to vote at 1 p.m. on Wednesday on the Javits-Danforth amendment, it would be my desire to recess shortly and to convene the Senate at 2 p.m. tomorrow; that on tomorrow and during tomorrow afternoon, other amendments would be called up and disposed of, if there be such; that debate, when other amendments are not pending, could go forward on the Javits-Danforth amendment and on other amendments which are expected to be called up after the Javits-Danforth amendment is disposed of.

I would hope that on Wednesday, the Senate could stay in late, that on Thursday it could stay in late, and that on Friday it could stay in late, if necessary, to dispose of the bill at the close of business Friday. That is merely expressing the hope. That, as I see it, would be about the only way I could respond to the query by the distinguished minority leader.

Mr. BAKER. I thank the majority leader. That is most hopeful. The schedule for the remainder of the week would appear to be fairly clear, then.

While I do not anticipate that the majority leader is asking for orders on other amendments or a certain time to vote on Friday on final passage, I express the similar hope that we could dispose of other amendments and finish this bill this week, if unexpected circumstances do not arise.

Mr. President, I see the distinguished Senator from Nebraska, the ranking member of the Finance Committee, in the Chamber, and I take it that his arrangement is satisfactory to him.

Mr. CURTIS. The arrangement is satisfactory.

There are some amendments in the so-called minority package that we may be able to discuss tomorrow, but which I think appropriately should be offered for a vote after the disposal of the question of a permanent tax cut.

I also express the expectation that if the Danforth-Javits amendment prevails, then we can immediately go ahead with the other minority items of the package. If the Danforth-Javits amendment should be turned down, then there is the possibility that some other form of permanent tax cut might be offered.

In any event, it will be the position of the Senator from Nebraska to move ahead on the bill, because those of us on the Finance Committee have been involved in it for a long time and we would like to finish it.

Mr. BAKER. Mr. President, reserving the right to object, I thank the Senator from Nebraska for pointing out that in the event the Danforth-Javits amendment were not adopted, there might be other amendments to follow on the same subject. It is my hope that it will prevail. I understand that to be the case.

Mr. HANSEN. Mr. President, reserving the right to object—and I do not intend to object—I wish to observe that the minority has proposed a package of amendments, including one which is part of a proposal I intend to offer, which would take title XX of last year's bill, which includes a number of conservation objectives, which I do intend to offer. I presume that it meets fully with the intentions of the majority leader that, while my entire amendment is not part of the minority proposal, I would have an opportunity between now and Friday, if we were to conclude the bill by then, offer it.

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Mr. President, Senator CURTIS and Senator CHAFEE desire to be joined as cosponsors.

Mr. BAKER. Mr. President, the senior Senator from Oklahoma (Mr. BELLMON) has advised me that this arrangement is satisfactory to him. So far as I know, there is no objection on this side.

Mr. CHAFEE. Mr. President, will we be taking up the amendments in the chronology of the bill? Is that the way we will proceed?

Mr. ROBERT C. BYRD. I think there are some Senators who have amendments that could be called up tomorrow afternoon. I would hope they would proceed to do that.

The only thing I am trying to do at this point is to get a definite time limitation for debate on the Danforth-Javits amendment and a time for a vote up or down.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. We are agreeing, by unanimous consent, to vote on the Danforth-Javits amendment. We are simply agreeing that we will vote on that amendment, to be added at the appropriate place in the bill, which is agreed to by unanimous consent.

After we have voted on that amendment, I believe that we will be able to agree on our procedure thereafter. I think we will probably ask consent that the bill simply be regarded as original text, so that Senators can offer their amendments in whatever order they wish after that.

Mr. ROBERT C. BYRD. I thank the distinguished manager of the bill.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader, the distinguished manager of the bill, the distinguished Senator from Nebraska, the ranking member of the committee, and all other Senators who have had a part in bringing about this unanimous-consent agreement.

ORDER FOR RECESS UNTIL 2 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 2 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RESUMPTION OF CONSIDERATION OF H.R. 3477 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, the Senate resume consideration of the Tax Reduction and Simplification Act of 1977.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM TUESDAY UNTIL 10:30 A.M. ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow it stand in recess until the hour of 10:30 a.m. on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m. with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR NO ROLLCALL VOTES PRIOR TO 4 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if any rollcall votes are ordered on amendments tomorrow or on motions, with the exception of any motion related to the securing of a quorum, that such rollcall votes not occur before the hour of 4 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR RECORD TO REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all Senators may have until 5 p.m. today for the purpose of introducing bills, resolutions, petitions, memorials, and statements in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar, all of which, I believe, have been cleared.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Reserving the right to object, and I shall not object, all of the nominations on the Executive Calendar are cleared for consideration on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE JUDICIARY

The assistant legislative clerk read the nominations of Howell W. Melton, of Florida, to be a U.S. district judge for the middle district of Florida and William M. Hoeveler, of Florida, to be a U.S. district judge for the southern district of Florida.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nominations of George J. Mitchell, of Maine, to be U.S. attorney for the district of Maine for the term of 4 years; and Leonel J. Castillo, of Texas, to be Commissioner of Immigration and Naturalization.

Mr. HATHAWAY. Mr. President, it is with a great deal of pleasure that I note the President's nomination of George Mitchell, of South Portland, as U.S. attorney for Maine.

I have known my good friend, George Mitchell, for a number of years and I am fully confident that he will faithfully serve the citizens of Maine with the same high distinction he has demonstrated in the past in service to our State.

George Mitchell comes to his new post with an extensive background of experience in his profession of law. He has worked as a trial attorney in the Department of Justice. He is currently a partner in the law firm of Jensen, Baird, Gardner, Donovan & Henry in Portland and

he has served effectively as the assistant county attorney of Cumberland County, vigorously prosecuting a number of criminal cases before the Superior and Supreme Courts of Maine.

Mr. Mitchell is also no stranger to the political process. For 3 years, he worked here in the Senate staff as the executive assistant to my colleague, the senior Senator from Maine, Mr. MUSKIE. He has served ably as the chairman of the Maine Democratic State Committee, as a Democratic national committeeman for Maine and as a member of the executive committee of the Democratic National Committee. In 1974, George Mitchell was the Democratic nominee for Governor of the State of Maine.

George Mitchell enjoys the confidence and support of the many citizens of Maine who know of his outstanding work for our State. He is an excellent choice for the demanding job of U.S. attorney for Maine. His exemplary record of service to his profession and the people of Maine is substantial evidence of the quality of his work and the high integrity of George Mitchell.

I heartily support the nomination and I hope my colleagues in the Senate will quickly and unanimously approve his confirmation.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of W. Tapley Bennett, Jr., of Georgia, to be the U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary; Robert F. Goheen, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India; and Samuel W. Lewis, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF DEFENSE

The assistant legislative clerk read the nominations of Russell Murray II, of Virginia, to be an Assistant Secretary of Defense; Deanne C. Siemer, of New York, to be General Counsel of the Department of Defense; Edward Hidalgo, of the District of Columbia, to be an Assistant Secretary of the Navy; and Alan J. Gibbs, of New Jersey, to be an Assistant Secretary of the Army.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. The President will be so notified.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, does it not follow that the pending business, which now is the Tax Reduction and Simplification Act of 1977, will automatically be the pending business on tomorrow, following the recognition of the two leaders under the order entered, and on Wednesday at the close of morning business, under the order entered?

The PRESIDING OFFICER. The majority leader is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

RECESS UNTIL 2 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 2 p.m. tomorrow.

The motion was agreed to; and, at 3:34 p.m., the Senate recessed until Tuesday, April 26, 1977, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate April 25, 1977:

DEPARTMENT OF DEFENSE

Percy Anthony Pierre, of the District of Columbia, to be an Assistant Secretary of the Army, vice Edward Alan Miller.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

William Antonio Medina, of Maryland, to be an Assistant Secretary of Housing and Urban Development, vice Thomas G. Cody, resigned.

TRUST TERRITORY OF THE PACIFIC ISLANDS

Adrian Paul Winkel, of Maryland, to be High Commissioner of the Trust Territory of the Pacific Islands, vice Edward E. Johnston, resigned.

DEPARTMENT OF STATE

Mabel Murphy Smythe, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Republic of Cameroon.

Lowell Bruce Laingen, of Minnesota, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta, to which office he was appointed during the last recess of the Senate.

Donald R. Norland, or Iowa, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Botswana, to which office he was appointed during the last recess of the Senate.

Donald R. Norland, of Iowa, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Lesotho, to which office he was appointed during the last recess of the Senate.

Donald R. Norland, of Iowa, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland, to which office he was appointed during the last recess of the Senate.

Malcolm Toon, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics, to which office he was appointed during the last recess of the Senate.

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Robert E. Hails, xxx-xx-xxxx FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Robert C. Mathis, xxx-xx-xxxx FR (major general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Bennie L. Davis, xxx-xx-xxxx FR (brigadier general, Regular Air Force), U.S. Air Force.

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Richard L. Lawson, xxx-xx-xxxx FR (colonel, Regular Air Force), U.S. Air Force.

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Winton W. Marshall, xxx-xx-xxxx FR (major general, Regular Air Force), U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 25, 1977:

DEPARTMENT OF JUSTICE

George J. Mitchell, of Maine, to be U.S. attorney for the district of Maine for the term of 4 years.

Leonel J. Castillo, of Texas, to be Commissioner of Immigration and Naturalization.

DEPARTMENT OF STATE

W. Tapley Bennett, Jr., of Georgia, to be the U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Robert F. Goheen, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

Samuel W. Lewis, of Texas, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Israel.

DEPARTMENT OF DEFENSE

Russell Murray II, of Virginia, to be an Assistant Secretary of Defense.

Deanne C. Siemer, of New York, to be General Counsel of the Department of Defense.

Edward Hidalgo, of the District of Columbia, to be an Assistant Secretary of the Navy.

Alan J. Gibbs, of New Jersey, to be an Assistant Secretary of the Army.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Howell W. Melton, of Florida, to be U.S. district judge for the middle district of Florida.

William M. Hoeveler, of Florida to be U.S. district judge for the southern district of Florida.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 26, 1977:

Alex P. Mercure, of New Mexico, to be a Member of the Board of Directors of the Commodity Credit Corporation, vice Kenneth E. Frick, resigned, which was sent to the Senate on March 30, 1977.

HOUSE OF REPRESENTATIVES—*Monday, April 25, 1977*

The House met 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Teach me to do Thy will; for Thou art my God; Thy spirit is good; lead me into the land of uprightness.—Psalms 143: 10.

O Lord and Master of us all in the midst of the troubles of these trying times we pause before the altar of Thy presence seeking the assurance of those whose mind is stayed on Thee.

Keep us steady with the faith that behind all the fears and frustrations of the present age there is the greater good of Thy purpose for all mankind in which we can believe and to which we must be loyal if we are to walk with confidence into the days that lie ahead.

Strengthen in us all noble impulses. Increase in our minds the spirit of wisdom, in our motives the spirit of understanding and in our motions the spirit of good will that through this land of free and faithful people the nations of the Earth may be blessed. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

ALL-VOLUNTEER ARMY POINTS TO NEED TO FUND A STANDBY DRAFT MECHANISM

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, the House concludes today its consideration of the military procurement and research and development authorization bill. And yet, there has been and probably will be, little or no discussion regarding the ultimate future effects of our All-Volunteer Armed Forces, which in my opinion has dangerous implications to this country if not changed or modified in the near future. Not only is it proving incredibly and unexpectedly expensive, but it has two additional possibly devastating consequences.

First, I fear that we will see the development of a large, professional military elite, possessing a "Seven Days in May" mentality which is an ominous signal to our "citizen" democracy.

Second, an All-Volunteer Army has begun to create a professional management and professional nonmanagement dichotomy in our armed services which will ultimately lead to the creation of formal collective bargaining procedures in our armed services—something which very few Members I believe would want to happen.

While it is not feasible to reinstate the draft at this time, or even create a system of universal service in lieu thereof, I believe it is time to appropriately fund a standby draft mechanism and study the full implications of the future of our All-Volunteer Army, including its impact on our reserve system. The report from the Armed Services Committee, on pages 22 and 23 seems to agree.

I urge the Members of this body to give this problem their serious attention.

COMMUNIST REGIME IN SOUTH VIETNAM MARKED BY WHOLESALE DENIALS OF BASIC HUMAN RIGHTS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, Saturday, April 30, 1977, marks the second anniversary of the Communist military conquest of South Vietnam. Systematic and wholesale denials of basic human rights have marked the Communist regime and it is apparent that the rights of the Vietnamese people are being sacrificed for the ideological ends of their current rulers. New reports tell of "re-education" camps, another name for concentration camps, in which 300,000 Vietnamese are being cruelly and unjustly held captive.

Conditions in Vietnam are so bad today, a longtime resident who has since left that now-wretched country was reported by the New York Times as describing Vietnam as a land of "widespread misery, constant surveillance, incessant propaganda, endless indoctrinations, arbitrary arrests, executions, imprisonments and exile * * * where an arrogant bureaucracy reaches into every corner of life, where books are burned, citizens are denounced, and informers thrive."

There is no freedom of speech, of the press, of assembly. In short, the Communist government of Vietnam is infinitely more repressive than any other government in that nation's history.

Despite these facts, there has been relatively little notice made in the Congress or in the media of these atrocious conditions. Many of those who in the past eloquently and persistently criticized partial infringements of freedom under previous governments in South Vietnam are curiously silent about the total denial of freedom under communism.

I believe that this House should be on record as deploring the denial of human rights in Vietnam today. I will therefore, later this afternoon, introduce a resolution calling upon the President to issue a proclamation designating Saturday, April 30, 1977, to be Vietnam Memorial Day, in honor of the millions of Vietnamese now suffering in abject slavery and in honor of the 55,000 Americans who were killed by Communist aggressors.

HOSPITAL COST CONTAINMENT ACT AND CHILD HEALTH ASSESSMENT PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–129)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committees on Interstate and Foreign Commerce and Ways and Means, and ordered to be printed:

To the Congress of the United States:

This country spends more on health care than any other nation—$160 billion this year, almost nine percent of our Gross National Product. We have the finest medical facilities and highly skilled, dedicated health professionals. Yet many of our people still lack adequate medical care, and the cost of care is rising so rapidly it jeopardizes our health goals and our other important social objectives.

I am transmitting to the Congress two major pieces of legislation to improve our health care system: The Hospital Cost Containment Act of 1977 to hold down rising health care costs, and the Child Health Assessment Program (CHAP) to improve health services for children of low-income families.

I. Hospital Cost Containment Act of 1977.

First, I am today proposing legislation which will limit the growth of the major component of health cost in-

creases—rising hospital expenditures. The Hospital Cost Containment Act will restrain increases in the reimbursements which hospitals receive from all sources: Medicare, Medicaid, Blue Cross, commercial insurers, and individuals. The limit will be set using a formula which not only reflects general inflation, but also extends to hospitals an additional allowance for improving their quality of care. Based on current trends, the limit for fiscal year 1978 will be approximately nine percent.

The legislation will also impose a limit on new capital expenditures for acute care hospitals. The program will fix a national level for such expenditures below that of recent years and allocate new capital spending among the states by formula. With the assistance of local planning agencies, each state will determine which facilities merit new capital expenditures.

Specifically, the Hospital Cost Containment Act of 1977 will:

—Limit the in-patient reimbursements of acute care hospitals, excepting new hospitals, federal hospitals and Health Maintenance Organization (HMO) hospitals.

—Provide an automatic formula to adjust the nine percent limit for moderate changes in expected patient load. The formula will contain strong incentives to discourage unnecessary hospitalization.

—Include an adjustment for hospitals which provide wage increases to their non-supervisory employees.

—Provide an exceptions process for the small percentage of hospitals which will undergo extraordinary changes in patient loads or major changes in capital equipment and services. The program will require the Department of HEW to respond to any application for an exception within 90 days.

—Disallow in the computation of a hospital's base cost any unwarranted expenditures made in anticipation of the implementation of the program.

—Allow states which operate cost containment programs, and are capable of meeting the federal program's criteria, to continue their own regulatory approaches.

This program will save about $2 billion in fiscal year 1978—over $650 million in the federal budget, over $300 million in state and local budgets, and almost $900 million in private health insurance and payments by individuals. In fiscal year 1980, total savings will exceed $5.5 billion.

These savings will slow a devastating inflationary trend, which doubles health costs every five years. This year health care will cost an average of over $700 for every man, woman, and child. Each worker's share of our Nation's health bill will require more than a month's work.

For the federal budget, rising health spending has meant a tripling of health outlays over the last eight years. Without immediate action, the Federal government's bill for Medicare and Medicaid—which provide health care for our elderly and poor citizens—will jump nearly 23 percent next year, to $32 billion.

Rising health costs attack state and local governments as well. State and local Medicaid expenditures have grown from $3 billion in 1971 to $7 billion in 1976, forcing cutbacks which harm the low income recipients of the program.

Unrestrained health costs also restrict our ability to plan necessary improvements in our health care system. I am determined, for example, to phase in a workable program of national health insurance. But with current inflation, the cost of any national health insurance program the Administration and the Congress will develop will double in just five years.

Finally, uncontrolled medical care spending undermines our efforts to establish a balanced health policy. Medical care is only one determinant of our people's health. The leading cause of death for Americans under 40 is motor vehicle accidents. The leading causes of death for older Americans—heart disease and cancer—are directly related to our working conditions and our eating, drinking, smoking, and exercise habits. We can better confront these broader health problems if we can limit the increase in soaring medical care costs.

Containing hospital cost increases is of central importance. Hospitals absorb 40 cents from each of our nation's health care dollars, and the cost of hospital service is rising faster than the cost of other health services. As in recent years, our country's total hospital bill this year will climb 15 percent—to $64 billion.

Since 1950, the cost of a day's stay in the hospital has increased more than 1,000 percent—over eight times the rise in the Consumer Price Index. Today, the average hospital stay costs over $1,300; just 12 years ago, a slightly shorter stay cost less than $300. This relentless increase places a severe burden on all of us—and strikes hardest at the poor and the elderly.

To control escalating hospital costs, some have proposed to cap Medicare and Medicaid expenditures. Such a federal spending limit would encourage hospitals to reduce their services to low-income and elderly patients and to recoup rising expenses by increasing their charges to all other Americans. In contrast, the legislation I am proposing today reduces the growth in federal Medicare/Medicaid expenditures without imposing such severe new burdens on other purchasers of health services.

This legislation is not a wage-price control program. It places no restrictions on the hospital's ability to determine its charges for any particular service. It places no limit on the size of any wage demand or settlement. The program establishes an overall limit on the rate of increase in reimbursements, permitting doctors and hospital administrators to allocate their own resources efficiently, responding to local needs and individual circumstances.

This proposal relies heavily on the initiatives of the private sector. For it to succeed, businesses, unions, and insurers, working with providers, must continue to pursue innovative techniques for reducing the cost of high-quality health care. The private sector's response to the challenges of cost containment will help decide its future role in our health care system.

The federal sector must also hold down the costs of its own hospitals. The Administration will carefully review the operating and capital expenditures of federal health facilities, to insure that unwarranted increases do not occur. Further, we will eliminate unnecessary federal regulations which lead to increased costs for all hospitals.

Our hospital cost containment system is transitional. It is intended to flow directly into a long-term prospective reimbursement system, which will not accept a hospital's base cost as given. The long-term system will be able to analyze and compare base costs and provide greater incentives to those hospitals which are most efficient. The Congress and the Administration are already at work on this long-range system.

At the same time, I am committed to strengthening competition in the health industry. For example, we should encourage HMOs and other organizational arrangements which give providers an incentive to reduce costs, and we should encourage consumers to become more aware of the charges of different providers.

Finally, all of us—consumers and providers—must work together to reduce the unnecessary use of hospital facilities and services. By cutting down excessive utilization we can help preserve our valuable resources.

II. Child Health Assessment Program (CHAP).

The second piece of legislation I am proposing today, the CHAP Program, will replace Medicaid's Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT) for children. The CHAP legislation, which calls for new expenditures of $180 million, will:

—Raise from 55 percent to over 75 percent the average federal payment to the states for health care provided to children whose health needs are assessed under the program.

—Extend benefits to children under age six whose family income level makes them eligible for assistance but who do not meet additional state eligibility requirements.

—Encourage states to assure the availability of comprehensive health providers for low-income children.

—Assure continuity of treatment by providing care for children six months after the family's eligibility for assistance otherwise terminates.

—Improve the federal program enforcement mechanism.

Like the cost containment program, the CHAP legislation is a crucial first step. Other children's health programs also require significant improvement, and the Administration will take steps to meet these needs. But the CHAP program is urgently needed to assure that more low-income children receive regular, high-quality primary and preventive care.

Currently, twelve million children are eligible for Medicaid, yet the EPSDT program is reaching only two million. Further, only slightly more than half of all children screened actually receive treatment for conditions that are identified. The CHAP program will assist the states in rectifying these deficiencies.

I call upon the Congress to act favorably on both of our new health initiatives.

JIMMY CARTER.

THE WHITE HOUSE, *April 25, 1977.*

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

GERALD R. FORD BUILDING

Mr. MINETA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2210) to name a certain Federal building in Grand Rapids, Mich., the "Gerald R. Ford Building."

The Clerk read as follows:

H.R. 2210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building located at 110 Michigan Avenue, Northwest, in Grand Rapids, Michigan, is hereby designated as the "Gerald R. Ford Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the Gerald R. Ford Building.

The SPEAKER. Is a second demanded?

Mr. WALSH. Mr. Speaker, I am not opposed to the bill, but I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. MINETA) will be recognized for 20 minutes, and the gentleman from New York (Mr. WALSH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. MINETA).

GENERAL LEAVE

Mr. MINETA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 2210, now under consideration.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MINETA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Gerald Ford was elected to Congress in 1948, and reelected for the succeeding 12 Congresses. In 1965, he was selected by his colleagues as the minority leader of the House. He served as minority leader until nominated to fill the vacated Vice Presidency on December 6, 1973. His years in Congress were marked by qualities of determination and leadership.

With the resignation of former President Nixon in August 1974, he assumed the Presidency on August 9, 1974, at a most difficult time in our Nation's history. During his 2½ years as President, this country saw a continuation of Gerald Ford's honesty and courage that won the respect of his constituents in Michigan and of his colleagues in the House of Representatives.

In view of the fact that Gerald Ford dedicated 28 years of his life to public service, it is indeed a fitting tribute to pay to the 38th President of the United States by naming the Federal building located at 110 Michigan Avenue in Grand Rapids, Mich., the "Gerald R. Ford Building." This building is the only federally owned building in Grand Rapids and was constructed in 1972.

Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. WALSH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, President Ford served in this House with great distinction for many years.

Later, President Ford took over the direction of this country at a time when the Nation's morale was at an all time low and faith in our Government was almost nonexistent.

Under his wise leadership, faith was restored in our Government, the Nation rallied from a severe economic recession, and confidence was restored in our way of life.

This is a small honor indeed to pay to this very able and honest gentleman and I am pleased to recommend this action to my colleagues.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman, from Arizona (Mr. RHODES), the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I thank my colleague, the gentleman from New York (Mr. WALSH), for yielding.

Mr. Speaker, I am very much in favor of this bill of course. I think the fact that the former President of the United States and our former colleague will be recognized in this way and have a building in his own hometown named for him is certainly just and proper. I hope the bill will be passed and that the GSA will thus be instructed to name the building as provided by this legislation.

Mr. BIAGGI. Mr. Speaker, I rise in full support of H.R. 2210, legislation which will designate the Federal building in Grand Rapids to be named in honor of its famous and beloved native son, our former President and distinguished colleague, Gerald R. Ford. It is only appropriate that we bestow such a high honor on Gerald Ford, a man who dedicated some 30 years of his life to Federal service.

For 25 years, the people of Grand Rapids were ably served in the House of Representatives by Gerald Ford. His career in the House included an 8-year term as minority leader. Throughout his years in the House, Jerry Ford gained the respect and admiration of his colleagues because of his unending dedication to the job and the people who elected him.

In 1973, the House lost a Member, but the American Nation gained an inspirational leader and statesman when Gerald Ford was nominated to be Vice President. One short year later, he became the 38th President of the United States during one of the most turbulent and troublesome periods in our Nation's history. As he did throughout his public life, Jerry Ford assumed his challenges with calm, honest, and strong leadership and purpose. As a result of Gerald Ford, the American Nation recovered from the ravages of Watergate and regained its national unity and direction.

The legacy of Gerald Ford will endure for years to come. Naming a Federal building in his honor will represent far more than a ceremonial gesture. It will serve as an inspiration for all those in Federal service to model their careers in the tradition of Gerald Ford.

I am honored to support this legislation and urge its expeditious consideration and passage by Congress. It is an important demonstration of our respect and affection for this exemplary American. The people of Grand Rapids, those of us who had the privilege of serving with him in the House, and the American people are indebted to Jerry Ford and wish him years of good health. Let us pay this important debt of gratitude to Gerald Ford. He is more than worthy of this honor.

Mr. JOHNSON of California. Mr. Speaker, I rise in support of H.R. 2210. Gerald Ford devoted over 25 years to serving the people of Michigan in the House of Representatives. I had the privilege of serving in the House with Gerald Ford for 15 years. That service was characterized by his good sense and sound judgement. As minority leader, his record speaks for itself. He distinguished himself not only as an effective leader but as a brilliant legislative tactician: able to bring reason and compromise to some of the most difficult issues of our time.

I believe it is a fitting tribute to pay to the 38th President of the United States. Through unprecedented events in our Nation, Gerald Ford found himself taking on the responsibilities of first the Vice Presidency and then the Presidency.

During his 10 months as Vice President and 2½ years as President, this country saw a continuation of Gerald Ford's honesty and loyalty to the Nation that have marked his 28 years of life time to public service.

I am pleased to join in recognizing the contribution Gerald Ford has made to our Nation and in paying tribute to him by designating this building in his home town of Grand Rapids in his honor.

Mrs. HOLT. Mr. Speaker, I join in urging enthusiastic support of H.R. 2210

to name a Federal building in Grand Rapids, Mich., the "Gerald R. Ford Building." I cannot think of a more fitting action by the U.S. Congress than to accord this well-earned honor upon our former President, former Vice President, former minority leader, and indeed a most affable former colleague of this House.

Gerald R. Ford is one of those great Americans who responded with solemn propriety to the clarion call from his Nation to assume its highest position of leadership and he acquitted his awesome duties and responsibilities with courage, steadfastness, and foresight. It is only gradually and somewhat belatedly that Americans everywhere are beginning to appreciate the true accomplishments of this dedicated and unpretentious man. I am sure that the citizens of Grand Rapids, Mich., will be proud of having a Federal building in their hometown named after a former Congressman of theirs who was elected and reelected to serve the Fifth District of Michigan for 13 consecutive terms before he became Vice President and subsequently President of the United States.

Mr. WEISS. Mr. Speaker, I oppose H.R. 2210 to name a Federal building after Gerald R. Ford.

My opposition is twofold: 2 years ago the former President indicated he did not approve the idea and my own belief that this is an inappropriate way of honoring a living person.

Mr. Ford pocket-vetoed a similar bill on January 4, 1975; apparently preferring not to be honored in this manner. In this regard, it would appear as a greater honor to the man, to follow his wishes by not enacting the bill. One might even construe enactment to mean a dishonor since he wished the building not to be named for himself anyhow.

Furthermore, naming buildings after the living is an ill-conceived notion in the first place. Supposing it was learned at a later date that the former President had done something very frivolous; then the structure would be in ill-repute; just as, for example, a building named after President Nixon might be considered today.

It is more befitting a man who is living to honor him by a portrait or statue; something that is more lively and poignant—rather than to enshrine and memorialize him in the naming of a building.

Mr. WALSH. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

Mr. MINETA. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. MINETA) that the House suspend the rules and pass the bill H.R. 2210.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from the further consideration of the Senate bill (S. 385) to name a certain Federal building in Grand Rapids, Mich., the "Gerald R. Ford Building," an identical bill to H.R. 2210, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal building located at 110 Michigan Avenue, Northwest, in Grand Rapids, Michigan, is hereby designated as the "Gerald R. Ford Building". Any reference in any law, regulation, document, record, map, or other paper of the United States to such building shall be considered to be a reference to the Gerald R. Ford Building.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2210) was laid on the table.

RE-REFERRAL OF EXECUTIVE COMMUNICATION 1259 FROM COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO COMMITTEE ON GOVERNMENT OPERATIONS

Mr. NIX. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of Executive Communication No. 1259 and that such communication be re-referred to the Committee on Government Operations.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TAX AND LOAN ACCOUNTS

Mr. MITCHELL of Maryland. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5675) to authorize the Secretary of the Treasury to invest public moneys, and for other purposes.

The Clerk read as follows:

H.R. 5675

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized, for cash management purposes, to invest any portion of the Treasury's operating cash for periods of up to ninety days in (1) obligations of depositaries maintaining Treasury tax and loan accounts secured by a pledge of collateral acceptable to the Secretary of the Treasury as security for tax and loan accounts, and (2) obligations of the United States and of agencies of the United States: *Provided,* That the authority granted under this section shall not be construed as requiring the Secretary of the Treasury to invest any or all of the cash balance held in any particular account: *Provided further,* That the authority granted under this section shall not be construed as permitting the Secretary of the Treasury to require the sale of such obligations by any particular person, dealer, or financial institution.

SEC. 2. (a) Section 5(k) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(k)) is amended by adding after "Bank" in the first sentence thereof the following: "shall be a depository of public money and" and by striking the period at the end thereof and inserting the following: ", including services in connection with the collection of taxes and other obligations owed the United States, and the Secretary of the Treasury is hereby authorized to deposit public money, in any such Federal savings and loan association or member of a Federal home loan bank, and shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.".

(b) Section 402(d) of the National Housing Act (12 U.S.C. 1725(d)) is amended by adding the following at the end thereof: "Insured institutions shall be depositaries of public money and may be employed as fiscal agents of the United States. The Secretary of the Treasury is authorized to deposit public money in each insured institution, and shall prescribe such regulations as may be necessary to enable such institutions to become depositaries of public money and fiscal agents of the United States. Each insured institution shall perform all such reasonable duties as depositary of public money and fiscal agent of the United States as may be required of it including services in connection with the collection of taxes and other obligations owed the United States.".

(c) Banks, savings banks, and savings and loan, building and loan, and homestead associations (including cooperative banks) created under the laws of any State and the deposits or accounts of which are insured by a State or agency thereof or corporation chartered pursuant to the laws of any State may be depositaries of public money and may be employed as fiscal agents of the United States. The Secretary of the Treasury is authorized to deposit public money in any such institution, and shall prescribe such regulations as may be necessary to enable such institutions to become depositaries of public money and fiscal agents of the United States. Each such institution shall perform all such reasonable duties as depositary of public money and fiscal agent of the United States as may be required of it including services in connection with the collection of taxes and other obligations owed the United States.

SEC. 3. (a) Subsection (c) of section 6302 of the Internal Revenue Code of 1954 (relating to use of Government depositaries) is amended—

(1) by striking out "or trust companies" and inserting in lieu thereof ", trust companies, or domestic building and loan associations"; and

(2) by striking out "and trust companies" and inserting in lieu thereof ", trust companies, and domestic building and loan associations".

(b) Subsection (e) of section 7502 of the Internal Revenue Code of 1954 (relating to mailing of deposits) is amended by striking out "or trust company" each time it appears and inserting in lieu thereof ", trust company, or domestic building and loan association."

(c) The amendments made by this section shall apply to amounts deposited after the date of the enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. STANTON. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MITCHELL of Maryland. Mr. Speaker, I yield first to the gentleman from Oregon (Mr. ULLMAN) the chairman of the Ways and Means Committee.

Mr. ULLMAN. Mr. Speaker, I thank the gentleman for yielding and commend the gentleman as chairman of the subcommittee of the Committee on Banking, Finance, and Urban Affairs for bringing out this legislation. It is a matter that does contain material under the jurisdiction of the Ways and Means Committee. The committee met and considered the bill and the portions that have to do with taxes are approved by the Ways and Means Committee. Let me just quickly summarize what they do.

Mr. Speaker, this bill, H.R. 5675, makes three changes in present law. The first one relates to the Treasury Department's tax and loan accounts and the two others relate to new classes of depositories for those accounts.

INVESTMENT AUTHORITY

The first section of the bill gives the Secretary of the Treasury authority to invest temporarily excess cash from its operating balances. The investments may be made in short term, less than 90-day, obligations issued by the banks which hold Treasury tax and loan account deposits. Investments also may be made in outstanding issues of the Federal Government and its agencies. The need for this change in law goes back a few years.

Under present law, depositories which are included in the Treasury tax and loan system receive deposits from business of withholding of income taxes, social security taxes, other taxes and proceeds from the sale of U.S. savings bonds. These funds are held by the bank until withdrawn by the Treasury Department. The depositories have free use of the moneys before they are withdrawn and may use them to earn income and, in return, the depositories perform certain services for the Treasury Department free of charge. The bank earnings usually exceeded their costs of servicing deposits. The institutions currently eligible to be depositories are commercial banks, mutual savings banks, and federally chartered credit unions.

In a study of the tax and loan account system which was completed in 1974, the Treasury Department estimated that the system reduced the Federal Government's potential earnings as a depositor and overcompensated banks for their costs in handling the tax and loan accounts. In an effort to reduce its earnings loss, the Treasury Department began to shift a large portion of the deposits to the Federal Reserve System sooner than had been its practice before 1974. By changing the timing of this transfer, the Treasury Department indirectly increased its earnings opportunities, since the Federal Reserve invests its excess funds in Federal securities, and the earnings in excess of its costs are returned to the Treasury Department.

This procedure, however, complicated the Federal Reserve's role of controlling the money supply in the banks and in the hands of the public. As the tax and other payments were made from individual accounts to the banks and then withdrawn from the banking system for deposit in the Federal Reserve, the money supply was reduced. The Federal Reserve then had to buy securities from the banks in order to offset the reduction in the money supply. Subsequently, as the Treasury Department sent out checks in payment of its obligations, salaries of Federal employees, and benefit payments under various programs, the money was returned to the banking system, and the Federal Reserve found it necessary to sell securities to the banks in order to offset the increase in the money supply.

In order to capture for itself the earnings that exceed the service costs on the deposits and to reduce the complications in the already difficult job of controlling the money supply, the Treasury Department asked Congress to authorize a new system under which the Treasury could invest its excess operating cash balance in obligations of the banks in which the excess cash is deposited. In exchange for the services performed by the banks as depositaries, the Treasury Department will pay service fees.

Under the authority made available in this bill, the balance in a tax and loan account that has not been drawn down at the end of the business day will be available to the depositary bank for its use. In return, the depositary will pay interest on the deposit to the Treasury Department. The interest paid on the deposits will be related to the Federal funds or other market rate. Institutions which do not choose to participate in the investment program will forward unused balances at the end of the day to its district Federal Reserve bank.

This bill only authorizes the Secretary of the Treasury to invest the excess balances in the tax and loan accounts. The Secretary already has authority to pay fees to the depositaries for the services they perform, and request has been made for an appropriation of $8.3 million for payment of fees in fiscal year 1978. Treasury estimates that the net effect of the new program will be net interest earnings of $50 to $100 million.

The Treasury Department and the Committee on Banking, Finance and Urban Affairs have been concerned that the new system for tax and loan accounts may produce an adverse impact on minority banks and small banks. To ease what is believed to be primarily a transitional problem, the Treasury Department proposes to phase in the program for such banks over a 5-year period. The Committee on Banking, Finance and Urban Affairs has endorsed the proposed transitional arrangement. The Committee on Ways and Means has expressed in its report that it has no objection to this arrangement.

SAVINGS AND LOAN ASSOCIATIONS

The second section of the bill extends the opportunity to be a tax and loan account depositary to savings and loan associations. This new authority is extended to savings and loan associations created under authority of the Federal Home Loan Bank Board, or insured by the Federal Savings and Loan Insurance Corporation. In addition, eligibility to become a tax and loan account depositary is extended to banks which perform the services of a savings and loan association that have been chartered under the laws of a State and that are insured by a State agency or a corporation chartered by a State to insure accounts in these State banks.

INTERNAL REVENUE CODE

The third section of the bill amends the Internal Revenue Code and provides conforming amendments to allow deposits in payment of periodic tax obligations to be made into accounts of domestic building and loan, and savings and loan associations which become tax and loan account depositaries. Deposits to tax accounts now are credited as payment in fulfillment of tax obligations for withholding of income tax on wages and salaries, social security payroll taxes, and other tax payments so long as the deposit, or the postmark on a mailed deposit, conforms with the statutory time schedule. The amendment adds domestic building and loan associations—a general term including all savings and loan associations—to the list of eligible depositaries which now includes incorporated banks and trust companies.

Mr. Speaker, the bill provides the appropriate authority needed by the Treasury Department to facilitate the efficient operation of the tax and loan account system. I urge the House to adopt the bill.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I am delighted to yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like to associate myself with the remarks of the distinguished chairman of the Committee on Ways and Means.

I also support this measure as drawn. I trust at further stages in the legislative process it will not be changed in any way.

Mr. Speaker, I rise in support of H.R. 5675, which would make certain amendments in Federal law relating to the Treasury tax and loan account system.

At present, depositaries in the tax and loan system receive deposits in connection with withholding of income taxes, social security taxes, certain other tax and proceeds from the sale of savings bonds. The depositaries have in the past had free use of these moneys until they are withdrawn by the Treasury Department. In return, certain services have been performed for the Treasury Department by the depositaries without charge.

H.R. 5675 would provide that the Treasury Department could invest excess operating cash balances for periods not to exceed 90 days in depositaries' obligations which are adequately secured by collateral and in certain obligations of the United States. H.R. 5675 also provides that in the future the Treasury Department will reimburse depositaries for

services provided in connection with handling tax and loan accounts. It is estimated by the Treasury Department that the net effect of H.R. 5675, balancing increased interest earnings on tax and loan deposits against the fees which will be paid to depositaries, will be an annual revenue gain of $50 to $100 million.

H.R. 5675 would also authorize the inclusion of domestic building and loan associations as fiscal agents and depositaries in the tax and loan account system. At the present time commercial banks, mutual savings banks and federally chartered credit unions are eligible to serve as such depositaries. In appearing before the Committee on Banking, Finance and Urban Affairs the savings and loan associations testified that they are already performing many of the services performed by commercial banks and that many business firms maintain savings accounts with them. Their position is that there is no reason they cannot also perform the services incident to serving as Federal depositaries.

H.R. 5675 would also make certain conforming changes to the Internal Revenue Code of 1954, as amended. Specifically, the bill amends section 6302c, which relates to the use of and qualification as Government depositaries, and section 7502(e), which relates to deposits of taxes by mail. When deposits of taxes are timely made in qualified depositaries, the deposit is accepted as fulfillment of the obligation. With regard to mailing dates, when a deposit is mailed to a qualifying depositary, the date of mailing is treated as the date of deposit.

I believe that the amendments to the law made by this bill are reasonable and worthwhile ones which will result in a substantial revenue gain to the Treasury Department. I urge its enactment.

Mr. MITCHELL of Maryland. Mr. Speaker, the provisions of H.R. 5675 attempt to make our Treasury tax and loan system more efficient and equitable than it has ever been since 1917. Clearly, these interests are important to all of us; and in this regard, I wholeheartedly support H.R. 5675. Let me now review briefly the three major issues which this legislation involves. The first is the proposed investment authority; the second is the inclusion of saving and loan associations in the T.T. & L. system. The third concerns minority-owned banks.

Mr. Speaker, the investment authority granted in section 1 of H.R. 5675 is long overdue. For 60 years, American taxpayers have been losing billions of dollars while large commercial banks have been able to invest Treasury tax and loan account funds in earning assets.

Consider, for instance, that from 1964–1976, the average annual T.T. & L. balances totaled $54.4 billion—on which no interest was earned—see table 1. Applying the average Federal funds rate of 5.93 percent for the 1964–1976 period—see table 2—to the $54.4 billion, the gross amount of interest income lost to the Treasury during the last 13 years is estimated to be $3.2 billion. Even after deducting a generous Treasury estimate of $64 million per year as compensation to the banks for free services they provided the Treasury in connection with the T.T. & L. accounts, we find that taxpayers have been forced to forfeit earnings of approximately $2.4 billion.

Mr. Speaker, a 1974 Treasury study also points out that in 1972 the annual earnings to banks exceeded the expenses of handling these accounts by $170 million. While T.T. & L. balances have recently been reduced significantly so that they currently comprise only 20 percent of Treasury's total operating cash, taxpayers are still losing millions.

Mr. Speaker, the advantages of the investment authority granted in H.R. 5675 are threefold:

First. It will promote efficient government cash management practices and at the same time enable Treasury to earn at least $50–$100 million of net revenues.

Second. It permits equitable compensation to depository institutions for services they render to the Treasury. Under the new system, depositories will be compensated for services which they now render free of charge. Compensable services will include maintaining T.T. & L. accounts, processing Federal tax deposits, and issuing and redeeming U.S. savings bonds.

Third. Finally, by allowing Treasury to use accounts in commercial banks as their working balances rather than shifting cash in and out of Federal Reserve banks, as in recent years, this legislation will insulate bank reserves from volatile transfers of funds between the public and the Treasury, thereby facilitating the smooth conduct of monetary policy.

It is, thus, amply clear that the investment authority granted in H.R. 5675 is in the public interest—in the interest of equitable treatment of depository institutions, increased potential revenues to the Government, and smoother money management. Now let me turn to the second major issue which this legislation involves; that is, inclusion of S. & L.'s in the T.T. & L. system.

Mr. Speaker, one of the greatest inequities of our current tax and loan collection system is the exclusion of savings and loan associations as depositary institutions. H.R. 5675 would correct this situation. Section 2 of the bill authorizes federally insured S. & L.'s, as well as those insured by States and corporations chartered by states to act as public depositaries and members of the T.T. & L. system.

I include the following:

TABLE 1.—*Average annual Treasury tax and loan account balances*

[In billions of dollars]

	Average balance
1964	$4,747
1965	5,431
1966	4,324
1967	3,775
1968	4,191
1969	4,329
1970	4,022
1971	5,146
1972	5,648
1973	5,644
1974	3,913
1975	1,853
1976	1,394
Total	54,417

Source: Treasury Bulletin.

TABLE 2.—*Average annual Federal funds rate, 1964–76*

[In percent]

	Rate
1964	3.49
1965	4.06
1966	5.09
1967	4.22
1968	5.64
1969	8.18
1970	7.18
1971	4.67
1972	4.42
1973	8.69
1974	10.55
1975	5.86
1976	5.05
Average 13-year period Federal funds rate	5.93

The U.S. League of Savings Associations, in a statement submitted for the record, has endorsed this legislation, and in regard to section 2, stated that—

> Tax and loan accounts can potentially help moderate the economic swings which affect deposit flows to savings associations and consequently funds available for mortgage lending. Skillful management can no doubt utilize tax and loan deposits to keep funds flowing to home borrowers in times of slack savings performance.

In addition, Mr. Speaker, several other reasons mentioned in the Banking Committee's report on H.R. 5675 indicate why S. & L.'s should be brought into the T.T. & L. system. Briefly, these reasons include:

First. Thrift institutions such as mutual savings banks are already included in the system.

Second. Federally chartered credit unions were made eligible to act as depositaries under 12 U.S.C. 1767.

Third. Those S. & L.'s that issue savings bonds are not currently compensated for their services because they are not members of the T.T. & L. system.

Fourth. Nearly all of the services performed for Treasury by commercial banks are also provided by S. & L.'s.

Fifth. S. & L's already have the authority to and do make short-term investments.

Sixth. Under the proposed new system, S. & L.'s would be treated equally with other depositary institutions.

Seventh. In order to receive T.T. & L. deposits, eligible S. & L.'s would have to pledge collateral. If individual S. & L.'s cannot pledge collateral, they cannot receive these funds. This, therefore, covers the issue of assurances on the financial condition of eligible S. & L.'s.

Clearly, these interests are important to all of us; and in this regard, I wholeheartedly support section 2 of H.R. 5675.

Mr. Speaker, one of the significant aspects of the implementation of the investment authority granted in H.R. 5675 is its impact on the Nation's 83 minority-owned banks. In testimony before the Domestic Monetary Policy Subcommittee on March 9, representatives of the National Bankers Association, while supporting this legislation, emphasized that without a program to soften the immediate impact of the proposed payment of interest on T.T. & L. deposits on minority-owned banks, recent efforts which they have made to strengthen their development by attracting hitherto inter-

est-free T.T. & L. deposits would be undermined. Treasury's position on this potentially adverse impact buttresses the NBA's concerns. Our hearings record shows that Treasury favors establishing "special demand deposit" balances in minority-owned banks which would be based on the average T.T. & L. balance in such banks during a selected base year. These special deposits would be available to the minority-owned banks on an interest-free basis. However, over a 5-year period, special deposits would be decreased by 20 percent annually and thereby phased out. Both Treasury and the NBA agree that this method will adequately cushion the immediate impact of the proposed T.T. & L. investment authority embodied in H.R. 5675.

Both the Banking, Finance and Urban Affairs, and the Ways and Means Committees' reports on the bill expressly approve of the implementation of "special demand deposit" balances for minority-owned banks. As fiscal Assistant Secretary of the Treasury David Mosso stated before my Subcommittee on Domestic Monetary Policy, and the Ways and Means Committee last week, such a procedure could not be adopted by the Department "without a clear indication in the law or legislative history that such an arrangement reflects the intent of Congress." So far, the legislative history on H.R. 5675 without reservation supports the adoption of the 5-year phaseout program for minority-owned banks. Thus, passage of H.R. 5675 will, without objection, reflect this intent.

With respect to small banks, Treasury has agreed to adjust its investment and call procedures in consideration of the relative inaccessibility of small banks to money markets.

In conclusion, Mr. Speaker, let me affirm that this history is intended to prevent the viability of minority-owned and small banks being undermined by implementation of the investment authority in H.R. 5675, which as has been amply documented, will generate annual net revenues of $50–$100 million to the Treasury, provide for more equitable compensation to institutions now providing services free to the Treasury, and finally facilitate the smooth conduct of monetary policy.

Mr. Speaker, I yield to the distinguished gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Speaker, I rise in support of this proposal to enable the Federal Government to invest otherwise idle Treasury tax and loan balances and thus produce interest earnings on behalf of the American taxpayer.

First of all, let me congratulate the chairman of the House Banking, Finance and Urban Affairs Committee and the chairman of the committee's Subcommittee on Domestic Monetary Policy for bringing us this legislation in what I consider to be noncontroversial form.

This is an excellent piece of legislation, Mr. Speaker. It is long overdue. It will strike a blow for the taxpayer. It will enable the Treasury Department to convert its tax and loan funds from idle accounts to earning assets while paying banks for services performed. In addition, the bill will authorize savings and loan associations to be public depositories for such funds, as are banks, credit unions, and mutual savings banks. The S. & L.'s and the housing interests believe this will open up a new source of funds for housing mortgages.

The Treasury Department has sought this legislation for 2½ years; and I personally have strongly supported it since its inception. There is no question that millions of dollars have been lost in revenue over the years because the Federal Government has not been keeping its Treasury tax and loan funds in interest-bearing accounts.

Similar legislation passed the House on December 15, 1975. It was approved 391 to 0. Unfortunately, the Senate bill was defeated by one vote after numerous extraneous amendments were attached to it.

Hopefully, the other body will exercise oppropriate restraint this year and will refrain from any action which will jeopardize the final enactment of this most worthwhile legislation.

Mr. MITCHELL of Maryland. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. MOTTL), who worked like a Trojan last year to get the legislation through.

Mr. MOTTL. Mr. Speaker, slightly more than 2 years ago I made my first speech from the floor of this House. At that time I spoke of the possibility of saving our taxpayers millions of dollars a year by requiring the Treasury Department to invest its tax and loan accounts in interest-bearing accounts at commercial banks.

Under the leadership of our late, great colleague, Wright Patman, Chairman HENRY REUSS, my Ohio colleague, JOHN SEIBERLING, and myself, this House passed such legislation in December, 1975, by a unanimous vote of 391–0. Unfortunately, our colleagues in the Senate failed by a single vote to pass this vital legislation.

Today we again have the rare opportunity to increase the public revenue of the United States without imposing any burdens upon the American taxpayer. The need for this legislation is self-evident.

Since 1917 the Treasury Department has been keeping vast amounts of its tax and loan accounts in non-interest-bearing accounts at commercial banks. Over the past 60 years, billions of dollars in possible revenue has been lost on the money it kept at commercial banks. As recently as January 1974, the average daily balance in the tax and loan accounts exceeded $5.7 billion. If invested at a reasonable 5-percent rate of interest, this would have brought in an additional $285 million to the public revenue.

I am happy to report that as a result of our active interest in the tax and loan accounts during the 94th Congress, the Treasury Department has wisely transferred a majority of its tax and loan accounts funds to Federal Reserve bank interest-bearing accounts. In 1976 alone this procedure resulted in millions of dollars of additional revenue for taxpayers.

The Treasury Department should be commended for changing their procedure, but at this time it still is retaining an average monthly balance of $1.529 billion in non-interest-bearing accounts at commercial banks. This money could be earning millions of dollars in revenue if it were managed wisely and invested prudently.

H.R. 5675 is needed to make it known to the Treasury Department that it is the intent of Congress that the Treasury Department has the duty to maximize the utilization of the public revenue. This additional investment could earn another $89 million a year for the taxpayers. Without this legislation there is nothing to prevent a future Secretary of the Treasury from reverting to the unproductive system of the past and depositing all the tax and loan accounts funds into non-interest-bearing accounts.

This legislation must be passed, and it must be enacted soon. Each day we delay costs the American people thousands of dollars in possible revenue. By enacting this legislation we can set an example for sound, responsible fiscal management of the Nation's revenue.

I would further like to commend Chairman MITCHELL and Chairman ULLMAN for their expeditious handling of this important bill.

Mr. STANTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho (Mr. HANSEN), the ranking minority member of the subcommittee.

Mr. HANSEN. Mr. Speaker, I would like to add to the remarks of the committee's ranking member.

Over the last 2½ years, the Government has lost some $260 million of potential earnings annually on tax and loan accounts. H.R. 5675 would give the Treasury Department an option which is being exercised by State and local governments across the length and breadth of our land to the enrichment of their governmental treasuries. It simply involves the investment of excess operating balances, otherwise idle funds.

In the absence of the authority H.R. 5675 would give them, Treasury Department officials have been resorting to a stop-gap way of recouping earnings on Treasury balances. This is done by keeping as much cash as feasible in the Federal Reserve banks where it is invested and returned to the Treasury in the form of Federal Reserve System earnings, and through the imputed value of services provided by commercial banks maintaining tax and loan accounts. This policy was adopted in 1974. Before 1974, about 80 percent of treasury operating cash was held in tax and loan accounts and 20 percent in Federal Reserve banks. Since 1974, the proportion has been just about reversed. And still the system is

very unsatisfactory and results in a loss of revenue.

Treasury's present system of cash management makes it impossible to insulate the Nation's monetary system from the impact of irregular Treasury cash flows.

In addition, the procedures now being used cause confusion and uncertainty in the money markets, making it harder for the Federal Reserve System to achieve its monetary goals. The likelihood is that this has resulted in higher interest rates and an adverse impact on the economy.

It is impossible under the present system of investing tax and loan account funds to make the maximum possible amount of interest. The reason is that to call money from the tax and loan accounts as quickly as might be wished for earnings purposes would disrupt Federal Reserve monetary policy. For monetary policy and other reasons we believe the present system of handling tax and loan accounts should be changed and so we come, Mr. Speaker, to H.R. 5675, which would correct the current situation and give the Treasury the authority to invest Treasury operating cash directly with each tax and loan depository. This would be in lieu of calling the balances immediately into the Federal Reserve banks and would solve the problems Treasury encounters under present procedures. H.R. 5675 also would permit the Treasury to invest directly in Government securities when that would be more advantageous to the Government. If enacted this bill will result in a net gain of $50 to $100 million a year in interest at current rates.

Mr. Speaker, the authority contained in H.R. 5675 is badly needed by the Treasury Department and would benefit all of our taxpayers. I, therefore, urge its passage by this House.

Mr. MITCHELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Speaker, I want to take this opportunity to congratulate the chairman of the subcommittee for bringing this legislation here today. As chairman of the Subcommittee on Appropriations for the Treasury Department, I will state that we are going to be ready for markup on Wednesday of this week, so this legislation comes at a very opportune time. The Treasury will have to make some changes in the budget in order to comply with the rules under this legislation.

We think it is a very wise step and a very progressive step. Unlike so many times when legislation comes before the House, this bill will serve to simplify their bookkeeping, improve their program for bond sales and bond transactions, and their other financial transactions with banks throughout the country. Actually, it is estimated, when fully operational, this legislation today will net the Federal Treasury about $150 million per year.

So, Mr. Speaker, I think we can all be very happy that we are making this progress in the legislation being offered today.

Mr. SEIBERLING. Mr. Speaker, I rise in strong support of H.R. 5675, to authorize the Treasury to invest excess operating cash for periods up to 90 days. Legislation for this purpose, which I introduced in the 94th Congress with more than 100 cosponsors, received the unanimous approval of the Banking Committee and the House in 1975. I am pleased that the leadership has expedited consideration of this bill in the 95th Congress.

Mr. Speaker, not many people know what initially happens to the tax money that is withheld from their paychecks. I am sure it would come as a shock to many to learn that it goes into accounts in commercial banks, where it sits without earning a penny of interest while the banks reap profits on it from the interest they charge.

The primary purpose of the tax and loan account system is to provide an efficient tax collection mechanism for the Treasury, and to minimize the potentially disruptive effect of Treasury cash operations on the banking system and the Nation's economy. It has performed this useful function ever since it was set up in 1917. Ostensibly, the Government has allowed banks to hold these accounts without paying interest to compensate them for various banking services they perform for the Government. There is no longer any question that many banks are being overcompensated for their services. Treasury now recognizes that fact, and has drawn down the balances in the tax and loan accounts substantially and placed them in Federal Reserve banks. However, this system is unacceptable to the Federal Reserve Board on a permanent basis, because it tends to complicate the Federal Reserve's monetary policy.

The bill before us today would restore equity to the tax and loan account system by providing the taxpayer a return on his tax deposits and allowing banks to use surplus funds. It would give the Treasury authority to invest these surplus funds on a daily basis in interest-bearing obligations of depositaries maintaining tax and loan accounts. In effect, banks would borrow this money from the Treasury each day. The bill does not specify a particular rate of interest to be charged by Treasury. The depositary institution will pay interest at an effective rate tied to the Federal funds or the rate on repurchase agreements. In addition, the bill is designed to ease the impact of Treasury's new investment authority on minority and small banks. For minority banks, Treasury will establish "special demand deposit" balances, which will be noninterest bearing and will be phased out after 5 years. For small banks, many of which handle tax and loan accounts simply as a service to their customers, the Treasury will make allowance in its investment and call procedures, since such banks do not have access to the money markets which larger banks do. Finally, in the interests of equity, the bill permits savings and loan associations to participate in the Treasury's tax and loan system.

Mr. Speaker, the Treasury Department has estimated that the investment authority in H.R. 5675 would net the government $50 to $100 million in additional revenues in 1978, after the banks are paid for their services. Although the Treasury has taken action to minimize the loss of these tax dollars through the tax and loan account system, this issue still warrants congressional attention. The present system has cost the taxpayers millions of dollars in lost revenues. It is high time to put the Government's handling of tax funds on a more business like basis, and I strongly urge House passage of H.R. 5675.

GENERAL LEAVE

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Maryland (Mr. MITCHELL) that the House suspend the rules and pass the bill H.R. 5675.

The question was taken.

Mr. MOTTL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to clause 3 of rule XXVIII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

UNITED STATES-CANADIAN RECIPROCAL FISHERIES AGREEMENT

Mr. MURPHY of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5638) to amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada.

The Clerk read as follows:

H.R. 5638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Fishery Conservation Zone Transition Act (Public Law 95-6; 91 Stat. 14-16) is amended by adding at the end thereof the following new section:

"SEC. 5. RECIPROCAL FISHERIES AGREEMENT BETWEEN THE UNITED STATES AND CANADA.

"(a) CONGRESSIONAL APPROVAL.—The Congress hereby approves the Reciprocal Fisheries Agreement between the Government of the United States and the Government of Canada (hereinafter in this section referred to as the 'Agreement'), as contained in the message to Congress from the President of the United States dated February 28, 1977. The Agreement shall be in force and effect with respect to the United States during the period beginning March 1, 1977, and ending at the close of December 31, 1977.

"(b) APPLICATION.—During the period when the Agreement is in force and effect with respect to the United States—

"(1) vessels and nationals of Canada may

fish within the fishery conservation zone, or for anadromous species and Continental Shelf fishery resources beyond such zone, but only pursuant to, and in accordance with, the provisions of the Agreement; and

"(2) title II of the Fishery Conservation and Management Act of 1976 (relating to foreign fishing and international fishery agreements) and section 307 of such Act of 1976 (relating to prohibited acts) shall not apply with respect to fishing within the fishery conservation zone, or for anadromous species and Continental Shelf fishery resources beyond such zone, by vessels and nationals of Canada which is pursuant to, and in accordance with, the provisions of the Agreement.

"(c) FISHING STATISTICS.—(1) Any person who—

"(A) owns or operates any fishing vessel which—

"(i) is a vessel of the United States, and

"(ii) engages in fishing to which the Agreement applies; or

"(B) directly or indirectly receives, or may receive, fish to which the Agreement applies in the course of a commercial activity in quantities determined by the Secretary to be sufficient to assist in the carrying out of his paragraph,

shall submit to the Secretary such statistics (including, but not limited to, catch data) regarding such fishing or such receipt of fish as are necessary to fulfill the obligations of the United States under article XIII of the Agreement. The Secretary, after consultation with the Secretary of State, shall issue such regulations as are necessary and appropriate to carry out the purposes of this paragraph. Section 303(d) of the Fishery Conservation and Management Act of 1976 (relating to the confidentiality of statistics) shall apply with respect to all statistics submitted under this paragraph.

"(2) Any violation of paragraph (1), or of any regulation issued pursuant to paragraph (1), by any person shall be deemed to be an act prohibited by section 307 of the Fishery Conservation and Management Act of 1976. Any person who commits any such violation shall be liable to the United States for a civil penalty as provided for in section 308 of such Act of 1976. Sections 309 (relating to criminal offenses) and 310 (relating to civil forfeiture) of such Act of 1976 shall not apply with respect to any such violation.

"(d) DEFINITIONS.—As used in this section, the terms 'anadromous species', 'Continental Shelf fishery resources', 'fishery conservation zone', 'fishing', 'fishing vessel', 'Secretary', and 'vessel of the United States' shall have the same respective meanings as are given to such terms in section 3 of the Fishery Conservation and Management Act of 1976.".

The SPEAKER. Is a second demanded?

Mr. RUPPE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New York (Mr. MURPHY) is recognized for 20 minutes, and the gentleman from Michigan (Mr. RUPPE) is recognized for 20 minutes.

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the fishery zone of the United States was extended from 12 to 200 miles on March 1 of this year. The act that provided for this extension—known as the 200-Mile Fishery Zone Act—provides that no foreign vessel can fish within 200 miles of our shores unless the foreign nation concerned has signed a Governing International Fishing Agreement with the United States, better known as a GIFA, and such nation has secured a permit for each of its vessels planning to fish in such waters and has paid the appropriate fees associated with the issuance of such permits.

Mr. Speaker, since the passage of this act in April of last year, there have been 10 GIFA's entered into with the United States. Due to the difficulties encountered in negotiating these GIFA's and to the delay in submission of these GIFA's by the President to the Congress for consideration and to the resulting delay in the submission of applications for permits to be issued pursuant thereto, it became necessary to provide a one-time relief only to certain procedural requirements of the act in order to allow foreign fishing to continue uninterrupted in the 200-mile fishery zone of the United States with those nations which had signed GIFA's.

Mr. Speaker, by the passage of House Joint Resolution 240 and H.R. 3753 earlier this year congressional approval was given to GIFA's entered into with Poland, Russia, Romania, Taiwan, South Korea, Spain, Japan, East Germany, Bulgaria, and the European Economic Community.

Mr. Speaker, the primary necessity for H.R. 5638 arises from the need to protect our U.S. fishery in the Canadian waters which is imperiled because of the extension of Canada's fishery jurisdiction to 200 miles on January 1 of this year. The U.S. fishery in the Canadian fishery zone is valued at approximately $15 million and approximately $9 million in the disputed boundary area, over which jurisdiction is claimed by both countries.

Mr. Speaker, in order to protect our fishery in Canadian waters and in order to allow Canada to continue its fishing activities in our waters, a Reciprocal Fisheries Agreement was entered into between the United States and Canada on February 24 of this year. It should be noted that the agreement is for 1977 only. Another agreement will have to be entered into for future years.

Mr. Speaker, because of the uniqueness of this agreement, it is not considered to be a GIFA within the terms of our 200-Mile Fishery Zone Act. Therefore, in order to allow it to come into effect, it becomes necessary to waive certain requirements of the act and give congressional approval to the agreement. This would be accomplished by the passage of H.R. 5638.

Mr. Speaker, this is the same relief that was provided to other nations that entered into agreements with us and I wholeheartedly support the passage of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. RUPPE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Fishery Conservation and Management Act of 1976 which established an exclusive U.S. 200 mile fishery zone took effect on March 1, 1977. The act provides that no foreign fishing is authorized within the 200 mile fishery zone unless such foreign fishing is authorized by a Governing International Fishery Agreement and the foreign vessels seeking to fish in the zone have secured valid permits.

In the past 2 months, the Congress has considered and approved Governing International Fishery Agreements with Russia, Bulgaria, Romania, Japan, the European Economic Community, Spain, Korea, East Germany, Poland and Taiwan. The legislation we are considering today, H.R. 5638, expresses congressional approval of the recently negotiated Fisheries Agreement with Canada. The Canadian Agreement is not a true Governing International Fishery Agreement. It is a Reciprocal Fisheries Agreement in that it protects the right of U.S. fishermen to fish in Canadian waters while, at the same time, regulating Canadian fishing in the U.S. zone. In this regard, it should be noted that in 1976 the value of the U.S. catch in Canadian waters was $15 million. The value of the Canadian catch in U.S. waters, however, was only $11.5 million.

The Canadian Reciprocal Agreement only applies to fishing conducted in 1977. I emphasize this point because the agreement under consideration today does not resolve the salmon interception problem which is of great concern to my friends in Washington, Oregon, and California. Nor does the agreement resolve the question of where the maritime boundary between the United States and Canada is located. These questions must be addressed, and it is my hope that the U.S. Fisheries Agreement for 1978, which will be submitted for congressional review later this year, will address these problems.

With respect to the 1977 fishing season, the reciprocal agreement before us today complies with the underlying and fundamental principles of the Fishery Conservation and Management Act of 1976. The agreement also protects the rights of U.S. fishermen to operate in Canadian waters. Therefore, I urge that my colleagues approve the agreement by adopting H.R. 5638.

Mr. LEGGETT. Mr. Speaker, the purpose of H.R. 5638 is to waive certain requirements of the Fishery Conservation and Management Act of 1976, better known as the 200-Mile Fishery Zone Act, in order to permit fishermen of the United States and Canada to continue fishing off the coasts of each Nation during the period from March 1, 1977, to December 31, 1977.

Mr. Speaker, the need for this legislation arises from the fact that the United States and Canada entered into a Reciprocal Fisheries Agreement on February 24, 1977, which would allow the nations and vessels of each country to continue fishing in the fishery zone of the other and without the necessity of obtaining permits for their vessels.

Mr. Speaker, this agreement is not considered to be a GIFA, within the terms of the 200-Mile Fishery Zone Act.

Also, unlike the previous agreements entered into with the United States, it is unique since it covers fishing by each nation off the coast of the other. Therefore, in order for the nationals and vessels of each nation to continue fishing in the fishery zone of the other, it becomes necessary to waive the procedural requirements of the act and to give congressional approval to the agreement, which would be accomplished by the passage of H.R. 5638.

Mr. Speaker, briefly explained, H.R. 5638 would give congressional approval to the agreement; it would make the agreement effective from March 1 to December 31, 1977; it would authorize Canadian nationals and vessels to fish within the fishery zone of the United States, notwithstanding the requirements of title II of the 200-Mile Fishery Zone Act and the prohibition provisions of such Act, provided such fishing is carried out in accordance with the agreement; it would require any person of the United States engaging in fishing in Canadian waters to which the agreement applies or any person of the United States receiving any fish caught in such waters to provide the Secretary of Commerce such statistics regarding such fishing or such receipt as the Secretary may require; and it would authorize the assessment of a civil penalty against persons failing to provide such statistics.

Mr. Speaker, H.R. 5638 has the strong support of the administration, in particular, Secretary Vance and Secretary Kreps, and it has strong bipartisan support of the members of the Committee on Merchant Marine and Fisheries. The fishermen of our country in general support the agreement and the enactment into law of this legislation would result in no additional cost to the Federal Government.

Mr. Speaker, before concluding, I might point out that opposition to this agreement was voiced by some of the commercial salmon trollers fishing off the west coast of the United States at hearings held by my subcommittee in San Francisco on the 14th and 15th of this month. Their primary concern centered around the fact that Canadian salmon trollers might begin fishing in our fishery zone on April 15 when the earliest our trollers could fish within our own zone, pursuant to a fishery management plan prepared by the Pacific Management Council, would be May 1.

Mr. Speaker, because of this concern, I immediately called Ambassador Ridgeway, of the State Department, and Dr. White, of the Commerce Department, and alerted them of the possibility that Canadian troll fishermen might begin fishing in our waters before May 1 and both of them assured me that they would get in touch with the Canadian authorities and request their fishermen not to commence fishing for salmon within our waters before May 1. These requests went out, but they were too late—a number of Canadian vessels had already left port and had begun fishing for salmon off our coast that weekend.

Upon my return to Washington, when I learned about these vessels fishing for salmon in our waters, I again called Ambassador Ridgeway and Dr. White and both of them assured me that they would insist that the Canadian authorities get those vessels out of our waters immediately and stay out until May 1.

Mr. Speaker, I am delighted to report that the situation has now been corrected and those vessels ceased fishing and left our waters on April 19. I would like to include in the RECORD at the conclusion of my statement letters from the Departments of State and Commerce verifying this fact.

Mr. Speaker, I urge the prompt passage of H.R. 5638.

The letters referred to follow:

DEPARTMENT OF STATE,
Washington, D.C., April 21, 1977.

Hon. ROBERT E. LEGGETT,
House of Representatives.

DEAR MR. LEGGETT: I am writing in reference to telephone conversations that you and members of the staff of the Committee on Merchant Marine and Fisheries had with State Department officials on April 19, 1977 concerning Canadian trollers fishing off the Pacific Coast of the United States before May 1, 1977.

At the request of the Department of State, the Canadian Government on April 16 informed Canadian trollers that although U.S. federal regulations have not been adopted, U.S. trollers are not being permitted to fish off the Coast of Washington State before May 1, 1977, and conveyed the U.S. request that the Canadian trollers discontinue further fishing in these waters. The Department has been informed by the Canadian Embassy that pursuant to this notification the Canadian trollers have left U.S. waters.

As emergency regulations to give effect to the plan of the Pacific Regional Fishery Management Council will be in effect as of April 26, there is no longer any question as to the application of the U.S. regulatory regime to Canadian trollers. I trust this will put to rest the concerns that were raised during the interim period before the management plan came into effect.

Sincerely,
DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION,
Rockville, Md., April 21, 1977.

Hon. ROBERT L. LEGGETT,
Chairman, Subcommittee on Fisheries, Wildlife Conservation and Environment, House of Representatives, Washington, D.C.

DEAR MR. LEGGETT: Dr. White has requested me to contact you regarding the status of Canadian troll fishing off the coasts of Washington and Oregon. Attached find a message which was transmitted by the Canadian Government to all Canadian trollers who normally fish off the coast of the United States. This message was delivered to me on April 17, 1977 by Dr. Michael Shepard, Associate Director-General for Fisheries and Environment in Ottawa. Mr. Shepard assured me that this message was sent through the troller's representative to all Canadian trollers. This action was the result of strong representations by this agency and units in the Department of State urging the Canadians to refrain from fishing before May 1st.

The response was direct and favorable. On April 18th our surveillance flights indicated a number of Canadian trollers more than 12 miles off our coast. However, on our flight on April 19th after the message was delivered there were no Canadian fishermen observed off our Coast. I think it is obvious that the Canadian government was responsive to our request and their efforts to control their fishermen were effective.

I hope this information clarifies this matter and clears the way for final action on the Canadian agreement.

Sincerely,
DAVID H. WALLACE,
Associate Administrator for Marine Resources.

Attachment.

MESSAGE

(From Dr. Michael Shepard, Associate Director-General, Fishing Services Directorate, Ottawa, Canada, to David H. Wallace, NOAA via telephone, April 17, 1977)

Although U.S. federal regulations have not been adopted, U.S. has requested that Canadian trollers refrain from fishing in the U.S. zone prior to May 1, 1977. U.S. considers that presence of Canadian troll fleet in the U.S. zone at this time could jeopardize U.S. acceptance of reciprocal fisheries agreement.

Mr. MURPHY of New York. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. MURPHY) that the House suspend the rules and pass the bill H.R. 5638.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INTERNATIONAL TRADE COMMISSION AUTHORIZATION, 1978

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6370) to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the chairman and vice chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes.

The Clerk read as follows:

H.R. 6370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

Subsection (e) of section 330 of the Tariff Act of 1930 (19 U.S.C. 1330(e)) is amended—

(1) by inserting "(1)" immediately before "For"; and

(2) by adding at the end thereof the following new paragraphs:

"(2)(A) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year 1978 not to exceed $11,522,000.

"(B) Nothing in subparagraph (A) shall authorize appropriations for more than—

"(i) four employees for each commissioner (other than the commissioner who is the chairman of the Commission) who serve as the personal staff of the commissioner; and

"(ii) six employees who serve as the personal staff of the Chairman of the Commission.

"(3) There are authorized to be appropriated to the Commission for each fiscal year after September 30, 1977, in addition to any other amounts authorized to be appropriated for such fiscal year, such sums as may be necessary for increases authorized by law in salary, pay, retirement, and other employee benefits.".

SEC. 2. QUALIFICATIONS FOR APPOINTMENT OF COMMISSIONERS; APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN; ADMINISTRATION OF THE COMMISSION.

(a) IN GENERAL.—Section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) is amended—

(1) by striking out the second sentence in subsection (a) and inserting in lieu thereof the following: "No person shall be eligible for appointment as a commissioner unless he or she is a citizen of the United States and is knowledgeable about the problems affecting the international trade of the United States. Persons shall be appointed as commissioners on the basis of their maturity, experience, integrity, impartiality, and good judgment, and their willingness to administer the duties and responsibilities of the Commission in a manner consistent with its historic function as an impartial adviser to both the President and the Congress. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office."; and

(2) by amending subsection (c) to read as follows:

"(c) APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN; ADMINISTRATION OF THE COMMISSION.—

"(1) The President shall appoint, by and with the advice and consent of the Senate, one of the commissioners as chairman and one as vice chairman. The chairman and the vice chairman shall not be members of the same political party. The vice chairman shall act as chairman in case of the absence or disability of the chairman. During any period in which there is no chairman or vice chairman, the commissioner having the longest period of continuous service as a commissioner shall act as chairman. The term of office of the chairman and the vice chairman shall be three years; except that the term of office of the chairman and the vice chairman first appointed by the President under this paragraph shall expire on June 16, 1980. No commissioner may be appointed as chairman after serving as vice chairman for two full terms.

"(2) No commissioner shall actively engage in any business, vocation, or employment other than that of serving as a commissioner.

"(3) A majority of the commissioners in office shall constitute a quorum, but the Commission may function notwithstanding vacancies.

"(4) The chairman of the Commission shall be responsible for initiating, and the Commission shall be responsible for approving, and may initiate, administrative action in the following areas:

"(A) the employment and discharge of key personnel (other than personnel referred to in subsection (e)(2)(B), the employment and discharge of which shall be the responsibility of the individual commissioner concerned),

"(B) external relations, and

"(C) the budget of the Commission.

The chairman of the Commission shall be responsible for all other administrative matters of the Commission.".

(b) EFFECTIVE DATES.—The amendments made by subsection (a) of section 330 of the Tariff Act of 1930 (except subsection (c)(1) thereof) shall take effect on the date of the enactment of this Act. The amendment made by subsection (a) to section 330(c)(1) of the Tariff Act of 1930 shall take effect on the ninetieth day after such date of enactment.

SEC. 3. HARMONIZATION OF TRADE STATISTICS.

Section 484(e) of the Tariff Act of 1930 (19 U.S.C. 1484(e)) is amended by striking out "production," and inserting in lieu thereof the following: "production and programs for achieving international harmonization of trade statistics,".

The SPEAKER. Is a second demanded?

Mr. STEIGER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Ohio (Mr. VANIK) will be recognized for 20 minutes, and the gentleman from Wisconsin (Mr. STEIGER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6370 authorizes up to $11,522,000 in appropriations for the International Trade Commission for fiscal year 1978. Additional sums are also authorized to be appropriated as are necessary for increases authorized by law in salary, pay, retirement, and other employee benefits.

The ITC submitted a budget request to the Congress of $12,187,000. Your committee recommends a reduction of $655,000 in that budget and suggests three areas where the savings could occur—travel, printing expenses, and Commission self-initiated studies.

Last year, we reported that the International Trade Commission had some severe management problems. The House passed a bill which would have provided some administrative changes in the way the ITC operated, but the bill failed of enactment. While there have been some improvements in the past year, the International Trade Commission is still poorly run. As a result of some management problem a major Civil Service Commission investigation has just been completed, and a number of corrective personnel actions will be required.

To try to remedy the overall situation, the authorization bill would make a number of changes in the organization of the Commission.

H.R. 6370 provides that rather than the present system of rotating chairmanships, the President shall appoint the Chairman and Vice Chairman, by and with the advice and consent of the Senate, for a term of 3 years with a limit of two full terms for each Commissioner. The President may remove a Commissioner only for cause. The Chairman and Vice Chairman shall not be members of the same political party. This year's bill is similar to last year's in providing that the Chairman of the Commission shall be responsible for administrative matters of the Commission, except that the Chairman shall be responsible for initiating and the Commission shall be responsible for approving and may initiate administrative action in the following areas: The employment and discharge of key personnel, external relations, and the budget of the Commission.

The bill amends the language regarding a person's eligibility to be appointed as Commissioner so as to specify more experience in the field of trade and to emphasize the qualities an appointee to the Commission shall possess.

The bill limits the size of the Commission's personal staffs so as to prevent proliferation of personal staff size.

Finally, on a slightly different subject, the bill amends the 1974 Trade Act to insure that programs for achieving international harmonization of trade statistics shall proceed as an integral part of the statistical program to achieve comparability among statistics on imports, exports, and domestic production.

We believe that these changes will result in a better operating ITC; we will be closely monitoring the progress the ITC makes in improving its day-to-day administration.

The committee is directing the Commission to report within 6 months on action taken to:

First. Complete the reorganization of the Commission staff in conformity with Civil Services rules;

Second. Delegate administrative matters and delegate to the staff operational responsibilities consistent with the responsibilities assigned to the organization units under the reorganization so that Commissioners may concentrate on substantive issues; and

Third. A code of personal conduct with respect to employment of staff, travel, speaking engagements, prohibition on political speeches and partisan political activity, and other matters concerning personal conduct of Commissioners and staff in the interest of enhancing the public perception of the Commission as an objective, factfinding agency with a quasi-judicial role in carrying out the trade policy of the United States.

Finally the committee is requesting that the Commission's reports with respect to synthetic organic chemicals be continued through 1980.

Mr. Speaker, I urge the House approval of H.R. 6370.

Mr. STEIGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in view of the overwhelming interest shown by our colleagues in this bill, it is, I recognize, sometimes futile to take the time of the House to talk about a bill of this character.

The bill is important. The ITC is assuming a position of greater and greater importance, and an increasing number of cases are brought to them by domestic

industries asking the ITC to take a look at whether or not there is the threat of harm or harm from products coming into the United States.

Mr. Speaker, the work of the ITC is such that it plays a profoundly important role in not only assessing what happens to domestic industry, but in terms of the kind of recommendations that they make that affect our relationship with our trading partners.

The committee report is an excellent report. I would urge the Members to look carefully at the analysis that has been made of the International Trade Commission by the Subcommittee on Trade in its oversight responsibility. That report ought not to be lightly dismissed. The Commission at this point is almost a disaster. I can think of only one other example of an agency that is in worse trouble than the ITC, and that is the Equal Employment Opportunity Commission. Unfortunately, we do not have oversight of the EEOC, so we are dealing now with just the ITC.

However, Mr. Speaker, if I had my preference and if I could redo everything—and I think this would be no surprise to the members of the Subcommittee on Trade—that I would, frankly, abolish the ITC and start by doing what I think is right and doing what I think would solve the problem.

Mr. Speaker, this bill represents a legitimate, good-faith compromise in our efforts to correct the problems of the ITC. I do not want the House to think that this is going to be the end of all its problems because in the other body there are those who are protective of their turf on ITC; but I have no hesitancy in saying to the President of the United States or to the ITC or to the other body that it is high time we shaped up or shipped out.

Mr. Speaker, this bill is an effort to achieve that result, and I hope the House will overwhelmingly pass the legislation. Furthermore, I will say, Mr. Speaker, that I hope the other body does not delay. If they disagree with what we have done, fine; let us go to conference and try to determine how best to solve the problems of the ITC; but I do not think our trading interests, our domestic industries, the Congress, the President, or the ITC can any longer afford to sit by and see that Commission bogged down in a debate over whether to use a blue cover or a red cover or whether to double-space or single-space, spending all of this time in that kind of trivia, which is absolutely asinine.

Therefore, Mr. Speaker, I urge support for the bill, and I hope it will be passed overwhelmingly. Similarly, I hope that this vote will be a message for those downtown that this House or, at least, this one Member, is not going to sit idly by and see us continue to have a good independent commission destroy itself when, in fact, I think we have a chance, via this vehicle, to help strengthen the role and the work of the International Trade Commission.

Since the passage of the Trade Act of 1974, the International Trade Commission has been the center of much public and private controversy. This controversy has been rather substantial ranging from criticism of certain Commissioner's public conduct to suggestions of Commission mismanagement. This kind of exposure is not the kind for which public respect and confidence are won. And it is this very public respect and confidence which goes a long way in determining the ITC's effectiveness as an independent, quasi-legislative body.

Last Congress, the ITC appropriation bill passed by this body contained several measures which would have addressed the Commission's problems as they stood at that time. At conference the measure was merged with the Tax Reform Act of 1976, but was subsequently sacrificed in the interest of expediting passage of the Tax Reform Act. Since that time the situation at the Commission has not improved.

Mr. Speaker, H.R. 6370 addresses the continuing problems at the ITC instituting certain key structural changes which the Ways and Means Committee is confident will permit the ITC to discharge its statutory responsibilities with greater effectiveness and efficiency. First, a change is made in the term of and method for designating the Chairman and Vice Chairman. The bill provides that the President will appoint the Chairman and Vice Chairman, by and with the advice and consent of the Senate, for a term of 3 years with a limit of two full terms for each Commissioner. The Chairman and Vice Chairman cannot be members of the same political party. Presently, the Chairmanship rotates on an 18 month basis.

Further, the bill establishes a so-called strong chairman. Under this formulation, the Chairman will be responsible for all administrative matters of the Commission, except that the Chairman shall be responsible for initiating and the Commission shall be responsible for approving, and may itself initiate administrative action in the following areas: the employment and discharge of key personnel, external relations, and the budget of the Commission. Currently, responsibility for administrative matters falls on the full Commission. As the Commissioners have frequently been evenly divided, the Commission has in the past been stalemated on several important administrative matters.

In addition, the bill amends the eligibility requirements for the position of Commissioner specifying more experience in the trade field.

Finally, and quite unrelated to appropriations and structure, H.R. 6370 provides further assurance that programs for achieving international harmonization of trade statistics will proceed as a part of an ongoing program, mandated under the 1974 Trade Act, to achieve comparability among import, export and domestic production statistics.

Mr. VANIK. Mr. Speaker, I concur in the remarks made by my colleague, the gentleman from Wisconsin (Mr. STEIGER) the ranking Republican member on the Subcommittee on Trade, and wish to thank him for his excellent cooperation during the hearings on the legislation and the markup on this very important legislation.

Mr. VANIK. Mr. Speaker, I have no further requests for time, and I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill H.R. 6370.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on the motion on which further proceedings were postponed, H.R. 5675.

TAX AND LOAN ACCOUNTS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 5675.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Maryland (Mr. MITCHELL) that the House suspend the rules and pass the bill, H.R. 5675, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 384, nays 0, answered "present" 1, not voting 48, as follows:

[Roll No. 147]

YEAS—384

Abdnor	Broomfield	Daniel, R. W.
Addabbo	Brown, Calif.	Danielson
Akaka	Brown, Mich.	Davis
Alexander	Brown, Ohio	de la Garza
Allen	Broyhill	Delaney
Ambro	Buchanan	Dellums
Ammerman	Burgener	Dent
Andrews, N.C.	Burke, Calif.	Derrick
Andrews, N. Dak.	Burke, Fla.	Derwinski
	Burke, Mass.	Devine
Annunzio	Burleson, Tex.	Dickinson
Applegate	Burlison, Mo.	Dicks
Archer	Burton, John	Dingell
Armstrong	Burton, Phillip	Dornan
Ashbrook	Butler	Downey
Ashley	Caputo	Drinan
Aspin	Carney	Duncan, Oreg.
AuCoin	Carr	Duncan, Tenn.
Badham	Carter	Early
Bafalis	Cavanaugh	Eckhardt
Baldus	Cederberg	Edgar
Barnard	Chappell	Edwards, Ala.
Baucus	Chisholm	Edwards, Okla.
Bauman	Clausen, Don H.	Eilberg
Beard, R.I.		Emery
Beard, Tenn.	Clawson, Del	English
Bedell	Clay	Erlenborn
Bellenson	Cleveland	Ertel
Benjamin	Cochran	Evans, Colo.
Bennett	Coleman	Evans, Del.
Bevill	Collins, Ill.	Evans, Ga.
Blanchard	Collins, Tex.	Evans, Ind.
Blouin	Conable	Fary
Boland	Conte	Fascell
Bolling	Conyers	Fenwick
Bonior	Corcoran	Fisher
Bonker	Corman	Fithian
Bowen	Cornell	Flippo
Brademas	Cornwell	Flood
Breaux	Cotter	Flowers
Brinkley	Coughlin	Flynt
Brodhead	D'Amours	Foley
Brooks	Daniel, Dan	Ford, Mich.

Ford, Tenn.	McDade	Runnels
Fountain	McDonald	Ruppe
Fowler	McEwen	Russo
Fraser	McFall	Santini
Frey	McHugh	Sarasin
Fuqua	McKay	Satterfield
Gammage	McKinney	Sawyer
Gaydos	Maguire	Schroeder
Gephardt	Mahon	Schulze
Giaimo	Markey	Sebelius
Gibbons	Marks	Seiberling
Gilman	Marlenee	Sharp
Ginn	Marriott	Shuster
Glickman	Mathis	Sikes
Goldwater	Mattox	Simon
Gore	Mazzoli	Sisk
Gradison	Meeds	Skelton
Grassley	Metcalfe	Skubitz
Gudger	Meyner	Slack
Guyer	Michel	Smith, Iowa
Hall	Mikva	Smith, Nebr.
Hamilton	Miller, Calif.	Snyder
Hammer-schmidt	Miller, Ohio	Solarz
	Mineta	Spellman
Hanley	Minish	Spence
Hannaford	Mitchell, Md.	St Germain
Hansen	Mitchell, N.Y.	Staggers
Harkin	Moakley	Stangeland
Harrington	Moffett	Stanton
Harris	Mollohan	Stark
Harsha	Montgomery	Steed
Hawkins	Moore	Steers
Heckler	Moorhead, Calif.	Steiger
Hefner		Stockman
Heftel	Moorhead, Pa.	Stokes
Hightower	Mottl	Stratton
Hillis	Murphy, N.Y.	Studds
Hollenbeck	Murphy, Pa.	Stump
Holt	Murtha	Symms
Holtzman	Myers, Gary	Taylor
Horton	Myers, Michael	Thompson
Howard	Natcher	Thone
Hubbard	Neal	Thornton
Huckaby	Nedzi	Tonry
Hughes	Nichols	Traxler
Ichord	Nix	Treen
Ireland	Nolan	Trible
Jacobs	Nowak	Tsongas
Jeffords	O'Brien	Tucker
Jenkins	Oakar	Udall
Johnson, Calif.	Oberstar	Ullman
Johnson, Colo.	Obey	Van Deerlin
Jones, N.C.	Ottinger	Vander Jagt
Jones, Okla.	Panetta	Vanik
Jones, Tenn.	Patterson	Vento
Jordan	Pattison	Volkmer
Kasten	Pease	Waggonner
Kastenmeier	Pepper	Walgren
Kazen	Perkins	Walker
Kelly	Pickle	Walsh
Ketchum	Pike	Wampler
Keys	Poage	Watkins
Kildee	Pressler	Weaver
Kindness	Preyer	Weiss
Koch	Pursell	Whalen
Kostmayer	Quayle	White
Krebs	Quie	Whitehurst
Krueger	Rahall	Whitley
LaFalce	Railsback	Whitten
Lagomarsino	Regula	Wiggins
Latta	Reuss	Wilson, Bob
Le Fante	Rhodes	Wilson, C. H.
Leach	Richmond	Wilson, Tex.
Lederer	Rinaldo	Winn
Leggett	Risenhoover	Wirth
Lehman	Roberts	Wolff
Lent	Robinson	Wright
Levitas	Rodino	Wydler
Lloyd, Calif.	Rogers	Wylie
Lloyd, Tenn.	Roncalio	Yates
Long, Md.	Rooney	Young, Alaska
Lott	Rose	Young, Fla.
Lujan	Rosenthal	Young, Mo.
Luken	Rostenkowski	Young, Tex.
Lundine	Rousselot	Zablocki
McClory	Roybal	
McCloskey	Rudd	

NAYS—0

ANSWERED "PRESENT"—1

Quillen

NOT VOTING—48

Anderson, Calif.	Cohen	Frenzel
	Crane	Gonzalez
Anderson, Ill.	Diggs	Goodling
Badillo	Dodd	Hagedorn
Biaggi	Edwards, Calif.	Holland
Bingham	Findley	Hyde
Boggs	Fish	Jenrette
Breckinridge	Fiorio	Kemp
Byron	Forsythe	Long, La.
McCormack	Myers, Ind.	Scheuer
Madigan	Patten	Shipley
Mann	Pettis	Teague
Martin	Price	Waxman
Mikulski	Pritchard	Yatron
Milford	Rangel	Zeferetti
Moss	Roe	
Murphy, Ill.	Ryan	

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. Anderson of Illinois.
Mr. Teague with Mr. Fish.
Mr. Rangel with Mr. Hyde.
Mr. McCormack with Mr. Scheuer.
Mr. Mann with Mr. Breckinridge.
Mr. Biaggi with Mr. Findley.
Mrs. Boggs with Mr. Pritchard.
Mr. Byron with Mr. Forsythe.
Mr. Shipley with Mr. John T. Myers.
Mr. Yatron with Mr. Kemp.
Mr. Waxman with Mr. Madigan.
Mr. Milford with Mrs. Pettis.
Mr. Badillo with Mr. Cohen.
Mr. Anderson of California with Mr. Hagedorn.
Mr. Diggs with Mr. Gonzalez.
Mr. Holland with Mr. Frenzel.
Mr. Murphy of Illinois with Mr. Roe.
Mr. Moss with Mr. Martin.
Mr. Patten with Mr. Dodd.
Mr. Price with Mr. Crane.
Mr. Bingham with Mr. Goodling.
Mr. Edwards of California with Mr. Florio.
Mr. Long of Louisiana with Ms. Mikulski.
Mr. Ryan with Mr. Jenrette.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO SIT THIS WEEK DURING THE 5-MINUTE RULE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations may be permitted to sit this week while the House is proceeding under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PRINTING AS HOUSE DOCUMENT OF REPORT OF SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 246 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 246

Resolved, That there shall be printed as a House document the report by the Subcommitte on Oversight and Investigations of the Committee on Interstate and Foreign Commerce of the House of Representatives, Ninety-fourth Congress, second session, entitled "Federal Regulation and Regulatory Reform".

SEC. 2. In addition to the usual number of copies, there shall be printed one hundred and seventy copies of the report referred to in the first section of this resolution for use by the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce.

With the following committee amendment:

Strike all after *"Resolved,"* and insert in lieu thereof the following:

That there shall be printed as a House document the report by the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce of the House of Representatives, Ninety-fourth Congress, second session, entitled "Federal Regulation and Regulatory Reform".

SEC. 2. In addition to the usual number of copies, there shall be printed six hundred eighty three copies of the report referred to in the first section of this resolution for use by the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce.

Mr. HAWKINS. Mr. Speaker, this resolution was reported by the Committee on House Administration without any opposition. It calls for printing of 682 additional copies at a cost of $9,425.61.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF REPORT RELATING TO PROCUREMENT OF ADP RESOURCES BY THE FEDERAL GOVERNMENT

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 363 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 363

Resolved, That there shall be reprinted for the use of the Committee on Government Operations two thousand copies of the report entitled "Administration of Public Law 89-306, Procurement of ADP Resources by the Feneral Government".

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING AS A HOUSE DOCUMENT THE DEDICATION CEREMONY OF THE PORTRAIT OF HON. MELVIN PRICE, CHAIRMAN, COMMITTEE ON ARMED SERVICES

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 379 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 379

Resolved, That the transcript of the proceedings in the Committee on Armed Services of February 16, 1977, incident to the presentation of a portrait of the Honorable Melvin Price to the Committee on Armed Services be printed as a House document with illustrations and suitable binding.

SEC. 2. In addition to the usual number there shall be printed two thousand copies of such document for the use of the Committee on Armed Services.

With the following committee amendment:

Strike all after *"Resolved,"* and insert in lieu thereof the following:

That the transcript of the proceedings of the Committee on Armed Services of February 16, 1977, incident to the presentation of a portrait of Hon. Melvin Price to the Committee on Armed Services be printed as a House document with illustrations and suitable binding.

SEC. 2. In addition to the usual number, there shall be printed 2,000 copies of such document, of which 200 copies shall be case bound, for the use of the Committee on Armed Services.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING 20,000 ADDITIONAL COPIES OF SUBCOMMITTEE PRINT OF SUBCOMMITTEE ON CONSUMER AFFAIRS OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS ENTITLED "GIVE YOURSELF CREDIT: GUIDE TO CONSUMER CREDIT LAWS"

Mr. HAWKINS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resoltuion 162 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 162

Resolved by the House of Representatives (the Senate concurring), That twenty thousand additional copies of the subcommittee print of the Subcommittee on Consumer Affairs of the Committee on Banking, Finance, and Urban Affairs entitled "Give Yourself Credit: Guide to Consumer Credit Laws" shall be printed for the use of the Subcommittee on Consumer Affairs and the Committee on Banking, Finance, and Urban Affairs.

With the following committee amendment:

Strike all after *"Resolved by the House of Representatives (Senate concurring),"* and insert in lieu thereof the following:

That there shall be printed as a House document the report by the Subcommittee on Consumer Affairs of the Committee on Banking, Finance, and Urban Affairs entitled "Give Yourself Credit: Guide to Consumer Credit Laws."

SEC. 2. In addition to the usual number of copies, there shall be printed 20,000 copies of the report referred to in the first section of this concurrent resolution for use by the Subcommitee on Consumer Affairs of the Committee on Banking, Finance, and Urban Affairs.

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING PRINTING AND BINDING OF EDITION OF SENATE PROCEDURE AND PROVIDING THE SAME SHALL BE SUBJECT TO COPYRIGHT BY THE AUTHOR

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the Senate joint resolution (S.J. Res. 44) to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the author, and ask for its immediate consideration.

The clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The clerk read the Senate joint resolution, as follows:

S.J. RES. 44

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be printed and bound for the use of the Senate one thousand five hundred copies of a revised edition of Senate Procedure, to be prepared by Floyd M. Riddick, Parliamentarian Emeritus of the United States Senate, to be printed for distribution to the Members of the Senate.

SEC. 2. That notwithstanding any provision of the copyright laws and regulations with respect to publications in the public domain, such revised edition of Senate Procedure shall be subject to copyright by the author thereof.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERSONAL EXPLANATION

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, due to business in my congressional district, I was compelled to be absent on Friday, April 22, 1977. I therefore missed rollcall votes Nos. 145 and 146 and would like to announce how I would have voted had I been present.

Rollcall vote 145. House agreed to the Journal of Thursday, April 21. Passed 326 yeas to 8 nays. I would have voted "yea."

Rollcall vote 146. An amendment to H.R. 5970, the Department of Defense authorization bill, that sought to prohibit procurement of the airborne warning and control system aircraft (AWACS) unless NATO agrees to purchase these aircraft. Rejected 135 ayes to 222 noes. I would have voted "no."

DEPARTMENT OF DEFENSE AUTHORIZATION FOR FISCAL YEAR 1978

Mr. BENNETT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. BENNETT).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5970, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, April 22, 1977, title III had been read. Pending was an amendment offered by the gentleman from California (Mr. DELLUMS).

Mr. WHITE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, initially, a few clarifying points are necessary. I do not want to challenge the accuracy of the gentleman's figures because these figures vary according to the time of the year and how they are calculated, but I do want to make sure the RECORD is correct on this point.

The gentleman suggested that over 30,000 military personnel were reduced overseas since this time last year. That is not accurate. Based upon Department of Defense press releases, which I have in my hand, and which are available generally, U.S. troop strength overseas in foreign countries declined by less than 5,000 in calendar year 1976.

Specifically, on December 31, 1975, there were 454,000 U.S. military personnel in foreign countries. On December 31, 1976, there were 449,218 military personnel overseas, a difference of 4,782. This decline is a result of a reduction of over 10,000 personnel assigned to Thailand. Obviously, there were other pluses and minuses, but as far as major actions, any reduction last year results primarily from the situation in Thailand.

The actual numbers are not the crux of this issue in any case, but to suggest that the thrust of the gentleman's amendments in the past have foretold actual occurrences is not wholly accurate.

However, the substance of this amendment, which is what we need to debate, greatly concerns me. The amendment would reduce active duty military strength by 50,000 personnel of which 17,000 are to come from troops stationed overseas.

This amendment mandates a general reduction in troops overseas and military strength overall not based upon a specific change in U.S. policy but simply to save money. Now I am not opposed to saving money, but the net effect of any funds saved in this way would be disastrous. An action of this sort will clearly signal to the world that the U.S. Congress will not support the existing commitments this Nation has made and indictate an isolationist attitude prevails.

If such a reduction were to be made, it

would be infinitely better, and more responsible, to address specific commitments of the United States so that at least, if such a reduction prevailed, the world would understand the basis for the action.

I agree with the author of this amendment that the only way to save money through such a proposal is to deactivate troops, not bring them back to the United States. If troops are withdrawn from overseas and restationed in the United States, large additional resources will be consumed for additional military construction to house these forces and to provide the transport for them necessary when they are to be redeployed.

The gentleman is not proposing that these troops be returned to the United States. His proposal is to reduce active military strength by 50,000. His proposal would reduce active duty forces by a number equivalent to 3 of the 16 Army divisions at a time when the U.S. active duty military strength is at its lowest level since 1950.

I hope the Members of the House appreciate that the author of this amendment never once suggested that the military requirement for these troops is invalid. His argument is apparently that these personnel should be eliminated without regard to what is required for national security.

The Military Personnel Subcommittee examined in some detail the requirements for manpower under the plans which have been established by the civilian leadership of this Nation and the Joint Chiefs of Staff. I can assure the Members of the House that based upon our review and as outlined in the committee report, this country is today seriously short of the manpower which will be required if our security is threatened. The amendment would aggravate this deficiency.

Further, if reductions are to be made in Korea—the United States of America is committed to consult with Japan first, and this amendment would violate that agreement.

If reductions are to be made in Europe by this amendment, this unilateral reduction would seriously disrupt our negotiations for mutual balance of force reductions.

Mr. Chairman, this amendment would be damaging to the current position and security of this Nation and I urge it not be supported.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank my distinguished colleague for yielding.

I would like to respond very specifically to a statement made by the gentleman from Texas (Mr. WHITE), who was previously in the well, with respect to the number of troops we have stationed overseas, and I would simply suggest to my distinguished colleague, who is a member of the committee, that my figures are not dreamed up by the gentleman from California but the source of these figures is the Department of Defense.

First of all, with respect to the number of troops as of 1976, these are indeed Department of Defense figures, and I will give them to the gentleman. They appear on the second page of this paper. This is what it shows:

Total outside the United States: 462,850. And the way they arrived at this figure is as follows:

In the Far East, 132,050; in Latin America, 15,800; in Europe, 295,700; and in other areas, 19,300.

If the gentleman will add those figures up, he would find that they come to 462,850 troops.

Figures published by the Department of Defense for the year 1975 show 497,000 troops stationed overseas. A simple mathematical calculation would determine that over 30,000 troops have indeed been reduced from our total troops overseas or stationed outside the United States, other than those stationed afloat and those stationed in U.S. territories and possessions. That figure is in fact over 30,000.

I would simply like to raise one additional point.

Again using Department of Defense figures, in 1973 the total overseas forces were 635,000; 1977, 462,850. That is a total reduction of 172,150 troops.

The point the gentleman from California was trying to make in offering this amendment was simply that while the Congress of the United States has not seen fit to take a policy position with respect to the question of the stationing of our troops overseas, the Pentagon has indeed done just that.

Mr. Chairman, I am simply saying, as a very simple argument, that we should leave to the Department of Defense those matters that are specifically military matters. We have a constitutional duty as part of the policymaking process of this country, and I am simply saying to the U.S. Congress, let us not, in debate, invade the province of the Department of Defense with respect to specific military measures. Instead, let us, in fact, deal with policy considerations. Mr. Chairman, the figures show that we have reduced our forces. Last year I offered an amendment to reduce our oveseas land-based troops by 47,000. That means in my amendment now we would reduce our overseas forces by 17,000 since the Petagon has already reduced the figure by 30,000 troops.

In addition, I would like to save more money. Many Members of Congress last year, the year before, and the year before that said that we ought to have those troops overseas; they are not overseas. I am saying that if they are not overseas, why are we going to bring 30,000 troops back here?

If we are going to bring them back home, let us deactivate them, thereby saving the American taxpayer a substantial amount of money. This is one of the important problems.

Therefore, if the gentleman from California and the gentleman who spoke previously in the well have different figures, maybe it is because the Pentagon has given them different figures; but I certainly did not dream these figures up.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Texas.

Mr. WHITE. Mr. Chairman, the fact is that there is a difference in troops overseas, generally, and those in foreign countries. We have other bases overseas, in our possessions or our territories or our States; and this is the difference between the figures the gentleman has used and what I have suggested.

Second, it is not for this Congress to dictate foreign policy. If, indeed, this Congress determines that some essential, fundamental need of this country is not being met, then we can act; but in the meantime, we should not hamstring the Commander in Chief and the State Department who are traditionally and constitutionally the ones who should determine the foreign policy of this Nation.

The CHAIRMAN. The time of the gentleman from New York (Mr. DOWNEY) has expired.

(On request of Mr. DELLUMS and by unanimous consent, Mr. DOWNEY was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, may I say to the gentleman from Texas (Mr. WHITE) that the gentleman from California is clearly aware of the distinction with respect to the labeling of troops abroad.

I would repeat that the total outside of the United States is 462,850. Troops stationed in U.S. possessions and territories beyond that figure come to 23,700, and those stationed afloat are 58,300; so the gentleman from California has made that distinction.

I am simply saying, in response to the last statement the gentleman made, that we should not dictate foreign policy; I would not characterize action of the U.S. Congress as one branch of the triad of Government as dictating foreign policy. I am simply saying that we should be equal partners in the establishment of policy and in the establishment of programs.

Mr. Chairman, I would find it difficult to understand how the gentleman can characterize our action as dictating foreign policy.

Mr. JOHNSON of Colorado. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I want to speak on behalf of the amendment, but mainly with respect to the reduction of troops overseas and specifically in Korea.

I realize that the amendment does not specify withdrawal of troops from Korea. However, I realize also that if we pass

the amendment, that is probably where the reduction will come about.

Mr. Chairman, we tend to keep troops overseas and follow the policy that has been followed for years without really too much analysis.

I have been doing some reading recently. I would like to draw the attention of the Members of the body to "Foreign Relations of the United States, 1949," which has just been declassified.

In it it points out that on February 21, 1948, the Joint Chiefs of Staff—the Chairman of the Joint Chiefs at that time was Admiral Leahy; General Bradley, General Vandenberg, and Admiral Denfeld were also on the Joint Chiefs—stated in 1948 that the United States had little strategic interest in maintaining its troop strength in Korea. At that time we had about 7,500 troops there.

Then the National Security Council—and this, too, has just been declassified. It is too bad it was not declassified at that time, if it had been probably the tragedy in Korea might not have occurred. But the National Security Council stated that it was an immediate objective to withdraw the 7,500 troops from Korea by May 10, 1949.

Subsequently, we all know the history, we were involved in Korea from 1950 to 1953 with 33,000 men killed and 103,000 wounded. Between 1946 and 1978, we have and will have given them $6 billion in economic aid and $7.3 billion in military assistance for a total of over $13 billion.

What is the relative strength of North Korea and South Korea now and why do we need to retain the present 40,000 troops we have there? That is the issue we really should be addressing ourselves to.

Let us take a look at the relative strength of North Korea and South Korea. South Korea has a population of 34.6 million people. North Korea has a population of 16.2 million people, less than half.

North Korea has a total armed services, active, of 495,000. South Korea has a total armed services, active, of 595,000.

The estimated gross national product in 1974, which are the latest figures available, if they are accurate, show that South Korea has $17.2 billion while North Korea has $4.8 billion.

Total reserves:

South Korea has 1,148,000 people. North Korea is reported as having nothing by the Congressional Research Division.

North Korea has 40,000 security forces and border guards, plus a civilian militia of 1,800,000.

The paramilitary forces of South Korea: A local defense militia, 750,000 homeland defense reserve forces.

By any measure South Korea is far stronger than North Korea. There is not any comparison between the two.

The gross national product, the amount of military aid that has been given, the populations and in the relative strengths of their armed forces all favor South Korea by a wide margin.

The military justification has really not changed since 1948. As a matter of fact, the gentleman from Texas (Mr. MAHON); the chairman, in 1974, had commissioned the staff of the Committee on Appropriations to look into our forces in Korea. That report is available to the Members of this body if they ask for it. That report stated that political considerations predominate as the reasons for our continued presence in Korea.

Obviously the geography has not changed since 1948 where the Joint Chiefs of Staff stated what is obviously apparent, that we do not have any strategic interest in Korea. So why do we maintain our 40,000 troops there which constitute less than 10 percent of their total ready force as hostages?

It is said by a lot of different people, and there are different arguments that have been raised, that we do it so as to insure the Koreans and the Japanese that we intend to maintain our presence in Asia. That is the crux of the matter.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. JOHNSON of Colorado was allowed to proceed for 2 additional minutes.)

Mr. JOHNSON of Colorado. Mr. Chairman, I think we all know that the American people will not tolerate our fighting another land war in Korea so why do we not accept that fact and get on with the graduated withdrawal of our troops that we have been talking about for a number of years?

What political considerations are there regarding Korea? We have expended vast amounts of money to maintain a government that tolerates no dissent, that throws everyone in jail who disagrees with their politics. We have done this to maintain a government—and I use the words very carefully—to maintain a government that has taken advantage of and has cast grave shadows upon the integrity of present and past Members of this body.

Is this why we keep our troops in Korea? Is that what all the sacrifices we have made since 1950 are all about?

I think it is time we made it clear that we are serious about the withdrawal of our troops from South Korea.

President Carter has campaigned on the promise to withdraw, and we should reaffirm that intention by adopting the gentleman's amendment. We have provided South Korea with every military and economic assistance that any ally could be expected to provide. I think it is time we made it quite clear that we never again will have American infantrymen involved in combat in Korea.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I think that Secretary Vance the other day gave other reasons for continued action on our part, or at least a presence, in South Korea—it is not to maintain a government which does not respect human rights—not for any of the reasons which the gentleman cited, but for some stability in that area of the Pacific, for some recognition of our obligations which still are in force.

I should like to ask the gentleman, a question. According to my understanding of the figures given by the sponsor of the amendment, there would be a cut of some 99,000 troops; is that correct?

Mr. JOHNSON of Colorado. No, no.

Mrs. FENWICK. We would be going from 462,850 to 363,850. Those were the figures given by the sponsor.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. JOHNSON of Colorado was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

There are different categories of troops. There are American land-based troops overseas, troops stationed in U.S. possessions, and troops stationed afloat. What my amendment would do would be to require 17,000 American troops to be withdrawn from our overseas land-based troops. It would require that a total of 50,000 troops be cut from our total end strength. The result would be bringing 17,000 home and deactivate them, and also deactivate 30,000 already home.

Mrs. FENWICK. If the gentleman from Colorado would yield further, as I read it, no more than 363,850 may be assigned to active duty on land outside the United States. The figures the gentleman gave were 462,850, making the deduction to 99,000.

Mr. DELLUMS. If the gentleman from Colorado would yield further, 462,850 total overseas forces.

Mrs. FENWICK. Right, and under the amendment no more than 363,850 could be assigned to active duty overseas.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I hear it has been said that military forces from Communist Cuba now in Angola serve a stabilizing purpose. What they are doing is insuring the continuation of a Communist regime which is in power through conquest; a conquest which they made possible. Little is being said and nothing done here about placing the Congress on record in opposition to the presence of those forces. No one seems particularly concerned with action or words which might remove Cuban and other Communist forces from those nations where their presence is strongly objected to by the majority of the populace. American forces are not overseas in a single nation for the purpose of helping to maintain in power a government that is there by conquest. They are there as a stabilizing influence toward world peace and, if necessary, they are

there to help repel aggression committed against nations who are friendly to our country. They give confidence to those who seek to resist a Communist takeover.

Mr. Chairman, the presence of American forces abroad is probably the most important single contributor to continued peace in the world. American forces abroad help to insure a continuation of peace. When American Forces are moved out, a vacuum often is created, and in more cases than not, the Communists move in. I do not think we want that to happen in Korea or anywhere else where American forces now are found. I do not want it to happen. I do not believe the Congress wants it to happen. I am confident the American people do not want it to happen. American forces abroad are a small investment for peace. If we move our troops out, we are inviting trouble for the free world. We are providing the Communists new opportunity to continue their goal of world conquest and they are moving fast enough and much too successfully without the help this amendment would give. Remember one nation after another is falling into their orbit; yesterday, parts of Zaire by conquest; today Ethiopia.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding. I compliment the gentleman on his statement. I happen to agree with him.

I would just say to the gentleman from California, who has offered this amendment very sincerely for the last 4 years that I have been here in the Congress, and it has always been voted down, I think the best way to make this a reality would be to pass President Carter's energy proposal and then we would have to bring all those troops home to enforce it.

Mr. TREEN. Mr. Chairman, I rise in opposition to the amendment and I move to strike the requisite number of words.

Mr. Chairman, as I understand it the amendment would do two things: it would cut the total authorized strength level by 50,000 in numbers, and it would also mandate that our land forces overseas be lowered by 17,000 spaces. If that is correct—and I see the gentleman from California indicates it is—I would like to make three comments about it.

First of all, I think the motivation of some who would ordinarily support this would be based on the belief that it would reduce the cost of our Defense Establishment, and, of course, if we adopt the amendment in toto to reduce the forces by 50,000, it would do that.

But for those who feel we should perhaps reduce the number of overseas forces because the resulting cost would be less, let me say the best evidence is that it really would not cut the costs just to bring forces back home, because the costs of maintaining the troops here in the United States would have to be borne.

Second, the forces we have, the ground forces we have in South Korea, are there for specific purposes. They are there to augment the area in which the South Korean Army and Air Force are weak. We have three tactical air squadrons and one Army division which is heavy on artillery, and this is one of the areas in which the South Koreans are specifically weak. So we have to look not just at the numbers on both sides but also at the missions and roles of our forces in that area.

Third, I would like to make this comment. During the Presidential campaign, Jimmy Carter, now President Carter, criticized the Ford administration for taking actions in the Pacific without full consultation with our principal allies in the area and specifically for not consulting with Japan. Candidate Carter said: "I intend to do this when I become President."

President Carter has said to the Japanese that he intends to consult with them before we move toward a reduction of forces in South Korea.

I would suggest to the Members that if we unilaterally make that decision here on the floor—and that I think would be the effect of this amendment because I do not think we could realistically reduce our land forces in Europe, that is, the troops would have to come out of Korea—it would be a very destabilizing thing to do. It would handicap President Carter in what I think is a very genuine and sincere and correct position on his part, that before we do anything over there to cause grave concern to the Japanese we should fully discuss it with them.

I as a member of the Personnel Subcommittee assure the members of that committee and of this body that I will work for a reduction in the numbers of both Reserve and Active Forces and for bringing troops home when we can, but at this particular juncture we should avoid that and let the President come to us with his recommendations.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield briefly?

Mr. TREEN. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I think the gentleman has made here a thoughtful presentation. I would simply like to speak to a couple of points.

One, the gentleman is correct that to bring troops simply back home and station them here would not result in saving. Using the Pentagon figures, it costs between $14,000 and $15,000 per troop, excluding transportation costs, in order to have troops stationed overseas. So if we are going to save money we would in fact not only have to bring the troops home but also deactivate them. That is precisely the motivation of the gentleman from California. It will give a one-time saving to the American taxpayer of $750 million and annually a saving of $950 million.

Mr. TREEN. That is if we make the 50,000-troop cut.

Mr. DELLUMS. Right.

One comment the gentleman mentioned is that we are augmenting the South Korean forces in areas where they are weak. I think that is an excellent argument for our justifying an air wing in South Korea but certainly it does not go to the question of having over 40,000 American troops stationed in South Korea.

Mr. TREEN. I do not think there are 40,000 Army Forces in question, and my point was that it is the artillery that they need.

Mr. KREBS. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, somehow the year, 1952, seems like yesterday to me, but yet it is so many years back. This happens to be the year when I, like many Americans, was drafted. I remember those days in 1952 and the 2 years that preceded that day in June 1950 when the Korean war broke out, that we were told we were fighting with the rest of the free world for democracy in Korea.

Now, fortunately, I have not heard a single person stand up here on either side of this issue and continue telling us that we are still fighting for democracy in Korea, because the fact is that our troops are stationed in Korea, whether we like to admit it or not, whether this is really our intent or not, and I submit it is not our intent; but it is the result, nevertheless, that we are in Korea today for only one purpose, that is to maintain one of the most vicious, one of the most corrupt regimes in the post-World War II era.

I really do not think it has helped to enhance the image of the United States to find ourselves still at this late stage of the game, not only on the same side with South Korea but actively supporting her through the maintenance of over 40,000 of our troops, in this year, 1977, when all of us, regardless of political philosophy, have been talking about human rights and the need to protect human rights.

Nevertheless, we have heard Members stand up here this afternoon and tell us how important it is that we maintain these troops in Korea.

Now, I maintain that the best thing we can do for the United States, for the image of the United States, for the strength of the United States among the nations of the world, is to vote for this amendment and to signal to the rest of the world that we mean what we say when we talk about human rights; that we, indeed, are embarking on a course that I submit is long overdue. By this vote we are going to tell the rest of the world that we have learned something from the mistakes of the post-World War II era and that we are, indeed, going to fight for human rights, regardless of whether violations of such rights occur in the Soviet Union, in South Africa, in Rhodesia or in South Korea.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. KREBS. I yield to the gentleman from Louisiana.

Mr. TREEN. Mr. Chairman, this amendment would reduce the total active forces by 50,000 spaces. We are not dealing in the amendment just with the re-

duction of troops in Korea, so when the gentleman urges a vote for this amendment, he is urging a vote for a 50,000 reduction. That, of course, does not go to the question of human rights at all; but I suggest we might have a look at what the human rights situation is in North Korea.

I suggest further that is not the main issue here. The issue is the security of the United States and the strength of its alliances with those friendly countries in the Pacific Basin. Those are the considerations, I think, of paramount interest here. I do not say the issue of human rights in South Korea is not important, but I think it is a different issue. I do not think we should cloud the issue of American security with that kind of side issue.

Mr. KREBS. Mr. Chairman, I appreciate that explanation; but I would like to remind the gentleman that the opponents of this particular amendment are those who for approximately 27 years have urged us to continue maintaining troops in Korea. Only last year it was argued that the reason we have our troops in South Korea is to see to it that the South Koreans are not encouraged to attack North Korea. Apparently this argument has not been used this year; but regardless of the niceties of the issue, the time has come to start reducing the troop level in South Korea.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the issue here today really is this: Whether we are going to provide some kind of stability and some kind of certain signal to the rest of the world; or whether we are not. This Congress has, in fact, been following the advice of both gentlemen from California over the past 4 or 5 years (Mr. DELLUMS and Mr. KREBS). It is only in the last couple of years that we have suddenly realized we cannot continue to demobilize our military forces and pull back from the rest of the world and still expect to have any real influence. So, in the last couple of years the Congress has refused to approve these various troop reduction amendments that have come up, whether the Dellums amendment, the O'Neill amendment, or whatever the amendment may be; and we have held firm in an effort to provide some stability in the world.

I think everybody, even the gentleman from California (Mr. DELLUMS), recognizes the need for stability in NATO. And certainly, the President of the United States recognizes the delicacy of the situation in Korea. In fact, he has indicated that he wants to consult with our allies before he makes any move on withdrawing troops from Korea.

So the question is, are we going to reverse the decisions that have been taken previously to hold the line, to end this disruptive and constant turbulance in our Armed Forces when we insist on reducing them year after year, when nobody knows how many spaces are available, and instead we have tried to give a clear and certain signal not only to our allies, but also to our potential enemies.

That, I think, is the basic question. A reduction of 50,000 troops today would be totally unacceptable. The signal we would be giving would be that we are getting tired and getting out of the picture. Is this the time when we want to give that kind of signal? At a time when the Soviets refuse to discuss a very reasonable proposal for disarmament proposed by the President of the United States? At a time when we have a war in Zaire; when we are being kicked out of Ethiopia; and when we are losing friends in other parts of the world?

I think what we need to do today is to hold firm. In the last couple of years, under the leadership of Senator NUNN, we have converted many of our support troops into combat troops; but we have not reduced the overall total. I think today we ought to make it clear that we still stand firm in that position. We are not going to reduce our total Armed Forces, until and unless the other side shows some indication that they are reducing theirs.

Ms. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I want to commend the gentleman from California for offering his amendment.

One of the things I understand about the amendment is that it does not dictate that these forces come just from South Korea. Is that correct?

Mr. DELLUMS. That is correct.

Ms. SCHROEDER. I have several other questions about the amendment which have been raised by some of the prior speakers. I would like to yield at this time to the gentleman from California for clarification of those questions.

Mr. DELLUMS. Mr. Chairman, members of the Committee, this shall be the last time that I will speak on the floor on this particular amendment today. I would simply like to say, first of all, using the Pentagon's own figures in constant dollar terms, that by the year 1980 it is anticipated that we will be spending on our military budget between $147 billion and $150 billion. By the year 1985, it is projected—using Pentagon figures again—that we will be spending in the neighborhood of $200 billion.

If the Members will agree with me that we do not, and certainly the American people do not, wish to—by the year 1985—be spending $200 billion on military every year, given the rising cost of other human programs and problems which we have ignored, then it seems to me that this is the moment when we should begin to build into our foreign policy some kind of flexibility.

This amendment, again, would provide for a reduction of 17,000 troops overseas, and require a total in-strength reduction of 50,000, because that would allow us to save troops. I remind my colleagues that there is no such thing anymore in this world as a free commitment. If we have a commitment out in the world, and those figures I gave concerning the $200 billion are based on the status quo commitments, there is no such thing as a free commitment.

The bottom line of any foreign policy of any nation, stripped of all the glamour, is simply this: Who are you willing to kill, and who are you willing to die for?

Take South Korea as an example; are we prepared to kill the North Koreans, or are we prepared to die for the South Koreans? That is the basic question. If the answer is no, then I would suggest that we have the responsibility to vote in favor of this amendment because I think we have to build flexibility and reality into our policies.

I raised this question with former Secretary of Defense Schlesinger: "What is the purpose of the American deployment of over 40,000 troops in South Korea?"

His response was:

> There is no military justification, but we are in South Korea to provide a political presence.

My question is, what is so sacrosanct about 40,000? Could not an air wing or squadron provide a political presence? What is so sacrosanct about 40,000, which costs us a substantial amount of money at a point in time when those resources are desperately needed to be redirected to the much needed priorities of the country?

Mr. Chairman, I have one additional comment. Someone raised the specter of Cuba being some place to stabilize the world, and we are not here talking about them withdrawing. My only response to that is simply that this is the Congress of the United States. We are not citizens of Cuba. We have a responsibility to formulate policy in the United States. We have a responsibility to debate policy and arrive at a consensus.

The gentleman from California is not trying to raise the question of weakening the United States. I live here. I do not wish to be bombed out of my bed, nor my family or my children. That is absurd. What I am simply saying is: Let us adopt a policy that makes sense. We must move away from the heavy expenditure of our resources, for we must begin to play a different role in the world. The day of being the gunrunner of the world and the police officer of the world is over.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DELLUMS).

The question was taken; and on a division (demanded by Mr. DELLUMS) there were—ayes 17, noes 64.

Mr. DELLUMS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and eleven Members are present, a quorum.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from California (Mr. DELLUMS) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 88, noes 301, not voting 44, as follows:

[Roll No. 148]

AYES—88

Addabbo	Hawkins	Oakar
Ammerman	Holtzman	Oberstar
Bedell	Jacobs	Obey
Beilenson	Johnson, Colo.	Ottinger
Blouin	Kastenmeier	Panetta
Bonior	Keys	Pattison
Brodhead	Kildee	Pursell
Brown, Calif.	Koch	Reuss
Burke, Calif.	Kostmayer	Richmond
Burton, John	Krebs	Risenhoover
Burton, Phillip	Leach	Rodino
Caputo	Leggett	Roncalio
Carr	Lujan	Rosenthal
Cavanaugh	McCloskey	Roybal
Chisholm	McKinney	Scheuer
Clay	Maguire	Schroeder
Collins, Ill.	Markey	Seiberling
Conte	Metcalfe	Solarz
Conyers	Meyner	Stark
Coughlin	Mikulski	Stokes
Dellums	Mikva	Studds
Drinan	Miller, Calif.	Thompson
Early	Miller, Ohio	Tsongas
Eckhardt	Mineta	Vanik
Ford, Tenn.	Mitchell, Md.	Weaver
Fraser	Moakley	Weiss
Gaydos	Moffett	Whalen
Glickman	Murphy, Pa.	Wolff
Harkin	Nix	
Harrington	Nolan	

NOES—301

Abdnor	Corman	Hall
Akaka	Cornell	Hamilton
Alexander	Cornwell	Hammer-schmidt
Allen	Cotter	
Ambro	D'Amours	Hanley
Andrews, N.C.	Daniel, Dan	Hannaford
Andrews, N. Dak.	Daniel, R. W.	Hansen
	Danielson	Harris
Annunzio	Davis	Harsha
Applegate	de la Garza	Heckler
Archer	Delaney	Hefner
Armstrong	Dent	Heftel
Ashbrook	Derrick	Hightower
Ashley	Derwinski	Hillis
Aspin	Devine	Holt
AuCoin	Dickinson	Horton
Badham	Dicks	Howard
Bafalis	Dingell	Hubbard
Baldus	Dodd	Huckaby
Barnard	Dornan	Hughes
Baucus	Downey	Ichord
Bauman	Duncan, Oreg.	Ireland
Beard, R.I.	Duncan, Tenn.	Jeffords
Beard, Tenn.	Edgar	Jenkins
Benjamin	Edwards, Ala.	Jenrette
Bennett	Edwards, Okla.	Johnson, Calif.
Bevill	Ehlberg	Jones, N.C.
Biaggi	Emery	Jones, Okla.
Blanchard	English	Jones, Tenn.
Boland	Erlenborn	Jordan
Boiling	Ertel	Kasten
Bonker	Evans, Colo.	Kazen
Bowen	Evans, Del.	Kelly
Brademas	Evans, Ga.	Kemp
Breaux	Evans, Ind.	Ketchum
Brinkley	Fary	Kindness
Brooks	Fascell	Krueger
Broomfield	Fenwick	LaFalce
Brown, Mich.	Fish	Lagomarsino
Brown, Ohio	Fisher	Latta
Broyhill	Fithian	Le Fante
Buchanan	Flippo	Lederer
Burgener	Flood	Lehman
Burke, Fla.	Flowers	Lent
Burke, Mass.	Flynt	Levitas
Burleson, Tex.	Foley	Lloyd, Calif.
Burlison, Mo.	Fountain	Lloyd, Tenn.
Butler	Fowler	Long, Md.
Byron	Frey	Lott
Carney	Fuqua	Luken
Carter	Gammage	Lundine
Cederberg	Gephardt	McClory
Chappell	Giaimo	McDade
Clausen, Don H.	Gibbons	McDonald
	Gilman	McEwen
Clawson, Del	Ginn	McFall
Cleveland	Goldwater	McHugh
Cochran	Gonzalez	McKay
Cohen	Gore	Mahon
Coleman	Gradison	Marks
Collins, Tex.	Grassley	Marlenee
Conable	Gudger	Marriott
Corcoran	Guyer	Martin
Mathis	Rinaldo	Symms
Mattox	Roberts	Taylor
Mazzoli	Robinson	Thone
Meeds	Rogers	Thornton
Michel	Rose	Tonry
Minish	Rostenkowski	Traxler
Mitchell, N.Y.	Rousselot	Treen
Mollohan	Rudd	Trible
Montgomery	Runnels	Tucker
Moore	Ruppe	Udall
Moorhead, Calif.	Russo	Ullman
	Santini	Van Deerlin
Moorhead, Pa.	Sarasin	Vander Jagt
Mottl	Satterfield	Vento
Murphy, N.Y.	Sawyer	Volkmer
Murtha	Schulze	Waggonner
Myers, Gary	Sebelius	Walgren
Natcher	Sharp	Walker
Neal	Shuster	Walsh
Nedzi	Sikes	Wampler
Nichols	Simon	Watkins
Nowak	Sisk	Waxman
O'Brien	Skelton	White
Patterson	Skubitz	Whitehurst
Pease	Smith, Iowa	Whitley
Pepper	Smith, Nebr.	Wiggins
Perkins	Snyder	Wilson, Bob
Pettis	Spellman	Winn
Pickle	Spence	Wirth
Poage	St Germain	Wright
Pressler	Staggers	Wydler
Preyer	Stangeland	Wylie
Quayle	Stanton	Yates
Quie	Steed	Young, Alaska
Quillen	Steers	Young, Fla.
Rahall	Steiger	Young, Mo.
Railsback	Stockman	Young, Tex.
Regula	Stratton	Zablocki
Rhodes	Stump	

NOT VOTING—44

Anderson, Calif.	Goodling	Pike
	Hagedorn	Price
Anderson, Ill.	Holland	Pritchard
Badillo	Hollenbeck	Rangel
Bingham	Hyde	Roe
Boggs	Long, La.	Rooney
Breckinridge	McCormack	Ryan
Crane	Madigan	Shipley
Diggs	Mann	Slack
Edwards, Calif.	Milford	Teague
Findley	Moss	Whitten
Fiorio	Murphy, Ill.	Wilson, C. H.
Ford, Mich.	Myers, Michael	Wilson, Tex.
Forsythe	Myers, Ind.	Yatron
Frenzel	Patten	Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Edwards of California for, with Mr. Zeferetti against.

Mr. Badillo for, with Mrs. Boggs against.

Mr. Moss for, with Mr. Price against.

Mr. Rangel for, with Mr. Shipley against.

Mr. Anderson of California for, with Mr. Rooney against

Mr. Bingham for, with Mr. Holland against.

Messrs. DERRICK, HANSEN, RUNNELS, and DENT changed their votes from "aye" to "no."

Mr. OTTINGER changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to engage the gentleman from New York (Mr. STRATTON) in colloquy regarding language in the committee report. It would probably have been more appropriate to have been able to do this while we were discussing title I, but the gentleman was very busy at that time, and I did not wish to distract him from his work.

On pages 36 and 37 of the committee report is discussed the subject of Army tank programs and, in particular, the retrofitting of the M–60 tank is discussed. The committee points out it has disapproved the request of some $36.5 million to begin retrofitting M–60A1 tanks with the M–60A3 fire control system because the committee feels such action would be costly and counterproductive. The committee goes on to point out that, and I quote:

Not only would the eventual cost exceed a billion dollars, the Army would still not have addressed the principal weakness of the M60 which made it necessary to develop the XM–1 in the first place—its lack of survivability.

In view of this language, I feel it necessary to clarify the intent of the committee since it has come to my attention that a highly advantageous and cost-effective advanced hydropneumatic suspension system has been developed for the M–60 tank which would substantially increase the survivability of the M–60 through significantly increasing its maneuvering speed and through permitting the M–60 to utilize its fire power while on the move, whereas now it is accurate and effective primarily only when stopped.

The retrofitting of the M60 with this suspension system would cost approximately $28,000 per tank, but utilization of such system would extend the track life of the M60 to approximately 4,000 miles as compared with its present 2,000 mile life and the cost of replacing the track system on the M60 is roughly comparable to the cost of such retrofitting.

In short, I wish to be assured that if the tests which are presently ongoing prove that from the standpoints of survivability, better utilization of fire power and extension of track life, the retrofitting of M60 tanks with the new hydropneumatic suspension system is cost-effective that the committee would not want the language in the report to preclude any consideration by the Army of such retrofitting.

I can quite concur with the committee in its desire to assure that the Army will not spend great sums of money on the retrofitting of the M60 tank with respect to changes in either its fire power, engine, or what have you when the same would not be cost-effective, but I would vehemently oppose having this language extrapolated and extended to prohibit the retrofitting of such tanks with a suspension system which is highly cost-effective if the latter proves to be true.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I am pleased to respond to the gentleman from Michigan and wish to assure him that the language to which he refers, on pages 36 and 37 of the committee report, is addressed specifically to the particular type of fire control mechanism which the committee had in mind, but it does state the general view of the committee, which is that while we are concentrating on building the XM–1 as a modern main battle tank and feel that it should be fielded as quickly as possible, we are hesitant to see the Army spend any great

sums of money on retrofitting the M60. Because most of those retrofits, as in the case mentioned in the report, are bound to be expensive and bound to take precious resources away from what ought to be our number one tank.

I have not had a chance and the committee has not had a chance to consider the particular suspension system that the gentleman refers to. I am not sure whether it would be cost effective or not.

Certainly it would be fairly expensive. But if the system was indeed cost effective, in other words, if the improvement in the M60 in relation to the cost was very substantial, then I am sure the committee would not object to it. If the Army should come before the committee we would certainly look this proposal over from that point of view. So we are ruling out anything which would be genuinely cost effective but we do feel that as a general rule we ought to be concentrating on the XM–1.

Mr. BROWN of Michigan. I thank the gentleman for his comments.

The CHAIRMAN. There being no further amendments to title III, the Clerk will read.

The Clerk read as follows:

TITLE IV—RESERVE FORCES

SEC. 401. (a) For the fiscal year beginning October 1, 1977, and ending September 30, 1978, the Selected Reserve of each Reserve component of the Armed Forces shall be programed to attain an average strength of not less than the following:

(1) The Army National Guard of the United States, 382,000;

(2) The Army Reserve, 211,300;

(3) The Naval Reserve, 93,600;

(4) The Marine Corps Reserve, 32,400;

(5) The Air National Guard of the United States, 92,500;

(6) The Air Force Reserve, 52,000;

(7) The Coast Guard Reserve, 11,700.

(b) The average strength prescribed by subsection (a) of this section for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year; and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 402. (a) Part III of subtitle A of title 10, United States Code, relating to training, is amended by adding after chapter 105 the following new chapter:

"Chapter 106.—EDUCATIONAL ASSISTANCE FOR ENLISTED MEMBERS OF THE SELECTED RESERVE OF THE READY RESERVE

"Sec.

"2131. Educational assistance program: establishment; amount.

"2132. Eligibility for educational assistance.

"2133. Termination of assistance; refund by member.

"2134. Reports to Congress.

"§ 2131. Educational assistance program: establishment; amount

"(a) To encourage enlistments in units of the Selected Reserve of the Ready Reserve, the Secretary of each military department, under regulations prescribed by the Secretary of Defense, and the Secretary of Transportation, under regulations prescribed by him with respect to the Coast Guard when it is not operating as a service in the Navy, may establish and maintain a program to provide educational assistance to enlisted members of the Selected Reserve of the Ready Reserve of the armed force under this jurisdiction.

"(b)(1) An educational assistance program established under subsection (a) shall provide for payment by the Secretary concerned of 50 percent of the educational expenses incurred by a member for instruction at an accredited institution. Expenses for which payment may be made under this section include tuition, fees, books, laboratory fees, and shop fees for consumable materials used as part of classroom or shop instruction. Payments under this section shall be limited to those educational expenses normally incurred by students at the institution involved.

"(2) To receive assistance under this section, a member must be eligible for such assistance under section 2132 and must submit an application for such assistance in such form and manner as the Secretary concerned shall prescribe and be approved for such assistance by the Secretary concerned.

"(c) Educational assistance may be provided to a member under this section until the member completes a course of instruction required for the award of a baccalaureate degree, or the equivalent evidence of completion of study, by an accredited institution, but the amount of educational assistance provided a member under this section may not exceed $500 in any twelve-month period, nor a total of $2,000.

"(d) For purposes of this section, the term 'accredited institution' means a civilian college, university, or trade, technical, or vocational school in the United States (including the District of Columbia, Puerto Rico, Guam, and the Virgin Islands) that provides education at the postsecondary level and that is accredited by a nationally recognized accrediting agency or association or by an accrediting agency or association recognized by the Commissioner of Education, Department of Health, Education, and Welfare.

"§ 2132. Eligibility for educational assistance

"(a) To be eligible for educational assistance under section 2131, a member must not be serving on active duty for more than thirty days and must—

"(1) be an enlisted member of the Selected Reserve of the Ready Reserve of an armed force;

"(2) have initially enlisted as a Reserve for service in a unit of the Selected Reserve of a Reserve component after September 30, 1977;

"(3) never have served in an armed force before such enlistment;

"(4) at the time of such enlistment have executed an agreement as prescribed by subsection (b);

"(5) be a graduate from secondary school;

"(6) have completed the initial period of active duty for training required of such member;

"(7) if the member is assigned to a unit, be participating satisfactorily in training with such unit; and

"(8) have served less than eight years as a Reserve.

"(b)(1) An agreement referred to in subsection (a)(4) shall be in writing and shall provide that if the member accepts educational assistance under section 2131, the period of enlistment of such member shall be automatically extended by two years and if the member is discharged for the purpose of accepting an appointment as an officer, the member shall remain a member of the Ready Reserve until the eighth anniversary of such enlistment.

"(2) A member who enlists after September 30, 1977, but before regulations to carry out this chapter are promulgated shall be eligible for educational assistance under section 2131 if he is otherwise eligible for such assistance under subsection (a) and if he executes an agreement as described in paragraph (1) not later than one year after the date on which regulations to carry out this chapter are first promulgated.

"(c) Educational assistance being provided a member under section 2131 may be continued to a member who otherwise continues to qualify for such assistance if such member—

"(1) is discharged in order to accept an immediate appointment as an officer in the Ready Reserve; or

"(2) is no longer a member of the Selected Reserve, if such member is a member of the Ready Reserve and has served at least six years in the Selected Reserve of the Ready Reserve.

"§ 2133. Termination of assistance; refund by member

"(a) Educational assistance being provided a member under section 2131 shall be terminated if—

"(1) the member fails to participate satisfactorily in training with his unit, if he is a member of a unit;

"(2) the member is separated from his armed force, unless he is separated in order to accept an immediate appointment as an officer in the Ready Reserve;

"(3) the member completes eight years of service; or

"(4) the member receives financial assistance under section 2107 as a member of the Senior Reserve Officers' Training Corps.

"(b) A member who fails to participate satisfactorily in training with his unit, if he is a member of a unit, shall refund the amount of all educational assistance received by such member under section 2131 unless the failure to participate in training was due to reasons beyond the control of the member. Any refund made by a member under this subsection shall not affect the period of obligation of such member to serve as a Reserve.

"§ 2134. Reports to Congress

"The Secretary of Defense shall submit a report to the Congress every three months stating the number of members of the Selected Reserve of the Ready Reserve receiving educational assistance under this chapter at the time of such report and listing each unit of the Selected Reserve of the Ready Reserve to which any such member is assigned at the time of such report. The first such report shall be submitted not later than December 31, 1977.".

(b) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part III of such subtitle are amended by inserting after the item relating to chapter 105 the following new item:

"106. Educational Assistance for Enlisted Members of the Selected Reserve of the Ready Reserve ---------- 2131".

SEC. 403. (a)(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 308a of such chapter the following new section:

"§ 308b. Special pay: reenlistment bonus for members of the Selected Reserve

"(a) An enlisted member of a reserve component who—

"(1) initially enlisted in a reserve component under the delayed enlistment program for the active forces;

"(2) has completed less than ten years of service as a member of a reserve component; and

"(3) reenlists or voluntarily extends his enlistment for a period of three years or for a period of six years in a designated military skill, or in a designated unit, in the Selected Reserve of the Ready Reserve of an armed force;

may be paid a bonus as provided in subsection (b).

"(b) The bonus to be paid under subsection (a) shall be—

"(1) an initial payment of—

"(A) $450, in the case of a member who re-enlists or vo.untarily extends his enlistment for a period of three years; or

"(B) $900, in the case of a member who reenlists or vo.untary entends his enlistment for a period of six years; and

"(2) a subsequent payment of $150 upon the completion of each year of the period of such reenlistment or extension of enlistment during which such member has satisfactorily participated in training with his unit.

"(c) No member shall be paid more than one bonus under this section.

"(d) A member who fails to participate satisfactorily in training with his unit during a term of enlistment for which a bonus is being paid to him under this section shall refund an amount equal to the amount by which the amount of such bonus exceeds the product of—

"(1) the number of months during that term of enlistment during which such member participated satisfactorily in training with his unit; and

"(2) $25.

"(e) The Secretary of Defense shall submit a report to the Congress every three months listing the units of the Selected Reserve of the Ready Reserve which have been designated by him for purposes of subsection (a)(3) and stating the number of members of the Selected Reserve of the Ready Reserve who at the time of such report are serving a term of enlistment for which a bonus is being paid under this section. The first such report shall be submitted not later than December 31, 1977.

"(f) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when it is not operating as a service in the Navy.".

(2) The analysis of chapter 5 of title 37, United States Code, is amended by inserting after the item relating to section 308a the following new item:

"308b. Special pay: reenlistment bonus for members of the Selected Reserve.".

(b) The amendments made by subsection (a) shall apply with respect to any reenlistment, or voluntary extension of an enlistment, in the Selected Reserve of any reserve component of the Armed Forces after September 30, 1977.

Mr. BENNETT (during the reading). Mr. Chairman, I ask unanimous consent that title IV be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. DOWNEY

Mr. DOWNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWNEY: Page 12, delete lines 8 through 22; delete all of pages 13 though 19;

Page 20, delete lines 1 through 7.

Mr. DOWNEY. Mr. Chairman, when I was first elected to Congress in 1974 I wanted to familiarize myself with some of the intricacies of the legislative process. What intrigued me the most was the involvement of how a bill becomes law. I read Robert Bendiner's "Obstacle Course on Capitol Hill" and Eric Redmond's "Dance of Legislation."

What I am attempting to do today is restore some of the sanctity in the legislative process and attempting to delete something the Department of Defense is against, something that has found its way into this authorization bill. Mr. MONTGOMERY, my good friend, the gentleman from the State of Mississippi, has provided a new dance step in the obstacle course for legislation on Capitol Hill, this program is to provide educational incentives for the Reserves and reenlistment bonuses.

Mr. Chairman, what I was describing to the membership was "Sonny's new dance step" it avoids all of the unpleasantries of the legislative process. What it does, it provides $2,000 in educational expenses for a high school graduate who enlists 8 years in the Reserves. It provides a reenlistment bonus of $900 for an individual who has served less than 10 years and who will reenlist for 3 years, he will receive $900, and for an individual who serves 6 years, it is $1,800 bonus.

What the gentleman from Mississippi is attempting to do, or attempted to do in the committee, was solve a very real problem we have in the Reserves and the Reserves have a number of real problems, but the one the gentleman was addressing is that there are shortfalls in the Army National Guard and in the Armed Reserve in particular and it was the gentleman's opinion that to resolve the problem of a shortfall was to provide some incentives. This proposal will create more problems. It is, unfortunately, not the only problem that the Reserves have.

In 1975, in June of 1975, the GAO issued a very extensive report on the Reserves. What they said was very interesting. They said that for the most part about one-fourth or one-fifth of the training time of a reservist was wasted, that there was some 6.5 million mandays that individuals who were in the Reserve spent being idle and this was costing the taxpayers $500 million. That was one particular problem with the Reserves.

Another problem with the Reserves was highlighted during the incentive's debate and movement through the committee. One of the problems it has was that the members of the subcommittee unanimously supported my effort and that of the gentleman from Florida (Mr. BENNETT) to tailor this specific incentive and reenlistment bonus program to those individuals in the Reserves that would have early deployment dates and would be somehow related to our combat forces, because as we know, the whole purpose of the Reserves is to augment the active duty forces and to be a residual pool of manpower so that in case of war they can be called up quickly. So what I wanted to do was make sure these incentives were applied to those units that had early deployment dates, under 90 days, either to combat or support units.

Unanimously, the subcommittee said, "Tom, you have a good idea," and they supported it. In the full committee, the gentleman from Mississippi (Mr. MONTGOMERY) was so persuasive in arguing that if we did this, if we applied the incentive of the Reserve program to only combat units with early demobilization dates, it would not apply to anybody, which is the real problem of the Reserves. Common doctrine recognizes that any future war would be short and intense. We will need our Reserves right away. If Reserve units are not ready to fight within 90 days of mobilization they might never fight.

Unfortunately, we did not have hearings specifically on this legislation. What the Department did say was very instructive. Here is Mr. Fankersley:

The problem the Defense Department has at this time is that the Secretary feels that it would be unwise—

This is the Department of Defense speaking—

to commit the Defense Department to a policy of incentives until he has an opportunity—

meaning the Secretary—

to examine and calculate what in his opinion he thinks the impact on the reserves would be.

So the Department of Defense is not in favor of this particular provision. Why are they not in favor? Let me state some of the particularities of this bill.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. DOWNEY was allowed to proceed for an additional 5 minutes.)

Mr. DOWNEY. Mr. Chairman, one of the problems that the bill gives the Secretary of Defense is permissive authority to apply the incentives so rather than apply this to all units, which might seem, it would raise tremendous problems because in many instances the Secretary could be providing these incentives to band units, possibly to rail transportation units, civil affairs units, we would not want to provide all units with incentives, because they are not really combat units, or combat related.

So it is selective and permissive authority. That means that if we take this bill, we can apply the incentives to New York, because New York has a problem with recruiting, and not apply it to the great State of Louisiana, which does not have the same problem. Then, we will be faced with a very interesting problem. We are going to have Reserve units in Louisiana come up here, and in terms of effectiveness and lobbying

the Reserves are superb, and say, "Why is it that my unit in Louisiana is not eligible, or the Secretary has decided not to give us this, whereas in New York they are given it?"

The Secretary will want to apply those incentives to areas where there are shortfalls, so it is conceivable that one State will get them and another will not. It is also conceivable that some units that are not necessary for early mobilization, such as civil affairs units in the Army Reserve which will not be deployed until 6 or 8 months after war is started, will also get these educational incentives. Quite frankly, that has not been considered in any detail.

The Department of Defense witnesses, some of whom were in favor and some of whom were opposed, said that the Department of Defense would like time to look at it and to come up with its own proposals. Will this incentive be an inducement to a high school student? He will receive a $2,000 educational benefit if he or she is a graduate of high school—which is a bit unfair to the many fine reservists who are not high school graduates. We are saying, "We will give you this educational incentive. All you have to do is stay in your community for 8 years, go for the 2 weeks' active training and 48 weekend drills." Is that much of an incentive? I submit that it is not, and the Department of Defense is also willing to say that it is not, because they are looking for what will work.

The fact is that we will be spending $140,800,000 for new recruiters; 3,200 full time recruiters, 1,800 in the National Guard and 3,200 in the Army Reserve. We are increasing the advertising allowance to $21.3 million, which is $5 million more than we had last year. They have these two items to spur recruitment, the increase in recruiters and increase in the allowances for advertising, and then we can get the Department of Defense come back next year and propose something that they believe will be a suitable incentive for people to come back; not this particular proposal which the Department does not favor and which quite frankly, I do not believe we have thought out.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Louisiana.

Mr. TREEN. Mr. Chairman, the gentleman from New York referred to the fact that there might be some turbulence because this incentive might be applied to units in one part of the country, and other units who did not need it might get upset. He mentioned that perhaps in New York a unit would need the incentive, and a unit in Louisiana would not.

Speaking as one member of the Louisiana delegation, I am willing to take that chance, because I think that the way this is written it would permit the service secretaries to implement the program in a way that is needed, and in doing that I think the service secretaries would take into account the question of morale and the effect of giving the incentive to one unit in one area and not in another. So, I oppose the amendment, and I support the program of the gentleman from Mississippi. I think it is needed, and I do not think we can waste a lot of time in putting it into effect.

Mr. MONTGOMERY. The gentleman is exactly right. We cannot worry about the different sections of the country where we need to attract young people into the Guard and the Reserve. Let us use the incentive where they are needed and not worry about what sections would be affected.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I rise in opposition to the Downey amendment and in support of the committee's figures for authorized Naval Reserve strength.

Frankly, I believe this country is getting an exceptional bargain for the tax dollars spent in support of our ready Reserve Forces. The cost of maintaining these 93,000 Reservists in combat readiness is a small price to pay for backup support of our professional Navy.

Our Nation's ability to put together a first-class, integrated fighting force on short notice—has always been basic to our overall defense posture. If we, as a nation, were to lose our capability to put well trained civilians into combat in a matter of days—or hours if necessary—we will have lost a tried and proven measure of our deterrent posture.

The price we pay for a combat ready Reserve Force is small indeed—when we consider the alternatives—full-time troops at an increased military cost—or no troops at all at an increased risk. Considering the fact that there is no consolation prize for second best in combat—I for one—do not propose to subject this nation to the risk of a weakened deterrent and I shall vote against this amendment.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. I thank the gentleman for yielding.

Mr. Chairman, I, too, rise in opposition to the amendment.

I would like to ask my colleague this question: Does the gentleman feel that this is a critical period in the history of our Guard and Reserves this year, and we have to do something to turn around the shortfall and the lack of reenlistments and enlistments, in the select reserve, and that this kind of program is crucial at this time?

Mr. MONTGOMERY. The gentleman is correct. We should have done something 2 years ago. Some of us have been introducing these incentive measures for a couple of years. It would be disastrous if we adopted the Downey amendment. We have to have incentives now to attract young people into the military. We are, in effect, in competition. The Reservists are in competition with the active forces. These active forces do have incentives. The Reserves and Guard have no incentive whatsoever, monetarily, to attract these young people into the Guard and Reserves. So we must defeat this amendment. If we do not, we have a shortfall of about 50,000 selective Reservists at this time. It could go as high as 75,000. We do not have any choice. This amendment will have to be defeated.

Mr. HILLIS. Mr. Chairman, will the gentleman yield further?

Mr. MONTGOMERY. I yield to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Is it not also a fact that the cost of the amendment this year would be $33 million, and increase to $43 million in 1982? So that the cost the gentleman referred to in the actual bringing of these bonuses into effect this year will not be that great.

Mr. MONTGOMERY. That is correct. It is a very minimal cost. It would be left up to the different Secretaries. But if every Secretary used the entire bonus program that we have recommended, the total cost would be less than $41 million by 1983.

Mr. HILLIS. If the gentleman will yield further, I remember the gentleman stated in general debate a few days ago what the cost of maintaining a Guardsman and a Reservist is, as compared to an active duty person. That cost is much, much less, is it not?

Mr. MONTGOMERY. That is correct. The Reserve program is a good buy for the taxpayer, for personnel cost of an Air Guard squadron during the same mission would be half the cost of a regular Air Force squadron.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. MONTGOMERY) has expired.

(By unanimous consent, Mr. MONTGOMERY was allowed to proceed for 2 additional minutes.)

Mr. MONTGOMERY. The cost is much better for an infantry National Guard brigade that has been integrated, such as the 25th Division in Honolulu, with a regular Army division. It costs one-eighth as much to train and keep that National Guard brigade in the regular forces in Honolulu. So it is a real cost saver to the people of this country.

Mr. HILLIS. If the gentleman will yield further, to make that cost saving effective, we have to have the people to man that reserve and the National Guard unit, is that not correct, and we have to have this device to get them there?

Mr. MONTGOMERY. Yes. Fifty percent of the Army-type units to deploy the Army would be done by the National Guard and Reserves. Of all the missions of the Air Force, one-half of those missions have now been turned over to the Air Guard and the Air Reserves. So, as I said earlier, we have to give some incentive to attract these people into the Guard and Reserves. They are now getting better equipment to train with. We used to get nothing but hand-me-downs. They are now getting better equipment. But we need the manpower to use and train with this equipment, not let the strength be reduced to be ineffective.

So, Mr. Chairman, I ask my colleagues to vote against the amendment.

Mr. WHITE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am sure the Members recall that the people of this Nation asked us to eliminate the draft, and as a matter of fact this Congress did eliminate the draft. We have been holding onto a volunteer service principally by reason of the incentives that we have legislated to keep people in the service.

However, as to the Selected Reserves, which includes the National Guard and Reserves in paid-drill status, we must remember that almost 52 percent of the responsibility for response to any attack from overseas is on their shoulders. They have that burden, and yet we are 50,000 short in the Selected Reserves today and 320,000 short in the Ready Reserves.

The officers and enlisted men of the National Guard are using a good deal of their own time today in recruitment activities, and they are not finding enough time in order to train. They are losing their strength, and we are trying to help them out. They have come to us and said, "This is how we feel we can recruit the people we need in order to maintain our strength."

Mr. Chairman, I say this to the Members: An alternative is the draft, but I do not think the American people want a draft at this time. So let us say to our Reserve forces, "We will give you that opportunity. We are going to give you the opportunity to conduct an experiment. We are going to give you the opportunity for incentives."

What kind of incentives? I refer to education, which builds the strength of this country, and reenlistment bonuses as they apply to active forces. And furthermore, we give them protection by saying to the Secretary of Defense, "You have the discretion as to how to apply this."

Let us not fear that this is going to be abused. If we do this, we will then know whether indeed this is a good program and whether or not we can continue with it. Just give us a chance. This is the alternative to a draft.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from New York.

Mr. DOWNEY. First of all, Mr. Chairman, let me say that I have never had such delightful adversaries as my subcommittee chairman and my good friend, the gentleman from Mississippi (Mr. MONTGOMERY). Ours is, of course, a difference in philosophy, but it is a very fundamental one.

The gentleman, as chairman of the subcommittee, was certainly present at the time when Mr. Tankersley, the Deputy Assistant Secretary for Reserve Affairs, came in and testified. He said to the committee that at the present time they could not endorse the proposal of the gentleman from Mississippi (Mr. MONTGOMERY), because they really did not know whether it would work. I am sure the gentleman recalls that testimony.

Mr. WHITE. Yes, but sitting behind him were the heads of every Reserve and every National Guard organization, and one by one they were asked about it, and they said, "This is what we need."

Mr. Tankersley was not there in any position, as an official from the administration, to say whether or not they could endorse it, but he did not say, "We don't think it will work." He said, "We don't know."

Mr. DOWNEY. But, if the gentleman will yield further, did Mr. Tankersley not really say that the Department of Defense was in the process of determining through attitudinal surveys that they are conducting at the present time what incentives would in fact work for the Reserves?

I ask that, because the gentleman remembers, I think, that we have had discussions, for instance, concerning whether it is conceivable that a moderation of the haircut regulations might bring people into the Reserves.

Our good friend, the gentleman from Tennessee (Mr. BEARD), who is a member of the Marine Reserves, looks entirely different these days, because he is a member of the Marine Reserves and now he has to get a haircut. This has been a real problem. That is one of the things that we have not looked at.

Mr. WHITE. We have protected against that. I say that, because at the time they may be making that study the Secretary of Defense has total discretion as to how he will apply these incentives.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Actually, Mr. Chairman, we think these incentives will work, because they have been working for the active forces as far as the reenlistment bonus and the educational bonus are concerned.

I think perhaps our incentives are too modest. We were concerned, to be sure, with whether we could get this legislation passed. The incentives have worked for the active forces under the volunteer concept, and I think they will work for the National Guard and the Reserves. We must try them.

These suggestions have come from unit commanders and from sergeants out in the field with these Reserve forces, and many of the young people have requested some type of educational benefit, as well as enlistment or reenlistment bonuses. I think that speaks as a strong point to the fact that these young people are looking for an education, and I think we have a modest but a good incentive program.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WHITE) has expired.

(On request of Mr. DOWNEY and by unanimous consent, Mr. WHITE was allowed to proceed for 2 additional minutes.)

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I think the gentleman from Mississippi (Mr. MONTGOMERY) raises an interesting point That is the fact that there is some history with respect to active duty forces to indicate that this might or might not be the proper incentive, the reenlistment bonuses, to make recruitment effective.

Let me quote what Mr. Tankersley had to say:

> There are a number of differences between active forces and reserve recruiting. Those procedures which have proven effective in many cases do not apply to active forces and the Guard with respect to intensity of reserve recruitment capability.

Therefore, Mr. Chairman, it is pretty clear that the gentleman may be sanguine about the fact that these particular incentives may make a difference, I am not.

Mr. WHITE. Mr. Chairman, if I may give the Members my impression here today, Mr. Tankersley was in the driver's seat in this department. All the gentlemen sitting behind him were under his administration, and yet he did not take this opportunity to put the quietus on this idea.

In fact, I got the impression that, in effect, he was saying, "This may really have a bearing, but I am not going to say it does or does not, because there is no official position."

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I would like to quote the gentleman from New York, on page 127 of the committee report, pertaining to reserve incentives, with respect to which the gentleman from New York (Mr. DOWNEY), the gentleman from Michigan (Mr. CARR), and the gentlewoman from Colorado (Ms. SCHROEDER) had their views.

This is what they said:

> We are persuaded that these programs will improve the readiness of the force.

Therefore, Mr. Chairman, I think we are really talking about the timing.

The gentleman does agree, does he not, that these incentives are needed?

Mr. DOWNEY. Mr. Chairman, if the gentleman will yield further, I think we need to look at the incentives.

My concern is that while we have the Department of Defense willing to endorse a program, what we have problems with is determining what mobilization dates the reserve units have and that if we are going to start providing incentives for Guard units and other units, without regard for mobilization dates we will accomplish nothing.

Mr. WHITE. Mr. Chairman, the gentleman from New York (Mr. DOWNEY) has been a contributing member of this committee. I assure him that we are going to have some hearings in this committee on the readiness of the reserve and the performance of their duties. We are going to look into the things that concern him.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield further?

Mr. WHITE. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

The designation of these units in the National Guard Reserve was not picked by the National Guard. Those designations are picked by officials at the Pentagon, by the Secretary of Defense, and the different Secretaries.

Certainly some of these units should be eliminated; I agree with the gentleman, but we have many great units in the Air Guard and other Reserve components which have done a splendid job. In fact, some of our Air Guard Reserve units can be mobilized within 48 hours.

Mr. WHITE. Each unit has a different mobilization point, but they work in harmony, providing support for our national defense.

Really one cannot arbitrarily set a mobilization date and say, "This is the time."

Mr. MONTGOMERY. That is correct. None of these units have specific mobilization dates.

I have information from the Pentagon that less than one-half of 1 percent of the National Guard units do not have mobilization dates. On the Air Reserve, 5 percent of those do not have mobilization dates, but this is a small percentage. The rest of them need the equivalent to give them the men and the training.

Mr. WHITE. I think there comes a time when we should stop thinking about Reserves and National Guard and Active Forces and think in terms of the total force of this Nation that could preserve the peace of this world and the defense of this country, working together.

Mr. MONTGOMERY. I agree with the gentleman.

Mr. CARR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to ask the gentleman from Mississippi (Mr. MONTGOMERY) a couple of questions about his fine work in this whole area.

As he correctly stated, in our dissenting views we are very much in favor of trying to do what we can do to improve the quality and the fighting readiness of the Reserves and the National Guard.

I think it does come down to a matter of the timeliness of this particular proposal today.

Is there anything that the gentleman has seen by way of a study or that has been performed, rather than just the opinions of some of the recruiting people, who, after all, probably have most of their experience or a great deal of their experience in active duty recruiting? Is there anything that the gentleman can give us that is hard documentary evidence showing that this is going to work?

It seems to me that that is what the Defense Department is going to try to gather in the next year, and I think that it would be well for the House to wait for 1 year or wait, perhaps for a special bill. As the chairman has indicated he would be willing to hold hearings so that a special bill can be reported out?

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. CARR. I will be glad to yield to the gentleman from Mississippi as soon as I have finished.

Let me ask this: First, Is there anything that makes this so immediate that we have to act today, and second, Is there any documentary evidence of studies that have been performed, like the GAO studies that seem to go the other way, that would compel us to support this today?

Mr. MONTGOMERY. Mr. Chairman, if the gentleman will yield, the best answer I could give to that question would be that the educational bonus, or the educational incentive for the Active Forces has worked very well for them. Also the reenlistment and enlistment bonuses have been very effective. Actually the National Guard and the Reserves are in competition with the Active Forces, as we go into the total volunteer system, so we need these incentives. They have worked, as I say, for the Active Forces and they will work for the National Guard and the Reserves.

In our proposal we have not asked for an enlistment bonus, the unit commanders and these people in the Reserves doing the recruiting have found out that attracting a person who has never been in the service before, that the educational incentive presents the greatest feeling of interest to he or she. So we have not asked for an enlistment bonus but just for the educational and reenlistment bonuses. Yes, I think it will work. I believe we cannot wait any longer. We are 50,000 short now and by this time next year it could well be 75,000 or 100,000 short. Let us try it.

Mr. CARR. Mr. Chairman, I would like to say to the gentleman from Mississippi (Mr. MONTGOMERY) that I respect his judgment in these most important matters, but in terms of my voting for a lot of money today as opposed to a couple of months from now down the line, I would really like to have some hard evidence on this.

Mr. MONTGOMERY. If the gentleman will yield further, how can we get the evidence if we do not start the program? We have got to have something to go on.

Mr. CARR. I am willing to go along with an appropriation for marketing studies, and such.

Mr. MONTGOMERY. The gentleman from New York (Mr. DOWNEY) says that we need to reduce haircut standards, but I would point out that we do not have any evidence that long haircuts will attract young people into the services. So we thought it through, and we think this incentive package is the best approach.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. CARR. I yield to the gentleman from New York.

Mr. DOWNEY. The gentleman from Mississippi knows and I know that the GAO study of the Reserves indicated the biggest problem with the Reserves, or one of the major problems was not because of training, but because a lot of the units just do not have mobilization dates. They do not have anything to do. They sit around. They drill 48 times a year and they go to camp 2 weeks a year. Mr. Tankersley who is an expert in these matters said that every survey they have run indicates the importance of training. That if you have good training in the units and it is meaningful training, the young people will join. They will not join if they do not have first class training. We are trying to impose an incentive on a structure that is faulty, and we are going to provide incentives for individuals to go into the Guard and the Reserves.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. DOWNEY, and by unanimous consent, Mr. CARR was allowed to proceed for 1 additional minute.)

Mr. DOWNEY. Mr. Chairman, will the gentleman yield further?

Mr. CARR. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I can understand the desire of the committee to move forward, but this is the first time we have ever had an opportunity of discussing a very real problem that we have in our Armed Forces structure, and that is with the Reserves. What the gentleman from Mississippi is attempting to do is spend a little more money—not very much, granted; I think it is $35.5 million—for education and reenlistment bonuses which the Department of Defense, first, is not in favor of; second, which they do not know will work; and third, is imposed on a structure that is already faulty.

I think it is very important to the Members here today to understand that before we spend any more money, we might want to reform the Reserves significantly.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from New York (Mr. DOWNEY).

The question was taken; on a division (demanded by Mr. DOWNEY), there were—ayes 18, noes 66.

So the amndment was rejected.

The CHAIRMAN. Are there further amendments to title IV?

AMENDMENT OFFERED BY MR. DOWNEY

Mr. DOWNEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOWNEY: Page 11, line 10, delete "93,600" and insert in its place "52,000".

Mr. DOWNEY. Mr. Chairman, certainly with the ground swell toward my reserve amendments as evidenced by the last vote, I will be brief with this one. It deals with something that I consider also important.

In fiscal year 1977 President Ford, who

had a brother in the Naval Reserve, and Secretary Rumsfeld, who himself was a Naval Reservist, asked this Congress to reduce the number of paid Category A Reservists in the Naval Reserve from 93,000 to 52,000. A paid Category A is an individual who drills 48 times a year, with 2 weeks of active duty. President Ford and Secretary Rumsfeld asked for it. The committee rejected it.

This year in the fiscal 1978 budget President Carter, a member of the Navy for some time, and a member of the Naval Reserve, and Secretary Brown made the same request to the committee and to this Congress that the number of paid category A reservists in the Naval Reserve, with 48 drills and 2 weeks of active duty, be reduced from 93,000 to 52,000. This does not mean that the individuals going from one category to another would be thrown out of the Naval Reserve. It means that they would not drill 48 times a year but would have the 2 weeks of active duty. An interoffice memorandum from the Pentagon states the reasons why they want this, and I quote:

> Most of the personnel are assigned to non-equipment units designed to reinforce operational staffs, headquarters, bureaus, offices and shore activiites upon mobilization. These personnel maintain adequate skill proficiency by two weeks active duty for training.

They have relatively simple skills which can be updated.

What my amendment proposes to do is to restore the Naval Reserve back to the level of 52,000, which President Carter and President Ford both asked the Congress for. It recognizes a number of things that are happening in the Navy; No. 1, there is a diminishing number of ships; two, the fact is that the Navy has decided to go on all its 57 Naval Reserve ships to full-time active-duty people manning those ships. So there is no need for these individuals, these 41,600, to have 48 drills a year, and 2 weeks of active duty to maintain the proficiency of their skills.

One of the concomitant features of this particular amendment of mine is that it would save $47 million. Two Presidents, one a Republican and one a Democrat, have proposed it and I offer the committee a chance to accept their proposal.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I appreciate the gentleman's concern. I think he is probably helping to point out this administration and past administration, Republican and Democrat, have shown a tendency to pick items in the budget that they know the Congress is very much in favor of and cut those items back, knowing the Congress will put them back in, and in the end being able to blame Congress for increasing the budget. Take for example impact aid for education, take rural electrification, and take the school lunch milk program. Time after time and year after year the Presidents have cut back the budget by redlining such items and then Congress puts them back in. The Executive, I think, will not be disappointed if we follow the usual course and put these things back in, as they should be in the first place.

Mr. DOWNEY. The gentleman has been here longer than I have. But the numbers of categories in the Reserves really deserve some careful consideration. I would suggest we take a look at the weather facilities, research and development communications, intelligence and communications security. All of these particular units are not the sorts of Reserves that are going out there and serve when the call comes and serve on the ships. They will be upgraded if needed and they will serve in the shore facilities. I am not arguing the basic premise of the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. DOWNEY was allowed to proceed for 2 additional minutes.)

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I do not know what anybody's motivations are in this regard. It sounds like plain common sense to me.

Mr. DOWNEY. I thank the gentlewoman from New Jersey.

Mr. WHITE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is true that the President at least through his advisers did recommend this particular cut. Last year during the Ford administration and in previous years the Ford administration did the same, but then they reversed themselves, recognizing that indeed would have been a mistake. Every other expert who came bebore our committee advised against this cut from some very real reasons.

The Navy relies strongly on these reserves. It relies on them for early activity and early response. Let me give the Members some illustrations of percentage of responsibilities: On ships and related operational staff, 64 percent; squadron and air staff, 50 percent; communications activities, 35 percent; weather service, 43 percent; and so on.

It is suggested we just give them 2 weeks training and that is all they need and they can come back to duty and will be ready to go. But it has been found and apparently has been authenticated that if indeed we reduce these groups to about 2 weeks training a year, we will lose almost 90 percent of them. Ninety percent of them will be done from the Navy at a time when we can ill afford to lose them.

When we say they are groups without equipment, let us look at some of the particular units. We would lose 9 construction battalions known as Seabees. These units unanimously are recognized as some of the most ready and highly trained in the Reserve structure. These 10,000 men have their equipment, unlike the statement of a previous speaker. That is 50 percent of the Navy's capability in construction right there.

In intelligence, communications, weather personnel needed for mobilization to supplement Active Force capabilities which are manned only for peacetime, and so on, air base support and command staff—where are we going to get them from if they leave the Reserves?

We will not have a draft. If we implement a draft it will take 7 months to provide soldiers, Navy men, or airmen in the field. Are we going to wait 7 months in a fast-moving war? Or do we really want this Nation to be ready?

Admiral Charbonnet, the expert who appeared before our committee, pleaded with us not to cut the Reserves. This is a man who is not trying to maintain his own particular empire. He is going to be leaving the service, but he knows if we cut the Naval Reserve drilling by half then we are going to have half a Naval Reserve in time of war as far as active duty is concerned. They are not going to stay in the service, they are going to leave. We will be very seriously depleted and we will have to come back in another year and try to somehow reinstate their numbers.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I want to associate myself with my subcommittee chairman's remarks. I had the experience at the close of business on Friday to go down to Fort Eustis to make a talk in the evening. That is the home of the Army Transportation Center. I was flying in a small airplane and as I turned over the river at the small airport there, there were a dozen to dozen and a half small cargo-type ships out in the river. Later I asked one of the officers ashore, what was the purpose of these ships and was told that was part of our fleet Reserve, what is its use?

He said that the Navy has a mission to man those ships in 30 days after an emergency; in other words, after the so-called M-Day, the Navy has to have them in operation in 30 days to carry cargo to support our effort overseas.

Without the Reserves, I do not see how they can get them in service. The gentleman makes the point that without the Reserves, where do they go to bring ships out of mothballs and into action; they have to be able to expand our naval forces to move cargo to NATO or wherever it has to go.

It brought it home to me to see those ships standing in the river with no one to run them; that we must have Reserves to do the job.

Mr. WHITE. Mr. Chairman, if we cut the Naval Reserve drill this drastically, mainly what we will have left will be senior officers and men heading for retirement. The middle grades and younger men will be leaving the Reserve.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. DOWNEY).

The amendment was rejected.

The CHAIRMAN. Are there further

amendments to title IV? If not, the Clerk will read.

The Clerk read as follows:

TITLE V—CIVILIAN PERSONNEL

SEC. 501. (a) For the fiscal year beginning October 1, 1977, and ending September 30, 1978, the Department of Defense is authorized an end strength for civilian personnel of 1,034,328.

(b) The end strength for civilian personnel prescribed in subsection (a) of this section shall be apportioned among the Department of the Army, the Department of the Navy, including the Marine Corps, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale of each allocation.

(c) In computing the authorized end strength for civilian personnel there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense or from a department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, he may authorize the employment of civilian personnel in excess of the number authorized by subsection (a) of this section but such additional number may not exceed 1½ per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a) of this section. The Secretary of Defense shall promptly notify the Congress of an authorization to increase civilian personnel strength under the authority of this subsection.

Mr. BENNETT (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. CORNWELL

Mr. CORNWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CORNWELL: Page 22, line 2, strike out "1½" and insert in lieu thereof "3".

Mr. CORNWELL. Mr. Chairman, I rise to offer an amendment to title V of H.R. 5970 to increase the flexibility given to the Secretary of Defense to exceed the civilian manpower ceiling from 1½ to 3 percent. This flexibility is necessary to insure the efficient management of our industrially funded activities and to insure the integrity of the moratorium on contracting out.

Manpower ceilings for DOD civilian employees, especially those employed at industrially funded activities—IFA's—inhibit the practice of efficient management by forcing managers to pay costly overtime, to hire and fire just to meet the October 1 ceiling date, and to contract out work without first determining if the work could be done cheaper in-house.

Title VIII of today's bill puts a moratorium on contracting out until a study is conducted to find out what, if any, cost-analyses methods are being used to determine both the amount and kinds of work to be contracted out. It is only consistent with the spirit of this moratorium that we give the Secretary of Defense the flexibility needed to meet additional demands for in-house personnel for work that, in the absence of the moratorium, would have been contracted out.

Industrially funded activities were established because it was the belief of both the Congress and the administration that certain activities could be operated more efficiently if allowed to function like private industry. IFA's operate on a contractual basis whereby the manager of an IFA is given contracts to fill periodically as the demand for the work appears. For example, if suddenly a naval ship is in need of repair due to an accident at sea, any given naval shipyard might be called to do the work. Thus, there is a need for manpower flexibility which rigid manpower ceilings cannot provide.

Indeed, this was in the mind of Congress when it initially established a one-half percent flexibility in the manpower ceiling. And, just this past year, unforeseen increases in the civilian workload caused Secretary of Defense Rumsfeld to exercise his statutory authority to increase the fiscal year 1977 civilian ceiling by that one-half percent—the equivalent of 5,100 spaces.

We must consider the fact that this "escape clause" was used in the heyday of contracting out. What is to happen this year when Congress decides to limit the amount of contracted out work? I maintain that the additional 1-percent flexibility which the committee has offered might be too small to meet the new demand.

If that be the case, the result will be costly and dangerous delays in providing vital services. We lose nothing by increasing the flexibility in the manpower ceiling. We potentially weaken our national security by not.

We are not talking about "leaf raking" jobs here. Industrially funded activities include naval shipyards. Army maintenance and supply depots, naval air rework facilities, and research and development operations of all the service branches. For example, the Naval Weapons Support Center at Crane in my district in Indiana, an IFA, has performed work in fleet logistics support, weapons quality engineering, and production engineering. Today, Crane has among its missions support of the vital Trident underseas long-range missile system which will replace our present Polaris-Poseidon SLBM forces and become our sea bases deterrent system of the 21st century. Clearly we are dealing with highly skilled and motivated Government workers who are performing vital defense functions. The manager at Crane readily agrees with the managers of other IFA's that rigid manpower ceilings obstruct the performance of vital defense tasks when there are backlogs of work which have already been funded.

At Crane, the commanding officer estimates that he could hire 200 additional employees to do work for which the funds have already been appropriated if only he had some flexibility in his manpower ceiling. He readily agrees with other managers that the encouragement of contracting-out by rigid manpower ceilings destroys the stability of the labor base, and, in addition, means the contracting-out of expertise. Again, the implications for national security are clear.

Public Law 93-365 states that:

It is the sense of Congress that the Department of Defense shall use the least costly form of manpower that is consistent with military requirements and other needs of the Department of Defense.

I believe that this is at the heart of our intent in placing a moratorium on contracting-out. As well, it is at the heart of the intent in increasing the manpower flexibility from 1½ to 3 percent so that we can provide the Secretary of Defense with the cheapest, most efficient form of labor to do work already authorized by congressional appropriations—that form of labor is in-house civilian employees.

Last, we must realize that the proposal I offer is modest. The increased flexibility would mean an additional 15,000 personnel slots out of over 1 million already authorized. I maintain that this increase in flexibility is necessary to carry out the intent of the moratorium on contracting-out. We lose nothing by supporting this flexibility. By not supporting it, we continue to inhibit the practice of good management in our Armed Forces, waste precious dollars unnecessarily, and compromise our national security.

I request your support for this amendment.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. CORNWELL. I yield to the gentleman from South Carolina.

Mr. DAVIS. Mr. Chairman, I rise to support the gentleman's amendment. I supported the increase from one-half of 1 percent to 1½ percent in committee, but I believe this amendment has exactly what is necessary, since it seems to be in a position to take the ceiling off industrially funded projects.

We can perform with better efficiency and productivity. It seems a sad shame when we give the money to the Depart-

ment of Defense to do the job, and then refuse to give them the manpower. The Secretary exercised the authority last year, but he still did not meet the full needs.

By going to three percent and giving him 30,000 more potential employees, I believe we can meet the needs. I am glad to join with the gentleman in his amendment.

Mr. CORNWELL. I thank the gentleman.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. CORNWELL. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, I would like to congratulate the gentleman for offering a most constructive amendment. I was the author of the provision in the Committee on Armed Services to increase flexibility to 1½ percent.

As the gentleman has most ably pointed out, manpower ceilings of this nature are a very inefficient and ineffective way to maintain uniform employment levels, and have resulted in misallocation of manpower in facilities doing necessary work for the military. Recent history has shown that attempts to raise the ceiling, or to eliminate it altogether, have prevailed in the House, but failed in the Senate.

So, I would hope that the House of Representatives would go on record today strongly supporting, in principle, the increase which would give us a greater flexibility of 3 percent, or 30,000 civilian workers, nationwide. I congratulate the gentleman on his amendment, and I urge a favorable vote.

Mr. CORNWELL. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent Mr. CORNWELL was allowed to proceed for 5 additional minutes.)

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. CORNWELL. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I support the amendment by the gentleman from Indiana which would give the Secretary of Defense authority to exceed the civilian manpower ceiling by no more than 3 percent. The intent is to make needed additional manpower available to military installations which are dependent upon industrial funding for the work they do.

There are occasions when it is in the national interest to have flexibility in the numbers of civilian personnel who are required for specific projects. If, for instance, a military base is assigned a particular program, such as helicopter repair, it may be found that the expertise or the numbers of the personnel available for the work cannot complete the requirements within a specified time limit. Consequently, in the interest of timely completion of the program or in the best and most effective utilization of funds available, it is important that flexibility be possible in the numbers of civilian personnel.

To tie a facility to a strict manpower level is to deny it the opportunity to perform work which in many cases can best utilize the facilities of the affected base.

It is not the intent of this amendment that the flexibility in numbers that we are requesting is to be used by the Department of Defense as a vehicle to avoid the manpower ceiling imposed by Congress. It is intended to insure the workers can be made available when there is an obvious need for their services and at facilities which are industrially funded.

This flexibility becomes increasingly important if we are to limit the apparent intentions of DOD to substitute additional contracting out for current in-house program, a process which can avoid accountability to Congress and conceals the true number of personnel employed by the Department of Defense.

Mr. CORNWELL. I thank the gentleman for his support.

Mr. Chairman, I might point out that in the last 3 working days here in Congress we have talked about reducing the number of very complicated and very expensive combat machines. We have talked about lowering the levels of troops we have abroad. We have talked about enlistment incentives and activation of Reserve forces now and in the future, and how it will take 30 days to get mothballed ships operational.

When I was in Vietnam, about two-thirds of our troops involved there were operational in a support capacity. There are in this country civilian personnel who work right here at home, who do repairs on these ships that are lying dormant in the harbor, that arm the bombs, that do intensive and essential research and development in military machinery. These are the people who provide the civilian support for the main combative troops and their military support units. Not to recognize these extremely important civilian support personnel would most certainly jeopardize our national security as in the same ways that the aforementioned reductions would have done.

I strongly suggest to my colleagues to consider this and to give me their full support on the passage of this amendment.

Mr. TREEN. Mr. Chairman, I rise in opposition to the amendment.

I appreciate there are a number of members of the Armed Services Committee who are disposed to go along with this flexibility increase. I am not. We have provided, essentially, in our bill a level for civilian employees that the Defense Department requested. We have heretofore been operating on a one-half of 1 percent flexibility factor. That is, if the Defense Department wants to go over their ceiling by up to 5,000 people if they want to do so, they come before the committee and tell us. We tripled that number in our bill. We went from one-half percent to one and one-half percent. I appreciate the arguments that have been made here. But, going to 15,000 is sufficient.

This is a 1-year authorization. If the Defense Department does not think the ceilings on civilian employees are high enough, we can look at it again next fiscal year. In the meantime, we have tripled the flexibility to 15,000. I think the Defense Department needs to exercise discipline. Therefore, I oppose the amendment.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. I thank the gentleman for yielding.

Is it not true that if we give the Department too much flexibility they could get slipshod and use this as an excuse to not tighten up their own civilian programs? By tripling the ceilings already in the bill at least we give a meaningful ceiling they can understand. There is only one occasion when the Secretary of Defense has ever used the leeway that we gave him on the one-half percent.

Mr. TREEN. That is my understanding, that only one time did the Department of Defense ever have to exercise the one-half of 1 percent flexibility factor. And we triple it in this bill. And to double it again I think is irresponsible.

Mr. CORNWELL. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Indiana (Mr. CORNWELL).

Mr. CORNWELL. I thank the gentleman for yielding.

The one time that the Secretary of Defense imposed this—that Secretary of Defense Rumsfeld took advantage of this flexibility was last year, because of the restrictions put upon contracting out and the ensuing crunch. Now we have a moratorium on contracting out proposed in title VIII of this bill to be placed against it, and the 1½ percent flexibility will not be sufficient.

Mr. TREEN. I am unable to anticipate what will happen to that subsequent amendment. But I still think the 15,000 gives us enough flexibility here.

Mr. CORNWELL. Is not anticipation the foundation from which we have come to determine these things? Or do we know what the level is going to be right off? We do not know that level now. The gentleman just said that we anticipate. We cannot anticipate so as to jeopardize our national security but rather must be totally prepared on all fronts at all times.

Mr. TREEN. We have given the Defense Department essentially what they have asked for in DOD ceilings now for their civilian employees. It may even be a little higher than actually what is on board. I am not sure. But we have given them what they asked for, and we have said, "You can vary that by another 15,000 people upward."

I am not satisfied that we need to go to a greater percent of flexibility in order to accomplish the purpose that the gentleman who offers the amendment would like to accomplish.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would just like to apprise the Members of the House of some of the things that have been going on in the Post Office and Civil Service Subcommittee looking into the whole area of subcontracting out, in explanation of why I support the amendment of-

fered by the gentleman from Indiana (Mr. CORNWELL).

The Subcommittee on Employee Rights and Ethics has been holding extensive hearings on contracting out in both the civilian and the military areas, and we have learned some very interesting things. Let me just give the Members some of the reasons why I think these manpower levels may need to be changed, because there have been some phenomenal policy decision changes since the manpower requests came in from the different departments. Departments had no way of foreseeing these policy revisions when they set their manpower requests.

Up until last summer, if one had a person who was a Federal employee in a defense or civilian area and he was making $10,000 and they could replace him or her with someone making $10,700 on the outside, then it was considered economical by OMB to contract out that job to the private sector. Many of the Members know that last summer the figure changed from $10,700 to $12,700 considered to contract out the $10,000 job. Then a directive that went out from OMB to all governmental agencies suggesting that they start looking into five areas in their departments where these items could be subcontracted out under the new figure up from 7 to about 27 percent.

So the ground rules for contracting out were changed drastically last summer, and each governmental agency was told to take those matters into account and proceed forward. Agencies did this obviously because they intend to pay attention to these directives.

We have had some very long hearings about where that 27 percent came from suddenly and why it went from 7 to 27 percent or thereabouts in 1 year. What we found out was that the figure was so questionable and there were many things involved. OMB is holding up on its summer directive to proceed forward with the contracting out. They are not going to be pressuring agencies to contract out under the 27 percent figure. They are going back and reassess the 27 percent figure very, very carefully to find out whether or not a person who is today receiving $12,700 on the outside is really cheaper for the taxpayer than a person who is costing us $10,000 in Federal service.

OMB's new reappraisal may cause all sorts of new developments. Many more studies are going to be made, and the Subcommittee on Post Office and Civil Service is going to be holding many hearings on this.

Mr. Chairman, I think the nice thing about the gentleman's amendment is that it does not mandate that the Defense Department has to make those changes. It is just that if agencies find themselves in a crunch because of this recent change in policy about contracting out by OMB they will not be pinched, and they will not be caught short because we are giving them flexibility with the manpower addition potentials in the gentleman's amendment.

Mr. Chairman, until we figure out exactly what the governmental policy is going to be on contracting out, the flexibility in this amendment is very, very important.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am very sympathetic with the point of view of the gentlewoman from Colorado (Mrs. SCHROEDER) and that of the gentleman from Indiana (Mr. CORNWELL), who introduced this amendment. I have a military installation in my district too, and I know that the jobs there are important. I want to see as many jobs as possible retained in my installation; but I think the thrust of this amendment is being misunderstood.

We are not adding any jobs to any installation with this amendment. The ceiling on industrially funded employees to be hired during fiscal year 1978 is already included in the ceiling already in the bill for civilian employees. All we are doing in this amendment is to permit a certain increase and decrease in civilian employees on a temporary basis. But to believe that by raising the exemption to 3 percent instead of 1½ percent we are also doubling the number of employees that will be hired is fallacious.

As the gentleman from Louisiana (Mr. TREEN) has indicated, we have already increased this leeway by 300 percent over last year's leeway figure. And we are not going to add any more jobs by increasing that leeway figure by 600 percent because the funds to finance civilian employees are appropriated on the basis of the ceiling on civilian employees contained already in this title.

Our problem with the Defense Department this year and in the remaining years of this administration, is not going to be in finding ways of increasing civilian employees in the Defense Department. Our fight is going to be to keep the Defense Department from eliminating civilian jobs in our arsenals by contracting everything out to private industry.

That is the reason we have section 809 in this bill that prevents the Defense Department from making those contracting-out decisions until they have made a thorough study and reported to the Congress.

Therefore, what we need to do, I think, is to fight that primary battle in the days ahead. We are kidding ourselves, it seems to me, if we think we are really saving any jobs or adding any new jobs by increasing the one and one-half percent figure to 3 percent.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I do not think that any of us really think we are increasing the number of jobs.

I think what we want to make sure of is that DOD was not operating on the OMB mandate when they made their manpower request that they were going to start reducing their manpower levels by subcontracting out at least five positions per department, which was originally asked for by OMB.

The amendment does not mandate an increase, but permits one if Defense is caught short by the new policy of OMB.

Mr. STRATTON. However, we have exactly the same number of civilian employees authorized in this bill that we had last year, so the figure in this bill is not based on any estimated reduction as a result of anticipated contracting out.

I agree with the gentlewoman from Colorado (Ms. SCHROEDER) that we have to fight against this proposed contracting-out; but I think this is the wrong way to do it.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from South Carolina.

Mr. DAVIS. Mr. Chairman, we do however, have a bill here that is based on the contracting-out figures, if the gentleman will forgive me for disagreeing; but what we are really talking about here is just temporary employees. What we are talking about is a facility being able to do a complete job and being able to hire the temporary help such as one would in private industry, where one can complete a job and do it with great efficiency. No one can do it with 85-percent efficiency. By the same token, if one has the ability to go out and say, "All right. I need 25 more men here for this job," he can then hire them and do it.

Mr. STRATTON. The gentleman knows very well, however, that the Department of Defense is not going to do that. They have indicated they cannot pay for the total number of employees permitted under the Cornwell amendment because the civilian ceiling will govern the appropriations they receive.

Mr. DAVIS. No, but right now the Department will cut the entire job out.

Mr. STRATTON. We have already given them three times the leeway they have had in the past. That certainly is enough to take care of any real problem that may arise. They are not going to add on anybody if they can help it, considering the attitude that the Pentagon has right now.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

I represent a district that has over 10,000 civilians who work under the defense personnel ceiling. These individuals are employed at Puget Sound Naval Shipyard, McChord Air Force Base, Fort Lewis, Bremerton Naval Hospital, Madigan Army Medical Center, Naval Torpedo Station at Keyport, and last but not least, the new Trident submarine base.

Thus, when changes occur which adversely affect civilians working under defense personnel ceilings, I eventually hear about them. Lately, I have been hearing from my constituents quite a bit, as DOD has resorted to all manner of means to get below these ceilings.

Here is what DOD has been doing in my area:

They are contracting out with greater emphasis. One contracting out action involves turning over the assembly and check out lines for the Poseidon and Trident missiles to a sole source supplier. To me, this insures two things: One, that subsequent contracts will jump notice-

ably as the Government becomes locked into the supplier, and two, that labor-related problems at the assembly line will rise. The Navy has refused to supply me with reports on the mobilization readiness consequences and cost-effectiveness justification for this action.

In addition, DOD has been carrying out reductions in force whereby those relieved of their 40 hour per week Civil Service positions are asked back to work 39 hours per week as "WAE" employees. This means "when actually employed"—and workers on this status lose all their retirement and sick pay benefits.

Finally, DOD is carrying out RIF's and replacing skilled civilians with military personnel who have better things to do. At a time when we are struggling to fill out our all volunteer force, I have a difficult time understanding why we are placing uniformed personnel in civilian jobs—especially when service regulations specifically prohibit such action. Yet, this has happened at Fort Lewis in my district; perhaps, this has happened at installations in your districts as well.

I am convinced that the driving force behind all of these actions is the civilian personnel ceiling imposed on DOD. I believe that Congress should exercise careful oversight on these individuals, but I believe we can accomplish this through the power of the purse. When we try to exercise oversight over civilian personnel via manpower and appropriations ceilings, we are creating a managerial nightmare.

It is my hope that in the future, the House Armed Services Committee and the Congress will consider the removal of a civilian manpower ceiling from the authorization bill. I understand the reasons why this requirement was instituted a number of years ago. But we have now had some time to review the practical consequences of this action. And in my view, the consequences do not merit continuation of this practice.

In the short term, we can alleviate the problems I have talked about here by allowing the Secretary of Defense to exceed the authorized civilian end strength by 3 percent, instead of the 1½ percent reflected in the committee's bill.

For this reason, I urge my colleagues to support this amendment.

AMENDMENT OFFERED BY MR. DAVIS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. CORNWELL

Mr. DAVIS. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS as a substitute for the amendment offered by Mr. CORNWELL: On line 12, page 20, strike 1,034,328 and insert 1,065,328.

Mr. DAVIS. Mr. Chairman, my substitute just very simply raises the ceiling on industrially funded employees that can be hired by the Department of Defense. It takes it out of the discretionary area, it puts it totally to be totally funded by the appropriation bill. Thereby we can have the efficiency, that is needed, the various activities can operate in the manner that they would deem fit to do their job. It can handle the problem of those jobs that will be created and necessary by the moratorium on contracting out, rather than making it a 3 percent increase, it would really just make it a straight increase of 31,000 jobs available for the Secretary of Defense to use.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I think the gentleman from South Carolina is taking an intelligent approach. Certainly this would increase the number of employees and if that is what we need, this is the way we should go.

I support the amendment.

Mr. DAVIS. Mr. Chairman, I thank the gentleman from New York. It would make it a permanent thing so that there would not have to be the discretionary problems going on throughout the year.

Mr. WHITE. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, first let me state that I have not had the opportunity to examine all of the implications presented by this particular amendment, but, just talking off the top of my head, it would appear that what we are doing is raising the total by some 30,000 employees, which gives the services an opportunity to hire that many more, and also retain the 1½ percent that is already in the bill. In other words, we are taking away the target that the services now have as to the hiring of civilian personnel. It would be far better if we are going to do anything of this nature to go to the 3 percent rather than going to the 30,000 that we have here, go to the 1½ percent or the 3 percent. It also makes discretionary that action by which they could deviate under certain circumstances, and now this will change the civilian level by 30,000 as a permanent amount and we will have to budget that amount.

Mr. DOWNEY. If the gentleman will yield, I reluctantly rise in opposition to the substitute. If I may have the attention of the gentleman from South Caroline (Mr. DAVIS) for a minute, the gentleman from South Carolina is, of course, a diligent member of this committee and I would ask the gentleman whether he can cite for me some testimony that we received that indicated that we needed to provide this additional authority?

Mr. DAVIS. Mr. Chairman, if the gentleman will yield, let me say that while I did not sit on the subcommittee on personnel, I did have the time to speak with some members of NARF who saw the need right away to increase the activities. I can cite the gentleman specific testimony dealing with the Naval weapons system.

Mr. DOWNEY. The gentleman is aware we are talking about less than 3,000 people?

Mr. DAVIS. That is right, but the other installations all over the country, if the gentleman from Texas will yield to me, are directly affected in the same manner. We have had the areas that are going to contract out. They have had to go there because they were only operating at about 85 percent efficiency because of the fact that the manpower ceilings prevented them from hiring and firing as the needs arose to do the job.

Mr. DOWNEY. If the gentleman from Texas would yield further, I sat on the Personnel Subcommittee and attended these meetings. Why, if they were having this problem, did they not come forward and recommend a change in the ceiling? It seems to me that the Department of Defense would not want to be hamstrung by their own civilian ceilings. They certainly would be the first people to come before us and request that this be changed.

Mr. DAVIS. If the gentleman from Texas would yield further, I would say, of course, they did not go before the gentleman's committee on this change because the Secretary of Defense said if they did not agree with company policy, they could find a new job. It is as pure and simple as that.

Mr. WHITE. Mr. Chairman, if I have any time left, I want to point out to the membership that the amendment offered by the gentleman from South Carolina (Mr. DAVIS) affects the portion of the bill on page 20 that says:

The Department of Defense is authorized an end strength for civilian personnel of 1,034,328.

That would still retain it at 1½ percent. That would appear on page 22. The gentleman is talking about two different things, so I would certainly hope that we would oppose the amendment offered by the gentleman from South Carolina (Mr. DAVIS) and that we would go back to talking about whether to make it 1½ or 3 percent, discretionary with the Secretary of Defense for civilian hiring under certain circumstances.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

I would really like to clarify this, if I can. A lot of the conversation on this amendment and the substitute amendment really relates to another section of the bill that has to do with contracting out. The bill as it stands without the amendment is most generous. My own amendment in committee added 3,000 to NARF's, Naval Air Rework Facilities. So we added that on top of the numbers added for ceiling flexibility in the committee. That is more than the Department asked for. We tripled the flexibility we had in the past, and there was no request from the Department, no indication that they would ever use anywhere near the tripling, so really we have been quite generous.

One can say that there is no necessity for any kind of ceiling. One can really make that argument. But, really, if there is any argument for a ceiling, the way the committee has handled it has been most generous, and, as I see it, will not involve in any way encouraging anybody to go contracting out.

Mr. Chairman, I would urge defeat of the substitute amendment and of the amendment itself. I believe the bill as drafted and as amended is a generous bill. The amendment is just adding 30,000 people. But no money is available to pay for it. All we are going to do is pile it on the budget.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. DAVIS) as a substitute for the amendment offered by the gentleman from Indiana (Mr. CORNWELL).

The amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. CORNWELL).

The question was taken; and on a division (demanded by Mr. WHITE), there were—ayes 30, noes 17.

So the amendment was agreed to.

The CHAIRMAN. There being no further amendments to title V, the Clerk will read.

The Clerk read as follows:

TITLE VI—MILITARY TRAINING STUDENT LOADS

SEC. 601. For the fiscal year beginning October 1, 1977, and ending September 30, 1978, each component of the Armed Forces is authorized an average military training student load as follows:

(1) The Army, 77,711;
(2) The Navy, 60,767;
(3) The Marine Corps, 24,020;
(4) The Air Force, 50,356;
(5) The Army National Guard of the United States, 16,606;
(6) The Army Reserve, 11,136;
(7) The Naval Reserve, 1,065;
(8) The Marine Corps Reserve, 3,449;
(9) The Air National Guard of the United States, 2,598;
(10) The Air Force Reserve, 1,186.

Mr. BENNETT (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. There being no amendments to title VI, the Clerk will read.

The Clerk read as follows:

TITLE VII—CIVIL DEFENSE

SEC. 701. Funds are hereby authorized to be appropriated during fiscal year 1978 to carry out the provisions of the Federal Civil Defense Act of 1950, for programs of the Defense Civil Preparedness Agency, in the amount of $134,800,000.

Mr. DOWNEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not intend to offer an amendment to cut this because the committee has spoken. I think the feeling is on the floor that we want to move expeditiously with this bill, but I think it is important for the membership to realize that once again my committee increased from $90 million, which was requested by the President for civil defense, to $134 million.

Implicit in this whole attitude about increasing civil defense is an understanding that, No. 1, the Russians are increasing their civil defense network, so therefore mindlessly we must follow that lead, and, No. 2, that somehow by providing bomb shelters we can deter the effects of war and actually survive a nuclear war.

I reject both premises out of hand and offer the committee at least an alternative look at civil defense. I do not know if the Members saw on Friday the display the gentleman from New York (Mr. MITCHELL) had, a number of charts which were inside the Speaker's lobby, that indicated somehow 2 days after a nuclear blast that would have vaporized the Capitol dome, if one lived in Maryland one could climb out of his shelter 2 days later and continue to live this life as if nothing had happened. Nothing could be more preposterous. The thought that somehow we can insulate a society against the effect of a nuclear war is just that—preposterous.

The fact that the Russians are going ahead to try to do that indicates to me they have some lack of clarity with respect to strategic planning, and if they want to waste their money we should let them.

But the fact that we have increased this budget $44 million for civil defense I think is ridiculous.

Mr. WHITEHURST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to reply to my friend, the gentleman from New York, because I was one of the ones in the subcommittee who pushed for this increase. I regret the gentleman did not have the opportunity to listen to the witnesses as some of the rest of us. Had he done so, I do not think he would be so anxious to reject out of hand, to use his own words, the very modest increase in terms of total dollars the money to be used for civil defense. We had witnesses before us and I asked one of them the same question reflected in the objections by the gentleman from New York. I saw a movie some years ago called On The Beach and I said this was a pretty grim sort of fate for the world if we have the nuclear "cook out" as sometimes it is called. He said:

> Congressman, it is pretty good fiction but that is about all it is and the world as a matter of fact will not end up totally devastated by a nuclear fallout.

As a matter of fact we were advised if there were a nuclear attack on the United States, that about 85 million people would survive with no shelters. We were told also, however, if we had an adequate shelter program for people to be able to walk to and within walking distance of about a day of our major urban areas that we could hold the casualties down. If we have, say, a 3-day notice of nuclear attack, and that is what the Russians have calculated in their own plans, we could hold down casualties to about 20 million.

That is a hideous loss of human life but it is better than 100 million that this Nation would suffer otherwise if it were subject to nuclear attack.

As a matter of fact, those of us advocating this increase know the major portion of it will go into regional shelters and a modest amount to the Defense Civil Preparedness Agency to get an evacuation program going for the urban corridor which is most threatened.

I would also say this to the gentleman. We are not suggesting that we build trenches and cover them over so people will have places to go to that have no other purpose. But these places can serve as nuclear fallout shelters. As a matter of fact there are many installations that can be constructed that would have a dual purpose. We saw a description of a school in the State of Oklahoma which has been built underground which could serve as a fallout shelter while serving primarily as an educational institution.

I might add that being built in this way, it is a tremendous energy saver. There are other areas. There are recreation facilities that can be constructed outside of heavily populated areas that could also be used for fallout shelters for our population.

Mr. Chairman, I think it is utterly absurd, indeed, it is criminal for us to say to the American people that there is no hope at all, nothing can be done. We are just ready to throw the chips in now and say that the fallout program is ridiculous.

One final thing I would say to the gentleman. The Russians do, in fact, have a shelter program going. It is not as comprehensive as the Chinese and I am not suggesting we go that route, either: But I think it is destabilizing to do nothing, because if we get to a crisis point and we have no shelter program and the Russians have one, they will by virtue of that advantage be prompted to act in that crisis and decide to go ahead and push the button. Because of that, the kind of program we are advocating, a modest increase now and an increase later on, will contribute to the stability between the nuclear powers.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. WHITEHURST. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, before the gentleman was a Member of Congress, the gentleman was a historian; is that correct?

Mr. WHITEHURST. That is correct; I taught history.

Mr. DOWNEY. The gentleman must certainly be aware that the way to protect a society against war is to not fight that war. Will the gentleman agree to that?

Mr. WHITEHURST. Of course, I will agree to that.

Mr. DOWNEY. Does the gentleman really believe that the additional money placed in this bill or any other program that we would embark upon would so change the policy of the United States or the Soviet Union as to have a difference one way or the other with respect to war?

Mr. WHITEHURST. I think it is a start. I am not suggesting any more than that; no one else is.

Mr. DOWNEY. Mr. Chairman, if the gentleman will yield further, if it is only a start and the gentleman perceives additional expenditures at some later date, that would be fruitful to the Civil Defense System.

Mr. WHITEHURST. I certainly do.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from New York (Mr. DOWNEY) has missed the

entire point of the presentation I made on the floor with the charts, based on the testimony by the experts in this country on civil defense. The point I was making is that we are victims of three different myths in the United States. The gentleman just speaking from New York, Mr. DOWNEY, brings that point forth beautifully. I do not know who the gentleman is referring to or who his informational experts are, but I would like to read a little about the overkill fallacy that the gentleman is referring it. This piece was prepared by Dr. Chester Conrad of the Civil Emergency Technology Section at the Oak Ridge, Calif., Laboratory. He was referring to the concept of overkill which means we will never have a nuclear war because both the United States and the Soviet Union have a sufficient amount of nuclear power to destroy each others population several times over. Dr. Conrad refers to an article in the Bulletin of Atomic Scientists which states the casualties per kilotons in Hiroshima were simply multiplied by the number of kilotons in the world's arsenal. They treated it as a routine mathematical computation.

Dr. Conrad states, in other words the overkill concept assumes some means can be devised to collect the entire target population into the same density as existed in Hiroshima and keep them in a completely unwarned and hence vulnerable posture.

A statement of identical validity is that the world's inventory of small arms ammunition, or for that matter, kitchen knives can also kill the human population several times over under these conditions.

On radiation, Mr. Chairman, once again, I do not know who the gentleman is relying on for his experts. I would like to quote something from the U.S. National Academy of Science. They advocate that if there was a massive nuclear holocaust, they estimate the long-term effect would amount to only a 2-percent increase in the cancer rate in this world over a 15-year period. This is a 2-percent increase in the cancer rate only; not 2 percent of the world's population. They point out further that this increase could be countered totally by not rebuilding many of the cigarette plants here today in our country.

To continue, Mr. Chairman, the gentleman says that if we think that the additional money we are going to spend will solve the problem, it is a very big step.

Another expert, Mr. Wilmur Strope estimates that if this country would spend an additional $100 million for 5 years, we would have a good civil defense program.

One of the chief thrusts of that program would be to inform people like the gentleman from New York that we have a problem, and we should do something about it, and that it is possible to survive a nuclear holocaust. The experts point out once again that in the Soviet Union it is estimated that if there is an all out attack and we hit the Soviet Union with everything we have on our submarines and with our other triad weaponry, and if they had about 4 days to disperse their population prior to our attack we would damage them less than the Germans did in World War II.

It is further estimated by some other authorities that as little as 2 or 3 percent of their population would be destroyed by such an all out attack. There is a debate as to what the final damage would be if there were a nuclear holocaust. The real danger is that the Soviet Union thinks they can survive an attack and people like the gentleman from New York know we cannot survive. This puts us in a horribly weak and a terribly vunerable position.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I was privileged to hear the gentleman's discussion earlier in debate, in which he pointed out very effectively the fact that our civil defense system is largely a system in name only, whereas the Russians, by contrast, have a very complete and very effective system which could certainly make the difference in time of war. The gentleman's contribution is one of the most valuable, I think, that has been made during the debate on this bill.

It should be obvious that civil defense in which the Russians are becoming increasingly efficient, may be the final weapon which the free world cannot match. By protecting their own people and their essential installations from a nuclear holocaust, they will have an ability to survive which is not shared by the people of any other nation. We are neglecting our own civil defense program, so are nations all over the world other than the Iron Curtain countries.

Civil defense may well become the deciding factor in future negotiations, not in disarmament talks alone, but in détente. A country which can survive nuclear attack with minimal casualties is in a far stronger position than one whose people can expect to be decimated by such an attack.

Mr. MITCHELL of New York. I thank the gentleman.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, would the gentleman from New York tell us whether or not there is a crisis relocation plan being developed within the boundaries of the State of New York? For example, one is being developed in the central part of the State of Georgia, and there are nine of them over the Nation which are pilot projects.

The CHAIRMAN. The time of the gentleman from New York has expired.

(On request of Mr. BRINKLEY and by unanimous consent Mr. MITCHELL of New York was allowed to proceed for 3 additional minutes.)

Mr. BRINKLEY. A crisis relocation center is simply a plan of dispersal whereby you walk away from the target center and you plan survival, think survival, and you do survive. If I am not mistaken, the State of New York has made a very important beginning within the confines of its borders. I appreciate the gentleman calling these things to the attention of this body.

Mr. MITCHELL of New York. I thank the gentleman. The first plan was designed for a region in my congressional district, in the vicinity of a SAC air base.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I just want to make note of the point which is abroad that after a nuclear attack there is nothing left and one cannot go back, and there is the end of life.

Let me read the following:

After World War II, public attention was focused almost exclusively on the awesome destructive power of nuclear weapons. As a result, the industrial recovery of bombed cities such as Hiroshima went unnoticed. The fact is that industry can and will recover from even nuclear devastation. The day after the explosion, bridges into downtown Hiroshima were open to traffic, and electric service was restored in some areas. On the second day, trains were again operating. By the third day, some streetcar lines resumed service. Within 9 days, telephone service was restored to the city center. In the outlying areas of the city, water, sewer and gas services were never interrupted.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, I would like to point out that there is an aspect of civil defense which does not always involve a nuclear holocaust. The movie "On the Beach" was mentioned earlier. There is a film released in the last year or so which, although not a classic, graphically demonstrates what will happen to a large metropolitan area such as Los Angeles if there is a severe earthquake. We are not prepared through civil defense for that type of major tragedy. We are not prepared in southern California or anywhere in the country for the disaster of a large meteor striking the surface of the Earth, as has happened in Siberian forests in June of 1908. That meteor weighed 10,000,000 tons and leveled 30 miles of thick forest. Imagine that horror in populated areas of any of our 50 States.

When I took my family to visit the Grand Canyon area last year, we went to the small city of Dinosaur and visited the large caverns there. In the large main cave we saw civil defense supplies stored there in preparation for a nuclear war, but nobody knows about these supplies except the cave tour guides and probably a minuscule percentage of the small population of Dinosaur, Ariz. This is just one pathetic example of the piddling effort this country has made toward helping its citizens survive any type of major catastrophe, man-made or natural.

If we take into account some of the testimony that was given in those poorly attended security briefings that we had last month by defense experts such as Paul Nitze of the SALT I team, we know the Soviet Union can use civil defense as a means of increasing world tension during confrontations.

The CHAIRMAN. The time of the

gentleman from New York (Mr. MITCHELL) has expired.

(On request of Mr. DORNAN and by unanimous consent, Mr. MITCHELL of New York was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of New York. Mr. Chairman, I yield further to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. In the event of some serious confrontation, suppose the Soviet Union begins to evacuate their cities under a civil defense plan, how will we respond to that? Mr. Paul Nitze says he agrees with the Soviets that their civil defense is none of our business as a SALT negotiating point as ours would be none of their business. But he pointed out an effective civil defense program is a very effective way of increasing pressure during a confrontation, the way President John Kennedy put one-third of our Strategic Air Command, our B-52's, into the air during the Cuban missile crisis of 1962. If the U.S.S.R. begin evacuating cities because of some conflict with us over the Middle East, how can we respond if we are totally defenseless in this area of protecting our populace? We have no credible civil defense and it is bordering on criminal negligence to suggest cutting the minimal dollars we have allocated. I thank the gentleman from New York for yielding.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I think the remarks of the gentleman from New York add a lot to the colloquy. I think it acts to dispel some of the mythology that is held by so many people in this country about overkill. The gentleman from New York says that we have enough bombs to kill the Russians 10 times over. If his feeling is right, all we need is 250 million 30/06 shells—one per Russian. The fact of the matter is, we could not kill over 5 percent of the Soviet population in a nuclear exchange. They killed more people than that just setting up their government when they had the revolution in 1917. Recently a U.S. News & World Report article pointed out the risk we would be in, where the Russians have proper civil defense and we do not have, and how we would have to jeopardize great masses of the population needlessly. This is not enough to increase our civil defense procedures but at least we should do this effort—I urge a no vote.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

First of all, Mr. Chairman, at a moment of limited resources and difficult choices, it would seem to me that the rational, clear, thought-out set of priorities is what ought to dictate what we would do. We are now talking about over $90 million invested in developing national civil defense programs. If one would just look at the amount of cement that goes into just hardening one of our silos in order to provide a mechanism for the American people to survive a nuclear blast, it would take more concrete than we have on the face of the Earth. There is a certain degree of unreality, Mr. Chairman, about this entire discussion. The United States and the Soviet Union's combined explosive capability equals between 10 and 12 tons of TNT for every man, woman, and child who walks on the face of the Earth. We ought to be spending this money for other problems. If we are concerned about the civil defense of the American people, then, Mr. Chairman, some of our energies ought to go into reducing and, hopefully, removing the insanity of nuclear weapons from the face of the Earth. Ninety million dollars is a waste. It is a tragedy. It is ludicrous. It is to me frankly, Mr. Chairman, insane, if we are talking about protecting the American people, then let us enter into a dialog with other powers to stop the proliferation of nuclear weapons. The sophisticated nature of our kill capability and the sophisticated nature of the Soviet Union kill capability so far exceeds these absurd programs of building a few holes into the ground so that we can run in them in the event of a nuclear blast. It disturbs me, it makes me feel I am sitting here on the floor of the House of Representatives in a dream, in a real situation where Members of Congress are actually discussing the question of whether we will survive a nuclear blast.

I do not think that any Member here on this floor believes or forecasts that there will ever be a nuclear war. It seems to me that our energies ought to be put into stopping and curbing the ultimate possibility of any nuclear war. It seems to me that our energies ought to be put into stopping and curbing the ultimate possibility of any nuclear war. It seems to me that the spending of $90 million to try to build a civil defense mechanism is the height of insanity.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the distinguished gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I do not think there is much I can add to the eloquent remarks of the gentleman from California (Mr. DELLUMS). His views have been set forth plainly in this debate, and we have heard the attitude of some of the other Members with respect to civilian defense expenditures.

The fact is that both sides, the Soviet Union and the United States, have predicated their actions on a mutual assurance destruction mentality, and we have been told that we can destroy one-third of their population and two-thirds of their industrial base in the initial salvos. That is fact.

We could cite hundreds of experts, and we could take the printouts of the SIOP—single integral operations plan—and we would find that after a nuclear war that there would be little left in either country after nuclear exchange.

That is what the President's attitude with respect to arms control is, and it is realistic, and it is the only sane policy to follow. Certainly preparing for the effects of nuclear war and somehow trying to live after that war does not make a whole lot of sense.

Mr. Chairman, the gentleman mentioned a couple of scientific articles. I read scientific articles also, and sometimes I read the Scientific American. In one issue about 3 months ago there was an article that indicated the Department of Defense has done some computer planning on the effects of fallout. This is what the article pointed out:

What would happen if the Soviets decided only to hit the missiles in Minot, Mont.? The effects of that radiation would be felt as far as Washington, D.C. The fallout would be as deadly as anything we could conceive and obviously deadlier than anything we have seen before on this planet.

The Hiroshima bomb was only a 4-kiloton bomb, and they are still feeling the effects from the radiation of that warhead.

Mr. BOB WILSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe there has been an attempt to oversimplify the dangers of this investment and also to minimize the lack of danger from any nuclear attack. I do not think this country is going to be attacked or will undergo a nuclear holocaust, I hope to God it does not.

However, there are opportunities here to educate the public and let Americans know that we can protect ourselves through proper procedures. Many hundreds of millions of people could be saved through that type of education. That is the purpose of this money that will be invested in the Defense Civil Preparedness Agency.

It happens that Russia spends about 12 times per capita more than the United States does in this area. It also happens that the little country of Ireland, which has only a few million people, spends more money than this country does on civil defense. If we talk with scientists who know how nuclear reactions occur, we find out that we can protect ourselves against fallout if we get in underground tunnels and stay there for at least 7 days. So even if people are in close proximity to a nuclear blast, they can protect themselves against fallout.

Mr. Chairman, it just seems to me that the amendment that has been added here is inconsequential in amount when compared with the numbers of lives that could be saved in case this terrible disaster might befall this country. It is inconceivable to me that Russia and China can prepare to protect their total populations in case of nuclear attack and then feel that we do not think it is important at all.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I would add to the nations who are preparing for nuclear attack Sweden and Switzerland. They have also made elaborate preparations to protect their populations from fallout.

Mr. BOB WILSON. The gentleman and I both know, after having visited in

China, that the Chinese Government is attempting to build shelters for every single person in China so they will be able to get underground in case of nuclear fallout and in case of a nuclear attack.

Mr. Chairman, to make fun of the fact that there is a possibility of nuclear attack is wrong, because this is a very serious matter.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from New York.

Mr. MITCHELL of New York. Mr. Chairman, I would just like to say in answer to the gentleman from California (Mr. DELLUMS), who spoke earlier, that it would be wonderful if we could rid the entire world of all nuclear bombs.

However, in the real world it is not possible, today, at least. The contemplation of a nuclear holocaust is horrible. It would be catastrophic, but the point is people can survive one, if they are prepared.

Mr. Chairman, it surprises me too that the gentleman from California (Mr. DELLUMS) opposes spending what is relatively a small amount of money toward saving human lives. He mentions human problems. I submit to the gentleman that there is not any human problem greater than saving a life.

As far as the amount we are spending is concerned, we are spending about $124 billion to learn new and better ways to kill people. Why not spend $134 million to learn to save some American lives?

The CHAIRMAN. For what purpose does the gentleman from Florida (Mr. BENNETT) rise?

Mr. BENNETT. Mr. Chairman, I really was going to try to cut off debate. There is no amendment pending before us, although this discussion has been very productive.

The CHAIRMAN. The Clerk will read title VIII.

The Clerk read as follows:

TITLE VIII—GENERAL PROVISIONS

SEC. 801. Beginning with fiscal year 1979, the President shall include in the budget for each fiscal year a request for funds sufficient to meet the total operation and maintenance costs of the Department of Defense for such year, including reasonably foreseeable increases in both the private and public sectors in the cost of labor, material, and other goods and services.

SEC. 802. During the fiscal year 1978, there are authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to pay claims arising out of, or to pay equitable adjustments to, contracts for the construction of naval vessels, but none of the funds authorized to be appropriated under this Act may be used to pay any claim against the United States arising out of, or to pay any equitable adjustment to, any contract over $5,000,000 unless the Secretary of Defense certifies to the Congress, in writing, that such claim or adjustment has been thoroughly examined and evaluated by officials of the Department of Defense responsible for determining the merits and validity of such claims and adjustments, in accordance with applicable laws and regulations, and that such claim or adjustment is valid and meritorious.

SEC. 803. (a) Section 651(a) of title 10, United States Code, is amended by striking out "male" and "after August 9, 1955," in the first sentence thereof.

(b) The amendments made by subsection (a) shall take effect on the first day of the seventh calendar month beginning after the month in which this Act is enacted and shall apply to any female person who becomes a member of an Armed Force on or after such day.

SEC. 804. (a) Section 105(a) of title 32, United States Code, is amended—

(1) by striking out "The Secretary of the Army shall have an inspection made at least once a year" and inserting in lieu thereof "Under regulations prescribed by him, the Secretary of the Army may have an inspection made"; and

(2) by striking out "and" at the end of clause (4), striking out the period at the end of clause (5) and inserting in lieu thereof "; and", and inserting after clause (5) the following new clause:

"(6) the accounts and records of each property and fiscal officer are properly maintained.".

(b) Section 708 of title 32, United States Code, is amended—

(1) by striking out subsection (d);

(2) by redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively; and

(3) by striking out "(e)" in subsection (e) (as so redesignated) and inserting in lieu thereof "(d)".

SEC. 805. Section 6485(b) of title 10, United States Code, is amended by striking out "and shall be physically examined" and all that follows in such section and inserting in lieu thereof a period.

SEC. 806. The Act entitled "An Act to provide subsistence allowances for members of the Marine Corps officer candidate programs", approved November 24, 1971 (84 Stat. 491; 37 U.S.C. 209 note), is amended by striking out "June 30, 1977" and inserting in lieu thereof "September 30, 1978".

SEC. 807. Notwithstanding any other provision of law, the authority provided in section 501 of Public Law 91-441 (84 Stat. 909) is hereby extended until October 1, 1979; but no transfer of aircraft or other equipment may be made under the authority of such section 501 unless funds have been previously appropriated for such transfer.

SEC. 808. The Secretary of Defense shall supply the Committee on Armed Services of the Senate and House of Representatives, not later than October 1 of each year, a full accounting of all experiments and studies conducted by the Department of Defense in the preceding twelve-month period, whether directly or under contract, which involve the use of human subjects for the testing of chemical or biological agents. In addition, not later than thirty days after final approval in the Department of Defense of plans for any experiment or study to be conducted by the Department of Defense, whether directly or under contract, involving the use of human subjects for the testing of chemical or biological agents, and not less than thirty days before the initiation of such experiment or study, the Secretary of Defense shall supply the Committee on Armed Services of the Senate and House of Representatives a full accounting of such plans for such experiment or study.

SEC. 809. (a) The Secretary of Defense shall conduct a complete and comprehensive study of the criteria used in determining whether commercial or industrial type functions at any Department of Defense installation should be performed by Department of Defense personnel or by private contractors. The study shall evaluate the basis and assumptions underlying Department of Defense methods for conducting cost analyses and identification of those mission essential functions which do not lend themselves to performance by private contractors.

(b) The study required by subsection (a) shall be submitted to the Committees on Armed Services of the Senate and the House of Representatives not later than December 31, 1977, and no further conversion of commercial or industrial activities to be performed by contractors shall be made before March 15, 1978.

(c) The percentage of the total funds available on the date of enactment of this Act for performance of research, development, test, and evaluation work at or by any Department of Defense research and development facility which is being expended for performance of such work by private contractors shall not be increased until the Congress determines that decreasing the percentage of such work performed by Department of Defense personnel is in the national interest or until March 15, 1978, whichever occurs first. The Secretary of Defense shall, not later than December 31, 1977, submit a report to the Committees on Armed Services of the Senate and House of Representatives listing the distribution of all funds available on such date for performance of research, development, test, and evaluation work at Department of Defense research and development facilities and detailing the rationale for any changes in the percentage of such work performed at any such facility by Department of Defense personnel between the date of enactment of this Act and December 31, 1977, and detailing any proposed change in such percentage.

SEC. 810. This Act may be cited as the "Department of Defense Appropriation Authorization Act, 1978".

Mr. BENNETT (during the reading). Mr. Chairman, I ask unanimous consent that title VIII be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. For what purpose does the gentleman from Georgia (Mr. BRINKLEY) rise?

Mr. BRINKLEY. Mr. Chairman, the gentleman from Georgia rises late, in view of the Chair's recognition of the gentleman from Florida (Mr. BENNETT). The gentleman from Georgia had wished to be heard on the matter of civil defense briefly.

Therefore, Mr. Chairman, I will move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Georgia (Mr. BRINKLEY) is recognized.

Mr. BRINKLEY. Mr. Chairman, in response to my friend, the gentleman from California (Mr. DELLUMS), he suggests that it is insanity for this country to spend $90 million. We, of course, propose in this bill to raise this figure to a full-growth budget of $134.8 million.

If that, Mr. Chairman, is the case, then the Soviet Union is 10 times more insane than we are, since they spend 10 times more. The real function of this money is for better communications, some new hardened shelters, and a lot better education for the American people.

One of the very important roles of Civil Defense is preparedness and response to wartime emergency.

Of secondary importance and to me of primary importance is the role of natural disaster reaction. Many of us feel that it should be expanded also to in-

clude preparedness in the natural disaster field such as the gentleman from California (Mr. DORNAN) referred to earlier.

Later this year hearings will be held on that topic in order, Mr. Chairman, to get a peacetime spinoff from this investment so that we might reap affirmative benefits from the money which we have invested toward being better able to deal with the natural disasters which will come. Of course, the wartime disaster money is an insurance policy against the day that we hope will never come.

Mr. Chairman, I appreciate the opportunity of being heard.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

Let us talk about this matter rationally for a moment.

I think that all of us on the floor agree that the long-range solution of the problem is to remove all nuclear weapons from the face of the Earth. We are now faced with the short-run situation.

I do not think that anyone on the floor of this Congress today would think, in the short run, that there is a preeminent possibility of a nuclear holocaust. Therefore, the expenditure of $134 million, in my estimation, given the fact that there are unemployment, disease, poverty, and inadequate education, is a gross misuse of American dollars.

There is no short-run solution, and the long-range solution is to remove the weapons.

That is why I think this appropriation is absurd when we look at it within that context. The gentleman from California does not want to be blown out of his bed, but this amount of money is not going to save me, you, or the American people. What will save us is if our SALT talks do, in fact, result in a higher level of missile allocation but start to reduce and ultimately remove our weapons.

That is all the gentleman from California is trying to say.

Mr. BRINKLEY. Mr. Chairman, I share the gentleman's hope that we not have atomic war.

I share the wish that if we do build some hardened shelters, certainly that there will be a job spinoff.

These shelters would also have a dual-use purpose. They would be used additionally for storage, for schools, for libraries, and for recreation. We are not just going to pour the money down the drain.

AMENDMENT OFFERED BY MR. ASPIN

Mr. ASPIN. Mr. Chairman, I offer an amendment.

Mr. DOWNEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Seventy-five Members are present, evidently not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. ASPIN

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin (Mr. ASPIN).

The Clerk read as follows:

Amendment offered by Mr. ASPIN: Page 28, after line 2, insert the following new section:

SEC. 810. (a) Any member of the Armed Forces who first becomes a member of the Armed Forces after the date of enactment of this Act shall be subject to subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, to the same extent and in the same manner as if such member is a Member of Congress, as such term is defined in section 2106 of such title.

(b)(1) Nothing in subsection (a) shall be considered to affect the applicability of chapter 61 of title 10, United States Code, relating to retirement or separation for physical disability, to any member of the Armed Forces.

(2) Notwithstanding subsection (a), any member of the Armed Forces who is involuntarily retired under any provision of title 10, United States Code, shall be eligible to receive retired pay in accordance with such title, if the provisions of such title are more favorable to such member than the provisions of title 5, United States Code, which would otherwise be applicable to such member under subsection (a), except that for purposes of computing the retired pay of such member under title 10, United States Code, the basic pay of such member shall be considered to be the average pay of such member as defined in section 8331(4) of such title 5.

(c) The Secretary of Defense shall issue such regulations as may be necessary to carry out this section.

(d) Any provision of title 10, United States Code, relating to (1) eligibility of members of the Armed Forces for voluntary retirement, or (2) computation of retired or retainer pay for members of the Armed Forces who voluntarily retire, is to the extent inconsistent with subchapter III of chapter 83 of title 5, United States Code, superseded by this section.

(e) For purposes of this section, the term "Armed Forces" means the Army, Navy, Marine Corps, and Air Force, including the Reserve components thereof.

Page 28, line 3, strike out "810" and insert in lieu thereof "811".

Mr. ASPIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ASPIN. Mr. Chairman, the issue I would like to raise before the committee at this point concerns the fastest growing part of our defense budget. The cost of military pensions is the issue I would like to address with the amendment I have just introduced.

The military pension costs in 1964 were $1.2 billion and they were just about 1½ percent of the Defense Department budget. But this year the costs of military pensions are at $9.1 billion and they are well over 8 percent of the Defense Department budget. Without changing the military retirement system between now and 20 years from now the costs of military pensions will be running $34 billion a year.

This is a situation which is not peculiar to the Defense Department. We have seen a great many of these kinds of runaway pension costs associated with many of the other forms of Government, and we have seen it in the local governments and State governments and other places.

We are spending now on military pensions just a little bit less than we are spending on strategic weapons. Clearly within the next couple of years costs of military pensions are going to exceed strategic weapons.

How did we get to the position where military pensions are getting out of hand?

The formula for determining what people get in their military pensions was determined in the days before the All-Volunteer Army. In the old days before 1968–69 the pension formula was indeed very generous but it was a generous pension based upon a very low salary base. So the salary was low and the pension was low.

In 1968 when we raised the military pay we unfortunately did not also change the formula by which the military pensions were computed, so now we have a formula which is the same but the pay is very much higher, and that is what has caused the military pensions to expand from $1.2 billion in 1964 to $9.1 billion today and will go on up to $34 billion within 20 years.

What I am proposing in this amendment is that from now on those people who join the Armed Forces will come under the congressional retirement system. This amendment does not apply to anybody who is now retired. It does not apply to anybody who is now in the Armed Forces.

It will apply prospectively to those people who join the Armed Forces after the date of enactment of this bill.

The reason I suggest we put them under the congressional pension program is, first of all, the congressional system is a great deal more generous than we find in private industry. It is a great deal more generous than we find in most governments. It is not, however, anywhere near as generous as the military pension scheme.

In particular, we would save a great deal of money if we put military people under the congressional retirement scheme. We would save money in three important respects. No. 1, under the congressional system people who join the congressional system pay 8 percent of their salaries every year into the retirement program. In the military, there is no contribution whatsoever.

No. 2, under the congressional system,

the pension is payable to people when they reach age 62.

The CHAIRMAN. The time of the gentlemar from Wisconsin has expired.

(By unanimous consent, Mr. ASPIN was allowed to proceed for an additional 5 minutes.)

Mr. ASPIN. Mr. Chairman, the second feature about the congressional retirement program is that it is paid at age 62. People can collect it at an earlier age, as early as age 55, but at reduced benefits; but the military retirement scheme is paid immediately upon leaving the service after the completion of 20 years. If a person joins the service at age 21, leaves the military at age 41, they immediately start collecting their pension at age 41. That is a very, very expensive part of the military retirement program.

The third way in which the congressional retirement program is different from the military retirement program is that the congressional program is based upon the last 3 years' salaries. It is an average of the high 3 years. In the military the pension is based upon the last paycheck.

So in these three ways the cost of the military retirement program will be lowered, if we put people under the congressional system.

There are, incidentally, a couple ways in which the military pensions will be improved by going under the congressional retirement system. First vesting comes after 5 years under the congressional system and not 20 years as with the military; so they would be entitled to a pension with fewer years of service, but they would not get it until age 62. Second, pension payments are slightly higher under the congressional system.

Somehow, somewhere, some way, we have to get control over what is happening to military pension costs. Consider what has happened to New York City. It has happened to a number of other cities. It has happened to a number of States. When the pension system goes out of control, that particular governmental unit is in very, very serious trouble. The same thing can happen to our system of Government here.

Mr. Chairman, there are two reasons why we should get control over the military pension system. One is just to make sure that we have financial sanity in the whole system at all.

Second, that the military pension system does not expand and squeeze out all the weapons that we would want to buy for the military's benefit.

Senator EAGLETON said it very, very well, when he said that the classic economic question which this country eventually will have to face is the question of guns or pensions; not guns or butter, but guns or pensions, because what is happening is that pensions are taking a bigger and bigger and bigger part of the Defense budget and they are squeezing out the other things we might want to have.

One final word on the financial stability of the military pension system. A lot of people in this country worry about the national debt. They say we have a $600 billion national debt. The military pension system adds $200 billion to that national debt. If the Pentagon were to shut down today and go totally out of existence so that it did not exist, we would owe $200 billion to the people we are obligated to over their lifetimes.

The military pensions system adds $200 billion to the national debt of $600 billion. There is 5½ times more money in this year's budget for the military pension system than there is for the B–1 bomber. Members of the committee, it is long past time that we got control of what is happening to the military pensions and other pensions, but particularly the military pensions, as part of this budget.

I ask that every Member carefully consider this amendment. It seems to be a fair and equitable way to deal with the problem.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(On request of Mr. ICHORD and by unanimous consent Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I very reluctantly leave my committee and join with the gentleman from Wisconsin in support of his amendment. The reason why I say "reluctantly" is because we are dealing with a very complicated subject, and I regret the fact that the proper subcommittee does not have or will not have the chance to look at it if this amendment should pass. I know the gentleman from Alabama does intend to take a hard look at the problem.

The gentleman from Wisconsin, however, is correct. We have to do something. In 1954, our retirement costs were $1.2 billion. For 1978, it will run $9.1 billion. If we project out to the year 2000, it is going to be $34 billion. And, members of the committee, if we continue with this we are not going to have any money left for the hardware for the defense of this country. I cannot responsibly take any other position.

I think some of the studies I have seen being made over in the Defense Department are unduly complicating the situation. This is very simple. It only applies to the young man now coming into the service, and does not affect existing rights. I think we have to do it in the interests of buying hardware for the defense of this Nation.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I think the gentleman's amendment raises some very, very important issues. The gentleman talked about the congressional system, and the fact that it would encourage people to stay longer. I do not think people realize that the average retired officer is 46 years old when he retires, and his pension is based on an annual salary of $15,400. We send men to the Moon who are older than 46 years old.

I think it would be one of the things the gentleman is attempting to do, to keep some of our officers for 25 or 30 years. I think his amendment is a very important consideration in this.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I certainly concede to the gentleman from Wisconsin that due to the large and rapidly growing cost of the military, it is time the Congress did take a good, hard look at the military system of this country. But, let me call to his attention the fact that the military system of this country is not unique in having problems. The social security system is in trouble; the railroad retirement system is in trouble; the civil service system has an unfunded liability. So, I would not want the gentleman to leave the impression with this committee that the retirement system of the military is the only one that is in trouble.

I must admit to the Committee and to the gentleman from Wisconsin that, while I want to consider his amendment and will consider it in due time, that I only saw this amendment about noon today, so that I have had very little time, as chairman of the Military Compensation Committee, to take a good look at it. But, Mr. Chairman, with your permission let me probe the specifics of his amendment just a little further.

The fundamental objective, of course, of any element of a military compensation system is to attract into the service and to retain on active duty the number and the quality of men and women needed to carry out the defense mission. Now, does this retirement system, as suggested in the gentleman's amendment, provide the necessary incentive to retain the quantity and quality of men and women needed to utilize the complex programs being offered today?

Further, and equally important, Mr. Chairman, does this suggested system provide the incentives in the most efficient way?

The congressional retirement system, which the gentleman has so eloquently portrayed as being ideal for the military, requires an 8-percent contribution. The service member also contributes 5.85 percent in social security. So we are talking about a 14-percent total contribution. And in some cases, I am wondering if this might not be too heavy a burden for the service member, particularly in the lower enlisted grades.

Let me take, for example, the pay of a sergeant, an E–6, with 12 years of service. He gets about $12,000 a year. He would pay into the retirement system, under this, about $1,000 a year. A major, with 16 years service, pretty handsomely paid, the gentleman from Wisconsin might say, at $24,000 a year, would pay about $2,000 into such a system.

So I believe we ought to allow adequate time to consider this burden and how it affects the military in general.

When the gentleman talks about comparability, I wonder if the gentleman is saying that service in the military is comparable to service in the Congress. At times, I suppose, we feel like we have hazardous duty. But I see very little meaningful similarity between congressional service and military service.

I would add also, Mr. Chairman, in closing, that the President is in the process now of appointing a blue ribbon committee to look into, and report back to the Congress, on the whole matter of retirement. This matter has not come before our subcommittee and my friend, the very able gentleman from Wisconsin (Mr. ASPIN) is the ranking member of that subcommittee, and I can assure him he will have ample opportunity to bring it before the committee.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from South Carolina (Mr. DAVIS).

Mr. DAVIS. I thank the gentleman for yielding.

Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Alabama. At the present time, I am inclined to oppose this amendment, knowing the fact that the gentleman from Wisconsin has been on the Military Compensation Subcommittee for the last 4 years. So it could have been brought to the subcommittee and full ramification hearings could have been held during those 4 years. He is still on that subcommittee. I think we ought to have the opportunity, if we are to protect the integrity of the subcommittee and committee system, to bring this up in the normal course of legislative process.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. NICHOLS) has expired.

(By unanimous consent, Mr. NICHOLS was allowed to proceed for 1 additional minute.)

Mr. NICHOLS. I yield further to the gentleman from South Carolina (Mr. DAVIS).

Mr. DAVIS. I thank the gentleman for yielding.

Mr. Chairman, it is not known whether we are going to provide any more incentive to stay in. We may be providing a little bit of an incentive for an individual to be getting out of the military, because right away we can see where the future enlistee is going to have a reduction of pay and will be paying into the retirement system, where maybe someone serving in the same rank, under the old system, is not. So the pay is not going to be equal. We have several ramifications.

I think the gentleman from Alabama would be willing to hold hearings on it and maybe bring up a bill. We have to do something about the retirement system. That is a known fact. But let us do it in a regular manner and not come in harum-scarum and adopt something when it could have been done through the subcommittee.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. NICHOLS) has again expired.

(By unanimous consent, Mr. NICHOLS was allowed to proceed for 1 additional minute.)

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. I thank the gentleman for yielding.

Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Alabama. I think the amendment would have an adverse impact on drawing and keeping people in the military. I would have thought a proposal such as this would be of a more serious nature if it did not have appended to it a congressional title. It would seem to be something less than a serious proposal as it is presently billed.

I think the gentleman's remarks about taking it to committee and giving it study is a much more solid approach.

Mr. NICHOLS. Mr. Chairman, I thank the gentleman for his remarks.

I think the real damage, Mr. Chairman, from this amendment is to the military itself. I submit to the Members that if we bring this amendment out of this committee and agree to it without going through the necessary committee of Congress, then the members of the armed services are going to say, "If this is all the Congress thinks of our services, then show me where we can start signing up the unionized military."

I ask that the amendment be defeated.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I had not seen the amendment before a few minutes ago, but on the surface of it and from a cursory evaluation, it does not seem to me that the two systems are really compatible.

We are talking about two different groups of people. It seems as though we are trying to match oranges and orangutans.

We have not seen any great emphasis in Congress—at least we have not so far—on youth or physical conditioning or strength. There seems to be no great concern for an up-and-out movement or a lean and mean philosophy; there is no great concern for bravery in the front lines.

I say that there are better ways to revise our system if it needs revision.

Mr. Chairman, I think the amendment is also premature. Some Members have pointed out that this is a highly important measure, and that it does require comprehensive hearings.

In the meantime, while we are talking about this—and I hope not frivolously—we are having a great deal of difficulty in maintaining our force levels in all of the Armed Services. One of the reasons we hear time and time again for that is that there is a real or perceived erosion of benefits to servicemen; those people to whom we promised certain things. We hear a great deal about breach of contract and about changing the rules in the middle of the game.

I would say that the one redeeming feature of the gentleman's amendment is that it is prospective, that is, it does grandfather in those people who are in the service right now. There seems to be at least this much of a message to them: that if a change is to take place in the retirement program, according to the gentleman from Wisconsin (Mr. ASPIN), it will take place with those individuals who enlist after the date of the passage of the act that addresses this problem.

Otherwise, Mr. Chairman, I think the gentleman's amendment represents just one more threat to the serviceman, one more threat that we do not need. I think that this is the wrong proposal, the wrong procedure, and being submitted at the wrong time.

Mr. TRIBLE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Virginia.

Mr. TRIBLE. Mr. Chairman, I rise in opposition to the gentleman's amendment.

What I think the gentleman from Wisconsin fails to recognize is the pervasive interrelationship between the elements of the military compensation system and the ability of the force manager to maintain the quality and quantity of members needed to accomplish the mission of defense. This is a complex system; and the implications of a change to one element—a major element such as retirement especially—will have profound impacts on retention of individuals at various points in their careers.

Permit me to point out just a few of the potential impacts on retention. Application of the congressional retirement system to military personnel may well provide an incentive for the member who has reached 20 years of service to serve longer. An admirable goal, I think.

At the other end of the spectrum, an individual—age 18 or 19 or 20—who is deciding to join the military probably does not give a whole lot of thought to the amount of retired pay he will receive. I do think, however, that the present availability of retirement after 20 years of service is an important consideration to this individual when there are other jobs offering the same pay.

Moreover, for the individual facing a career decision after the first, and subsequent enlistment or obligated tour, today's retirement system is most important. Age 60 is a long way off to provide any motivation to remain on active duty. In contrast, the availability of a lumpsum return of contributions plus interest would be a powerful incentive to leave active duty. By capriciously setting aside the present retirement system, we would be neglecting the effect on retention and the consequent ability to maintain a viable military force.

The military retirement system should be changed if it no longer satisfies the objectives for which it was established. But let us make changes in a considered and rational way. We cannot give the matter appropriate review here today.

I ask that the amendment be rejected.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I thank the gentleman very much for yielding, and I associate myself with his remarks.

I, too, am going to oppose this amendment at this time. I think my colleague, the gentleman from Alabama (Mr. NICHOLS), hit the nail on the head when

he said that this will open the door to unions in the military if we act hastily without adequate study. I think the issue should be studied very carefully.

Mr. LLOYD of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I guess I am probably the only person in this room who actually participates in the system that we are talking about. As such I think that I can clearly state that any person who has retired from the military recognizes the fact that there is a horrendous waste in manpower in retiring people after 20 years at the age of 40. I just do not think that we can justify spending the taxpayers' money that way.

I do not think that these people are inadequate or incompetent or that they can no longer properly serve, but I do think that we must be very careful. Why? Because one of the things that Congress has done is it has made a commitment to these people guaranteeing retirement. I realize that the amendment says, "Well, all after now," but it is definitely making changes which will affect the attitudes of those who are currently in service.

There has been an erosion. There is the potential of the loss of commissary privileges, and over and over again we hear about recapitulation. A person who has served in the services as I did and who retired in 1963 probably feels—and I do not feel this way, but I know people who do—that their value is as great as those who retired in 1973.

Obviously, we cannot go back and review each phase because we do not happen to have an extra $25 billion for recomputation.

My good colleague, the gentleman from Wisconsin (Mr. ASPIN), has introduced a very necessary amendment which should be a bill. There is no doubt in my mind that before this year is over, we will pass a bill of that type.

Mr. Chairman, I do not really know that this is the answer to all things. For instance, I do not really know how we are going to handle 20-year retirements. I think, for instance, that there ought to be a different commitment. There ought to be a commitment where it says this "up and out" requirement is dead wrong.

Mr. Chairman, there is no necessity to throw somebody out of the military system at the age of 40 when there is yet great use for his services.

However, the point is that the military system has had the luxury of retiring people, who are good, competent people. Why? Because they are worried about the promotional system. I do not blame them for that. We have to have young people who are dynamic in the services, but we also have to have some sort of escape valve for those not ready for retirement but no longer in contention for higher responsibility.

I think that this is what this bill lacks at the present moment. We need an escape valve; we just cannot continue to "up and out" people and let them go to another retirement system. That does not solve the problem.

Mr. Chairman, I think what is necessary is that we take this matter back into the subcommittee, review it and it needs to be done now. From there we can go forward and come up with a bill that will really address itself to all phases that need to be addressed as far as military retirement is concerned.

Mr. DOWNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one can imagine the fear of someone in the military these days, what with the Congress taking harder and harder looks at the way we spend our money versus how the Russians do so.

There is a tremendous fear over there that we are not going to provide the sort of money to keep this country strong and free. What overrides that fear or supersedes it is the fear that something will be done to the pension system so that the very courageous lieutenant colonel who is in charge of personnel, after 17 years, is wondering whether or not he will be able to retire and come back to the civil service at age 41 and double-dip like 141,000 other people who are double-dipping in our system, costing us $870 million.

Mr. Chairman, what the gentleman is attempting to do is to raise the consciousness, if you will, of the Members of this body by introducing a rather intriguing amendment.

Each and every one is concerned, for instance, about the generosity of the congressional system, and it is a generous one. By comparison, however, the military system is that much more generous.

Let me just cite a few figures: The average enlisted man is 41 years old when he retires. He could still make an excellent master sergeant. He is going to get $6,400. He is going to receive, after 20 years, $414 a month, and then as so many who have retired from the military do, he will come back to work for the Federal Government and receive an additional salary.

Mr. Chairman, that is outrageous. That is what the gentleman from Wisconsin (Mr. ASPIN) is trying to address this amendment to. He wants to delay the period of time during which the taxpayers are going to have to pay out this money, and he is against double-dipping.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Chairman, I thank the gentleman for yielding.

I would like to respond to a couple of points made by various speakers who have talked here this afternoon.

The gentleman from South Carolina (Mr. DAVIS) was saying that the committee could, of course, address this issue and bring it up as separate legislation.

Why I have brought this matter to the floor is because we have not done it in committee. As the gentleman from South Carolina (Mr. DAVIS) says, I have been on the committee for 4 years. Four years is the length of time that the military retirement pension has been on our calendar, and we have not gotten around to it.

There are lots of reasons for this. The Pentagon is not all that interested in pushing it. Our committee has had other things to do. But the point is that I have not just decided to spring this idea all of a sudden on some Monday afternoon.

Second, the reason that I suggest that we use the congressional system is that this is an ongoing program. If someone came in with a complicated program then someone might say that we do not know whether or not it would work. So, by suggesting the congressional pension system, which is an ongoing program, it is one that works and we know it works and it is working now.

So I believe that the simplest thing, if one is looking to simplify things, as the gentleman from Missouri (Mr. ICHORD) says, then look for an ongoing program to join—the congressional system.

I would like to refer to the remarks of the distinguished gentleman from Alabama because he has made a couple of points that I think are important. It is true that being in the military is not like being in anything else, there is no question about that. Military life is different from other kinds of life. But the question is should the hazards, the frequency of moves, the frequency of separations associated with military life be compensated through the pension system? Because those differences hit various people in the military services in different ways. Not everyone has hazardous duty. Not everyone has frequent separations. These are things that do not hit everyone in the same way. They should be compensated for but they should not be compensated through the pension system that applies to everybody.

Mr. MOTTL. Mr. Chairman, I move to strike the requisite number of words, and I rise as a proponent of the amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin (Mr. ASPIN) to place military personnel under the congressional pension system.

This proposed amendment will relieve the taxpayer and the Treasury of the heavy burden and high cost of the present military pension system. It will save in excess of $3 billion per year.

Opponents of this amendment will argue that our servicemen deserve a generous retirement plan for their many years of service to our country, and I would agree. However, the present military retirement system is not just generous, it is lavish. It will cost the taxpayer $9.1 billion in fiscal year 1978 alone.

Placing military personnel under the congressional pension system will still provide generous benefits, without being quite so openhanded with the taxpayers' dollars. For many servicemen, it will increase their monthly pension check. It will also expand the number of persons covered by the military pension system by reducing the number of qualifying years.

For the first time, servicemen will be asked to contribute to their pension scheme, and they will no longer be able to retire at an abnormally early age. Notably, almost one-third of the servicemen going on the pension roles this year will be in their forties.

Possibly during times of armed conflict, special benefits should be considered. But, the excesses of the present military pension system should be

curbed. Even the Pentagon itself described the present retirement system as providing "excessively liberal benefits when compared with most civilian sector plans."

This proposed amendment will end some of the excesses of the present military pension system, and save the taxpayers billions of dollars. I urge that the Members vote "yes" on the amendment.

Mr. BEARD of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

I would like to ask the sponsor of the amendment one question. Under the congressional system after we put in 5 years, we are eligible for a retirement pension—after 5 years.

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to my colleague, the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding.

That is correct.

Mr. BEARD of Tennessee. Would this also apply to those individuals in the military who put in 5 years?

Mr. ASPIN. If the gentleman will yield, yes, a person who does serve 5 years is entitled to it, but he will not receive it until he really retires.

Mr. BEARD of Tennessee. That is the point I was thinking about. What are the cost implications here of 5 years? I know they may not be too great initially, but after we reach a certain point in time and we have a million men or so reaching the age of 62 having put in 5 years, what is the dollar cost?

Mr. ASPIN. The expensive part of the military retirement program is the 20-and-out. The fact is that people start receiving their retirement pay in the late thirties or early forties. The 28 percent of the military retirees, the people who are receiving military retirement pensions today, are in their thirties. They are 38, 39, 37 years old, and they will receive it the rest of their lives. That is what costs money.

One of the problems is we have people in the service 13, 14, or 15 years, and they say, "We cannot kick him out now because he is going to lose all of his pension."

Mr. BEARD of Tennessee. Let me just say I am on the Compensation Subcommittee. I really look forward to being able to listen to this type of debate, because there are a lot of complicated questions I think that have to be answered.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from New York.

Mr. STRATTON. I appreciate the gentleman's yielding.

The gentleman from Wisconsin (Mr. ASPIN) implied a few minutes ago that the reason he is bringing this very complicated amendment out on this floor without any analysis in the committee is that the Military Compensation Subcommittee for some reason sat on it for years without doing anything about it. I happened to be the chairman of that subcommittee during the years that this matter was before our committee, and the gentleman from Wisconsin was on the subcommittee. The gentleman knows very well that the subcommittee, including its chairman, was fighting one important battle to hold down excessive costs in the retirement program by combating the idea of recomputation; and that was a fight we found we had to fight two or three times on the floor of this Chamber before we finally won it.

Then the next most important item from the point of view of the military services was to get the defense officer procurement bill out, known as DOPMA, and over to the Senate, which we did. We were planning last fall to take up the Defense retirement modernization program, either at the end of the year or at the beginning of this year. But the Joint Chiefs of Staff came to members of the committee and pointed out that, properly or not, the men and women in the armed services felt very strongly that their benefits were being eroded. If one picked up the Army Times or the Navy Times, they were always talking about how benefits were being eroded by Congress. It was that belief in erosion, even though untrue, that was leading to the interest in unionization among armed services personnel, so the chiefs told us.

So the Joint Chiefs of Staff came up to us and said, "Look, do not change the military retirement program this year. We have got enough problems with morale already. We want to try and stabilize the benefits for at least a year in order to avoid unionization, and in the future we will take a look at the retirement program and see if we can improve it."

That is the job that the gentleman from Alabama (Mr. NICHOLS) is now undertaking, as chairman of that subcommittee and that is the best way to handle this particular, complex problem.

Mr. BEARD of Tennessee. If I may ask, am I again correct in saying that the members of the military would still be paying into the social security system?

Mr. ASPIN. Mr. Chairman, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding.

Yes, they would.

Mr. BEARD of Tennessee. Really, it would not be like the congressional system because we know the Social Security System is inadequate, so we do not pay into it.

Mr. ASPIN. It is similar to the congressional system in that under the congressional system one has the option—all Congressmen have the option—of whether they join the retirement system or not.

If we join the retirement system, 8 percent of our salary is deducted. But we also have the option as congressmen not to join the retirement program. That choice would under this amendment apply to the military. They could go just on social security if they wanted to, but if they wanted to join the retirement system they could join it.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is the first time during this debate that I have come to the well. I do so because I feel very deeply about the particular thing that is before us today and the damage it might cause if we should happen to pass this amendment. It is true the retirement costs of the military are very great, but it is also true that the retirement costs of every other branch of the Government are very great.

Unlike other branches of the Government, the retirement costs in the military are taken out of the hide of the defense of our country. That is not true in agriculture. If a man retires from the Department of Agriculture, it is not taken out of the budget of the Department of Agriculture. In our case it is taken out of the national defense budget. That is unfair and it ought to be changed. I have had a bill before us for a long time to make that change.

What is early retirement for? It is in the military for several reasons, but one of the reasons is the danger involved to the individual who is to be retired. Another is to make the service attractive for able people, so they will enter the service, so they will have some chance for advancement. That is the reason for early retirement.

A statistic was given about how many people are so young when they retire, but many of those the gentleman talks about retiring, the ones he said are in their thirties, are disability retirees. How are we going to take care of those disability retirees? That is certainly an unfair thing to do when they have given out of their lives for the service, if we deny them retirement when disabled.

How about the FBI and the CIA and the Secret Service and the firefighters throughout the country? All these people get early retirement because of the specialties of their jobs, the dangers involved in their jobs, and so on.

But to me an overwhelming argument is this: our country is at a crossroads in national defense. We are going to be lucky if we do not have a war in the next 10 years because of the fact that we are cutting down on our national defense. We do not want to tell these couple of million young men and women who have had enough of a spirit of patriotism to be in our military forces that we care so little about them that we will approve this matter in the cavalier fashion in which it has been presented here on the floor. If we were to take seriously this amendment, it would be in my opinion the worst blow we could possibly strike at military morale. I know many of the votes will be expressions of concern over high retirement costs by those who do not expect the amendment to pass. But the military people do not know that.

It would be the sort of thing I have heard presented on the floor before by our fascinating and capable and charismatic Members of Congress who have made these beautiful stories and who get the great headlines in all the press. But at the bottom line for most of us who are simple, common American folk, we want our country to be protected and we are not trying to make the headlines and we want to see our country survive. All these wonderful and charismatic people

who get the headlines can make these speeches but somebody has to protect them. The soldiers have to protect the speechmakers.

If we pass this amendment we will strike one of the worst blows at the American military and the defense of our country since I have been in the Congress, so let us vote down the amendment.

Mr. BEDELL. Mr. Chairman, I move to strike the requisite number of words.

My first question is: Did I understand the chairman of the subcommittee correctly, the gentleman from New York, when he indicated that indeed there have not been hearings on this proposal and it has not been discussed in his subcommittee extensively because of other items that have had priority over this item? I understood the gentleman to say that.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, I was the former chairman of the subcommittee. We held a great many hearings on retirement and a great deal of testimony was taken before the Committee on Retirement because we were constantly dealing with the problem of recomputation.

I think I can say in all candor that in the case of my friend, the gentleman from Wisconsin, the figures he has used in supporting this attack on military retirement are the figures our committee and our staff originally worked up and used in combating those various attempts to get recomputation.

Mr. BEDELL. If I can recapture my time, I understand the gentleman's committee had hearings on this type of proposal and have considered it and rejected it.

Mr. STRATTON. Oh no, we have not had hearings on the Retirement Modernization Act. And we did not reject it.

We had hearings on the DOPMA bill, the military officer bill, but the Retirement Modernization Act was scheduled for hearings for this year.

Mr. BEDELL. Mr. Chairman, I yield the balance of my time to the gentleman from Wisconsin (Mr. ASPIN).

Mr. ASPIN. Mr. Chairman, let me just say that the gentleman from New York is correct. We have had hearings, but we have had hearings only on the recomputation figures and the figures did not come from that. The recomputation is an entirely different issue; but I commend the gentleman from New York for fighting recomputation and the former chairman of the committee, the gentleman from Louisiana, Mr. Hébert; they should be commended for their work. Otherwise, the problem we would be facing would be 10 times worse. The problem is still here. The problem now is, what are we going to do about it?

I should point out, because the gentleman from Florida (Mr. BENNETT) raised the question about the disability payments, specifically there is a clause in here that says it does not apply to disability. We are talking about nondisability retirements and the 28 percent were nondisabiilty retirements.

Mr. BENNETT. Mr. Chairman, if the gentleman will yield, what I said with regard to that had nothing to do with the content of the gentleman's amendment. It had to do with the statement that people were in their thirties and retiring and the reason they were retiring was most were still in their thirties.

Mr. ASPIN. No, no. The point is that 28 percent of all the people getting retirement was for nondisability retirement and were in their thirties. They are not disabled. They are retired and are not receiving disability payments.

Mr. BENNETT. My staff tells me the gentleman's statistics are correct.

Mr. STEIGER. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Mr. Chairman, I am perplexed. I would like to direct a question through the gentleman to the gentleman from Alabama.

Has there been a commitment made to take on this subject soon in the Committee on Armed Services by the gentleman's subcommittee?

Mr. NICHOLS. Mr. Chairman, if the gentleman will yield, let me reply to the gentleman from Wisconsin. The gentleman may have missed what I said earlier. I want to assure the gentleman from Wisconsin on this side of the aisle and the gentleman from Wisconsin on the other side of the aisle that the subcommittee does plan to take up this matter and we propose to take it up this year. I will say to the gentleman from Wisconsin (Mr. ASPIN), and I assure the gentleman that the gentleman will get a chance to bring the bill before the subcommittee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ASPIN).

The question was taken.

RECORDED VOTE

Mr. ASPIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 148, noes 247, not voting 38, as follows:

[Roll No. 149]

AYES—148

Addabbo	Coughlin	Jenrette
Ambro	D'Amours	Jones, N.C.
Ammerman	De'aney	Jordan
Andrews, N.C.	Dellums	Kasten
Archer	Diggs	Kastenmeier
Asp'n	Dodd	Kemp
AuCoin	Downey	Kevs
Baldus	Early	Kildee
Baucus	Edgar	Koch
Bedell	Erlenborn	Kostmayer
Bellenson	Ertel	LaFa'ce
Benjamin	Evans, Colo.	Leggett
Biaggi	Fenwick	Lehman
Bingham	Foley	Luken
Blanchard	Ford, Mich.	McClory
Blouin	Ford, Tenn.	McCloskey
Boling	Fountain	McKay
Bonior	Fraser	Maguire
Bonker	Gephardt	Markey
Brodhead	Giaimo	Mattox
Broomfield	Glickman	Mazzoli
Burke, Calif.	Gore	Meeds
Caputo	Gudger	Metcalfe
Carr	Hamilton	Meyner
Cavanaugh	Harkin	Mikulski
Clay	Harrington	Mikva
Coleman	Hawkins	Miller, Calif.
Collins, Tex.	Hefner	Miller, Ohio
Conable	Holtzman	Mineta
Conyers	Ichord	Minish
Cornell	Jacobs	Mitchell, Md.
Cornwell	Jeffords	Moakley
Moffett	Rosenthal	Thompson
Moorhead, Pa.	Roybal	Tsongas
Mottl	Russo	Udall
Neal	Sarasin	Ullman
Nedzi	Scheuer	Vanik
Nolan	Schroeder	Volkmer
Nowak	Seiberling	Walgren
Oberstar	Sharp	Walker
Obey	Simon	Waxman
Ottinger	Smith, Iowa	Weaver
Patterson	Snyder	Weiss
Pattison	Solarz	Whalen
Pike	St Germain	Wirth
Pressler	Stark	Wolff
Reuss	Stockman	Yates
Richmond	Stokes	Zablocki
Rodino	Studds	
Roncalio	Taylor	

NOES—247

Abdnor	Flowers	Nix
Akaka	Flynt	O'Brien
Alexander	Fowler	Oakar
Allen	Frey	Panetta
Anderson, Ill.	Fuqua	Pease
Andrews, N. Dak.	Gammage	Pepper
Annunzio	Gaydos	Perkins
Applegate	Gibbons	Pettis
Armstrong	Gilman	Pickle
Ashbrook	Ginn	Poage
Ashley	Goldwater	Preyer
Badham	Gonzalez	Pursell
Bafalis	Gradison	Quayle
Barnard	Grassley	Quie
Bauman	Guyer	Quillen
Beard, R.I.	Hall	Rahall
Beard, Tenn.	Hammer-schmidt	Railsback
Bennett	Hanley	Regula
Bevill	Hannaford	Rhodes
Boland	Hansen	Rinaldo
Bowen	Harris	Risenhoover
Breaux	Harsha	Roberts
Breckinridge	Heckler	Robinson
Brinkley	Heftel	Rogers
Brooks	Hightower	Rooney
Brown, Calif.	Hillis	Rose
Brown, Mich.	Holt	Rostenkowski
Brown, Ohio	Horton	Rousselot
Broyhill	Howard	Rudd
Buchanan	Hubbard	Runnels
Burgener	Huckaby	Ruppe
Burke, Fla.	Hughes	Santini
Burke, Mass.	Ireland	Satterfield
Burleson Tex.	Jenkins	Sawyer
Burlison, Mo.	Johnson, Calif.	Schulze
Burton, John	Johnson, Colo.	Sebelius
Burton, Phillip	Jones, Okla.	Shuster
Butler	Jones, Tenn.	Sikes
Byron	Kazen	Sisk
Carney	Kelly	Skelton
Carter	Ketchum	Skubitz
Cederberg	Kindness	Slack
Chappell	Krebs	Smith, Nebr.
Clausen, Don H.	Krueger	Spellman
Clawson, Del	Lagomarsino	Spence
Cleveland	Latta	Staggers
Cochran	Le Fante	Stangeland
Cohen	Leach	Stanton
Collins, Ill.	Lederer	Steed
Conte	Lent	Steers
Corcoran	Levitas	Steiger
Cotter	Lloyd, Calif.	Stratton
Daniel, Dan	Lloyd, Tenn.	Stump
Danie., R. W.	Long, Md.	Symms
Danielson	Lott	Thone
Davis	Lujan	Thornton
de la Garza	McDade	Tonry
Dent	McDonald	Traxler
Derrick	McEwen	Treen
Derwinski	McFall	Trible
Devine	McHugh	Tucker
Dickinson	McKinney	Van Deerlin
Dicks	Mahon	Vander Jagt
Dingell	Marks	Vento
Dornan	Marlenee	Waggonner
Drinan	Marriott	Walsh
Duncan, Tenn.	Martin	Wampler
Edwards, Ala.	Mathis	Watkins
Edwards, Okla.	Michel	White
Eilberg	Mitchell, N.Y.	Whitehurst
Emery	Mollohan	Whitley
English	Montgomery	Whitten
Evans, Del.	Moore	Wiggins
Evans, Ga.	Moorhead, Calif.	Wilson, Bob
Evans, Ind.	Moss	Wilson, C. H.
Fary	Murphy, N.Y.	Wilson, Tex.
Fascell	Murphy, Pa.	Winn
Fish	Murtha	Wydler
Fisher	Myers, Gary	Wylie
Fithian	Myers, Michael	Young, Alaska
Flippo	Natcher	Young, Fla.
Flood	Nichols	Young, Mo.
		Young, Tex.

NOT VOTING—38

Anderson, Calif.	Forsythe	Murphy, Ill.
Badillo	Frenzel	Myers, Ind.
Boggs	Goodling	Patten
Brademas	Hagedorn	Price
Chisholm	Holland	Pritchard
Corman	Hollenbeck	Rangel
Crane	Hyde	Roe
Duncan, Oreg.	Long, La.	Ryan
Eckhardt	Lundine	Shipley
Edwards, Calif.	McCormack	Teague
Findley	Madigan	Wright
Fiorio	Mann	Yatron
	Milford	Zeferetti

The Clerk announced the following pairs:

On this vote:

Mr. Brademas for, with Mr. Zeferetti against.

Mr. Badillo for, with Ms. Boggs against.

Mr. Rangel for, with Mr. Edwards of California against.

Ms. Chisholm for, with Mr. Milford against.

Messrs. DERRICK, HANSEN, and RAILSBACK changed their vote from "aye" to "no."

Messrs. PRESSLER, KASTEN, VOLKMER, and GUDGER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

AMENDMENT OFFERED BY MR. COHEN

Mr. COHEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COHEN: Page 28, after line 2, insert the following new section:

SEC. 810. (a) Notwithstanding any other provision of law, and except as provided in subsection (c), no action may be taken to effect or implement—

(1) the closure of any military installation;

(2) a reduction in the authorized level of civilian personnel at any military installation by more than one thousand or 50 per centum, whichever is smaller, in any twelve-month period; or

(3) any construction, conversion, or rehabilitation at any military facility other than a military installation referred to in paragraph (1) or (2) (regardless of whether such military facility is a military installation as defined in subsection (d)) which will or may be required as a result of any relocation of civilian personnel to such military facility by reason of any closure or reduction in force to which this section applies,

unless and until the provisions of subsection (b) are complied with.

(b) No action described in subsection (a) with respect to the closure of, or reduction in force at, a military installation may be taken—

(1) unless the Secretary of Defense or the Secretary of the military department concerned—

(A) notifies Congress in writing that such military installation is a candidate for such a closure or reduction in force;

(B) after complying with subparagraph (A), complies with all terms, conditions, and requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the proposed closure or reduction in force; and

(C) after complying with subparagraph (B), notifies the Committees on Armed Services of the Senate and House of Representatives of the final decision to carry out the proposed closure or reduction in force and submits to such committees a detailed justification for such decision, including statements of the estimated fiscal, local economic, budgetary, environmental, strategic, and operational consequences of such closure or reduction in force; and

(2) until a period of sixty days has elapsed following the date on which the justification required by paragraph (1)(C) is received by such committees.

(c) This section shall not apply to the closure of a military installation or a reduction in force at a military installation if the President certifies to the Congress that such closure or reduction in force must be implemented for reasons of national security or a military emergency.

(d) For purposes of this section:

(1) The term "military installation" means any camp, post, station, base, yard, or other facility under the authority of the Department of Defense—

(A) which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam; and

(B) at which not less than five hundred civilian personnel are authorized to be employed.

(2) The term "civilian personnel" means direct-hire, permanent civilian employees of the Department of Defense.

(e) This section shall apply with respect to the closure of any military installation and any reduction in force at any military installation which is first publicly announced on or after January 1, 1976.

Page 28, line 3, strike out "810" and insert in lieu thereof "811".

Mr. BENNETT (during the reading). Mr. Chairman, this is the same amendment which Congress voted on favorably last year.

I ask unanimous consent, Mr. Chairman, that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. COHEN. Mr. Chairman, my amendment would establish permanent procedures for congressional oversight of major base realinements and closures proposed by the Pentagon.

As many of my colleagues may recall, last year the House adopted a similar amendment, which I coauthored with Speaker O'NEILL, to insure that the House and Senate Armed Services Committees were fully informed about base realinements which have a significant impact on our national security, the Federal budget, and local communities. Section 612 of Public Law 94-431, which required detailed studies to be submitted to the Armed Services Committees, will expire on October 1, 1977. I proposed to continue these requirements beyond the end of the fiscal year.

Patterned on section 612, my amendment applies to any Defense Department proposal to close a military installation at which 500 or more civilians are authorized to be employed or to reduce the authorized level of civilian personnel at a base by more than 1,000 persons, or 50 percent, whichever is smaller. The Department would be required to notify the Armed Services Committees that a military installation is a candidate for closure or realinement. If the Department were to decide to proceed with the reduction or closure, the Secretary would have to provide the committees with a detailed justification for such a decision at least 60 days prior to implementing the realinement. The reports submitted would have to include analyses of the strategic, economic, and environmental effects—including estimates of unemployment compensation benefits, manpower retraining and relocation expenses, and military construction and rehabilitation costs—resulting from the cutback.

Furthermore, until this analysis was completed, the Pentagon would be prohibited from undertaking new construction at another base to provide facilities for civilian personnel relocated from the base selected for closure or reduction.

In the event of a military emergency or for reasons of national security, the President could waive any of the provisions of this amendment.

The National Environmental Policy Act provides for environmental impact statements to assess the impact of base realinements on local communities. But these studies do not include any estimates of the actual cost to the taxpayer of closing or reducing a base. The comprehensive studies required by this amendment will enable the congressional committees to better evaluate the net cost of proposed realinements.

In the case of Fort Devens in Massachusetts, this type of cost analysis convinced the President to maintain the base at present strength. The Army estimated that $5.8 million would be saved by reducing Fort Devens to a semiactive status. But transferring the functions of the base to other installations would have cost $156.4 million. Clearly, deactivating Fort Devens was not in the best interest of the taxpayers. My amendment would extend this cost-effectiveness analysis to any major reduction or closure proposed by the Pentagon.

My own experience with the proposed reduction of Loring Air Force Base in my district in Maine further illustrates why this legislation is needed.

As I indicated earlier, the National Environmental Policy Act requires the Department of Defense to prepare environmental impact statements before carrying out any base closure or reduction. This report is crucial in assessing the impact a closure or reduction would have on affected communities, yet the Air Force's draft environmental impact statement on Loring was shamefully inaccurate and inadequate. Hearings held in November in Maine clearly demonstrated that the draft environmental impact statement was riddled with errors, distortions, and omissions. Only after considerable pressure from the Maine delegation and concerned citizens in Aroostook County did the Air Force finally agree to revise the report using the proper data base.

But even in the revised report, no esti-

mate is given of the total cost to the taxpayer of reducing the base. We still do not know what the net cost of deactivating Loring would be in terms of increased unemployment, defaults on Small Business Administration and other Government-sponsored loans, manpower relocation costs, and increased Government assistance to the area.

What we do know is that the reduction would cause unemployment in the area to skyrocket to 22 percent, that many businesses would fail, and that the economy of the entire region would be severely depressed. Because of the unquestioned severity of the impact, I believe that reducing the base would be more costly, in terms of increased Government assistance to the area, than maintaining Loring at present strength. But without the thorough cost-effectiveness analysis provided for in this amendment, we simply do not know.

If the reduction of Loring would result in significant savings and if Loring were no longer necessary for our national defense, the people of Maine would accept the realinement. We ask only for a full justification of the proposed reduction. This amendment would provide that by requiring the Air Force to justify its case before the appropriate House and Senate committees.

This issue transcends the question of the survival of one airbase in northern Maine. It involves the role of Congress in exercising needed oversight of proposed base realinements. For too often in the past, instead of saving the taxpayer's dollars, base realinements have actually cost significant sums. Without interfering with our defense posture, we can insure that proposed realinements are truly in our national interest and that we are making the best use of our limited tax dollars.

I hope that each of my colleagues will join me in supporting this amendment.

Mr. ERTEL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Maine (Mr. COHEN) inasmuch as I also proposed a similar amendment that is printed in the RECORD.

Mr. EMERY. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment offered by the gentleman from Maine (Mr. COHEN).

Mr. Chairman, as a member of the Armed Services Committee, I rise in support of the amendment offered by my colleague from Maine (Mr. COHEN).

The Maine congressional delegation has seen, on several occasions in recent years, that the Pentagon often operates independently of congressional oversight, and often evades attempts of elected officials to force the military to justify its decisions—especially if those decisions have an adverse economic import on a State or on a given municipality. In short, the Pentagon often does what it likes, regardless of objectors of individual legislators or their constituents; or of valid questions they may raise.

The Cohen amendment would require the Pentagon to justify the facts and figures before Congress before implementing a decision to reduce civilian manpower at a base by 1,000 or more, or by 50 percent, whichever is smaller. I urge support of the amendment.

AMENDMENT OFFERED BY MR. LE FANTE TO THE AMENDMENT OFFERED BY MR. COHEN

Mr. LE FANTE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LE FANTE to the amendment offered by Mr. COHEN: Strike out paragraph (2) of subsection (a) of the proposed section 810 and insert in lieu thereof the following:

(2) a reduction in the authorized level of civilian personnel at any military installation—

(A) by more than one thousand or 50 per centum, whichever is smaller, in any twelve-month period; or

(B) by more than 250 in any twelve-month period, if the average rate of unemployment in the labor market area (as determined by the Secretary of Labor) in which the military installment is located is in excess of 8.5 per centum when measured over the three-year period ending with the date of the first public announcement of such reduction by the Department of Defense; or

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. LE FANTE. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Chairman, with reference to the amendment just offered by the gentleman from New Jersey (Mr. LE FANTE) to the amendment offered by the gentleman from Maine (Mr. COHEN), let me state that the committee cannot agree to the amendment to the amendment at this point, because no study has been made of the amendment. However, we are having hearings in the subcommittee, in the Military Construction Subcommittee, and we invite the gentleman to appear before the committee as a witness to explain his proposal.

So, Mr. Chairman, I would urge the gentleman to withdraw his amendment at this point and bring the matter up at the subcommittee hearing.

I do not really wish to accept something that has not been thoroughly examined and studied by the committee.

Mr. LE FANTE. Mr. Chairman, I thank the gentleman from Florida. I will be happy to appear before the subcommittee on Wednesday morning.

Mr. Chairman, I ask unanimous consent to withdraw my amendment to the amendment.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. COHEN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TREEN

Mr. TREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TREEN: on page 28, after line 2, add the following new section:

No funds authorized or appropriated under this or any other act shall be expended to purchase advertising media of any sort for the purpose of advertising the existence of the special discharge review program for certain individuals who served in the armed forces of the United States between August 4, 1964 and March 28, 1973 which was established by order of the Secretary of Defense on April 5, 1977.

On line 3, redesignated section 810 as section 811.

Mr. TREEN. Mr. Chairman, I think I can dispose of this in about 2 minutes. I think the Members will like this amendment, because it is simple; it saves money; and it should spare the Members a lot of mail from outraged taxpayers.

As we all know, less than a month ago the President of the United States authorized a program of upgrading discharges—undesirable and other less-than-honorable discharges—for Vietnam veterans. This program even includes deserters under certain circumstances. It seems that the Army is disappointed that only about 15,000 out of more than 432,000 eligible persons have come forward. So the Army is suggesting an advertising program, not only a public-service-announcement type advertising program, but perhaps the purchase of media time on television and radio to tell these people that they should come in and get their discharges upgraded.

My amendment does not prohibit in any way public service announcements by television, radio, or newspaper. It does prevent the taxpayers' money from being spent on paid advertising for these programs. I think that if we were to spend taxpayers' money for this, it would be the ultimate outrage, and I would suggest to the Members that they would receive an awful lot of mail from their constituents.

Mr. Chairman, I hope the Members will support the amendment.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Florida.

Mr. BENNETT. I thank the gentleman for yielding.

We agree to the amendment on this side.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from California.

Mr. BOB WILSON. I thank the gentleman for yielding.

We accept the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. TREEN).

The amendment was agreed to.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will be very brief.

I would like to ask the gentleman from Missouri, who is the author of section 809, a question about that.

Am I correct in understanding that the "complete and comprehensive study of the criteria used in determining whether commercial or industrial type functions at any Department of Defense installation should be performed by Department of Defense personnel or by private contractors," as required by section 809, is intended to include such matters as, first, any adverse impact of contracting-out on the civil service system and the employment of war veterans, and second, any adverse impact of con-

tracting-out on Government control over, and accountability for, certain essential missions related to national security?

Mr. ICHORD. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentlewoman from Colorado for asking this question, because I believe there is need for further legislative history so that the Department of Defense will know how to administer section 809.

The answer to the question of the gentlewoman from Colorado is yes. I might also state that subsection (a) directs the Secretary of Defense to conduct a study of the criteria used to determine if Defense personnel or private contractors should, at Defense installations, perform "commercial or industrial type functions." Page 26, lines 18 and 19.

The contracts included here are all those which entail work classified as the performance of services at Department of Defense installations.

Examples: Such contracts include providing guards, building maintenance, equipment maintenance—motor pool garage, computers, aircraft support, et cetera, food preparation and serving, laundry, clerical services, operational analysis—efficiency studies, weapon system evaluations, et cetera, manning to conduct work at Defense installations—operating computers, test ranges, and equipment, et cetera. This list is exemplary and not all inclusive.

Subsections (a) and (b) only pertain to contracts for work at Department of Defense installations. Contracts unique to the private section, such as commercial metal refining, machine manufacturing, aircraft manufacturing, et cetera, are not included.

Subsection (b) contains the words "commercial or industrial activities"—page 27, lines 4 and 5. These words are synonymous and have the same meaning and effect as the words used in subsection (a), "commercial or industrial type functions"—page 26, lines 18 and 19.

Subsection (c) directs the Secretary of Defense to submit a report listing the percentages of funds available, on the date of enactment of this act, for performance of research, development, test, and evaluation—R.D.T. & E.—work at or by any Department of Defense research and development facility which is obligated for R.D.T. & E. contracts.

The contracts included here are all those entered between Department of Defense laboratories and private contractors for R.D.T. & E. work and funded from appropriations authorized in title II of this act.

Subsection (b) directs that there shall be "no further conversion of commercial or industrial activities to be performed by contractors—before March 15, 1978." Page 27, lines 4, 5, and 6.

The effect on Department of Defense contracting authority, for such contracts, is to prohibit the Department of Defense from entering contracts which convert work performed, on the date of enactment of this act, by defense personnel to private contractors. This prohibition expires on March 15, 1978. The word "conversion" here applies to work performed by defense personnel not to work presently performed by private contractors. Thus, the Defense Department can enter into contracts to continue work presently performed by private contractors and contracts for new work which do not eliminate jobs for defense personnel.

Subsection (c) directs that the percentage of funds available, on the date of enactment of this act, at Department of Defense laboratories which are obligated for R.D.T. & D. contracts shall not be increased "until the Congress determines that decreasing the percentage of such work performed by Department of Defense personnel is in the national interest or until March 15, 1978, whichever occurs first." Page 27, lines 12, 13, 14, and 15.

The prohibition on increasing the percentage of funds obligated for R.D.T. & E. contracts at Department of Defense laboratories expires on March 15, 1978.

Mrs. SCHROEDER. I thank the gentleman, and I yield back the remainder of my time.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. STRATTON was allowed to proceed out of order.)

SOUTHERN FLANK OF NATO IN REAL TROUBLE

Mr. STRATTON. Mr. Chairman, I take this time because, although we have spent now 2 important days on the defense of our country, I think that there are some areas of activity in this House, outside the purview of the House Armed Service Committee that could actually mean that the money we are authorizing for weapons and personnel in this bill might not be used properly or prove worthless.

One of the things that bothers me very deeply is although much of the money in this bill has gone to NATO and for the defense of NATO, one of the very important parts of NATO, the southern flank of NATO is actually in real trouble today. Ever since the congressionally mandated arms embargo on Turkey in 1974, the military posture of Turkey, which has otherwise the largest army in NATO, second only to the United States, is in a complete shambles. They cannot even get spare parts for their helicopters.

The President the other day recommended that we extend to Turkey about $135 million in military aid in spite of the embargo. But that request is being held up, as I understand it, in the International Relations Committee, because some Members feel that nothing should be sent to Turkey until after the Cyprus matter has been settled.

At the present time the Russians are wooing the Turks, trying to lure them away from NATO. If the Russians should succeed in wooing Turkey away from NATO, look on this map at what would happen. Here is Turkey, down here at the juncture with the Soviet Union. Turkey controls the Bosporus. No ships can get out into the eastern Mediterranean in the event of hostilities if the Turks are on NATO's side. But if Turkey switches there is no longer a bar in the Bosporus and the Dardanelles. Turkey also stands in the way of a Soviet drive into the Middle East, including Israel; but if Turkey switches to the other side there will be no longer any bar to the Soviet movement into the Middle East.

Since we no longer have those early warning intelligence stations, we will not even know when the Soviets are getting ready to move.

Although this matter of military aid to Turkey is not within the purview of the Military Affairs Committee, unfortunately, in my judgment, this is something that concerns the defense of our Nation and I hope the leaders of this House will use every effort to get that aid request out of the International Relations Committee so this assistance can be made available to Turkey so we can get them back into NATO, and strengthen its sagging southern flank.

Certainly I am as concerned about what is happening in Cyprus as anybody else. But we have to have some priorities with our national security, and obviously keeping Turkey in NATO is and should be one of our top priorities. So I apologize for taking this time out of order but I do think, to paraphrase Clemenceau, that "The security of this Nation is too important to be left entirely to the International Relations Committee."

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Is the gentleman saying the Russian bear is about to become a Turkey gobbler?

Mr. STRATTON. I think the problem is serious enough, even though the gentleman is a great humorist, that it deserves to be taken seriously even by him.

Mr. CHARLES H. WILSON of California. Mr. Chairman, if the gentleman will yield, is it not true that Greece has withdrawn from NATO also and we have a very serious problem that involves both Greece and Turkey?

Very frankly I have been a little fed up with the European countries on whom we are spending money to try to protect them and then when something comes up they disagree with, they drop out of NATO. For years we have taken care of them.

Mr. STRATTON. There is no question that Greece is also involved. The only thing is, I think Turkey has a somewhat more strategic position with relation to the Soviet Union.

Mr. Clark Clifford, our former Secretary of Defense, made a trip in February to both Greece and Turkey as the President's representative on the whole dispute. I do not know whether he has met with the International Relations Committee since his return but he has not given anything to the rest of us up here and I think he should be asked to make a full report to the Congress on his findings and his recommendations so we can develop some adequate solution to this very complex problem.

AMENDMENT OFFERED BY GARY A. MYERS

Mr. GARY A. MYERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY A. MYERS: Page 28, after line 2, insert the following new section:

SEC. 810. (a) (1) Each civilian officer or employee of the Department of Defense and each member of the Armed Forces who performs a decision-making function in the handling of any contract, or any bid or proposal for any contract, for which funds are authorized to be appropriated under this Act shall provide for the record a written statement identifying any significant financial interest he has in the contractor or the person submitting the bid or proposal, as the case may be. Notwithstanding any other provision of law, if such officer, employee, or member has a significant financial interest in any such contractor, the statement required by this subsection shall be made available to the public.

(2) The Secretary of Defense shall take appropriate disciplinary action, in accordance with existing law and regulations, against any civilian officer or employee of the Department of Defense or any member of the Armed Forces who knowingly violates paragraph (1).

(b) (1) Not later than the end of the 90-day period beginning on the date of enactment of this Act, the Secretary of Defense shall issue regulations to implement this section. Such regulations shall define "significant financial interest" and "decisionmaking function" for purposes of this section.

(2) The Secretary of Defense shall submit a report to the Congress not later than June 1, 1978, and annually thereafter, concerning the administration and enforcement of this section during the preceding calendar year.

Page 28, line 3, strike out "810" and insert in lieu thereof "811".

Mr. GARY A. MYERS. Mr. Chairman: As you know I have offered similar "sunshine in Government" amendments to previous pieces of authorizing legislation to require public financial disclosure by Federal officials of their holdings in firms or organizations applying for Government contracts, grants or other financial assistance. The objective of all these amendments has been the same: To prevent favoritism by Federal employees and to open the processes of Government to the American public.

However, I have decided to withdraw my amendment to H.R. 5970, the military authorizations for 1978. I have made this decision primarily because the Post Office and Civil Service Committee's Employee Ethics and Utilization Subcommittee, under the able direction of Mrs. SCHROEDER, has already begun comprehensive hearings into the subject of "financial disclosure requirements for Federal employees"—hearings that will apply to the more than 1 million civilian employees of the Department of Defense.

Since the topic of appropriate financial disclosure is so important, and since many of the more than 2 million service men and women employed by the Department of Defense are involved in contracting or bidding activities, I would urge the Armed Services Committee to also consider reviewing financial disclosure requirements in the near future.

In light of the ongoing investigations in the area of financial disclosure of civilian employees and in hopes that similar hearings will be convened to cover military personnel, I am withdrawing my amendment at this time.

Mr. Chairman, I ask unanimous consent to withdraw the amendment I have offered.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Hughes: On page 28, after line 2, insert the following new section (and redesignate section 810 as 811):

SEC. 810. (a) No officer who is on a retired list of the Army, Navy, Marine Corps, or Air Force in the grade of colonel or captain (Navy), or above, and no former officer of the Army, Navy, Marine Corps, or Air Force who served in such grade at any time during the 12-month period preceding his separation from the armed forces may, during the 3-year period beginning on the date such officer is discharged or released from active duty, be employed by, or accept compensation for employment from, any person who is or has been a party to any contract for the provision of goods or services to the United States if such officer or former officer, while serving on active duty in the grade of colonel or captain (Navy), or higher, during the 3-year period ending with such discharge or release from active duty, participated personally and substantially, through decision, recommendation, investigation, or otherwise, in the awarding of such contract.

(b) No fulltime officer or employee of the Department of Defense who was at any time during the twelve months preceding the termination of his employment with the Department compensated under the Executive Schedule or compensated at or above the annual rate of basic pay for grade GS–16 of the General Schedule may, during the 3-year period beginning on the date of the termination of his employment with the Department, be employed by, or accept compensation from, any person who is or has been a party to any contract for the provision of goods or services to the United States if such officer or employee, while compensated under the Executive Schedule or compensated at or above the annual rate of basic pay for grade GS–16 of the General Schedule, during the 3-year period ending with the termination of his employment by the Department, participated personally and substantially, through decision, recommendation, investigation, or otherwise, in the awarding of such contract.

(c) Any person who violates subsection (a) or (b) shall be assessed a civil penalty of the amount of compensation received by such person in the course of, or as a result of, such violation.

(d) This section shall apply to any retired officer or former officer described in subsection (a) who is discharged or released from active duty after the end of the six-month period beginning with the date of enactment of this section, and to any former officer or employee described in subsection (b) who ceases to be employed by the Department of Defense after the end of the six-month period beginning with the date of enactment of this section.

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, the amendment I am offering is intended to deal with the long-standing problem of conflicts of interest in Government. The amendment is identical in purpose to the one I offered last year to the Defense Officer Personnel Management Act, and which was agreed to by a vote of 209 to 137.

In the last Congress, I also offered similar amendments affecting top level regulatory and purchasing officials at the Interior Department and ERDA, which were also agreed to by this body.

In essence, my amendment states that if a top-level officer or employee of the Defense Department is involved in granting a contract to a specific defense contractor, that officer or employee may not thereatfer go to work for that defense contractor for a period of 3 years following his separation from the Defense Department.

It is designed to deal with the free exchange of jobs between those who buy for the Pentagon, and those who sell to the Pentagon. This is one facet of what our esteemed former President, Dwight D. Eisenhower, called the "military-industrial complex."

Since we last agreed to this amendment, a number of events have occurred that serve once again to emphasize the need to put a wedge in the revolving door between the highest levels of Government and industry.

For one, Common Cause released a study indicating that between 1969 and 1973, 1,406 Defense Department officers and employees left the Department to take jobs with defense contractors. More significantly, 379 of those employees went to work for contractors that they dealt with while in office or that were under their official jurisdiction.

More recently, Senator PROXMIRE released information indicating that the number of high-level military officers transferring to defense industry jobs has skyrocketed in the past year, from 620 in 1975 to 1,044 in 1976, an increase of 68 percent. Large increases in the number of civilian employees going to private defense jobs were also noted.

Among those are a number of specific examples of officers and employees who were in charge of a major weapons program going to work for the same contractor who is supplying the weapons. This is a situation which must inevitably undermine the faith of the American people in the process through which defense contracts are awarded to private industry.

My amendment is carefully and narrowly drawn to deal with the specific problem without being unfair to those officers who, for entirely legitimate reasons, are moving into private industry.

It does not apply to all officers and employees: only to those serving in the rank of colonel or above, or captain or above in the case of a Navy officer. In the case of civilian employees, it would apply only to those compensated under

the executive schedule, or at a rate of GS–16 or higher.

It is not an across-the-board prohibition of all employment with defense contractors: only those which the former officer or employee was involved with while on active duty.

It is not a permanent disqualification: It would last for a period of only 3 years.

I urge my colleagues to support this amendment. It would go a long way toward restoring public confidence in the integrity of the defense contracting process and draw a clear, distinct line between the buyers and the sellers of Government goods and services.

Thank you.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Chairman, I would like to say we have given consideration to this amendment on this side. As we know, it was passed overwhelmingly in the House before. I am the author of legislation that has been introduced for years quite similar to this. We will do the very best we can to sustain it, in spite of possible opposition on the Senate side. We will do our very best to get it in the law at this time and we agree to it and accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. HUGHES).

The question was taken; and on a division (demanded by Mr. BAUMAN), there were—ayes 95, noes 7.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. QUAYLE

Mr. QUAYLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUAYLE: Page 25, line 24, insert "(a)" after "Sec. 808".

Page 26, after line 15, insert the following new subsection:

(b)(1) The Secretary of Defense may not conduct any test or experiment involving the use of any chemical or biological agent on civilian populations unless local civilian officials in the area in which the test or experiment is to be conducted are notified in advance of such test or experiment, and such test or experiment may then be conducted only after the expiration of the 30-day period beginning on the date of such notification.

(2) Paragraph (1) shall apply to tests or experiments conducted by Department of Defense personnel and tests or experiments conducted on behalf of the Department of Defense by contractors.

Mr. QUAYLE. Mr. Chairman, I rise to offer an amendment to this authorization bill.

I believe that, in the matter of chemical and biological testing, residents of the test area should be given as much notice as the members of the Committees on Armed Services. I ask that local civilian authorities be given 30 days' advance warning of any tests or experiments, which will be conducted on civilian populations, whether by the Department of Defense or by private contractors for the Department.

The need for this provision in the defense authorization became clear to me earlier this year, when it was made public that the Department of Defense had conducted tests on the city of Fort Wayne, Ind., without the knowledge or consent of the residents of the city as to the true nature of the tests. In the period from 1964 to 1966, Fort Wayne had been subject to a series of atmospheric diffusion tests using zinc cadmium sulfide. Large weather balloons were floated to retrieve these particles as they were dropped through the air, thus measuring their rate of dispersal over the city. When citizens inquired as to the nature of these balloons and other testing equipment, they were led to believe that the tests were actually measuring air pollution. They were not informed that these tests were part of the Department's field testing of antipersonnel biological stimulants.

Presumably the tests had no ill effect on the residents of Fort Wayne and its environs, but I believe that this type of lack of openness and information does not serve to foster confidence and trust in the Nation's military. If the experiments were harmless, I doubt that anyone would have seriously objected to the use of Fort Wayne as testing grounds. I also believe that a frank discussion with city officials prior to the start of the tests, explaining the true purpose of the tests, would have done a great deal to allay the suspicions and fears which arose earlier this year when the information was finally released.

Since learning of these tests, I have attempted to find out from the Defense Department their current policy toward such testing of civilian populations. In a letter which arrived this week from the Assistant Secretary of the Army for Research and Development, I was told:

There are no tests currently being conducted in the chemical or biological program which involve the civilian population. All activities in the biological warfare program except for a small biological defense activity were terminated in 1969. Should any tests be required in the future, they would be planned, coordinated and conducted in accordance with the statutes governing public health and environment at that time.

I feel that this answer is vague and inconclusive. It leaves open the option which was exercised in 1964: large-scale experiments on civilian populations without fully explaining or even notifying the residents of these areas. Since the Secretary of Army will rely on legislation for policy, I see no alternative but to place this requirement of mandating prior notice to citizens being affected.

The 30-day notice stipulated in my amendment should not place a burden on the Defense Department. It correlates with the notice which the Department must give the House and Senate Armed Services Committees prior to such testing, and should not entail any substantial additional cost.

I urge the support of my colleagues in this amendment. We are dealing with the health and environment of the residents of our districts—and Fort Wayne was not alone in this testing; experiments took place in many sections of the country, including Hawaii, New York City, Florida, Alaska, and Washington, D.C. It is my belief that we should seek to guarantee our citizens some degree of protection from unannounced testing.

This amendment will simply restore the proper rights to those citizens who will be most directly affected by future testing.

Mr. BENNETT. Mr. Chairman, will the gentleman yield?

Mr. QUAYLE. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Chairman, the committee has studied this. As a matter of fact, the author of this amendment has been most considerate to the committee. The gentleman has talked with the committee and made some changes in what the gentleman originally proposed. As it is, on this side we are prepared to accept it.

Mr. TUCKER. Mr. Chairman, I move to strike the last word. I rise in support of the amendment.

Mr. Chairman, I congratulate the gentleman for offering this amendment. The committee in working with the gentleman can make it a workable amendment. Such tests were conducted previously in my district and in my State. I think the gentleman's approach is a worthwhile approach to the bill and I appreciate it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. QUAYLE).

The amendment was agreed to.

Mr. BINGHAM. Mr. Chairman, the annual authorization bill for the Department of Defense's weapons, research and manpower programs always presents me with a difficult decision. I am opposed to many of the funds these bills authorize because I consider them variously unnecessary, excessively expensive, or destabilizing in a strategic sense. During the Vietnam war era, my opposition to that tragic mistake in our foreign policy combined with these reasons for opposition and made voting against the entire bill a relatively easy choice to make. Since the war ended in 1974, however, the question of support or opposition to the entire bill has become more difficult. Clearly many of the programs and force levels authorized in this legislation are necessary for our Nation's defense. These funds will provide the conventional and strategic weapons the United States must have to deter our foes from attacking us or undertaking military adventures elsewhere in the world.

On the other hand, much of the almost $36 billion authorized in this bill will only add to Pentagon fat and will not build up our military muscle. Moreover, several of the programs it authorizes add nothing to U.S. security but only add impetus to the senseless arms race that leads us to spend billions on progressively more expensive weapons. DOD is constantly seeking authorization for new weapons which they assert are needed to fill "requirements" produced by speculation and dream lists rather than realistic estimates of our own needs and our potential enemies' capabilities. I commend the Carter administration for putting the ax to a number of these programs. For

example, Secretary Brown ended the patrol hydrofoil missile program which had spent $105 million and built only one boat that did not work.

There is a major need for caution and restraint in our arms development and purchasing policies. I recall that in 1971, after the crash of the second test flight of the Navy's F-14 aircraft, I began to warn the Congress that a more careful and scrutinizing approach was necessary before a decision was made to deploy the F-14 on a widespread basis. Despite this warning, the Congress followed the Pentagon's lead and rushed to appropriate large sums of money for the procurement of the F-14, but the aircraft's history has been marred by costly, yet avoidable setbacks. Whereas test flights determined that the F-14 operated well in the vertical mode, it was found to be less maneuverable in the horizontal mode than the old F-4. The engine itself is inadequate for the airframe of the plane and has forced the development of the new "B" engine to provide needed extra power. The combat readiness of the plane is poor as it constantly is in need of spare parts and repair.

These shortcomings could have been predicted from the early test flights as I warned, yet due to fears that the program would be canceled, or severely cut back, the Navy was eager to rush the plane into production. The bill before us today will approve $26 million, with many millions more to follow, to develop the "B" engine in order to correct mistakes that could and should have been avoided. While we probably have to spend these funds to improve the F-14, there are numerous weapons in this bill which should not be funded.

Foremost among these is the $1.1 billion authorized in this bill for the purchase of five B-1 bombers. The B-1 is the most expensive and one of the most unnecessary weapons programs this Nation has ever undertaken, and the President is still reviewing its ultimate fate. I hope that this is the last time provision for B-1 bombers will be seen in an authorization bill, and that the President, after completion of his review, will stand by his campaign statements and bring this unfortunate and unnecessary program to an end. Both the House and the Senate have come very close in the past to sounding the death knell for the B-1, only to be frustrated by intensive lobbying by the administration. If the President decides to end the B-1, I trust the Congress will back him up.

There are other wasteful programs in this bill. The $44.8 million increase for civil defense preparations is ridiculous, the result of drum beating by the Pentagon which has been ballyhooing the Russian civil defense program for months now. The idea that there is any effective way of protecting our country or theirs from complete destruction in the event of nuclear war is preposterous, and these funds are totally unnecessary. The military pension system needs drastic overhaul, but this bill leaves it untouched and authorizes $9.1 billion to pay military retirees lavish benefits. The Aspin amendment, which I support, would cut back the level of benefits to a still generous but more reasonable level. This bill also adds some $793 million to the amounts requested by the administration for the purchase of unnecessary fighter airplanes and submarines which were not included in the Pentagon's requests.

The list of wasteful items authorized in this bill could go on and on, but I think these few are sufficient to make my point. This is a bloated bill. The funds it misplaces into weapons and research are desperately needed in so many other areas here at home rebuilding our cities, providing needed services, and shoring up an economy which has 7 million people out of work.

Equally worrisome are the strategic programs in this bill which could make the task of negotiating limitations on strategic arms much more complicated if not totally impossible. The Department of Defense is fascinated by an alluring new weapon, the cruise missile, and the Armed Services Committee seems to have picked up the same infection. It is an attractive weapon on the surface—cheap, unmanned, versatile, and lethal. But the $325 million authorized for continued development of the cruise missile will bring us very close to full scale production of a weapon which could well be impossible to regulate under any SALT agreement. Because of its size and versatility, it is extremely unlikely that verifiable range or other limitations on the cruise missile, which would make possible a distinction between cruise missiles designed as tactical or strategic weapons, could ever be agreed to in SALT negotiations. Since cruise missiles can be launched from land, sea and air, and since the observable differences between strategic versus tactical or nuclear versus conventional cruise missiles are negligible, the Soviet SALT planners might not ever be sure that any negotiated limits on cruise missiles are being respected. Yet these fears seem to be almost totally discounted by Pentagon planners, and this bill will push the cruise missile program extremely close to the point where we will have created a weapon system that cannot be mutually controlled possibly dooming any chance of an end to the strategic arms race.

This bill also authorizes funds for an even more immediate threat to strategic arms limitations. I am referring to the modernization of the Minuteman III ICBM, the backbone of our land-based missile force. This bill authorizes the installation of the new MK-12A warhead and refinements in the NS-20 guidance system on our 550 Minuteman III missiles. These improvements will give our missiles far greater accuracy and yield per warhead, resulting in a 600 percent increase in their hard target kill capability. It is this capability which is at the heart of the so-called counterforce strategy which would allow an attack on the enemy's strategic forces. We claim to have no interest in a counterforce or first strike capability, yet these improvements will give us a 5-year lead over the Russians in our hard target kill capability.

It is deeply troubling to me that on the one hand, our arms control negotiators are making proposals to ban any improvements in existing missile systems, while on the other hand DOD is going full speed ahead in making such improvements. DOD seems to believe that the way to get the Russians to accept such a limit on qualitative improvements is to scare them into it. I am afraid the huge advantage these new warheads and guidance systems will give us will not encourage negotiation but will instead increase competition. It might be advisable to suspend the installation of these new systems for a limited period of time to give our SALT negotiators time to pursue an agreement to limit these improvements, and I will be working with the administration to explore this possibility in the coming months.

At least it is clear that nothing in this bill will preclude President Carter from pursuing the SALT negotiations and more particularly the proposals he has made. The manager of the bill, the gentleman from Florida (Mr. BENNETT), was good enough to confirm this point in a colloquy with me earlier in the proceedings.

That being the case, I return to the question with which I began, Should I cast my vote for or against this bill on final passage?

The argument for a negative vote is that it is the only way to express my unhappiness with many of the items included in this authorization; that it amounts in effect to a protest vote which does no harm because the bill is sure to pass anyway.

On the other hand, the customary procedure in this House is to support a measure if it is a fundamentally necessary one, even though amendments which a Member has favored are not adopted.

On balance, I am inclined at this point to change my position of recent years and to vote in favor of this authorization bill. I do so in large part as an indication of my fundamental support of the Carter administration, and particularly of the President's efforts to bring the arms race under control. In addition, there is the consideration that a high proportion of the funding authorized by this bill—perhaps as high as 90 percent—are in my judgment needed for our national security.

Mr. BEDELL. Mr. Chairman, I would like to make a brief comment on the B-1 bomber. I do not want the press and the public to get the idea that debate over the B-1 is dead simply because we have not said anything about it today and yet we are authorizing $1.1 billion for it in this bill.

I realize that President Carter is cur-

rently reviewing the program and that $1.1 billion is what is required to keep the program alive pending his review. I agree that we should let the President go ahead with his review before we do anything.

But at the end of this month or early May when the President gets his report from the National Security Council on the B–1, I feel there will have to be some entirely new and overwhelming evidence in favor of the B–1 or we should expect the President to live by his campaign promises to stop it. On June 12 last year, as a candidate, Mr. Carter said:

> The B–1 bomber is an example of a proposed system which should not be funded and would be wasteful of the taxpayers' dollars.

The B–1 would be the most expensive weapons system of all time with a fleet of 244 planes estimated to cost $22 billion. This does not even include the cost overruns which inevitably come with these programs. I personally feel this is a sheer waste and I want the people to know that this Congress is going to monitor the B–1's future very carefully. Today's authorization should not be seen as a go-ahead signal for this program.

Mr. LAGOMARSINO. Mr. Chairman, I would like to speak to a particular provision of H.R. 5970 which addresses the issue of "contracting out' various functions at military installations to the private sector. This has become an increasingly common trend among base commanders, apparently, at least in part, in an attempt to circumvent congressional mandated manpower ceilings, which incidentally are often too low to permit the commander from carrying out his assigned mission.

Section 801, title VIII of this bill accordingly requires the Department of Defense to report to Congress by the end of this year on the criteria used to decide whether private contractors or DOD personnel should conduct commercial and industrial functions at DOD installations, and on the portion of DOD funds at each facility going to private industry for research and development activities. Title VIII also places a moratorium on converting any commercial or industrial activities to private contract before March 15, 1978, and prohibiting DOD from increasing the percentage of funds spent from private industry R. & D. until the same date, unless Congress determines that a change would be in the national interest.

Mr. Chairman, I think this is an entirely appropriate step. People employed at military installations throughout our Nation are rightly concerned at being made sacrificial lambs on what may well be the altar of false economy. If a particular function is deemed to be essential then it should be performed by the personnel trained to do it, not hidden by contracts with the private sector, at least until there has been a much more thorough review. I do not think this is what President Carter has in mind with the adoption of zero base budgeting and I do not think it is what this Congress had in mind in setting DOD manpower ceilings.

The language in this bill will give us a chance to look at what is happening at the field level and make appropriate adjustments where they are indicated. Perhaps just as importantly, it will avoid morale problems and the unnecessary breakup of efficient teams at DOD installations now performing these functions.

Mr. WEISS. Mr. Chairman, I am voting against H.R. 5970, Department of Defense authorization for fiscal year 1978, because it authorizes an excessive amount of expenditures for military programs.

I believe we can meet our military and defense needs within a budget that is more restrictive than the budget authorized under this bill.

The House Armed Services Committee says in their report accompanying this bill (page 56 of H. Rept. 95–194):

> The Department must do a better job in "selecting out" weapons that are too expensive for the performance they provide, must avoid unnecessary duplication of effort, must place better emphasis on product improvement, must provide for better, *not* more test and evaluation, must provide more meaningful management review processes. . . .

Unfortunately, this bill does not heed that excellent advice and instead authorizes excessive expenditures and increments in our military programs.

H.R. 5970 adopts a policy of accelerating our "combat readiness." This fact becomes apparent when we realize that H.R. 5970 authorizes $3 billion more than the amount authorized last year—$2.79 billion of which is for new weapons procurement—and nearly $61 million more than the Department of Defense itself had requested.

This bill, if passed, would accept excessive wasteful increments in our military programs in the following manner: A large increase in our military force by a total of 16,000; continuation of an Active troop level of over 2 million individuals; the procurement of new military hardware in the nature of a $790 million increase over DOD's own procurement budget request; an increase in the budget for the Civil Defense Preparedness Agency of $44.8 million; and sustainment of our involvement in the wasteful and unnecessary B–1 bomber research and development program.

Over $1 billion is being authorized for that B–1 bomber program. The B–1 bomber duplicates the work of already existing weapons systems and has been adjudged both uneconomical and hazardous to the environment.

I cannot accept this excessive budget in the name of "combat readiness" or anything else.

It is for these reasons that I favor the solution offered by the transfer amendment, which we will consider later this week. This amendment, which I cosponsored with the distinguished gentleman from Maryland (Mr. MITCHELL) would amend the overall 1978 budget by permitting approximately $15 billion to be transferred from the military budget into badly needed domestic programs. This course of action, which in my judgment is much preferable to the course offered by H.R. 5970, would make efficiency cuts in the military budget and discard wasteful weapons procurement programs. It maintains our present high military preparedness capability while making funds available for much needed programs.

We have developed a first-strike and second-strike capability until we can destroy the Soviet Union and the whole human race three times over. With this fact in mind, I cannot in good conscience accept a budget that would redundantly augment that devastating ability by excessive increases in the defense budget.

I strongly urge my colleagues to oppose the passage of H.R. 5970.

Mr. Chairman, I feel compelled to make special note of the B–1 bomber and my opposition to its continued funding, the serious waste of public funds which it has involved and the irresponsible Government policy which has permitted its development to this point.

First, a strong indictment of the B–1 bomber program can be found in an examination of the costs which the program has extracted from America's financial resources: $4.372 billion over the last 6 years and an additional $1.4 billion more if we add the cost of its predecessor the B–70—which never materialized as a viable defense aircraft either. Even more frightening than these already expended funds, is the anticipated skyrocketing costs that will be incurred if B–1 bombers are manufactured on a mass scale: Over $16 billion by 1985. And now we are talking about $1.2 billion for five aircraft which have already experienced a great deal of depreciation in their value monetarily and strategically.

Second, the B–1 bomber program can be condemned on defense and strategic grounds. According to a Congressional Reference Service report the United States already possesses 6,842 ballistic missile-launched reentry vehicles versus 2,415 possessed by the Soviet Union. In addition the pending deployment of the Trident submarine will nearly double our SLBM—submarine launched ballistic missile—capability. In short, we already possess the defense capability that the B–1 bomber is supposed to provide—the capability to deliver a nuclear warhead before the Russians do. The B–1 bomber only duplicates that ability.

And the price for the B–1 bomber also includes the fact that it is a manned defense vehicle; while our chorus of ballistic unmanned missiles lines the hinterlands of this country. I cannot see any gain that can be won by manufacturing manned vehicles to deliver deadly warheads that already can be delivered automatically.

Third, let us not overlook the opportunity costs. Let us not overlook the many other things that we forego by

insisting on clinging to the B–1 through its dismal conclusion; the other ways we could be investing our money and employing the energies of our people. As a new Member of Congress I have had a particularly vivid view of this grim fact. As a member of the Subcommittee on Employment Opportunities of the Education and Labor Committee, I have seen how the youth employment program cannot over the next few years be developed to its full effectiveness, because of a lack of necessary funding—only 10 to 12 percent of targeted youth will be able to participate in that program. Other domestic programs suffer similar curtailment, because of overexpenditures in the defense area.

The Federal Government, including Congress, must learn to be less obsessed with programs like the B–1 bomber—programs which never seem to take off the ground while extracting terrible financial costs to us all without reaping any constructive returns. Our experience with the inept B–70 should have been heeded as early warning against this kind of waste.

Mr. Chairman, I am hopeful that the President will shortly announce that he is asking Congress to join him in terminating the B–1 program a senseless project which should be ended as soon as possible.

The CHAIRMAN. Are there any further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOLEY) having assumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5970) to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes, pursuant to House Resolution 492, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment adopted by the Committee of the Whole?

Mr. ASHBROOK. Mr. Speaker, I demand a separate vote on the so-called Treen amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: On page 28, after line 2, add the following new section:

"SEC. 811. No funds authorized or appropriated under this or any other act shall be expended to purchase advertising media of any sort for the purpose of advertising the existence of the special discharge review program for certain individuals who served in the armed forces of the United States between August 4, 1964 and March 28, 1973 which was established by order of the Secretary of Defense on April 5, 1977."

On line 3 redesignate section 811 as section 812.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 291, nays 96, answered "present" 1, not voting 45, as follows:

[Roll No. 150]

YEAS—291

Abdnor	Cornwell	Harsha
Addabbo	Cotter	Heckler
Akaka	Coughlin	Hefner
Alexander	D'Amours	Heftel
Allen	Daniel, Dan	Hightower
Andrews, N.C.	Daniel, R. W.	Hillis
Andrews, N. Dak.	Danielson	Hollenbeck
Annunzio	Davis	Holt
Applegate	de la Garza	Horton
Archer	Delaney	Howard
Armstrong	Dent	Hubbard
Ashbrook	Derrick	Huckaby
Badham	Derwinski	Hughes
Bafalis	Devine	Ichord
Barnard	Dickinson	Ireland
Bauman	Dingell	Jacobs
Beard, R.I.	Dornan	Jeffords
Beard, Tenn.	Duncan, Tenn.	Jenkins
Bedell	Edwards, Ala.	Jenrette
Benjamin	Edwards, Okla.	Johnson, Calif.
Bennett	Eilberg	Johnson, Colo.
Bevill	Emery	Jones, N.C.
Biaggi	English	Jones, Okla.
Blanchard	Erlenborn	Jones, Tenn.
Bolling	Ertel	Jordan
Bonker	Evans, Ga.	Kasten
Bowen	Evans, Ind.	Kazen
Breaux	Fary	Kelly
Brinkley	Fenwick	Kemp
Brooks	Fish	Ketchum
Broomfield	Fisher	Kindness
Brown, Mich.	Fithian	Krebs
Brown, Ohio	Flippo	Krueger
Broyhill	Flood	Lagomarsino
Buchanan	Flowers	Latta
Burgener	Flynt	Le Fante
Burke, Fla.	Ford, Tenn.	Leach
Burke, Mass.	Fountain	Lederer
Burleson, Tex.	Frey	Lent
Burlison, Mo.	Fuqua	Levitas
Butler	Gammage	Lloyd, Calif.
Byron	Gaydos	Lloyd, Tenn.
Caputo	Gephardt	Long, Md.
Carney	Gibbons	Lott
Carter	Gilman	Lujan
Cederberg	Ginn	Luken
Chappell	Glickman	Lundine
Clausen, Don H.	Goldwater	McClory
Clawson, Del	Gonzalez	McDade
Cleveland	Gradison	McDonald
Cochran	Grassley	McEwen
Cohen	Gudger	McKay
Coleman	Guyer	McKinney
Collins, Tex.	Hall	Mahon
Conable	Hamilton	Marks
Conte	Hammerschmidt	Martin
Corcoran	Hanley	Mathis
	Hansen	Mattox
		Mazzoli
Meeds	Risenhoover	Stump
Meyner	Roberts	Symms
Michel	Robinson	Taylor
Miller, Ohio	Rogers	Thone
Minish	Roncalio	Thornton
Mitchell, N.Y.	Rooney	Tonry
Mollohan	Rostenkowski	Traxler
Montgomery	Rousselot	Treen
Moore	Rudd	Trible
Moorhead, Calif.	Runnels	Tucker
Motti	Ruppe	Ullman
Murphy, N.Y.	Russo	Van Deerlin
Murphy, Pa.	Santini	Vander Jagt
Murtha	Sarasin	Vanik
Myers, Gary	Satterfield	Volkmer
Natcher	Sawyer	Waggonner
Neal	Scheuer	Walker
Nedzi	Schroeder	Walsh
Nichols	Schulze	Wampler
Nix	Sebelius	Watkins
O'Brien	Sharp	White
Oakar	Shuster	Whitehurst
Pepper	Sikes	Whitley
Perkins	Sisk	Whitten
Pettis	Skelton	Wiggins
Pickle	Skubitz	Wilson, Bob
Pike	Slack	Wilson, C. H.
Poage	Smith, Iowa	Wilson, Tex.
Pressler	Smith, Nebr.	Winn
Preyer	Snyder	Wirth
Pursell	Spellman	Wolff
Quayle	Spence	Wydler
Quie	St Germain	Wylie
Quillen	Staggers	Young, Alaska
Rahall	Stangeland	Young, Fla.
Railsback	Stanton	Young, Mo.
Regula	Steed	Young, Tex.
Rhodes	Steiger	Zablocki
Rinaldo	Stockman	
	Stratton	

NAYS—96

Ambro	Foley	Moorhead, Pa.
Ammerman	Ford, Mich.	Moss
Anderson, Ill.	Fraser	Nolan
Aspin	Giaimo	Nowak
AuCoin	Gore	Oberstar
Baldus	Hannaford	Obey
Baucus	Harkin	Ottinger
Bellenson	Harrington	Panetta
Bingham	Harris	Patterson
Blouin	Holtzman	Pattison
Boland	Kastenmeier	Pease
Bonior	Keys	Reuss
Brodhead	Kildee	Richmond
Brown, Calif.	Koch	Rodino
Burke, Calif.	Kostmayer	Rosenthal
Burton, John	LaFalce	Roybal
Burton, Phillip	Leggett	Seiberling
Carr	Lehman	Simon
Cavanaugh	McCloskey	Solarz
Clay	McFall	Stark
Conyers	McHugh	Steers
Cornell	Maguire	Stokes
Dellums	Markey	Studds
Dicks	Marlenee	Tsongas
Diggs	Metcalfe	Udall
Dodd	Mikulski	Vento
Downey	Mikva	Walgren
Drinan	Miller, Calif.	Waxman
Early	Mineta	Weaver
Edgar	Mitchell, Md.	Weiss
Evans, Colo.	Moakley	Whalen
Fascell	Moffett	Yates

ANSWERED "PRESENT"—1

Breckinridge

NOT VOTING—45

Anderson, Calif.	Forsythe	Myers, Ind.
Ashley	Fowler	Patten
Badillo	Frenzel	Price
Boggs	Goodling	Pritchard
Brademas	Hagedorn	Rangel
Chisholm	Hawkins	Roe
Collins, Ill.	Holland	Rose
Corman	Hyde	Ryan
Crane	Long, La.	Shipley
Duncan, Oreg.	McCormack	Teague
Eckhardt	Madigan	Thompson
Edwards, Calif.	Mann	Wright
Evans, Del.	Marriott	Yatron
Findley	Milford	Zeferetti
Florio	Murphy, Ill.	
	Myers, Michael	

The Clerk announced the following pairs:

Mr. Brademas with Mr. Crane.
Mr. Zeferetti with Mr. Findley.
Ms. Boggs with Mr. Pritchard.

Mr. Edwards of California with Mr. Madigan.
Mr. Milford with Mr. Forsythe.
Mr. Badillo with Mr. Hawkins.
Mr. Rangel with Ms. Collins of Illinois.
Ms. Chisholm with Mr. Fowler.
Mr. Anderson of California with Mr. Evans of Delaware.
Mr. Corman with Mr. Marriott.
Mr. Florio with Mr. Ashley.
Mr. Yatron with Mr. Frenzel.
Mr. Teague with Mr. Rose.
Mr. Price with Mr. Hagedorn.
Mr. Patten with Mr. Duncan of Oregon.
Mr. Roe with Mr. Eckhardt.
Mr. Shipley with Mr. Michael O. Myers.
Mr. Mann with Mr. Hyde.
Mr. Holland with Mr. Ryan.
Mr. Long of Louisiana with Mr. Goodling.
Mr. Thompson with Mr. McCormack.
Mr. Wright with Mr. Murphy of Illinois.

Mr. ROGERS changed his vote from "nay" to "yea," and Mr. WALGREN changed his vote from "yea" to "nay."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BENNETT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 347, nays 43, not voting 43, as follows:

[Roll No. 151]

YEAS—347

Abdnor	Brown, Mich.	Dicks
Addabbo	Brown, Ohio	Diggs
Akaka	Broyhill	Dingell
Alexander	Buchanan	Dodd
Allen	Burgener	Dornan
Ambro	Burke, Calif.	Downey
Ammerman	Burke, Fla.	Duncan, Tenn.
Anderson, Ill.	Burke, Mass.	Edgar
Andrews, N.C.	Burleson, Tex.	Edwards, Ala.
Andrews, N. Dak.	Burlison, Mo.	Edwards, Okla.
Annunzio	Butler	Eilberg
Applegate	Byron	Emery
Archer	Caputo	English
Armstrong	Carney	Erlenborn
Ashbrook	Carter	Ertel
Ashley	Cavanaugh	Evans, Colo.
Aspin	Cederberg	Evans, Ga.
AuCoin	Chappell	Evans, Ind.
Badham	Clausen, Don H.	Fary
Bafalis	Clawson, Del	Fascell
Barnard	Cleveland	Fenwick
Baucus	Cochran	Fish
Bauman	Cohen	Fisher
Beard, R.I.	Coleman	Fithian
Beard, Tenn.	Collins, Tex.	Flippo
Benjamin	Conable	Flood
Bennett	Conte	Flowers
Bevill	Corcoran	Flynt
Biaggi	Cornwell	Foley
Bingham	Cotter	Ford, Mich..
Blanchard	Coughlin	Ford, Tenn.
Boland	D'Amours	Fountain
Bolling	Daniel, Dan	Fowler
Bonker	Daniel, R. W.	Frey
Bowen	Danielson	Fuqua
Breaux	Davis	Gammage
Breckinridge	de la Garza	Gaydos
Brinkley	Delaney	Gephardt
Brodhead	Derrick	Giaimo
Brooks	Derwinski	Gibbons
Broomfield	Devine	Gilman
Brown, Calif.	Dickinson	Ginn
Goldwater	Markey	Glickman
Gonzalez	Marks	Sawyer
Gore	Marlenee	Scheuer
Gradison	Marriott	Schroeder
Grassley	Martin	Schulze
Gudger	Mathis	Sebelius
Guyer	Mattox	Seiberling
Hall	Mazzoli	Sharp
Hamilton	Meeds	Shuster
Hammer-schmidt	Michel	Sikes
Hanley	Mikulski	Simon
Hannaford	Miller, Ohio	Sisk
Hansen	Mineta	Skubitz
Harris	Minish	Slack
Harsha	Mitchell, N.Y.	Smith, Iowa
Heckler	Moakley	Smith, Nebr.
Hefner	Mollohan	Snyder
Hightower	Montgomery	Solarz
Hillis	Moore	Spellman
Hollenbeck	Moorhead, Calif.	Spence
Holt	Moorhead, Pa.	St Germain
Horton	Moss	Staggers
Howard	Mottl	Stangeland
Hubbard	Murphy, N.Y.	Stanton
Huckaby	Murphy, Pa.	Steed
Hughes	Murtha	Steers
Ichord	Myers, Gary	Stelger
Ireland	Myers, Michael	Stockman
Jacobs	Natcher	Stratton
Jeffords	Neal	Stump
Jenkins	Nedzi	Symms
Jenrette	Nichols	Taylor
Johnson, Calif.	Nix	Thompson
Jones, N.C.	Nowak	Thone
Jones, Okla.	O'Brien	Thornton
Jones, Tenn.	Oakar	Tonry
Jordan	Panetta	Traxler
Kasten	Patterson	Treen
Kazen	Pease	Trible
Kelly	Perkins	Tsongas
Kemp	Pettis	Tucker
Ketchum	Pickle	Udall
Keys	Pike	Ullman
Kindness	Poage	Van Deerlin
Krebs	Pressler	Vander Jagt
Krueger	Preyer	Vanik
LaFalce	Pursell	Vento
Lagomarsino	Quayle	Volkmer
Latta	Quie	Waggonner
Le Fante	Quillen	Walgren
Leach	Rahall	Walker
Lederer	Railsback	Walsh
Leggett	Regula	Wampler
Lehman	Reuss	Watkins
Lent	Rhodes	Waxman
Levitas	Rinaldo	Whalen
Lloyd, Calif.	Risenhoover	White
Lloyd, Tenn.	Roberts	Whitehurst
Long, Md.	Robinson	Whitley
Lott	Rodino	Whitten
Lujan	Rogers	Wiggins
Luken	Roncalio	Wilson, Bob
Lundine	Rooney	Wilson, C. H.
McClory	Rose	Wilson, Tex.
McCloskey	Rostenkowski	Winn
McDade	Rousselot	Wolff
McDonald	Rudd	Wydler
McEwen	Runnels	Wylie
McFall	Ruppe	Yates
McHugh	Russo	Young, Alaska
McKay	Santini	Young, Fla.
McKinney	Sarasin	Young, Mo.
Mahon	Satterfield	Young, Tex.
		Zablocki

NAYS—43

Baldus	Harkin	Nolan
Bedell	Harrington	Oberstar
Beilenson	Holtzman	Obey
Blouin	Johnson, Colo.	Ottinger
Bonior	Kastenmeier	Pattison
Burton, John	Kildee	Richmond
Burton, Phillip	Koch	Roybal
Carr	Kostmayer	Stark
Clay	Maguire	Stokes
Conyers	Metcalfe	Studds
Cornell	Meyner	Weaver
Dellums	Mikva	Weiss
Drinan	Miller, Calif.	Wirth
Early	Mitchell, Md.	
Fraser	Moffett	

NOT VOTING—43

Anderson, Calif.	Crane	Forsythe
Badillo	Dent	Frenzel
Boggs	Duncan, Oreg.	Goodling
Brademas	Eckhardt	Hagedorn
Chisholm	Edwards, Calif.	Hawkins
Collins, Ill.	Evans, Del.	Heftel
Corman	Findley	Holland
	Florio	Hyde
Long, La.	Patten	Ryan
McCormack	Pepper	Shipley
Madigan	Price	Teague
Mann	Pritchard	Wright
Milford	Rangel	Yatron
Murphy, Ill.	Roe	Zeferetti
Myers, Ind.	Rosenthal	

The Clerk announced the following pairs:

On this vote:

Mr. Corman for, with Ms. Chisholm against.
Mr. Teague for, with Mr. Badillo against.
Mr. Zeferetti for, with Mr. Rangel against.
Mr. Mann for, with Mr. Rosenthal against.
Mr. Brademas for, with Mr. Edwards of California against.

Until further notice:

Mr. Holland with Mr. Eckhardt.
Mrs. Boggs with Mr. Pepper.
Mr Price with Mr. Shipley.
Mr Patten with Mr. Wright.
Mr Dent with Mr. Hyde.
Mr Evans of Delaware with Mr. Milford.
Mr. Ryan with Mr. Heftel.
Mr. Yatron with Mr. Forsythe.
Mr. Pritchard with Mrs. Collins of Illinois.
Mr. Roe with Mr. Madigan.
Mr. Florio with Mr. Frenzel.
Mr. Goodling with Mr. Crane.
Mr. John T. Myers with Mr. Hawkins.
Mr. McCormack with Mr. Long of Louisiana.
Mr. Duncan of Oregon with Mr. Findley.
Mr. Murphy of Illinois with Mr. Anderson of California.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE HONORABLE MELVIN PRICE

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BENNETT. Mr. Speaker, I have two technical matters to raise, but I want to take just a second or two before that. I want to say that it has been a great pleasure to handle the bill on the floor today. I am saying this primarily because I want to pay tribute to the man I served under before, the chairman of the Committee on Armed Services, the gentleman from Illinois (Mr. PRICE), who is in the hospital. The gentleman will be operated on later this week. The operation is not a major operation, but all of us pray that the gentleman gets well real quick and fully.

In my opinion, the gentleman from Illinois (Mr. PRICE) is certainly one of the best loved men this Congress has ever had. I would be hard put to find one more loved in the 30 years I have been here. I would say also the gentleman is one of the most able men that has been in the Congress, so it is a difficult thing to follow a man of such magnitude. We all wish the gentleman well and hope the gentleman gets well quickly.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I want

to join with the gentleman from Florida in wishing our distinguished chairman, the gentleman from Illinois (Mr. PRICE) well in the ordeal that the gentleman faces.

I also would like to commend the gentleman from Florida for the outstanding job the gentleman has done with great patience and great ability in the past 2 or 3 days as we have handled this bill.

Mr. BENNETT. Without the gentleman from New York (Mr. STRATTON) it could not have been done.

Mr. STRATTON. Mr. Speaker, I know the gentleman stepped into the breach at the last minute and succeeded in getting this bill through, I think, with the biggest majority we have had in the last 4 or 5 years.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I think the gentleman has done an outstanding job. Of course, the gentleman from Illinois (Mr. PRICE) is one of the best loved men in the House. If I were to pick somebody equally well loved, it is the gentleman who managed this bill today. I did not vote for the bill because of my personal affection for either the chairman or the gentleman from Florida, but it does seem to me that not only has a very careful, professional job been done on this, probably the best in recent years, but that the advice of the administration has been largely followed. They have tried to come in with what is a reasonable effort. I think they deserve some support. For that reason, I probably have raised a few eyebrows by voting "aye."

Mr. BOB WILSON. Mr. Speaker, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Speaker, I had the privilege a few moments ago of speaking to our chairman, the gentleman from Illinois (Mr. PRICE) in the hospital, and informed the gentleman that the gentleman from Florida (Mr. BENNETT) had done a magnificent job of shepherding this bill through the Congress. The gentleman from Illinois was very happy about it. The gentleman seemed in good spirits. The gentleman is going to be out for a couple weeks, but all of us, I know, wish the gentleman well.

Mr. Speaker, I want to extend my congratulations to the gentleman from Florida (Mr. BENNETT) for the excellent way the gentleman has handled this bill. It went through without any problem. It has been a pleasure to work with the gentleman from Florida.

PERSONAL EXPLANATION

Mr. SCHEUER. Mr. Speaker, on rollcall 150, on the so-called Treen amendment just preceding final passage of H.R. 5970, I made an error and voted aye.

I meant to vote no. I am sorry that I did not vote no, and I deeply regret, on an issue of such deep moral significance, that I made a mistake and voted in a way contrary to my intention.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN PUNCTUATION, SECTION NUMBERS, AND CROSS REFERENCES IN ENGROSSMENT OF H.R. 5970

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that the Clerk may be authorized to make corrections in punctuation, section numbers, and cross references in the engrossment of the bill H.R. 5970.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

GENERAL LEAVE

Mr. BENNETT. Mr. Speaker, I ask unanaimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill H.R. 5970.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

H.R. 5970

(Mr. BOB WILSON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOB WILSON. Mr. Speaker, I rise again in support of H.R. 5970, the fiscal 1978 authorization bill which covers every major element of our defense.

This bill is, of course, of great importance for the specific authorizations that it recommends to the House. But its implications go far beyond the procurement, the research and development, and the other highly varied authorities that it would grant. The bill in addition to all this has the further function of setting the tone and establishing the policies that will guide our defense both in the short and the long term. In this way it goes well beyond the provision of these authorities in that it informs the Members of this House as to where we are today with respect to our defense, and also where we intend to go for the future.

The committee started its hearings on this bill months ago and has examined every request made by the executive branch in the most detailed fashion. Here and there the committee found itself in disagreement with the Pentagon, but any changes that were made in the budget requests were made only after the closest study and after full and free discussion in the committee.

It has always been the view of the Armed Services Committee that, as the representative committee for this House in defense matters, it is responsible for direct participation in the determination of our defense policy. It does not merely accept what is proposed to it but makes its own determinations based upon testimony presented to it by the civilian and military leaders of the Department of Defense. This has been our view and practice over the years, and this year is no different. The committee, under its charter, has a duty to recommend to the House what it believes to be necessary to maintain this country's defense at a level of strength and capability that will at the one time protect our people and prevent any major breech of the peace of the world.

This is not a partisan bill and it does not come from a partisan committee. There are, of course, disagreements within the committee from time to time, and I, for one, would have it no other way. But we do work out our differences, and this year, again, we have brought to the floor a bill that represents the best thinking of all of us, a bill that warrants the full support of all Members. We are your agents and I think we have performed well for you.

This bill covers thousands of individual items, all of them important. Some of them are quite small from a money standpoint but nonetheless are essential from the standpoint of insuring a high scientific and technological level for programs that will develop in the future. I am pleased that this body has accepted the bill in almost the identical form in which we presented it.

Members of the House are familiar with many of the programs involved in this bill either because of the high cost involved or the obvious importance of the particular system. We all are familiar, for example, with the B–1, the cruise missile, the Trident ballistic missile submarine, and recently we have heard and read a great deal about an aircraft that will be entering our inventory in the near future, the F–16.

The news has all been good about the F–16, and I think it warrants some brief remarks in order that there may be an even greater understanding of what an advance this small fighter aircraft represents.

From the standpoint of cost it represents a reversal of our recent experience with new weapons systems, and from the standpoint of performance it has opened up a new vista of capability. It is difficult to believe that an aircraft the size of the F–16 can demonstrate such speed, persistence in combat, weight-carrying capability, and range. This is our first experience with an aircraft of this kind. It is axiomatic that aircraft are bought by the pound, the fewer the pounds, the lower the cost. All of the experience over the years in fighter aircraft has proved this formula to be mathematical in its certainty. And the development of the F–16 has, I think, established a principle that should be our guide for the future: Tell our high technology private industry what it is we need in an aircraft, establish a price for the aircraft beyond which the Government is unwilling to go, and then leave it up to the genius of our manufacturers to come up with what is needed. The F–16 is an admirable example of this principle.

In Vietnam we learned—the hard way—that our big fighter aircraft simply were not the equal of the very much

smaller and very much more agile Soviet fighters. And it was the experienced fighter pilots themselves who asked for a small, persistent, and highly agile aircraft that would permit them to take on this kind of fighting job and be sure that they could out-turn, out-run, and outmaneuver the aircraft it faced in battle. The F-16 is the answer that those fighter pilots were looking for. It does everything that they said that they needed to do, and has exceeded even their hopes and expectations.

We did what we set out to do. We have developed a high-performance aircraft that proves what the industry of this country is capable of when given a problem and then left alone to provide the answer. The F-16 is, without question, the finest small inexpensive fighter aircraft in the world today. The testing so far proves all of this conclusively.

And however you figure it: The cost of development, the program or flyaway cost, or costs to operate, the F-16 comes out lowest in every category.

Mr. Speaker, H.R. 5970 is sound, well studied, and responsible defense legislation. I urge the support of all Members.

WAIVING ALL POINTS OF ORDER AGAINST AMENDMENT REVISING CONGRESSIONAL BUDGET FOR FISCAL YEAR 1977 IF OFFERED TO HOUSE CONCURRENT RESOLUTION 195.

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 95-220) on the resolution (H. Res. 515) waiving all points of order against an amendment revising the congressional budget for the U.S. Government for the fiscal year 1977 if offered to House Concurrent Resolution 195, which was referred to the House Calendar and ordered printed.

CONFERENCE REPORT ON H.R. 3843, SUPPLEMENTAL HOUSING AUTHORIZATION ACT OF 1977

Mr. REUSS submitted the following conference report and statement on the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 95-221)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Supplemental Housing Authorization Act of 1977".

TITLE I—SUPPLEMENTAL AUTHORIZATIONS AND EXTENSIONS OF HUD PROGRAMS

AMENDMENTS TO THE UNITED STATES HOUSING ACT OF 1937

SEC. 101. (a) The first sentence of section 5(c) of the United States Housing Act of 1937 is amended by striking out "and by $850,000,000 on October 1, 1976" and inserting in lieu thereof "and by $1,228,050,000 on October 1, 1976".

(b) Section 9(c) of such Act is amended by striking out "and not to exceed $576,000,000 on or after October 1, 1976" and inserting in lieu thereof "and not to exceed $595,600,000 on or after October 1, 1976".

(c) Section 8(e)(1) of such Act is amended—

(1) by striking out "two hundred and forty months" in the first sentence and inserting in lieu thereof "three hundred and sixty months, except that such term may not exceed two hundred and forty months in the case of a project financed with assistance of a loan made by, or insured, guaranteed or intended for purchase by, the Federal Government, other than pursuant to section 244 of the National Housing Act"; and

(2) by striking out "In the case of" in the second sentence and inserting "Notwithstanding the preceding sentence, in the case of".

GENERAL INSURANCE FUND

SEC. 102. Section 519(f) of the National Housing Act is amended by striking out "$500,000,000" and inserting in lieu thereof "$1,341,000,000".

URBAN HOMESTEADING DEMONSTRATION

SEC. 103. Section 810(g) of the Housing and Community Development Act of 1974 is amended by striking out "not to exceed $5,000,000 for fiscal year 1977" and inserting in lieu thereof "not to exceed $15,000,000 for fiscal year 1977".

EXTENSION OF HUD INSURANCE AUTHORITIES

SEC. 104. (a) Section 1201 of the National Housing Act is amended—

(1) by striking out, in subsection (b)(1), "April 30, 1977" and inserting in lieu thereof "September 30, 1978";

(2) by striking out, in subsection (b)(1)(A), "April 30, 1978" and inserting in lieu thereof "September 30, 1981"; and

(3) by striking out in subsection (b)(2), "April 30, 1978" and inserting in lieu thereof "September 30, 1978".

(b) Section 122(d) of such Act is amended by inserting immediately before the period at the end thereof a comma and the following: "except that such term shall expire on September 30, beginning in either calendar year 1977 or 1978, as determined by the Secretary".

MISCELLANEOUS PROVISIONS RELATING TO MORTGAGE INSURANCE PROGRAMS

SEC. 105. (a) The first sentence of section 101(c) of title I of the Housing Act of 1949 is amended—

(1) by striking out "and no mortgage shall be insured, and no commitment to insure a mortgage shall be issued, under section 220 of the National Housing Act, as amended," and

(2) by striking out the first proviso.

(b) Section 220(d)(1)(A)(ii) of the National Housing Act is amended by striking out "in a community respecting which the Secretary of Housing and Urban Development has made the determination provided for by section 101(c) of the Housing Act of 1949, as amended".

CONSTRUCTION OF MODERATE INCOME HOUSING

SEC. 106. The first sentence of section 221(d)(4) of the National Housing Act is amended by striking out "other than a mortgagor referred to in subsection (d)(3) of this section,".

TITLE II—NATIONAL COMMISSION ON NEIGHBORHOODS

SHORT TITLE

SEC. 201. This title may be cited as the "National Neighborhood Policy Act".

FINDINGS AND PURPOSE

SEC. 202. (a) The Congress finds and declares that existing city neighborhoods are a national resource to be conserved and revitalized wherever possible, and that public policy should promote that objective.

(b) The Congress further finds that the tendency of public policy incentives to ignore the need to preserve the built environment can no longer be defended, either economically or socially, and must be replaced with explicit policy incentives encouraging conservation of existing neighborhoods. That objective will require a comprehensive review of existing laws, policies, and programs which affect neighborhoods, to assess their impact on neighborhoods, and to recommend modifications where necessary.

ESTABLISHMENT OF COMMISSION

SEC. 203. (a) There is hereby established a commission to be known as the National Commission on Neighborhoods (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of twenty members, to be appointed as follows:

(1) two Members of the Senate appointed by the President of the Senate;

(2) two Members of the House of Representatives appointed by the Speaker of the House of Representatives; and

(3) sixteen public members appointed by the President of the United States from among persons specially qualified by experience and training to perform the duties of the Commission, at least five of whom shall be elected officers of recognized neighborhood organizations engaged in development and revitalization programs, and at least five of whom shall be elected or appointed officials of local governments involved in preservation programs. The remaining members shall be drawn from outstanding individuals with demonstrated experience in neighborhood revitalization activities, from such fields as finance, business, philanthropic, civic, and educational organizations.

The individuals appointed by the President of the United States shall be selected so as to provide representation to a broad cross section of racial, ethnic, and geographic groups. The two members appointed pursuant to clause (1) may not be members of the same political party, nor may the two members appointed pursuant to clause (2) be members of the same political party. Not more than eight of the members appointed pursuant to clause (3) may be members of the same political party.

(c) The Chairman shall be appointed by the President, by and with the advice and consent of the Senate, from among the public members.

(d) The executive director shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals recommended by the Commission.

DUTIES

SEC. 204. (a) The Commission shall undertake a comprehensive study and investigation of the factors contributing to the decline of city neighborhoods and of the factors necessary to neighborhood survival and revitalization. Such study and investigation shall include, but not be limited to—

(1) an analysis of the impact of existing

Federal, State, and local policies, programs, and laws on neighborhood survival and revitalization;

(2) an identification of the administrative, legal, and fiscal obstacles to the well-being of neighborhoods;

(3) an analysis of the patterns and trends of public and private investment in urban areas and the impact of such patterns and trends on the decline or revitalization of neighborhoods;

(4) an assessment of the existing mechanisms of neighborhood governance and of the influence exercised by neighborhoods on local government;

(5) an analysis of the impact of poverty and racial conflict on neighborhoods;

(6) an assessment of local and regional development plans and their impact on neighborhoods; and

(7) an evaluation of existing citizen-initiated neighborhood revitalization efforts and a determination of how public policy can best support such efforts.

(b) The Commission shall make recommendations for modifications in Federal, State, and local laws, policies, and programs necessary to facilitate neighborhood preservation and revitalization. Such recommendations shall include, but not be limited to—

(1) new mechanisms to promote reinvestment in existing city neighborhoods;

(2) more effective means of community participation in local governance;

(3) policies to encourage the survival of economically and socially diverse neighborhoods;

(4) policies to prevent such destructive practices as blockbusting, redlining, resegregation, speculation in reviving neighborhoods, and to promote homeownership in urban communities;

(5) policies to encourage better maintenance and management of existing rental housing;

(6) policies to make maintenance and rehabilitation of existing structures at least as attractive from a tax viewpoint as demolition and development of new structures;

(7) modification in local zoning and tax policies to facilitate preservation and revitalization of existing neighborhoods; and

(8) reorientation of existing housing and community development programs and other tax and subsidy policies that affect neighborhoods, to better support neighborhood preservation efforts.

(c) Not later than one year after the date on which funds first become available to carry out this title, the Commission shall submit to the Congress and the President a comprehensive report on its study and investigation under this subsection which shall include its findings, conclusions, and recommendations and such proposals for legislation and administrative action as may be necessary to carry out its recommendations.

COMPENSATION OF MEMBERS

SEC. 205. (a) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission.

(b) Members of the Commission, other than those referred to in subsection (a), shall receive compensation at the rate of $100 per day for each day they are engaged in the actual performance of the duties vested in the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

ADMINISTRATIVE PROVISIONS

SEC. 206. (a) The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, but at rates not in excess of a maximum rate for GS-18 of the General Schedule under section 5332 of such title.

(b) The Commission may procure, in accordance with the provisions of section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants. Persons so employed shall receive compensation at a rate to be fixed by the Commission but not in excess of $100 per day, including traveltime. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently.

(c) Each department, agency, and instrumentality of the United States is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this title. The Chairman is further authorized to call upon the departments, agencies, and other offices of the several States to furnish, on a reimbursable basis or otherwise, such statistical data, reports, and other information as the Commission deems necessary to carry out its functions under this title.

(d) The Commission may award contracts and grants for the purposes of evaluating existing neighborhood revitalization programs and the impact of existing laws on neighborhoods. Awards under this subsection may be made to—

(1) representatives of legally chartered neighborhood organizations;

(2) public interest organizations which have a demonstrated capability in the area of concern; and

(3) universities and other not-for-profit educational organizations.

(e) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this title, hold hearings, take testimony, and administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or member thereof. Hearings by the Commission will be held in neighborhoods with testimony received from citizen leaders and public officials who are engaged in neighborhood revitalization programs.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 207. There are authorized to be appropriated not to exceed $1,000,000 to carry out this title.

EXPIRATION OF THE COMMISSION

SEC. 208. The Commission shall cease to exist thirty days after the submission of its report under section 204.

And the Senate agree to the same.

HENRY S. REUSS,
T. L. ASHLEY,
WILLIAM S. MOORHEAD,
FERNAND J. ST GERMAIN,
PARREN MITCHELL,
JERRY M. PATTERSON,
LES AUCOIN,
JAMES J. BLANCHARD,
GARRY BROWN,

Managers on the Part of the House.

WILLIAM PROXMIRE,
JOHN SPARKMAN,
HARRISON A. WILLIAMS, Jr.,
EDWARD W. BROOKE,
JAKE GARN,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—SUPPLEMENTAL AUTHORIZATIONS AND EXTENSIONS OF HUD PROGRAMS

FHA general insurance fund

Both the Senate amendment and the House bill provided for an increase in the authorization for losses incurred by the FHA General Insurance Fund from the current level of $500 million. The Senate bill would have authorized an increase in the Fund to $1 billion. The House bill would have authorized an increase to $1.341 billion. The Conference Report contains the House provision.

Federal crime and riot insurance programs

Basic Insurance Authority

The Senate amendment authorized an extension in basic riot reinsurance and crime insurance program authority from April 30, 1977, to April 30, 1978. The House bill authorized an extension from April 30, 1977, to September 30, 1978. The Conference Report contains the House provision.

Continuation of Policies in Force

The Senate amendment authorized continuation of basic riot reinsurance and crime insurance policies in force before April 30, 1978, to April 30, 1981. The House bill authorized such continuation to September 30, 1981. The Conference Report contains the House provision.

Liquidation and Termination of Riot Reinsurance and Crime Insurance Programs

The House bill contained a provision not in the Senate amendment extending the date that the Secretary of HUD must submit a plan for the liquidation and termination of riot reinsurance and crime insurance programs from April 30, 1978, to September 30, 1978. The Conference Report contains the House provision.

Miscellaneous provisions relating to mortgage insurance programs

Workable Program Requirement With Respect to Section 220 FHA Mortgage Insurance

The Senate amendment contained a provision not in the House bill which deleted the requirement that no mortgage shall be insured under Section 220 of the National Housing Act unless the locality in which the property is located has in effect a workable program for community improvement. The Conference Report contains the Senate provision.

Mortgagors Eligible for Section 221(d)(4) FHA Mortgage Insurance

The Senate amendment contained a provision not in the House bill which makes clear that mortgages insured under Sec. 221(d)(4) of the National Housing Act may be executed by a mortgagor which is a public body or agency, or a cooperative, limited dividend corporation or other entity, private nonprofit corporation or association, as well as a profit motivated entity, as defined by the Secretary. The Conference Report contains the Senate provision.

Emergency Homeowners' Relief Act

The Senate amendment contained two provisions not in the House bill which would

have amended the Emergency Homeowners' Relief Act. The first provision would have amended Section 102(a) to add a Congressional finding that "severe localized economic distress caused by the legal claims of the Mashpee Tribe in Mashpee, Massachusetts, may require the furnishing of assistance under this Act to avoid mortgage foreclosures and distress sales resulting from the temporary loss of employment and income." The second provision of the Senate amendment would have provided that assistance under the Act could be made available if a mortgagor's involuntary unemployment or underemployment is the result of adverse local, as well as national, economic conditions.

The Conference Report contains neither of the Senate provisions.

The conferees agreed that alternative legislative means would be found to address the problems arising out of the legal claims of the Mashpee Indians during consideration by the House and Senate of Fiscal Year 1978 housing and community development act authorizations.

TITLE II—NATIONAL COMMISSION ON NEIGHBORHOODS

The Senate amendment contained a provision not in the House bill which provides for the creation of a National Commission on Neighborhoods composed of 20 members. The Commission would undertake a comprehensive analysis of the factors that contribute to the decline of neighborhoods and are necessary to their survival and revitalization, and report its findings and recommendations for legislative and administrative action to the Congress and President within one year after funds became available. $1 million would be authorized to carry out the Commission's activities. The conferees accepted the Senate amendment with an amendment to delete the cost-benefit quantification required under Sec. 204(a)(8) of the Senate amendment.

It is expected that substantial efforts will be made in selecting Commission members to seek out and appoint qualified women and that, as a result of these efforts, a substantial number of Commission members will be women.

HENRY S. REUSS,
T. L. ASHLEY,
WILLIAM S. MOORHEAD,
FERNAND J. ST GERMAIN,
PARREN MITCHELL,
JERRY M. PATTERSON,
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Managers on the Part of the House.

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JAKE GARN,
Managers on the Part of the Senate.

ARMENIAN MEMORIAL DAY—APRIL 24, 1977

(Mr. BENJAMIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. BENJAMIN. Mr. Speaker, yesterday, the Armenians world over observed the 62d memorial of the Turkish genocide of the Armenian people, the first mass murder of a people in modern times.

April 24 is a day of mourning for nearly 2 million Armenians who were massacred or deported from their provinces in 1915. More than that, it is a reminder to the civilized world that the withholding, denying, or ignoring of justice because of political expediency has its consequence in the course of human misery. We were reminded of the unfortunate sequel to the Armenian atrocity by our colleagues, Representatives MIKULSKI of Maryland and GILMAN of New York who last week included remarks in the CONGRESSIONAL RECORD on "The Anniversary of the Warsaw Ghetto Uprising" and "Let Us Remember—The Holocaust." In commencing the ruthless murder of the Polish and Jewish peoples, Hitler alluded to the extermination of Armenians as a forgotten element and fact thereby offering collateral support for the conduct on which he was to embark.

The American people are well aware of the history of oppression of minorities in other lands. The strength of our own Nation is based in our tradition of receiving and caring for the oppressed from abroad.

Unfortunately, this tradition has had its exceptions to include the denial by the Congress in 1920 of the request of President Wilson to make the cause of Armenians "our own." On April 8, 1975, this House did adopt House Joint Resolution 148, introduced by Speaker O'NEILL and others to designate April 24 of that year as a "National Day of Remembrance of Man's Inhumanity to Man." While passing the House by a 332 to 55 vote, it was not considered further in the Senate.

While we commemorate April 24 as a day of infamy, I trust that we will convert that day into a day of action by advocating a solution.

In that respect, I ask the Subcommittee on Europe and the Middle East, Committee on International Relations, to consider opposition to any direct or indirect U.S. military or economic aid to Turkey subject to:

First. A total withdrawal from Cyprus of all Turkish troops and all "colonists" who have migrated to the island from Turkey since the illegal and unprovoked invasion of the Republic of Cyprus; also, a resettlement of all Greek and Armenian Cypriot refugees who wish to return to homes and appropriate reparations.

Second. Confirmation by appropriate, independent, international humanitarian organizations that repression in "modern" Turkey has ended and that there is indisputable evidence that:

The illegal imprisonment and torture of Turkish, Kurdish and other Moslem political dissidents has ceased.

Armenian, Greek, and Jewish citizens of Turkey enjoy in fact, as well as under law, all of the rights—individually and collectively—enjoyed by others, and that their churches, schools, press, and other institutions are free of discriminatory regulations and practices.

Third. Evidence that the Government of Turkey agree to take the first, positive steps toward a peaceful and just solution of the Armenian question, thereby opening a new era of Turkish-Armenian dialog and cooperation.

I also ask the subcommittee's influence and work for:

First. The U.S. State Department to not support or participate in Turkish attempts to deny or distort the truth about the Turkish genocide of the Armenians.

Second. The State Department to recognize and concern itself with the role and importance of the Armenian communities in the Middle East and in other parts of the world.

Third. U.S. policy to recognize and support the importance of a just, equitable and peaceful solution to the Amenian question.

Human rights, throughout the world, has to be the cornerstone of our foreign policy and the hallmark of our international commitments. Let us take another meaningful step in that direction as we join the Armenians in their commemoration of Memorial Day, 1977.

PRESIDENT'S HOSPITAL COST CONTAINMENT LEGISLATION

The SPEAKER pro tempore (Mr. FOLEY). Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 60 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, President Carter, in a message to the Congress today, has proposed legislation to constrain rapidly escalating hospital costs. I am pleased to join with my colleague from Florida, the Honorable PAUL ROGERS, in introducing the President's cost containment legislation, H.R. 6575. Chairman ROGERS and I are today announcing that public hearings on the President's proposal and the general issue of hospital cost containment will be held on May 11, 12, and 13. These will be joint hearings before the Interstate and Foreign Commerce Committee's Subcommittee on Health and the Environment, chaired by Mr. ROGERS, and before the Ways and Means Committee's Subcommittee on Health, which I chair.

The President's proposal addresses a very serious issue. Each year the total costs of hospital care increase another 15 percent. These costs, unless checked, will double in 5 years. Those of us who need to guard the financial solvency of the medicare program must be concerned about increases of this magnitude. State governments, whose budgets are upset as the costs of the medicaid program soar, and all who pay for hospital care directly or through insurance, must be concerned about the rapid and continuing escalation of hospital costs.

I am sure there will be serious objections raised to the President's proposal. Some will argue that a cost containment program applying only to hospitals unfairly singles them out and will do harm to the quality and availability of necessary care. At our hearings, I hope these people will then be able to explain why year after year it is necessary and proper that hospital costs should increase at rates far exceeding the general rate of inflation. Others will criticize the specific cost containment mechanisms in the proposal, or will suggest alternative approaches to promoting efficiency in hospital and health care.

If the Congress is to act wisely in this difficult and controversial matter, we need to have all these views adequately aired. I look forward to our May hearings as an additional opportunity for the ad-

ministration to make the case for the cost containment proposal and as a time during which other views can also be thoughtfully examined.

A summary of the President's proposal follows, as does a detailed announcement of the joint hearings on this subject. The legislation itself, H.R. 6575, immediately follows the remarks of my colleague, the gentleman from Florida (Mr. ROGERS).

The material follows:

H.R. 6575—HOSPITAL COST CONTAINMENT ACT OF 1977

THE BILL IN BRIEF

Objectives: To curb the inflation in hospital costs, which is currently running far ahead of other prices, and to pave the way for more fundamental reform of the methods by which hospitals are paid and of the supply and distribution of health care services.

Basic Method: Increases in hospital revenues from in-patient services would be limited to approximately 9 percent in the first year the legislation was in effect and gradually declining amounts in subsequent years.

Coverage: In-patient hospital revenues of acute-care hospitals. (Chronic-care hospitals, which are chiefly mental hospitals, hospitals less than two years old and Health Maintenance Organization (HMO) hospitals would be excluded from the coverage of the Act.)

The Basic Limit: This would be set by a formula reflecting general price trends in the economy, plus an allowance for some added intensity of patient services.

Exceptions: Exceptions to the revenues limit would be granted only for extraordinary changes in patient load, or for major increases in capital facilities, equipment or services.

Low-wage Workers' Adjustment: The permissible increase in revenues could be adjusted upward, for any individual hospital, to allow for the actual wage increases granted to non-supervisory employees.

State Waivers: Hospitals in states that have strict cost-containment programs and meet other specified conditions can be excluded from coverage.

Capital Expenditures: A dollar limit would be established annually on new capital expenditures by the covered hospitals. This limit would be allocated, state-by-state, based on a population formula. In addition, increasing the number of beds would be banned outright in areas having a surplus of beds.

BACKGROUND

Rapidly rising costs

Hospital costs—which account for 40 cents of every dollar Americans spend on health care—have been escalating far faster than the overall cost of living for more than two decades.

Since 1950, the cost of one day's stay in a hospital has increased more than 1,000 percent, compared with a 136 percent climb in the Consumer Price Index.

The past decade has witnessed a continuation, and in some cases an acceleration, of the inflationary trend in hospital costs. For example, since 1965:

The average cost of a day's hospitalization has increased more than 300 percent, from $41 to more than $158.

The cost of an average hospital stay climbed from less than $300 to more than $1,300.

The nation's total hospital bill jumped to $55.4 billion—or an average $254 per person and over $1,000 per family.

And the end of the upward spiral appears nowhere in sight.

In calendar year 1976, the cost of a stay in a hospital increased more than 15 percent—or two and a half times the 6 percent increase in the Consumer Price Index. The hospital cost increase even outstripped increases in the costs of energy and food.

In 1976, Federal, State and local governments spent nearly $4 billion more for hospital care than one year earlier.

In 1976, States paid $7 billion as their share of the Federal-State Medicaid program for the poor—or more than double the $3 billion States invested in Medicaid in 1971.

Special causes of hospital cost inflation

Two factors unique to the hospital industry lie behind the explosive growth in hospital costs.

The first factor is a third-party payment system that gives patients and their physicians little cause to consider hospital costs. More than 90 percent of all hospital costs are paid for by someone other than the patients—by Medicare, Medicaid, Blue Cross or other insurance carriers or public programs. Few patients even know what their hospital stay costs.

The second inflation-promoting factor is that third-party payors reimburse hospitals on the basis of whatever the hospitals state as their costs, or whatever price the hospital charges. This cost-reimbursement system fails to provide hospitals with any economic incentives for holding down costs. In fact, the reimbursement system tends to encourage hospitals to add expensive new facilities and technologies. As a result, many hospitals have extremely costly and greatly underutilized services and equipment and the nation as a whole has 100,000 more hospital beds than it needs.

Impact of hospital cost inflation

Runaway hospital costs represent a "hidden-tax" on workers and their families. For example:

Americans today must work more than one full month of every year just to pay for their health care. It takes at least two weeks' wages just to cover hospital costs.

Higher health insurance premiums paid for fully or in part by employers drain off money that could have been passed on to workers in the form of higher wages or pensions.

Private health insurance premiums climbed an average 15 to 20 percent last year alone. Blue Cross premiums for the Federal Government's own workers rose 33 percent last year alone.

Runaway hospital cost inflation also has caused severe distortions in the nation's overall health care delivery system. While hospitals devour extra billions of dollars each year, other vital health care programs—such as immunizing children and other sickness-prevention programs—have been short-changed.

In effect, we as a nation have been investing so much in curing illness by the most expensive means—acute care hospitalization—that we have not been readily able to afford steps to help us avoid acute illness in the first place.

Future impact of unrestrained hospital cost inflation

At its present inflationary rate, the national cost of hospital care will double in the next five years. In Fiscal Year 1977 alone, total hospital spending will climb another 15 percent to $63.7 billion.

Just as States have had to raise taxes to cover their ballooning Medicaid costs, so has the Federal Government had to set more and more money aside for health care.

Today, nearly 12 cents of every Federal dollar goes for health care—nearly 9 cents for hospital care alone.

Based on these inflationary patterns, the need for controlling increases in hospital costs is clear and compelling.

Savings by restraining costs

The savings resulting from implementation of the Administration program would be enormous. In Fiscal Year 1978 alone, net savings would total $1.855 billion—including $578 million in Medicare funds, $143 million in Medicaid and $879 million in private funds.

By 1980, net savings would nearly triple to $5.58 billion—including $1.755 billion under Medicare, $429 million under Medicaid, and $2.64 billion in private funds.

The effort to restrain inflation in this unique industry is a major component of the Administration's overall anti-inflation program.

Need for transitional system

Fundamental reform of the methods by which hospitals are paid and in the supply and distribution of health care services is essential, regardless of future prospects for enacting national health insurance legislation. Permanent structural reforms of the health care reimbursement system are expected to take up to three years to put in place. In the meantime, a transitional program is necessary to bring the increase in hospital costs more in line with price trends in the rest of the economy.

It is important to stress that the Hospital Cost Containment Act of 1977 embodies a purely transitional program. The Act provides that by March 1, 1978 the Secretary of HEW shall submit his recommendations to the Congress on the form and content of a longer-range program.

But the success of any long-range program would be damaged by a failure to begin restraining health cost inflation now.

DETAILED SUMMARY AND RATIONALE

I. Basic method

Total hospital revenue would be constrained by limiting increases in payments from each third-party cost payor—such as Blue Cross, Medicaid and Medicare—and from charge payors—including private insurance and individuals who pay their own bills—as a class. The limit would be about 9 percent in the first year of the program. The program would begin October, 1977.

Rationale

The approach can be implemented and administered quickly and simply.

It requires no new data collection or reporting forms and can be readily understood by hospitals.

It guarantees immediate savings to the Medicare and Medicaid programs, to private insurance and to the public.

Future year savings will be even greater as hospital managers alter employee staffing patterns and take a most cost-conscious view of expenditures for new services and equipment.

II. Coverage

The program would cover the in-patient revenues of about 6,000 acute-care and speciality hospitals. It would exclude chronic-care hospitals, new (less than 2-year-old) hospitals, and those getting at least 75 percent of their revenues from Federally defined Health Maintenance Organizations (HMOs) on a capitation basis. Federal hospitals would not be covered directly; such hospitals would be directed by the President to stay within the limits.

Rationale

The cost-containment program would apply only to in-patient services because they represent the most expensive mode of treatment. The Administration views as desirable shifts from in-patient to out-patient care

when quality of care is maintained, since out-patient care is considerably less costly.

Federal Government hospitals would not specifically be included in the legislation because these facilities already operate under budget constraints—and these constraints would be modified with respect to short-term in-patient units to reflect the objectives of the overall national system and to set an example for the private sector.

Exemption of hospitals dealing predominantly with Federally defined HMOs provides an added incentive for further development of these cost-effective organizations. Chronic care hospitals would be excluded because they do not have the same inflationary problems as acute-care hospitals.

To prevent hospitals from shifting costs of in-patient services outside the hospital to avoid the revenue limit, the ceiling would exclude from the base any services previously performed in the hospital that were moved out of the hospital.

III. Setting the basic limit

The basic limit on increases in total-in-patient care revenues would be set by a formula reflecting general price trends in the economy as a whole, plus an additional amount to accommodate some increase in intensity of patient services.

The formula would use the "GNP deflator," published by the Commerce Department, which measures price changes in the whole economy, and would work as follows:

"The allowable increase would equal the increase in the GNP deflator for the most recently published 12-month period, plus ⅓ of the difference between the average annual increase in hospital costs in the preceding two years and the increase in the GNP deflator in that same period.

"Example: Assume for 1975 and 1976 that the increase in hospital costs was 15 percent and the increase in the GNP deflator for the relevant periods was 6 percent.

"Allowable increase = 6 (GNP deflator) + (15 − 6) ÷ 3 = 6 + 9 ÷ 3 = 6 + 3 = 9."

In future years, as the gap between overall price increases and hospital costs narrowed, the allowable increase would come down.

Rationale

A legislated formula based on a general economic price index plus an allowance for limited expansion of services should serve to reassure hospitals that unreasonably low limits will not be set.

A formula based on the overall rate of price increases in the economy will reflect increases in the costs of the things hospitals buy, in most instances.

The additional allowance for expansion of services provides a cushion to hospitals with above-average increases in the prices of what they buy.

IV. Adjusting the basic limit for changing patient load

The basic limit would be adjusted to reflect any major changes in patient load:

Increases in total allowable revenue would remain constant where patient load, measured by admissions, increased 2 percent or decreased by 6 percent (10 percent in the case of small hospitals—those with fewer than 4,000 annual admissions).

Revenue increases equal to one-half of average revenue per stay in the base year would be allowed for each increased admission beyond 2 percent. However, no additional allowance would be made for admissions beyond 15 percent in the case of large hospitals unless a specific exception were granted.

Similarly, revenue decreases equal to one-half of average revenue per stay would be imposed for decreased admissions below 6 percent. For reductions in patient load beyond 15 percent, full revenue reduction would be imposed, except for small hospitals.

Example

"Assume that the basic revenue increase limit is 9 percent and that Hospital X's base year revenue figure is $10,000,000 derived from 10,000 admissions—$1,000 an admission. If Hospital X's admissions in the year beginning October 1, 1977, are the same as in the base year then the total revenue allowed to the hospital is $10,900,000—$900,000 more than in the base year.

"If the number of admissions in the hospital increased to 11,000, 1,000 or 10 percent more than in the base year, the hospital is allowed a $500 increase in revenue—50 percent of the revenue per admission in the base year—for 800 of these admissions (the excess over 2 percent), or $400,000.

"Thus, the total revenue allowed for Hospital X would be $11,300,000 (representing the basic increase of $900,000 plus the increase of $400,000, reflecting the increased patient load). The limit on payments per admission by each major type of third-party payor would be adjusted accordingly."

Rationale

The adjustment provides incentives for hospitals to identify and reduce unnecessary hospital utilization.

Limiting to 50 percent the automatic upward adjustment in revenues for major changes in patient load reduces the incentive to increase admissions arbitrarily.

Special treatment for small hospitals, which are subject to wider percentage changes in patient load from year to year, would not seriously undercut the effectiveness of the overall constraint, and would ease Federal administration of the Act.

V. Applying the limit

To meet the overall limit of about 9 percent, the allowable increase in revenue per admission would be calculated by estimating the expected changes in hospital admissions. For example, with an overall limit of 9 percent and an estimated increase in hospital admissions of 2 percent, a hospital would be permitted an increase in average revenue per admission of 7 percent. Cost payors would estimate the limit per stay for purposes of interim reimbursement, based on any anticipated changes in patient load, and apply the actual limit in final settlement, using final fiscal year data on actual changes in patient load.

In addition, the Medicare intermediary would assume responsibility for determining any excess charges per stay for commercial carriers or self-pay patients, from data routinely reported on Medicare cost reports.

If total charges per stay exceeded the rate of increase allowed for the hospital, it would be required to reduce charge increases in the following year accordingly. Adequate public notice of the hospital's violation would be required. Any hospital or third-party payor that was found to have paid or received funds in violation of this Act could be required to pay a tax to the U.S. Treasury equal to 150 percent of the amount in violation.

Example

"If Hospital X overcharged charge-payors by $10,000 in a year, then refused to put the overcharge in escrow to be deducted from the following year's ceiling, it would be subject to a tax of $15,000."

Rationale

Applying the allowable percentage increase by major type of payor is administratively simple, permits each major third-party payor (Medicare, Medicaid, Blue Cross) to make final settlements without waiting for all other payors, and would not require any additional reporting forms or audit.

The approach is neutral with regard to type of payor, neither favoring nor discriminating against any type of payor.

Imposing the tax and requiring hospitals to publicize any overcharges should be a significant deterrent to excess charge increases.

VI. Base for applying the limit

The base would be the dollar total of the hospital's revenue from each class of payor for calendar 1976 (or, in the case of hospitals with a non-calendar fiscal year, for its accounting year that ended in 1976). To bring the 1976 base up to date, an adjustment would be made that would treat the revenue increases in 1977 as though they had been the same as the average annual increase in the two years 1975 and 1976. However, the adjustment rate could not exceed 15 percent or be lower than 6 percent.

Rationale

This method would assure that any hospital which raised charges after public announcement of the Administration's hospital cost containment effort would not benefit from that action.

It would reward hospitals with increases in their revenues of less than 6 percent annually in recent years.

Using previous trends from a period of generally high cost increases is a generous standard, and should not impose a burden on hospitals.

VII. Exceptions

Exceptions to the total revenue limit would be permitted on only two grounds:

(1) Exceptional changes in patient load (anticipated to encompass about 3 percent of all hospitals); and

(2) Major increases in capacity or types of services, or major renovation or replacement of physical plant.

Local and state health planning agencies would review and comment on exceptions. To receive added revenues under any exception, a hospital would also have to demonstrate a relatively poor financial condition. Specifically, it would have to show that its ratio of current assets to current liabilities put it in the bottom 25 percent of hospitals covered by the program.

HEW would have to act on requests for exceptions within 90 days or the hospital and third-party payors could presume approval.

Any hospital granted an exception would be subject to an operational review of effectiveness and efficiency by the HEW Audit Agency or its agents. The report of the HEW findings would be made public.

Rationale

Limited criteria for exceptions are necessary to maintain the effectiveness and administrative simplicity of the program.

Strong tests of community necessity for new services by health planning agencies and the requirement that a relatively poor financial condition be demonstrated should ensure a limited number of exceptions.

VIII. Adjustment for nonsupervisory employees

To avoid an inequitable impact on the earnings of low-wage hospital workers, hospitals would be permitted an adjustment of the revenue limit based on actual increases in pay they granted to non-supervisory employees. At the end of 18 months, the Secretary of HEW would determine if the adjustment should be continued.

Under this method, the hospital revenue-increase limit is computed by making a separate calculation for the wages of non-supervisory employee.

Example

"Assume that Hospital X's costs in the base year are distributed as follows: 35 percent for wages of non-supervisory employees and 65 percent for all other costs. Assume that the earnings per non-supervisory em-

ployee have increased 11 percent in the current year. In this case, the revenue-increase limit is 9 percent for 65 percent of the hospital's costs and 11 percent for the remainder, or a total of 9.7 percent."

Rationale

This provision is needed to assure that low-wage hospital workers do not bear the brunt of the cost containment program.

IX. Maintenance of effort

Hospitals would be required to maintain their charity patient load shares. Enforcement would be on the basis of investigation by health planning agencies of complaints by other area hospitals.

Rationale

Although it is not expected to be a major problem, there is a possibility that some hospitals would seek to avoid the intent of the limits by replacing patients without any insurance coverage with those covered by government or private insurance. This provision would reduce that possibility.

X. Disclosure

Hospitals would be required to make available to the public current charge schedules and cost-reimbursement reports. The local health service agency would publish every six months a list of hospitals with their charges for typical services.

Rationale

These provisions would foster better understanding of hospital costs by consumers and other concerned parties and provide an incentive for self-enforcement of the Act by hospitals.

XI. State programs

Hospitals in States which receive a waiver from the Federal cost containment program would not be covered. A State would have to meet the following conditions:

a. A hospital cost containment program must have been in effect in the State for at least one year prior to the requested waiver;

b. That program included all payors in the State (except Medicare) and covered at least 90 percent of the hospitals that would be included in the Federal program;

c. The State agrees to comply, on an aggregate basis, with the basic Federal ceiling;

d. There is the expectation, based on demonstrated performance, that the State will achieve the Federal objective under its own program;

e. The State plan provides that any excess revenues generated will be returned to payors.

The requirement that all payors except Medicare have been included in the State plan can be waived if the State has had a program covering at least 50 percent of total hospital payments for one year and the State adds all payors to its plan effective no later than the time of the requested waiver.

New State programs could be added over time, but only under the strict criteria of the experimental programs established under present law.

Rationale

Recognition should be given to State activity in hospital cost containment since the methods developed by some States are more sophisticated and refined than the initial national effort.

XII. Enforcement

Payment above the cost containment limits would be disallowed under the Medicare and Medicaid programs.

Payment by Blue Cross or other cost payors, or receipt of hospitals of excess revenues, would be subject to a tax at the rate of 150 percent unless rebated to the payors.

Local Health Systems Agencies (HSAs) and State health planning agencies would be required to comply with provisions of the program or face loss of their designation and of Federal funding under the Public Health Service Act .

Rationale

Unless *all* hospital revenues are controlled, hospitals would have an incentive to discriminate against Federal beneficiaries for whom they receive lower payments, and to compensate for revenue reduction by increasing costs to private plans and individual payors.

XIII. Capital expenditure program

First, the program would set an annual national limit on new capital expenditures by acute care hospitals. The limit would be set at a level somewhat below expenditures in recent years.

The national limit would be allocated to the States by a formula based on population for at least the first year. In later years, the Secretary of HEW could adjust the formula to take into account factors other than population—such as costs of construction and need for capital expansion or modernization. States would award new certificates of need to hospitals up to their limit. HSAs would assist the States by reviewing and commenting on applications of certificates.

Medicare and Medicaid would deny reimbursement to hospitals for unapproved projects. The Federal Government would operate the program in States which do not agree to participate.

Second, in any health service area in which the number of hospital beds exceeds 4 per 1,000 population, or in which the average hospital occupancy rate is less than 80 percent, no certificates of need would be allowed if they would yield a net increase in beds in the area. In addition, no Federal grants, loan guarantees or tax subsidies for construction of beds in excess of the existing number would be permitted.

Rationale

A cost containment effort can only be effective over a long period of time if steps are taken now to slow the rate of growth of bed capacity and the duplication of expensive technology.

An effective capital spending constraint will have further benefits by reducing the number of hospitals qualifying for exceptions in future years.

THE HONORABLE DAN ROSTENKOWSKI, DEMOCRAT OF ILLINOIS, CHAIRMAN, SUBCOMMITTEE ON HEALTH OF THE COMMITTEE ON WAYS AND MEANS, AND THE HONORABLE PAUL G. ROGERS, DEMOCRAT OF FLORIDA, CHAIRMAN, SUBCOMMITTEE ON HEALTH AND THE ENVIRONMENT OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, ANNOUNCE A 3-DAY JOINT HEARING OF THE PRESIDENT'S HOSPITAL COST CONTAINMENT PROPOSAL, H.R. 6575, TO BE CONDUCTED WEDNESDAY THROUGH FRIDAY, MAY 11–13, 1977

The Honorable Dan Rostenkowski, (D., Ill.), Chairman of the Subcommittee on Health of the Committee on Ways and Means, and the Honorable Paul G. Rogers (D., Fla.), Chairman of the Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce, announced today that their Subcommittees will hold joint hearings on the Carter Administration's Hospital Cost Containment Proposal, H.R. 6575. These hearings will be conducted on Wednesday, May 11, 1977, in the Ways and Means Committee's Main Hearing Room, across the hall from Room 1102 Longworth House Office Building, and on Thursday and Friday, May 12 and 13, 1977, in the Interstate and Foreign Commerce Committee's Main Hearing Room, 2123 Rayburn House Office Building. The hearings will begin at 10 a.m. each day.

BACKGROUND INFORMATION REGARDING THE HEARING TOPIC

In a message of April 25 to the Congress, President Carter proposed adoption of a program of hospital cost containment. This proposed legislation has been introduced as H.R. 6575. The Subcommittees' desire is to receive testimony on the specific provisions of this bill, on the general issues involved, and on alternative proposals for containing escalating health care costs.

DETAILS FOR SUBMISSION OF REQUESTS TO BE HEARD

Cutoff Date for Requests to be Heard, etc.—Requests to be heard must be received by the Committee no later than the close of business, Wednesday, May 4, 1977.

Requests should be addressed to John M. Martin, Jr., Chief Counsel, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Bldg., Washington, D.C. 20515. The telephone number is (202) 225-3625. Notification of a witness' scheduled date of appearance will be made as promptly as possible after the cut-off date. Once a witness has been advised of his date of appearance, it is not possible for this date to be changed. If a witness finds he cannot appear on that day, he may wish to either substitute another spokesman in his place or file a written statement for the record of the hearing instead of appearing in person. In any event, if a change in witness or a cancellation becomes necessary, please advise the Committee office immediately.

Allocation of Time to Witnesses—Due to the limited time available for this hearing, it may be necessary to limit the number of witnesses and will be necessary to allocate the amount of time available to each witness for the presentation of his oral testimony. It will be mandatory on all witnesses not to exceed the time allocated for this purpose. Each witness must present his oral statement in summary form; a more detailed statement will be accepted for inclusion in the printed record of the hearing. If necessary, witnesses may be grouped into panels to further expedite the hearing process. Additionally, all persons and organizations having a common position should exert the maximum effort to designate one spokesman to represent them.

REQUESTS TO BE HEARD MUST CONTAIN THE FOLLOWING INFORMATION:

(1) The name, address and capacity in which the witness will appear;

(2) A topical outline or summary of the comments and recommendations which the witness proposes to make.

It is requested that persons scheduled to appear before the Subcommittees submit 75 copies of their prepared statements to the Ways and Means Committee office (Room 1102 Longworth House Office Building) no later than 24 hours in advance of their scheduled appearances. An additional supply may be furnished for distribution to the press and the public on the date of appearance.

Written Statements in Lieu of Personal Appearance—Any person or organization may, instead of a personal appearance, file a written statement for inclusion in the printed record of the hearing. For this purpose, 5 copies of the statement should be submitted by the close of business, Friday, May 27, 1977. Additional copies may be furnished for distribution to the Members of the Subcommittees, the staff, press and public, if submitted to the Committee during the course of the hearings.

PRESIDENT'S HOSPITAL COST CONTAINMENT LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. ROGERS) is recognized for 60 minutes.

Mr. ROGERS. Mr. Speaker, I am joining today with my colleague, DAN ROSTENKOWSKI, chairman of the Subcommittee on Health of the Ways and Means Committee to introduce H.R. 6575, the

Hospital Cost Containment Act of 1977, and we are announcing joint hearings of the Committee on Interstate and Foreign Commerce and the Committee on Ways and Means. This proposal has been developed by the administration in response to a serious issue which has long been of great concern to me, and to many others concerned with the improvement in delivery of high quality health services to the American population—the constantly increasing spiral of health care costs, most particularly costs of hospital care.

All of us who have to deal with the difficult issues of allocating scarce dollars to an endless number of pressing demands to improve access to and the availability of high quality health care services, including expansion of comprehensive health centers, and more suitable programs, services and facilities to meet the needs of the poor, the aged, the mentally ill, and the retarded—know the frustration of seeing our health dollars eaten up by the increases in costs which far exceed the general increases in cost of living. Clearly there can be no doubt about the seriousness of the problem, and I welcome the commitment by the administration to work with the Congress to seek an effective way of dealing with the issue.

In introducing the administration's bill today, I am seeking to focus and intensify the dialog on the problems of increasing health care costs, particularly in the area of hospital care, and on the appropriate ways to address them. I am convinced that we must slow the rate of increase, or the improvement of health care financing systems and further progress in expansion of our health care system will be difficult.

However, I believe that we must proceed with care in this area. I am convinced that we will have developed a workable, equitable way of dealing with hospital costs only when the reimbursement system is designed so that it provides incentives to the hospitals themselves—incentives to operate more efficiently, incentives to reduce inpatient care and provide outpatient care more effectively, and incentives to close down services which are not needed or are better provided in other settings. I question whether any system for controlling the increases in costs of hospital care will work over the long run unless such an incentive system is present.

Further, I believe we must take care in developing hospital reimbursement limitations to assure that we are not devising a system under which the inefficient hospital can continue to prosper, because it has room in its budget so that it can easily reduce costs to meet the reimbursement constraints, while the hospital which has been more efficient, which has reached out to serve the poor and the difficult-to-treat cases, and which has no fat in its budget, suffers because it has no room left to accommodate the tighter reimbursement ceilings. I recognize that any system which is to be implemented rapidly cannot be individually adjusted to each hospital's situation, yet we must find a way to protect against an unhappy result from a system designed to treat all hospitals equally when in fact the situations among the hospitals across the country are very unequal.

There is a third concern which is very much on my mind as we approach the debate on appropriate action to limit increases in hospital costs. We must not develop a system where the hospital—to protect its economic viability—reacts by reducing services to the poor and persons who are unable to pay, and reduces its outpatient activities because it can no longer carry the loss with money from inpatient services. If we end up with such an unintended result we will have created a problem worse than the one we started with.

Finally, effective control of health care costs must address all parts of the health care system. While it clearly is appropriate to start with inpatient hospital costs, control of cost increases of services delivered in all health care institutions, including nursing homes, should surely be considered.

I am not yet convinced that the approach of H.R. 6575 can respond satisfactorily to these concerns, and I personally want to examine its impact very carefully before recommending action to the Members. Yet, I am convinced that there is much in the administration's proposal which is commendable. And I am particularly encouraged by the direction it takes in looking to limits on capital expenditures as an effective way to moderate health care costs.

I look forward to a period of constructive debate and suggestions for improvements to the proposal.

H.R. 6575

A bill to establish a transitional system of hospital cost containment by providing for incentives and restraints to contain the rate of increase in hospital revenues, to establish a system of capital allocation designed to encourage communities to avoid the creation of unneeded and duplicative hospital facilities and services, to provide for the publication and disclosure of information useful to the public in making decisions about health care, to provide for the development of permanent reforms in hospital reimbursement designed to provide incentives for the efficient and effective use of hospital resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Hospital Cost Containment Act of 1977".

REPORT ON PERMANENT REFORM IN THE DELIVERY AND FINANCING OF HEALTH CARE

SEC. 2. The Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary") shall submit to the Congress, no later than March 1, 1978, a report setting forth his recommendations for permanent reforms in the delivery and financing of health care which will increase the efficiency, effectiveness, and quality of health care in the United States and which will replace the transitional provisions of title I of this Act.

TITLE I—TRANSITIONAL HOSPITAL COST CONSTRAINT PROVISIONS

PART A—PURPOSE AND GENERAL DESCRIPTION OF THE PROGRAM

PURPOSE

SEC. 101. It is the purpose of the transitional hospital cost containment program established by this title to constrain the rate of increases in total acute care hospital inpatient costs, beginning October 1, 1977, and continuing until the adoption of the permanent reforms referred to in section 2, by limiting the amount of revenue which may be received, by the hospitals involved, from government programs, private insurers, and individuals who pay directly for such care.

GENERAL DESCRIPTION OF PROGRAM

SEC. 102. (a) In order to carry out the purpose of the transitional program as set forth in section 101, the inpatient revenues of short-term acute care and specialty hospitals (excluding new hospitals and certain HMO-related hospitals) are to be limited in the manner outlined in the succeeding provisions of this section (and more particularly described in parts B and C of this title).

(b) The increase in total revenue which a hospital (as defined in section 121) may receive in any accounting year in the form of—

(1) reimbursement paid under the medicare and medicaid programs, and by cost payers, for inpatient services, and

(2) charges imposed upon other persons for inpatient services,

may not, on a per-admission basis, exceed the average inpatient reimbursement due or inpatient charges imposed per inpatient admission in the base period (in general, the hospital's accounting year ending in 1976) by more than the percentage which is applicable to the hospital for such accounting year under section 111.

(c) Such percentage, in the case of any hospital for any accounting year, is to be determined by—

(1) establishing for such year, under section 112(b), and "inpatient hospital revenue increase limit" based on increases in the GNP deflator and in total hospital expenditures nationwide,

(2) modifying the limit so established by the "admission load formula", as promulgated under section 113, to take account of major changes in patient loads experienced by that particular hospital, in order to arrive at an "adjusted inpatient hospital revenue increase limit" for that hospital in such year, and

(3) applying such adjusted limit for periods after September 30, 1977, with recognition being given under section 111(a)(1) to cost increases prior to that date.

(d) An exception from the limits otherwise established may be granted in accordance with section 115 (for a particular period) to any hospital which is experiencing substantially higher costs as a result of extraordinary changes in patient loads or major changes in facilities and services, to the extent required to assure that the necessary additional revenue will be available where necessary to meet actual community needs.

(e) Compliance with these limits is to be enforced, in accordance with section 116, in various ways. Such compliance is required under the medicare program by directly applying the limits for purposes of both interim and final reimbursement. Amounts paid to hospitals under the medicaid program in excess of such limits will be disallowed as a basis for Federal matching payments. Hospitals and nongovernment cost payers exceeding the limits will be subject to a Federal excise tax in an amount equal to 150 percent of the excess (except in the case of a hospital which is exempt as a result of corrective actions as prescribed under section 116(d)(2)).

(f) The Secretary is authorized, under section 117, to waive the limits otherwise established for all hospitals located in any State which has had in effect for at least one year a hospital cost containment program which covers at least 90 percent of all acute care hospitals in the State, applies to

all payers except the medicare program, limits inpatient hospital revenue increases to a rate no greater (in the aggregate) than the rate established for the period involved under section 112(b), and provides for return of excess hospital revenues.

PART B—ESTABLISHMENT OF HOSPITAL COST CONTAINMENT PROGRAM

IMPOSITION OF LIMIT ON HOSPITAL REVENUE INCREASES

SEC. 111. (a) The average reimbursement paid to a hospital for inpatient services under title XVIII of the Social Security Act, under a State plan approved under title V or title XIX of such Act, or by any cost payer, and the average charges imposed by a hospital for inpatient services, in any accounting year any part of which falls within a period subject to this title, may not (except as provided in subsection (b)) exceed the base inpatient hospital revenue per inpatient admission (as established under section 114) by a percentage greater than the sum of—

(1) the percentage by which the costs involved would have increased in the period elapsing after the close of the hospital's base accounting year and prior to October 1, 1977, if such costs had increased (during that period) at the average annual rate actually experienced by the hospital during the two-year period ending with the close of such base accounting year, except that such percentage as applied for purposes of this section shall not be more than 15 percent nor less than 6 percent,

(2) the percentage by which, such costs would have increased in the period elapsing after September 30, 1977, and prior to the first day of the accounting year for which the limit is being imposed if such costs had increased (during such period) at an annual rate consistent with the inpatient hospital revenue increase limit determined and promulgated under section 112(b), and

(3) the percentage by which such costs would have increased in the accounting year for which the limit is being imposed if such costs had increased (during such year) at an annual rate consistent with the adjusted inpatient hospital revenue increase limit applicable to the hospital under section 112(a).

(b) Where less than a full accounting year falls within a 12-month period subject to this title, the limit set forth in subsection (a) of this section, and the limit established under section 112(a), shall apply with respect to reimbursement due or charges imposed for the part of such accounting year which falls within such period in the same proportion as the number of days in such accounting year that fall within such period bears to the total number of days in such accounting year.

DETERMINATION OF ADJUSTED INPATIENT HOSPITAL REVENUE INCREASE LIMIT

SEC. 112. (a) The "adjusted inpatient hospital revenue increase limit" which is applicable to any hospital for purposes of section 111(a)(3) with respect to any accounting year shall (subject to section 111(b) and section 124) be equal to the inpatient hospital revenue increase limit determined and promulgated under subsection (b) of this section for the 12-month period in which such accounting year or any part thereof falls, modified by the application of the "admission load formula" which is promulgated under section 113 and applied to that hospital.

(b)(1) Between July 1 and October 1 of each calendar year beginning with 1977, the Secretary shall promulgate a figure which (subject to paragraph (2)) shall be the "inpatient hospital revenue increase limit" applicable to the 12-month period beginning October 1 in such year (with each such 12-month period being referred to in this title as a "period" or a "period subject to this title"). Such figure shall be the sum of—

(A) the implicit price deflator of the Gross National Product as calculated by the Bureau of Economic Analysis of the Department of Commerce and published in the Survey of Current Business (hereinafter in this title referred to as the "GNP deflator") for the 12-month period ending June 30 of such year, and

(B) one-third of the difference between—

(i) the average annual rate of increase in total hospital expenditures which is found by the Secretary to have occurred during the 24-month period ending on the day preceding January 1 of such calendar year, and

(ii) the annual rate of increase in the GNP deflator for the 24-month period ending on the day preceding January 1 of such calendar year.

(2) If the Secretary finds during any period subject to this title that the GNP deflator with respect to such period is expected to exceed by more than one percentage point the GNP deflator which was used in making the determination under paragraph (1) (or in making a prior adjustment under this paragraph), the Secretary shall increase (or further increase) the GNP deflator so used by the amount of such excess; except that no adjustment made under this paragraph shall be effective with respect to any accounting year ending prior to the calendar quarter preceding the calendar quarter in which such adjustment is made.

PROMULGATION OF ADMISSION LOAD FORMULA

SEC. 113. The "admission load formula" shall be promulgated by the Secretary by October 1, 1977, and shall be such that—

(1) a hospital will be allowed an increase in total revenue from inpatient services in any accounting year to the extent (and only to the extent) consistent with the inpatient hospital revenue increase limit promulgated under section 112(b), for the period in which such accounting year or any part thereof falls if admissions in such accounting year have increased by less than 2 percent or declined by less than 6 percent as compared to the base accounting year (2 percent and 10 percent, respectively, in the case of a hospital with no more than 4,000 admissions in the base accounting year);

(2) in the case of a hospital whose admissions in any accounting year are beyond the applicable range set forth in paragraph (1), the amount of total revenue from inpatient services in such year which is otherwise allowed under paragraph (1) shall be further increased for each admission above such range by one-half of the average revenue per admission that would have been allowed under paragraph (1) if the actual percentage change in admissions (as compared to the base accounting year) had been zero, or shall be reduced for each admission below such range by one-half of the average revenue per admission that would have been so allowed, except as provided in paragraph (3); and

(3) in the case of a hospital which had more than 4,000 admissions in the base accounting year, no additional revenue will be allowed for increased admissions (with respect to any accounting year) beyond 15 percent above those in the base accounting year, but the revenue otherwise permitted such a hospital under paragraphs (1) and (2) shall be reduced (dollar for dollar) for decreased admissions (in that year) beyond 15 percent below those in the base accounting year.

BASE INPATIENT HOSPITAL REVENUE

SEC. 114. (a)(1) The revenue base for application of the adjusted inpatient hospital revenue increase limit with respect to any hospital in any accounting year shall (subject to subsection (b)) be the revenue from reimbursement due and inpatient charges imposed for inpatient hospital services provided in the hospital's base accounting year (as defined in paragraph (2)).

(2) For purposes of this title, a hospital's "base accounting year" is its accounting year which ended in 1976, or, in the case of a hospital which did not meet the definition contained in section 121 for at least one full accounting year prior to an accounting year ending in 1976 in which it met such definition, the accounting period immediately prior to the first accounting year in which it satisfied such definition.

(b) The base revenue established for any hospital by subsection (a) shall (except as provided in subsection (c)) be reduced by an amount equal to any inpatient charges in such base accounting year for elements of inpatient services for which payment is not made to the hospital in an accounting year any part of which falls within a period subject to this title.

(c) Subsection (b) shall not apply with respect to revenue for inpatient services which have been found inappropriate under section 1523(a)(6) of the Public Health Service Act by the State health planning and development agency designated under section 1521 of such Act for the State in which the hospital involved is located.

ESTABLISHMENT OF EXCEPTIONS

SEC. 115. (a) The Secretary shall have authority to grant exceptions from the limits established under this title to individual hospitals for particular periods, but in any case only to the extent that the hospital requesting the exception provides evidence satisfactory to the Secretary—

(1) of the extent to which costs of providing inpatient hospital services in an accounting year any part of which falls within a period subject to this title exceed such costs in the base accounting year as the result of—

(A) changes in admissions beyond the range specified in section 113(3), or

(B) changes in capacity or in the character of inpatient services available in the hospital or major renovation or replacement of physical plant, but only if such changes have increased inpatient costs per admission by more than one-third of the difference specified in section 112(b)(1)(B) over inpatient care costs per admission in the previous accounting year;

(2) that the revenue otherwise allowable (taking into account all other available resources) is insufficient to assure the solvency of the hospital as indicated by the existence of a current ratio of assets to liabilities (determined in accordance with the last sentence of this subsection) of less than the ratio which the Secretary estimates is being experienced by 25 percent or less of the hospitals subject to this title; and

(3) that the changes in admissions, capacity, plant, or services available generating the excess costs described in paragraph (1) have been found to be needed under section 1523(a)(5) of the Public Health Service Act or appropriate under section 1523(a)(6) of the Public Health Service Act by the State health planning and development agency, designated under section 1521 of such Act for the State in which the hospital involved is located.

For purposes of paragraph (2), the term "current ratio of assets to liabilities", with respect to any hospital, means the sum of the cash, notes and accounts receivable (less reserves for bad debts), marketable securities, and inventories held by such hospital divided by the sum of all liabilities of such hospital falling due in an accounting year for which the exception is requested under this section.

(b) The Secretary shall either approve any request for an exception made by a hospital under subsection (a), or deny such request, within a period not to exceed 90 days after the hospital has filed in a manner and form

prescribed by the Secretary the evidence required by such subsection. Any such request not denied within such 90-day period shall be deemed approved.

(c) Any hospital granted an exception under this section must make itself available for an operational review by the Secretary. The findings from any such review shall be made public, and continuance of the exception shall be contingent on implementation of any recommendations which may be made (as a result of such operational review) for improvements to increase efficiency and economy.

(d)(1) If the Secretary grants an exception with respect to any accounting year to a hospital which had 4,000 or more admissions in the base accounting year on the grounds set forth in subsection (a)(1)(A), such hospital shall be allowed increased revenue for purposes of this title as though it were a hospital with fewer than 4,000 admissions in such base year under section 113.

(2) If the Secretary grants an exception with respect to any accounting year to a hospital on the grounds set forth in subsection (a)(1)(B), such hospital shall be allowed increased total revenue for purposes of this title for such accounting year and all subsequent accounting years (and the limit on its allowable rate of increase in inpatient hospital revenues shall be adjusted upward accordingly) in an amount no greater than the amount necessary to maintain the current ratio of its assets to liabilities (determined in accordance with the last sentence of subsection (a)) at the level specified in subsection (a)(2).

(e)(1) Any hospital which is dissatisfied with a determination of the Secretary under this section may obtain a hearing before the Provider Reimbursement Review Board established under section 1878 of the Social Security Act, if the amount in controversy is $25,000 or more and the request for such hearing is filed within 180 days after receipt of the Secretary's determination.

(2) For purposes of paragraph (1), the Secretary (notwithstanding section 1878(h) of the Social Security Act) shall appoint five additional members to the Provider Reimbursement Review Board, following the specifications for expertise applicable to the existing five members. Such five additional members shall constitute the Board for purposes of reviewing appeals under this title. All the other provisions of section 1878 of the Social Security Act shall apply except that the Board as so constituted shall be considered as reviewing decisions of the Secretary rather than of a fiscal intermediary, and subsection (b) of such section shall not apply.

ENFORCEMENT

SEC. 116. (a) Notwithstanding any provision of title XVIII of the Social Security Act, reimbursement for inpatient hospital services under the program established by that title shall not be payable, on an interim basis or in final settlement, to the extent that it exceeds the applicable limits established under this title.

(b) Notwithstanding any provision of title V or XIX of such Act, payment shall not be required to be made by any State under either such title with respect to any amount paid for inpatient hospital services in excess of the applicable limits established under this title; nor shall payment be made to any State under either such title with respect to any amount paid for inpatient hospital services in excess of such limits.

(c) Notwithstanding any other provision of law, receipt by any hospital of payment for inpatient hospital services in excess of the applicable limits established under this title, or payment by any cost payer (as defined in section 122(e)(2)) for inpatient hospital services on a cost basis in excess of such limits, shall subject such hospital or cost payer—

(1) to the Federal excise tax imposed by section 4991 of the Internal Revenue Code of 1954 (as added by section 126 of this Act), and

(2) to exclusion, at the discretion of the Secretary, from participation in any or all of the programs established by titles V, XVIII, and XIX of the Social Security Act.

(d)(1) Where the Secretary determines that average charges per admission billed for inpatient services by a hospital during an accounting year any part of which is included in a period subject to this title exceed the applicable limits established under this title, he shall promulgate (or shall require the hospital to promulgate in such manner as he may prescribe) the percentage by which the average charge per admission billed in that accounting year by the hospital exceeded the applicable limitation on average charges per admission established under this title.

(2) Any hospital described in paragraph (1) shall be exempt from the penalties set forth in subsection (e) if it holds in escrow an amount equal to the percentage promulgated under such paragraph multiplied by the hospital's total inpatient charges less its inpatient charges applicable to cost payers (as defined in section 122(e)), imposed on the accounting year referred to in such paragraph, until such time as charges below the applicable limits established under this title, equal in the aggregate to such amount, are experienced; but any such hospital which fails to do so shall be subject to such penalties.

EXEMPTION FOR HOSPITALS IN CERTAIN STATES

SEC. 117. (a) At the request of the Governor (or other Chief Executive) of any State (including the District of Columbia and Puerto Rico) the Secretary may exclude from the application of this title all hospitals physically located in such State if the Secretary finds that—

(1) such State has had in effect for at least one year as of the date of such request a program for containing hospital costs in the State which covers at least 90 percent of the hospitals in the State which would otherwise be covered under the program established by this title;

(2) the State program applies at least to all inpatient care revenues of such hospitals (except revenues received under title XVIII of the Social Security Act);

(3) the Governor (or Chief Executive) certifies, and the Secretary determines, that the aggregate rate of increase in inpatient hospital revenues for all hospitals in the State will not exceed the rate promulgated by the Secretary under section 112(b); and

(4) the Governor (or Chief Executive) has submitted and had approved by the Secretary, a plan for recovering any excess of revenue which (notwithstanding paragraph (3)) may occur.

(b) A State which would meet the conditions of this section except that its program does not satisfy subsection (a)(2), but whose program did cover at least 50 percent of all inpatient care revenues during the 12-month period preceding the date of its request under subsection (a), will nonetheless be eligible under this section if, by the date of such request, it does have a program which satisfies such subsection.

EXEMPTION FOR HOSPITALS ENGAGED IN CERTAIN EXPERIMENTS OR DEMONSTRATIONS

SEC. 118. A hospital may be excluded from the application of this title if the Secretary determines that (1) such exclusion is necessary to facilitate an experiment or demonstration entered into under section 402 of the Social Security Amendments of 1967 or section 222 of the Social Security Amendments of 1972, and (2) such experiment or demonstration is consistent with the purposes of this title.

PART C—DEFINITIONS AND MISCELLANEOUS PROVISIONS

DEFINITION OF HOSPITAL

SEC. 121. (a) For purposes of this title (subject to subsection (b) of this section), the term "hospital", with respect to any accounting year, means an institution (including a distinct part of an institution participating in the program established under title XVIII of the Social Security Act) which—

(1) satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act, and

(2) had an average duration of stay of 30 days or less in the preceding accounting year.

(b) An institution shall not be considered a "hospital" during any part of a period subject to this title if with respect to such period it—

(1) is a Federal hospital;

(2) has met the conditions specified in subsection (a) (under present and previous ownership) for less than two years before such period; or

(3) derived more than 75 percent of its in-patient care revenues on a capitation basis, disregarding revenues received under title XVIII of the Social Security Act, from one or more health maintenance organizations (as defined in section 1301(a) of the Public Health Service Act).

OTHER DEFINITIONS

SEC. 122. For purposes of this title—

Accounting Year

(a) The term "accounting year" with respect to any period means—

(1) in the case of a hospital participating in the program established by title XVIII of the Social Security Act, a period of 12 consecutive full calendar months including the same months as the last full reporting period allowed for reimbursement purposes under such title;

(2) in the case of a hospital not participating in the program established by title XVIII of the Social Security Act, a period of 12 consecutive full calendar months including the same months as the last full accounting period used by such other cost payer as the Secretary may designate; and

(3) in the case of a hospital which is not participating in the program established by title XVIII of the Social Security Act and for which the Secretary does not designate an accounting year under paragraph (2), a calendar year.

Inpatient Hospital Services

(b) The term "inpatient hospital services" has the meaning given it by section 1861(b) of the Social Security Act (including in addition the services otherwise excluded by paragraph (5) thereof).

Inpatient Charges

(c) The term "inpatient charges" means regular rates, applied to all inpatient hospital services, that meet the requirements of section 405.452(d)(4) of the Federal regulations applicable to title XVIII of the Social Security Act.

Admissions

(d) The term "admission" means the formal acceptance of an inpatient by a hospital, excluding newborn children (unless retained after discharge of the mother) and transfers within inpatient units of the same institution.

Cost Payer

(e) The term "cost payer" means—

(1) a program established by or under title V, XVIII, or XIX of the Social Security Act, and

(2) any organization which (A) meets the definition contained in section 1842(f)(1)

of the Social Security Act, and (B) reimburses a hospital subject to this title for inpatient hospital services on the basis of cost as defined for purposes of such reimbursement.

DETERMINATION OF INPATIENT REIMBURSEMENT

SEC. 123. For purposes of section 111, inpatient reimbursement under the programs established by titles V, XVIII, and XIX of the Social Security Act shall be determined without regard to adjustments resulting from the application of section 405.460(g), 405.455(d), 405.415(f), or 405.415(d)(3) of the Federal regulations applicable to such title XVIII.

EXEMPTION OF NONSUPERVISORY PERSONNEL WAGE INCREASES FROM REVENUE LIMIT

SEC. 124. (a) At the request of any hospital which is subject to the provisions of this title and which provides the data necessary for the required calculation, the Secretary shall modify the inpatient hospital revenue increase limit and the adjusted inpatient hospital revenue increase limit otherwise established for such hospital with respect to any accounting year under section 112 to allow such hospital to receive, without restriction, revenue equal to the average amount of any increase in regular wages granted in such year to employees who do not meet the definition of "supervisor" as that term is used for purposes of the National Labor Relations Act and (if not employees of a State or political subdivision thereof) who are covered by such Act.

(b) Such modified limits for any accounting year shall be calculated by adding together—

(1) the average percentage increase in regular wages granted to the employees referred to in subsection (a) since the close of the preceding accounting year multiplied by the percentage of total inpatient cost (as determined for purposes of title XVIII of the Social Security Act) attributable to such wages in such preceding year; and

(2) the inpatient hospital revenue increase limit or, as appropriate, the adjusted inpatient hospital revenue increase limit otherwise applicable to the hospital under this title multiplied by the percentage of revenues (as determined for purposes of title XVIII of the Social Security Act) attributable to all other expenses in the preceding accounting year.

(c) The modified inpatient hospital revenue increase limit and adjusted inpatient hospital revenue increase limit established under subsection (b) for any hospital with respect to any accounting year shall constitute such hospital's inpatient hospital revenue increase limit or, as appropriate, the adjusted inpatient hospital revenue increase limit for such year under section 111 for all of the purposes of this title.

(d) This section shall apply to accounting years beginning after March 31, 1979, only to the extent the Secretary so determines.

DISCLOSURE OF FISCAL INFORMATION

SEC. 125. (a)(1) Every hospital shall (A) submit semiannually to the health systems agency designated under section 1515 of the Public Health Service Act for the health service area in which it is located, by March 1 and September 1 of each year, its average semiprivate room rate and the charges for the 10 other services which the health systems agency finds represent the services which are most frequently used or most important for purposes of comparing hospitals, and make available all cost reports submitted to cost payers, and (B) submit annually its overall plan and budget described in section 1864(z) of the Social Security Act.

(2) Failure by any hospital to comply with the requirement of paragraph (1) shall subject it to exclusion, at the discretion of the Secretary, from participation in any or all of the programs established by titles V, XVIII, and XIX of the Social Security Act.

(b) Each health systems agency designated under section 1515 of the Public Health Service Act shall publish every April 1 and October 1, in readily understandable language for public use, the information it receives under this section, in a manner designed to facilitate comparisons among the hospitals in its area.

IMPROPER CHANGES IN ADMISSION PRACTICES

SEC. 126. Upon written complaint by any institution meeting the conditions set forth in paragraphs (1) and (7) of section 1861(e) of the Social Security Act that one or more hospitals subject to this title in a health service area for which a health systems agency has been designated under section 1515 of the Public Health Service Act has changed its admission practices in a manner that would tend to reduce the proportion of inpatients of such hospital or hospitals for whom reimbursement at less than the inpatient charges (as defined in section 122(c) of this Act) applicable to such inpatients is anticipated, such health systems agency shall investigate the complaint and, upon a finding by such agency that the complaint is justified, the Secretary may impose the sanction set forth in section 116(c)(2) of this Act.

REVIEW OF CERTAIN DETERMINATIONS

SEC. 127. Any determinations made on behalf of the Secretary under this title with respect to the application of its provisions to individual hospitals (other than determinations made under section 115 or 126) shall be subject to the provisions of section 1878 of the Social Security Act in the same manner as determinations with respect to the amount of reimbursement due a provider of services under title XVIII of such Act.

EXCISE TAX ON EXCESSIVE PAYMENTS FOR INPATIENT HOSPITAL SERVICES

SEC. 128. (a) Subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"Chapter 45.—TAX ON CERTAIN EXCESSIVE PAYMENTS FOR INPATIENT HOSPITAL SERVICES

"Sec. 4991. Imposition of tax.

"Sec. 4991. IMPOSITION OF TAX

"(a) In General.—There is hereby imposed, with respect to the receipt by any hospital of payment for inpatient hospital services in excess of the applicable limits established by title I of the Hospital Cost Containment Act of 1977, and with respect to any payment made by any cost payer as defined in section 122(e)(2) of such Act for inpatient hospital services on a cost basis in excess of such limits, a tax equal to 150 percent of the amount of such excess. The tax imposed by this subsection shall be paid by the hospital or cost payer.

"(b) Exception.—The tax imposed by subsection (a) shall not apply with respect to any hospital so long as it is determined by the Secretary of Health, Education, and Welfare to be taking the corrective action described in section 116(a)(2) of the Hospital Cost Containment Act of 1977.

"(c) Definitions.—Terms used in subsections (a) and (b) have the meanings given them by title I of the Hospital Cost Containment Act of 1977.

"(d) Administration.—Under and to the extent provided by regulations of the Secretary, the appropriate provisions of subtitle F (relating to procedure and administration) shall be made applicable with respect to the tax imposed by subsection (a) of this section.".

(b) The table of chapters for subtitle D of such Code is amended by adding at the end thereof the following new item:

"Chapter 45. Tax on Certain Excessive Payments for Inpatient Hospital Services.".

TITLE II—LIMITATION ON HOSPITAL CAPITAL EXPENDITURES

SEC. 201. (a) Part A of title XV of the Public Health Service Act is amended by adding at the end thereof the following new section:

"LIMITATION ON HOSPITAL CAPITAL EXPENDITURES, CEILING FOR THE SUPPLY OF HOSPITAL BEDS, AND STANDARD FOR OCCUPANCY OF HOSPITAL BEDS

"SEC. 1504. (a)(1) Before the beginning of the fiscal year beginning October 1, 1977, and at least 60 days before the beginning of each succeeding fiscal year, the Secretary shall promulgate a sum as a hospital capital expenditure limit applicable to such fiscal year. The sum promulgated as a limit under the preceding sentence for any period shall be an amount which may not exceed $2,500,000,000.

"(2) The Secretary shall apportion the sum promulgated under paragraph (1) for any fiscal year among the various States on the basis of the population of the various States; except that for any fiscal year beginning more than 18 months after the date of enactment of this section the Secretary shall apportion the sum promulgated under paragraph (1) for such fiscal year among the various States, taking into account the population of the various States; and also taking into account, to the extent feasible, variations among the States in the costs of construction, population patterns and growth, the need for hospital facilities and equipment and for modernization of existing hospital facilities and equipment, and other factors important to the equitable apportionment of such sum.

"(b)(1) At the time the Secretary promulgates under subsection (a) a hospital capital expenditure limit the Secretary shall also promulgate for the fiscal year to which such limit is applicable—

"(A) a national ceiling for the supply of hospital beds within health service areas established under section 1511 (hereinafter in this title referred to as the 'supply ceiling'), and

"(B) a national standard for the rate of occupancy of hospital beds within such areas (hereinafter in this title referred to as the 'occupancy standard').

"(2) The supply ceiling promulgated for any fiscal year under paragraph (1)(A) may not exceed the ratio of 4 hospital beds per 1,000 of population; but the Secretary may promulgate under such paragraph a different supply ceiling for health service areas which have special characteristics or which meet special requirements established by the Secretary.

"(3) The occupancy standard promulgated under paragraph (1)(B) for any fiscal year may not be less than 80 percent; but the Secretary may establish a different occupancy standard for health service areas which have special characteristics or which meet special requirements established by the Secretary.".

(b)(1) Part C of title XV of the Public Health Service Act is amended by adding at the end thereof the following new section:

"CERTIFICATE OF NEED PROGRAM

"SEC. 1527. (a) The certificate of need program required by section 1523(a)(4)(B) shall provide for the following:

"(1) Review and determination of need under such program of institutional health services, health care facilities, and health maintenance organizations shall be made before the time such services, facilities, and organizations are offered or developed or

substantial expenditures are undertaken in preparation for such offering or development.

"(2) The program shall be administered in such a manner that only those services, facilities, and organizations found to be needed shall be offered or developed in the State in which the program applies.

"(3) In issuing a certificate of need for any such service, facility or organization, the State shall specify in the certificate the maximum amount of capital expenditures which may be made for such service, facility, or organization under such certificate.

"(4) The aggregate of the maximum amounts of capital expenditures authorized in a fiscal year in accordance with paragraph (3) for hospitals may not exceed the portion of the sum promulgated under section 1504(a)(1) and apportioned to the State under section 1504(a)(2) for such fiscal year, as adjusted in accordance with this paragraph. For any fiscal year the sum apportioned to a State under section 1504(a)(2) shall (A) if the aggregate of the maximum amounts of capital expenditures authorized by the State in the preceding fiscal year in accordance with paragraph (3) for hospitals was less than the portion of such sum so apportioned to the State for such fiscal year, the difference between such authorized maximum amounts and the sum so apportioned shall be added to the sum so apportioned to the State for the fiscal year following such fiscal year, and (B) if in the fiscal year there was a closure of a hospital (or part thereof) through which institutional health services found under section 1523(a)(6) to be inappropriate were provided, then the amount by which the historical cost (as defined for purposes of title XVIII of the Social Security Act) of such hospital or part exceeds the total Security Act) of such hospital or part exceeds the total amount of depreciation of such hospital or part claimed for purposes of establishing the reasonable costs of services provided by the hospital for purposes of receiving reimbursement under title XVIII of the Social Security Act shall be added to the portion of such sum so apportioned to the State for such fiscal year.

"(b)(1) Under such a certificate of need program a certificate of need may not, except as provided in paragraph (2), be granted for an institutional health service or health care facility within a health service area established under section 1511 if the development of such service or facility under such certificate would result in a number of hospital beds within such area which is in excess of the applicable supply ceiling promulgated under section 1504(b)(1)(A).

"(2) If in a health service area the number of hospital beds is in excess of the supply ceiling applicable to a fiscal year, then a certificate of need may be granted for such a service or facility the development of which would result in a number of new hospital beds which is not more than one-half of the number of hospital beds removed permanently from service in such area in such fiscal year.

The amount by which the number of new hospital beds with respect to which certificates of need may be issued in a fiscal year under the preceding sentence is less than the number of new hospital beds with respect to which certificates of need were issued in such fiscal year may be added to the number of new hospital beds with respect to which certificates of need may be issued in the succeeding fiscal year.

"(c)(1) Under such a certificate of need program a certificate of need may not, except as provided in paragraph (2), be granted for an institutional health service or health care facility within a health service area if the development of such service or facility could reasonably be expected to produce a number of hospital beds which would result in a hospital bed occupancy rate within such area which is less than the applicable occupancy standard promulgated under section 1504(b)(1)(B).

"(2) If in any fiscal year the hospital bed occupancy rate within a health service area is less than the occupancy standard applicable for such fiscal year, then a certificate of need may be granted for a service or facility the development of which would result in a number of new hospital beds which is not more than one half of the number of hospital beds removed permanently from service in such area in such fiscal year. The amount by which the number of new hospital beds with respect to which certificates of need may be issued in a fiscal year under the preceding sentence is less than the number of new hospital beds with respect to which certificates of need were issued in such fiscal year may be added to the number of new hospital beds with respect to which certificates of need may be issued in the succeeding fiscal year.

"(d) In granting certificates of need under such a program a State shall take into account priorities recommended by health systems agencies within the State under section 1513(h).".

(2) The second sentence of section 1523(a)(4) of the Public Health Service Act is repealed.

(c) Section 1531 of the Public Health Service Act is amended (1) by striking out "For purposes of this title" and inserting in lieu thereof, "Except as otherwise provided for purposes of this title", and (2) by adding after paragraph (5) the following new paragraphs:

"(6) For purposes of section 1504 and 1527, the term 'hospital', with respect to any accounting year, means an institution (including a distinct part of an institution participating in the program established under title XVIII of the Social Security Act) which—

(A) satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act, and

(B) has an average duration of stay of 30 days or less in the preceding accounting year,

except that for any fiscal year such term does not include a Federal hospital or an institution which during such fiscal year derived more than 75 percent of its inpatient care revenues on a capitation basis, disregarding revenues received under title XVIII of the Social Security Act, from one or more health maintenance organizations (as defined in section 1301(a)).

"(7) For the purposes of sections 1504 and 1527, the term 'capital expenditure' means an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance and which (A) exceeds $100,000, (B) changes the bed capacity of the facility with respect to which such expenditure is made, or (C) substantially changes the services of the facility with respect to which such expenditure is made, except that such term includes expenditures for obtaining a facility or part thereof, or equipment for a facility or part, under a lease or comparable arrangement but does not include the acquisition of an existing hospital facility if such acquisition does not make a change in the services or bed capacity of such hospital facility. For purposes of clause (A) of the preceding sentence, the cost of the studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of the plant and equipment with respect to which such expenditure is made shall be included in determining whether such expenditure exceeds $100,000. If a person makes an acquisition of equipment for a hospital and donates it to the hospital, the expenditure for such acquisition shall be considered a hospital capital expenditure for purposes of sections 1504 and 1527.".

(d) Section 1532(b)(2) of the Public Health Service Act is amended (1) by striking out "ninety days" and inserting in lieu thereof "one year", and (2) by adding before the period "or longer than such shorter period from such date as the Secretary may prescribe".

SEC. 202. (a)(1) Section 1122 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j)(1) Except as provided in paragraph (2), in determining the Federal payments to be made under titles V, XVIII, and XIX with respect to services furnished in a health care facility located in a State—

"(A) which has not entered into an agreement with the Secretary under this section, or

"(B) which does not have a certificate of need program approved under title XV of the Public Health Service Act,

the Secretary shall not include an amount equal to ten times any amount which is attributable to depreciation, interest on borrowed funds, and return on equity capital (in the case of proprietary facilities) or other expenses related to capital expenditures after September 30, 1977, for such health care facility unless the Secretary has approved, in accordance with procedures and criteria established by the Secretary, such expenditures after taking into account any recommendation made by a State agency designated under section 1521 of the Public Health Service Act. With respect to any organization which is reimbursed on a per capita or a fixed fee or negotiated rate basis, in determining the Federal payments to be made under titles V, XVIII, and XIX, the Secretary shall exclude an amount which in his judgment is a reasonable equivalent to the amount which would otherwise be excluded under this subsection if payment were to be made on other than a per capita or a fixed fee or negotiated rate basis.

"(2) Paragraph (1) shall not apply with respect to determination of Federal payments to be made under title V, XVIII, or XIX with respect to services furnished in a health care facility located in a State which has a certificate of need program, approved by the Secretary for purposes of this section, which applies to capital expenditures for hospitals and with respect to which such capital expenditures meet the requirements of section 1527 of the Public Health Service Act.".

(2) Subsection (e) of such section 1122 is amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (d) or (j)".

(3) Subsection (b) of such section 1122 is amended by inserting before the period at the end thereof the following: "or does not meet any applicable requirement of subsection (a)(4), (b), or (c) of section 1527 of the Public Health Service Act".

(4) Subsection (d)(1) of such section 1122 is amended by striking out "any amount" in the matter following subparagraph (B) of the first sentence of such section and inserting in lieu thereof "an amount equal to ten times any amount".

(b) The amendments made by subsection (a) shall apply with respect to capital expenditures made after September 30, 1977.

SEC. 203. (a) Section 103 of the Internal Revenue Code of 1954 (relating to exclusion from gross income of interest on certain governmental obligations) is amended by redesignating subsection (f) as subsection (g), and by inserting after subsection (e) the following new subsection:

"(f) Obligations Supporting Increases in Acute Care Hospital Beds.—Any obligation issued by a State or territory for an institutional health service, health care facility, or health maintenance organization—

"(1) the development of which would result in a number of hospital beds within a health service area which number is in excess of the applicable supply ceiling for such area promulgated under section 1504(b)(1)(A) of the Public Health Service Act, or

"(2) for which a certificate of need has not been issued under a certificate of need program approved under title XV of the Public Health Service Act, shall be treated as an obligation not described in subsection (a)(1).".

(b) The amendments made by subsection (a) shall apply with respect to taxable years beginning after the date of the enactment of this Act.

INDEPENDENT LIVING PROGRAMS FOR THE HANDICAPPED ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. COHEN) is recognized for 5 minutes.

Mr. COHEN. Mr. Speaker, I am pleased to join with Congressman KOCH in sponsoring legislation to provide supports for the handicapped so that they can live independently in their own homes.

One month from today, we will be in the midst of the White House Conference on Handicapped Individuals. The purpose of that conference will be to suggest how this country may give its handicapped citizens a chance to live as well as other citizens, despite their afflictions.

This conference is by no means the first attention this country has given to the needs of the handicapped. Since I came to Congress, we have passed such important pieces of legislation as the Education for All Handicapped Children Act and the Rehabilitation Act. We have provided several programs to increase accessibility for the handicapped to our transportation systems, housing, and places of business. In this regard, I was pleased to have authored legislation, later amended to the Tax Reform Act of 1976, which provided tax incentives for the removal of architectural and transportational barriers from the paths of the handicapped.

This year, Congressman KOCH and I have already sponsored legislation to make voter registration sites and polling places accessible to the handicapped. I believe the bill we are introducing today is another step in the difficult struggle to achieve equality of opportunity and acceptance that we all seek from our society.

As a member of the House Select Committee on Aging, I have recognized the value of sustaining individuals so that they may continue to live in their own homes. The services envisioned by this demonstration bill—such as continuous wheelchair repair, attendant screening and referral, housing and transportation referral and assistance, and employment and economic counseling—will promote the independence, productivity, and quality of life of disabled individuals. If we recognize the needs of the handicapped and take initiatives to fullfill those needs, the handicapped will cease to be burdens and their talents and abilities will in turn benefit us all.

SAYING HAPPY ANNIVERSARY TO ISRAEL IS NOT ENOUGH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 30 minutes.

Mr. BURKE of Florida. Mr. Speaker, it is with special pride that I join with my colleagues in the U.S. House of Representatives in commemorating the 29th anniversary of the birth of the State of Israel. This observance has special significance this year for as renewed attention is being focused upon the violations of human rights, the struggle of the State of Israel serves to remind us of that insatiable quest for freedom which lies at the heart of the human spirit.

Mr. Speaker, ever since the State of Israel was first established on April 21, 1948, the Arab States have waged war against her on four fronts: military, diplomatic, economic, and by propaganda. Punctuating the gunfire, there has been a never-ending propaganda effort to capture world opinion and to isolate Israel. Throughout her 29 years of existence—and through four costly wars for survival—Israel has had to struggle to maintain her right to exist. And yet, through all the adversity Israel has not only maintained her independence, but she has also been a beacon of freedom in an increasingly hostile world.

While there has never been any formal treaty committing the United States to take actions of any kind in response to Israel's defensive needs, the American commitment to the survival of Israel has been affirmed by every U.S. President since 1948. The United States stands committed to the survival and integrity of the State of Israel and this has been the bipartisan basis of American policy over the past 29 years and under seven administrations. And the reason for this policy is clear: it is a vital interest of the United States to assure that its ally—Israel—is powerful. A strong Israel is a strategic asset for the United States. A weak Israel is a liability.

Mr. Speaker, it is a keystone of American principles and policies that the U.S. commitments abroad should be oriented toward the survival of democratic states. Here, Israel's importance to the United States is manifest. The very presence of Israel in the Middle East lends not only a military stability to the area, but it also lends a political presence which would not otherwise exist. This presence helps to promote the development of free and democratic institutions. It helps the United States to stand in opposition to those forces of totalitarianism both on the right and on the left. In short, by acting as a bulwark against these forces, Israel is contributing substantially toward the institutionalization of democratic principles which wherever they are found serve to enhance the security of the United States.

Mr. Speaker, the United States recognizes Israel as one of her strongest and most reliable democratic allies. The strong bonds between the two countries are based upon common ideals and a shared commitment to freedom. As we commemorate Israel's 29th birthday, let us reaffirm the basic truth that the long-term survival of the United States and Israel are inextricably bound together Both nations have a solemn commitment to freedom. And it is the steadfastness with which Israel has honored this commitment which we celebrate today.

But Mr. Speaker, on this 29th birthday, I feel it would be wrong to recognize Israel on this 29th anniversary of its existence without expressing my opposition to President Carter's recent suggestion as to how to bring a peace settlement in the Middle East. It is my belief that to take the President's course is dangerous and should be opposed.

Mr. Speaker, in a news conference held only 2 days after the Prime Minister of Israel—Mr. Yitzhak Rabin—arrived in Washington for talks with the President, Mr. Carter outlined his vision of a Middle East peace settlement. Distinguishing between legal frontiers, geographical borders, and defense lines, he indicated that Israel's defense borders did not necessarily have to conform to her recognizable legal borders. In fact, he said that in order for Israel to enjoy a termination of belligerence toward her by her neighbors, Israel would have to substantially withdraw from the territory she has occupied since the 1967 war. He made it clear that as long as Israel was able to defend herself, these changes should not matter.

As an adjunct to this, President Carter also announced that it would be United States policy to mount a major effort to bring the parties together in Geneva where it would act as intermediary in the conflict.

Mr. Speaker, I believe President Carter is in error on this issue for three basic reasons. In meetings and my travels to the Golan Heights and my observations I feel that the parties involved in the Middle East can best resolve their own problems. Interference by the so-called super powers cannot help the security of the State of Israel nor lead to a lasting peace in the region. In fact, it is my view also that to push a settlement with assurance of peace is against the national interests of the United States and could lead to ultimate hazard for the world.

Mr. Speaker, if Israel were to submit to a hasty peace settlement drawn up at American insistence, I believe that it could only make Israel more vulnerable to possible increased terrorism by her enemies—not to mention the manifold political demands which would carry more weight in such a situation. Since the 1967 war, Israel has acquired territory which has made it possible to have a defense-in-depth for the first time since becoming a state. This affords Israel an

enhanced military security—as well as a political security—which profoundly affects all aspects of Israeli life. To move hastily toward some kind of peace settlement that substantially changes the present arrangement could easily unravel Israel's present security position and undermine whatever prospects for peace now exist.

Mr. Speaker, if we have learned anything from our experience in Vietnam, it is that any peace settlement must come about as the result of a slow evolutionary process. The passions of hatred and enmity run too deep and are too strong to ever be removed by the simple negotiation of a paper document. If there is to be a lasting peace in the Middle East, the way for it must be paved in the minds and the hearts of the people themselves. Any other kind of settlement is entirely too fragile and tends to overlook the vast political, social, economic, military, and ideological forces which militate against it. More than negotiations are needed to bring about a peace settlement. There must be a basis both in the domestic and in the international policies of the parties involved.

In addition, we should not be unmindful of the consequences which could ensue should the Arab States not have to contend with the possibility of an Israeli attack. As is commonly known, there are numerous Palestinians residing in Israel. These people constitute a potential fifth column which if agitated could terrorize the entire country. If the level of engagement were to be transferred from one of possible conventional warfare to all-out terrorist and guerrilla warfare, the danger to Israel could become significantly greater than it presently is.

Nor should we think that deepening involvement in the Middle East is in the best interests of the United States. There are those in the Congress who think that because of our leading role in this area that the United States is in a stronger position than it has been for some time. I profoundly disagree.

Mr. Speaker, it is my belief that the very fact that the United States is attempting to force a settlement on Israel is a sign not of our enhanced position in the Middle East. On the contrary, it is a sign of a national weakness stemming from a loss of American power in the region and its corollary—the willingness to compromise our national interest. And even more significantly, this becomes the source for the strength of the oil cartel.

Mr. Speaker, there can be no doubt that Russian influence has diminished in the area. But, what they have lost they can always regain if the United States fails to satisfy the Arab countries. The crucial factor in the Middle East politics is the leverage the Arab nations have acquired by virtue of their control over the supply and the price of oil—as well as the added leverage they enjoy as a consequence of the uncertainties that will necessarily arise in the event of another Middle East war. This leverage both conditions and compromises American policy in this region. It places severe constraints on the freedom of action we would otherwise enjoy.

Let there be no doubt. The United States finds itself in a position of weakness precisely because of a "felt need" to be responsive to the interests of the Arab States. And the net result of this leverage is that U.S. policy will more and more be forced to pressure Israel to make concessions in order to keep oil flowing to Western nations at a reasonable price.

Mr. Speaker, the fact that President Carter is beginning to pressure Israel to accept the terms of a dictated peace can only be interpreted to mean that the United States is acting not out of strength, but out of weakness. We are acting as instruments in the hands of the Arab oil cartel. To continue to pursue such a policy will not lead to lasting peace in the Middle East, nor will it protect the interests of either the United States or Israel. It is just another chapter in what has become a slow, but continual, retreat of American power. And I am strongly opposed to such a policy.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 5 minutes.

Mr. LE FANTE. Mr. Speaker, I regret that due to official business in my District, I was unable to be on the floor of the House on Wednesday, April 20, 1977 when the vote was taken on H.R. 5840, amendments to the Export Administration Act. Had I been present, I would have voted in favor of the bill.

CANADIAN FISHING AGREEMENT OPPOSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

Mr. AUCOIN. Mr. Speaker, today I voted no on legislation approving a reciprocal international fishing agreement with the Government of Canada. This vote was cast in protest over the State Department's refusal to press the Canadians during these negotiations to adopt fishing seasons consistent with those proposed on the west coast.

I would like my colleagues to understand why this issue is so important to Oregon's fishermen. Recently the Pacific Regional Fishery Management Council proposed, pursuant to the new 200-mile law, a salmon management plan which would close the month of June to all commercial trolling. While the council claims this action was necessary to insure an adequate escapement of young salmon, what it does is to allow these salmon to cross into Canadian waters only to be caught there. It is estimated that at least 30 percent of the fish which escape U.S. trollers in June will be caught by the Canadians. Other estimates have it at 50 percent. This would not be a problem if Canada and the United States adopted consistent seasons.

If one objective of the fisheries management plans envisioned in the 200-mile law is the enhancement of the fish resource, the cooperation of Canada is essential. It is useless to regulate fishing off America's coast if actions taken by the Government of Canada only serve to negate these benefits to the advantage of Canada.

West Coast trollers can expect to suffer substantial—if temporary—loss of income in the name of fishery conservation. This sacrifice is hard to swallow if you realize, as the trollers do, that the fish they pass up will end up in the hands of foreign fishermen.

For this reason I vigorously protested in the Merchant Marine and Fisheries Committee the failure of the State Department to consider this issue. I won a pledge from the Department to take this matter up as soon as the negotiations are resumed on a permanent agreement. But this does not lessen my extreme dissatisfaction with the 1 year provisional agreement which the House considered today.

STANDARDS FOR NO-FAULT MOTOR VEHICLE ACCIDENT BENEFITS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Moss) is recognized for 10 minutes.

Mr. MOSS. Mr. Speaker, I am pleased to introduce today, together with Mr. MURPHY, Mr. VAN DEERLIN, Mr. SCHEUER, Mr. METCALFE, and 8 other cosponsors, the Standards for No-Fault Motor Vehicle Accident Benefits Act.

Mr. Speaker, no one needs to be told that our system for compensating motor vehicle accident victims is seriously ailing. The liability system has a well documented history of leaving accident victims unpaid, underpaid, or paid long after the doctor bills and other loss payments fall due. A 26-volume Department of Transportation study concluded:

> In summary, the existing system ill serves the accident victim, the insuring public and society. It is inefficient, overly costly, incomplete, and slow. It allocates benefits poorly, discourages rehabilitation, and overburdens the courts and the legal system.

The basic concept of no-fault is to replace the antiquated "get-a-lawyer-and-sue" liability system with a "get-paid-out-of-your-own-policy-no-matter-who-is-at-fault" system.

Under a no-fault system, you buy insurance that will compensate you for your injuries in an accident, instead of buying insurance to protect your assets against the possibility that you will be found "at fault" in an accident, usually through a costly, time-consuming lawsuit.

It is important to note, Mr. Speaker, that when we speak of a no-fault system, we are not saying that irresponsible drivers should go unpenalized. They should be held accountable. This bill provides that programs designed to deter negligence, such as fines, drivers license suspension and revocation, compulsory driver education, and others, should be continued. But we cannot allow the process of setting penalties to get in the way of providing victims with the benefits they need to bring about a full recovery as quickly and completely as possible. Thus it is only the compensation system

that would operate on a no-fault basis under this legislation, not the penalty system, which would remain under the control of local and State authorities.

This legislation provides for no-fault systems established and run by each State, according to standards set forth in the bill. It does not impose a Federal no-fault program. The States are allowed wide latitude under the standards this legislation would create. The role of the Federal Government is kept to a reasonable minimum.

An identical bill is also being introduced today by a bipartisan group of Senators and has broad-based support among labor and consumer groups as well as in the insurance industry. This wide support is in clear recognition of the relative merits of the new no-fault over the current tort liability system. The tort system:

First. Pays benefits to fewer than 50 percent of accident victims.

Second. Distributes benefits inequitably—paying victims with small economic losses 4½ times their actual loss while paying victims with $25,000 or more in economic losses only 30 percent.

Third. Pays for losses after 16 months.

Fourth. Overall, pays victims 44 cents out of each premium dollar.

Fifth. Pays attorneys 20 cents out of each premium dollar.

By contrast, the no-fault insurance system:

First. Pays benefits to all accident victims.

Second. Pays the actual economic losses of victims, including the cost of all reasonable medical and rehabilitation expenses up to $100,000 and up to a year's lost wages for the average worker.

Third. Pays for losses within 30 days of when they accrue.

Fourth. Pays victims 60 cents out of each premium dollar.

Fifth. Pays attorneys 5 cents out of each premium dollar.

The no-fault system is able to pay more benefits to more victims because it eliminates in large part the inefficient frictional cost of lawsuits, with their substantial attorneys' fees, and the gross overcompensation of victims with small economic losses that takes place under the fault system because of the "nuisance value" of any person's claims.

In fact, the only organized and consistent opposition to no-fault has come from the trial lawyers who stand to lose the fees these lawsuits generate, an amount totalling $1.500,000,000 annually. The efforts of these same lawyers have prevented the States from enacting effective no-fault programs. Of the 24 States that have revised their vehicle accident compensation systems, only one law—that of the State of Michigan, comes close to meeting the minimum provisions of a good no-fault program. That law is working well to pay all victims promptly at reasonable cost. Most of the other laws either provide inadequate benefits for the seriously injured, or too low a tort threshold to keep premiums at reasonable levels.

Fears that no fault systems will increase premium costs are unfounded. These fears grow out of the poorly functioning efforts in States other than Michigan, and do not reflect what can be expected under no-fault programs established under this legislation. In fact, cost estimates of past no-fault bills, applied to this legislation, suggest a cost savings in bodily injury premiums of more than 10 percent for the average insurance buyer.

The overriding purpose of this no-fault legislation is to put accident victims back on their feet and back on the job as soon as possible, and to repay them quickly for out-of-pocket financial losses resulting from an accident. To accomplish this objective, the legislation contains several key provisions.

First, the legislation would require State programs to provide a minimum of $100,000 for medical benefits, or under certain conditions to provide medical benefits for a minimum 2-year period. These benefits must be paid to victims within 30 days of the submission of a reasonable proof of loss, or within 15 days after the close of each period, if loss claims are submitted on a periodic basis.

Second, in addition to medical benefits, State plans would also require the following minimum coverages: $12,000 in work loss benefits; $7,300 for replacement services benefits; and $1,000 for funeral and death benefits.

If necessary, States would be permitted to reduce benefits other than medical benefits or funeral benefits, if it is necessary to keep premiums from rising above the cost of pre-existing coverage, other than to account for inflation.

For individuals who wish coverages greater than a basic policy would provide, States must require sellers of insurance to offer higher levels of coverage, for example, up to $1 million in medical payments, at comparably higher rates.

Third, the bill would permit victims to sue for any economic loss that is not covered by no-fault benefits. Also, the measure would permit seriously injured victims to sue for their pain and suffering as well.

Fourth, State plans must require each owner to maintain continuous coverage. This coverage is designed to apply to each insured person, rather than to an insured vehicle, to cover the widest possible range of accident situations.

Fifth, broad consumer protection measures are included, among them restrictions on cancellation of coverage, adequate information on cost and availability for prospective purchasers of compulsory coverage, accountability of medical providers, and rehabilitation services meeting basic standards. The legislation encourages each State to move aggressively to require that medical and rehabilitation services paid for under the State's no-fault program meet adequate quality standards.

Sixth, a procedure is established for granting approval of State plans and for working out means for States to meet Federal standards in instances where difficulties arise. Only if a State fails to enact and maintain a plan that meets the basic standards the Federal Government, specifically the Secretary of Transportation, may implement a no-fault plan in that State.

Mr. Speaker, these are the major provisions of the Standards for No-fault Motor Vehicle Accident Benefits Act. I believe its approach is entirely reasonable and an extremely workable balance between Federal and State interests. More importantly, it will enable this Congress, the Federal Government, the States and society as a whole to meet the obligation to eliminate the persistent horrors of our current system by meeting the needs of millions of accident victims each year. Thank you.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 5 minutes.

Ms. OAKAR. Mr. Speaker, I was unavoidably absent yesterday when the House voted on H.R. 3340, which would amend the provisions of the tax code concerning individuals who use a part of their home to provide day care services.

Had I been present, I would have voted yea.

CONGRESSMAN BRADEMAS HONORS SAUL BELLOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 10 minutes.

Mr. THOMPSON. Mr. Speaker, recently my good friend and valued colleague, JOHN BRADEMAS, spoke at a dinner honoring the Nobel laureate author, Saul Bellow. Congressman BRADEMAS' remarks contain provocative insights into the role of the humanities in the contemporary world as well as highlighting the enormous contribution of Saul Bellow to modern literature. I would like to take this opportunity to share these remarks with my colleagues:

REMARKS OF CONGRESSMAN JOHN BRADEMAS

I count it an honor to have been invited to offer a few remarks on the occasion of the 6th Annual Jefferson Memorial Lecture.

Now, although my father was born in Greece, I hope that I shall not be charged with ethnic chauvinism if I here recall for you those first lines of a poem by that extraordinary Greek of Alexandria, Constantine P. Cavafy:

"Ordinary mortals know what's happening now, the gods know what the future holds because they alone are totally enlightened. Wise men are aware of future things just about to happen."

As I think of our honored guest tonight, I must say that, measured by Cavafy's test—awareness of future things just about to happen—we are in the presence of a very wise man, indeed.

It is nearly a quarter of a century now since I read Saul Bellow's big, wonderful, roaring novel, "The Adventures of Augie March," and that his achievements since won him the Nobel Prize last year should be no occasion for surprise to any of us in this room.

Indeed, I believe that in Saul Bellow's moving lecture before the Swedish Academy in December, one can find lessons for us all both about the purposes of the agency of government which is the sponsor of the Jef-

ferson Lecture and about the role, more broadly, of the humanities in our own lives.

For in his Nobel Prize lecture, Mr. Bellow expressed his concern about what he perceived to be the separation in the West between some great artists and the general public, artists, he said, who "developed a marked contempt for the average reader and the bourgeois mass."

Central to the purpose of the National Endowment for the Humanities, I suggest, is the stimulation of activities of the mind and the imagination, activities which, while of high quality, ought nonetheless to be within the reach of the millions of the American society.

There is an echo of this commitment of the Endowment, at least when it is operating at its best, to both quality and accessibility, in the question Mr. Bellow raised at Stockholm:

"What would writers do today if it would occur to them that literature might once again engage those 'central energies', if they were to recognize that an immense desire had arisen for a return from the periphery, for what was simple and true?"

Stimulating writers—and others—to 'engage those central energies', is, I reiterate, a large part of what the National Endowment for the Humanities is all about.

And let me here interject that I trust I shall not be taken as partisan when I say that I believe that what in large measure has caused President Carter to come to command such broad confidence among the American people is, beyond his uncommon intelligence, a conviction on their part that his own basic values, like the best in the American heritage, are, in Mr. Bellow's words, "simple and true."

But there is a further lesson of which the achievement of Saul Bellow reminds us. It is of the indispensability to what he calls the "main human enterprise" of art and literature, of the life of the mind and the imagination.

Allow me to make my point by recalling how, in 1970, when several of my colleagues and I decided to write legislation providing funds for elementary and secondary schools to offer courses on environment, I picked up the phone in Washington and called Robert Motherwell to ask him to be a witness on the first day of our hearings.

He said, "Why do you want me to testify on environmental education? I'm a painter."

I responded:

"Because we want to establish at the outset that in discussing the environmental crisis, we are talking about far more than clean air, land and water. We are talking about the fundamental values of human life."

Motherwell said, "I'll come", and his eloquent testimony that day says from the perspective of a painter what Saul Bellow says to us as a writer.

Said Motherwell:

"I speak only as an artist, but to speak as an artist is no small thing. Most people ignorantly suppose that artists are the decorators of our human existence, the esthetes to whom the cultivated may turn when the real business of the day is done. But actually what an artist is, is a person skilled in expressing human feeling.

"Far from being merely decorative, the artist's awareness with his sense of proportion and harmony, is one of the few guardians of the inherent sanity and equilibrium of the human spirit that we have."

Saul Bellow is one of these guardians.

AMENDMENTS TO FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. GIAIMO) is recognized for 5 minutes.

Mr. GIAIMO. Mr. Speaker, on Tuesday, April 26, and Wednesday, April 27, 1977, the House will consider the First Concurrent Resolution on the Budget for fiscal year 1978—House Concurrent Resolution 195.

The Committee on the Budget has authorized me to offer two floor amendments to reflect the adjustments made necessary by developments occurring subsequent to the date on which the resolution was reported to the House. The amendments, with supporting explanations, follow. I ask my colleagues to support these important adjustments:

AMENDMENT TO H. CON. RES. 195 BY MR. GIAIMO

Insert the following new section:

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974

(1) Section 1 of S. Con. Res. 10 is amended to read as follows:

"That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $355,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,300,000,000;

(2) the appropriate level of total new budget authority is $469,700,000,000;

(3) the appropriate level of total budget outlays is $414,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $59,250,000,000; and

(5) the appropriate level of the public debt is $707,970,000,000."

(2) Section 2, paragraph (10) of S. Con. Res. 10 is amended to read as follows:

"(10) Income Security (600):

(A) New budget authority, $167,700,000,000;

(B) Outlays, $138,100,000,000."

HOUSE BUDGET COMMITTEE AMENDMENT

ADJUSTMENT TO 3D BUDGET RESOLUTION FOR FISCAL YEAR 1977 TO EXCLUDE $50 REBATE

[In millions of dollars]

	Fiscal year 1977		
	3d budget resolution	Committee amendment	Resolution as amended
1. Adjustment to budget aggregates:			
Revenues	347,700	+7,300	355,000
Decrease	(10,600)	(−7,300)	(3,300)
Budget authority	472,900	−3,200	469,700
Outlays	417,450	−3,200	414,250
Deficit	69,750	−10,500	59,250
Debt subject to limit	718,400	−10,430	707,970
2. Adjustment to functional categories:			
600—Income security:			
Budget authority	170,900	−3,200	167,700
Outlays	141,300	−3,200	138,100

3. Explanation: The committee amendment makes the necessary adjustments to the Third Budget Resolution for FY 1977 to remove provision for the $50 individual tax rebate and payment proposal. The total impact of the amendment is to reduce the deficit by $10.5 billion to $59.25 billion. Removal of the tax rebate provision increases the estimate for total revenues to $355.0 billion, which reflects a $7.3 billion increase. Budget authority and outlays in the budget resolution totals and the functional category for Income Security are reduced by $3.2 billion each. It had been estimated that payments to social security, supplemental security income, and railroad retirement recipients would cost about $1.8 billion and that payments to recipients of the earned income credit and others with earned income but limited tax liability would cost about $1.4 billion.

AMENDMENT TO H. CON. RES. 195 BY MR. GIAIMO

On page 2, line 2 strike out $462,349,000,000 and insert in lieu thereof $463,864,000,000;

On page 2, line 5 strike out $64,255,000,000 and insert in lieu thereof $65,770,000,000;

On page 2, line 7 strike out $801,100,000,000 and insert in lieu thereof $792,100,000,000;

On page 2, line 9 strike out $101,100,000,000 and insert in lieu thereof $92,100,000,000;

On page 3, line 9 strike out $2,880,000,000; and insert in lieu thereof $4,395,000,000.

HOUSE BUDGET COMMITTEE AMENDMENT

ADJUSTMENT TO THE 1ST BUDGET RESOLUTION FOR FISCAL YEAR 1978 TO INCLUDE A REESTIMATE OF COMMODITY PROGRAMS (CCC)

[In millions of dollars]

	Fiscal year 1978		
	1st budget resolution	Committee amendment	Resolution as amended
1. Adjustment to budget aggregates:			
Revenues	398,094	----------	398,094
Decrease	(1,073)	----------	(1,073)
Budget authority	500,764	----------	500,764
Outlays	462,349	+1,515	463,864
Deficit	64,255	+1,515	65,770
Debt subject to limit	801,100	−9,000	792,100
Increase	(101,100)	(−9,000)	(−92,100)
2. Adjustment to functional categories:			
350—Agriculture:			
Budget authority	2,153	----------	2,153
Outlays	2,880	+1,515	4,395

3. Explanation:

The committee amendment adds $1,515 million in outlays to the Budget Resolution total and to the Agriculture function to accommodate recent adjustments in commodity programs of the Commodity Credit Corporation. The amendment reflects the impact of these adjustments on current law only. No legislative changes are assumed for 1977 crops.

This adjustment in commodity program outlays was deferred during committee consideration of the Budget Resolution, pending submission of a revised estimate by the Administration. That revised estimate has been received, has been reviewed by the Congressional Budget Office and the committee staff, and is reflected in the committee amendment.

It is assumed that administrative actions to extend wheat loans (reseal program), expand storage facility loans, and increase price support levels for wheat, feedgrains, and dairy will require additional expenditures. Further, it is assumed that deteriorating economic circumstances for commodities such as wheat will require larger loans and payments.

A BALANCED AND SUCCESSFUL APPROACH TO PROFESSIONAL SCHOOL ADMISSIONS

(Mr. EILBERG asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EILBERG. Mr. Speaker, the subject of admissions to professional schools—especially law, medical, and dental schools—has been a divisive one

for several years. The larger question of access to the professions is interwoven with the American dream. The former practice of systematic exclusion of minorities from professional schools and the reaction of establishing "affirmative action" programs to insure admission of minorities to professional schools have been met by emotional reactions, criticism, factfinding, legislation, conciliation attempts, arbitration, and even litigation. In the political arenas of this Nation, the subject has taken on increasing significance.

In the judicial arena, two cases stand out: DeFunis and Bakke.

DeFunis v. *Odegaard*, 416 U.S. 312 (1974) (per curiam), 82 Wash. 2d 11, 507 P. 2d 1169 (1973) (en banc).

In DeFunis, the University of Washington School of Law employed a special segregated, dual admission program. The result of this segregated process was that some minority applicants were accepted to the law school with college grades and LSAT scores so low that, had they not been "minorities," their applications would otherwise have been "summarily denied."

Bakke v. *Regents of University of California*, 18 Cal. 3d 34, 132 Cal. Rptr. 680, 553 P. 2d 1152 (1976) (In Bank), cert. granted 45 U.S.L.W. 3570 (U.S. Feb. 22, 1977) (No. 76-811).

In the Bakke case, presently pending before the U.S. Supreme Court, a similar and segregated special admissions program used by the medical school of the University of California at Davis adopted a quota system by reserving 16 seats for minority applicants out of a possible entering class of 100 students. The Davis process also provided for summary denial of admission to all white applicants with college averages below 2.5—on a 4.0 scale—while giving further consideration, and in some cases tendering acceptance, to minority applicants with college averages below 2.50.

The DeFunis and Bakke types of special admission programs are problematical in at least two senses: First, they assume that minorities need a racially segregated evaluation process—in the extreme, supported by an imposed quota—in order to gain entrance to the professional schools; and second, they assume that the sole measures of merit are those qualifications reflected in standardized test scores and college grade point averages. The issue has further been sidetracked by myopic "either/or" extremism. Either you favor giving minorities a "break" by means of a segregated, preferential quota system, or you do not. If you do not, then you are a "racist." If you do, then you are "against" individual merit and the maintenance of academic standards.

We are all too familiar with this type of tunnel vision analysis and the legacy that has resulted from its use.

I am especially happy to bring to your attention, therefore, what appears to be a balanced and successful approach to professional school admissions. I refer to the program and policy of the Temple University School of Law as described by its dean, Peter J. Liacouras. In his November 18, 1976, report to the Law Alumni/ae Association, Dean Liacouras outlined his school's "discretionary" admissions policy, which can be contrasted with the "minorities-only" or "quota" admissions policies of the University of Washington in DeFunis and the University of California at Davis in Bakke.

The Temple Law School's Sp.A.C.E.—special admissions and curriculum experiments—program was instituted in its present form in 1972 under Dean Laicouras' leadership. Unlike the DeFunis- and Bakke-type special admissions programs which are limited to racial minorities and operate with established quotas, the Temple Sp.A.C.E. program operates to insure that applicants with the best individual merit and the highest aptitude for the practice of law and community leadership—not just LSAT scores—will be seriously and competitively considered for admission to the law school. The Temple program, which is not a racially exclusive or "quota" admissions program, accounts for approximately one-fourth of each entering class. The program seeks to go beyond the applicant's statistical credentials, beyond the evaluation of artificial LSAT scores and college grade point averages which are the sole basis for admission to Temple Law School for the remaining three-quarters of each entering class. The program deemphasizes the current overreliance on standardized tests and examines a wide variety of other relevant factors in any individual's application. In short, the Temple program has avoided the "either/or" trap which has haunted most other special admissions programs.

I commend the enlightened approach of Dean Liacouras at Temple Law School in his pioneering effort. Such programs can help bring the Nation together again in this difficult matter of admissions to the professions.

It is my belief that Dean Liacouras' remarks and the Temple Law School Sp.A.C.E. program exhibit a proper balancing of the various competing interests consistent with the maintenance of the highest admission standards, as well as the need for individuals from all groups in society to have an equal opportunity to enter the professions on the basis of individual merit. Other law schools and professional schools would do well to follow Temple's lead in this direction:

LAW SCHOOL ADMISSIONS: A REPORT TO THE ALUMNI(AE)

(By Peter J. Liacouras)

On behalf of the Faculty, students and administrators of the Temple University School of Law, I extend our congratulations to our proud son, Nat Posner, for his distinguished and continuous service to the legal profession and to his Law School. No one has been more helpful to Temple Law School and to me, than Nat and Bea Posner. Congratulations to all of us for having produced this outstanding leader.

I would also like to express my personal gratitude to those loyal men and women who graduated from Temple Law School during an earlier era, and who have steadfastly maintained spiritual, tangible ties to our Law School through the Alumni Association and the Temple University Law Foundation—and without whom none of us would be here today, basking in the glory of what is increasingly being recognized as one of the great law schools in the country.

In May of 1972, a fortnight before assuming the deanship, and again in May 1974, in the wake of the De Funis "reverse discrimination" case, I addressed this distinguished body of alumni(ae) and friends of Temple Law School, on the subject of admissions. Today, I will repeat some of that discussion and briefly assess our progress to date. "Law school admissions" is still the most controversial issue in legal education. This challenge is not, of course, unique to Temple, nor to law schools alone.

At practically every law school in the United States, deans, faculties and alumni(ae) are asked to justify an admission process which produces results which many fair-minded people cannot accept. Alumni(ae) who had no trouble being admitted to law school a decade or two ago now see highly qualified, well-balanced children and friends rejected at the same school. Racial minorities and women, understandably, view the legal and medical professions as the historical and exclusive preserve of white males, and continue to ask what we are doing to change this. Those professional schools which do take steps to remedy historical race and sex imbalances are accused of discriminating in reverse. Then, there are the lawyers, judges and even law professors who complain that law school graduates of today, while bright, aware and book-learned, lack hard common sense, motivation and tenacity to the same degree possessed by their predecessors, and blame the law school admissions process for this. And finally, there are members of the Bar who are concerned, not that qualified applicants are being rejected, but that too many are being accepted and graduated into a tight employment market. I will not answer all of these criticisms today—or possibly ever!

II

At Temple Law School, there was room this Fall for only one in ten of our applicants. Our entering class of 373 constitutes, in traditional admissions terms, "the highest quality" group in the School's history, and was selected from some 3,750 applicants. We were "accepted back" at an unprecedented rate.

Admissions to the Law School were through two routes, "non-discretionary" and "discretionary".

As to "non-discretionary" admissions, roughly 75 percent of the entering class is admitted "through the numbers," which means using almost exclusively the college grade point average and the Law School Admissions Test (LSAT) scores. The median grade point average of that group is well above 3.50 and the median LSAT is well up in the 600's, which means in the top 10 percent of the 130,000 takers of that examination. And almost everyone of the persons admitted through this "non-discretionary" formula, is a white man or white woman.

As to "discretionary" admissions (which fall within the Sp.A.C.E. Program), there have, during the four years of my stewardship been approximately twice as many whites admitted as minorities through the Sp.A.C.E. Program. The Fall 1976 entering class experience was not substantially different. Unlike the vast majority of other Law Schools whose special admissions programs are exclusively for minorities and are now ripe for assault, we have followed a different course at Temple. Our Sp.A.C.E. Program seeks out and carefully, individually and affirmatively selects those applicants—minority and majority group members—who have an outstanding performance record and an exceptional aptitude for the study and practice of law, not necessarily reflected by their LSAT scores.

Our outstanding student body of 1,115 is the equal of any in the nation. Although women now happily constitute 36 percent of our student body (not the 2 percent of 12

years ago), our minority students now comprise only about 10 percent, with blacks making up less than 8 percent of the total enrollment—up from only 1 percent ten years ago. The percentages of women and minorities in the Fall 1976 entering class were even somewhat higher.

Temple Law School's Sp.A.C.E. Program has followed in the spirit of the Founder of our University, Dr. Russell Conwell. We have maintained our populist tradition in making a superior legal education available to working men and women, and their children, irrespective of ethnic or racial or social or religious heritage, or favoritism. That is what I said in 1972 we would do, and that is what we are doing. (For those of you who are not familiar with the Sp.A.C.E. Program, we have distributed at each table, copies of the 1977 Admissions Brochure, page 3 of which describes the Program.)

III

The admissions crisis in law and other professional schools was spotlighted in 1974 by the De Funis case and again two months ago by the Bakke case, which strikes at the heart of the minority admissions practices of many professional schools. I would like to put the Bakke case to rest, as it affects Temple Law School. We can then address the larger admissions issues that remain.

The Bakke case involved a white male who was denied admission to the Medical School of the University of California at Davis. In striking down the Davis Medical School's special admissions program, the Supreme Court of California held the program to be "unconstitutional, because it violates the rights guaranteed to the majority by the equal protection clause of the Fourteenth Amendment of the United States Constitution." (No appeal has yet been filed with the United States Supreme Court.)

At Davis, Bakke was denied admission pursuant to a special admissions program which, in contradistinction to the Temple Sp.A.C.E. Program, afforded a "clear preference on the basis of race to persons who, by the University's own standards, are not as qualified for the study of medicine as non-minority students denied admission."

In further sharp contrast to the Temple Sp.A.C.E. Program, the special admissions program at Davis is "for racial minorities only" and reserves a quota of 16 places for racial minorities out of 100 total admissions to the Medical School. Temple Law School has no quotas, active or benign. Unlike our Sp.A.C.E. Program that is open to all applicants, at Davis all students "admitted under the special program were members of racial minorities; . . . the program applied separate, i.e., preferential standards of admission as to them, and . . . the use of separate standards resulted in the acceptance of minority applicants who were less qualified for study of medicine than Bakke and other non-minority applicants not selected."

Unlike our admissions procedures which insure an independent evaluation of every Sp.A.C.E. Committee recommendation by at least two senior faculty members and administrators, all of the special admissions at Davis were made by a special admissions committee consisting of minority students and faculty "who were predominantly but not entirely minorities."

During the past several years, I have called on other law schools to follow Temple's lead in developing non-discriminatory, special admissions programs and also to work with us to construct regular admissions standards and procedures fair to everyone, suited to excellence in a pluralistic society. As a result of Bakke, most professional schools will be forced to revise their special admissions programs. It should not surprise you that the Temple Law School Sp.A.C.E. Program is now being hailed by civil rights organizations and emulated by other law schools in all parts of this country and abroad.

You should be proud of Temple's Sp.A.C.E. Program.

At Temple Law School, all students admitted under the Sp.A.C.E. Program are highly qualified persons whom we believe will become good lawyers and community leaders. I want to emphasize that every applicant admitted to Temple Law School brings in a very strong academic record. Some, thus specially admitted, had extraordinarily high grade point averages from college but LSAT scores below those regularly admitted. Others have exceptional work experience. They possess the attributes espoused by the Founder of our University, Dr. Russell Conwell. Many picked themselves up by their own bootstraps. As a group, they include men and women from practically every racial, ethnic, economic class, religion, age group, and walk of life. By way of illustration: a Hungarian refugee whose family was in a Nazi concentration camp; a youngster of Italian ancestry who worked in a gas station for 40 hours a week from the age of 12 all the way through college in order to overcome his economic disadvantage; the children of working class Kensington, Manayunk and South Philadelphia ethnics; a white woman who, as a teacher, helped establish an alternative school; those with proud Puerto Rican ancestry who grew up in crowded sections of Manhattan, Vineland and Mt. Vernon Street; policemen from across the Delaware Valley; brilliant Jewish students from Logan and the Main Line who score below average in standardized tests; Poles, Lithuanians and Lebanese from Two Street and Northeast Pennsylvania; black women whose dedication and abilities have permitted them to trade a childhood expectation of domestic work for excellence in college and future leadership in our nation; black wounded Vietnam veterans who have earned, through their performance, the opportunity to realize the American Dream; a white from a Chester County farm who was the first in his family, extending back to colonial days, to attend college; an American Indian raised on a reservation; a Japanese-American whose first memories of life were in a World War II detention camp; the Executive Directors of statewide agencies; and I can go on and on. Each such person admitted through the sound discretion in the Sp.A.C.E. Program, made it to Temple Law School on the merits. These persons, and the 75% of our regular admitted students, constitute the most dynamic, pluralistic, excellent student body in a law school. And every student at Temple Law School is treated precisely the same.

But rather than gloating or resting on laurels, we should face our wider responsibility: We must not stop at reexamining professional school minority admissions policies, but our entire admissions practices to which I will now turn briefly.

V

Properly understood, "law school admission" is an issue which raises a series of policy judgments: who, from what groups in society, with what backgrounds and to achieve what kind of future legal profession and larger society, will be given the opportunity to enter the legal profession and become our future community leaders by first getting into law school, medical school, or the other professions?

With several qualified applicants for each available place in law school, and with the realization that access to the legal profession is a significant ladder to social, economic and political mobility, is there any other context in which to judge admissions standards and procedures?

I do not have to remind you that the American Dream remains largely unfulfilled for millions of Americans, including the bulk of our racial minorities. However, I am not going to dwell on the prospects of racial minority youngsters or even our own children, those with professionals as parents. Instead, I would like to highlight the continuing saga of our admissions crisis by focusing attention on the children of our newest Americans.

I refer to the Portuguese, Italians, Jews, Haitians, Poles and Greeks and other new emigrees who have arrived in the United States during the past ten years thanks to the new Immigration Law. This law overturned the pernicious annual quota for southern Europeans which, for example, allotted exactly 308 immigration places for Greeks.

It is the children of these new immigrants we must now start thinking about. In ten or twenty years they will constitute another minority group knocking on the doors of professional schools.

Will the American Dream come true for them?

Will they have an equal opportunity to make it on their own merits? Will they be looked down on as the new "green horns?" Will they find subtle but insuperable obstacles placed in their way if they wish to enter the professions?

Please do not misunderstand why I zero in on the professions. The professions are not necessarily better or worse than any other group, but they are important in shaping society and in implementing a community's claim for a fair share of scarce resources.

My thesis is: unless general admissions policies to the professions change, these new Americans will probably not get in.

VI

Let me acquaint you with three such children I have come to know. Their parents are food vendors who station their trucks on the streets alongside Temple Law School.

Every morning at 6:30 a.m., Mr. and Mrs. Nikos Tsakaris park their stainless steel truck on Broad Street at the Law School's main entrance, sell food to all comers, rain or shine, and leave when the "No Stopping" traffic regulation goes into effect at 4:00 p.m. They have a son, Panagiotis, who is two-and-a-half.

Mr. and Mrs. Constantinos Mitropoulos own a blue truck which they park at the southeast corner of Broad Street and Montgomery Avenue for 12 hours each day, beginning at 6:30 a.m. Their children, Steve, 15, and Maria, 12, already work in the truck on weekends and holidays and in the summer.

Both families came to the United States six years ago from Thessalonika, Greece. In the best tradition of our forebears, the parents are grateful for the opportunity to work hard, make a decent living and save for their children's education.

But how will little Panagiotis Tsakaris, Steve and Maria Mitropoulos, and the thousands of similar children fare in 10 or 20 years if they are inclined toward careers in the professions?

The answer is that those children will almost certainly *not* get into the professions unless dramatic changes in college admissions practices occur.

VII

If admission to professional school is determined in 1996 as it is now—primarily by "objective," standardized tests such as the four-hour, multiple-choice Law School Admission Test (the so-called LSAT), and the clear trend is toward more reliance on them—then Panagiotis, Steve, Maria and others like them will probably find the door to the professions closed. For it is a statistical fact that groups whose first or family language is not standard English, and who are not a product of the "elite" preparatory school system, are out-

scored on such tests by native-born Americans who are. This has little to do with brains or merit.

These ostensibly objective tests are not the easy-to-recognize "Minorities Keep Out" obstacles of the past. But they are just as effective barriers and they should be exposed as such.

Why do professional schools rely so heavily on a test that, at most, may predict how likely you are to perform on some future tests, such as law school exams which themselves may bear little or no relationship to how well you are likely to perform as a professional and community leader in the real world.

There are no valid answers.

Standardized tests like the LSAT, which became the centerpiece of the admissions process in the 1960's, had some attractive features: they appeared fair because they apparently eliminated the potential for subjective abuses by the examiner; they were easy to administer and grade; and most importantly in a period when there are several qualified applicants for each available law school seat, they produced an index number, purportedly measuring qualifications behind which an admissions officer could fend off pressure from alumni, politicians, donors and others who would like to influence the admissions process.

Why am I so critical of these neat, efficient tests?

Because the LSAT does not even purport to measure the critical question of a person's capacity to become a good lawyer or community leader. The LSAT purports to measure some narrow analytical skills, rather than pragmatic strengths. It was designed almost solely to predict performance in the first-year examinations of law school.

Even at a preliminary level, the use of the LSAT presents a serious problem: the ability to score well on standardized tests may itself be a "skill" independent of the analytical skills which the LSAT purports to be measuring. (The saturation of "cram schools" for SATs, LSATs, MCATs, etc. is strong evidence of the consumer's view that these are neither achievement nor long-range aptitude tests.) In such a situation, the original value of the test is eroded.

Further, the LSAT and similar admissions standards operate on an assumption that the test is the same as real lawyering: if you do well in one, you will succeed in the other.

Does the fact that you score in the 90th percentile rather than the 70th percentile, or rank higher in the class than the next person, mean that you really are more meritorious or more qualified to be a lawyer or more likely to be a better lawyer or judge? You may indeed be a super test taker or great law student but a corrupt or incompetent lawyer. Why do we give degrees to those who present only minimum passing average?

What the LSAT does not even purport to measure—and what is not seriously and systematically measured in most general admissions processes—turns out to be so much of what *does* count in lawyering: common sense, motivation, judgment, practicality, idealism, tenacity, fidelity, character and maturity, integrity, patience, preparation, perseverance, client-handling, creativity, personality, oral skills, organizational ability and leadership. These qualities Panagiotis Tsakaris, Steve and Maria Mitropoulos and your own children may have in abundance. But the tests and the professions pay them no mind.

Although the designers and sellers of the standardized tests warn against overreliance on them, the legal profession and law schools have been unwilling or unable to look beyond these artificial tests. Given the enormous resources and changes in institutional attitudes required to construct an admissions process fair to all, we cannot expect that law schools and the legal profession will suddenly reverse their overreliance on tests prepared and administered by outsiders.

I am not suggesting that we throw out the LSAT altogether, nor that we change the ground rules in midstream to the detriment of the very able, worthy, highly-qualified applicants who relied on this published admissions standard. Whatever changes in admissions are made must be careful, deliberate and fair. But inaction is not the answer either.

Yet the law school world has, until very recently, done preciously little thinking about the admission process except for its most glaring defect that blacks and other racial minorities were being excluded. Yet that defect was considered to be a unique social exception which actually "proved" the validity of and reliance on the LSAT and similar standardized admissions criteria. That is one of the critical fallacies in the Davis-type special admissions policy. The basic admissions standard was not, therefore, called into question.

We are all God's children. Each of us should—on individual merit—be given an equal opportunity. Equal opportunity is not the exclusive preserve of the members of just one or several groups in society. It is due to each of us.

VIII

At Temple, we began five years ago to move slowly and carefully in the right direction. We are understandably finding that the test systematically excludes other groups in society from a share of the American Dream, and that a good percentage of those excluded may be at least as deserving and as qualified as the many who get into law school.

What is the next step?

One partial solution would be to take several times as many students in medical, dental, law and other professional schools.

Each profession's lobby would, of course, resist that solution, (although the legal profession has demonstrated a much greater inclination to expand: law school enrollments virtually tripled during the past ten years). There is a great temptation to pull up the rope when you reach the top of the mountain!

Practically speaking, growth in these professions will come primarily as a result of outside forces. Even then we would probably continue to experience a numbers crunch even if not the present excess demand of five to ten applicants, almost all of whom are qualified under reasonable criteria, for each available seat.

Accordingly, the major thrust of my criticism on admissions standards would still have to be faced.

Certainly, each profession must maintain the highest practical and fair standards, and protect the public from incompetence and treachery. But we see that, under the false banners of "neutrality," "high standards," "objectivity" and the like, plenty of mischief is being perpetrated.

IX

The pressure for constructive changes that will insure equal opportunity for access to the professions, preserve our open society and foster the best of our pluralistic tradition, will come primarily from the outside—from individuals and groups of all races and creeds. But I would hope that Temple Law School alumni(ae) will also lead the way as they have in the past.

Thank you for your attention and your support.

APPENDIX I

TEMPLE LAW SCHOOL 1977 ADMISSIONS BROCHURE

Sp.A.C.E.—SPECIAL ADMISSIONS AND CURRICULUM EXPERIMENTS—PROGRAM

The vast majority (about 75%) of the entering class is selected solely on the basis of the traditional criteria explained above in Section 1. Such admissions are non-discretionary. The remainder of the class is admitted in accordance with the sound discretionary judgment of the Faculty of Law. Those who enter the School of Law through the discretionary admissions process are part of the Sp.A.C.E. Program.

There are two reasons for the Sp.A.C.E. Program. The School of Law has been concerned that an over-reliance on the LSAT and WA—or any other abstract measuring factor—could create an unhealthy rigidity in the composition of a law school class as well as in tomorrow's lawyers and community leaders. The School of Law is also firmly committed to a policy of seeking to help correct minority and similar imbalances in the legal profession.

For these reasons, the Sp.A.C.E. Program was established by the Faculty of Law. The task of the Sp.A.C.E. Program is to seek out and carefully, individually and affirmatively select such applicants—minority and majority group members—who have an outstanding performance record and an exceptional aptitude for the study and practice of law, not reflected by their LSAT and WA scores.

Applicants who consider their backgrounds exceptional may request a review by the Sp.A.C.E. Committee. For your information and guidance, the six categories within the jurisdiction of the Sp.A.C.E. Committee are as follows:

(1) Minority: Black, Hispanic, American Indian, Asian or any other group grossly underrepresented in the legal profession;

(2) Non-minority (i.e. other than category (1) above) with equivalent admissions criteria as in category (1);

(3) College GPA's of 3.80 or above (including Phi Beta Kappa, summa cum laude honors);

(4) Overcoming exceptional and continuous economic deprivation (the "Conwellian tradition");

(5) Exceptional and continuous leadership ability demonstrated in substantial college or community activities;

(6) Exceptional physical disability, such as blindness, which precludes taking the regular LSAT.

There may be additional outstanding applicants who are not within these six categories. Any applicant who believes that he or she has exceptional and unique credentials should describe them and include substantial supporting documentation with the application for possible review by the Committee.

High academic achievement is a requirement for consideration by the Sp.A.C.E. Committee.

It should be emphasized that while Temple University School of Law has one of the largest enrollments in the nation, the number of seats is, nonetheless, limited; that many well-qualifid applicants for admission in each category of the Sp.A.C.E. Program, as well as in the non-discretionary admissions program, will be rejected no matter whom we admit; that admission is competitive within and among the six Sp.A.C.E. categories; that being in one of the six Sp.A.C.E. categories does not necessarily (or even probably) lead to admission; and that everyone admitted to Temple Law School must clearly be within the range of predictable success in law school.

For acceptance by this discretionary route, the Sp.A.C.E. Committee must find first *inter alia* that, as to the individual applicant, the LSAT and WA criteria do not adequately measure the applicant's potential for success in law school and the legal profession. Following a comprehensive review of each applicant, the Sp.A.C.E. Committee then recommends for admission those candidates who, in its considered judgment,

present the very best objective qualifications among all of the six categories.

An applicant interested in applying through the Sp.A.C.E. Program should follow the application procedure outlined in Section 1. Additionally, such a person should append to the application a statement detailing specific reasons for consideration by the Sp.A.C.E. Committee.

APPENDIX II

APPENDIX: EXCERPTS FROM BAKKE VERSUS REGENTS OF THE UNIVERSITY OF CALIFORNIA

(Supreme Court of California, September 16, 1976, pp. 30–32, multilith opinion, footnotes omitted)

The Court painstakingly observed that "the University is not required to choose between a racially neutral admissions standard applied strictly according to grade-point averages and a standard which accords a preference to minorities because of their race." The Court continued:

"[W]hile minority applicants may have lower grade point averages and test scores than others, we are aware of no rule of law which requires the University to afford determinative weight in admission to these quantitative factors. In practice, colleges and universities generally consider matters other than strict numerical ranking in admission decisions. . . . The University is entitled to consider, as it does with respect to applicants in the special program, that low grades and test scores may not accurately reflect the abilities of some disadvantaged students; and it may reasonably conclude that although their academic scores are lower, their potential for success in the school and the profession is equal to or greater than that of an applicant with higher grades who has not been similarly handicapped.

"In addition, the University may properly as it in fact does, consider other factors in evaluating an applicant, such as the personal interview, recommendations, character, and matters relating to the needs of the profession and society, such as an applicant's professional goals. In short, the standards for admission employed by the University are not constitutionally infirm except to the extent that they are utilized in a racially discriminatory manner. Disadvantaged applicants of all races must be eligible for sympathetic consideration, and no applicant may be rejected because of his race, in favor of another who is less qualified, as measured by standards applied without regard to race. We reiterate, in view of the dissent's misinterpretation, that we do not compel the University to utilize only "the highest objective academic credentials" as the criterion for admission. . . . Another ameliorative measure which may be considered is to increase the number of places available in the medical schools, either by allowing additional students to enroll in existing schools or by expanding the schools. In 1974, the University received almost 40 applications for each place available, and the entering class in all the medical schools in the state in the last academic year totaled only 1,094 students. . . ."

AFFIRMATIVE ACTION REPORT

Temple University School of Law, Philadelphia, Pa., September 7, 1976 (revised).

I. Total students (J.D. program)	1115
Males	713
Females	402
Minority students (J.D. program)	118
Black	88
Hispanic	16
Asian American	11
American Indian	3
Majority students (J.D. program)	997
II. First year students only (J.D. program)	375
Males	221
Females	154
Minority students (J.D. program)	61
Black	48
Hispanic	7
Asian American	3
American Indian	3
Majority students (J.D. program)	314

PETER J. LIACOURAS,
Dean.

THE ADMISSIONS STANDARDS

REGULAR ADMISSIONS

The regular admissions standards utilized for an applicant is as follows:

	Maximum Points
(1) Undergraduate grade point average × 200	800
(2) Last reportable period's grade point average × 200	800
(3) Highest LSAT × 1	800
(4) Highest writing ability (WA) score × 7.5	600
(5) Academic honors and achievements (up to 50 points)	50
(6) Military service Peace Corps, Vista, et cetera (up to 50 points)	50
(7) Substantial part-time work during college (up to 50 points)	50
(8) Full-time employment post college (up to 50 points)	50
Maximum combined point total	3,200

In 1975 and 1976 an applicant with a total of 2450 points, calculated using the above formula, was accepted. An illustration may be an aid in understanding the operation of this formula. Suppose an individual applicant presents the following credentials: an undergraduate grade point average of 3.50 (on a 4.00 scale), a last reportable period of 3.75, an LSAT score of 600 and a Writing Ability score of 60. The combined point total accumulated by inserting these specific figures into the formula would be 2500 (700+750+600+450). That combined total would have insured admission in 1975.

The specific figures in the illustration may vary, of course, so long as the combined total reached the minimum level of 2450 points. If, on the other hand, the combined total was over 2300 but below 2450, there was an individual review by the Associate Dean for Admissions for "bonus points" identified in categories 5 through 8.

In the event an applicant was below 2450 (and even if below 2300) but something very exceptional was identified in the regular admission process, then that file was sent to the Sp.A.C.E. Committee for the purpose of considering admission through special admission route. In addition, applicants could specifically request review by the Sp.A.C.E. Committee by checking the appropriate box on the application form.

THE UNITED STATES SHOULD NOT ASSIST PRESIDENT PARK IN THE REPRESSION OF HIS OWN PEOPLE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in the wake of the recent fact-finding trip to South Korea by four of our colleagues, LESTER WOLFF, MARIO BIAGGI, HELEN MEYNER, and BILLY LEE EVANS, that country's President, Park Chung Hee, has initiated a major new crackdown on his political opponents. This action typifies the malignancy and the arrogance of the Park regime.

President Park attempts to justify the repression of all democratic dissent in his country by arguing that North Korea would misconstrue normal democratic opposition as weakness and invade the South again as it did in 1950. This argument is grossly simplistic, ignoring as it does the fundamental strategic and political differences between the international situation at the height of the cold war and at the present. It constitutes nothing more than a self-serving attempt to cover the repressive activities of his secret police with a veil of legitimacy.

The arrogant statement to the U.S. Congress inherent in the timing of the recent arrests, which came within 36 hours after the departure of our colleagues who visited South Korea to evaluate the human rights situation and met with some of Park's domestic critics cannot be left unanswered. Our response should be an immediate and uncompromising cessation of all military aid and sales to South Korea to remain in effect until President Park stops repressing his people, rescinds the 1972 rewrite of the Constitution, which gives him virtually unlimited dictatorial powers, and allows the return of democratic government.

The attitude of the Korean Government toward the U.S. Congress is, however, of secondary importance compared to the Park regime's systematic violations of human rights. It is not an interference in another country's internal affairs to refuse to provide that country military assistance on the grounds that it violates human rights. First of all, universal adherence to minimum standards of human rights is a matter of international concern that transcends national boundaries. Second, there are intangible but very important gains to be made in the international sphere by clearly identifying this country with fundamental principles of decency, thereby distinguishing our way of life and government from that perpetrated by repressive dictators. Our tragic experience in Vietnam is ample testimony to this point.

There are those, such as our Ambassador to Ankarra, Richard L. Sneider, who maintain that open and strong support of human rights in other countries interferes with our other successes achieved by quiet diplomacy. To that I ask, what are our "successes?" What successes did we achieve in Vietnam? In Chile? In fact, the most effective way to improve human rights in other countries is to use whatever leverage we have in a pragmatic fashion. And in the case of South Korea, our military aid makes our leverage great indeed.

Several days ago, 12 Protestant and Roman Catholic leaders headed by William P. Thompson, president of the National Council of Churches, delivered a letter to United Nations Ambassador Andrew Young urging President Carter to do whatever he can to secure the release of the Christian dissidents just arrested

by Park's secret police. I wish to add my voice to theirs in requesting that the President speak out on this matter and that he immediately cancel all aid to South Korea until President Park ends his repressive measures against the democratic opposition in his country. His present actions and his attitude toward the United States and more important his own people cannot be tolerated. We should not be providing the arms that permits him to engage in repression in his own country against his own people.

The appended editorial from the New York Times of April 24, 1977, bears on this matter.

SOUTH KOREA: OUR INDECENT ALLY

The news from South Korea is dismal and familiar. President Park is cracking down on political opponents again; midnight raids, arrests, surveillance, break-ins. More than 30,000 Americans died in South Korea's defense, and billions of dollars have been spent over a generation to protect it against aggression by Communist North Korea, a police state. But the South remains a police state, too. Must our sense of strategic obligation render us helpless against the most brazen violations of human rights?

Let us accept for the moment the assumptions of every American administraton since the Korean War; that the defense of Korea involves the defense of Japan, which involves the balance of Pacific power with the Soviet Union and China, which involves the security of the United States. Accept President Carter's intention gradually to withdraw 33,000 American ground troops from South Korea, with careful notice to the Koreans and Japanese and with an indefinite commitment of American air power to the South's defense. Preventing a war that would surely involve the United States has been Washington's overriding objective. But even if we could safely withdraw altogether in disgust, abandoning the people of the South to the rulers of the North would hardly enhance their freedom.

So what can Americans do, particularly now that we have been aroused to the cause of human rights in Eastern Europe, the Soviet Union and some Latin and African nations? Do we let stand the impression that our security, even if accurately calculated in South Korea, supersedes all humanity? Does our President write letters to Andrei Sakharov, the Soviet dissident who is free to visit our embassy, but not to Kim Chi Ha, South Korea's foremost poet, who sits imprisoned for life for his anti-Government views? No word of sympathy from the White House for Kim Dae Jung, in prison for the crime of running against President Park in 1971 and obtaining 46 percent of the vote?

President Park may not respond to such rhetorical pressure. The Kremlin hasn't either, except with counter-propaganda. But some American investors and traders might respond, to the detriment of General Park's economy and claims of intimacy with the United States. Or some of his domestic opponents might take heart from the evidence that the American commitment extends to a people, and not to their dictator. In time, if there is no reform in South Korea, the denunciations might indeed erode American support for the commitment itself, but that would not be an immediate or inevitable consequence. Surely the errant rulers of South Korea should be more nervous about their ties to the United States than Americans are about ties to them. We cannot soon impose democracy on their country, but we have earned the right to demand decency.

INDEPENDENT LIVING PROGRAMS FOR HANDICAPPED INDIVIDUALS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in the spring of 1976 while traveling in Spain, Anne Thomas, a young woman of 18 who had just resigned from my staff, was the victim in a violent automobile collision which left her totally paralyzed below the waist. While Ms. Thomas was made of very tough fiber and has maintained her sunny disposition throughout her recovery and continuing rehabilitation, she has experienced tremendous frustrations in adjusting her bustling ambulatory life to an active wheelchair existence. Normal daily activities of able bodied persons can literally become physical and sometimes mental barriers to the disabled.

Much has been done by the Congress in recent years to help our disabled citizens gain access to transportation systems, to increase their mobility in central shopping districts, and to provide them with the tools of education and rehabilitation. The Rehabilitation Acts of 1973 and 1974, the Education for All Handicapped Children Act, the Federal Aid Highway Amendments of 1974, and the Housing and Community Development Act all were designed to expand the number of programs aiding the physically disabled. Yet the Federal Government has failed to consider the special difficulties encountered by the disabled from the perspective of their day-to-day living needs once they have been absorbed into the community.

The Center for Independent Living, CIL, in Berkeley, Calif., is a nonprofit organization run by disabled individuals that has pioneered in developing a realistic approach to helping the handicapped live independently in their own communities. Ms. Thomas' situation subsequent to her accident brought to my attention the excellent rehabilitative opportunities available in independent living programs for the handicapped. CIL, which served as a model for the legislation my colleague Mr. COHEN and I are introducing today, coordinates referrals of architecturally accessible housing, has a 24 hour wheelchair repair service, provides special transportation for its clients, and an attendant screening and referral service, as well as other programs, which all help to solve the difficulties of handicapped persons living on their own. With their advocacy unit, which refers clients to the Federal and State government services available to them, the CIL resolves the continuing frustration of the handicapped in their contacts with Government bureaucracies. This guidance and support means that the handicapped in Berkeley, Calif., and in other parts of the country where similar programs are in operation, can hold responsible jobs, continue their education, and pursue normal social activities within their own communities.

The difficulties encountered by Ms. Thomas and our subsequent research in this area have served to point out the real need for Federal stimulus of this concept of independent living for the handicapped, to enable these citizens across the country and in all walks of life to derive a more enriching and active existence. We believe the Federal Government should consider the needs of disabled persons who would like to live independently of their families or institutions, but who are unable to do so because the logistical support needed is unavailable in their own communities. To remedy this situation, Mr. COHEN and I are introducing legislation today to establish grant funding for a 3-year period for the establishment of community service programs to aid the handicapped by providing services such as those found at the Center for Independent Living. Our proposal would allot $250,000 for each State per year, which would be awarded by the Department of HEW to organizations run by and employing disabled individuals that provide the services of an independent living program, ILP.

Under our bill, an Office of Independent Living, OIL, would be established under the Rehabilitation Services Administration of the Department of Health, Education, and Welfare, HEW, would serve as the grant-making body for currently operating or proposed independent living programs. All organizations would apply to the OIL for funding, with the important criteria being that such organizations be composed of, managed by, and employ a substantial portion of persons who are themselves disabled.

The OIL would be responsible for evaluating each proposal to insure that it would adequately provide disabled citizens with services to aid them in living independently.

Such services could include a referring and counseling program with respect to attendant care, training programs on the maintenance of equipment, repair services for equipment such as wheelchairs, hearing aids, TTY's—telephones for the hearing impaired—and closed-circuit television, housing and transportation referral and assistance, and a job-seeking skills program.

Once established, the ILP's would be monitored by regional committees which would evaluate the operations of the various programs. At the Federal level, a task force would be established composed of representatives from HEW, the Department of Housing and Urban Development, the Department of Labor, the Veterans' Administration, the President's Committee on Employment of the Handicapped, the General Services Administration, and those ILP's currently in operation. Qualified individuals who are themselves disabled would receive priority consideration for task force membership. The task force would be responsible for reviewing the operations of the HEW Office of Independent Living, and would determine the future of the ILP program. At the end of a 3-year trial

period, the task force would make recommendations for future funding and program revision.

As I said earlier, Mr. Speaker, a number of independent living programs are currently in operation across the country but we must reach out to those handicapped individuals who have not had the advantages offered by such centers. In addition to the Center for Independent Living in Berkeley which I mentioned previously, other centers include the Ann Arbor Center for Independent Living in Michigan, the Centers for Independent Living in Boston and Worcester, Mass., and the Texas Institute for Rehabilitation and Research in Houston, Tex. Centers such as these have been the product of efforts on the part of concerned handicapped individuals in their respective communities, and have often been aided by nearby university institutions in realizing their goals.

Our legislation seeks to increase the number of such programs across the Nation, so that our handicapped can contribute their talents and energies to the labor force and to their communities. Those profoundly handicapped who have the courage and the drive to continue with their education and to seek to remain active in business and the professions must get the support of this Congress. The handicapped have done so much by themselves to overcome enormous obstacles, emotional and physical, that for the Congress not to assist in this small way would be an outrageous failure on our part.

I am appending an article that appeared in the New York Times that describes the success of the Center for Independent Living in Berkeley as it supports the potential for this bill's proposal:

[From the New York Times, Sept. 8, 1976]

BERKELEY TURNS INTO MECCA FOR HANDICAPPED PERSONS

(By Nancy Hicks)

BERKELEY, CALIF., September 8—The Free Speech and People's Park struggles are long gone, but Berkeley has become a mecca for a new, equally radical movement—the growing numbers of handicapped people who are determined to live independent lives in the community, out of their family basements, out of the institutions that have kept them hidden for so long.

Armed with new antidiscrimination legislation that protects the 25 million physically and emotionally handicapped Americans, and working with a sympathetic City Council here, the handicapped are pushing to open up this town to accommodate their wheelchairs and accept their disfigurements, and they are succeeding.

UNUSUAL STUDENT BODY

"Berkeley ought to be the kind of place where people feel free to create something and be whatever they want to be," said City Manager Elijah Rogers, in explaining why this municipality is spending $250,000 this year to put an elevator in City Hall so that citizens in wheelchairs can attend City Council meetings and to continue the program of constructing sidewalk ramps for wheelchairs.

They have a friend in Sacramento, the state capital—Edward V. Roberts, a quadriplegic who runs the state's programs for the handicapped as director of rehabilitation. Mr. Roberts, a controversial figure, is credited with beginning the Berkeley movement for the handicapped when he convinced the university here to admit him as a student against its will in 1962.

The disabled have now swelled their ranks in the student population at the university to what is probably the largest concentration of handicapped people on a campus in the country—409 students, 150 of them in wheelchairs.

And they have set up an unusual service and support center, the Center for Independent Living, which is complete with peer counseling, job and housing referral and a kind of travel service for wheelchairs. It has become a model replicated around the state, the country and the world.

The center, C.I.L., as it is known, is the hub of activity for the handicapped here. An outgrowth of the campus radicalism of the 1960's, it has been a driving force to challenge traditional charity groups, to help define issues, and to provide nuts and bolts answers to problems that keep the disabled out of circulation, it does the following:

Operates a 24-hour-a-day wheelchair repair program, complete with emergency road service, to enhance mobility, which center leaders believe is the key to integrating the handicapped into mainstream life. Recognizing that most wheelchairs are designed for indoor use and break down often as a result, it has made prototype of a new, smaller, more sturdy chair built with longer lasting parts that are cheap and easily available in bicycle shops and department stores.

Modifies cars and vans to allow the handicapped to drive. It modifies wheelchair controls so that those who are unable to use their hands or fingers can use their chins, cheeks or foreheads—whatever moves—to propel themselves to their destination. The center is training other handicapped people to make these repairs so that they become the nucleus for staffing other centers like theirs across the country.

Operates an attendant referral services that screens and develops a pool of reliable aides who help immobile people bathe, dress and eat.

Seeks to remove sections of Federal welfare laws that discourage persons from working. While Federal rehabilitation law is supposed to encourage work opportunities for the disabled, Federal programs that provide allowances for living, for help and for attendants are often cut off once the disabled person earns more than $3,000 a year. Government agencies estimate that a pariplegic has to earn $12,000 a year to recover lost benefits through income.

Sponsors bachelor's and master's degree programs in health administration and psychology with the Center for Health Studies at Antioch College.

The essence of C.I.L.'s approach is its federally funded peer-counseling research project, headed by Don Galloway.

Mr. Galloway, who was blinded in childhood play at age 13, is also the local president of an organization called BOLD—the Blind Outdoor Leisure Development project—which sponsors skiing white water rafting, tandem bicycle groups and backpacking parties for the blind.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HYDE (at the request of Mr. RHODES), for April 25, on account of official business.

Mr. CORMAN (at the request of Mr. WRIGHT), for after 3:30 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. QUAYLE) to revise and extend their remarks and include extraneous material:)

Mr. COHEN, for 5 minutes, today.

Mr. BURKE of Florida, for 30 minutes, today.

(The following Members (at the request of Mr. IRELAND) to revise and extend their remarks and include extraneous matter:)

Mr. LE FANTE, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Mr. KOCH, for 10 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. MOSS, for 10 minutes, today.
Ms. OAKAR, for 5 minutes, today.
Mr. THOMPSON, for 10 minutes, today.
Mr. MCHUGH, for 5 minutes, today.
Mr. GIAIMO, for 5 minutes, today.
Mr. PEPPER, for 60 minutes, on May 19.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. EILBERG, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,127.

Mr. ROGERS and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,610.

Mr. SEIBERLING to insert his remarks in connection with H.R. 5675.

(The following Members (at the request of Mr. QUAYLE) and to include extraneous matter:)

Mr. ANDERSON of Illinois.
Mr. CRANE in two instances.
Mr. VANDER JAGT
Mr. DERWINSKI in four instances.
Mrs. HOLT.
Mr. GILMAN.
Mr. DEVINE.
Mr. SAWYER.
Mr. HANSEN in four instances.
Mr. MCCLOSKEY.
Mr. MARRIOTT.
Mr. ROBERT W. DANIEL, JR.
Mr. MARKS.
Mr. STEERS.
Mr. SHUSTER.
Mr. DORNAN in two instances.
Mr. COHEN.
Mr. SYMMS in two instances.
Mr. WALSH.
Mrs. SMITH of Nebraska.
Mr. EVANS of Delaware.
Mr. KASTEN.
Mr. PRESSLER.

(The following Members (at the re-

quest of Mr. IRELAND) and to include extraneous material:)

Mr. BAUCUS.
Mr. FARY.
Mr. ROE.
Mr. MOTTL.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. DRINAN in two instances.
Mr. STUMP.
Mr. MCDONALD in five instances.
Mr. ROSE.
Mr. EILBERG.
Mr. HARKIN in two instances.
Mr. LEDERER.
Mr. TEAGUE.
Mr. WOLFF.
Mr. ROSENTHAL.
Mr. RODINO in three instances.
Mr. MATTOX.
Mr. KASTENMEIER.
Mr. GIBBONS.
Mr. RANGEL.
Mr. GAYDOS.
Mr. PATTISON of New York.
Mr. VAN DEERLIN.
Mr. WIRTH.
Mr. YOUNG of Missouri.
Mr. MURTHA.
Mr. PERKINS.
Mr. OBERSTAR.

ADJOURNMENT

Mr. IRELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 26, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1329. A letter from the Assistant to the Director for Congressional Relations, Office of Management and Budget, Executive Office of the President, transmitting current revised budget estimates for fiscal years 1977 and 1978; to the Committee on Appropriations.

1330. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-18, "To authorize the charging of fees for the provision of clinical services at District of Columbia health clinics, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1331. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-19, "To establish a 6-month limitation on the payment of benefits under the general public assistance program," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1332. A letter from the Acting Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during March 1977, pursuant to section 234 of Public Law 91-510; to the Committee on Government Operations.

1333. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Mabel Murphy Smythe, Ambassador-designate to the Republic of Cameroon; Ronald I. Spiers, Ambassador-designate to Turkey, and their families, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

1334. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

1335. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Israel (Transmittal No. 77-17), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1336. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to Israel (Transmittal No. 77-18), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1337. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense services to Jordan (Transmittal No. 77-20), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1338. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense services to Jordan (Transmittal No. 77-23), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1339. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense services to Saudi Arabia (Transmittal No. 77-24.) pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1340. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense services to Saudi Arabia (Transmittal No. 77-25), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1341. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Army to offer to sell certain defense articles to the Republic of Korea (Transmittal No. 77-26), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

1342. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to amend title XIV of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

1343. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to repeal sections 1735 and 1736 of the Revised Statutes (22 U.S.C. 1199); to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZABLOCKI: Committee on International Relations. H.R. 6179. A bill to amend the Arms Control and Disarmament Act to authorize appropriations for fiscal year 1978, and for other purposes. (Rept. No. 95-219). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 515. Resolution waiving all points of order against an amendment revising the congressional budget for the U.S. Government for the fiscal year 1977 if offered to House Concurrent Resolution 195. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978 (Rept. No. 95-220). Referred to the House Calendar.

Mr. REUSS: Committee of conference. Conference report on H.R. 3843. (Rept. No. 95-221.) Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR (by request):

H.R. 6570. A bill to make loans available to cattle ranchers for the purpose of refinancing certain existing debt obligations of such ranchers; to the Committee on Agriculture.

By Mr. BAFALIS (for himself, Mr. DAN DANIEL, Mrs. CHISHOLM, Mr. YOUNG of Florida, Mr. KILDEE, Mr. LENT, Mr. ROBERT W. DANIEL, JR., Mr. TREEN, Mr. CHARLES WILSON of Texas, Mr. PATTERSON of California, Mr. PEPPER, Mr. BEARD of Tennessee, and Mr. LUKEN):

H.R. 6571. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly; to the Committee on Ways and Means.

By Mr. BALDUS (for himself and Mr. BAUCUS):

H.R. 6572. A bill to provide price support for milk at not less than 90 percent of the parity price therefor, and for other purposes; to the Committee on Agriculture.

By Mr. CARR (for himself, Mr. RICHMOND, Mr. PRESSLER, Mr. BRODHEAD, Mr. FRASER, Mr. BAUCUS, Mr. HUGHES, Mr. NEAL, Mr. LOTT, Mr. MOAKLEY, Mr. RANGEL, Mr. STARK, Mr. BINGHAM, Mr. FORD of Michigan, Mr. LONG of Louisiana, Mr. NOLAN, Mrs. HOLTZMAN, Mr. EDWARDS of California, Mr. WEISS, Mr. BLOUIN, Mr. BADILLO, Mr. WEAVER, Mr. KILDEE, Mr. PURSELL, and Mr. TRAXLER):

H.R. 6573. A bill to amend section 107 of the Energy Reorganization Act of 1974 (42 U.S.C. 5817) to delegate power to State legislatures to veto Energy Research and Development Administration site selection for radioactive waste storage; to the Committee on Interior and Insular Affairs.

By Mr. DANIELSON:

H.R. 6574. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to provide a 2-year extension of Federal assistance to Indochinese refugees and to provide Federal assistance beyond 2 years to any Indochinese refugees who is under 18 years of age; to the Committee on the Judiciary.

By Mr. ROGERS (for himself and Mr. ROSTENKOWSKI):

H.R. 6575. A bill to establish a transitional system of hospital cost containment by providing for incentives and restraints to contain the rate of increase in hospital revenues, to establish a system of capital allocation designed to encourage communities to avoid the creation of unneeded and duplicative hospital facilities and services, to provide for the publication and disclosure of information useful to the public in making decisions about health care, to provide for the development of permanent reforms in hospital reimbursement designed to provide incentives for the efficient and effective use of hospital

resources, and for other purposes; jointly, to the Committees on Ways and Means Interstate and Foreign Commerce.

By Mr. HORTON (for himself and Mr. STEED):

H.R. 6576. A bill to distinguish Federal grant and cooperative agreement relationships from Federal procurement relationships, and for other purposes; to the Committee on Government Operations.

By Mr. KOCH (for himself and Mr. COHEN):

H.R. 6577. A bill to establish a system for promoting the creation of independent living centers for handicapped individuals, and for other purposes; jointly, to the Committees on Education and Labor, and Interstate and Foreign Commerce.

By Mr. METCALFE:

H.R. 6578. A bill to establish in the Department of Housing and Urban Development a low-interest loan program to assist low- and middle-income owners of homes to finance necessary major improvements to their homes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MIKVA (for himself, Mr. ANDERSON of Illinois, Mr. AUCOIN, Mr. DAVIS, Mr. MURPHY of Pennsylvania, and Mr. ST GERMAIN):

H.R. 6579. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes: to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself and Mr. WINN):

H.R. 6580. A bill to amend the Railroad Retirement Act of 1974 with respect to the annuities payable under such act to the widows of retired railroad employees; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 6581. A bill to provide an immediate 15 percent increase in social security benefits (over and above any regular cost-of-living increases in such benefits), and to provide that full social security benefits (when based upon the attainment of retirement age), and medicare benefits, will be payable at age 50; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 6582. A bill to amend titles 10 and 5, United States Code, to disestablish one of the positions of Deputy Secretary of Defense and establish an Under Secretary of Defense for Policy, and for other purposes; to the Committee on Armed Services.

By Mr. RAHALL (for himself, Mr. SLACK, Mr. WHITEHURST, Mr. BUTLER, Mr. WAMPLER, Mr. HUBBARD, Mr. NATCHER, Mr. CARTER, Mr. PERKINS, Mr. LUKEN, Mr. LUNDINE, and Mr. MINETA):

H.R. 6583. A bill to amend the Small Business Act to reduce the rate of interest on disaster relief loans under such act, to apply special provisions of such act of such loans made in connection with major disasters occurring after April 1, 1977 and before June 6, 1977; to the Committee on Small Business.

By Mr. REUSS:

H.R. 6584. A bill for the relief of unemployment through the performance of useful public work, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL:

H.R. 6585. A bill to establish a utility services stamp program to assist low-income and fixed-income households to meet the rising cost of utilities; to the Committee on Interstate and Foreign Commerce.

By Mr. SEIBERLING (for himself, Mr. THOMPSON, Mr. STANTON, Mr. BRADEMAS, Mr. CORNELL, and Mr. LUNDINE):

H.R. 6586. A bill to amend the Internal Revenue Code of 1954 to encourage the modernization of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby plants; to the Committee on Ways and Means.

By Mr. SLACK:

H.R. 6587. A bill to protect the national security, protect the economic well-being of the American people including the Nation's present supplies and undeveloped sources of energy, fuel, food and fiber from damage due to arbitrary and unsound regulation, order, or decision issued by any executive department, agency, or commission, and for other purposes; to the Committee on the Judiciary.

By Mr. STEERS:

H.R. 6588. A bill to provide for immediate action by the Federal agencies concerned to protect the public more effectively against asbestos contamination; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN:

H.R. 6589. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 6590. A bill to provide coordinated veterans readjustment training and supportive services and for other purposes; to the Committee on Veterans' Affairs.

By Mr. YOUNG of Florida (for himself and Mr. KELLY):

H.R. 6591. A bill to provide for national cemeteries in the central west coast area of the State of Florida; to the Committee on Veterans' Affairs.

By Mr. APPLEGATE:

H.R. 6592. A bill to amend section 162(a) of the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.R. 6593. A bill to amend the Airport and Airway Development Act of 1970 relating to a minimum annual apportionment for each State for general aviation airport development; to the Committee on Public Works and Transportation.

By Mr. CLEVELAND (for himself and Mr. D'AMOURS):

H.R. 6594. A bill to amend section 111 of title 23, United States Code, to permit the sale of State lottery tickets on Interstate System right-of-way; to the Committee on Public Works and Transportation.

By Mr. ERLENBORN (for himself and Mr. HYDE):

H.R. 6595. A bill to repeal the Presidential Primary Matching Payment Account Act, and for other purposes; to the Committee on House Administration.

By Mr. EVANS of Delaware:

H.R. 6596. A bill to remove the remedy of busing from the jurisdiction of Federal courts and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. FARY:

H.R. 6597. A bill to encourage localities to develop strategies and to use available Federal assistance for the preservation of neighborhoods and the reclamation of existing housing stock; to the Committee on Banking, Finance and Urban Affairs.

By Mr. FITHIAN (for himself and Mr. JENRETTE):

H.R. 6598. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act and for other purposes; to the Committee on Agriculture.

By Mr. HEFTEL (for himself and Mr. AKAKA):

H.R. 6599. A bill to repeal section 222 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN (for himself, Mr. AUCOIN, Mr. MCDADE, Mr. ANDERSON of California, Mr. CONTE, Mr. LAFALCE, Mr. BEARD of Rhode Island, Mr. BRECKINRIDGE, and Mr. SOLARZ):

H.R. 6600. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize an evaluation of the risks and benefits of certain food additives and to permit the marketing of saccharin until such an evaluation can be made of it; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSS (for himself, Mr. VAN DEERLIN, Mr. MURPHY of New York, Mr. METCALFE, Mr. SCHEUER, Mr. BADILLO, Mr. BEILENSON, Mr. DELLUMS, Mr. DICKS, Mr. HARRINGTON, Mr. MIKVA, Mr. ROYBAL, and Mr. VENTO):

H.R. 6601. A bill to provide basic standards for State no-fault benefit plans for the rehabilitation and compensation of motor vehicle accident victims, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTERSON of California:

H.R. 6602. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

By Mr. PRESSLER (for himself and Mr. NOLAN):

H.R. 6603. A bill to encourage farmers to establish shelterbelts for the purposes of reducing soil erosion, protecting crops and livestock, and establishing wildlife habitat areas; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 6604. A bill to eliminate racketeering in the sale and distribution of cigarettes and to assist State and local governments in the enforcement of cigarette taxes; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself, Mr. HAMMERSCHMIDT, Mr. PEPPER, Mr. SANTINI, Mr. RISENHOOVER, Mr. DRINAN, Ms. OAKAR, Mr. BIAGGI, Mr. WALSH, and Mr. RINALDO):

H.R. 6605. A bill to amend the Community Services Act of 1974 to permit the Director of the Community Services Administration to furnish assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

H.R. 6606. A bill to amend the Older Americans Act of 1965 to provide assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

By Mr. ROYBAL (for himself, Mr. HAMMERSCHMIDT, Mr. PEPPER, Mr. RISENHOOVER, Ms. OAKAR, Mr. WALSH, and Mr. RINALDO):

H.R. 6607. A bill to provide for grants to States for the payment of compensation to certain elderly individuals who are injured by criminal acts and omissions or who suffer property loss as a result of certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself, Mr. HAMMERSCHMIDT, Mr. PEPPER, Mr. SANTINI, Mr. RISENHOOVER, Mr. DRINAN, Ms. OAKAR, Mr. BIAGGI, Mr. WALSH, and Mr. RINALDO):

H.R. 6608. A bill to amend title XX of the Social Security Act to include among the services eligible for Federal assistance under such title the installation of devices to promote the security of the elderly in their homes; to the Committee on Ways and Means.

By Mrs. SMITH of Nebraska (for herself, Mr. ANDREWS of North Dakota, Mr. AUCOIN, Mr. BALDUS, Mr. CAVANAUGH, Mr. CONTE, Mr. FITHIAN, Mr. HALL, Mrs. KEYS, Mr. KINDNESS, Mr. LAGOMARSINO, Mrs. LLOYD of Tennessee, Mr. LOTT, Mr. MCDADE, Mr. MCEWEN, Mr. MADIGAN, Mr. MARLENEE, Mr. MONTGOMERY, Mr. OBERSTAR, Mr. PICKLE, Mr. QUIE, Mr. RONCALIO, Mr. SEBELIUS, Mr. THONE, and Mr. TRIBLE):

H.R. 6609. A bill to extend the moratorium on post office closings; to the Committee on Post Office and Civil Service.

By Mr. STARK (for himself and Mr. AUCOIN):

H.R. 6610. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SYMMS (for himself, Mr. ABDNOR, Mr. BURKE of Florida, Mr. CEDERBERG, Mr. CLEVELAND, Mr. ERTEL, Mr. FINDLEY, Mr. GEPHARDT, Mr. HUGHES, Mr. JONES of Oklahoma, Mr. LENT, Mr. LLOYD of California, Mr. MARRIOTT, Mr. MCCLOSKEY, Mr. MONTGOMERY, Mr. O'BRIEN, Mr. PATTERSON of California, Mr. PRICE, Mr. ROSE, Mr. RUDD, Mr. SIKES, Mr. VANDER JAGT, Mr. WHITEHURST, and Mr. ZEFERETTI):

H.R. 6611. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. UDALL:

H.R. 6612. A bill to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ADDABBO:

H.J. Res. 408. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Prevention Day; to the Committee on Post Office and Civil Service.

By Mr. ADDABBO (for himself, Mr. DELANEY, Mr. BAUCUS, Mr. COLEMAN, Mrs. COLLINS of Illinois, Mr. DOWNEY, Mr. ERTEL, Mrs. FENWICK, Mr. GINN, Mr. GEPHARDT, Ms. KEYS, Mrs. LLOYD of Tennessee, Mr. MCDONALD, Mr. LAGOMARSINO, and Mr. MICHAEL O. MYERS):

H.J. Res. 409. Joint resolution authorizing the President to proclaim November 16, of each year as National Grandparent's Day; to the Committee on Post Office and Civil Service.

By Mr. ADDABBO (for himself, Mr. MATHIS, Ms. MIKULSKI, Mr. NOLAN, Mr. NIX, Mr. PEPPER, Mr. RODINO, Mr. RAHALL, Mr. WINN, Mr. WAXMAN, Mr. YOUNG of Missouri, and Mr. ZEFERETTI):

H.J. Res. 410. Joint resolution authorizing the President to proclaim November 16 of each year as National Grandparent's Day; to the Committee on Post Office and Civil Service.

By Mr. MICHEL (for himself, Mr. ABDNOR, Mr. ASHBROOK, Mr. BURGENER, Mr. BUTLER, Mr. CAPUTO, Mr. CORCORAN of Illinois, Mr. HYDE, Mr. LAGOMARSINO, Mr. SEBELIUS, Mr. TREEN, and Mr. WINN):

H.J. Res. 411. Joint resolution to designate April 30, 1977 as Vietnam Memorial Day; to the Committee on Post Office and Civil Service.

By Mr. MIKVA:

H.J. Res. 412. Joint resolution authorizing the President to proclaim the week beginning May 1, 1977, and ending May 7, 1977, as National Electronics Week; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE:

H.J. Res. 413. Joint resolution to clarify and reaffirm Government purchasing policies; to the Committee on Government Operations.

By Mr. WHITE:

H.J. Res. 414. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

By Mr. YOUNG of Missouri (for himself and Mr. MARRIOTT):

H.J. Res. 415. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right of life; to the Committee on the Judiciary.

By Mr. HAWKINS:

H. Con. Res. 200. Concurrent resolution to authorize the printing of a revised edition of, "The Constitution of the United States of America," as a House Document; to the Committee on House Administration.

H. Con. Res. 201. Concurrent resolution to provide for the printing of a revised edition of, "The Declaration of Independence and the Constitution of the United States of America," as a House document; to the Committee on House Administration.

H. Con. Res. 202. Concurrent resolution to authorize the printing of a revised edition of, "The Constitution of the United States of America," the Bicentennial Edition, as a House document; to the Committee on House Administration.

H. Con. Res. 203. Concurrent resolution to authorize the printing of a revised edition of "The Capitol," as a House Document; to the Committee on House Administration.

H. Con. Res. 204. Concurrent resolution to authorize the printing of a revised edition of "Our Flag," as a House Document; to the Committee on House Administration.

H. Con. Res. 205. Concurrent resolution to authorize the printing of a revised edition of "Our American Government," as a House document; to the Committee on House Administration.

By Mr. YOUNG of Florida (for himself and Mr. BALDUS):

H. Con. Res. 206. Concurrent resolution that it is the sense of Congress that the United States and the various political entities thereof should adopt 911 as the nationwide, uniform, emergency telephone number; to the Committee on Interstate and Foreign Commerce.

By Mr. LUKEN (for himself, Mr. ADDABBO, Mr. ALEXANDER, Mr. BURLISON of Missouri, Mr. CLEVELAND, Mr. COHEN, Mr. DAN DANIEL, Mr. DODD, Mr. GAYDOS, Mr. GEPHARDT, Mr. GILMAN, Mr. HAMMERSCHMIDT, Mr. MANN, Ms. MIKULSKI, Mr. MILLER of Ohio, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. PEPPER, Mr. PRICE, Mr. RINALDO, Mr. STUDDS, Mr. TAYLOR, Mr. TSONGAS, Mr. WALKER, and Mr ZEFERETTI):

H. Res. 516. Resolution expressing the sense of the House of Representatives with respect to the President's action of April 1, 1977, regarding import relief for the nonrubber footwear industry; to the Committee on Ways and Means.

By Mr. MCDONALD (for himself, Mr. KELLY, Mr. KEMP, Mr. KETCHUM, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LATTA, Mrs. LLOYD of Tennessee, Mr. LOTT, Mr. MARTIN, Mr. MATHIS, Mr. MONTGOMERY, Mr MOORE, Mr. MOORHEAD of California, Mr. QUILLEN, Mr. ROUSSELOT, Mr. RUNNELS, Mr. SATTERFIELD, Mr. SHUSTER, Mr. SIKES, Mr. SPENCE, Mr. THONE, Mr. STUMP, Mr. SYMMS, and Mr. TAYLOR):

H. Res. 517. Resolution to amend the Rules of the House of Reprsentatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. CONABLE:

H.R. 6613. A bill for the relief of Ruth N. Stetson; to the Committee on the Judiciary.

By Mr. PATTISON of New York:

H.R. 6614. A bill for the relief of Jack T. Arnold: to the Committee on the Judiciary.

By Mr. RONCALIO:

H.R. 6615. A bill for the relief of Nola Grace Ptasynski; to the Committee on Interior and Insular Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

90. By the SPEAKER: Petition of the Common Council, Michigan City, Ind., relative to providing funds for low-cost paying and neutering clinics; to the Committee on Interstate and Foreign Commerce.

91. Also, petition of the Puerto Rico Chapter, Association of Trial Lawyers of America, San Juan, Puerto Rico, relative to the creation of four additional U.S. district court judgeships for Puerto Rico; to the Committee on the Judiciary.

92. Also, petition of the City Council, Lawrence, Mass., relative to tariffs on textiles and wearing apparel; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 195

By Mr. GIAIMO:

On page 2, line 2 strike out $462,349,000,000 and insert in lieu thereof $463,864,000,000;

On page 2 line 5 strike out $64,255,000,000 and insert in lieu thereof $65,770,000,000;

On page 2, line 7 strike out $801,100,000,000 and insert in lieu thereof $792,100,000,000;

On page 2, line 9 strike out $101,100,000,000 and insert in lieu thereof $92,100,000,000;

On page 3, line 9 strike out $2,880,000,000; and insert in lieu thereof $4,395,000,000.

Insert the following new section:

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974

(1) Section 1 of Senate Concurrent Resolution 10 is amended to read as follows:

"That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $355,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,300,000,000;

(2) the appropriate level of total new budget authority is $469,700,000,000;

(3) the appropriate level of total budget outlays is $414,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $59,250,000,000; and

(5) the appropriate level of the public debt is $707,970,000,000."

(2) Section 2, paragraph (10) of Senate Concurrent Resolution 10 is amended to read as follows:

"(10) Income Security (600):

(A) New budget authority, $167,700,000,000;

(B) Outlays, $138,100,000,000."

EXTENSIONS OF REMARKS

BISHOP ALFRED L. ABRAMOWICZ: 34 YEARS AS A GREAT SPIRITUAL LEADER

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. FARY. Mr. Speaker, during the last district work period I had the pleasure to meet with a man who has given much of himself to the city of Chicago and to the services of God—that man is the Most Reverend Bishop Alfred L. Abramowicz, D.D.S.

Bishop Abramowicz is presently serving as the executive director of the Catholic League for Religious Assistance to Poland, in addition to holding the position of archdiocesan consultor. He is pastor of Five Holy Martys Parish at 4327 South Richmond Street in Chicago, as well as being a truly meritorious bishop for this great city.

Bishop Abramowicz has been a spiritual leader in Chicago for over 34 years. Born in Chicago on January 27, 1919 of the late Adolph and Victoria, nee Fukaczewski, Abramowicz, he was baptized in the same church where he is now pastor.

Bishop Abramowicz attended St. Pancratius Parish Elementary School, pursuing prepatory studies at the Quigley Prepatory Seminary. He then matriculated at St. Mary of the Lake Major Seminary, Mundelein, Ill., where on May 1, 1943 he was ordained into the priesthood by his Eminence Samuel Cardinal Stritch.

He was appointed assistant pastor at Immaculate Conception of the Blessed Virgin Mary Parish in South Chicago in 1943 being transferred to St. Helen's Parish where he served until 1949.

Father Abramowicz was then assigned to pursue post graduate studies at the Gregorian University in Rome—July 7, 1948 to June 1951, where he received his Licentiate of Canon Law Degree. In 1951 he returned to Chicago where he continued his work at the Matrimonial Tribunal until 1968, residing at the Holy Name Cathedral.

On December 16, 1959 he was nominated Papal Chamberlain. On July 4, 1960 he was elected executive director of the Catholic League for Religious Assistance to Poland and has continued to serve with admirable dedication in this office.

He was nominated officialis of the Matrimonial Tribunal in December of 1966, where his compassion and insight into marital problems earned him the respect of everyone, and in March 1968, he was appointed archdiocesan consultor, in which capacity he still serves.

During the summer of 1966 the then Most Reverend Monsignor Alfred L. Abramowicz was chairman of the executive board, during observance of the great spiritual renewal of the vows made to Our Lady of Czestochowa on the occasion of 1,000 years of Christianity in Poland. Polish-Americans from throughout the United States attended this tremendous event hailing the Mother of God, as a Queen of Poland and our Protectress with the celebration of a Pontifical Mass held at Soldier's Field in Chicagoland, and celebrated by His Excellency John Cardinal Cody, Archbishop of Chicago; assistant celebrant being the Most Reverend Bishop Wladystow Rubin, D.D.S.—Titular Bishop of Scrta and Auxillary Bishop of Gmiezno, and delegate for Polish refugees in exile with headquarters in Rome, Italy, as well as being a special envoy representing Pope Paul VI for this occasion.

On May 2, 1968 he was appointed by Pope Paul VI to be Auxiliary Bishop of Chicago—Titular Bishop of Paistum, consecrated on the Feast of Corpus Christi, June 13, 1968, by His Eminence John Cardinal Cody, at the Sacred Heart Chapel, Quigley Seminary South in Chicago.

His Excellency was assigned pastor of Five Holy Martyrs Parish on July 14, 1968 and serves in this capacity to this day.

Bishop Abramowicz is also cochairman of a nationwide campaign to save the American Shrine honoring our Lady of Czestochowa located at Doylestown, Pa., some 60 miles from Philadelphia.

American Catholics are distressed and Polish Catholics are shocked by the news of the danger that the shrine might be lost because of its burdened finances. So far Bishop Abramowicz has, thru a vigorous financial campaign, been able to keep the shrine from closing.

The Shrine of Our Lady of Czestochowa has become deeply rooted in Polish heritage, a source of spiritual solace and uplifting to hundreds of thousands of pilgrims, from all over the country worshippers come to this Shrine of Mary, Queen of Poland and Patroness of the United States.

Mr. Speaker, during my visit with His Excellency he explained to me the meaning of his family crest which I found most informative and which I would like to pass on to you, my colleagues. The coat of arms of the Abramowicz family consists of a blue shield bearing a silver horseshoe with crosses. For Bishop Abramowicz these ancestrial arms have been kept intact, except for the addition of several features which make the new coat of arms personal to him.

One such addition is the heart of the gold diagonal band which symbolizes the bishop's work of charity as executive director for the Catholic League for Religious Assistance to Poland. There is also the open book which represents years of learned service contributed as a member and later as officials of the matrimonial tribunal of the Archdiocese of Chicago.

The chief, or upper section of this lovely shield displays the colors of the Polish flag, horizontally divided into white and red stripes. The gold crown of fleurs-de-lis expresses in simplified form the famous painting enshrined in the Basilica at Czestochwa. The crown honors the Blessed Virgin as patroness of Saint Mary of the Lake Seminary, where the bishop studied for the priesthood, and Immaculate Conception parish, South Chicago, where he was first assigned as a priest.

The bishop's motto is included in the arms: "Cartas Christi Urget Me"—the love of Christ impels me. It is adapted from Saint Paul's Second Epistle to the Corinthian: "For the love of Christ impels us" (II Cor. 5: 14–15).

The processional cross and tasseled hat behind the shield are symbolic of his office of bishop. Priests of every rank, traditionally, have been represented in heraldry by the clerical hat placed over their escutcheons; the color of the hat, and the number of rows of tassels on the hatstrings, denoted the rank of the wearer. For a bishop, the hat is green and has three rows of tassels on either side.

It was inspiring to see the many accomplishments of this humble man as symbolized in his family coat-of-arms. Much can be understood through these dramatic and beautiful symbols, but to truly understand the spiritual leadership of Bishop Alfred L. Abramowicz one would have to know him. Only then is the understanding of this compassionate and devoted spiritual leader complete. I am honored that I have the exciting privilege of knowing Bishop Alfred L. Abramowicz, and have this opportunity to share his tributes with my colleagues in the House, for Bishop Abramowicz is truly a great son of Chicago as well as a powerful spiritual leader.

NEWARK CHERRY BLOSSOM FESTIVAL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. RODINO. Mr. Speaker, on numerous occasions at this time of year I have enjoyed the memorable experience of walking through Branch Brook Park in Newark, and appreciating the glory of cherry blossoms in full bloom. Over 3,000 Japanese cherry bossom trees complement the park, and this year my home district will hold its second annual Cherry Blossom Festival to focus attention on their magnificent flowering displays.

The appreciation of natural beauty is only one aspect of this enriching celebration, for the festival is an affirmation and renewal of the faith of the people of Newark in their city. The 2-week event includes such cultural highlights as: "Live Theater for Children," at the Newark Public Library; a "Cherry Blos-

som Photo Exhibit," at Prudential Insurance Co.; an organ concert at the Old First Church, as well as contemporary music performed by the Twentieth Century Ensemble, at the Newark Museum; in addition to the opening of the City Without Walls Art Gallery, and an AAU-endorsed marathon "Cherry Blossom Run." The festival will culminate with an Arbor Day ceremony on April 29, at which time 10 new cherry blossom trees will be planted for the enjoyment of future generations. Additionally, the renowned Newark Boy's Choir will present a spring concert prepared especially for the occasion.

Mr. Speaker, I wish to warmly congratulate all who have worked so diligently to make the Cherry Blossom Festival a great success, and on their outstanding contributions to the citizens of my hometown of Newark, N.J.

THE UTILITY SERVICES STAMP ACT OF 1977

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. ROSENTHAL. Mr. Speaker, one of the most pressing issues facing the Congress today is the development of a comprehensive, effective, and equitable national energy plan. Essential to that program is the curtailment of waste and the provision of an adequate, affordable supply of energy for all Americans.

To help meet these objectives, I am today introducing the Utility Services Stamp Act of 1977, legislation which would provide Federal assistance for energy costs to low-income households. Concern for the need for such a measure has been voiced by the President and other Members of Congress who have introduced similar bills.

This program is necessary to assist many low- and fixed-income persons meet rapidly rising utility costs. Substantial increases in the cost of oil, electricity, gas, telephone service, and water have affected all Americans, but those living on subsistence-level incomes or less are being hurt most. The skyrocketing price of energy has forced those with limited financial resources to devote major portions of their incomes to the purchase of utility services. According to the Federal Energy Administration, these persons spend, relative to their income, 10 times the national average on energy costs. As a result, many of these households experience considerable economic hardship which also may affect the families' health and well-being. Federal assistance for such households would alleviate this hardship.

My bill would provide utility stamps to households earning up to $8,000 to help pay a portion of their gas, electricity, household heating oil, telephone, and water bills. Utility stamps would range in value from $4 to $28 monthly, depending upon income and the number of persons in a household. Families and single persons would be eligible to participate in this program. In addition, utility stamps would be available to both homeowners and renters.

This legislation would make use of existing HEW programs and would not create a new Federal bureaucracy. The Secretary would delegate responsibility for the certification of eligible households and issuance of coupons to States choosing to participate in the program.

I am hopeful that Congress will realize the need to insure that all Americans have adequate utility service for their homes and promptly approve this measure.

A VITAL AMENDMENT

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. VANDER JAGT. Mr. Speaker, it was my intention last Friday to speak in greater detail concerning the very important amendment that I offered to H.R. 5970, the Department of Defense authorization for fiscal year 1978. This legislation, handled in expert style by the House Committee on Armed Services, now is expected to be voted upon today.

As you know, my amendment, providing for a relatively small but extremely important sum of money—$10 million—to be spent by the Department of the Army to continue development of the advanced diesel tank engine, was formerly adopted by the House last Friday. I am most grateful for that affirmative action.

I particularly want to acknowledge the wonderful cooperation and assistance that I received from Congressman SAM STRATTON, truly one of our most knowledgeable congressional experts on our Nation's military tank development, and his staff. And, of course, I am very grateful to Congressmen CHARLES BENNETT and ELWOOD "BUD" HILLIS, as well as Chairman MELVIN PRICE. I am most appreciative of their personal interest and assistance.

My amendment simply read:

On page 4, line 24, strike out "$2,365,232,000;" and insert in lieu thereof "$2,375,232,000".

Now, let me discuss this matter in greater detail.

As many Members know, the Army has been pursuing the development of a new tank for over 12 years. Initially it was known as the MBT–70 which was a combined program with the Federal Republic of Germany and more recently a competitive program between Chrysler and General Motors, known as the XM–1 tank.

My remarks today are not intended in any way as a criticism of the turbine engine. My point is that it is an unproven engine at the present time and there is substantial Army testimony to support that statement. As a matter of fact, the distinguished chairman of the House Armed Services Committee stated in his report currently before us that:

The Committee is concerned that the Army may be taking an unnecessary risk in the XM–1 program by terminating development of the diesel technology before the turbine engine has fully proven itself.

The committee pointed out further that:

It remains an unproven system.

The committee stated further that:

It believes that it would be prudent to continue development of this engine as an in-house project . . . until the turbine has been certified to assure its availability

As a matter of fact, the Army requested the substantial sum of $29 million in additional funds in this year's budget which was called a "turbine maturity program," in order to further the development of the turbine engine. In view of this and the fact that the XM–1 tank program is estimated to cost $4.9 billion I feel the Congress should insist on a viable alternative engine in the event the turbine engine encounters significant problems, or in the event it cannot meet the Army's requirements.

I should tell the Members it is important to understand that the Army is currently undertaking a 2½ year full scale engineering development program on the XM–1 tank. For $10 million the Army can continue development of the diesel engine during this period of time so that a viable alternative will be available to the Army.

If the turbine engine should fail then the program will not be in jeopardy. If the turbine engine proves successful then there are several other applications for this new diesel engine technology, namely:

First. Retrofit the M–60 tank to upgrade its performance. The engine and transmission can be installed in the M–60 without hull modification.

Second. High mobility vehicle program called HIMAG. A DOD-DARPA program.

Third. Lighter-than-air patrol craft for the Navy, where the diesel engine is required for the long mission requirement.

Fourth. A new landing vehicle assault—LVA—under development for the Marine Corps.

Fifth. Retrofit M–60, M–48, M–47 tanks currently in the hands of our allies.

Sixth. New tanks being built in foreign countries.

Congress on several occasions has asked the Army to redirect its efforts to reduce production costs and at the same time improve the fightability and survivability of the XM–1 tank.

The Army has accomplished these tasks. There seems to be no question that this is the best tank in the world today; however, due to its lengthy development it is imperative that it reach production at the earliest possible time.

In order to insure that no unreasonable delays or costs are incurred it is essential that all risks be avoided. One such risk that I have mentioned is the engine.

The General Motors tank possessed the advanced air cooled diesel engine known as the AVCR–1360. It has been under development since the MBT–70

joint program with the Federal Republic of Germany. This engine is fully developed and the Army testified it is more mature than the turbine engine.

To date, the Army has spent more than $50 million in development of advanced diesel technology incorporated in this engine. To complete its development will only require $10 million over the next 2 years. It will result in an engine configured for the Chrysler XM–1 tank. These funds will also include the running of a 400-hour NATO endurance test.

In conclusion, Mr. Speaker, my amendment will authorize the Army to continue with the development of the diesel engine during the Army's 2½-year full scale engineering development program. I feel this small sum represents a modest insurance policy in protecting the Government's enormous investment in the XM–1 tank program currently estimated to cost $4.9 billion.

Again, I thank all those members of the House Armed Services for their cooperation and interest and, of course, I am most grateful for the floor support last Friday.

THE SEARCH FOR NAZIS IN AMERICA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. DRINAN. Mr. Speaker, the task of uncovering Nazi war criminals, who lied to gain admission to and in some cases citizenship in the United States, has been a difficult process. Two of our colleagues in the House, Chairman EILBERG and Congresswoman HOLTZMAN, have been very active in pursuing available legal remedies in this regard.

In a recent issue of Christianity and Crisis, Wayne H. Cowan examines the scope of the problem and the efforts Representatives EILBERG and HOLTZMAN have made to resolve it. He points to lax enforcement on the part of the Justice Department, especially its component unit the Immigration and Naturalization Service. Mr. Cowan also discusses the "cold war considerations including CIA and FBI machinations—which—were involved in suppressing the investigations."

I am inserting the article in the RECORD at this point:

NAZIS IN AMERICA? PROCESS, DUE AND OVER-DUE

(By Wayne H. Cowan)

Justice hangs by a slender thread, and too often not even by that. Contemporary tales of injustice are so abundant and have so bloated the modern mind that our consciences are blighted and react slowly, if at all, when confronted by a tale yet unheard, however moving. The more so when it is the tale of *another* agency of the United States Government derelict in its duty.

Yet, thank God, there are still a few issues that touch the core of our remaining sensitivity—and the search for ex-Nazis is one of the foremost. We sputter with anger at the thought that they live, shielded and safe, untried and apparently untryable, in certain Latin American countries. Only gradually are we beginning to recognize the "possibility" that they may be among us here in God's own country and that they have, in fact, been shielded and largely untried by no less than God's own servants in US Government agencies.

Thanks to the "collectors of justice"—both those who survived the Dachaus and the Buchenwalds and those who have searched relentlessly for Nazis in their behalf—certain parts of the media, and particularly to two members of the House Subcommittee on Immigration, Chairman Joshua Eilberg of Pennsylvania and Elizabeth Holtzman of Brooklyn, there has been a resurrection of this concern in the life of the nation. All at once in late 1976—"thanks" to "heretofore unavailable" witnesses from the Soviet Union and Israel (can you believe it?)—the Immigration and Naturalization Service (INS) announced a significant expansion of investigations to almost 100 persons compared to a list about one-third that many two years earlier.

Thus, finally after 25 years of footdragging—and in some cases outright finagling—the INS has turned from the John Lennons to the by now much more difficult task of prosecuting persons who entered this country after World War II illegally by denying that they had participated in the persecution and execution of Jews in Europe a few years earlier. Nor does the INS deserve the whole burden for this sordid story. In the anti-Communist hysteria of those days such persons who were considered "suitable" were coveted and used by the CIA (just as our army of occupation in Korea gave high posts in the postwar administration of that country to those who had collaborated with the Japanese). After all, good Nazis have always been anti-Communists, right?

Yes, and there was the State Department, which among other things continued until late 1976 to refuse to return Andrija Artukovic to Yugoslavia—though he had entered the U.S. as a temporary visitor and was ordered to leave in 1952—because of fear of political persecution. (He was also reported to have FBI "character references.") And well might they fear for him; as former Interior Minister of the Nazi-run puppet state of Croatia (and therefore head of the police and internal security forces), he supervised the arrest of 30,000 Jews under his jurisdiction, of whom 90 percent were murdered.

The case of Archbishop Valerian Trifa, spiritual leader of the Rumanian Orthodox Episcopate of America, has aroused particular concern within the U.S. religious community. In May 1975, almost 25 years after his arrival in this country as a displaced person from Italy—and almost as many years after his entry was first challenged and called to the attention of the INS for investigation—the Government finally called for a trial charging that the archbishop had won his citizenship through "false and untrue" denials that he had been a member of the Iron Guard and that he "did advocate the killing of Jews and Masons and did participate in activities commencing on or about January 21, 1941, which resulted in the murder of Jews. . . ." The Iron Guard has been characterized as the storm troopers of the fascist regime of Ian Antonescu. (The allegations against Trifa are detailed by Howard Blum in an article in last October's *Esquire* and in his new book *Wanted! The Search for Nazis in America*, Quadrangle Press.)

Members of Concerned Jewish Youth highlighted the Trifa case by disrupting the National Council of Churches' Governing Board meeting early last October and by frequent sit-ins and picketing at NCC headquarters in New York. They chose the NCC because the archbishop—by the decision of a constituent member, the Orthodox Church in America (OCA)—was a member of the Council's Governing Board, albeit totally inactive since he attended only 14 meetings in over 25 years and only one since 1970.

Goaded by the actions of the Jewish youth and other expressions of concern from the Jewish community, the NCC Executive Committee took action in late October. It requested that the OCA refer to a commission it had created to study the case a request that Trifa refrain from executing his duties as a member of the Governing Board until the matter was resolved by the OCA and the civil judicial process. This request was granted on February 4, reportedly despite the Archbishop's opposition.

The NCC is obviously relieved to have this issue removed from its doorstep. In an effort to assure that no such situation arises again, the NCC Executive Committee on October 30 authorized a committee to review the constitution and consider the establishment of qualifications for Governing Board membership that will "insure the moral integrity of the council."

Yet, there is precious little comfort here for authorities, moral or other. One would have expected OCA officials to have dealt openly and fully with this question a generation ago. We fail to see on their part any effort to restrain or suspend the archbishop's activities Instead, we hear their plea that we adhere to "procedures prescribed by law" and the statement that "[such] observance of due process" would have prevented the genocide by Nazi and Stalinist regimes.

Yes, let us be for due process, but what about the *over*-due processes that have dominated INS procedures these many years? Even today when the process has finally begun it will still take years for definitive action to be taken. Two earlier investigations of Trifa conducted by the INS were discontinued for lack of evidence. In September 1973 Charles Gordon, INS general counsel, indicated that a new investigation would be conducted. Eight months later Congresswoman Holtzman complained that not even a single witness had been interviewed in the interim. Another year passed before the U.S. Attorney in Detroit instituted proceedings against the archbishop. The trial, which it was anticipated would begin in the fall of 1975, has not yet begun and reportedly will not begin until midyear at the *earliest*. It will be a lengthy and complex litigation with likely appeals. Even if the Government is successful and wins a denaturalization decision, thereby rescinding Trifa's U.S. citizenship, a separate and further proceeding would be required for deportation.

Archbishop Valerian Trifa claims that he is the victim of a "Communist plot." His church insists rightly that all persons are innocent until proven guilty. However, in a case of such serious proportions, its failure to suspend him from all ecclesiastical duties until their own three-bishop commission completes its investigation (which at this date is so overdue as to be unbelievable), or until the courts render a verdict, however long "due process requires," is itself a miscarriage of justice. We demand as much of police officers under investigation as well as other civil servants and officials. Is a "servant of the Lord" to be treated differently, especially in so serious a case? Does the church as the servant of God choose its officials and maintain them in office with less scrutiny than do the state and its agencies?

Which returns us to where we started: the INS. There are those who read into this overdue process of dealing with the possible presence of Nazis in our midst the existence of a super-worldwide continuing Nazi organization that has successfully thwarted both the necessary investigations and the prosecutions by the INS. On the basis of present evidence such a judgment must be considered far-fetched. However, there is no question that cold war considerations including CIA and FBI machinations were involved in suppressing the investigations, which were characterized by "appalling laxness and superfi-

ciality," in Rep. Holtzman's words. "Despite the 'high prority' nature of the INS investigation," Ms Holtzman said, "its administration and conduct can only be described as haphazard, uncoordinated and unprofessional."

There can be no doubt about the difficulty of conducting these investigations almost 30 years after the fact. Nevertheless, they must be pursued with diligence and care. Overdue process can mean only one thing for everyone involved: Justice delayed is justice denied.

PENNSYLVANIA LEGISLATURE SUPPORTS NATIONAL HOLIDAY TO HONOR MEMORY OF DR. MARTIN LUTHER KING

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. EILBERG. Mr. Speaker, again this year, I have had the privilege of joining with a number of my colleagues in introducing legislation which would set aside January 15 of each year as a national holiday in memory of the late Rev. Dr. Martin Luther King.

As of this date, Mr. Speaker, 124 Members of the House have sponsored such legislation, but, under the rules of the Subcommittee on Census and Population of the House Committee on Post Office and Civil Service, to which this legislation was referred, no formal action will be taken unless and until 218 Members—a majority of the House—have joined in such sponsorship.

It is my urgent hope, Mr. Speaker, that Members will take the initiative and join in sponsorship of this legislation. It seems to me that we have a responsibility to affirm the life of a man who fought for peace and against violence; that we have a responsibility to recognize the work of a man who believed deeply in law and the Constitution and strove to make both our law and our Constitution work for all Americans.

Four years ago, Mr. Speaker the general assembly of the State of Pennsylvania adopted Senate Resolution 203, memorializing the Congress to establish a national holiday in honor of Dr. King. Because the message of that memorial resolution is as pertinent today as it was when the Pennsylvania General Assemby adopted it in 1973, I am placing in the RECORD the complete text and legislative history of this resolution:

MEMORIALIZING CONGRESS TO DESIGNATE JANUARY 15 AS A NATIONAL HOLIDAY IN MEMORY OF DR. MARTIN LUTHER KING

The Reverend Dr. Martin Luther King, Jr., was a modern apostle of liberty and justice for all peoples, regardless of race, color, or creed.

Doctor King was an outstanding leader in the cause of Civil Rights and he used his position as head of the Southern Christian Leadership Conference to establish the principle of nonviolence.

Whereas, the Reverend Doctor Martin Luther King, Jr., was a man who dedicated his life to the revolutionary principles that love and justice are the most powerful truths that mankind possess.

The Reverend Doctor Martin Luther King, Jr. devoted a lifetime to the causes of the poor, to the civil and human rights of all peoples, and to the purpose of restoring to mankind domestic and world peace through the concept of nonviolence for which he was awarded the Nobel Peace Prize.

The Reverend Doctor Martin Luther King, Jr,. was a modern apostle of liberty and justice for all peoples, regardless of race, color, or creed, and of the need for cooperation among men, of the need for brotherhood and unity among peoples of all races, colors and religions.

Around the entire Nation there continues the good works begun by this great man whose birthday anniversary is celebrated on January 15 of each year and whose martyrdom we respect and pay reverence to; therefore be it

Resolved, That this day, the forty-fourth anniversary of the birthday of Doctor Martin Luther King, Jr., a great American and a great humanitarian, that this Senate place on record its appreciation and gratitude in recognition of the services rendered by him to the Nation and to mankind; and be it further

Resolved, (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the Congress of the United States to designate January 15 as a National holiday in memory of the Reverend Martin Luther King, Jr.; and be it further

Resolved, That copies of this resolution be transmitted to the presiding officers of each House of the Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States.

CONGRESS MUST TAKE ACTION ON CIGARETTE BOOTLEGGING

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. RANGEL. Mr. Speaker, on March 16, 1977, the New York State Legislature adopted Legislative Resolution No. 95 asking for the Congress to enact legislation making it a felony to transport cigarettes in interstate commerce for unlawful purposes and to establish a nationwide program with respect to payment of taxes on cigarettes.

To this end, today I introduced legislation making it a felony to traffic in "bootleg" cigarettes. I urge my colleagues on both sides of aisle to support this pieces of legislation.

The following is the text of the New York State Senate Resolution No. 95.

LEGISLATIVE RESOLUTION SENATE NO. 95

Legislative Resolution of the State of New York memorializing Congress to enact legislation making it a felony to transport cigarettes in interstate commerce for unlawful purposes and to establish a nationwide enforcement program with respect to payment of taxes on cigarettes

Whereas, The State of New York and many other states are experiencing considerable loss of tax revenues due to the avoidance of cigarette tax payments by bootleggers transporting cigarettes across state lines; and

Whereas, Such loss is occurring at a time when most states are least able to afford this loss of tax revenues and results in the necessity of increased taxes on personal income and business activities; and

Whereas, In addition, this transport of cigarettes across state lines without payment of tax has caused the closing of many businesses and loss of employment; and

Whereas, In order to avoid further losses, the states need stronger federal penalties and a beefed-up federal enforcement program; now, therefore, be it

Resolved, That this Legislative Body respectfully memorializes the Congress of the United States to enact legislation making it a felony to transport cigarettes in interstate commerce for unlawful purposes and to establish a nationwide enforcement program with respect to payment of taxes on cigarettes; and be it further

Resolved, That copies of this resolution be transmitted to the President of the Senate of the United States, the Speaker of the House of Representatives and to each Member of the Congress of the United States from the State of New York.

WHY NOT SACCHARIN FOR DIET DRINKS?

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. DEVINE. Mr. Speaker, bureaucratic overreaction has again been demonstrated by the recent saccharin boondoggle. This Nation has become the most overregulated and overly restricted in the world while at the same time extolling our "freedoms."

We put a warning on cigarette packages, but still not only freely sell them, but our Government also subsidizes tobacco.

It seems to me the least we should do is to afford the use of saccharin the same courtesy.

Dr. Herbert Ley, former FDA Commissioner, recently spoke in Columbus, Ohio, and roundly criticized the Canadian study. An account of Dr. Ley's remarks were reported in the Scripps-Howard Columbus Citizen-Journal of April 25, 1977, which is quoted for the benefit of our Members.

The article follows:

FORMER FDA CHIEF CRITICIZES SACCHARIN STUDY

(By Sylvia Brooks)

You would have to drink 1,400 cans of diet pop per day to match the amount of saccharin fed to rats in the research study which caused a ban of that substance, a former federal official said Sunday.

Or, you would have to eat 4,375 small packets of saccharin per day for your entire life, he said.

Herbert Ley, M.D., former commissioner of the Food and Drug Administration (FDA), spoke at the Diabetes Health Fair at the Center for Tomorrow.

"Even if that could be done," Ley said, "only one in four adults would develop bladder cancer after age 60."

Ley said the FDA had no choice but to ban saccharin after a Canadian study, because of the Delaney clause in the Food, Drug and Cosmetic Act.

That clause, he said, does not allow the FDA to consider risks to the public versus possible benefits of continuing to market a substance.

"Every other piece of health and safety legislation allows those factors to be considered," the doctor said.

"The FDA must administer the law as it is written on the books. The commissioner had to ban saccharin. Laws are made by people and they are not infallible or necessarily consistent," he added.

Ley said there is "no good agreement

among scientists as to the reliability of current tests."

In the Canadian study which led to the FDA's saccharin ban, 50 male rats were fed the high dosages, and a total of 12 bladder tumors resulted, four of which were benign and eight malignant.

Among 50 female rats, there were only two tumors, both malignant.

Using the FDA figures, Ley said if a person drank one 2-ounce diet cola per day for an entire lifetime, there would be only 3.6 chances in 10,000 of getting a tumor.

Currently, the rate for bladder tumors from other sources runs to 150 per 10,000 persons.

There is no reliable study on effects of saccharin as a cancer producing agent on human beings, he said.

Ley has proposed that the Delaney clause be amended to allow one sweetener to be marketed while an entirely safe one is being developed.

He suggested the FDA choose one from among saccharin, cyclamates, and a third sweetener not yet cleared for use by the FDA, and permit it to be used as an additive.

Although availability of saccharin cannot be proven to be absolutely necessary for heart patients, diabetics and the obese, Ley said he is "strongly convinced that it contributes to a higher quality of life."

THE ROMANIAN COMMUNIST REGIME'S ABUSE OF PROTESTANTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. McDONALD. Mr. Speaker, since the World Council of Churches is far too interested in temporal political affairs, it falls to others to call attention to the unhappy situation of Christians of various Protestant denominations in Communist Romania.

Baptists, Adventists, Pentecostals and others are continually fined, demoted, harassed, and otherwise persecuted by the Romanian Government without their protests being heard or considered by the bureaucrats claiming to represent their coreligionists in the West.

In a deliberately insulting manner, groups meeting to conduct worship are prosecuted under a statute supposedly aimed at "hooligans and parasites." One need hardly point out that people at prayer do not fit into these categories, but they are so branded by their government. In keeping with its totalitarian nature, the Communist regime in Romania also decides what words mean.

Hence, Protestants are charged with expressing "a parasitic and anarchic conception of life." Not only is this very far from any normal reading of the truth, not only is it grossly insulting to a religious people, but let us note that punishing people for their alleged "conception of life" is hardly in the "spirit of Helsinki."

In the "International Pact Regarding Civil and Political Rights," article 18 states:

1. "Any person has the right to freedom of thought, conscience and religion; this right implies the freedom to adopt a religion or conviction of his choice, as well as the freedom to manifest the religion or conviction, individually or in community, in public as well as in private, in cult and in the carrying-out of ritual, in practices and in education.". . .

3. "The freedom to manifest religion or convictions cannot be suspended except through the restrictions foreseen by laws and necessary for the protection of security, order and public health, or of morality or the freedoms and basic rights of others." (Our emphasis)

In art. 21 of this Pact it is written:

"The right to peaceful assembly is recognized. The practice of this right cannot be suspended except through the restrictions in accordance with the law and necessary to a democratic society, in the interest of national security, public order or to protect the health and public morality or the rights and freedoms of others."

Any serious student of communism knows that it is laughable to imagine the Communists observing such restrictions upon their totalitarian behavior. After all, their own constitution contains similar fine words and has been meaningless from the instant of its conception.

Protestants within Romania have sent us detailed examples of the abuse to which they are subjected for their religious beliefs. Let us review some of them now:

DETAILED EXAMPLES

On June 27, 1974 an intimate meeting of Pentecostals took place in the family of Dumitru Rosca from Bucuresti, Str.Soveja #26. They were fined 62,000 lei for this, Dumitru Rosca with 3,000 lei.

In 1971, the pastor of the First Baptist Church of Bucuresti, Vasile Brinzei, celebrated his only son's birthday and invited to this a group of young people from the church which he served. They were fined 8,000 lei.

Again in 1971, Dr. Daniel Aninoiu from Cimpina, together with three other Evangelical Christians, were fined 4,000 lei.

Stefan Dobrescu from Vulcana Bai, Mehedinti County, was visited in December, 1976 by two of his co-worshippers, Evangelical Christians. They were fined 3,000 lei.

Constantin Magdici from Vintul de Jos, County Alba, was visited on January 4, 1976 by three other members of a religious group called the Lord's Army. The police came over them, insulted them and fined them: Constantin Magdici 5,000 lei, his wife 1,000 lei and the visitors 1,000 lei each.

In the village Idiciu, Mures County, in 1976, members of the Pentecostal church met at the place of worship together with the pastor, Gustav Betineanu from Tigu-Mures. They were fined by the police 7,000 lei.

In the village Ruja, members of the Pentecostal church together with their pastor were fined, in 1972, 47,000 lei for not having authorization.

The group of Pentecostals: Ion Saniu, Matei Lusca, Vintila Zoltan, Dumitru Chercea and Laurian Chercea, from Medias, were fined 19,000 on November 3, 1973.

In the village of Moravita, Timisoare County, Gheorghe Neculcea together with five Baptists were fined in 1976 1,000 and 2,000 lei each.

Lidia Barbu From Timisoare, while visiting a Baptist family with her sister and brother-in-law, in 1975, were fined 1,000 lei each. The appeal made to the Court at Satu-Mare was initially accepted but later on, after the intervention of the security apparatus, there was a reversal of the decision and a fine had to be paid.

Three elderly Baptists from Cruceni, Timisoare County, at the beginning of February, 1977, were visiting a believer, an old, sick woman. For this they were fined 1,000 lei.

Paraschiva Busnei, a Baptist from Turnu-Severin, a pensioner, was taking a treatment at Govora-Bai. There she was fined 1,000 lei because she was found reading the Bible in her room.

The Baptist pastor, Traian Ciupuliga, was visiting the Baptist, Constantin Nedelea, from the village of Fintinele, Mehedinti County. While they were eating, the police came and fined them 300 lei.

In Zalau, Salaj County, in 1974, a group of Pentecostals who met without authorization were fined 40,000 lei.

In the village of Buciumi, Bihor County, in 1975, Gheorghe Ostarschi together with some believers were fined 10,000 lei.

A group of Evangelical Christians, among them Dr. Serban Constantinescu and Dr. I. Soroceanu, were on a trip to the mountains. On the return trip, they stopped and had dinner with the family of a co-worshipper from Curtes de Arges. For this they were each fined 3,000 lei.

The Baptist pastor, Liviu Olah, was fined by the police from the village of Buchin, Caras-Severin County, with 1,000 lei because on January 13, 1976 he preached the Gospel to the Baptist church in this village on their invitation.

A TRIBUTE TO THE CHRISTOPHER COLUMBUS MARCH

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. RODINO. Mr. Speaker, on April 5 of this year my colleague, the Honorable GLADYS NOON SPELLMAN of Maryland extended congratulations to Charles T. Gabriele, a professor of business management at the University of Maryland, who composed "Christopher Columbus March" as a tribute to the Italian explorer who discovered America.

I join my learned colleague from Maryland in congratulating Professor Gabriele on his musical and patriotic achievement. I am also proud to state that prior to relocating to Maryland, Professor Gabriele was a resident of my home State of New Jersey, where he was a member of the faculty at Rutgers—the State University of New Jersey.

During Bicentennial Year 1976 Professor Gabriele noticed many varieties of celebrations, but felt that little or no attention was being accorded to Christopher Columbus. He embarked to correct this situation by composing "Christopher Columbus March" as a Bicentennial tribute to the great mariner.

The march not only fulfilled its intended Bicentennial salute but continues to grow as an enduring honor for the discoverer of the New World.

It is interesting to note that Professor Gabriele is not a musician by occupation, although he served as a bandmaster in World War II. By profession he is a professor of business management. But for him, making music is a pleasant avocation. He is a long-time member of the American Association of University Professors, but is also a member of the Institute for the Arts; National Band Association, and a director of the National Concert Band of America.

Mr. Speaker, it is indeed fortunate that Professor Gabriele has chosen the uni-

versal language of music to honor Christopher Columbus, for through his march we experience once again the majesty of that ancient voyage. It was quite pleasant to learn from my colleague of Maryland that our nuclear submarine U.S.S. *Baltimore* was recently christened to the tune of "Christopher Columbus March," and the U.S. Naval Academy appropriately included the march at its observance of Navy Day.

ELECTRONIC MAIL AND THE QUESTION OF PRIVACY

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. PATTISON of New York. Mr. Speaker, as the recent report of the Commission on Postal Services suggests, we are headed toward an era of change in the nature of postal service in the United States.

One of the changes advocated by the Commission, and apparently supported by key Members of Congress, is the advent of electronic mail. This would utilize relatively available technology to transmit mail almost instantaneously.

Apparently, a great deal of study has been directed at the issue of electronic mail. Volumes have been written on the technology, hardware, and personnel that would be required. Costs have been estimated and timetables have been projected.

However, our colleague, CHARLES WHALEN, raises the important point that little or no consideration has been given thus far to the question of maintaining privacy and confidentiality in an electronic mail system.

As you know, CHUCK WHALEN is not a stranger to the issue of citizens' rights to privacy. He is the coauthor of the Bill of Rights Procedures Act, H.R. 215, of which I am a cosponsor. In my opinion this is the most important comprehensive right-to-privacy legislation now pending in the Congress. In the 94th Congress, it was approved 5 to 0 by the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, on which I served at the time. Unfortunately, the bill did not get out of committee before the 94th Congress ended.

Mr. WHALEN recently wrote an open letter to my friend and colleague, JIM HANLEY, the distinguished chairman of the Subcommittee on Postal Operations and Services. The letter articulates the concerns that many of us have with respect to privacy and proposed electronic mail systems. And it also helps to underline the need for passage of the Bill of Rights Procedures Act, portions of which are directly relevant to electronic mail and the question of privacy.

I commend to your attention the open letter to JIM HANLEY. The text follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 31, 1977.

Hon. JAMES M. HANLEY,
Chairman, Subcommittee on Postal Operations and Services, House Committee on Post Office and Civil Service.

DEAR JIM: I was very interested to read your recent announcement of hearings next week on the subject of "electronic mail." There clearly is a need for a thorough Congressional review of how the Postal Service will cope with technological advances in communications.

The press release you issued is somewhat troubling to me, however. In explaining why your panel is looking into electronic mail technology you said, "The purpose of these hearings is to hear from the experts what the impact of new communications systems may be on future mail volume, service levels, rates and subsidies."

I am writing to suggest that you expand the scope of your inquiry to include an examination of the issue of privacy as it relates to electronic mail. Despite the crucial importance of this issue, very little attention seems to have been paid to it thus far.

Jim, I must apologize in advance for the length of this letter. It is probably unfair of me to impose upon your valuable time to this extent, but the complexity of the subject matter forces a detailed exposition by me.

A review of the several public studies of electronic mail shows only one specific, substantive discussion of the privacy issue. I refer now to the two paragraphs that were dedicated to the topic of privacy in the report prepared for the USPS by the National Research Council (NRC) of the National Academy of Science. The NRC report said, "A key element to public acceptance and confidence in the use of electronic message services is the public perception of the privacy afforded by the system."

In effect, the National Research Council sounds a tiny warning that all of the studies of technological capabilities, systems designs, hardware costs, personnel requirements, etc. will be moot unless more thought is given to privacy implications of electronic mail. If the public does not believe the confidentiality of messages sent via electronic mail can be assured, then they cannot and should not be expected to patronize the service.

This is a very real, very reasonable concern and it bothers me very much that until now nobody seems to have looked at it very seriously. Yet, it is fundamental to the public acceptance of the basic concept of electronic mail.

Thus far, virtually all public discussion of electronic mail has focused on hardware, technology and labor-management questions. This is understandable, because these subjects are far easier to quantify than is the abstract concept of privacy rights and expectations. But privacy questions must be weighed from the very start, and your upcoming hearings appear to offer an excellent opportunity for this.

If there is going to be an electronic mail system of any dimension, and all available evidence indicates that there will be, then it seems to me imperative that we begin now to consider what steps we in the Legislative Branch must take to help assure postal patrons of the confidentiality of their communications.

For instance, current law is very clear on the point that first class mail, sealed envelopes in transit from sender to recipient, may not be opened or read. Can we offer comparable legal assurances to senders of messages that will be electronically transmitted from point to point along the way?

The NRC report said, "A knowledgeable individual with access to the system could probably gain access to any specific message if its existence were known or suspected. Realizing this, the originator of electronic messages who is unwilling to risk either casual or intentional interception of his message would be well advised to utilize another service. . . . Originators of a message that requires confidentiality as well as speed have to trade off one consideration or use a security code."

Thus, we should be thinking about statutes that would make it unlawful for postal service employees to violate intentionally the confidentiality of any electronic mail message that is entrusted to them. And I think we need to look into legislation to make it just as illegal to intercept a confidential message sent by electronic mail as it now is to intercept one sent by letter.

In fact, the Bill of Rights Procedures Act (H.R. 215 and S. 14), which I coauthored with Senator Mathias, includes a section that would amend the 1968 wiretap law, 18 USC 2510, to extend its protections to "nonaural" wire communications. The wiretap law today applies only to spoken communications and does not prohibit interception of messages sent by telegram, computer data transmission . . . or electronic mail. (A case in point: the disclosure in 1974–75 of the systematic, daily interception of all international cable traffic into and out of the United States for a period of many years.)

Another, perhaps complementary, approach is to look at the possible need for encryption codes for electronic mail transmissions. My staff has followed closely the work done by the National Bureau of Standards' Institute of Computer Science and Technology and concludes that there is a wealth of information available on this subject.

A second example for the need to consider legislative policy regarding confidentiality of communication via electronic mail is the case of "mail covers." This, of course, is the practice of regularly monitoring information found on the outside of envelopes in order to learn information about who is writing to a subject individual.

Two years ago the Church Committee on the CIA, the House Judiciary Committee, and your own Committee all looked into the then-newly-revealed fact that there had been rather widespread postal surveillance, including mail covers involving myriad subjects and tens of thousands, perhaps millions, of pieces of mail.

Of course, those mail covers had involved conventional letter mail and the logistics of truly massive or, conversely, highly sophisticated mail cover operations made that difficult to do and difficult to conceal. I wonder, though, whether that will still be true when records of electronic mail transmissions could be logged instantaneously and readily stored and retrieved by computer.

Consequently, I call your attention to Title II of the proposed Bill of Rights Procedures Act, which would provide statutory limits on the practice of mail covers. Perhaps we should consider adapting such a proposal to take further into account the prospects of electronic mail.

Well, I could continue, but I think you can see the drift of my thoughts. In short, I would hope your panel, at its hearings next week, might consider taking up the question of privacy in electronic mail. Certainly, information must also be sought about volume, rates, hardware, etc., but let's keep in mind the human side of the equation as well.

Thanks for your forbearance, Jim.

Sincerely,

CHARLES W. WHALEN, Jr.,
Member of Congress.

WHO RUNS THE STATE DEPARTMENT?

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. KASTENMEIER. Mr. Speaker, I would like to call to the attention of my colleagues the Washington Post editorial of April 22, regarding George Meany's self-anointed role as arbiter in determining which foreign nationals may or may not obtain visas to enter the United States.

Indeed, it may be true, as the Post states, that the three Soviet trade unionists who were denied visas are Soviet Government "stooges." But, that is not the issue. The major point of the Post editorial is that it is absolute anathema to a free society, such as ours, that one man, George Meany, can determine that the people of the United States cannot tolerate the presence of these Russian trade unionists in our country.

The denial of these visas runs counter to our support of the Helsinki conference commitment to free travel, and it also represents a departure from President Carter's own statements on the subject of human rights and the freedom to travel. Even the People's Republic of China, with which we have major differences, has allowed American visitors within its borders and it even invited a congressional delegation to visit this past month.

Yet, the State Department and the administration have bowed to the whims of one person and have given him veto power over the issuance of visas. To embrace and to allow to prevail the point of view that Mr. Meany holds against certain representatives of foreign countries can render meaningless the Helsinki and human rights commitments. Instead of following Mr. Meany's narrow-minded purpose, we should be encouraging freedom of travel and the free exchange of ideas. Our Nation certainly has nothing to fear from the appearance of three Russian trade unionists in our midst.

Mr. Speaker, this is not the first time that George Meany has used his influence to meddle in the conduct of our foreign affairs. It is no wonder that labor may be losing some of its credibility with the Congress, and Mr. Meany's mentality may help explain some of labor's current problems with the Congress:

"SECRETARY OF STATE" MEANY

George Meany is right in saying that Communist trade unionists are government stooges. His pride in the "free," i.e., nongovernmental, status of American unionists is well earned. But he's not the Secretary of State. It's wrong for him to use the AFL–CIO's muscle to force a too-long-pliant State Department to deny entry visas to these Soviet functionaries. Mr. Meany did just that a few days ago, not for the first time, to prevent three Russians from attending the farewell convention of retiring longshoremen's leader Harry Bridges. The Bridges union, needless to say, is not a part of the AFL–CIO.

To give Mr. Meany the best of it, he evidently believes a visa is a laurel conferring respectability. But for a country like the United States, supposedly committed to the free exchange of ideas, goods and people, a visa simply certifies that the person being admitted has acted within the law. The United States accepted a fresh commitment to free travel at the Helsinki conference in 1975. If it continues to restrict foreigners' travel arbitrarily, it will suffer embarrassment at the Belgrade follow-up conference starting in June, and it will be less able to press legitimate objections to the human-rights violations of other countries, including Russia.

President Carter has many fish to fry with Mr. Meany. Politically it can't be easy for the administration to take him on again. But if it's serious it will. First, the State Department must alter its policy and stop denying visas on political grounds alone. Then, the administration must move to amend the law that gives the department its present denial authority.

We would not want to see all restrictions on foreigners' entry removed, however. Specifically, to ensure that Americans who so desire are admitted to the Soviet Union and like countries, the United States must be able to hold up the entry of their citizens. Otherwise, as sad experience demonstrates, the Russians will cheat. Of the need for hard bargaining with the Russians to obtain equal treatment in this matter as in others, Mr. Meany, we are sure, would approve.

SMALL IS BEAUTIFUL

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. BAUCUS. Mr. Speaker, the National Center for Appropriate Technology, located in Butte, Mont., funded by the Community Service Administration, sponsored a public forum on March 21, at 8 p.m., in Washington, D.C. The guest speaker was the author of "Small is Beautiful," economist E. F. Schumacher, who spoke on "Economics As If People Mattered." Dr. Schumacher stressed the importance of developing systems that are much smaller in scale, energy conserving, and more labor intensive. In the afternoon of that day the Congressional Clearing House on the Future, with an audience of about 50 Members of Congress, gathered to hear Dr. Schumacher speak.

On the 23d of March the National Center for Appropriate Technology also sponsored a forum for both the Members of the House of Representatives and Members of the Senate. At this briefing session congressional aides staff were presented with information material plus examples on the appropriateness of appropriate technology, especially as it relates to job creation, energy conservation, and the utilization of alternative sources of energy.

The purpose of the National Center sponsoring these events is to show that the adoption of technology, which is small in scale, can be a useful tool in solving the problem, especially energy and unemployment that confront this Nation.

SURVEY SHOWS MOST AMERICANS IN DARK ABOUT HIGHWAY TRUST FUND

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. SHUSTER. Mr. Speaker, nearly 2 years ago, shortly after I was elected ranking minority member of the House Subcommittee on Surface Transportation, the administration sent to the Congress a proposal that would have destroyed the time-honored highway trust fund as a dedicated funding source for transportation programs. Although I was placed in the rather awkward position of having to oppose a proposal fostered by an administration of my own party, I felt so strongly about the integrity of the highway trust fund that I traveled throughout the Nation for several months speaking to groups, individuals, meetings—anyone who would listen—about the myths perpetrated by highway trust fund opponents.

I quickly discovered that most Americans know very little about the highway trust fund or how our highway program is financed. Although this fact made my job a lot tougher, the realization of it was ample incentive to fight even harder—and we won that battle.

A recent national poll, financed by the Highway Trust Federation, confirmed what I learned that hard way 2 years ago. The poll, conducted by the Opinion Research Corp. of Princeton, N.J., showed that only one-fourth of our population understood that highway programs are financed through special user taxes; and only 4 percent knew how much those taxes were.

Since this issue will be before the Congress again very soon, I insert in the RECORD an editorial which recently appeared in Transport Topics, April 11, 1977, discussing the highlights of that survey. I am convinced that by removing the myths and propaganda on the highway trust fund, the great majority of Americans will support it as the most reasoned approach to financing our transportation programs.

The editorial follows:

A MYTH DEFUSED

Today, more than ever before, there is an urgent need for public awareness of the true picture of this nation's highway building program, and how it is being financed. A disquieting lack of knowledge concerning highway transportation and financing on the part of the public was revealed in the findings of a recent nationwide opinion poll.

Only one-quarter of the interviewees understood that the highway system was financed through special taxes. Half of the respondents said they did not know how much they paid in taxes for the highway system, while only 4% correctly responded as to their range of tax payments.

With an overwhelming majority of the people not knowing how the highway system is financed, and/or not knowing the magnitude of special taxes being paid by highway users for highways, it becomes abundantly clear how they have been led to believe the "myth" that trucking is being "subsidized" on our nation's highways.

Some encouraging signs were found in this opinion poll, however. The findings revealed the "so-called public animosity toward highway transportation to be a fiction." The poll, financed by the Highway Users Federation, was conducted by the Opinion Research Corp. of Princeton, N.J., between May 22 and June 20 of 1971.

The poll showed that four out of every five persons have at least a fairly favorable attitude toward the nation's highway system, and that if asked to choose between public transportation and private car for their frequent trips, they prefer cars by nearly 2-to-1, or 62% to 33%. While 55% of the interviewees said they considered the pace of highway construction to be "about right" . . . nearly one-third (29%) said it is proceeding "too slowly."

It is, of course, gratifying to see this growing concern for highway transportation. In the face of the veritable barrage of anti-highway propaganda being circulated today, however, much more must be done to make people fully aware of how vital our highway system is to this nation. This, perhaps, was best done in a speech by former Federal Highway Administrator Francis C. Turner. In describing highways as the "lifelines" and "conduits" that keep cities viable, he said highways are simply "irreplaceable" and without the cities "inevitably would stagnate and die."

As proponents of the highway program, the trucking industry believes that a growing public awareness of our highway needs and how they are financed will be beneficial to all. The truth is, the more people learn about our highways . . . who uses them and who pays for them . . . the less vulnerable they will be to "fiction" circulated by opponents of good highways.

The foregoing report was prepared by the ATA Department of Interstate Cooperation.

SECRETARIES WEEK

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. WOLFF. Mr. Speaker, I would like to take this opportunity to both thank and honor the members of the secretarial profession, throughout the world, for their devoted service and fine work.

This week, April 24–30, 1977, has been designated by the National Secretaries Association as "Secretaries Week," along with the designation of April 27, 1977, as "Secretaries Day." I feel that we should all take time, not just this week, but throughout the year, to acknowledge the invaluable service which these individuals provide.

I am sure that my colleagues recognize that much of that which is done to run our Government, and every other profession, is directly attributable to the efforts of secretaries; in fact, many of us could not get along without them.

Therefore, I call on my colleagues to join with me in paying tribute to the dedicated members of the secretarial profession.

SHOE IMPORT RELIEF

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. LUKEN. Mr. Speaker, I have today introduced a resolution with 24 of my colleagues expressing our dissatisfaction with the administration's treatment of the American footwear industry. The resolution concerns the planned negotiations of orderly marketing agreements to provide import relief for the domestic nonrubber footwear industry.

The International Trade Commission has twice unanimously found that the American shoe industry has been seriously injured by a rising flood of imports. This is hard to disagree with, as imports have risen in just 10 years from 21 percent to almost 53 percent of the American market. And, in that same period, 70,000 jobs in the industry have been lost, and 300 shoe plants have closed.

In the face of this devastation President Carter on April 1 rejected the ITC recommendation of a 5-year tariff rate quota plan and instructed Special Trade Representative Robert Strauss to negotiate agreements with the major foreign suppliers of shoes.

This is just one more promise of help for an industry which has been given many promises but little help. The negotiation instructions to Ambassador Strauss are vague, and the footwear industry has little reason to expect that the negotiated agreements will actually provide effective relief.

The resolution I introduce today encourages the President to direct a broad series of negotiations on limiting imports. The resolution declares that the Congress should not hesitate to override the President's import relief decision if the agreements will be merely superficial.

Mr. Speaker, this resolution is identical to one introduced last week by Representative JAMES A. BURKE of Massachusetts. I am pleased that more of our colleagues are continuing their support for the footwear industry by cosponsoring, and I would urge the rest of our colleagues to join this effort.

I am inserting a list of the cosponsors and the text of the resolution into the RECORD at this point:

LIST OF COSPONSORS

Mr. Luken, Mr. Addabbo, Mr. Alexander, Mr. Burlison of Missouri, Mr. Cleveland, Mr. Cohen, Mr. Dan Daniel, Mr. Dodd, Mr. Gaydos, Mr. Gephardt, Mr. Gilman, Mr. Hammerschmidt, Mr. Mann, Ms. Mikulski, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Moakley, Mr. Pepper, Mr. Price, Mr. Rinaldo, Mr. Studds, Mr. Taylor, Mr. Tsongas, Mr. Walker, and Mr. Zefferetti.

H. RES. 516

Whereas the United States International Trade Commission unanimously found that the domestic nonrubber footwear industry and its workers are experiencing serious injury due to increased imports and recommended the imposition of a five-year tariff-rate quota on shoe imports as the form of relief, and the President affirmed that finding but rejected the Commission's recommendation for a tariff-rate quota as the remedy; and

Whereas the President announced on April 1, 1977, that orderly marketing agreements will be negotiated in lieu of implementing the International Trade Commission import relief recommendation, but has not made known the volume of shoe imports that would be subject to such agreements, which supplying countries would be subject to the import limitations (either as participants or nonparticipants in the agreements), the numbers of years the limitations would remain in effect, or what administrative measures would be implemented to make the program effective; and

Whereas it is consequently not clear that the negotiation of orderly marketing agreements, or the relief measures imposed if such agreements are not reached, would result in meaningful import relief to the domestic nonrubber footwear industry consistent with the serious injury found by the International Trade Commission and affirmed by the President: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that should orderly marketing agreements, or other import relief actions taken by the President, not provide limits on footwear imported into the United States which would maintain a viable domestic nonrubber footwear industry, then the House should proceed immediately to approve a concurrent resolution (as provided for under section 203(c) of the Trade Act of 1974) disapproving the President's import relief action on nonrubber footwear of April 1, 1977, and thereby implement the five-year tariff-rate quota on such footwear as recommended by the International Trade Commission.

POLISH CONSTITUTION DAY

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. MOTTL. Mr. Speaker, I would like to join with the many Americans and others in the free world in observing Polish Constitution Day on May 1. It commemorates the adoption of the constitution by Poland.

The constitution was adopted on May 3, 1791 at a most critical time—less than two decades after Russia, Prussia, and Austria were taking away large parts of Poland. Poland, facing the possibility of being annihilated, rallied behind the new constitution and was successful in retaining its independence.

In my native Cleveland, the Ohio Division of the Polish American Congress will celebrate this most noteworthy day by conducting a grand parade in the heart of Polonia, situated on Cleveland's Southeast side.

After the parade and a brief ceremony, a "Polish Commemorative Supper" will be served at the Alliance of Poles Lower Hall.

I ask you to join with me in tribute to Polish Constitution Day and also the worthy events of May 1 that the Ohio Division of the Polish American Congress is planning to commemorate this great moment in Poland's history.

GOVERNMENT COMPETITION WITH INDUSTRY RESOLUTION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. TEAGUE. Mr. Speaker, it is an old story. Almost as old as the U.S. Government itself. I refer to the urge for bigness, the urge to be self-contained and self-sustaining. As the Government grows and occupies more and more of our lives, its costs grow, too. Therein lies the problem.

It has long been the stated policy of the U.S. Government that needed goods and services should not be provided in-house, but should be procured from the private sector unless certain, rather rigidly defined special circumstances pertain. However, many, if not most, agencies and departments of the Government have honored this policy in the breach, continuing to add to their dynasties additional layers of supply and service functions which could be provided more economically by American business. Of all Federal goods and services, in 1974 only 52.3 percent were supplied by industry, down 8.2 percent from 1967.

There has been increasing recognition of this problem in several quarters of late. The General Accounting Office, for instance, has released a very interesting study entitled "How to Improve Procedures for Deciding Between Contractor and In-House Military Base Support Services" (B–158685). The study notes that in fiscal year 1975, the Army, Navy, and Air Force spent over $2 billion to provide base support services. Although it is the official Government policy that such activities are to be supplied by the private sector unless the Government can provide them less expensively or should do so for reasons of military readiness, 77 percent of these expenditures were nevertheless operated and managed by the Government. The GAO notes, and I would reinforce this, that changes are needed in several aspects of the military services' identification of functions to be performed in-house and by contractors and in their methods of comparing the costs of providing functions in-house or under contract.

As an example of the benefits such changes could reap, the GAO report studied 27 base support activities and found that 22 could have been conducted more cheaply by contractors for a savings of $3.7 million, while only five were actually less expensive done in-house, with a differential of $137,000. The GAO also cited some Air Force statistics which indicated that contractors could perform these types of necessary functions more cheaply over 70 percent of the time.

Of course, this problem is not unknown to the executive branch. Last year the Office of Management and Budget issued revised guidelines for computing the cost of Government performance when comparing it with contractor services in deciding whether to go in-house or contract. While these guidelines are an improvement, many think they are still unrealistically low on the Government side, thus making in-house performance look more economical when it might not be so.

A top ranking OMB official, Deputy Director James T. McIntyre, Jr., recently testified before the Subcommittee on Employee Ethics and Utilization of the House Post Office and Civil Service Committee that the OMB is conducting spot checks of agency reliance on the rules—OMB Circular A–76—and is informing them of cases in which in-house activity has not been properly justified. I applaud these efforts.

In my view, however, more is needed. The entire Government must reassess its sincerity about cutting costs and channeling the immense Government spending power into the productive sectors of the national economy. Studies have indicated, for instance, that if all costs are included, the private sector employee is at least 20 percent more productive than the Government worker.

For this reason, I am introducing today a joint resolution reaffirming the Government's reliance on the private sector for needed goods and services. For both reasons of economy and of strengthening of the free enterprise system, it is imperative that Government stop competing with business and let the free enterprise system do what it does best: Provide the most innovative reliable goods and services in the world at the most competitive prices. We will all benefit.

The text of the joint resolution follows:

H.J. RES. 413

A joint resolution to clarify and reaffirm Government purchasing policies

Whereas it is the function of the Government to carry out policies and programs established by the Congress;

Whereas it is a role of the private sector to provide goods and services needed by the Government;

Whereas optimum economy, efficiency, and productivity are achieved when the Government relies on the private sector for goods and services when it is cost effective to do so:

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That it is the general policy of the Government of the United States to rely upon private commercial sources for the goods and services required to meet Government needs; and

That this policy shall be administered by the Office of Federal Procurement Policy in accordance with the authority granted to that Office under Public Law 93–400.

PUBLIC PROTECTION FROM ASBESTOS FIBERS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. STEERS. Mr. Speaker, today I am introducing a bill to protect the public health and safety from contamination of the ambient air and water from asbestos fibers. Originally this problem was one that centered in my home district of Montgomery County, Md., and some surrounding areas. However, there is every reason to believe that the asbestos fibers that cause a potential health problem in the Eighth Congressional District of Maryland may cause the same problem in any part of the United States due to the ubiquitous use of the asbestos mineral.

I would like to take this opportunity to provide you with a list of the uses of asbestos in American life and industry. Mr. Paul Brodeur in New Yorker magazine provided a fairly comprehensive list on October 12, 1968:

The asbestos-cement industry which is the principal consumer of the mineral, makes shingles for roofing and siding, sheets for exterior and interior walls, insulation board, clapboard, casings for electric motors, pipes to carry water, sewage, and gas, and numerous other products. Asbestos textiles are used not only in fireproof theatre curtains but also in lagging and other insulating wrapping, in conveyor belting and safety clothing, in pot holders, ironing-board covers, draperies, rugs and motion-picture screens, as filters in gas masks and in the processing of fruit juices, acids, beer, and medicines, and in mailbags, prison-cell padding, airplane fittings, stove and lamp wicks, sparkplugs, and fire hose. The electrical-equipment industry has depended for years on asbestos yarn and tape for insulating conductors ranging from fine-gauge wire to heavy cable, and woven asbestos friction materials—such as brake linings and clutch facings—are found in cars, trucks, tractors, power shovels, hoists, and other industrial machines, as are asbestos-cloth packings, seals, and gaskets. Asbestos papers and felts are used for roofing, for piano padding, for lining stoves, heaters, filing cabinets, military helmets, and the mufflers and hoods of automobiles, and they also are found in armored cars, carpets, and cartridges, and as boiler jackets and radiator covers. Asbestos millboard, which is a heavier verison of asbestos paper, is used for acoustical ceilings, as plasterboard and fireproof wallboard, and in electric switch boxes, safes, table pads, stove mats, ovens, and dry kilns. Vinyl and asphalt floor tiles contain anywhere from thirty to fifty per cent by weight, of short asbestos fibres, and the floor-tile industry has become the second-largest user of the mineral. Since the development of phenol-formaldehyde resins in 1909, asbestos has been used in large quantities as a reinforcement and filler by the plastics industry, and today there are countless plastic products that contain asbestos, ranging from frying-pan handles to rocket nose cones. Asbestos is also an ingredient of many paints and sealants, of compounds used for roof coating and road building, or putties, caulking and other crack fillers, of clays used for pottery and structural steel and of undercoating sprayed stucco, of fireproof insulation sprayed on structural steel and undercoating sprayed on on automobile bodies.

As a result of these multiple and miscellaneous applications, asbestos has become practically ubiquitous in modern society. There is not an automobile, airplane, train, ship, missile, or engine of any sort that does not contain asbestos in some form or other, and it has found its way into literally every building, factory, home, and farm across the land.

While the uses of asbestos are widespread, the controls over the use of asbestos are not nearly so complete. There is some protection afforded to mine workers by the Mining Enforcement

and Safety Administration standards regarding asbestos particles in the air at the mine or quarry site. Recently, there has been a proposed standard issued by OSHA for the protection of workers in factories that use asbestos. However, there is no control or standard over the asbestos dust that is in the ambient air and water, in your home, or office buildings. At an elementary school in Gaithersburg, Md., there was road construction going on nearby. When someone mentioned the threat of asbestos contamination to the school children, 300 students were kept home the next day. My bill does not impose standards, rather, it calls upon the appropriate Federal agencies to develop the knowledge and standards necessary to protect our citizens.

The health effects from asbestos are serious. Mesothelioma is a cancer of the chest lining and/or cavity. It is a rare but fatal cancer, which does not develop for approximately 30 years. There is no known treatment or cure. In the general population mesothelioma accounts for 1 out of every 10,000 deaths, but among unprotected asbestos workers it can kill 1 out of 10. This serious health problem is further complicated by the fact that there is no agreement in the scientific community as to what is a safe level of exposure to asbestos. Protection for our citizens is the highest priority, an action by the Federal Government is long overdue.

Mr. Speaker, in the next week I will be circulating a "Dear Colleague" letter among the Members of the House. I call upon all Members of the House to join with me in this endeavor.

B-1 VERSUS B-52 BOMBERS

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. MARRIOTT. Mr. Speaker, the B-1 bomber is being developed and produced by the Air Force to modernize the strategic bomber force. As a key element of the Nation's strategic triad of manned bombers, land-based and sea-launched missiles, the new bomber will be able to serve the U.S.'s nuclear deterrence objective through its ability to deal heavy payloads of long ranges and through a hostile environment.

The B-1 has the flexibility to carry nuclear air-to-surface missiles, nuclear or conventional gravity bombs, mines, or other weapons, as required by varying mission requirements.

In comparing the B-52 with the B-1, the B-1 will: First, carry nearly twice the weapon payload; second, fly supersonic at high altitudes, and high subsonic at treetop altitudes; and third, have a faster takeoff from shorter runways; fourth, possess greater hardness to the effects of a nuclear blast; fifth, have a far faster penetration speed; sixth, have a lower penetration altitude; and seventh, finally, have a greatly reduced radar cross section.

Through a combination of the above factors, the B-1's ability to survive a surprise enemy attack, launch, and penetrate the enemy's defense, is far greater than that of the B-52.

In regard to the environment, the B-1's virtually smokeless engines are among the cleanest and most efficient ever built. The emissions are lower than the other jet aircraft. The B-1 force will consume considerably less fuel than used by today's B-52 force, and the noise level of the B-1 compares favorably with other jet aircraft. The supersonic portion of B-1 training flights will be limited to establish corridors which will minimize possible disturbance.

And from a cost standpoint in the absence of inflation, the B-1 costs have changed very little since the program went on contract in 1970. If we could purchase B-1's with 1970 dollars, the cost would be reduced by more than half.

The B-1 is absolutely essential to an effective triad, and I urge the Congress to move ahead without delay in developing this program so that we might achieve our objectives to improve our defense capabilities.

CONGRESSMAN JOHN MURPHY'S COMMENTS ON NAVY AUTHORZATION FOR TUGS AND OIL TANKERS

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. McCLOSKEY. Mr. Speaker, following our floor debate last Friday on the defense authorization bill's provisions for Navy tugs and oil tankers, I was pleased to read a speech delivered a week earlier by Chairman JACK MURPHY to the Propeller Club of New York.

The gentleman from New York had some very succinct things to say relevant to last Friday's debate on the point as to whether the Navy should build its own oceangoing tugs—at $17 million each—and its own fleet oil tankers—at $161 million each—or whether U.S. Merchant Marine ships should serve in this capacity.

Among the chairman's most persuasive comments were the following:

The Department of Defense relies heavily on our merchant ships in order to carry out its military functions. Unfortunately, at the present time we do not have the number of vessels needed; we do not have the type of vessels needed, and we do not have the size of vessels needed for this purpose.

I think this is a national scandal and I intend to do something about it.

In order to overcome this problem, I believe the Maritime Administration should work with leaders of the maritime industry to develop a long-range program as to the commercial sealift requirements of the United States. Then a coordinated effort between the Department of Defense, Maritime Administration and the maritime industry should be undertaken to develop standardized vessels, representing a reasonable balance between Department of Defense and commercial requirements to fill their requirement.

Part of the national security role of the U.S. flag merchant marine consists of serving as a naval and military auxiliary in time of war or national emergency. Such auxiliary functions can consist of *fuel and other logistic supply to warships*, cargo transport, missile range and space support, research and surveying, *tug services* and other specialized services. (emphasis added)

I believe that greater use of U.S. flag merchant vessels to perform the auxiliary functions currently performed by Navy ships in peacetime could enhance our sea power and reduce costs.

Mr. Speaker, the last point, so ably urged by the gentleman from New York, was the point Messrs. EMERY, TRIBLE, and I were trying to make in the debate last Friday—that our Navy and merchant marine by coordinated action, using merchant marine tugs and oil tankers instead of Navy support vessels, can both enhance our sea power and reduce costs.

I am pleased that the distinguished gentleman from Florida (Mr. BENNETT) chairman of the Armed Services Subcommittee on Sea Power, has agreed to consider joint hearings to resolve this problem this year. Such joint hearings could indeed assist in our desire to return the United States to a position of at least equal sea power strength with the Soviet Union, and will make the time taken in last Friday's debate well worthwhile.

I am attaching the complete remarks of Chairman MURPHY in New York:

REMARKS OF HON. JOHN M. MURPHY, CHAIRMAN, HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE, BEFORE THE PROPELLER CLUB, PORT OF NEW YORK, APRIL 15, 1977

Thank you Mr. Blackwell for that very kind introduction.

Fellow New Yorkers—it is a genuine honor for me to be with the dedicated people who make the Port of New York what it is today.

It is a port that continues to serve as the Nation's primary gateway for general cargo moving in our foreign trade. Since 1966, this Port of New York has invested more on specialized general cargo facilities than any other North American port facility.

And as a result the value of the port's general cargo imports and exports are more than twice that of any other U.S. port.

It is because of your dedication, your hard work and your ability that every State in the continental United States routes exports and imports in our foreign commerce by way of the Port of New York.

For these reasons, New York is the greatest port in the world, and I am proud to represent all of you in the Congress. I feel there is nothing more "right" and more fitting than to have a New Yorker as chairman of the House Merchant Marine and Fisheries Committee—the only committee in the Congress exclusively devoted to maritime matters. You may be sure that I will do my part to see that you continue to prosper.

On the other hand tell me, if New York is such a prosperous and well run port—what in the hell is pier 76 doing as a parking lot?

I will say here that I have started to develop on the committee a national port lobbying force to protect the legislative interests of shipping ports and related industries. For the first time the committee will make it possible for our Nation's ports to develop a working relationship with the Congress on legislation affecting them and I guarantee that this great Port of New York will benefit as well as all port facilities in the United States.

The Port of New York is the corporate base

of many U.S.-flag liner operators—Sea Land, U.S. Lines, Farrell, Moore-McCormack, American Export, Prudential, and so on. Our liner operators rely on the cargoes moving in our foreign commerce to provide the United States with the merchant fleet required to protect our trading interests in peacetime and to assist our defense forces during periods of national emergency.

Although our international trade would appear to be in good shape, these, and other U.S. flag liner operators are encountering certain cargo problems that require legislative relief.

Although our foreign trade is steadily growing, carriage in American bottoms is falling off. There is no lack of cargo moving in international trade. The basic problem is obvious—U.S.-flag liner operators are not capturing enough of this cargo.

If the United States is falling behind, the natural question arises who is moving ahead? I doubt if any of you would be surprised to learn that leading the world today in this merchant marine race is the Soviet Union, whose fleet now comprises about 10.5 percent of the total world fleet.

And the vaunted United States? We have about 4 percent of the world fleet.

The Soviet Merchant Marine now has the capability to carry simultaneously more than half of all Soviet foreign seaborn trade, to deliver military and economic aid to Communist Bloc nations and other nations receiving aid, to satisfy domestic requirements for coastal shipping, and to earn currency from foreign nations by operating in the "cross trades."

And the vaunted United States?—We can only hope to be so lucky!

This phenomenal growth of the Soviet merchant fleet has severely impacted on our foreign trade. Between 1971 and 1975, the Soviet merchant fleet increased its cargo tonnage participation in the U.S. trades from about 160,000 to 1 million long tons; an increase of over 52 percent. In 1971, the Soviet merchant fleet carried cargo on only two U.S. trade routes: From the Pacific coast to the Far East, and a negligible amount to Western Europe. During 1974 and 1975, the Soviet merchant fleet carried substantial tonnage on seven trade routes. In order to achieve this trade penetration, the USSR has established regular liner service from all four U.S. coasts.

Of particular concern are the practices of the Russians entering the various existing established trades with their newly acquired maritime capability, refusing to join the existing conferences, and undercutting the normal conference rates.

It is obvious that if these practices are permitted to continue, the conference system will be destroyed, and the U.S.-flag liner fleet will ultimately be driven from the seas.

In the last Congress, we commenced action on this problem and dealt exhaustively with legislation commonly known as the third-flag bill.

The third-flag bill would generally require state-controlled carriers to charge rates that are "just and reasonable". In considering whether the rate charged is just and reasonable, the Federal Maritime Commission, which would have responsibility for administering the law, would consider whether the rates are fully compensatory, assessed by other carriers in the same trade, required to assure movement of the particular cargo, and other appropriate factors.

The state-controlled carriers whose rates are challenged would sustain the burden of proof, and the FMC would have authority to suspend the rates in question for a period of seven months while a hearing on the lawfulness of the rate is pending. This legislation was strongly supported by the maritime industry, but was opposed by the Great Lakes interests and the shippers.

Shortly after the hearings on this legislation were completed and before the committee could act, the Chairman of the Federal Maritime Commission concluded an agreement with the Soviet Ministry of Merchant Marine, known as the "Leningrad Agreement".

In this agreement, the Soviet Union agreed to charge rates which were not lower than those actually used by the lowest non-Soviet carriers in the particular trade, and to begin discussing their membership in the appropriate liner conferences covering United States trades. The Federal Maritime Commission, until recently, claimed that the Russians are taking the necessary actions to implement the Leningrad agreement.

However, my own conviction is that the intended results from the Leningrad agreement are not forthcoming rapidly enough.

Karl Bakke, chairman of the Federal Maritime Commission, is currently in Moscow, meeting with the Soviet Minister of Merchant Marine and other officials in an effort to expedite the effective implementation of this agreement.

I have directed Chairman Bakke to give me a full report immediately upon his return to the United States. If—after these discussions—I determine that the Russian bear is giving us more fancy footwork than anything else you can be sure that I will move forcefully and quicky on this type of legislation. As you can well understand legislative action will be absolutely necessary to protect not only our U.S.-flag liner fleet, but also our international trade.

And as a result of lengthy discussions I have had over the past several weeks with President Carter's White House Task Force on Maritime Affairs, I am convinced we would have administration support on the moving of third-flag legislation through the Congress.

In an effort to keep abreast of the rapid development of the Soviet Merchant Marine, I have retained on the Merchant Marine Committee an ex-naval officer—still active in the Reserve—to keep tabs on the development of the Soviet and other state-controlled merchant fleets—with particular emphasis on the Russians. Part of this assignment will be to pay particular attention to the military auxiliary function of the Soviet merchant fleet.

This military auxiliary function of the Soviet merchant fleet is important, because there is reason to believe that they are doing a better job in this area than we are.

Since the enactment of the Merchant Marine Act of 1936—over forty years ago—the United States has traditionally looked to the commercial marketplace to provide a U.S.-flag merchant marine for two very fundamental puropses:

During peacetime—to protect our legitimate economic interests as the leading trading nation in the world.

During periods of national emergency—critical times such as World War II, the Korean war and the Vietnam conflict—to provide the merchant vessels required by the military to successfully carry on their operations.

The Department of Defense relies heavily on our merchant ships in order to carry out its military functions. Unfortunately, at the present time we do not have the number of vessels needed.

We do not have the type of vessels needed; and,

We do not have the size of vessels needed for this purpose.

I think this is a national scandal and I intend to do something about it.

One of the objects of the current subsidy system provided by the Merchant Marine Act of 1936, is to procure national security at a minimum Federal outlay, and to the greatest degree possible as a by-product of commerce. As a result, only the most efficient commercial vessels are constructed and operated under the United States flag. It is axiomatic that the most efficient commercial vessels are not always the most suitable for Department of Defense sealift requirements.

In order to overcome this problem, I believe that the Maritime Administration should work with leaders of the maritime industry to develop a long-range program as to the commercial sealift requirements of the United States. Then a coordinated effort between the Department of Defense, Maritime Administration, and the maritime industry should be undertaken to develop standardized vessels, representing a reasonable balance between Department of Defense and commercial requirements to fill this requirement. Such a course of action will permit the United States to procure national security in this area at a minimum Federal outlay.

Part of the national security role of the U.S.-flag merchant marine consists of serving as a naval and military auxiliary in times of war or national emergency.

Such auxiliary functions can consist of fuel and other logistic supply to warships, cargo transport, missile range and space support, research and surveying, tug services and other specialized services.

In the past, U.S.-flag merchant vessels have been used as naval auxiliaries when necessity demanded it. However, despite the best efforts of all parties, the effort was more expensive and less efficient than if the Department of Defense and the U.S.-flag vessel operators had an ongoing program whereby our merchant ships are used as auxiliaries in peacetime.

This problem could be overcome by coordinated efforts between the Department of Defense, the Maritime Administration and the maritime industry to use U.S.-flag merchant vessels during peacetime in as many auxiliary functions as is reasonably possible.

I believe that greater use of U.S.-flag merchant vessels to perform the auxiliary functions currently performed by Navy ships in peacetime could enhance our sea power and reduce costs.

As part of the national security role of U.S.-flag merchant vessels, the Secretary of Commerce is generally authorized to pay for so-called national defense features. These are generally noncommercial features incorporated in a vessel at the request of the Navy Department to enhance utility and survivability in times of national emergency.

In the past, when our merchant vessels were called upon to serve as naval auxiliaries, substantial conversion projects were often necessary at considerable cost and at a time when shipyard space was at a premium.

It would appear that we would be in the same boat figuratively speaking in the event of future emergencies.

The authors of the '36 Act would be shocked I am sure to find out that CDS funds for national defense features amounts to .03% of those funds.

If we are to become more efficient in this area, I believe that there must be improved efforts between the Navy Department and the Department of Commerce, with a view to upgrading national defense features. Improved national defense features incorporated in merchant vessels when initially constructed would not only enhance the capability of U.S.-flag merchant vessels to serve as naval or military auxiliaries, but could also represent substantial savings to the government and to the taxpayers.

Up to this point, I have been generally commenting on areas of mutual interest with respect to the U.S.-flag liner fleet.

I would now discuss with you the U.S.-flag tanker fleet engaged in our foreign commerce—because as a practical matter we do not have one.

The reason that the United States does not have a viable tanker fleet, is because of our

traditional reliance on American-owned, foreign-flag tankers under so-called "effective U.S. control." This is generally no more than a contract between the government and the American owner of "flags of convenience" vessels, specifying that certain of his foreign-flag vessels will be available if called.

In view of the established principle of international law that allows only the country of registry to seize a vessel on the high seas, it has always been highly questionable whether the United States has sufficient legal authority to gain control over "effective U.S. control" vessels in an emergency Additionally, as most of us know, the argument that nations promoting "flags of convenience" would never exercise their right to control vessels of their registry was tested on November 2, 1973. It failed the test when President William Tolbert of Liberia issued an executive order prohibiting any vessels flying the Liberian flag from participating in the carriage of arms to the Middle East.

Regardless of ownership.

American or otherwise.

In any case, we no longer need to wring our hands over this esoteric legal problem.

Since September 7, 1975, the vast preponderance of these contracts, covering the most modern tanker tonnage, are no longer in force.

Without these contracts, there is no legal basis for "effective U.S. control."

As a practical matter, most of these foreign-flag vessels are not employed in our foreign trade, so that in an emergency the U.S. could not call upon very many of them without creating serious economic and political consequences.

Further, the physical size of most of these foreign-flag vessels is too large for our ports.

Finally, the concept has never been tested, and whether these foreign-flag vessels would be available would be a function of where they are registered, the nationality of the crew, the nature and type of emergency, and their location at the time of the emergency.

We now are fairly certain that the United States until now has depended on a "phantom fleet" that would never have materialized in any real emergency.

And our own fleet? At my recent meeting with the White House task force even they agreed the greatest nation in the world has a "dying fleet."

And it is not getting any bigger—it is just getting older.

My concern with respect to the reliability of the foreign-flag tankers that now transport over 98 percent of our oil imports is one of the major reasons I am actively promoting legislation that would reserve a certain percentage of these imports to United States-flag vessels.

The life-blood of American industry is oil. As American industry expands and domestic oil production falls off, we have been—and will continue to be for some time—resigned to import more and more oil from foreign sources. The problem is compounded by declining oil production in nearby foreign sources, so that we are forced to turn to oil that is produced half-way around the globe.

In 1974 the maritime administration told the Merchant Marine and Fisheries Committee, "whereas somewhat over half of our total petroleum imports now originate in the western hemisphere, with the middle eastern countries supplying less than 20 percent, by 1985 the share of total imports supplied by the middle east will approach 50 percent, while that of the western hemisphere suppliers will decline to above 20 percent."

And events in the past four years have conclusively demonstrated that these foreign sources can be cut off at any time. This oil lifeline from unreliable sources is currently provided almost exclusively by foreign-flag tankers, manned by crews picked up all over the world.

It adds up to a sad picture for America.

Until such time as the United States can promote efficient energy alternatives to oil, we will be forced to use these unreliable foreign sources. As chairman of the Merchant Marine and Fisheries Committee, there is little I can do about that.

But I can do something about the lifeline that moves foreign oil to the United States. It doesn't take a profound thinker to quickly conclude that these foreign-flag vessels do not provide the reliable transportation required by this Nation.

And history supports that conclusion—they never have.

The solving of this problem is my number one priority on the Merchant Marine and Fisheries Committee agenda in this Congress.

And not only do I intend to do something about it, I intend to do it quickly.

American flag ships are the only ships on which the United States can rely in the event of war or emergency. I cannot believe that an American owned, foreign registered and foreign-manned tanker would deliver oil to the United States if the situation should arise that we were at odds with either the Nation of registry or the homeland of the crew. As I just mentioned during the war in the middle east, Liberia—number one among convenience-flag Nations—forbade all ships flying the flag of Liberia to deliver goods to the middle east.

That order was obeyed.

And one-third of all ships registered in Liberia are owned by American companies.

The only viable solution is our cargo equity legislation.

Going back, again, to 1974 Marad told the merchant marine committee, "the development of an adequate and modern U.S.-flag tanker fleet has been a major maritime goal of this administration. The reasons for this goal include such considerations as the balance of payments, seagoing and shipyard employment, and national security. These reasons become even more compelling as the quantity of petroleum and petroleum products required to be imported from distant foreign sources rapidly increases."

I feel strongly that the last administration did not come close to achieving the development of "an adequate and modern tanker fleet". If this was a major goal of Marad during the last eight years, then the administration failed and failed miserably. In order to accomplish this goal one thing is necessary above and beyond all others: A guaranteed supply of cargo.

And the cargo equity bill does just that.

What we need is a minimum number of U.S.-flag tankers that can be routed to different oil sources as the occasion arises. Should one producing nation refuse us oil we would be free to draw on another. In times of actual hostilities, the need for dedicated citizen crews would be especially critical.

The major opposition to this legislation comes from the multinational oil companies who are very ably represented in the Halls of Congress. Their strength is formidable.

During our recent hearings, a witness for the American petroleum institute recommended that the American consumer be encouraged to conserve energy by allowing the price of oil to go up—to go up well above any possible cost increase that could be associated with my cargo equity bill, H.R. 1037. The very same witness strongly opposed the proposed legislation because it would result in increased costs to the American consumer.

That my friends. is what we New Yorkers would call real hutzpah!

I do not mean to minimize any possible cost increase to the American consumer. On the surface, this is a very persuasive argument. In actual fact, however, our hearings indicate that this may not be true. And during the course of our hearings in early May I intend to put this argument to rest once and for all.

I might point out that one of the major objections to my bill is the argument that its implementation would cause other countries to do the same thing. It was the subject of a four hour harangue when I presented this position to 700 international shippers in London two weeks ago. But I told my foreign friends this objection is totally invalid; you—the foreigners—have already done it. To date some forty nations have enacted some type of cargo-preference legislation.

For example, Algeria requires a fifty percent cargo clause in export contracts for both oil and LNG giving preference to Algerian-flag vessels.

In Ecuador, the hydrocarbons law of 1971 reserves fifty percent of all oil to national-flag vessels. Fifty percent of Ecuadorian general cargo is reserved for national flag ships.

In France, a decree requires that two-thirds of French oil imports be carried in French-flag vessels or approved charters.

In Guatemala, law 41/71 of May 6, 1971 reserves all import cargoes to Guatemalan national-flag lines.

The Indonesian freight board has unlimited authority to discriminate in favor of national-flag carriage at any time in the future.

Morocco requires that 40 percent of its imports and 30 percent of its exports be shipped on national-flag vessels.

In March 1972, Nicaragua established cargo preference laws calling for fifty percent carriage of the country's trade goods by national-flag vessels.

In January 1975, Saudi Arabia passed legislation that required five percent of Saudi exports to be carried by Saudi vessels. The percentage quota is to increase to fifty percent by 1980—three short years away.

In Venezuela, the law for the protection and development of the national merchant marine requires that fifty percent of all exports and imports, including oil, be carried in national vessels, which are defined as ships 75 percent owned by Venezuelan nationals.

The United Arab Republic requires that 30 percent of its imports and exports be carried on its own vessels.

It is obvious that rather than causing other countries to enact legislation similar to H.R. 1037, we are merely protecting our interests in light of the growing, international trend toward government control, management and participation in the field of international shipping.

In any event, even if it does cost a few cents a gallon more for gasoline—as President Carter announced during his campaign—it is worth the price for an independent American Flag Fleet. While we know that—depending upon the size of the vessel—the cost of importing oil in U.S.-flag vessels is more than the same transportation provided by foreign-flag vessels, we have no assurance that the price charged the American consumer for the transportation of this oil bears any relationship to the cost involved. The problem arises because in a vertically integrated oil company, the cost of such ocean transportation is just a paper transaction, and there may be good reason to have corporate profits earned abroad show up in the foreign-flag tanker operations of the corporation.

As you can imagine, accurate cost figures are extremely difficult to determine, but I intend to do everything possible to insure that the committee has reliable information before attempting to report out our cargo equity bill, I have requested the General Accounting Office to assist us in analyzing the differing cost estimates submitted by the industry *and* government witnesses.

These are just a few of the items on which the Committee on Merchant Marine and

Fisheries will be working during the 95th Congress.

However, I cannot do it alone. The cooperation of the entire maritime industry is requested if the United States is to have the port facilities, merchant marine, and other transportation services required by our international trade. Because I feel my program is good for the Port of New York—(and perhaps because I am a hometown boy)—I know I can count on your support.

Thank you.

UNITED STATES PRESENTS POSITION AT INTERNATIONAL SUGAR NEGOTIATIONS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. DRINAN. Mr. Speaker, the deliberations of sugar products and consumers meeting to formulate an international sugar agreement got underway in Geneva 1 week ago. For the first time ever, the U.S. delegation was accompanied by a consumer representative. On April 19, Assistant Secretary of State Julius L. Katz, the chief U.S. delegate, outlined our objectives in drafting a sugar agreement. Assistant Secretary Katz emphasized the importance of achieving price stability within a range equitable to producers and consumers alike. He pointed out that the United States intends to remain a part of the free sugar market. I hope that the ongoing negotiations will serve to fulfill these admirable objectives. The complete text of Mr. Katz's statement follows for the information of my colleagues:

STATEMENT BY JULIUS L KATZ

Mr. Chairman, my delegation is pleased to participate in this negotiating conference for a new international sugar agreement. The United States is at the same time a major producer, consumer and importer of sugar. My Government therefore attaches great importance to this conference. The United States seeks an effective international sugar agreement as the cornerstone of our national sugar policy. Our delegation will make every effort to reach an agreement that benefits consumers and producers of sugar through the stabilization of world sugar prices at reasonable levels.

It is out intent to play an active and constructive role in this conference. We want an agreement that is technically sound, flexible, and to the greatest extent possible, utilizes established trade channels and practices. In our view, the objective of an agreement should be to stabilize prices around long term market trends, eliminating the excessively high and low prices which have characterized world sugar markets during the past several years.

Since January 1, 1975, the United States has been an integral part of the free market in sugar. This has been a period of dramatic change for world sugar markets. We have seen extreme fluctuations in prices and rapid growth in the production of substitute sweeteners. It has also been a period of uncertainty for sugar producers in which investment decisions have carried a much higher risk than in the past.

The United States intends to remain a part of the free market. An effective international sugar agreement is thus important to us. If such an agreement cannot be achieved, the United States will, of course, need to reconsider the measures it might take to assist its own domestic producers. I will state frankly, however, that it is neither our intention nor desire to return to the preferential import quota system which existed for forty years under the old Sugar Acts.

As I said at the outset, the United States is a major producer and importer of sugar. As a producer we are fully aware that world sugar prices in recent months have been well below the production costs of even our most efficient producers. As the world's largest sugar importer, we recognize that our stability of supply could be endangered if prices were to be excessively depressed over a prolonged period of time. The task that we face here is to negotiate an arrangement that can provide over the long term stable supplies at reasonable prices to consumers and steady, profitable markets to producers.

The United States accepts in principle that export quotas will be a necessary mechanism to defend the lower end of any price range negotiated.

At the same time the United States also believes that any agreement must contain features that protect consumers against excessively high prices. We believe that the most effective means of achieving this is through a strong system of internationally coordinated stocks accumulated while supplies are in surplus. We will be prepared to elaborate our ideas on these matters in the appropriate committee of the conference.

As this conference opens, we face the challenge of creating an effective new arrangement to improve the marketing system of a commodity of major importance to us all. The United States delegation will contribute actively and constructively in this effort.

GERALD R. FORD BUILDING

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. SAWYER. Mr. Speaker, on behalf of all the constituents of the Fifth District of Michigan, I wish to express appreciation to the House for its passage of H.R. 2210, designating the Federal building in Grand Rapids, Mich., as the "Gerald R. Ford Building."

It has been a great honor for our district to be the home of our 38th President of the United States, Gerald R. Ford.

President Ford has been an outstanding leader whose qualities of honesty and integrity have set a shining example of public service to the people of Grand Rapids, the State of Michigan and the entire Nation. As Congressman, Vice President and President, Jerry Ford will always be remembered as having given his best when it required the most.

I commend the subcommittee chairman, Mr. MINETA and ranking minority member Mr. WALSH for their expediting this legislation and also the chairman of the House Public Works and Transportation Committee, Mr. JOHNSON.

I ask that the general statement of the House report accompanying H.R. 2210 be included at this point in the RECORD:

GENERAL STATEMENT

Gerald R. Ford, born in Omaha, Nebr., in 1913, attended Grand Rapids public schools and graduated from the University of Michigan with a B.A. degree 1935 and from Yale University Law School with LL.B. degree 1941; honorary doctorate degrees from Michigan State University, and from Albion, Aquinas, Spring Arbor, Buena Vista, Grove City, Parsons, and American International Colleges, admitted to the Michigan bar and to practice before the U.S. Supreme Court.

After 47 months in the Navy during World War II, he was elected to Congress in 1948, and reelected for the succeeding 12 Congresses. In 1965, he was selected by his colleagues as the minority leader of the House of Representatives. He served as minority leader until nominated to fill the vacated Vice Presidency in 1973.

With the resignation of former President Nixon in August 1974, he assumed the Presidency at a most difficult time in our Nation's history. During his 2½ years as President, this country saw a continuation of Gerald Ford's honesty and courage that won the respect of his constituents in Michigan and of his colleagues in the House of Representatives.

It is a fitting tribute to pay to the 38th President of the United States by naming the Federal building located at 110 Michigan Avenue NW, in Grand Rapids, Mich., the "Gerald R. Ford Building".

WAYS AND MEANS OVERSIGHT SUBCOMMITTEE CHAIRMAN ASKS CONGRESS TO APPROPRIATE FUNDS TO ENABLE THE IRS TO PUBLISH SECRET RULINGS AND ENFORCE THE TAX LAWS AGAINST THE NARCOTICS TRAFFICKERS AND OTHER RACKETEERS

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. GIBBONS. Mr. Speaker, recently I and the ranking Democratic member of the Ways and Means Oversight Subcommittee, Representative J. J. PICKLE, had the privilege of testifying before the Subcommittee on Treasury Appropriations of the House Committee on Appropriations. Since the issues which I presented are of great importance in the administration of the income tax laws, without objection, I would like to place in the RECORD a copy of my statement before the Treasury Appropriations Subcommittee:

STATEMENT OF CONGRESSMAN SAM M. GIBBONS BEFORE THE SUBCOMMITTEE ON TREASURY APPROPRIATIONS OF THE HOUSE COMMITTEE ON APPROPRIATIONS

Chairman Steed and Members of the Subcommittee: Thank you for this opportunity to discuss with you briefly some matters concerning appropriations for the Internal Revenue Service for the coming year.

I am here today in my position as Chairman of the Oversight Subcommittee of the Ways and Means Committee. As you know, the Oversight Subcommittee of the Ways and Means Committee was created two years ago to try to oversee the operation of those agencies that were under the jurisdiction of the Ways and Means Committee, and we started an investigation of the Internal Revenue Service. The Internal Revenue Service, of course, is one of the most important agencies of Government because it ultimately has to produce all the money that we dispense up here.

We have learned a great deal about the Internal Revenue Service. It was my thought

that some observations drawn from this monitoring experience might be useful to your Subcommittee in your deliberations about the proper level of funding for IRS operations for the next year.

There are two matters, though, that are of particular importance because while most things in the Internal Revenue Service seem to be going ahead properly, two matters stick out in the budget. The Administration has not requested sufficient appropriations with which to publish secret rulings nor to properly enforce the tax laws against narcotics traffickers and other racketeers.

PRIVATE LETTER RULINGS

Very briefly, I would like to address myself to the question of funding with which IRS can proceed to publish private letter rulings issued prior to November 1, 1976. IRS witnesses before your Subcommittee on March 1, estimated that it would cost between $4 million and $7 million to publish the 122,000 rulings which fall into this category. As was explained at that time, private letter rulings are issued to individual, corporate and other taxpayers on specific questions raised by such taxpayers. The substance and, I might add, the import of such rulings is withheld from the general taxpaying public and, of course, from general Congressional review.

So long as these rulings are hidden from view, the public has no way of knowing whether the recipients of private letter rulings are receiving undue favored treatment in tax matters or are getting the fair shake that all taxpayers rightly feel is their due. When the average taxpayer begins to feel that he isn't getting a fair shake, the voluntary tax system is threatened, and the practical, unwanted result can very well be reduced tax collections. In times like this, we can ill afford to let tax collections falter.

Last year, in the Tax Reform Act of 1976, Congress established a schedule for publication of private tax rulings. It directed that all such rulings issued after November 1, 1976, be published by the IRS. Those issued prior to that date were to be published when appropriations for that purpose were made available.

In a suit brought by a private litigant, the Supreme Court has held that private rulings are available to the public under the Freedom of Information Act. A public interest group, Tax Analysts and Advocates, has gone into court to require that the IRS publish all private rulings. The trial court has upheld their position, and most knowledgeable observers expect the court of appeals to uphold the lower court. Thus, the IRS will very likely have to publish these rulings by court decision, if not by act of Congress.

For these reasons the IRS sought an appropriation to publish the pre-November rulings. But OMB under the previous Administration rejected IRS's request for such a budget item, and OMB under the new Administration has likewise denied IRS's request.

My staff's review of the IRS testimony before your Subcommittee on March 1 indicates some degree of sensitivity, if not embarassment, on OMB's part concerning this issue. Our staff examination of the transcript of that hearing indicated an Administration attempt to keep the public from knowing that IRS was pressing OMB to reconsider its previous disapproval and authorize a supplemental budget request during this fiscal year for publication of prior rulings.

The most recent IRS submission on this point for the record of your March 1, hearing shows that, instead of a supplemental request for the current 1977 fiscal year, what is now contemplated by IRS—and very probably by OMB—is a supplemental request for Fiscal Year 1978. Since Fiscal 1978 does not begin until October 1, it will be another year or more before funds for this purpose would ever be requested, much less considered by your Subcommittee. And that would mean another year of secrecy.

Last February, the executive director of Tax Analysts and Advocates, Mr. Tom Field, wrote the Director of OMB, the Honorable Bert Lance, setting forth in considerable detail the basis of TA&A's expectation of funds for IRS to publish the earlier tax rulings. When I asked for a copy of this letter and Mr. Lance's reply, I was told that there had been no reply. Thereupon, I wrote to Mr. Lance myself requesting his answers to the issues and questions raised by Mr. Field's letter, and seeking also OMB's reason for denying IRS's request for funds to publish the old rulings.

I have just received Mr. Lance's reply to my letter. In it, he notes that the previous Administration refused a similar request for two reasons: First, "fiscal restraint in the budget" and, second, the view that publication of past rulings was "questionable" in light of the cost involved and the fact that "more pertinent" rules are now being published.

Mr. Lance's letter goes on to say that the new Administration has not yet had an opportunity to explore the matter fully. Therefore, he adds, he is asking the Department of Treasury to do such a study and determine whether a new budget proposal for this purpose is warranted. My only comment on that is that it should take nothing like another year to reaffirm the rightness of this cause.

Mr. Chairman, I request that copies of all correspondence to which I have referred be placed in the record.

Several aspects of this matter strike me as curious. Mr. Chairman. We're not talking about billions of dollars for a B-1 bomber or for an energy program. We're talking about a relatively small sum, $4 million. Congress and the courts have determined that the publication of these rulings are "pertinent". Moreover, groups like the American Bar Association, the American Institute of Certified Public Accountants, ranking members of the Ways and Means Committee, and IRS and the Department of Treasury itself—all believe these back rulings should be published. And, as I mentioned earlier. it appears that the courts will be very shortly ordering the IRS to publish them. Yet, OMB is holding out—and, so far as I can tell, it is the only principal holdout.

Mr. Chairman and Members of the Subcommittee. this whole issue can be quickly resolved by exercising your own initiative and placing in the budget for IRS an amount sufficient to publish these old rulings immediately. It is a small price for the public to pay toward the public's right to know.

SPECIAL ENFORCEMENT PROGRAMS

I am surprised and disturbed that the fund starved Special Enforcement Program is not getting greater attention from the Carter Administration.

The IRS fraud program is divided into general and special enforcement. Agents in the special enforcement program work criminal tax cases against people who are suspected of deriving their income from illegal sources. Different techniques and criteria are needed in this program from those utilized in the general program in which an average citizen's 1040 is reviewed.

The Special Enforcement Programs were cut by approximately 50% over the past four years. It was my hope that the new administration would totally revitalize special enforcement programs. I am particularly disturbed that one such program, the Narcotics Traffickers Tax Program, which was abandoned during the previous administration after some years of success, is still being left on the shelf.

Many of those who hoped to see this program revived were heartened during the Presidential campaign when Mr. Carter indicated that he intended to reinstitute this program if elected. In a law enforcement speech in Detroit on October 15, 1976, he naid: "Mr. Ford likewise let the highly effective narcotics traffickers tax program wither on the vine. I will revive the program to catch drug dealers through tax evasion indictments."

However, in President Carter's message on revisions to the Ford Administration budget, it was stated: "The revised budget does not provide for the expansion of IRS enforcement activities targeted at high-level drug traffickers beyond the 1976 program level, as proposed in the (Ford) January budget. Before increasing this activity, it is necessary to develop a comprehensive drug strategy, re-examine tax administration policies, and evaluate the effectiveness of tax enforcement in combating drug trafficking."

The Ford budget submitted in January called for an expanded program against narcotics traffickers only after considerable criticism of sharp cutbacks in the program last year by Members of the Oversight Subcommittee. Despite the Carter promises in Detroit, the Ford expanded budget for narcotics tax enforcement was reduced by the Carter Administration by $4 million for Fiscal 1977 and by an additional $7 million for Fiscal 1978—for a total of $11 million through September of 1978.

We are thus back to where we were during those bleak days in 1975 and 1976 when, as Mr. Carter said in Detroit, the Narcotics Traffickers Tax Program was being allowed to wither on the vine. All I can recommend at this point, Mr. Chairman and Members of the Subcommittee, is that this $11 million at least be restored and that the IRS be instructed to use these additional funds in developing and implementing aggressive initiatives against narcotics traffickers.

Today, not only is the Narcotics Traffickers Tax Program not being reconstituted, but there is still an apparent reluctance on the part of the IRS management to take any initiative against narcotics traffickers. As the Assistant Commissioner for Compliance testified before you on March 1: "Frankly, we would rather see these people (narcotics traffickers) prosecuted for narcotics violations than for income tax violations for two reasons. It's quicker and usually involves a more severe penalty."

That is a sweeping generalization by the Assistant Commissioner that does not square with the facts developed by the Oversight Subcommittee. We find that because major narcotics traffickers never touch the drugs in which they traffick, it is very difficult if not impossible to make a narcotics case against them. But, because they do deal in money, they leave a trail that is best picked up and followed by the special agents in the IRS Intelligence Division, a trail that usually leads to evidence of tax evasion. That is where the major narcotics trafficker is most vulnerable—in the pocketbook.

Mr. Chairman, I recall how well you stated this same principle in IRS budget hearings of March of 1974. Speaking of tax enforcement against narcotics traffickers, you said: "This one tool seems to be the best way that has been developed to get at the character who sits back safe, away from the crime itself . . . and cashes in on the operation. There have been other historic cases of how criminals who could not be brought to justice otherwise have been able to be punished for the violation of tax laws."

It is my understanding from reviewing the IRS testimony on March 1 that the only additional funds which IRS is requesting in this area for the coming fiscal year would go toward funding positions for receiving and distributing within IRS information about narcotics traffickers from the Drug Enforcement Administration. There is still no initiative within IRS, apparently, to go

after narcotics traffickers as tax evaders, even though the IRS acknowledges that they don't usually pay taxes on their illicit profits. The IRS is still relying on the DEA, not its own fraud agents, to tell the IRS what drug traffickers it should go after.

Finally, Mr. Chairman, I am disturbed that the trend toward diminished effectiveness of special enforcement which began during the previous Administration is carrying forward into this Administration. After an increase of personnel in special enforcement during the current fiscal year, the new Carter Administration budget shows a cutback of 97 positions recommended for Fiscal 1978 compared with this year's total of 1,423 positions. In one sense, this could be interpreted as good news for big tax evaders with plenty of money to defend themselves.

This proposed imbalance in allocation of increased resources between special enforcement and general enforcement should be redressed. More important is the need to provide a substantial increase to special enforcement alone—at least as much as is allocated to general enforcement. We need to send a message to the big tax evaders—narcotics traffickers, gamblers and other racketeers that their reprieve is over and that they are obliged to pay all taxes due on their illegal income just as the rest of us pay taxes on our hard earned income.

Thank you, Mr. Chairman and Members of the Subcommittee.

ALVIN TOFFLER LOOKS AT CONGRESS

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. ROSE. Mr. Speaker, late in January, over 70 of our colleagues had the privilege of hearing the noted writer, Alvin Toffler, author of "Future Shock," speak about ways the Congress can work toward creating a desirable future for all Americans. His remarks and the ensuing discussion were part of the series of "Dialogues on America's Future" sponsored by the Congressional Clearinghouse of the Future.

I believe, Mr. Speaker, that the ideas set forth by Mr. Toffler on that evening are of value to us all as we work toward making our institutions more responsive to the many changes occurring in our society. It is with pleasure that I take this opportunity to share his thought-provoking comments with my colleagues. The transcript of the meeting follows:

"INDUSTRIAL STYLE" PLANNING

Thank you for inviting me here to speak with you. Although I can't tell you anything new about the Congress, it seems to me that, coming from the outside as I do, I can offer a difference of perspective. The problems confronting this institution are not so different from the problems confronting a lot of other institutions in our society. In an era of rapid change, it becomes necessary for decisionmaking institutions to devote more energy to scanning the future possibilities and to assessing the consequences of decisions.

The difficulty is that if we develop a society in which governments, corporations, and other institutions are good at forecasting and planning, we will find ourselves living in a totally technocratic society not to the taste of anybody with the remotest interest in democracy. And that leads me to believe that if we are to solve our problems of coping with change in a democratic context, we have got to find completely, new ways of doing it.

I think it's going to be absolutely essential that we plan our way during the next thirty years. But when I look at how others have tried to do this, I can well understand why people are afraid of planning. What we've had until now has been "industrial style" planning, which is generally from the top down, centralized, heavily influenced by experts, short-range, and overeconomic in emphasis.

BREAKDOWN OF INDUSTRIAL SOCIETY

It is my belief that our industrial society is in the early stages of breakdown and regeneration. Industrial society is a system of interlocking institutions and values, with a family structure based on the nuclear family, an energy system dependent upon nonrenewable resources, a set of social institutions such as hospitals and schools, and mass communication. One could find these and other characteristics in every industrial society, regardless of political coloration. Each of the components of the system is now in crisis and is transforming itself.

If we were moving into a period of further classical industrial development, we would need only to apply the same remedies as in the past. But if in fact, as I believe, a disintegration and regeneration of society are occurring, then the old remedies are likely to exacerbate the problems rather than cure them. We will be forced to invent new solutions, to be creative, to experiment. It seems to me essential that we adopt a "nonindustrial style" of planning which, rather than being technocratically dominated, is open to feedback and citizen input. This planning style should not be econocentric; it should not assume that economics are going to solve our problems. And it should have a long time horizon.

We must plan in a tentative, decentralized, very open fashion as we move into the extremely turbulent years ahead. Although we may have a breathing spell right now, it is not likely in my view to be a very long one.

CROSS-DISCIPLINARY APPROACH

Congress has a lot of problems in common with other institutions. For example, the committee structure divides the world up in a certain way. Universities have the same problems with their department divisions. We are living with essentially a nineteenth-century organization of knowledge that is embodied in our structures, institutions, and budgets. In order to cope with these artificial divisions, the Congress has begun to create a whole set of other organizational forms like the Clearinghouse on the Future, the Clearinghouse on Women's Rights, the Rural Caucus, the Black Caucus, or the New England Caucus. A set of horizontal information channels is developing which criss-cross the vertical ones. However, when a bill moves through Congress I still don't see questions being asked as to what effect it will have on transport, agriculture, health, or anything else. The information system does not as yet parallel the organizational system. We ought to be looking at how to get a cross-disciplinary approach and a futures projection into our legislation: what are the potential consequences of this bill and what is the time horizon? We need to employ many techniques which are growing up for forecasting, systematic analysis, and futures research.

QUESTIONS AND ANSWERS

Q. Are there ways that we as Members of Congress can go back to the people and involve them in discussing the future with us?

A. If we anticipate without participation, it's not going to be very flexible or democratic. At the same time that we're inventing forecasting techniques, we also have to encourage citizen involvement. I would like to describe a recent Swedish experiment which is suggestive of what we might do. The Swedes, concerned about the lack of a sound energy policy, tried to involve a large number of citizens in the formation of such a policy. To the objection that the people were not well-enough informed about energy, the government responded by designing a ten-lesson course which every Swede was invited to take. Those having completed the course would have the right to make recommendations about energy policy. Citizen response was much higher than anticipated: over 70,000, as compared to the expected 15,000. There is a dramatic footnote to the story. Those taking the course generally switched from a pronuclear to an antinuclear stance. The feedback to the government was to moderate the nuclear program. This is one of many models of new attempts to involve people in policy processes.

Q. Does that necessarily mean they make the right decisions for the future?

A. No. I don't know that there is a "right" decision, but I've learned to be careful of decisions that seem right when made by experts and interested parties without some outside feedback. Obviously we need expertise, but experts are better at seeing ahead and deep into problems than at providing peripheral vision. Participation by the people may bring in common sense.

Q. Are your methods susceptible to use by computers or to systems analysis?

A. Yes, but with poor results. That's no different from a lot of other things. That doesn't mean we shouldn't be trying, recognizing the limitations.

CITIZEN PARTICIPATION

Q. What can we do to help our constituents gain a better appreciation of the problems facing us for the future?

A. You are besieged every day by groups who want you to do things for them. There's a very honest and legitimate *quid pro quo* you could ask: that they survey their own membership about long-range goals for their particular organizations.

Q. Could you suggest how our newsletters might be used toward this end?

A. I would suggest reversing the franking privilege. That is what the Canadians have just done. Let the people write to you, too.

Proper use of radio, television, cassettes, and community organizations can be highly effective. I would like to see a National Participation Act which would provide incentive to community organizations to take a long look at the future of their communities. We need a society, not just a Congress, in which all our institutions are future-oriented. We ought to state openly that such an approach is legitimate and responsible.

ASKING THE RIGHT QUESTIONS

Q. In my district, as well as throughout the nation, there is a concern about education and what it ought to be. How would I go about getting a futures study done on this?

A. You would have to design a model, and encourage participation, not just by teachers, but by parents, students, and the community at large. The basic question would be: is the education they are receiving appropriate for the world they're going to be living in? That requires a set of assumptions as to what the society of their adulthood will be like—and nobody knows the answers. But asking these questions is a terribly energizing and valuable process for everyone who participates. Out of that can come a set of alternatives.

Another model that has been used is the state of Washington's Alternatives for Washington program, which elicited eleven different images of alternative futures for that state. Out of this came an innovation which I call a legislative grid: across the top they listed their goals, and down the side they

listed every bill introduced in the legislature and checked off how they compared to the goals.

Hawaii, starting in 1970 with a conference on the future of the state, developed a series of regional and town meetings, and now has sectoral ones on the future of business, the future of the legal system, and the like. You do not get answers or forecasts, but rather a lot of people beginning to think about these issues. The significance of all this is that you are building a constituency for the future.

Q. It seems to me that one of the things we do most poorly in the Congress is exercise hindsight or oversight to see where we are now and how past plans worked out in fact. Would you comment on that?

A. Clearly, we need a history, a past. The question is: How do you use that in looking forward? Oversight is a matter of evaluation. There's no contradiction between having an evaluation process that looks back and a planning process that looks ahead.

PROCESS OF CULTURAL CHANGE

Q. What evidence do you have that consciousness-raising can lead to action?

A. We are talking about a process of cultural change that's going to continue for ten to forty years. I see us as being in the consciousness-raising stage of this process. What strikes me as powerful is the fact that there is now, for example, a Congressional Budget Office—the beginnings of a mechanism which requires longer-range projections.

Q. What are some of the specific changes you have in mind for our institutions?

A. It seems to me that the two largest global issues are the safety of the biosphere and the danger of collision between the industrial and nonindustrial nations of the world. So there are two fundamental changes I would like to see fairly soon. One is a change in our attitude toward the relationship of the industrial world to the non-industrial world. People have to understand that it's a new ball game with respect to the nonindustrial world, that they will no longer provide us with cheap raw materials. Second, I would like to see a change which would bring about a better balance between our technology and our ecology.

In other matters, it seems to me that the problem of inventing new institutions, especially political ones, has extremely high priority since it is through these decision-making structures that we make all the other decisions affecting society.

Q. Could you characterize the "extremely turbulent years ahead" you mentioned during your talk?

A. My sense of things is that there has been since World War II a stable international system, and that this system is now falling apart. I think we're likely to see severe oscillation in the international economic system as a result of changing relationships among nations. Also, I sense a change in the character of our national economy. Rather than being a uniform national economic market, the U.S. is breaking up into a set of regional and local submarkets, each large enough in its own right to be a national market. The consequence is high disparity from region to region. A uniform national economic policy may not be able to deal with such diversity.

Q. We in Congress have developed various models for citizen participation. Do you see any of them working effectively?

A. Although I have tried to learn how many programs there are and how they're working, I don't think anyone knows the answer to that. I think we should find out the answer. It seems to me that the Congressional Budget Office and the new Congressional budget procedures represent an enormous leap forward.

NO SINGLE CAUSE

Q. Could you elaborate on what you see as the causes of the breakdown of industrial society?

A. One of the things I learned when reading the history of the Industrial Revolution is that nobody knows what caused it. There are all sorts of explanations, but maybe there is no single cause. We're talking about a civilizational process occurring over a long period over vast parts of the globe. This process is a consequence of a lot of things happening at the same time.

Q. Do you think that one of our jobs in Congress should be to face up to changing some of the checks and balances established by our founding fathers?

A. Yes. I don't know how to rebalance legislative, executive, and judicial—and I wouldn't try. But we're going to have to design institutions which will be as appropriate to our new stages of development as the present institutions were appropriate to the old ones. I think it would be responsible for us to talk to our constituents about some of these questions and to make the discussion of institutional change legitimate instead of calling such an approach subversive or dangerous. Although we shouldn't rush to make changes too hastily, we should direct our thought to the type of changes we want.

MARYLAND NATIONAL GUARD ASSISTED LOCAL COMMUNITIES DURING THE 1977 FREEZE

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mrs. HOLT. Mr. Speaker, now that spring and warmer weather are upon us and as we begin a new week in Congress with daylight saving time, it seems that one of the worst winters experienced by our Nation may fade all too rapidly into our dim past. Everyone knows that our National Guard played an important role in mobilizing aid to the victims and communities afflicted by the wintry onslaught of 1977.

In this connection, I recently came across the April 1977 issue of the National Guardsman containing an article entitled "The freeze of '77—or how the Guard won the new cold war." On this day when the House of Representatives is concluding its consideration of the fiscal year 1978 Defense authorizations, I commend to my colleagues this excellent reportage on the memorable humanitarian efforts made by Guardsmen. As a member of the Maryland delegation, I am particularly proud to insert in the RECORD, that part of the article cited above, contributed by H. R. Gray, regarding the accomplishments of the Maryland National Guard on Smith Island, as follows:

THE FREEZE OF '77 (OR HOW THE GUARD WON THE NEW COLD WAR)

(By H. R. Gray)

Maryland—When members of the Maryland National Guard arrived at Smith Island Jan. 19, staple food supplies and heating fuel were nearly non-existent, and less than three days' supply of diesel fuel remained to power the island's two electric generators.

Bitter and prolonged freezing temperatures coupled with northern winds had frozen the water surrounding the islands in Chesapeake Bay and created ice floes 20 feet high.

Ice on the bay averaged 8 to 12 inches thick and prevented boats from bringing supplies from the mainland. It wasn't too long after the last bargeload of diesel fuel and supplies had become ice-bound a short distance from the island that the 700 residents requested emergency assistance from Maryland Gov. Marvin Mandel.

He authorized the Maryland National Guard to provide necessary support to ease the problem, and soon the Adjutant General Maj. Gen. Edwin Warfield, ordered the Aviation Support Facility at Aberdeen Proving Ground into action.

Under the command of Lt. Col. Thomas Donovan, several helicopters set out for Crisfield, Md., a small community on the mainland and closest supply point to Smith Island.

When the colonel and his crew arrived, they found more than 50 islanders stranded because ice had frozen water around the boat that ferried them to and from the island.

Immediately the Guardsmen acted. A control point was established at Crisfield's airport and billets were established for flight crews. Fuel and maintenance equipment also were headquartered at the control point.

In the next 12 days Guard choppers airlifted 19 tons of cargo, approximately 350 passengers and 8,421 gallons of fuel oil and kerosene to the island. Crews guided helicopters containing bread, milk, meat and even mail, from Crisfield to Smith Island's stores and residents.

Four-man crews flew missions throughout the daylight hours and at night during medical emergencies. By Jan. 31 the helicopter pilots had logged 92 hours.

The Guard's major task on Smith Island was to provide fuel for electric generators. Working with volunteer firemen on the island, the Guardsmen constructed a wooden raft adjacent to the stranded oil barge. The raft was nailed to the ice to prevent chopper propwash from blowing it away.

The Guardsmen then removed oil from the forward section of the barge to lighten the load and allow the bow to be used as a wedge to break through the ice.

The oil was pumped from the stranded barge into containers which were slung under hovering helicopters and flown to the island to replenish dwindling supplies.

When the job was completed, the island had received 4,000 gallons of life-giving fuel oil and the barge had been able to move through the ice and discharge remaining cargo.

The airlift and barge recovery brought nothing but praise for the Guardsmen. The island's lone nurse said "I don't know what some of my patients would have done without their help."

Colonel Donovan called the 12-day effort "a real learning experience for my men." Despite the conditions, he said his men had extended the Maryland Army Guard's 10-year accident-free-flying record, which he called "the longest of any Guard unit in the country."

"This in itself speaks highly for the pilots, their crews and maintenance personnel. Flying the 500-gallon metal containers is a trickly operation in winds near the gusting limits of the aircraft. This further attests to the skill and competence of the crews," he said.

DEFENSE AUTHORIZATION BILL

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. STUMP. Mr. Speaker, it has been 3 days now since we began general debate on the fiscal year 1978 defense authorization bill. I am pleased to see that the essential strength incorporated in the administration's request has been retained, and in some areas strengthened by the

careful and considered examination conducted by our Armed Services Committee. It is my personal belief that this Congress should give serious consideration to increasing the Department of Defense budget for national defense.

It is necessary for this Nation to acquire existing defense equipments in numbers that provide meaningful deterrence and battlefield support to our combat forces. Toward this end it is gratifying to see that the Armed Services Committee redirected almost $1 billion to provide for additional military hardware. At the same time, it is equally necessary for the Defense Department to be looking to the future to sense the direction that new weapons developments and advanced technology provide for future weapons designs that will become the hardware of the next decades. Mr. Speaker, it is to this subject—the research and development area—that I wish to address myself today.

We can ill afford another series of technological surprises such as we witnessed in the 1950's when the Soviets provided this Nation with a graphic demonstration of what can occur when significant amounts of money are directed into the creation of a strong technology base from which to evolve new hardware. Soviet satellite and intercontinental missile developments found weak counterparts in this country, necessitating crash developments in an attempt to make money buy us lost time. Such efforts are both a costly and unforgiving jolt to the economy of this Nation, as well as extremely wasteful of our critically short dollars and skilled manpower resources.

It was to avoid such extremes that the President shifted the emphasis in his defense budget so as to provide moneys for research and development. These research and development programs are the lifeblood of our future defense capabilities. Development of this technology base provides the essence of the future capabilities to which our NATO allies and free world friends look for the continued protection of our valued way of life.

In light of all that, Mr. Speaker, what I do not understand is the further adjustments made by the Armed Services Committee in this critical area of the budget. As I understand the numbers I have seen, the President cut almost $2.5 billion from the defense budget he inherited from the Ford administration. About $200 million of that was research and development money—that was only 8 percent. The rest of the cut came in production funds. Yet, when I look at the House bill, I find almost $1 billion was removed in addition to the $200 million cut made by the President. I would have thought that support for the future capabilities represented by this research and development money would have been encouraged as one way to assure this country of obtaining superior and affordable weapon systems for our armed forces.

I understand the committee's concern that we must guard against allowing the glitter of technology's promise to blind us, feeling that quality somehow compensates for quantity, and that "made in the USA" means the equipment is inherently better. But, if there are no funds for exploratory development, none to examine future aircraft and submarine technology, and no incentives to explore such potentially cost savings areas as training and simulator technology, then where will we be in the 1980's and 1990's.

Last year the Congress responded positively to the general decline in our technology base and the trend towards further decreases in research and development funding by providing a real and constructive increase in research funding. That action was an important step toward assuring that we would be able to seize and maintain our technological initiatives. We must not hobble that commitment. I hope my colleagues will join me in encouraging the administration to present the fullest measure of needed defense requirements to the Congress, providing for our consideration both the need for current hardware and the seeds for development of future capabilities. The creative genius of our research community must not be allowed to atrophy.

LAETRILE AND FDA TYRANNY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. McDONALD. Mr. Speaker, perhaps the inhuman, statist mentality of those who seek to regulate the lives of innocent people who are harming no one is best exemplified by the Food and Drug Administration.

Consider the FDA's war on laetrile, a harmless substance which reduces the suffering of cancer patients and in many cases cures their cancer. Given the authority to ban ineffective drugs as well as those which are unsafe, the FDA arbitrarily declared laetrile a "new drug" even though drugs marketed prior to 1962 were "grandfathered." There was no hearing or administrative procedure whatsoever; the FDA merely declared laetrile a "new drug" and banned its interstate shipment.

The case of Glen Rutherford is illustrative of the FDA mentality. In 1971 several doctors tested Mr. Rutherford and concluded he had cancer in his colon. Not wishing to risk surgery, which the doctors said was necessary, Rutherford traveled to Mexico and was treated with laetrile. His cancer was arrested, his rectal bleeding stopped and Mr. Rutherford has felt fine ever since—possibly because he has continued to take laetrile.

But in 1975 the Government jailed Rutherford's supplier, leaving him without means of acquiring laetrile. So Rutherford went into Federal district court seeking an injunction preventing the FDA from blocking his acquisition of laetrile. The court granted the injunction and held that in denying Rutherford's freedom of choice in cancer treatment the FDA was unconstitutionally depriving him of life, liberty, or property without due process.

The Circuit Court of Appeals, Tenth Circuit, upheld the injunction but remanded for further proceedings on the grounds that the FDA's administrative record was so "grossly inadequate" that there was nothing for the court to review in determining whether the FDA acted properly in classifying laetrile as a new drug.

The district court then ordered the FDA to develop an administrative record to support their determination that laetrile is a new drug. Incredibly, the FDA then requested the court to lift the injunction allowing Rutherford to obtain laetrile during the time the FDA is developing its administrative record.

Consider the full meaning of all this. The FDA made a totally arbitrary decision that laetrile is a new drug, without, by its own admission, a scintilla of evidence to support its claim. But now that this has been brought to light by the courts, officials at FDA are blindly clinging to their position, like cornered rats. Apparently protecting their reputation and power supersede any other considerations, including the fact that Mr. Rutherford might die if he cannot obtain laetrile, to say nothing of the thousands of other cancer patients whose lives might be saved.

It is ironic that while the Supreme Court declares the right to abortion on the grounds that a woman's right to privacy protects her right to control her own body, the FDA is denying dying cancer patients the right to select their own treatment.

An update on FDA's war on cancer patients, including an excellent characterization of the FDA's ugly attitude toward those it is supposed to protect, is provided by James J. Kilpatrick in the following article from the April 19, 1977, Washington Star:

LAETRILE AND FDA TYRANNY

(By James J. Kilpatrick)

More than a year has passed since I last reported on the Great Apricot Kernel Gang. It's time for an update. There's good news and bad news.

The good news is that the federal courts increasingly are getting to the heart of the issue. The bad news is that the Food and Drug Administration continues to exhibit an obstinacy embedded in steel and concrete. Meanwhile, the gang is getting some help from several state legislatures.

For those who came in late, the Great Apricot Kernel Gang is composed of several thousand men and women, including quite a few certified doctors of medicine, who cling to the notion that there is, or may be, some therapeutic value for cancer patients in a substance identified as amygdalin. Chemically speaking, amygdalin is a member of the class of substances known as cyanogenetic glycosides. Amygdalin occurs widely in nature, but can be extracted most readily from apricot kernels, peach pits and bitter almonds. In its refined and purified form, amygdalin is marketed under the trade name of laetrile.

But it is not marketed legally in the United States. It can be obtained in a dozen other countries, notably Mexico, but the FDA regards laetrile as an unlawful drug and the Bureau of Customs regards it as contraband.

In the FDA's view, amygdalin is therapeutically worthless, which it may well be, though the testimonial evidence is getting to be impressive.

Our government's position is unbelievably pompous, dictatorial and hoitytoity. Imagine, if you will, a patient who falls victim to cancer. The patient goes through every treatment recommended by the medical establishment: radical surgery, radium therapy, chemotherapy. Nothing works. The patient is dying. His body is riddled with cancer. In desperation he says, "I have heard of other cancer victims who seemed to get relief from pain, and sometimes remission, from laetrile. Please, may I now try that?"

Our government's response, to put the matter plainly, is precisely: Go to hell. Die! We say laetrile is worthless, therefore you can't have it, and we will prosecute any doctor or supplier who tries to make it available to you.

This is the government's stuffy rationalization, from the Federal Register of February 18: "The availability and use of drugs that have not been demonstrated to have objective value make no contribution to cancer management. Such use can, in fact, interfere with the measures that are known to save lives because swift appropriate diagnosis and prompt effective treatment are delayed. The consequence of delay may be needless and untimely death. For this reason, the Commissioner is of the opinion that a drug intended for use in cancer which lacks scientific evidence of effectiveness cannot be regarded as safe."

U.S. District Judge Luther Bohanon, in Oklahoma City, has flatly rejected this specious reasoning. He has ordered laetrile made available to petitioning patients. Judge Bohanon has company. On April 7, Federal Judge Mark Constantino in New York ruled "decidedly" in favor of providing laetrile for a 69-year-old retired carpenter, Joseph Rizzo, who is suffering from inoperable cancer of the pancreas.

In response to such court order, the FDA has scheduled a hearing for May 2 in Kansas City, but it is a stacked and rigged proceeding. The FDA's hearing notice is a grudging, resentful, sulky affirmation of its fixed position. Plainly, the FDA will not budge. Appeals in the name of freedom of choice leave the government unmoved.

State legislatures are demonstrating better sense. Indiana just the other day passed a bill defying the FDA's autocratic rule. Alaska adopted such an act last year. Efforts to legalize laetrile continue in Hawaii, Illinois, Iowa, Kansas, Louisiana, Massachusetts, Michigan, New Jersey, New York, North Carolina, Mississippi, Ohio, Oklahoma, and Washington. The efforts may be futile, for the FDA's preemptive powers under the Commerce Clause may be supreme, but the movement has meaning all the same.

The gut issue here is freedom. By every rational indication, amygdalin is harmless. Members of the Apricot Kernel Gang eat it all the time. This being so, in the name of a free society, why can't a free people have it if they want it?

HUMAN RIGHTS

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. HARKIN. Mr. Speaker, a recent editorial by Anthony Lewis which appeared in the Des Moines Tribune on April 18, 1977, places the current debate on human rights in the proper perspective. Mr. Lewis is quite right when he says that the "argument" about human rights is "conducted on two different planes." One plane deals with the abstract; the other deals with the concrete.

In the many contacts and discussions that I have had concerning human rights over the last several years, these two contrasts of human rights have become quite clear: When I travel to foreign countries or when I speak with exiles in this country who have been tortured and who have had family and friends murdered by repressive governments, human rights is a very human and personal issue. On the other hand, when I speak with most of the people in the State Department, the Treasury Department, or the multilateral lending agencies, human rights becomes a very esoteric and impersonal abstraction. It is academic to them.

In his closing paragraph, Anthony Lewis reminds us once again of what human rights is really about. His editorial follows:

ARGENTINA: ENDS JUSTIFY MEANS?

(By Anthony Lewis)

The argument about American policy on human rights is conducted on two quite different planes. One is an argument of abstract ideas: our political system and theirs, national interest, internal affairs. The other is personal and concrete: about bodies and minds, suffering and death.

The contrast was vividly illustrated by two recent comments on the situation in Argentina, a country that poses a test of United States attitudes. The Carter administration reduced military assistance to Argentina on the ground of systematic human rights violations; its military government, reacting angrily, accused Washington of interfering in its "domestic life."

One comment was written for the New York Times by John Davis Lodge, former U.S. ambassador to Spain (1955 to 1961) and to Argentina (1969 to 1973). Revisiting Argentina, Lodge found its condition healthy—business improving, the crime rate low, the threat from left-wing terrorists diminishing. But the Argentines and other Latin Americans need our help, Lodge said, and "instead they get sanctimonious lectures on human rights."

"If we intervene to help our freedom-loving friends in Chile and to help defend American national security interests in that country," Lodge said, "there is a quixotic hue and cry as though somehow it were evil to confound the enemy. . . .

"If we could stop preaching, we might even be able to learn something from our friends in Argentina, Uruguay and Chile regarding how they have successfully handled and are handling the most cunning, cynical, vicious, brutal, relentless challenge of our time. . . .

"They are winning the undeclared war of of our time and generation. They are setting the stage for an eventual revival of free representative institutions."

Lodge contrasted what he termed "the healthy zest for the struggle in South America" with the "decadent defeatism rampant in Western Europe." For example, he said Spaniards remain as opposed to the Communists as they were under Franco but "feel obliged to flirt with Communism" because they are "anxious to enter the Common Market, which is dominated by left-leaning democracies."

The other article appeared in the Sunday Times of London. It followed publication of a report by Amnesty International giving nauseating details of torture in Argentina—a report denounced by the Argentine government as based on "hearsay." A Sunday Times reporter, Philip Jacobson, interviewed a victim who survived and made it to London: Enrique Rodriquez Larreta, a noted Uruguayan journalist.

Last July Rodriquez went to Argentina to look for his son, also a journalist, who had disappeared there. Many Uruguayans and persons from other Latin countries now governed by rightist dictatorships have been killed, tortured and detained in Argentina. Rodriquez, fearing that such had happened, filed petitions in court and took other public actions to get information on his son.

On July 13 in Buenos Aires, 12 armed men seized Rodriquez and his daughter-in-law, with whom he was staying. They were taken to a building where his son and other Uruguayans were held. The next night Rodriquez was put through what the guards called "the machine." He described it as follows:

"I was stripped completely, and with my arms pinned behind me I was hung by the wrists 30 centimetes (a foot) above the floor. They put on me a sort of loin cloth, with several electrical terminals. This apparatus was connected while I was questioned, threatened and beaten in the most sensitive areas."

During this treatment Rodriquez saw a portrait of Adolf Hitler on the wall. He said the guards spoke of their admiration for the Nazis—and asked every prisoner whether he was a Jew.

Rodriquez said he saw one prisoner drowned in a water tank by the torturers, on the night of July 19. He said the men who kidnaped him were Argentine soldiers and civilians—and they were joined in the torture, including the drowning, by Uruguayan army officers.

At the end of July Rodriquez and his son and daughter-in-law were taken back to Uruguay. They were held in an interrogation center in Montevedio and pressed to "confess" to crimes. He was released in December. So far as he knows, the other two are still there.

If Lodge saw a human being treated as Enrique Rodriquez was, would it change his view that Argentina and Uruguay and Chile have "successfully handled" the challenge of Communism? Would his concern about the undoubted threat of terrorism harden into a belief that the end justifies any means? Or would he remember John Donne's warning that the bell tolls for us?

In any event, the Rodriquez case is a useful reminder that human rights policy is not about abstractions. It is not designed to make Argentina adopt Robert's Rules of Order, or the Soviet Union's a two-party system. It is about elemental humanity.

RENEGOTIATION—AN IDEA WHOSE TIME HAS COME AND GONE

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I believe the time has come for the Congress to recognize that a law passed for a good reason during World War II may no longer be justified.

During World War II, Congress felt a strong need existed to promote the public interest by preventing profiteering by Government contractors.

The contracting process today bears no resemblance to the contracting proc-

ess that existed when the Renegotiation Act was originally approved. Advances in procurement, contracting, auditing, and data collection by the Congress and the executive branch make the renegotiation process a redundant and wasteful activity.

During recent hearings before a subcommittee of the House Banking Committee, a corporate executive pointed out that legislative proposals to expand the Renegotiation Board and the renegotiation process would mean simply that we would be setting up an agency to "audit the auditors."

In his statement, Mr. Edmund B. Fitzgerald, chairman and chief executive officer of Cutler-Hammer, Inc., pointed out that the existing defense contract monitoring system effectively performed by thousands of Government auditors is sufficient to protect the public interest.

We may soon be asked to vote on proposals to set up yet another group of Government auditors to audit existing auditors.

Mr. Fitzgerald's statement, which I commend to you, fellows:

STATEMENT OF EDMUND B. FITZGERALD

Mr. Chairman and members of the Subcommittee on General Oversight and Renegotiation. My name is Edmund B. Fitzgerald. I am Chairman of the Board and Chief Executive Officer of Cutler-Hammer, Inc. For a period of nearly four years in the early 1970's, I also served as Vice Chairman of the Industry Advisory Council of the Department of Defense. I am accompanied here today by Mr. Alvin G. Waggoner who is Vice President—Financial Management of Cutler-Hammer's AIL Division. We deeply appreciate this opportunity to appear before this Subcommittee to discuss proposed legislation H.R. 4082 and its likely impact upon defense procurement and monitoring procedures.

Cutler-Hammer is a producer of electromechanical and electronic components, assemblies and systems. We are primarily oriented toward industrial and commercial markets. We are, however, a supplier to the Department of Defense and several other Federal agencies. In the past five years, approximately one-third of our total sales has been subject to review under authority of the Renegotiation Act of 1951. Our company is one of the 100 largest contractors to the Department of Defense. We were also one of the particpating companies in the Department of Defense's Profit '76 Project.

In our government business we believe that we enjoy a reputation of being a capable contractor. We believe that we are perceived by our customers to possess advanced technology in the areas of our expertise, to complete our contracts on a timely basis and to perform our work within allotted funds. Based on data produced by various DOD studies, it is apparent that we conduct our defense business on a more profitable basis than the defense industry in general. During the past five years, the profit to sales ratio of the AIL Division, our division primarily oriented to defense work, has averaged 72% of the profit to sales ratio of our industrially and commercially oriented domestic divisions. With its somewhat higher rate of asset turnover, our AIL Division achieves a return on investment comparable to that of our industrial and commercial domestic divisions.

We are concerned by proposed legislation H.R. 4082. We believe that it would significantly alter the intended objectives of the renegotiation process, that it would create activities within the Renegotiation Board that are redundant to those already being performed by others in a better position to perform them and that it would dramatically increase the staff size and budget of the Renegotiation Board. In short, we believe the proposed legislation would have a negative cost benefit primarily because it is based on a management concept of achieving financial control through a process of auding the auditor rather than a management concept of providing the tools, the professional skills and the authority necessary to get the audit job done correctly in the primary audit process.

As we all know, renegotiation was initially implemented during World War II and then again during the Korean War as a measure of broad oversight to review profits generated by the wholesale conversion of commercial enterprises into the production of war material. It was conceived as an economic safety net to provide an orderly review of total corporate profits which may have been excessively inflated by extraordinary economies of scale or other causes not perceived when the conversion to unfamiliar defense production was undertaken. In these two war-time environments the process served our country well. However, today's environment is vastly different from those war periods for which renegotiation was originally designed.

Today's defense industry is not made up of commercial enterprises converting on a forced draft basis to defense production. It, instead, consists of many companies who have long and broad experience in the defense business, in essence, defense specialists. These companies are knowledgeable of the defense procurement process, of the required monitoring procedures, of the ASPRs and other Department of Defense requirements.

These contractors are rigorously monitored by the office of Defense Contract Administration Services (DCAS) and the Defense Contract Audit Agency (DCAA). Since July of 1970 defense contractors have also been subject to the requirements of the Truth in Negotiations Act and its accompanying Certificate of Current Pricing on firm fixed price contracts. In July 1972 the basic structure of the new defense cost accounting standards system came into being with the required Contractors Disclosure Statement and the first two standards CAS–401—Consistency in Estimating, Accumulating and Reporting Costs, and CAS–402—Consistency in Allocating Costs Incurred for the Same Purpose. Since that time an additional eleven cost accounting standards have been issued for the defense industry. These standards are intended to provide visibility, trackability, accountability, consistency of application and assignment of costs to proper cost objectives. These standards are aimed at correcting many of the reported underlying problems associated with defense procurement during the 1950's and 1960's.

In assessing the performance of the current defense procurement monitoring system, we believe it is interesting to note that the Annual Reports of the Renegotiation Board reveal that in the period 1971 through 1975 the Board reviewed renegotiable sales in the amount of $172.6 billion on which renegotiable profits of $4.3 billion had been realized. Excess profit determinations were made in the amount of $231 million or 5% of reported profits. On an after tax basis, the net realized gain by the government was $115 million. Adjustments of $115 million in after tax profit on sales of $172.6 billion would hardly seem to support the connotation frequently applied to the term "excessive profits" in the defense industry. It does seem to suggest that the current defense contract monitoring system, indeed, is working well.

It should also be recognized that the contracts reviewed by the Board in the 1971–1975 period are completed contracts and probably were not extensively subject to the requirements of the Truth in Negotiations Act, the Certificate of Current Pricing and the Defense Cost Accounting Standards system. The full impact of these new procurement tools, legislated by the Congress, is, therefore, not yet apparent in the most recently available data.

We do not mean to imply that a saving of $115 million by our government over a five-year period is not a desirable accomplishment. However, against this savings we must also charge the Board's operating expense of $24 million and the additional administrative cost burden of the defense industry caused by the renegotiation process. The Financial Executives Institute has estimated that this additional cost burden may be as high as 1/20th of 1% of renegotiable sales. On $172.6 billion of renegotiable sales this additional cost would amount to $86.3 million which, when added to the Board's operating cost of $24 million, would total $110 million, almost equal to the supposed savings from the renegotiation process.

In view of the current environment in the defense industry which, as we have noted, is vastly different from the active war environments in which renegotiation was originally conceived, we would like to recommend the following alternative courses for Congressional action in the area of defense contract monitoring:

(1) Sponsor legislation which would extend the Renegotiation Act of 1951 but with the enforcement of the Act suspended except in times of national emergency. During periods of peace, prime responsibility for financial control and audit of defense contracts would reside with DCAS and DCAA who would be applying to this responsibility the recently legislated monitoring aids of the Truth in Negotiations Act, the Certificate of Current Pricing, the Contractors Disclosure Statement and the cost accounting standards system.

Few people fully appreciate the wide range of activities of the Defense Contract Audit Agency (DCAA) which is a 3,000 man force of skilled professionals constantly engaged in detailed audits of all aspects of negotiation, cost and performance on individually negotiated contracts, before, during and after the periods of contract performance.

The DCAA not only audits individual contracts but also does performance audits of overhead cost centers which underlie contract costs. During the months of January and February, 1977 alone the DCAA undertook a functional audit of our AIL Division's Computer Services Department and operational audits of AIL's Quality Assurance Department and its cost estimating systems. By doing its job effectively, the DCAA makes it virtually impossible to justify on the basis of zero-based budgeting the continued activity of the Renegotiation Board during periods of peace.

(2) For those who find our first alternative "politically insensitive," we suggest legislation which would simply extend the Renegotiation Act of 1951 without alternation. Under this alternative, prime monitoring responsibility for defense contracts would remain with DCAS and DCAA but with the Renegotiation Board still in place to act in a role of broad oversight on a total corporate basis and to act if and when the statistical scatter of individual contract results might impact on individual contractors too favorably.

The current staff of the Board is capable of performing this function. Additional staff to take on activities redundant to those now being done by others would make this alternative economically counterproductive.

(3) Sponsor legislation to extend the Renegotiation Act of 1951 in its current form for a five-year period, while at the same time

establishing a Commission to objectively review and assess the renegotiation process and its relationship to the total procurement and monitoring environment.

In particular, this Commission would be able to review an adequate sample of defense contracts performed under the previously mentioned, newly legislated control mechanisms and assess what impact these new mechanisms might have on the need for continuation of the renegotiation process.

We do not look upon H.R. 4082 as a viable alternative. We feel it is an expensive and redundant approach to the effective but equitable auditing of defense contracts. During his recent campaign and in his first days in office, President Carter has stressed his desire to make government more efficient. His remarks have been enthusiastically endorsed by the American people.

In the case of defense contract monitoring, we firmly believe that efficiency in government can best be served by giving the professional skills, the right tools, the authority and the mandate to get the job done right to the first level of contract audit and not to rely instead on a cumbersome and expensive concept of redundantly auditing the auditor.

THE 29TH BIRTHDAY OF THE STATE OF ISRAEL

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. BURKE of Florida. Mr. Speaker, the American Israel Public Affairs Committee is visiting Washington for its 18th annual policy conference and to celebrate the 29th birthday of Israel. This committee has a long record of conducting public action to maintain and strengthen the friendship between the United States and Israel. It has done a commendable job.

Although the 29th birthday of Israel does not occur until May 15, I want to take this opportunity to observe with the people of Israel, the members of the American Israel Public Affairs Committee, and the many friends of Israel in the United States the 29th birthday of Israel.

The renewal of Jewish national independence after centuries of dispersion and persecution only 29 years ago is one of the great human and ethical affirmations of our time.

Israel has ample cause to be proud. In the face of great hostility and against all odds, it has developed a democratic government, an expanding economy and a stable society.

I want to commend the people of Israel for their success against adversity, even though I know the adversity will continue, and I want to applaud the fight they have made to exist, even though I know the fight will continue, but most of all I want to say well done and keep up the good work.

Israel is experiencing internal problems. Free governments always have internal problems and must cope with them. Freedom is not the easy path—just the best.

Israel is experiencing international problems. Arab leaders are pushing harder than ever for a Palestinian state. The Arab world is also determined to adhere to its boycott of Israel.

The Arab boycott has brought the fight for Israel to the United States because American principles and ideals are at stake in the controversy. This boycott has taken essentially three forms:

One. Arab governments have refused to trade with the Jewish nation.

Two. As a condition for conducting business with Arab countries U.S. companies are required to stop trading with Israel or with Israel companies.

Three. American companies wanting to continue business relations with Middle East countries are required to cut off dealings with other American companies that trade with Israel or have Jewish owners or employees.

The U.S. Department of Commerce reports that the number of transactions containing one or more Arab requests for boycott information by U.S. firms was 5,028 in 1970, 4,435 in 1971, 23,617 in 1972, 10,884 in 1973, 785 in 1974, 7,545 from January–September 1975, 24,710 from October 1975 to March 1976 and 72,781 from April to September 1976.

Despite U.S. action on antiboycott proposals the petrodollars of the Arabs seem aimed more and more at economically undermining Israel.

While we celebrate this 29th birthday of Israel, we cannot look ahead to good years. There are trials still to come, and we will need all the strength and wisdom we can get to survive them.

So today, with the many other voices who admire Israel, I want to say loudly and proudly—happy birthday Israel, and many, many more. Perhaps the most difficult years are not behind, but ahead, and I hope and pray the people of Israel and the United States will have the courage and wisdom to work together to overcome the challenges to survival whatever they may be.

OUR NATION SALUTES THE CITY OF CLIFTON OF THE STATE OF NEW JERSEY UPON ITS 60TH ANNIVERSARY CELEBRATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. ROE. Mr. Speaker, it is indeed my privilege and honor to call to the attention of you and our colleagues a most historic event that is being celebrated in my Eighth Congressional District, State of New Jersey: The 60th anniversary of the city of Clifton. On April 24, 1917, by public referendum, the city of Clifton was incorporated under chapter 56 of the Laws of the State of New Jersey. I know you will want to join with me in observing and commemorating the 60th anniversary of this most outstanding all-American community, which is my singular great honor to represent here in the Congress with a special salute to the Honorable Frank Sylvester and William Holster, the distinguished mayor and city manager respectively of Clifton. I also respectfully request that you join with me in extending our heartiest congratulations and best wishes to all of the good people of Clifton who throughout the past six decades have sought and achieved a quality of excellence in their hometown which bespeaks the pioneering efforts of our forefathers and the traditions of a freedom-loving people dedicated to the American principles of democracy and a good family life for themselves and future generations to enjoy.

In commemorating this 60 years of progress in America's history the elected representatives of the city of Clifton have indeed earned our respect and esteem and I wholeheartedly commend them to you for their outstanding public service and administration of a thriving community of America in the interest of all of our citizens. The current members of the governing body are as follows:

MEMBERS OF GOVERNING BODY

The Honorable:
Frank Sylvester, Mayor.
Robert Baron, Councilman.
Louise Friedman, Councilwoman.
Israel Friend, Councilman.
Mervyn R. Montgomery, Councilman.
John W. Surgent, Councilman.
Gerald Zecker, Councilman.
William Holster, Manager.
Arthur Sullivan, Attorney.
Betty J. Lutz, Clerk.
Joseph J. Lynn, Administrator.
John T. Murphy, Tax Collector.
Alfred J. Greene, Tax Assessor.
Frank D. Mileto, Building Inspector.
Frank Dorigatti, Treasurer.
William R. Walters, Housing Director.
Joseph A. Nee, Chief of Police.
Stephen J. Lendl, Fire Chief.
Stuart Palfreyman, Health Officer.
Walter Sidor, Director of Recreation.
Arthur Mazowiecki, Director of Public Works.
Frank Richardson, Plumbing Inspector.
William Adelhelm, Director, Weights & Measures.
Harry Fengya, Magistrate.
William Stanley, Welfare Director (Acting).
Richard Hoffman, Court Clerk.

Mr. Speaker, the city of Clifton is richly endowed with America's historic beginnings. This week, under the leadership of the Clifton Chamber of Commerce, a gala celebration of Clifton's 60th anniversary, revolving around the actual date of the city's incorporation, April 26, has been planned under the direction of the chamber's civic affairs division. The Honorable Christopher A. Sinton, director of the chamber's civic affairs division, is in charge of arrangements. The Honorable Janet Hendley, a member of the civic affairs division advisory board, is general chairman. May I commend Chris Sinton and Janet Hendley to you as well as each and every member of the Chamber of Commerce of Clifton, Inc. who have been diligently pursuing a full citizens participation and observance for this anniversary celebration. Members of the chamber are representative of the ideal citizens of an ideal American community. Officers and directors are as follows:

OFFICERS AND DIRECTORS

The Honorable:
Charles F. Bishop, President.
James E. Dean, First Vice President.

Christopher A. Sinton, Vice President-Civic Affairs.
S. M. (Terry) La Corte, Vice-President-Commercial.
John A. Johnson, Vice President-Industrial.
William Becker, Vice President-Professional.
Benjamin V. Delancy, Vice President-Retail.
Kenneth H. Van Saders, Treasurer.
Robert B. Doolittle, National Councilor.

STAFF

George J. Homcy, Executive Vice President.
Mrs. Robert Staudt, Secretary-Office Manager.
Mrs. Joan Tarrant, Secretary-Receptionist.

1977

William S. Clarke.
Thomas A. Cupo.
D. Donald Droelle.
Gerald G. Friend.
Martin Goldberg.
Mrs. Vera Nixon.
William Papke.
Frank R. Shewchuk.
Vito D. Spinella.
John Troast.

1978

Joseph A. Abbott.
Austin C. Drukker.
Dr. Harold Greene.
William N. Moody.
Robert G. Nusser.
Philip Pampinella.
David L. Templeton.
John Traynor.
John H. Vargo.
Siggi B. Wilzig.

1979

Joseph M. Angello.
Thomas J. Bizub.
Frank A. Carlet.
Lawrence Fette.
Edward J. Foster.
Joseph E. Gibbs.
William Hansen.
Paula Malberger.
Eugene F. Maki.
John Szogyen.

Mr. Speaker, in manifesting the great civic pride that the Clifton residents have in their community, with your permission, I would like to insert at this point in our historical journal of Congress several excerpts from the history and highlights of the city of Clifton which provide an understanding of the land area known as Clifton insofar as it relates to its origin and the extraordinary evolution that has taken place over its early characteristics. These excerpts were published in the anniversary issue of The Clifton Leader, one of New Jersey's prestigious newspapers, upon the celebration of the newspaper's 50th anniversary in December 1976, as follows:

[Excerpt, The Clifton Leader, 50th Anniversary Issue, December 9, 1976]

CLIFTON HAS GROWN FROM A SMALL FARMING COMMUNITY INTO THE SECOND LARGEST CITY IN PASSAIC COUNTY—CHARTERED IN 1917, CITY HAS HAD PHENOMINAL GROWTH WITH DIVERSIFED INDUSTRY

Though the City of Clifton was only incorporated in 1917, there has been a community on its site since 1679 when Captahem, an Indian sachem or chief, gave to Hans Frederick and others a deed for 11,000 acres on the shores of the Passaic River.

From the Indian name, Haquequenunk, came the name Acquackanonk Township, by which title the area was known from 1693 to 1917.

In the early parts of what are now Paterson, West Paterson, Little Falls and all of what is now the City of Passaic were in Acquackanonk. Over the years subdivisions occurred and the horseshoe outlines of present day Clifton took shape. * * *

The earliest settlers were Dutch, and as the trapping of fur bearing animals gave way to agriculture, more Netherlanders came to Acquackanonk, giving their names in streets and other geographic locations. Oddly, little remains today to link the area to its native inhabitants, the Leni Lenaper Indians, who were part of a larger nation, the Delawares. Clifton does use an Indian head as its city symbol however. * * *

By 1867, with Paterson well established as the Silk City on one side and Passaic known as America's Wool City on the other, the potential of the sprawling area between was not lost to everyone, and thought it consisted only of farms, and fewer than 200 residents, a straw was blowing in the wind.

A group of citizens thought the township might do better if it could be unified with a name to replace the titles of the scattered settlements. Accordingly, they set out on a walking tour in October, and discussed names. * * *

Finally, Mrs. Charles D. Spencer pointing towards Weasel Mountain, said "There are your cliffs and the name shall be Clifton."

The propos l was immediately seconded by Scotto C. Nash, a Brooklyn man who had settled locally four years previously, buying up considerable acreage. The name was approved unanimously.

On November 5 the Clifton Land and Building Association was formed and took title to all land on the west side of Main Avenue (then Paterson Plankroad) to the 100-acre Groocock Farm, which was eventually subdivided to create Washington Avenue from First to Eighth Street.

In the center of its holdings the company laid out the business hub, bounded by Main, Madison, Clifton and Railroad (now Getty) Avenues, and a city was well on the way to formation. * * *

Industry starts arriving. In 1899 Magor Car Company established on Van Houten Avenue, growing to be one of the state's largest manufacturers, and in 1907 Athenia Steel opened for business, adding a sizable Swedish colony to the already mixed population. In the first years of the century Passaic's woolen and cotton industry spilled over, giving Acquackanonk much impetus.

Among the biggest were Botany Worsted Mills, Forstmann Huffman, Gera Mills, Passaic Worsted Spinning Company and Passaic Cotton Mills in Allwood. Jacques Wolf, Manhattan Rubber, Pitkin Holdsworth and Brighton Mills were other big employers.

As in Passaic and Paterson, specialized industries imported skilled personnel from abroad, and the textile influx brought many middle Europeans to Acquackanonk, just as silk had brought a sizable Syrian colony to Paterson.

In 1967 it was estimated that Clifton's population numbered 9,250 Italian born or of that descent, 6,500 of Polish extraction, 4,100 German, 3,400 Austrian, Hungary, Czechoslovakia, Great Britain and Russia, 2,800 each. The Netherlands, 2,300, and Ireland, 1,400.

Flags of some 90 nations flew along the route of the Golden Jubilee Parade, representing the ethnic mixture of a city of 90,000.

Industry brought jobs and employes wanted to live locally, so in the first decade of the century the population doubled to 11,869, and the surge of home building saw establishment of Clifton Building and Loan Association in 1909.

By 1915 Clifton Bank and Trust was open for business, and in the years since eight banking institutions have grown up to service the city's needs.

SCHOOLS DEVELOPED

Population meant children and better schools sprung up around the 12 square miles. The need for a high school also became pressing, and in 1906 Acquackanonk's supervising principal Edwin J. Nelson organized one in which teaching principal George J. Smith administered a curriculum of English, Greek, Latin, mathematics, history, bookkeeping and shorthand. * * *

Today's high school houses more than 3,200 pupils in 104 rooms covering 274,000 square feet in the ultra-modern complex on Colfax Avenue, and boasts a curriculum of 206 subjects including specialized college preparatory courses for 10th, 11th and 12th grade students.

The first baseball team was fielded in 1909, a track team was established in 1921; football, cross-country and basketball in 1922; tennis and golf in 1932 and, because of the large European population, soccer in 1935. * * *

A POLICE DEPARTMENT FORMS FROM FAIRYLAND PARK

Acquackanonk got its first police chief in the person of William Coughlan, a constable, whose appointment as a one-man municipal department, was made by the Township Committee May 15, 1905. * * *

In 1914 the town hall was built at Main and Harding Avenues, and four years later, after a referendum authorized spending $30,000, the first police building was built on the west corner of the same intersection. Today it is headquartered in city hall.

INCORPORATION CLAMOR

By 1917 there were approximately 24,000 residents in town, and many clamored for incorporation as New Jersey's twelfth city.

Of 3,067 registered voters, 2,263 turned out and incorporation drew 1,276 votes to 948 opposed. Two days later the designation of city was formally applied.

Clarence Finkle, chairman of the Township Committee, became interim mayor until the November election. Others on the outgoing committee were William O. Jackson, Abraham La Rue, James Marsh Jr., Richard Handy, Adam Ritter, Dr. Lester F. Meloney, George F. Schmidt, Peter Varentoni, Alexander Fulton and George P. Meyers.

In November La Rue, Jackson, Meloney, Varetoni, Dr. George Connors, Harold Godwin, Max Kraft, Jacob Van Bruekoven, Darius Wood, Alexander Fulton and Schmidt were elected, with Schmidt becoming mayor.

In 1920, after Dr. Connors had succeeded Schmidt, a referendum was held to consider changing to commission form of government. Some 1,172 voted for change, but the form was retained with 1,266 votes.

WINDS OF CHANGE

With the city well on the way to becoming an industrial center, many thought farming would disappear, but between 1925 and 1927 Mayor S. Grant Thornburn extended water and sewage lines through Richfield, and intense culture made smaller truck farms profitable so that they continued to operate well into the 1940's.

In 1920 Scotto Nash, then a venerable 92, died, and much of his acreage passed to the city. His largest tract became Nash Park and still bears his name. * * *

The next important milestone was 1934, when Clifton Taxpayer's League circulated petitions for a referendum that would change government to council-manager. There were 20,000 voters by then, and under the law, 30-percent of those registered for the previous general election were required to approve the change.

Only 7,000 voters went to the polls but 4,313 favored the change, 85 more than the legal minimum, which put the measure across. Clifton became the fifth city in the state to adopt the form, following Hackensack, Keansburg, Asbury Park and Teaneck.

At the election May 29, 1934, Godfrey Meyer, Ernest Remig and Edward Birmingham, who was sightless, represented the taxpayer's league and were elected. Joining them

were John J. Hamil, Frank Neyland, Harvey Fornelius and Wilson Brower, who became mayor. There was 96 candidates.

The Meyer group was against appointing a local man manager, but the majority prevailed and City Clerk William A. Miller was named.

Miller served from July 3 until his retirement in 1951, and was replaced by John J. Fitzgerald, who served until 1957 when incumbent William Holster was appointed.

Thought to be of doubtful value when first proposed, the manager form of government has been hailed as a resounding success in Clifton and much coveted by neighboring communities.

Clifton looks back proudly on a growth pattern that closely parallels that of America, for within its borders agriculture gave way to industry, hopeful immigrants from most of the nations on earth found their way here to carve out new lives, and the prosperity of the city is testimony to their success.

Just as surely, the emphasis on making and maintaining a better life in Clifton, with dedication to education, is typical of the American evolution, nurtured and brought to fruition by the underprivileged of other nations who determined here that their children would enjoy benefits they had not, and worked hard to make it so.

Mr. Speaker, the foregoing historic facts highlight the great heritage that the residents of Clifton and their families before them have fostered and nurtured with strength and vitality of purpose these many years where people, purpose, and progress have gracefully intertwined to form a nucleus of achievement in family community living. The magnificence of the city of Clifton is well expressed by one of the most active and respected citizens of Clifton, the Honorable Ernest T. Scheidemann, in a poem he wrote for Clifton's 50th Jubilee Celebration in 1967 as follows:

THE KEYNOTE OF CLIFTON'S SUCCESS

(By Ernest T. Scheidemann)

Flags are proudly flying! Bunting drapes the town!
Cliftonites are vying to win wide renown.
And their hometown city, on its Jubilee,
Never looked so pretty. What a sight to see.

Colors of each nation, decorate the street;
Such consolidation makes the scenes complete.
Clifton was first founded by folks seeking soil,
Fundament'ly grounded, to reward true toil.

Strenuous, their labors brought forth fruits of joy;
Working with good neighbors, talents they'd employ
To create a hamlet, then, town of size—
Finally a city "Clifton," which we prize.

As their proud descendants, with our progeny,
Sharing independence and prosperity.
Clifton's loval people, grateful to the Lord,
Raise their eyes in worship, asking "Peace restored!"

Steeped in deep religion, for our sons we pray,
Waging war for Freedom, dying, day by day.
Standing at the curbside, as the banners pass,
On "Our Own Parade Day," citizens, "en masse."

All salute our colors, Red and White and Blue.
Symbol of Americans, who would die and do.
Those, who fought before us, who preserved our land.
All deserve the tribute, as in awe we stand.

From the tiny acorn to the mighty oak,
Clifton's population speedily awoke.
Suddenly, to find that toil and industry,
Working well, together, full creatively.

Had become a city, ninety thousand strong,
Citizens of stature, knowing "they belong;"
Striving hard, united, with ideals and aims,
Building for the future, not on boastful claims!

Hear those bugles blaring! Beating of the drums!
Tramping of those marching feet! Escort! Here it comes!
Thousands hearts are thumping! This is Clifton's way
To tell all the universe, "Tis our holiday!"

"'Twas participation," which made Clifton great!"
"Join with us, Our Nation! Help us celebrate!",
"With you, all, we're waiting for the big parade,
"Of returning heroes, whose deeds never fade!"

Mr. Speaker, the people of Clifton have made the difference in achieving an ideal all-American community and I am pleased and privileged to seek this national recognition of all of their good works. We do indeed salute the citizens of Clifton in commemorating and celebrating this 60th anniversary of the city of Clifton.

FISCAL RESPONSIBILITY AND CONGRESSIONAL PAY RAISES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. CRANE. Mr. Speaker, it is hardly any secret that the American people are far from happy with the recent congressional pay raise. Even though I was publicly opposed to it, constituents keep writing me to protest both the size of the raise and the manner in which it was passed. Many question Congress compensating itself for the adverse effects of inflation when Congreessmen are largely responsible for it. And many others resent the fact that it was done without benefit of a vote. In short, the lack of objective criteria for determining whether or not a pay raise was deserved has left the American people confused and angry—and for good reason.

Theoretically, the idea that an employee should not be the sole determiner of his salary level—particularly when the employee is a public servant on the payroll of the taxpayers—is a good one. It was in response to such an idea that the so-called Quadrennial Commission was established by the Federal Salary Act of 1967, to act as a personnel department would for any private corporation, determining appropriate pay scales for employees based on their performance. However, no specific performance goals were set out in the legislation which the public could understand and accept as legitimate grounds for a pay increase for Members of Congress. Thus, the suspicion lingers that when Congress takes a pay increase, it is lining its own pocket at the taxpayers expense or, at the very least, has fallen victim to a basic conflict-of-interest.

When one realizes that, as congressional pay and the national debt have both increased 97.1 percent since 1968—the former from $30,000 to $57,000 per year and the latter from $350 billion to $669 billion—can you really blame people for thinking that pay increases and budget deficits are linked by more than pure coincidence? And are they really wrong? Keeping in mind that the Legislative Reorganization Act Amendments of 1975 provide for a cost-of-living escalator for Members' salaries and given the fact that one of the major rationales for the increase recommended by the Quadrennial Commission was the increase in the cost of living, it must be admitted that Congress has financially benefited from its votes in favor of deficit financing policies that have driven up the cost of living, even if that were not the intent. Or, to put it another way, unless something is done to eliminate the financial reward that now accrues from voting for budget deficits, it will become increasingly hard to refute charges of conflict-of-interest.

What makes the problem more difficult is that Congress, in the final analysis, must be the arbiter over matters affecting the pocketbooks of the taxpayers. In all fairness to the latter, Congress should not delegate to some commission responsibility for raising salaries of Federal employees even if the Members themselves happen to be the employees. Recognition of this fact is what prompted Congress to attach, to the Unemployment Compensation Extension Act—H.R. 4800—the amendment calling for any future congressional pay increases recommended by the Quadrennial Commission to be formally voted by Congress. However, this does not cover cost-of-living increases for Members of Congress; moreover, without some objective standard or standards to indicate when a pay increase is a legitimate reward for a job well done, voting on increases will not completely dispel the suspicion that the raises are not merited.

Most Americans can relate to the concept that, if an employee's department makes a profit—takes in more money than it spends—reaches a certain volume of sales or production, or saves a certain amount of time or money, then that employee is entitled to a raise. Conversely, if that employee's department spends more money than it makes, or becomes inefficient, or does not reach production goals, he may be denied a raise or reprimanded or even fired. Of course, the people do have the right to fire their Congressmen, and they may well exercise it, but currently there is no provision for denial of a pay raise when generally accepted performance levels are not met. Adoption of such a provision would not only act as a stimulus for improved performance by Congress but would put pay raises on an objective "merit" basis rather than a subjective "qualification" basis.

The provision I have in mind would not only accomplish those two objectives but it would also promote fiscal responsibility while, at the same time, eliminat-

ing the prospect of conflict-of-interest allegations relative to pay raises. Briefly stated, what I am proposing, and have introduced in bill form (H.R. 6016), is that no pay raise for the Vice President, Senators, or the Members of Congress go into effect if the budget were not in balance the previous fiscal year. Thus, as long as Congress engaged in deficit spending it could not collect any extra benefits from having adopted that policy. Futhermore, there would be an incentive to fight inflation by keeping expenditures in line with revenues which would be of benefit to all Americans, both on April 15 and every time they went shopping. Finally, I believe most Americans would think Congress more deserving of a raise based on a policy of fiscal responsibility than one simply recommended by an unknown and unelected commission.

Passage of my bill would not eliminate the requirement that any raise be voted on; it would simply add a new requirement that the budget be balanced the fiscal year before any such vote could take effect. Nor would this legislation do away with either the Quadrennial Commission or the cost-of-living escalator; it would simply complement both by providing, in the case of the former, an additional frame of reference and, in the case of the latter, relief from possible conflict-of-interest charges. Thus if inflation were caused by factors other than deficit spending, such as an increase in the price of imported oil, Congress would still be eligible for a raise provided it voted for it. Of course, Congress would be free to turn it down, just as it did the cost-of-living increase that would have gone into effect in 1976.

Critics of such an approach may argue that public policy will be tilted a certain way by adoption of a balanced budget requirement for pay raises. However, if such a requirement is not adopted an incentive to engage in inflationary deficit spending will remain and public concern over congressional conflict-of-interest will never abate. People can understand a merit raise, provided the merits are clear, but raises based on something other than performance are suspect, particularly when the end result, $57,500 per year, represents tremendous wealth to most people.

Mr. Speaker, I am hopeful that the Post Office and Civil Service Committee, to which H.R. 6016 has been referred, will soon act upon this bill so that Congress may have a chance to put it into effect before the end of this session. Given the current low esteem in which Congress is held, there is no time to lose.

A TRIBUTE TO THE PRESIDENT'S YOUTH JOBS PROGRAM

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. RODINO. Mr. Speaker, I would like to call the attention of my colleagues to a column which appeared in the Afro American, one of the newspapers in my district. As you well know, the President announced a $1.5 billion youth jobs program, designed to establish jobs for our young people.

The article follows:

TO BE EQUAL—CARTER'S YOUTH JOBS PROGRAM IS GOOD START

(By Vernon E. Jordan)

First, the good news. The Carter Administration has announced a $1.5 billion youth jobs program that it expects will create meaningful jobs for 200,000 people in the 16–24 age brackets.

And the bad news? Well, the program stops far short of the kind of comprehensive youth deve.opment program our nation needs. It's an important first step toward the goal, but no one should mistake the initial step forward for the final destination.

And it's not an unflawed first step, either. Unless Congress and Labor Department officials plug the gaps, the program could well go the way other well-intentioned programs have gone.

That's because the bulk of the money will go to some 466 state and local governments for youth work projects. The history of other national programs left to local governments to administer reveals a pattern of neglecting the most serious problem areas the programs were originally intended to deal with.

In the youth job program, the intent is clearly to do something to solve the persistent unemployment of economically disadvantaged young people. Many are black—teenage black unemployment is triple that for whites, and in many inner-cities affects two-thirds and more of all black teenagers who want to work.

Targeting the program to fit the needs of poor and minority young people would mean very strict federal guidelines and the funneling of program funds through community-based agencies with a history of serving the disadvantaged, and with deep roots in the affected communities.

By diffusing the youth job funds to 466 governmental units to distribute, the Administration inevitably leaves the program vulnerable to subsidizing jobs for youngsters not in urgent need of assistance while neglecting other youngsters who desperately need help.

While an urban neighborhood improvement program will be set up, putting young people to work refurbishing inner-city neighborhoods, more money and jobs will go to a similar program for parks and recreation areas, most of which are removed from central city areas where youth unemployment is highest.

And while a large block of money has been set aside for experimental projects, the Labor Department has to take steps to ensure that the same old universities and think-tanks with no real ties of minority and poor communities won't repeat past performance by skimming off most of the funds.

Despite these and other faults, the program holds great promise; it's an important first step. Still on the horizon is a comprehensive youth employment program that aims to provide every young person with the education, skills, training and work habits to enable him to become a fully productive member of our society.

That's something that requires more than just creating work opportunities; it means a carefully designed program geared to the needs of youth.

And a central part of such a plan should be an educational component that repairs the damage done to so many youngsters by inadequate schools. Alongside of the jobs, there should be classes that teach basic reading writing and math skills needed for today's decent jobs.

And part-time jobs should not be neglected either. Providing work opportunities need not encourage dropping out of school if jobs and stipends become available to enable young people to continue their schooling.

That's the difference between an emergency crash program to get kids off the streets and into work experiences, and a comprehensive long-term program that seeks to widen individual opportunities and encourage independence.

With enlightened foresight and close cooperation with minority groups and community-based national organizations, the Administration's program can be refined and sharpened to ensure success. Then, it can serve as a base from which a truly all-encompassing program to serve our nation's youth can be developed.

GENOCIDE BY TURKS ON ARMENIANS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. DERWINSKI. Mr. Speaker, as we observe the 62d anniversary of the crime of genocide committed by the Turks on the Armenians, I believe that this anniversary must not be allowed to pass without a sorrowful tribute to the 1,500,000 Armenian men, women, and children who perished during the 1915–18 period. This was the first modern instance of genocide warfare and remains one of the most shocking and deplorable ever perpetrated by one nation against another.

This tragic event was intended to threaten the Armenian people with extinction and to eliminate the possibility that Armenia might someday become independent of the Ottoman Empire. The history of the Armenian people has been marked by long periods of subjugation to foreign rule. In the 16th century nearly the whole country was overrun and held by the Ottoman Turks. Today this area, which is now in Turkey, is totally devoid of Armenian population, while the Soviet Union holds the Armenian people captive in an area presently referred to as Soviet Armenia.

Despite the years of subjugation, the Armenian people have managed to hold together and retain their national consciousness through their church, traditions and language. The Armenians were the first nation in the world to accept Christianity as their state religion, and were perhaps the oldest of the civilized races in western Asia.

Their sense of unity and national aspirations became so intense by the mid–19th century that the Armenians developed a burning desire for attainment of their goal of self-government. However, at that time, the Turks set out to exterminate the whole Armenian Christian population within its borders and called for the elimination of some 2 million Armenians in the Ottoman Empire through deportation, contrived famine, and large-scale massacres. While many hundreds of thousands were able to flee abroad to neighboring lands, others, mostly women and children, were

forced to adopt the Moslem faith and submit to servitude in Turkish homes.

The Armenians paid with their lives for having entertained the elemental idea of human dignity and freedom. No provocation on the part of the individual Armenians could justify such a crime against the whole race. As we have done in past years, I believe that we must once again remember those martyrs who sacrificed their lives and rededicate ourselves to a renewed reverence for human life.

Therefore, we should be confident that this historical injustice will one day be corrected and a free and independent Armenia will once again exist. The Armenian people have demonstrated throughout history their fortitude, stamina and tenacity in maintaining their church culture, and language. The existence today of this Armenian spirit is the foundation that will lead to the ultimate restoration of a modern Armenian nation.

PHILADELPHIA HONORS HOLOCAUST MARTYRS

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. LEDERER. Mr. Speaker, on Sunday, April 17, 1977, my colleague from Philadelphia, the Honorable JOSHUA EILBERG, was honored when he appeared as keynote speaker for a major community event—the memorial service for the 6 million Jewish martyrs. More than 5,000 persons attended to hear this important address by Mr. EILBERG, and I believe that his comments on two specific areas warrant our attention: the effort by Mr. EILBERG to determine why alleged Nazi war criminals living in the United States have not been brought to justice, and the importance of U.S. leadership on international human rights. Mr. Speaker, Mr. EILBERG'S comments follow:

ADDRESS BY U.S. REPRESENTATIVE JOSHUA EILBERG AT MEMORIAL SERVICE FOR THE 6 MILLION JEWISH MARTYRS, PHILADELPHIA, PA., APRIL 17, 1977

Mayor Rizzo, Council President Schwartz, Consul General Naim, and my dear friends:

First, I must thank all of you for the invitation to speak here today on this solemn occasion.

When I considered the absolutely awesome point in history that we are here to mark, I felt truly humble.

In past years, I have sat with you in this audience. In some years, I have sat on this platform, and now, following all that we have heard today, I hope that I can do justice to the memory of the martyrs who perished in the Nazi holocaust.

We can do justice to their memories by continuing the campaign in Washington to uncover information about alleged war criminals who now live here in the United States, and by securing their removal.

To date, there are 96 alleged Nazi war criminals now living in the United States.

Since their entry into this country, many have been naturalized and are living comfortably, breathing the free air of our democracy as good citizens.

Over the past 30 years, these murderers have received much publicity in the American press, and some have been tried in absentia and sentenced to death in their native countries.

However, in the 32 years since the end of the war, none of them have been deported to Europe to face their long overdue punishments.

Why this has happened, I do not know—but it is one of my goals to find out and to rectify it.

I have been working on this problem for several years now, and as a result of these efforts, a great deal of movement has occurred.

On my trip to the Soviet Union and to Israel, I was informed that both governments are very willing to cooperate in every respect to bring Nazi war criminals in the United States to justice.

Nine cases of denaturalization or deportation have been initiated based upon eyewitness accounts of victims now in Israel.

About two hundred eyewitnesses in Israel and the Soviet Union have been identified, and statements have been taken from them.

Many of them will be called to testify at proceedings in this country.

As Chairman of the Immigration Citizenship, and International Law Subcommittee of the Judiciary Committee, I have initiated an investigation by the General Accounting Office—the investigating arm of Congress—as to why the Immigration and Naturalization Service did not thoroughly look into these Nazi war criminals long ago.

If I find any trace of wrongdoing in the INS or elsewhere, I assure you that my subcommittee will investigate further and bring to justice any person involved in any wrongdoing or coverup.

Just last week, I again asked the Departments of Justice and State to go to the Soviet Union and interview witnesses, collect their statements and prepare further legal action.

Let me guarantee that I will not stop my campaign on this problem until all of the cases are closed, with the criminals stripped of their citizenship or forcibly removed from this country upon the showing of proper legal evidence.

On another front, let me say that I was very glad to hear your chairperson, Esther Polen, refer to the deep concern which this community has demonstrated for the struggle of Soviet Jews to secure religious freedom and emigration rights.

I believe that this concern is especially relevant to what we are doing here today, because as you might know, at this very time in Washington, a debate is being waged regarding what tactics the administration and Congress should apply to the issue of human rights.

For me, this debate goes to the very heart of just how we in Government will define our responsibility in this post-holocaust era.

As we meet to mourn our Jewish martyrs, and to express our resolve that never again shall the world witness such abominable inhumanity, I feel it is absolutely vital that all of us follow this debate . . . that we take part in it . . . and that we express ourselves with an effective, unwavering voice on this issue.

I remember that in 1969, I stood with my wife, Gladys, in front of the monument which stands in what had been the center of the Warsaw ghetto . . . a magnificient monument, incidently, created by the same Nathan Rappaport who designed our monument right here.

And as we stood there, I envisioned the utter destruction that had been the ghetto at the end.

I recalled what I had read about the brave resistance which was carried out right to the bitter and tragic last moments.

As never before, I realized then that if there is any lesson in the holocaust, it is that quite possibly there is no limit to man's inhumanity toward his fellow man.

Certainly we saw then—and we still see today—that there is little or no international protection of human rights, or even human life.

Yet, still, people of conscience recognize that government does have a role to play here.

The current debate, as I see it, pits a set of the most basic human rights against the need for détente.

Polls reported by the news media show us that the administration's strong stand on human rights is backed up by a majority of Americans.

But at the same time, that stand is under attack by some, notably from the business community and some foreign affairs intellectuals.

They state that it is not in America's best interests to use every resource at our command to push for an end to the violation of human rights.

But I would like to know, especially as we sit here in the shadow of this sacred monument, since when is it not in America's best interests—whether we're talking about the Soviet Union, Latin America, or South Africa—for this nation to state quite squarely that it is not on the side of tyranny, not on the side of discrimination, and not on the side of harassment, torture and imprisonment of people whose only crime is that they dare to speak out, dare to assert their right to live in freedom.

We're told that we might endanger "détente", and that in the arena of international politics, one must be "sensitive."

But I ask you, where is the sensitivity for the young Avital Scharansky, of Israel, who is forcibly separated from her husband, Anatoly.

He remains in Moscow, unemployed, alone, and as of the middle of last month, a prisoner with no communication to the outside world.

Those of us who know Anatoly must be outraged at any suggestion that we play down his right to freedom.

Where is the sensitivity for Soviet activists who have waited, unemployed for literally years—yes, years—for exit visas?

And where is the sensitivity for people whose lives are doomed at birth because of discrimination, and for people who, according to documentation, face tortures so horrible as to rival in brutality nearly anything which was carried out by the Nazis against our Jewish martyrs?

I ask you, can we turn our conscience away from these people?

Can we, as Jews and as Americans, be anything less than "sensitive"?

Let me suggest something else about sensitivity:

If certain countries who want to count themselves as among the civilized nations of the world are so sensitive, I think they might figure out some way to deal with their sensitivities if they need America's wheat, America's computers, and America's aid for their economic systems.

For me, as a person who believes that government has a moral responsibility to act against oppression, this argument is not an academic one.

It is a very real, very human one—an argument with dimensions of human tragedy.

I saw and met some of the people who are on the front line of this debate, when I traveled as chairman of the House Subcommittee, with several of my colleagues, to the Soviet Union.

I want to tell you that I came away from those meetings with those Soviet Jewish activists more firmly convinced than ever that if we have any responsibility at all, it is to raise our voices loudly and—yes—even stridently.

We're told that we are interfering in the internal affairs of other countries.

I say, we're demanding human rights

which are guaranteed by international law—no more, and no less.

I say that we're demanding that the nations of the world meet the standards of civilization which they themselves have agreed to.

We're told that we're grandstanding, and that our actions will have no effect.

I say, if we're not having any effect, then why are there such outspoken reactions from certain regimes?

And why has the Carter administration's stand caused such a profound stir?

I believe that all of this does relate to why we are here today.

Because just as some people urge us to be less firm on human rights, others urge us to forget what happened less than 35 years ago.

But we will not forget.

We cannot forget!

We should not be less firm.

Not after the holocaust, and not as gross violations of human rights—even genocide—are being carried out against our fellow human beings around the world.

Be less firm?

When six million members of our Jewish family, and almost an entire culture, were wiped out?

When another six million people—and this often is overlooked—were slaughtered with the Jews?

When even today, genocide and discrimination are facts of life on this earth, sometimes, I think, with barely a whisper of protest?

Let me close by saying that I don't want to suggest that the issue and battle for human rights is an easy one.

In fact, I think it's one of the most complex that we face in Washington today.

This struggle will require patience—an extraordinary amount of patience and determination, as well as ingenuity.

We don't want to be preachy, and we don't want to single out any one country or ideology.

But at the same time, we want to make it clear that as far as justice and human freedoms are concerned, there should be no question as to which side the American people are on.

What's most important, I think, is for us to remember that the battle for human rights—just like this memorial service—is not about abstracts.

It is not about getting another country to adopt our ideology.

But the battle—just as the holocaust—is about elemental humanity.

POLISH CONSTITUTION DAY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Ms. MIKULSKI. Mr. Speaker, I am proud to call to the attention of my colleagues the 176th anniversary of the Polish May 3 Constitution.

This holiday is being observed throughout America during the month of May in honor of Poland and to pay tribute to Poland's role as one of the pioneers of democracy in Europe.

On May 3, 1791, just 2 years after the United States adopted its Constitution, the people of Poland adopted the first democratic constitution to be recognized by a European nation. Their proclamation of liberalism was formulated in these words:

All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on equal scale and on a lasting foundation.

Since then, Poles everywhere and citizens of Polish origin in many countries celebrate this birth of European liberalism as a Polish national holiday. The Constitution serves as a symbol of liberty and as a source of inspiration to all people throughout the world.

It is appropriate that the commemoration of the May 3 Constitution should coincide with the observance of three other significant events in Polish history. May 3 marks the 160th anniversary of the death of Thaddeus Kosciuszko, the great Polish patriot, who served not only his native land, but also the efforts of this Nation to win its independence; the 60th anniversary of the death of Henryk Siekiewicz, the brilliant Polish novelist whose works are a significant part of Western culture; and the 110th anniversary of the birth of Mme. Marie Sholdowska-Curie, whose discovery of radium is considered to be one of the most important scientific discoveries of all time. The citizens of the United States acknowledge the great debt that they owe to the Polish people for the many contributions they have made to this country and to the world.

Unfortunately, Poland was and is surrounded by powerful, acquisitive neighbors, and her periods of freedom have been short. Just 4 years after adopting the Constitution, Poland was partitioned by Russia, Prussia, and Austria for the third time. In this century Poland has been devastated twice by war and has been dominated by Communist regimes for the past 32 years. In this context the Polish Constitution assumes a special significance; it represents not the government of a free country but the spirit of a people who desire to be free.

In closing, I am happy to send my sincere greetings to the people of Poland and also to express the genuine appreciation and immense debt which the United States owes our citizens of Polish ancestry. The dedication of the Polish people to the principles of their Constitution is the best assurance that one day their land will again stand in full freedom and independence. I am proud to be a Polish American.

UNAVOIDABLY ABSENT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. KASTEN. Mr. Speaker, on Friday, April 22, I was unavoidably absent from the House of Representatives and missed one recorded rollcall vote on an amendment to H.R. 5970, the Department of Defense authorization bill for fiscal year 1978.

For the RECORD, I wish to state my position on the vote I missed. Had I been present, I would have voted "Nay" on the amendment offered by Congresswoman SCHROEDER which sought to prohibit procurement of the airborne warning and control system aircraft unless NATO agrees to purchase these aircraft.

WRONG WAY TO AID CONSUMERS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. DERWINSKI. Mr. Speaker, it is my understanding that there is an effort by the administration to ram through Congress a new agency for consumer protection as a result of a deal between President Carter and Ralph Nader.

Presumably, this is to repay Mr. Nader for his political support in the last election.

I commend the Members' attention to a powerful editorial which appeared in the Chicago Daily News of April 11, under the heading, "Wrong Way To Aid Consumers," which is I believe, the issue we face. The article follows:

WRONG WAY TO AID CONSUMERS

It is hard to reconcile President Carter's pledge to reduce the federal bureaucracy with his support of a bill to create a powerful new consumer agency within the government. But even during the campaign, Carter followed this contradictory line, once boasting that he hoped to challenge Ralph Nader "for the title of top consumer advocate of this country." His backing for bills that would establish an Agency for Consumer Protection (ACP) thus comes as no surprise.

Congress has been down this road before. The push for ACP began in 1970, and in 1975 both houses passed bills to create the agency. The margin in the House was too small to override a promised veto by President Ford, and the measures were allowed to die. This year could be different.

But the objections to such a specialized agency remain, beginning with the effrontery of the assumption that consumers are a breed apart. The plain fact is that all Americans are consumers, but their needs and wants will not always coincide. There are many who would rather not have the federal government—or Ralph Nader—as their sole spokesman on all consumer matters.

As conceived by the consumer advocates, the ACP would be able to intervene in the proceedings of other federal regulatory agencies, and haul an agency into court if a decision failed to please it. The opportunities for meddling, conflict and delay would be almost endless. The ACP could also demand business records to a degree that would amount to "fishing expeditions," placing added burdens on businesses already awash in a sea of paperwork required by the federal bureaucracy.

Protection of the consumer against fraud and chicanery of all kinds is of course essential. But there is already a body of law to provide that protection. If these laws need strengthening, let them be strengthened. Reform of the existing regulatory agencies is also of prime concern; plainly, they have not always served the consumer well. Some steps were taken by the Ford administration to safeguard consumer interests within the agencies. These efforts would be abandoned under the plan to con-

solidate consumer advocacy within a separate agency.

Carter's message proposed a spending limit of $15 million a year for the ACP, and added the vow that it "will not be another regulatory agency." But it is interesting to note that the 1975 bill carried a price tag of only $10 million for the first year. Already the price has risen by 50 percent. And anyone who supposes that a federal agency, once it's born, will just lie there without growing has not been keeping track of the goings-on in Washington.

With this President committed to signing a bill creating an Agency for Consumer Protection, any hope of blocking it lies with Congress. We wish the opposition well.

BALANCING AUTO EFFICIENCY AND AIR QUALITY

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mrs. SMITH of Nebraska. Mr. Speaker, I have cosponsored H.R. 4444 to strike a reasonable and realistic balance between continued air quality improvement and increased automobile fuel efficiency. With the passage of the Clean Air Act in 1970, Congress declared that cleaner, healthier air is desirable. As with many idealistic national policies, however, we must implement it carefully to avoid harmful side effects on our economy.

In setting new auto emission control standards, the arguments favoring the Dingell-Broyhill criteria are simple and clear: energy and employment.

An unjustifiably stringent auto emission standard could injure our central national goal of energy self-sufficiency. Weighty air pollution control devices mounted in each auto to meet unrealistic standards will raise auto prices and result in higher auto maintenance costs to the consumer, not to mention the added gasoline consumption. Last year when the Clean Air Act amendments passed the House, 324 to 68, carrying the language now embodied in H.R. 4444, a three-way interagency study demonstrated the energy savings of this emission standard. The EPA/DOT/FEA study showed that the Dingell-Broyhill criteria would save 1.65 billion gallons of gasoline as compared to the stringent Waxman standards—similar to recent EPA recommendations. This amounts to a savings of 107,000 barrels a day for the life of these standards. Since the H.R. 4444 alternative provides adequate environmental protection, expending that energy would be wasteful.

These same studies indicate that levels of hydrocarbons and carbon monoxide will be no different under the H.R. 4444 standards than under the stricter standards. While nitrogen oxide levels would be slightly lower under the stricter standards, a reasonable cost/benefit analysis reveals that this tiny difference does not outweight the energy savings of the Dingell-Broyhill approach. Dollar for dollar, the Dingell-Broyhill bill provides the best air quality.

Almost 1 out of every 6 employees in the United States has a direct stake in the auto industry. There is no way Congress can impose substantial costs upon this industry, deter its consumers from making new purchases, and create general uncertainty about standards from year to year without exacting a toll from these employees. The industry has reduced polluting emissions more than 80 percent in the past 8 years, and under the Dingell-Broyhill approach that progress would continue. Instead of a penalty for this progress, I recommend that we reward our auto industry with enactment of this compromise.

We must not totally subordinate other social goals, such as energy self-sufficiency and ample employment opportunities, to our lust for a pristine environment. This legislation strikes a careful balance in terms of energy, employment, and the environment.

JIM MATTOX SUPPORTS PRESIDENT CARTER'S HOSPITAL COST CONTAINMENT ACT

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. MATTOX. Mr. Speaker, we have all heard from constituents who have suffered major illnesses and suddenly discovered that their insurance was inadequate. But we are beginning now to hear complaints from other consumers, people who no longer are willing to accept a 15-percent and higher inflation rate each year for hospital costs as rational. The President has urged us to pass the Hospital Cost Containment Act of 1977, legislation which aims to restrain hospital cost increases in the short term by limiting hospital revenue increases to a minimum level that recognizes general inflation and that includes a small increment for possible added intensity of patient services.

This limit on hospital revenue increases would be achieved by applying limits to average reimbursement per admission received from each of the major cost reimbursers—medicare, medicaid, Blue Cross—and to average charges per admission received from all charge payers—insurers and self-paying patients. Exceptions would be permitted in cases where there are exceptional changes in patient loads. In addition to the short-term restraints on revenues, the administration's bill attempts to control inappropriate capital expenditures in the hospital industry by establishing a national ceiling on new hospital investment which local health planning agencies would have to approve.

What is most heartening to me is to see the major outreach effort undertaken by HEW in formulating this proposal. Consumers, providers, business, and labor were extensively consulted and listened to in the deliberations.

It is important that this proposal does not place a freeze on hospital revenues. It does, however, attempt to place reasonable limits on the rate increase in hospital revenues. These limits would still be in excess of what the inflation rate has been in other sectors of the economy.

I feel there is a great need for this Presidential proposal on health care costs and I hope we in the Congress can follow through in quick order.

OSHA WHIPPING BOY OF THE CONGRESS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. HANSEN. Mr. Speaker, I call your attention to an article in the February 1977 issue of Atlantic magazine entitled "Whipping Boy." The presentation concerns my good colleague Congressman JOE SKUBITZ of Kansas and the Occupational Safety and Health Administration.

The article written by Sanford J. Unger is most interesting and informative concerning the functional problems of OSHA in design and operation. However, I must take issue with the conclusion in the last paragraph and point out that OSHA has now been successfully hauled before the U.S. Supreme Court on fourth amendment grounds. The future of the agency is very clouded in view of the fact that OSHA's inspection authority has been declared "unconstitutional and void."

WHIPPING BOY

Congressman Joe Skubitz, Republican of Kansas, was in a frenzy when he took to the floor of the House of Representatives during the debate over the 1977 appropriations bill for the Departments of Labor and Health, Education and Welfare and related agencies. An appropriations bill offers a perfect opportunity for angry legislators to wreak vengeance on their least favorite government agencies—to force them to operate according to strict congressional rules—and on this occasion Skubitz aimed his fire at a controversial section of the Labor Department, the Occupational Safety and Health Administration, known to its friends and enemies alike as OSHA.

When the legislation that created OSHA was passed in December 1970, in the waning days of the Ninety-first Congress, Skubitz reminded his colleagues, "it was the intent of Congress to create within the Department of Labor a cadre of experts effective in the improvement of the safety and health of our country's workplaces." But, thundered the congressman, who represents the southeastern corner of his state, "we did not create experts; we did not create improvements; we created a monster, a monster which does not have the guts to question big business but centers upon small business that cannot afford to . . . strike back. What started out to be a laudable program has turned into a nightmare, in part because of arrogant inspectors who feel they have not done a job unless they find something wrong in every little plant."

What really offended Skubitz, though, was that OSHA now wanted, as he put it, "to expand its horizons"; it was beginning to exercise its jurisdiction over farms and farmers. He ridiculed the agency's dictum that any farm with five or more employees must

have a toilet available within five minutes' walking distance to all employees at all times. (If a man could walk half a mile in five minutes, the congressman calculated, "that means that on every square mile [of cultivated land] a farmer would be required to construct a minimum of nine privies. . . . OSHA [is] the mandator of the 'privy on the plains'.")

Then there was OSHA's declaration that farmers shall equip their tractors with seat belts and require their farmhands to buckle up before setting out on the fields. "Oh yes," said Skubitz to the delighted laughter of his fellow OSHA-loathers in the House, "and now OSHA is going to require roll-over bars—so if the tractor operator enters a drag race they will be protected if a tractor overturns." Yet the action that most amused and upset Skubitz and other congressmen from agricultural areas was OSHA's publication of a pamphlet intended to help farmhands dealing with beef cattle to understand and comply with new safety regulations. Written in elementary language for people of limited literacy, it included the statement: "The best way to stop an accident is to prevent it," and the warning: "When floors are wet and slippery with manure, you can have a bad fall. You could also trip over junk or trash." ("The material in these pamphlets seems to be written for a New Yorker about to visit a farm for the first time," complained Congressman Thomas Hagedorn, Republican of Minnesota.)

Skubitz's revenge was to sponsor an amendment to the appropriations bill exempting all farms with ten or fewer employees from OSHA's jurisdiction. Originally, he had hoped to exempt farms with up to twenty-five employees: to suggestions that this might "castrate" OSHA. Skubitz replied, "If castration is the only solution, I would sooner castrate the zealots who are drawing up regulations at OSHA than let them destroy the smaller farmers of America." "But now he was compromising, and with much of the House riled up over the sins of OSHA, his amendment to exclude the smallest farms passed by a vote of 273–124.

A pained expression appears on the face of Morton Corn, the industrial hygienist from the University of Pittsburgh who is the third administrator of OSHA, whenever he is reminded of the cowmanure pamphlet. "Being a city boy, I gave them [the opponents of OSHA] some very good ammunition," he admits with a shrug—but adds quickly that the pamphlet was only one of 119 audiovisual aids produced by the same "reliable contractor," was intended for limited distribution by the Agricultural Extension Service, and cost a mere $10,000 to turn out.

Then, perhaps a bit tired of defending OSHA, Corn sounds bitter: "If I can get as much mileage out of the gas in my car as they did from this, I will be doing okay." As for the portable toilets on the farm (in bureaucratic jargon, "field sanitary facilities," one for "each forty employees or fraction thereof"). Corn insists that the regulation was only a proposal, still subject to hearings and revision at the time it was revealed, and he admits that it may have "stemmed from a misperception." Nevertheless, it was recommended by OSHA's own agricultural advisory committee, composed of people from larger farms. "I feel," says Corn, "like someone who tests the water with his foot, only to have a tidal wave break over him."

For a professional in the field of occupational health and safety—and one of those Ph.D.'s who come to Washington, insist upon being called "Doctor," and try to remain above the sordid political battle—Corn's service at OSHA since November 1975 must have been very disillusioning indeed. Whatever his intentions, he found himself presiding over an agency that had become the latest, handiest political whipping boy in town. In the view of the small businessmen and farmers who have borne the brunt of its enforcement activities, and of the congressmen who receive the complaints, OSHA is the symbol of all that is wrong with the federal bureaucracy: it is arrogant, petty, insensitive, and a waste of effort and money.

Viewed from another perspective, however, OSHA is a historic development in American government and the regulation of a free economy. Labor unions crusaded for decades for the establishment of just such an agency, which would require employers to worry not only about their workers' productivity but also about their safety from job-related injuries and illnesses. The legislation approved in 1970, which created OSHA and its companion research and investigation arm, the National Institute for Occupational Safety and Health (NIOSH), under the control of HEW), amounted to a recognition that the American workplace was not, on the whole, a safe place. The more sophisticated the research and the statistics become, the worse the picture: occupational accidents are now estimated to take the lives of at least 13,000 Americans a year and to injure perhaps five times as many. Occupational health hazards are believed to contribute to about half of all deaths from cancer in the United States and at least 5 percent of those connected with heart disease, the country's leading killer. Although the threat becomes obvious and dramatic only occasionally (as in the poisoning of dozens of residents of Hopewell, Virginia, and the pollution of the nearby James River by derivatives of the pesticide Kepone, which was manufactured in Hopewell without appropriate safety standards), it lurks as a major social and medical issue. These are the problems OSHA is meant to uncover and cure.

Yet a view of OSHA as a nuisance, and even an evil, is one point readily agreed upon by people who are otherwise poles apart politically, such as Senator Edmund Muskie, Democrat of Maine, and Ronald Reagan, the former Republican governor of California. How did an agency with such noble goals and missions come to be a governmental pariah, the topic of nasty jokes and bipartisan movements for abolition?

One colossal error was the congressionally authorized method by which OSHA adopted its initial standards: rather than go through the cumbersome process of drafting regulations and then holding public hearings on them, the agency simply borrowed wholesale from the "consensus standards" already used as voluntary safety guidelines by business and professional groups. (The existence of such guidelines was one of the major arguments of those who opposed the creation of OSHA during congressional debate.) That meant, for example, that OSHA's standards on fire prevention came from the National Fire Protection Association—whose standards were out-of-date, narrow, misdirected, and very difficult to comply with under ordinary circumstances. Another consensus standard dictated that employers could not put ice cubes in their employees' drinking water; it dated back to the time when ice cubes were made from polluted river water.

The rules on the guarding of machinery so that exposed parts will not injure workers or passersby took 46 pages of small print to set out in the Code of Federal Regulations. When OSHA inspectors made their earliest rounds of plants under their jurisdiction, they sometimes seemed to overlook major safety hazards in favor of nitpicking lists of "nonserious" violations based on old-fashioned standards and carrying a fine of ten or fifteen dollars each. Thus, a small businessman might be cited and fined because the railing along one of his stairways was not exactly forty-two inches from upper surface to floor.

Another problem that plagued OSHA was its early politicalization. Although President Richard Nixon praised the bill creating the agency as "one of the most important pieces of legislation . . . ever passed by the Congress," his choice for its first administrator was George Guenther, a hosiery manufacturer from Reading, Pennsylvania, who had already held a political appointment in the Labor Department. Under Guenther, OSHA missed its initial opportunity to set a tough, meaningful industrial health standard—one governing the degree of acceptable contamination of the air in certain plants by lethal asbestos fibers. Against the advice of NIOSH, the unions, and the medical community, the agency decided not to rock the boat in an election year, and in June 1972 it adopted a permissive asbestos regulation favored by business. A week later, Guenther wrote a memorandum to his superiors in the Labor Department that became notorious. It promised that "no highly controversial standards" would be promulgated at politically inopportune moments and urged the White House to view the "great potential of OSHA"—a "properly managed OSHA" as a means of raising campaign contributions from the business community. (The memo surfaced only later, during the Watergate hearings.)

Guenther's successor was a Republican unionist, John Stender, a vice president of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers. Having served as a Republican state senator in Washington, Stender had a sense of how to deal with a grumbling Congress, and he also restored some of OSHA's credibility with the labor movement. He supervised the issuance of standards governing the use of fourteen toxic substances, including vinyl chloride, a plastic used in many consumer products and suspected of causing a form of liver cancer. Stender was accused of bias of another sort—in favor of stringent noise standards, even at the expense of other forms of regulation, because he himself suffered a hearing impairment after years of work in a shipyard.

Compared to his two predecessors, Morton Corn "has the political sense of a gnat," according to a colleague and admirer in the Labor Department. When President Gerald Ford, fighting with Reagan for the Republican presidential nomination, set up a White House task force to review the operation of OSHA, Corn failed to perceive it as a threat to his agency's integrity. It didn't matter: the task force reviewed all the arguments against OSHA and concluded, reluctantly, that the agency was not expendable after all.

But Corn's lack of political sense and his naivete about the rules of bureaucratic survival in Washington may be his strongest weapons in the drive to gain greater effectiveness and acceptance for OSHA. Last October, just ten days before the presidential election, he pressed ahead with controversial standards governing the acceptable level of exposure to coke oven emissions. Meanwhile, he has instituted a systematic review and revision of the most hotly disputed and outdated consensus standards taken on by the agency in 1971. Corn insists that although this process is slow and sometimes painful, on OSHA's reputation as a nuisance—better, it is the only legitimate way to cut down on OSHA's reputation as a nuisance—better, say, than simply telling inspectors to ignore minor violations. Says Corn, "An inspector is sworn to cite what he sees; otherwise he can get nailed to the wall himself! . . . You can talk to the inspectors and flavor things . . . but you can't literally say to them, 'Disobey the law.' "

Because of his own academic background,

which includes research for the National Institutes of Health and the National Cancer Institute, Corn has also promised to build up a corps of health experts as big as, or larger than, OSHA's crew of safety specialists, so that occupationally induced cancers and other diseases can be dealt with more forcefully.

Still, the complaints, attacks, and imposision of restrictions continue. In addition to exempting small farms. Congress attached a rider to the last aproriations bill which prohibits OSHA from assessing penalties against any employer who has fewer than ten "nonserious" violations the first time around. Some of the founding fathers of OSHA, such as Senator Harrison Williams, Democrat of New Jersey, and Congressman William Steiger, Republican of Wisconsin, are vigilant in their defense of the agency, but organizations like the House Republican Task Force for Government Executive Agency Review (GEAR) and the American Conservative Union's "Stop OSHA Committee," both headed by Congressman George Hansen, Republican of Idaho, may be gaining adherents.

Some people who feel they have been persecuted by OSHA vow Thoreau-like disobedience. Howard Dearborn, for example, the owner of a precision machine shop in Fryeburg, Maine, has spent $3000 in legal fees rather than pay a twenty-five-dollar fine assessed against him for failing to replace a cable that had damaged insulation and exposed bare conductors; he says the government will have to put a lien on his plant to collect. Two construction firms, which were fined $600 and $5000 respectively by OSHA in connection with the deaths of workmen in North Carolina and West Virginia, have asked the Supreme Court to declare the agency's enforcement procedure unconstitutional; they claim that OSHA violates the Constitution's guarantee of a jury trial in all cases "where the value in controversy shall exceed twenty dollars," and that it illegally circumvents the judicial process.

Many legislators advocate a redistribution of OSHA's functions to the states. Congressman Skubitz, having done his part for the small farmer, now plans a rescue mission for the small businessman; his first priority after re-election was a series of public meetings in each country in his congressional district, "to let the people come in and tell how they've been harassed."

Congressman Steiger, for his part, insists that despite OSHA's problems in arriving at the right balance on safety issues, "it has performed magnificently in the health field." He speculates that the controversy surrounding the agency's earliest efforts is probably no more serious and shrill than that which accompanied passage of the Social Security Act and the Taft-Hartley Act. Eventually, he predicts, OSHA will gain just as much acceptance as those two laws have.—SANFORD J. UNGAR.

THE 25TH ANNIVERSARY OF GARDEN AND FARM PROGRAM

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. MARKS. Mr. Speaker, on Thursday, April 28th, television station WICU in Erie, Pa., will observe the 25th anniversary of the program, "Garden and Farm." The half hour program is the longest running agricultural program of its type on television in the United States. It has been hosted and produced by Dr. Biron E. Decker since its inception in 1952. Garden and Farm is seen in nine northwestern Pennsylvania counties, in eastern Ohio, southwestern New York State, and southern Ontario, Canada.

Garden and Farm was first televised on WICU–TV in April of 1952. It was presented live until the advent of video tape in 1961. In the early days of the series, nearly every type of farm animal appeared on the program. Garden and Farm was primarily directed to high school students in the beginning, who were members of the FFA. Students developed their assigned topics in the classroom, then participated in the television programs, using homemade props, signs and other visual aids. Filming was done on various projects in the field, on farms and elsewhere.

Besides high school students in the Future Farmers of America, FFA, others were also associated with the program, including members of the wildlife associations, Pennsylvania Fish and Game Commissions, and others. Garden and Farm was not limited to the "farm" or "garden" theme by any means. Sewing, canning, household ideas, forestry, environmental protection topics, and land management were also included as topics.

Dr. Decker, who still hosts each program, was employed for 46 years by the bureau of vocational-technical and continuing education departments of the Pennsylvania Department of Education as a vocational field consultant. Dr. Decker retired from active teaching in 1972, but at the request of WICU–TV his program and his associations with the high schools continue.

I commend both Dr. Decker and WICU–TV for their pioneering and for their long and continuous effort in providing this very valuable service to the public.

WATER AND COLORADO

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. WIRTH. Mr. Speaker, during the recent district work period I was privileged to address the water task force of the Denver Regional Council of Governments on an issue that is of vital importance to the West. I would like to share my thoughts with my colleagues, and I ask unanimous consent that the text of my remarks appear at this point in the RECORD:

REMARKS BY CONGRESSMAN TIMOTHY E. WIRTH

I'd like to spend most of my time today talking about why I think we are in danger of racing backwards in the area of water policy, and what I think we can do to get turned around and get headed in the right direction. But first let me put to rest one issue which clouds the larger question of water policy in Colorado. That issue is the construction of the Foothills Treatment Plant.

First, to the best of my knowledge there is no serious dispute about the fact that Denver badly needs the 125 million-gallon-per-day treatment capacity which Foothills would provide.

Second, even if there were a dispute about whether Denver needs this added capacity, it is a dispute which in the ideal world ought not involve either the U.S. Government or the Colorado Congressional Delegation. Clearly this is an issue best left up to local citizens and local elected officials. However, as I understand it, construction of the Foothills plant will involve some activities and installations on Federal lands, and under a law enjoying wide public support both in Colorado and elsewhere, and enacted before I arrived in Congress, the Federal Government must in such circumstances prepare an Environmental Impact Statement. Contrary to both open assertions by some, and subtle innuendo by others, I have never been party to a scheme to slow down or halt the completion of that review process. I have never made a statement either to a private citizen or a public official in which I opposed construction of Foothills or even urged delay in its construction. I have further stated that my files on this subject are open to anyone who wishes to review them.

Third, as to the assertion that I am opposed to Foothills because I am a "no growth" advocate, I will merely point out that since being in Congress I have worked vigorously to bring to Denver sound growth-oriented facilities such as the Solar Energy Research Institute, and such promising commercial ventures as the Space Telescope project at Martin-Marietta. The no-growth contention is clearly false and I suspect motivated by rather crass political considerations.

Finally, it has been, and will continue to be my position as long as NEPA is on the books, that that law should be firmly and efficiently administered. When presented with convincing evidence that its enforcement is either on the one hand obstructionist, or on the other hand, lax, I shall not hesitate to speak out. To date I have received no such evidence. I will be eager to find out whether such evidence is brought out in discussions which I understand you have had or will have with the Governor and Interior officials.

With that, let me turn to the bigger question. Water development in Colorado is controlled by two major influences. The first is Colorado's own state water law, which through the doctrine of appropriation treats water basically as a property right. Though always under the watchful eye of the courts, water has nonetheless been largely a free market good, governed by market forces.

More recently, however, we have seen the arrival of a second major influence: Federal construction subsidies. In simplest terms these federal subsidies represent distortions of free market forces, and cause one use of water to become more desirable than another. The chief disadvantage here is that whatever economic preferences are built into federal law automatically get injected into water decisions in Colorado. In the case of both Colorado law and federal law, however, the effect is the same: water flows uphill toward money.

Until only a few years ago the effect of federal subsidies was particularly heavy because of the firm hand of then Colorado Congressman Wayne Aspinall. As Chairman of the Interior Committee, Aspinall secured construction of a vast network of federally funded dams, power plants and irrigation projects. Still others were planned. In many respects this was the golden age of federalism and local public works. The fruits of that era are everywhere around us.

But as all good things eventually do, this golden age has, I believe, come to an end. Even if we in the Colorado delegation are successful in restoring those projects which the President has deleted, I think there can be little question that the days of "you support my dam and I'll support yours" are

fast disappearing. The reasons are many and have been pointed out by others:

Belt tightening at the federal level.

The devastating effect of inflation on previously established cost benefit ratios.

Rising interest rates.

The declining power of agricultural interests in Congress.

The rise of the environmental movement.

Increasing unwillingness of Eastern politicians to support Western reclamation and power projects.

Finally, most of the projects with high regional or national benefits have been completed. Many of those which remain are more marginal and local in importance.

These developments were ones which neither you nor I caused, but they are nonetheless real. I would suggest that those public officials who fail to recognize these facts are racing frantically backwards into a past which will forever elude them. If officials in Colorado persist in this course, we are all going to be up the proverbial creek without a paddle or a policy.

For too long we in the west (and in Colorado in particular) have relied on the Federal government to make our water policy for us. Even where it may have distorted our priorities, we have accepted it, as long as Uncle Sam has been willing to pick up the lion's share of the tab. Now the Federal government continues to control much of our water policy. But it has begun to seriously question the flow of benefits—and we don't like it.

What is to be done? I'd like to make several suggestions. But first let me congratulate this group for some of the steps it has taken—most importantly the step of realizing that water is a subject where people must work together. Water policy is no place for the lone ranger: I would also urge that you carry your efforts at cooperation a step further by incorporating into your deliberations a stronger statewide perspective. A united voice from Metropolitan Denver does not change the fact that it is Colorado as a whole, not just Metro Denver, which must identify and solve the water problems which are faced by all Coloradans.

Currently we lack a reliable statewide forum, a reliable data base, and a shared list of priorities from which to work. Each of us has a responsibility to help create this statewide perspective. But of course these responsibilities are different for different levels of government. Here we can take a lesson from the history of state-federal relations during the 1960's. In that time I think we learned that the federal government is unrivaled as an efficient collector of revenue and writer of checks. We also learned (and I was then at HEW where the lesson is clearest) that the federal government is typically a disaster at identifying special local problems and bringing to bear the necessary resources to solve those problems. Repeatedly federal administrators misread local priorities and threw good money after bad in a well-meaning effort to "do it for us." In all such efforts they had the help of a red tape machine which succeeded in tying everyone in knots. The checks got written, but too often the money went down the drain.

Recognition of this problem resulted in the concept of revenue sharing . . . a policy which itself has some problems, but which I believe is correctly anchored on the principle that local priorities are best set at the local level. If Colorado is to learn from this lesson of the sixties as it relates to water policy, it means first and foremost that our state and local officials must begin to cooperate in the establishment of a set of long-term, statewide priorities for water use. Colorado officials, not federal officials, must sit down and establish reliable figures on how much water is available to our citizens statewide. Colorado officials, not federal officials, must work out a long range plan detailing how much of our water we wish to devote to agriculture, to municipal use, to recreation, to industry, and to the development of energy and other mineral resources.

Having set these priorities, presumably with strong public involvement, Colorado and her citizens must be prepared to commit some of their own resources to the pursuit of those goals. (I might just note that in this regard the Foothills project is on firm ground. It will be paid for by voted approved and locally provided funds. Yet how well the Foothills project and related projects fit into a larger statewide plan, is less clear at this point. I doubt that today anyone has this answer, and that is grounds for concern.)

To restate my point, solving Denver's problems without regard to the problems of Grand Junction or Golden, or without regard to the needs of our industrial and agricultural sectors, is no solution at all. Stubborn refusal to adopt this common perspective at the state and local level will cause the problem to land in the lap of the federal government where it doesn't belong.

Almost a year ago I introduced into the House a bill designed to provide each state with up to 800,000 dollars to engage in statewide water planning. My goal was, and is, to direct federal funds away from Washington and into the hands of those most knowledgeable about a specific state's water needs and problems. This bill, HR 13498, also calls for a much closer tie between the agencies charged with planning water development and use, and those federally funded agencies engaged in water research. The sort of planning which you at the local level must do should be backed by whatever research is necessary, and water research agencies must be kept more in tune with policymakers' needs.

Since introducing HR 13498, I have solicited comments from numerous individuals both in and out of Colorado. As a result of comments received and as a result of the recent experiences with the Carter Administration, I am strongly inclined to amend my proposals to include a program of federal matching funds to support the needs of states which adopt statewide water plans. Under such a proposal local officials would, by adopting a state plan, set priorities for the use of Federal funds, but they would also have to pay a meaningful share of project costs with local tax dollars.

To summarize on this point, what I think we need are:

Federal water planning grants;

Locally set priorities; and

Joint federal/state funding of construction.

In addition to careful planning, meeting our water needs is going to require greater attention to water reuse and conservation. Here, also, federal and state officials have separate contributions to make. The Denver Water Board as you know has participated in important research on water reuse, but has found that funding for such research projects is an important barrier. Obviously federal help to speed along the development of water reuse technologies is desirable, and there is legislation pending in Congress to do precisely that.

Yet at the same time, one of the key barriers to use of such technologies may exist here at home and may require state action. Current court interpretations of Colorado law forbid recycling of water within its basin of origin. In my view, to the degree that water can be safely recycled, such rulings may be irrational. Local groups such as this must begin to take the leadership in pushing for action by the state legislature to legalize within-basin recycling. It is also time for a careful examination of some of the legal barriers which frustrate imaginative cooperation between contending users of water, such as municipalities and agriculture, or agriculture and industry.

Most of you are probably familiar with the concept of land application of sewage, a simple technology allowing localities to cut sewage treatment costs, to increase regional agricultural productivity, and exploit natural filtration and water purification processes. When I first heard of the opportunities represented by land treatment, I assembled a briefing team of local experts on the subject to go around the Second District informing municipalities and citizen groups of the possibilities. Here is a technology which will allow homeowners in one of our local suburbs to realize annual savings of $20 to 65 dollars per household, while at the same time maintaining agricultural employment and adding some $400,000 worth of agricultural production to the local economy. Often land treatment will also allow us to more quickly achieve water quality goals in currently substandard streams.

Ironically as this briefing team which I sponsored moved from community to community they often encountered opposition, rudeness and sometimes reactions bordering on hysteria on the part of local sewer and water boards. In spite of that kind of opposition, however, I think that the Northglenn/Frico Agreement, and the proposed Westminster Regional Wastewater Plan prove what can be done when local talent and leadership come together to solve common problems.

Other issues to which Coloradans must supply that same approach include:

(1) A review of the laws governing the intermingling of surface and subsurface water;

(2) Establishment of regulations to prevent the waste of potable water (at a minimum, plumbing codes and guidelines for municipal water systems must be made conservation-oriented);

(3) We must all take a hard look at the conditions which encourage or discourage the rededication of a water right from one use to another, and collectively we must decide whether current water law serves the common good and insures our common future. Inadequate protection of instream and recreational uses is but one example of how current water law fails to provide for our future.

In my view, either Coloradans meet these challenges at the state and local level, or as the recent actions of the Carter Administration portend, others will step in to provide us with solutions we may not want.

FINANCING CONGRESSIONAL CAMPAIGNS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. MURTHA. Mr. Speaker, one topic Congress will consider closely is public financing of congressional campaigns. Recently, Mr. Ken Bode wrote very perceptively about this possibility in the New Republic. I would like to insert his article from February 19 for my colleagues to consider:

MONEY FOR CAMPAIGNS

(By Ken Bode)

A short time ago, a distinguished-looking man named Tom McCoy arrived at my office in an agitated state. McCoy, normally out-

fitted in a good humor and grey suits these days, is a man about Washington. He is known as a fellow able to raise a few bucks in campaign contributions for aspiring politicians, and he has plied that trade on behalf of people like former Governor Daniel Walker of Illinois, Rhode Island's Senator Claiborne Pell, former Indiana Senator Vance Hartke, Governor Jay Rockefeller of West Virginia, Senator Dick Clark of Iowa—and so forth. What is causing friend McCoy's present consternation, and what brought him by my office, is that he is picking a bone with John Gardner and other high pooh-bahs of this town and he was out shopping for an ally. Gardner, as you may know, heads up a "citizens lobby" known as Common Cause. He is an important figure in Washington because, as the columnist Mary McGrory says, "What Common Cause says should happen often does." What Gardner, Common Cause and others are onto right now is an idea whose time, they figure, has come. What they say should happen is that last year's method of financing presidential elections with public monies, Federal Elections Commission and all, should be extended to next year's congressional elections and ever hence. Tom McCoy is not so sure.

To Gardner, whose group had a strong hand in shaping last year's law, public financing of presidential elections was nothing short of a "quiet revolution." "It is hard to believe," he says, "that just four years ago, the presidential race involved money-raising methods that approached extortion, money-stuffed satchels passed be shadowy figures, the selling of ambassadorships and many downright criminal activities. This time, tens of millions of Americans took the game away from the fat cats and paid for the campaigns themselves through the one dollar check-off on their tax returns."

Gardner contends that *the law* enabled an almost unknown peanut farmer and ex-governor to win the Democratic nomination, and *the law* caused an incumbent president to come close to losing the nomination of his own party and to become the first incumbent to be defeated in a general election in 44 years. Now set aside for a moment the oversimplification of these assertions. Forget also that if Jimmy Carter actually had a fraction that much to learn from Gerald Ford's experience, future federal financing would be a dead duck indeed. What is important in the context of the present debate is that John Gardner and his allies are engaged in a serious job of public relations, they have powerful sway over public and congressional opinion, and they are selling one commodity by promoting the virtues of another.

The current plans for federal financing of congressional elections provide either for federal dollars to match private contributions (like the scheme used in the presidential primaries) or for lump-sum grants to each candidate (like those given to Ford and Carter for the general election). Either way there are problems.

For example, in certifying the 15 presidential candidates who qualified for matching funds last year the Federal Elections Commission employed up to 150 auditors. Political money may have escaped careful accounting for too long, but consider the bureaucracy that would necessarily be involved in accurately auditing and matching the contributions of at least 1000 congressional candidates in a campaign period that spans only a few months, or, in some instances, weeks. That bureaucracy would be avoided by using block grants instead of matching funds—give, say, $30,000 or $40,000 to each nominee of a major party for a House seat (more for the Senate, of course). What about independent or third party candidates? They would not be at the receiving end of Gardner's largesse.

Proponents of federal funding claim it will make congressional races more competitive—a laudible goal, indeed. As the safest bets for reelection, incumbents consistently attract more money, and substantially more special-interest money, than their opponents. The objective seems to be to provide a "floor" of federal, money as an equalizer at the starting gate. But of the 435 House seats, no more than 50 to 75 are won with less than 55 percent of the vote in each general election. The rest are safe seats, one-party districts and gerrymandered to remain so, or potentially competitive districts in the temporary hold of an incumbent who suits his constituents.

Until the power to draw district lines is removed from the purview of the two parties, or until retirement becomes mandatory after three or five terms in office, neither block grants nor matching funds will make congressional elections genuinely competitive. New York, for example, is by most standards a two-party state, yet 80 percent of its congressional seats are safely in the hands of one party or the other.

Providing their general election opposition with $40,000 in start up capital will not much interfere with the prospects of reelecting representatives like Joseph Addabbo, Benjamin Rosenthal, Edward Koch, Elizabeth Holtzman, Shirley Chisholm, Charles Rangel, Herman Badillo or Sam Stratton. These members hold their seats as long as they are renominated, no matter how much of the public's money is invested on behalf of their opponents. In short, because their districts are reliably one-party, they can be beaten only in a primary. And it is conventional wisdom that the House of Representatives—dominated, as it is, by safe-seat holders—will pass no bill that includes the federal funding of congressional primaries.

Democracy probably is in better health when the right to govern is not already settled before the polls open, but the truth is that even granting the questionable assumption that if it was federal money that made last year's presidential campaign more competitive than usual, no system with any chance of passing could have a comparable effect on Congress. But any such "reform" obviously will drive up the cost of politics, especially for the public.

Part of the campaign to extend public financing to congressional elections includes some high-flung rhetoric, much of it directed at Congress itself, and that also bothers Tom McCoy. Consider the following statements from one paragraph of a recent article by John Gardner: "Congress took the presidency off the auction block, but rejected public financing for itself because the reform would have done too much to even up the relative positions of incumbents and challengers. . . . Result: A lot of congressmen were bought and sold in 1976, just like the good old days, except the going rates were higher. . . . The money-heavy special interests couldn't buy themselves a President so they tried to buy as many members of Congress as they could." Now, even if you agree with Gardner's general point, this is strong language from a normally responsible citizen. As McCoy puts it, "The way John Gardner talks, Congress is nothing more than a vending machine—you put in your money and you get out your law. When he talks about congressmen being bought and sold, John Gardner should be called upon to name names—which congressmen and by whom?"

Herbert Alexander, director of the Citizens Research Foundation and the country's most experienced expert on money and politics, agrees: "I don't know why members of Congress sit by and listen to Gardner talk about the auction block. They ought to be offended." Well, at least they're curious. Congress just paid the pollster Lou Harris $58,000 in public money to find out why the institution is in such bad odor these days.

Unsubstantiated allegations of the sort noted above from the likes of John Gardner must contribute something to Congress's unflattering image, at least among the several thousand good citizens who faithfully pay their dues to Common Cause each year, not to mention the millions more who find his allegations reprinted in community newspapers all over America, and who conclude that Gardner must have the facts to back them up. If he can itemize his innuendos, he ought to just come forward and do so.

There also are some assertions bandied about concerning the alleged popularity of federal financing of elections. But there is a perfectly objective barometer of public opinion on this issue that merits some notice. For the past two years, American taxpayers could indicate to the IRS on line 8 of Form 1040 whether they wanted $1 ($2 on a joint return) of their tax payments to help pay for presidential elections. The form contained assurances that either way it would cost no more in taxes, nor affect the size of any refund.

On the 1974 returns, 24 percent said yes, 42 percent said no and the balance didn't bother checking either box. Last year, it was 26 percent yes, 44 percent no.

In other words, federal financing of elections may not be an idea whose time has come. If the Congress is serious about polls, it will take notice of the one conducted free each year by the IRS. As our journeyman friend McCoy gets into the ring with the likes of John Gardner, the income-tax check-off results should be the most useful ally he can find.

HEARING SCHEDULE

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. PERKINS. Mr. Speaker, since the Subcommittee on Elementary, Secondary, and Vocational Education has received so many requests for information about our plans for hearings on the Elementary and Secondary Education Act, the impact aid laws, and related legislation, I would like to insert today at this point in the RECORD a copy of our hearing schedule for the remainder of the year.

If any Member of Congress or any public or private individual would like to testify on any one of these days, I hope that they will contact the staff of the subcommittee at the following address:

Subcommittee on Elementary, Secondary, and Vocational Education, B–346–C Rayburn House Office Building, Washington, D.C. 20515.

Mr. Speaker, the schedule follows:

SCHEDULE FOR SUBCOMMITTEE HEARINGS THROUGH THE REMAINDER OF THE 1ST SESSION OF THE 95TH CONGRESS

MAY

10th—General overview of Elementary and Secondary Education, including a report from the Office of Technological Assessment.

11th—General overview of Elementary and Secondary Education.

12th—General overview of Elementary and Secondary Education.

24th—Paper work problems in Elementary and Secondary Education programs.

25th—Paper work problems in Elementary and Secondary Education programs.

26th—Paper work problems in Elementary and Secondary Education programs.

JUNE

7th—Bilingual Education.
8th—Bilingual Education.
9th—Bilingual Education.
14th—Emergency School Aid Act.
15th—Emergency School Aid Act.
16th—Emergency School Aid Act.
21st—Impact Aid.
22nd—Impact Aid.
23rd—Impact Aid.
28th—Impact Aid.
29th—Impact Aid.
30th—Impact Aid.

JULY

12th—Adult Education.
13th—Miscellaneous Programs.
14th—Special Projects Act.
19th—Special Projects Act.
20th—Special Projects Act.
21st—Special Projects Act.
26th—E.S.E.A. Consolidated Programs.
27th—E.S.E.A. Consolidated Programs.
28th—E.S.E.A. Consolidated Programs.

AUGUST

2d—E.S.E.A. Consolidated Programs.
3d—Administrative structure of the Education Division and the General Education Provisions Act.
4th—Administrative structure of the Education Division and the General Education Provisions Act (advisory councils).

SEPTEMBER

Title I, General Aid/Equalization.

OCTOBER

Title I, General Aid/Equalization.

NOVEMBER

Title I, General Aid/Equalization.

JAY FORRESTER PROBES THE FUTURE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. COHEN. Mr. Speaker, on May 11, Prof. Jay Forrester of the Massachusetts Institute of Technology will be the fifth speaker in our series of "Dialogs on America's Future" sponsored by the Congressional Clearinghouse on the Future.

Dr. Forrester, a pioneer in computer developments and author of World Dynamics, is currently director of MIT's system dynamics program, a project which is developing a national model of our social and economic behavior in order to evaluate long-term and short-term effects of alternative policies on the quality of life in our Nation.

Mr. Speaker, I believe Dr. Forrester's insights will be useful to all of us and I urge my colleagues to read this Washington Post article and come to our dinner on May 11.

The text of the article follows:

PROBING OUR FUTURE: FROM THE COMPUTER, A REVOLUTION IN VALUES

(By Haynes Johnson)

The Sixties witnessed one kind of change; now some people are groping toward another type of historical evolution. You won't find exactly a new religion along the banks of the Charles in Cambridge these days, but ideas are being generated here that deal with the shape and direction of a new American society. They challenge virtually every assumption of the American experience. They are unsettling; relinquishing many of our basic liberties, rethinking our religious and humanitarian traditions, rejecting the belief that size and economic growth are a virtue, minimizing the choices available to individual citizens, facing up to the necessity for long-term planning over many aspects of oui lives.

These ideas promise to become increasingly influential and controversial. If they are correct, America is at a turning point and faces harsh alternatives to past and present policies. They argue that the nation is in a transition stage and a time of turbulence as the old patterns give way to the new. Forces are at work that inexorably are propelling us either toward a new form of future equilibrium, in an altered society with different values, or toward collapse. And, they suggest, the time to make national choices to mitigate the dislocations is critically short.

These ideas spring not so much out of theology and philosophy as they do out of scientific and technological research. It is the world of the computer that is now speaking to us. The very heart of the industrial process, ironically, that helped forge many of the forces creating untenable pressures. Thus, the premise,

HOW SOCIAL SYSTEMS BEHAVE

On the corner of Amherst Street, diagonally across from the modernistic Alfred P. Sloan School of Management, is an old, red-brick building that looks more like a mill or warehouse than a center for advanced thinking.

"Energy Laboratories, Building E-40," a sign on the front door proclaims. Inside, on the first floor, are more signs: Community Fellows Program . . . Center for Policy Alternatives . . . Program in Industrialization of the Housing Sector . . . Project Mobile Home . . . State Building Code Regulation Study. Follow the signs from the lobby, down the corridors past cinder block walls painted a vivid yellow, up the stairs to the second floor and you come to another sign posted alongside a large map of the world: System Dynamics Group, Room E 40-253.

Here at the Massachusetts Institute of Technology, for the last three years, a group of doctoral students and professors working under the guidance of Jay W. Forrester have been developing a model of social and economic behavior in the United States. They are using the computer in attempting to forecast not only our lives but our children's and their children's lives.

Earlier efforts at MIT had examined corporate behavior, pinpointing the factors that cause a company to grow and then eventually to stagnate. Next, the systems dynamics work led into analyzing the behavior of cities. Forrester and his assistants used their computerized model to look at such questions as what cause cities to grow over a 150 to 200-year period and eventually to exhibit signs of decay with all the symptoms of unemployment, poverty, crime, slums and abandonment that are present in many urban centers today.

From there Forrester proceeded to carry his work into urban world dynamics structures. His writings and his thesis about the inevitable limits to growth brought him worldwide recognition, and made him the subject of controversy.

The present project is the most ambitious yet. It is a thousand times more complicated. By compiling a computer model of American social and economic behavior, Forrester and his aides hope to gain substantial new understandings of the major pressure confronting the United States, and to suggest alternatives to present policies.

"Our national model will differ in a variety of ways from some of the previous efforts," says Nathaniel Mass, the young project director who earned his doctorate at MIT while studying under Forrester. "It will deal with some of the longer-term issues of energy, resources, population, capital investment and pollution. It will be a model that will probably have a 250-year time span. We hope to start off in the year 1850 and run it through to the year 2100. It will look at the long-term issues, but it will also go much more into the short-term aspects of what's going on.

"What distinguishes the person who is drawn to system dynamics from other forms of analysis is that he does think there is an underlying structure, an orderly set of processes going on, and he looks for what is causing the problems. He really wants to know what it is that we have done over the last years or that's been happening in the country to give rise to the problems. In an important way this is the kind of thinking we're going to have to foster—the belief that the energy crisis and other problems evolve from what's been going on in the last 100 years in this country.

"The problems aren't transitory; they're of a more enduring nature. I think we'll have leadership in this country and real guidance insofar as public policy is concerned when a leader, as Forrester has suggested, can make six speeches on six different days dealing with foreign policy, inflation, recession, the domestic economy and have each of them be mutually and internally consistent, have one relate to the other—and show some recognition of the trade-offs between the short and long term. People will be drawn to that kind of leadership, and it will be an effective form of leadership. I don't see that in the country now."

HUMAN MIND INADEQUATE

As those words indicate, Jay Forrester has attracted a bright young cadre of believers. They are not, however, grimly earnest disciples worshipping a guru of computer technology. Despite the staggering ambition of their project, they are approaching their task with modesty and a sharp sense that they might be wrong. Nor is Forrester himself a likely candidate for a philosopher king of the future. He is a spare, slim man with an understated manner who grew up on a cattle ranch in Nebraska, the son of one of the last homesteaders.

He comes to his present position from an engineering background that led him, successively, into World War II work with fire control devices and radar, on into early digital computer work and then into developing computers for military application on defense systems. Since 1956 he has been leading the development of what he calls system dynamics—a process that relies upon computer models to furnish an analysis of how social systems behave and interact. It is his belief that the human mind alone does not possess the necessary skills to interpret properly the complexities of modern life. He is convinced it is now possible to combine the power of the human mind with the power of the computer to achieve deeper insights into the causes of social change and stress. In short, he wants to remove the guesswork from national planning and policy with a view to developing long-range, workable alternatives.

GROWTH: A TEMPORARY PROCESS

At his best, Forrester expresses himself clearly and forcefully.

On his basic thesis about growth:

"Growth is a temporary process. Physical growth of a person ceases with maturity. Growth of an explosion ends with destruction. Past civilizations have grown into overshoot and decline. In every growth situation, growth runs its course, be it in seconds or centuries. . . . In the United States the use of energy has been doubling each 10 years. For the world, population has been doubling every 30 years. A 20-year doubling time is typical of modern industrial society. Any growth that repeatedly doubles will, in time,

overwhelm its host environment. At some time growth produces its own termination."

On the nature of cities:

"I see no solution for urban problems until cities develop the courage to plan in terms of maximum population, a maximum number of housing units, a maximum permissible building height, and a maximum number of jobs. A city must also choose the type of city it wants to be. To become and remain a city that is all things to all people is impossible."

On the role of religion:

"Through his religious concepts, man has established for himself, in his own mind, a unique position at the center of the universe. At one time, this meant literally the physical center, with the sun and stars revolving around the earth. Far more recently, it has meant man as a uniquely chosen creature in nature, with special rights and privileges over the natural surroundings. But that egocentric view of man at the center, with nature at his disposal, is becoming as untenable as the geocentric theory of the world at the center of the universe . . .

"Much more recently has grown the contention that all of humanity falls within the boundary; but it has remained permissible to be selfish toward anything outside of mankind, that is, toward the natural surroundings. This latest view drives churches to help men everywhere, but with what consequence? By helping the human population to grow, and by protecting man from the retaliation of nature, mankind is showing the height of social selfishness toward the environment. One must ask, "When is generosity a virtue and when is it a sin against the world?"

On technology:

"Technology has been improving while at the same time many aspects of our social conditions have been worsening. Some people are beginning to wonder if there might not be a connection between the two. Is it possible that the time is past when better technology automatically means better living?"

MORE GOVERNMENT CONTROL

Out of such thinking comes Forrester's basic thesis: that given the pressures, it will be impossible for the United States to maintain its present quality of life if population and industrialization continue to grow. The country no longer can afford to squander its natural resources, extol the virtues of size, sustain its standard of living and plan haphazardly for tomorrow without paying the price of what Alvin Toffler has termed "future shock." Time he believes, is short to make decision to reverse the trends. The next decade will be critical.

In his view of the future, laws, attitudes, goals, expectations, traditions, religions, and government and corporate activities must all change—not might, or should—must.

His implications are jolting. They lead toward a society with less individual freedom, more government control. He raises these prospects:

Cities will be controlled in size and composition. Migration to them might be banned. Building permits and water connections could be denied to newscomers to maintain sufficient resources for those living there. One consequence would be for far more local control over the destinies of towns and municipalities. Instead of the present similarity of our urban centers, there would be more diversity, a return to more local and regional characteristics.

Population will be limited. This can be done by fiat, or encouraged by removing tax benefits given to heads of families. If population continues to increase, higher unemployment, more welfare and rising governmental costs will result.

People will begin moving back to the country from the city. More workers will be needed on farmland. The cost of agriculture will become increasingly higher as it is forced by prices and shortages to reduce its dependence on petroleum-based products.

Churches have taken an overly simplistic view of right and ethics. Traditional concepts of altruism and of helping one's neighbor must be reexamined in light of economic and social realities. The church should begin to look at the limits and consequences of humanitarianism.

Forrester recognizes that many of these ideas—such as controlling the size, composition and migration to cities—appear undemocratic and immoral. He knows it may seem he is advocating control where none has existed. Neither, he argues, is true. Take the matter of cities.

"Every city has arrived at its present size, character and composition because of the actions that have controlled the city's evolution in the past. By adding to the water system, sewers and streets, a city has, in effect, decided to increase its size. By building a rapid transit system a city is often . . . deciding to change the character of its population by encouraging new construction in outlying areas, allowing inner areas to decay and attracting low-income and unskilled persons to the inner ring at the same time that job opportunities decline."

His point is that control has been guided by short-term considerations with long-range consequences. He sees the issue not as one of control or lack of it. The issue is what kind of control, toward what end.

SENSE OF ACCOMPLISHMENT

Critics of Forrester and his advocates argue that they are modern-day Jeremiahs, professional doomsayers preaching a philosophy of pessimism. Forrester and those working with him don't see it that way. They see themselves as optimists.

"One would be pessimistic if he were devoted to the continuation of all the past trends," Forrester says. "If he insisted on more economic growth, more population, more standard of living, I believe he would be wishing for something that isn't going to happen."

Then he adds:

"I think that material standard of livings has relatively little to do with happiness, as near as I can tell. It doesn't seem as if those communities that have a higher standard of living are necessarily any happier than the low standard of living ones. And I've lived in both. There doesn't seem to me anything intrinsic about happiness going with an everrising population. In some ways a sense of accomplishment goes with dealing with the present problems. There are plenty of those to deal with so there's lots of room for a sense of accomplishment."

THE SHELTERBELT ACT OF 1977

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. PRESSLER. Mr. Speaker, today I am introducing the Shelterbelt Act of 1977. Today, April 25, is Arbor Day, and I can think of no better day on which to introduce legislation designed to encourage tree planting and cultivation.

Arbor Day traditionally has been a time set aside to celebrate our Nation's wealth of trees and greenery. But this year, South Dakota and many other States are suffering from the worst drought since the Dust Bowl of the 1930's. The worst wind erosion in 20 years has stripped nearly 6.8 million acres of land in the Great Plains States, with the worst damage in Colorado, north and south Texas, and New Mexico. To save our precious land resources from severe drought, wind erosion and to preserve our wildlife habitats, we need a comprehensive national shelterbelt program.

The Shelterbelt Act of 1977 will benefit the Nation, as well as South Dakota, by bolstering agricultural production, providing more wildlife and recreational areas, as well as enhancing the natural beauty of the landscape. Specifically, my bill would offer tax credits to farmers who develop and maintain shelterbelts; provide for the removal of qualified shelterbelts from local tax rolls, reimbursing local governmental units for lost tax revenues, and limit these credits to those who farm as a main source of livelihood.

In my home State, South Dakota, approximately 2,855,501 trees were planted during 1976. It is not known, as of this date, how many of these trees survived the drought conditions of the past year. In a report issued in January 1977 entitled, "The Status of Shelterbelts in South Dakota," the South Dakota Department of Game, Fish and Parks concluded that—

> We [South Dakota] face an accelerated detericration rate which will occur in the next 10 years involving excellent, good, fair and poor [shelterbelt] conditions. There is evidence to support the possibility of a declining momentum to plant new shelterbelts for supplemental or replacement purposes.

Many of the existing shelterbelts in South Dakota were planted in the 1930's and 1940's. These stands of trees are dying off, and the cost of replacement and cultivation has discouraged many South Dakotans from replanting their shelterbelts. Another important factor mitigating against shelterbelt replacement is the increasing value of agricultural land in South Dakota—and the Midwest in general.

There are many States that share the same general problem of shelterbelt loss. South Dakota is but one example of dwindling windbreaks, and it is a problem which is of national concern. Agricultural production is increased by the improvement, replacement or establishment of shelterbelts, moisture is conserved and duststorms similar to those which plagued Colorado in recent months could be averted by a comprehensive system of shelterbelts on our agricultural lands.

I urge my colleagues to join me in sponsoring the Shelterbelt Act of 1977.

THE INCIDENCE OF TAXATION IS NOT THE SAME AS THE BURDEN OF TAXATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. KEMP. Mr. Speaker, over the weekend I saw an interesting report in the Philadelphia Inquirer which said

that Nobel Prize-winning chemist Dr. Francis Crick is leaving England for the United States because of high tax rates. These rates are so high, 70, 80, and 90 percent in some cases, as to be confiscatory and make it no longer worth his while to work in England. I think that this incident illustrates Great Britain's economic malaise very clearly and has important lessons for the United States as well, lest we follow the British path.

In England the highest marginal rate of taxation is 98 percent on investment income. Obviously one would have to be a fool under these circumstances to earn enough taxable income to fall into this bracket. But if a person is talented, clever, resourceful, determined and therefore successful, what has he earned for his efforts? Virtually nothing. So if he decides to either leave England for some area with more enlightened tax policies or voluntarily forgoes income opportunities because of the high tax rate, who is the ultimate loser? Clearly, the country as a whole has lost the benefit of this individual's ability and the Government has lost whatever tax revenues this individual would have produced. Last year alone tax exiles are estimated to have cost the British Treasury £1 billion in revenue.

I think that we can now see the crucial difference between the incidence and burden of taxation. The incidence in that of taxation fall on the so-called wealthy 98-percent rate designed to "soak the rich." But if all the rich people leave the country or forgo income opportunities, where does the burden lie? It lies on all the people in the lower brackets—precisely those who are presumed to benefit from high tax rates. In the case of Dr. Crick, the burden of taxation on the poor is increased by exactly the amount of tax revenue he would have produced at whatever rate is low enough to induce him to stay and work, rather than desert the country.

The same thing happens in a less dramatic way in the United States as well, though the highest marginal rate is 70 percent here. Though there are probably few people who actually leave the country for tax reasons, there are still a great many investment and work decisions which are made at the margin which are discouraged by the high tax rates. As a result, high income people put their money into tax-free municipal bonds, rather than profitmaking investments which would create jobs and tax revenues in the private sector, or simply forgo work and investment altogether and engage in "conspicuous consumption."

The total loss in tax revenues is impossible to calculate, but one can assume that it is far greater than the 5 percent or so of tax revenues that are collected in all the rates above 50 percent. Consequently, a reduction in high marginal rates will actually increase tax revenues. This would mean a shifting of the tax burden upwards, onto the backs of the rich who are presently unaffected by the high incidence of taxation.

I am convinced that no person ought to be required to pay more than 50 percent of his income in taxes except in wartime. The only reason why the rates are that high now is because of misguided egalitarianism. There is no economic justification at all for the system as it exists now. After all, simple arithmetic will show that a flat rate of about 21 percent will raise all the revenues now collected in all the brackets from 14 to 70 percent. It would be a simple matter to redesign our present tax code with a top rate of about 30 percent of the lower rates at 10 and still raise all the revenues the Government needs.

Sooner or later we must learn the lesson that tax incidence is not the same as tax burden if we are to get the economy going again without inflation.

[From the Philadelphia Inquirer, Apr. 24, 1977]

BRITONS FLEEING TAXMAN

(By Anne Rubinstein)

LONDON.—For centuries, Britain beckoned to refugees fleeing oppressive regimes in other countries.

These days, there is a reverse movement. More and more people are leaving Britain to escape the clutches of the taxman.

This applies particularly to the big money earners like pop music stars. The Rolling Stones, Rod Stewart and Led Zeppelin have all declared themselves tax exiles. Last year, their absence cost Britain an estimated one billion pounds ($1.7 billion) in lost revenue.

Recently, writers and eminent scientists have joined the emigres, motivated by the same desire to keep more of what they earn and thus maintain their standard of living.

Critics of Britain's tax system see the tendency as a blow to Britain's ability to sustain a cultural community where new ideas can flourish.

Dr. Francis Crick, who shared a Nobel Prize for one of the most important scientific advances of the century, has left the country because of the tax laws.

Dr. Crick, together with American Dr. James Watson, discovered the structure of the genetic substance DNA at the molecular-biology laboratory at Cambridge. Now he is planning to take up a permanent post at the Salk Institute in La Jolla, Calif.

Shortly after this became known, Dr. Max Perutz, another Nobel laureate, announced that he and other senior Cambridge scientists were contemplating similar steps.

A chief factor was the tax law of 1974. This aimed at blocking tax evasion through the payment of salaries by overseas agencies. At the same time, however, it blocked academics from bolstering their relatively low British salaries with American lecture tours.

The cases of Drs. Crick and Perutz prompted the Times of London to comment in an editorial on "the ridiculous level of British taxation."

The editorial said that when eminent people leave, the country almost certainly loses more than it gains. "First, there is the social loss of the contribution which these individuals could make to society in the widest sense. . . . The socialist stereotype is that very high income is almost exclusively associated with inherited wealth and a particular social class. In fact, many tax exiles are actors, entertainers, writers and others. . . ."

In the early 1970s, the government of the neighboring Irish Republic introduced in a measure exempting creative artists from paying any income tax at all.

This attracted a large colony of English authors and television writers, including novelists Len Deighton and Frederick Forsyth, whose "Day of the Jackal" amassed him a small fortune.

Forsyth commented: "It is an automatic assumption (in Britain) that any man who has made money has done it parasitically by swindling or speculating. . . . In fact, of course, most have done it by sheer hard work, coupled with talent, energy, drive and determination."

His views were echoed by an American banker who said, "The amount of cash which the (British) top marginal rate of tax (98 percent on investment income and 83 percent on earned income) brings into the treasury is absolutely minimal. The reason for it cannot possibly be for the good of the economy, and must be part of the politics of envy."

In the wake of criticism of the 1974 law, Chancellor of the Exchequer Denis Healey has announced that Britons who work overseas for more than 30 days a year will be relieved from paying tax on the first 25 percent of their income earned abroad.

This should help businessmen, as well as pop stars and others. The initial reaction was unenthusiastic, however.

Jeff Lyne, leader of the Electric Light Orchestra, said: "It's a bit too late in the day. If we come back to Britain from California, we would still only see 17 pence out of every pound earned in Britain."

IDAHO LEGISLATIVE MEMORIAL REGARDING TELEPHONE COMPETITION AND INTERCONNECTION

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. HANSEN. Mr. Speaker, I have been officially advised by Mr. Craig Stephen Harvey, chief clerk of the Idaho House of Representatives, that the Idaho Legislature has adopted House Joint Memorial No. 8, which requests Congress to consider the effects of any legislation which may cause adverse affects on telephone rates, particularly to low-income individuals and small business.

It is further the request of this memorial that the Federal Communications Commission delay full implementation of its policies fostering competition until Congress has had the opportunity to complete its investigation and develop national policy.

I include in the RECORD at this point a copy of House Joint Memorial No. 8.

HOUSE JOINT MEMORIAL NO. 8

A joint memorial to the Congress of the United States to request Congress to consider the effects of legislative action on telephone rates applicable to the general public

We, your Memorialists, the House of Representatives and Senate of the State of Idaho assembled in the First Regular Session of the Forty-fourth Idaho Legislature, do hereby respectfully represent that:

Whereas, increased competition within the telecommunications industry and its effect on basic residential telephone rates is a matter of great public concern; and

Whereas, much discussion has been generated regarding the possible benefits of such competition to the large users of telecommunications services and to the manufacturers of customer-provided devices; and

Whereas, it is pointed out in these discussions that the widespread use of private transmission services and customer-provided devices may cause increased costs for residual telephone service, with the result that much if not all the increased costs will, of necessity, be paid by the utilities' small business and residential customers, including per-

sons in lower income groups and those on fixed incomes; and

Whereas, it is the duty of every public utility serving Idaho customers to furnish adequate, efficient, just and reasonable service, instrumentalities, equipment and facilities as are necessary to promote the safety, health, comfort and convenience of its patrons; and

Whereas, it has come to the attention of the members of the Legislature that the United States Congress has had under its consideration legislation concerning possible limitations on competition in the telecommunications industry.

Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and Senate concurring therein, that the members do hereby express their interest and concern regarding the Congress' investigation into telephone competition and interconnection; and

Be it further resolved that the Congress be requested to include in its deliberations a full inquiry into the possible economic impact of any action it may contemplate, with the view of providing complete assurance that its action will not have an adverse effect on telephone rates applicable to the general public, and particularly to low-income individuals and small business, so that the public interest will be served; and

Be it further resolved that the Federal Communications Commission is requested to delay full implementation of its policies fostering competition until Congress has had the opportunity to complete its investigation and to develop national policy; and

Be it further resolved that the Chief Clerk of the House of Representatives transmit copies of this resolution to the President, the President of the Senate and the Speaker of the House of Representatives of Congress, and to the Senators and Representatives from Idaho in the Congress of the United States, and to the Federal Communications Commission.

BILLY DOES NOT LIKE OSHA EITHER

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. HANSEN. Mr. Speaker, in the April 21 CONGRESSIONAL RECORD I cautioned President Carter that Amy's tree house had apparent deficiencies which might lead to her receiving a citation by the Occupational Safety and Health Administration. Items of obvious concern were the platform, railings, ladder and safety net.

Strangely it was not Amy's super bird house but Billy Carter's gas station which ran afoul of OSHA. On April 14 Billy was cited for nine nonserious violations which the President's brother took seriously enough to complain about publicly in his own inimitable manner.

Apparently Billy was too busy collecting beer cans to read either the newspapers or the Good Book. If he had read the papers, he would have known that OSHA inspections have been declared unconstitutional and you can refuse to let them in. If he had read the Scriptures, he would have known that only the meek shall inherit the OSHA inspection.

I submit for the RECORD two articles from the Washington Star which appeared in the April 21 and April 23 editions which concern Billy's bout with big brother—and he did not like it any better than the rest of us. The articles follow:

BILLY, YOUR BEER CANS MUST GO

Billy Carter, the President's younger brother, has been ordered by the federal government to clean up debris around his Plains, Ga., service station to meet federal health and safety requirements.

A spokesman for the Labor Department's Occupational Safety and Health Administration said today that Carter was ordered to clean up junk and debris around the station, including a large supply of beer cans.

OSHA officials inspected the station April 14 after the agency's Macon, Ga., office received a complaint in the mail from a Columbia, Ohio, resident. The complainant, who apparently visited the station, sent two pictures depicting "junk and scrap" around the station the spokesman said.

Carter was not available for comment.

Carter was cited for nine non-serious violations and was given 15 days to correct them, the spokesman said. The violations carry no penalty, but if Carter refuses to comply the spokesman said he could be cited for serious or willful violations which could carry a small fine.

Details of the violations could not be disclosed, the spokesman said, until OSHA received official notification from Carter that he had received the citation.

The person making the complaint was not identified, in keeping with OSHA procedures.

Recently, Carter's station was cited by state authorities for illegally selling beer on Sunday.

TIME FOR A COLD ONE

Billy Carter says he feels "rotten as hell" about an order of the Occupational Safety and Health Administration requiring him to clean up his gas station in Plains. Billy called OSHA "a ridiculous outfit" and complained the agency has sent "kids around to inspect peanuts who don't know the difference between a peanut sheller and a cotton gin." The complaint which resulted in the clean-up order was filed by an OSHA employee who was passing through Plains on vacation.—John McKelway.

ADMINISTRATION URGES CAUTION ON CAMP SAFETY LEGISLATION

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. ANDERSON of Illinois. Mr. Speaker, I want to commend the Carter administration on the cautious and prudent approach it is taking to the suggestion of Federal enforcement of youth camp safety regulations. Last Thursday, April 21, 1977, Deputy Assistant Secretary Designate for Health Legislation, Mr. C. Grant Spaeth, testified before the House Subcommittee on Compensation, Health and Safety, and urged the subcommittee to "defer action on the youth camp safety proposals before you today, and that further committee consideration be postponed until the 2d session of the 95th Congress." Mr. Spaeth revealed that the administration is undertaking "a comprehensive review of the appropriate Federal role in youth camp safety in the context of the overall health and safety strategy of the Carter administration" and that it will make its recommendations next January in connection with the President's fiscal year 1979 budget.

The administration spokesman also released the results of an HEW survey of camps in the States of Washington, Pennsylvania, and Florida during the 1975 camping season. Those results, based on a very thorough and sound methodology, tend to confirm the findings of a 1974 study which has been faulted on its methodology—namely, that campers are far safer than their peers in the general youth population at large. These latest findings again call into question the need for the drastic step of Federal enforcement of camp safety regulations as proposed in several bills.

All this is not to say that camps could not be made even safer or that each camp accident, fatality, or serious illness is not a matter of grave concern and often personal tragedy for the families affected. Obviously, this is a matter of continuing concern and attention on the part of parents, camp operators, and public officials alike. But the fact that youngsters are safer in camps than in their own communities would not seem to indicate a need for massive and direct Federal intervention into an area which traditionally, and constitutionally, falls within the police powers of the States.

My own feeling is that the Federal Government can provide assistance to the States in setting up their own youth camp safety programs if they so desire. That is the central feature of my own Camp Safety Incentive Act (H.R. 5167) which has some 14 House cosponsors. This bill would provide a one-time, 3-year grant program to the States, on a voluntary basis, to develop and implement State camp safety programs. The bill would authorize a total of $22.5 million over that 3-year period, solely for grants. The Federal enforcement bills, on the other hand, while authorizing the same amount, could cost up to $6 million per year for Federal inspections alone, thus leaving little for grant purposes to encourage States to set up their own programs.

Mr. Speaker, I would hope the Carter administration will give my alternative serious consideration in connection with the decision it will make by next January. In the meantime, I would hope that the Education and Labor Committee will follow the advice of the Carter administration and defer further action on this legislation until that decision has been made by the administration.

At this point in the RECORD I include the full text of Mr. Spaeth's testimony:

STATEMENT BY C. GRANT SPAETH

Mr. Chairman and Members of the Subcommittee: It is a pleasure to be here today to testify on proposed new legislation related to youth camp safety.

Youth camp safety has been a matter of interest and concern to many Members of Congress since hearings were first conducted on this subject during the 90th Congress. A large number of thoughtful bills have been introduced this session by more than 40 Senators and Representatives. These include H.R. 1000, H.R. 1326, H.R. 2518, H.R. 4286 and H.R. 5167, all of which are under consideration by your Subcommittee today. The many different Federal approaches represented in those bills are strongly indicative to the new Administration of the depth and sincerity of your concern. The Administration believes very strongly that safety in youth camps is a very important goal. The Department of Health, Education, and Welfare is committed to the objective of helping to make camps safer for young Americans.

In addition to Congressional and Administration interest in youth camp safety, a significant number of States have also underscored their concern by enacting laws in this area. To date, 11 States have passed laws governing youth camp safety. And while we recognize, with you, that those laws vary widely in their effectiveness and comprehensiveness, we believe they reflect a high level of attention to the problem you are addressing today.

Finally, the Department of Health, Education, and Welfare shares your deep concern for the health and safety of children who attend camps throughout the nation. The Department, through the Center for Disease Control, has developed comprehensive Federal standards for youth camp safety, an extensive program of technical assistance to the States, and the development of model State laws and regulations, with strong encouragement to States to adopt them.

DEPARTMENT POSITION

As you may know, President Carter and Secretary Califano have asked for a one-year extension of all expiring health programs. This general proposal was made in the context of our quick review of the previous Administration's FY 1978 budget submission and President Carter's own recommendations to Congress for the FY 1978 budget. We have now turned our attention to developing an overall Federal health and safety strategy for FY 1979. Consistent with this activity, we intend to undertake a comprehensive review of the appropriate Federal role in youth camp safety in the context of the overall health and safety strategy of the Carter Administration. We would hope that you, Mr. Chairman, and the Members of your Subcommittee would join us in this effort.

Moreover, we want broad public participation in this process and intend to meet with interested groups and individuals in the course of the next few months, including State officials, camp owners, parents, camping groups, youths, and others. We also invite your participation and assistance in evaluating our own previous studies in this area, and in analyzing all the other available information about youth camp safety which may be relevant to our review.

We anticipate this activity will be completed by January 1978 with recommendations to be included in the President's FY 1979 budget.

Because of this effort, Mr. Chairman, we request that your Subcommittee defer action on the youth camp safety proposals before you today, and that further Committee consideration be postponed until the second session of the 95th Congress. At that time we will be in a position to advise you on our views on the long-term needs in this area and our perception of the Federal government's proper responsibilities.

Finally, while this comprehensive review is taking place, we can assure you that we will continue to assist States to adopt and enforce youth camp safety standards of their own. We will continue to assist States: to coordinate their existing educational and enforcement activities relating to youth camp safety; to create or design appropriate State agencies which will be responsible for administration of a youth camp safety program; to develop and implement safety and health programs directed toward specific camping activities such as aquatics, water skiing, arts and crafts, archery, horseback riding, mountaineering, whitewater canoeing and rafting, caving, and firearms; to develop and conduct other short-term training sessions for camp health, safety, and supervisory personnel; and to design and implement systems and procedures relative to the reporting of illnesses and injuries in youth camps within their jurisdiction.

In addition, we can assure you that we will undertake to develop programs for States to monitor compliance with youth camp safety standards and regulations. We will also make every effort to develop standards regarding such matters as the qualifications and certification of camp staff, including health and medical personnel; and environmental sanitation, including food sanitation, water supplies, sewage disposal, building construction, vector control, solid waste management and related aspects. And finally, we will review, possible incentives to stimulate camp operations to voluntarily upgrade their facilities.

CONCLUSION

In summary, the Administration wishes to reiterate that we are strongly concerned about safety in youth camps. We wish to carefully study all previous Federal efforts in this area, in the context of our overall evaluation of federally administered child health and safety programs; and in consultation with interested parties to determine the most coherent and effective approach to this problem. For that reason, we request the Subcommittee to give us an opportunity to conduct such a review, and to report back to you in January after it is completed. In addition, we ask for your active interest and participation in our process of determining the appropriate Federal role in this area, and that you defer any action on pending legislative proposals until that time.

Mr. Chairman, that concludes my formal testimony; my colleagues and I will be pleased to respond to any questions you or other Members of the Subcommittee may have.

DR. FRANK R. BONDI, PHYSICIAN AND FRIEND

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. GAYDOS. Mr. Speaker, someone once said a man's reputation is like his shadow. Sometimes it follows; sometimes it leads. Sometimes it looms larger than life size and sometimes it is much smaller.

That epigram does not apply to Dr. Frank R. Bondi of McKeesport, Pa., one of our Nation's most prominent and distinguished surgeons. His reputation always precedes him and stretches from coast to coast.

It is understandable, therefore, why Dr. Bondi was selected by Catholic War Veterans Post 1559 and its auxiliary to be the 1977 recipient of the CWV's annual Good Fellow Award. This honor, the latest in a long series of awards bestowed on him, will be presented Dr. Bondi at a testimonial dinner Sunday, May 1, in McKeesport.

Dr. Bondi's name is synonymous with McKeesport Hospital. He now holds the position of chairman of the department of surgery and his association with the hospital dates back to 1935, when he interned there following graduation from the University of Pittsburgh's medical school. His service to the hospital and the community has been uninterrupted except for 3 years of military service from 1943 to 1946 when he served with the U.S. Army in Europe.

McKeesport Hospital was and is a most important part of this outstanding gentleman's life. He has dedicated his career to making the surgical staff one of the finest in the Nation. It was Dr. Bondi who established a surgical residency program at the hospital and who initiated an ongoing educational program to keep his surgeons aware of the latest techniques and developments in their respective fields. It was Dr. Bondi who organized a Medical Explorers Scout Troop for young men interested in medicine as a career.

Although McKeesport Hospital has been the prime beneficiary of Dr. Bondi's professional talents, he also has achieved national recognition in another particular area. There is, perhaps, no other individual in the country with a deeper desire to conquer and cure that dreaded of all diseases—cancer. More than 20 years ago, Dr. Bondi launched his personal crusade against this killer. He has not spared himself in this fight as attested by the numerous offices he has held in local, county, and State divisions of the American Cancer Society, including terms as president and member of the boards of directors.

There is another project with which Dr. Bondi has been closely linked over the years. In 1963, he helped found a revolving student aid fund at Elizabeth-Forward High School to help deserving graduates attain a college education. To date, that fund has raised nearly $82,000 and enabled approximately 200 students to further their education.

Mr. Speaker, time and space prohibit the listing of the many accomplishments this dedicated man has achieved over the years. It is enough to say that Dr. Bondi is recognized as a leader in the medical profession as well as in social, civic, and philanthropic work.

Dr. Frank R. Bondi is a man I am privileged to have as my personal physician and proud to have as a friend.

PROPAGANDA IN THE WAITING ROOM

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. SYMMS. Mr. Speaker, the following article, "Propaganda In the Waiting Room," by Ralph Smeed appeared in the Lewiston Morning Tribune on April 23.

There seems to be no question that the majority of doctors—and the majority of the public—is against socialized medicine. And yet, there is still an effort going on in the Federal Government to make our medical system as "good" as the British system by letting the Government take over.

Mr. Smeed conducted a survey in the area encompassing Boise, Idaho, and discovered one possible reason why the public has not been as vocally opposed to socialized medicine as would be expected. Not one magazine or newsletter favoring private medicine was found after surveying the literature in 100 doctors' waiting rooms.

I urge my colleagues to read this interesting article and then to contact the doctors in their districts and ask them what they have done to fight socialized medicine.

The article follows:

PROPAGANDA IN THE WAITING ROOM

(By Ralph Smeed)

CALDWELL.—Next to the federal government the American Medical Association probably comes in for more scathing criticism than any other organization in the USA.

Oh sure, there are many decent and well meaning citizens who seem to have an almost blind faith in government, but generally speaking the only blind faith almost universally shared by Americans is in their own family doctor, if not the doctor's trade association (AMA).

Freely chosen and selected by the outcome of no political monkey-business whatsoever, with the possible exception of occupational licensing, medical doctors inspire and enjoy more real confidence than any other profession in the world.

In the light of all this esteem, there is great respect for their advice which, by the way, runs all the way from how to choose a mate, clear across the spectrum to urban renewal or even land-use planning or wife swapping.

Sound ridiculous? Well, such tremendous regard do people hold for their paternal painkillers that, typically, even the most ardent church going deacon is apt to grab his first copy of "Playbody" magazine, provided his family physician were to suggest a casual reading of that publication's feature, "sex life after 80."

If all this prestige and influence is truly present, why are these same doctors, nearly all of who claim to be vehemently against socialized medicine, losing the race against it? Of all the doctors I've ever met and, of those who do care, nearly all frequently express great sorrow for the sorry direction medicine is headed.

Now, then, I think these doctors are without a doubt as sincere and dedicated a profession as exists. They work long hours and again, generally, deserve their prestige and pay. So why are they so consistently losing their war on government medicine?

Since I've been such a long-time crusading comrade of the private medicine story I, too, wondered why. So I had a survey made. A rather honest one, too, since I paid for it, but its approach was clean and unusual and revealing.

The survey was to see what the doctors were doing with their waiting room literature. Of all the captive audiences in the world with the exception of the government's compulsory school system, doctors' offices are no doubt the biggest and, in terms of this fight certainly, the best, i.e., made to order.

A random survey was made of the literature to be found in the waiting rooms of 100 doctors in Caldwell, Nampa and Boise. Over 1,000 magazines, publications and periodicals were carefully counted and catalogued to see how many we could find in which one would likely find the case against socialized medicine.

We didn't expect to find many, since those magazines favoring private medicine are in the minority, but they do exist. For example, Private Practice, National Review, Reason, Conservative Digest, Human Events. The Freeman, to name only a few, plus a host of excellent newsletters.

Result? We found not one. Not one. Now I'm sure there must be some doctors who do provide good anti-government medicine publications. In fact I've seen one or two. But our random survey found none and I think, therefore it is alarmingly representative. What a golden opportunity lost to state their case.

REAL STABILITY IN A REAL WORLD

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. DORNAN. Mr. Speaker, in the last few weeks, the words "stabilization" and "destabilization" have sent many Americans back to their dictionaries. The recent remarks by a U.S. representative before an international body have seemed to redefine those apparently simple terms. The controversy which has resulted from the equation of armed invasion with "stability" has started a battle of semantics which has not been seen since the days of that other multidefined term, "détente."

Since that first utterance by a former Member which referred to the "stabilizing" effect of conquering foreign troops in Angola, the phrase has been bandied about with remarkable imprecision. But, I must say that, in a certain ironic sense, I agree with the description of Cuban troops in Angola as "stabilizing." There are few things more stable than a dead man—and there are plenty of them in Angola to testify to the "stabilizing" influence of the Cuban Communists.

But this is the only sense in which the Communists can be considered "stabilizing." The way Adolf Hitler stabilized Europe. Or the way Gen. Amin stabilizes Uganda.

Webster, on the other hand, defines "stability" as "the strength to stand or endure" and it is in this sense—the real sense—that I would like to discuss the stability of the United States and the world.

I would like to examine just one small part of the U.S. defense network to illustrate how real stability in a real world can be achieved.

The Department of Defense has initiated plans to develop and eventually deploy the MX, a new, larger intercontinental ballistic missile to replace a part of the present Minuteman force. Concerns have been expressed regarding the impact of such a deployment on the stability of the strategic relationship between the United States and the Soviet Union.

Although the term stability is sometimes used in several contexts, the most important of these is crisis stability since it bears directly on the avoidance of nuclear war. A crisis would be unstable if either side were to perceive that it would be more advantageous to preemptively attack instead of permitting its opponent to strike first. This type of instability is the condition of the currently projected U.S./U.S.S.R. strategic arms balance. Each side would be in a more advantageous position if it preempted rather than allowing the other side to strike first. The instability, however, is somewhat onesided.

The Soviets have a greater incentive to preempt since they could end a conflict with a major and probably dominant military advantage, and that advantage would be about double what it would be if the United States preempted. The United States would have a much lesser incentive to preempt since, even though such a move would cut in half the Soviet's potential advantage, it would still leave the United States in a militarily inferior position. The United States would have an incentive to preempt only if certain that a Soviet attack was inevitable. Hence, the problem relating to MX is not stability per se but how to restore stability to a situation that is now unstable.

One possibility would be to deploy MX missiles in the present Minuteman silos. This would worsen the existing instability because it increases the disparity between the outcome of preempting versus being preempted. This is based on 1990 forces, since by that time all Minuteman III missiles could be replaced by MX missiles. The Soviet's greatest advantage is obtained by preemptively attacking U.S. forces, allocating two warheads to each U.S. MX silo and one warhead to each Minuteman II silo, bomber base, and SLBM base. The U.S. greatest advantage is by preempting with a similar attack, allocating either two or three warheads to each Soviet silo, depending on what is assumed about fratricide. Such a situation is seriously unstable since whichever side preempts would hold the superior position at the end of the exchange. Hence, the effect of MX in a silo deployment is to worsen the presently projected instability.

An MX mobile deployment would be quite stable. Regardless of which side preempts, the relative advantage at the outcome would be about the same. At a deployed level of 550 missiles, the outcomes would favor the United States, unless the Soviets developed the "high threat," in which case the outcomes would be nearer parity. For the "best estimate" Soviet threat, a 300-missile mobile deployment would produce outcomes closer to parity.

Possible Soviet responses to a U.S. MX deployment would be to try and overpower the system by strengthening their offensive capability or to move some of the ICBM's into a mobile basing mode. Mobile systems can be designed so that the cost of proliferating aimpoints is low. The so-called hard capsule system is one such approach. Given such a design, the

costs to the United States of maintaining constant effectiveness would be lesser than the cost to the Soviets of trying to overpower the system. Hence, a more logical Soviet response would be to mobilize a portion of their own ICBM force. This alternative would increase stability. Specifically, whichever side preempts would lose, that is, be in a position of military inferiority at the end of an exchange.

PROSPECTS FOR AGRICULTURE IN THE NEAR FUTURE

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. HARKIN. Mr. Speaker, a constituent of mine, Mr. David Garst of Coon Rapids, Iowa, recently visited with me concerning the prospects for agriculture in the near future. Mr. Garst is, of course, well known to many in the Congress and to many people, both in this country and abroad, who are involved in agriculture. Because of his family's long involvement in hybrid seed corn production and cattle breeding, Mr. Garst pays very close attention to what farmers are doing and what farmers plan to do in terms of crop production. I have valued Mr. Garst's advice and counsel over the years, and I have found his insight to be remarkably keen and his predictions pretty much on target.

David Garst is concerned about the probability of a tremendous corn crop this year with resulting low prices for corn. He feels that farmers should plant less corn and more soybeans. His advice is to have the Secretary of Agriculture immediately place a high loan rate—in the neighborhood of $6 a bushel—for this year's soybean crop. Not only will this stimulate the shift from corn to soybeans, thus reducing corn production, but it can also have other beneficial effects, such as tremendous savings in energy usage.

Mr. Garst has outlined his ideas in a very thoughtful and provocative paper which I would like to bring to the attention of the Members. Mr. Garst's paper follows:

LESS CORN AND MORE SOYBEANS ARE NEEDED

(By David Garst)

U.S. farmers must plant less corn acres and more soybeans or forage in 1977 to keep the price of corn above the cost of production. If the switch from corn to soybeans is not substantial, U.S. farmers may grow 25% more corn than we will need. This could reduce the price of corn 75¢ per bushel, and put feed grain producers in the same financial crisis as farmers who grew wheat last year. Here is the story.

A record corn yield is assured in 1977. This record corn yield is predictable for the following reasons:

U.S. farmers will be planting the most productive seed in history. Since the first hybrid corn was made 50 years ago, hybrid seed corn has improved genetically about 1% per year. Thus, the seed corn U.S. farmers will plant this spring will be 5% better than the seed corn they planted in 1972. That year U.S. farmers raised a record yield of 97 bushels per acre.

This year's crop will be the best fed in history. Crops that follow droughts are fed better. The exchange rate that releases nutrients from the soil improves when soils dry out. Thus, more phosphate and potash than normal will be available in the root zone for this year's crop. Decomposition of organic matter also increases. This makes more nitrogen available.

Carryover fertilizer will be greater too for crops stressed by drought in 1976 could not completely use some of the fertilizer applied last year. In addition, fertilizer is readily available and reasonable in cost compared to other inputs. The total of all nutrients applied this year will be greater than ever before in history.

An ideal planting season is most likely. The soil profile throughout the corn belt has not yet been recharged with moisture. Excess moisture can move down in to the soil profile and get away. Thus, farmers will be able to get in the field a day or so earlier following rains or wet weather than is normally the case . . . and crops throughout the corn belt will be planted in a timely manner.

Soil moisture reserves in more than 90% of the corn belt are always replenished by spring rains. Good soils can only hold about 12 inches of useable moisture, and usually three fourths of the rain that falls gets in the ground. Normal rainfall in March, April, May, and June is sufficient to completely recharge the soil profile in all but the western edge of the corn belt.

Crop prospects in marginal rainfall areas of Kansas, Nebraska, and South Dakota will be more than offset by increased irrigation. In 1976 Nebraska farmers increased irrigation 500,000 acres. In 1977 Nebraska farmers will irrigate more than 6 million acres of land. About 80% of this irrigated land is planted to corn . . . and only about a third of Nebraska's total corn acreage is still planted on dry land. Additional corn acres planted on irrigated land in Nebraska, Kansas, Colorado, and South Dakota will more than offset lower crop prospects possible in marginal rainfall areas.

Rains throughout the corn belt through April 1 have already provided half of the soil moisture needed. Although this year it's not probable that soil moisture reserves will be completely recharged until after the planting season, it's nearly certain that soil moisture reserves will be recharged before the middle of June when the corn crop first needs it.

Farmers know from experience that moisture reserves will be recharged by the end of June. During this time of year they've more concerned that excess moisture will interfere with corn planting and cultivation. Historically excess moisture in April, May, and June has reduced corn yields more in the central and eastern corn belt than have the July and August droughts.

Rainfall in July and August is also likely to be more abundant in 1977. In 1976 when corn yields averaged 87 bushels per acre farmer experienced a record drought in much of the corn belt. Climates are cyclical in nature. Cyclic variations usually move toward the average that can be expected. Dry periods come about every 20 years. U.S. farmers experienced droughts in 1934 and 1936; in 1954 and 1956; and again in 1974 and 1976.

There is a two year cycle too. A good year usually follows a bad year and is followed by a good year, etc. History tells us that two bad years seldom come in a row. Thus, based on either the two year cycle or the 20 year cycle, we can expect more rainfall than we had last year.

A U.S. national average corn yield of 90 to 100 bushels per acre is probable. Last year farmers harvested nearly 71 million acres of corn for grain and the rest was cut for silage. USDA January planting intentions indicated earlier this winter that farmers will plant about the same amount this spring.

A 95 bushel yield times 70 plus million acres will produce 6.7 billion bushels of corn. Add the carryover of about 700 million bushels from this year's crop and U.S. farmers will have 7.4 billion bushels of corn to feed, export, or store in 1978. This is substantially more than we need.

This year farmers will use about 5.9 billion bushels . . . and carryover will increase about 300 million bushels. Without an increase in exports or livestock feeding, next year it will double. This certainly would lower corn prices below the cost of production.

Increased exports of corn are not likely in 1978. Farmers throughout the world raised too much wheat in 1976. This year they experienced the same low wheat prices that U.S. farmers have. For this reason, acreage is being switched to feed grains such as corn, grain sorghums, and barley. These feed grains have been in short supply and are relatively higher priced.

Yield prospects for world feed grain crops will also improve. Other world producers only raise about a third as much corn per acre as we raise in the U.S. The good feed grain prices of recent years have given these farmers the incentive they need to apply more fertilizer and improve production techniques. Thus, bigger acreage and higher yield will let our foreign customers grow more of the corn they need. This may well reduce export opportunities more than domestic use of livestock feed increases.

The drought, the tight supply and high price of feed grains has caused U.S. livestock numbers to go down. In the last two years U.S. farmers have reduced cattle numbers from 131 to 123 million head and cow numbers by 8 percent. The same story is true abroad.

The energy crisis, the world wide inflation, and unemployment have also caused a lot of belt tightening so the demand for livestock products has not been strong. This has been bad for U.S. livestock producers. Foreign customers also are spending their money for energy instead of meat and milk. Their livestock producers have suffered too so breeding herds have been reduced. It is unlikely that livestock numbers can be rebuilt fast enough in either the U.S. or the rest of the world to use the extra feed grains that will be raised in 1977.

For this reason U.S. farmers need to switch about 10 million acres from feed grains to soybeans. A 10 million acre switch would give one billion bushels less corn and 300 million bushels more beans and profitable prices for both crops. Since feed grains are ample, a 10% increase in supply can easily cause a 20% cut in price. By contrast, soybean supplies are currently inadequate. Chances are great that a 20% increase in production will only lower prices about 10%.

It is unlikely that farmers will shift enough acres from corn to beans. There is not yet enough price incentive for them to do so. Note April 1 Price Futures and price relationships below.

	Corn	Beans	Ratio corn to beans
May	2.53	9.23	3.6
July	2.59¼	9.26¼	3.5
August	------	9.17	---
September	2.62½	8.12	3.5
December	2.65¼	7.31	2.7
January	------	7.31	---
March	2.71	7.39	2.7
May	2.75	7.41	2.7

NOTE.—May 1978 corn is 23¢ per bushel higher than cash corn. May 1978 beans are

$1.82 less than cash beans. The cash price ratio of corn to beans is 3.5. The price ratio of corn to beans that will be harvested next fall is only 2.7. Most farmers use future price relationships to plan their crops . . . for they will not have crops to sell until this year's harvest is complete. It takes a ratio of 3 to 1 to make beans more profitable than corn. Thus, farmers can stay with corn and hedge their corn crop to maximize their profit and many are doing this . . . instead of shifting acreage to soybeans. Hedging alone could cause present price relationships to change dramatically in the months ahead.

Most farmers don't like to raise soybeans. On hilly land soybeans cause erosion . . . and lots of farmers are already committed to corn. These farmers have already applied their fertilizer or have carryover herbicide. And farmers don't like to walk bean fields for weeds. Bean seed this year is scarce, low germinating, and high priced . . . and in the Delta area where beans are a principle crop, lots of land has been in beans too long. This land should be rotated to avoid root rot and other disease.

The shift from soybeans to cotton in the south will, in addition, tend to offset some of the shift from corn to beans in the midwest. Thus, it is unlikely that U.S. farmers will grow enough beans to meet demand.

Practically all of the world grows wheat and wheat was overdone last year. A big portion of the world grows feed grains and this may well be overdone this year. Only the United States, Brazil, and China grow soybeans. The U.S. produces half the crop, and China uses practically all the beans it raises domestically. With the present world demand there is no way that U.S. farmers can produce too many beans.

Planting more acres to soybeans has other advantages too. Some of these advantages fit modern energy conservation concepts. Soybeans require no energy to dry. Most feed grains do. According to the USDA it takes as much energy to dry our corn crop as it does to raise it.

Soybeans also produce their own nitrogen plus a little extra for next year's crop. Soybeans add to the soil about a pound of nitrogen for every bushel raised per acre. A soybean crop yielding 30 bushels per acre will add about 30 pounds of nitrogen. This is no small factor in an energy crunch that may raise the price of nitrogen up to 20¢ per pound in the next five years.

Soybeans because they are three times less productive and higher priced than corn only cost a third as much to store. If the U.S. wants reserves or carryover to protect its customers, soybeans are the most logical alternative. If U.S. farmers would switch 10 million acres from feed grain to soybeans, no additional storage space would be required.

Soybeans also best fit the needs of current livestock production. At present poultry and pigs are the types of livestock that can be most rapidly expanded. They need to be expanded too, to offset the reduction in cattle numbers. Soybean meal—the world's best and most efficient vegetable protein supplement is required to balance the ration of hogs and chickens. Urea which is a much cheaper source of protein can be used only for ruminants—cattle, sheep, and goats. Thus, the world needs more soybeans if it is to use its feed grains with greatest efficiency.

Not only does the U.S. need to plant more acres of soybeans, but farmers need to produce them in the best possible way. Soybeans today will buy plenty of the two elements—phosphate and potash—needed to produce top yields. At current prices one bushel of beans will buy 90 pounds of K20 and 50 pounds of P205. Experience shows that this application can give an extra 5 or 10 bushels of soybeans per acre. It doesn't take an economist to see the extra income that this will give.

Why does a seed corn salesman promote more acres of beans? The answer is simple. Seedsmen want their customers to make the best possible profit from the seed they sell and selling seed is a year after year business. If farmers raise too much corn this year, there will be no profit and farmers will raise less corn next year. In the long run the size of the market will be the same, but the profit to the farmer might be a whole lot less if we plant too much corn this year.

THE FEDERAL ANTIBUSING ACT OF 1977

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. EVANS of Delaware. Mr. Speaker, I am today introducing legislation designed to prevent Federal courts and agencies from issuing orders to require the assignment of a student to a school on the basis of race, color, religion, or national origin.

I take this action because I have become convinced that people in my State and across the country have grown tired of watching the Federal judiciary and bureaucracy go beyond their powers as enumerated in the Constitution and preempt prerogatives which only belong to the Congress and to the people.

Study after study has shown that the American people, both black and white, are opposed to forced busing of schoolchildren. In cities across the country, the people have demanded that forced busing stop. Yet the Congress has been powerless to act in the face of unwise court decisions. Time and again, the courts have shown that they are more interested in racial quotas than in quality education of children.

I am a strong believer in the neighborhood school concept. Neighborhood schools and neighborhood institutions have given us a backbone for community involvements, community awareness, and community betterment. Neighborhood schools have become the focal point for social and recreational activities. And neighborhood schools have given us the ability to govern educational opportunities for our own children.

Yet the Federal courts have turned their backs on the success of the neighborhood school concept, and instead have opted to send children miles away from the neighborhood schools. This tactic has broken down our neighborhoods, wasted vast amounts of money and energy, and has done absolutely nothing to improve the education of any child, black or white.

Therefore, I am introducing the Federal Anti-Busing Act of 1977. Under my bill, no court of the United States shall have the jurisdiction to make any decision, enter any judgment, or issue any order which would have the effect of requiring the assignment of a student to a school on the basis of their race, color, religion, or national origin. Additionally, no department, agency, officer or employee of the United States empowered to extend Federal financial assistance to a school through grants, loans, or otherwise, shall withhold or threaten to withold this financial assistance in order to coerce or induce schools to require the assignment of students to a school on the basis of race, color, religion, or national origin.

Further, my bill requires that any order on the part of the U.S. District Court requiring busing be postponed until all appeals in connection with the order has been exhausted.

Finally, my legislation, if enacted, would end existing requirements in effect from the day of enactment requiring the assignment of students to a school on the basis of race, color, religion, or national origin.

I have also joined in signing Discharge Petition No. 1 to force a vote in the full House on a constitutional amendment to prohibit forced busing of school children. I regret that the leadership of the Congress has refused to let such antibusing legislation come to the floor in the past and I hope this petition will encourage scheduling of consideration of constitutional amendments on busing.

Mr. Speaker, freedom is more than just a word. Freedom is a spirit, a spirit which has brought all of us here to this great land over the course of some 300 years. If our Nation is to endure as a free nation, we must fight to preserve that freedom. Without freedom of choice and a strong educational system, our country will not continue to be a leader in the free world for very long. We must strive to provide all American children with equal educational opportunities. Forced busing, however, does not provide that freedom of choice. I urge the Congress to enact legislation which will end forced busing in this country for good.

I insert the text of the Federal Anti-Busing Act of 1977 in the CONGRESSIONAL RECORD at this point:

H.R. —

A bill to remove the remedy of busing from the jurisdiction of federal courts and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Antibusing Act of 1977".

LIMITATIONS ON FEDERAL COURTS AND AGENCIES

SEC. 2. (a) No court of the United States shall have jurisdiction to make any decision, enter any judgment, or issue any order the effect of which would be to require the assignment of a student to a school on the basis of their race, color, religion, or national origin.

(b) No department, agency, officer, or employee of the United States, empowered to extend Federal financial assistance to any program or activity at any school by way of grant, loan or otherwise, shall withhold or threaten to withhold any such Federal financial assistance in order to coerce or induce the implementation or continuation of any plan or program the effect of which would be to require the assignment of a student to a school on the basis of their race, color, religion, or national origin.

(c) In the case of any order on the part of any United States District court the effect

of which is or would be to require that pupils be transported to or from school on the basis of race, color, religion, or national origin, the effectiveness of such order shall be postponed until all appeals in connection with such order have been exhausted.

REOPENING OF CASES

SEC. 3. (a) No person who, by reason of any Federal court order in effect as of the date of the enactment of this Act, is required to assign a student to a school on the basis of their race, color, religion, or national origin shall be so required on or after that date.

(b) Any case in which such order was granted shall be reopened on the motion of any party to such case for such further or alternative relief as may be necessary.

WYOMING, MINN., DEDICATES ITS NEW MUNICIPAL BUILDING

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. OBERSTAR. Mr. Speaker, the earliest settlers of what is now the city of Wyoming, Minn., held their first community meeting in a one-room shack where they gathered round, sitting down on gunnysacks. Community meetings have not been that rustic or intimate in many years and after the dedication on Saturday, April 23, of Wyoming's sparkling new municipal center, the gunnysack days are happily gone forever.

The new center includes convenient, spacious city offices, the fire department, the police department, and a large community center where town meetings, community dinners, dances and other activities will be held.

Wyoming has experienced very substantial and rapid population growth in the last decade and a half, which has put increasingly heavy demands on city government and community services. The old wood-frame building which housed the former village hall had deteriorated so badly that it had to be torn down in 1972, forcing government services into scattered and inadequate space. Even before 1972, city officials had begun planning for a new municipal building, but were stymied by one key problem: Cost.

Lacking adequate financial resources to do the job themselves, they discussed with me early in 1975 the possibility of Federal Government assistance and I brought them together with the HUD community development grant program from which Wyoming received a grant of $60,000 toward the total construction cost of $140,000. The community raised the balance of the cost on their own, has made the final payment on construction costs and, to the everlasting credit of the city fathers, no additional tax levy was necesssary for the project.

It was my great privilege and honor to participate in the dedication and open house ceremonies this past Saturday—one of those heart-warming programs that makes you feel confident and encouraged about the future of America. It was a total community effort, including a welcome by Mayor Rodney Hestekin, who also gave a very warm salute to all the past mayors of Wyoming, including a special tribute to former Mayor Robert L. Burg during whose tenure the planning for the building was initiated.

Master of ceremonies Glenna Minogue very thoughtfully and smoothly gave fitting thanks to the numerous individuals and civic organizations who volunteered their labor, funds and craftsmanship to finish off the building and added the equipment and finishing touches not covered by the grant funds. It was complete community involvement, from the Cub Scouts and Brownies to the fire department and their auxiliary, the Snowmobile Club and the Women's Club, the Forest Lake American Legion Post and local Wyoming businessmen, as well as the pastors of the St. Paul Lutheran Church and United Methodist Church who respectively gave the invocation and benediction. The program was evidence of the kind of community effort that has made America great and a very clear indication that community spirit is alive and well particularly in small towns where community pride is strong and growing.

But without a doubt the high point of the afternoon was a magnificent ballad created by 16-year-old Kristen Van Nispen who wrote the lyrics and the music, sang and accompanied herself on the guitar, a history of Wyoming in the tradition of troubadours of old. It's the kind of thing that makes a community feel good about themselves and about their future.

WYOMING

(By Kristen Van Nispen)

There's a dot on the map, with a name attached, and in letters big and bold,
Reads Wyoming, and in 1855 they arrived here tired and cold.
It was ten families from Pennsylvania, that started out traveling West.
And out of all the mountains and the vallies and the lakes, they liked Wyoming the best.
Yes, when they started to settle, they hadn't a church, so they gathered in a one-room shack.
They didn't have an altar and they didn't have a church, they just sat down on an 'ol gunny sack.
Now, they sound like hillbillies just living on the land, but that just wasn't true;
'Cause they wanted to flourish and they wanted to be smart, so they worked and built themselves a school.
In the 1890's when the town was in its bloom, business started to grow.
With a factory of carpets, a potato warehouse the town built its own depot.
With a railroad now, the business really boomed and on the map they drew our dot.
With our name on the map, and our history in the book, Wyoming will never be forgot!
Yes, to much surprise, you can realize, Wyoming has a history, as huge as its blue sky.
And though it's small, many folks recall, its memories that never shall die.

So long as this kind of community action continues to thrive in America, our national spirit will continue vibrant and strong.

NEW YORK'S LAND OF DREAMERS AND DOERS

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. WALSH. Mr. Speaker, I would like to call the attention of the Members of the House to an article in the May 1977 edition of National Geographic in which Ethel A. Starbird discusses the auspicious beauty of the Finger Lakes Region of New York State. I have had the pleasure of enjoying this beauty which graces my congressional district all my life and I would like to share this excellent article, Mr. Speaker, with you and my colleagues. Unfortunately, the fabulous photographs taken by Nathan Benn showing some of the history and beauty of this famous and picturesque area cannot be reproduced here.

The copyrighted article follows:

NEW YORK'S LAND OF DREAMERS AND DOERS

(By Ethel A. Starbird)

Leaning on the black box of a carriage that marked him as a Mennonite, Harry Fox told me why he had come to live in that scenic slice of central New York State fondly known as the Finger Lakes.

"This is fine farm country, as good as any in the East. I doubt a man could find pleasanter surroundings for his toil or for raising up a family."

Rachel Malin said much the same things: "The woods offer their shades, and the fields their harvest. . . . this new world. . . . abounds with almost everything we could wish for."

Both settled on fertile slopes above a misshapen wishbone of water called Keuka Lake. But they will never meet. Harry moved in from Lancaster County, Pennsylvania, in 1975; Rachel migrated from Philadelphia almost two hundred years ago.

The similarity of their views is not surprising. For in this large low-census area, change comes more as a whisper than as the turbulent high wind that has toppled traditional life-styles elsewhere. Even the rush for rural real estate, evident in other places, has done little to disturb the status quo.

Not that anyone I met was seriously anti-progress. It's just that Finger Lakers are a pretty conservative lot, not easily convinced that bigger means better or that new notions always suit their needs.

By nature, they're about as free of sharp edges as the countryside they cherish. The Ice Age created its gentle contours some million years ago. Glaciers, grinding away at a plateau already veined with valleys, mounded some sections into whale-shaped hills called drumlins. Then, gouging debris from former riverbeds, the ice dug deep basins for a chain of dazzling lakes.

NONCONFORMISTS FIND FERTILE GROUND

By definition, the Finger Lakes district is a movable feast. Some say it stretches westward from Syracuse to Rochester and south from Lake Ontario to the Pennsylvania line, an area covering 9,000 square miles and 11 slender lakes (map, page 710).

Others claim that only the environs of the six largest lakes—Canadaigua, Keuka, Seneca, Cayuga, Owasco, and Skaneateles—really count. Either way, the region nurtured a remarkable roster of dreamers and doers, introducing to 19th-century America such movements as women's liberation, spiritualism, and the Mormon faith. Here, too, the native grape put spirit in New

York's famous wine industry. And the classes of Cornell and the glass artists of Corning made the local quest for quality known throughout the world.

The north-flowing Finger Lakes divide the district into two distinctive areas, each with its own cultural flavor. New Englanders opened the northern section. The towns they built, especially those along the route of the old Erie Canal, retain a Yankee flavor with their thin-spired churches, tree-shaded streets, and commercial blocks of mellow brick dating from Civil War times.

Most early immigrants brought along their God-fearing, straitlaced ways. But not all hewed to puritanical paths. Some turned the place into a hotbed of reformers, religious zealots, instant prophets, and self-styled mystics. Never have so many in so small an arena claimed so direct a line to the Almighty.

One of the first to stump for new-method salvation was Jemima Wilkinson, a Rhode Islander who said she had "left time"—died—briefly, returning to life with a special mandate to interpret God's will on earth. In 1792 her followers funded a New Jerusalem not far from Keuka's shores, where she parlayed her powers of persuasion into a personal fiefdom of more than 23,000 acres.

Joseph and Rena Florance now own the handsome hilltop house Jemima's devoted disciples built for her and staffed with hand maidens committed to her comfort.

"She called herself the 'Publick Universal Friend,'" Joe said, "and the story spread that she had only to say, 'The Friend hath need of these,' to part members of her sect from whatever struck her fancy."

Rena pointed to a stair landing above the center hall. "That was her pulpit. She'd appear up there in a flowing purple robe over a shirt and cravat. Being heaven-sent, she put herself above mere matters of gender."

Neither her estate nor her cult long survived the spellbinding spinster after she left time with a one-way ticket in 1819.

PREJUDICE MELLOWS INTO PRIDE

Four years later a gangling farm youth from Palmyra testified that he had—with divine guidance—discovered inside nearby Hill Cumorah ancient gold tablets telling of a lost American civilization that knew Christ after His Resurrection.

The young man's story attracted more irate detractors than believers, so Joseph Smith and his followers, including a chairmaker named Brigham Young, were forced to migrate westward. But the faith Smith started—the Church of Jesus Christ of Latter-day Saints—fared far better than that of the Jemimakins.

"Local prejudice lasted a long time," I heard from Edythe Boyd. "It was still evident in 1930, when I converted. As a 16-year-old, I was ridiculed by my classmates and denied friendships because of my convictions."

Attitudes have softened since: The Mormon community around Palmyra now exceeds 500 members. And every July at Hill Cumorah more than a hundred thousand people of diverse faiths applaud a spectacular reenactment of the Smith experience.

With all its pageantry and pilgrims, Palmyra no longer knows the bustle of earlier times, when its tidy main street throbbed with the trade conveyed by the Erie Canal. Nowadays little traffic passes along the still-working sections of that once vital waterway or newer links that, together, form the New York State Barge Canal System.

"Railroads were siphoning off canal business back in the 1840's. Now trucking and pipelines are killing the trains." Peter Swider, 45-year-old skipper of the *Morania #6*, shoehonored 295 linear feet of tug and barge into the concrete cradle of Lock 25 at Mays Point.

As the barge rose, "Poughkeepsie Joe" Kopser checked the temperature of its cargo: 450,000 gallons of hot asphalt destined for Lyons, 20 miles farther west. Pete relaxed on his swivel stool. "There's many miles of roadway in those holds, enough to fill a whole train of tank cars. So here we are, paving the way for our own obsolescence."

IRON HORSE OUTPULLS MULES

The battle between wheel and keel dates from 1825, when the 363-mile Erie "ditch" opened between Albany and Buffalo. Turnpike service soon bowed to boat and barge, and goods flowed to markets all but inaccessible before. But in a few decades the iron horse was outdrawing towpath mules, and the canalboat era plodded to a close.

To coming of trains stimulated growth of lake-end communities like Skaneateles, an appealing 19th-century village undiluted by serious updating. Marvelous old houses of great dignity and size attest to fortunes made from typewriters and teasels, a thistle-like plant once used to process wool.

Piloting one of the last of the lakes' mail boats, Phil Peterson filled time between dock-end deliveries with lively commentary on the Skaneateles scene. "If you found property for sale along here, it might cost you $150 a front foot. Two hundred years ago much of this Finger Lakes land was being given away—free tracts to veterans of New York's Revolutionary War regiments. Many who took them sold their holdings, sight unseen, to speculators for a few cents an acre."

Land deals and legal fees fattened the bank accounts of many early residents of Auburn, sited beside the outlet of lovely little Owasco Lake. Now a city of 36,000, it counts as major employers the world's largest ropemakers, a Japanese-owned steel mill, and a state prison that's been doing a steady, year-round business since 1817.

Cayuga Indians built their ceremonial longhouses here some four hundred years ago. They joined the Senecas, Onondagas, Oneidas, and Mohawks in the Iroquois federation, which functioned as an effective, representative government in "upstate" New York long before colonists settled on a similar association for their new nation.

Silver-haired and sixtyish, Adelphena Logan is both a product and promoter of Iroquois culture. "We know who we are and what our heritage is all about; it's the outsider who misrepresents us. For example, Hiawatha, an Onondaga like me, lived up near Syracuse, not Lake Superior where Longfellow poetically placed him. He was a real-life leader of our people who helped put together the federation and made it work.

"Which it did, keeping things pretty peaceful around here until 1779, when Gen. John Sullivan's Continental troops burned their way cross-country, driving away most of the Indian population for siding with the British during the Revolution."

If the Iroquois had been around Seneca Falls in 1848, they might well have wondered what the first national convention for women's rights was all about. Their women always had the upper hand in tribal affairs, choosing chiefs and demoting unsatisfactory ones.

STRONG WOMEN MAKE THEIR MARK

Looking somewhat like a small-scale Auburn, Seneca Falls straddles the old Genesee Trail near the foot of Cayuga Lake. Much of the original momentum for equal rights was sparked by two local ladies: Elizabeth Cady Stanton and Amelia Jenks Bloomer, whose name is better remembered for the baggy pants she wore than as a symbol of feminine freedom.

Archenemies of that old demon rum, both campaigned vigorously but in vain to have drunkenness declared grounds for divorce. "I guess it doesn't pay to be too civilized," Adelphena said with a grin. "My people settled that issue centuries ago. Any woman could banish her boozing brave from the longhouse, and it didn't take a court order."

From Amelia to Adelphena, Finger Lakes womanhood has provided an astonishing assortment of "movers and shakers." Among them: Margaret and Kate Fox from the hamlet of Hydesville, north of the canal town of Newark, who launched a lasting phenomenon with a bit of fancy footwork.

In 1848 the sisters began having rap-tap conversations with the dead. They were soon on tour, holding public seances that convinced thousands of their supernatural power. Forty years later they admitted hoaxing the whole show, cracking their toe joints to simulate messages from the beyond, though Margaret later recanted. By then, spiritualism, having attracted such notables as Horace Greeley and William Cullen Bryant, was here to stay.

The original Fox house is gone, but in its place stands a replica built by its owner on an inner compulsion he can only describe as a "calling." Rain blackened its unpainted clapboards as I awaited an answer to my knock.

A sepulchral voice inside asked my name and business. I replied. "Are you young?" came the next question.

"No. But why do you ask?"

I found out after 79-year-old John Drummond admitted me to a room casually arranged around some Maxfield Parrish prints, two antique dolls in a high chair, an Edison talking machine, and a fired-up Franklin stove.

"Don't you know? Why, when a man is past his passion and marries a young maiden of virtue, their offspring will be prophets." He gave no indication that I was the answer to his prophet-sharing plans.

John is convinced that death, as we know it, would disappear if everyone followed his rather mystical formula for biological readjustment. He shuns those who communicate with the "underworld" and says he has twice been visited by a heavenly apparition. The Fox sisters couldn't have left *their* spirits in better hands.

As I drove east along the barge canal, downpours stained the rich soil the color of Dutch chocolate. Around Savannah, muck farmers dip bumper crops of potatoes from silt-filled fields beside the Seneca River. Swinging sothwestward toward Phelps, I saw ten-pound cabbages the size of cannonballs. They feed area canneries that make this—some say—the "sauerkraut capital of the world."

By July, when redwing blackbirds perch like finials on the fence posts, highly cultivated midlands between Phelps and Penn Yan yield all the makings of minestrone—by the acre. One farmwife I met also plants almost as many sunflowers as garden seeds because "It's nice to watch something grow I don't have to can, pickle, or freeze."

To the east of Phelps, the trim and timeless city of Geneva crooks its quiet streets and pre-Victorian houses around the northwest corner of Seneca Lake. The community appears little changed since 1849, when Elizabeth Blackwell received from Geneva (now Hobart) College the first medical degree ever awarded in this country to a woman.

ADDING PUNCH TO THE TEAROOM

Cornelius "Geneva Red" Dwyer has handled thousands of cases in his long, Runyonesque career, but none had to do with doctoring.

"Started with a speakeasy up in Lyons, where I was born. With Prohibition, running ale across from Canada cost $4.50 a case. Sold it for $18." The courtly 86-year-old chuckled over the memory as we dined at Belhurst Castle, a delightful rococo restaurant he owned for more than forty years.

"Hard stuff came from Bimini via Miami under a carload of grapefruit. Nope, the police never bothered me; I was a constable at the time. Course, there might have been a ruckus if anyone had caught me dumping all that excess grapefruit in the woods.

"This was a tearoom when I bought it. I livened up the beverage list a bit, put in slots and a casino, and ran it like a private club. No mobster ever muscled me; I've never done time and paid only one fine—for $100. So now it's legal to drink most anywhere, and it's the governments that used to hassle me and my cronies that have gone into big-time gambling. A really weird world."

Still erect and sure of step, Red wears his years as lightly as many senior citizens of the Finger Lakes. I was the only one to show surprise when 87-year-old Florence Stinson entertained the Crystal Valley Grange in Dundee with a series of pushups.

And I've never seen a bouncier bunch than the Yates County Kitchen Band. At a concert in Penn Yan's Red Jacket Park, members played their kazoos, washboards, and laundry tubs with enough gusto to please a Sousa. Average age: just over 76. "Lucille hates to miss these performances," said one octogenarian of another, "but the battery on her pacemaker was running low."

Westernmost of the larger lakes, Canandaigua ends where a same-name city of considerable age and appeal begins. Here Stephen A. Douglas trained for the law and suffragette Susan B. Anthony was sentenced for breaking it by voting before women won the franchise.

Al Perrin's attachment to the lake is so strong that he located his modest auto repair shop on the public pier, where he can cast for trout a few feet from his doorway.

Several years ago this boyish, 45-year-old bachelor achieved a certain amount of fame by inspiring a lighthearted song by his good friends Erik Darling and Patricia Street. Darling, a fellow Canandaiguan, also helped write such top-rated tunes as "Walk Right In" and "Banana Boat Song."

"Erik called my song 'Al Perrin, at the End of the Month,' because that's when I pack my camper, borrow his canoe, and take off in January for the Florida Keys. Got the record out at my place if you'd care to hear it."

Driving along the west shore, Al pointed to a cluster of houses away from the water. "That's Perrinville: My parents, sister, and most of my seven brothers live there. But I decided I ought to get away from home." We stopped at his rented bungalow half a mile down the road.

NOWHERE ELSE IS REALLY HOME

The song's lyrics make quite a case for Al's carefree Florida life. Why not make the change permanent? "You're looking at one good reason." He nodded toward the picture window. None of the many waterscapes on his wall matched that view: Hills fell in gentle folds into a lavender lake; a flaming afterglow garnished their ridgetops.

A lot of Finger Lakers do a lot of traveling; some even know foreign shores better than those only a lake away. But no one I talked with wanted to live elsewhere. "Try calling a February reunion of Finger Lakers in Florida, though," said one old-timer, "and you're going to need the Orange Bowl to hold them all."

South of Canandaigua, an imaginary east-west line passing through Penn Yan separates the northern counties from the southern ones, largely pioneered by Pennsylvanians. At this latitude the New England look has faded, and the landscape begins to rise and fall with greater variations.

Along the shores of Keuka, of southern Canandaigua and Seneca, vacationists vie with vineyards for control of the gentler slopes. While campers seem to have won the waterfront, growers for wineries like Taylor, Pleasant Valley, Gold Seal, Bully Hill, and Widmer hold firm beyond the beaches.

The fruity, or foxy, flavor of wine from New York grapes is not for everyone, and there are strong and conflicting opinions on how local viticulture should be changed to meet a change in tastes. However, native strains like Delawares, Niagaras, and Concords (the principal source of kosher wines) still dominate the industry.

Despite the ever increasing popularity of California wines, New York vintners are better off today than during Prohibition, when all grape squeezings went into jellies and juice. If a few gallons turned into something stronger, it surely wasn't wily Will Widmer's fault. He posted a warning on casks of grape concentrate that its reconstitution without refrigeration might cause it "to ferment."

Hammondsport's Pleasant Valley Wine Company has operated since 1861 under the first bonded winery license issued in the United States. Fifty years later a homegrown hero with Tom Swift tendencies received the nation's first license to fly.

. Born in 1878, Glenn Hammond Curtiss was in a hurry most of his life. From sail skating and bicycle racing, he graduated to setting speed records on motorcycles he built in his Hammondsport shop. One of his motorcycle engines powered an airship in 1904; those famous World War I JN trainers called Jennies were Curt'ss creations.

In 1907 Curtiss became associated with Alexander Graham Bell and a select group of air-minded associates in experiments. The next year at Hamondsport, the shy genius, not yet 30, lifted their joint-venture *June Bug* off a Pleasant Valley meadow in the world's first pre-announced flight of a kilometer or better He actually flew more than a mile.

TINKER TOY SPECIAL FLIES AGAIN

"We hadn't planned on duplicating that feat," said Mercury Aircraft President Joseph Meade, Jr., from the pilot's seat of an identical biplane. "Our idea was to build a static facsimile of the original as a Bicentennial project. But our volunteers got carried away."

Working from photos and rough drawings, his ten-man production team remained true to the Curtiss concept; the results look as if elves of little aptitude got loose in the Tinker Toys (left). This second *Bug* flew fine, though tiny ailerons and absence of brakes—as with the original—made landing tricky. But nobody tampers with history in Hammondsport, not even for safety's sake.

At the head of nearby Seneca Lake, Watkins Glen has emulated Curtiss in turning speed into an economic asset. On a hilltop near town, a 3.37-mile track with 11 challenging curves attracts the world's driving elite to three major meets a year. October's main event, the Grand Prix of the United States, offers one of the largest purses in road racing—$350,000—for a test of skill and endurance that lasts almost two hundred miles.

Watkins's 3,000 residents take this annual invasion of some 100,000 spectators in stride, for the race has been an off-season bonanza ever since it was first held in 1948.

"It started out for amateurs only, run on regular roads in and around the village," said Malcolm Currie, executive director of the Watkins Glen Grand Prix Corporation. "Entries in those days included such notables as yachtsman Briggs Cunningham, *New Yorker* cartoonist Charles Addams, entertainer Dave Garroway. We moved to the present course in '56, went professional two years later. We got the Grand Prix because we were ready with the right track at the right time."

Today, Formula One-class "big wheels" are as familiar to Watkins folks as the markings on a trout. And their little hometown, tucked in a back pocket of Finger Lakes country, is as familar in Grand Prix circles as Monaco, Buenos Aires, Johannesburg, and other famous cities on a 16-nation circuit.

DIVERSITY MARKS CORNELL'S CURRICULA

An international reputation of broader scope and influence springs from a lofty bluff overlooking the city of Ithaca and Cayuga, longest of the lakes. Here Ezra Cornell, who made millions with the telegraph, founded a school of academic excellence "where any person can find instruction in any study." Today his university offers 2,000 courses each term, and it becomes ever more difficult to name a spot above, below, or on this earth some Cornellian hasn't staked out for study.

Home base for all this activity is a conglomerate of 11 schools and colleges sprawling across 740 acres of Ithaca uplands. Sampling the Cornell scene, I dined at the student-run Statler of the world's first and foremost hotel school, and glowered back at peregrine falcons being raised at Sapsucker Woods to re-establish this vanishing species in the wild. After creating the image of a fictitious Greek island on a computer-graphics screen, I pedaled the half-mile length of a circular tunnel enclosing the world's largest electron synchrotron.

In such a cerebral environment a collection of human brains came as no surprise. Among the Cornell specimens, most donated by scholars and writers of some note, the largest belonged to a multi-murderer hanged in 1871. So much for overachievers.

At Lansing, north of Ithaca, things also happen "far below Cayuga's waters." "We're now mining 2,000 feet down," said amiable Jack Stull, an official of the Cargill Salt Company. "Some of our old tunnels under the lake go two-thirds of the way across. Actually, most of the Finger Lakes recline on a vast bed of salt."

Dust as dense as fog shrouded the eerie underworld Cargill has created. "It won't hurt you," Jack assured me. "It's salt and soluble. Nobody has sinus trouble down here. What a place for a time capsule: Salt sops up moisture and nothing rusts. Any equipment we leave behind when we exhaust this shaft should still work years from now."

Aboveground I headed for Harris Hill outside Elmira, where sailplaning has been a major sport since 1930 when the first national soaring championships were held here. A meet was in progress; sleek ships, lined up three abreast, awaited their turn for takeoff.

Backpacking a youngster, comely Ellen McMaster tugged on her tennis hat and went loping down the runway, leveling the wings of her husband's plane until it began to lift. Returning to the sidelines, she sank down beside me and two other sons. The boys stair-step in age up to 8.

"I'm better balanced for wing running with thirty pounds of kid aboard. As you see, the supply has been pretty constant. But I don't plan any more replacements." She beamed at her rosy-cheeked brood. "Looks like we'll have to change our style of wing running, or daddy'll have to get himself a new wife."

CORNING: CITY OF ARTISTIC ENDEAVOR

Drifting over the valley in motorless flight, my physicist-pilot, Marshall Hudson, banked to give me a better view of the Chemung River and the two major southern-tier cities it bisects: Corning and Elmira. In 1972 a flood raged through both communities, leaving in its wake a billion-dollar disaster.

"Statistically, it shouldn't have happened," Marshall said as he spiraled lazily in an updraft. "But then, if you put one foot in the oven and one in the freezer, you are—statistically—comfortable."

At Corning, a sudden flood topped river dikes, crippling the major industry—Corning Glass Works and its artistic affiliate, the Steuben Glass factory. But they, like the city, recovered rapidly, improving as they rebuilt.

Mixing sand with imagination, Corning continues—as it has for well over a century—to make glass do things common sense says it can't. Which gives the firm a staggering product line of some 60,000 items.

Greatest crowd-pleasers in the Corning complex are Steuben's "glory hole" gangs. Teamed around fiery, gas-fed furnaces, they

nonchalantly blow, spin, press, and trim gobs of molten crystal into gleaming works of art. One delicately cut design, in limited edition, sells for $7,000; the engraving alone takes more than a month of working hours.

"That's one reason for holding down the 'print run,'" said design coordinator Jack Hultzman, a third-generation glassmaker. "An engraver would climb the wall if he had to do the same design over and over again."

His educated eye picked out an almost invisible imperfection in a three-hundred-dollar vase of superb sparkle and simplicity. I thought about buying it at a markdown; none of my friends would notice the flaw.

"Smash it!" Jack ordered, and my hopes shattered with the glass. Steuben is as likely to let a "second" slip into circulation as Tiffany's is to put in a notions counter.

BATTERED CITY GETS BACK ON ITS FEET

Twenty miles to the southeast, Elmira still dreams of the comeback Corning has already made. Here population drops as employment opportunities decline. Bare patches, left by high water and wrecking crews, give the downtown section a dreary, threadbare look that tends to eclipse significant improvements already made and others in progress.

Stanley J. Douglas, a county legislator and effervescent Elmira booster, speaks with optimism about the future. "Without the flood we'd still be talking urban renewal instead of doing it. Sure, we took an awful beating, but we also took a ten-year leap forward in the process. So what's another ten years if the job's done right. We needed more vitality here, more things going on, a more attractive city. And that's what we intend to have."

Elmira will probably fulfill Stan's expectations; people around the Finger Lakes don't discourage easily. For some seventy years, Skaneateles farmers made a big thing out of teasel growing, selling the prickly plants to raise the nap on woolen cloth. Ever since the bottom fell out of the market in the late '30's, one determined villager has been trying to find another use for teasels.

"Might make a back scratcher," he suggested. I tried one and itched for a week. If he doesn't solve the problem, some other Finger Laker may. After all, they figured out that the weed would thrive here in the first place.

JAMES F. BAER HONORED

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. YOUNG of Missouri. Mr. Speaker, the people of St. Louis County have good reason to be proud of James F. Baer, an outstanding Vietnam veteran who led a drive to raise thousands of dollars to help a young man paralyzed from the neck down.

Jim Baer who is sports editor of the St. Louis Suburban Newspapers, Inc., served his country well during the Vietnam conflict and has gone on to serve his community.

After graduating from the University of Missouri-Columbia, Jim entered the Navy in 1967 and worked as a Navy journalist for the next 4 years. He wrote copy for broadcast stations on Johnson Island and then edited the newspaper and magazine and ran the public affairs office on the U.S.S. *Intrepid*.

Last year, Jim found out about 19-year-old Bill Davis, a former football letterman who had been injured in a touch football game in south St. Louis. Bill Davis was paralyzed from the neck down, with little hope of improving his condition.

But Jim Baer was determined to help raise funds that might give Davis some hope of rehabilitation. In a series of newspaper articles and by organizing a fundraising drive, Jim Baer helped raise more than $63,000 from the generous people of the St. Louis area to buy needed equipment for Davis and to send him to a rehabilitation center.

In recognition of his efforts, I presented Jim Baer with an award this month as the outstanding Vietnam-era veteran in my district. The competition was sponsored by the "No Greater Love" organization, which has honored outstanding veterans across the country. After the outstanding veterans in each State are chosen, 10 national finalists will be flown to Washington, D.C., to receive top awards.

We need more men like Jim Baer, and I commend the "No Greater Love" group for its efforts in giving well-deserved recognition to them.

BACKBONE NEEDED ON AFRICA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. CRANE. Mr. Speaker, on April 13, 1977, the Washington Star printed an article by Mr. Carl T. Rowan entitled "Backbone Needed on Africa." I found Mr. Rowan's evaluation and criticism of the U.S. attitude toward Africa precise and thought provoking. A "Vietnam-blind" America has, in fact, isolated itself into believing that anything more than distant observation would be tantamount to imperialism and that "emergent" African nations will become stable in the process of replacing past realities of colonial Africa through a sense of "nationhood." But Africa is fertile, manipulable soil for Soviet intervention. A persistent and highly visible Soviet presence in Africa is assumed to be stabilizing and legitimate, according to our U.N. Ambassador. The truth of the matter is that passive acceptance of the Soviet threat to isolate the West and the United States from the Third World, its resources, and its markets, encourages the Soviets to create further instability in Africa. We must not and can not continue to ignore the Soviet presence in Africa in the hopes that they, too, will become isolationists.

The article follows:

[From the Washington Star, April 13, 1977]

BACKBONE NEEDED ON AFRICA

(By Carl T. Rowan)

A few days ago, when Soviet President Podgorny and Cuban President Castro were leaving Africa, an African diplomat went to the State Department and asked:

"What are you Americans going to do to stop the Russians in Africa?"

This very same diplomat in previous years had twitted and scolded Americans for "always reacting to the Russians."

His State Department visit was ironic evidence that the Africans have become aware of something that Vietnam-blind Americans are slow to see: the Soviets are moving vigorously all over Africa to exploit every possible conflict while the U.S. is mesmerized by fears of "another Vietnam."

The Russians are scoring substantial successes by giving Africans, not the food, medicine, schooling that they need, but only arms with which to kill each other.

What the Soviet Union did in Angola, with the help of Cuban troops, is now known to all the world. But few Americans seem to understand that the Russians have made inroads in Somalia by providing 76 MIG fighters, rockets, tanks and other weapons; that the Soviet Union helps keep Idi Amin in power in Uganda by providing him with at least 50 MIGs and by replacing the planes and other armaments which were destroyed in the Israeli raid on Entebee; that, again using arms as a diplomatic tool, the Soviets took away the heavy influence that the People's Republic of China had in Mozambique, and the Russians are now making a move on Ethiopia.

And, of course, the Soviets have provided arms to Cuban-trained rebels who are trying to capture the copper-rich Katangan area (Shaba province) of Zaire.

The Soviet Union has always regarded Zaire as strategic. In 1961 the first "crisis" I got enmeshed in as a new State Department official was the effort of Moise Tshombe and his Katanga buddies to secede from Zaire, then called the Congo.

Ironically, the forces now trying to grab Katanga with Soviet and Cuban support were the darlings of U.S. conservatives and Belgian mining interests in the early 1960s. The only thing that remains constant is that the Soviet Union is there, encouraging warfare, dismemberment and economic chaos for Zaire, hoping to pick up the pieces and fit together a colossal Soviet beachhead in the heart of black Africa.

Zambia's President Kenneth Kaunda has told U.S. officials that he is deeply upset over the prospect of further Soviet encroachment into Africa. Nigeria, Africa's most populous country, is also concerned, for Nigerians know that the territorial integrity of African countries is at stake. Nigerians fought a civil war to prevent the secession of Biafra, so they and other Africans do not look kindly on efforts to rip the richest part of Zaire away.

Nigerian officials have been running from Lagos to Kinshasa to Luanda, carrying on a traditional African "palaver" to try to halt the fighting in Zaire. Moroccan officials have become concerned enough to send troops to help President Mobutu Sene Seko's Kinshasa government to beat back the rebels.

Meanwhile, the U.S. just licks the scars of Vietnam and watches in virtual impotence as the Soviets operate. U.S. officials remember that when Kenya realized her not-too-friendly neighbors, Somalia and Uganda, were loaded with MIGs and other Soviet arms, the Kenyans cried, "Help!" The U.S. agreed to sell Kenya a dozen F-5 fighters, and even this produced howls of disapproval in the Congress and from the new isolationists.

To learn a bitter lesson in Indochina is one thing. But to crawl from over-involvement in Asia to timid impotence everywhere is something else. We can do a lot to keep the Soviets from cheap triumphs in Africa without "wading into another Vietnam."

REPEAL OF OSHA

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. SYMMS. Mr. Speaker, I have but another example of the widespread har-

assment by OSHA's rampant power. In an article appearing in the Tulsa Daily World last week, the president of the Oklahoma Farm Bureau stated that the proposed health standards for cotton dust could force the closing of a number of cotton gins in Oklahoma. He further stated that the industry standard of 200 micrograms of cotton dust per cubic meter of air "is neither technologically nor economically feasible for cotton gins to meet."

As you may already know, I have introduced legislation to stop this flagrant interference on the part of the Occupational Safety and Health Administration. H.R. 1348 seeks a repeal of the Occupational Safety and Health Administration Act of 1970 on the grounds that the act does not fall within the responsibilities assigned by our Constitution to the Federal Government.

The bill has received wide support from American farmers. In fact, at the 58th annual meeting of the American Farm Bureau Federation, its members gave H.R. 1348 their full support. Furthermore, the U.S. Supreme Court has agreed to hear the case of an Idaho man and the problems OSHA has made for him. As a result, OSHA's responsibilities and jurisdiction are being questioned.

I urge my colleagues in the House to investigate and become knowledgeable over the problems OSHA is creating. The list of its arbitrary standards that have had adverse effects on our Nation's economy grows daily. I believe it is high time Congress does something about this interference.

The article follows:

OSHA RULES THREATEN GINS

OKLAHOMA CITY.—Proposed health standards for cotton dust could force the closing of a number of cotton gins in Oklahoma, the president of the Oklahoma Farm Bureau has told the Occupational Safety and Health Administration (OSHA).

Jim Lockett, an Osage County rancher, said the proposed industry-wide standard of 200 micrograms of cotton dust per cubic meter of air in all industry operations except harvesting "is neither technologically nor economically feasible for cotton gins to meet."

"We view these proposed standards with alarm," Lockett said. "Similar standards in other industries have had disastrous effects. As an example, the Mine Safety Act and the EPA regulations closed 22 per cent of the coal mines of the nation in 1970—at the very time we needed more production of coal."

"Cotton gins are an integral part of Oklahoma's agricultural production process. The best available technology for reducing dust levels in cotton gins would cost the industry more than $580 million, according to engineers. This figures out at approximately $180,000 per gin," Lockett said.

Most cotton gins in Oklahoma couldn't afford an expenditure of that size, he said, and "would simply have to close down their operations."

Lockett also said that even though some medical people feel that cotton dust is a contributing factor of byssinosis, a respiratory disease, no case of byssinosis has ever been diagnosed as a result of exposure to cotton gin dust.

"The standard shouldn't even apply to cotton gins since it has not been determined that the actual health hazard exists.

"The list of arbitrary government standards that have had adverse impact on our nation's economy grows daily," Lockett said in his statement to OSHA. "We suggest there must be additional research on the cause of byssinosis before such sweeping changes are ordered.

"At this time, we recommend the proposed cotton industry standards be withdrawn."

U.S. SUPPORTERS OF IRANIAN TERRORISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. McDONALD. Mr. Speaker, in recent months the Iranian Student Association, ISA, has received considerable favorable publicity in the mass media for its claims of "persecution" for "merely opposing the Shah." For example, Jack Anderson whitewashed the ISA as a "dissident student group" which is as accurate as describing the Symbionese Liberation Army/New World Liberation Front as being a prison reform organization.

As I have documented previously—CONGRESSIONAL RECORD, May 22, 1975 and October 20, 1975—from the ISA's own materials, the Iranian Students Association is the U.S. branch of the Confederation of Iranian Students, National Union, active throughout Europe, which is fanatically Maoist in ideology with elements of Islamic extremism as well. ISA and the CISNU are support groups for several Maoist terrorist groups operating in Iran.

On August 28, 1976, three U.S. citizens were gunned down in Teheran by terrorists. They were civilians employed by Rockwell International which has a contract with the Iranian Government. The previous year, two U.S. Air Force officers were murdered by terrorists in Teheran. In both cases, when Iranian authorities tracked down the terrorists, they were discovered to have connections with the overseas Iranian Students groups.

In November 1976, evidence of the Iranian Students group's involvement in international terrorism developed when the Reza Rezai Movement, named for an Iranian terrorist leader killed in 1973, took credit for the attempted assassination of an Iranian Embassy official in Paris. Two CISNU leaders have been charged with the attempted murder; one of them, Nader Oskoui, had been studying in the United States and was active with the ISA.

The Iranian Students Association has compiled a record in several U.S. cities as militant "cop-fighters." In San Francisco, the terrorist Red Guerrilla Family, RGF, in an expression of "proletarian internationalism" bombed the Iranian consular offices which have been the target for numerous ISA demonstrations and attempted takeovers.

In March, on the CBS "60 Minutes" program, the Chicago police were accused of "spying" on the ISA. According to the Chicago Daily News, March 7, 1977, a deputy police superintendent named Michael Spiotto denied any interest in the Iranian Students Association saying the police "Would not have any reason to have any interest in this group." What Spiotto was saying, in fact, is that Chicago law enforcement authorities have no interest in protecting the citizens of Chicago from street disturbances, no interest in protecting foreign consular property, no interest in protecting Iranian officials who visit Chicago, and no interest in monitoring the local activities of an internationally active terrorist support group which is apparently directly involved in terrorism itself.

An excellent article on support for Iranian terrorists in this country appeared in the April 22 edition of the Information Digest, a newsletter on security and terrorist matters, which I commend to my colleagues, with the comment that the ISA would be a worthy subject for a full investigation by a reconstituted House Committee on Internal Security.

The article follows:

IRANIAN TERRORIST SUPPORT

The "human rights" issue is being manipulated by a number of Marxist-Leninist groups in order to gain support for revolutionary armed struggle against several pro-U.S. governments with varying ratios of authoritarianism and civil liberties. One of the chief targets of the human rights advocates is Iran, an oil-producing, strategic key to the Middle East which has a two thousand mile border with the Soviet Union on its north and east, and borders Soviet-allied Iraq on the west.

The Iranian Students Association (ISA) is the principal U.S. organiaztion supporting armed struggle in Iran. The LSA is the U.S. branch of the World Confederation of Iranian Students (National Union) (CISNU) based in West Germany and with chapters in several European countries. The ISA and its parent group have vocally and physically supported terrorism both in Iran and against Iranians abroad. In November 1976 the CISNU apparently became involved in acts of transnational terrorism. On 11/2/76 an Iranian diplomat was shot and wounded in Paris. Responsibility for the shooting was claimed by the International Brigades which had in 1975 assassinated the Turkish consul general and in 1976 murdered the Venezuelan ambassador. French police arrested CISNU leaders Reza Takbiri and Nader Oskoui and charged them with the attempted assassination. Four other CISNU leaders were deported from France to Sweden. Oskoui had been studying in the U.S.

In response to the arrests, ISA held a violent demonstration at the French consulate in Houston in which 91 ISA members were arrested.

In December 1976, ISA and the closely associated Revolutionary Organization of the Tudeh [masses] Party [a Maiost terrorist split from the pro-Moscow Tudeh Party of Iran] issued statements condemning the deaths in shootouts with Iranian security forces of 8 "revolutionary patriots" and the arrests of 12 others. One of those killed in the fighting was Parviz Vaez Zadeh, a member of the ROTP Central Committee. In a leaflet headed "8 Patriots Murdered * * * Condemn Shah's Fascism in Iran," ISA stated that Vaez Zadeh "had been an active member of the * * * CISNU" who had "continued and further promoted the struggle upon returning home * * *. Vaez Zadeh was the fourth ex-member of CISNU to be murdered this year under torture or by the Shah's troops."

The ISA also noted that "Safaii, Boroumand and Soleimani, all ex-members and ac-

tivists of CISNU continuing revolutionary struggle inside Iran, were captured and tortured to death last April (1976)." However a press release from the U.S. branch of the Iranian Maoist Revolutionary Organization of the Tudeh Party, which states its address as A.B.P., P.O. Box 40063, Palisades Station, Washington, D.C. 20016, noted the three were killed in a gun battle, that Khosro Saffaii was a member of the ROTP Central Committee, and that the other two were "comrades of our organization."

With chapters in New York City, Baltimore-Washington, Chicago, Houston, and the Bay Area of California, ISA publishes a newsletter, Resistance, from P.O. Box A3575, Chicago, IL 60690; and operates an ISA Defense Fund at P.O. Box 4000F, Berkeley, CA 94704. ISA has its New York offices at 2 W. 31st Street, Room 200, New York, NY 10001 (212/560-9189).

ISA has received considerable attention in the press and on the 60 Minutes program of 3-6-77 for its claims of harassment in the U.S. by the Iranian intelligence agency, SAVAK (Sazemani Etlaat Va Ammniat Keshrar—State Security and Information Organization). In an interview with Mike Wallace on CBS-TV's "60 Minutes" last fall, the Shah of Iran candidly stated that SAVAK was to "check up on anybody who becomes affiliated with circles, organizations hostile to my country."

ISA has proceeded to claim that the police departments of most of the cities where ISA has chapters and has conducted sometimes violent demonstrations are "agents of SAVAK." According to the 3-6-77 "60 Minutes" production, Chicago police "spied" on ISA, an allegation then denied by First Deputy Police Superintendent Michael Spiotto who was quoted by the press as stating Chicago law enforcement "would not have any reason to have any interest in this group."

Certainly those concerned with the operation of an internationally active revolutionary Marxist-Leninist terrorist-support organization composed principally of foreign nationals in the U.S. have great reason to have an interest in the ISA.

In the aftermath of its ideological split in 1974, the ISA maintains the Maoist orientation of its favored ROTP. However, Peking's recent support of the Shah of Iran as a counter to Soviet expansion into the Indian Ocean and Middle East has undercut ISA to some extent. However it is using the "human rights" issue to maintain high public visibility.

ISA works closely with the Revolutionary Communist Party (RCP), but also accepts support from the independent Trotskyite Workers World Party (WWP) and its Youth Against War and Fascism (YAWF) cadre. On 2-15-77, ISA and the Revolutionary Student Brigade (RSB), the youth group of the RCP, staged a sit-in at the Statue of Liberty demanding that the ISA members arrested in Houston not be deported. It has cosponsored a number of demonstrations with other "third world liberation movements" such as the Eritreans for Liberation, the Organization of Arab Students, and the Organization of terrorism in February 1977.

ISA demonstrated its continuing support of the Washington-Baltimore ISA chapter and YAWF celebrated the Siahkol Night (2-8-71), the "Anniversary of the launching of the armed struggle in Iran * * * under the leadership of the Organization of Iranian People's Fedayee Guerrillas (OIPFG) and the Organization of Mujahedeen of the People of Iran (OMPI)," territorist derivatives from ROTP.

The ISA has maintained a feud with the Iranian Trotskyists whom it expelled from ISA some four years ago, and who work through the Committee for Artistic and Intellectual Freedom in Iran (CAIFI), a front of the Socialist Workers Party (SWP). CAIFI is headquartered at room 414, 853 Broadway, New York, N.Y. 10003, which is a part of the suite of offices which forms the headquarters of the New York SWP.

CAIFI developed out of the SWP's effort to prevent the deportation of one of its members in 1972-73, Babak Zahraie. When Zahraie and his supporters were expelled from ISA, CAIFI became the SWP's principal Iranian support vehicle. Chairman of CAIFI is Reza Baraheni who was detained by Iranian authorities for 102 days in 1973, then released.

As customary, the SWP had a workshop on defending "Iranian Political Prisoners" at its 1976 national convention led by John Benson, for several years the SWP's representative at the Fourth International's Brussels headquarters and a member of the National Committee. Two Iranians, "Ahmed" and "Cyrus," vote with the SWP's faction on the International Executive.

Some of CAIFI's campus meetings have been disrupted by Maoist ISA activists charging that Baraheni is an "agent of SAVAK." During his 1977 speaking tour for CAIFI, Baraheni urged his audiences to "work together so that we can create a public opinion that no administration overlooking the human rights of the people will be able to disregard."

CAIFI has particularly targeted research and other academic contracts between various U.S. universities and Iran's National University and government. Among the many recent CAIFI panels on "Political Repression in Iran" have been:

February 17, 1977—panel at the University of Pennsylvania, Philadelphia; cosponsored by Amnesty International's Philadelphia chapter, the Iranian Student Society (ISS), and the National Black Feminist Society. Panelists included Baraheni; Clare Fraenzl, an SWP member who is vice president of liaison of the Philadelphia chapter of the National Organization for Women; and Penn professors Sonia Sanchez and Norman Glickman.

April 12, 1977—George Washington University, Washington, D.C. Panelists included Baraheni; Bahram Atai, another CAIFI leader; Livette Echolz; I. F. Stone; and Morton Halperin of the Center for National Security Studies and Campaign to Stop Government Spying.

A principal goal of both the ISA and CAIFI is using the political prisoner issue to persuade Congress to end arms sales to Iran. CAIFI and ISA both use Amnesty International figures claiming 100,000 political prisoners currently incarcerated in Iran. The figure represents one out of every 250 people in Iran—a ratio considered unsupportable in even an advanced economy.

FEDERAL COURTS GIVE HEROIN DEALERS A SHOT IN THE ARM

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. DORNAN. Mr. Speaker, I have recently learned of some frightening statistics on heroin use in our country. Addiction is continuing at epidemic proportions: There are over one-half million full-time addicts at present and nearly 2,000 Americans were killed from overdoses last year alone. My county of Los Angeles leads the Nation in importing this poison.

But more shocking still is the evidence that efforts to stop the flow of heroin into this country are largely ineffective. The flow is too great and the Federal courts do not appear to be supporting with stiff sentences the fine efforts of our overworked drug enforcement officials.

These and other facts are related in the April issue of Reader's Digest in an article entitled "New Kings of Heroin."

The "new kings" are those who have stepped in to fill the void created by the breakup of the infamous French Connection and the temporary cessation of production of heroin in Turkey. The new traffickers were able to establish a new heroin smuggling network in a matter of months after the dismemberment of the French Connection. Their bases of operation—and prime sources of opium—are Mexico and Southeast Asia.

It is clear that America's heroin habit is being fed as easily as ever and is growping with alarming rapidity. But, remarkably, our efforts to eradicate or control this plague are pathetically insufficient. Because of budget cuts, the Internal Revenue Service has diverted to other areas special funds that were to be used in detecting traffickers' illegal profits. Moreover, the so-called privacy statute has severely hampered efforts to investigate illegal profits of suspected offenders.

The problem is here in the United States and it is here that it should be dealt with. Efforts to stop the source have not succeeded. The United States has poured nearly $20 million worth of aircraft and technology into Mexico to help that Government eradicate poppy-fields—but the results have been negligible. As one drug enforcement official was quoted as saying:

We could double the size of this agency, but it would not make that much difference. The problem is here in the United States . . . There are just no effective deterrents for drug traffickers here.

Why are there no effective deterrents? The Reader's Digest article, lays the blame squarely where it belongs: on the Federal courts. The courts—with some distorted notion of protection of criminals—have made a travesty of justice. The few examples listed in the article give some idea of the extent of this travesty: 2,000 arrested drug traffickers in Mexican heroin released by the Phoenix U.S. Magistrate, Richard C. Gromley; a Baltimore judge suspended all but six months of a 15 year sentence of a major trafficker; a heroin dealer who attempted to shoot and then bribe an arresting officer and later pleaded guilty was put on 2 years probation in New York.

Is it any wonder that heroin smugglers are undaunted in their efforts to flood America with heroin? The profits are immense—and virtually tax-free—and the risks are minimal.

Mr. Speaker, so my colleagues may learn of the extent of the growth of heroin use in the last few years and can give some serious thought to who is to blame, I call their attention to the text of the Reader's Digest article:

NEW KINGS OF HEROIN

(By Nathan M. Adams)

At least 1700 Americans died last year from heroin overdose. And the figures have been rising steadily. Indeed, despite the crackdown on Turkish-grown and French-manufactured heroin—largely responsible for the "heroin crisis" in the late '60s and early

'70s—the problem, unless checked, threatens to become worse than ever. In New York City, police estimate that 100,000 addicts inject 120 pounds of heroin into their veins each day. Once limited to the squalid inner cities, heroin abuse has branched out. Nationally, there are more than a half-million full-time addicts, approximately 20 percent of whom support their habits through crime.

Is heroin a permanent habit in American society? Or can it be broken?

As late as 1974, many experts believed that the siege had been ended. Diplomatic pressure had enlisted the support of France, and the mighty "French Connection" was broken. Next, Turkey, the world's largest producer of opium poppies, was persuaded to cease its centuries-old production.* Within months, the supply of heroin on U.S. streets was cut by more than 50 percent in some areas. The battle, claimed Washington, had been won. It was not.

What, then, has happened? "Congress and the American public deluded themselves into thinking that the problem was solved," says Peter Bensinger, director of the Federal Drug Enforcement Administration (DEA). "A temporary void was created. But that void has been filled."

Who are the new traffickers, and how have they managed to take over heroin smuggling in so brief a time? To find out, The Reader's Digest interviewed dozens of narcotics intelligence officials here and abroad. The result is a chilling glimpse into a multi-national chain of organizations whose profits in the United States alone are up to $10 billion. (See box, page 121.) The products? Misery and death.

ROAD FROM DURANGO

There are nearly 25,000 individual opium-poppy crops under cultivation in Mexico. Some cover no more than an acre, where the opium grows hidden among other crops of maize and tomatoes. DEA authorities estimate that there are six separate organizations that control production and smuggling of an estimated ten tons of pure heroin into the United States from Mexico each year. (After this heroin is "cut" and "recut," it grows to 100 tons when it reaches the street, but it has been diluted to ten percent of its original purity.)

The largest single source of Mexican heroin is the Herrera family, of Durango, one of the wildest, most remote states in the country. The Herreras are no strangers to American narcotics agents—they have been in the heroin business for nearly 20 years. And the business has never been better. Today, DEA officials estimate, this single organization controls a major part of the lucrative Chicago market, and is expanding to Boston, New York, Baltimore, Washington, Miami, San Juan and Los Angeles. Its annual profits: $12 million.

What is unique about the Herrera family is the absence of middle men—the Herreras control their product from the poppy fields until it is cut and sold to a "retailer" in Chicago, one step from the street. Thus, most of the profits remain in the family. Agents have identified nearly 300 Herrera relatives now living, legally and illegally, in the United States.

In 1974 and 1975, agents arrested 57 Herrera family members, most on narcotics charges. Last year, in the first six months, 26 more were arrested. "All they do," says one officer, "is send up another cousin or brother-in-law to replace a loss, and it's business as usual."

The top command post for the Herrera family ties some 1500 miles south of Chicago amid the dusty, rutted streets and tin-roof shacks of Victoria de Durango, capital city of the state of Durango. It is said in the smoky cantinas of small Durango towns that the government of Mexico does not own Durango, the Herreras do. Indeed, to ensure the security of the family's business, Carlos Herrera, a key figure in the organization, allegedly has given the governor of Durango an airplane, a villa and a stipend of 500,000 pesos a month (approximately $10,000). Occasionally, police make an arrest. But not often.

The "godfather" of the family is 60-year-old Jaime Herrera, a former police sergeant himself. A distinguished-looking man with iron-gray hair, Herrera watches over the seven laboratories in Durango where the heroin is refined.

Several times each week, in small garages in Durango, Herrera courier automobiles are painstakingly loaded with heroin for the long drive north of the border. The drivers, often paid as much as $5000 for the trip, then ferry the shipment to Chicago, where the heroin will be removed from door panels, spare tires, even drive shafts. Without advance warning, these shipments are all but impossible to stop.

How did the Herreras become so powerful? "Simple," says a Los Angeles DEA agent. "After the French were driven from the business, there was an insufficient supply. The Herreras foresaw this and were ready. With their network of relatives in this country, it was easy."

SECRET SOCIETIES

Southeast Asian sources were also ready. One typical heroin-trafficking network began in the late 1940s in Canton, China. There, behind bolted doors, a dozen or so men met to revive the triad (secret societies) movement of the 1600s, which had plotted to overthrow the hated Manchu Dynasty. The name they adopted was the address they use as headquarters—14. Later, the society called itself 14-K—K as in karat.

In time, the 14-K Society abandoned its original goals for criminal activities, including heroin trafficking. It is based in Hong Kong, and its tentacles today reach from Bangkok, Thailand, and Singapore to Amsterdam, Frankfurt, Seattle, Los Angeles and New York. Worldwide, there may be as many as 8000 hard-core members. And the 14-K Society is not alone; it is but one of a myriad of secret organizations which control the underworld in Chinese communities throughout Asia.

Typically, a shipment of heroin begins its journey in the "Golden Triangle" area of Burma, also known as the Shan Plateau. Harvested by Shan tribesmen, the opium crops are under the protection of private armies—remnants of defeated Nationalist Chinese divisions driven into Burma in 1949. The commander of the largest of these "armies"—the 3rd Division, Chinese Irregular Forces (CIF)—is a former Nationalist general, Li Wen-huan. A heavy-set man, with brooding features, he may well be the biggest single heroin trafficker in all of Asia.

At harvesttime, Shan poppy farmers carry the opium to trading stations operated by Li Wen-huan and barter it for gold trinkets, rice and weapons. At one of these posts, Pan Pi, is a heroin-processing factory capable of producing 220 or more pounds of pure heroin each week. Once refined, the drug is packaged in plastic bags and carried by mules and horses down tortuous jungle trails to the Thai border. Seldom do the border guards intervene—most have been bribed or are outgunned by the caravan's guards.

From northern Thailand, the heroin is shipped south to Bangkok by train, train and, frequently, via Thai army helicopters whose pilots are paid $200 to transport the drug. Within days of its arrival in Bangkok, the heroin, now repackaged into smaller lots, is turned over to couriers recruited by the society in Hong Kong. Recently, these couriers, paid as much as $10,000 per trip, have been non-Orientals, many of them unemployed, deep in gambling debts. One, a Canadian arrested by Danish police last April in Copenhagen, had been smuggling heroin from Bangkok to Europe, Canada and Australia, using a false-bottom golf bag which contained nearly ten pounds of the drug. He confessed that he had smuggled nearly 40 pound of heroin from Bangkok in six months.

What has enabled triad societies to operate largely free of police interference? "Secrecy," explains a DEA intelligence man in Seattle. "When you arrest a member, he does not cooperate." And for good reason. When a member is initiated, he is told that if he breaks his vow of silence, his entire family will be killed. It is not an empty threat.

OUR PROBLEM

Unfortunately, organizations such as 14-K and the Herreras are just the tip of the trafficking iceberg. The DEA reports that 14-K, for example, is one of many secret societies shipping drugs to the United States from Amsterdam and Bangkok. In addition to the Herreras, the DEA has targeted no fewer than 61 traffickers in Mexico, many capable of shipping just as much heroin. In Los Angeles, federal agents have discovered a vast Thai trafficking ring called "The Thai Mafia" which is funneling heroin to and through Southern California from Bangkok.

Meanwhile, in New York City, organized crime has made a decision to regain its share of the heroin business lost to inner-city blacks, say DEA officials. Already, contacts have been made between Carmine Galante family members and Bangkok suppliers like 14-K.

Clearly, America's heroin habit is back—and on the increase. And once again, law-enforcement agencies are unprepared. For example, the DEA has had three administrators in as many years. Agents in the front lines are dispirited, unsure of policy.

In Washington, because of budget cuts, the Internal Revenue Service (IRS) has diverted to other areas special funds that were to be used in detecting traffickers' illegal profits. Even worse, the IRS is now restricted under privacy-act regulations in its probing of illegal profits by suspected offenders. Thus, enforcement efforts against major traffickers can be crippled.

Internationally, the United States has poured nearly $20 million worth of aircraft and technology into Mexico to help the government eradicate poppy fields. But the heroin continues to flow north. "We could double the size of this agency," says a DEA agent in Los Angeles. "But it would not make that much difference. The problem is here in the United States. The addicts are ours—not Mexico's or Thailand's. There are just no effective deterrent for drug traffickers here."

GREEN LIGHT

Why no effective deterrents? Quite simply, the courts have made a travesty of justice. Consider the following:

In early October 1976, the DEA launched a massive nationwide roundup of traffickers in Mexican heroin. More than 2000 arrests were made, 109 in Phoenix, Ariz., alone. There, U.S. Magistrate Richard C. Gormley—who has referred to DEA agents as "night raiders"—released most of those arrested in one 48-member conspiracy, all without bail. Phoenix DEA head Phil Jordan says that, while awaiting trial, a large number returned to the heroin business.

In Baltimore, Md., a major violator was convicted of selling five pounds of heroin and sentenced to 15 years. With no explanation, the judge then suspended all but six months of the sentence. And in New York recently, a heroin dealer first attempted to shoot arresting federal agents, then tried bribery. Indicted on five charges, he pleaded guilty and drew two years' probation.

These cases are but a meager sampling. With such non-existent justice, it is small

*Last year, Turkey resumed opium-poppy production with strict controls.

wonder that the traffic is surging back to pre-1970 levels. Can anything be done? Here are some steps which should be taken at once:

1. Clearly, Congress must clarify the criteria under which major traffickers should be awarded bail. Currently, the federal Bail Reform Act considers only one factor—whether an offender will return for trial. The fact that he will continue trafficking while on bail is ignored. Says U.S. Judge Carl Meucke of Phoenix, known for his tough position on traffickers: "It's up to Congress to provide magistrates and judges with alternative criteria for bail."

2. The DEA—with its three different directors in three years and three different sets of policy—has had little, if any, top-level direction from the White House. The new Administration must make a commitment to stabilize the agency.

3. Generally, U.S. magistrates set bail for federal drug-law violators. Appointed by federal judges, sometimes as a patronage gesture, they should all get special training to recognize and deal more stringently with major traffickers who tend to take advantage of leniency.

Nothing, however, will be effective without a serious commitment by the new Administration to renew the war on heroin. Otherwise, it will be clear that the United States intends to tolerate heroin traffic, addiction and the resulting high incidence of crime. Already, international traffickers have read the signals—and they are all green.

CITIZENS SPEAK OUT AGAINST OSHA

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 25, 1977

Mr. HANSEN. Mr. Speaker, for some time now, many citizens have considered the Occupational Safety and Health Act to be an unconstitutional and unwarranted intrusion into their private lives and businesses. In the heat of debate over the constitutional and philosophical issues involved in this controversy, I believe there is a danger of depersonalizing the problems of the small businessman, the farmer, and the individual worker whose business or job is threatened by the excesses of OSHA.

Correspondence has been received from all parts of the Nation on this problem and these messages constitute a poignant reminder of the anger and despair which OSHA has caused. They also demonstrate the determination of the people to fight this ill-conceived and miserably executed plan which threatens the integrity of the free enterprise system and jeopardizes our individual liberty without making any solid contribution to the health and safety of the Nation's work force. Excerpts from the correspondence follows:

THREAT TO FREE ENTERPRISE

You are doing a tremendous job in the fight against OSHA. I support you all the way in doing away with this unrealistic government harassment.

Our safety is not worth losing our freedom. The free enterprise system cannot survive under such laws.

May I congratulate you on your efforts against OSHA. I give you my support in helping rid ourselves of this destroying government agency.

Security is not worth losing our freedom. We and the free enterprise system cannot survive under such laws.

POLICE STATE

If the police state enforcement provisions of this act are allowed to expand too much further, all legitimate business in America will be wallowing so deep in bureaucratic quagmire that our economy will collapse.

Thank you for your courageous stand against the dictatorial tactics of OSHA. . . I would further support outright repeal of this police state bureau.

OSHA VIOLATES CONSTITUTION

Thank you for your patriotism and respect for the Constitution of your native land. . . You have rightly concluded that OSHA's activities violate the basic principles of the Constitution of the United States of America. What OSHA is doing is the kind of thing that has been done in Soviet Russia, Red China and Hitler's Nazi regime.

LACK OF DUE PROCESS

More power to you for your efforts to control OSHA. We have been appalled by the unbridled authority of this organization. It is equalled only by the Bureau of Internal Revenue. The printed rules and regulations of both organizations are equally mind-boggling. Their awesome authority permits bringing an establishment to a grinding halt without due benefit of counsel. This is contrary to the liberty that this country stands for.

We are not being dealt with according to our established system. We have been charged with wrongful acts, tried and found not guilty by judges, but the charges have not been dismissed. We have been accused of wrongful acts but have been denied trials by jury even though the Constitution of our great country guarantees this right.

BLATANT HARASSMENT

We . . . suffered an inspection at the hands of OSHA which lasted eight days of eight hours each and an eighty-three page complaint of citations. While the complaint is being contested and while a pre-trial hearing was pending yesterday, four more OSHA inspectors appeared and they were refused admission pending resolution of the present citations . . .

We protest this action of OSHA as blatant harassment and invasion by the government . . . we have complied with all regulations; however, we are now confronted with additional unnecessary inspections and need your assistance.

OSHA SHOULD BE ABOLISHED

Please accept my sincere thanks for your work opposing the OSHA. Such organizations as this are organized by Congress, probably with the best intentions, but then they are turned loose on their own and the hunger for power is overwhelming and they become corrupted from top to bottom.

I think this outfit ought to be abolished completely and start over again. Personally, I feel no inclination to apply for their protection . . .

BUREAUCRATIC BLACKMAIL

We appreciate hearing of your continued efforts to bring OSHA under some kind of restraint from the continued harassment of business. We are sure OSHA recognizes that their appeal procedures, more often than not, make it cheaper for a company to pay the penalties rather than appeal. This amounts to bureaucratic blackmail!

DANGER TO BUSINESS AND THE NATION

The stories of incredulous stupidity continue to mount concerning the arbitrary, dictatorial antics of the OSHAcrats. They seem to be united in a program of destruction of all business activity . . . If anyone complied completely with the insane regulations exacted by this organization, nine out of ten companies or individuals would go broke.

All America is confused with the way standards are written and the enforcement of the same. It appears that OSHA must be curtailed. It was created in good faith by our U.S. Congress to protect and preserve human life. Instead, like many other agencies, it has created a home for the opportunist to be protected while flexing their muscles to the American people.

If this monster continues to grow and fester, it will tend to crumble the internal mechanism of our nation and will place America in an ideal position for communist take-over.

WORKERS OPPOSE OSHA

Today . . . we were issued our protective "hard hats" . . . the company is in the business of manufacturing mining equipment. And, although we don't like them, we have no choice but to wear them, or suffer termination of our jobs . . . At this point, no one seems to know for sure how to fight OSHA. Everyone feels it is like fighting city hall. But, as I have told many of the men, I may be forced to wear a hard hat to keep my job, but I will never stop fighting OSHA.

. . . the company intends to close one third of their plants because of OSHA and government regulations . . . my bulk plant is one they intend to close . . . I have been with the company for thirty-three years and I'm sixty-one years old. I would certainly like to continue for just a few more years . . .

LEGAL JARGON AND LOBBYISTS

Confusion exists within the OSHA heirarchy . . . which means that the majority of compliance is controlled by legal jargon and lobbyists with disregard for the need for protection of life and health.

As a typical example, at our little factory with less than twenty-five workers, we were fined on several petty accounts:

1. a wastepaper basket without a lid
2. two counts on a small house fan belonging to an elderly lady accountant
3. improper guard
4. fan was not four feet off the floor

OSHA IGNORES FREEDOM OF INFORMATION ACT

The Department of Labor, however, does not feel that the Freedom of Information Act has anthying to do with them. Even though I have requested from the Department of Labor specific documentation pertaining to me and my corporation, I have received a letter, from which I quote as follows:

"The above mentioned records are not furnished to you for the reason that such records are within the category of law enforcement files or law enforcement records compiled by law enforcement policies as defined by 29 CFR Section 70.27 of the Department of Labor Regulations.

"Disclosure of such records to any person could:

1. Interfere with present enforcement proceedings and;
2. Disclose investigative techniques and procedures of the compliance officers of the Department of Labor . . ."

"I did not realize that the Department of Labor had the same type of law enforcement operation as the Gestapo. . . . I think that their refusal to release the type of information is an affront to the Members of Congress

who passed the Freedom of Information Act. Obviously the Department of Labor feels that it cannot be touched by anyone while disrupting private industries."

OTHER REMARKS

My business is a rural gasoline distributorship. It is a good business and I have just completed my twenty-fifth year following my father who began the operation in 1929. The atmosphere I work under these days approaches a bad dream situation. . . . My fear is of the vulnerability that a business such as mine is to the whims of the OSHA, FEA, EPA and only the good Lord knows many more that I'm not aware of . . .

Thanks for your stand against our sometimes mindless bureaucracy. . .. Some people say OSHA is something Stalin could be proud of . . .

And many feel that OSHA is too big to fight. But I keep telling them that if every man felt this way nothing would ever be accomplished. I have vowed that I will fight OSHA as long as God gives me breath. . . .

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 26, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 27

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

8:30 a.m.

Commerce, Science, and Transportation.

Science, Technology, and Space Subcommittee

To hold hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.

235 Russell Building

9:00 a.m.

Governmental Affairs

Governmental Efficiency and District of Columbia Subcommittee

To hold hearings on S. 1060, to restate the charter of George Washington University; S. 1061, to allow continued Treasury borrowing by the District of Columbia; S. 1062, to change the fiscal year of the Armory Board; S. 1063, to allow the issuance of revenue bonds by the District of Columbia for the building of university facilities; S. 1101, to terminate the District of Columbia borrowing authority from the Treasury for sewage works; S. 1102 to allow the District of Columbia to enter into interstate compacts; and S. 1103, to allow the States to sue for taxes in the District of Columbia Superior Court.

Until 11:00 a.m. 5302 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Environment and Public Works

To consider proposed Clean Air Act Amendments, committee budget, Disaster Relief Act amendments, and S. 1279, the Community Emergency Drought Relief Act of 1977.

4200 Dirksen Building

Human Resources

Subcommittee on Labor

To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related medical conditions.

Until noon 4232 Dirksen Building

Veterans' Affairs

To hold hearings on S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.

Until 12:30 p.m. 318 Russell Building

10:00 a.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Judiciary.

S-146, Capitol

Appropriations

Transportation Subcommittee

To continue hearings on propcsed budget estimates for fiscal year 1978 for the Urban Mass Transportation Administration.

1224 Dirksen Building

Energy and Natural Resources

To consider pending calendar business.

3110 Dirksen Building

Foreign Relations

Foreign Assistance Subcommittee

To meet with Representative Findley, Ranking Minority Member of the Subcommittee on Europe and the Middle East of International Relations Committee, to discuss the implementation of title XII of the Foreign Assistance Act.

6202 Dirksen Building

Foreign Relations

International Operations Subcommittee

To hold hearings on proposed fiscal year 1978 authorizations for the Department of State.

4221 Dirksen Building

Human Resources

Health and Scientific Research Subcommittee

To consider S. 706, to revise and strengthen standards for the regulation of clinical laboratories, and S. 621, 945, and 1217, to establish guidelines for regulating research relating to Recombinant DNA.

Until noon 1318 Dirksen Building

Judiciary

Subcommittee on Juvenile Delinquency

To hold hearings on S. 1021 and S. 1218, to amend and extend programs under the Juvenile Justice and Delinquency Prevention Act.

2228 Dirksen Building

Rules and Administration

To mark up E. 708, to improve the administration and operation of the Overseas Citizens Voting Rights Act of 1976, and to consider proposed authorizations for activities of the Federal Election Commission for fiscal year 1978.

301 Russell Building

Select Indian Affairs

To consider S. 773, authorizing the Wichita Indian Tribe of Oklahoma to file claims against the U.S. for lands taken without adequate compensation; S. 842, to limit to monetary damages the remedy available to the Passamaquoddy and Penobscot Indian Tribes in Maine; and S838, requesting the Court of Claims to review the finding of the Indian Claims Commission in the case affecting the Black Hills portion of the Great Sioux Reservation, South Dakota.

S-126 Capitol

Select Intelligence

To hold hearings with a view to determining whether disclosure of fiscal year 1978 budget figures for Government intelligence activities is in the public interest.

S-407, Capitol

2:00 p.m.

Appropriations

State, Justice, Commerce, Judiciary Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for the Japan-United States Friendship Commission, and the office of the Special Representative for Trade Negotiations.

S-146, Capitol

Judiciary

To hold hearings on S. 1231, to increase authorizations for the Civil Rights Commission for fiscal year 1978.

2228 Dirksen Building

Select Intelligence

To continue hearings with a view to determining whether disclosure of fiscal year 1978 budget figures for Government intelligence activities is in the public interest.

S-407 Capitol

APRIL 28

8:00 a.m.

Agriculture, Nutrition, and Forestry

To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.

322 Russell Building

9:00 a.m.

Governmental Affairs

To hold hearings on the nominations of Gladys Kessler, Robert M. Scott, Robert A. Shuker, Annice M. Wagner, and Paul R. Webber, each to be a judge of the District of Columbia Superior Court.

457 Russell Building

9:30 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1978 for ERDA.

1114 Dirksen Building

Commerce, Science, and Transportation

Consumer Subcommittee

To continue hearings on S. 403, the proposed National Product Liability Insurance Act.

5110 Dirksen Building

Human Resources

Child and Human Development Subcommittee

To consider S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children, and proposed legislation to extend the Child Abuse Prevention and Treatment Act.

Until 10:30 a.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Renegotiation Board, and SBA.
S-146, Capitol
Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building
Energy and Natural Resources
Energy Research and Development Sub-Committee
To resume hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on proposed fiscal year 1978 authorizations for the Nuclear Regulatory Commission.
4200 Dirksen Building
Finance
To mark up proposed legislation authorizing funds for fiscal year 1978 for the U.S. International Trade Commission, and to consider pending nominations.
2221 Dirksen Building
Foreign Relations
International Operations Subcommittee
To hold hearings to receive testimony from representatives of Voice of America.
4221 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To mark up S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act), and S. 904, to establish a center within OMB to provide current information on Federal domestic assistance programs.
357 Russell Building
Select Intelligence
To continue hearings with a view to determine whether disclosure of fiscal year 1978 budget figures for Government intelligence activities is in the public interest.
S-407 Capitol

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

APRIL 29

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

8:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
6202 Dirksen Building

9:00 a.m.
*Select Small Business
To hold hearings on proposed fiscal year 1978 authorizations for programs of the Small Business Administration.
424 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building
Human Resources
Labor Subcommittee
To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related conditions.
Until noon 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Judiciary and FCC.
S-146, Capitol
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearings on rural housing legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Energy and Natural Resources
Subcommittee on Parks and Recreation
To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.
3110 Dirksen Building
Environment and Public Works
Nuclear Regulation Subcommittee
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
6226 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To mark up S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act), and S. 904, to establish a center within OMB to provide current information on Federal domestic assistance programs.
357 Russell Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act Amendments.
4200 Dirksen Building

MAY 2

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275 to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1347, to establish a National Adivsory Committee on Oceans and Atmosphere.
5110 Dirksen Building

10:00 am.
Environment and Public Works
Nuclear Regulation Subcommittee
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building
Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building
Environment and Public Works
Water Resources Subcommittee
To resume hearings on the proposed replacement of Lock and Dam 26, Alton, Ill.
4200 Dirksen Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue mark up of legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

MAY 3

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building

9:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To mark up proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
1224 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation amending the Federal Trade Commission Act.
5110 Dirksen Building
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building
Environment and Public Works
Resource Protection Subcommittee
To resume hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
4200 Dirksen Building

Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:30 p.m.
Banking, Housing, and Urban Affairs
To mark up S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold hearings on the nomination of Fabian Chavez, Jr., of New Mexico, to be an Assistant Secretary of Commerce for Tourism.
6226 Dirksen Building

MAY 4

9:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To continue markup of proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 1 p.m. 1202 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building
Rules and Administration
To hold hearings on S. 1072, to establish a universal voter registration programs; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendations from the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation to amend the Federal Trade Commission Act.
235 Russell Building
Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on H.R. 5306, Land and Water Conservation Fund Act amendments.
3110 Dirksen Building

MAY 5

9:00 a.m.
Energy and Natural Resources
To consider proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building
Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendation of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved.
5110 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 6

9:30 a.m.
*Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation.
Until 2:00 p.m. 4232 Dirksen Building
Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, and 966, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Select Small Business
To hold hearings to investigate problems in developing of timber set-asides.
424 Russell Building

MAY 9

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building
Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

MAY 10

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
5110 Dirksen Building
Environment and Public Works
To mark up proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
4200 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 11

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building
Environment and Public Works
To consider pending committee business.
4200 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building
Rules and Administration
To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act; S. 15, 105, 962 and 966, President's message dated March 22, and recommendations of the FEC submitted March 21.
301 Russell Building
Veterans' Affairs
To mark up S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.
412 Russell Building

MAY 12

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 am.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
Environment and Public Works
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 13

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 470 and S. 471, pertaining to lands on the Umatilla Indian Reservation, Oregon.
Room to be announced

MAY 17

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearing on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

Banking, Housing and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Select Indian Affairs
To hold hearings on S. 103, 667, and 785, to convey certain Federal land to the Ely Indian Colony, Paiute, and Shoshone Tribes.
Room to be announced

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building

MAY 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 905, the Central Arizona Indian Tribal Water Settlement Act of 1977.
Room to be announced

MAY 24

9:30 a.m.
Select Small Business
To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Government Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 25

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

Select Indian Affairs
To hold hearings on S. 660, seeking an agreement with the Cherokee, Choctaw, and Chickasaw Indian Tribes of Oklahoma for the purchase or lease of their rights in the riverbed of the Arkansas River.
Room to be announced

Veterans' Affairs
To hold hearings on S. 247, to provide recognition to the Women's Air Forces Service Pilots.
Until noon 318 Russell Building

1:00 p.m.
Governmental Affairs
Governmental Efficiency Subcommittee
To hold hearings to receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
1224 Dirksen Building

MAY 26

9:30 a.m.
*Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
235 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

JUNE 6

10:00 a.m.
Select Indian Affairs
To hold oversight hearings on the Indian Education Reform Act (P.L. 93–638).
Room to be announced

JUNE 7

10:00 a.m.
Select Indian Affairs
To continue oversight hearings on the Indian Education Reform Act (P.L. 93–638).
Room to be announced

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the cable TV system.
235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building

SENATE—*Tuesday, April 26, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 2 p.m., on the expiration of the recess, and was called to order by Hon. PAUL S. SARBANES, a Senator from the State of Maryland.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

For the things which are seen are temporal; but the things which are not seen are eternal.—II Corinthians 4: 18.

Lord of all life, Giver of all wisdom,

we do not ask for special favors above others, or exemption from the stress, or sickness or the temptations which confront other men. But we ask Thee to take us as we are, indwell us by Thy spirit, and use us for Thy kingdom's sake. While we are laboring in the fields of the temporal and the visible keep us loyal to the values which are eternal and invisible. And what we pray for the Members of this body we pray also for the President and all others in the service of this Nation that we may ever remain a people whose God is the Lord of Creation, our Redeemer and Judge, Father of our Lord Jesus Christ, in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 26, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. PAUL S. SARBANES, a Senator from the State of Maryland, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. SARBANES thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, Monday, April 25, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate tomorrow.

Mr. HANSEN. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. Reservation is heard.

Mr. HANSEN. I wish to say that we are having a markup on the surface-mining bill. I happen to be ranking Republican member on the Energy and Natural Resources Committee, and I have some amendments that are to be presented, and I would just say that it is going to be extremely difficult for me to try to discharge my duties as a member of the Finance Committee here and to be on hand at the same time for that committee over there.

Mr. ROBERT C. BYRD. Would the Senator be agreeable, then, to making an exception for that one committee, all committees except that one committee?

Mr. HANSEN. To all committees except that one, I would be agreeable.

Let me ask the Senator this: Senator METCALF would like for us to go back in session, and I understand it has been agreed to, from 2:30 until 4 o'clock this afternoon. I am not certain how many members there will be on hand over there, but I think that is a pretty important bill—as I know this bill is important, too—and it is a little bit difficult to try to be both places.

Mr. ROBERT C. BYRD. Does the Senator——

Mr. HANSEN. Will there be any votes here before 4 o'clock?

Mr. ROBERT C. BYRD. No votes before 4, unless there would be a vote in connection with the establishment of a quorum. I do not foresee that happening. It could happen, but I do not expect it to.

Mr. HANSEN. Well, then, as I understand the unanimous-consent request as modified, it would provide that all committees may meet tomorrow with the exception of the Committee on Energy and Natural Resources?

Mr. ROBERT C. BYRD. Except the one committee to which the Senator raised some opposition.

Mr. JAVITS. Mr. President, reserving the right to object, we are supposed to be, as I understand it, voting tomorrow on this proposition. We have 2 hours for debate; it seems to me we should not encourage our Members to stay away. Therefore, I hope very much the majority leader will limit that request until 12, or whatever time the Senate session begins. I think it is 11.

Mr. ROBERT C. BYRD. Well, the Senate comes in at 10:30. Committees automatically can meet until 12:30 without consent.

For the moment, Mr. President, I withdraw my request. I just hope the Senate will be able to proceed, and committees will be able to proceed. We have a lot of work down the road.

I realize Members do have problems. I hope we will be able to accommodate ourselves to the Members, and that they likewise will help the leadership in its efforts to move ahead.

I ask unanimous consent that the Subcommittee on Science, Technology, and Space of the Committee on Commerce be authorized to meet during the afternoon on Wednesday, May 4, while the Senate is in session.

Mr. BAKER. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. That has been OK'd.

Mr. BAKER. It has been, yes; I OK'd it a minute ago. But in view of the remarks by the distinguished senior Senator from New York——

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request.

JOINT REFERRAL REQUEST—H.R. 5675

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when H.R. 5675 is received from the House of Representatives, it be jointly referred to the Committee on Banking, Housing, and Urban Affairs and the Committee on Finance.

First, I want to be sure that the chairmen of the respective committees have given clearance for this joint referral. Therefore, I withdraw the request until we are sure of the clearance.

EXTENSION OF LEADERSHIP RECOGNITION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for recognition of the two leaders, which ordinarily is for 10 minutes each, today be extended to 20 minutes each, for today only.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CIVIL DEFENSE

Mr. BAKER. Mr. President, I and a number of my colleagues have been concerned for some time over the apparently growing disparity in the civil defense capabilities between the Soviet Union and the United States. For that reason, I am pleased to note that in passing yesterday the fiscal year 1978 DOD authorization bill, the House included $134 million for civil defense.

This action of the House in increasing the civil defense budget by approximately 40 percent over the fiscal year 1977 figure, indicates a growing and, I believe, a healthy awareness that we need to take a long and serious look at this element of our strategic defense. As you know, Mr. President, strategic defense has evolved considerably since the dawn of the nuclear age—through the forties our possession of nuclear weapons was a monopoly; through the fifties and early sixties we had a clear superiority; and now, at least in the minds of most, our strategic deterrence is based on the concept of mutually assured destruction—the balance of terror.

For some time now we have assumed the balance of terror was a tiger on whose back both we and the Soviet Union were clinging with an equal degree of caution and determination. But with the massive Soviet investment in civil defense measures, their natural and planned dispersion of both industry and population, their program to harden essential industries and train the civilian population, their potentially effective plans to evacuate the Soviet citizenry from major metropolitan areas—I have to wonder if the Soviet Union is clinging to the back of that tiger with the same sense of prudence as are we. I think the time has come to reexamine the concept, because if destruction is not mutual, and if destruction is not assured, then neither is it deterrence.

Mr. President, $134 million will not restore the balance to this apparent asymmetry, but it is at least an indication that we in Congress are willing to

consider the possibility that an asymmetry exists; and there is a need to do something about it. I believe the action of the House on this matter is a positive sign, and I would urge my colleagues to follow their lead.

Mr. ROBERT C. BYRD. Mr. President, I yield such time from my time under the order as the distinguished chairman of the Appropriations Committee may require.

CRITERIA FOR THE IMPOSITION OF THE SENTENCE OF DEATH—S. 1382

Mr. McCLELLAN. Mr. President, I introduce a bill to establish rational criteria for imposition of the sentence of death, and for other purposes.

Present Federal law provides that the death penalty is an authorized sentence upon conviction in at least 10 instances, including murder, treason, espionage, rape, and air piracy where death results. (18 U.S.C. 34, destruction of motor vehicles or motor vehicle facilities where death results; 18 U.S.C. 351, assassination or kidnaping of Member of Congress; 18 U.S.C. 794, gathering or delivering defense information to aid a foreign government; 18 U.S.C. 1111, first degree murder within the special maritime and territorial jurisdiction of the United States; 18 U.S.C. 1114, murder of certain officers and employees of the United States; 18 U.S.C. 1716, causing death of another by mailing injurious articles; 18 U.S.C. 1751, Presidential and Vice Presidential murder and kidnaping; 18 U.S.C. 2031, rape within the special maritime or territorial jurisdiction of the United States; 18 U.S.C. 2381, treason; and 49 U.S.C. 1472(i), aircraft piracy).

In June of 1972, the Supreme Court handed down its decision in the case of Furman against Georgia, one of the Court's most significant decisions in recent years. For it was in the Furman decision that a bare majority of the Court—five of the nine Justices then sitting—determined that the death penalty could not constitutionally be imposed in the cases before the court, and thereby effectively eliminated capital punishment throughout this country as an authorized deterrent and punishment for even the most violent, brutal, and horrible crimes.

It is important to remember that the Furman decision did not declare that the death penalty itself was unconstitutional. In fact, there was no majority opinion in the case at all. Instead, each of the five Justices in the majority filed his own opinion in which none of the others joined. Of the five, only Justices Marshall and Brennan felt that the death penalty was, per se, unconstitutional. Justices Douglas, Stewart, and White were unwilling to reach that conclusion, but rather focused on the unlimited discretion given to the judge and jury under the then existing statutes in determining whether the penalty was to be imposed. The essence of their opinions, particularly those of Justices Stewart and White, was not that the death penalty itself was unconstitutional, but rather that, because of this unfettered discretion, it had come to be imposed so arbitrarily and capriciously as to constitute cruel and unusual punishment in violation of the eighth amendment.

Although the precise meaning of the Furman decision was unclear, the logical conclusion drawn from the separate opinions rendered in the case was that if a procedure could be devised whereby the death penalty would be imposed in a more rational manner than was then being invoked, Justices White and Stewart would likely join in making a majority upholding the constitutionality of the death penalty.

The response to the Furman case has been overwhelming. Already, in 35 of the 50 States the representatives of the people have enacted new State statutes providing for the death penalty under procedures designed to satisfy the constitutional objections raised by Furman. Those States include Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, Tennessee, Texas, Utah, Virginia, Washington, and Wyoming. And the Federal Government enacted the Anti-Hijacking Act of 1974, which also was designed to follow the mandate of Furman while providing a death penalty where a death is caused during an aircraft hijacking.

In the 93d Congress, I introduced S. 1401, which would have provided a more comprehensive statute to provide rational criteria for the imposition of the death penalty in certain limited cases involving serious offenses. That bill, after amendment, was adopted by this body by a vote of 54 to 33, but was never acted upon by the House.

Since that time, the Supreme Court has decided other landmark cases on the issue of the death penalty. On July 2, 1976, the court upheld State death penalty statutes in the cases of Gregg against Georgia, Jurek against Texas, and Proffitt against Florida, but struck down statutes in Woodson and others against North Carolina and Roberts against Louisiana.

Mr. President, the Court is to be commended for these latest decisions. For, at long last, it has finally eliminated any doubt as to whether the death penalty is a constitutionally acceptable sanction for the commission of certain heinous crimes. It has clearly declared to all that it is not cruel and unusual punishment, as has erroneously been argued by so many for so long. The recent cases have not only done much to clarify and expand upon the Furman decision, but have provided us with three examples of court-sustained constitutionally sound death penalty statutes.

Mr. President, the bill I introduce today is designed to meet the constitutional concerns reflected in these latest Supreme Court cases. The Department of Justice has examined this bill and concluded that it does in fact meet all constitutional requirements. I ask unanimous consent that the opinion letter which I have from the Attorney General be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. McCLELLAN. I shall quote the last sentence in the letter, which is as follows:

> Certainly, the bill provides a firm foundation for congressional consideration of a death penalty for a limited number of Federal crimes, and I support your effort to bring it to the attention of the Senate.

Briefly, the bill would provide that, after a conviction for an offense for which a penalty of death is authorized, the court must hold a separate hearing on whether to impose the death penalty. The hearing would normally be before the same jury which sat for trial, or, if both parties agree, before the judge. After both sides have an opportunity to present all relevant evidence, the jury would be asked to make special findings as to whether any of a list of mitigating or aggravating factors exist. The mitigating factors listed include such things as the youthfulness of the defendant, the extent of his involvement in the offense, any emotional problems or pressures, and the unforeseen nature of a resulting death. The aggravating factors would vary depending on whether the offense is one relating to treason or to murder.

After determining by unanimous vote whether any of these factors exist, the jury would be required to determine "whether or not any aggravating factors found to exist, when taken in conjunction with all the evidence, outweigh any mitigating factors found to exist, and, based upon this determination, shall return a finding as to whether or not a sentence of death should be imposed."

The bill further provides that the defendant shall have a right to appeal the sentence and that such review shall have priority over all other cases. In order to affirm the sentence, the appellate court must determine that the sentence of death was not imposed under the influence of passion, prejudice, or other arbitrary factor; that the evidence supports the special findings; and that the sentence of death is not excessive considering both the crime and the defendant.

Mr. President, this bill clearly meets the requirements recently laid down by the Supreme Court for the restoration of the death penalty, and applies such a sentence to only a small number of the most serious criminal acts. I recognize, however, that we are not only faced with the question of whether legislation can be drafted that will meet constitutional restrictions, but with a much more basic question as well—whether, even assuming its constitutionality, the Federal

criminal justice system should have a death penalty at all.

The answer to that question becomes clearer and clearer with every new mass murder, every new murder for hire, and every new kidnaping resulting in death. The death penalty must be restored if our criminal justice system is to effectively combat the ever-increasing tide of violent crimes—crimes of terror—that threaten to engulf our Nation, and if the confidence of the American people in our system of justice is to be restored.

Mr. President, those who argue against the death penalty claim that it serves no useful purpose and should therefore be eliminated. Perhaps most importantly, they say that there is no proof that it deters crime.

I simply cannot agree with that.

I can recall my youth that the knowledge that I would be punished for doing wrong was indeed a deterrent. And the more severe I thought the punishment was likely to be, the less likely it was that I would misbehave. Most likely, everyone in this Chamber has had a comparable experience.

Some will say that the real issue is not whether the death penalty deters, but whether it deters more than life imprisonment. To me the answer to that question is obvious and irrefutable.

Life is our most precious possession. So long as a convicted murderer has his life, he can look forward to the likelihood of parole and freedom—or even escape. The death penalty provides no such future. It is final and irrevocable. It is clear that if a criminal knows he may forfeit his own life if he commits one of the crimes for which the death penalty is authorized, he will certainly be much less likely to commit that act than if all he had facing him was a prison sentence and eventual parole. Where the criminal—the murderer—knows that he is going to pay a price for his crimes and that that price is his own death, he will be deterred.

Mr. President, when all is said and done, when all the talking about deterrence and retribution and incapacitation is finished, what it all boils down to is whether it is ever "just" to impose the death penalty. Can a man ever be found to have acted so viciously, so cruelly and inhumanely as to justify society in imposing upon him the ultimate punishment? I firmly believe he can. Consider some recent cases.

What other punishment is "just" for a man, found to be sane, who would stab, strangle, and mutilate eight student nurses?

What other punishment is "just" for a band of social misfits who would invade the homes of people they had never even met and stab and hack to death a woman 8½ months pregnant and her guests?

What other punishment is "just" for a man who would cold-bloodedly and needlessly execute four restaurant employees during the robbing of the restaurant?

What other punishment is "just" for a man who would lie in wait and murder a 17-year-old boy he had never met because "he wanted to do something different" and later murder two police officers who were pursuing him after he robbed a bank?

What other punishment is "just" for a man who would systematically murder 25 migratory farmworkers in one summer?

What other punishment is "just" for an escaped convict who would murder 13 people, including one woman he kidnaped and killed while he was an escapee, and another man he beat to death with chair legs and an ax handle as an initiation assignment for a motorcycle club?

What other punishment is "just" for men who would brutally murder four young children, including a 9-day-old baby, by drowning them in a sink, and kill another child and two women by shooting them at close range?

Mr. President, justice is not feeding and clothing these people for a few years and then returning them to society on parole to prey upon or pose constant threats to other innocent victims. Such a procedure inevitably burdens our society with forbidding dangers and exposes our innocent and law-abiding citizens to fatal assaults and debauchery by cruel and debased murderers.

I believe that people who commit crimes like these to which I have referred forfeit their own right to live. They must be made to know that they too shall die and not be allowed to commit wanton and savage murder again.

Justice, Mr. President—to both society and the murderer—demands no less.

Mr. President, I ask unanimous consent that a copy of the bill which I have introduced be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1382

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 227 of title 18 of the United States Code is amended by adding after section 3562 a new section 3562A, to read as follows:

"§ 3562A. Sentencing for capital offenses

"(a) A person shall be subjected to the penalty of death for any offense prohibited by the laws of the United States only if a hearing is held in accordance with this section.

"(b) When a defendant is found guilty of or pleads guilty to an offense for which one of the sentences provided is death, the judge who presided at the trial or before whom the guilty plea was entered, or any other judge if the judge who presided at trial or before whom the guilty pleas was entered is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. The hearing shall be conducted—

"(1) before the jury which determined the defendant's guilt;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury which determined the defendant's guilt has been discharged for good cause; or

"(D) appeal of the original imposition of the death penalty has resulted in a remand for redetermination of sentence under this section; or

"(3) before the court alone, upon the motion of the defendant and with the approval of the court and of the government.

A jury impaneled pursuant to paragraph (2) of this subsection shall consist of twelve members, but, at any time before any conclusion of the hearing, the parties may stipulate in writing with the approval of the court that it shall consist of any number less than twelve.

"(c) In the sentencing hearing the court shall disclose to the defendant or his counsel all material contained in any presentence report, if one has been prepared, except such material as the court determines is required to be withheld for the protection of human life or for the protection of the national security. Any presentence information withheld from the defendant shall not be considered in the determination of the sentence of death. In the sentencing hearing, evidence may be presented as to any matter relevant to sentence and shall include matters relating to any of the aggravating or mitigating factors set forth in subsections (f), (g), (h). Any information relevant to any mitigating factors, including those set forth in subsection (f), may be presented by either the government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials; but the admissibility of information relevant to any aggravating factors, including those set forth in subsections (g) and (h), shall be governed by the rules governing the admission of evidence at criminal trials. The government and the defendant shall be permitted to rebut any information received at the hearing and shall be given fair opportunity to present argument as to the adequacy of the evidence to establish the existence of any of the aggravating or mitigating factors, and as to the appropriateness in that case of imposing a sentence of death. The burden of establishing the existence of any aggravating factors is on the government, and is not satisfied unless established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factors is on the defendant, and is not satisfied unless established by a preponderance of the evidence.

"(d) After hearing all the evidence, the jury, by unanimous vote, of if there is no jury, the court, shall return special findings setting forth the aggravating and mitigating factors, set out in subsections (f), (g), and (h), found to exist. The jury, or if there is no jury, the court, shall then determine whether or not any aggravating factors found to exist, when taken in conjunction with all the evidence, outweigh any mitigating factors found to exist, and, based upon this determination, shall return a finding as to whether or not a sentence of death should be imposed.

"(e) Upon the unanimous finding of the jury, or if there is no jury, upon a finding by the court, that a sentence of death should be imposed, the court shall sentence the defendant to death. In all other cases, the court may impose a sentence of life imprisonment or any term of years.

"(f) In determining whether a sentence of death is to be imposed on a defendant, the following mitigating factors shall be considered:

"(1) the youthfulness of the defendant at the time of the crime;

"(2) the defendant's capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, but not so

impaired as to constitute a defense to the charge;

"(3) the defendant was under unusual and substantial duress, although not such a duress as to constitute a defense to prosecution;

"(4) the defendant is punishable as a principal for aiding and abetting the offense, under section 2(a) of this title, but his participation was relatively minor; or

"(5) the defendant could not reasonably have foreseen that his conduct in the course of the commission of murder, or other offense resulting in death for which he was convicted, would cause, or would create a grave risk of causing, death to any person.

"(g) If the defendant is found guilty of or pleads guilty to an offense under section 794 or section 2381 of this title the following aggravating factors shall be considered:

"(1) the defendant has been convicted of another offense involving espionage or treason for which a sentence of life imprisonment or death was authorized by statute;

"(2) in the commission of the offense the defendant knowingly created a grave risk of substantial danger to the national security; or

"(3) in the commission of the offense the defendant knowingly created a grave risk of death to another person.

Provided, That if the charge is under section 794(a) of this title, the sentence of death shall not be imposed unless the jury or, if there is no jury, the court further finds that the offense directly concerned nuclear weaponry, military spacecraft or satellites, early warning systems, or other means of defense or retaliation against large-scale attack; war plans; communications intelligence or cryptographic information; or any other major weapons system or major element of defense strategy.

"(h) If the defendant is found guilty of or pleads guilty to any other offense for which the death penalty is available, the following aggravating factors shall be considered:

"(1) the death or injury resulting in death occurred during the commission or attempted commission of, or during the immediate flight from the commission or attempted commission of, an offense under section 751 (Prisoners in custody of institution or officer), section 794 (Gathering or delivering defense information to aid foreign government), section 844(d) (Transportation of explosives in interstate commerce for certain purposes), section 844(f) (Destruction of government property by explosives), section 844(i) (Destruction of property in interstate commerce by explosives), section 1201 (Kidnaping), or section 2381 (Treason) of this title, or section 902 (i) or (n) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472 (i), (n)) (Aircraft piracy);

"(2) the defendant has been convicted of another Federal offense, or a State offense resulting in the death of a person, for which a sentence of life imprisonment or a sentence of death was authorized by statute;

"(3) the defendant has previously been convicted of two or more State or Federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the infliction of serious bodily injury upon another person.

"(4) in the commission of the offense the defendant knowingly created a grave risk of death to another person in addition to the victim of the offense;

"(5) the defendant committed the offense in an especially heinous, cruel, or depraved manner;

"(6) the defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value;

"(7) the defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value; or

"(8) the defendant committed the offense against—

"(A) the President of the United States, the President-elect, the Vice President, the Vice President-elect, the Vice President-designate, or, if there is no Vice President, the officer next in order of succession to the office of the President of the United States, or any person who is acting as President under the Constitution and laws of the United States;

"(B) a chief of state, head of government, or the political equivalent of a foreign nation;

"(C) a foreign official listed in section 1116(b)(1) of this title, if he is in the United States because of his official duties; or

"(D) a Justice of the Supreme Court, a Federal law-enforcement officer, or an employee of a United States penal or correctional institution, while performing his official duties or because of his status as a public servant. For purposes of this subsection a 'law-enforcement officer' is a public servant authorized by law or by a government agency to conduct or engage in the prevention, investigation, or prosecution of an offense.

SEC. 2. Section 34 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 3. Section 844(d) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 4. Section 844(f) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 5. Section 844(i) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 6. The second paragraph of section 1111(b) of title 18 of the United States Code is amended to read as follows:

"Whoever is guilty of murder in the first degree shall be punished by death or by imprisonment for life;"

SEC. 7. Section 1116(a) of title 18 of the United States Code is amended by striking the words ", except that any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life".

SEC. 8. Section 1201 of title 18 of the United States Code is amended by inserting after the words "or for life" in subsection (a) the words "and if the death of any person results, shall be punished by death or life imprisonment".

SEC. 9. The last paragraph of section 1716 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the paragraph.

SEC. 10. The second to the last paragraph of section 1992 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 11. Section 2031 of title 18 of the United States Code is amended by deleting the words "death, or".

SEC. 12. Section 2113(e) of title 18 of the United States Code is amended by striking the words "or punished by death if the verdict of the jury shall so direct" and inserting in lieu thereof the words "or if death results shall be punished by death or life imprisonment".

SEC. 13. Section 903 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1473), is amended by striking subsection (c).

SEC. 14. The analysis of chapter 227 of title 18 of the United States Code is amended by inserting after item 3562 the following new item: "3562A. Sentencing for capital offenses.".

SEC. 15. Section 3566 of title 18 of the United States Code is amended by adding a second paragraph as follows:

"In no event shall a sentence of death be carried out upon a pregnant woman".

SEC. 16. Chapter 235 of title 18 of the United States Code is amended by inserting immediately after section 3741 the following new section:

"§ 3742. Appeal from sentence of death

"In any case in which the sentence of death is imposed after a proceeding under section 3562A of chapter 227 of this title, the sentence of death shall be subject to review by the court of appeals upon appeal by the defendant. Such review shall have priority over all other cases. On review of the sentence, the court of appeals shall consider the record, including the entire presentence report, if any, the evidence submitted during the trial, the information submitted during the sentencing hearing, the procedures employed in the sentencing hearing, and the special findings under section 3562A(d). The court shall affirm the sentence if it determines that: (1) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; (2) the evidence supports the jury's or the court's special finding of the existence of any aggravating factor or the failure to find any mitigating factors, as enumerated in section 3562A; and (3) the sentence of death is not excessive, considering both the crime and the defendant. In all other cases the court shall remand the case for reconsideration under the provisions of section 3562A of this title. The court of appeals shall state in writing the reasons for its disposition of the review of the sentence.

SEC. 17. The analysis of chapter 235 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"3742. Appeal from sentence of death.".

SEC. 18. The provisions of sections 3562A and 3742 of title 18 of the United States Code, as added by this Act, shall not apply to prosecution under the Uniform Code of Military Justice (10 U.S.C. 801).

EXHIBIT 1

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., March 25, 1977.

HON. JOHN L. MCCLELLAN,
U.S. Senate, Washington, D.C.

DEAR SENATOR MCCLELLAN: In your letter dated March 3, 1977, you asked that the Department of Justice review your draft bill to authorize the death penalty for certain federal offenses, and requested the Department's comments with respect to the constitutionality of the draft bill in the light of recent Supreme Court decisions.

In summary, the draft bill provides that before a sentence of death can be imposed for any offense under the laws of the United States, a hearing must be held in accordance with the bill's provisions. The hearing is normally to be before a jury of twelve with responsibility for rendering unanimous findings in the nature of special verdicts, but under certain circumstances the court also is empowered to conduct the hearing and to render the necessary findings.

The bill sets forth lists of aggravating and mitigating circumstances to be considered by the factfinder at the hearing. An aggravating factor may be proven only by legally ad-

missible evidence, and the government bears the burden of persuasion on the matter beyond a reasonable doubt. A mitigating factor may be proved by any relevant information irrespective of the rules of evidence, and the defendant bears the burden of persuasion by a preponderance of the evidence. The sentencing court is required to disclose to the defendant all material in any presentence report except such information as the court determines to withhold for the protection of human life or the national security; no information so withheld may be considered in the determination of the sentence.

At the conclusion of the evidence, the jury is required to return special findings as to the existence of any aggravating and mitigating factors, and to determine whether any aggravating factors outweigh any mitigating factors found to exist; based on this determination, the jury must then conclude whether a sentence of death should be imposed. If the jury concludes that a death sentence should be imposed, the court must sentence the defendant to death. In all other cases, the court may impose a sentence of life imprisonment or any term of years.

The bill provides that any sentence of death may be appealed by the defendant for review in the court of appeals. The court of appeals is to consider the entire record of the trial and of the sentencing hearing, the presentence report, the procedures employed at the hearing, and the special findings. The court is to affirm the sentence only if it determines that the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; that the evidence supports the special findings as to the existence of an aggravating factor or the failure to find a mitigating factor; and that the sentence of death is not excessive, considering both the crime and the defendant.

The offenses to which the death penalty would be applicable are treason, espionage, and certain murders—all offenses for which federal statutes currently purport to authorize a sentence of death.

The draft bill is modeled to a substantial extent upon the death penalty provisions of the federal aircraft piracy statute, 49 U.S.C. 1473(c), enacted by Congress in 1974 with the specific purpose of seeking to comply with the decision of the Supreme Court in *Furman* v. *Georgia*, 408 U.S. 238 (1972). In our view, the procedures set forth in the draft bill are consistent with the decision in the *Furman* case, and are also consistent with the opinions of the Supreme Court in *Gregg* v. *Georgia*, — U.S. — 1976), and *Proffitt* v. *Florida*, — U.S. — (1976), sustaining the provisions of similar state death penalty statutes against constitutional attack.

The Court in *Furman* had struck down a Georgia death penalty law, written in the fashion of all present federal death penalty provisions except the one appearing in the revised aircraft piracy statute, on the ground that the law permitted the sentencing judge or jury to exercise unguided discretion in determining whether the death penalty should be imposed, and thus that it failed to guard against the "freakish" or "wanton" imposition of the death sentence. Thereafter Georgia revised its law in a manner similar to that employed in the draft bill in order to meet the requirements of the *Furman* opinion. In *Gregg* the Court sustained the new statute. The Court held that the setting forth of aggravating and mitigating factors of sufficient clarity and specificity substantially met the concerns expressed in *Furman* and provided the sentencing authority with standards to guide its exercise of discretion. The Court emphasized also its heavy reliance on the appellate review procedures of the revised Georgia statute, which are very similar to those in the draft bill, as a further basis for insuring that the death penalty would not be wantonly or freakishly imposed (see *Gregg, supra*, slip op. at pp. 9–10, 47–49; slip op. at pp. 16–18 (White, J. concurring)).

Because of the close resemblance (including in some instances an identity of language) between the draft bill and the State statutes sustained in *Gregg* and *Proffitt*, we believe that the proposed bill would be found by the Supreme Court to meet constitutional requisites.

I appreciate the opportunity you have afforded us to review the draft bill prior to its introduction. There are some variations in particular provisions of the draft bill that would warrant consideration, but these are matters that we can raise with you later after a more thorough review. Certainly the bill provides a firm foundation for congressional consideration of a death penalty for a limited number of federal crimes, and I support your efforts to bring it to the attention of the Senate.

Sincerely,

GRIFFIN B. BELL,
Attorney General.

Mr. THURMOND. Mr. President, today I am pleased to cosponsor and strongly support the bill introduced by the distinguished senior Senator from Arkansas (Mr. MCCLELLAN), a bill to establish rational criteria for the imposition of the sentence of death, and for other purposes.

This legislation was introduced in the 94th Congress as S. 1401, which passed the Senate on March 13, 1974, by a vote of 54 to 33. It was subsequently referred to the House Judiciary Committee, but no action was taken on the measure prior to the adjournment of the 94th Congress.

Mr. President, in June of 1972, the Supreme Court handed down its decision in the case of Furman against Georgia. The Supreme Court decision in Furman did not hold that capital punishment per se is unconstitutional. Instead, the pivotal opinions of the Court found that "as presently applied and administered" capital punishment violated the eighth amendment. The system of discretionary sentencing in capital cases failed to produce evenhanded justice.

The bill introduced today would squarely meet the Supreme Court's objection and narrowly limit the offenses and circumstances in which the death penalty may be imposed, with full guarantees for judicial review.

Those crimes under current Federal law which can be broadly characterized as treason, espionage, or murder, would be offenses for which the death penalty would be an available sanction. Prosecution for such crimes would be a two-step procedure.

In the first instance, a jury would be impaneled or, if there is no jury, a judge would hear the question of guilt. In the event the defendant were found guilty of the offense, a second proceeding would be held to determine whether or not the death penalty should be imposed.

The death penalty should be restored because of its value as a deterrent. I am convinced that the death penalty can be an effective deterrent against specific crimes. The potential kidnapper should know that if his intended victim dies, he may die. The potential hijacker should realize that if he kills a person during the course of a hijacking, he may forfeit his own life. The man who throws a firebomb to destroy Government property, the convict who assaults a prison guard, the person who attacks a law enforcement officer, all should know that if they take a life, they may pay with their own life.

Mr. President, the Honorable J. Edgar Hoover, the late Director of the Federal Bureau of Investigation, declared:

(T)he professional law enforcement officer is convinced from the experience that the hardened criminal has been and is deterred from killing based on the prospect of the death penalty.

In addition, Mr. Arlen Specter, district attorney of Philadelphia, testifying before the Senate Subcommittee on Criminal Laws and Procedures, stated:

I believe the death penalty is an effective deterrent against murder. I say that based upon more than seven years as district attorney of Philadelphia, and dealing with a great many cases in that capacity. We have the frequent occurrence in the criminal courts of Philadelphia where professional burglars have expressed themselves on the point of not carrying a weapon on a burglary because of their concern there may be scuffle, there may be a dispute, the weapon may be used and death may result, and prior to Furman, they may face the possibility of capital punishment.

Clearly a person will be slow to undertake an action that will result in the loss of something which he values highly. Since life itself is the most highly prized possession of any person, he will be hesitant to engage in conduct that would result in its forfeiture.

Mr. President, this bill represents a compromise measure which, in my opinion, does not go as far as I would like. But what the bill does do is reestablish once again the constitutional acceptability of the death penalty in certain cases where there are aggravated violent crimes and crimes which threaten the security of our Nation.

The death penalty must be restored if our criminal justice system is to effectively control the increasing number of violent crimes of terror. The confidence of the American people in our criminal justice system must also be reclaimed and the imposition of the death penalty can restore such confidence.

Mr. President, people who commit violent crimes have forfeited their own right to life. Justice demands that such inhuman action cannot be tolerated. This bill would reestablish the death penalty in certain instances and, I hope, provide protection for the innocent victims of violent crimes.

Mr. President, I strongly support this bill and urge my colleagues in the Senate to once again approve it in prompt fashion.

Mr. ROTH. Mr. President, I am pleased to join the distinguished Senator from Arkansas as a cosponsor of a bill that reinstates the imposition of the

death penalty for certain serious Federal offenses.

Mr. President, vicious and violent crime is a constant threat in the life of every American. A great many of our citizens are faced with a daily concern for their own safety and security. The recent wave of fear that struck our Nation's Capital is a prime example of intolerable terrorism and crime that occurs in our streets.

Senseless and horrible crime must be stopped. In order to preserve an ordered society, we must punish the predatory and premeditated actions of those criminals who commit serious crimes.

The jurisdiction of the Federal Government in law enforcement is limited. In our system, law enforcement is primarily a local and State responsibility. The Congress, however, can and must provide strong leadership in this area. Through this legislation, we can not only provide a needed law enforcement tool for Federal agencies, but also encourage local governments to adopt a stern stiff position on crime.

In the past, I have supported the death penalty as it applies to aggravated crimes of violence. I sharply disagree with those who believe such punishment does not serve as a deterrent. The use of certain, swift, and severe punishment—applied fairly and without discrimination—is a powerful potent deterrent. Critics of capital punishment often present elaborate statistical evidence comparing murder rates in States with and without the death penalty and comparing periods of abolition of the death penalty with periods of restoration in the same State.

However, one must remember that those persons who are, in fact, deterred by the threat of the death penalty and do not commit a serious crime are not included in this statistical data.

The death penalty does have a unique deterrent effect. Law enforcement and prison officials report widespread evidence from candid conversations with convicted criminals showing that the death penalty does in fact influence criminal behavior. A study once done by the American Bar Association showed that criminals captured after having committed an offense punishable by life imprisonment refrained from killing their captive even though they might have succeeded in escaping. These prisoners were willing to serve a life sentence, but unwilling to risk the death penalty.

Mr. President, we must correct and strengthen the machinery of our criminal justice system. We need to devote more attention to the victims and potential victims of crime. Society in order to prosper and survive must fulfill its obligation to assure the safety of law abiding citizens.

In early July 1976, the U.S. Supreme Court issued five opinions which comprehensively dealt with the constitutionality of capital punishment and with the procedures under which it can be properly imposed. The Court struck down mandatory capital punishment, but ruled that the death penalty does not per se violate the eighth amendment, prohibition against "cruel and unusual punishment." The legislation introduced today follows the procedures dictated by the Supreme Court. It assures that the defendant is afforded every protection and legal safeguard that is mandated by the Constitution.

Mr. President, I commend Senator McCLELLAN for his effort. While the proposed legislation is but part of an overall solution to the crime problem, I believe it is an essential part.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The majority leader has 1 minute remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield my minute to the Senator from Nebraska. That will give the minority leader time to get to the floor.

Mr. DANFORTH. Mr. President, I have been instructed by the minority leader to yield his time as well, to the Senator from Nebraska.

Mr. CURTIS. I am grateful to the leadership. I did not expect such recognition.

REORGANIZATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. CURTIS. Mr. President, I rise to express grave misgivings over both the method and the substance of the massive reorganization now underway at the Department of Health, Education, and Welfare.

In office less than 2 months at the time of the reorganization announcement on March 8, the Secretary—by his own admission—has put in motion what he calls "the most far-reaching reorganization in the Department's 24-year history." With a budget of $160 billion and over 142,000 employees, Mr. Califano, by administrative decree, fundamentally is affecting not only all of these employees and dollars but the millions of Americans whom they serve. I would not deny—and might even applaud—his wish to reorganize the massive Department which he heads, but I do question the wisdom and the procedure which was followed in this case.

Notwithstanding his previous involvement in Government, how has it been possible for the Secretary to deal with all of the complexities of hospital cost containment, social security financing, welfare reform, medicaid and medicare fraud and abuse, and redirection of budget priorities, while at the same time preparing, completing, and announcing such a massively pervasive reorganization, all in 2 months' time?

How thoroughly has he contemplated and reviewed the incredible impact this reorganization will have upon the manifold HEW programs, the employees who administer them, or the constituencies which they serve? How carefully has he assessed the implicit and far-reaching policy effects these organizational changes will have? What new directions, new emphases, new courses of action are thus set in motion, which it will be very difficult for the Congress or even the electorate to alter if that proves to be necessary?

Let me detail some of my specific concerns:

Placement of cash assistance programs in the Social Security Administration. Means-tested programs are proposed to merge with trust fund programs. The agency which foundered under only the addition of the SSI program, which continues to be error plagued, is now to take on all cash-assistance programs. The massive bureaucracy which is Social Security must now struggle not only with its own major deficit problems but the task of supervising the administration of needs-tested programs as well. Further implications relative to General Fund financing of Social Security, or wholesale expansion of groups eligible for public assistance, emerge in this suggested change. Fundamental questions concerning Social Security's ability to deal with welfare-type issues—for example, child support, social services, or monthly redeterminations—are further raised.

Placement of all human development and social services programs in an expanded Office of Human Development. As cited above, how will social services, in one section of HEW, relate to cash assistance, now in far-off Baltimore? How will information and referral occur? How will States, already struggling with the need to relate to numerous HEW entities, bridge this gap? How will recipients relate to SSA and OHD? How will the congressional emphasis upon targeting services to current, former, or potential welfare recipients be fulfilled?

Combination of medicaid and medicare in one Health Care Financing Administration. Again, it appears most unwise to mix needs-tested and trust fund programs in such an imprecise fashion. Is medical care for welfare recipients any less a component of their needs standard than other elements within it, such as food and housing? Does the Secretary support an even further fragmentation of administrative responsibility for public assistance so that the latter two elements would also be split off and administered even more than they are now by USDA and HUD? Will the categorical linkage for medicaid no longer remain? Will all standards and payment levels become the same?

These questions simply suggest, Mr. President, the depth of my concern. I am concerned, as well, about three other implications or questions related to the reorganization. First, I am convinced that the widely heralded savings of over $1 billion will be illusory. I would be interested in seeing figures from the Department that demonstrate that savings, not added costs, accompany the reorganization. Second, I am concerned that the reorganization will make administrative relationships in fact more complex. State agencies, who must administer welfare, had but one entity to respond to previously: the Social and Rehabilitation Service. Now they have three: the Social Security Administration, the Health

Care Financing Administration, and the Office of Human Development. A simple request to HEW for a copy of the AFDC, medicaid, and social services regulations by my staff was greeted recently by the response that this would involve contacting three agencies rather than one. Third, and most important, it is clear that the administrative moves are designed to enhance the drive for a guaranteed annual income and national health insurance—well in advance of even any consideration by the Congress. Certainly, the taxpayers of this Nation will not be fooled by promises of short-range reorganization savings when the long-range fiscal and policy implications of the administration shuffle became increasingly and painfully clear.

Mr. President, the Richmond News Leader summed up these concerns in a recent very eloquent editorial. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Richmond News Leader, Mar. 25, 1977]

REFORM AT HEW?

On March 8, Joseph Califano, Secretary of Health, Education, and Welfare, announced a major reorganization of his department. Califano's fiefdom thus became the first federal agency to fulfill Jimmy Carter's pledge to "reorganize and reform" the bureaucracy.

That the monster called HEW needs a dose of reorganization cannot be denied. But despite official claims that the restructuring may save $1 billion during the next two years, it is doubtful that the American people will appreciate Califano-style reform.

The consolidation of several agencies is central to the reorganization effort. Medicare (now run by the Social Security Administration) and Medicaid (run by the Social and Rehabilitation Service) henceforth will be managed by the Health Care Financing Administration. The Social Security Administration is to assume control of all federal cash assistance programs.

Now, consolidation sounds like a good idea—and indeed it may slightly reduce fraud and abuse. But the mechanics of this plan suggest that the reorganizers have a lot more on their minds than merely saving the taxpayers some money. In fact, Califano's nostrum could be a prelude to national health insurance and a national incomes program.

There is a fundamental difference between Social Security retirement checks and welfare hand-outs. Retirement benefits are supposed to represent returns of the contributions of individual workers. That is not the case with welfare. The recipient receives money, but he has not contributed any money in the past.

The same distinction holds true for Medicaid and Medicare. One is straight welfare; the other requires patient participation. The danger in Califano's plan is that it obliterates these differences. It lumps proud pensioners and welfare recipients into the same indistinguishable category.

And when Social Security and Medicare become just two more welfare programs, then the march towards national health insurance and a guaranteed annual income will intensify. After all, once senior citizens and the indigent receive the same benefits, who will oppose making those programs mandatory for everyone?

In his rush to reorganize everything under the federal umbrella, Califano apparently has forgotten that there are other ways to cut abuse, to improve delivery of necessary services, and to insure the integrity of the Social Security system.

For example, he could have considered farming out federal health programs to private insurers. The government's record on abuse and cost control is abominable, because it never has had sufficient incentive to hold down expenses. If the Carter-Califano team wants to save money, it should put the feds out of the health business.

What's more, Social Security should remain independent of partisan pressures. Many Americans ought to know that vote-seeking politicians and social-engineering bureaucrats cannot tamper with their contributions. But the HEW plan disregards this. Rather than combining Social Security with other assistance programs, the administration should have been investigating ways to guarantee Social Security's independence.

Finally, the consolidation effort neglects the soundest reform of all: Cutting back. The single most effective way to increase government efficiency is to reduce government expenditures. It gives the taxpayers little solace to hear about grand cost-saving schemes when HEW's budget is *increased* by more than $1 billion—and that is precisely what the President's revised budget proposes to do.

No, the HEW reorganization is not a scenario for reform. It is just another way to slip expanded programs past the taxpayers. Califano should be told to go back to the drawing board.

Mr. CURTIS. Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BAKER. Mr. President, is there any time remaining to me under the standing order?

The ACTING PRESIDENT pro tempore. Ten minutes are remaining to the distinguished minority leader.

Mr. BAKER. Mr. President, I have no requirement for the time and no request. I yield back the remainder of my time under the standing order.

The ACTING PRESIDENT pro tempore. All time is yielded back.

APPOINTMENT BY THE VICE PRESIDENT

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the Vice President, appoints the following Senators to attend the sixth session of the Third United Nations Conference on the Law of the Sea, to be held in New York, N.Y., May 23–July 8, 1977: The Senator from Maine (Mr. MUSKIE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Jersey (Mr. CASE), the Senator from Texas (Mr. TOWER), the Senator from Massachusetts (Mr. BROOKE), and the Senator from Alaska (Mr. STEVENS).

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 3477, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The Senate resumed the consideration of the bill.

Mr. DANFORTH. Mr. President, in the last 2 days there has been a substantial amount of discussion about the so-called permanent tax cut, which is the thrust of amendment 200, as modified.

I think most points have been pretty well made to date, but I shall avail myself of this opportunity to clear up a few matters which I think maybe have not received adequate attention.

First, it is important to understand that the question of a permanent tax cut should not be a partisan issue. It is true that last January a group of Republican Senators began meeting about the subject of the economy and what steps can and should be taken by Congress to try to put the American people back to work.

That group last January of some Republican Senators began moving on the subject of the economy and through a series of meetings with an increasingly larger number of Republican Senators fashioned what we took to be a comprehensive program for creating approximately 2 million additional jobs by the end of 1978, which we felt were lasting jobs.

We thought that this was something more than the typical partisan exercise, because so often the role of a minority party is to simply be negative and to attack the proposals of the administration and of the majority party.

But it was clear to most of us that the people of our constituencies did not elect us simply to be partisan figures, and not to be negative, and not always to be presenting ideas which would be only minority ideas and doomed to failure.

So it was with a constructive spirit that we devised a proposal which we felt, and economists agreed with us, would be helpful in trying to bring recovery to an economy which was doing very poorly.

The so-called permanent tax cut which we are proposing in this amendment is derived from a piece of that Republican program in that the original package that we put together contained within it a permanent tax cut, but it was a rate reduction which was substantially larger than the one now under consideration in amendment 200, as modified.

What has happened in the present amendment 200 is that Senator JAVITS and I then considered the changes in the standard deduction as those changes came out of the Finance Committee and developed a rate reduction which could be integrated with the alteration in the standard deduction.

It was never our view that amendment

No. 200 should be viewed as a partisan matter, but, rather, as a proposal which was worthy of bipartisan support.

I am confident that there are some members of my party who will not support this amendment, but I hope that on the other side of the aisle this proposal will be viewed on its merits, because it has been put forward as a proposal which deserves consideration on its own merits.

It is important to underscore the fact that this amendment does integrate a rate deduction with changes in the standard deduction as found in the bill reported by the Finance Committee. The Finance Committee addressed itself at great length to the question of the standard deduction. The changes in the standard deduction are supported by the administration. Changes in the standard deduction in the case would bring further simplification to the Internal Revenue Code and would go some distance in redressing the problem of the so-called marriage penalty.

The marriage penalty, as it is called, means that the way the standard deduction is written now, it sometimes pays people to remain single rather than to get married, because twice the standard deduction for a single person exceeds the standard deduction for a married couple on a joint return.

So what we have done is to integrate with the changes in the standard deduction, as they have come from the Finance Committee, additional rate deductions for the first $20,000 of adjusted gross income; and this integrated proposal is incorporated in amendment 200, and that is the issue which very shortly—that is, tomorrow—will be before the Senate for a vote.

I have made the point over the last 2 days that the lion's share of this amendment and the tax savings under this amendment are designed to benefit taxpayers in the low-income and middle-income brackets. But I think it is important to note and only fair to note that the portion of this proposal accounted for by rate reductions alone differs in percentages somewhat from the portion of this proposal accounted for by changes in the standard deduction.

So that if you consider only the rate cut portion of this proposal, 85 percent of the tax saving attributed to the rate cut alone is designed for taxpaying entities with adjusted gross income of $30,000 or less; whereas, the total benefit of amendment No. 200, as it has been modified, including both the rate cut and the standard deduction feature of the proposal, amounts to 91 percent of the benefits going to taxpaying entities with adjusted gross income of $30,000 or less.

Finally, I should like to address myself to what is known as the indexing proposal, or the indexing problem, and how this fits in with that idea.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. DANFORTH. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on an amendment to this bill which will be offered later today by Mr. CHURCH and Mr. DOMENICI.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the amendment by Mr. DOMENICI and Mr. CHURCH occur today at 3:50 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that throughout the remaining deliberations on the tax bill today—including votes—and whatever days it continues, Judy Hefner, a member of my staff, have the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, under the standing rule of the Senate as encompassed in the Stevenson resolution, all committees may meet during the session of the Senate for a period of the first 2 hours, without consent. Hence, all committees may meet tomorrow, if the Senate convenes at 10:30 a.m., until 12:30 p.m., without consent.

I now ask unanimous consent that, in addition, all committees may meet tomorrow during the session of the Senate, beginning at 2 p.m., with the exception of the Committee on Energy and Natural Resources.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the minority leader, and I thank the Senator from Missouri for yielding.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Missouri may hold the floor for an additional 10 minutes, after which the Senator from Idaho (Mr. CHURCH) be recognized to call up the amendment which he and Mr. DOMENICI are sponsoring.

Mr. CHURCH. Mr. President, will the Senator withhold that for a moment, so that I may request unanimous consent to call up the amendment following the conclusion of the remarks by the distinguished Senator from Missouri?

Mr. ROBERT C. BYRD. I include that in the request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment will be in order.

The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I yield to the Senator from New Hampshire.

Mr. McINTYRE. I thank my distinguished colleague.

Mr. President, I rise to express my disappointment over the way we are handling the President's tax package and to speak in support of the amendment offered by the Senator from New York (Mr. JAVITS).

As early as last November, I contacted President Carter urging him to give serious consideration to a single one-time tax rebate to stimulate a faltering economy. On January 31, President Carter recommended a tax stimulus package which included a $50 rebate along with several business tax reductions.

In January, of course, the severe cold weather experienced throughout the country was giving all of us grave concern as to its economic impact. But that was several months ago. Since that time economic indicators have improved somewhat and some who warmly supported a tax rebate in midwinter have let their ardor cool off as the weather warmed up. Well, Mr. President, those economic indicators are welcome, of course, but I do not find them reassuring enough to abandon the case for a tax break to keep economic recovery alive.

But it is clear now what has happened. Our banking and industrial communities have launched a massive campaign to sell the argument that tax rebates to the citizens of this country would be inflationary but tax reductions for business would not. I not only question this reasoning, I think reducing business taxes without giving individual citizens an equal break would be unconscionably unfair. As we all know, the assault on the rebate has been successful. The week before last, the President reversed himself and abandoned the $50 individual tax rebate. But at the same time, and I em-

phasize this point, President Carter also proposed eliminating the business jobs tax credit and the increase in the investment tax credit.

The Senate, however, apparently does not follow the logic that business tax credits should be tied to individual taxpayer relief. Last week, on a lopsided 74-to-20 vote, the Senate in its wisdom determined that the American business community was deserving of tax reductions but that the American citizen was not.

Mr. President, last week I was one of the 20 Senators to vote for recommittal of the bill to committee with instructions to delete the business tax credits. Failing that, I have consistently voted not to expand the present legislation. I voted against my good friend from Colorado (Mr. HASKELL) in his successful attempt to enlarge the jobs tax credit. I voted to place a cap on the tax credit and I will continue through the debate on this bill to vote against those proposals enlarging business tax reductions.

I do not believe, Mr. President, the American people can be convinced that tax reductions are fine for business but wrong for them. With the exception of the increases in the standard reduction, which I supported in a floor statement February 4, what we have before us is a business tax reduction bill. How can I or my colleagues in this body seriously justify sending to conference a piece of legislation that will provide billions of dollars of tax relief for our business community while ignoring the pressing tax burden on our citizens?

I must state my belief that general tax reductions should be part of a comprehensive tax reform bill. And the legislation before us certainly is not that. We are debating a piece of legislation that can no longer be justified. Either we have a rebate together with business tax reductions, or we should have no bill. If this legislation is passed without general tax relief, then we should all be prepared to explain to the American people how we justified a tax reduction for the American business community but could not justify a tax reduction for them.

I thank my distinguished friend for yielding time to me.

Mr. BAKER. Mr. President, will the Senator yield to me briefly?

Mr. DANFORTH. If I have any remaining time I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Missouri has 4 minutes remaining.

Mr. BAKER. Mr. President, will the Senator yield me 1 minute?

Mr. DANFORTH. I yield to the Senator from Tennessee.

Mr. BAKER. Mr. President, I only wanted to take a brief moment to say to the distinguished Senator that I thought his statement was cogent, convincing, and I am delighted to hear his position and his remarks on an issue of such importance. I commend him for his courage in this respect.

Mr. McINTYRE. I thank my good friend from Tennessee.

Mr. DANFORTH. Mr. President, I add my word of commendation to the Senator from New Hampshire. Really this is a question of providing tax relief for low-income, middle-income taxpayers, and it is interesting to note that without this and, as a matter of fact, even with it, over the next couple of years the real tax rate for this group of middle-income and low-income taxpayers is going to be increased; that is, even without any increase in tax rates these people are going to be pushed into higher tax brackets.

This amendment, at least on a temporary and partial basis, does something toward indexing tax rates for middle- and low-income taxpayers to take account of the effect that inflation has of pushing them into higher tax brackets.

So I add my word of commendation to the Senator from New Hampshire for the position he has taken. This indeed is not a partisan measure at all. It is a measure designed to do two things: One, to put more people back to work in an economy that is still very sluggish, to say the least; and, second, to offer a measure of relief to those taxpayers who can least afford the effect of high rates of inflation and high rates of taxes at the same time.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Idaho.

AMENDMENT NO. 190

Mr. CHURCH. Mr. President, I send to the desk my amendment No. 190 and ask that it be read.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) for himself, Mr. DOMENICI, and other Senators proposes amendment No. 190.

The amendment is as follows:

At the appropriate place insert the following new section:

SEC. . ELECTION OF FORMER RETIREMENT INCOME CREDIT PROVISIONS FOR 1976.

Section 37 (relating to credit for the elderly) is amended by redesignating subsection (f) as (g) and by inserting after subsection (e) the following new subsection:

"(f) ELECTION OF PRIOR LAW FOR 1976 RETURNS.—A taxpayer may elect (at such time and in such manner as the Secretary shall prescribe) to determine the amount of his credit under this section for his first taxable year beginning after December 31, 1975, under the provisions of this section as they existed before the amendment made by section 503 of the Tax Reform Act of 1976.".

Mr. CHURCH. Mr. President, this amendment would give taxpayers 65 years or older the option to claim for taxable year 1976 either the former retirement income credit or the new elderly credit.

Last year's Tax Reform Act, in effect, replaced the retirement income credit with two types of credits, depending upon the taxpayer's age and sources of income.

For taxpayers 65 or older, a 15-percent credit for the elderly is available for all types of income, up to $2,500 for single persons and $3,750 for couples filing jointly. Single persons with $2,500 in qualifying income can reduce their tax liability by $375, $2,500 multiplied by the 15-percent credit. An elderly couple entitled to the maximum credit can subtract $563 from their taxes, $3,750 times 15 percent.

These maximum amounts for computing the credit, however, are reduced dollar-for-dollar by social security benefits, railroad retirement annuities, and other tax-exempt pensions. In addition, there is an income phaseout provision, which reduces the maximum amounts for computing the credit by $1 for each $2 of adjusted gross income above $7,500 for individuals and $10,000 for couples.

The effect is that the credit is eliminated entirely for taxpayers with adjusted gross income of $12,500 for individuals and $17,500 for qualifying couples.

Persons under 65 are eligible for a retirement income credit, provided they receive a public pension or annuity. They may also claim a 15-percent credit, but only on up to $2,500 in qualifying pensions or annuities for individuals and $3,750 for elderly couples.

These amounts are also reduced by tax-exempt retirement benefits and earnings, depending upon the amount and the taxpayer's age. However, there is no income phaseout provision, as now exists for the elderly credit for persons 65 or older.

For most eligible older Americans, the new elderly credit provides additional tax relief. Some, though, have been adversely affected by the income phaseout provisions.

Every Senator in this Chamber, I am sure, has received letters from retirees 65 or older who have had their credit either reduced or eliminated because of the changes in the 1976 Tax Reform Act. Yet, these same individuals would, in many cases, be entitled to claim the credit if they were under 65.

The Tax Reform Act, which became law in October 1976, made these changes effective retroactively to January 1976 for individuals 65 or older.

Now, many moderate-income pensioners 65 or older—particularly those in the $10,000 to $17,000 income bracket—are discovering that their credit is either reduced substantially or eliminated entirely because of the income phaseout provision in the Tax Reform Act. Yet, these individuals can ill afford a retroactive tax increase.

The National Retired Teachers Association-American Association of Retired Persons sum it up well when they say:

As a matter of principle, our Associations are vehemently opposed to any retroactive increase in income tax liabilities resulting from the enactment of legislation after the start of a taxable year. We think that retroactively increased tax burdens constitute bad tax policy and erode the confidence of our own citizens in the fairness and sensitivity of their Government.

My amendment is similar to the approach adopted by the Senate Finance Committee in protecting persons entitled to the sick-pay exclusion from being adversely affected by the retroactive application of the Tax Reform Act. It would also protect taxpayers—in this case elderly retirees living on low or

moderate incomes—from being penalized by the retroactive application of the elderly credit. It would not, however, grant any additional tax relief, but would simply protect them from having their taxes raised retroactively.

This approach has another important benefit. It would provide additional time for the two tax writing committees—the Senate Finance Committee and the House Ways and Means Committee—to reexamine the difference in treatment for taxpayers 65 or older and those under 65.

I recognize that elderly taxpayers must file amended returns to claim the retirement income credit. This will add to the administrative problems already confronting the Internal Revenue Service. This is certainly an important consideration when tax policy is concerned, but it clearly should not have a greater priority than tax equity.

The retroactive application of the age credit will cost persons 65 or older $30 million in lost tax relief in fiscal year 1977. Most older Americans did not become aware of the harmful effects of the retroactive application of the income phaseout provisions for the elderly credit until well after the fact, when it was too late to do anything. Older Americans—especially those living on limited incomes—can ill afford to lose tax relief measures.

The National Association of Retired Federal Employees and the National Retired Teachers Association-American Association of Retired Persons strongly support the enactment of my proposal. Both associations are ready, willing, and able to assist their members in claiming the credit.

Mr. John McClelland, president of NARFE, emphasized:

Again I offer your amendment the full support of this Association. Let me further assure you that NARFE would use all its publication resources to advise our 275,000 members of your amendment and inform this group of steps necessary to utilize the option if enactment is attained.

Mr. Peter Hughes, legislative counsel for NRTA–AARP made a similar offer of assistance:

. . . our Associations will make every effort to inform those who would benefit through our News Bulletins, which have combined circulation in excess of 10 million. In addition, we shall do all we can to assist these elderly persons in filing amended returns through our tax aid program which operates nationwide and which is expected to provide tax counseling assistance to 500 thousand elderly taxpayers in the current tax filing season alone.

For these reasons, I urge the adoption of my amendment.

I offer the amendment on behalf of myself, the ranking Republican member of the Committee on Aging (Mr. DOMENICI), and 57 other cosponsors. I ask unanimous consent that the list of cosponsors be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COSPONSORS OF CHURCH RETIREMENT INCOME CREDIT TO H.R. 3477

Domenici, Humphrey, Clark, Stone, Williams, Abourezk, Brooke, Pell.

Eagleton, Huddleston, Leahy, Melcher, Hatfield, Kennedy, McIntyre, Eastland.

Matsunaga, Bayh, Sarbanes, Chiles, Chafee, Mathias, McGovern, DeConcini.

Heinz, Inouye, Anderson, Percy, Culver, Randolph, Javits.

Cannon, Jackson, Ford, Riegel, Glenn, Stafford, Bumpers, Weicker.

Case, Ribicoff, Thurmond, Sasser, Moynihan, Biden, Bentsen, Burdick.

Gravel, Durkin, Hart, Hayakawa, Hollings, Schweiker.

Nelson, Metcalf, Johnston, Hathaway, Zorinsky.

Mr. DOMENICI. I am pleased, Mr. President, to cosponsor amendment No. 190 with Senator CHURCH and 57 other cosponsors. This amendment would give taxpayers 65 years of age or older the option to claim for taxable year 1976 either the former retirement income credit or the new elderly credit.

Mr. President, the purpose of the amendment is to protect older persons from being penalized by the retroactive application of the elderly credit as initiated in the Tax Reform Act of 1976. This approach is similar to that adopted by the Senate Finance Committee in protecting persons entitled to the sick pay exclusion from being adversely affected by the retroactive application of the sick pay exclusion.

I believe that it is a violation of public trust to pass significant legislation which is retroactive, which disregards the taxpayers' need for a major financial adjustment. As it is, should this measure be enacted into law, elderly taxpayers earning income will be required to file revised tax returns for 1976 if they wish to take advantage of any former benefits to which they may have been entitled. I certainly appreciate the supportive pledges of Mr. McClelland, president of the NARFE, and Mr. Hughes, legislative counsel for the NRTA–AARP, to use their publications to inform their membership of this proposed change.

Mr. President, the cost of this amendment will be approximately $30 million in fiscal 1977. Obviously the cost to the National Treasury is relatively minimal when considering the individual circumstances of the estimated 165,000 low- to moderate-income pensioners who are discovering that their credit is either reduced substantially or eliminated entirely on a retroactive basis. I agree with Senator CHURCH that these individuals can ill afford a retroactive tax increase. Furthermore, the passage of this amendment would allow the Finance Committee and the Ways and Means Committee to consider alternatives for correcting some of the flaws in the 1976 Tax Reform Act concerning the new elderly credit.

So, Mr. President, I commend the distinguished senior Senator from Idaho for introducing this amendment, and it is my pleasure to be a cosponsor. I think the fact that 59 Senators have cosponsored it speaks for itself. I am not again going to go into the substantive reasons that justify this amendment. Suffice it to say that a very good lesson is learned through this legislation.

I am not one who claims to be expert, nor am I preaching, but it seems to me that to adopt retroactive tax laws is a very risky policy for this Nation at best. When you apply it to fixed income senior citizens who have been entitled to a certain credit for a number of years, then it leaves the arena of being risky and becomes a very significant deterrent to credibility on their part.

These people are not the type who can adjust their income here or there, or who can expect to make more money. They have been relying for years on a certain kind of credit that they have been entitled to under our laws. Needless to say, they are over 65 by definition, and when they begin to fill out their returns, they find all kinds of problems. If they are under 65, they got the credit, if they are over, they did not; which seems to be something very inconsistent in terms of American policy. Likewise, they went through a year planning their small investments, only to find we changed the rules of the game in midstream.

So it appears to me that while many parts of America's constituency are involved, the number of affected senior citizens is probably around 165,000 people who are going to be, and are entitled to be, chagrined and angry at us for doing this to them. Many of them have already filed their returns; as the Senator said, they will have to apply for a refund. Probably many of them will not, but they should, and I hope they will.

When we pass this amendment, I am sure the rollcall vote will indicate significant support for it, and then they will know that as soon as we found out about it and had the opportunity to change it, we did. I think that is important for these members of the American public to gain a little bit of faith and credence for the American system of government and taxation.

I thank the Senator from Idaho for yielding the floor.

Mr. CHURCH. Mr. President, may I say to the Senator from New Mexico how much I appreciate his support. This amendment would simply do equity for older people by eliminating the retroactive effect of the changes that were made in the retirement credit last year.

I think, in all fairness, Congress did not intend to impose those changes retroactively. But in several places in the bill the effective date was made January 1976 instead of January 1977. This amendment merely adopts the same formula that has already been approved by the Finance Committee in its treatment of the sick pay exclusion provisions, and the foreign earned income exclusion. In those cases, the effective date is changed to eliminate the adverse impact of the retroactive application, and we would do the same thing for the elderly.

Mr. President, it is my understanding that this amendment will be voted on at 10 minutes to 4, under the unanimous-consent order.

The PRESIDING OFFICER (Mr. TALMADGE). The Senator is correct.

Mr. CHURCH. I thank the Chair.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Is there a time limitation agreement?

The PRESIDING OFFICER. There is no control of time. A time certain has been agreed upon to vote, at 10 minutes to 4. The Senator may speak on his own time.

(Remarks made by Mr. KENNEDY at this point in connection with the introduction of a bill are printed in today's RECORD under statements on bills and joint resolutions.)

Mr. KENNEDY. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

Mr. LONG. With reference to Senator CHURCH's amendment, I find it my duty to report that the Treasury Department is opposed to the amendment for a number of reasons. One reason is that last year, we liberalized the retirement income credit for the benefit of the overwhelming majority of people who enjoy the benefits of that provision, and the Treasury sustained a loss of $390 million as a result of liberalizing and simplifying the retirement income credit so that it would be useful to the elderly people of this country.

There were a relatively small number who were adversely affected by the Tax Reform Act's changes in the credit. Those are single people who had retirement income over $12,500 and married persons, who had retirement income over $17,500. The retirement income credit is completely phased out at those figures. It should be pointed out that what we did with the Tax Reform Act for the overwhelming majority of the elderly people, particularly those at the lower level of the income scale, was to increase it, to simplify it and also to streamline it, to their advantage.

We have no apologies to make for what we did in changing the retirement income credit last year, nor does the Treasury. The Senator from Idaho (Mr. CHURCH) and his cosponsors do make a point that, to some extent, the change was retroactive and that a relatively small number of people were adversely affected. I find some sympathy for the argument, although I must say that it will be very complicated for people to take advantage of the Church amendment. First, they will have to compute what their retirement income credit for 1976 is under the new law, which is the one that is simpler and was designed to make it easier for people to claim the credit. Then they will also have to compute what their retirement income credit would have been under the old law, which was horribly complicated. Then they will have to compare the two figures. Then they would claim—presumably—the one that would be more to their advantage. A lot of people who, hopefully, would benefit from the Church amendment will simply find it too complicated to fool around with it, because it will be necessary for them to apply for a refund. In any case, many would find it very complicated to take advantage of it and many would find that they do not benefit at all.

So the amendment does leave something to be desired. However, I am attracted by the arguments against the retroactive aspects of the changes in the credit and I may vote for the amendment myself when it comes to a vote before the Senate. I just want Members to understand that there is a Treasury Department objection to the amendment and that there is some merit to the Treasury position against this.

Mr. President, on a different subject, I point out that, contrary to what we heard or, at least, read in some of the publications of this country, the bill that is before us does contain what I believe to be very good balance.

Mr. President, I ask unanimous consent that a letter and a table explaining the breakdown of the tax reduction in this bill, and the extent to which the cut is divided between individuals and businesses be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., April 26, 1977.

DEAR COLLEAGUE: The charges that this bill before us is lopsided towards business is completely without merit. Most of the tax cuts go to individuals and even the parts that go to business are conditioned on business activity which provides jobs to individuals.

This bill contains the tax reductions as follows:

Reductions for calendar 1978 (billions)

Individuals:	
Standard deduction	$6.0
Extension of earned income credit	1.3
Extension of general tax credit	10.6
Total individual (77.2 percent)	17.9
Business:	
Investment credit	1.4
Jobs credit	1.6
Extension of small business cuts	2.3
Total business (22.8 percent)	5.3

Two-thirds of the new tax cuts in the bill ($6 billion out of $9 billion) goes to individuals through an increase in the standard deduction. This provision also involves a major simplification of the tax returns which individuals will have to file next April 15 and will increase the percentage of taxpayers who will not have to itemize their deductions to 76 percent. Eighty-one percent of this $6 billion tax cut goes to individuals with incomes below $15,000. A family of four with income of $8,000 would get a tax cut of $174.

Even without the $50 rebate, the bill provides tax relief for low and middle income individuals, simplifies the tax forms and attempts to deal with the problems of unacceptably high unemployment and inadequate business investment. The legislation deserves to be passed as quickly as possible.

Sincerely yours,

RUSSELL LONG,
Chairman, Senate Finance Committee.

Mr. LONG. The tax reductions in this bill for individuals are 77.2 percent of the reduction, and those individual tax reductions are directed toward the low- and middle-income people. For example, there is a $6 billion reduction in taxes by the simplification and the streamlining of the standard deduction. That amounts to a tax cut of $174 for a four-person family with income of $8,000. The change in the standard deduction is mainly geared to middle- and low-income taxpayers, because those are the ones who tend to use the standard deduction.

There is also a tax reduction of $1.3 billion through an extension through 1978 of the earned income credit. This entirely benefits the poor. This is a provision that I have worked for and supported for years. It makes work more attractive than welfare for the working poor.

We would like to find a way to get more low-income people to come in and apply for it. It occurs to the Senator from Louisiana that perhaps we could amend the bill so that the employer would apply for the earned income credit for the benefit of his employee, so that there would be a better prospect of the employee getting it. The way it stands now, there are altogether too many poor people, who either do not understand it or are reluctant to come in and claim it, who are not getting the benefit of the earned income credit. At any rate, Mr. President, that $1.3 billion is entirely for the benefit of poor people who have children.

The bill also contains an extension through 1978 of the general tax credit of $10.7 billion. This also helps low- and middle-income taxpayers.

Of course, two of these individual tax cuts are extensions of existing law, but they would expire in January were they not extended. Adding it all together, 77.2 percent of the tax reductions are geared to individuals, with an emphasis on low- and middle-income taxpayers, where the need for a tax cut is greatest.

Then, Mr. President, we look at the so-called business advantages in this bill. The investment tax credit would cost $1.4 billion. In order to get that, for every dollar of advantage that a businessman gets, he would have to spend $8 in buying new plant and equipment, which puts people to work. The investment tax credit thus far has proved the most effective stimulant that Congress has found, or that any President has recommended, to get the economy going and put people to work.

Some time ago, the Senator from Louisiana was asked that that provision be repealed because it seemed to be overheating the economy.

I was amazed at that time to find overwhelming protest from the labor leaders of my State because they were finding jobs in the construction trades for all their workers in the area building new plants. They were very much upset with their Senator in that he seemed to want to repeal a provision they felt, and rightly so, was playing a major part in building new plants and creating new jobs for construction labor in that area.

There is a lot to be said for the fact

that the investment tax credit provides jobs.

Now, the $1.6 billion for the jobs credit is almost entirely for small businesses. Much of it is to the little mom and pop grocery stores and small cafes, the filling stations, small businesses generally. Businesses do not get the benefit of that credit unless they hire more people and expand their payroll.

So it is not really the employer who is getting the benefit of that tax cut. It is the person he employs. In other words, by making it more attractive taxwise for a company to hire a marginal employee—someone they have not needed to that point—we estimate we can add somewhere between 200,000 and 400,000 additional jobs.

While it is listed as something to help business, the jobs tax credit is really something that is largely going to go to the benefit of those who are working.

Most of these people for whom we hope to provide jobs as a result of the jobs credit are presently drawing unemployment insurance payments. Reduced outlays for unemployment insurance and increased taxpayments by newly hired employees will offset much of the revenue lost by the jobs credit.

The revenue estimate of a loss of $1.6 billion does not take account of what we save by taking people off the rolls of the unemployed. Nor does it take into account that we will be saving money by taking people off the welfare with this provision and putting them in jobs where their families will have substantially more income, perhaps three or four times as much in working at a job, than what that family would have if it was simply living on a welfare check.

Then we have a $2.4 billion tax cut through extension of the small business corporate rate cuts.

Mr. President, one will see that of these provisions that affect business, almost $4 billion of the $5.3 billion is directed almost entirely for the benefit of small businesses, and most of that is for the purpose of prevailing on those small businesses to expand and put more people to work.

But look at it as we want to, the overall figures show that more than three-quarters of the overall tax cut goes to individuals. That which goes to individuals favors those in the low- and middle-income brackets and that part which goes to business, which is less than one-quarter, is devised in such a way that most of that benefit will go to the laboring man rather than to the employer.

In other words, if the man does not use the jobs credit provision to hire somebody, then there is to be no tax credit. So if the jobs are not created, then the jobs credit will cost practically nothing, rather than $1.6 billion.

I hope those interested in this matter will consider this fact and I hope our friends in the media will translate that in their stories and in their reports on what is happening here on the Senate floor, because this bill, regardless how we analyze it, is one for the benefit of workers who need jobs; and the benefit to business is only provided to the extent it encourages businesses to move forward and to put more people to work in the areas where jobs are needed.

In due course, Mr. President, we will be discussing this and related items in greater detail. I strongly urge Senators to support this bill and also to help us keep it, to the greatest extent we can, in a fashion such that the President will sign it.

I know of a number of meritorious amendments that could be offered which would increase the cost of the bill. In some respects, that might make it a better bill. But in doing so, they tend to imperil the bill itself. I hope that Senators will save some of their amendments along that line and be willing to offer them and have them considered in connection with the tax reform bill, which we would expect to be a very broad and inclusive bill, when that matter comes before the Senate this fall.

Mr. DANFORTH. Will the Senator yield for a discussion?

Mr. LONG. Surely.

Mr. DANFORTH. My understanding of the Senator's position is that 77.2 percent of this bill is designed to provide tax relief for individuals; is that right?

Mr. LONG. That is right.

Mr. DANFORTH. How much of that 77.2 percent is simply extensions of tax benefits for individuals found in existing law?

Mr. LONG. Let us look at it another way. If the Senator is talking about new items, we have $6 billion in individual tax cuts.

Then we have $3 billion in the investment tax credit and the jobs credit.

But again, I hasten to explain that most of the benefit of that $1.6 billion in the jobs credit, while it appears to be something that is for businesses, is actually going to be largely for the person who gets the job rather than the person who hires the worker.

So if we make that calculation, we still show a figure of three-quarters of the benefit going to the individuals.

Mr. DANFORTH. Hopefully, the purpose of the whole bill, which is supposed to be a tax stimulus bill, is to put people to work.

Mr. LONG. Exactly.

Mr. DANFORTH. Not just to confer benefits on corporations.

Mr. LONG. Exactly.

Mr. DANFORTH. But is it not a fact that, with respect to actual tax relief for individuals, only about $6 billion would be in the form of new tax relief for individuals?

Mr. LONG. That is two-thirds of the new tax cuts in the bill. But let me point out that much of the jobs credit will go to business people who are not incorporated. So while the jobs credit is listed as being something for business, it is not necessarily going to corporations.

Mr. DANFORTH. I understand.

Mr. LONG. A great many of those people are Mom and Pop grocery stores and drug stores, things of that sort.

Mr. DANFORTH. I understand. But talking about personal tax returns and the amount individuals pay in taxes, as the bill stands now, the only new relief found in it is the standard deduction?

Mr. LONG. The jobs credit, to a large extent, does help individuals.

Mr. DANFORTH. I get the Senator's point and, hopefully, it all helps individuals. But with respect to personal taxes——

Mr. LONG. But the point is that while we have the jobs credit listed under business on the sheet which I had placed on the Senator's desk, most of those businesses are not incorporated and they will report their income on individual tax returns, rather than as corporations on corporate returns. So when we talk about individuals, those are small businesses which are filing individual tax returns, rather than corporations.

Mr. DANFORTH. When we are talking about the working person, the blue collar or white collar worker, that would not be of any benefit to those people so long as they are emplyed.

Mr. LONG. It would be a lot of benefit to them in getting a job.

Mr. DANFORTH. But I mean that as to a person who is employed, a person who is now on the tax dollars, the only benefit is in the form of the change in the standard deduction. Is that not right?

Mr. LONG. With the qualification that I explained, it is correct.

Mr. DANFORTH. I understand the qualification.

It is true, is it not, that there are approximately 1.7 million people who actually will have their taxes increased by this bill if a permanent tax cut is not added to it?

Mr. LONG. Yes, but that is a part of an adjustment to reduce the marriage penalty. Insofar as that results in a somewhat greater tax on a relatively small number of single people, who are not low-income people by any means, that is balanced by a greater tax cut for the married couples with children.

Mr. DANFORTH. But as to single taxpayers with adjusted gross income of $13,750 or more a year, their taxes are going to be increased.

Mr. LONG. The Senator is talking about the relatively high income single taxpayers.

Mr. DANFORTH. $13,750 is not too high in this day and age.

Mr. LONG. It certainly is a long way from poverty, and that much income would compare to $27,500 for a couple.

People may differ, but in my judgment it does not make any sense at all to say that two people, living together under the same roof, if married, get only $3,200 of standard deductions, but if they are not married, they get $4,800 of standard deductions—$1,600 more. That would be the effect of keeping the standard deduction for single people of $2,400. In my judgment, that would be an unwarranted discrimination against people because they do what society wants them to do—that is, to formalize their relationship with a marriage contract which imposes obligations and duties upon both parties that the law will respect.

Mr. DANFORTH. But is it not so that the difference between the bill as it now reads, as it came from the Finance Committee, and the amendment that is of-

fered by Senator JAVITS and me is that in both versions we deal with the question of the so-called marriage penalty to the same extent? But in the bill as it now reads, approximately 1.75 million people who are single, with adjusted gross income of $13,750 or more a year, are going to be paying more taxes next year than they paid this year; whereas, under the Javits-Danforth proposal, their taxes will be cut as well.

Mr. LONG. The Senator is talking about a relatively small number of people. I make no apologies for that.

If we are going to have tax reform, we must have the courage to bite the bullet about some of these things, even the differences between the tax advantage for single people and the tax advantage for married people, on what we believe to be a fair basis.

It has been my experience that moral courage is the scarcest commodity among politicians. I have known men in the service who would have the courage to march right into the mouth of an enemy cannon but who did not have the courage to vote for something in politics for fear they might be misunderstood, for fear they might have to explain it to somebody.

In my judgment, it does not make any sense to say that two people, both of them having income and living together, would have the advantage of 50 percent more deductions, in the event that those people avoid formalizing their relationship with a marital contract and have children born out of wedlock, rather than do what society would like them to do, to accept the duties and obligations implicit in a man and woman seeking to live together, to make a life together, and to bring up a family together.

This matter was discussed on a nationwide television program, 60 Minutes, and very few people try to defend it.

Admittedly, a single person making more than $13,750 might pay another dollar or two in taxes, but that is nothing compared to the injustice we would be doing to married people by doing it the other way.

Some say that a politician cannot vote to increase anybody's taxes on any basis. If you believe that, and try to correct the marriage penalty by raising the standard deduction for married couples up to where they have the same tax treatment as single people, it would cost several billion dollars. Under the bill proposed by the Finance Committee, it costs a few hundred million dollars in one case to alleviate the marriage penalty by simply making a modest increase in the taxes paid by a few single people making $13,750 or more. I think that is a situation in which we cannot afford the revenue loss involved in alleviating the marriage penalty in a way that reduces everybody's taxes.

It is this Senator's judgment, the Treasury's judgment, and the President's judgment that we should face up to the fact that tax reform means that some people who are getting the best of it will have to pay a little more while other people get a tax cut.

Mr. DANFORTH. People who make $13,750 a year or more are hardly the privileged few, are they? They tend to be younger people, starting out in life.

Mr. LONG. But a single person making $13,750, as the Senator knows, is a great deal better off than a couple making that amount of money.

At some point, if we are going to have tax reform, we will have to vote for some provisions that some people in middle income brackets might find a little obnoxious. The House had the courage to do that. Last year we handled the matter of sick pay.

If we want the Internal Revenue Code to make sense and if we want to have uniform justice, in my judgment, some of us will have to stand up and vote for what we think is right, even if it is not entirely popular with everybody.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MATSUNAGA. Mr. President, I rise in full support of the amendment proposed by the distinguished chairman of the Special Committee on Aging the Senator from Idaho (Mr. CHURCH). Moreover, I am pleased to cosponsor his amendment to H.R. 3477 which would enable elderly taxpayers, aged 65 years or older, to have the option of claiming either the former retirement income credit or the new "senior citizen" tax credit for the taxable year 1976. This measure is needed to protect millions of older persons from the sudden impact of the retroactive application of the new elderly tax credit in the 1976 tax year.

Mr. President, the "tax break" for the middle-income taxpayer and the credit for the elderly have resulted in higher tax payments for the year 1976 than it did in 1975 for millions of elderly, age 65 or over. Compounded by the loss of retirement income credit and reduced cost-of-living adjustments, this leaves the retiree, especially those over the age of 65, without any edge against inflation. This kind of tax break the elderly can ill afford.

The 1976 Tax Reform Act replaced the retirement income credit with a new credit for older Americans, which is computed according to age and income standards. This new credit for the elderly may be claimed if a taxpayer is age 65 or older, or is under 65 and receives a pension or annuity from a public retirement system.

The act, signed into law in October 1976, effected significant changes which are retroactively applicable to the taxable year beginning January 1976. Many moderate-income taxpayers 65 years of age or older, with pensions ranging from $10,000 to $17,500 have found very little tax relief from the new senior citizen credit.

In fact, they are discovering that their credit is either reduced considerably or eliminated entirely because of the income phaseout included in the 1976 Tax Reform Act. But, if these individuals were under 65, their credit would equal or exceed the tax relief under the pre-1976 retirement income credit. We are rewarding recent early retirees and penalizing senior citizens retired for several years whose incomes are being steadily eroded by inflation.

Elderly taxpayers, 65 or older, are presently entitled to a credit of 15 percent of the initial amount of income, which includes retirement income, earned income, and investment income, up to specified ceilings. This maximum amount must be reduced by the amount of social security and certain other tax-exempt income the elderly taxpayer receives. Moreover, this credit is further reduced by part of his adjusted gross income. This is because the maximum base for computing the credit is decreased by $1 for every $2 by which a single taxpayer's adjusted gross income exceeds $7,500 or $10,000 for a married couple filing a joint return. Consequently, the elderly tax credit is phased out entirely for a single person with an adjusted gross income of $12,500, and for an elderly couple with an adjusted gross income of $17,500, making them ineligible for the new credit.

This adjusted gross income phaseout does not apply, however, to taxpayers under age 65, who receive a pension or annuity under a Federal, State, or local retirement system. Persons under age 65 are presently entitled to a 15-percent credit on retirement income, up to $2,500 for single taxpayers, and $3,750 for married couples filing jointly. While this maximum amount is reduced by tax-exempt retirement benefits and earnings, there is no additional adjustment income phaseout.

Mr. President, the most crucial concern of senior citizens is financial security. The elderly, especially those over 65, find themselves unprepared to meet the tax demands of the new provisions in the 1976 Tax Act. We need to assure them time and assistance to prepare to meet their new tax obligations. I therefore urge that we cushion this tax impact by voting "aye" on the amendment offered by Senator CHURCH. It would enable taxpayers, age 65 and over, to have the choice of claiming the old retirement income credit or the new elderly credit for 1976.

I say to the distinguished chairman of the Committee on Finance that all that the Church amendment is striving to do is give the elderly—65 and over—another year. As the Senator well knows, the Tax Reform Act of 1976 did not come into being until October of that year; and the elderly—65 and over—had no real notice of the change in the tax system.

Mr. LONG. Mr. President, after explaining my position with regard to the Church amendment, I explained that I thought that the bill was a better balanced bill than some people in the media understood, and the discussion wandered away from the Church amendment to other matters.

Mr. MATSUNAGA. Yes.

Mr. LONG. I am not asking the Senator to vote against the Church amendment.

Mr. MATSUNAGA I heard the Senator's remarks earlier.

I feel that because under the Finance Committee bill we are not affecting retirees below 65 and we are giving different treatment only to those 65 and over, we at least should give them the option

of choosing between the old and the new for this tax year.

Mr. THURMOND. Mr. President, I rise today in support of Senator CHURCH's amendment No. 190, to the Tax Reduction and Simplification Act of 1977. This amendment will give to taxpayers 65 or older the option to claim for taxable year 1976 either the former retirement income credit or the new elderly credit. I am pleased to cosponsor this measure.

Unfortunately, there were a number of sections of the Tax Reform Act of 1976 which had adverse retroactive application. A great number of taxpayers were caught unprepared for greatly increased tax burdens as they had no notice of impending changes. Changes in tax laws are to be expected, but the retroactive application of them is grossly unfair.

In the instance of the new credit for the elderly, the retroactive application of this measure has a serious detrimental effect on our taxpaying senior citizens. This amendment very simply would allow that for this one taxable year, 1976, those who qualify for the new credit may opt to be taxed under the old retirement credit. They may file an amended return or file for a refund.

Mr. President, I strongly support this amendment and urge my colleagues to consider it favorably.

CREDIT FOR THE ELDERLY

Mr. WILLIAMS. Mr. President, I am delighted to have this opportunity to express my full support for this amendment which would make the new credit for the elderly apply more equitably.

The 1976 Tax Reform Act replaced the former retirement income credit with a new credit for the elderly. Under the provisions of the 1976 Act, those aged 65 or more are allowed a 15 percent tax credit on all types of income up to a maximum base amount of $2500 for single individuals and $3750 for married couples filing joint returns in instances where both partners are aged 65 or older. These base amounts are reduced dollar for dollar by tax exempt income such as social security and railroad retirement benefits. In addition, an adjusted gross income phaseout was established in order to limit the credit to lower and moderate income persons. This phaseout provision requires that the amounts on which the credits are based must be reduced by $1 for each $2 of adjusted gross income above $7500 for single persons, and $10,000 for married couples filing joint returns. Thus single persons aged 65 or above with adjusted gross incomes above $12,500 and married couples filing joint returns with adjusted gross incomes above $17,500 are ineligible for the credit.

Under the Tax Reform Act of 1976, these revisions in the tax code were to apply to taxable year 1976. As a result, many of our elderly citizens are finding that their tax obligations for last year are substantially higher than they had expected due to the operation of the adjusted gross income phaseout. For some these tax increases will cause great financial hardship.

The amendment before us would allow taxpayers aged 65 and over to choose between the former retirement income credit or the new credit for the elderly for taxable year 1976. This adjustment to the tax code would protect many elderly from unfair, retroactive tax increases. The Senate took similar action when it recently voted unanimously to remove the retroactive features of the changes made in the sick pay exclusion.

Mr. President, I believe that this is a fair and very necessary amendment and I urge its adoption.

The PRESIDING OFFICER. The hour of 3:50 having arrived, under the previous order, the Senate will proceed to vote on amendment No. 190 by Mr. CHURCH, and others.

The question is on agreeing to the amendment of the Senator from Idaho.

The yeas and nays have been ordered, and the clerk will please call the roll.

The assistant legislative clerk called the roll.

(At this point Mr. RIEGLE and then Mr. CULVER assumed the chair.)

Mr. CRANSTON. I announce that the Senator from Maine (Mr. HATHAWAY) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Indiana (Mr. LUGAR) is necessarily absent.

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—97

Abourezk	Glenn	Moynihan
Allen	Goldwater	Muskie
Anderson	Gravel	Nelson
Baker	Griffin	Nunn
Bartlett	Hansen	Packwood
Bayh	Hart	Pearson
Bellmon	Haskell	Pell
Bentsen	Hatch	Percy
Biden	Hatfield	Proxmire
Brooke	Hayakawa	Randolph
Bumpers	Heinz	Ribicoff
Burdick	Helms	Riegle
Byrd, Harry F., Jr.	Hollings	Roth
Byrd, Robert C.	Huddleston	Sarbanes
Cannon	Humphrey	Sasser
Case	Inouye	Schmitt
Chafee	Jackson	Schweiker
Chiles	Javits	Scott
Church	Johnston	Sparkman
Clark	Kennedy	Stafford
Cranston	Laxalt	Stennis
Culver	Leahy	Stevens
Curtis	Magnuson	Stevenson
Danforth	Mathias	Stone
DeConcini	Matsunaga	Talmadge
Dole	McClellan	Thurmond
Domenici	McClure	Tower
Durkin	McGovern	Wallop
Eagleton	McIntyre	Weicker
Eastland	Melcher	Williams
Ford	Metcalf	Young
Garn	Metzenbaum	Zorinsky
	Morgan	

NAYS—1

Long

NOT VOTING—2

Hathaway Lugar

So Mr. CHURCH's amendment was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President——

The PRESIDING OFFICER. Will the majority leader kindly suspend? The Senate is not in order, and proceedings will be suspended until order is restored.

The Senate will be in order.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENTSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia was seeking recognition.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, at the request of Mr. HOLLINGS and Mr. THURMOND, I ask unanimous consent that the Senate go into executive session for 1 minute to consider the nomination of the U.S. marshal for South Carolina, which was reported unanimously today by the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Andrew J. Chishom, of South Carolina, to be U.S. marshal for the district of South Carolina.

Mr. HOLLINGS. Mr. President, I would like to thank my colleagues on the Judiciary Committee for their very prompt action in sending to the floor today the nomination of Mr. Andrew J. Chishom as U.S. Marshal for South Carolina.

As the member primarily interested in Mr. Chishom's appointment, I urge the Senate's speedy confirmation of this nomination.

By every yardstick, Mr. Chishom is superbly qualified for the position of U.S. Marshal, and he has the full support of every member of my State's Congressional delegation and his peers in South Carolina.

Mr. Chishom is a leading expert in the field of criminology, holding an undergraduate degree in that course of study from the University of Maryland and a master's and doctorate in correctional rehabilitation from the University of Georgia. He has put that education to superb practical use—especially in South Carolina.

In his capacity as chairman of the board of the Community Organization for Drug Control in Greenville, S.C., in 1970 and 1971, he established the first drug treatment unit in my State and worked with all segments of the society in solving drug-related problems. At the same time, Mr. Chishom was actively involved in the recruitment, training and employment of minority representatives in the building and construction industry as a field director of the labor education advancement program of the National Urban League.

Mr. Chishom's involvement and concern earned him the honor of "Outstanding Citizen" by the Greenville City Council and the observance of "Andy Chishom Day" there.

It is important to point out, I think, that Mr. Chishom has been involved at the street level in the problems of crime and law enforcement. He began his career with the community relations division of the Washington Metropolitan Police Department in 1968 and developed a program in high crime areas to promote

better relations between police officers and citizens.

He served on the staff of Gov. John C. West in South Carolina in 1972 as coordinator of the correctional master plan study which was designed to collect data on county and State prisons so as to improve conditions and operations. Mr. Chishom has also served as a consultant to the States of South Carolina and Georgia and the Federal Law Enforcement Assistance Administration in various civil rights, minority enterprise and correctional roles. At the time of his nomination as U.S. Marshal, Mr. Chishom was serving as an assistant professor in the Department of Criminal Justice at the University of South Carolina.

I think my colleagues can determine from this very brief description that Mr. Chishom is a distinguished choice for the position to which he has been nominated by the President and that he will bring solid expertise and real experience to the office. South Carolina and the Nation are fortunate that a person such as Andrew Chishom wants to serve and that he can do so in an effective way.

I thank the Senate for its attention to this matter.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objction, it is so ordered.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. DECONCINI. Mr. President, I ask unanimous consent that Jerry Bonham, of my staff, be granted the privilege of the floor during the consideration and votes on the bill H.R. 3477.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSFER OF CERTAIN MEASURES TO UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are two measures on the General Orders Calendar that have been cleared for passage by unanimous consent. They are Calendar Orders 80 (H.J. Res. 16) and 81 (H.J. Res. 40). I ask that the clerk refer them to the Unanimous Consent Calendar.

The PRESIDING OFFICER. They will be so transferred.

SUPPLEMENTAL HOUSING AUTHORIZATION—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I have been requested by the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) to call up a conference report on H.R. 3843. I understand it has been cleared on the other side of the aisle.

Mr. President, I submit a report of the committee of conference on H.R. 3843 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3843) to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today.)

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

EARLY AND LATE SESSIONS DURING REMAINDER OF WEEK

Mr. ROBERT C. BYRD. Mr. President, there will be no more votes today. I should say, however, that it is anticipated that the Senate will be in tomorrow, Thursday, and Friday early and late; that there will be rollcall votes daily tomorrow, Thursday, and Friday on the tax bill and on other matters which may be cleared for action by that time.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with no resolutions coming over under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 2:25 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its clerks, announced that the House has passed without amendment the following bill and joint resolution:

S. 385. An act to name a certain Federal building in Grand Rapids, Mich., the "Gerald R. Ford Building"; and

S.J. Res. 44. A joint resolution to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the author.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (H.R. 4877) making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes.

The enrolled bill was subsequently signed by the President pro tem pore.

At 3:48 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bills and agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H.R. 5638. An act to amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada;

H.R. 5675. An act to authorize the Secretary of the Treasury to invest public moneys, and for other purposes;

H.R. 5970. An act to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes;

H.R. 6370. An act to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment to the Chairman and Vice Chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes; and

H. Con. Res. 162. A concurrent resolution providing for the printing of 20,000 additional copies of the subcommittee print of the Subcommittee on Consumer Affairs of the Committee on Banking, Finance, and Urban Affairs entitled "Give Yourself Credit: Guide to Consumer Credit Laws."

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC–1213. A letter from the Assistant Secretary of Defense transmitting, pursuant to law, notice of the intent to obligate $72.7 million of funds available in the DoD Stock Fund for war reserve inventory for the Defense Logistics Agency (with an accompanying report); to the Committee on Appropriations.

EC–1214. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Implementation of Emergency Loan Guarantee Act" (PSAD–77–101) (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

EC–1215. A letter from the Secretary of Commerce transmitting, pursuant to law, the Annual Report of the Secretary of Commerce for the fiscal year ended June 30, 1976, and the transition quarter ended September 30, 1976 (with an accompanying report); to the Committee on Commerce, Science, and Transportation.

EC–1216. A letter from the Chairman of the U.S. Consumer Product Safety Commission transmitting, pursuant to law, a copy of the

Commission's letter to the Director of Office of Management and Budget regarding H.R. 2482, a bill to regulate commerce by establishing national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes (with accompanying papers); to the Committee on Commerce, Science, and Transportation.

EC-1217. A letter from the Chairman of the Board of Trustees of the Public Defender Service for the District of Columbia transmitting, pursuant to law, the annual report of the Public Defender Service Board of Trustees for fiscal year 1976 (with an accompanying report); to the Committee on Governmental Affairs.

EC-1218. A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, the monthly report on gasoline service station market shares for the month of December 1976 (with an accompanying report); to the Committee on Energy and Natural Resources.

EC-1219. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report on the confusion and uncertainty as to the need for and use of Air Launched and Tomahawk Cruise Missile Programs (PSAD-77-36) (with an accompaning report); to the Committee on Governmental Affairs.

EC-1220. A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "New Approach Needed To Control Production of Major Crops if Surpluses Again Occur" (CED-77-57) (with an accompanying report); to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Human Resources:

With an amendment:

H.R. 4975. An act to amend the Public Health Service Act to authorize appropriations for fiscal year 1978 for biomedical research and related programs (title amendment) (Rept. No. 95-102).

Mr. KENNEDY. Mr. President, I submit the committee report on H.R. 4975, the extension of our major health care programs for a period of 1 year. This is an extremely important measure.

We have had a number of different recommendations and suggestions from various groups. All have pretty well agreed that they would withhold their recommendations until later in the year when we will begin a very extensive examination of the whole series of extensions of the Public Health Service Act. This involves our planning legislation; it involves the NIH legislation, the cancer control, heart disease, and lung legislation, the basic extensions of the Public Health Service Act. We wanted to give the new administration the opportunity to examine these pieces of legislation and coordinate to the extent necessary with their approaches on health care generally.

It seems to me to be a wise way to proceed. It has the active support of the administration and the other interested groups. I am hopeful we can consider that extension legislation at an early time in the Senate calendar.

The PRESIDING OFFICER. The report will be received and printed.

By Mr. SPARKMAN, from the Committee on Foreign Relations:

With amendments:

S. Res. 94. A resolution entitled "International Cooperation To Curb Nuclear Proliferation (Rept. No. 95-103).

By Mr. STEVENSON, from the Committee on Banking, Housing and Urban Affairs:

With an amendment:

S. 69. A bill to amend and extend the Export Administration Act (title amendment) (Rept. No. 95-104).

SUPPLEMENTAL HOUSING AUTHORIZATION ACT OF 1977—H.R. 3843—CONFERENCE REPORT

Mr. PROXMIRE. Mr. President, I am submitting at this time a conference report on H.R. 3843, the Supplemental Housing Authorization Act of 1977.

Title I of this act would authorize additional funds for housing assistance for lower income Americans in fiscal year 1977; would extend section 8 assisted housing contract terms from the present 20 years to 30 years with respect to privately developed, newly constructed housing units; would extend Federal riot reinsurance and crime insurance programs to September 30, 1978; and would increase, to $1.341 billion, authorizations to cover losses incurred by the FHA insurance fund. In addition, title I also amends miscellaneous provisions relating to mortgage insurance programs and increases authorizations for HUD's very successful urban homesteading demonstration program.

Title II of the act would authorize the creation of a National Commission on Neighborhoods, comprised of 20 members representing local government officials, elected officers of recognized neighborhood groups, other outstanding individuals from fields such as finance, business, education, civic affairs, and the Congress. The establishment of a nongovernmental commission will provide the Nation with a unique opportunity to examine, in depth, the ways in which public and private policies affect our Nation's neighborhoods. The commission would be charged with the responsibility for developing policy recommendations that would result in a comprehensive and coordinated strategy for revitalizing our urban neighborhoods that are threatened by urban decay.

The conference report does not contain two provisions which were in the Senate bill. The first provision would have amended the Emergency Homeowners' Relief Act to add a congressional finding that—

Severe localized economic distress caused by the legal claims of the Mashpee Tribe in Mashpee, Massachusetts, may require the furnishing of assistance under this Act to avoid mortgage foreclosures and distress sales resulting from the temporary loss of employment and income.

The second provision would have provided that assistance under the act could be made available if a mortgagor's involuntary unemployment or underemployment is the result of adverse local, as well as national, economic conditions.

The conferees agreed that alternative legislative means would be found to address the problems arising out of the legal claims of the Mashpee Indians during consideration by the House and Senate of fiscal year 1978 housing and community development act authorizations.

Mr. President, the Senate conferees believe that this bill will greatly improve the administration of various HUD programs, increase the supply and availability of federally assisted housing for needy families, and, in the creation of the National Commission on Neighborhoods, lead to more rational and realistic policies for revitalizing neighborhoods.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

John Lovell Moore, Jr., of Georgia, to be President of the Export-Import Bank of the United States.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. MAGNUSON, from the Committee on Commerce, Science, and Transportation:

Frank Alan Weil, of New York, to be an Assistant Secretary of Commerce.

Charles Linn Haslam, of North Carolina, to be General Counsel of the Department of Commerce.

Elsa Allgood Porter, of Virginia, to be an Assistant Secretary of Commerce.

Jordan J. Baruch, of New Hampshire, to be an Assistant Secretary of Commerce.

Langhorne McCook Bond, of Illinois, to be Administrator of the Federal Aviation Administration.

Quentin Saint Clair Taylor, of Maine, to be Deputy Administrator of the Federal Aviation Administration.

Frank Press, of Massachusetts, to be Director of the Office of Science and Technology Policy.

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Thomas T. Wetmore III

Benedict L. Stabile

Raymond H. Wood

The following-named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral:

Olin A. Lively

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. EASTLAND, from the Committee on the Judiciary:

Andrew J. Chishom, of South Carolina, to be U.S. marshal for the district of South Carolina.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. WILLIAMS, from the Committee on Human Resources:

Wayne L. Horvitz, of the District of Co-

lumbia, to be Federal Mediation and Conciliation Director.

Graciela (Grace) Olivarez, of New Mexico, to be Director of the Community Services Administration.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 5638. An act to amend the Fishery Conservation Zone Transition Act in order to give effect during 1977 to the Reciprocal Fisheries Agreement between the United States and Canada; to the Committee on Commerce, Science, and Transportation.

H.R. 5970. An act to authorize appropriations during the fiscal year 1978, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes; to the Committee on Armed Services.

H.R. 6370. An act to authorize appropriations to the International Trade Commission for fiscal year 1978, to provide for the Presidential appointment of the chairman and vice chairman of the Commission, to provide for greater efficiency in the administration of the Commission, and for other purposes; to the Committee on Finance.

H.R. 5675. An act to authorize the Secretary of the Treasury to invest public moneys, and for other purposes; jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs, and the Committee on Finance.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was referred to the Committee on Rules and Administration:

H. Con. Res. 162. A concurrent resolution providing for the printing of twenty thousand additional copies of the subcommittee print of the Subcommittee on Consumer Affairs of the Committee on Banking, Finance, and Urban Affairs entitled "Give Yourself Credit: Guide to Consumer Credit Laws".

JOINT REFERRAL OF A BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and this has been cleared with the Senator from Louisiana (Mr. LONG), the Senator from Wisconsin (Mr. PROXMIRE), and the minority leader—that when H.R. 5675 is received from the House of Representatives, it be jointly referred to the Committees on Banking, Housing, and Urban Affairs, and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MCCLELLAN (for himself, Mr. BARTLETT, Mr. ROBERT C. BYRD, Mr. CANNON, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. EASTLAND, Mr. GARN, Mr. GOLDWATER, Mr. HATCH, Mr. HAYAKAWA, Mr. HELMS, Mr. JOHNSTON, Mr. LAXALT, Mr. MCCLURE, Mr. ROTH, Mr. SCOTT, Mr. THURMOND, and Mr. ZORINSKY):

S. 1382. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 1383. A bill to amend the Employee Retirement Income Security Act of 1974 to clarify the status of the Hawaiian prepaid health care law under title I and title IV of such Act; to the Committee on Human Resources.

By Mr. JAVITS:

S. 1384. A bill to amend the Internal Revenue Code of 1954 to allow a tax credit for certain contributions of literary, musical, or artistic compositions; to the Committee on Finance.

By Mr. HELMS:

S. 1385. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for services furnished by physician extenders; to the Committee on Finance.

By Mr. RANDOLPH (for himself and Mr. ROBERT C. BYRD):

S. 1386. A bill to provide the Corps of Engineers with continuing authority to provide technical assistance to States and political subdivisions thereof in the planning, design, and preparation of specifications for snagging and clearing projects in navigable streams and tributaries thereof; to the Committee on Environment and Public Works.

By Mr. RANDOLPH (for himself, Mr. ROBERT C. BYRD, Mr. FORD, and Mr. HUDDLESTON):

S. 1387. A bill to authorize necessary flood protection at locations in Kentucky and West Virginia on an expedited basis; to the Committee on Environment and Public Works.

By Mr. METCALF:

S. 1388. A bill to reaffirm the right of State education agencies and school districts to expend funds appropriated for school construction and other purposes under the Indian Self-Determination and Education Assistance Act; to the Select Committee on Indian Affairs.

By Mr. GRAVEL:

S. 1389. A bill for the relief of Louis Ike Ogbogu; to the Committee on the Judiciary.

By Mr. PELL:

S. 1390. A bill to amend section 8332(b) of title 5, United States Code, in order to authorize certain national guard employment to be credited for civil service retirement purposes; to the Committee on Governmental Affairs.

By Mr. KENNEDY (for himself, Mr. HATHAWAY, and Mr. ANDERSON):

S. 1391. A bill to establish a transitional system of hospital cost containment by providing for incentives and restraints to contain the rate of increase in hospital revenues, to establish a system of capital allocation designed to encourage communities to avoid the creation of unneeded and duplicative hospital facilities and services, to provide for the publication and disclosure of information useful to the public in making decisions about health care, to provide for the development of permanent reforms in hospital reimbursement designed to provide incentives for the efficient and effective use of hospital resources, and for other purposes; jointly, by unanimous consent, to the Committee on Finance and the Committee on Human Resources.

By Mr. RIBICOFF (for himself, Mr. HATHAWAY, and Mr. KENNEDY):

S. 1392. A bill to strengthen and improve the early and periodic screening, diagnosis, and treatment program and for other purposes; to the Committee on Finance.

By Mr. BAYH:

S. 1393. A bill to authorize actions by the Attorney General to redress deprivations of constitutional and other federally protected rights of institutionalized persons; to the Committee on the Judiciary.

By Mr. NELSON:

S. 1394. A bill to amend the Arms Export Control Act to require the President to provide certain information to the Congress with respect to any proposed major arms sales to a country which is not a member of the North Atlantic Treaty Organization and to provide the Congress with thirty days of continuous session in which to disapprove proposed arms sales; to the Committee on Foreign Relations.

S. 1395. A bill to amend the Arms Export Control Act to provide the Congress with an opportunity to disapprove proposed transfers from the recipient country to another country of defense articles or related training or other defense services supplied by the United States; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCLELLAN (for himself, Mr. BARTLETT, Mr. ROBERT C. BYRD, Mr. CANNON, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. EASTLAND, Mr. GARN, Mr. GOLDWATER, Mr. HATCH, Mr. HAYAKAWA, Mr. HELMS, Mr. JOHNSTON, Mr. LAXALT, Mr. MCCLURE, Mr. ROTH, Mr. SCOTT, Mr. THURMOND, and Mr. ZORINSKY):

S. 1382. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

(The remarks of Mr. MCCLELLAN and other Senators on the introduction of the above bill are printed earlier in today's RECORD.)

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 1383. A bill to amend the Employee Retirement Income Security Act of 1974 to clarify the status of the Hawaiian prepaid health care law under title I and title IV of such act; to the Committee on Human Resources.

Mr. INOUYE. Mr. President, today I am introducing along with my colleague, Senator SPARK MATSUNAGA, legislation to specifically insure that the State of Hawaii's Prepaid Health Care Act will be exempted from the preemption provision of the Employee Retirement Income Security Act of 1974—ERISA.

In June of 1974 the State of Hawaii became the first State in our Nation to

enact a comprehensive scheme of mandatory employee health insurance. This statute required employers in the private sector to provide a minimum health benefit package to those regular employees who worked at least 20 hours a week. The minimum benefit package has been expanded and today it includes various medical and hospital benefits, such as maternity and mental health care, as well as treatment of illnesses resulting from alcoholism and substance abuse. By law, the maximum contribution by the individual employee may only be 1.5 percent of his wages. The Hawaii statute is not applicable when collective bargaining agreements provide for health benefits, and its provisions terminate upon the enactment of a national health insurance program.

It has recently come to my attention that the U.S. Department of Labor has taken the position that under the current statutory language of ERISA, the Hawaii Prepaid Health Care Act must be preempted with respect to those employers who are engaged in commerce, or in an industry or activity affecting commerce. The primary purpose behind the passage of ERISA was clearly not the enactment of a national health insurance program and accordingly, ERISA does not establish standards that are in any way comparable to Hawaii's statute. The legislation which I am introducing today would specifically modify ERISA so as to provide that health insurance laws such as Hawaii's would be treated in the same manner as disability insurance laws, worker's compensation laws, and unemployment compensation laws, and thereby be excluded from preemption.

It would be most tragic if what is perhaps the most progressive and comprehensive statewide health insurance program in our Nation was placed in jeopardy due to an inadvertent legislative oversight in drafting ERISA.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1383

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (3) of section 4(b) of the Employee Retirement Income Security Act of 1974 is amended by striking out "or unemployment compensation or disability insurance laws" and inserting in lieu thereof the following: ", or unemployment compensation laws, or disability or health insurance laws".

By Mr. JAVITS:

S. 1384. A bill to amend the Internal Revenue Code of 1954 to allow a tax credit for certain contributions of literary, musical, or artistic compositions; to the Committee on Finance.

Mr. JAVITS. Mr. President, I am introducing a bill to provide a tax credit for artists who contribute their original work to nonprofit organizations such as museums, libraries, and universities. While there is not a great deal of revenue loss to the Government, this is an important amendment for the institutions in our country which make it possible for the general public to enjoy the pleasures of viewing great works of art.

The bill provides a tax credit equal to 30 percent of the fair market value of an artistic work contributed by the artist to a tax-exempt organization such as a museum, library, or university. The amount of the credit may not exceed the amount of any tax on the income of the artist attributable to the sale of artistic works. Additionally, the credit cannot exceed the greater of: First, the artist's tax liability if it is not in excess of $2,500; or, second, 50 percent of the artist's tax liability. A last limitation is that no credit shall be allowed for any artistic work which exceeds $35,000 in value. If the credit is in excess of the limitations for any taxable year the excess may be carried over for the next 5 succeeding taxable years.

The bill also contains a prohibition against the credit being used for papers or similar property prepared by or for an individual during such time as that individual is holding public office.

The provisions of this bill are identical to those of an amendment I offered to the Tax Reform Act of 1976 which was agreed to by the Senate but which was not included in the final version of the tax bill enacted into law. A similar bill, H.R. 439, has been introduced in the House by Congressman ED KOCH of New York.

Mr. President, the basic reason for the bill is that the universities, libraries, and museums of the country are suffering from an existing provision of law which dates from 1969. Before 1969, the law was general and broad. If an artist gave his work to a museum, the value of that work was a gift, just like any other gift.

In 1969, the tax code was amended so that the artist was deprived of that opportunity. All a painter could deduct was the cost of his canvas and paint. But the collector was not deprived of that opportunity. If he were a buyer of art and the value appreciated—let us say he bought a painting for $500 and it became worth $50,000—he could give that to a museum and get a full $50,000 charitable deduction, and he can do that today. So the law discriminated as between the man or woman who did the work and the person who acquired such a work, even if he acquired it from that very same artist.

Another anomaly in the law was if that artist died and his estate had to be valued for tax purposes, his estate had to pay an estate tax on the full value, not on the value of the paint and the canvas but on the full value.

There is not much revenue loss involved. The estimate of the Treasury Department on my bill is about $5 million a year. It is an order of magnitude that, obviously, they cannot calculate exactly. But the consequences of this proposal of the American people are very great. Let me just describe what has happened.

The museums have suffered a drastic dimunition of gifts from artists, particularly those who have done contemporary work within this very same period from 1969 until today. I believe most of my colleagues have heard from museums precisely for that reason.

Let me give an example of the New York City Museum of Modern Act, one of the great museums of the country. During the 2-year period, 1968–69, the New York City Museum of Modern Art received 125 donations by artists of their own works. In the 4-year period, 1972–75, the museum received only 28 donations. In the critical and very valuable field of painting and sculpture, the reduction was from 42 works of art received in 1968 and 1969, to only one received in 1972–75.

The artists feel very strongly about this as evidenced from a very interesting point. The National Endowment on the Arts, which we established, and I am very proud to have been one of its initiators, wrote a letter to Senator LONG on April 29, 1976, stating these very considerations which I have described while commenting on an earlier version of this bill.

I ask unanimous consent that that letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 29, 1976.

Hon. RUSSELL B. LONG,
Chairman, Committee on Finance, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The National Endownment for the Arts strongly recommends favorable consideration of S. 1435, the bill pending before your Committee which relates to the tax consequences of charitable contributions by creative artists and others of literary, musical, and artistic compositions, and similar property.

The bill under consideration would enable an artist to deduct from his adjusted gross income 75 percent of the fair market value of his works which he contributes to nonprofit institutions. Such legislation would restore part of the deduction available to creative artists prior to passage of the Tax Reform Act of 1969. (Of course, the Endowment would prefer to see the full deduction, i.e., 100 percent of the work's fair market value, restored.) The restoration of this deduction, far from being a windfall to individual artists is, in our view, an essential measure which must be taken in order to rectify the inequities existing under present law.

As you know, certain tax benefits attend the transfer, sale, or contribution of a capital assets. Under the Tax Reform Act of 1969, however, Section 1221 of the Internal Revenue Code of 1954 was amended to exclude from the definition of a capital assets (and therefore from the tax advantages) a copyright, literary, musical or artistic composition, a letter or memorandum, or similar property when any of the above are in the hands of the taxpayer whose personal effects created the property. Thus, in accordance with Section 170(e) of the Internal Revenue Code, when a taxpayer-creator donates one of his works to a non-profit institution, the allowable deduction is computed by reducing the fair market value of the work by the amount of the appreciation of such property. As a result, the artist may deduct from his adjusted gross income only the cost of the materials utilized to create the work. However, in the hands of a collector or one who procures a work of art from the creator the work is characterized as a capital asset and the collector who contributes the same work to a non-profit institution enjoys the benefits of deducting a portion of the fair market value of the work from his adjusted gross income.

The pending legislation, by affording the creative artist the same benefits as the purchaser/collector, would rectify the inequities which exist under the present law. The present distinction in the tax benefits available to donors of creative works based upon the donor's status as either a purchaser and collector on the one hand, or, on the other, a creative artist, is, in our view, contrary to the basic concept of equal treatment under the law. In any case, once the work is received by the donee/non-profit institution it is considered a capital asset regardless of the status of the donor. Therefore, we believe that the law as presently written could be viewed as having an unconstitutional taint in that it creates two classes of donors and applies to each separate and unequal treatment without justification.

The arbitrary treatment of the creative artist continues to affect the artist's estate after his death. Ironically (and unfairly), while he is entitled to deduct only the value of the utilized materials in cases of charitable contributions of his works during his lifetime, all works which become part of an artist's estate are taxed, for estate tax purposes, at 100 percent of their fair market value. As a result, under present law, an artist is faced with the undesirable alternative on the one hand, of selling, donating (without the attendant tax benefits), or otherwise transferring his works during his lifetime, or, on the other, subjecting his family to estate tax liability for the full fair market value of the creative works which become part of his estate.

Further, another adverse consequence of present law is a reported substantial reduction in donations of creative works to nonprofit institutions, such as museums, universities and libraries subsequent to passage of the 1969 Act.

By conferring on creative artists equitable tax treatment with respect to the donation of their works during their lifetime, S. 1435 would help to rectify the above described problems in a manner consistent with the nation's growing support and encouragement of the Arts, as manifested in the National Foundation on the Arts and the Humanities Act of 1965, as amended. Any adverse effect on the Federal Treasury caused by restoration of the deduction previously available to creative artists for the donation of their works would, in our view, be more than compensated for by the salutary benefits to this nation's artistic community, its cultural institutions, and the massive public audience, they serve.

For the above stated reasons, the National Endowment for the Arts strongly recommends favorable consideration of the bill now being studied. Such legislation is necessary in order to restore equality of treatment for our nation's artists and authors under our tax laws, and should provide the incentive for the contribution of more of their valuable works of art and literature to our libraries, universities, and museums, thereby enriching to a significant extent the cultural life of the nation.

The Office of Management and Budget has informed us that there is no objection to the submission of this report, although the Administration has not yet established a position as to the merits of this proposed legislation.

Sincerely,

NANCY HANKS,
Chairman.
JAMIE WYETH.

Mr. JAVITS. That letter protested very seriously both the diminution of the work moving to artists and the discrimination against artists as compared to collectors or other people who buy art. That letter was signed not only by Nancy Hanks, the chairman, but by a prominent member of the National Council of the Arts, Jamie Wyeth, one of our leading artists have been here to talk to Members of the Senate respecting the deep feeling which exists concerning this matter.

One of the points which has been made to me relates to the valuation which may be put on a work of art which is, under this amendment if it becomes law, gifted to a museum. Of course, before 1969 we had very serious trouble with the question of valuation. That was one of the reasons for the 1969 law which tightened up on philanthropic and charitable matters all along the line except, in this case, it really was retrogressive.

But valuation was a problem. Moreover, very material progress has been made in the matter of valuation, and an Art Advisory Panel of a very high order has been developed to advise the IRS Commissioner. I have a list of the members, and it is certainly one of the premier lists in this country. The panel meets 3 times a year, and does the evaluation under the general supervision and jurisdiction of a representative of the Treasury Department.

I have before me a charter for the Art Advisory Panel of the Commissioner of Internal Revenue, which lists the work which they do, and which is dated March 3, 1975. Included in the list of those on the art advisory panel, for example, is Adelyn Breeskin, the curator of the National Collection of Fine Arts, and a whole list, from Kansas City, New York, Cleveland, Washington, Boston, Los Angeles, Toledo, Ohio, of curators and directors of the leading museums of art in the United States.

I have been assured by the Treasury Department itself that they are perfectly satisfied that the question of valuation is now very tightly handled, and that we need have no worry on that score. To me, this is a very major point.

One other very interesting point which should especially interest us as Members of Congress is that not only the museums around the country have suffered from the dearth—and as I say, I think probably most Members have heard from museums on this subject—but the Library of Congress has suffered from it, because the Library itself collects literary, artistic, and musical donations in the way of original manuscripts and scores.

I ask unanimous consent that the charter and the membership list for the Art Advisory Panel of the Commissioner of Internal Revenue to which I referred be printed in the RECORD at this point.

There being no objection, the charter was ordered to be printed in the RECORD, as follows:

THE ART ADVISORY PANEL OF THE COMMISSIONER OF INTERNAL REVENUE

This Charter is prepared and filed in accordance with the provisions of the Federal Advisory Committee Act, Public Law 92-463, enacted October 6, 1972.

A. *Official Title.* The Committee's official designation is: The Art Advisory Panel of the Commissioner of Internal Revenue.

B. *Objectives and Scope.* The Committee's objectives and scope of its activity are: to assist the Internal Revenue Service by reviewing and evaluating the acceptability of property appraisals submitted by taxpayers in support of the fair market value claimed on works of art involved in Federal Income, Estate, or Gift taxes in accordance with sections 170, 2031, and 2512 of the Internal Revenue Code of 1954. This activity is based on the authority to administer the Internal Revenue law conferred upon the Secretary of the Treasury by section 7801 of the Code and delegated to the Commissioner of Internal Revenue.

C. *Time Period.* The period of time necessary for the Committee to carry out its purpose is indeterminate as the need recurs regularly during the audit of Federal Income, Estate and Gift tax returns. Two-day Panel meetings have been held three times a year since 1968.

D. *Reporting.* The agency or official to whom the Committee reports is the Commissioner of Internal Revenue.

E. *Support Service.* The agency responsible for providing the necessary support for the Committee is the Internal Revenue Service.

F. *Duties.* A description of the duties, all of which are solely advisory, for which the Committee is responsible follows:

1. Prior to a meeting of the Panel, each panelist independently examines copies of photography of the works of art and reviews the text of appraisal reports secured and submitted by the taxpayer in support of his claimed valuation. The panelists are not told the identity of the taxpayer, or of his appraiser, or the tax consequences of adjusting the valuation up or down.

2. At the Panel meeting each member is invited to express his opinion as to the acceptability of the claimed valuation. In the event a panelist disagrees with the taxpayer's valuation, the panelist may state his estimate of value and his reasoning.

This reasoning may include such matters as, challenging the authenticity of the claimed artistic attribution, citing sales prices of comparable works or art, introducing other expert opinions, and reassessing the work's condition, historic importance, or aesthetic qualities. Sometimes experts are identified for needed further studies or for possible use as government witnesses in event of litigation. In some circumstances, a panelist might serve as such a witness. Discussion on each appraised item continues until a consensus of value is reached. The consensus of value is announced as the official advisory conclusion by the chairman of the Panel who moderates the discussions. This full time IRS employee, who specializes in the appraisal of personal property, then so informs the IRS director of the district from which the case was referred.

G. *Annual Operating Costs.* The estimated annual operating cost in dollars and man-years is as follows: Since panelists are not paid for their time or services, the major operating costs consist of reimbursing the panelists for their travel and lodging expenses for three two-day meetings in Washington, D.C. each year. This amounts to approximately $6,000. One man-year of regular employee staffing is required to administer the Panel and to handle the preparation and follow though on the approximately 750 art appraisals reviewed annually by the Panel.

H. *Number and Frequency of Meetings.* The estimated number and frequency of committee meetings are: three two-day meetings each year.

I. *Termination Date.* The services of the Committee are expected to be needed for two years. Unless formally continued, the termination date will be two years from the filing date.

J. *Filing Date.* The date of filing of this Charter is March 3, 1975.

ART ADVISORY PANEL OF THE COMMISSIONER OF THE INTERNAL REVENUE

PRESENT MEMBERS—1976

Mrs. Adelyn D. Breeskin, Curator, Twentieth Century Paintings and Sculpture, National Collection of Fine Arts, Smithsonian Institution, Washington, D.C.

Mr. Ralph T. Coe, Assistant Director and Curator or Paintings and Sculpture, William Rockhill Nelson Gallery of Art, Kansas City, Missouri.

Mr. Everett Fahy, Director, Frick Collection, New York, New York.

Mr. Stephen Hahn, Owner, Director, Stephen Hahn Gallery, New York, New York.

Mr. Edward B. Henning, Curator of Contemporary Art, Cleveland Museum of Art, Cleveland, Ohio.

Mr. Sidney Janis, Owner, Sidney Janis Gallery, New York, N.Y.

Mr. James Maroney, Jr., Associate, Hirschl & Adler Galleries, New York, New York.

Mr. Thomas Kesser, Director, Guggenheim Museum, New York, New York.

Dr. John Seymour Thacher, Director (Ret.), The Dumbarton Oaks Research Library and Collection, Washington, D.C.

Mr. Maurice Tuchman, Senior Curator, Los Angeles County Museum of Art, Los Angeles, California.

Mr. Robert C. Vose, Jr., President, Vose Galleries, Boston, Massachusetts.

Mr Otto Wittman, Director, Toledo Museum of Art, Toledo, Ohio.

Mr. JAVITS. The Manuscript Division of the Library of Congress reports the following:

Prior to the enactment of the Tax Reform Act of 1969, the Manuscript Division received an average of 15 to 20 new manuscript gifts each year from authors and musical composers. The following table illustrates the gifts to the Library of Congress in this field:

Calendar year 1968	20
Calendar year 1969	17
Calendar year 1975	2
Calendar year 1976 to date	3

This is similar to the comparison I made for the Museum of Modern Art in the city of New York.

I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Donations by artists of their own works of art to the Museum of Modern Art

Year, number of artists, and number of works of art:

PAINTING AND SCULPTURE		
1967	2	10
1968	1	1
1969	17	41
1972	1	1
1973	0	0
1974	0	0
1975	0	0
DRAWINGS		
1968	5	31
1969	8	23
1972	2	4
1973	2	6
1974	2	3
1975	0	0
PRINTS		
1968	7	12
1969	6	17
1972	2	2
1973	5	7
1974	3	5

Mr. JAVITS. This clearly illustrates that the very, very drastic fall off in donations is attributed to this particular change in law made in 1969. Also, the Music Division of the Library of Congress reports as follows:

It is estimated that some 35 well-known composers have ceased making gifts to the Library of Congress, including Samuel Barbour, Aaron Copland, and Walter Piston.

Likewise, the Prints and Photographs Division of the Library of Congress reports that a number of leading artists have ceased donating their original works to the Library of Congress since 1969. Mr. President, this is simply a way of demonstrating the results since 1969. The facts speak for themselves.

Who will be benefited and who will be hurt if we pass this particular measure? As I said, the order of magnitude is very small: $5 million a year. The National Endowment for the Arts, for example, will give grants to museums for acquisition. That is Federal taxpayers' money. And yet, when it comes to facilitating the giving by the artist of his own work, we seem to be holding back. Would we rather pay for it with taxpayers' money? That is what it comes down to, especially with the very tightened up procedure regarding valuation which I have described.

The other people who pay for it are students. Students are very much interested, and the letter from the National Endowment on the Arts makes that very clear.

Students are interested in the sketches and other preliminary works which go into the development of a major work of art. This is the very thing that the artists will not give on the present basis, but would be very much interested in giving on the basis of some ability to at least get the value of the gifts applied on their art-related income.

I believe that this bill would be of great value to the cultural institutions of our country and to the general public. I am hopeful that it will be enacted into law this year. This is an effort which has gone on for some time and I believe now is the time to address this problem in an equitable manner.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1384

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44B. CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the fair market value of a literary, musical, or artistic composition created by the personal efforts of that individual and contributed by that individual to an organization described in section 501(c)(3) which is exempt from tax under section 501(a).

"(b) LIMITATIONS.—

"(1) INCOME FROM LITERARY, MUSICAL, OR ARTISTIC COMPOSITION.—The amount of the credit allowed by subsection (a) for the taxable year may not exceed the amount of tax under this chapter attributable to the gross income of the individual for the taxable year attributable to the sale of literary, musical, or artistic compositions in that taxable year and in previous taxable years.

(2) AMOUNT OF CREDIT.—The amount of the credit allowed under subsection (a) to the taxpayer for the taxable year, after the application of paragraph (1), shall not exceed the greater of—

"(A) so much of the taxpayer's liability for tax under this chapter for the taxable year as does not exceed $2,500, or

"(B) 50 percent of the taxpayer's liability for tax under this chapter for the taxable year.

"(3) CREDIT DENIED FOR CERTAIN LETTERS, MEMORANDUMS, OR SIMILAR PROPERTY.—The credit allowed by subsection (a) shall not be allowed for the contribution of a letter, memorandum, or similar property which was written, prepared, or produced by or for the individual while he held an office under the Government of the United States or of any State or political subdivision thereof if the writing, preparation, or production of such property was related to, or arose out of, the performance of the duties of such office.

"(4) LIMITATION OF CONTRIBUTIONS.—No credit shall be allowed under subsection (a) for any literary, artistic, or musical composition to the extent that the total of such compositions contributed by such individual for the taxable year to organizations described in subsection 501(c)(3) exceeds $35,000.

"(c) CERTIFICATION REQUIRED.—No credit is allowable under subsection (a) for the contribution of a literary, musical, or artistic composition by the taxpayer unless the taxpayer received from the donee a written statement that the donated property represents material of artistic, musical, or literary significance and that the use of such property by the donee will be related to the purpose or function constituting the basis for its exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described in section 170(c)(2)(B)).

"(d) CARRYOVER OF EXCESS CREDIT.—If the amount of the credit determined under subsection (a) for any taxable year exceeds the limitations provided by subsections (b)(2) and (b)(4) for the taxable year, the excess shall be added to the amount allowable as a credit under subsection (a) for the next five succeeding taxable years to the extent it may be used in those years.".

(b) Section 170(e) of such Code (relating to certain contributions of ordinary income and capital gain property) is amended by inserting at the end thereof the following:

"(4) DENIAL OF DEDUCTION FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—No deduction shall be allowed under this section for any contribution for which a credit is claimed under section 44B.".

(c)(1) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following:

"Sec. 44B. Certain contributions of literary, musical, or artistic compositions.".

(2) Section 42(b) of such Code (relating to the taxable income credit) is amended by striking out "and" at the end of paragraph (4), by inserting "and" at the end of paragraph (5), and by inserting after paragraph (5) the following new paragraph:

"(6) section 44B (relating to credit for certain contributions of literary, musical, or artistic compositions),".

(3) Section 56(c) of such Code (defining regular tax deduction) is amended by strik-

ing out "and" at the end of paragraph (7), by striking out the period at the end of paragraph (8) and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(9) section 44B (relating to credit for certain contributions of literary, musical, or artistic compositions).".

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1976.

By Mr. HELMS:

S. 1385. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for services furnished by physician extenders; to the Committee on Finance.

Mr. HELMS. Mr. President, I am today introducing legislation which would amend the medicare law to authorize payment under part B for services furnished by physician extenders. The rural health clinics of America face possible extinction unless Congress acts quickly to correct a basic inequity in the medicare program.

As the law is presently written, medicare funds cannot be used to reimburse rural physicians extenders who are providing the same services as urban physician extenders. This inequity exists because reimbursements under the medicare program are permitted only when a licensed physician is actually on the premises at the time of treatment.

For urban clinics, where resident physicians are plentiful, this restriction does not pose a problem. But it is wholly unrealistic to apply it to rural health clinics. Physicians, as we know, are in short supply in the rural areas of America; the country doctor is a disappearing institution. In most rural clinics, therefore, there is no resident physician. Indeed, these clinics usually provide only basic or primary health care through physician extenders—nurse practitioners, nurse clinicians, nurse midwives, physician assistants, and Medex—medical extenders who are former military corpsmen—who have been specially trained in diagnosis and treatment for primary and emergency medical care. To require the presence of a physician for reimbursement purposes when there is no physician available to supervise the physician extender is like asking the physician to be in two places at once.

Furthermore, this restriction imposes an intolerable financial burden on rural health clinics, and clearly discriminates against the people they serve. My own State of North Carolina is a case in point. At present, there are 30 such clinics throughout the State, most of which are funded through State grants. Because of the medicare restriction regarding reimbursement for services of physician extenders, however, all of these clinics may soon be forced to close their doors—and the local citizens may be compelled to seek medical assistance in the urban areas.

Here is why: All of these clinics have a contractual relationship with a physician, who may live many miles away from the clinic and cannot visit the clinic on a daily basis. In his absence, a physician extender, working under the physician's written instructions, attempts to care for most of the patients who come to the clinic for medical treatment. Those who require the attention of a physician or specialist must either travel to another area or wait until the physician makes his next visit to the clinic. To avoid the burden of paperwork under medicare, most of the physicians working with the clinics receive a salary from the clinics and reassign their medicare payments to the clinics. But the clinics are unable to receive these payments because of the medicare restriction concerning the physician extenders.

In other words, Mr. President, the rural health clinics are currently providing primary health care to medicare patients but are not being reimbursed by medicare funds. This inequitable system of financing undermines the whole rural health care program. These clinics have been set up under 3-year grants, with a view toward economic self-sufficiency at the end of the 3-year period. This goal cannot be realized if the clinics continue to accumulate deficits as a result of nonpayment for medicare services. When the grant runs out, there will no longer be funds to cover the deficits.

And this is precisely the problem we now face. The first State-supported rural health clinic in North Carolina, the East Bend Clinic in Yadkin County, was established in the summer of 1974. In July of this year it will run out of funds. Some of the federally funded clinics, such as those in the small communities of Hot Springs, Walnut, and Laurel, will run out of funds this month. Within the near future, every rural health clinic in North Carolina may have to close down. The prospect of keeping these clinics open is just as bleak in other States, of course, as it is in North Carolina.

Mr. President, if the medicare law is not changed, the millions of dollars that have been expended to establish these clinics may go down the drain—to say nothing of the vast sums spent for Government-sponsored physician extender training programs. A greater waste of the taxpayers' money cannot be imagined.

The people of North Carolina are proud of their rural health clinics. Through private donations and local fundraising activities, the rural communities, as well as the legislature, of my State have worked hard to assist these clinics in getting established. In fact, North Carolina has taken an active lead in the Nation in establishing State-supported clinics and training programs for physician extenders. These clinics cannot make it on their own when their hands are tied. The medicare restriction which impedes their progress was written into the law before the extender clinics came into existence. It is time to bring our medicare program up to date.

The bill that I am introducing is similar in its scope and objectives to various proposals already pending in the Senate; but it is designed to avoid the problems which, in my judgment, may arise under these different approaches. The information that I have received from the Office of Rural Health Services in North Carolina and the Appalachian Regional Commission, and the discussions that I have had with several physicians in my home State—particularly Dr. Edgar T. Beddingfield, Jr., of Wilson, N.C., who has personal experience with the physician assistant utilization program, lead me to the conclusion that the extender reimbursement concept can successfully enhance the quality and accessibility of health care in rural America only if the assistant has received sufficient formal training from appropriately credited training programs, meets all State requirements for provision of services, and remains subject to, and answerable to, the supervision of a physician. The other proposals that are under consideration do not, in my view, adhere strictly to these standards.

METHOD OF REIMBURSEMENT

In the first place, we must recognize the essential nature of the physician extender. He is not an autonomous provider of health care services, but an extension of the physician. He is and should remain under the supervision and control of a physician. This is not to say that the physician must be physically present, or even that the service must be performed in his office, but rather that he be in direct communication with the extender for consultation and medical advice. Only by maintaining this close relationship can we be assured that the physician will be primarily responsible for the care rendered to his patients by the extender; only then can we be assured that a high standard of health care is maintained in the clinics.

An important, if not key, aspect of this relationship between the physician and the physician extender concerns the method of reimbursement. Services provided by the physician extender are billed in the physician's name, and properly so. This method strengthens the relationship by eliminating all questions of accountability. It not only recognizes the ultimate responsibility of the physician to the patient, but also avoids troublesome malpractice problems which might arise if the extender possessed the attributes of an independent practitioner. Moreover, this method allows approved extender services, whether performed in a clinic or private office, to be covered.

In light of these considerations, I question certain provisions of pending legislation which add a new payment authorization for "rural health clinic services." S. 708, for example, indicates that medicare should pay a specially recognized facility—the rural health clinic—for physician services performed by a nonphysician. Such a method of reimbursement, in my judgment, would tend to discourage close supervision of the extender by the physician. It would establish a mechanism whereby the extender, instead of being directly answerable to, or employed by, the physician, would in effect become an employee of the clinic. This could lead to a situation whereby the employer is a nonphysician, and the services provided are subject to the policies of nonphysicians. The legislation that I am proposing avoids the problem by following the current practice of limiting reimbursement to the physician.

STATE CONTROL OF PHYSICIAN EXTENDERS

In the second place, the several States should have exclusive power to determine the physician extender's qualifications and scope of practice. Physician extenders should, of course, complete a training program or have experience meeting training program standards of recognized accrediting agencies; but the standards required by the States are sufficient.

Some of the proposals introduced by Congress, unfortunately, call for Federal intervention through the Secretary of Health, Education, and Welfare in connection with the physician extender's training, education, and experience requirements.

Mr. President, the Federal Government should not be in the business of setting standards for physician extenders and their services. Once we have abandoned the principle that this power rests with the States, we have established a dangerous precedent. In fact, such a usurpation of State power would serve as an open invitation to Federal licensing of not only physician extenders but also physicians. It would, indeed, serve as a ladder to nationalized medicine. I, for one, believe that the American people do not want their system of medicine built on the British model, and I think we should be wary of legislative schemes which may provide the bricks and mortar.

My bill precludes these possibilities by stipulating that reimbursable physician extender services shall be those authorized under State law. The several States already have the exclusive power of deciding who shall be permitted to practice medicine within their jurisdictions, and it necessarily follows that they are equally capable of making those same decisions with respect to a physician's assistant.

Mr. President, my legislation addresses a very real need in a manner acceptable to the greatest number of those involved in meeting that need. It is legislation which can go a long way toward equalizing the relative opportunities for quality health care among our elderly—whether they live in an urban or rural environment. Let me also point out that studies have shown that health care provided by physician extenders can actually cut the costs of medicare by reducing the number of hospital days per patient. Reduced hospitalization, of course, results in cost savings to medicare.

As a member of Senate Committee on Agriculture, Nutrition, and Forestry, which has been examining the physician extender problem, I am interested in seeking ways to expand utilization of the special service which physicians' assistants may provide in medical care shortage areas. It is my hope that the Senate Finance Committee, which has appropriate jurisdiction, will be able to use my proposal as the basis for quick action.

Mr. President, for the benefit of my colleagues, I ask unanimous consent that the text of my physician extender reimbursement measure be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(1) of the Social Security Act is amended by inserting immediately before the semicolon at the end thereof the following: "(including physician extender services to the extent recognized under State law or State regulatory mechanisms, rendered under the supervision and direction of, and billed by, a physician, whether or not such services are performed in the physician's office or at a place where the physician is physically present)"; and

(b) Section 1861 of the Social Security Act is amended by adding to the end thereof the following new subsection:

"PHYSICIAN EXTENDER

"(aa) The term 'physician extender' means, a physician's assistant, medex, nurse clinician or nurse practitioner who performs (under the supervision and direction of a doctor of medicine or osteopathy who has an unrestricted license) such services as he is legally authorized to perform in the State in which he performs such services."

SEC. 2. The amendments made by the first section of this Act shall apply with respect to services furnished on or after the first day of the month following the month in which this Act is enacted.

By Mr. RANDOLPH (for himself and Mr. ROBERT C. BYRD):

S. 1386. A bill to provide the Corps of Engineers with continuing authority to provide technical assistance to States and political subdivisions thereof in the planning, design, and preparation of specifications for snagging and clearing projects in navigable streams and tributaries thereof; to the Committee on Environment and Public Works.

Mr. RANDOLPH. Mr. President, on behalf of myself and Senator ROBERT C. BYRD, I am today introducing legislation to authorize the Army Corps of Engineers to plan, design, and engineer projects for clearing, debris removal, and straightening of channels in small streams to relieve localized flooding.

Under this measure, the Corps of Engineers would provide technical assistance if requested by the Governor or appropriate local authorities in developing a plan for the removal of materials in small streams which increase the susceptibility of flooding. The corps would not construct the work but merely provide assistance to a local government so that it could ultimately construct the project.

The bill authorizes funds to the corps for the engineering but it remains silent as to the local governments funding mechanism of the construction project. The local or State government could use Federal revenue-sharing funds, public works funds, or any available source of local funds for completing the work designed and recommended by the engineers.

The authorization provided will do much to alleviate damage to communities from small stream flooding. It is often not economically feasible for the Corps of Engineers to construct a flood protection facility in small communities or rural areas but this does not mean the protection is not necessary. The legislation will provide a mechanism to address local needs and provide assistance for developing appropriate local responses.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1386

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 208 of the Flood Control Act of 1954 (68 Stat. 1256, 1266), as amended, is hereby further amended by adding subsection "b" as follows:

"(b) Upon request of the Governor of a State, or appropriate official of local government, the Secretary of the Army, acting through the Chief of Engineers, is further authorized to provide designs, plans and specifications, and such other technical assistance as he deems advisable, at Federal expense, to such State or political subdivision for its use in carrying out projects, for removing accumulated snags and other debris, and clearing and straightening channels in navigable streams and tributaries thereof."

By Mr. RANDOLPH (for himself, Mr. ROBERT C. BYRD, Mr. FORD, and Mr. HUDDLESTON):

S. 1387. A bill to authorize necessary flood protection at locations in Kentucky and West Virginia on an expedited basis; to the Committee on Environment and Public Works.

Mr. RANDOLPH. Mr. President, on behalf of myself and Senator ROBERT C. BYRD, I am today introducing legislation to authorize the Army Corps of Engineers to repair, replace, and rehabilitate flood protection structures damaged by recent flooding in southern West Virginia and eastern Kentucky. The flooding on the Tug Fork of the Big Sandy River in Mingo County, W. Va., was the most serious ever experienced in that area.

The flood waters virtually destroyed the towns of Williamson and Matewan and seriously damaged many smaller communities. Damage resulting from the April 1977, flood has been estimated to be in excess of $100 million. Cleanup operations and the recovery efforts are now underway. It will take time but the homes and businesses destroyed by this flood will be repaired or replaced.

It is essential that floodwalls, levees, and other facilities be provided on the Tug Fork which will prevent damage of the magnitude experienced in this flood. The Tug Fork crested 20 feet above normal. The existing structures provided little protection for the residents.

The legislation will authorize repair of existing facilities and completion of additional floodwalls and levees to protect the area from the ravages of this most severe flood if it should ever occur again.

I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 1387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to design and construct, at Federal expense, floodwalls, levees and other appurtenant facilities,

and to provide modifications to existing flood protection structures as appropriate, at or in the vicinity of Pikeville, Kentucky on the Levisa Fork of the Big Sandy River; Pineville, Kentucky on the Cumberland River; and Williamson and Matewan, West Virginia on the Tug Fork of the Big Sandy River, that the Chief of Engineers determines are necessary to afford these communities and their immediate environs a level of protection against flooding at least sufficient to prevent any future losses to these communities from the likelihood of flooding such as occurred in April 1977; *Provided*, non-Federal interests shall hold and save the United States free from damages due to the construction works, and maintain and operate all the works after their completion in accordance with regulations prescribed by the Secretary of the Army.

Mr. HUDDLESTON. Mr. President, I congratulate the Senator from West Virginia for developing this highly needed legislation to provide some additional flood protection to those people of Kentucky and West Virginia who have just suffered another series of devastating floods.

This legislation would authorize the Corps of Engineers to design and construct, at Federal expense, floodwalls, levees, and other appurtenant facilities in those areas hit hardest by the recent flooding.

I would hasten to add that this authorization does not include any new flood control dams; it merely applies to flood control structures such as levees, floodwalls, and modification of existing facilities.

Mr. President, I personally joined several of my colleagues from Kentucky in touring the flood areas of my State immediately after the floods hit. The devastation was tremendous. The persons whose homes were ruined will spend years and thousands of dollars trying to put their lives back together.

It seems so much more logical and humane to try to prevent these floods in the first place. And if it can be done through the use of floodwalls and levees and modification of existing structures then we should move with haste to do so.

By Mr. PELL:

S. 1390. A bill to amend section 8332 (b) of title 5, United States Code, in order to authorize certain National Guard employment to be credited for civil service retirement purposes; to the Committee on Governmental Affairs.

Mr. PELL. Mr. President, I send to the desk a bill to amend section 8332(b) of title 5, United States Code, in order to authorize certain National Guard employment to be credited for civil service retirement purposes.

This bill is designed to provide service credit for the period of time certain National Guard technicians performed services under the Federal-State contract agreements. There are a number of National Guard technicians who were originally employed as security guards under 5 U.S.C. 709, and were administratively separated from technician status with the Federal Government and placed as State employees under the Federal-State contract agreement, pursuant to 10 U.S.C. 2304. While employed as State employees under the service contract, they performed the same support services which they performed as National Guard technicians.

On January 1, 1969, the National Guard Technician Act, Public Law 90–486, became effective. This law legislated Federal employee status for National Guard technicians, shifting them from State to Federal employment effective January 1, 1969. However, it did not extend Federal status to pre-1969 service. Rather, it granted limited credit in the annuity computation, in certain cases, for prior State technician service, if such service were performed under 32 U.S.C. 709.

The Civil Service Commission Appeals Review Board, in its decision of December 12, 1974, said:

The only possible way this contract service can be considered creditable is for it to meet the requirement set out in the National Guard Technician Act, that it be performed under 32 U.S.C. 709. However, the contract was clearly authorized under 10 U.S C. 2304 . . . Therefore, the Board has no alternative but to concur in the Bureau's finding [the Commission's Bureau of Retirement, Insurance and Occupational Health] denying service credit for appellant's contract service.

I ask unanimous consent that the decision of the Civil Service Commission Appeals Review Board be printed at this point in my remarks.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

[U.S. Civil Service Commission—Appeals Review Board]

DECISION

In the matter of Angelo Maiorisi.

Type Case: Ret'rement-Service Credit.

Before: Griffiths, McDonald and Roel, Board Members.

INTRODUCTION

Appellant is appealing from the decision of the Commission's Bureau of Retirement, Insurance, and Occupational Health denying him service credit for Civil Service retirement purposes for his period of employment as security guard under a Federal-State Service Contract Agreement.

STATEMENT OF THE CASE

Appellant is seeking service credit for the period of time during which he performed service under the Federal-State Contract Agreement with the State of Rhode Island. Appellant was originally employed as Security Guard under 5 U.S.C. 709, and was administratively separated from technician status with the Federal Government and placed as a state employee with the State of Rhode Island government under the aforementioned agreement. While he was employed as a state employee under the service contract, he performed the asme support services which he otherwise performed as National Guard technician.

Appellant submitted to the Bureau a copy of a letter from Major General Leonard Holland from the Office of the Adjutant General of the State of Rhode Island and another letter from Francis S. Greenlief, Major General, U.S.A., Chief, National Guard Bureau, to substantiate his claim that his service qualified under FPM Supplement 831–1, subchapter S3–3, which outlines the criteria for Federal employment.

On August 2, 1974, the Bureau issued its decision disallowing service credit for the service involved, on the basis it was performed under the authorization of 10 U.S.C. 2304 rather than 32 U.S.C. 709.

REPRESENTATIONS TO THE BOARD

By letter dated August 19, 1974, appellant appealed to the Board contending the decision of the Bureau is erroneous because the facts are that:

(1) His job did not change;

(2) His pay did not change;

(3) The method of payment, a federal check, did not change;

(4) The administrative procedures insofar as annual leave, sick leave, military leave, did not change;

(5) His duties and responsibilities were exactly the same as when he performed as an Air Technician providing security of buildings and aircraft.

He further contends that 10 U.S.C. 2304 did not relate to the service contract he was under. In addition he questions who his employer was during his service contract employment.

ANALYSIS AND FINDINGS

The Appeals Review Board has reviewed the entire record in the case and has given thorough consideration to appellant's representations in support of his contentions. However, the Board finds no basis to reverse the Bureau's decision.

Section 2304, tit.e 10, U.S.C., in pertinent part, reads as follows:

"(a) Purchases of and contracts for property or services covered by this chapter shall be made by formal advertising. However, the head of an agency may negotiate such a purchase or contract, if—

"(10) the purchase or contract is for property or services for which it is impracticable to obtain competition."

According to a copy of the contract contained in the record, this quoted provision of law gave birth to the Service Contract Agreement between the state of Rhode Island and the National Guard Air Base, by which appellant's employee status was changed coverage under 32 U.S.C. 709 to coverage under 10 U.S.C. 2304 for the period of time in issue. Obviously, this service contract agreement placed the appellant out of jurisdiction of 32 U.S.C. 709 which in pertinent part states:

"(a) Under such regulations as the Secretary of the Army may prescribe, funds allotted by him for the Army National Guard may be spent for the compensation of competent persons to care for material, armament, and equipment of the Army National Guard. Under such regulations as the Secretary of the Air Force may prescribe, funds allotted by him for the Air National Guard. A caretaker employed under this subsection may also perform clerical duties incidental to his employment and other duties that do not interfere with the performance of his duties as caretaker."

In reviewing the case file the Board finds that appellant has not introduced any new evidence to substantiate his claim for credit for the period of contract service. He has merely reemphasized the fact that there was no change in his duties, supervisor, or method of salary payment, during the period when he was employed under the service contract. The point, however, is that there was a change in appointing authority. That is, the National Guard Bureau transferred security guards from employment in the Air Technician Program to employment under the Air Service Contract in 1958. The appellant was so transferred and employed under the service contract until November 27, 1961, when he received an appointment within the Air Technician Program.

Appellant states that he wants to know who his employer was during the time he was employed under the service contract. The

answer, of course, is the State of Rhode Island. In fact, the State of Rhode Island was his employer until January 1, 1969, when the National Guard Technician Act (Public Law 90-486) became effective. This law legislated Federal employee status for National Guard Technicians, shifting them from State to Federal employment effective January 1, 1969. However, it did not extend Federal status to pre-1969 service. Rather, it granted limited credit in the annuity computation, in certain cases, for prior State (technician) service if such service were performed under 32 U.S.C. 709.

The very fact that it was necessary to legislate Federal status for National Guard Technicians establishes that, prior to the effective date of such legislation, this technician service was not considered Federal service. Since Mr. Maiorisi claims that the service performed under the contract is identical to technician service performed prior and subsequent to it, his service should be examined within this context.

Technician service is, by definition, State service if performed prior to January 1, 1969. As a result, the only possible way this contract service can be considered creditable is for it to meet the requirement, set out in the National Guard Technician Act, that it be performed under 32 U.S.C. 709. However, the contract was clearly authorized under 10 U.S.C. 2304 and this fact is not disputed by appellant. Therefore, the Board has no alternative but to concur in the Bureau's findings denying service credit for appellant's contract service.

DECISION

In view of the foregoing, the Appeals Review Board hereby affirms the decision of the Bureau of Retirement, Insurance, and Occupational Health issued on August 2, 1974.

The Civil Service regulations provide that the decision of the Board is final and that there is no further right of administrative appeal.

For the Commissioners:

WILLIAM P. BERZAK,
Chairman.

December 12, 1974.

Mr. PELL. Mr. President, the sole purpose of this bill is to provide service credit for civil service retirement purposes for those technicians whose employment shifted back and forth by virtue of transactions of Congress and the State, but who physically never changed their duties and responsibilities, their pay, their method of payment, their administrative procedures insofar as annual leave, sick leave, and military leave. I believe that equity demands that we follow through and give them retirement credit also.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (6) of Section 8332(b) of Title 5, United States Code, is amended to read as follows:

"(6) (A) employment under Section 709 of Title 32, or any prior corresponding provision of law;

"(B) employment under Section 2304 of Title 10, if the employee was employed under such Section 2304 immediately prior to his employment under Section 709 of Title 32 and the services performed by him under both such Sections were identical;".

By Mr. KENNEDY (for himself, Mr. HATHAWAY, and Mr. ANDERSON):

S. 1391. A bill to establish a transitional system of hospital cost containment by providing for incentives and restraints to contain the rate of increase in hospital revenues, to establish a system of capital allocation designed to encourage communities to avoid the creation of unneeded and duplicative hospital facilities and services, to provide for the publication and disclosure of information useful to the public in making decisions about health care, to provide for the development of permanent reforms in hospital reimbursement designed to provide incentives for the efficient and effective use of hospital resources, and for other purposes; jointly, by unanimous consent, to the Committee on Finance and the Committee on Human Resources.

Mr. KENNEDY. Mr. President, today I am pleased to introduce the administration's legislation regarding the urgent necessity to restrain hospital cost increases in the short term by limiting hospital revenue increases to a minimum level recognizing general inflation and including a small increment to allow hospitals to improve their quality of care. The need for such legislation is widely recognized.

The legislation, Mr. President, will also impose a limit on new capital expenditures for acute care hospitals. The program will fix a national level for such expenditures below that of recent years and allocate new capital spending among the States by formula. With the assistance of local planning agencies, each State will determine which facilities merit new capital expenditures.

Mr. President, I wish to acknowledge at this time that the task of controlling the escalating costs of health care has been a matter which has been under very considerable review by the senior Senator from Georgia (Mr. TALMADGE) and the members of the Senate Finance Committee. It is my understanding that the Health Subcommittee of the Ways and Means Committee and the Health Subcommittee of the Interstate and Foreign Commerce Committee are considering joint hearings on this legislation which was introduced yesterday in the House of Representatives.

Mr. President, as chairman of the Senate Subcommittee on Health and Scientific Research. I will hold extensive hearings on this and related legislation in full cooperation with the Senate Finance Committee. These hearings will be specifically designed to elucidate the relevant issues regarding methods for constraining the all too rapidly rising costs of health care with the intent to promptly report a bill.

Mr. President, national health expenditures tripled between 1965 and 1975. In fiscal year 1976, the annual expenditures for health totaled $139.3 billion, up 14 percent over the $122.2 billion spent in fiscal year 1975. This rate of increase was approximately twice the CPI for the same period. Without any intervention, it has been estimated that this $139 billion spent on health care in 1976 may grow to $230 billion in 3 years.

Expenditures for hospital services—which account for 40 cents of every dollar Americans spend on health care—have been escalating far faster than the overall cost of living for more than two decades.

Last year the Nation's total hospital bill jumped to $55.4 billion or more than $1,000 per family. Next year, without any control, the figure is predicted to increase dramatically to almost $64 billion.

Since 1950, the cost of a day of hospital care has climbed more than 1,000 percent. The average cost per day has risen from $15 to $176. In the last decade the cost of an average hospital stay has skyrocketed from less than $300 to more than $1,300. Not many of us can afford to get sick and go to the hospital.

Right now medicare and medicaid pay approximately one-quarter of the bill for hospital services and this went up by $5 billion last year. Individual States paid twice as much for medicaid in 1976 than they did in 1971.

We are all paying for these runaway costs. Americans today must work more than 1 full month of every year just to pay for their health care—2 weeks wages for hospital costs alone. If health care was not so expensive workers could have higher take home pay and better pensions.

We are pouring so much money into hospitals right now to cure illness that we have not had money to spend on basic preventive health care. It is more humane and a lot less expensive to prevent illness than to have to put someone into a hospital to cure them. Vital programs such as immunizing children have been overlooked for too long.

Two factors unique to the hospital industry lie behind the explosive growth in hospital costs.

The first factor is that most hospitals are presently reimbursed on the basis of the costs of services they provide. The budget is open-ended, and there is no economic incentive to hold down costs. In fact, the reimbursement system tends to encourage hospitals to add expensive new facilities and technologies. For example, over the past 6 years, the number of laboratory tests per hospitalization has increased by over 8 percent annually, from 2.9 billion tests in 1971 to more than 5 billion tests in 1975. The costs of these tests has risen during this same period from $5.6 billion to greater than $15 billion—a 10-percent annual growth. Laboratories' services now account for 11 percent of total health expenditures. And there is no evidence that all these tests make people healthier. This excess capacity in the medical care system means that the consumer must bear the burden of paying for the fixed costs of greatly underutilized facilities, services, and equipment. This Nation as a whole has 100,000 more hospital beds than it needs.

The second factor is that 90 percent of all hospital costs are paid for by someone other than the patients—by Blue Cross, medicare, medicaid, or other insurance carriers or public programs. Few

patients even know what their hospital stay costs. It is virtually impossible for consumers to do any kind of comparative shopping since most do not have the knowledge to diagnose or prescribe for themselves and must rely on the medical profession. Any permanent system to control cost must include programs for patient education so that consumers can be better informed about their own health needs and be part of the decision-making process.

Mr. President, the Hospital Cost Containment Act of 1977 is a purely transitional program, and I expect the Secretary of HEW to submit his recommendations for more permanent reforms in the way we finance and deliver health care, including his recommendations for national health insurance, by March 1, 1978. The success of any long-range program, however, will be severely limited unless we begin to bring the increase in hospital costs more in line with price trends in the rest of the economy.

The savings in fiscal year 1978 from the program outlined in this bill would total $1.8 billion including $578 million in medicare funds, $143 million in medicaid, and $879 million in private funds.

By 1980, net savings would triple to almost $5.6 billion including $1.755 billion under medicare, $429 million under medicaid, and $2.64 billion in private funds.

Mr. President, the legislation that I am introducing today presents the administration's view on how to slow down the escalating costs of hospital care. I believe, however, that the approach taken by the administration leaves several unresolved issues which I will address at the time of hearings held before the Senate Subcommittee on Health and Scientific Research.

Firstly, the limits on revenue increase are for inpatient hospital care only. Incentives must simultaneously be built to encourage use of ambulatory care facilities, outpatient departments, appropriate long-term care facilities, and home health agencies. We must insure that no one in need of care is denied care because of present limitations on the reimbursement system.

Secondly, I feel strongly that in order to effect larger changes in our system of health care we must develop better methods for controlling the intensity of services provided, for reducing the inappropriate utilization of ancillary services, and for influencing physician behavior. The physician determines, for the most part, whether or not a patient should be hospitalized, how long he will stay, what diagnostic tests he will receive, and the therapeutic procedures he will undergo. Clearly, any cost-control system should encourage the elimination of unnecessary or marginal testing and therapeutic procedures, and it should encourage hospitals to have their medical staffs eliminate marginal and unnecessary admissions.

Third, no one yet knows what is the best reimbursement system. Therefore, while we are planning for more permanent and long-term solutions, we should be encouraging experimentation with alternative systems. These systems could address, for example, various methods of hospital grouping, case mix adjustments and prospective reimbursement.

Fourth, as the health systems agencies and the State health planning and development agencies have increased responsibilities under the administration's bill, I would anticipate that these agencies, which are already understaffed, will receive increased funding.

Finally, although the administration's bill requires hospitals, for the first time, to make available to the public certain financial information, we must insure that this information is easily understood by all consumers so that they can make truly informed decisions about the type of health care they will purchase.

These are some of the concerns that I have, and I encourage witnesses at future hearings to comment on the administration's proposal, the issues I have raised, and to express their own concerns.

I ask unanimous consent that the bill and a detailed summary and rationale of the bill be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DETAILED SUMMARY AND RATIONALE

I. BASIC METHOD

Total hospital revenue would be constrained by limiting *increases* in payments from each third-party cost payor—such as Blue Cross, Medicaid and Medicare—and from charge payors—including private insurance and individuals who pay their own bills—as a class. The limit would be about 9 percent in the first year of the program. The program would begin October, 1977.

Rationale

The approach can be implemented and administered quickly and simply.

It requires no new data collection or reporting forms and can be readily understood by hospitals.

It guarantees immediate savings to the Medicare and Medicaid programs, to private insurance and to the public.

Future year savings will be even greater as hospital managers alter employee staffing patterns and take a more cost-conscious view of expenditures for new services and equipment.

II. COVERAGE

The program would cover the in-patient revenues of about 6,000 acute-care and speciality hospitals. It would exclude chronic-care hospitals, new (less than 2-year-old) hospitals, and those getting at least 75 percent of their revenues from Federally defined Health Maintenance Organizations (HMOs) on a capitation basis. Federal hospitals would not be covered directly; such hospitals would be directed by the President to stay within the limits.

Rationale

The cost-containment program would apply only to inpatient services because they represent the most expensive mode of treatment. The Administration views as desirable shifts from in-patient to out-patient care when quality of care is maintained, since out-patient care is considerably less costly.

Federal Government hospitals would not specifically be included in the legislation because these facilities already operate under budget constraints—and these constraints would be modified with respect to short-term in-patient units to reflect the objectives of the overall national system and to set an example for the private sector.

Exemption of hospitals dealing predominantly with Federally defined HMOs provides an added incentive for further development of these cost-effective organizations. Chronic care hospitals would be excluded because they do not have the same inflationary problems as acute-care hospitals.

To prevent hospitals from shifting costs of in-patient services outside the hospital to avoid the revenue limit, the ceiling would exclude from the base any services previously performed in the hospital that were moved out of the hospital.

III. SETTING THE BASIC LIMIT

The basic limit on increases in total-in-patient care revenues would be set by a formula reflecting general price trends in the economy as a whole, plus an additional amount to accommodate some increase in intensity of patient services.

The formula would use the "GNP deflator," published by the Commerce Department, which measures price changes in the whole economy, and would work as follows:

The allowable increase would equal the increase in the GNP deflator for the most recently published 12-month period, plus ⅓ of the difference between the average annual increase in hospital costs in the preceding two years and the increase in the GNP deflator in that same period.

Example: Assume for 1975 and 1976 that the increase in hospital costs was 15 percent and the increase in the GNP deflator for the relevant periods was 6 percent.

Allowable increase equals 6 (GNP deflator) plus (15 minus 6) divided by 3 equals 6 plus 9 divided by 3 equals 6 plus 3 equals 9.

In future years, as the gap between overall price increases and hospital costs narrowed, the allowable increase would come down.

Rationale

A legislated formula based on a general economic price index plus an allowance for limited expansion of services should serve to reassure hospitals that unreasonably low limits will not be set.

A formula based on the overall rate of price increases in the economy will reflect increases in the costs of the things hospitals buy, in most instances.

The additional allowance for expansion of services provides a cushion to hospitals with above-average increases in the prices of what they buy.

IV. ADJUSTING THE BASIC LIMIT FOR CHANGING PATIENT LOAD

The basic limit would be adjusted to reflect any major changes in patient load:

Increases in total allowable revenue would remain constant where patient load, measured by admissions, increased 2 percent or decreased by 6 percent (10 percent in the case of small hospitals—those with fewer than 4,000 annual admissions).

Revenue increases equal to one-half of average revenue per stay in the base year would be allowed for each increased admission beyond 2 percent. However, no additional allowance would be made for admissions beyond 15 percent in the case of large hospitals unless a specific exception were granted.

Similarly, revenue decreases equal to one-half of average revenue per stay would be imposed for decreased admissions below 6 percent. For reductions in patient load beyond 15 percent, full revenue reduction would be imposed, except for small hospitals.

Example

Assume that the basic revenue increase limit is 9 percent and that Hospital X's base year revenue figure is $10,000,000 derived from 10,000 admissions—$1,000 an admission. If Hospital X's admissions in the year begin-

ning October 1, 1977, are the same as in the base year then the total revenue allowed to the hospital is $10,900,000—$900,000 more than in base year.

If the number of admissions in the hospital increased to 11,000, 1,000 or 10 percent more than in the base year, the hospital is allowed a $500 increase in revenue—50 percent of the revenue per admission in the base year—for 800 of these admissions (the excess over 2 percent), or $400,000.

Thus, the total revenue allowed for Hospital X would be $11,300,000 (representing the basic increase of $900,000 plus the increase of $400,000, reflecting the increased patient load). The limit on payments per admission by each major type of third-party payor would be adjusted accordingly.

Rationale

The adjustment provides incentives for hospitals to identify and reduce unnecessary hospital utilization.

Limiting to 50 percent the automatic upward adjustment in revenues for major changes in patient load reduces the incentive to increase admission arbitrarily.

Special treatment for small hospitals, which are subject to wider percentage changes in patient load from year to year, would not seriously undercut the effectiveness of the overall constraint, and would ease Federal administration of the Act.

V. APPLYING THE LIMIT

To meet the overall limit of about 9 percent, the allowable increase in revenue per admission would be calculated by estimating the expected changes in hospital admissions. For example, with an overall limit of 9 percent and an estimated increase in hospital admissions of 2 percent, a hospital would be permitted an increase in average revenue per admission of 7 percent. Cost payors would estimate the limit per stay for purposes of interim reimbursement, based on any anticipated changes in patient load, and apply the actual limit in final settlement, using final fiscal year data on actual changes in patient load.

In addition, the Medicare intermediary would assume responsibility for determining any excess charges per stay for commercial carriers or self-pay patients, from data routinely reported on Medicare cost reports.

If total charges per stay exceeded the rate of increase allowed for the hospital, it would be required to reduce charge increases in the following year accordingly. Adequate public notice of the hospital's violation would be required. Any hospital or third-party payor that was found to have paid or received funds in violation of this Act could be required to pay a tax to the U.S. Treasury equal to 150 percent of the amount in violation.

Example

If Hospital X overcharged charge-payors by $10,000 in a year, then refused to put the overcharge in escrow to be deducted from the following year's ceiling, it would be subject to a tax of $15,000.

Rationale

Applying the allowable percentage increase by major type of payor is administratively simple, permits each major third-party payor (Medicare, Medicaid, Blue Cross) to make final settlements without waiting for all other payors, and would not require any additional reporting forms or audit.

The approach is neutral with regard to type of payor, neither favoring nor discriminating against any type of payor.

Imposing the tax and requiring hospitals to publicize any overcharges should be a significant deterrent to excess charge increases.

VI. BASE FOR APPLYING THE LIMIT

The base would be the dollar total of the hospital's revenue from each class of payor for calendar 1976 (or, in the case of hospitals with a non-calendar fiscal year, for its accounting year that ended in 1976). To bring the 1976 base up to date, an adjustment would be made that would treat the revenue increases in 1977 as though they had been the same as the average annual increase in the two years 1975 and 1976. However, the adjustment rate could not exceed 15 percent or be lower than 6 percent.

Rationale

This method would assure that any hospital which raised charges after public announcement of the Administration's hospital cost containment effort would not benefit from that action.

It would reward hospitals with increases in their revenues of less than 6 percent annually in recent years.

Using previous trends from a period of generally high cost increases is a generous standard, and should not impose a burden on hospitals.

VII. EXCEPTIONS

Exceptions to the total revenue limit would be permitted on only two grounds:

(1) Exceptional changes in patient load (anticipated to encompass about 3 percent of all hospitals); and

(2) Major increases in capacity or types of services, or major renovation or replacement of physicial plant.

Local and state health planning agencies would review and comment on exceptions. To receive added revenues under any exception, a hospital would also have to demonstrate a relatively poor financial condition. Specifically, it would have to show that its ratio of current assets to current liabilities put it in the bottom 25 percent of hospitals covered by the program.

HEW would have to act on requests for exceptions within 90 days or the hospital and third-party payors could presume approval.

Any hospital granted an exception would be subject to an operational review of effectiveness and efficiency by the HEW Audit Agency or its agents. The report of the HEW findings would be made public.

Rationale

Limited criteria for exceptions are necessary to maintain the effectiveness and administrative simplicity of the program.

Strong tests of community necessity for new services by health planning agencies and the requirement that a relatively poor financial condition be demonstrated should ensure a limited number of exceptions.

VIII. ADJUSTMENT FOR NONSUPERVISORY EMPLOYEES

To avoid an inequitable impact on the earnings of low-wage hospital workers, hospitals would be permitted an adjustment of the revenue limit based on actual increases in pay they granted to non-supervisory employees. At the end of 18 months, the Secretary of HEW would determine if the adjustment should be continued.

Under this method the hospital revenue-increase limit is computed by making a separate calculation for the wages of non-supervisory employee.

Example

Assume that Hospital X's costs in the base year are distributed as follows: 35 percent for wages of non-supervisory employees and 65 percent for all other costs. Assume that the earnings per non-supervisory employee have increased 11 percent in the current year. In this case, the revenue-increase limit is 9 percent for 65 percent of the hospital's costs and 11 percent for the remainder, or a total of 9.7 percent.

Rationale

This provision is needed to assure that low-wage hospital workers do not bear the brunt of the cost containment program.

IX. MAINTENANCE OF EFFORT

Hospitals would be required to maintain their charity patient load shares. Enforcement would be on the basis of investigation by health planning agencies of complaints by other area hospitals.

Rationale

Although it is not expected to be a major problem, there is a possibility that some hospitals would seek to avoid the intent of the limits by replacing patients without any insurance coverage with those covered by government or private insurance. This provision would reduce that possibility.

X. DISCLOSURE

Hospitals would be required to make available to the public current charge schedules and cost-reimbursement reports. The local health service agency would publish every six months a list of hospitals with their charges for typical services.

Rationale

These provisions would foster better understanding of hospital costs by consumers and other concerned parties and provide an incentive for self-enforcement of the Act by hospitals.

XI. STATE PROGRAMS

Hospitals in States which receive a waiver from the Federal cost containment program would not be covered. A State would have to meet the following conditions:

a. A hospital cost containment program must have been in effect in the State for at least one year prior to the requested waiver;

b. That program included all payors in the State (except Medicare) and covered at least 90 percent of the hospitals that would be included in the Federal program;

c. The State agrees to comply, on an aggregate basis, with the basic Federal ceiling;

d. There is the expectation, based on demonstrated performance, that the State will achieve the Federal objective under its own program;

e. The State plan provides that any excess revenues generated will be returned to payors.

The requirement that all payors except Medicare have been included in the State plan can be waived if the States has had a program covering at least 50 percent of total hospital payments for one year and the State adds all payors to its plan effective no later than the time of the requested waiver.

New State programs could be added over time, but only under the strict criteria of the experimental programs established under present law.

Rationale

Recognition should be given to State activity in hospital cost containment since the methods developed by some States are more sophisticated and refined than the initial national effort.

XII. ENFORCEMENT

Payment above the cost containment limits would be disallowed under the Medicare and Medicaid programs.

Payment by Blue Cross or other cost payors, or receipt of hospitals of excess revenues, would be subject to a tax at the rate of 160 percent unless rebated to the payors.

Local Health Systems Agencies (HSAs) and State health planning agencies would be required to comply with provisions of the program or face loss of their designation and of Federal funding under the Public Health Service Act.

Rationale

Unless all hospital revenues are controlled, hospitals would have an incentive to discriminate against Federal beneficiaries for whom they receive lower payments, and to compensate for revenue reduction by increasing costs to private plans and individual payors.

XIII. CAPITAL EXPENDITURE PROGRAM

First, the program would set an annual national limit on new capital expenditures by acute care hospitals. The limit would be set at a level somewhat below expenditures in recent years.

The national limit would be allocated to the States by a formula based on population for at least the first year. In later years, the Secretary of HEW could adjust the formula to take into account factors other than population—such as costs of construction and need for capital expansion or modernization. States would award new certificates of need to hospitals up to their limit. HSAs would assist the States by reviewing and commenting on applications of certificates.

Medicare and Medicaid would deny reimbursement to hospitals for unapproved projects. The Federal Government would operate the program in States which do not agree to participate.

Second, in any health service area in which the number of hospital beds exceeds 4 per 1,000 population, or in which the average hospital occupany rate is less than 80 percent, no certificates of need would be allowed if they would yield a net increase in beds in the area. In addition, no Federal grants, loan guarantees or tax subsidies for construction of beds in excess of the existing number would be permitted.

Rationale

A cost containment effort can only be effective over a long period of time if steps are taken now to slow the rate of growth of bed capacity and the duplication of expensive technology.

An effective capital spending constraint will have further benefits by reducing the number of hospitals qualifying for exceptions in future years.

S. 1391

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Hospital Cost Containment Act of 1977".

REPORT ON PERMANENT REFORM IN THE DELIVERY AND FINANCING OF HEALTH CARE

SEC. 2. The Secretary of Health, Education, anid Welfare (hereinafter in this Act referred to as the "Secretary") shall submit to the Congress, no later than March 1, 1978, a report setting forth his recommendations for permanent reforms in the delivery and financing of health care which will increase the efficiency, effectiveness, and quality of health care in the United States and which will replace the transitional provisions of title I of this Act.

TITLE I—TRANSITIONAL HOSPITAL COST CONSTRAINT PROVISIONS

PART A—PURPOSE AND GENERAL DESCRIPTION OF THE PROGRAM

PURPOSE

SEC. 101. It is the purpose of the transitional hospital cost containment program established by this title to constrain the rate of increases in total acute care hospital inpatient costs, beginning October 1, 1977, and continuing until the adoption of the permanent reforms referred to in section 2, by limiting the amount of revenue which may be received, by the hospitals involved, from government programs, private insurers, and individuals who pay directly for such care.

GENERAL DESCRIPTION OF PROGRAM

SEC. 102. (a) In order to carry out the purpose of the transitional program as set forth in section 101, the inpatient revenues of short-term acute care and specialty hospitals (excluding new hospitals and certain HMO-related hospitals) are to be limited in the manner outlined in the succeeding provisions of this section (and more particularly described in parts B and C of this title).

(b) The increase in total revenue which a hospital (as defined in section 121) may receive in any accounting year in the form of—

(1) reimbursement paid under the medicare and medicaid programs, and by cost payers, for inpatient services, and

(2) charges imposed upon other persons for inpatient services,

may not, on a per-admission basis, exceed the average inpatient reimbursement due or inpatient charges imposed per inpatient admission in the base period (in general, the hospital's accounting year ending in 1976) by more than the percentage which is applicable to the hospital for such accounting year under section 111.

(c) Such percentage, in the case of any hospital for any accounting year, is to be determined by—

(1) establishing for such year, under section 112(b), an "inpatient hospital revenue increase limit" based on increases in the GNP deflator and in total hospital expenditures nationwide,

(2) modifying the limit so established by the "admission load formula", as promulgated under section 113, to take account of major changes in patient loads experienced by that particular hospital, in order to arrive at an "adjusted inpatient hospital revenue increase limit" for that hospital in such year, and

(3) applying such adjusted limit for periods after September 30, 1977, with recognition being given under section 111(a)(1) to cost increases prior to that date. (d) An exception from the limits otherwise established may be granted in accordance with section 115 (for a particular period) to any hospital which is experiencing substantially higher costs as a result of extraordinary changes in patient loads or major changes in facilities and services, to the extent required to assure that the necessary additional revenue will be available where necessary to meet actual community needs.

(e) Compliance with these limits is to be enforced, in accordance with section 116, in various ways. Such compliance is required under the medicare program by directly applying the limits for purposes of both interim and final reimbursement. Amounts paid to hospitals under the medicaid program in excess of such limits will be disallowed as a basis for Federal matching payments. Hospitals and nongovernment cost payers exceeding the limits will be subject to a Federal excise tax in an amount equal to 150 percent of the excess (except in the case of a hospital which is exempt as a result of corrective actions as prescribed under section 116(d)(2)).

(f) The Secretary is authorized, under section 117, to waive the limits otherwise established for all hospitals located in any State which has had in effect for at least one year a hospital cost containment program which covers at least 90 percent of all acute care hospitals in the State, applies to all payers except the medicare program, limits inpatient hospital revenue increases to a rate no greater (in the aggregate) than the rate established for the period involved under section 112(b), and provides for return of excess hospital revenues.

PART B—ESTABLISHMENT OF HOSPITAL COST CONTAINMENT PROGRAM

IMPOSITION OF LIMIT ON HOSPITAL REVENUE INCREASES

SEC. 111. (a) The average reimbursement paid to a hospital for inpatient services under title XVIII of the Social Security Act, under a State plan approved under title V or title XIX of such Act, or by any cost payer, and the average charges imposed by a hospital for inpatient services, in any accounting year any part of which falls within a period subject to this title, may not (except as provided in subsection (b)) exceed the base inpatient hospital revenue per inpatient admission (as established under section 114) by a percentage greater than the sum of—

(1) the percentage by which the costs involved would have increased in the period elapsing after the close of the hospital's base accounting year and prior to October 1, 1977, if such costs had increased (during that period) at the average annual rate actually experienced by the hospital during the two-year period ending with the close of such base accounting year, except that such percentage as applied for purposes of this section shall not be more than 15 percent nor less than 6 percent,

(2) the percentage by which such costs would have increased in the period elapsing after September 30, 1977, and prior to the first day of the accounting year for which the limit is being imposed if such costs had increased (during such period) at an annual rate consistent with the inpatient hospital revenue increase limit determined and promulgated under section 112(b), and

(3) the percentage by which such costs would have increased in the accounting year for which limit is being imposed if such costs had increased (during such year) at an annual rate consistent with the adjusted inpatient hospital revenue increase limit applicable to the hospital under section 112(a).

(b) Where less than a full accounting year falls within a 12-month period subject to this title, the limit set forth in subsection (a) of this section, and the limit established under section 112(a), shall apply with respect to reimbursement due or charges imposed for the part of such accounting year which falls within such period in the same proportion as the number of days in such accounting year that fall within such period bears to the total number of days in such accounting year.

DETERMINATION OF ADJUSTED INPATIENT HOSPITAL REVENUE INCREASE LIMIT

SEC. 112 (a) The "adjusted inpatient hospital revenue increase limit" which is applicable to any hospital for purposes of section 111(a)(3) with respect to any accounting year shall (subject to section 111(b) and section 124) be equal to the inpatient hospital revenue increase limit determined and promulgated under subsection (b) of this section for the 12-month period in which such accounting year or any part thereof falls, modified by the application of the "admission load formula" which is promulgated under section 113 and applied to that hospital.

(b)(1) Between July 1 and October 1 of each calendar year beginning with 1977, the Secretary shall promulgate a figure which (subject to paragraph (2)) shall be the "inpatient hospital revenue increase limit" applicable to the 12-month period beginning October 1 in such year (with each such 12-month period being referred to in this title as a "period" or a "period subject to this title"). Such figure shall be the sum of—

(A) the implicit price deflator of the Gross National Product as calculated by the Bureau of Economic Analysis of the Department of Commerce and published in the

Survey of Current Business (hereinafter in this title referred to as the "GNP" deflator") for the 12-month period ending June 30 of such year, and

(B) one-third of the difference between—

(i) the average annual rate of increase in total hospital expenditures which is found by the Secretary to have occurred during the 24-month period ending on the day preceding January 1 of such calendar year, and

(ii) the annual rate of increase in the GNP deflator for the 24-month period ending on the day preceding January 1 of such calendar year.

(2) If the Secretary finds during any period subject to this title that the GNP deflator with respect to such period is expected to exceed by more than one percentage point the GNP deflator which was used in making the determination under paragraph (1) (or in making a prior adjustment under this paragraph), the Secretary shall increase (or further increase) the GNP deflator so used by the amount of such excess; except that no adjustment made under this paragraph shall be effective with respect to any accounting year ending prior to the calendar quarter preceding the calendar quarter in which such adjustment is made.

PROMULGATION OF ADMISSION LOAD FORMULA

SEC. 113. The "admission load formula" shall be promulgated by the Secretary by October 1, 1977, and shall be such that—

(1) a hospital will be allowed an increase in total revenue from inpatient services in any accounting year to the extent (and only to the extent) consistent with the inpatient hospital revenue increase limit promulgated under section 112(b), for the period in which such accounting year or any part thereof falls if admissions in such accounting year have increased by less than 2 percent or declined by less than 6 percent as compared to the base accounting year (2 percent and 10 percent, respectively, in the case of a hospital with no more than four thousand admissions in the base accounting year);

(2) in the case of a hospital whose admissions in any accounting year are beyond the applicable range set forth in paragraph (1), the amount of total revenue from inpatient services in such year which is otherwise allowed under paragraph (1) shall be further increased for each admission above such range by one-half of the average revenue per admission that would have been allowed under paragraph (1) if the actual percentage change in admissions (as compared to the base accounting year) had been zero, or shall be reduced for each admission below such range by one-half of the average revenue per admission that would have been so allowed, except as provided in paragraph (3); and

(3) in the case of a hospital which had more than four thousand admissions in the base accounting year, no additional revenue will be allowed for increased admissions (with respect to any accounting year) beyond 15 percent above those in the base accounting year, but the revenue otherwise permitted such a hospital under paragraphs (1) and (2) shall be reduced (dollar for dollar) for decreased admissions (in that year) beyond 15 percent below those in the base accounting year.

BASE INPATIENT HOSPITAL REVENUE

SEC. 114. (a)(1) The revenue base for application of the adjusted inpatient hospital revenue increase limit with respect to any hospital in any accounting year shall (subject to subsection (b)) be the revenue from reimbursement due and inpatient charges imposed for inpatient hospital services provided in the hospital's base accounting year (as defined in paragraph (2)).

(2) For purposes of this title, a hospital's "base accounting year" is its accounting year which ended in 1976, or, in the case of a hospital which did not meet the definition contained in section 121 for at least one full accounting year prior to an accounting year ending in 1976 in which it met such definition, the accounting period immediately prior to the first accounting year in which it satisfied such definition.

(b) The base revenue established for any hospital by subsection (a) shall (except as provided in subsection (c)) be reduced by an amount equal to any inpatient charges in such base accounting year for elements of inpatient services for which payment is not made to the hospital in an accounting year any part of which falls within a period subject to this title.

(c) Subsection (b) shall not apply with respect to revenue for inpatient services which have been found inappropriate under section 1523(a)(6) of the Public Health Service Act by the State health planning and development agency designated under section 1521 of such Act for the State in which the hospital involved is located.

ESTABLISHMENT OF EXCEPTIONS

SEC. 115. (a) The Secretary shall have authority to grant exceptions from the limits established under this title to individual hospitals for particular periods, but in any case only to the extent that the hospital requesting the exception provides evidence satisfactory to the Secretary—

(1) of the extent to which costs of providing inpatient hospital services in an accounting year any part of which falls within a period subject to this title exceed such costs in the base accounting year as the result of—

(A) changes in admissions beyond the range specified in section 113(3), or

(B) changes in capacity or in the character of inpatient services available in the hospital or major renovation or replacement of physical plant, but only if such changes have increased inpatient costs per admission by more than one-third of the difference specified in section 112(b)(1)(B) over inpatient care costs per admission in the previous accounting year;

(2) that the revenue otherwise allowable (taking into account all other available resources) is insufficient to assure the solvency of the hospital as indicated by the existence of a current ratio of assets to liabilities (determined in accordance with the last sentence of this subsection) of less than the ratio which the Secretary estimates is being experienced by 25 percent or less of the hospitals subject to this title; and

(3) that the changes in admissions, capacity, plant, or services available generating the excess costs described in paragraph (1) have been found to be needed under section 1523(a)(5) of the Public Health Service Act or appropriate under section 1523(a)(6) of the Public Health Service Act by the State health planning and development agency, designated under section 1521 of such Act for the State in which the hospital involved is located.

For purposes of paragraph (2), the term "current ratio of assets to liabilities", with respect to any hospital, means the sum of the cash, notes and accounts receivable (less reserves for bad debts), marketable securities, and inventories held by such hospital divided by the sum of all liabilities of such hospital falling due in an accounting year for which the exception is requested under this section.

(b) The Secretary shall either approve any request for an exception made by a hospital under subsection (a), or deny such request, within a period not to exceed 90 days after the hospital has filed in a manner and form prescribed by the Secretary the evidence required by such subsection. Any such request not denied within such 90-day period shall be deemed approved.

(c) Any hospital granted an exception under this section must make itself available for an operational review by the Secretary. The findings from any such review shall be made public, and continuance of the exception shall be contingent on implementation of any recommendations which may be made (as a result of such operational review) for improvements to increase efficiency and economy.

(d)(1) If the Secretary grants an exception with respect to any accounting year to a hospital which had 4,000 or more admissions in the base accounting year on the grounds set forth in subsection (a)(1)(A), such hospital shall be allowed increased revenue for purposes of this title as though it were a hospital with fewer than 4,000 admissions in such base year under section 113.

(2) If the Secretary grants an exception with respect to any accounting year to a hospital on the grounds set forth in subsection (a)(1)(B), such hospital shall be allowed increased total revenue for purposes of this title for such accounting year and all subsequent accounting years (and the limit on its allowable rate of increase in inpatient hospital revenues shall be adjusted upward accordingly) in an amount no greater than the amount necessary to maintain the current ratio of its assets to liabilities (determined in accordance with the last sentence of subsection (a)) at the level specified in subsection (a)(2).

(e)(1) Any hospital which is dissatisfied with a determination of the Secretary under this section may obtain a hearing before the Provider Reimbursement Review Board established under section 1878 of the Social Security Act, if the amount in controversy is $25,000 or more and the request for such hearing is filed within 180 days after receipt of the Secretary's determination.

(2) For purposes of paragraph (1), the Secretary (notwithstanding section 1878(h) of the Social Security Act) shall appoint five additional members to the Provider Reimbursement Review Board, following the specifications for expertise applicable to the existing five members. Such five additional members shall constitute the Board for purposes of reviewing appeals under this title. All other provisions of section 1878 of the Social Security Act shall apply except that the Board as so constituted shall be considered as reviewing decisions of the Secretary rather than of a fiscal intermediary, and subsection (b) of such section shall not apply.

ENFORCEMENT

SEC. 116. (a) Notwithstanding any provision of title XVIII of the Social Security Act, reimbursement for inpatient hospital services under the program established by that title shall not be payable, on an interim basis or in final settlement, to the extent that it exceeds the applicable limits established under this title.

(b) Notwithstanding any provision of title V or XIX of such Act, payment shall not be required to be made by any State under either such title with respect to any amount paid for inpatient hospital services in excess of the applicable limits established under this title; nor shall payment be made to any State under either such title with respect to any amount paid for inpatient hospital services in excess of such limits.

(c) Notwithstanding any other provision of law, receipt by any hospital of payment for inpatient hospital services in excess of the applicable limits established under this title, or payment by any cost payer (as defined in section 122(e)(2)) for inpatient hospital services on a cost basis in excess of such limits, shall subject such hospital or cost payer—

(1) to the Federal excise tax imposed by section 4991 of the Internal Revenue Code of 1954 (as added by section 128 of this Act), and

(2) to exclusion, at the discretion of the Secretary, from participation in any or all of the programs established by titles V, XVIII, and XIX of the Social Security Act.

(d)(1) Where the Secretary determines that average charges per admission billed for inpatient services by a hospital during an accounting year any part of which is included in a period subject to this title exceed the applicable limits established under this title, he shall promulgate (or shall require the hospital to promulgate in such manner as he may prescribe) the percentage by which the average charge per admission billed in that accounting year by the hospital exceeded the applicable limitation on average charges per admission established under this title.

(2) Any hospital described in paragraph (1) shall be exempt from the penalties set forth in subsection (c) if it holds in escrow an amount equal to the percentage promulgated under such paragraph multiplied by the hospital's total inpatient charges less its inpatient charges applicable to cost payers (as defined in section 122(e)), imposed on the accounting year referred to in such paragraph, until such time as charges below the applicable limits established under this title, equal in the aggregate to such amount, are experienced; but any such hospital which fails to do so shall be subject to such penalties.

EXEMPTION FOR HOSPITALS IN CERTAIN STATES

SEC. 117. (a) At the request of the Governor (or other Chief Executive) of any State (including the District of Columbia and Puerto Rico) the Secretary may exclude from the application of this title all hospitals physically located in such State if the Secretary finds that—

(1) such State has had in effect for at least one year as of the date of such request a program for containing hospital costs in the State which covers at least 90 percent of the hospitals in the State which would otherwise be covered under the program established by this title;

(2) the State program applies at least to all inpatient care revenues of such hospitals (except revenues received under title XVIII of the Social Security Act);

(3) the Governor (or Chief Executive) certifies, and the Secretary determines, that the aggregate rate of increase in inpatient hospital revenues for all hospitals in the State will not exceed the rate promulgated by the Secretary under section 112(b); and

(4) the Governor (or Chief Executive) has submitted, and had approved by the Secretary, a plan for recovering any excess of revenue which (notwithstanding paragraph (3)) may occur.

(b) A State which would meet the conditions of this section except that its program does not satisfy subsection (a)(2), but whose program did cover at least 50 percent of all inpatient care revenues during the 12-month period preceding the date of its request under subsection (a), will nonetheless be eligible under this section if, by the date of such request, it does have a program which satisfies such subsection.

EXEMPTION FOR HOSPITALS ENGAGED IN CERTAIN EXPERIMENTS OR DEMONSTRATIONS

SEC. 118. A hospital may be excluded from the application of this title if the Secretary determines that (1) such exclusion is necessary to facilitate an experiment or demonstration entered into under section 402 of the Social Security Amendments of 1967 or section 222 of the Social Security Amendments of 1972, and (2) such experiment or demonstration is consistent with the purposes of this title.

PART C—DEFINITIONS AND MISCELLANEOUS PROVISIONS

DEFINITION OF HOSPITAL

SEC. 121. (a) For purposes of this title (subject to subsection (b) of this section), the term "hospital", with respect to any accounting year, means an institution (including a distinct part of an institution participating in the program established under title XVIII of the Social Security Act) which—

(1) satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act, and

(2) had an average duration of stay of 30 days or less in the preceding accounting year.

(b) An institution shall not be considered a "hospital" during any part of a period subject to this title if with respect to such period it—

(1) is a Federal hospital;

(2) has met the conditions specified in subsection (a) (under present and previous ownership) for less than two years before such period; or

(3) derived more than 75 percent of its inpatient care revenues on a capitation basis, disregarding revenues received under title XVIII of the Social Security Act, from one or more health maintenance organizations (as defined in section 1301(a) of the Public Health Service Act).

OTHER DEFINITIONS

SEC. 122. For purposes of this title—

Accounting Year

(a) The term "accounting year" with respect to any period means—

(1) in the case of a hospital participating in the program established by title XVIII of the Social Security Act, a period of 12 consecutive full calendar months including the same months as the last full reporting period allowed for reimbursement purposes under such title;

(2) in the case of a hospital not participating in the program established by title XVIII of the Social Security Act, a period of 12 consecutive full calendar months including the same months as the last full accounting period used by such other cost payer as the Secretary may designate; and

(3) in the case of a hospital which is not participating in the program established by title XVIII of the Social Security Act and for which the Secretary does not designate an accounting year under paragraph (2), a calendar year.

Inpatient Hospital Services

(b) The term "inpatient hospital services" has the meaning given it by section 1861(b) of the Social Security Act (including in addition the services otherwise excluded by paragraph (5) thereof).

Inpatient Charges

(c) The term "inpatient charges" means regular rates, applied to all inpatient hospital services, that meet the requirements of section 405.452(d)(4) of the Federal regulations applicable to title XVIII of the Social Security Act.

Admissions

(d) The term "admission" means the formal acceptance of an inpatient by a hospital, excluding newborn children (unless retained after discharge of the mother) and transfers within inpatient units of the same institution.

Cost Payer

(e) The term "cost payer" means—

(1) a program established by or under title V, XVIII, or XIX of the Social Security Act, and

(2) any organization which (A) meets the definition of contained in section 1842(f)(1) of the Social Security Act, and (B) reimburses a hospital subject to this title for inpatient hospital services on the basis of cost as defined for purposes of such reimbursement.

DETERMINATION OF INPATIENT REIMBURSEMENT

SEC. 123. For purposes of section 111, inpatient reimbursement under the programs established by titles V, XVIII, and XIX of the Social Security Act shall be determined without regard to adjustments resulting from the application of section 405,460(g), 405.455(d), 405.415(f), or 405.415(d)(3) of the Federal regulations applicable to such title XVIII.

EXEMPTION OF NONSUPERVISORY PERSONNEL WAGE INCREASES FROM REVENUE LIMIT

SEC. 124. (a) At the request of any hospital which is subject to the provisions of this title and which provides the data necessary for the required calculation, the Secretary shall modify the inpatient hospital revenue increase limit and the adjusted inpatient hospital revenue increase limit otherwise established for such hospital with respect to any accounting year under section 112 to allow such hospital to receive, without restriction, revenue equal to the average amount of any increase in regular wages granted in such year to employees who do not meet the definition of "supervisor" as that term is used for purposes of the National Labor Relations Act and (if not employees of a State or political subdivision thereof) who are covered by such Act.

(b) Such modified limits for any accounting year shall be calculated by adding together—

(1) the average percentage increase in regular wages granted to the employees referred to in subsection (a) since the close of the preceding accounting year multiplied by the percentage of total inpatient cost (as determined for purposes of title XVIII of the Social Security Act attributable to such wages in such preceding year; and

(2) the inpatient hospital revenue increase limit or, as appropriate, the adjusted inpatient hospital revenue increase limit otherwise applicable to the hospital under this title multiplied by the percentage of revenues (as determined for purposes of title XVIII of the Social Security Act) attributable to all other expenses in the preceding accounting year.

(c) The modified inpatient hospital revenue increase limit and adjusted inpatient hospital revenue increase limit established under subsection (b) for any hospital with respect to any accounting year shall constitute such hospital's inpatient hospital revenue increase limit or, as appropriate, the adjusted inpatient hospital revenue increase limit for such year under section 111 for all of the purposes of this title.

(d) This section shall apply to accounting years beginning after March 31, 1979, only to the extent the Secretary so determines.

DISCLOSURE OF FISCAL INFORMATION

SEC. 125. (a)(1) Every hospital shall (A) submit semiannually to the health systems agency designated under section 1515 of the Public Health Service Act for the health service area in which it is located, by March 1 and September 1 of each year, its average semi-private room rate and the charges for the 10 other services which the health systems agency finds represent the services which are most freqeuntly used or most important for purposes of comparing hospitals, and make available all cost reports submitted to cost payers, and (B) submit annually its overall plan and budget described in section 1864(z) of the Social Security Act.

(2) Failure by any hospital to comply with the requirement of paragraph (1) shall subject it to exclusion, at the discretion of the Secretary, from participation in any or all of the programs established by titles V, XVIII, and XIX of the Social Security Act.

(b) Each health systems agency designated under section 1515 of the Public Health Service Act shall publish every April 1 and October 1, in readily understandable language for public use, the information it receives under this section, in a manner designed to facilitate comparisons among the hospitals in its area.

IMPROPER CHANGES IN ADMISSION PRACTICES

SEC. 126. Upon written complaint by any institution meeting the conditions set forth in paragraphs (1) and (7) of section 1861(e) of the Social Security Act that one or more hospitals subject to this title in a health service area for which a health systems agency has been designated under section 1515 of the Public Health Service Act has changed its admission practices in a manner that would tend to reduce the proportion of inpatients of such hospital or hospitals for whom reimbursement at less than the inpatient charges (as defined in section 122(c) of this Act) applicable to such inpatients is anticipated, such health systems agency shall investigate the complaint and, upon a finding by such agency that the complaint is justified, the Secretary may impose the sanction set forth in section 116(c)(2) of this Act.

REVIEW OF CERTAIN DETERMINATIONS

SEC. 127. Any determinations made on behalf of the Secretary under this title with respect to the application of its provisions to individual hospitals (other than determinations made under section 115 or 126) shall be subject to the provisions of section 1878 of the Social Security Act in the same manner as determinations with respect to the amount of reimbursement due a provider of services under title XVIII of such Act.

EXCISE TAX ON EXCESSIVE PAYMENTS FOR INPATIENT HOSPITAL SERVICES

SEC. 128. (a) Subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 45—TAX ON CERTAIN EXCESSIVE PAYMENTS FOR INPATIENT HOSPITAL SERVICES

"Sec. 4991. Imposition of tax.

"SEC. 4991. IMPOSITION OF TAX.

"(a) IN GENERAL.—There is hereby imposed, with respect to the receipt by any hospital of payment for inpatient hospital services in excess of the applicable limits established by title I of the Hospital Cost Containment Act of 1977, and with respect to any payment made by any cost payer as defined in section 122(e)(2) of such Act for inpatient hospital services on a cost basis in excess of such limits, a tax equal to 150 percent of the amount of such excess. The tax imposed by this subsection shall be paid by the hospital or cost payer.

"(b) EXCEPTION.—The tax imposed by subsection (a) shall not apply with respect to any hospital so long as it is determined by the Secretary of Health, Education, and Welfare to be taking the corrective action described in section 116(d)(2) of the Hospital Cost Containment Act of 1977.

"(c) DEFINITIONS.—Terms used in subsections (a) and (b) have the meanings given them by title I of the Hospital Cost Containment Act of 1977.

"(d) ADMINISTRATION.—Under and to the extent provided by regulations of the Secretary, the appropriate provisions of subtitle F (relating to procedure and administration) shall be made applicable with respect to the tax imposed by subsection (a) of this section.".

(b) The table of chapters for subtitle D of such Code is amended by adding at the end thereof the following new item:

"Chapter 45. Tax on Certain Excessive Payments for Inpatient Hospital Services.".

TITLE II—LIMITATION ON HOSPITAL CAPITAL EXPENDITURES

SEC. 201. (a) Part A of title XV of the Public Health Service Act is amended by adding at the end thereof the following new section:

"LIMITATION ON HOSPITAL CAPITAL EXPENDITURES, CEILING FOR THE SUPPLY OF HOSPITAL BEDS, AND STANDARD FOR OCCUPANCY OF HOSPITAL BEDS

"SEC. 1504 (a)(1) Before the beginning of the fiscal year beginning October 1, 1977, and at least 60 days before the beginning of each succeeding fiscal year, the Secretary shall promulgate a sum as a hospital capital expenditure limit applicable to such fiscal year. The sum promulgated as a limit under the preceding sentence for any period shall be an amount which may not exceed $2,500,000,000.

"(2) The Secretary shall apportion the sum promulgated under paragraph (1) for any fiscal year among the various States on the basis of the population of the various States; except that for any fiscal year beginning more than 18 months after the date of enactment of this section the Secretary shall apportion the sum promulgated under paragraph (1) for such fiscal year among the various States, taking into account the population of the various States; and also taking into account, to the extent feasible, variations among the States in the costs of construction, population patterns and growth, the need for hospital facilities and equipment and for modernization of existing hospital facilities and equipment, and other factors important to the equitable apportionment of such sum.

"(b)(1) At the time the Secretary promulgates under subsection (a) a hospital capital expenditure limit the Secretary shall also promulgate for the fiscal year to which such limit is applicable—

"(A) a national ceiling for the supply of hospital beds within health service areas established under section 1511 (hereinafter in this title referred to as the 'supply ceiling'), and

"(B) a national standard for the rate of occupancy of hospital beds within such areas (hereinafter in this title referred to as the 'occupancy standard').

"(2) The supply ceiling promulgated for any fiscal year under paragraph (1)(A) may not exceed the ratio of 4 hospital beds per 1,000 of population; but the Secretary may promulgate under such paragraph a different supply ceiling for health services areas which have special characteristics or which meet special requirements established by the Secretary.

"(3) The occupancy standard promulgated under paragraph (1)(B) for any fiscal year may not be less than 80 percent; but the Secretary may establish a different occupancy standard for health service areas which have special characteristics or which meet special requirements established by the Secretary.".

(b)(1) Part C of title XV of the Public Health Service Act is amended by adding at the end thereof the following new section:

"CERTIFICATE OF NEED PROGRAM

"SEC 1527. (a) The certificate of need program required by section 1523(a)(4)(B) shall provide for the following:

"(1) Review and determination of need under such program of institutional health services, health care facilities, and health maintenance organizations shall be made before the time such services, facilities, and organizations are offered or developed or substantial expenditures are undertaken in preparation for such offering or development.

"(2) The program shall be administered in such a manner that only those services, facilities, and organizations found to be needed shall be offered or developed in the State in which the program applies.

"(3) In issuing a certificate of need for any such service, facility, or organization, the State shall specify in the certificate the maximum amount of capital expenditures which may be made for such service, facility, or organization under such certificate.

"(4) The aggregate of the maximum amounts of capital expenditures authorized in a fiscal year in accordance with paragraph (3) for hospitals may not exceed the portion of the sum promulgated under section 1504(a)(1) and apportioned to the State under section 1504(a)(2) for such fiscal year, as adjusted in accordance with this paragraph. For any fiscal year the sum apportioned to a State under section 1504(a)(2) shall (A) if the aggregate of the maximum amounts of capital expenditures authorized by the State in the preceding fiscal year in accordance with paragraph (3) for hospitals was less than the portion of such sum so apportioned to the State for such fiscal year, the difference between each authorized maximum amounts and the sum so apportioned shall be added to the sum so apportioned to the State for the fiscal year following such fiscal year, and (B) if in the fiscal year there was a closure of a hospital (or part thereof) through which institutional health services found under section 1523(a)(6) to be inappropriate were provided, then the amount by which the historical cost (as defined for purposes of title XVIII of the Social Security Act) of such hospital or part exceeds the total amount of depreciation of such hospital or part claimed for purposes of establishing the reasonable costs of services provided by the hospital for purposes of receiving reimbursement under title XVIII of the Social Security Act shall be added to the portion of such sum so apportioned to the State for such fiscal year.

"(b)(1) Under such a certificate of need program a certificate of need may not, except as provided in paragraph (2), be granted for an institutional health service or health care facility within a health service area established under section 1511 if the development of such service or facility under such certificate would result in a number of hospital beds within such area which is in excess of the applicable supply ceiling promulgated under section 1504(b)(1)(A).

"(2) If in a health service area the number of hospital beds is in excess of the supply ceiling applicable to a fiscal year, then a certificate of need may be granted for such a service or facility the development of which would result in a number of new hospital beds which is not more than one-half the number of hospital beds removed permanently from service in such area in such fiscal year.

The amount by which the number of new hospital beds with respect to which certificates of need may be issued in a fiscal year under the preceding sentence is less than the number of new hospital beds with respect to which certificates of need were issued in such fiscal year may be added to the number of new hospital beds with respect to which certificates of need may be issued in the succeeding fiscal year.

"(c)(1) Under such a certificate of need program a certificate of need may not, except as provided in paragraph (2), be granted for an institutional health service or health care facility within a health service area if the development of such service or facility could reasonably be expected to produce a number of hospital beds which would result in a hospital bed occupancy rate within such area which is less than the applicable occupancy standard promulgated under section 1504(b)(1)(B).

"(2) If in any fiscal year the hospital bed occupancy rate within a health service area is less than the occupancy standard applicable for such fiscal year, then a certificate of need may be granted for a service or facility the development of which would result in a number of new hospital beds which is not more than one half of the number of hospital beds removed permanently from service in such area in such fiscal year. The amount by which the number of new hospital beds with respect to which certificates of

need may be issued in a fiscal year under the preceding sentence is less than the number of new hospital beds with respect to which certificates of need were issued in such fiscal year may be added to the number of new hospital beds with respect to which certificates of need may be issued in the succeeding fiscal year.

"(d) In granting certificates of need under such a program a State shall take into account priorities recommended by health systems agencies within the State under section 1513(h).".

(2) The second sentence of section 1523(a)(4) of the Public Health Service Act is repealed.

(c) Section 1531 of the Public Health Service Act is amended (1) by striking out "For purposes of this title" and inserting in lieu thereof, "Except as otherwise, provided for purposes of this title", and (2) by adding after paragraph (5) the following new paragraphs:

"(6) For purposes of sections 1504 and 1527, the term 'hospital', with respect to any accounting year, means an institution (including a distinct part of an institution participating in the program established under title XVIII of the Social Security Act) which—

(A) satisfies paragraphs (1) and (7) of section 1861(e) of the Social Security Act, and

(B) has an average duration of stay of 30 days or less in the preceding accounting year,

except that for any fiscal year such term does not include a Federal hospital or an institution which during such fiscal year derived more than 75 percent of its inpatient care revenues on a capitation basis, disregarding revenues received under title XVIII of the Social Security Act, from one or more health maintenance organizations (as defined in section 1301(a)).

"(7) For the purposes of sections 1504 and 1527, the term 'capital expenditure' means an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance and which (A) exceeds $100,000, (B) changes the bed capacity of the facility with respect to which such expenditure is made, or (C) substantially changes the services of the facility with respect to which such expenditure is made, except that such term includes expenditures for obtaining a facility or part thereof, or equipment for a facility or part, under a lease or comparable arrangement but does not include the acquisition of an existing hospital facility if such acquisition does not make a change in the services or bed capacity of such hospital facility. For purposes of clause (A) of the preceding sentence, the cost of the studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of the plant and equipment with respect to which such expenditure is made shall be included in determining whether such expenditure exceeds $100,000. If a person makes an acquisition of equipment for a hospital and donates it to the hospital, the expenditure for such acquisition shall be considered a hospital capital expenditure for purposes of sections 1504 and 1527.".

(d) Section 1532(b)(2) of the Public Health Service Act is amended (1) by striking out "ninety days" and inserting in lieu thereof "one year", and (2) by adding before the period "or longer than such shorter period from such date as the Secretary may prescribe".

SEC. 202. (a)(1) Section 1122 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(j)(1) Except as provided in paragraph (2), in determining the Federal payments to be made under titles V, XVIII, and XIX with respect to services furnished in a health care facility located in a State—

"(A) which has not entered into an agreement with the Secretary under this section, or

"(B) which does not have a certificate of need program approved under title XV of the Public Health Service Act,

the Secretary shall not include an amount equal to ten times any amount which is attributable to depreciation, interest on borrowed funds, and return on equity capital (in the case of proprietary facilities) or other expenses related to capital expenditures after September 30, 1977, for such health care facility unless the Secretary has approved, in accordance with procedures and criteria established by the Secretary, such expenditures after taking into account any recommendation made by a State agency designated under section 1521 of the Public Health Service Act. With respect to any organization which is reimbursed on a per capita or a fixed fee or negotiated rate basis, in determining the Federal payments to be made under titles V, XVIII, and XIX, the Secretary shall exclude an amount which in his judgment is a reasonable equivalent to the amount which would otherwise be excluded under this subsection if payment were to be made on other than a per capita or a fixed fee or negotiated rate basis.

"(2) Paragraph (1) shall not apply with respect to determination of Federal payments to be made under title V, XVIII, or XIX with respect to services furnished in a health care facility located in a State which has a certificate of need program, approved by the Secretary for purposes of this section, which applies to capital expenditures for hospitals and with respect to which such capital expenditures meet the requirements of section 1527 of the Public Health Service Act.".

(2) Subsection (e) of such section 1122 is amended by striking out "subsection (d)" and inserting in lieu thereof "subsection (d) or (j)".

(3) Subsection (b) of such section 1122 is amended by inserting before the period at the end thereof the following: "or does not meet any applicable requirement of subsection (a)(4), (b), or (c) of section 1527 of the Public Health Service Act".

(4) Subsection (d)(1) of such section 1122 is amended by striking out "any amount" in the matter following subparagraph (B) of the first sentence of such section and inserting in lieu thereof "an amount equal to ten times any amount".

(b) The amendments made by subsection (a) shall apply with respect to capital expenditures made after September 30, 1977.

SEC. 203. (a) Section 103 of the Internal Revenue Code of 1954 (relating to exclusion from gross income of interest on certain governmental obligations) is amended by redesignating subsection (f) as subsection (g), and by inserting after subsection (e) the following new subsection:

"(f) Obligations Supporting Increases in Acute Care Hospital Beds.—Any obligation issued by a State or territory for an institutional health service, health care facility, or health maintenance organization—

"(1) the development of which would result in a number of hospital beds within a health service area which number is in excess of the applicable supply ceiling for such area promulgated under section 1504(b)(1)(A) of the Public Health Service Act, or

"(2) for which a certificate of need has not been issued under a certificate of need program approved under title under title XV of the Public Health Service Act,

shall be treated as an obligation not described in subsection (a)(1).".

(b) The amendments made by subsection (a) shall apply with respect to taxable years beginning after the date of the enactment of this Act.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the bill be referred jointly to both the Committee on Finance and the Committee on Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be received and appropriately referred.

Mr. HATHAWAY. Mr. President, I am joining with the Senator from Massachusetts (Mr. KENNEDY) to introduce President Carter's proposed Health Cost Containment Act of 1977. This act represents the culmination of much careful study and attention by this administration to the problem of rising hospital expenditures. While I am not necessarily convinced that the specific provisions or overall approach of the President's measure will successfully answer all the questions generated by health care inflation, I do agree that such inflation has reached intolerable levels and must be curbed.

Moreover, it is clear that considerable thought and effort went into fashioning this measure, and it therefore represents a good point from which Congress can begin to consider ways to bring these inflationary trends under control.

An ever growing share of our GNP is consumed by health care today. While 20 years ago only 5 percent of our GNP was spent in the health sector, over 8.6 percent is spent for these purposes today. Few people understand or appreciate that this health care crisis is as serious for us in America today as the energy crisis, or any other crisis we face.

Just as there comes a point when the cost of energy causes our standard of living to decline, there comes a time when health care costs will diminish the attainment of other human needs.

Today, nearly 12 cents of every Federal dollar goes for health care—nearly 9 cents for hospital care alone. Just as States have had to raise taxes and cut services to cover their skyrocketing medicaid costs, so the Federal Government has had to set more money aside for hospital costs, which consume 40 percent of the Nation's health care budget and which have been escalating faster than the cost-of-living for more than two decades.

Since 1965, for example, the cost of an average hospital stay climbed from less than $300 to more than $1,300. Americans today must work an average of more than 1 full month of every year just to pay for their health care, which will just pay for their hospital costs. This is reflected in an average 15 to 20 percent rise in private health insurance premiums. And the end of the upward spiral is nowhere in sight. In calendar year 1976 the cost of a stay in a hospital increased more than 15 percent, or 2½ times the 6 percent increase in the Consumer Price Index. The hospital cost increase even outstripped increases in energy and food. Based on these inflationary patterns, the need for controlling increases in hospital costs is clear and compelling.

The Hospital Cost Containment Act of 1977 will—

Limit the in-patient reimbursements

of acute care hospitals, excepting new hospitals, Federal hospitals, and Health Maintenance Organization, HMO, hospitals.

Provide an automatic formula to adjust the 9 percent limit for moderate changes in expected patient load. The formula will contain strong incentives to discourage unnecessary hospitalization.

Include an adjustment for hospitals which provide wage increases to their nonsupervisory employees.

Provide an exceptions process for the small percentage of hospitals which will undergo extraordinary changes in patient loads or major changes in capital equipment and services. The program will require the Department of HEW to respond to any application for an exception within 90 days.

Disallow in the computation of a hospital's base cost any unwarranted expenditures made in anticipation of the implementation of this program.

Allow States which operate cost containment programs, and are capable of meeting the Federal program's criteria, to continue their own regulatory approaches.

The administration maintains that this program will save about $2 billion in fiscal year 1978—over $650 million in the Federal budget, over $300 million in State and local budgets, and almost $900 million in private health insurance and payments by individuals. In fiscal year 1980, total savings will exceed $5.5 billion.

As a member of both the Finance and Human Resources Committees, to which the administration's proposal will be jointly referred, I have agreed to cosponsor this measure because I strongly agree with its overall goals and objectives. However, I also agree with those of my colleagues who believe we should move only with great caution in this area, and that in the process we should make our own careful analysis of all the needs of all the participants in our Nation's health care system today.

For example, the problems and questions that will almost certainly need to be addressed in the weeks and months ahead include:

The need to provide carrots as well as sticks in order to convince hospitals to operate more efficiently;

The need to examine rising costs in all kinds of health care facilities, such as nursing homes, or intermediate care facilities, as well as in hospitals;

The need to differentiate among different types of hospitals, with different needs and clienteles, so as to be able to adjust a system of controls to each individual hospital's unique situation;

The need to insure that cost controls are not achieved at the expense of meeting the health care needs of the poor and the disadvantaged;

The need carefully and critically to examine those elements that contribute to rising hospital costs, such as physician's fees, hospital supply companies, and other areas, as well as simply examining the hospital charges themselves;

The need to examine other contributing factors that may well be generated by the Federal Government itself, such as increased paperwork or unrealistic requirements generated by an ever-growing body of Federal regulations;

The need to insure equitable treatment for all classes of salaried hospital employees, including nurses, and to insure that it does not fall to them alone to bear the burden of supporting cost containment; and

The need to insure that expenses completely beyond the hospital's control, such as energy costs, are adequately accounted for in the process of containing costs.

This is by no means an exhaustive list of the very serious questions and problems we will confront in attempting to enact an effective, equitable cost containment proposal into law. Yet, I am convinced that we can obtain such a law, and I believe the President's proposed legislation is an excellent starting point for congressional consideration of this profound and significant national problem.

By Mr. RIBICOFF (for himself, Mr. HATHAWAY, and Mr. KENNEDY):

S. 1392. A bill to strengthen and improve the early and periodic screening, diagnosis, and treatment program and for other purposes; to the Committee on Finance.

Mr. RIBICOFF. Mr. President, I am pleased to introduce the administration's new child health assessment program.

This initiative will expand and improve the existing early periodic screening, diagnosis, and treatment program. It is important. Poor children have a greater number of illnesses than other children. They lose more days from school, and they have less access to a doctor's care. Discovery and treatment of these health problems at an early age improves a child's chance of having a productive adulthood.

We all recognize the importance of preventive health care for young children. However, implementation of the early and periodic screening, diagnosis, and treatment program has been incredibly slow. The program became law in January 1968. It took the Department of Health, Education, and Welfare 3 years to issue regulations. Today only about 2 million of the 12 million children eligible for medicaid are screened. Twenty-two percent of those found to need treatment do not get it. And the program competely ignores approximately 700,000 children under 6 who are poor but ineligible for medicaid.

This new child health assessment program strengthens our efforts to screen and to treat children. It extends medicaid eligibility to children under 6 whose families meet the income requirements for medicaid but do not meet other State eligibility requirements.

Most of these children are in intact families. All of these children will now be eligible for medicaid and for screening, diagnostic, and treatment services. Immunization against childhood diseases will also be provided.

The quality of care will be improved by phasing in a requirement that assessments be performed by centers or physicians capable of delivering treatment.

The child health assessment program includes regularly scheduled health assessments and treatments for conditions and problems diagnosed.

These improved State services will be made possible through an increase in the Federal matching rate for the program. The matching rate for assessment and treatment of children will increase from an average of 55 percent to an average of over 75 percent. States which meet performance standards will also have their Federal matching payment for medicaid administration costs increased.

The administration estimates that this program will cost $180 million in the next fiscal year. This is a tiny sum in comparison to the overall medicaid budget. This money is an investment in our future. It gives us a chance to offer poor children a healthy and productive life.

Mr. President, I ask unanimous consent that a summary of this bill and a breakdown of the costs be printed immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY

The first section of the draft bill would provide the short title of the Act—the "Child Health Assessment Act".

Section 2 of the draft bill would provide the purposes of the Act—to expand the availability of health care to financially needy children, to improve the quality of such care, and to increase immunization levels of children.

Section 3 of the draft bill would amend section 1902(a)(13) of the Social Security Act by adding two new subparagraphs to the Medicaid State plan requirements. The first would require that, effective October 1, 1977, all children under the age of six who are members of families who meet the income and resources eligibility requirements in each State for aid to families with dependent children (AFDC) be eligible under the State plan for the program currently referred to as early and periodic screening, diagnosis, and treatment (EPSDT). Other provisions in the draft bill are designed to improve the quality of care under this program and would modify the terms used to describe the program. Currently, the federal law requires that the EPSDT program and Medicaid be made available only to recipients of federal categorical cash assistance, although States may, at their option, make eligible for Medicaid and EPSDT other children under 21 whose families are within the federal income limitations for Medicaid.

The second new paragraph which would be added to the State plan requirements by section 3 of the draft bill would require each State to make available to any assessed child—whether the child was assessed as required by federal law or at the option of the State—all medical care and services for which federal financial participation under Medicaid is available, other than those for the treatment of mental illness, mental retardation, developmental disabilities and dental problems not discovered during an assessment. Currently, services which are required to be provided are specified in regulations and are limited to services each State already makes available under its Medicaid

plan, as well as services for the treatment of vision, hearing, and certain dental problems.

Section 4(a) of the draft bill would amend section 1902(a)(10) of the Social Security Act to require that States make eligible for Medicaid all children under the age of six who are members of families who meet the income and resources eligibility requirements for AFDC in each State.

Section 4(b) of the draft bill would make conforming changes in title XIX of the Social Security Act to make clear that child health assessments and follow-up services provided as a result of amendments contained in the draft bill are not thereby to be required to be provided to individuals not meeting the appropriate age requirements.

Section 5 of the draft bill would add a new section to title XIX of the Social Security Act. That section describes the child health assessment program which would be required by the law. The program would be available to AFDC recipients under 21 (as under current law), certain income eligible children under 6 as previously described (currently optional in each State), and other income eligible children under 21 at each State's option. The section would require each health care provider in the program to enter into an agreement with the State Medicaid agency to (1) perform periodic health assessments as required by regulations of the Secretary; (2) assume over the next three years gradually increasing responsibility for the provision of a minimal range of diagnostic and treatment services as required by regulations of the Secretary so that (except in areas where the Secretary grants a waiver) diagnostic and treatment services will be provided directly at the end of the three year period; (3) refer children for other appropriate services; (4) take responsibility for case management; (5) be available to meet the continuing health needs of assessed children; and (6) make reports required by the State or Secretary. The new section 1912 would also make eligible for continued Medicaid services for a period of six months any child who has been assessed but whose family income has increased, or who has become ineligible for AFDC, and would thereby otherwise become ineligible for Medicaid.

Section 6 of the draft bill would add an additional State plan requirement that States encourage participation by physicians and health care centers in the child health assessment program. It also would require appropriate coordination among relevant State and local agencies and arrangements for the provision of appropriate support services.

Section 7(a) of the draft bill would provide for increased federal financial participation in the cost of health assesments and all related or follow-up care and services provided to assessed children. Currently, the federal share of the cost of such care is the "medical assistance percentage" for each State. The range of that percentage is between 50 percent and 78 percent (and averages 55 percent). Section 7 would increase the percentage for purposes of the child health assessment program to the average of the current medical assistance percentage in each State and 90 percent or to 75 percent, whichever is greater.

Section 7(b) of the draft bill would provide a fiscal sanction for any State which fails to meet certain program standards specified in the bill. The sanction would be a reduction by 20 percent of the amount payable to a State for administration of the Medicaid program. Currently the reduction is one percent of federal financial participation in a State's AFDC costs. Other changes in the fiscal reduction provision are that it would be applied only with respect to fiscal quarters after a State is notified of a shortcoming (currently the sanction applies retroactively as well) and that the Secretary could postpone any reduction for up to six months to permit a State to correct its program. The amendment also would allow the Secretary to set by regulation the standards of performance a State must attain.

Section 7(b) would also provide a financial bonus to any State meeting the standards of good performance which the Secretary would specify in regulations. The bonus would be an increase from 50 to 75 percent in federal reimbursement for general State administrative costs for Medicaid.

Section 8 contains three conforming amendments. One would repeal, effective with respect to fiscal quarters after September 30, 1977, the current financial sanction applicable to the AFDC program. The others would modify the terms currently used in title XIX to refer to the child health program and would provide for the transition into the revised program of children currently being served under LPSDT.

Fiscal year 1978 costs—Child health assessment program

[In millions]

Expanded coverage for currently eligible children	$60
Extending care to poor children not currently eligible	48
Guaranteeing eligibility for treatment for at least 6 months after screening	27
Increased administrative expenses	20
Additional or expanded resources (especially rural health centers	25
Total	180

Mr. HATHAWAY. Mr. President, with increasing public and private concern over escalating health care costs and the administration's stated commitment to a national health policy, it becomes incumbent upon us to find more effective means of promoting and maintaining health. And at least on its face, no investment of public resources is better spent than on the prevention, early detection and treatment of disease and disability in children. Whether one couches the decision in the rhetoric of cost-benefit ratios and life-years or in the humanistic phrases of equality, access, quality of care and the right to health, the allocation of public moneys for the detection of illness in poor children and its followup is money well spent. The Child Health Assessment Act of 1977 would do this through improving the EPSDT program by reaching more poor children with more comprehensive, continuing primary and preventive health health care.

When the Social Security Act was amended by Public Law 92-603, it was hoped that the early periodic prevention, screening detection, and treatment program would reach all eligible children in need. These hopes were not fully realized.

Current efforts to improve health services for poor children are clearly inadequate. The major existing program seeks to provide health screening and treatment for medicaid-eligible children.

EPSDT reaches only 30 percent of the 12 million children currently eligible for medicaid.

Approximately 22 percent of the children screened under EPSDT and found to need treatment do not get the service required.

The program does not reach an estimated 700,000 children under 6 who are in families whose income meets State financial requirements for medicaid but whose family structure—the father is present, for example—makes them ineligible for medicaid. States now have the option of covering children in such families under medicaid, but only 16 States now do so. I am pleased to say my own State of Maine is one of those that does cover these children.

Even now, over a decade after medicaid and 5 years after the passage of the law setting up the EPSDT program, children do not receive adequate and continuous health care.

Poor children are likely to have twice as many hospital days as children with adequate income.

They lose more days from school.

They are bedridden more days.

They have more chronic diseases.

They have less access to a regular source of physician's care.

The proposed new child health assessment program—CHAP—would substantially strengthen the existing program by:

Requiring States to provide medicaid and EPSDT services to the estimated 700,000 poor children under 6 whose family structure makes them ineligible for medicaid.

Providing an incentive to States to improve their current service to all poor children by increasing the Federal medicaid matching rate for all assessment performed for currently eligible children by the States, all such assessment for new children who will not be eligible for the program, and for all ambulatory—nonhospital—medical care required by children who have been assessed. The new Federal match will average over 75 percent of the cost of providing these services, as opposed to the current nationwide average Federal share of 55 percent of all services.

Providing net fiscal relief to the States of some $18 million in fiscal year 1978. The increase in the Federal match will more than offset the higher costs to States of serving more children.

Improving the quality of care for children assessed under this program by gradually phasing in over the next 3 years the requirement that assessments be performed through comprehensive health care centers or primary care physicians capable of delivering necessary followup diagnosis and treatment.

Requiring that all children reached by this program be immunized against childhood diseases.

Providing additional incentives to States to meet certain goals and standards by increasing the Federal matching payments from 50 to 75 percent for all medicaid administrative expenses in States which meet such goals while assessing a penalty against the Federal share of medicaid administrative costs for failure to meet certain standards under the current law.

The essential features of this legislation are:

First. Medicaid eligibility is extended to children under 6 years old whose families meet the State's income test for AFDC or medically needy, but do not meet the family characteristic requirements. Thus, children in two-parent families and working parent families become eligible.

Second. The Federal matching rate

will be increased to cover health assessments and all ambulatory treatment to assessed children. The higher rate will be one-half of the distance between the State's current matching rate and 90 percent, but not less than 75 percent. The current average is 55 percent; the new average is 75 percent.

Third. When a child has been assessed, eligibility for medical care continues for 6 months after AFDC or medically needy status terminates.

Fourth. The States will be required to provide treatment for all conditions found in the assessment, with limitations on mental illness, mental retardation, developmental disabilities, and dental care.

Fifth. A fund of $23 million will be provided to establish, expand or improve agencies which can provide assessment and needed diagnosis and ambulatory treatment.

Sixth. A major aim of the modified program is to encourage States to enroll children with health care providers—physicians or health centers—who will render preventive and continuing care. After 3 years, reimbursement will not be provided to agencies which can perform only the screening and cannot render the needed follow-up treatment.

Seventh. States which meet performance standards will receive 75 percent reimbursement for medicaid administrative costs. States which fail to meet process standards will have their Federal reimbursement for administrative expenses reduced.

The savings to States will be $18 million, while the cost to the Federal Government will be $180 million. In the long run, this could prove an excellent investment in health capacity and the development of a continuum of care.

Mr. KENNEDY. Mr. President, I am pleased to join today with my good friend and colleague, Senator RIBICOFF, in introducing the administration's legislation that will expand and improve the availability of health care for poor children, the Child Health Assessment Act of 1977.

For too long we have been spending many billions of dollars on curative medicine when some of these resources could be better allocated to preventive medicine.

In many respects the children of the desperately poor are the individuals who can benefit the most, and benefit society the most, from efforts designed to prevent the crippling and disabling diseases, which may otherwise afflict them.

In the last decade, the percentage of children 1 to 4 years old immunized against polio has dropped from 84 percent to 60 percent. Other diseases tragically show similar trends. The major existing health program for poor children, entitled early and periodic screening, diagnosis and treatment—EPSDT—has reached only 30 percent of the 12 million children currently eligible for medicaid. Almost a quarter of the children originally screened under the EPSDT program failed to get the treatment or services they needed, and the program never reached the over half-a-million children under 6 who are in poor families not categorically eligible for medicaid.

Mr. President, the new child health assessment program—CHAP—introduced today will go a long way toward improving health care for many children. It will expand the number of children eligible for federally supported health care and will provide financial incentives to States to improve their current services to all poor children by increasing the Federal medicaid matching rate.

Mr. President, the program will include a uniform health assessment, including hearing and vision tests, and will insure that any disease detected is adequately treated. A uniform schedule for assessment at specific ages would be established, and it would be required that all children reached by the program be immunized against childhood diseases.

The Neighborhood Health Centers have played an important role in delivering comprehensive health services to children. This bill will expand the funds available for these centers.

Mr. President, as chairman of the Senate Subcommittee on Health and Scientific Research, I hope the Congress will take early and positive action on this important legislation.

By Mr. BAYH:

S. 1393. A bill to authorize actions by the Attorney General to redress deprivations of constitutional and other federally protected rights of institutionalized persons; to the Committee on the Judiciary.

Mr. BAYH. Mr. President, today I am introducing legislation designed to give statutory authority to the Justice Department to initiate suit to enforce constitutional and other federally guaranteed rights of institutionalized persons. This legislation codifies the authority exercised by the Deparment in the past to intervene in and to initiate civil actions on behalf of persons confined to mental hospitals, prisons, mental retardation facilities, reformatories for juvenile delinquents, facilities for emotionally disturbed children, and nursing homes.

The institutionalized are uniquely unable to assert their own rights. Whether for lack of intellectual or emotional capacity to aid in their own lawsuit, or merely for lack of funds to finance the extensive discovery necessary to document widespread abuses in large institutions, such persons cannot hope to present their cases effectively before a court of law. Recognizing this, the Justice Department has, during the past decade, brought a number of actions against State institutions, successfully documenting widespread deprivations of residents' constitutional and Federal rights, and compelling State officials to upgrade conditions of confinement and treatment.

Two recent Federal court decisions however, now threaten to halt the Department's litigation program. In *U.S.* v. Solomon, 419 F. Supp. 358 (D. Md. 1976) and *U.S.* v. *Mattson*, D. Mont., C.A. No. 74-138, Sept. 28, 1976, district court judges in Maryland and Montana ruled that, absent specific statutory authority, the Executive lacks standing to sue on behalf of the institutionalized. Only by codifying the Department's authority to assert the rights of such persons can Congress insure that the constitutional and Federal rights of those least able to protect themselves will be guaranteed vindication.

I. BACKGROUND—CONDITIONS IN INSTITUTIONS

A brief look at the cases brought on behalf of the institutionalized will highlight the need for continued participation by the Justice Department. In 1971, a case arising in the Federal district court in Alabama brought to the attention of the lay and legal communities alike the appalling conditions prevalent in State institutions designed to house and allegedly rehabilitate the mentally ill. In that landmark case, *Wyatt* v. *Stickney*, 325 F. Supp. 781 (M.D. Ala. 1971), 334 F. Supp. 1341 (1971), 344 F. Supp. 373 (1972), 344 F.Supp. 387 (1972), *aff'd sub nom. Wyatt* v. *Aderholt*, 503 F. 2d 1305 (5th Cir. 1974), the Justice Department was instrumental in developing a record of institutionwide abuses to which inmates of mental hospitals were being subjected. Retarded persons were tied to their beds at night and confined to strait jackets for years in the absence of sufficient staff to care for them.

To avoid additional cleanup work for staff, inmates were denied access to toilet paper and in lieu of proper sanitary maintenance, were required to walk naked—like vehicles in a car wash—through intersecting streams of water; the atrocities resulting from misuse of of hoses by institution inmates and inadequate regulation of water temperature were documented in all too graphic detail in the reported decisions. *Wyatt* v. *Aderholt*, 503 F. 2d 1305, 1310–11 (5th Cir. 1974).

Evidence of insect infestation was found in the kitchen and dining rooms, while the less than 50 cents per patient per day spent on food resulted in meals "coming closer to punishment by starvation than nutrition." *Wyatt* v. *Aderholt*, 503 F. 2d at 1310. At one institution, inadequate staff, insufficient supervision, and uncontrolled brutality of other inmates resulted in the deaths of four residents. *Wyatt* v. *Aderholt*, 503 F. 2d at 1311.

Later cases revealed no less appalling conditions in the State's prisons. Just last year a Federal district court found in one State facility "as many as six inmates packed in 4-foot by 8-foot cells with no beds, no lights, no running water, and a hole in the floor for a toilet which could only be flushed from the outside." *Pugh* v. *Locke*, 406 F. Supp. 318, 327 (M.D. Ala. 1976).

The conditions in Alabama's institutions were by no means exceptional. In New York's Willowbrook State Developmental Center, the largest mental retardation facility in the country, residents were subjected to massive overdrugging to compensate for inadequate staff supervision. Unsanitary conditions resulted in an outbreak of hepatitis affecting 100 percent of the patients. *New York Association for Retarded Children* v. *Rockefeller*, 357 F.Supp. 752 (E.D. N.Y. 1973); *sub nom. NYARC* v. *Carey*, 393 F. Supp. 715 (1975).

In the course of litigation brought to correct abuses in Texas' juvenile reformatories, a Federal court found the State juvenile system rampant with officially sanctioned brutality, including beatings,

tear gasings, and placement in homosexual dormitories as a form of punishment. *Morales* v. *Turman*, 364 F.Supp. 166 (E.D. Texas 1973); 383 F.Supp. 53, 70–87 (1974); rev'd on procedural grounds, 535 F.2d 864 (5th Cir. 1976).

II. THE ROLE OF THE JUSTICE DEPARTMENT

If there is a bright side to this dismal picture, it is that in all of the cases I have referred to, the Justice Department's efforts succeeded in securing relief for the residents of the institutions in question. Judge Johnson, who initially ordered the Department to appear as *amicus curiae* in Wyatt, was sufficiently impressed to commend government lawyers for having "performed exemplary service for which this court is indeed grateful." *Wyatt* v. *Stickney*, 344 F.Supp. at 375, n.3.

Following Wyatt and other cases in which the Department participated, a number of States adopted statutes providing a right to treatment for mentally ill institutionalized persons, and a series of Federal court cases further substantiated a constitutional right to such treatment. The Department of Health, Education, and Welfare followed suit by adopting many of the standards first enunciated in Wyatt as conditions for participation in federally funded programs of care for the mentally handicapped. See 45 CFR 249.13 (1974).

Public attention was brought to the efforts of the Justice Department as writers in nationally distributed periodicals commented favorably on the Department's litigation program. (See, e.g. Herr, *Civil Rights, Uncivil Asylums and the Retarded*, 43 CIN. L. REV. 679, 779 (1974); Wald & Schwartz, *Trying a Juvenile Right to Treatment Suit: Pointers and Pitfalls for Plaintiffs*, 12 AMERICAN CRIM. L. REV. 125, 153 (1974); Wooden, WEEPING IN THE PLAYTIME OF OTHERS, Ch. I, McGraw-Hill (1976); Velie, *Is Anybody Watching?* READERS DIGEST, page 114 (March 1976).) By late last year, the Department was involved in approximately 20 cases concerning the rights of institutionalized persons, including the mentally ill and retarded, juvenile delinquents, dependent and neglected children, the aged, and the chronically physically ill.

III. THE SOLOMON AND MATTSON DECISIONS

The first serious setback to these efforts came last year, when a Federal district court in Maryland dismissed a suit brought by the Justice Department concerning the conditions at the Rosewood State Hospital for the mentally retarded. In *U.S.* v. *Solomon*, 419 F. Supp. 358 (D. Md. 1976), the court held that the Justice Department lacked inherent or common law authority to sue to enforce constitutional and Federal rights of hospital inmates. Following the Solomon decision, a Federal district court in Montana dismissed another suit initiated by the Department challenging conditions in a State mental retardation hospital, again declaring that, absent express statutory authority, the Department lacked standing to sue. *U.S.* v. *Mattson*, D. Montana, C.A. No. 74–138, September 28, 1976.

The impact of these two cases on the Justice Department's litigation program on behalf of the institutionalized cannot be overstated. Louis M. Thrasher, Director of Special Litigation in the Civil Rights Division, has stated that with the *Solomon* and *Mattson* decisions outstanding,

> There will be substantial question in the minds of potential defendants as to whether or not there is any federal agency that can proceed to enforce such rights. Moreover, given the present status, defendants will continue to file motions to dismiss our lawsuits which will of course have a delaying effect.

Letter to Senator FRANK E. MOSS, chairman, Senate Subcommittee on Long-term Care, September 23, 1976.

Though appeals have been filed in both cases, their outcome is not dispositive of the need for the legislation I propose today. The Justice Department has made clear that regardless of the result of those two cases on appeal, the need for authorizing legislation is immediate and unconditional. In the words of Mr. Thrasher,

> There can be no doubt that a statute specifically authorizing the Attorney General to bring such suits would have a beneficial effect upon the willingness of state and local governments to take action to protect the rights of our mentally handicapped (and other institutionalized) persons. . . . It is clear that statutory authority would assist in ensuring a sustained and orderly effort to ensure that the Constitution protects all of our citizens. (Id.).

IV. EFFECT OF LEGISLATION

As the following section-by-section analysis demonstrates, this bill creates no new substantive rights, nor does it open the doors of the Federal courthouse to a new class of litigants. Under the standards I have proposed, the authority of the Department to bring suit on behalf of the institutionalized is limited to cases alleging widespread deprivations of constitutional and Federal rights, and thus poses no threat to state officials of repeated Federal intervention on behalf of individuals alleging isolated instances of abuse. In fact, by clarifying once and for all the authority of the Department to participate in suits to redress systematic ongoing violations of institutionalized persons' rights, this legislation will minimize proliferation of separate suits by individual litigants.

V. SUPPORT FOR LEGISLATION

Mr. President, the need for this legislation has already been recognized. H.R. 2439, a bill substantially similar to the one I am proposing, was introduced in the House earlier this session by Representative KASTENMEIER, and the Justice Department will be appearing later this week to testify on it. The American Bar Association's House of Delegates, following a recommendation of its Commission on Correctional Facilities and Commission on the Mentally Disabled, adopted a resolution in support of similar legislation introduced last session, and can be expected to lend its support to this proposal. Numerous organizations working on behalf of institutionalized persons have indicated interest in and support for such legislation. It is now the responsibility of Congress to recognize and act upon this acknowledged need.

VI. CONCLUSION

The struggle to secure the rights of the institutionalized has been called the last great frontier in civil rights litigation. Whether the guarantees of the Constitution and Federal laws become reality for the thousands of institutionalized persons throughout the country depends on Congress' willingness to provide an effective enforcement mechanism for securing those guarantees. The Justice Department stands ready to commit its resources to the task; the Constitution and laws of this land demand no less.

Mr. President, I ask unanimous consent to print in the RECORD the text of the proposed law and a section-by-section analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Whenever the Attorney General has reasonable cause to believe that a State or its agent is subjecting persons confined in an institution, as defined in Section 4, to conditions which deprive them of any rights, privileges, or immunities secured by the Constitution or laws of the United States, and that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General is authorized to institute a civil action for or in the name of the United States in any appropriate district court of the United States against such party or parties for such relief as he deems necessary to insure the full enjoyment of such rights, privileges, or immunities. The district courts shall exercise such jurisdiction without regard to whether the aggrieved party or parties shall have exhausted any administrative or other remedies provided by law. Whenever, in a proceeding instituted under this Section, any official of a State or subdivision thereof is alleged to have committed any act or practice subjecting persons confined in an institution to the deprivation of any rights, privileges, or immunities secured by the Constitution or laws, the act or practice shall also be deemed that of the State and the State may be joined as a party defendant. If, prior to the institution of such proceeding, such official has resigned or has been relieved of his office and no successor has assumed such office, the proceeding may be instituted against the State.

SEC. 2. Prior to the institution of a suit under Section 1, the Attorney General shall certify that he has notified appropriate officials of the institution of the alleged deprivations of rights, privileges, or immunities secured by the Constitution or laws of the United States, that following such notification he is satisfied that the institution of an action will materially further the vindication of such rights, privileges, or immunities, and that such a suit by the United States is in the public interest.

SEC. 3. Whenever an action has been commenced in any court of the United States seeking relief from conditions which deprive persons confined in institutions of any rights, privileges, or immunities secured by the Constitution or laws of the United States, the Attorney General for or in the name of the United States may intervene in such action upon timely application if the Attorney General certifies that the case is of general public importance. In such case, the United

States shall be entitled to the same relief as if it had instituted the action.

SEC. 4. As used in this Act, "institution" means—

(1) any treatment facility for mentally ill, disabled, or retarded persons;

(2) any facility for the chronically physically ill or handicapped;

(3) any nursing home;

(4) any jail, prison or other correctional facility, or any pretrial detention facility; or

(5) any facility in which juveniles are held awaiting trial or in which juveniles have been placed for purposes of receiving rehabilitative care or treatment or for any other state purpose.

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill, modeled after a similar provision in Title II of the Civil Rights Act of 1964, 42 U.S.C. 2000a–5, empowers the Attorney General to initiate suit for or in the name of the United States to enforce constitutional and other federally guaranteed rights of institutionalized persons whenever he has reasonable cause to believe that a State or its agent is subjecting institutionalized persons to a systematic deprivation of such rights. The requirement that the Attorney General have cause to believe the deprivations are pursuant to a pattern or practice of resistance to the full enjoyment of such rights is designed to limit actions initiated under this section to cases involving widespread abuses of institutionalized persons' federally guaranteed rights.

The section gives the federal district courts original jurisdiction over such suits and specifically provides that the aggrieved party or parties need not have exhausted other remedies before invoking the jurisdiction of the federal court. A similar provision appears in a subsection of the Civil Rights Act of 1957, 42 U.S.C. 1971(d). Since private parties suing to enforce constitutional and federal rights under 42 U.S.C. 1983 are not required to exhaust state remedies, *Monroe v. Pape*, 365 U.S. 167, 81 S.Ct. 473 (1961), there is no reason to require the United States to do so.

The section further provides that where the person or persons allegedly responsible for the unlawful deprivation is an official of the State, the State may be made a party defendant in a proceeding initiated under this section. This provision is modeled after a similar subsection of Title VI of the Civil Rights Act of 1960, 42 U.S.C. 1971(c), enacted pursuant to the enforcement clause of the fifteenth amendment and upheld as a proper exercise of Congress' enforcement powers under Section 2 of that amendment. *U.S. v. State of Mississippi*, 380 U.S. 128 (1965). The analogous enabling clause of the fourteenth amendment, Section 5, provides corresponding authority for this provision.

Section 2 requires the Attorney General, before initiating suit, to notify state officials of the alleged grievances which the proposed action seeks to redress. It further requires him to determine that the action will materially further the vindication of these consitutional or federal rights sought to be enforced. This requirement presupposes a determination by the Attorney General that, absent such action, the State or its officials cannot reasonably be expected to remedy the alleged violations. Finally, the Section requires the Attorney General to find that the proposed action is in the public interest. This too insures that actions initiated by the United States will be limited to those designed to redress widespread—as opposed to isolated—violations of institutionalized persons' rights.

Section 3 provides for intervention by the Attorney General in any action initiated by another party or parties seeking to vindicate constitutional or federal rights of institutionalized persons, provided the Attorney General certifies that the case is of general public importance. As provided in Section 3, this requirement again limits intervention by the United States to actions involving potentially broad-ranging relief. The Attorney General may request and receive the same relief as if the action had been initiated under Section 1.

Section 4 of the bill defines the term "institution." This definition is intended to encompass all facilities in which prisoners, pretrial detainees, juveniles, the mentally ill, the mentally retarded, the physically handicapped, and the aged reside.

By Mr. NELSON:

S. 1394. A bill to amend the Arms Export Control Act to require the President to provide certain information to the Congress with respect to any proposed major arms sales to a country which is not a member of the North Atlantic Treaty Organization and to provide the Congress with 30 days of continuous session in which to disapprove proposed arms sales; to the Committee on Foreign Relations.

S. 1395. A bill to amend the Arms Export Control Act to provide the Congress with an opportunity to disapprove proposed transfers from the recipient country to another country of defense articles or related training or other defense services supplied by the United States; to the Committee on Foreign Relations.

ARMS SALES

Mr. NELSON. Mr. President, the two bills which I am submitting today are designed to fill several loopholes in the present reporting requirements of the Arms Export Control Act. Together, they: First, give Congress a longer period of time to review thoroughly arms sales proposals made by the executive branch; second, provide Congress automatically with more information upon which it can base better analyses of arms sales proposals; and third give Congress veto authority over third country transfers of arms produced by the United States.

I have previously introduced legislation to bring about all three of these objectives in earlier Congresses. Identical legislation has also been introduced in this—the 95th Congress—by Congressman SOLARZ and 39 cosponsors.

It is now only too well documented that the United States is the world's leader in selling arms abroad. From 1966 to 1975, this country sold $34.9 billion worth of armaments to other countries, or more than the rest of the world's major suppliers combined. In the last fiscal year alone, the United States agreed to sell abroad military equipment and weapons worth over $14 billion.

TRENDS

The trends are disturbing. We have witnessed over the last several years an alarming growth in the volume of military equipment and arms sold abroad by the United States. As recently as 1970, our entire foreign military sales program accounted for less than $1 billion worth of equipment and weapons, this in stark contrast to last year's total, which represents nearly 14 percent of the dollar value of all U.S. foreign military sales in the last quarter century.

There has also been a dramatic change in the identity of those receiving our arms largesse. A program originally designed to assist major NATO Allies has become the chief means by which many nations of the so-called Third World acquire weapons. The developing countries bought over half—53 percent—their weapons from the United States during 1966–75. Our share of this market totaled $27.5 billion. This included 96 percent of their imports of air-to-surface and air-to-air missiles. More than half of our foreign military cash sales in recent years have been made to nations of the newly oil-rich Persian Gulf and Mideast. By fueling local arms races, the United States advances the potential for the creation or exacerbation of regional tensions and conflicts, which in turn increase the likelihood of major-power confrontation.

In addition, the United States is selling increasingly destructive and sophisticated military equipment. In contrast to the days when the United States drew only on surplus stocks for foreign military sales, we now sell some of our most advanced missiles, warplanes, and electronic gear. This policy has deleterious effects on our own armed services readiness as well as our overall national security. With the move away from U.S. military aid and toward payment by the recipient country for its arms, the recipients are more often demanding—and receiving—our most sophisticated armaments off the same assembly line that supplies our own forces, and sometimes before we are fully supplied. Foreign orders for highly advanced weaponry are made even before we proceed to their full-scale production. Maintenance of our technological superiority is threatened by such concurrent sales of advanced weaponry. This is especially so when sales are made to unstable regimes, whose successors may not be friendly to the United States, or when such equipment falls into hostile hands in a regional conflict.

Mr. President, in 1973 I first introduced legislation giving Congress a voice in controlling the burgeoning U.S. arms trade. Passed by Congress in 1974 and enacted in 1975, this measure gave Congress the opportunity to consider—and if necessary, reject—any proposed foreign military sale of $25 million or more by concurrent resolutions of each House. Strengthened in 1976 with passage of the Arms Export Control Act (Public Law 94–329), congressional review now extends to the proposed sale of any major defense equipment or arms over $7 million. Congressional oversight has been further improved by the addition of more stringent reporting requirements. There remain obstacles, however, to the establishment of a truly comprehensive congressional oversight capability with regard to U.S. foreign military sales policy. It is with the intention of removing some of these barriers that I introduce this legislation.

PROVIDING CONGRESS ADEQUATE TIME TO CONSIDER ARMS SALES PROPOSALS

Existing law is based on an amendment which I offered and which was included

as part of the Foreign Assistance Act of 1974—Public Law 93-559—under which the President is required to submit to Congress any proposed foreign military sale in excess of $25 million. According to the provision finally adopted by the conference committee and by both Houses in 1974, the Congress had a period of 20 calendar days in which to veto the proposed sale by the passage by both the Senate and the House of a concurrent resolution of disapproval.

Last Congress, I introduced an amendment which was essentially the same as the one I am introducing today. Final congressional action on that legislation resulted in extending the period of congressional review to 30 calendar days. It seems to me, however, that Congress still requires greater time to review major arms sales. And for that reason, I am resubmitting the amendment which gives the Congress 30 days during which Congress is in continuous session in which to veto a proposed arms sale. This would give Congress more than a mere 30 calendar days. It would mean that the days on which either House is in adjournment for more than 3 days would not be included in the 30-day computation.

The change embodied in this amendment is clearly needed. The present time period of 30 calendar days for the passage of a concurrent resolution by both Houses is clearly inadequate. It is extremely difficult for Congress to act this quickly on almost any matter of importance.

It is simply not realistic to expect that a resolution of disapproval of a proposed arms sale, a matter which would require comprehensive review and hearings in both Houses, could possibly be passed in such a short time frame. In addition, since even after an arms sale is agreed to, delivery time can extend over several months or years, there is no reason to believe that this slightly extended period of time for congressional consultation would be onerous either for the prospective arms buyer or for the State or Defense Departments. In fact, $32 billion worth of arms have been approved by the Congress but have not yet been delivered to their destined country. Moreover, this proposed change in the language of the law would also prevent a situation in which an administration could report several proposed sales during the August recess, for example, and thus effectively prevent a congressional veto.

Mr. President, let me only say in final argument for this legislation that this bill is identical to part of legislation previously passed by the Senate when it originally voted on my arms sales proposal in 1973. The need that I foresaw at that time for a sufficiently long period for review has been demonstrated in the practical application of the Nelson amendment since its original passage. The 1975 sale of Hawk missiles to Jordan constituted a major test of the Nelson amendment procedure. In that instance, Congress forced debate on the important foreign policy ramifications of the sale, exposed serious disagreement within the administration on the wisdom of the sale as proposed, and in the end extracted significant concessions in the form of assurances from the President that the weapons would not be transferred in such a way as to allow their use in an offensive capacity against Israel. Those were not insignificant accomplishments. In the words of Judith Miller of the Progessive magazine, Congress effectively "Served notice that it is able and willing to exercise supervisory authority in some cases over administration arms sale policy."

But one will recall that the case of the Jordan Hawk missile sale also pointed out very serious shortcomings in the present congressional veto procedure. At the very least, it became apparent that 20 calendar days was altogether too short a time for both Houses of Congress to consider adequately a significant and controversial arms sale proposal.

If Congress is to act responsibly, hearings must be held and adequate time allowed for genuine debate of the merits of a specific sale.

Moreover, notification of the sale, coming as it did shortly before the August recess, further dramatized the inadequacy of the present time frame. Nothing presently stops any administration from submitting a sale when Congress is not in session, thus precluding any congressional action.

Last year, Congress increased the time period from 20 to 30 calendar days, but 30 calendar days is still inadequate considering that the clock on that 30 days does not stop ticking over the weekends. The 30-calendar-day procedure makes no distinction between workdays and recesses.

Events in the closing days of the last session dramatically demonstrated the shortcomings even of the 30-calendar-day period. On Wednesday evening, September 1, 1976, on the eve of Congress traditional Labor Day recess, the President informed Congress of a decision to sell arms to 11 separate countries for a total dollar figure of $6.024 billion in 37 separate transactions. Starting from the moment Congress received the executive announcement, the clock began ticking toward the 30-day deadline. Failure to act meant that the sales could go through exactly as proposed by the President. The clock had ticked over the recess. When Congress returned from the Labor Day recess, it had only 24 days in which to act.

Therefore, Mr. President, I have concluded from the history of the Nelson amendment in practice, that we need a 30-day period to review a sale in Congress that would exclude from the counting any period of adjournment of more than 3 days or the adjournment of the Congress sine die.

GREATER JUSTIFICATION OF PROPOSED SALES

Another lesson learned in the closing days of the last Congress was that Congress should have at its disposal greater executive justification for the arms sales they propose to Congress for approval. As the law stands now, Congress is only informed what country is involved, the total estimated value of the transaction, a description of the articles and services offered, which U.S. military service is involved, and the sales commission being paid in connection with the sale. This information is insufficient and in the past at least has appeared to be sketchy and lacking in thought of the full range of the implications of such sales.

Such bits and pieces are clearly not adequate to reach any sort of responsible judgment as to the ramifications and advisability of any given sale. What is even worse, frequently such little data as is transmitted is classified in the actual notification to Congress.

Pursuant to section 36(b)(1) of the Arms Export Control Act, more detailed and analytical information is available to Congress upon its request. This includes data outlining the impact of the proposed sales on U.S. foreign policy, on regional balances and arms sales, on arms control policies and negotiations, on the military preparedness of U.S. Armed Forces and on war reserve stocks. But Congress is allowed only 30 calendar days to act on a proposed arms transfer. Notification, hearings, consideration and any legislative initiatives must all be completed within this time, which has proved inadequate. The 30-day clock, moreover, begins ticking the moment notification is transmitted to Congress. Clearly, Congress has not the time—once notification is given—to wait for the Executive to formulate responses on request to submitted questions on complicated issues. Although the information outlined in section 36(b)(1) (A-M) should be in the Executive's hands before any decision to make an arms transfer is made, experience has shown that it is not.

The legislation I am introducing today requires that this comprehensive analytical information, now available only on request, be transmitted as a matter of course at the same time that notification is given. This provision would not apply to NATO or its member countries.

THIRD COUNTRY TRANSFERS

The third objective of the legislation extends the Nelson amendment mechanism, including its veto procedure, to review of third country transfers of U.S. supplied military equipment.

Present law allows the President to permit transfers of American made equipment to third countries, provided only that he notify Congress of his intentions. The legislation which I am introducing today brings Congress into this year's decisionmaking process by permitting the Congress to scrutinize such a Presidential grant of permission for a weapons transfer. However, the amendment makes provision for a Presidential waiver of the congressional review requirement, if in his judgment an emergency exists which requires a transfer in the national security interests of the United States.

Both Houses of Congress approved this oversight capability in last year's original International Security Assistance and Arms Export Control Act, S. 2662. President Ford, however, vetoed the entire bill and the third country provision was sacrificed to make S. 2662's successor more palatable to Ford's taste.

In my view, if Congress has the right and responsibility to review and possibly

reject a sale in the first instance, it should also have the right and responsibility to disapprove the transfer of those weapons to other countries. The volume of sales has increased geometrically and thus the potential for those weapons to get passed along to other countries is also vastly expanded. This legislation would, for example, enable Congress to consider potentially controversial transfers where the President has given his permission but Congress has not, such as the transfer of a number of F–5 aircraft from Iran to Jordan.

Mr. President, I am encouraged by President Carter's stance on restraining the heavy flow of arms abroad. His administration reflects a philosophy in refreshing contrast to that of recent administrations. As Vice President MONDALE asserted at the end of his European trip, the sale of arms has "reached disgraceful proportions, and is robbing nations of resources they need." The Vice President has also voiced his opinion that "international control of arms transfers" should be placed "at the front rank of the world's agenda." The President also assured us that:

> The Secretary of State will be more hesitant in the future to recommend to the Defense Department the culmination of arms sales agreements. I have asked that all approval of arms sales, for a change, be submitted to me directly before the recommendations to Congress.

I would hope that the President will move forward in actions as well as words. As pleased as I am by such Executive pronouncements, however, they ought not serve to obstruct further congressional progress in reasserting its participation in the conduct of foreign affairs.

This is not a partisan issue. It is a question of the constitutional need for adequate input by the legislative branch into the process by which this country relates to others. This requirement speaks to the proper congressional role, and is independent of Executive intent.

The Congress should take pride, moreover, in the fact that it was the legislative branch which first recognized and focused on the significance of U.S. arms transfers, and brought the issue into the public forum. Foreign military sales constitute major foreign policy decisions involving the United States in military activities and potential de facto commitments without sufficient deliberation or participation by those outside the confines of the executive branch. These matters require serious consideration by the Congress in an institutionalized fashion, and should not be the exclusive domain of the executive branch.

If Congress is serious about exercising its full constitutional duty in the formulation of U.S. foreign policy, it must clearly fashion substantive tools with which to forge a responsible arms control policy.

Mr. President, I ask unanimous consent that the texts of the legislation I am introducing today be printed in the RECORD at this time.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1394

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 36(b)(1) of the Arms Export Control Act is amended—

(1) by amending so much of the second sentence as precedes subparagraph (A) to read as follows: "In addition, if the letter of offer is to be issued to a country which is not a member of the North Atlantic Treaty Organization or is to be issued to an international organization other than the North Atlantic Treaty Organization, the President shall transmit to the Committee on International Relations of the House of Representatives and to the Committee on Foreign Relations of the Senate a statement setting forth—"; and

(2) by inserting the following new sentence immediately after subparagraph (M) and before the third sentence: "If the letter of offer is to be issued to a country which is a member of the North Atlantic Treaty Organization or is to be issued to the North Atlantic Treaty Organization, the President shall, upon the request of either the Committee on International Relations or the Committee on Foreign Relations, transmit promptly to both such committees a statement setting forth, to the extent specified in such request, the information described in subparagraphs (A) through (M)".

SEC. 2. Section 36(b)(1) of the Arms Export Control Act is amended by striking out "thirty calendar days after receiving such certification" in the last sentence and inserting in lieu thereof "the first period of 30 days of continuous session of Congress (as determined in accordance with section 601(b)(1) of the International Security Assistance and Arms Export Control Act of 1976) which begins after the date on which such certification is received by the Congress".

S. 1395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(d) of the Arms Export Control Act is amended—

(1) by striking out ", 30 days prior to giving such consent," in the text preceding paragraph (1);

(2) by redesignating such section as section 3(d)(1) and redesignating paragraphs (1) through (5) thereof as subparagraphs (A) through (E), respectively; and

(3) by adding the following new paragraph at the end thereof:

"(2) Unless the President states in the certification submitted pursuant to this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until the end of the first period of 30 days of continuous session of Congress (as determined in accordance with section 601(b)(1) of the International Security Assistance and Arms Export Control Act of 1976) which begins after the date of such submission and such consent shall become effective then only if the Congress does not adopt, within such 30-day period, a concurrent resolution disapproving the proposed transfer.".

ADDITIONAL COSPONSORS

S. 49

At the request of Mr. MATHIAS, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 49, to establish a Small Business Administrative Review Court.

S. 123

At the request of Mr. INOUYE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 123, to amend the Social Security Act.

S. 223

At the request of Mr. INOUYE, the Senator from Maryland (Mr. SARBANES) and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 223, to amend the Social Security Act.

S. 233

At the request of Mr. INOUYE, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 233, relating to the medicare and medicaid programs.

S. 247

At the request of Mr. GOLDWATER, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 247, to provide recognition to the Women's Air Force Service Pilots.

S. 327

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 327, relating to the retired salaries of certain Federal judges.

S. 359

At the request of Mr. STEVENS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 359, to amend title 5, United States Code.

S. 695

At the request of Mr. PROXMIRE, the Senator from Massachusetts (Mr. KENNEDY) and the Senator from South Dakota (Mr. ABOUREZK) were added as cosponsors of S. 695, the Defense Production Act Amendments of 1977.

S. 716

At the request of Mr. INOUYE, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 716, to amend title 5 of the United States Code.

S. 845

At the request of Mr. DOLE, the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 845, the Dole-McGovern Food Stamp Act of 1977.

S. 939

At the request of Mr. BAYH, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 939, the Trade Adjustment Assistance Act amendments.

S. 995

At the request of Mr. WILLIAMS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 995, to amend the Civil Rights Act of 1964.

S. 1021

At the request of Mr. BAYH, the Senator from Oregon (Mr. HATFIELD) and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 1021, to extend the Juvenile Justice and Delinquency Prevention Act of 1974 for 5 years.

S. 1077

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1077, the Essential Maritime Transportation Act of 1977.

S. 1180

At the request of Mr. CHURCH, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1180, the endangered American wilderness bill.

S. 1181

At the request of Mr. HATHAWAY, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of

S. 1181, to amend the Social Security Act.

S 1284

At the request of Mr. HUMPHREY, the Senator from Minnesota (Mr. ANDERSON) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1284, to amend the Internal Revenue Code of 1954.

S. 1310

At the request of Mr. DOLE, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 1310, providing for a telecommunication device to be installed in the Congress.

S. 1346

At the request of Mr. BAYH, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1346, to amend the Civil Rights Act of 1964.

SENATE RESOLUTION 76

At the request of Mr. HAYAKAWA, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Wyoming (Mr. HANSEN), the Senator from Kansas (Mr. DOLE), the Senator from Florida (Mr. STONE), and the Senator from California (Mr. CRANSTON) were added as cosponsors of Senate Resolution 76, relating to unilateral regulations by the European Economic Community.

SENATE RESOLUTION 117

At the request of Mr. NELSON, the Senator from Indiana (Mr. BAYH), the Senator from Arkansas (Mr. BUMPERS), the Senator from New Hampshire (Mr. DURKIN), the Senator from Arizona (Mr. GOLDWATER), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Rhode Island (Mr. PELL), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Alaska (Mr. STEVENS), the Senator from Illinois (Mr. STEVENSON), the Senator from South Carolina (Mr. THURMOND), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of Senate Resolution 117, requesting the President to designate the week of May 22 through 28, 1977, as National Small Business Week.

SENATE RESOLUTION 120

At the request of Mr. HUMPHREY, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of Senate Resolution 120, relating to the ban on saccharin.

SENATE RESOLUTION 124

At the request of Mr. KENNEDY, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of Senate Resolution 124, relating to negotiations for a Comprehensive Test Ban Treaty.

SENATE RESOLUTION 138

At the request of Mr. MATHIAS, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of Senate Resolution 138, to designate Fair Housing Month.

SENATE CONCURRENT RESOLUTION 6

At the request of Mr. BAYH, the Senators from Minnesota (Mr. HUMPHREY and Mr. ANDERSON), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senators from Massachusetts (Mr. KENNEDY and Mr. BROOKE), the Senator from Arkansas (Mr. BUMPERS), the Senators from New Jersey (Mr. WILLIAMS and Mr. CASE), the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. DANFORTH), the Senators from Ohio (Mr. GLENN and Mr. METZENBAUM), the Senators from Alaska (Mr. GRAVEL and Mr. STEVENS), the Senator from Colorado (Mr. HASKELL), the Senator from South Carolina (Mr. HOLLINGS), the Senators from New York (Mr. JAVITS and Mr. MOYNIHAN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Maine (Mr. MUSKIE), the Senator from Michigan (Mr. RIEGLE), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Nebraska (Mr. ZORINSKY), and the Senators from Maryland (Mr. MATHIAS and Mr. SARBANES) were added as cosponsors of Senate Concurrent Resolution 6, to place a statue of Martin Luther King, Jr., in the Capitol.

SENATE CONCURRENT RESOLUTION 15

At the request of Mr. WEICKER, the Senator from Indiana (Mr. BAYH) and the Senator from California (Mr. CRANSTON) were added as cosponsors of Senate Concurrent Resolution 15, to reduce the risk of chemical warfare.

AMENDMENT NO. 186

At the request of Mr. KENNEDY, the Senator from Iowa (Mr. CLARK) and the Senator from California (Mr. CRANSTON) were added as cosponsors of amendment No. 186 intended to be proposed to S. 826, to create an Office of Assistant Secretary for Competition and Consumer Affairs within the new Department of Energy.

AMENDMENT NO. 190

At the request of Mr. CHURCH, the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Maine (Mr. HATHAWAY) were added as cosponsors of amendment No. 190, intended to be proposed to H.R. 3477, the Tax Reduction and Simplification Act of 1977.

AMENDMENT NO. 207

At the request of Mr. PROXMIRE, the Senator from New Jersey (Mr. WILLIAMS), the Senator from California (Mr. CRANSTON), the Senator from Vermont (Mr. LEAHY), the Senator from Connecticut (Mr. WEICKER), the Senator from Maine (Mr. HATHAWAY), the Senator from North Carolina (Mr. MORGAN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of amendment No. 207, intended to be proposed to Senate Concurrent Resolution 19, the first resolution on the budget.

SENATE RESOLUTION 151—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

(Referred to the Committee on Rules and Administration.)

Mr. MAGNUSON, from the Committee on Commerce, Science, and Transportation, reported the following resolution:

S. RES. 151

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation, or any subcommittee thereof, is authorized from July 1, 1977, through February 28, 1978, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,987,831, of which amount not to exceed $405,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1978.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 152—SUBMISSION OF A RESOLUTION RELATING TO THE U.S. BROADCASTING INDUSTRY

(Referred to the Committee on Foreign Relations.)

Mr. MOYNIHAN (for himself, Mr. ALLEN, Mr. ANDERSON, Mr. BURDICK, Mr. CHILES, Mr. GRAVEL, Mr. HELMS, Mr. JAVITS, Mr. MAGNUSON, Mr. MELCHER, Mr. METCALF, Mr. RIEGLE, Mr. SASSER, Mr. SCHMITT, Mr. SCHWEIKER, Mr. STAFFORD, Mr. WILLIAMS, and Mr. YOUNG) submitted the following resolution:

S. RES. 152

Whereas, the people of the United States place the utmost value on their enduring friendship and special relationship with the people of Canada;

Whereas the people of Canada and the people of the United States have established singular standards of openness and candor in discussing mutual interests and concerns;

Whereas the Senate seeks to amend certain provisions of the United States Internal Revenue Code, which provisions appear to inhibit travel by Americans to Canada; and

Whereas recent amendments to the Canadian tax code appear to inhibit commercial relations between Canadian businesses and American broadcasters: Now, therefore, be it

Resolved, That the Senate call on the President to raise with the Government of Canada the question of the impact of the recent provisions of the Canadian tax code on the United States broadcasting industry with a view to adjusting outstanding differences.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President.

SENATE RESOLUTION 153—SUBMISSION OF A RESOLUTION PROVIDING FOR RADIO AND TELEVISION COVERAGE OF SENATE PROCEEDINGS

(Referred to the Committee on Rules and Administration.)

Mr. METCALF (for himself, Mr. ABOUREZK, Mr. ANDERSON, Mr. BAYH, Mr. BELLMON, Mr. BUMPERS, Mr. CHILES, Mr. CLARK, Mr. DECONCINI, Mr. DOLE, Mr. GARN, Mr. GOLDWATER, Mr. GRAVEL, Mr. HASKELL, Mr. HEINZ, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. JAVITS, Mr. LEAHY, Mr. LUGAR, Mr. MCCLURE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MATHIAS, Mr. MATSUNAGA, Mr. PERCY, Mr. RIBICOFF, Mr. RIEGLE, Mr. ROTH, Mr. SCHWEIKER, Mr. STAFFORD, Mr. STEVENSON, Mr. STONE, and Mr. ZORINSKY) submitted the following resolution:

S. RES. 153

Resolved, That (a) beginning as soon as possible during the second session of the Ninety-fifth Congress and continuing for the remainder of that session, the Committee on Rules and Administration (hereafter in this resolution referred to as the "committee") is authorized to provide for radio and television coverage of the proceedings in the Senate Chamber. Such coverage shall be provided for continuously at all times while the Senate is in session, except for any time when a meeting of the Senate is ordered with closed doors.

(b) The committee shall maintain videotapes of such coverage and shall maintain separately recording of the audio portion of such coverage. Copies of such videotapes and recordings shall be made available to public and commercial broadcasting stations as provided in this resolution. Copies of such videotapes and recordings shall be deposited with the Library of Congress and, under rules and regulations prescribed by the committee, shall also be made available to educational institutions, libraries, and other organizations.

SEC. 2. (a) The committee shall initially provide for monitors with which to receive the television coverage of the proceedings in the Senate Chamber to be located in such offices in the Capitol and the Senate office buildings as it considers desirable. As soon as practicable, the committee shall make the television coverage of the proceedings, and the videotapes thereof, available to public and commercial television broadcasting stations in accordance with the provisions of section 4.

(b) The committee shall, at the request of any Member or officer of the Senate or the House, any committee of the Senate or the House, or any joint committee of the Congress, provide for transmission of the audio portion of the coverage of such proceedings into the office of such Member, officer, committee, or joint committee. As soon as practicable, the committee shall make such audio portion, and recordings thereof, available to public and commercial radio broadcasting stations in acordance with the provisions of section 4.

SEC. 3. The committee shall also provide a daily written summary of the proceedings of the Senate and other information pertaining to legislative activity. Under rules and regulations prescribed by the committee such information shall be made available, by means of teletype printers or other written means to the news media and Members, officers, and committees of the Senate.

SEC. 4. The radio and television coverage of the proceedings in the Senate Chamber, videotapes of such coverage, and recordings of the audio portion of such coverage shall be made available to public and commercial broadcasting stations subject to the following terms and conditions:

(1) Such coverage, videotapes, and recordings shall be broadcast solely for the education, enlightenment, and information of the general public.

(2) No part of such coverage, videotapes, or recordings may be used in any commercial advertisement.

(3) No part of such coverage, videotapes, or recordings may be broadcast with commercial sponsorship, except as part of bona fide news programs and public affairs documentary programs.

(4) No part of such coverage, videotapes, or recordings may be used to promote or oppose the candidacy of any person for elective public office, whether in a paid political broadcast or otherwise.

SEC. 5. (a) The committee is authorized to employ such professional, technical, and other personnel as may be necessary to carry out the provisions of this resolution. The committee is also authorized to enter into contracts with individuals, corporations, and organizations to carry out its functions and duties under the resolution.

(b) the expense of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 6. As soon as possible after the conclusion of the second session of the Ninety-fifth Congress the committee shall evaluate, and report to the Congress with respect to—

(1) the effectiveness of audio and video systems as a means of monitoring activities in the Senate Chamber,

(2) the effect radio and televison coverage on proceedings in the Senate Chamber, and the attitude of Members of the Senate toward such coverage,

(3) the extent and nature of the use of the radio and television coverage, and videotapes and recordings thereof, by public and commercial broadcasting stations in accordance with this resolution.

(4) the response of the general public to broadcasts of such coverage, videotape, and recordings, and

(5) the effectiveness of the information provided and made available under section 3 for the viewpoint of the news media and Members, officers, and committees of the Senate.

SEC. 7. As soon as possible after the report required in section 6 has been filed, the committee shall report to the Senate with respect to the radio and television coverage of proceedings in the Senate Chamber and other activities carried out under this resolution, together with its recommendations thereon, including its recommendations for continuing such coverage and other activities.

BROADCAST COVERAGE OF SENATE PROCEEDINGS

Mr. METCALF. Mr. President, the resolution that I am resubmitting today authorizes a year's experiment with radio and television broadcast coverage of Senate floor sessions—the most practical, immediate, and direct way to improve public understanding of this institution's functions and operations.

Additionally, the resolution provides for installation of a closed-circuit audio and video system, permitting Senators to monitor Chamber activities while away from the floor, together with a running summary of debate transmitted by teletype to Members' offices and to the news galleries.

Cosponsors of the resolution—which is identical to Senate Resolution 39 of the 94th Congress—are Senators ABOUREZK, ANDERSON, BAYH, BELLMON, BUMPERS, CHILES, CLARK, DECONCINI, DOLE, GARN, GOLDWATER, GRAVEL, HASKELL, HEINZ, HUDDLESTON, HUMPHREY, JAVITS, LEAHY, LUGAR, MCCLURE, MCGOVERN, MCINTYRE, MATHIAS, MATSUNAGA, PERCY, RIBICOFF, RIEGLE, ROTH, SCHWEIKER, STAFFORD, STEVENSON, STONE, and ZORINSKY.

Mr. President, in 1974, after a comprehensive, 2-year study and extensive hearings, the Joint Committee on Congressional Operations recommended opening the Chambers of the Senate and House to broadcast coverage, not as a device to improve the "image" of Congress but as a practical way to involve more citizens in the workings of representative democracy.

Since then, the Commission on the Operation of the Senate, a special study group headed by former Senator Harold Hughes, has strongly urged an extended test of television coverage of Senate floor activities. And a closed circuit video system is presently in operation in the House, on an experimental basis, along with a teletype summary of debate.

Moreover, because of continuing technical advances in broadcasting, it is now possible to provide for coverage in the Senate Chamber without installing additional lights. According to the Architect of the Capitol, the lighting level in the Chamber—which was upgraded last summer—is 50 foot candles and is considered adequate for color coverage with the new cameras that have been available to broadcasters for the past year or so.

In short, broadcast coverage can be accomplished today without intruding unduly upon Senate proceedings and without disturbing or discomforting Senators on the floor. The time has come—now—to take this step, to increase public interest in and understanding of the legislative process in the Senate, to communicate more effectively about the issues we must resolve in our debates and, ultimately, with our votes.

Mr. President, to realize the full potential of broadcast coverage, it is essential that we carefully consider the technical requirements and procedures for installing and operating cameras and microphones.

A system planned solely with closed circuit television in mind—as a means of improving communications within the Senate—will not produce a video "feed" of sufficiently high quality to be useful to broadcasters. A system designed entirely for the convenience of the broadcasters will not meet our needs for improved internal communication or, equally importantly, for creation of a complete audio and visual record of Senate Chamber action for historical and educational purposes.

Further, we must insure that the design and operation of the system serves the interests and requirements of local broadcast outlets. These are the stations, throughout the Nation, which are most likely to find video and audio tapes dealing with matters of local or regional concern informative and useful. As a practical matter, other than occasional, brief segments for the nightly news broadcasts, the major commercial networks are not likely to televise lengthy portions of Senate floor debate in any but the most exceptional circumstances.

What this means is that whoever operates the system—whether a network pool, the public broadcasting system, or

the Senate itself, perhaps through a contract arrangement with a private entity—the video and audio "feed" must be readily available to local broadcasters for bona fide news or public affairs programing at a reasonable cost.

Mr. President, the resolution that I am reintroducing today is designed to insure the proper balance between internal communication and broadcast interest, and to reduce to a minimum any possible disruption of Senate proceedings resulting from broadcast coverage.

It specifies, first, that the cameras will be "on" and the microphones "open" continuously while the Senate is in session. Provision of a continuous "feed" is absolutely necessary, not only for service to closed-circuit monitors and for creation of a complete record of the day's floor action but as a means of "routinizing" television coverage.

Experience in the State legislatures—44 of which now provide for some type of broadcast coverage—indicates that cameras which are "on" continuously are far less intrusive than those which are switched on for specified periods during the day's proceedings, thereby signaling that coverage is about to begin.

Under terms of this resolution, the Senate would exercise no control over the selection of materials for broadcast use. Instead, whenever the local or network broadcasters wished to use a segment they would be free to begin taking the "feed" for a "live" telecast or radio program, or for taping segments for later use. The continuous feed thus would be available for airing at their discretion, and no agency of the Senate would be involved in making choices between debates to be covered, or selecting in any way portions of the proceedings to be provided for their use.

As a necessary supplement to the closed-circuit capability of the system, Mr. President, the resolution also provides for a running summary of floor debate, to be transmitted on teletype printers. Without such a written record, video and audio monitors can only be of limited utility, unless staff employees are assigned by their individual offices to watch or listen to them throughout much of the daily session.

Furthermore, the debate summary, plus daily committee schedules, bill status and other relevant information, would be made available for use in the press galleries by the wire services and other media outlets, as well as in the offices of Senators.

Mr. President, the resolution does not specify who would set up and operate the cameras. I believe that this could be done most efficiently—particularly during the year's experimental period—by the Corporation for Public Broadcasting, the Public Broadcasting Service, and National Public Radio. But I also believe that the Senate Committee on Rules and Administration, which would be responsible for overall supervision of the experiment, should have sufficient flexibility to decide, after further hearings, which is the best and least expensive alternative for development of this system.

It is my hope that such hearings can be held soon, and that the Senate will move to open its floor proceedings—where policies are debated, ideas challenged, positions defended and, finally, decisions made—to the most powerful of all media, to the news broadcasters who today are the source of most Americans' information about Government.

AMENDMENTS SUBMITTED FOR PRINTING

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977—H.R. 3477

AMENDMENT NO. 220

(Ordered to be printed and to lie on the table).

Mr. KENNEDY submitted an amendment intended to be proposed by him to H.R. 3477, an act to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

AMENDMEKT NO. 221

(Ordered to be printed and to lie on the table.)

Mr. ALLEN (for himself and Mr. SPARKMAN) submitted an amendment intended to be proposed by them jointly to H.R. 3477, supra.

BABYSITTER AMENDMENT

Mr. ALLEN. Mr. President, along with my distinguished senior colleague, Mr. SPARKMAN, I am introducing today an amendment to the tax bill, H.R. 3477, which is identical to an amendment adopted by the Senate last year during consideration of H.R. 10612, the Tax Reform Act of 1976. The amendment is designed to permit employment agencies placing companion sitters to be exempt from the Internal Revenue Code requirements imposed on employers in regard to FICA—social security, and FUTA—unemployment—taxes. The amendment would also exempt such agencies from the requirement of withholding Federal income taxes inasmuch as the agencies involved are not the actual source of wages.

The amendment is made necessary by revenue ruling 74-414, which defines a companion sitter agency as an employer within the meaning of the employment tax regulations. In my judgment, the ruling was ill-advised, because in practical effect it would drive out of business many agencies performing a valuable public service and because it fails to acknowledge the fact that sitter agencies are not employers but are rather agents acting either for the sitter or the party employing the sitter. The effect of the ruling has been to drive companion sitter agencies out of business or to bring them to the brink of bankruptcy.

Typically, a companion sitter agency will work from a list of names and phone numbers of persons willing to act as sitters. When contacted by an individual desiring a sitter, the agency will check from its list and put a sitter in touch with the person needing those services. Obviously, if a sitter agency is required to act as an employer for tax purposes of some 50 to 100 employees, then the administrative and financial burden is overwhelming. Unless Congress acts, in effect, virtually all such owner-operated agencies will fail and only those with substantial financial resources will be able to remain in business—with corresponding costs to the public in increased sitter fees to cover administrative overhead.

Although the amendment adopted last year was dropped in conference with the House of Representatives, the conference agreement noted the seriousness of the problem and urged the Internal Revenue Service to withdraw revenue ruling 74-414. Yet, Mr. President, the IRS has not withdrawn the revenue ruling involved and, in fact, is pursuing vigorously many of these small sitter placement agencies and is demanding from them payment of the various taxes associated with their alleged status as employers.

Obviously, Mr. President, we were mistaken in our belief that the IRS would react favorably to the request set forth in the conference report on the Tax Reform Act of 1976. Apparently the guidance and the desire of Congress is not going to be sufficient and the matter is going to have to be nailed down and made crystal clear before the Service will relent. The IRS has never been noted for its flexibility, and I guess this is going to be one more example of Congress being required to resolve fully a problem which should never have existed in the first instance.

My hope is, Mr. President, that the Senate will again see the wisdom of adopting the amendment I have proposed and that our efforts in this case will not go down the drain as a result of a desire to accommodate the sensibilities of the one agency of the Federal Government whose attention is difficult to get except with a club.

AMENDMENT NO. 222

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN submitted an amendment intended to be proposed by him to H.R. 3477, supra.

AMENDMENT NO. 223

(Ordered to be printed and to lie on the table.)

Mr. BARTLETT submitted an amendment intended to be proposed by him to the bill (H.R. 3477), supra.

NOTICES OF HEARINGS

CONDUCT OF MONETARY POLICY

Mr. PROXMIRE. Mr. President the Committee on Banking, Housing and Urban Affairs will hold 2 days of public hearings on the conduct of monetary policy on May 3 and 10, each day at 10 a.m. in room 5302 of the New Senate Office Building.

On Tuesday May 3, 1977 the committee shall receive the testimony of the Honorable Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System.

On Tuesday May 10, 1977, the committee shall receive the testimonies of a panel of four distinguished economists: Dr. Albert M. Wojnilower, senior vice president and director of the First Boston Corp., New York; Prof. James Tobin, Sterling professor and chairman, Department of Economics, Yale University, New Haven, Conn.; Prof. William Poole, professor of economics, Brown Univer-

sity, Providence, R.I.; and Prof. Allan Sinai, professor of economics, Massachusetts Institute of Technology, Cambridge, Mass.

CHANGE OF HEARING NOTICE

Mr. NELSON. Mr. President, the hearing scheduled on the Small Business Administration fiscal year 1978 authorization for April 27 at 10 a.m. in room 424 of the Russell Senate Office Building, is now rescheduled for May 2, 1977, at 10 a.m. in room 424 of the Russell Senate Office Building.

NOMINATION HEARING

Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on the nomination of Alan K. Campbell, of Texas, to be a Commissioner of the Civil Service Commission, on Monday, May 2, 1977. The hearings will begin at 9 a.m. in room 3302, Dirksen Senate Office Building.

NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Friday, May 13, 1977, at 9 a.m. in room 4232, Dirksen Senate Office Building, on the nominations of Peter G. Bourne of the District of Columbia to be Director of the Office of Drug Abuse Policy and Lee I. Dogoloff of Maryland to be Deputy Director of the Office of Drug Abuse Policy.

Persons wishing to testify or submit statements, please contact: Nancy Olson, room 4230, Dirksen Senate Office Building, of the committee staff.

ADDITIONAL STATEMENTS

MR. WARNKE'S HIT LIST

Mr. GOLDWATER. Mr. President, a large number of Senators, including this one, did not vote for Mr. Paul Warnke when his appointment came before us to represent us in arms control and disarmament. The reason, as I told Mr. Warnke to his face, was that I thought he was too soft. Now here are other reasons creeping in that make his appointment seem even worse than it did at the time we were talking about it in committee. Mr. Anthony Lake, who is President Carter's national security helper, asked for a list of civil servants and career foreign service officers, with information about their careers. These are careers connected with the Arms Control and Disarmament Agency. Mr. William Safire has written a very penetrating analysis of what has gone on so far under the guidance of Mr. Lake with the compliance, I suppose, of Mr. Warnke. I think each Member of this body should read this analysis because Mr. Warnke and Mr. Vance are now the people who are going to represent us across the table from the Soviets, and the last thing we need at this point in our history is any semblance of weakness. I thank Mr. Safire for this penetrating article and I hope he will continue to write on this subject. If he does, I will continue to make them available to the Members of the Senate. I ask unanimous consent that Mr. Safire's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MR. WARNKE'S HIT LIST

(By William Safire)

WASHINGTON.—Before the Inauguration, the Arms Control and Disarmament Agency received a demand from Anthony Lake, Mr. Carter's dovish national security helper, for a list of its civil servants and career Foreign Service officers, with information about their careers.

Properly, the agency turned down the demand; although there is nothing wrong with sweeping out Presidential political appointees at the change of Administrations, there is a great deal wrong with compiling a "hit list" of civil servants for the purpose of changing an agency's ideology.

At his stormy Senate confirmation hearings, Paul Warnke—who had been Senator McGovern's foreign policy adviser and was President Carter's sop to the doves as disarmament chief—was asked under oath about reports of a planned "purge" at the agency. He replied firmly that there was "no substance" to those reports.

The Senators were particularly concerned about "verification" at the A.C.D.A. Those are the people who work with the C.I.A. and National Photographic Interpretation Center to put into SALT agreements some way of seeing if the Soviets are cheating. Neither the Soviets nor our doves like our persnickety "verifiers." To ingratiate himself with skeptical Senators, Mr. Warnke took a hard line saying: "An agreement which is not verifiable is worse than no agreement."

Off went Mr. Warnke on Secretary Vance's arms control mission to Moscow last month, grumping about the United States position that had been based on a 17-page letter from Senator Henry Jackson and the first SALT paper in four years siged by the Joint Chiefs of Staff.

When the Russians stonewalled, the U.S. team held a seven-hour strategy session. As might be expected, Mr. Warnke's hearing-toughness vanished; he persuaded Mr. Vance to make a significant concession to the Soviets.

The Warnke concession was to offer to limit cruise missiles to 600 kilometers on non-heavy bombers. We had been willing originally to limit the cruise missile's range to 2,500 kilometers because we don't need another intercontinental missile—but we do need a theater weapon. Mr. Warnke in making the cruise missile acceptable to the Soviets, makes it far less valuable to us.

The Russians turned up their nose to this concession; most Americans do not even know it was offered. But as the Vance party returned in disarray, the career "verifiers" back home in the agency began to point out some big problems in the concessions.

The Soviet Union has a large cruise missile of its own, the AS-4 to be carried by its Backfire bomber. Although it would be easy for the Russians to check on any United States cheating in cruise missiles (by reading Aviation Week), it would be more difficult for us to verify Soviet compliance.

That is because the cruise missile, unlike the ICBM, does not have to fly 3,000 miles to a target to be tested, inviting surveillance; instead, they can be tested in a "racetrack pattern," flying in circles locally. The ICBM crashes on the target, requiring it to send back data in flight, which our verifiers intercept; but the cruise, which can land by parachute, is silent.

"Verification" is the name of the arms control game. Now consider what has happened to this crucial watchdog function since the return from Moscow.

The ideological "hit list" has been activated. Throughout the Arms Control and Disarmament Agency, the hard-line professionals—not the political appointees, but the career officials—have been told to quit or find jobs elsewhere. Civil servants, Foreign Service Officers and active-duty military like Robert Behr, Leon Sloss, William Steerman, Lee Niemela, Charles Estes, Paul Wolfowitz, William Graves and dozens of others are being "relocated"—to make room for men who won't make waves when U.S. strategic interests are conceded away.

Worst of all, the Verification Bureau has been abolished. The civil servant in charge, GS-18 Fred Eimer—nonpolitical—was asked to find work elsewhere. The next man, GS-17 Burt Aschenbrenner, was pushed out last week, and Cairns Lord, Philip Jackson, Eric Erlinson and other experienced verifiers have fanned out to other Government agencies or to universities.

Thus the only group in the Government whose sole job is to develop systems to verify arms control has been systematically disbanded.

The dovecote that is now our Arms Control Agency will say that no verification bureau is needed, that the function can be handled at C.I.A. or sprinkled around the agency. But every savvy bureaucrat can see through that: the verifiers must have no vested interest, no bureacuratic loyalty other than to curtail possible Soviet duplicity.

Nor is the C.I.A. empowered to come up with treaty language or arms control negotiation suggestions dealing with verification. That is what should be the responsibility of an objective body within our State Department.

Firing political appointees is a legitimate function of a new broom; but compiling a "hit list" on an ideological basis, aimed at dispersing a group of nonpolitical professionals, deserves investigation. Ironically, Mr. Warnke's abuse of power is a step toward American strategic impotence.

TWENTY-EIGHT YEARS OF SILENCE

Mr. PROXMIRE. Mr. President, it has been almost 28 years since President Truman signed and transmitted the Genocide Convention to the Senate of the United States. It has been 26 years—since January 12, 1951—that the Genocide Convention has actually been in effect. We have stood silent for that long.

The Genocide Convention represents the voice of mankind condemning the mass destruction of any people on ethnic, cultural, or religious grounds. The world body of nations has spoken out against this horrible crime by ratifying the Genocide Treaty. The world has said that it will not support, nor condone, any such genocidal acts.

More than 80 nations have joined their voices in this cry of conscience, but the United States has remained mute. We have stood silent by refusing to ratify the Genocide Convention. We have said nothing. We have not lived up to our heritage.

Mr. President, we have gained nothing by our refusal to ratify the Genocide Convention. Our world image and our national credibility have suffered, as has the treaty itself because of our long absence from the rolls of its supporters. In this instance, Mr. President, silence on our part has been anything but golden.

We have seen the Genocide Convention in effect for 28 years and we have observed no ill effects. The Genocide Convention does not make the world perfect, as recent events in Uganda have shown, but it points us in the right direction.

Mr. President, I urge my colleagues to

end our long silence by ratifying the Genocide Convention. Let us put our votes where our hearts are. We have nothing to lose and a conscience to gain. Please, gentlemen, not one more year of deafening silence.

THE SMITHSONIAN INSTITUTION

Mr. MATHIAS. Mr. President, as a native of nearby Frederick, Md., I have been able to visit Washington and to enjoy its cultural attractions all my life. I first visited the Smithsonian Institution as a young boy when its collections were housed in those two marvelous Victorian buildings on Independence Avenue—the Castle and the Arts and Industries Building—and in the Museum of Natural History on Constitution Avenue. I have been visiting it ever since and have watched its growth with pleasure and satisfaction. It has added the same kind of intellectual dimension to my children's lives as it has to my own—only many times magnified thanks to the imaginative direction of S. Dillon Ripley, who in 13 years has brought it to a magnificent fruition.

I was delighted to find my view of the Smithsonian shared in the lead editorial in the April 5 Washington Star, which summarized the spirit of the Smithsonian and urged that it continue to enjoy the flexibility which has made its remarkable growth possible.

I am confident anyone who has visited any of the Smithsonian enterprises from the National Zoo to the recently opened triumphant Air and Space Museum cannot fail to agree. I ask unanimous consent that the Star editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Apr. 5, 1977]

BOOKKEEPING AT THE SMITHSONIAN

It is our impression, but not ours alone, that the Smithsonian Institution is administered with a skill and imagination that other agencies would do well to emulate.

It has nonetheless been the target of persistent congressional and journalistic potshotting and has now been subjected to two investigations by the General Accounting Office, one in 1970, the other just concluded.

What the problem boils down to is a disagreement—considerably colored by journalistic hype—over accounting and money-handling practices—as well as the style of the Smithsonian's estimable secretary, S. Dillon Ripley. One columnist, with a heavy dose of the journalistic hype we noted above, wrote last October of the "free-wheeling" Mr. Ripley and spoke of the Smithsonian as a "sacred cow" immune to ordinary standards of public accountability.

There is room for honest disagreement about the Smithsonian's budgetary procedures—or at least some of those necessitated by its quasi-private character and its need to be as free as possible of bureaucratic apron strings. But we know of no evidence—certainly none has turned up in either GAO investigation—to support the suggestion of one "Hill source" last fall that there may be "some kind of laundering operation at the Smithsonian": the implication of which, we suppose, is that procedures questioned by the staff of a Senate subcommittee are necessarily dubious.

Indeed, the GAO, though critical of the payout of funds by two non-public corporations set up by the Smithsonian to administer grants, found its own criticism "muted by the fact that there is nothing to suggest that appropriated funds were spent on anything but the programs authorized."

If so, what is all the shouting about? It has been the contention of two senators, and certain other critics, that the Smithsonian is insufficiently accountable for the way it handles—and commingles with public appropriations—approximately $17 million (fiscal 1976 figures) in endowed and donor income. Yet it is far from clear that the mystery is the Smithsonian's fault; it has made no attempt, so far as we can determine, to conceal its practices—how could it, when it is governed, under law, by a board of regents which includes prominent members of Congress, the administration and the judiciary? Those who are mystified might, at any rate, be referred to the Secretary's annual Statement, with its detailed tables and report from the Smithsonian's accountants.

If the Smithsonian's budgetary procedures are unusual or "questionable," their aim would seem to be effectiveness in that "diffusion of knowledge" enjoined by its original benefactor, James Smithson. That some question those procedures does not, of course, make them unwise or unacceptable public procedure. The Smithsonian's quasi-private character—Mr. Ripley's salary, for instance, is paid from private funds—affords flexibility. Nothing could more quickly limit its effectiveness than rigid or puritanical notions of the public purpose.

Tell-tale in this regard are the cheap shots at Secretary Ripley's travels, and at his ornithological studies at Litchfield, Conn. The test of Mr. Ripley's abilities is not whether he is chained to a desk in Washington 365 days a year; it is whether the Smithsonian under his direction is flourishing and is serving as its founder intended it do. And none of Mr. Ripley's critics deny that it is.

In response to the more recent GAO report, the Smithsonian has said that it is ready, even eager, to co-operate with the Senate Interior subcommittee in revising its practices to assure greater accountability. And so it should be. But the Smithsonian ought to resist the kind of budgetary regimentation some of its critics seem to have in mind for it, and it should be supported in that resistance by the American public. A creative institution needs room to maneuver.

SENATE JOINT RESOLUTION 47

Mr. INOUYE. Mr. President, with my colleague, Senator MATSUNAGA, I have introduced Senate Joint Resolution 47 to remedy a serious deficiency in the collection of current population statistics by the U.S. Bureau of the Census and several executive departments. For too long, public policymakers and citizen groups have suffered from a lack of accurate and timely data on this country's Asian and Pacific Island American population.

The joint resolution I propose seeks to assure that the Federal Government develops methods to improve and expand on the collection, analysis, and publication of a wide variety of population statistics relating to Americans of Asian and Pacific Island descent.

It is no small problem that worthwhile data about this group has been lacking through the years. Too often, we in Congress pass legislation relating to employment, health, social welfare, and education without knowing its impact on our Nation's Asian and Pacific Island American people.

Policymakers should know, for example, to what extent Government bilingual education funds are in demand by this population. It seems ridiculous to me to authorize expenditure of tax dollars on vital programs like bilingual education without all the basic facts. And without the same basic facts, local and State administrators are unable to fully assess the success or failure of a program like bilingual education, which is directed in part to the Asian and Pacific student.

In my home State of Hawaii, ordinary 10-year census counts give local planners figures reflecting populations of "white," "black," "Spanish-speaking" or "other." Of what use is the decennial census if more than 60 percent of Hawaii's population must be counted as "other"?

Better statistics about the Asian and Pacific Island Americans would help many States in meeting the multilingual ballot requirements set by the 1975 Voting Rights Act amendments, particularly those States that have become home for many recent Asian immigrants desiring citizenship. And figures on Asian unemployment rates and other social indicators may help public officials approach more knowledgeably the problems of urban Asian ghettos and low-income neighborhoods.

I believe an improved data-gathering operation will facilitate a more complete grasp of the needs and problems of the American pople, and also will help to bring to the Asian and Pacific Island Americans Federal programs and benefits accorded other Americans.

If our distinguished colleagues agree that the Federal Government should not ignore this population group, perhaps they also will agree that efforts to survey them and to draw social and economic profiles of them must be conducted with a full awareness of and sensitivity to Asian and Pacific Island American concerns.

There should be sufficient sensitivity so that, for example, basic racial and ethnic counts do not lump together all Asian and Pacific Island groups under headings like "yellow" or "oriental," two labels currently in consideration for use in the 1980 census. What is needed is an accurate breakdown of Asian nationalities as well as Pacific Island people such as Samoan Americans and native Hawaiians to meet the needs of local, State, and Federal officials and planners. The joint resolution I propose has provisions to help assure that legitimate Asian and Pacific Island concerns are reflected in the collection of current population data.

I am hopeful this legislation may be passed quickly, because we must meet the need to bring our Nation's Asian and Pacific Island American population on an equal footing with the rest of the American people.

Mr. President, I request unanimous consent to have the text of the joint resolution printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 47

Relating to the publication of economic and social statistics for Americans of East Asian or Pacific Island origin or descent.

Whereas more than two and one-quarter million Americans identify themselves as being of East Asian or Pacific Island back-

ground and trace their origin or descent from the East Asian Continent or the Pacific Islands; and

Whereas these Americans of East Asian or Pacific Island origin or descent have made significant contributions to enrich American society and have served their Nation well in time of war and peace; and

Whereas a large number of Americans of East Asian or Pacific Island origin or descent suffer from racial, social, economic, and political discrimination and are denied the basic opportunities they deserve as American citizens and which would enable them to begin to lift themselves out of the poverty many of them now endure; and

Whereas improved evaluation of the economic and social status of Americans of East Asian or Pacific Island origin or descent will assist localities, States, the Federal Government, and private organizations in the accurate determination of the urgent and special needs of Americans of East Asian or Pacific Island origin or descent; and

Whereas the provision and commitment of local, State, Federal, and private resources can only occur when there is an accurate and precise assessment of need: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Department of Labor, in cooperation with the Department of Commerce, shall develop methods for improving and expanding the collection, analysis, and publication of labor force characteristics relating to Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 2. The Department of Commerce, the Department of Labor, the Department of Agriculture, and the Department of Health, Education, and Welfare shall each collect, and publish regularly, statistics which indicate the social, health, and economic condition of Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 3. The Director of the Office of Management and Budget, in cooperation with the Secretary of Commerce and with the heads of other data-gathering Federal agencies, shall develop a Government-wide program for the collection, analysis, and publication of data with respect to Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 4. The Department of Commerce, in cooperation with appropriate Federal, State, and local agencies and various population study groups and experts, shall immediately undertake a study to determine what steps would be necessary for developing creditable estimates of undercounts of Americans of East Asian or Pacific Island origin or descent for States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 5. The Secretary of Commerce shall insure that, in the Bureau of the Census data-collection activities, the needs and concerns of the East Asian or Pacific Island origin population are given full recognition through the use of East Asian or Pacific Island language questionnaires, bilingual enumerators, and other such methods as deemed appropriate by the Secretary for States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 6. The Department of Commerce shall implement an affirmative action program within the Bureau of the Census for the employment of personnel of East Asian or Pacific Island origin or descent and shall submit a report to Congress within one year of the enactment of this Act on the progress of such program.

U.S. CANAL ZONE SOVEREIGNTY: CHRISTIAN SCIENCE MONITOR EDITORIAL CONFUSION CLARIFIED

Mr. HELMS. Mr. President, one of the features in the current massive propaganda campaign to win the support of the American people and Congress to accept the surrender of U.S. sovereign control over the Panama Canal and its protective strip of the Canal Zone has been editorials in some of our leading newspapers based on erroneous information. A recent example was published in the February 15, 1977, issue of the Christian Science Monitor, which supported the State Department's program for giving up the canal but perpetrated a serious error of fact on the legal status of the Canal Zone as an unincorporated territory of the United States. As such, the canal cannot be surrendered without the authorization of Congress (U.S. Constitution, Article IV, section 3, clause 2). Efforts for surrender without such authorization are attempted usurpations of executive authority, which must not be permitted.

Fortunately, such editorials as that cited are subject to the scrutiny of many authorities well informed on canal matters. One of the most outstanding is Dr. Donald M. Dozer, professor of history emeritus of the University of California, Santa Barbara, and an eminent authority on Latin America whose numerous writings are authoritative.

In a letter to the editor of the Christian Science Monitor on February 16, 1977, he stresses one major error in the editorial as regards the status of the United States as sovereign over the Canal Zone.

As to such status, it should be noted that there was no doubt in the minds of eminent contemporary observers of the early 20th century Isthmian events. The British Ambassador, Lord James Bryce, in 1906 stated that the 1903 Treaty "ceded perpetuity" the Canal Zone to the United States—James Bryce, "The American Commonwealth," revised edition, page 408.

Mr. President, because the letter of Dr. Dozer should be of interest to all Members of the Senate at this time when the time for submission of a new canal treaty seems approaching, I ask unanimous consent for it and the Monitor's editorial to which it refers to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SANTA BARBARA, CALIF.,
February 16, 1977.

The CHRISTIAN SCIENCE MONITOR,
Boston, Mass.:

I call attention to a serious error of fact about the legal status of the United States Territory of the Canal Zone in your editorial, "Canal talks: back to bargaining," in the *Monitor* of February 15.

A little research in easily accessible source materials would have shown your editorial writer that in Articles II and III of the Hay-Bunau-Varilla treaty of 1903 Panama granted all sovereign rights over the Canal Zone "in perpetuity" to the United States for the price of $10 million to the entire exclusion of the exercise of any such sovereign rights by the Republic of Panama. Since the purchase was a clean bill of sale, the treaty contained no provision for a later renegotiation. So eager was Panama to provide the site for the benefit of her national economy that the Panama National Assembly ratified the treaty before the United States Senate gave its consent. In addition the Panama National Assembly adopted other acts recognizing that they had ceded the Canal Zone to the United States.

Both the United States Congress and the Supreme Court have recognized the transfer of the Canal Zone as a cession of sovereign rights to the United States in perpetuity. The leading case is *Wilson* v. *Shaw* 104 U.S. 24 (1907) in which the United States Supreme Court held that with the exchange of ratifications of the purchase treaty of 1903 "ceding" the Canal Zone title to it passed to the United States. This decision was reaffirmed as recently as 1972 when the Supreme Court denied certiorari in the case of *United States* v. *Husband* (R) 406 U.S. 935, 1972. This confirmed the ruling of the United States Circuit Court of Appeals for the Fifth Circuit which ruled that the Canal Zone is unincorporated territory of the United States and as such is subject to the plenary authority of the Congress. Article IV, Section III (2) of the Constitution specifically gives Congress "power to dispose of and to make all needful rules and regulations respecting the territory and other property belonging to the United States."

The status of the United States as sovereign over the Canal Zone has not been altered in any of the provisions of subsequent treaties between the two countries.

Sincerely,

DONALD M. DOZER.

[From the Christian Science Monitor, Feb. 15, 1977]

CANAL TALKS: BACK TO BARGAINING

A determined and commendable effort to work out a new treaty with Panama, covering the Canal Zone and the interocean waterway, now is getting under way. This represents the Carter administration's first venture into the sphere of international negotiations, and the new President naturally is anxious to see it succeed. The U.S. team, headed by veteran diplomat Ellsworth Bunker, has been augmented by Washington lawyer Sol M. Linowitz, a man likewise dedicated to achieving a new agreement with Panama.

Intermittently since 1964, the quest for an agreement has dragged on, but now Mr. Carter is hoping a new treaty can be completed by this coming June. This may prove optimistic on his part, considering the difficulties still ahead, but at least the mentioning of such a target date lends stimulus and encouragement to the delegations to get on with the task.

Panama meanwhile has injected a note of uncertainty into the talks by suddenly removing its chief negatiator, Foreign Minister Aquilino Boyd, and replacing him with Nicolás Gonzales Revilla, the young Panamanian Ambassador to the United States, who has not had much direct contact with the discussions hitherto.

Two major questions now remain to be ironed out. One is the final termination date for the new treaty, which means the date on which control of the canal and its zone passes to Panama. The two parties are not very far apart on this. The second is more difficult: U.S. access to, and defense of, the waterway once it is under Panama's control.

This matter of future American rights in the area inevitably involves an element of national pride on both sides, with resultant domestic political implications. One pro-

posal, by Panama, is that guarantees of access and Canal Zone neutrality ought to be vested in the United Nations, but this may not go down well with the U.S. Senate which must ratify the treaty.

Indeed, unless the negotiators are skillful in working out provisions acceptable to both sides, and unless the Carter administration is adept at justifying the settlement to the American people, treaty ratification could become a major issue. Lots of hard bargaining plainly looms ahead.

Working in favor of a settlement that both capitals can approve, however, is the sheer need to solve the problem. Ambassador Bunker is not alone in believing that a new Panama treaty is imperative if future American relations with Latin America as a whole are to be warm and credible. Moreover, Panama never ceded sovereignty over the Canal Zone, so a mutual arrangement now must be found that enables Panama eventually to resume control, without impairing U.S. strategic interests or Panama's integrity as an independent nation. The temper of the times clearly requires revision of the 1903 pact, and the United States should not shrink from taking the essential steps to bring it about.

SHARE DRAFT POWERS FOR FEDERAL CREDIT UNIONS

Mr. EASTLAND. Mr. President, on Tuesday, April 19, one of my constituents, W. Liddon McPeters from Corinth, Miss., testified before the National Credit Union Administration on a proposed regulation to authorize share draft powers for Federal Credit Unions. Mr. McPeters is president of the American Bankers Association and was accompanied on that occasion by the general counsel of the association, Mr. William H. Smith.

The statements of Mr. McPeters and Mr. Smith are very informative and deserve the attention of the Senate. I am sure that their testimony will be of particular interest to members of the Committee on Banking, Housing, and Urban Affairs.

Mr. President, I ask unanimous consent that the statements made by Mr. McPeters and Mr. Smith be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF LIDDON MCPETERS

Mr. Montgomery and members of the NCUA staff, I am Liddon McPeters, President of the Security Bank, Corinth, Mississippi, and President of the American Bankers Association, on whose behalf I am appearing today. Accompanying me is William Smith, General Counsel to the Association. We appreciate this opportunity to present the views of our Association, whose membership consists of approximately 92% of the nation's more than 14,000 commercial banks, of the Administration's proposed rule for share draft programs for Federal Credit Unions.

As you have perhaps surmised from our previous actions, the ABA is strongly opposed to the proposed NCUA regulation on share draft powers for Federal Credit Unions. The basis for our Association's opposition to the proposed program is twofold in nature: 1) the addition of share draft powers changes the functional concept of the credit union and raises certain public policy issues, including competitive inequity between commercial banks and credit unions; and 2) the illegality of the NCUA proposed authorization of and participation in a share draft program by Federal credit unions.

I will focus my remarks on our first area of concern and Mr. Smith, in his statement, will address the illegality of the NCUA proposed program.

Traditionally, our Association has not opposed the extension of third-party payment powers to credit unions and other types of thrift institutions if the public is served by equal treatment being established for all the depository institutions having such powers. Equal treatment pertains to taxation, reserve requirements, deposit interest rate regulation, and other supervisory and regulatory requirements imposed on institutions chartered to engage in the business of accepting deposits payable on demand. Indeed, we believe that such balanced and equitable changes in regulations covering deposits are, in the long run, in the public interest, offering an expanded and more convenient payment service to the public.

In the judgment of our Association, however, the share draft program proposed by the Administration will further aggravate the existing competitive imbalance and unfair advantage enjoyed by credit unions at the expense of other financial institutions and most particularly commercial banks, since payment services are an integral feature of the business of these institutions.

Checking accounts have long been a distinctive service of banks. Use of checks by households, as well as by business and government, is more widespread and commonplace in the United States than in any other country. Banks have thus provided a broad-based and convenient means of payment in our economy. Entry of credit unions, which have previously been granted special competitive privileges, into the third party payment business would add to the already intense competition in the checking account business. Because banks will likely suffer losses of deposits and earnings due to these competitive inequities, it is understandable that bankers argue that credit unions not be authorized to enter the checking account business unless the ground rules governing competition are equal. Share draft accounts are checking accounts—they should be called checking accounts, not obfuscated by marketing gimmickry which must be explained by saying that they are "like a check."

Much of the competitive advantage enjoyed by credit unions stems from the special privileges under which they operate and the extraordinary subsidies they receive. Credit unions receive public subsidies in the form of tax exemption and the absence of deposit reserve requirements. They often receive additional subsidies in the form of contributions, such as rent-free space, from the sponsoring organization. These subsidies, coupled with the lack of corporate shareholders expecting earnings, enable most credit unions to pay a higher interest rate on deposits and make loans at lower rates than banks and thrift institutions. The result is that commercial banks and other thrift institutions would be at a significant competitive disadvantage if credit unions receive share draft powers without redressing the competitive imbalances which could then more obviously exist.

Indeed, one can question whether some of the subsidies which provide credit unions with such an advantage continue to serve any useful social purpose, since those subsidies no longer benefit primarily lower-income groups or those without access to financial services from other sources. The continuation of all of these subsidies, combined with expanded credit union powers, could eventually transform credit unions into a primary supplier of personal financial services in many market areas. There is no valid justification in the competitive American marketplace for such special privileges to continue.

Until recently, the credit unions' advantage has been offset by thir inability to offer third party payments. The introduction of share drafts, therefore, makes it virtually impossible for many banks and other thrifts to compete effectively with credit unions for a sizable portion of available household deposits.

Competitive equality relative to credit unions and the thrift institutions is especially important to the future viability of thousands of small- and medium-size banks roughly 13,000 are small- to medium-size and serve local communities and suburban areas. About 2,400 small banks averaged less than $40,000 in net income in 1974. Another 3,160 relatively small banks averaged less than $85,000 net income. Such banks are particularly susceptible to adverse effects from changes in competition with thrift institutions, such as that which would result if the NCUA adopts the proposed share draft program.

Let me cite just a few specific examples.

Alaska National Bank in Anchorage has lost $600,000 in checking accounts of 375 customers while Alaska USA Federal Credit Union has acquired 1,900 share draft accounts worth over $4 million. These 1,900 accounts represent a mere 3.8% of the membership of this particular credit union, and the $4 million just over 3.3% of the total assets of the credit union. What will be the effect on Alaska National Bank if all or most of the credit union's members shift their checking accounts from Alaska National to Alaska USA?

First National Bank of Big Spring, Texas, has lost $100,000 and over 100 accounts. State National Bank in Big Spring has lost approximately the same amount, and perhaps a few more accounts. Security State Bank in Big Spring has lost in excess of $400,000 and up to 175 accounts. Meanwhile, Webb Air Force Base Federal Credit Union has acquired almost $645,000 in 900 or so share draft accounts and, as a result of action taken by your office recently, was authorized to expand its "common bond" of membership to the entire community in which it operates.

First National Bank of South Carolina, with branches in Charleston, has lost $414,000 in checking and savings accounts, while CAB Federal Credit Union in Charleston has accumulated nearly $1.3 million in nearly 1,700 share draft accounts. Only 10% of the membership of the credit union now have share draft accounts. What will happen to the banks in that area when 100% of the members open such accounts?

In Peru, Indiana, the Peru Trust Company has a $1.8 million branch office serving the Grissom Air Force Base. The Grissom Federal Credit Union is participating in the share draft "experiment" in the same location and anticipating some 2,000 or 3,000 share draft accounts within a year. If this occurs, Peru Trust is resigned to losing its branch. The deposit base remaining after the anticipated losses to the credit union will not support its continued existence. The single and obvious fact is that funds in share draft accounts at credit unions are coming directly from checking accounts at banks and banks are legally banned from meeting such competition.

Your program, to date, has been billed as an experimental one, involving a few hundred credit unions out of the nearly 13,000 institutions under Federal Charter. Most of the share draft "experiments" have been operating for only a little longer than a year, or for an even shorter period if the typically limited "start-up" period is excluded. If the proposal is adopted in permanent form, there are several hundred other Federal credit unions interested in offering share drafts. It is not unreasonable to expect that eventually thousands of credit unions will be participating in share drafts. There are 10,000 state-chartered credit unions in the United States as well. The regulatory authorities for these institutions will, by and large, follow the lead the Federal agency takes in approving

or disapproving this program. So-called "wild-card" statutes in several states would automatically grant share draft powers to state credit unions, and in other cases it will be done simply to prevent a flood of charter conversions from state to Federal.

Credit unions have become full fledged participants in our nation's financial system. Under professional management, the more aggressive credit unions have made a farce of the common bond concept and have emerged with their historic traditions intact, as aggressive competitors with many smaller banks. Prior to any further expansion of credit union powers—such as the share draft proposal—we believe it is incumbent that both the NCUA and the industry it regulates should first accept the supervisory and regulatory burdens imposed on other participants in our nation's financial system.

Another aspect of competitive equity involves reserve requirements. Reserve requirements on checking accounts assist the Federal Reserve in its administration of monetary policy and help insure the safety and soundness of institutions offering such accounts. In the commercial banking industry, the Federal Reserve sets reserve requirements for member banks and states set reserve requirements for nonmember banks. Since member banks currently have the bulk of demand deposits, this system has adequately served the twin goals of not interfering with the central bank's administration of monetary policy, and fostering a sound and innovative banking system through a system of dual chartering at the state and Federal level. If credit unions receive the power to offer share draft accounts, the system can only be preserved by imposing on all federally-chartered credit unions the same reserve requirements as those imposed on Federal Reserve member banks. Although it can only be done through legislation, we also believe states which empower state-chartered credit unions to offer share drafts should be encouraged to impose the same reserve requirements on these credit unions as they impose on state-chartered nonmember banks.

Moreover, the payment of interest on deposit balances available for transfer to third parties would be attractive to private individuals and corporations where this type of deposit is made available. This ability to attract additional deposits through interest bearing share drafts would encourage many Federal credit unions to offer this type of payment device. These advantages could reduce the need for demand deposits of commercial banks. Under these circumstances, there would be decreases in commercial bank deposits which are subject to monetary control, while at the same time the share draft accounts of credit unions would, in effect, operate as part of the money supply, but would do so outside the control of the Federal Reserve. Thus, the effectiveness of the Federal Reserve in exercising its monetary policy could be hampered.

In summary, the competitive inequities between banks and credit unions which I have described would be expanded in and of themselves and significantly extended by the Administration's proposed share draft program. Moreover, the effects of the rule would adversely affect the conduct of national monetary policy.

We would now like to direct our remarks to the illegality of the share draft program.

STATEMENT OF WILLIAM H. SMITH

I am William H. Smith, General Counsel of the American Bankers Association. I would like to thank the NCUA for the opportunity extended to our Association to appear here today and to express our views on the proposed share draft rules.

These views can be very simply stated. Share drafts for Federal credit unions are bad policy and worse law.

Policy considerations, and particularly the present and expected harm to commercial banks, are addressed in the statement of ABA President Liddon McPeters. I will focus instead on the legal aspects of share drafts under the Federal Credit Union Act.

We can find no authority in the Act for share draft accounts. The proposed rule doesn't help us much either. The Administrative Procedures Act requires that an agency state in a proposed rule the source of authority for the rule. NCUA has cited, as authority, the Administrator's rulemaking powers under the statute. We know that he has authority to make rules in general, but what is his authority to make this rule? That is nowhere stated.

The ABA takes the position that none of the express powers of Federal credit unions convey this authority; that the implied power of Federal credit unions are inadequate to accomplish this purpose; and that, accordingly, the NCUA cannot create such a power in Federal credit unions out of the whole cloth. Furthermore, share drafts are inconsistent with the whole history of Federal credit unions and the history of financial instutions in general.

First, the express powers of Federal credit unions include the right to sue and be sued; to make contracts, to adopt a common seal, to cash and sell checks and charge a fee for doing so, to own property, to make loans, receive deposits, borrow money and assess late charges. Where, among these powers, does one find any reference to share drafts in any way, shape or form? It simply is not there.

This then leaves the "implied powers" of Federal credit unions. Credit unions may do anything which is necessary or requisite to carry out the purpose for which they are incorporated.

In what sense do share drafts meet the "necessary or requisite" test? In the proposal, we are told only that member convenience is the object of this program. This is insufficient, as a matter of law, to justify the rule.

Under the law, the implied powers of a financial institution are only those which bear some connection to the performance of an enumerated power. The First Circuit Court of Appeals has held that "if this connection between an incidental activity and an express power does not exist, the activity is not authorized as an incidental power."

Where is the legally required connection in the case of share drafts? Are these drafts somehow necessary or requisite in order for a credit union to adopt a common seal? Are we supposed to assume that because a credit union has the power to make contracts that any contract is a necessary incident—including the contracts which underlie the creation of a share draft program? Are we going to be told that credit unions will not be able to make loans without share drafts? We reject any such contention as ludicrous at worst and bootstrapping at best.

I suppose it might be said that survival and growth of an institution are "necessary or requisite" but, quite clearly, this necessity has been met without share drafts. Over the past ten years, credit unions have increased their assets 281%, far outstripping any other form of financial institution in rate of growth.

Instruments for third party withdrawals from interest-earning accounts are, likewise, not incidental to the operations of a financial institution dedicated, by law, to promoting thrift. The Supreme Court of Maine, in 1971, and the New York Court of Appeals, in 1975, have so held. The institutions involved in these suits were designed to promote thrift; there was no specific statutory authority for them to permit third-party withdrawals from interest-bearing accounts; a "necessary and proper" type clause appeared in the savings bank statutes; and, in both cases, there was no long prior history of the questioned activity before legal challenges were instituted. Nothing distinguishes the facts in the present share draft situation from the facts in these savings banks cases. The result, therefore, should be the same. If these accounts were not permitted in New York and Maine before specific statutory authority was granted, neither should similar accounts be permitted to Federal credit unions in the absence of a statute saying so in clear terms.

Additionally, a particular activity can hardly be considered to be an "implied power" where there are indications elsewhere in the statute that such activity is not intended to be exercised.

I think that it would be fair to say that the Administrator recognizes that Federal credit unions do not have "demand deposit" powers; the ABA certainly takes this position. When the share draft rule was proposed, the Federal Credit Union Act specifically prohibited the Administrator from insuring demand deposit accounts in state credit unions. It also prohibited the Administrator from discriminating against state-chartered credit unions. These two provisions could exist virtually side by side only because Federal credit unions lack authority to have demand deposit accounts, and therefore, it is not discriminatory to exclude the state demand deposit accounts from the insurance program.

The prohibition against demand deposit accounts for Federal credit unions is recognized by NCUA itself. The General Counsel, Mr. John Ostby, has written that a particular proposed arrangement whereby a credit union would guarantee payment of a share draft cashed at a bank would be improper, since the drafts would then "take on the appearance of demand deposit accounts and might be subject to court challenge as such." Share drafts, however, are payable on demand and thus obviously payable from demand deposit accounts because nothing on the face of the instrument says otherwise. Under the Uniform Commercial Code that fact is decisive. Any agreement between the credit union member and the credit union to the contrary would not be binding on a third party and would be unenforceable.

At the same time, we are told that there is, in the credit union bylaws, a provision that reserves to credit unions the right to require notice prior to withdrawal. A credit union member may or may not be aware that such a bylaw exists or that it is applicable to a share draft account. No such terms or conditions are stated in the agreement the member signs when he opens a share draft account. But even if the member were fully aware of such a rule, the merchant who takes a draft in payment for goods is not aware of its existence, and he is conclusively presumed not to be aware of it. Once the draft is in his hands, it is legally impossible for the credit union to invoke its alleged right to prior notice, even if it wanted to do so.

There is a further point to support this position that share drafts are, in fact, demand instruments. Various banks in different parts of the country have treated share drafts as "collection items." In Wyoming, Texas and Florida, credit unions have filed suit against the banks to compel them to treat share drafts as "cash items," and process them through the Federal Reserve clearing system. The Fed's Regulation J defines "cash items" as checks and "other items payable on demand." So the credit unions themselves, when it suits their purposes, claim that these instruments are demand items. Calling the drafts something else doesn't make it so; and fabricating a wholly fictitious "prior notice" requirement buried in an obscure and inapplicable bylaw doesn't make it so either. You admit that credit unions don't have demand deposit authority, and yet you propose to authorize demand accounts anyway. That is illegal.

What about the power of the agency as distinct from the powers of the credit unions? Here again, there is no express power contained in the Federal Credit Union Act that authorizes the Administrator, at will, to create separate, different or additional classes of shares. The agency admits this as well. A letter from the Administrator to Credit Union National Association in September 1971, states that the law does not authorize anything "other than traditional share accounts." The recent enactment of H.R. 3365, subsequent to the promulgation of this proposed rule, is the only thing that changes this. This Act will allow, by specific statute, a variable rate share certificate, which is an untraditional account. Where is the specific statute authorizing share drafts?

Of course, there are the general "rule-making" powers of the Administrator. They are found in two places in the statute, and the agency relies solely upon these two sections as authority for the proposed rule. Section 209 of the Act provides that the Administrator may exercise various enumerated and implied powers in administering the share insurance subchapter. Somebody is going to have to explain to me, and to our bankers, what the existence or non-existence of share draft accounts has to do with the creation, administration or protection of the Share Insurance Fund.

The other section, Section 120 of the Act, likewise contains a list of the Administrator's enumerated powers, the power to prescribe rules and regulations for the administration of the Act, and the power to do other things necessary or appropriate to carry out the provisions of the Act. None of the enumerated powers has anything to do with share drafts. The Administrator is not given the power to do anything outside the scope of the Act. Courts have invariably held that an agency may not exceed the scope of its statutory authority. This is particularly true with respect to financial institutions. The U.S. District Court for the District of Columbia held, in November 1976, that the Administrator's powers were analogous to the powers of the Comptroller of the Currency and the Federal Home Loan Bank Board. Look what has happened in the case of these two agencies.

In the 1960's the Comptroller authorized a whole range of activities by national banks—data processing services, collective investment funds, travel agencies, etc. One by one, these activities were challenged; and time after time, the courts have struck them down. Nothing in the law authorized the banks to engage in these activities, and therefore, they could not do so, the Comptroller of the Currency notwithstanding. The Home Loan Bank Board has had a similar lack of success in attempting to expand its powers beyond the statute. The Board authorized data processing services for the Federal Home Loan Banks, and a federal court in Ohio overturned this authorization. It isn't in the statute, and the agency can't put it there.

Why is the National Credit Union Administration different? What is there that gives this agency plenary powers that the other regulators do not have? Only if the new activity to be authorized can be supported by the statute itself, or at least by its legislative history, will the activity be proper.

Consider then the legislative history of the statutes regulating financial institutions.

When the Federal Credit Union Act was passed in 1934, the debates on it emphasized, over and over and over, that these institutions were designed for two purposes and two only—to promote thrift and to provide loans at reasonable rates to people who could not get them from banks.

In fact, one of the major proponents of the Act, Congressman Henry B. Steagall, stated that the services to be rendered by credit unions were not comparable to those rendered by banks. Now, the National Credit Union Administration tells us that share drafts—advertised as "just like a checking account at a commercial bank"—were certainly in the comprehension of the Congress when it gave credit unions powers necessary or requisite to carry out the purpose for which they were incorporated. This is just plain wrong.

So pervasive in the minds of the sponsors were these dual purposes of thrift and credit that they wrote the words into the law in 1934 and there the words have remained for 43 years without change. If share drafts can be said to promote thrift and credit, it is surprising that the implied powers of credit unions were not relied upon at any time in all these years to justify creation of such accounts.

As additional support for the proposition that Federal credit unions do not, by virtue of their implied powers, have the authority to engage in the business of accepting demand deposit accounts, we point to the fact that Congress has in the past discovered and dealt with problems related to the level of reserves on demand deposits, the method of keeping these reserves, and the payment of interest on demand deposits. In each case, the Congress moved to regulate or prohibit the activities in question, and yet there is no mention of Federal credit unions in the statutes. Having taken steps to correct the problems associated with demand deposit accounts, Congress enacted the Federal Credit Union Act and never mentioned such accounts in your enabling legislation. Indeed, in the intervening 43 years, the Federal Credit Union Act has been amended many times, and yet Congress has never seen fit to set down any legislative rules or regulations for demand account activities in credit unions. It is reasonable to assume, therefore, that Congress never intended that Federal credit unions should possess this power. If demand deposit accounts, per se, were what Congress intended to regulate, it is inconceivable to us that they would have excused Federal credit unions from such regulation, particularly without saying so specifically, if credit unions in fact had such powers.

Perhaps the best, and most recent, illustration of this point is the NOW account experiment in New England. If somehow one can successfully argue that a share draft is not a check, at the very least it bears a striking resemblance to a Negotiable Order of Withdrawal. In order for NOW accounts to exist at all, Congress obviously believed that specific statutory authority was necessary. What makes Federal credit unions so much different that they may postulate such a power without a specific statute? Also, Congress has considered NOW accounts to be experimental, and, as such, felt it necessary to limit them to a specified geographic region. What makes credit unions so much different that the same type of account may be permitted nationwide?

Further, Congress has enumerated those types of financial institutions which may participate in the experiment within the selected area, and in doing so, very deliberately omitted credit unions. Only in financial institutions other than credit unions, and only in New England, can NOW accounts be offered by specific Congressional mandate. Yet your proposed rule would permit the same kind of account to be offered by the excluded institution in the excluded areas of the country. How could it be clearer that what you propose is plainly illegal?

If this is not enough of an indication that Congress does not intend for Federal credit unions to have these powers, consider as well what Congress has not done. In 1965 and 1969, Rep. Wright Patman introduced bills in the House which would have given credit unions checking account powers. They did not pass. Are we to assume that Rep. Patman did not know what he was doing? If credit unions already had this power, Mr. Patman's bills were superfluous. Wright Patman was a major proponent of the Federal Credit Union Act in Congress in 1934 and of virtually every amendment since then. Above all men, he must have known what the Act did and did not authorize.

Just last year, Rep. Fernand St Germaine introduced a bill which would have given Federal credit unions parity with state credit unions in third-party payment accounts. It did not pass. Was he also guilty of performing a superfluous act? If credit unions already had these powers, and more, as the agency now claims, it would seem that he was. The ABA rejects that contention and submits that Congressman St Germaine understood full well the need for that legislation.

I want to return now, for a moment, to the concept of "thrift and credit."

A credit union's powers are limited to those that are necessary or requisite to carrying out those two purposes. The law says so in no uncertain terms.

Share drafts clearly do not promote thrift. To the contrary, they encourage spending of funds by making it easy to do—as easy as spending money in a checking account. Throughout your experimental program, the credit unions' advertising has consistently emphasized this—"Use them anywhere money is spent"; "Spends like cash"; "Replace your commercial bank checking account" and so forth. Are we to assume that the credit unions were deceiving their members, and that share drafts were really designed for saving money instead? Not very likely.

What about providing a source of credit to members? Are share drafts "necessary or requisite" for that? Somebody is going to have to prove that to us. Primarily, share drafts are programs for large credit unions, not small ones. Under your proposal, you would very likely find small credit unions unable to handle the additional business. At the same time, the large credit unions don't need the additional funds. In fact, according to one expert, employed by the credit union industry, the large credit unions in Colorado at least cannot get rid of the excess funds they have already, much less any increase in funds that might result from a share draft program. Consider also an organization like McGuire Community Federal Credit Union in New Jersey. At the close of 1975, this credit union had 40% of its assets in investments other than loans to members. You have an obligation to demonstrate to us and others that McGuire's share draft program is necessary so that its members will have a source of credit.

Even if excess funds are not on hand, they can be borrowed, under the law, to meet loan demand. The credit unions have created 38 Central Credit Unions specifically for this purpose, plus the U.S. Central Credit Union. The U.S. Central now has the capability of controlling $1 billion of the $8 billion total excess liquidity of credit unions. With this amount of excess funds, are we being told that the credit unions need still additional funds?

I can only summarize this statement by repeating what I said at the beginning. There is not one scintilla of support for share drafts in the statute; not an iota of intent by Congress in the legislative history that these instruments should be allowed to exist; not a pittance of proof that they are necessary or requisite. The National Credit Union Administration must enforce the law, and not make the law. The ABA submits that you have no choice except to withdraw this proposed rule.

ENERGY

Mr. MATHIAS. Mr. President, anyone tempted to challenge the premise of

President Carter's energy message should first look at the record of increasing volume of oil imports and the increasing cost in dollars spent abroad. If that dismal record is not enough to shock a majority of Americans then we are apt to have hard times indeed. When a once-energy-independent nation must import half of its petroleum demand, there are bound to be profound effects on national security and foreign policy as well as on the availability of energy itself. When we contemplate sending 50 billion American dollars annually, not only out of our country, but out of our economy, in order to buy a consumable commodity, we need to ask whether we are not putting goals such as full employment beyond the reach of the private sector of the United States.

So I applaud and welcome President Carter's forthright acknowledgment that our diminishing energy resources and our inordinate energy consumption pose the greatest challenge we face in the next decade.

But I warn the President that the road that lies ahead of him is rough. Many of us who have been on that road know its difficulties and its frustrations. A year ago at the New School for Social Research in New York City I warned:

> No more serious challenge faces us today than how to get this country going on the road to conservation and self-sufficiency.

But frankly, that is a warning that only a President can give with any prospect of effective response and I am heartened that the President has undertaken the job.

I hope the President will be prepared to repeat and repeate the warning that he has issued. It is not enough to predict that someday even the costly foreign sources of oil may run dry. The subtle linkage between energy and modern civilization must be revealed clearly to every voter and every taxpayer. In 1976 at the Colorado School of Mines I tried to suggest this by saying:

> We don't face just an "energy crisis," we face a challenge to our entire civilization. This distinction is crucial, both to understanding our present danger and to finding the necessary responses to it. The phrase "energy crisis" is misleading. It suggests energy is just one of many problems inherent in modern society . . . that the "crisis" can be handled by one or two bold strokes . . . (but) energy is not just an aspect of modern society. It is society's lifeblood. Energy is to modern man what wildlife was to the Indian. It sustains life. Our economy . . . food, jobs, industry, income, homes, transportation . . . all of these and more depend on energy.

I support the purpose and direction of the President's approach to resolution of our energy problems, but I want to study carefully his legislative proposals, including those relating to increased taxes, to determine whether they offer the best hope for addressing the many complexities of this dilemma.

To be successful any approach to the energy problem must emphasize equally and urgently two aspects of the question: conservation and priority development of alternate sources of energy.

We must pay the true cost for the fuel we use, but we must also assure that our industries and workers do not become victims and that we do not produce economic dislocation in the process of resolving our energy crisis. In addition, we must analyze the impact our plans and actions will have on our trade position and our relations generally with other countries.

I pledge myself to support the President in the continuing educational effort that will be necessary and to work with him in evolving and evaluating alternative solutions to the problem.

Meanwhile, it is important to remember that this is not some lofty issue to be determined at Olympian heights by demigods. It is a practical problem for every American and each of us can volunteer some simple everyday ideas that will contribute in some measure to both the conservation of energy and to our constant awareness of the problem. In this spirit, I suggest that every elevator button in the Capitol and the congressional office buildings be provided with a sign saying "Walk Down—Save Energy." Such a simple sacrifice might even inspire the more hardy of us to start walking up, which would be good for our hearts and good for America.

PIKETON URANIUM ENRICHMENT PLANT

Mr. METZENBAUM. Mr. President, in his April 20 energy message, President Carter recommended that plans to construct a major gaseous diffusion uranium enrichment plant in Piketon, Ohio, be abandoned in favor of a newly developed centrifuge technology. The administration has not decided where the centrifuge facility will be located, but there are reports that Oak Ridge, Tenn., is under consideration.

I am not in a position to make a judgment on the comparative merits of the two enrichment technologies, but I do know that a decision to shift the plantsite from Piketon would have severe negative effects on an economically depressed region. Unemployment is over 15 percent in the Piketon area at this time and the community has based its plans for the future on the Federal commitment—firm until now—to construct the plant there. Businessmen have made investments, schools in Ohio and Kentucky have established programs to train potential workers, and plans have been launched to insure that minority-run firms—hardest hit by unemployment—will have an opportunity to participate in the project. If the plantsite is moved, all of these efforts will have been for naught, and a depressed area will sink further into economic chaos.

On April 21, I wrote to President Carter to express my profound concern about the implications of his decision for the Ohio economy. Tomorrow, Senators GLENN, FORD, HUDDLESTON, and I will meet with the President to express our views to him directly.

Mr. President, labor leaders, businessmen, public officials, and concerned citizens in Ohio and the neighboring States have expressed strong support for locating whatever uranium enrichment facility is built at the Piketon site. I ask unanimous consent that my letter of April 21 to the President and a selection from the hundreds of messages I have received on this matter from people in all walks of life in Ohio be printed in the RECORD for the information of the Senate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C., April 21, 1977.

PRESIDENT CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I would like to express my concern that your decision to redirect uranium enrichment technology from gaseous diffusion to centrifuge may jeopardize the expansion of the Federal facility at Portsmouth, Ohio.

As you know, the Congress has repeatedly authorized funds for increasing our Nation's enriched uranium supply through expansion of the Portsmouth site. It is my understanding that there are no technological or engineering features of this new technique which would necessitate shifting the proposed facility away from Portsmouth.

The City of Portsmouth and surrounding communities have eagerly anticipated the infusion of over $4 billion into this economically depressed region. The promise of an estimated 10,000 jobs through the construction of the gaseous diffusion plant and the three powerplants would insure prosperity where there is now unemployment over 12 percent. State and local officials, labor leaders and concerned citizens have all expressed to me today their deep concern over the prospect that Portsmouth may lose this promised facility.

Mr. President, I strongly urge you to name Portsmouth, Ohio as the site for the centrifuge uranium enrichment facility. Your statement last fall that "I have long supported full authorization and funding for enlargement of the government-owned uranium enrichment facility at Portsmouth, Ohio," recognized that this project is of the utmost importance to this region and the entire State. I respectfully request your assistance in this matter.

Warm regards,
HOWARD M. METZENBAUM,
U.S. Senator.

[Telegram]

STATE CAPITOL BUILDING,
Columbus, Ohio.

DEAR SENATOR: We are vitally concerned about published reports that the planned add on facility committed by ERDA at the Piketon, Ohio uranium enrichment facility may be threatened. This plant is located in the Appalachian region of Ohio which is now experiencing the highest rates of unemployment in the State. The economy of the region sorely needs the stimulus that is being generated by the present expansion of the Piketon plant. We urge that the commitment to expand this existing plant be fulfilled by incorporating the centrifuge process into the facility at Piketon. This would preserve the promise of employment for the residents of this part of Ohio and also produce the much needed enriched uranium for our present and future nuclear power plants at an earlier date than any alternate plan.

JAMES A. RHODES,
Governor of Ohio.

E. STATE STREET,
Columbus, Ohio.

Sen. HOWARD METZENBAUM,
Senate Office Building,
Washington, D.C.:

In behalf of the entire labor movement in Ohio I respectfully urge your involvement and effort to restore the building of the addition to the Portsmouth Power Project. I

understand President Carter has cancelled this project and intends to have the addition built in Tennessee, the impact of this change on Ohio will mean the loss of potential employment in construction and satellite industries. Thousands of jobs badly needed by Ohio's economy will be lost. Your immediate attention is drastically needed. Workers on this job (an expected 10,000 at height of construction) will come from all over Ohio.

The President, as a candidate, promised support for this project. To date Ohio has been almost totally ignored by the Carter administration. However, this amounts to an affront which cannot be ignored.

I would appreciate your response as to your effort to help restore this project.

Sincerely,

MILAN MARSH,
President, Ohio AFL-CIO.

GREENUP COUNTY AREA,
VOCATIONAL EDUCATION CENTER,
South Shore, Ky., April 22, 1977.

Hon. HOWARD METZENBAUM,
U.S. Senate,
Washington, D.C.

DEAR HONORABLE SENATOR METZENBAUM: Please support the add-on plant to be built at the Goodyear Atomic Plant at Piketon, Ohio. The Portsmouth area is depending on our political leaders to do as much as possible to influence the decision of the plant to be built here.

There are many families and homes that will greatly suffer over the loss of the add-on plant if it is not built in Piketon. There is such a great demand for more jobs in this area caused from the closing of many factories and industries.

I am employed by the Kentucky Bureau of Vocational Education and I know that vocational schools all around the Porsmouth area are doing as much as possible to train students to meet the needs of business and industry. But what need is there to train them when there are no job opportunities and they have to move away from home in order to be mployed?

Please support the add-on plant to be built in Piketon.

Very truly yours,

Mrs. DEBBIE TAYLOR.

[Mailgram]
INTERNATIONAL UNION
OF OPERATING ENGINEERS,
LOCAL UNION 18,
Toledo, Ohio, April 25, 1977.

Senator HOWARD METZENBAUM,
Senate Office Building,
Washington, D.C.:

We in the construction industry in Ohio have waited several years for relief for our unemployed needless to say we felt that with the election of a democratic president Ohio would start moving again when heard of the proposed expansion of the atomic energy plant at Piketon our spirits were raised this project meant getting off the dole and back on the job now we hear this project is being considered for the Oakridge, Tennessee area based on the amount of Federal dollars already spent in the past at Oakridge in comparison to southern Ohio makes this consideration patently unfair having designated Piketon as the site for this project and then removing it to Tennessee because wages are lower there and therefore Federal money will be saved makes it unbearable please help keep this project in Ohio we have waited long

RAY FRANKHOUSE,
JAMES MCMAHON,
BOYD RADER,
FRED HOHMAN,
GEORGE TACK,
Business Representatives.

PORTSMOUTH AREA,
CHAMBER OF COMMERCE,
April 21, 1977.

Senator HOWARD METZENBAUM,
Russell Office Building,
Washington, D.C.:

We urge you to use the influence of your office to urge President Carter to construct the proposed nuclear centrifuge plant at the Portsmouth Area A Plant the Energy Research and Development Administration determined that this site has met all of the specifications for an uranium enrichment facility the unemployment rate for this 5 county area is 15 percent. Millions of dollars have been spent on preliminary work for the gaseous defusion plant. In his presidential campaign, his press release of October 29, 1976 from Atlanta stated "I will ask the Congress to authorize the 4 billion in funding needed to complete construction of the Portsmouth add-on" the centrifuge plant should be constructed at Portsmouth the people of this area and of Ohio need this plant.

WILLIAM J. RICHARDS,
President.

OHIO STATE BUILDING AND CONSTRUCTION TRADES COUNCIL,
Columbus, Ohio, April 24, 1977.

Senator HOWARD METZENBAUM,
Senate Office Building,
Washington, D.C.:

On behalf of the 100,000 building tradesmen in Ohio we call upon you to focus your attention and efforts in restoring Portsmouth power plant project to Ohio. You are aware of the severe unemployment problem we have in our State. This project would benefit the entire State and boost the economy of the Portsmouth area where unemployment now stands at 15%. This project would provide employment for approximately 10,000 persons with half that total directly involved in the actual construction. Cancellation of this project is a devastating blow to construction and related industries.

In addition to the loss of jobs for Ohioans, the question of integrity is raised. President Carter, as a candidate, promised his support for the project. Carter, as President,, has now sanctioned the cancelling of this project and has supported the recommendation that this addition be built in Tennessee.

It is one thing to be ignored on political appointments and "patronage" as Ohio surely has been by this administration, but grave potential of the cancellation of this project in terms of the loss of jobs, industrial growth, and economic development for our State goes far beyond petty politics and is an inexcusable horror.

We will be in contact with you regarding this matter in the near future. We would sincerely appreciate counting on your support to help see that this project is restored for Ohio.

Very truly yours,

JOSEPH F. SEDIVY,
Secretary-Treasurer.

UNITED SHOE WORKERS,
Portsmouth, Ohio, April 24, 1977.

Senator HOWARD METZENBAUM,
U.S. Senate,
Washington, D.C.:

It is critical that the Portsmouth area receive confirmation that the Carter administration will locate the atomic energy plant at the present Piketon, Ohio location. President Carter promised during the campaign he supported this location southern Ohio gave him superior support in November. If the new facility is not located at Piketon, Ohio a democrat will never be elected in southern Ohio or possibly Ohio. Repeat it is highly urgent that the administration confirm its original plans for the location of the atomic facility in our area.

J. T. MCCULLOUCH, *President.*

PIKETON PARLEY SET AT WHITE HOUSE

(By George Embrey)

WASHINGTON.—President Carter has invited U.S. Sens. John H. Glenn Jr and Howard M. Metzenbaum, both D-Ohio, to meet with him at the White House Wednesday on the controversial decision to change and possibly relocate a $4.4 billion southern Ohio project.

U.S. energy officials confirmed in Columbus Saturday the Carter administration move to revoke the earlier decision to expand the U.S. Energy Research and Development Administration (ERDA) factory at Piketon.

Instead of enlarging the gaseous diffusion plant to expand U.S. atomic fuel production, the President has decided to shift to a different process, a centrifuge method, for making atomic fuel.

ERDA's acting administrator, Robert Pri, said in Ohio Saturday the project may be shifted to ERDA facilities at Oak Ridge, Tenn., where work has begun on the centrifuge system.

At stake are thousands of construction jobs and future atomic plant jobs for southern Ohio.

The Piketon plant, located halfway between Chillicothe and Portsmouth employs several thousand workers who live and shop money throughout that area.

Also at stake are the political reputations of Ohio's two Democratic senators, both firmly pledged toward getting the $4.4 billion project for Ohio. A former Republican president approved the Piketon site but now a Democratic president threatens to take it away.

An aide to Glenn said while it would take an act of Congress to undo the government decision to move ahead with the $4.4 billion Piketon "add-on," Congress probably would not stand in Carter's way if he decided to move it to Tennessee.

William R. White, Glenn's administrative assistant, said Congress which authorized the southern Ohio project and appropriated initial funds, probably would respect the President's desires to pick the site.

Meanwhile The Dispatch has learned that ERDA officials are studying the possibility of splitting the $4.4 billion project between the Piketon and Oak Ridge sites.

A study reportedly was requested to determine the cost and other factors in dividing the number of centrifuge processes ERDA needs for atomic fuel production between the two places.

FARM CRUNCH RESULTS FROM DOUBLE PINCH

Mr. YOUNG. Mr. President, I was real pleased to read Eliot Janeway's column entitled "Farm Crunch Results From Double Pinch" in the Washington Star of Sunday, April 24.

It is highly encouraging to read a column such as this by an economist of national reputation, one who has not forgotten the Great Depression of the thirties and the major reasons for it. Mr. Janeway's column very excellently discusses and compares the economic situation of the 1920's and early thirties with the conditions of today as they relate to agriculture and the Nation's economy as a whole.

Mr. President, there is a saying to the effect that those who refuse to learn from history are forever condemned to relive it. If the political leaders of this Nation fail to heed warnings such as those contained in Mr. Janeway's col-

umn, the American people may again be in deep economic trouble.

Mr. President, I ask unanimous consent to have printed in the RECORD the column by Eliot Janeway from the Sunday, April 24, Washington Star.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FARM CRUNCH RESULTS FROM DOUBLE PINCH

(By Eliot Janeway)

Santayana's famous warning, that those who refuse to study history will be condemned to relive its failures, applies with particular force to the credit crunch now pinching the Farm Belt.

At first blush, it seems a historical first; after all, it is the direct result of the cost inflation which has been galloping across the economic terrain ever since OPEC's declaration of economic war on its commercial customers, its financial custodians, its technological benefactors, and, last but not least, its impoverished neighbors in the Third World.

The Farm Belt credit crunch, however, is the result of a double pinch. Inflation of costs is accounting for only half the damage; deflation of incomes for the other half. This one-two punch from cost inflation and income deflation takes a crueler toll of its victims than the familiar rhetoric of "stagflation" would suggest.

Such are the workings of progress that stagflation has evolved from a bold and sardonic concept to a cliche, which understates the problem of the Farm Belt, because it assumes the failure of productivity and incomes to rise.

The dealers in cliches who take stagflation for granted have not yet caught up with the fact that stagflation would be a lesser evil to settle for, because it would describe a state of affairs in which incomes were still rising, although costs were rising faster.

In the Farm Belt today, however, incomes are falling while costs are not merely rising, but rising faster than ever.

The only exception is the cost of money. Increasingly, farm borrowers able to pay interest are becoming scarce. The two special conditions which always come into play during a bankruptcy crisis are developing.

Commercial banks are giving their good borrowers whose loans are in bad shape lower rates and longer payouts. They're giving their bad borrowers moratoria—a term forgotten since the Depression—even on interest, let alone principal.

The concept of a moratorium on debt was last aired during the early 1930s—more precisely, during the preliminaries to the Great Depression, which was touched off by the argument over how to get out from under the unmanageable burden of war debt.

Foreign government borrowers first agitated for a moratorium, then domestic farm borrowers imposed it. Finally, foreign government borrowers, led by Hitler, followed the American Farm Belt borrowers' initiative.

The study in historical contrast is arresting; and it is not reassuring. Post-mortems of the disaster of the '30s all agree on three striking divergences of the Coolidge boom.

In the first place, industrial investment and urban construction not only participated in the boom, but were directly responsible for the records it set. However, the farm depression of the late 1920s was every bit as striking a phenomenon of the Coolidge years. In fact, the measure of the strength of the Coolidge boom was that it asserted its force despite the severity of the farm depression, coating it over without alleviating it.

In the second place, a striking characteristic of the Coolidge boom was the absence of any domestic price inflation to erode its vigor. This meant that the drop in farm incomes took its toll relative to a more or less fixed level of costs levied on farm purchasing power. The devastating crisis which developed in the Farm Belt was, therefore, mitigated because farm costs were fixed relative to the cost of what farmers had to buy.

Nevertheless, the entire system was turned upside-down by the irresistible demand of the farm bloc for parity between farm and industrial purchasing power. The Farm Bloc in Congress gave the Republican party a mule's kick which split it wide open.

The Farm Bloc in Congress is poised to strike again. It's all the more powerful and, for once, all the more righteous, because of the double pinch of falling incomes and rising costs. Never mind that industrial profiteering is not an offset to farm cost inflation.

The relative position of the farm economy is deteriorating much more drastically (as the direct and inescapable result of industrial inflation) than it did on the eve of the crisis of the 1930s.

The third divergence pinched the sensitive debt nerve. On the eve of the crisis in the 1930s, farm debt, along with international debt and stock market margin debt, was inflating dangerously.

Now, providentially, a wealth of liquidity is available, not only to manage the international debt structure, but also to support an altogether new stock market boom unclouded by debt overextension. This divergence, while troublesome, is still encouraging, because it is limited to farm debt.

But the main lesson bequeathed by the dire experience of the late 1920s and early 1930s is that boom conditions in the industrial economy, and in the stock market, will not be sustained if depression conditions are tolerated in the farm economy. This lesson, if pondered and acted on, will prevent the clear and present danger of a repeat performance of the last Depression.

At that time, the one statesmanlike voice that was heard, but heeded too late, was that of the late, great Eugene Meyer, the most practical financier of his day, and, therefore, the most frustrated.

He was the prophetic dissenter of the Hoover years, when he served as chairman of the Federal Reserve Board. He saw clearly, and warned incessantly, that if a farm depression were allowed to develop, it would pull the props out from under a top-heavy debt structure in the industrial economy and in the stock market.

It was Meyer's far-sighted counsel to lay the unobstrusive but very effective vice chair-farm economy that Hoover ignored and Roosevelt followed. Carter's ability to survive is likely to hinge on his instinct to commit himself to the same priority.

Meanwhile, it is reassuring to report that the Burns Board has been quick to check the severity of the present farm credit crunch. Great credit is due Steve Gardner, the unobstrusive but very effective vice chairman of the board (a graduate banker himself) for his diligence and practicality in confirming the facts and figures of the crisis conditions with which the Farm Belt bankers are now coping.

Another forgotten lesson rooted in the history of the Federal Reserve System is emerging from the expedient which the system is adopting. It is rising to its responsibilities by pumping drafts of emergency credit into Farm Belt districts, without prejudice to its over-all stance of moderation.

There's no danger of nationwide inflation in the Fed's prompt response to the emergency need to counteract regional deflation in the Farm Belt.

It is important to recall, however, that the original responsibility given the Federal Reserve by Congress, in the days when the supply of credit was still considered limited, was to provide relief to regions suffering from credit stringency by redirecting surplus liquidity from regions enjoying it.

It is instructive to recall that the initial form taken by the bank failures of the early 1930s was regional. The system as a whole never recovered from the shock administered by the debacle in the Farm Belt, which New York—that is, Wall Street—minimized because it happened to be enjoying a borrowing boom at the time.

The Federal Reserve System has fallen back on its original charter in devising a rationale for coming to the aid of the Farm Belt. It is empowered to provide seasonal credit regionally, but not to try to run the government. In the case of the farm crisis, all it can do is buy time for the executive and legislative branches to go to the underlying problem of falling incomes and rising costs. The expedient of playing the immediate crunch as a regional and seasonal is only that, and nothing more.

If the business cycle were still operative, serious students of its workings would be alarmed at the fact that the Farm Belt banks have been squeezed out of lending power at the outset of a new crop year.

If all were well in the moneyed world, and the banking system were providing the neat and orderly adjustments expected of it, the Farm Belt banks would be chock-a-block with excess liquidity to begin sending to cities. The fact that they are as tight in April as they normally expect to be in September is a warning even if the farm economy were self-financing on a seasonally self-adjusting basis, as it clearly is not.

The stubborn error of omission which flaws conventional economic thinking, and the conventional government policy-making behind it, envisions the domestic economy in a purely domestic frame of reference, subject to purely domestic cross-tugs of supply and demand.

The American farm economy is the one conspicuous exception. Where the American industrial economy is no more than 10 percent export-dependent, if that, the American farm economy is at least as export-dependent as all the industrial economies in the rest of the world.

It is a useful fiction for conventional thinkers to maintain that pumping credit contra-seasonally into the Farm Belt will buy time and leave it better off by October. presuming the new farm export strategy is not adopted between now and then. If it is not, the seasonal period of reckoning that will arrive at harvest time will find the farm crunch more intolerable than it already is.

Historians of the Hoover debacle remind us that the farm dissidents of that deflationary period in farm income pressed for more than the then puzzling concept of parity with industrial income; they also advocated a strident new approach to crop export marketing.

It would be a mark of progress if our policymakers today were to pick up from where our farm bloc dissenters left off nearly half a century ago, and push for an assertive new farm export program.

The farm credit crunch of 1977 came to a head before Carter devised his crazy-quilt energy program.

If he knows what's good for him, and not intolerable for the rest of the country, his next move will be to offer the Farm Bloc an overriding exemption from his invitation to share the joys of sacrifice.

NURSING OUR CITIES BACK TO HEALTH

Mr. HUMPHREY. Mr. President, with all the bad news and gloomy forecasts emanating from and about so many of our Nation's cities, it is with great enthusiasm that I read the attached article by Paul R. Porter in the Washington Post on April 19.

Mr. Porter believes that municipal

planning should be encouraged through grants by the Federal Government. Subsequently, pilot cities should be selected and provided with technical and financial assistance to accomplish their selected goals. The Federal Government and other cities could, thus, draw on the experience of these pilot cities. Mr. Porter feels, based on this format, that within 20 years a deteriorated city could be turned around and, in fact, could prosper.

Mr. Porter, having been one of the architects of the Marshall plan for Europe, is certainly qualified to make this judgment. It is truly heartwarming to read such an upbeat article written by a man with Mr. Porter's experience and ability to judge the future of our cities.

Mr. President, I ask unanimous consent that the article by Mr. Porter be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NURSING OUR CITIES BACK TO HEALTH

(By Paul R. Porter)

Our cities can regain capability to prosper, to end their dependence upon subsidies, to manage their own affairs, and to match their suburbs in residential appeal.

Even the most crippled cities can reach this recovery goal in 20 years or so, or about the time it takes to plan, finance, and build a subway. In that time or less, the cities' poor can cease to be poor.

This prospect contradicts the now-fashionable doctrine of falling expectations. Whether the hopeful or the dour prospect will prevail is the opportunity of the Carter administration to decide.

The central problem in achieving the recovery of cities is to correct two major maladjustments that have developed in the evolution of large urban settlements. These two cause or amplify so many other maladjustments that we may rightly call them *primary*. They are:

First, cities have lost competitiveness as a place to live. A dwindling population usually causes a fiscal crisis that in turn causes still more residents to leave. Another result is excessive transportation, wasting scarce energy and capital.

Second, cities have become burdened with an endemic structural unemployment in the wake of a profound change in the job-base of cities. Managerial, professional and other white-collar jobs have expanded, but manufacturing jobs have flowed outward, taking a toll in family incomes and morale that has aggravated the fiscal crisis and a host of social ills.

Also, the post-war baby boom has produced a surplus of beginners in the labor force. Now at its peak, it will disappear in about a decade. While it lasts, youth without hope of work turn to apprenticeship in crime.

Making the city once again an appealing place to live is the way to regain a lost competitiveness. Then, many who work in the city will choose to live in it; its tax-base will be decisively broadened; better services can be provided at a tolerable level of taxation; all residents, old and new, poor and affluent, will benefit. Moreover, sensibly, less transportation will be part of the solution to the transportation problem.

We should not expect a large-scale return by families with children in suburban schools. The city should make its principal bid to newly-formed families, who will increase in number.

To win them, cities need two housing goals. Alongside the old one of decent housing for every family, they must offer enough housing of a kind that will make cities truly competitive with suburbs—especially those that need not be built if the city can serve the new-family market.

To hold them, city schools must become as good as suburban schools, but they should in any case. That will require more teachers per pupil, but teachers are already in surplus because of the falling birth rate. The huge public investment in their training is now a wasting asset. More teachers for city schools would be a worthy use of money saved by shortening distances between homes and workplaces.

If a city gains appeal, its future population will correspond more to the higher-income job-base it has acquired. This presents a dilemma. All residents would benefit from a stronger tax-base, but some low-income residents could be crowded out of their neighborhoods if the change came too fast or if sole reliance were placed on housing rehabilitation, excluding new construction.

The dilemma is manageable. A shortage of higher-income housing can be avoided by a flexible mix of the new and the preservable old. Also, a too-rapid transition is unlikely. The recovery of cities will come in gradual increments from the ever-continuing stream of young people reaching maturity.

The exodus of blue-collar jobs poses a separate problem. The departure of factories can be slowed—and should be. But to believe that very many can be brought back is an illusion.

This, then, is the long-term job outlook for inner-city youth: Through education, some will move into the managerial-professional class. Through attrition, some will fill blue-collar jobs that remain in cities. But some cannot become self-supporting while they remain in cities. They need help in following relocated jobs.

It can be given by linking it to what should be done in any case to help unemployed youth. They should be gotten off the streets into useful public service jobs. They should be trained for future jobs. Then they should be offered jobs somewhere—in the city, elsewhere in the metropolitan area, or beyond. A vigorous national economy, of course, is a prerequisite.

What can the Carter administration do to get recovery started? Since any city's recovery must be tailor-made, it can begin by offering planning grants to cities for preparation and casting of recovery programs as a redirection of present programs. From these, several pilot cities could be chosen.

We need not await their full recovery before judging results. A few years' experience should provide a basis for beginning recovery in other cities.

If the new administration is willing to be bold, it can offer the recovery of cities as a practical alternative to their permanent dependence upon grudging and uncertain subsidies.

HOW TO USE CREDIT WISELY

Mr. DANFORTH. Mr. President, young people are one of America's greatest assets for the future. Therefore, it is vitally important that they have a proper understanding of the role of business, and that they have confidence in business. The work of Missouri's Consumer Credit Association has done much to advance this goal.

Three years ago, Virginia Rutledge of St. Louis, now regional education director of the association, initiated a statewide program for high school seniors to bring about their better understanding of the wise use of consumer credit. As attorney general of Missouri for the past 8 years, I know very well how important an understanding of credit is to persons who are joining the work force.

The results of this statewide essay and speaking contest have been very successful. Students throughout our State have become interested in the consumer credit industry through their independent research on the subject.

The essay contest also is sponsored by the International Consumer Credit Association, under the direction of William Henry Blake, the executive vice president.

It is fitting that the award be made during National Consumer Credit Week, and I am proud to take this opportunity to request unanimous consent that this year's first place essay be printed in the RECORD. It is a tribute not only to the consumer credit industry, but also to Mr. Mark Bradshaw, a student at Southwest High School of St. Louis, who was inspired by what these men and women of business had to say.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

HOW TO USE CREDIT WISELY

(By Mark Bradshaw)

Every family needs credit. Everyone enjoys the advantages of credit because they won't have to save year after year in order to pay for something with cash.

Some people don't think they need or use credit just because they don't have credit cards. That's not true, because you use credit every time you turn on a light or use your stove. You don't pay for it until you get your utility bill, so that's using credit. It's called Service Credit.

Just about everyone knows about charge accounts. You are able to buy clothes, furniture, or just about anything you want without paying cash for it, if you have the right charge cards.

Another type of charge card is a bank card, such as the Bank-Americard. With this card you are able to get loans and do some shopping with places which accept this card.

Installment Credit is when you pay for something over a period of time. As when you would buy a car or house, you spread out the amount of the price and pay it in monthly installments.

The other type of credit is Personal Loans. One out of every five families use credit in this way, such as when they need to obtain cash for necessities.

Young adults can now have credit, too. Many retailers are making credit privileges available to them, even though they are not necessarily working full time.

They are given a type of revolving charge with a very modest top limit on the amount which can be owed. The monthly payments in each case are scaled to what the young adult is actually earning at an after-school job or receiving in allowance. Some stores will open a young adult account only if parents already have a charge account at the store. Most require the permission of parents, because few high school students hold regular jobs. Experience shows that these young consumers take credit responsibilities seriously.

In order to get credit you have to go through a credit investigation. You usually go through this each time you apply to have an account at different credit companies.

You will probably have to fill out a form or credit application, which will ask for such information as; the amount of money you make in a year, your present and previous address, and if you have any other types of credit.

Once you have been accepted as a credit

customer you must be sure to keep it good. Be sure to pay all of your bills on time and never promise to pay more than you can afford. If you can't make a payment when it's due, report the circumstances to your source of credit.

Any time you apply for more credit, they will check into your past credit record. That record will stay with you for the rest of your life. It is a good idea to keep your rating good, for you will probably use cedit for the rest of your life.

STAFF RESPONSIBILITIES UNDER THE SENATE CODE OF OFFICIAL CONDUCT

Mr. STEVENSON. Mr. President, I and Senator SCHMITT, for the Select Committee on Ethics, have signed and ordered mailed in the next few days to some 6,600 Senate employees a letter stating in general terms the responsibilities of staff under the new Senate Code of Official Conduct.

Some staff not paid by the Senate, but who work in Senate offices, also are covered by the Code of Official Conduct. Inasmuch as such persons are not on the list of Senate-paid employees, the committee next week will write Senators and others who are supervisors, asking them to advise appropriate staff under their supervision of the provisions of the code and requesting of Senators and other supervisors the report of Senate personnel paid by others required by rule 49, paragraph 6.

I ask unanimous consent that the text of the letter to employees be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SELECT COMMITTEE ON ETHICS,
Washington, D.C., April 26, 1977.

DEAR SENATE EMPLOYEE: On April 1, the Senate agreed to Senate Resolution 110 which provides nine new "ethics" Rules for the official conduct of Senate members and employees. It also strengthens the enforcement responsibilities of the Select Committee on Ethics.

In January of this year, the Senate also passed S. Res. 4 which created an entirely new Ethics Committee to enforce both the new Code of Official Conduct subsequently approved in S. Res. 110 and the portions of the previous ethics Rules which continue in effect.

Some of the provisions of the new Code of Official Conduct take effect immediately. Others take effect later this year, next year, and in January, 1979. Some present ethics Rules remains in effect until they are replaced by the new Rules. Some aspects of ethical conduct subject to the review of the Ethics Committee, which are in law or part of Senate Rules and Standing Orders and not stated as part of the Code of Official Conduct, were unaffected by S. Res. 110. These include the unauthorized disclosure of intelligence information in the possession of the Select Committee on Intelligence as provided for in S. Res. 400, 94th Congress, and franked mail as provided for in Public Law 93-191. Most of the new Ethics Rules apply to all Members and officers of the Senate. Some apply to their spouses and dependents, and to candidates for election to the Senate as well.

EMPLOYEES COVERED

If you are a senior Senate employee, paid for more than 90 days at an annual rate exceeding $35,000, you must comply with all the ethics Rules applicable to staff. If your compensation is at a rate exceeding $25,000, you are covered by all the rules applicable to staff except Rule 44 which regulates outside earned income. If your compensation is at a rate of $25,000 or less, you must comply with all the new Rules applicable to staff except Rule 44, Rule 42 which requires public financial disclosure, and paragraphs 6, 7 and 8 of Rule 45 which forbid certain business and professional activities and may require (of committee staff only) divestiture of financial holdings. Some of the rules may also apply to your spouse and other relatives. For example, if you meet the income test for public financial disclosure ($25,000 under Rule 42), you must report interests of your spouse (unless you are living separate and apart) and dependents if such interests are within your constructive control. Spouses also are covered under the gifts section (Rule 43).

You are subject to the Code of Official Conduct and other ethics Rules even if your salary is not paid by the Senate and you are, for example, an employee of an agency detailed to work in a Senate office, or serving in a Senate office under an educational program. Moreover, retired federal annuitants working on Senate staffs now must add the amount of their annuity to their salary to determine if they are covered by Rules affecting employees with salaries above $25,000 and $35,000.

Staffs of joint committees and other Congressional offices are covered by Senate or House ethics Rules, although staff of independent offices may not be subject to either set of ethics Rules. Those joint staffs paid by the Senate and hence subject to the Senate Code include: the staffs of the Joint Committees on: Atomic Energy, Economics and Printing; the American Indian Policy Review Commission; and the Capitol Guide Service. Staffs subject to House Rules include those of the Joint Committees on Taxation, Defense Production and Congressional Operations, and of the Congressional Budget Office.

Staffs apparently not covered under Senate or House ethics Rules include those of the Architect of the Capitol, the Office of the Attending Physician, and the Office of Technology Assessment.

These groups may adopt Senate or House ethics rules, or be brought under similar coverage by legislation now before the Governmental Affairs Committee.

EMPLOYEES STILL COVERED BY SOME "OLD" CONDUCT RULES

The new Code of Official Conduct also continues the present requirement under "old" Rules, if your rate of salary exceeded $15,000 and you were employed by the Senate for 90 days or more in 1976, that you make public disclosure before May 15 of the contributions you received and expended and the honoraria you received during 1976 and file, also before May 15, in a sealed envelope (to be opened only in the case of an investigation), your income tax returns and other information about gifts and financial interests. Forms and instructions for these reports may be ordered from the Select Committee on Ethics.

NEW RULES FOR ALL EMPLOYEES IN EFFECT ON APRIL 2, 1977

The new Rules now in effect prohibit you from:

Accepting a gift from anyone with an interest in legislation before the Congress or from a foreign national, with certain exceptions subject to the approval of the Ethics Committee (as described in Rule 43).

Taking a bribe or using your official position to advance legislation which furthers your own pecuniary interest;

Engaging in outside paid employment which is in conflict with official duties;

Engaging in outside employment unless you report your outside employment to the Senator you work for immediately upon taking such employment and on May 15 of each year (you may secure forms for this report from the Select Committee on Ethics);

Receiving contributions in so-called unofficial office accounts (after the end of this year, the Rules forbid the use of such accounts altogether, although an account may be maintained by a political committee if it is disclosed under F.E.C. regulations and its funds are spent for approved purposes);

Securing reimbursement from two sources for the same foreign travel expense;

Assisting a Senator or former Senator in converting campaign funds to their personal use;

Assisting a lame duck Senator to travel at government expense after certain "cut-off" dates;

Performing services for any Member, committee, or office of the Senate for a period in excess of four weeks (and for more than eight hours a week)—if you receive compensation therefor from any source other than the U.S. Government—unless your supervisor reports to the Ethics Committee how your services are used: (a) when you begin; (b) at the end of each quarter; and (c) when you stop;

Using travel funds for other than actual travel expenses (and require unused balances to be returned to the government).

NEW RULES FOR ALL EMPLOYEES WHICH TAKE EFFECT AFTER APRIL 2

Other major provisions of the Code of Official Conduct will have these effects on and after the dates shown:

On May 1, 1977, you may not:

Solicit campaign funds;

Receive, be custodian of, or distribute any campaign funds unless you are one of no more than two employees (in the personal office) of a Senator, who receives an annual salary of $10,000 or more and who files a comprehensive financial disclosure statement each year, whom the Senator formally has designated with the Secretary of the Senate to do so.

On October 1, 1977 (with the first filing on May 15, 1978, or on any date immediately after October 1 if you leave Senate employment) you must, if your compensation is $25,000 or more:

Publicly disclose the details of your earned income, honoraria, gifts, real and personal property, personal liabilities, transactions in securities or commodities futures and purchase or sale of real property;

File your income tax returns with the General Accounting Office in a sealed envelope to be opened only in the case of an investigation.

On January 1, 1978, you may not assist a Senator to:

Use the frank for mass mailing 60 days before the date of a primary or general election in which the Senator is a candidate (and Senators must register mass mailings, newsletters, for example, periodically with the Secretary of the Senate so that the public may inspect them);

Use campaign or personal funds to buy paper for mass mailings;

Use the Senate computer facilities to store, maintain, or otherwise process lists of names and addresses identifying individuals as campaign workers or contributors, as members of a political party or by any other partisan political designation; nor to produce mailing labels or computer tapes except for use in Senate facilities;

Use the radio and TV facilities in the Capitol for 60 days preceding a primary or general election in which he is a candidate.

On April 1, 1978, you:

May not, if your Senate salary exceeds $25,000, provide professional services for compensation, such as engaging in the practice of law, in affiliation with a firm, partnership, association or corporation; permit the use of your name by a law firm or other business; practice a profession for compensation during regular working hours; or serve as an officer or director of a publicly-held business,

with minor exceptions (as stated in Rule 45, paragraph 7);

May be required, if a committee employee with a salary exceeding $25,000, to divest yourself of financial holdings which may be affected by the actions of the committee for which you work, unless the Ethics Committee and your supervisor approve otherwise (as stated in Rule 45, paragraph 8);

May not, for a period of one year after leaving your position, lobby certain members and employees of the Senate (as stated in Rule 45, paragraph 10).

On May 15, 1978:

Your public financial disclosure statements are subject to audit.

On January 1, 1979, if your Senate salary exceeds $35,000:

Your outside earned income may not exceed 15 percent of your Senate salary, with exceptions for income from advances and royalties on books and from the sale of creative or artistic works, and for income from buy-out arrangements, family enterprises, and distributive shares of partnership income if certain tests are met (as stated in Rule 45, paragraph 3).

After January 3, 1979:

You may not, as a supervisor, engage in (and as an employee you may seek Ethics Committee investigation and other action regarding) discrimination in Senate employment on the grounds of race, religion, sex, national origin, age or state of physical handicap.

S. Res. 110 also assigns to several committees, including the Ethics Committee, the task of studying supplementary rules and regulations designed to foster ethical conduct. Such new provisions may be added to the Code throughout the coming year.

This summary does not include precise details, exceptions and explanations, but it does describe the principal features of this strong Code of Official Conduct.

We encourage you to consult the full text of each new Rule, available from the Senate document room or this Committee. The Ethics Committee plans to distribute additional information to assist you in complying with the Code, as soon as it can be prepared. If you have questions about the application of the Code to you, please address them in writing to the Committee.

Sincerely,

ADLAI E. STEVENSON,
HARRISON SCHMITT.

THE REPUBLICAN PARTY

Mr. MATHIAS. Mr. President, a vigorous and healthy two-party system has been one of the bulwarks of our democracy. Anything that threatens the effective functioning of this system threatens our democratic processes as well.

In recent years an imbalance has been growing between our two parties until, finally, it has come to assume very troubling proportions. The Republican Party—my party—now claims the allegiance of only 18 percent of the electorate.

I believe that thoughtful Republicans and Democrats alike are concerned about this development. And it is for this reason that I commend to the attention of colleagues on both sides of the aisle a very cogent article entitled "Blacks and the GOP," written by Vernon E. Jordan, Jr., executive director of the National Urban League. Mr. Jordan's advice to the GOP on how to broaden its base is important and timely. I ask unanimous consent that his article from the New York Times of March 28, 1977, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BLACKS AND THE GOP

(By Vernon E. Jordan, Jr.)

The Republican Party, stripped of the White House, a minority in the Congress and among state governors, and facing a continued hemorrhaging of supporters, is preoccupied with an internal debate over its future. Unless the party courts black voters and associates itself with their needs and aspirations, that future may be bleak.

Some Republicans suggest that the party write off the black vote and pursue white ethnics, stressing so-called "social issues." Such a strategy implies careful cultivation of racial hostility, elimination of "social" programs, and marshaling of anti-Government feelings.

That sounds like a prescription for reducing the party to a permanent fringe group. It was tried by Richard M. Nixon and Gerald R. Ford and was a factor in last fall's election defeat. It falsely assumes that racism is more endemic among ethnics than among whites in general, and it fails to locate the identity of economic interests between blacks and white ethnics. Both sectors are working-class, disproportionately poor, and urban.

Other Republicans see prospective votes in a supposedly conservative black middle class partial to "law-and-order" anticrime appeals. But this view betrays an ignorance of the black community and represents a false hope for the party.

Middle-class blacks are middle class economically because of multi-earner families, and they retain family, friendship and neighborhood ties to their less-fortunate brothers and sisters. This "middle class" has none of the economic security and status of the white middle class, and it is conscious of the role that activist Federal policies have played in giving black people better economic opportunities.

Concern with crime is real and understandable, but so too is the reluctance to support white-initiated "law-and-order" campaigns they know will translate into "sweeps" of black communities and restrictions on their freedoms. It is not uncommon for blacks living in white suburbs to be stopped by policemen suspicious of their presence there.

The Republican Party does have a chance to slice enough black votes away from the Democrats, but it won't get them through continuation of malign neglect or courting a nonexistent conservative black middle class.

If the party is serious about wanting black votes, it will have to endorse programs and policies needed by the black community; it will have to nominate black candidates and admit blacks into prominent internal party positions of real authority, and it will have to take a more positive approach toward urban and poverty problems that affect blacks.

This does not mean that the Republican Party necessarily has to abandon its traditional position to the right of the Democrats. There is plenty of room for the party to move toward the center and to enunciate creative programs within its traditional philosophy.

The Republican stress on private enterprise calls for formulation of Federal laws and programs that will better enable the private sector to help solve serious urban, social and economic problems. And long-standing suspicion of central government does not have to mean support of bloc grants and community-development laws such as those passed during the last Administration that take money from poor cities and give it to better-off suburbs.

If the party philosophy is truly viable in today's interdependent, mixed-economy, pluralistic society, then it must escape a negative approach and come up with programs consistent with that philosophy yet relevant to the needs of poor people and minorities.

If it can do that, it stands a chance to chip away enough black voters from the Democrats to elect a Republican President again. Black voters hold the balance of power in nearly all the populous Eastern and Northern states, and hold the key to the South. President Carter's razor-thin margin last November was provided by solid black support—a swing of just a few percentage points in black votes to the Republicans would have elected Mr. Ford.

Black voters fully understand the dangers of putting all their electoral eggs in one basket, but to date it's been the only basket available, as the Republican Party has pursued policies perceived by blacks and whites alike as antiblack.

Changing those policies holds the key to a Republican resurgence in American politics; continuing them means reducing the party to permanent minority status.

ALL-OUT EFFORT CUTS HEART ILLNESS

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the April 3 edition of the New York Times entitled "All-Out Effort Cuts Heart Illness."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALL-OUT EFFORT CUTS FINNS' HEART ILLNESS—HIGHEST ATTACK RATE IN THE WORLD IS REDUCED 40 PERCENT FOR MEN AFTER COUNTRYWIDE CAMPAIGN

HELSINKI, April 3.—A rural county in eastern Finland has for years recorded one of the world's most morbid statistics: More people died there from heart disease than proportionally anywhere else in the world. But no longer.

A five-year program of preventive medicine involving the whole population of 180,000 in North Karelia has decreased heart disease significantly. The heart attack rate for males has dropped 40 per cent, and the 30-year annual increase of heart disease incidence has been stopped.

"Nowhere else in the world has there been a program like this," said Dr. Pekka Puska, 31 years old, the project's principal investigator since it began in 1972.

Finland has the worst rate for heart disease of all developed nations, but it was in North Karelia, where 70 per cent of the population do farm work or forestry, that the mortality rate was at its worst. Now, North Karelia has dropped to fifth place among Finnish counties.

GOVERNMENT AND W.H.O. HELP

Concerned community leaders petitioned the national government for help, and in 1972 the state-financed program began with assistance from the World Health Organization.

Dr. Puska said: "We knew from many studies that three factors working independently—smoking, high blood cholesterol and high blood pressure—were major causes of heart disease. Those causes seemed to hold true for North Karelia. They smoked too much, they had high blood cholesterol and they had high blood pressure. We had to change that entire situation."

He did that by involving the entire community in various projects. A team of 15—half medical and the rest economists, sociologists, psychologists and similar professions—evaluated the results at the University of Kuopio.

Laws were passed forbidding smoking in public buildings and on public transport, and many private offices voluntarily joined the campaign. Newspapers and radio stations,

leaflets and posters all publicized the danger to the heart from smoking.

Preliminary results now show that 44 per cent of the male population still smoke, compared with 54 per cent when the project began.

Reducing the fat in the blood stream was difficult because the North Karelian diet is traditionally based on fatty foods using local products.

NONFAT MILK PROMOTED

"We worked with the dairy which was a key source of the fat. We wanted people to switch from regular milk to low fat milk. The dairy people were very helpful and they promoted low fat milk and eventually nonfat milk," Dr. Puska said.

People also liked to spread thick butter on their bread. "We asked the community to use margarine. We wanted to mix vegetable oil in butter, but there were legal complications now being resolved in Parliament," he said.

Grilled sausages were a popular food, especially after an exhausting steaming sauna. But the local product contained too much fat and it took several experiments until a substitute was found using mushrooms growing freely in the surrounding forests.

Sausages are now made with a 25 percent mushroom content. "They're delicious and sell very well," Dr. Puska said.

Fresh vegetables were rarely seen on the dinner table. Housewives were urged to buy vegetables and a major campaign was began to have everyone start a vegetable patch.

DECLINE IN USE OF BUTTER

Preliminary evaluations showed users of low-fat milk increased from 17 to 56 percent and users of butter decreased from 86 percent to 69 percent.

But preventing high blood pressure was not possible. "There is no real knowledge of how to prevent high blood pressure from starting. We don't really know what causes it, but we could help by detecting problems earlier than before," Dr. Puska said.

Everyone had his blood pressure taken at frequent intervals, a register was kept and drug treatment was given in a number of cases.

After four years, the percentage of men receiving hypertension treatment increased from 3 to 10 and in women from 9 to 14—an indication the disease was being discovered at an early stage, allowing for better treatment.

Mr. KENNEDY. Mr. President, this brief clipping recounts the results of a truly remarkable 5-year program which reduced the incidence of heart attacks by 40 percent in one county in Finland. The Finns accomplished this feat through elementary techniques of preventive medicine. Through persuasion and advertising, the investigators involved were able to cut cigarette smoking, change diets to reduce blood cholesterol, and convince the target population to seek medical attention for high blood pressure.

These relatively simple interventions produced a truly remarkable improvement in health status. In this country we have only begun to understand the power of preventive medicine to ease the burden of illness under which we labor, and I commend Finland and the investigators involved for documenting the potential benefits of changing personal behavior for the purpose of saving lives.

ORBITER IS FIRST SPACECRAFT DESIGNED FOR SHUTTLE RUNS

Mr. GOLDWATER. Mr. President, appearing in the May issue of the Smithsonian magazine is an extremely interesting, well-written article about the spacecraft that will be flying shuttle runs within a few years to different satellites or workshops in space. This article was written by Michael Collins, who not only is one of our most famous astronauts, but who also runs the finest air and space museum in the world which is located at the Smithsonian Institution. Because the orbiter will become the part of the greatest step forward that man has ever undertaken, I believe the article is deserving of perusal by the Members of this body. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ORBITER IS FIRST SPACECRAFT DESIGNED FOR SHUTTLE RUNS

(By Michael Collins)

When I was a kid reading Buck Rodgers, the spacecraft all looked like bullets or saucers, with sweeping fins and fancy tail skids. The real thing turned out to be more prosaic, but as Phase I of the space era winds down and Phase II begins, perhaps we are beginning to see Buck's dream emerge in the squat but elegant space shuttle, NASA's "flying brickyard."

The shuttle, also known as the orbiter, rockets into orbit but glides back to Earth. Proponents claim it will usher in a whole new era of routine space operations. Critics say it's unnecessary. Designed to be the country's space workhorse for years to come, the shuttle is a fascinating combination of old and new concepts, at once daring and conservative in design.

The basic idea behind the shuttle is simple enough: a craft that can be used over and over again, instead of falling into the ocean and being discarded, as rockets are. An early shuttle design featured a two-stage vehicle, each with a human crew. When the first stage ran out of fuel, it released the second, which continued its climb into orbit while the first returned to land on a runway. This concept was abandoned, primarily because of high initial cost, and the manned first stage was replaced by a pair of gigantic solid-propellant rockets. These rockets will fall into the sea when empty, as their predecessors have done, but they will descend via parachute and be recovered for use again.

The shuttle will continue under its own power, three rocket engines churning away—using fuel stored in a huge external belly tank that will be discarded before the ship reaches orbit. The principle of recycling has not been followed completely, since the external tank is lost. But the shuttle itself can make as many as a hundred flights between overhauls.

The first orbiter, Serial Number 101, was rolled out of its hangar at Palmdale, California, on September 17, 1976, amidst great fanfare. Senator Barry Goldwater blessed it, as did Olin (Tiger) Teague of Texas and a bevy of other politicians, bureaucrats and community leaders. NASA had intended to name 101 the *Constitution*, but the White House got so many letters from *Star Trek* fans that the name was changed to *Enterprise* in honor of Captain Kirk's starship.

The orbiter is generally described as about the size of a small jetliner, which is true in terms of length and width, but it is much bulkier and far more complex than any aircraft ever built. It must carry equipment needed not only to navigate and maneuver in space, but also to survive the searing heat of reentry into the atmosphere. In addition, the shuttle must be able to glide back to a safe landing, decelerating from an orbital speed of 17,000 miles per hour to about 180 knots as it touches the end of the runway. The rules of flight change radically as the craft passes from one aerodynamic regime to another. The complex sweep of the orbiter's delta wings and the exaggerated height of its vertical tail indicate the designers' concern about its ability to maneuver successfully from the hypersonic through the supersonic into the subsonic range.

Beneath its skin one finds equipment common to both airplanes and spacecraft. The flight controls, for example, are a combination of aerodynamic and reaction control systems. Above the atmosphere, maneuvering must be done by firing small rocket motors; in the atmosphere, conventional rudders and elevons are employed. In the middle speed and altitude range, during reentry, rocket and aerodynamic controls must be skillfully blended. The pilot is aided in this task by sophisticated computers, which decide just how much to move the control surfaces or how long to fire the rockets in order to change direction. Without them, the orbiter might lurch out of control into a hypersonic spiral from which the pilots could not recover before the craft exceeded its structural or thermal limits. The computers also perform a host of other chores, from keeping track of the fuel supply to remembering the orbital parameters of satellites that the crew may need to inspect or repair.

The orbiter needs electrical and hydraulic power, just as conventional jetliners do, for operating landing gear and flaps, but here electricity is provided by three lightweight fuel cells that use liquid hydrogen and oxygen, as in the Gemini and Apollo spacecraft. Hydraulic power is provided by ordinary pumps, but space temperatures are so low that the fluid must be heated or it will freeze in the lines. The cabins of airliners are pressurized so that passengers may breathe, but in the vacuum of space the orbiter must carry its own air supply.

The crew will be comfortable in their shirt sleeves, breathing 20 percent oxygen and 80 percent nitrogen at a pressure of 14.7 pounds per square inch—conditions like those we enjoy at sea level. The cabin of the orbiter will be quite similar to that of a jetliner, with pilot and copilot sitting side by side; seats behind them are provided for a mission specialist and a payload expert. Underneath this flight deck is a compartment with room for six additional seats, so that a total of ten people can be accommodated if required for a rescue mission. The crew can be as few as two, for the early test flights, or as many as seven, including scientific and technical people to care for a variety of payloads. A typical mission will stay in orbit a week, but if extra supplies are provided it can be stretched perhaps to 30 days.

The orbiter's bay is huge by present space standards, stretching for 60 feet along the fuselage. Clamshell doors swing outward to provide easy access to the 15-foot-wide cavity. The bay can handle cargo loads up to 65,000 pounds, some of which can be jockeyed around by the crew with manipulator arms. Two people at a time, protected by space suits, can inspect or repair payloads.

Satellites are very much a part of our daily lives, giving us ringside seats at the Olympics, tracking hurricanes, monitoring missile firings, identifying potential oil-bearing formations, seeking out subsurface water, mineral deposits and earthquake fault zones, and helping us predict the volume of spring run-

off by calculating the accumulation of snow in the mountains. Satellites can pinpoint sources of pollution, chart ocean currents, show where deserts are spreading and identify some crop diseases. But they must also be extraordinarily reliable, because they cannot be repaired or retrieved once in orbit. In the future, shuttle crews will be able to bring them back to Earth for repair. Thus, the shuttle will allow us to perform tasks which heretofore have been too expensive with one-shot expendable boosters and payloads.

ZERO GRAVITY EXPERIMENTS

The European Space Agency is producing a cylindrical spacelab, tailor-made to fit into the orbiter's cargo hold. It will accommodate as many as four scientists for a month of varied astronomical observations, physical and chemical experiments under zero-gravity conditions, and complex studies of the medical effects of prolonged weightlessness on the human body.

The Earth's atmosphere blocks out most of the electromagnetic radiation coming to us from the rest of the universe. After centuries, earthbound astronomers are increasingly anxious to break through this semi-opaque screen. Optical, infrared and ultraviolet observations aboard the shuttle and spacelab could begin in the near future.

How much does NASA expect to save with a reuseable vehicle? The real cost of a launch depends mainly on how one amortizes the initial research and development, but NASA recently has told potential foreign and commercial users to expect a price tag of approximately $20 million per shuttle mission, while U.S. government users will pay $17 million per flight. By comparison the shuttle's chief competitor, the Air Force's Titan III rocket, costs $46 million per launch, yet carries a substantially smaller payload.

Potential users, primarily the Department of Defense, were asked to list their needs for the Eighties and Nineties. The results of this survey indicate that approximately one launch per week should suffice, assuming the shuttle replaces all expendable boosters with the exception of the lightweight Scout. NASA would like to see more launches, which would reduce the unit price, and the Department of Defense foresees a need for some additional capacity in the 1983–91 period. But, Defense asks, what happens if they want to get a satellite up in a big hurry? Will NASA drop everything else to meet their needs? What happens if some defect turns up that grounds the five-shuttle fleet? What about sabotage? Shouldn't Defense keep an independent launch capability for emergency use? NASA wonders if the nation can afford to keep a redundant launch capability that might never be used. The total cost of designing and building the shuttle fleet and putting it into service is now estimated at $9.5 billion.

As a former astronaut and test pilot, however, it's not financing the shuttle that really interests me, but flying it. Although it won't go into orbit until 1979, its glide tests will begin this summer at Edwards Air Force Base, California. The *Enterprise* will be carried aloft by a Boeing 747 jumbo jet and released at 22,000 feet. For the first five of these flights, the orbiter has been modified slightly from its space configuration: a special streamlined tailcone has been added to reduce aerodynamic drag and improve glide characteristics. With the tailcone, flight time from release to touchdown is about five minutes. Without this device, the orbiter glides like a skipping stone and stays aloft only two minutes. The last three test flights will be without the tailcone. Another modification for the early tests is the addition of two ejection seats; accordingly, the crew will be limited to two. During the brief moments after they are freed from the 747, the pair will earn their pay, going through a fast-paced but elaborate series of maneuvers to measure the subsonic handling qualities of this 150,000-pound glider.

DEAD-STICK LANDING AT 180 KNOTS

With very little margin for error, and with no chance to compensate for a serious goof, the last 60 seconds of the shuttle test flights will be exciting indeed. Coming down at an angle of ten degrees with the tailcone on or 22 degrees with tailcone off, and a speed of about 240 knots, the pilot aims for a point just short of the runway When he reaches approximately 1,500 feet above ground he starts to flatten the glide path to 1.5 degrees, creating a stress 1.7 times the force of gravity. At no less than 300 feet, he lowers the landing gear. His craft is now decelerating rapidly as it crosses the runway threshold and approaches the selected touchdown point. As indicated, landing speed will be 180 knots when the orbiter is empty, slightly higher when it is carrying a load. All this with no engine power to correct for mistakes!

A power-off glide to a precision landing is not quite as death-defying as one might imagine, however. With computers to help, both on the ground and aboard the orbiter, the pilot will know whether he is on the proper glide path. Corrections back to the ideal path can be made by varying airspeed, making S turns or using the speed brake. Completely automated landings, with no help from the pilot, will be possible ultimately, even under the worst weather conditions.

After the *Enterprise* leaves Edwards in 1978, two years of ground tests will measure system stresses under simulated flight conditions. In March 1979 the second orbiter, as yet unnamed, will be first to venture into space with human beings aboard from Pad 39 at Kennedy Space Center, the old Apollo moon-launch site. Again a crew of two, sitting in ejection seats, will be employed.

In former times, putting men aboard a test vehicle that had never been in space would have seemed daring. But NASA is more confident now than in the days of Saturn V. Without crews, both flight sequences would have had to be automated, including the tricky reentry and landing at Edwards. The idea of an unmanned test orbiter zooming in from the Pacific and zipping over southern California at 1,700 miles per hour made planners a little edgy.

The airplanelike shape of the orbiter, its external belly tank and the two solid rocket motors combine to create the most complex configuration ever rocketed from Kennedy Space Center. This lack of symmetry puts an extra burden on the shuttle's control systems during launch, for as it gains speed and its wings produce more lift, it will tend to veer off, so it must be pulled back into line by swiveling the rocket engines to the opposite side. As it passes the speed of sound, the orbiter's shock waves will interact with those produced by the external tank and the solid rockets.

Predicting what will happen then is more of an art than a science, but it is believed no dangerous vibrations or oscillations will result. If they do, the crew can probably eject to safety. If the shuttle is going to act up, we hope it will do so early in the flight test program, because after the first four flights from Kennedy Space Center, out come the ejection seats, and in goes the normal crew of four or more. Then they will be at the mercy of the solid rockets, for once they ignite the crew has no choice but to hang on for the ride. After the solids burn out at an altitude of 25 miles, the crew can turn around and head back to Kennedy if things don't look right. This arrangement makes an old pilot like me nervous, but solids have a very good safety record, and a low altitude abort capability may be simply an outmoded vestige of the early days of space flight.

Previous manned vehicles have controlled thermal buildup by shedding tiny chunks of incandescent heat shield. The orbiter has no shield of this type, but its belly is protected by semipermanent silicacoated ceramic blocks designed to radiate heat back into the atmosphere. Their checkerboard finish gives the orbiter the bizarre look of a flying brickyard.

Who will fly this strange craft? Initially, the same group of astronauts and test pilots we have become familiar with over the years. Commander of the first drop test at Edwards will be Fred Haise, who limped back from the moon aboard Apollo 13 after its oxygen tanks exploded. The captain of the second Edwards test will be Joe Engle, veteran of a dozen X-15 hypersonic research flights. The first orbital crew has not yet been picked, but they probably will be familiar names. Beyond that point a newer generation doubtless will begin to emerge.

NASA has realized that it needs more crew members and has issued invitations for both pilots and mission specialists to apply, but no later than July 1, 1977. The agency is looking for young, well-educated, highly motivated specialists, male or female, to usher in Phase II of America's adventure in space. The machine they fly certainly will be different, combining such daring features as a manned first launch and a power-off landing with the more conventional aircraft systems. It sounds so promising and so much fun that maybe even a broken-down former astronaut or two will slip application papers into the pile.

DEFENSE MANPOWER PAY AND COMPENSATION

Mr. MUSKIE. Mr. President, during the past several years, I have become increasingly aware of the concern of our Nation's servicemen that defense manpower pay and compensation is being diminished piecemeal by Congress, with no attempt to relate partial changes in the system to their overall effect on the living standards of servicemen and their families.

The issue is vital, not only because manpower costs consume a sizable proportion of our defense budget, but also because of the interest we all have in maintaining a high degree of professionalism and dedication in our armed services.

There is a clear need for a reform of manpower pay and compensation policies which can lead to substantial savings in the military manpower budget. Without such reforms, I am concerned about the potential rate of outyear cost increases for manpower accelerating, and this rate of momentum cannot continue without seriously undermining our ability to build and maintain the needed improvements in our defense forces.

At the same time, it is impossible for our service members to maintain their morale and dedication when they fear that their concerns are being ignored by Congress, and their compensation whittled away without regard to their needs.

That is why I welcome the President's decision to appoint a commission to study the total compensation package of the uniformed services and to recommend necessary adjustments within the framework of the total system.

One of my constituents, Captain Wallace of the U.S. Navy, has expressed far better than I could the feelings of the career serviceman as he faces the

future. I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ANNANDALE, VA.,
March 17, 1977.

Hon. EDMUND S. MUSKIE,
U.S. Senate,
Russell Office Building,
Washington, D.C.

DEAR SENATOR MUSKIE: I very much appreciated receiving your recent mailing detailing your remarks on the economic stimulus package. It is not often that those of us serving in the Armed Forces outside of Maine are included on the mailing lists of our Senators or our Representative. I would personally appreciate being retained on your mailing list if possible.

As a career naval officer with over twenty years of service, I wish to address to you a matter of great personal concern to me and many of my fellow servicemembers. Hopefully, my thoughts will be of some value to you as the issue I am about to discuss is debated in the Senate during the 95th Congress. The issue to which I am referring is the ever-mounting criticism of the proportion of total Defense spending allocated to manpower costs, and from my perspective, the mistaken resultant conclusion that military personnel are overpaid.

I wish to preface my remarks by assuring you that I, personally, do not consider myself underpaid. If that were so, I would quite likely have left the Navy long before now. On the other hand, I do not consider myself to be lavishly compensated when I view the demands of a service career relative to alternative professions. On the opposite end of the spectrum from myself as a relatively senior officer are the junior enlisted members who, relative to many of our fellow citizens of Maine, are also reasonably well compensated for their service. However, these servicemembers are not lavishly paid either, as attested to by the difficulties facing the Services in attracting adequate numbers of recruits even during the prevailing period of high national unemployment.

I know you are well aware of the inequitable tax that the draft formerly imposed upon the young men of this nation. When we abolished the draft in favor of an All Volunteer Force concept, we accepted the fact that as a nation we would all have to share in the payment of this tax by providing our first-term personnel equitable wages. This was a relatively expensive decision, but in the aftermath of Vietnam, one which was readily made by a war-weary and conscience-stricken nation. To date the All Volunteer Force concept has enjoyed a measure of success many of us doubted possible; however, in my opinion, this success has been due in large part to a sustained high unemployment rate and a concurrent major force reduction. Recent trends and future prospects cause me to be less than sanguine about the viability of the concept in the years ahead unless we squarely face difficult compensation equity questions.

In January of 1972, the Department of Defense reported to Congress that military pay had attained "reasonable competitiveness" with the private sector. Over 60% of those of us on active duty today were recruited into the All Volunteer Force and entered military service since that time. These volunteers were recruited on the promise of continued equitability of pay and an advertised "fringe benefits" package that marked the military as a model employer at that time. In the intervening five years employers in the industrial sector of the private economy with whom the Services compete for manpower have developed fringe benefits packages that now rival or exceed that of the military. Largely as a result of union-negotiated labor contracts, employees of these firms have also received basic wage increases which have not only kept up with skyrocketing inflation but also provided a modest measure of real growth in purchasing power.

Over this same period Federal employees, including the military, have had their wage growth restrained in an effort to hold down Federal spending, and as noted by the President in 1975, to set an example of fiscal responsibility for the nation. Unfortunately, the example was not widely emulated, and Regular Military Compensation has suffered a decline in purchasing power since 1972 while gains were being realized in the private sector. It is against this backdrop of hard economic reality that the servicemember has viewed the raging debate over excessive manpower costs and the need to reduce overly-generous fringe benefits. It has been a disheartening and demoralizing experience to many, and the direct cause of failure to reenlist, resignation and early retirement for others.

Virtually every major military pay and benefit area has either been altered or totally withdrawn over the last five years: retirement, medical care, education, leave, specialty pays, reenlistment bonuses, and even the method of applying the annual "comparability" raise. Some of these same elements and others as yet untouched have been under continual review and threat of cut: retirement, commissaries, medical care, housing and tax-free allowances. The result of these uncoordinated piecemeal, changes, real or only threatened, has been a growing anxiety among servicemembers over the future security offered by a military career. A recent DOD survey reveals that 85% of the 20,500 enlisted members surveyed believe their pay and benefits to have been eroded over the last four years. This view was held by 23 out of every 24 members surveyed in paygrades E–4 through E–9.

I believe the Services and DOD have acted responsibly in attempting to address the problem of rising manpower costs. We developed and proposed a retirement reform in 1972 which at the time was viewed as a drastic benefit cut by our people, but which has recently been characterized as not drastic enough by many critics. Nonetheless, failure to act on the proposal has already cost taxpayers over $3 billion in potential savings through the year 2000. In 1974 the Services also supported a change in the law to terminate the so-called "Rivers Amendment" which placed all of the annual comparability raises in basic pay, thereby further escalating retirement costs. In 1976 we supported elimination of the 1% add-on increase in each retired pay adjustment which had unduly escalated retirement annuities during our recent inflationary years.

Throughout this time frame the Services have been appealing for definition of a comprehensive military compensation policy, including an agreed-to, defined standard against which to judge the adequacy of total military pay and benefits. Somehow this determination has always been too difficult to make; and lacking it, the random, uncoordinated changes to pay and benefits have continued in the hope that, while making apparently reasonable economies, we weren't inflicting a fatal blow on the All Volunteer Force.

President Carter has now announced his intention to establish a Blue Ribbon Panel to review the findings of the recent Defense Manpower Commission, Third Quadrennial Review of Military Compensation and other relevant studies. The Panel is to report its recommendations for a comprehensive military compensation policy to the President on or about 1 September 1977 with the intent of implementing recommended changes, if any, beginning in FY 79. Speaking as a career serviceman with a great love of the Navy and a strong desire to continue serving until forced into retirement, I fervently hope this time we will allow the Panel to conclude its deliberations and then act to implement its recommendations.

We careerists aren't adverse to change. We are merely frustrated and disheartened as a result of remaining under continued fire from the public we have chosen to serve. Whatever recommendations the Panel should make, I am certain the career servicemembers will support them provided they include an agreed-to standard against which to evaluate pay and benefits in the future; a standard which guarantees the reasonable expectations of career servicemembers for their own and their dependent's or survivor's future security.

Senator Muskie, I urge you to speak out from your influential position in the Senate in favor of a moratorium on further pay and benefits changes until such time as the President's Blue Ribbon Panel can conclude its deliberations and the Congress can act upon its recommendations to establish a comprehensive military compensation policy that is both fiscally responsible and in the best interest of national security. I am convinced that only in this way can we traditional Service leaders in the Congress, the Administration, and the Services themselves restore the confidence of our people that we are prepared to represent them in their aspiration to preserve military service as an honored and attractive profession. Failing this, I fear that none of us will succeed in stemming the rising sentiment favoring military unionization; an eventuality I believe would irrevocably alter the two hundred year tradition of Service to Nation which has been the hallmark of the U.S. Armed Forces.

Thank you for taking time to consider this lengthy letter. It need not to be answered or acknowledged unless you choose to, as I have provided it merely to acquaint you with my views on an issue of personal concern to me.

Sincerely yours,

RICHARD J. WALLACE,
Captain, U.S. Navy.
Permanent Residence: Topsham, Maine.

CIVIL DEFENSE: WE NEED IT

Mr. GOLDWATER. Mr. President, for many years the nuclear strategy of the United States has been based on the theory of "assured destruction." The belief has long been that a first strike by either of the world's leading nuclear powers would bring such destructive retaliation that neither side would ever resort to such a course. Now the question arises as to what would happen if either the United States or Russia could be assured of withstanding to an acceptable degree a retaliatory assault by the other. Mr. President, what I am getting at here is the problem arising from the Soviet Union's great emphasis on civil defense at the present time. The new phase of Russian activity has led to an interesting scenario recently released by the Pentagon. Suppose in some future confrontation between this country and Russia, the Soviets simply evacuate their cities and then threaten to bomb American cities.

Mr. President, this question is becoming more important every day in the matter of nuclear balance of strength. A recent editorial in the Phoenix Gazette, underlines this problem, and explains why we need greater emphasis on a civil defense program in this country. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CIVIL DEFENSE: WE NEED IT

American nuclear strategy is based on the theory of "assured destruction."

Former Secretary of Defense Donald H. Rumsfeld has said the U.S. hopes to deter Russia from a nuclear war by having "some minimum force which can survive even a well-executed surprise attack in adequate numbers to strike back with devastating force at an enemy's economic and political assets."

Quite simply, if the Russians know the United States can absorb a first strike and retaliate with total destruction of the Russian economy, they will never launch their nuclear-armed missiles.

American statesmen were so convinced of the validity of "assured destruction" that they agreed, in the first SALT agreement, to give up this country's lead in anti-ballistic missiles. If neither side had an effective defense, went the argument, there would be even more validity to the theory of "assured destruction." That would bolster the "strategy of terror" on which the U.S. depended.

At the end of World War II the Air Force made a survey on Hiroshima, where a nuclear device had been used on an undefended city. The survey showed that the A-bomb had not been all that awesome.

On the day after the bomb was exploded, "bridges into downtown Hiroshima were opened to traffic, and electric service was restored in some areas. On the second day, trains were again operating. By the third day, some streetcar lines resumed service. Within nine days, telephone service was restored to the center of the city. In the outlying areas of the city, water, sewer, and gas service was never interrupted."

Presumably a city prepared for an atomic war could recover much more rapidly than was done by unsuspecting Hiroshima. The Russians are preparing themselves for such a recovery.

They have given civil defense a high priority at the same time they are building up their offensive nuclear arsenal. This defense consists in evacuating industrial centers, protecting the workers in crude but effective bomb shelters, and then sending them back to rebuild the devastated cities.

This new phase of Russian civil defense has led to an interesting scenario recently released by the Pentagon. Suppose, at some future confrontation between the United States and the Soviet Union, the Russians simply evacuate their cities and then threaten to bomb American cities.

The enemy would, in effect, be holding American cities as hostages. Either the U.S. would back away from the confrontation or Russia would launch an attack with the assurance it could survive a retaliatory attack.

This may be far-out military theory, but the possibility has some serious planners worried. Many congressmen are wondering whether the virtually discarded American civil defense shouldn't be reactivated.

It may be later than anyone thinks in the matter of plans to survive an atomic attack and win a nuclear war.

ETHICS COMMITTEE NOTICE: ALL SENATE STAFF MUST FILE OUTSIDE EMPLOYMENT REPORTS

Mr. STEVENSON. Mr. President, I and Senator SCHMITT, for the Select Committee on Ethics, give additional notice that rule 45, paragraph 3, requires all Senate officers and staff who are engaged in outside business or professional activity or employment for compensation to file with their supervisor on May 15, next, a report of each activity or employment.

Senators and staff are further advised that, under the "definitions" provisions of rule 49 of the Senate Code of Official Conduct, agreed to April 1, 1977, and which took effect April 2, 1977, the outside employment report requirement now applies, not only to persons whose salary is disbursed by the Senate, but also to any officer or employee of the Government detailed for service in a Senate office and any other individual whose full-time services are utilized for more than 90 days in a calendar year by a Member, officer, or employee of the Senate in the conduct of official duties. In other words, the new rule on this matter requires any detailed Government employee, educational fellow, or full time volunteer to file a report of his or her personal service activity or employment for compensation.

It is the responsibility of each individual to file the report with the supervisor at the time his or her Senate office employment detail or assignment starts—if there is outside employment to report—at the time outside employment starts and anew on May 15 of each year.

We further advise the Vice President, Senators, and officers of the Senate that rule 45 requires them as supervisors to review these reports and to take such action as is necessary for the avoidance of conflict of interest or interference with duties to the Senate.

Staff are reminded that they must file a new report in mid-May, if they have outside service or employment activity, even if they have filed one previously. Staff who have no such activity or employment need not file a report.

Inasmuch as May 15 falls on a Sunday this year, staff should file their reports with their supervisors this year by close of business Monday, May 16.

Forms for making this report may be secured by calling the committee, extension 4-2981, or by visiting the office, 1417 Dirksen.

YOUTH EMPLOYMENT

Mr. JAVITS. Mr. President, last Friday, April 22, the Employment Subcommittee of the Senate Human Resources Committee, of which I am the ranking minority member, held the third of 3 days of hearings on S. 1242, the Youth Employment and Training Act.

The committee and the Nation had the benefit of the fine testimony of three of our distinguished colleagues: the Senator from Oklahoma (Mr. BELLMON), the Senator from New Mexico (Mr. DOMENICI) and the Senator from Idaho (Mr. MCCLURE).

Mr. President, the perspective and the wisdom of these three members of the Senate Budget Committee, who have spent so many hours examining the serious and endemic problem of youth unemployment in our country, should be read by all who have an interest in the legislation now moving through Congress. Their work is, itself, testimony to their commitment and dedication to alleviating the critical problem of such severe structural unemployment among our young people as to account for 50 percent of all the unemployed in the United States.

Mr. President. I ask unanimous consent to have printed in the RECORD the statements of Senator BELLMON, DOMENICI, and MCCLURE.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HENRY BELLMON BEFORE THE HUMAN RESOURCES COMMITTEE, APRIL 22, 1977

Mr. Chairman, I concur with my colleague from Idaho in that I appreciate the opportunity to testify, and I also want to associate myself with his remarks. Additional focus on private sector incentives to hire youth will enhance the youth unemployment legislation. I also favor the allocation changes in the Javits-Humphrey amendment as discussed by Senator McClure.

I, too, support legislation to address youth unemployment, but there are specific provisions before the Committee which I find troublesome and which I want to call to the attention of the Committee. S 1242 provides programs only for out-of-school youth. The Javits-Humphrey amendments provide for a 15% set aside for programs for in-school youth to be jointly coordinated by the prime sponsor and the local education agency. While the amendment improves the legislation, I don't believe it completely solves the very serious problem in regard to public school involvement in the youth unemployment program.

A youth bill which ignores the public education agencies is not desirable. Prime sponsors must work in concert with local education agencies to avoid duplication of effort in regard to services now available in the schools. With local resources and state and federal vocational education resources, many local education agencies are providing training, counseling, and placement services. Any new services should be coordinated with such existing activities and the excessive costs of dual delivery systems should be avoided.

In the past, vocational and other education programs and job creation programs have operated independently of one another for the most part. When support for work-study programs has been available to education systems (as in Part H of the vocational education act), the schools have been hampered by matching requirements, youth salary restrictions ($45 per month under Part H), and lack of administrative and counseling support.

Job programs outside the schools have often competed with the schools and have stimulated school drop outs as disadvantaged youth actually leave school in order to qualify for the more lucrative work programs. All too often these youth are returned to the ranks of the unemployed once the public subsistence program has ended. We must put an end to the incentive to drop out of school in order to take part in a jobs program.

We are simply worsening the long term problem when we fail to provide the education and training necessary to continue employment and to transit youth served from the public to the private sector.

I feel it is appropriate for in-school youth to be served and language should be provided which requires that in-school youth must remain in school in order to be eligible for the program.

The provision in S. 1242 which encourages that academic credit be given for training programs is desirable; however, I must strongly oppose the mandate that federal regulations should be promulgated for providing such credit. Granting of academic credit is a state and local prerogative, and the federal government has no business usurping this role. I urge the Committee to delete the provision requiring federal regulations. All decisions on provision of academic credit should be left to the appropriate state and local agencies.

I want to express my thanks again to the Committee, and I request your consideration of the concerns I have outlined.

STATEMENT OF SENATOR PETE V. DOMENICI BEFORE THE HUMAN RESOURCES COMMITTEE, APRIL 22, 1977

Mr. Chairman, as an advocate of legislation to provide programs for unemployed and underemployed young people, I want to commend the Employment and Poverty subcommittee for their actions to date in negotiation with the several Senators who sponsored youth bills and the administration. I agree with the modifications suggested by Senator McClure and Senator Bellmon, and I want to add my support to their recommendations. As a co-sponsor of two of the youth bills which are incorporated into S. 1242, I certainly plan to support the Human Resources Committee bill.

As the subject of this hearing covers CETA public service employment as well as youth unemployment, I would like to discuss a CETA problem of great concern to me.

Local education agencies employ approximately one-half of all local public employees.

The 1972 Census of Governments, published by the U.S. Department of Commerce, demonstrates the following comparison of local school districts employment with general units of local government:

Number of employees	Counties	Municipalities	School districts	Percent of total
Full time	1,369,000	2,376,000	3,587,000	48.9
Part time	1,777,000	1,920,000	2,710,000	46.7
Full time equivalent	1,242,000	2,029,000	2,981,000	47.7

In addition to teachers, local school districts employ a large number of central office personnel, teacher aides, bus drivers, cafeteria workers, paraprofessionals, and building and grounds maintenance personnel (such as, engineers, janitors, gardeners, electricians, and carpenters). In fact, about 30% of all school personnel are non-professional. The point is that local systems can productively employ a wide range of persons who are currently out of work, as well as provide jobs which have future value in the private sector.

Since approximately ½ of public employees are school districts, it would be reasonable to assume that ½ of PSE slots go to school districts. This has simply not been the case.

While national data is not available on the percent of CETA jobs money which is passed on to local school districts, it has been estimated at less than 10%. Data has been collected for a number of metropolitan districts as shown in the attached tables. School district percentages here range from 0% to a high of 37%.

Municipal, county, and state governments have received anti-recession aid from the federal government through a variety of sources—revenue sharing and public works as well as CETA. Our nation's school districts, also hit hard by the recession, have received very little federal anti-recession assistance.

For example, General Revenue Sharing provides state and local units approximately $6.8 billion of "no-strings attached" assistance every year. In the first years of the program, elementary and secondary education received about 7% of these funds in the nature of new program money (as distinguished from tax relief). The main reason for this underfunding is that local school districts are not eligible as direct recipients and neither the states nor general units of local government are required to provide them with a minimum set-aside. While data is not yet available, a similar result under the $1.25 billion counter-cyclical revenue sharing program would not be surprising. Finally, under the Public Works Employment Act, under the first round of funding, school districts received only 19% of these funds—and then only because they were direct recipients.

We have seriously neglected the economic plight of our schools during the recession. Local school districts are the major local government employer, the demand for productive new positions exists, and funds to pay for those positions cannot be raised without local property tax increases. Therefore, it is difficult to understand how public employment can best serve the economic recovery without the direct involvement of local school districts.

In the past two years, Congress has passed several federal laws which mandate increased education services without fully funding these services. The S. 504 requirements to remove architectural barriers for the handicapped, the individualized programs required under the Education of Handicapped Act (PL 94–142), and the extension of Unemployment Compensation to Public Employees (PL 94–566) have placed additional burdens on our schools.

I believe it is time to recognize the financial plight of our local education agencies. I intend to offer an amendment to CETA titles II and VI which requires prime sponsors to redirect not less than ⅓ of their total CETA grants to local school districts located within their respective areas. While a ⅓ share is not fully representative, given the proposed expansion of the program from 310,000 to 725,000 jobs, it should open up school employment without disrupting existing job commitments for prime sponsors—including those prime sponsors who are currently providing only minimal assistance for local school districts.

Education agencies can provide meaningful employment through the public service jobs program. Education agencies are accustomed to supplementary federal programs, and therefore are not likely to substitute local funds with federal funds, thus greatly diminishing the effects of substitution in the total program. And finally, local education agencies have a great need which I believe the Congress has responsibility to address.

I urge the Human Resources Committee to support this proposal.

LOCAL DISTRIBUTION OF CETA FUNDS—FISCAL YEAR 1975

	Total school employees	Total non-school public employees	Total school CETA dollars	Total local CETA dollars	School percent of public employees	School percent of CETA dollars
Boston	14,000	15,168	$128,415	$17,300,000	48	0.7
Buffalo	6,196	6,616	177,950	13,200,000	48	1.0
Chicago	49,853	45,000	1,700,000	16,000,000	53	11.0
Cleveland	12,466	11,400	4,600,000	12,500,000	52	37.0
Dade County	21,016	19,980	615,000	3,500,000	51	18.0
Houston	13,877	13,471	0	16,000,000	51	0
Long Beach	5,019	4,550	286,000	21,000,000	52	1.0
Los Angeles	77,759	48,720	6,900,000	42,000,000	61	16.0
Memphis	10,466	7,400	115,554	6,900,000	59	2.0
Milwaukee	14,400	9,700	$673,000	$4,600,000	60	15.0
Minneapolis	7,400	7,463	580,000	4,400,000	50	13.0
Oakland	7,000	4,422	2,800,000	9,400,000	61	30.0
Pittsburgh	6,493	6,076	551,841	7,400,000	52	7.0
Portland	5,599	4,730	38,000	1,500,000	54	3.0
San Diego	9,533	6,368	1,500,000	6,900,000	60	22.0
San Francisco	9,101	20,034	100,000	13,000,000	31	.8
Toledo	4,759	3,522	424,590	5,100,000	57	8.0
Washington, D.C.	12,107	31,701	932,284	15,500,000	28	6.0

School system and budget situation	Number of school employees	Number of city employees	CETA allocations to school system[1] (millions)	CETA allocations to prime sponsor[2] (millions)	School system: Percent of CETA allocations	School system: Percent of public employees[3]	Budget (millions)	City budget (millions)
Atlanta	8,469	9,000	$1.9	$21.1	9	48	$108	$100
Dade County: Anticipate terminating 458 teacher aides and 277 clerical workers next year to help alleviate estimated $31,000,000 deficit	26,190	22,243	2.6	22.0	12	54	521	639
Memphis: Program cutbacks required	11,838	7,518	1.4	11.6	12	61	132	129
Minneapolis: Anticipate cutting $6,000,000 in services and salaries; 300 to 400 jobs will be terminated	7,491	5,500	2.7	13.3	20	58	85	70
Nashville: Anticipate program cutbacks but no employee terminations	4,446	3,554	2.1	9.2	23	56	95	123
Buffalo: May have to terminate 400 to 600 teaching positions	5,749	5,818	.5	19.8	3	50	100	157

[1] Includes prime sponsor grants to local education agency under titles I through VI for fiscal year 1976.

[2] Includes total allocations under titles I through VI for fiscal year 1976.

[3] Compares employees supported by local funds only.

STATEMENT OF SENATOR JAMES A. MCCLURE BEFORE THE HUMAN RESOURCES COMMITTEE, APRIL 22, 1977

Gentlemen, I appreciate the opportunity to appear here today to discuss youth unemployment. As the need for legislation in this area is well documented and has been discussed in detail on the Senate floor as the various bills have been introduced, I will confine my remarks to consideration of the specific provisions of the legislation.

As a strong proponent of legislation to address the problems of unemployed youth, I am gratified by the timely response of the Human Resources Committee and the plan to move ahead in this area as quickly as possible. The amalgam of youth proposals in Senate Bill 1242, the Youth Employment and Training Act of 1977 is a comprehensive approach with many commendable components. I was particularly pleased that Part C of the bill incorporates much of S. 503, the Youth Employment Act which I introduced with Senators Domenici, Bellmon, and Javits.

I was also a co-sponsor of the Stafford-Randolph Bill which was the precursor of Part B of S. 1242.

While I basically support the approach of S. 1242, there are several areas which I feel can be improved. The basic approach to Part C of the bill is similar to S. 503 in that funds are provided to CETA prime sponsor to support a broad range of manpower services. The actual mix of services in any given area can thus be based on the needs of the local labor market. While I whole-heartedly endorse this approach, I believe that the eligible activities should be expanded to provide incentives to private employers to train or employ unemployed or low-income youths. I refer the committee to subsections 8 and 9 of Section 701(b) of S. 503.

The emphasis on training and job creation in the private sector contained in these sections should be incorporated in the final committee bill.

Permanent and meaningful employment for our young people must ultimately be found primarily in the private sector. Increased interaction between the manpower service programs and the private sector should result in greater freedom of selection for young people, more relevant training to match job opportunities, and greater likelihood of moving our youth into gainful employment in the private sector. I ask the committee to add language which provides a greater focus on the private sector.

Several other problems I find with the bill have been addressed by Senators Javits and Humphrey in amendment number 184. The allocation of funds for youth unemployment programs should be based on the number of unemployed and low-income youth rather than on unemployed and low-income persons. The amendment which provides 50% of the funds on the basis of low-income youths should be adopted. In addition, a minimum of 75% of the Part C funds should flow by formula to prime sponsor with a maximum of 25% of the funds available for DOL discretionary grants. S. 1242 authorizes such sums as are necessary to carry out the purposes of the Act. A specific number of dollars is preferable, and I support Senator Javits' recommendation of $1 billion in FY 77 and $2.5 billion in FY 78. This authorization should be broken down further by Part, and I support the amendment level of 23% for Part A, 17% for Part B, and 60% for Part C.

Again, I thank the Committee for the opportunity to testify, and I look forward to Committee action on this issue.

SENATE ACTION BENEFITING OLDER AMERICANS

Mr. KENNEDY. Mr. President, I recently had the opportunity to read a speech delivered on April 19, 1977, by my good friend and colleague, Senator BILL HATHAWAY, to a group of retired senior volunteers participating in the RSVP program in the State of Maine.

This program was implemented under the Older Americans Act which was first considered and reported by the Senate Committee on Labor and Public Welfare on which both Senator HATHAWAY and I have served for a number of years. We have worked together in oversight of all of the Older Americans Act programs and most recently on strengthening amendments enacted in 1975. Consequently, I was pleased to learn that the RSVP program is working well in his State, as it is in my own State of Massachusetts.

Mr. President, in order that my colleagues might be aware of the importance of these Older Americans Act programs and the continuing need for all our Federal programs to reflect the needs and concerns of our older Americans, I ask unanimous consent that Senator HATHAWAY's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR WILLIAM D. HATHAWAY

It is a pleasure to be here for the fifth anniversary and celebration of the existence of the RSVP program in Androscoggin, Franklin, and Oxford County.

I extend my sincere congratulations and gratitude to each of you who have given so much of your time and yourselves. Through your work in nursing homes, in hospitals, in schools, in nutrition programs in health programs and in working with retarded children, you have done a great deal to bring needed services to many throughout the tri-county area.

In addition, as Older Americans you have collectively demonstrated that retirement is not a retreat from society but rather is an expanded opportunity to devote your efforts to serving others. You have also shattered the stereotype image which too many have of the elderly—you are not helpless, and, given the opportunity and the resources, you are able not only to help yourselves but everyone in your community.

I would like to outline the current problems faced by older Americans, the response to these problems by the Congress, and then open the floor to questions.

There is a growing recognition that the problems of older Americans are the problems of all Americans, and these problems must be faced in a comprehensive fashion to ensure the well-being of our society as a whole.

In 1900, the average life expectancy of Americans was 49 years. Today it has increased to 71 years. Similarly in 1900 those over 65 years comprised 4% of the total population, or one American in 25.

Today, 22 million people or one in ten Americans is over 65, and by the year 2000, this figure will grow to 28 million. It is clear that there is a strong and growing need for programs and policies to help every individual who falls into this group.

Current problems faced by older Americans include health care. While 82% of older Americans get along quite well on their own, these individuals are subject to more disabilities, see physicians 50% more, and have twice as many hospital stays, and, the stays last twice as long as those of younger Americans. The average health care costs of those over 65 is almost 4 times that of those under 65.

Older persons enjoy less than half of the income of their younger counterparts. Over one-sixth of the elderly live in conditions below the government established poverty level. They must spend more of their income on food, shelter and medical care, and less on other items than do younger Americans. They are hit harder by inflation since they have little flexibility in budgets which are already stretched to the breaking point.

The ratio of older women to older men is currently 139 to 100. While over three-fourths of older men are married, over half of women are widows. Over 40% of older women live alone or with non-relatives. One in twenty older Americans live in institutions.

Due to a lack of transportation, many older Americans are unable to get to needed services—health care, food stores, other shopping areas. A larger percentage of older Americans live in rural areas than do those under 65. In a recent survey, over 40% of the households comprised of older Americans did not own automobiles.

FEDERAL LEGISLATIVE RESPONSES TO THESE PROBLEMS

A. The Older Americans Act was first passed in 1965, amended in 1972, and most recently in 1975.

I was pleased to co-sponsor these amendments and to serve on the Senate Committee which considered this legislation. It authorizes Federal funds for the following purposes:

1. As you know, Retired Senior Volunteer Program (RSVP), Foster Grandparents, and Senior Companion Programs are all Older American Act Programs administered through ACTION, the federal agency which also handles VISTA and the Peace Corps.

2. Nutrition programs include Meals on Wheels and other hot lunch programs. The most recent legislation mandates that the Secretary of Agriculture purchase meats and other high protein foods, and increases the subsidy for such meals to be provided by the Secretary of Agriculture.

3. Transportation Services—for the elderly, to assist them in getting to Doctors, to do needed shopping.

4. Part-time community service jobs for those 55 and older. Many older Americans are not yet ready for full retirement and still want to contribute to their communities and feel that they have an active role to play. This program will coordinate local community service job programs and require that priority be given to part-time older workers.

5. Home services, including health care and homemaking services. Many older Americans do not require full-time care in a nursing home or other institution and do not want such care. But they do need assistance in performing many household chores and need some medical care short of going to a hospital. This legislation will provide to State Agencies on Aging the funds to develop such programs.

6. Legal and tax counseling—There is a need recognized by Congress to provide our elderly citizens with legal and particularly tax assistance to cope with increasingly complex forms and regulations.

7. Multipurpose Senior Centers—to provide nutrition programs, recreation, and other services.

8. Research and training concerning the causes of aging and the problems associated with it. This act provides funds for Universities to set up programs for the study of the aging process.

9. Discrimination against elderly—The Older Americans Act bans unreasonable discrimination on the basis of age in federally funded programs, and provides for a study of the extent of discrimination on the basis of age in other areas.

The Older American Act programs are administered by a total of 412 local agencies, which now reach over 70 percent of our senior citizens. During the current fiscal year, Congress appropriated $400 million to these programs, the largest in history.

OTHER LEGISLATION

1. Tax Reform Act—As a member of the Senate Finance Committee which has responsibility over our tax structure, I have been particularly concerned about making our Federal Tax Structure fairer to the vast majority of Americans and eliminating all of the loopholes which serve no useful purpose or which exist more as a subsidy for the rich than as responsible legislation.

There is much yet to be done to achieve this goal but there were a number of changes in the Tax Reform Act of 1976 which should be of benefit to all older Americans. These included:

A. Revision of the retirement income tax credit—For many years, senior citizens have expressed concern over the treatment of income they earn after they retire. Under the tax simplification provisions contained in the law, the amount of income on which the retirement credit can be computed will

be raised from $1,500 to $2,500 for single persons and from $2,300 to $3,750 for married couples. The changes also allow earned income to be included as well as retirement income.

B. Tax incentives to businesses to remove architectural and transportation barrier for handicapped and elderly persons—the law allows businesses to deduct expenses incurred in modifying and eliminating existing architectural barriers—such as stairs, and others.

C. Sale of Personal Residence—The new tax law allows individuals to exclude from their income any gain on the sale of their personal residence, provided the adjusted sales price is less than $35,000. Prior to the change, sales price had to be less than $20,000 for this treatment.

D. Standard Deduction—The law increased the minimum standard deduction, or so-called low income allowance, from $1,300 to $1,700 per year and increased the maximum standard deduction from $2,000 to $2,400.

E. Estate and gift tax—These provisions of law were simplified and integrated into one set of tax rates.

2. Social Security—In July, the over 32 million recipients of Social Security should receive approximately a 5% cost-of-living increase. The average monthly benefits would increase from $218 to $229 for a retired worker, and from $372 to $390 for a retired couple.

This same cost-of-living increase would also go to SSI recipients.

3. Social Services Legislation—A former problem, now solved, in the administering of Social Services provided under Title XX of the Social Security Act and the Older Americans Act was how to determine the eligibility of recipients on the basis of income.

In 1974, Congress enacted a law which required that the States tax steps to ensure that federal monies for social services go to those in lower income groups. In the early 1970's, studies indicated that over three-fourths of this federal money did not reach the poor. In carrying out this law, the Administration's Department of Health, Education and Welfare, unfortunately, imposed very strict regulations which required individual proof of income and strict identification to determine eligibility.

This proved a nightmare for the states to administer and the regulations were consequently suspended, after Congressional protest. This administrative problem also resulted in a frustration of the original intent behind many of the Title XX and Older Americans Act programs. HEW has withheld some $4 billion dollars in funding due to its claim that certain states were not fulfilling the so-called individual means test.

Further, this individual means test was contrary to the original legislative intent behind the Older Americans Act which stated that there ought not to be specific individual income determinations for eligibility for its programs, such as meals on wheels and senior centers. The means test was demeaning to Older Americans and they are understandably reluctant to subject themselves to rigorous income checks.

A year ago, the Administration temporarily suspended these regulations in response to public outcry and Congressional pressure.

As a more long-term solution, I co-sponsored a bill in the last Congress which allowed states to waive the means test for qualified groups. In this way, the characteristics of the group as a whole would be examined, rather than each individual member.

This approach was enacted into law in September of last year.

4. Revenue Sharing—As Chairman of the Revenue Sharing Subcommittee, I am particularly pleased with the changes made in that law during the last Congress to better help Older Americans.

It was amended to prohibit discrimination on the basis of age in the allocation of funds.

Also, a change was made to require states to provide elderly groups with an opportunity to be heard prior to distributing its funds.

5. Crime control—It has been well documented that older Americans are too often victimized by crime—in urban and rural areas.

The legislation extending the Law Enforcement Assistance Administration provided for special grants to states to plan programs designed to reduce the incidence of crime against the elderly.

6. Equal Credit Opportunity Amendments—signed into law by the President last year, states that there shall be no discrimination in the granting of credit on the basis of age.

7. Housing—In another change in law, the Section 202 housing program for the elderly was expanded, to add $2.5 billion to the borrowing authority for long-term direct loans to finance non-profit housing for the elderly and handicapped. This program had been hindered in the past few years because the Administration was reluctant to implement it and had insisted that the loans available could be used only for construction but not for long-term financing. These bills state explicitly that long-term financing, be allowed and that priority be given to these projects.

Also in Housing, I recently introduced a comprehensive rural housing bill which would allow the Farmers Home Administration to finance congregate housing for the elderly and would specifically allow for use of funds for housing for the handicapped, with accommodative devices.

8. Alcoholism and Drug Abuse—As Chairman of the Senate Subcommittee on Alcoholism and Drug Abuse, I am particularly concerned with problems which older persons may experience in the utilization of these chemicals. Consequently, I have chaired hearings on this subject.

Congress is attempting to address the entire spectrum of needs of our older generations. It is quite clear to us that your problems are our problems, or soon will be. We need your participation and advice on the shaping of remedies and the formulation of policies.

You have demonstrated as a group many times that you are interested in the political process—you vote more frequently and in higher proportion than your younger counterparts, and I hope you will continue to do so. It is too important a task to leave to someone else. You should require that your elected representatives be responsive to your needs and work to make them aware of your concerns.

THE B–1 BOMBER

Mr. GOLDWATER. Mr. President, the time is coming when President Carter must hand down a decision on what he intends to do relative to a very important part of our whole strategic posture, namely, the B–1. In Popular Science, a magazine with which all of us are acquainted, there appears a new approach to this fine aircraft pointing out that the advances it has already made available to the subject of aeronautics, both subsonic and sonic, have more than paid the way for this aircraft. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Popular Science, May 1977]

THE OTHER STORY ABOUT THE CONTROVERSIAL B–1

(By Jim Schefter)

(NOTE.—The fate of the B–1 is in question—but the technological breakthroughs it has already sparked will indelibly alter the future of flying.)

No later than June 30, or perhaps even before you read this, Prsident Jimmy Carter will decide whether the B–1 program lives, dies, or hibernates. Opponents of the program—they call it the "B–1 Bummer"—cite noise problems, possible ozone-layer damage, and general high costs, and question whether a new bomber is needed at all. The arguments on both sides are emotional and heated.

But the B–1 arguments, pro or con, are not the issue here. Whether the B–1 lives or dies, say aviation experts connected with the plane's development, its contributions to military and civilian aircraft of the next two decades—in the comfort, safety, and economy of the jet you and I ride—will be remembered in aviation history.

To find out just what aviation advances the B–1 has generated, I went to southern California. I talked to designers and engineers at the Rockwell International plant in El Segundo; I went to Palmdale, where the B–1 is pieced together and to Edwards Air Force Base, where it's being flown. I talked to pilots, to avionics experts, and to aerodynamicists. I poked around a B–1, had free access to its cockpit—and I saw the future.

Since 1970, when Rockwell won the B–1 contract [PS, Nov. 1970], more than $2.8 billion has been spent on the program.

Even if the project is shelved, our tax dollars have already bought important technological advances:

An aerial shock-absorber system that takes the "twanging and bobbing" out of flight turbulence.

A new external design that blends part of the wings with the fuslage to form a single structure.

Avionics improvements that eliminate the need for standard flight instruments.

Turbofan jet engines that may be the best subsonic power plants made—but still have the power to ram the B–1 to Mach 2.2.

Maintenance innovations ranging from almost-instant engine replacement to a system that tells mechanics what components to fix.

An electrical system so advanced (it eliminated 29,000 individual wires) that it almost didn't get into the airplane.

Pioneering construction techniques, including diffusion bonding already adapted for the Space Shuttle, that reduce assembly-line time to near-record lows.

Although the B-1 is a military machine, each of these advances has civilian applications. Some can be modified and retrofitted to the jets we're riding today. Others will be designed into the next generation of aircraft.

Unlike the B-52 it may replace, the B-1 can make supersonic dashes at 50,000 feet. It's really two airplanes in one: a subsonic heavy transport that can fly 5000-plus miles from here to there without refueling, and an SSST that streaks along at more than 1400 mph. The aviation advances I've mentioned brought the two craft together and made them one.

"This airplane's main mission is to penetrate defenses at low altitude," explained John Wykes, lead engineer for dynamics.

To B–1 crews, low altitude means 200 feet above the ground. Every heat ripple, every deflected wind gust, batters the airplane. For the people inside, it could be downright miserable.

But it isn't.

The solution was a pair of small vanes or winglets, mounted on the B-1 nose under the cockpit. When switched on, the hydrauli-

cally actuated vanes automatically twist and swivel in response to accelerometer signals. These are routed through an electronic controller. Rockwell calls the setup the Structural Mode Control System (SMCS).

"Like the shock absorbers on your car," Wykes said, "the vanes damp out vibrations. When flying low, you've got turbulence in two directions, up and down, and side to side. The whole aircraft structure can start twanging and bobbing. The vanes swivel toward each other to absorb the bobbing, and work opposed to damp out the twanging."

Since they flip through an arc of plus or minus 20 degrees, at speeds up to 200 degrees per second, the vanes can be in and out of synchronization faster than the eye can follow. And they're not just for low attitudes—they work equally well up high, taking the sting out of clear-air turbulence or rough weather.

"The pilots had never seen anything like them before, and there was some antagonism," Wykes added. But, that soon disappeared.

Reported Rockwell chief test pilot Charlie Bock, at the controls on an early flight: "The ride was very uncomfortable until the SMCS was turned on."

With the aerial shock absorbers drawing rave reviews, the Air Force told Rockwell to patent the system. It's available now to any other big plane builder.

"It's better to design it into the aircraft from the start, but a system like this could be retrofit onto commercial jets today," Wykes said. "All you'd need is to add vanes in the back to spread the effects through the passenger compartment."

NO MORE FLYING CIGARS?

Another B–1 innovation: the "blended wing body." Most big jets look like cigars. But the B–1's body flares out in a smooth curve, then sweeps back. The curves flow from top to bottom and from front to back. Much of the wing is actually fuselage. Only the part that moves—the B–1 is a swing-wing craft—is separate.

"Integrating the wings with the fuselage gave us some real advantages," Len Rose, assistant director for B–1 research and engineering, told me. "The old way was to save weight by making a wing thicker. But with the blended wing, we got a thin wing, lighter weight, and a longer chord [distance between leading and trailing edges of the wing]." They also got extra volume in a smaller body, volume used for fuel avionics and other equipment; structural weight reduction of more than five percent; no increase in subsonic or supersonic drag; and a decrease in transonic drag. Rose thinks the added volume, increased flight efficiency, and easier manufacturing of a blended-wing body should make the design attractive for commercial transports. "But," he noted, "there's one potential trouble spot for passenger designs: It's hard to see out over the blended wing."

Visibility is no problem for the B–1 flight crew. Sitting in the commander's position is like being inside an aquarium. The windshields are mammoth; there are overhead windows to give a view straight up (useful during refueling); and the nose drops away so steeply that all you see out front is air. But the avionics in the instrument panel, not the airy feeling, are the most visible innovations. First, you notice what's missing from the central control panel: air-speed indicator, gyro horizon and compass; radio navigation instruments; and the instrument landing system (ILS), glide slope, and marker beacons that are key to landing in poor visibility.

What's left? Just an eight-inch TV screen that takes over for all those instruments, does their job better, and has capacity left over for other inflight assignments. It's called VSD, for Vertical Situation Display.

Nobody knows that little screen better than Charlie Bock. A slim, graying, soft-talking aviator, Bock's position as chief test pilot has given him more flying hours (200-plus) in the B–1 than anyone. He's logged most of them while watching that tube.

"The VSD literally has an infinite data capability," he said. "We have to guard against putting too much on there and cluttering it up."

In a typical in-flight configuration, the screen is bisected by a line representing the horizon. There's a steering cross that is the aiming point, and a pair of horizontal "wings" that are the airplane. Just touch the stick (that's right, the B–1 has a stick instead of a steering yoke) to keep the little wings centered on the steering cross, and you're on course.

The electronics behind that simple explanation is considerably more complicated. The steering cross gets its orders from the flight-director computer, which may be receiving constant input from ground-based navigation radios, or from the on-board inertial system, or from radar transponders, or altimeters—or any combination of these. For instance, in one mode, the steering cross gets radar inputs on the location of a refueling tanker. By flying the wings toward the cross, the B–1 pulls right up to the tanker, even in low visibility.

In other modes, everything the pilot needs to fly an instrument approach is on the screen. The glide slope is a rectangular box; keep the wings in the box, and you're home free.

That's not all.

All the standard information—altitude, airspeed heading, angle of attack, and more—can appear on the screen in digital format. Then come other options—such as a flight-path-angle bar that sits on the horizon when the aircraft is level, and a TV-like view of the world outside.

ELECTRONS DON'T GET TIRED

All of it can be hooked up to the computerized autopilot, programmed in advance, and flown virtually hands-off. The pilot is needed only for takeoff and the last 100 feet before landing.

We can set in a route from here to Reno to Salt Lake to Fort Worth and back and do it all automatically at 200 feet off the ground," Bock told me. "Over the long run, the auto-system performs better than the pilot. I get tired, and the electrons don't."

(As good as it is, the VSD still has an aura of black magic about it, and nobody—not even Charlie Bock—trusts it completely. So six inches to the right is a little cluster of familiar dials: altimeter, gyro horizon, and rate of climb. Bock doesn't use them, he says, but "it's nice to know they're there—just in case.")

Two more instrument innovations may become commercial aviation standards.

"We use standard computer-driven vertical tapes for all engine instruments," said flight test engineer Dick Abrams. He pointed to one of them—a rectangular case displaying a calibrated tape.

"That's something the FAA has been pushing for," he revealed. "It shows the percent of power being developed in each engine. For all intents and purposes, you're reading thrust. When you know that, you have the most important fact about your engines."

The second instrument is a center-of-gravity control and readout "Just select the center of gravity you want, and the system automatically pumps fuel around the airplane to keep you there," Abrams said. He explained that fuel lines connect fuel tanks in the wings, fuselage, and tail, so fuel can serve double duty as a stabilizing agent.

That system has commercial implications. By keeping the aircraft in the most efficient flight attitude, it makes flying a little easier for crews, a little more comfortable for passengers, and a little more economical for airlines.

Now we come to that TV image of the outside world that can be called up on the VSD screen. It's the output from a Forward-Looking Infrared (FLIR) system built by Hughes Aircraft Co. The FLIR reads heat emissions and displays them as a reverse TV picture. When the pilot calls up the FLIR image on his VSD screen, with flight data superimposed, he has a uniquely complete picture of what is happening.

"Nighttime sensitivity on FLIR is as good as daylight sensitivity for the human eye," said Charlotte Zelon, lead engineer in the defense avionics group.

Bock and other pilots have used FLIR to help them taxi the B–1 in low visibility, to watch their refueling tanker, and even to assist in making an instrument approach.

"For a general aviation system, you could build this a quarter the size and at a fraction the cost," Zelon said. "It's an aid to low-level night flying and landing. That's good for anybody who flies."

Just how good is FLIR? That's classified, Zelon said. But she did show me one dramatic application: "It's excellent for detecting fires, even at very long ranges," she noted, pulling out a set of Polaroid prints made from a FLIR unit on the roof of Hughes Aircraft's Culver City plant. The first, a conventional photo, showed gray haze, a nice view of nothing. The rest were startling.

"That's the 1974 Topanga Canyon fire," Zelon said. "You're looking right through heavy smoke 15 miles away."

The fire, invisible without FLIR, was clearly outlined. Ridge lines and other terrain features showed up. Hot spots glowed brightly. What's a little ground fog during landing when FLIR can cut through smoke like that?

AN ECOLOGIST'S DREAM ENGINE

Environmentalists won't have to worry about smoke from the B–1 engines. Developed by General Electric, the F101 turbofan is clean, quiet, and efficient. It's smokeless. It already meets every known pollution standard for aircraft and automobiles.

Most of the engine data is classified. Those who know speak only in generalities. Thrust? In the 30,000-pound range. Fuel consumption? No specific numbers, but at subsonic speeds, it's 99.5 percent fuel efficient and when flying subsonically it uses 25 percent less fuel than B–52's. How did they get such an engine? The details are secret.

"But the B–1 engine core (which is not classified) could be the new power plant for the next generation of medium-haul transports," Tom Stafford, commander of the Flight Test Center at Edwards AFB, told me.

The engines are designed for easy starting and easy maintenance. In one test, an Air Force maintenance crew pulled a dummy engine and replaced it with a new one in just 22 minutes. And the engines aren't the B–1's only maintenance advance.

A built-in Central Integrated Test System (CITS) is yet another system that big-plane designers are certain to want for future transports.

CITS has a threefold function: It gives the crew immediate warnings on degraded performance; printouts on actual performance; and repair instructions to ground crews.

"Airlines today record information in flight and rely on ground processing to isolate trouble," said engineer Pete Kubischta. "They're going to have to go to in-flight processing."

That's what CITS does. It electronically scans every important E–1 subsystem several times each second, bringing in more than 3000 separate signals (but using just 800 wire pairs) to detect and isolate performance problems. By selecting additional readings, up to 9000 individual parameters can be monitored. A small display unit lights up to identify which system—engine-fuel, electrical, or other—is out of tolerance. Then an alphanumeric display gets more specific: "low air pressure," "unit hot," or whatever is

wrong. And, it can be instructed to give a continuous readout of the actual figures (air pressure, temperature, etc.), thus showing exactly how serious the problem is.

For instance, in one test flight, payload-bay temperatures jumped. That usually requires an immediate landing. Instead, the crew members used CITS to watch the temperatures while they shifted to a manual cooling mode. The temperatures dropped, and the flight continued another four hours.

COMPUTER-ASSIGNED REPAIRS

"CITS gives the flight crew about 200 times more information than a DC–10 crew gets," said Herb McCoy, lead engineer on the system. "It's good for flight safety and also for maintenance. The ground crew uses it as much as the flight crew."

The difference between CITS and an old-fashioned monitoring or maintenance system is the difference between raw data and actual information, McCoy pointed out

"The gas gauge on your car doesn't tell how far you can drive," he said. "So that's just data. With CITS, we get information: 'Change box number so-and-so.' The mechanic doesn't care what went wrong. All he needs is the information on what to do—and that's what CITS provides."

To keep permanent records, the system notes failures and summarizes all data from other systems on magnetic tape. It also prints out failure data—for use by mechanics—on paper tape.

CITS is fully controlled by a small on-board computer. Rockwell designers are looking ahead to next-generation improvements with even smaller units using microprocessors. Yet, the present version already is ahead of anything now flying. Through CITS, data recorded during flights or ground tests can be sent—directly or by telephone lines—to even bigger ground computers for extensive checkouts.

"You could fly that airplane into a wheat field and still run the full set of tests," McCoy said. "If you can reach a phone, you can feed all the data back to home base."

For commercial airlines, such a capability could significantly increase flying time by eliminating unscheduled runs to a maintenance base, or long hours of trial-and-error debugging at poorly equipped airports

But even CITS needs help. It gets it from that new electrical system that's known as EMUX, for electrical multiplexing—using solid-state electronics and time-sharing techniques to run multiple instruments and systems over a single pair of wires.

How does it work? To oversimplify, an instrument or system gets a fresh input from EMUX every 30 to 40 milliseconds. The rest of the time it's technically on, but idling. And during that miniscule idling time. EMUX is feeding power to other devices on the same circuit.

It happens so fast—30 times a second—that the human eye sees only systems that apparently are getting power full-time. On the first four B-1's, 29 subsystems, including lighting, landing gear, all avionics, engine thrust, and all engine instruments and wing-sweep, are on EMUX. And the system, built for Rockwell by the Harris Corp., is still being improved.

In addition, many circuit breakers and switches (which are not a part of the EMUX system) are being replaced by solid-state controllers—small electronic cards—instead of electromechanical devices. That will reduce the B-1's weight by another 100 pounds.

"You won't see this system on a commercial jet for a while," EMUX manager Ray Froman told me. "Commercial designers are conservative. But it's such a weight-saver that it has to come. It means more seat-miles, more cargo capacity."

That's what EMUX did for the B-1. After the electronics experts won heated debates and got the go-ahead to design it into the aircraft, it not only saved weight—about 1200 pounds, the equivalent of 57 miles of wire—but also cut several thousand hours off the manufacturing process by reducing electrical installation time.

Inquiries about the system are starting to come in now. Rockwell's own business-jet designers are looking at electrical multiplexing, and some EMUX techniques have been adapted to the Space Shuttle.

The Shuttle also benefited from diffusion bonding developed for the B–1. In that process, titanium or its alloys are heated in a vacuum. Under high pressure from a press, two pieces of metal diffuse into each other to become a single shaped component. Structural elements that once required welding or extensive milling, such as the B-1's fuselage frames and support beams, now are formed by diffusion bonding. The components are stronger and less expensive. With the procedure proved in practice, Shuttle designers readily adapted it for the Orbiter thrust structure.

More of the B-1 technology story will be told in years to come. But the message today is plain: Whatever the B-1's fate as an operational bomber, the research and development that went into it produced a giant leap ahead in technology—one that will profoundly affect all future aircraft, and have a lot of down-to-earth applications as well.

ETHICS COMMITTEE NOTICE: ALL SENATORS, OFFICERS, 1976 SENATE CANDIDATES, AND SOME STAFF MUST FILE FINANCIAL DISCLOSURE STATEMENTS ON OR BEFORE MAY 14, 1977

Mr. STEVENSON. Mr. President, I and Senator SCHMITT on behalf of the Select Committee on Ethics, give this additional notice to Senators, officers, candidates for the Senate in 1976, and Senate staff that two financial disclosure statements must be filed on or before May 15, next.

Old rule 44 of the Standing Rules of the Senate remains in effect until next year under the provisions of Senate Resolution 110, the official conduct amendments agreed to by the Senate on April 1. New rule 42—Public final disclosure will overlap the requirements of old rule 44 for the last quarter of 1977, and reports will be filed under both rules in May 1978.

Old Senate rule 44 requires each Senator who served for 90 days or more in 1976, candidate for Senator in 1976, officer of the Senate for 90 days or more in 1976, and employee whose salary was paid by the Senate at a rate in excess of $15,000 a year at any time during 1976 and who was employed for 90 days or more by the Senate, to file two financial statements on or before May 14, 1977. The first statement, a "Confidential Statement of Financial Interests," must be sent or delivered to the Comptroller General. The second statement, a "Statement of Contributions and Honorariums," must be submitted to the Secretary of the Senate. The Secretary has advised the committee that the Office of Public Records, 119 D Street NE., room A–623, Washington, D.C. 20510, will be open Saturday, May 14, 9 a.m. to 12 noon to receive the reports.

Forms which should be used in making these reports may be ordered from the Ethics Committee by telephone, extension 4–2981, or may be picked up in the committee office, 1417 Dirksen. Committee staff will provide assistance.

LAND USE PLANNING IN SOUTHEAST ALASKA

Mr. STEVENS. Mr. President, I have recently been contacted by the South Tongass Land Review Committee in regard to their activities relating to the land use planning in Southeast Alaska. The South Tongass Land Review Committee is a group of Alaskans who have organized themselves in order to have a more unified voice about future developments in their part of our State. As we all know, the decisions that will be made during the 95th Congress about Alaskan lands are of great importance to the citizens of Alaska and to the Nation.

At the request of the South Tongass Land Review Committee, I am today submitting two letters to the RECORD. The Land Review Committee requested that the information in the letters be distributed to all my colleagues for their review. One letter is the committee's letter to me which outlines their recent activities. The other letter is from the U.S. Forest Service in Alaska to the South Tongass Land Review Committee which outlines the Forest Service's past and current activities relating to land use planning in southeast Alaska.

I ask unanimous consent that these letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SOUTH TONGASS LAND
REVIEW COMMITTEE,
Ketchikan, Alaska, March 3, 1977.

Senator TED STEVENS,
U.S. Senate,
Washington, D.C.

DEAR TED:

We have initiated efforts to determine a Ketchikan-South Tongass consensus concerning Wilderness withdrawals. Our first step was to hold a public meeting hosted by ourselves and the Central Labor Council. There was a capacity crowd in attendance. The U.S. Forest Service and South Tongass Conservation Society were requested to make presentations. TCS's input was the Alaska coalition position.

The Forest Service backgrounded and described current efforts of their department. Attached is an excellent letter from the Forest Service which outlines these efforts. We ask that it be submitted to all members of Congress for their perusal.

Following this meeting STLRC's executive committee unanimously agreed that the establishment of "instant Wilderness areas" as proposed by the Alaska Coalition, without proper study and resource inventory, would seriously jeopardize Southeast Alaska's economic well-being and deprive the nation of important present and future natural resources.

At the meeting we again publicly invited the Tongess Conservation Society to join with our group (which represents nineteen organizations and thousands of individuals in the community) in order to reach a community consensus. They refused, saying the differences between the community and their special interest desires were "irreconciable". We are disappointed that they are so arbitrary and will not join with their fellow Alaskans in attempting to come to a constructive solution. Incidentally, we understand that TCS has a membership of less than two dozen.

Our position at this time is to urge you and your colleagues to 1. Eliminate Southeast Alaska Wilderness proposals from the D–Z land issue, 2. Appropriate monies to the U.S. Forest Service so this department can begin a study and inventory of Southeast Alaska

lands set aside for Wilderness study in 1973 (totalling 12.3 million acres—see page 6 of Mr. Watson's letter) and 3. Define "Wilderness". Is it an area "untrampled by man?" (as defined in the 1964 Wilderness Act) or simply a recreational area allowing most any use (motorized access, mining cabins, fishing, hunting) except the harvesting of timber as proposed by the Alaska coalition?

Sincerely,

DICK BORCH,
Co-Chairman.
BOB PICKRELL,
Co-Chairman.

FOREST SERVICE,
Tongass National Forest,
Ketchikan, Alaska.

ROBERT W. PICKRELL,
Co-chairman, South Tongass Land Review Committee, Ketchikan, Alaska

DEAR BOB: I respond to your request for a written statement to the South Tongass Land Review Committee on what the Forest Service has done to date and how they have gone about selecting wilderness on the Tongass National Forest; why are we repeating a public involvement process that we seemingly have already done; what further plans we have; what the effect the various wilderness proposals would have on the economic well-being of Southeast Alaska, particularly the Ketchikan Area; and finally, a statement to show the rationale of the Forest Service approach to Wilderness Selection through a Forestwide Land Management Plan.

The initial systematic approach to Wilderness Selection was done by the Forest Service as displayed in the October 1973 Final Environmental State for selection of new wilderness study areas within roadless and undeveloped areas of the National Forests (see enclosed environmental statement excerpt). Through this process, 274 new study areas totaling about 12.3 million acres were selected. As stated on page 4 of this environmental statement, this was not the end of it. The remainder of the National Forest roadless and undeveloped areas are to be studied through the land use planning process to determine their suitability for wilderness. In this initial review, commonly called the "RARE" study on roadless area review evaluations, five new study areas totaling about 1,868,000 acres were selected from the Tongass National Forest. Since then, one additional 40,000 acre area has been selected through our land use planning process. We currently have a Forestwide land management plan in progress which when completed will bring the total wilderness study areas on the Tongass to between 2,300,000 and 3,500,000 acres as targeted in our Resource Allocation Direction for the Tongass National Forest Draft Environmental Impact Statement scheduled to be released next month. In addition, this document also calls for between 3.1 and 3.4 million acres of back country recreations areas that would be reserved from timber harvest and roading. I'll be saying more about our current land management planning effort later on in this letter.

As you may recall, in 1970, the Forest Service announced through the news media, a commitment to a land use planning effort for the then South Tongass National Forest that would be strongly oriented to public involvement. Even though we were poorly staffed and were new at this approach, we made a strong effort to involve the public. Twenty-six meetings were held in the Ketchikan Area alone, and we (the South Tongass National Forest) would have had our plan completed by 1972, but it was decided that the plan should be for the entire Tongass National Forest. The Forest Service was also in the process of reorganization of the Tongass into three administrative units instead of two. As a result, it was not until January, 1975 that we released a draft EIS on the Tongass Land Use Plan. This plan was nearly five years in the making and represented a good overview of the Tongass land and resource capabilities and wants and needs of its people. Some 56 public meetings were held and innumerable individual contacts were made (see attached summary of the public involvement). As you can surmise from this summary, public response was overwhelmingly in opposition to "Legal Wilderness" under the Forest Service management concept often referred to as the "purest philosophy". Having been the pioneer in wilderness establishment and management in the United States, the Forest Service is proud of its long record of achievement in this area and believes that Congress clearly intended under the Wilderness Act of 1964 that wilderness be managed to retain its wilderness character (see attached copy of the Wilderness Act of 1964). This is why we have persistently opposed motorized access into wilderness. However, we are also making every effort to be responsive to the public and the public, particularly the Alaska public, has clearly shown that it does not want wilderness in Southeast Alaska if motorized access is prohibited. Consequently, the Forest Service in Region 10 has modified its stand on this issue to consider motorized access in wilderness areas on a case by case basis. Such decisions will be made through the land management planning process which will be strongly linked to public involvement.

You ask the question, "Why are we seemingly doing this planning and public involvement over again?" We do not see this as a repeat performance, but rather a continuing effort that will be repeated every 10–15 years as required by the Resources Planning Act of 1974 and the National Forest Management Act of 1976. In one sense there's really no end to it as the nation's needs, technological capabilities, people wants, and desires change. We do not envision any of our plan being "chipped in granite" to be completed once and for all. Land management planning is a dynamic process and to be effective, must be as flexible as possible, yet with firm enough commitments to maintain credibility with the public. The reason the initial Tongass Land Use Plan was not well received was because it was so flexible that many Southeast Alaska public did did not accept it. It lacked firm enough commitments to assure people that various actions would be taken to resolve key issues.

We learned a lot from this planning effort, however, and it became the framework from which we built the *Southeast Alaska Area Guide*, which will be released to the public about the middle of March.

I am glad you asked us to show the rationale for selection of additional wilderness study areas through our land management plan for the Tongass National Forest rather than through Congressional legislation prior to completing the plan. You also ask about the economic consequences of the SEACC proposals and the recent bill submitted to the Congress by Congressman Udall which would establish five new wilderness areas on the Tongass. You were especially interested in their effect on the Ketchikan Area. Since these two questions are so closely tied, we believe they should be answered together.

To begin with, wilderness is just one of the issues to be resolved in the Tongass Land Management Plan. Equally important issues include community and human well-being, fish and wildlife protection, and transportation for Southeast Alaska. Our planning is well underway and making good progress in resolution of these issues. Within these major issues are many other related issues. I could name an almost endless list of things such as clearcutting of timber along or near lakes, streams, saltwater shorelines; various soil protection requirements, water use and protection, land occupancy, minerals, timber harvesting systems, economics, etc.

Southeast Alaska, as you well know, heavily depends on the timber industry for employment (see "Human and Community Development" and "Timber" of the Southeast Alaska Guide). During preparation of the Guide, our planning team compiled an estimate of the timber supply on the Tongass National Forest which shows the following (estimates in scale volume) annual yield:

Million board feet per year

Total volume of commercial timber	1,232
Estimated State and national land selections	133
Unregulated	126
Marginal	132
Standard and special	853
Present harvest level	546

The unregulated timber is on slopes that are physically and/or environmentally not wise to harvest and are thus taken out of the annual programmed harvest. The State and Native Selection would also come out. This leaves us a net annual yield of 985 MMBF of standard, special, and marginal timber.

However, the Tongass Planning Team estimates that the maximum potential yield would only be about 820 MMBF due to various multiple use reductions such as existing wilderness study areas, other existing classifications, and reductions due to other resource protection. Please recognize that these are estimates and could be off somewhat.

At the current harvest level (546 MMBF/year) there are about 5,624 jobs in Southeast Alaska that directly or indirectly depend upon the timber harvest from the Tongass National Forest, 10.3 jobs/1 MMBF.

Now going back to the estimated maximum potential yield of 820 MMBF per year, I think it would be safe to say that the potential yield before new wilderness areas are taken out could be considerably less than 820 MMBF/year due to more stringent resource protection measures, particularly fish stream protection. The Forest Service proposed alternative in the Resource Allocation Direction For the Tongass Draft EIS calls for a potential yield of about 600 MMBF after wilderness and backcountry reductions which we estimate to be about 3 million acres of wilderness and 3 million acres of backcountry.

The crucial question which can't be answered at this time and paramount to evaluating the Udall or SEACC proposal is how much reduction in the timber supply will there be due to other reductions besides wilderness and what are the total benefits or outputs of other resources? If these reductions necessary to meet other resource needs result in a potential yield of much below 820 MMBF, then the wilderness withdrawals as proposed by SEACC and Congressman Udall could cause a significant reduction in timber related jobs in Southeast Alaska. While the Forest Service proposes almost as much wild lands as SEACC, we believe that with a total land management planning job, both the economy, social and environmental goals for the Tongass as outlined in the Guide can be met. We can do this by coordinating our planning to best reflect land and resource capabilities and wants and needs of the people. Until our land management plan for the Tongass National Forest is completed, we cannot fully evaluate the various wilderness proposals. This is why we would prefer new wilderness not be selected through Congressional action at this time. The consequences of the various proposals simply cannot be evaluated until the Tongass Plan is complete, or at least to the alternative evaluation stage.

We can estimate the impact of the SEACC and Udall proposals by making the following projections based upon the assumption that these areas would not be classified but would be roaded and timber harvested. Based upon our best judgment, we are also assuming that 90 percent of the standard timber could be harvested, 67 percent of the special, and 50 percent of the marginal. With these assumptions, the Tongass National Forest program timber harvest and loss of timber related

jobs from these areas are estimated as follows:

Proposal	Standard & spec.[1] (MMBF/yr.)	Marginal [1] (MMBF/yr.)	Program harvest yield [1] (MMBF/yr.)	Jobs [1]
SEACC	25,287	8,423	299	3,080
Udall	15,902	3,916	180	1,854

[1] Figures have been adjusted to reflect amount of timber taken out in established Forest Service wilderness study areas that overlap SEACC or Udall proposals.

From this table it's simple to project what the impacts would be using the above assumptions but predicting the total effect is not possible until the land management plan is complete. If we assume the 820 MMBF/year potential yield as the top line, establishment of all the SEACC areas or similar land with an equivalent amount of timber as wilderness, would reduce the current program harvest on the Tongass National Forest 25 MMBF/year. This could be replaced by anticipated harvest on the Native Lands but we cannot quantify this at this time because we do not know what their harvest level or rate will be. They have given every indication that they intend to harvest lots of timber and could easily provide a sustained yield in excess of 50 MMBF/year. It can be said with certainty that should the SEACC or Udall areas become wilderness, the potential growth of the timber industry from Tongass National Forest timber would be reduced by the respective amounts shown in the above table assuming the assumptions are correct.

Focusing in on the Ketchikan Area itself, we can make these projections. Here again we are assuming the same assumptions as stated above, but this time itemizing only the proposed wilderness withdrawals within the Ketchikan Area administrative unit, formerly known as the "South Tongass":

Proposal	Standard & special (MMBF/yr.)	Marginal (MMBF/yr.)	Programed yield (MMBF/yr.)	Jobs
SEACC	10,666	6,602	58.5	602
Udall	3,721	3,015	31.6	325

The Ketchikan Area programmed harvest has been estimated to be 270 MMBF/year after State and native selections. All of the timber shown in the above chart is in the Ketchikan Area programmed harvest. Should the SEACC areas all become wilderness, the Ketchikan Area programmed harvest would be reduced from 270 to 211 MMBF/year and 602 timber related jobs would be affected. Should the Udall area become wilderness, the programmed harvest would be reduced to 238 MMBF and 325 timber related jobs would be affected. The major impact would be on woods' workers who would have to move from the Ketchikan Area to the Sitka or Juneau area. The above analysis has been an oversimplification of a complex problem that, as I have repeated many times through this letter, cannot be accurately assessed until the Tongass Land Management Plan is much further along than it is today.

I have deliberately dwelled at length on the timber supply as related to wilderness and jobs because it is the one resource that we can quantify and predict consequences of various proposals. I believe that minerals should also be mentioned as a factor to consider. Southeast Alaska is heavily mineralized and known likely developable deposits should be identified prior to completion of the Tongass Land Management Plan.

The U.S. Borax discovery is in one of the Udall proposed withdrawals. Designation as wilderness could eliminate 500 potential jobs plus the support jobs.

A mineral survey is required on all wilderness study areas before they can legally become wilderness based on the current law. This is part of the reason no new wilderness areas have been established on the Tongass. Only one area (Granite Fiords) has had a mineral survey. The report is still in preparation and we have yet to receive it, even though field work has been completed for over two years now. The other reason we have not progressed in getting wilderness established on our current study areas is because we have not received financing to do the required studies. We have asked for money to study Granite Fiords for the last three fiscal years, but have not received any funds as yet to do the study.

While it may sound like it, I have not meant for this letter to be an anti-wilderness dissertation. There are many invaluable benefits to be derived from wilderness, such as watershed, fishery, wildlife, and many recreation opportunities not to mention scientific aspects. With each passing year, particularly in Southeast Alaska, the nation's potential wilderness supply continues to shrink. That is why the RPA program has called for a moderate increase in wilderness and why the Resource Allocation Direction for the Tongass National Forest Draft EIS calls for an increase of wilderness study areas from a current 12 percent to about 20 percent.

Thank you for inviting me to comment at such length. I look forward to the next two years because this is when we will have drawn the lines on the map with the initial land allocations for the Tongass. The Forest Service appreciates your interest and hope that you will actively participate throughout this major and far-reaching planning effort.

Sincerely,

J. S. WATSON,
Forest Supervisor.

HANDICAPPED DEMAND STRONG 504 REGULATIONS

Mr. HUMPHREY. Mr. President, passage of the Rehabilitation Act of 1973 was a landmark event for the handicapped. Section 504 of that bill prohibits discrimination against the disabled in federally funded programs.

I was proud to participate in this legislative achievement, in this statement of our Nation's faith in equality of opportunity.

All of us who voted for this bill understood that it was a sweeping and even a revolutionary commitment. Often, it may be difficult and inconvenient to comply. But it is a commitment.

For several years now, the Department of Health, Education, and Welfare writing the regulations to implement this has been struggling with the task of writing the regulations to implement this section. There are some of us who doubted at times the vigor of its struggle.

The Rehabilitation Act of 1973 is the civil rights declaration of the handicapped. It was greeted with great hope and satisfaction by Americans who have had the distress of physical or mental handicaps compounded by thoughtless or callous discrimination. These Americans have identified 504 with access to vital public services, such as education, health care, and transportation; they consider it their charter for fair employment in jobs for which they qualify. In short, it is a key to, and a symbol of, their entry as full participants in the mainstream of national life.

Unfortunately, as the weeks and months and years pass, the patience and anticipation of the handicapped have turned to disappointment and disillusion. They have also turned to militant determination, as our new Secretary can testify.

The embattled regulations were inherited, drafted but unsigned, by Secretary Joseph Califano. Regardless of his commitment, and he has expressed that commitment vigorously, the new Secretary could not be expected to sign regulations until he has a thorough understanding of their content and implications.

At the direction of Secretary Califano, one more review was undertaken but with a clear recognition of the need to deal promptly and judiciously with an overdue commitment.

Many of my handicapped constituents are contacting me in some anxiety. I try to reassure them. I am personally confident that our new Secretary will issue the long-awaited implementing regulations for section 504 as soon as he possibly can.

It may be that some of the regulations will prove cumbersome. It may be that some will require later revision. But let us begin with optimism. I believe that we can summon the resources, the confidence and the determination to achieve our objectives.

The 504 regulations are the culmination of the labor of a competent and dedicated staff guided by exhaustive public consultation. The purpose of the regulations is not nor should it be to anticipate every problem that will arise. The regulations must reflect in a clear and uncompromising manner their objective: to secure and assure equal rights for the handicapped.

Mr. President, this statement has no other purpose but to reiterate my strong support for the wisdom of Congress in passing this law, my admiration for the handicapped who have spoken up for their rights in the finest American tradition, and my encouragement to our new Secretary of Health, Education, and Welfare, who will have the responsibility of enforcing a law that can help make the 1970s a historic era in this country's continuing march toward human freedom and dignity.

SOVIET STRATEGIC CAPABILITIES AND OBJECTIVES

Mr. LAXALT. Mr. President, some skeptics maintain that our younger generation has abdicated its leadership responsibilities. Allegedly, it has turned on, tuned in, and dropped out. But, I have never believed this for a minute. In my judgment, the emerging generation of young leaders is brighter, more articulate, and better prepared than any I have previously been privileged to encounter.

What is more, I am delighted to find

that I have a particularly impressive young leader on my own staff. Mr. Richard Moore has prepared for my use as lucid and inciteful an analysis of Soviet strategic capabilities and objectives as I have ever seen. Because this work is so impressive, I ask unanimous consent that it be printed in the RECORD so that I might share it with my colleagues.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SOVIET STRATEGIC CAPABILITIES AND OBJECTIVES

Among the more crucial tasks faced by Congress is to decide on the size and shape of the defense budget. It is, of course, a different exercise than deciding on the budgets of other Departments. The differences arise in that Congress must determine not only what are our objectives but also what are the objectives of our adversaries and to what extent, if at all, are they compatible. Furthermore, some judgment must be made about how our adversaries may use the military to achieve their goals.

Some observers tell us that this kind of thinking is purely reactive, that it fuels the arms race. They advise that we must look to other concerns. These include the desire to divert military spending to social programs, the prospect of cooperative international ventures, the increase in global military spending, and the attitudes of the lesser powers. However valid these concerns may be, our first priority must be to look at the capabilities and the intentions of our adversaries.

A primary source of information about what the Soviet Union wants is obviously the Soviets themselves. I submit that in listening to what they say, we will find a commitment to expansion and aggression, coupled with an ultimate reliance on military solutions to political problems. In answer to those observers who say we should not react, I offer one simple proposition—if someone tells you he is planning to put you out of business, then you would be advised to listen, and perhaps, to be prepared.

What are the minimal objectives of our own defense posture. In my view, they are: (1) to protect our way of life; (2) to maintain our global position and our alliances; (3) to permit self-determination by nonaligned countries; and (4) to prevent the outbreak of war, both nuclear and conventional. The first question is, are these objectives shared by the Soviet Union? I would suggest that if we take the clouds of detente from our eyes, we will find that the Soviet Union does not, with one possible exception, share any of these objectives.

FUTURE OF CAPITALISM

With respect to the first, the words of Leonid Brezhnev at the 25th Congress of the Communist Party this past year are most instructive. "Detente does not in the slightest way abolish and cannot abolish the laws of class struggle. Capitalism is a society without a future." In plain English, this means that a primary objective of the Soviet Union, that is, before they taste the milk and honey of Communist society, is the destruction of our way of life.

BALANCE OF POWER

How do the Soviets regard the balance of power and the nations which form the respective alliances? The Soviet foreign policy journal New Times asserted but a few days after the signing of the Helsinki Declaration in 1975:

"It is increasingly clear that there are two kinds of status quo which must not be confused or substituted one for the other. The territorial status quo is one thing, and the socio-political another. The first has a bearing on relations between states, the second on relationships within each given state, between its classes, parties, and individual citizens. . . . Neither (the general) reduction of international tension nor the principle of the inviolability of the territorial status quo adopted by the Helsinki Conference can prohibit any people from changing of the social and political state of affairs within their own country."

High sounding words, but what do they mean? With respect to Soviet alliances, their actions have crystalized the meaning of the words. In the summer of 1968, the Free World learned that the Soviets would not tolerate any undoing of the Warsaw Pact; it was and continues to be their definition of the status quo. At the same time, the people of Czechoslovakia learned that "changing the social and political state of affairs within their own country" was a task best left to Soviet tanks.

Our alliances and the status of the member countries are an entirely different matter for the Soviets. In recent years, they have tirelessly repeated the theme of "an unprecedented economic and social crisis in the Western world," thereby creating the conditions for "the build-up of a revolutionary wave."

Evidently, a major Soviet objective is the detachment of Western Europe from dependence on the United States, and its replacement by dependence on the Soviet Union. A. I. Sobolev, a high ranking Soviet Central Committee specialist in world communist affairs, explained one means of accomplishing this. "In certain countries (Italy and France) the might of the democratic [i.e., communist-led] forces has reached such a level that they are already directly pushing forward the task of winning power."

One of our severest criticisms of the detente policy should be the failure to make the Russians agree about the rules of the balance of power in Europe. I believe that they continue to abide by that time-honored Soviet maxim, "what's mine is mine and what's yours is negotiable."

Of still greater concern must be the Soviet military decisions which support their view of the balance of power. Over the past ten years, Soviet conventional forces facing NATO's Central Region alone have been increased by 130,000 men while NATO conventional power has remained basically unchanged. During the same period, the number of Soviet tanks has jumped by 40% while artillery strength has increased by between 50% and 100%. The danger lies in that the imbalance of forces may invite the Soviet Union to initiate a potentially devastating invasion with only a few days warning.

SELF-DETERMINATION

How do the Soviets view the principle of self-determination by nonaligned countries? Soviet President Podgorny made this abundantly clear when he stressed that with respect to southern Africa, "the close alliance of the freedom-loving countries and peoples offers opportunities to combine all forms of struggle, involving military and political forms."

Some Western observers have noted that military struggle is at odds with the notion that detente means, among other things, the easing of tensions and the preservation of peace. Not so says Soviet Premier Kosygin,

"If someone tries to find a contradiction between this position of ours and the policy peaceful coexistence, then in answer to this we can only reaffirm that the course toward peaceful coexistence and the relaxation of tension would lose its meaning unless the peace-loving forces gave a firm rebuff to the intrigues of the aggressor and the attempts of the imperialists and the forces forming blocs with them, i.e., China, to prevent the peoples from waging a struggle for national liberation and social progress."

Essentially, the Premier tells us that the road to peace is paved with one-sided wars. To test the truth of this statement, we need only look at the prodigious flow of Soviet arms and munitions directly, or through its intermediaries, to such places as Angola, Zaire, and Mozambique.

To this point the conclusion is obvious; Soviet objectives are inimical to our own. More importantly, Soviet words are backed by Soviet guns. We are left, then, with the possibility that they may share our abhorrence of nuclear war.

STRAGEGIC DOCTRINE

The predominant view in the U.S. is that the threat of nuclear holocaust renders nuclear war "unthinkable." The doctrine of nuclear superiority has been similarily designated as "unthinkable." Instead, our strategic doctrine is that of mutual assured destruction. The idea is that one side will not attack when the other can absorb a first strike and still have surviving strategic forces adequate to inflict destruction which the attacker would consider intolerable. The question is, do the Soviets in their heart of hearts accept the doctrine, and if not, what do they consider to be a "tolerable" loss?

The November 1975 issue of Communist of the Armed Forces carried a most revealing article. This exposition of standard Soviet positions on war in the nuclear age is as clear and concise as it is chilling:

"The premise of Marxism-Leninism on war as a continuation of policy by military means remains true in an atmosphere of fundamental changes in military matters. The attempt of certain bourgeois ideologists to prove that nuclear missile weapons lead war outside the framework of policy and that nuclear war moves beyond the control of policy, ceases to be an instrument of policy, and does not constitute its continuation is theoretically incorrect and politically reactionary. . . . The description of the correlation between war and policy is fully valid for the use of weapons of mass destruction."

When we discard the rhetoric, we learn that the use of nuclear weapons is an acceptable extension of policy.

While it is important that we follow the evolving Soviet interpretation of the ideology of Marxism-Leninism, it is imperative that we understand Soviet strategy. I draw this distinction because, for the Soviets, Marxism-Leninism is a rubbery instrument which can be reshaped to fit current needs. Soviet strategy, on the other hand, while flexible in a tactical sense, is less yielding in terms of achieving its objectives. We must ask ourselves, is the strategy of the Soviet Union the same as our own.

As mentioned above, our strategy has been based on the doctrine of mutual assured destruction, the premise being that war must be avoided. In practice, this has meant that we have developed and deployed weapons systems necessary only to deter the Soviets from launching a first strike. And, I believe, that an examination of our military spending during the past decade bears this out.

There are those who argue that the Soviets have mirrored our actions out of a deep-rooted sense of insecurity and not out of a drive for nuclear superiority. This action-reaction cycle, they claim, has repeated itself on numerous occasions leaving us with the image of two superpowers aping each other into eventual nuclear oblivion. That argument rests on the assumption that the Soviets also accept the doctrine of mutual assured destruction and its underpinning that war must be avoided.

It is the considered opinion of other leading strategic thinkers, an opinion which I am inclined to share, that the Soviets do not adhere to the doctrine nor do they accept its basis. Rather, it appears that their strategy is predicated on war-winning, not war avoidance. Furthermore, I believe that examining the record of the last decade proves the point. If this is the case, then we face, in the words of General George Keegan, the

recently retired chief of Air Force intelligence, "the gestation of global conflict."

Incidentally, the Carter Administration may also share some misgivings in this regard, although no apprehension is reflected in the proposed budget cuts. Nevertheless, it is heartening that the Administration has begun to reexamine the strategic assumptions underlying American military policy. The National Security Council is currently conducting a study, under the direction of Dr. Smuel P. Huntington, of the validity of the doctrine of mutual assured destruction as well as other concerns. But, as benefical as this exercise may prove to be, such a far-reaching and long-term reassessment is likely to have little effect on current and short-term decisions.

While it is alarming that the Soviets find far ideologically and strategically acceptable, it is absolutely heartstopping that they may find nuclear war winnable and their losses tolerable.

Soviet Civil Defense planners claim that a death rate of between 5% and 8% might be sustained from a U.S. nucelar strike—a casualty rate of only 7.5 to 12 million out of an urban population of 151 million. This low rate owes to extensive civil defense spending estimated in excess of $1 billion since 1972 in the form of shelter construction, essential supplies stock piling, personnel training, equipment construction and dispersion and extensive practical and moral-psychological preparation of the people. Lastly, recall that the Soviets themselves loudly proclaim that some 20 million Soviet citizens died in the "Great Patriotic War", otherwise known as World War II in which the U.S. "incidentally" participated.

I am not a doomsayer, I do not think that the Soviet Union wants nuclear holocaust, although they may well risk it. I do believe, however, it is essential that we recognize the vast differences in ends, and means to ends, which separate us from the Soviet Union. Foremost among these is that the Soviets believe in and abide by the proposition that political gains can be secured through military advances.

I would now like to discuss in more detail what kinds of advances the Soviets have made and to consider these in comparison with our defense capabilities.

SOVIET DEFENSE SPENDING

Admittedly, Western efforts to assess the level and burden of Soviet defense spending are seriously hampered by major differences in accounting methods, the artificial value of the ruble, and the lack of information and reliable data. However, CIA estimates of Soviet defense spending in the 1963–1973 period put the growth rate at about 3%, compared to about 1% for the United States. Last year, the CIA concluded that defense efforts absorb 11% to 13% of the Soviet Union's Gross National Product. The portion of the U.S. product absorbed by defense efforts has declined from 10% in 1955 to about 5.5% today. A CIA study released in early 1977 concluded that Soviet military expenditures in 1976 were at least one-third higher that those of the U.S. Moreover, the Joint Chiefs of Staff recently testified that they now share the judgment that Soviet programs are aimed at strategic superiority and that if current trends continue, the Russians will soon reach their goal.

At every level, there is evidence of rapid Soviet modernization, of qualitative improvement of numerical reinforcement, and—vital for the future—of expansion of military research and development. Current estimates are that the Soviets spend 25% more on military research and development than does the U.S. On the other hand, excellent intelligence informs American planners about what the Russians have, are testing, and could acquire.

One of the more spectacular Soviet developments has been the expansion of the Navy. The Soviet Union, historically a land power, has built a fleet capable of contesting control of the sea with the U.S., a sea power. The Russian submarine force is triple that of the United States. The USSR has introduced eight new submarine designs in the past decade and are currently topping the U.S. in the production of attack submarines by 3 to 1. Soviet missile carrying submarines can now threaten the U.S. from positions west of Greenland. The Soviets maintain a large northern fleet at Murmansk including 175 submarines, 90 of them nuclear-powered. The Soviets have also penetrated the Mediterranean, the Middle East, and Africa. Jane's Fighting Ship's reports that the Soviet Navy's growing strength and worldwide deployment appear designed for offensive purposes.

With Soviet military investment growing at a more rapid rate than that of the U.S., they are seizing the technological lead or closing the gap in most classes of weapons.

Some recent annual production figures for key weapons provide telling evidence:

	United States	*Soviets*
Helicopters	506	1,100
Tactical aircraft	575	950
Tanks	156	1,400
Artillery pieces	156	1,400
Armored personnel carriers	1,410	3,700
Long-range bombers	none	15
Nuclear-powered ballistic missile submarines	none	6

Just since the SALT I (Strategic Arms Limitation Talks) agreement in 1972, technology has brought the Soviets an assortment of new devices. These include a range of new missiles—the SS–18, with unprecedented explosive power, can destroy any known fixed target; the new SS–20, likely to be deployed aboard a mobile launcher, may defy satellite vertification—the new Backfire bomber, and MIRV (Multiple Independently Targetable Reentry Vehicle) multiple warheads. Although the Soviets have overtaken the U.S. with respect to almost every strategic weapon, the U.S. continues to maintain a lead in accuracy, in warheads on target, and an advantage in number of warheads.

Indeed, overall Soviet gains have been dramatic. In terms of the strategic nuclear balance, the U.S. has gone from a monopoly in nuclear forces in the late 1940's to a clear superiority in the 1960's to what is now described as rough tactical and strategic equivalence. It is against this background that the Congress must decide on the level and make-up of the defense budget for FY 1978. Can we allow Soviet capabilities to continue expanding and U.S. capabilities to retrench—as they have over the past decade—without inviting an imbalance and ultimately, a crisis. The answer, must be a resounding no. Affirmative decisions must be made on the following weapons systems.

B–1 Bomber: The B–1 is scheduled to replace the B–52 which has been in service for nearly 20 years. The B–1 would have far greater speed than the B–52, much better ability to elude radar detection, and it carries a bigger bomb load.

A lower cost alternative to the B–1 being considered is equipping lower performance planes (a modified Boeing 747 cargo plane or B–52's equipped with larger engines) with the cruise missile. (The cruise missile is a potentially highly accurate, long-range projectile, capable of carrying either nuclear or non-nuclear warheads. U.S. operational commitments for the missile—whether either sea-launched, air-launched, or both—have not been made.) These available aircraft, loaded with the new cruise missile could stand off from hostile borders which the B–1 has been designed to penetrate.

Meanwhile, the Soviets are deploying their new Backfire medium-range bomber which can achieve long-range capability if it is refueled in mid-air. In my opinion, former Secretary of Defense Rumsfeld was correct in warning that unless the B–1 bomber and other strategic deterrents are built, the Soviet Union would get so far ahead militarily that the U.S. would lose influence around the world.

MX Missile: I do not believe that we can afford the risk of delaying the production of this advanced ballistic missile until fiscal year 1979 as the 1978 budget proposes. The MX missile, a mobile missile (probably running on underground rail tracks) would be ten times more potent than the Minuteman it is designed to replace. With the termination of the Minuteman III production line in 1977 and the delay of MX missile production, the Western World will not have a strategic missile production line in operation in fiscal year 1978. One factor in the decision to delay production of the MX was the alleged need for a gesture to the Soviets for the forthcoming SALT II negotiations.

Trident Submarine: Trident is a long-term program for modernization and replacement of Polaris and Poseidon nuclear ballistic missile submarines. The Trident program includes a third generation nuclear-powered submarine and two new ballastic missiles (Trident I, 4,000 mile range, and Trident III, 6,000 mile range). The Trident, the world's largest submarine, will travel faster, dive deeper, run quieter and be able to stay at sea 40% longer than the Polaris or Poseidon.

It will have greater firepower, 24 missiles instead of 16, and it should be less detectable, less vulnerable and less dependent on foreign bases. Current production schedules call for a ship building rate of three Trident submarines every two years with the first Trident to become operational in fiscal 1979 when the oldest of the present ballistic-missile-firing submarines will be 20 years old. The Soviet Union has already deployed two new classes of ballistic-missile-firing submarines (Delta I's and Delta II's). Each are armed with the SS–N–8 (4200 mile range) ballistic missile. The Soviets are currently testing the SS–N–18 sea-launched ballistic missile equipped with MIRV's, which are reported to have a greater range than the SS–N–8.

Our nation is at a crossroads of history and the Congress will play a vital role in deciding what direction we will take.

With the exception of not wishing to run too great a risk of nuclear war, the Soviet Union rejects all that we stand for. However, while the Soviets have made rapid gains on us, they have not yet gained clear military superiority over us. Congress has the responsibility to provide and maintain an essential deterrent, including adequate conventional forces which remain the best insurance against the need to use nuclear weapons.

We must be vitally concerned about the Soviet build-ups during the past decade which has seen them achieve rough military parity with the United States. The financial burden of this awesome build-up has been at the expense of an economy chronically short of housing and consumer goods, plagued by agricultural shortage, and with an economic base half the size of our own, yet outspending the U.S. in the military sector by about one-third. We cannot afford to allow the Soviets to gain absolute superiority over this country and to experiment with added military might, and clearly that is inevitable unless we exercise our authority to alter the trend.

I submit that the risk to the security and welfare of this Nation and of the free world demands that we retain a "defense capability second to none".

TESTIMONY ON THE YOUTH EMPLOYMENT AND TRAINING ACT

Mr. HUMPHREY. Mr. President, on Wednesday, April 20, I had the welcome opportunity to testify on the problem of youth unemployment before the Subcommittee on Employment, Poverty, and Migratory Labor of the Senate Committee on Human Resources. Wednesday's was the first of 3 days of hearings on the Youth Employment and Training Act of 1977, which was submitted by the administration on April 6 and which I was very pleased to cosponsor.

The administration's bill marks an excellent first step—and I emphasize, first step—toward a comprehensive solution to the problem of high youth unemployment. Under the administration's proposal, $1.5 billion will be authorized for the next 18 months to create three new youth job programs and provide jobs for 200,000 young people. This is an excellent start, and I support it.

But, as I pointed out in my testimony, there are ways the administration's bill can be improved. With almost 3.4 million young people unemployed, 200,000 jobs is only a drop in the bucket. I urged the committee to increase the funding level for the programs in the bill. On the same day as the Youth Employment and Training Act was introduced, Senator JAVITS and I submitted an amendment—No. 184—that would provide $1 billion this year and $2.5 billion in fiscal 1978 for the programs in the bill. This amendment reflects the recommendation made by the Human Resources Committee to the Budget Committee for youth programs in fiscal 1978.

Congress was presented with an ample source of funds for youth jobs last week when President Carter withdrew his proposal for a rebate on 1976 income taxes and the investment tax credit. I supported the President on this decision because I think the money could be better used for direct job creation programs, and I urged the Committee to devote part of this new funding source to youth programs.

I also made suggestions to the committee concerning other possible improvements in the administration's bill during my testimony. Mr. President, I ask unanimous consent that my prepared statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY

Mr. Chairman, I appreciate the opportunity to testify on the Youth Employment and Training Act of 1977, and I congratulate you and the members of the Human Resources Committee for your swift action on this measure.

The bill is an excellent first step toward a comprehensive solution to the complex and disturbing problem of high unemployment among our nation's young people. It was developed in a very heartening cooperative process that brought President Carter and Labor Secretary Ray Marshall together with concerned members of the Senate—you and I, Senator Javits, Senator Jackson, Senator Randolph, Senator Stafford, and others—and the bill submitted by the Administration shows their attention to our concerns.

Now, more than ever, our young people need the help that will be provided by this bill. All across the country, unemployment has dealt a devastating blow to the hopes and aspirations of our youth.

In March, the unemployment rate among teenagers 16 to 19 years old was 18.8 percent, compared to 5.1 percent among adults 25 years old and over. Among black teenagers, the unemployment rate was 40.1 percent and, in many of our central cities, disadvantaged youth have been experiencing an unemployment rate that exceeds 60 percent.

There are 3.4 million young Americans today under the age of 25 who want to work, who are knocking on doors that remain closed to them. These young people are ready, willing and eager to work, but there are no jobs for them.

These young people need help, they need it in large doses, and they need it now. This Committee has just been given an opportunity to provide that help. Last week, President Carter presented us with an additional source of funds for youth jobs when he withdrew his proposal for a rebate on 1976 income taxes and the investment tax credit. I support the President's action on this because I think the money could be better used for direct job creation programs. Let's devote a significant part of it to youth jobs.

Here is a place where the Human Resources Committee could make a significant improvement on the President's proposal, and could do it swiftly. On the same day as the Youth Employment and Training Act was introduced, Senator Javits and I submitted an amendment—No. 184—that would provide $1 billion this year and $2.5 billion in fiscal 1978 for the programs in the bill. This Committee has already made a similar recommendation to the Budget Committee. I urge you to stick to your guns on this figure and fight for additional money for our young people, now that the elimination of the rebate and investment tax credit has made the added money available.

Any additional money we put into youth employment programs will be an excellent investment in the future of this country, because the personal, social and economic costs of youth unemployment are enormous.

If we do not move swiftly to provide jobs for our youth, we may well end up in the 1980's and 1990's not only with a youth unemployment problem, but with a whole generation of middle-age Americans who have little or no job skills and who will need total rehabilitation to become productive and self-supporting workers.

In addition, youth unemployment is a major source of crime. In 1973, the last year for which we have comprehensive figures, seventy-five percent of arrests for serious crimes involved youth under the age of 25. Youth made up 75 percent of those arrested for arson and for robbery, and 85 percent of those arrested for vandalism, for burglary and for auto theft.

The most direct and rapid way to alleviate youth unemployment is through specially-targeted youth employment programs, such as those in the Youth Employment and Training Act. Because of the structural nature of the youth unemployment problem, economic recovery alone will not be sufficient.

What needs to be done?

First, we must create a significant number of jobs that are specifically targeted at youth, and these jobs must be useful and productive.

We should put a large percentage of the 3.4 million youth who are unemployed to work on projects that provide a useful public service. There is work to be done, and plenty of it. We have 70 million homes that need to be weatherized. We have thousands of miles of railbed that need to be rebuilt, homes throughout the nation that need repainting and refurbishing, school buildings that are deteriorating, forests that need replanting, children and elderly that need care, and countless special local needs that our idle young people could fulfill, and fulfill well.

It is a national tragedy and a national shame that our youth are wasting their time and energies when there is much work to do.

Second, the jobs must provide some useful training.

Much of this should focus on basic job skills. Young people need to know how to get to work on time each morning, how to follow directions, how to punch a time clock. These are the most basic job skills, and they can't be learned sitting at home or on a street corner.

In addition, more specific skills should also be taught—construction skills, mechanical skills, bookkeeping skills—but they should be taught as part of the job.

Third, we should provide both full-time and part-time jobs, in both the public and private sectors. Young people who are out of school need full-time work, and we should provide it in abundance. But we shouldn't forget that many youth who are in school also need work just as desperately to earn the money to stay in school or to contribute to family incomes.

Finally, young people need good job counseling, good job information, and good job placement services.

Youth unemployment in this country is a national disaster. The bill we are considering today is an excellent start toward alleviating the problem. The young people in this country are very lucky to have a President and a Congress that are on their side.

The programs provided in this bill will go a long way toward fulfilling the labor market needs of our unemployed youth. The jobs created will be useful and productive, and they will provide good training in basic work skills. But there are some improvements this Committee should consider to make this proposal into the comprehensive youth employment program our young people deserve.

First, as I mentioned at the start of my testimony, the funding level should be increased. In his message to Congress on youth unemployment, President Carter called for spending $1.5 billion on these programs through the end of next year, to create about 200,000 new youth jobs. Now, this is only a drop in the bucket when there are 3.4 million youth unemployed. I think this Committee would be very wise to increase the funding for youth programs, especially now that the President has withdrawn his proposal for a tax rebate and investment tax credit. Senator Javits' and my amendment—number 184—authorizes $1 billion for this year and $2.5 billion for next year. In light of the severity of youth unemployment today, this figure is far more appropriate than the earlier amount.

Second, there are two programs in our Comprehensive Youth Employment Act that are unfortunately missing from the President's Youth Employment and Training Act.

First, there is a Work-Experience for In-School Youth program that would expand our work-study and on-the-job training programs for youth who are enrolled in a secondary school program. More than 1 million of our unemployed youth are in school and looking for part-time work, many to raise the money to stay in school. The President's bill is targeted only at out-of-school youth and overlooks the desperate need of many youth who have made the decision to stay in school and finish their educations. An unfortunate side effect of the President's decision to target jobs on out-of-school youth is that it provides an incentive for youth to drop out of school in order to qualify for a

job created by this proposal. This would be a terrible mistake.

Now, I know that Senators Randolph and Stafford's proposal gives high school credit to youth who participate in their program. But we need to go much further and develop a measure that integrates work experience and career exploration with a young person's educational program. In our amendment, Senator Javits and I have taken the work experience program from our bill and adapted it to the framework of the President's bill. Under this, the CETA prime sponsors and the local educational agencies would jointly prepare an in-school program, and 15 percent of each prime sponsor's allocation would have to go to it.

Second, our bill includes an Occupational Information and Career Guidance proposal that would place trained job counselors in our nation's high schools and junior colleges. We would establish a national entry job level data bank that would be connected to computer terminals in high schools and neighborhood youth centers. And we would set up a program to train new job counselors and upgrade existing counseling services. Senator Javits and I have tried to carry some of this over to the President's bill in our amendment, by allocating $3 to $5 million to the National Occupation Information Coordinating Committee which Congress created last year under the Vocational Education Act. I hope you will add this provision to the final bill.

In addition, now that the withdrawal of the rebate and investment tax credit has freed up some resources, I hope you will also consider our proposal to place trained counselors right in the high schools and junior colleges so that they will be readily available to youth while they are searching for their first jobs and making career plans. This is not in the amendment Senator Javits and I proposed, but it should be very easy to include.

Mr. Chairman, I want to finish up by pointing out that a youth employment program will be one of the most popular and widely-supported actions that this Congress could take. On January 19, I put a Gallup Poll in the Congressional Record showing that 85 percent of those polled favored enactment of a youth employment program. According to the Gallup Poll, "few issues in polling history have received such overwhelming support by the American public." We have a mandate from the American people to move ahead swiftly on the bill before us, and I congratulate you for doing just that.

JUST LEAVE US ALONE—AND NO HANDOUTS, PLEASE

Mr. GOLDWATER. Mr. President, Government regulation is burdensome and downright destructive to American business as a whole. But the weight it places upon small business is so heavy that we may be witnessing the last stages of small independent enterprises.

Mr. President, the small businesses of this country are trying to send one overriding message to the Government—just leave us alone—and it is becoming louder and more urgent with every passing day.

A recent article outlining the problems of one segment of small business in this country appeared in the April issue of the publication, "Hardware Retailing," and I ask unanimous consent that this article, written by Bill Mashaw, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT SEEMS TO ME—JUST LEAVE US ALONE—AND NO HAND-OUTS, PLEASE!

(By Bill Mashaw)

It's high time someone with so-called social consciousness recognized the truly forgotten people in our economic system. I'm talking about the hundreds of thousands of really small businesses—retailing, wholesaling, manufacturing and other service establishments—who make up the collective backbone of America's private enterprise system.

This is the segment of the business world which seldom creates any problems for government; but, being part of the total business community, is painted with the same brush of regulation and condemned for everything that big business does in its coldest, crudest and most callous moments. The small businesses of America aren't even distant cousins to the corporate giants like Lockheed, General Motors, Gulf Oil, and the like.

Putting matters into focus, when was the last time you heard of Main Street merchants like hardware and home center retailers asking anything of their government other than to be left alone? Hard to recall, isn't it?

So, the special treatment we want is essentially one of avoiding increased costs and aggravation imposed by governmental interference.

Not one time in the last 25 years has the National Retail Hardware Association in representing our industry asked our Congress for something special for our businesses. Many, many times, we've asked only to be left alone—merely not to be hit by new regulations, obviously and admittedly unnecessary insofar as small businesses are concerned.

Proudly, we've never asked for a hand-out. Yet, do you ever remember anyone in a state capital or in Washington thinking of the problems of small business people when tough economic times arise? Currently, the disastrous droughts in the West and the severe winter of 1977 in the East are examples.

The unemployed rush for unemployment benefits. The farming industry comes asking for disaster relief and increased price supports. Other elements of the populace seek to be included in disaster relief provisions. Meanwhile, the owners of family businesses tough it out. When the profits aren't there, when there is record cold and shortages of fuel, and he is meeting payrolls out of personal savings, he simply toughs it out. The bankruptcy courts are the small businessman's ultimate resource. No governmental subsidy or assistance—and he doesn't want any. He merely wants just to be left alone.

Yet, without compensation or consideration, other than fines imposed for noncompliance, the nation's small businesses are forced to collect, record and report federal and state income taxes for themselves and their employees. They collect, record, report, as well as pay, half the burden of Social Security taxes for millions of employees. They keep the records and comply with federal and state wage-hour regulations. They meet the costs and aggravation of OSHA, credit regulations, firearm and ammunition record-keeping and regulations, new warranty regulations and other impositions which have precious little relationship to business' forgotten segment of our citizenry and our economy.

Our message to government continues to be: "Please leave us alone. Don't strangle us. Let us take our chances in a free market system—please recognize us for what we are and not what we are not. Simply give us equal protection from unnecessary governmental interference. And no hand-outs, please!"

It's our hope that every person employed in governmental, legislative and executive positions will receive this massage from our business people everywhere.

THE FULL EMPLOYMENT AND BALANCED GROWTH ACT; SOLUTION FOR INNER CITY PROBLEMS

Mr. HUMPHREY. Mr. President, our inner city urban areas are entering their second decade as unofficial national disaster areas.

They have remained that way—with staggering rates of unemployment as high as 60 percent for teenagers, unsafe and unhealthy housing, and criminal activity on a massive scale—since the late 1960's at least. They have remained that way despite a list of assistance programs rivaling the Sears Roebuck catalog in volume, despite libraries of reports and recommendations, despite miles of television film minutely detailing riots and the destruction of entire neighborhoods by arson. The problems exist largely because of our ineffectual collective exercise in handwringing accompanied by a congressional chorus of concern.

COMPOUNDING THE PROBLEM

These problems are further compounded by national housing and transportation programs which encourage abandonment of the cities by both business and the middleclass for a plant and a tract house in the suburbs. Thus the tax base of the center city is diminished while the demand for services from those who are without resources continues unabated or actually increases.

To be sure, the efforts of dedicated organizations and concerned minority groups have kept hope alive by waging a determined struggle that has achieved some progress. But in an overall sense, our center cities are going to hold the depressing distinction, along with much of rural America, of remaining underdeveloped areas as long as the Nation fails to develop and implement comprehensive, long-range economic policies and programs.

In point of fact, the core areas of our large cities will remain this way as long as Congress and the administration fail to enact and implement the Full Employment and Balanced Growth Act of 1977 which Representative AUGUSTUS HAWKINS and I have introduced in the House and Senate with 79 cosponsors. It is the only legislation before Congress which provides an effective program to achieve a stable, prosperous economy for all sectors of the Nation's population.

ISOLATED PROGRAMS

Our present Federal approach to the challenge of redeveloping and revitalizing our inner cities consists of an array of programs that have little if any relationship to each other or, equally important, to the needs of the Nation's economy as a whole. We provide public housing where there are no jobs. We establish minuscule job training programs that allow only token numbers of the formerly unemployed to become productive members of society. We demolish block after city block in the name of urban renewal and create rolling waves of dispossessed immigrants who exchange one address for another but remain in despair and bitter frustration. We continue the existence of welfare programs while acknowledging that the result is continued idleness and crime.

And when the economy once again

bottoms out and begins to improve, we read the lowered rate of national unemployment and forget the level of joblessness, the level of degradation and anger of those in the inner city. Nothing much has changed for them. They continue to see themselves as people without a future, consigned to a wasteland where the only change is for the worse.

These conditions stand as a constant contradiction of our social standards and the American ideal of a continually improving life for ourselves and our children. Our society can never be made whole until the disadvantaged of our inner cities and elsewhere are equipped to utilize the opportunities for advancement that most of the rest of us take for granted.

THE FIRST ORDER OF BUSINESS

Mr. President, the first order of business for this Congress is to establish the framework and the procedures that will enable the Government of our Nation to end the needless boom-and-bust swings of our economy and place it on a steady, expanding course. We simply have got to begin to create and sustain an economic platform that will provide everyone willing, able, and seeking work the opportunity for meaningful employment at decent wages.

In answer to these needs, the Full Employment and Balanced Growth Act requires the administration and Congress to develop and initiate long and short range comprehensive fiscal and monetary policies and programs which will allow the Nation's commerce and industry to use their full capacity to meet the demand for goods and services. This is the bed rock upon which any sound effort to reach a full employment economy must be based. Through careful use of general tax and spending programs in tune with monetary policies affecting the availability and cost of credit we can give business the climate by which it can reduce unemployment from its present intolerable nationwide level of between 7 and 8 percent to about 4 percent within 4 years. The history of the past decade when unemployment was held at levels of close to 4 percent is convincing evidence that this goal for private sector achievement is possible.

TARGETING THE PROBLEM

Special programs, targeted at chronically depressed urban and rural areas, can be provided under authority of the bill. These include establishing an alternative source of funds, such as creation of a national development bank, to extend below market loans to small business and State and local governments, tax credit incentives for business investments, and countercyclical grants to State and local governments to provide employment opportunities and to maintain adequate levels of service.

Finally, when it is absolutely necessary to fulfill the legislation's promise of meaningful work opportunities for those seeking it, inventories of federally funded "last resort" jobs held to the lower levels of skill and pay, could be utilized on a temporary basis in depressed urban and rural areas. Such employment opportunities would be designed to avoid competition with private sector labor demands and could not be made available unless the President determined that the need to do so exists and reported his findings to Congress. The "last resort" jobs program could not be implemented until 2 years after enactment.

MISPLACED ALARM

Some critics of the Full Employment and Balanced Growth Act have expressed alarm over the cost of the federally funded aspects of programs that would be utilized under this legislation. I would remind them that unemployment compensation payments totaled $20 billion in 1975 alone and that many States exhausted their unemployment fund reserves and had to borrow from the Federal Government last year to sustain this program. I would remind them that every 1 percentage point increase in the unemployment rate costs the Federal Government $14 billion a year in lost tax revenue and costs State and local governments more than $6 billion, a situation that forced many States and local governments into wholesale layoffs of employees. I would also remind them that the bill requires that to the extent it is reasonably possible to do so, people would be taken off the welfare and unemployment compensation program lists and given job opportunities. In this way funds that would otherwise be expended to sustain them in idleness will instead be used for productive purposes benefiting the entire economy.

Mr. President, the Full Employment and Balanced Growth Act provides the only viable solution to the economic and social problems that riddle the inner city areas of the Nation. It does this because it requires the administration and Congress, with full input from State and local governments, to develop and implement policies and programs to guide the entire economy on an ongoing basis and reach and sustain the employment and anti-inflation goals of the bill. The problems of the cities are not viewed separately and in isolation from one another because they cannot be solved in this way. Rather it provides the comprehensive, workable approach to urban, and particularly inner city problems, within the context of meeting the Nation's overall economic requirements. This is the only way we are going to make lasting headway in revitalizing and redeveloping core city areas.

QUESTIONS ABOUT U.S. POLICY TOWARD CHINA

Mr. GOLDWATER. Mr. President, on several occasions I have discussed in the Senate and elsewhere the great prospect for extending the independence and freedoms of the Chinese people, as practiced in the Republic of China on Taiwan—that is presented by President Jimmy Carter's statements on human rights and morality in foreign policy. If our foreign policy is to be influenced by the recognition of human rights in other countries or if a fundamental aim of our foreign policy is the advancement of these human rights, then it is clear that our Government must remain staunch in its commitment to the independence and security of the Republic of China.

For there is no comparison between the two situations of the Communist regime on the mainland of China and the democratic form of government in the Republic of China. There is a broad extension of freedom and individual liberty within the Republic of China, including the rapid advancement of the economic welfare of the Chinese people living on Taiwan, while in the case of the Communist rulers of the mainland, there is a total denial of the entire spectrum of human rights, from the cruel suppression of religion to the widespread use of slave labor camps as a means of supposedly reforming political prisoners.

Thus, it is quite evident that the only way President Jimmy Carter could fulfill the great moral standards he has articulated for the Nation, in the context of U.S. policy toward China, is to maintain and strengthen the ties our Government and country has with the free Chinese people of the Republic.

Mr. President, this same hope has been aroused among the free Chinese. They have made the same analysis of President Carter's announced principles as I have described. However, some of them are becoming concerned at developments which appear inconsistent with adherence to the principle of morality, as regards our actions toward the Republic of China compared with our moves toward Communist China.

Some of these concerns have been clearly expressed by a distinguished Chinese jurist of international law, Dr. Tu Heng-Chih in a recent article he wrote for the magazine, The Asian Outlook, a public forum on the affairs of Asia. Dr. Tu is dean of the College of Arts at Tung Hai University in Taichung, Republic of China.

So that my colleagues may share from the insight of an internationally educated and prominent scholar of the Republic of China regarding U.S. policy toward China, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Asian Outlook, vol. 12, No. 3, March 1977]

IS THIS THE NEW U.S. POLICY TOWARD CHINA?

(By Tu Heng-Chih)

In his inaugural speech delivered on January 20 and other speeches on international affairs, the 39th President of the United States, Jimmy Carter, mentioned the supreme principles guilding U.S. foreign policy, but did not give substantial views on any specific issues or areas. A preliminary picture of the policy toward China to be taken by the new U.S. administration, however, may be gained from the talks given by the new U.S. Secretary of State, Cyrus Vance.

Recalling a little earlier, we may understand from the speeches given by President Carter during his election campaigns that the China policy of the Democrats, in principle, would follow the line of the Republicans. Viewing from the fact that President Carter, before and after his inauguration, has continued to emphasize the principle of morality and the importance of public opin-

ion, we have long expected that he would give some new interpretations to the "normalization" of relations with the Chinese Communists, or even some revisions. But unfortunately, following his meeting with Huang Chen, head of Peiping's liaison office in Washington, on January 8, which was arranged by the outgoing Secretary of State Henry Kissinger, President Carter told the press he would take the "Shanghai Communique" as the basis to continue the effort of "normalization." Taking the opportunity of inaugurating a new President, the U.S. government should have reasons to discard the "Communique;" but now it was unconditionally accepted, really making us very disappointed.

TO START DISCUSSION FROM A TESTIMONY

Following this, Secretary Vance gave a clear indication on the U.S. policy toward China in a testimony made in the Senate on January 10 when he was answering an interpellation on his appointment. First, he declared that he believed the U.S. policy toward Peiping would follow the mutually-agreed guiding principles contained in the "Shanghai Communique" and that the U.S. objective was the pursuit of "normalization." On the so-called "Taiwan question," he said the United States, in the "pace" and "mode" of seeking "normalization" of relations with Peiping, would consider the security of people in Taiwan. In the determination of the "pace" and "mode," he added, more thinking and study would be required and this was referred to national security organs for careful handling. When Senator Percy asked what did he think if the present political upheaval on the Chinese mainland would delay the "normalization" with the United States, Vance answered that there were no signs of such a delay at present and that the Chinese Communists stated they would adhere to the principles agreed upon in the "Shanghai Communique" which were announced before the death of Mao Tse-tung.

In the testimony given by Vance, the part worrying us the most, in addition to that on "Shanghai Communique," was the statement that on "Taiwan question," what he cared was only the "security" of people in Taiwan. This departed quite a lot from the principle mentioned by the Democratic platform six months ago and raised by Carter in his television debate three months before. In the Democratic platform, it was stated that the U.S. relations with the Chinese Communists should continue to develop for the early "normalization" on the basis of a peaceful settlement, including a peaceful resolution of the future of Taiwan. This clearly told us that before a peaceful resolution is obtained, the status quo of Taiwan should be maintained. In other words, as long as the status quo of Taiwan was kept, legal U.S. relations with the Republic of China, including diplomatic and treaty relations, should remain unchanged.

In the television debate three months ago, Carter said: "I would never let that friendship with the People's Republic of China stand in the way of the preservation of the independence and freedom of the people of Taiwan." The "independence" and "freedom" referred also were an admission of a political status. Separately speaking, independence referred to the independence of the Republic of China, and freedom referred to the full freedom enjoyed by the people in Republic of China under a democratic political system. The references indicated that the political status should not be changed because of the "normalization" of relations with Peiping.

But of the "security," as mentioned by Secretary Vance, the significance apparently was much narrower in sense. It seemed that he was to say that after "normalizing" relations with Peiping, the United States would continue to safeguard the security of Taiwan, disallowing it to be endangered by the use of force on the part of Chinese Communists under any excuse. This was tantamount to reiterating the statement made by President Harry Truman in 1950 when he ordered the Seventh Fleet to keep the neutralization of Taiwan Straits. As long as this was purely a military arrangement, it would not cover the political system and external relations of the Republic of China as mentioned above. In other words, the respect of the Republic of China's legal international position and the safeguard of the diplomatic and treaty relationship with the Republic of China were not the factors necessarily to be considered in the process of "normalization" with Peiping.

As to the question of "peace," the answer given by Secretary Vance to Senator Percy also puzzled us. Vance did not deny that on the Chinese mainland today there was a political upheaval. He, however, said that this would not delay the process of "normalization" because the principle held by the Chinese Communists remained unchanged. Actually, the emphasis of Senator Percy's question was on the side of the United States, or that viewing the political upheaval on Chinese mainland, would the U.S. delay the effort for "normalization"? To this question, it seemed that Vance deliberately evaded to give an answer. Under a normal situation for the recognition of a new regime, the basic yardstick usually is the actual controlling power of that regime.

The situation of Chinese mainland today was so chaotic that it should fully testify that the Peiping regime does not have an effective control power. Facing such a fact, the U.S. government should not only delay the effort of "normalization" but also base on it to make a new and overall review of its policy toward the Chinese Communists.

MY SUGGESTIONS TO U.S. GOVERNMENT

From the above analysis, we know there are many troublesome questions in the China policy of the new U.S. government. But facing this new government, we are not pessimistic because from President Carter down, responsible officials of all levels have a determination to get rid of the old and to seek the new. This is true in internal affairs, also in diplomacy. For this reason, I think this is the time that people in our country shall make an active effort. Here I wish to make three suggestions to the new U.S. government:

First, since directly affected by the U.S. "normalization" with Peping is the relationship between Washington and Taipei, I sug- U.S. relations with the Republic of China, legal, including diplomatic and treaty relations, should remain unchanged.
apparently did not have enough sense of such an international responsibility. As President Carter has guaranteed that on the withdrawal of U.S. forces from Korea, the United States will first consult South Korea and the related nation of Japan, I hope he can take the same attitude in the policy toward China.

It is noted that in the "Shanghai Communique" there is a phrase "all Chinese on either side of the Taiwan Straits." By this phrase, it is understood that the U.S. government at least has recognized that the Republic of China, located east of the Taiwan Straits, has some voice on any issue about China. Therefore, the Republic of China not only should be consulted but also reserves the right of giving final approval or refusal. Also, as Secretary Vance said that "mode" is related to the security of Taiwan, the government of the Republic of China on Taiwan of course should have the largest voice; otherwise, if the "security of people in Taiwan" were decided by the Chinese Communists, that would be very ridiculous.

Second, talking about the pure military "security," we all know that the true protection will come from the strengthening of defense by Taiwan itself. The strengthening will involve a lot of factors, such as how to develop the national defense industry to keep the modernization of armament; how to raise the educational level of citizens for the strengthening of combating capability; and how to improve transportation and communication networks to meet the military requirement. In short, the security of a nation depends on its overall national strength. Furthermore, of the eagerness of the Chinese Communists to establish normal diplomatic relationship with the United States, one apparent reason is the hope to acquire U.S. strategic materials or even weapons. While this acquirement may be interpreted as for the boycott against Soviet Russia, it actually threatens the security of Taiwan as well. Therefore, if the security of Taiwan is to be safe-guarded, consideration should be given to this possible development. If the United States does not offer assistance or provide facilities in this respect, but consider the security of Taiwan only in the pace and mode of "normalization" with Peiping, this will be very naive.

Third, any effective restraint over the Chinese Communists must come from force. If the direct use of force is not to be taken immediately, at least there must be a treaty stipulating that force may be used if necessary. After U.S. announcement to keep the neutralization of Taiwan Straits in 1950, the government authorities of the Republic of China and the United States, for fear that the announcement by President Truman was not strong enough to deter the aggression of the Chinese communists, signed the Sino-American mutual defense treaty in 1954. If the United States wants to jointly shoulder up the responsibility of safeguarding the security of Taiwan with the Republic of China, I don't think there is any better way, except the faithful fulfillment of the mutual defense treaty, because this treaty can never be replaced by a promise obtained from the Chinese Communists, for it is always unreliable. There has been an argument in the United States that since the Chinese Communists in fact have no ability to invade Taiwan, there will be no problem if the mutual defense treaty is discarded. To this argument, I would like to ask: Since the United States in fact may not be necessary to take military action based on the treaty, why should this treaty not be maintained to show the U.S. determination to safeguard world peace?

Finally, I would like to quote a paragraph from President Carter's inaugural speech as the conclusion of this article. He said: "To be true to ourselves, we must be true to others. We will not behave in foreign places so as to violate our rules and standards here at home, for we know that the trust which our nation earns is essential to its strength." This is just the same as what our philosophers have said: "Do not do to others what you don't want to be done to you." I sincerely hope that in deciding and implementing the policy toward China, the new U.S. government can also consider the interest and future of Chinese people.

MR. FESTIVAL IS CITY'S IDEA MAN—A CETA SUCCESS STORY

Mr. HUMPHREY. Mr. President, I want to call the attention of my colleagues to a CETA success story. Two years ago, the South St. Paul public school system was forced to cut back on its teaching staff for budget reasons. One of the teachers laid off was Mr. Darrol Bussler. Fortunately for the city of South

St. Paul, there were CETA funds available for the city to hire him in the community schools program, where he eventually became director. In his capacity, Mr. Bussler has sparked a new fire of civic participation and pride in South St. Paul through the creation of community-oriented festivals.

When we passed CETA—the Comprehensive Employment and Training Act of 1973—and added title VI to provide public service jobs, we knew we would create new jobs and put unemployed people back to work. But little did we realize how important this program could be in adding to the quality of life in cities and towns around this country.

This CETA success story was spelled out in a Tuesday, April 12, story in the Dispatch, and I ask unanimous consent that it be printed in the RECORD along with a letter to me from Mr. David Metzen, assistant superintendent of the South St. Paul public schools:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 13, 1977.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: This letter is to share with you a very positive experience the South St. Paul Schools had wih a C.E.T.A. project.

Attached you will find an article about our Community Schools Director, Mr. Darrol Bussler. Two years ago he was laid off from our school staff as a teacher, and through the C.E.T.A. program we were able to hire him as a member of community schools, and eventually he became the director.

I think this example speaks very well for the concept of C.E.T.A. and how well it can work.

Thank you for this fine legislation. The South St. Paul Schools are very grateful.

Sincerely,

DAVID R. METZEN,
Assistant Superintendent.

MR. FESTIVAL IS CITY'S IDEA MAN

(By Nancy Livingston)

You could call him "Mr. Celebration," "Mr. Festival" or "Mr. Enthusiasm."

His real name is Darrol Bussler, and he's the idea man behind many new community activities that are perking up South St. Paul's community spirit.

Not since the "Hook Em Cow Days" festivals in the 1950's has South St. Paul enjoyed such a revival of community-oriented festivals. In the past two years, Bussler has created and produced Christmas in South St. Paul Community Theater, Chapel Monday and Good Friday's Ecumenical Services.

Bussler also helped South St. Paul Bicentennial Commission Chairman Margaret Fairhurst produce an innovative light and sound show on the bluffs of the Mississippi River last fall.

There's no denying it. The man has a flair for creativity and a fertile brain where ideas just keep hatching one after another.

With these gifts, Bussler, 37, is uniquely suited for his job as community services director for the South St. Paul Public Schools. Said Bussler last week, "South St. Paul is so unlike what I would expect in a suburb.

"There's a homeness here, a sense of belonging that I grew up with and that I always thought was so important."

Bussler was born and raised on a farm in tiny Brownton, Minn., 70 miles west of the Twin Cities near Hutchinson. He attended a one-room school for six years that boasted a total student population of 12. "It was like an open classroom," he said. "We learned to live with and respect people of various age levels."

His teacher at the Brownton elementary school was strongly involved with her students, and Bussler said she used to plan and put on Christmas programs and purchase gifts for each student using her own money.

"There was a total family involvement in that school," he said. "We had spring picnics, Halloween gatherings. That's where I learned the importance of a sense of community."

Bussler said he looks at family and community the same way. "Community is just a bigger family," he said. "I believe in family meetings—calling a halt to work and just enjoying each other, talking to each other."

Bussler majored in speech, theater and English education at Gustavus Adolphus College and after graduation, obtained his first teaching job in 1964 at Simley High School in Inver Grove Heights.

"I was a lousy teacher at that time," he said. "I wasn't asking myself the really important questions dealing with education, like what really should be happening between teacher and student? Is subject matter the most important thing? What else can a teacher do for a student?"

Unsatisfied, Bussler quit and went to graduate school at the University of Colorado. There, he said, "I learned to think because I had to. I couldn't rely on all the securities."

A year later he was back in Minnesota teaching in Glencoe. A fellow teacher there, he said, "taught me what teaching was all about. He told me to get off my pedestal and stop being God. He told me to be a real person to kids."

After a three-year stint in Glencoe, he returned to Colorado to finish his master's degree and then came back to Minnesota to lead a completely different life. He was a free-lance teacher for the University of Minnesota extension division, sang with the Edgewater Eight nightclub group and also sang with the Sheiks Sextet at the old Sheiks Cafe in Minneapolis.

Nightclub work was enjoyable, he said, but it eventually wore thin. He remembers going to work one dreary, rainy night and seeing a drunk lying in a gutter in an alley. Fifteen minutes later he was watching the be-furred and be-jeweled women patrons of the nightclub beyond the footlights.

The contrast between the two scenes, he said, made him realize that he "could probably be a better citizen by not being on stage."

Shortly thereafter he quit and went to work as the director of theater for South St. Paul schools. He started a dance class, a course in children's literature and was given the opportunity to do a lot of interdisciplinary work. He even taught a human relations course in the home economics department.

When the South St. Paul School Board was forced to cut back staff, Bussler said he missed the first cut, but was part of the "second reduction" in 1975. That's when he started working with the community services department.

"Right now," said Bussler, "there's no place in the world that I would rather be. I am allowed the challenge of being creative. I have the freedom to dream."

Christmas in South St. Paul was his first major project in his job with community services. "I wanted to do something that was not a typical Christmas program. I wanted to make it far more creative than a series of memorized pieces by children."

He decided to use the talents of people of all ages, and use many art forms. He first approached the city's ministerial association be cause, he said, "church is important to South St. Paul. It is a very vital institution."

After receiving the support of the ministers, he also got the local retail association and the civic arts commission behind the project. The resulting program presented on Dec. 17, 1975, had the support of the entire community and it involved dance, music, visual arts and theater. It was, by all accounts, a resounding success.

"That was the beginning of the feeling that things could be done in South St. Paul," said Bussler. "I heard a lot of people say that they never knew there was so much talent here."

Kaposia Days, a summer celebration, was thought up by Bussler and Bob Verkennes, president of the South St. Paul Jaycees. Again, Bussler said, it was a matter of bringing together all the city's organizations and "doing a lot of legwork."

The first Kaposia Days was held last July 2, 3 and 4 and it will be repeated this summer. A barbecue will be added to this year's list of Kaposia Days activities.

"I see my role," said Bussler, "as saying South St. Paul Schools are interested in the community. I think you need someone to do that, and I think I can do it."

QUEEN ISABELLA DAY

Mr. WILLIAMS. Mr. President, April 22, 1977, marked the 526th anniversary of the birth of Queen Isabella I of Spain, a day commemorated in 40 States across the United States, including my own State of New Jersey. It was largely because of the foresight and perception of Queen Isabella that Christopher Columbus was able to undertake his remarkable voyage to the New World. This commemoration also serves to remind us of the important role that women have played, and will continue to play, in the evolution of our Nation's history.

Mr. President, on April 22, 1977, the Governor of New Jersey issued a proclamation declaring Queen Isabella Day in New Jersey. I ask unanimous consent that this proclamation be printed in the RECORD.

There being no objection, the proclamation is ordered to be printed in the RECORD, as follows:

STATE OF NEW JERSEY—PROCLAMATION

Whereas, the enthusiasm and support of a single ruler led to the discovery of America and the resounding effect this discovery had upon the history of the world; and

Whereas, this great ruler, Queen Isabella of Castile, wife of Ferdinand of Aragon, was the sole backer of Christopher Columbus, whose proposed expedition to the New World was contrary to the 15th century concept of the world; and

Whereas, the shrewd intuition of Queen Isabella, as well as the financial support and risk taken by Her Majesty on behalf of Spain, was responsible for uncovering the unknown riches of the Western Hemisphere; and

Whereas, the history of America has direct linkage to the birth of Queen Isabella on April 22, 1451;

Now, therefore, I, Brendan Byrne, Governor of the State of New Jersey, do hereby proclaim April 22, 1977, as "Queen Isabella Day," in New Jersey, in honor of the great Spanish Queen whose daring vision prompted laying the foundation for contemporary American societies.

WILL FULL EMPLOYMENT CAUSE INFLATION?

Mr. HUMPHREY. Mr. President, there has been no more enduring economic myth in recent times than that full employment will exacerbate inflation.

Well, I do not believe it. The evidence does not show it, commonsense denies it, and compassion demands that we discover how to employ our citizens without raising their cost of living.

The Full Employment and Balanced Growth Act of 1977 (S. 50), despite all misapprehensions to the contrary, is designed to promote both full employment and reasonable price stability. In a brilliant and perceptive discussion of this issue, Dr. Charles C. Killingsworth, professor of economics, labor and industrial relations at Michigan State University, totally debunks application of the fallacious Phillips curve to S. 50. His analysis is contained in an article entitled, "Will Full Employment Cause Inflation?" in the January/February, 1977 issue of Social Policy.

Dr. Killingsworth covers broad ground articulately, succinctly, and convincingly. He points out that the Humphrey/Hawkins bill calls for microstructural approaches to improving the labor market. What this means is the use of human power to train and inform workers to make them more suited to available, profitable jobs in the private sector. It is an effort we have never seriously pursued before, and as Dr. Killingsworth observes, our piecemeal projects provide little basis to generalize about the usefulness of a comprehensive human power program. In fact, the best evidence we do have, from at home and abroad, is that human power programs more than pay off through the reduction of structural unemployment.

The point is, Dr. Killingsworth explains, that full employment attained through fitting people to needed jobs is simply not inflationary, unlike temporarily high employment reached exclusively through stimulating the economy. With this I wholeheartedly agree. And what is more, the Humphrey/Hawkins bill explicitly endorses this notion.

Dr. Killingsworth explores another area which interests me greatly, and should concern all Members of Congress. It is a question Ray Marshall discussed at length during his confirmation hearings as Secretary of Labor. And that is, which is more effective in job creation: a tax cut, or targeted public service employment? It is especially appropriate to seek an understanding of this as both options are before Congress currently. Dr. Killingsworth cites favorably the Congressional Budget Office determination that public service employment creates five to eight times as many jobs per dollar spent as tax cuts. Now that the need for quick stimulus appears less urgent, the more deliberate policy of direct job creation should receive more consideration.

Mr. President, Dr. Killingsworth addresses at some length another fallacious argument against the full employment bill. Some have contended that the last resort job reservoir included in the legislation, which hopefully will not have to be implemented, risks seducing workers away from current employment in State and local government or entails the application by other governments of Federal funds in place of expenditures they would have made anyway. But Dr. Killingsworth points out how weak the evidence is on this matter. In addition, there are proven policies to restrict new jobs to those who are genuinely unable to find work. And finally, suppose there is some such effect. What it implies is that State and local taxpayers will get tax breaks, and the money will reenter local economies already geographically targeted for their high unemployment rates. This is a healthy consequence.

Dr. Killingsworth concludes on a note to which I subscribe with relish. "Improvement," he says, "is not possible if the program is never even started. The Humphrey/Hawkins bill sets an ambitious—some would say a daring—goal. But large achievements seldom come from small ambitions." To that, I say "Amen."

Mr. President, for the benefit of my colleagues who will be shortly considering the Full Employment and Balanced Growth Act, I ask unanimous consent that Dr. Killingsworth's article be printed in its entirely in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILL FULL EMPLOYMENT CAUSE INFLATION?

(By Charles C. Killingsworth) *

The persistence of extremely high levels of unemployment after months of recovery from the recent recession has stimulated new interest in proposals for a stronger and more effective effort by the federal government to achieve full employment. The Humphrey-Hawkins Full Employment Bill, at first widely regarded as little more than a political gesture, a year ago was considered quite likely to pass both houses of Congress, in revised form, by the close of the 94th Congress. Now its prospects are clouded, and the reason is a series of strongly worded attacks on the alleged inflationary potential of this proposal—or indeed any proposal for reducing the reported unemployment rate as low as 3 or 4 percent. These attacks have come from respected economists, some of whom wear the liberal label and some of whom are called conservative. Congress is necessarily and properly concerned with inflation as well as unemployment. The repeated assertions that full employment (at least as defined in Humphrey-Hawkins) would certainly cause ruinous inflation—perhaps as high as a 15 percent annual rate—have greatly reduced the momentum and support that the effort to guarantee full employment once seemed to have.

The thesis of this article is that the predictions of disastrous inflation as a result of 3 or 4 percent unemployment lack support either in past experience or analysis. Such predictions rest, either implicitly or explicitly, on a controversial doctrine generally known as the "Phillips curve," which holds that low unemployment rates cause high inflation rates, and vice versa. To the extent that the Phillips curve doctrine rests upon analysis of past experience, that past experience is fundamentally different from the approach to full employment that is proposed in the Humphrey-Hawkins bill. In the past, generally speaking, low unemployment rates have (arguably) resulted from the generalized pressure of aggregate demand. Usually, at least a part of the pressure of aggregate demand has been produced by fiscal and monetary policy. It is the reaction to that approach to full employment—general stimulation of aggregate demand—which the Phillips curve formulation purports to measure.

But our past experience does not include any period of low unemployment rates induced primarily, or even substantially, by the kinds of focused demand and supply improvement programs that are envisaged by the Humphrey-Hawkins bill. There are persuasive reasons for believing that these specific kinds of programs would be much less inflationary than the generalized stimulation of aggregate demand which has been our primary, and nearly exclusive, weapon against excessive unemployment in recent decades.

Most or perhaps all of the economists who have made the alarming predictions of disastrous inflation as a result of full employment have assumed, either explicitly or implicitly, that full employment would be achieved primarily by generalized stimulation of aggregate demand. If we grant the validity of that assumption, then possibly the warning is justified. I say "possibly" because the Phillips curve analysis is not universally accepted, even by mainstream economists. But a judgment about the effect of the Humphrey-Hawkins bill on inflation need not await a resolution of the Phillips curve controversy, which may be a long time in coming. Those who apply the Phillips curve analsyis to the Humphrey-Hawkins bill have misread that bill and have misunderstood the nature of the labor market problems to which it is addressed.

There is a role for fiscal policy in the Humphrey-Hawkins scheme. Even those economists who are most alarmed about inflation grant that our unemployment rate of nearly 8 percent could be reduced significantly without adding to inflationary pressures. Most of the inflation warnings place the danger zone in the range of 5 to 6 percent unemployment. Hence, many economists see some room for further stimulation of aggregate demand, and the Humphrey-Hawkins bill explicitly states that fiscal policy measures must be an important part of full employment policy. Since 1960, however, fiscal policy has come to be almost synonymous with tax cutting. I believe that this orientation of fiscal policy has led to unfortunate consequences and that the time has come to redirect fiscal policy. The Humphrey-Hawkins bill provides the vehicle for such a redirection, although the details are not spelled out in the bill.

PUBLIC SERVICE JOBS VERSUS TAX CUTTING

Humphrey-Hawkins explicitly provides for a major role for public service employment (PSE) in full employment policy. The bill also provides for increased emphasis on other labor market measures, such as training, relocation, placement, and so on. It should be obvious that an expenditure of $10 billion (for example) on such programs with no offsetting tax or other budget changes should provide at least as much of an addition to aggregate demand as a tax cut of $10 billion. But the impact of these two approaches to demand stimulation would be quite different. An understanding of the differences is a key to the current analysis of the potential impact of Humphrey-Hawkins on inflation.

In the first place, expenditures on PSE are

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*Charles C. Killingsworth is university professor of economics and labor and industrial relations, Michigan State University, and chairman of the National Council on Employment Policy. This article was first presented at hearings before the U.S. House Committee on the Budget, Task Force on Economic Projections, July 27, 1976.

much more cost-effective than tax cuts of equal magnitude in reducing unemployment. The Congressional Budget Office has prepared impact estimates of these two approaches to unemployment reduction.[1] The findings of this study imply that the net cost per job created by tax cuts after 24 months is in the range of $17,000 to $21,000. The findings also imply a net cost per PSE job after 24 months in the range of $2,600 to $3,500. In other words, dollars spent on a PSE program produce five to eight times as many jobs as an equal number of dollars, dedicated to tax cutting. This is a fact of fundamental importance to the correct evaluation of the Humphrey-Hawkins proposals. Even if one allows for a substantial margin of error in the Congressional Budget Office estimates, the superior cost-effectiveness of the PSE program compared with tax cutting is large and obvious. The lower cost per job means that many more jobs can be created with much less inflationary pressure by means of the PSE program than by tax cutting.

In the second place, the purchasing power effects of a tax cut are generally diffused throughout the economy, and its effect in terms of job creation is indirect and somewhat attenuated. When consumers and businesses find that they have to pay less money in taxes, they will spend more on goods and services. Some of this increased demand will be met by increasing hours of work for those already employed, some may be met by increasing productivity. Only part of the increased demand will be met by the creation of new jobs. And the new jobs that are created will not necessarily fit the skills and geographical distribution of the unemployed labor force.

In sharp contrast, the job-creation effect of the PSE program is direct and focused. (The "substitution" argument will be dealt with shortly.) Virtually all of the dollars in the PSE program are earmarked for payrolls. Eligibility requirements can be shaped in such a way as to insure that the hiring is concentrated among labor force groups and geographical areas where the unemployment rates are highest.

The PSE program is sometimes criticized on the ground that it enlarges government payrolls rather than private employment, but the charge is something less than half-true. It ignores the "multiplier effect" of adding people to payrolls, whether public or private. Those added to payrolls spend their earnings, and most of the spending is for goods and services produced in the private sector. To the extent that goods and services are produced in the geographical areas where they are purchased, this spending of PSE earnings helps further to relieve localized unemployment problems. Hence, the PSE program can be sharply focused on particular groups and areas, and to some extent, the secondary spending resulting from PSE hiring will also be focused where unused capacity is likely to be greatest. In time, of course, the effects of PSE spending will be generally diffused through the economy, and a point generally overlooked is that most of the jobs *indirectly* created by the PSE program will be in the private sector.

ANSWERING THE "SUBSTITUTION" ARGUMENT

The PSE program has recently been subjected to strong criticism on the ground that its effectiveness is greatly diminished by the so-called substitution effect. The charge is that money allocated to state and local governments for new hires under the PSE program will actually be used to avoid layoffs of present employees or to staff programs that would otherwise have been undertaken with state and local funding. Members of the Council of Economic Advisers (CEA) have repeatedly argued that "after three years only one or two new jobs remain out of 10 supposedly created originally."[2] This assertion is said to be supported by several studies of the job-creating effects of the present PSE program. However, the fact is that none of the studies relied upon is based on direct observation of the PSE program. All of them are largely theoretical analyses of state and local expenditure patterns under other kinds of federal grant programs, and the authors assume that the behavior of state and local governments will be the same under the PSE program.

As evidence, the studies on which the CEA and others rely are remarkably weak. One of the most careful and thorough of these studies ends with these words: "Clearly, far more analysis will be required before our numerical estimates can be taken as anything more than preliminary guides in the analysis of the practical problems we have examined."[3] Three of the authors of such studies have publicly conceded their weakness as evidence, saying, "A set of estimates ranging from 40 to 90 percent is hardly a 'smoking gun.'"[4] Despite these obvious weaknesses, these studies are frequently cited as indisputable fact—which is surely a disservice to rational discussion of an important issue in public policy. Furthermore, these critics usually ignore a significant corollary of the substitution hypothesis: if there is substitution, as alleged, the money does not simply vanish; it permits state and local tax reduction, or purchases by state and local units which otherwise would not have been made, and the final effect on aggregate demand is at least as great as from a federal tax cut, an increase in federal spending, or a revenue-sharing program.

A more general answer to the substitution argument is that it is based on the present administrative arrangements of the PSE program, under which the federal government grants funds to state and local units of government with only rather general restrictions on the ways in which the funds may be spent. If substitution can be shown to be a significant problem, several remedies are readily available: the federal government could take over the administration of some or all of the program; provision could be made for emphasis on specific projects which would not be carried out without a PSE program, instead of permitting the hiring of workers for the performance of ongoing functions of state and local governments; and greater emphasis could be placed on grants to nonprofit nongovernmental institutions. All of these would be possible under Humphrey-Hawkins.

The foregoing discussion is not intended to suggest that a PSE program is a panacea for unemployment, or that no problems of significance will ever arise in the administration of this kind of program. Rather, the argument is that increased reliance on PSE would be much less inflationary and more cost-effective than the tax-cutting version of fiscal policy. As I read the Humphrey-Hawkins bill, it contemplates the continued use of conventional fiscal policy tools (including tax cuts) under appropriate circumstances, but it would broaden and shift the emphasis in employment policy to include more reliance on direct job creation, humanpower training, and similar kinds of direct intervention in the labor market to achieve full employment.

Neither is the foregoing discussion intended to suggest that the inflation problem will disappear if the Humphrey-Hawkins bill is enacted. My personal view is that recent inflationary pressures have not originated in the labor market, although some labor market institutions may have contributed, directly or indirectly, to the maintenance of the inflationary spiral. To the extent that inflation has resulted from energy and raw materials shortages, crop failures, and other developments unrelated to the state of the labor market, it will still be with us even if we are able to devise and install a noninflationary full employment policy. I resist the dogma that unemployment and inflation are functionally related entities. Nevertheless, I am willing to concede some merit to the arguments of those who believe that the anti-inflation provisions of the Humphrey-Hawkins bill should be expanded and strengthened. It is my understanding that amendments for that purpose are presently under active consideration.

HUMANPOWER TRAINING—A FULL EMPLOYMENT TOOL

Humanpower training and related labor market programs deserve more extended attention than they can be given in a relatively brief space. Certain observations are essential. It has become fashionable to assert that humanpower training has failed. In two senses this assertion is correct. Humanpower training has never been a large enough program to have any significant effect on the general level of unemployment. Obviously, this is not an inherent shortcoming of this approach to labor market problems. Second, some particular programs have shown disappointing results, especially those directe at the most disadvantaged labor force groups or geographical areas. Neither of these facts justifies the generalization that humanpower training and similar programs cannot contribute to a full employment policy.

In fact, the great majority of the careful studies of humanpower training conclude that the monetary returns (to enrollees and to government) from such programs exceed their costs, sometimes by very wide margins. The number of studies with this kind of conclusion is now an impressive total. Nevertheless, some methodological purists have attacked the validity of these studies. Some of the studies are crude, but many of them, particularly those of more recent vintage, compare not unfavorably with other evaluation studies in the social sciences. Some of the purists seem to ignore the basic fact that investigations in the social sciences can only rarely, if ever, be carried out under conditions as carefully and precisely controlled as in, say, a chemistry laboratory. Some of the critics have concluded that methodological weaknesses in the humanpower training cost-benefit studies compel the conclusion that the truth is exactly the opposite of what the studies report; the critics say that since the studies fail to demonstrate conclusively that benefits exceed costs, we must all conclude that the costs exceed the benefits and, therefore, that the programs have failed. Merely stating that argument, I think, sufficiently exposes its fallacy.

I am fond of quoting the observation of Justice Oliver Wendell Holmes that "certainty is generally illusion." In our daily lives all of us constantly base decisions on reasonable probabilities rather than absolute certainty, and I believe that we must do the same in many areas of public policy, including humanpower training. My conclusion is that the great preponderance of reasonably reliable evidence shows that most humanpower programs improve the earnings and employment potential of their enrollees. I conclude further that we have consistently underutilized this tool in the past, and that the Humphrey-Hawkins design would require greater emphasis on this particular tool as one of the many needed to achieve full employment.

LABOR FORCE COMPOSITION AND FULL EMPLOYMENT

Some of those who question or deny our ability to achieve full employment cite changes in the composition of the labor force in support of their view. George L. Perry of

Footnotes at end of article.

the Brookings Institution was perhaps the first to advance this line of argument,[5] which runs as follows. The relative numbers of young people and women in the labor force have increased greatly in recent years. Because these groups, for various reasons, have persistently high rates of unemployment, their presence in greater numbers makes lower rates of unemployment more difficult to achieve than in earlier years. Perry provided a mathematical demonstration which may be described in simplified terms by saying that he applied the unemployment rates for specific age-sex groups in an earlier year to the same groups for the current year to illustrate the effect of changed age-sex composition. He found a relatively small but significant effect. His technique was followed (with enthusiasm, one surmises) by the Council of Economic Advisers two years after the publication of his original article. By using different years, the CEA was able to show that changing age-sex composition of the labor force has added approximately 0.5 percent to the unemployment rate in recent years. This has become one of the more durable fallacies in labor market discussions.

It is a fallacy because age and sex are only two of the relevant dimensions of the labor force. There are others of at least equal significance, and when they are considered, it is clear that the effect described by Perry is more than offset. Thus, if education and race are added to Perry's formulas, the result is a substantial reduction in the unemployment rate in more recent years resulting from changes in the composition of the labor force.[6] In addition, there were several changes in the Bureau of Labor Statistics—Bureau of the Census definitions of employment and unemployment in 1967 which had the net effect of reducing the reported unemployment rate by about 0.2 percent. Adding together all of these factors, we can conclude that definition changes and changes in the age-sex-race-education composition of the labor force have reduced the unemployment rate in recent years by about 0.7 percent. From this standpoint, and using Perry's reasoning, full employment is now somewhat more easily achieved than it would have been 20 years ago.

WAGES, INFLATION, AND THE WORKING POOR

There is another major aspect to the argument that Humphrey-Hawkins is inflationary which I have not yet addressed. This is the contention that the so-called prevailing wage provisions in the bill would themselves be highly inflationary, entirely apart from the overall effect of the legislation on the unemployment rate. Let me oversimplify a little by saying that the argument is that the wage provisions governing the PSE program would compel the payment of wage rates much higher than those now being paid on large numbers of jobs in the private sector, and that these higher wage rates would create a powerful "suction effect" that would draw into the PSE program a large number of low-paid workers, or would compel the upward adjustment of many wage rates in the private sector.

This line of argument deserves close attention because it poses a question of social policy that is of fundamental importance. It also poses some factual questions, and perhaps it is best to deal with those first. The Humphrey-Hawkins wage rate standard which is likely to be most generally applicable for public bodies provides for "the prevailing rates of pay for persons employed in similar public occupations by the same employer." Hence, the requirement is for equal pay for equal work *within the employing unit*. Charles L Schultze, among others, has asserted that this wage standard "is bound to be highly inflationary."[7] He states that the wage for a lowskill or semiskilled municipal job is "often" far higher than the rate for the same job in private industry. He then predicts a mass exodus of workers from the low-pay jobs in private industry to the "last resort" jobs in the public sector, or a rapid rise in the wage scales for the low-level private industry jobs. Schultze cites median hourly wages for a few occupations in a handful of cities as factual support for his generalizations. I do not think the data presented are conclusive. No doubt what he says is true of *some* occupations in *some* cities, but we need a much broader information base than he provides to make a confident judgment. I do not pretend to know, in advance, what further investigation will reveal. I would be surprised, however, if it turned out that most municipal governments (regardless of size and regardless of geographical area) pay higher wage rates than private industry for comparable jobs.

Let us assume, for the sake of argument, that PSE hourly wage rates would be higher than for some significant percentage of jobs in private industry. The policy question which we must answer is: How much do we want to do for the working poor by means of the full employment program? My respected colleague, Sal Levitan, has criticized the Humphrey-Hawkins bill for doing too little for the working poor; Schultz seems to criticize it for doing too much for them. I think the intention of the bill is not clear, and that we should make a conscious choice. It would not be difficult to find ways and means to exclude most of the working poor from the Humphrey-Hawkins programs, as I will show shortly. However, we could consciously choose to put at least some degree of pressure on the private sector to improve the worst jobs, both in terms of working conditions and wage rates. I doubt that the inflationary impact would be nearly as severe as Schultze fears. Even with a higher hourly rate available, some workers would choose to remain in the lower-paid jobs; one labor market phenomenon that has been documented by many studies is the long-run persistence of large pay differentials in the same labor market for comparable work. Some low-paid jobs in the personal service category would probably remain unfilled—for example, rest room attendants, domestic servants, shoeshiners—and people would simply do more for themselves. Some low-paid workers would be replaced by machines, as has been the case with many kinds of agricultural harvest labor. Perhaps more generally, employers would learn to utilize the formerly low-paid workers more efficiently; one of the lessons of many studies is that when labor is cheap it is often used wastefully, and vice versa. If we choose to follow this kind of social policy, of course the impact would depend partly on the speed of change. If we tried to remake the low-wage labor market in a very short period of time, the strains would be far greater than if we moved more slowly.

On the other hand, if we wished to exclude or drastically limit the participation of the working poor in any PSE program, we could easily find ways to do so. The WPA (Works Progress Administration) program of the 1930s and many job programs of the 1960s limited the hours of work available to enrollees. The hourly rate, of course, is only one of the factors determining earnings; the other is hours worked. We could require equal pay for equal work but provide only 30 or 32 hours of work per week, thus considerably reducing the incentive for the job changing that Schultze and others fear. We could require a substantial period of unemployment to establish eligibility for a PSE job. We could greatly increase the number of PSE jobs in the nonprofit sector, assuming that wage rates there are generally lower than in government. One lesson of the 1960s is that it is not difficult to exclude people from social programs, if that is what we choose to do.

TAKING UP THE CHALLENGE

Let me conclude on a personal note. Many people of my generation were attracted to the study of economics because we had lived through the Great Depression and we knew personally the soul-shrinking agony of endlessly looking for a job that did not exist. Many of us thought that economics had to provide the solution to mass unemployment. The revolutionary ideas of J. M. Keynes strengthened that hope. For a time in the 1940s, and perhaps for a briefer time in the 1960s, we thought that economics had finally solved the problem of achieving full employment and that we could even conquer the ancient curse of poverty. The early 1960s were the golden age of the economist, but the eminence was brief and the fall was rapid. For much of the past decade, economics—once called the dismal science—has become the frightened science. Economic forecasting has become a bad joke, and the influence of the profession on policy making has greatly diminished—except, perhaps, when the advice is, Don't do it. In the animal world a frightened and confused creature often freezes into immobility. And we have had a virtual paralysis in employment policy in recent years, partly because almost every proposal has been greeted by cries of *Inflation!* from our frightened economists.

I refuse to believe that this nation has lost its adaptability and its capacity to learn from experience. As even its authors recognize, the Humphrey-Hawkins bill is not perfect. If it is adopted, experience will reveal unsuspected problems that will need correction. But consider what happened under the Manpower Development and Training Act. Congress monitored that legislation closely. Major improvements in the law were enacted in every session of Congress, and the whole system was fundamentally revised after a dozen years of experience with the passage of the Comprehensive Employment and Training Act. But improvement is not possible if the program is never even started. The Humphrey-Hawkins bill sets an ambitious—some would say a daring—goal. But large achievements seldom come from small ambitions. We have learned much about the difficulties of achieving full employment in the past decade. The Humphrey-Hawkins bill builds upon that experience and calls upon us to renew our faith that full employment is attainable. If we reject the challenge without even trying, we insure bitterness and misery in millions of lives, and we edge closer to the fortress society. If we try and succeed, we will have less crime in the streets, less ignorance, less disease, less madness, more simple justice, more strength as a nation, and more security for all of us.

FOOTNOTES

[1] Congressional Budget Office, *Temporary Measures to Stimulate Employment: An Evaluation of Some Alternatives* (Washington: Government Printing Office, 1975), Summary Table 1.

[2] Testimony of Paul W. MacAvoy to Joint Economic Committee, reported in *New York Times*, January 29, 1976. See also a letter to the Editor by Mr. MacAvoy, *ibid.*, March 10, 1976.

[3] Orley Ashenfelter and Ronald Ehrenberg, "The Demand for Labor in the Public Sector," in *Labor in the Public and Nonprofit Sectors*, ed. D. S. Hamermesh (Princeton, N.J.: Princeton University Press, 1975).

[4] Letter to the Editor, *New York Times*, March 26, 1976, signed by George E. Johnson, Orley Ashenfelter, and Ronald Ehrenberg.

[5] In "Changing Labor Markets and Infla-

tion," *Brookings Papers on Economic Activity*, March 1960, pp. 411–441.

[6] See Sonia Conly, "Education and Labor Market Tightness," *Monthly Labor Review*, October 1974, pp. 51–53.

[7] Testimony before U.S. Senate Subcommittee on Unemployment, Poverty and Migratory Labor, May 14, 1976 (mimeographed), p. 8.

THE FARM CRUNCH: THE NATIONAL ECONOMY CANNOT TOLERATE DEPRESSION CONDITIONS IN AGRICULTURE

Mr. MELCHER. Mr. President, some time ago I suggested to President Jimmy Carter that getting some money into the pockets of farmers and ranchers would do as much or more for the national economy than anything else that could be done.

Unhappily, the President's response was to recommend grain price support levels which will assure that wheat growers will all go broke, and as their product moves into the feed market, it will pull the rest of the grain growers down with them.

I ask unanimous consent today to have printed in the RECORD a column by the well-known economist, Eliot Janeway, which appeared in the Sunday, April 24. issue of the Washington Star, warning that it was the depression in agriculture, ignored by the Coolidge and Hoover regimes, which brought on the Great Depression of the thirties, and that farmers and ranchers are today in a double squeeze that again threatens the whole economy.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1)

Mr. MELCHER. Mr. President, Janeway warns:

> The main lesson bequeathed by the dire experience of the late 1920's and early 1930's is that boom conditions in the industrial economy, and in the stock market, will not be sustained if depression conditions are tolerated in the farm economy.
>
> This lesson, if pondered and acted on, will prevent the clear and present danger of a repeat performance of the last Depression.

Janeway tells of Eugene Meyer's incessant warnings against letting the farm economy collapse and says:

> It was Meyer's far-sighted counsel to lay the foundations of recovery in the domestic farm economy that Hoover ignored and Roosevelt followed. Carter's ability to survive is likely to hinge on his instinct to commit himself to the same priority.

At this moment in history, Mr. Carter has indicated no such instinct in regard to the historic economic events of the late twenties. It is my hope that that lesson need not be learned again by us in the late seventies. It is also my hope that somehow Janeway's column will be brought to his attention and, if it is not, that enough of my colleagues in the Congress will have read it that they will insist on a farm bill that will prevent a continued agricultural depression.

EXHIBIT 1

FARM CRUNCH RESULTS FROM DOUBLE PINCH

(By Eliot Janeway)

Santayana's famous warning, that those who refuse to study history will be condemned to relive its failures, applies with particular force to the credit crunch now pinching the Farm Belt.

At first blush, it seems a historical first; after all, it is the direct result of the cost inflation which has been galloping across the economic terrain ever since OPEC's declaration of economic war on its commercial customers, its financial custodians, its technological benefactors, and, last but not least, its impoverished neighbors in the Third World.

The Farm Belt credit crunch, however, is the result of a double pinch. Inflation of costs is accounting for only half the damage; deflation of incomes for the other half. This one-two punch from cost inflation and income deflation takes a crueler toll of its victims than the familiar rhetoric of "stagflation" would suggest.

Such are the workings of progress that stagflation has evolved from a bold and sardonic concept to a cliche, which understates the problem of the Farm Belt, because it assumes the failure of productivity and incomes to rise.

The dealers in cliches who take stagflation for granted have not yet caught up with the fact that stagflation would be a lesser evil to settle for, because it would describe a state of affairs in which incomes were still rising, although costs were rising faster.

In the Farm Belt today, however, incomes are falling while costs are not merely rising, but rising faster than ever.

The only exception is the cost of money. Increasingly, farm borrowers able to pay interest are becoming scarce. The two special conditions which always come into play during a bankruptcy crisis are developing.

Commercial banks are giving their good borrowers whose loans are in bad shape lower rates and longer payouts. They're giving their bad borrowers moratoria—a term forgotten since the Depression—even on interest, let alone principal.

The concept of a moratorium on debt was last aired during the early 1930s—more precisely, during the preliminaries to the Great Depression, which was touched off by the argument over how to get out from under the unmanageable burden of war debt.

Foreign government borrowers first agitated for a moratorium, then domestic farm borrowers imposed it. Finally, foreign government borrowers, led by Hitler, followed the American Farm Belt borrowers' initiative.

The study in historical contrast is arresting; and it is not reassuring. Post-mortems of the disaster of the '30s all agree on three striking divergences of the Coolidge boom.

In the first place, industrial investment and urban construction not only participated in the boom, but were directly responsible for the records it set. However, the farm depression of the late 1920s was every bit as striking a phenomenon of the Coolidge years. In fact, the measure of the strength of the Coolidge boom was that it asserted its force despite the severity of the farm depression, coating it over without alleviating it.

In the second place, a striking characteristic of the Coolidge boom was the absence of any domestic price inflation to erode its vigor. This meant that the drop in farm incomes took its toll relative to a more or less fixed level of costs levied on farm purchasing power. The devastating crisis which developed in the Farm Belt was, therefore, mitigated because farm costs were fixed relative to the cost of what farmers had to buy.

Nevertheless, the entire system was turned upside-down by the irresistible demand of the farm bloc for parity between farm and industrial purchasing power. The Farm Bloc in Congress gave the Republican party a mule's kick which split it wide open.

The Farm Bloc in Congress is poised to strike again. It's all the more powerful and, for once, all the more righteous, because of the double pinch of falling incomes and rising costs. Never mind that industrial profiteering is not an offset to farm cost inflation.

The relative position of the farm economy is deteriorating much more drastically (as the direct and inescapable result of industrial inflation) than it did on the eve of the crisis of the 1930s.

The third divergence pinched the sensitive debt nerve. On the eve of the crisis in the 1930s, farm debt, along with international debt and stock market margin debt, was inflating dangerously.

Now, providentially, a wealth of liquidity is available, not only to manage the international debt structure, but also to support an altogether new stock market boom unclouded by debt overextension. This divergence, while troublesome, is still encouraging, because it is limited to farm debt.

But the main lesson bequeathed by the dire experience of the late 1920s and early 1930s is that boom conditions in the industrial economy, and in the stock market, will not be sustained if depression conditions are tolerated in the farm economy. This lesson, if pondered and acted on, will prevent the clear and present danger of a repeat performance of the last Depression.

At that time, the one statesmanlike voice that was heard, but heeded too late, was that of the late, great Eugene Meyer, the most practical financier of his day, and, therefore, the most frustrated.

He was the prophetic dissenter of the Hoover years, when he served as chairman of the Federal Reserve Board. He saw clearly, and warned incessantly, that if a farm depression were allowed to develop, it would pull the props out from under a top-heavy debt structure in the industrial economy and in the stock market.

It was Meyer's far-sighted counsel to lay the foundations of recovery in the domestic farm economy that Hoover ignored and Roosevelt followed. Carter's ability to survive is likely to hinge on his instinct to commit himself to the same priority.

Meanwhile, it is reassuring to report that the Burns Board has been quick to check the severity of the present farm credit crunch. Great credit is due Steve Gardner, the unobstrusive but very effective vice chairman of the board (a graduate banker himself) for his diligence and practicality in confirming the facts and figures of the crisis conditions with which the Farm Belt bankers are now coping.

Another forgotten lesson rooted in the history of the Federal Reserve System is emerging from the expedient which the system is adopting. It is rising to its responsibilities by pumping drafts of emergency credit into Farm Belt districts, without prejudice to its over-all stance of moderation.

There's no danger of nationwide inflation in the Fed's prompt response to the emergency need to counteract regional deflation in the Farm Belt.

It is important to recall, however, that the original responsibility given the Federal Reserve by Congress, in the days when the supply of credit was still considered limited, was to provide relief to regions suffering from credit stringency by redirecting surplus liquidity from regions enjoying it.

It is instructive to recall that the initial form taken by the bank failures of the early 1930s was regional. The system as a whole never recovered from the shock administered by the debacle in the Farm Belt, which New York—that is, Wall Street—minimized because it happened to be enjoying a borrowing boom at the time.

The Federal Reserve System has fallen back on its original charter in devising a rationale for coming to the aid of the Farm Belt. It is empowered to provide seasonal credit regionally, but not to try to run the government. In the case of the farm crisis, all it can do is buy time for the executive and legislative branches to go to the under-

lying problem of falling incomes and rising costs. The expedient of playing the immediate crunch as regional and seasonal is only that, and nothing more.

If the business cycle were still operative, serious students of its workings would be alarmed at the fact that the Farm Belt banks have been squeezed out of lending power at the outset of a new crop year.

If all were well in the moneyed world, and the banking system were providing the neat and orderly adjustments expected of it, the Farm Belt banks would be chock-a-block with excess liquidity to begin sending to cities. The fact that they are as tight in April as they normally expect to be in September is a warning even if the farm economy were self-financing on a seasonally self-adjusting basis, as it clearly is not.

The stubborn error of omission which flaws conventional economic thinking, and the conventional government policy-making behind it, envisions the domestic economy in a purely domestic frame of reference, subject to purely domestic cross-tugs of supply and demand.

The American farm economy is the one conspicuous exception. Where the American industrial economy is no more than 10 percent export-dependent, if that, the American farm economy is at least as export-dependent as all the industrial economies in the rest of the world.

It is a useful fiction for conventional thinkers to maintain that pumping credit contra-seasonally into the Farm Belt will buy time and leave it better off by October, presuming the new farm export strategy is not adopted between now and then. If it is not, the seasonal period of reckoning that will arrive at harvest time will find the farm crunch more intolerable than it already is.

Historians of the Hoover debacle remind us that the farm dissidents of that deflationary period in farm income pressed for more than the then puzzling concept of parity with industrial income; they also advocated a strident new approach to crop export marketing.

It would be a mark of progress if our policymakers today were to pick up from where our farm bloc dissenters left off nearly half a century ago, and push for an assertive new farm export program.

The farm credit crunch of 1977 came to a head before Carter devised his crazy-quilt energy program.

If he knows what's good for him, and not intolerable for the rest of the country, his next move will be to offer the Farm Bloc an overriding exemption from his invitation to share the joys of sacrifice.

MAN'S INHUMANITY TO MAN

Mr. BAYH. Mr. President, on April 8, 1975, the House of Representatives passed a resolution designating April 24 as a "National Day of Remembrance of Man's Inhumanity to Man." When I addressed this issue at that time, I believed the resolution would have served as a proper tribute to the memories of the millions of men, women, and children who have been mercilessly massacred by ruthless and tyrannical governments at various times in history. Unfortunately, opposition from the administration at that time prevented us from voting on that important resolution.

Mr. President, my interest in this subject has not diminished. President Carter's renewed commitment to human rights has enhanced our sensitivity to social injustice throughout the world. Therefore, I believe it would be appropriate if we recall the first instance of deliberate genocide in the 20th century—the savage slaughter of the Armenian people by the Ottoman Turkish Empire in 1915. By recalling this tragic event, we may affirm anew our resolve to prevent such brutalities from occurring in the future. We should also recognize the commitment of the Armenian people throughout the world to the cause of justice and human rights and the terrible price they have paid in pursuit of these principles. They have suffered as few other groups in modern history.

Traditionally, Armenian-Americans and their kin throughout the world have observed April 24 as a day of mourning. It was on the night of that day 62 years ago that 200 intellectuals, community leaders, and prominent citizens of the Armenian community were herded into the desert and executed. This event marked the beginning of the Ottoman Empire's systematic plan to exterminate the whole Armenian Christian population within its borders.

Over the next 3 years, 1915–18, 1½ million Armenians were massacred. The entire population was uprooted from their ancestral homeland in what is now the eastern region of Turkey. The able-bodied men were murdered, sometimes in full view of their enslaved families. Then, all the remaining women, children, and elderly were forced to leave their belongings and march to the remote deserts of Der-el-Zor. Along the way, these helpless people were subjected to torture, rape, and slaughter by roving bands of Ottoman soldiers. Any survivors of these brutalities died one by one from exhaustion, starvation, and disease. As Henry Morgenthau, American Ambassador to the Ottoman Empire at the time, commented:

> Whatever crimes the most perverted instincts of the human mind can devise and whatever refinements of persecutions and injustice the most debased imagination can conceive, became the daily misfortunes of this devoted people. I am confident that the whole history of the human race contains no such horrible episode as this. The great massacres and persecutions of the past seem almost insignificant when compared to the sufferings of the Armenian race in 1915.

Beyond the brutal deportations and heinous murders, the Ottoman Government attempted to obliterate all traces of the 3,000-year-old Armenian civilization. Libraries, churches, and schools were destroyed. Books, paintings, and irreplaceable historical treasures were burned. Every possible attempt was made to wipe out any trace of the Armenian people—who are perhaps the oldest of the civilized races in Western Asia and were the first nation in the world to accept Christianity as its state religion.

Nevertheless, despite the odious crimes of the Ottoman Government, the Armenian people survived. In 1918, through the efforts of President Woodrow Wilson, the boundaries for a free and independent Armenia were established. The little republic was formally recognized by the United States. However, weakened and demoralized by the genocide, the Republic of Armenia fell 2 years later—this time to the Soviet Union. Today, there are tens of thousands of Americans that are of Armenian descent living in the United States, enjoying and upholding the principles of liberty and justice we all cherish so dearly, but the scars of the crimes committed against their ancestors and kin still remain.

Mr. President, the world must never forget the gruesome brutality and injustices suffered by the Armenian people, nor must the world ever forget the other atrocities committed against humanity in this century or any other century. When President Carter addressed the United Nations, he said:

> The search for peace and justice also means respect for human dignity. All the signatories of the United Nations Charter have pledged themselves to observe and to respect basic human rights. Thus, no member of the United Nations can claim that mistreatment of its citizens is solely its own business. Equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation occurs in any part of the world.

Unfortunately, we cannot remake the past. However, man can use the past to remind him of crimes that must not be repeated in the future. In rededicating ourselves to human rights, we are rightfully pledged to opposing all human atrocities. We must remain vigilant in this pursuit.

SUPPORT FOR WAGE SUPPLEMENTS FOR HANDICAPPED WORKERS

Mr. HUMPHREY. Mr. President, recently, the United Cerebral Palsy Association held its annual conference in Washington. The UCPA delegation from Minnesota provided some very helpful direct testimony on the needs and concerns of the handicapped of my State.

Among their concerns was the continuing problem of disincentives built into our income maintenance programs so that handicapped workers in sheltered workshops not only earn an average far below the minimum wage, but lose other benefits when they increase those earnings.

These comments underline the necessity of introducing work incentives for handicapped persons who are employed on a long-term basis in sheltered workshops. Under present programs, many of these individuals would be better off financially if they did not work at all. They work, because they want to make a contribution and they want to earn their own living. But they also want, as all of us do, to be able to live in reasonable comfort and security. I believe that the wage demonstration program I have proposed as an amendment to the Rehabilitation Act of 1973 will be a tremendous help to this neglected group of underpaid working Americans who have a po-

tential and a strong desire to increase their productivity and their earnings.

I have also received a letter from Mr. August W. Gehrke, assistant commissioner for Vocational Rehabilitation in in Minnesota, in which he reports on an action taken by the advisory committee that meets regularly to provide his office with the consumers' viewpoint. I am pleased to report that this committee, which knows firsthand the problems of the handicapped, voted unanimously in support of my wage supplement proposal.

Mr. President, I ask unanimous consent that Mr. Gehrke's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN.,
April 15, 1977.

Re S. 506, wage supplement bill.
Hon. HUBERT H. HUMPHREY,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: The Division of Vocational Rehabilitation Consumer Advisory Committee is an organization of handicapped persons who meet together for the specific purpose of providing DVR with the consumers' perspective on issues affecting Vocational Rehabilitation in Minnesota. The Advisory Committee has membership throughout the state and is made up of individuals recommended by the various consumer organizations. A listing of the committee members and their respective affiliations is included at the conclusion of this letter.

At its April 9 meeting, the Committee reviewed S. 506, your bill on wage supplements for the handicapped, and voted unanimously to go on record as being in support of the bill, and that this information be forwarded to you.

The following are the members of the DVR Consumer Advisory Committee:

Douglas Bahl, Faribault DVR Client.

Sharon Braiedy, Minneapolis, former client, now a DVR Counselor.

Kay Brown, St. Paul, former client, now Client Ombudsman.

Joyce Engstrom, Minneapolis, Little People of America.

Sharon Hardy, Golden Valley, Speak Up.

Robert Lundell, New Hope (Chairman), Handi-Action.

Jeremiah McShane, Minneapolis, North Country Chapter of National Paraplegia Foundation.

Lloyd Moe, Duluth, Minn. Assn. of the Deaf.

Ruth Moore, Duluth, Disabled Students Committee, U. of M. at Duluth.

Clifford Poetz, Minneapolis, Minn. Assn. of Retarded Citizens.

Richard Ramberg, Minneapolis, Minnesota State Council for the Handicapped.

Scott Rostron, Coon Rapids, United Handicapped Federation.

Lois Weber, Mankato, former client, now a DVR Secretary.

James Steiner, St. Cloud, former client, now Program Director at Opportunity Training Center, St. Cloud.

Thank you for your continuing interest and support for programs for the nation's handicapped.

Sincerely,

AUGUST W. GEHRKE,
Assistant Commissioner for Vocational Rehabilitation.

THE RECENT FEDERAL PAY INCREASE—A COMMENT

Mr. ROBERT C. BYRD. Mr. President, article I of the U.S. Constitution provides that "the Senators and Representatives shall receive a compensation for their services, to be ascertained by law."

The subject of congressional pay was one of considerable discussion at the Constitutional Convention in 1787. In the years that have followed, the subject of an increase in pay for Members of Congress has always been a sure-fire target for public criticism. Sensitivity to such criticism is manifestly evident from the fact that, during the 188 years from the 1st Congress in 1789 to the 95th Congress in 1977, Members of Congress have received only 14 pay raises—three of which were subsequently repealed, and another of which was temporarily reduced during the Depression. Therefore, there have been only 11 "permanent" salary increases for Members of Congress since the First Congress met in 1789.

On February 20, 1977, a Federal salary increase became effective, in accordance with the 1967 Quadrennial Commission Law. That Federal salary increase included an increase in pay for Members of Congress, effective March 1, 1977, and, as could be expected, congressional critics have had a field day. The congressional pay increase has evoked a storm of protest, but I have not seen or heard one word, written or spoken, attacking the increase in pay for executive or judicial officials which was part of the package that included the pay raise for Members of Congress. Critics of the pay increase have also bitterly castigated Congress for the procedure by which the increase was effectuated, averring that it was put through by some devious artifice "without a vote." A good bit of the criticism has been unfair and, I suspect, is the product of a chronic cynicism on the part of some who seemingly delight in attacking Congress for any reason or, indeed, for no reason at all, and who refuse to apply objective reasoning to any consideration of the subject of a pay increase for Members.

On the other hand, much of the criticism has come from well-meaning citizens and is probably based on a lack of knowledge of the facts necessitating the increase and the procedure by which the increase went into effect. As one who, during a quarter of a century of service in Congress, had never supported a congressional pay increase prior to the February 20 increase, I believe that the public, which pays the bills of Government, is entitled to an understanding of the facts supporting both the "increase" in congressional compensation and the "procedure" by which the increase in salary became effective. First, the procedure.

THE "PROCEDURE"

Prior to 1967, Members of Congress were in the politically intolerable position of having to both set and vote their own salary levels—an obvious conflict of interest situation. The possibility of such a conflict of interest did not escape the attention of the authors of the U.S. Constitution. According to Farrand, in "The Records of the Federal Convention of 1787," revised edition, no less an illustrious sage than James Madison—"father" of the Constitution—observed that, in regard to Members of the Congress, "to leave them to regulate their own wages was an indecent thing, and might in time prove a dangerous one." He thought "wheat or some other article (of which) the average price throughout a reasonable period preceding might be settled in some convenient mode, would form a proper standard." At one stage of the work of the Committee of Detail, the wages of Senators were to be determined as follows:

> At the beginning of every sixth year . . . the supreme judiciary shall cause a special jury of the most respectable merchants and farmers to be summoned to declare what shall have been the averaged value of wheat during the last six years . . . And for the six subsequent years, the Senators shall receive per diem the averaged value of bushels of wheat.

Elbridge Gerry, a delegate to the Convention from Massachusetts, stated the objections which determined him to withhold his name from the Constitution, one of which was "the unlimited power of Congress over their own compensations."

Having Members vote on their own pay increases has always invited political grandstanding, posturing, and demagoguery—both by Members and potential opponents—thus feeding public opposition to congressional pay increases. As a result, congressional salaries have always lagged far behind comparable positions of responsibility in the private sector.

In an effort to avoid the historical salary lag and to remove the conflict-of-interest situation in which Members must set and vote their own salaries, the quadrennial commission law was enacted in 1967, and the Executive Salary Adjustment Act was enacted in 1975. The quadrennial commission is a blue ribbon, private citizens' commission, composed of nine members, which meets every 4 years to recommend pay levels for Members of Congress as well as for other high Government officials in the executive and judicial branches whose pay is tied directly or indirectly to the pay of Congressmen. The commission's recommendations are submitted to the President, who can accept them or change them. The President then may submit the recommendations to Congress.

In January, the President submitted pay recommendations to Congress. Under the then existing law, unless either the House or Senate disapproved within come effective. At that time, Congress 30 days the recommendations would bewas not required by law to take any action, nor could it increase or decrease the proposed pay levels. Under the law, it could only vote to disapprove the President's recommended adjustments.

Neither House disapproved the recommended pay increase and when the 30 days expired on February 20, the increase for Members of Congress became effective on March 1, 1977.

Incidently, subsequently, on March 30, the Senate passed legislation, which has now become law, requiring a congressional vote, up or down, on all future congressional pay raises. This, in effect, reintroduces the problems that the authors of the U.S. Constitution sought to avoid, and the Quadrennial Commission Law of 1967 sought to solve.

Under the Executive Salary Adjustment Act of 1975, Members of Congress, Federal judges, and other high Government officials automatically receive the same government-wide percentage pay increase granted to civil service workers under the Federal Pay Comparability Act of 1970. Under the Federal Pay Comparability Act, the Directors of OMB and Civil Service and an Advisory Committee on Federal Pay recommend adjustments in Federal employee pay scales to keep them comparable to those in the private sector. The President then must issue an Executive order putting the salary recommendations into force by October of each year unless he deems the change inappropriate, in which case he must make an alternative proposal which takes effect automatically unless rejected by either House of Congress. The Senate has already passed a bill rejecting the upcoming October cost-of-living increase for all officials—including Members of Congress—who received the March 1, 1977 increase.

In 1975, congressional salaries went from $42,500 to $44,600—because of the 5-percent increase recommended by President Ford under the Executive Salary Adjustment Act. Under the pay increase which went into effect on March 1 of this year—to which I have already alluded—congressional salaries went to $57,500—an increase of 29 percent—as recommended by the Quadrennial Commission, and as proposed by President Ford and supported by President Carter. Although there was no House vote on the pay increase—none then being required by law—two votes did occur, contrary to widespread misunderstanding, in the Senate. By a vote of 56 to 42, on February 2, a proposal to disapprove the proposed pay increase was tabled. A subsequent proposal to repeal the pay increase was tabled on March 30 in the Senate by a vote of 53 to 41. I supported the President's proposed pay increase for Members of Congress, and, therefore, voted to table the proposal to disapprove the pay increase and I voted to table the subsequent proposal to repeal the pay increase, which had, by then, gone into effect.

In summary, the procedure by which the salary increase went into effect was one which, in 1967, was established and designed to take congressional pay increases "out of politics." That was then the hue and cry. Today, the hue and cry has been reversed. Members of Congress, we are told, "should have to vote" their own pay increases—an obvious conflict of interest, "Catch 22" situation. Even some of the Members have joined in the public clamor—some claiming to deplore the pay raise; others expressing indignation because, in their words, "there should have been a vote." The fact is, as has already been stated, no vote was required under the law which many of these same protesting Members themselves helped to enact in 1967; yet, as I have pointed out, in the Senate, there actually were two votes—indirectly, on tabling motions, but votes, nevertheless.

No Member is forced to accept the pay increase. Any Member who professes opposition to the increase in pay, may—and, indeed, should—simply write a letter to the Treasurer of the United States each month, enclose a check, and return the money.

THE INCREASE

The misnamed "Congressional Pay Increase" was, more accurately a Federal pay increase affecting 2,496 high level positions in all three branches of Government—including Congress—and 20,365 upper-grade Federal employees whose pay is tied to congressional salaries. The 535 Members of Congress actually constitute, then, only 2 percent of the total number of officials covered by the increase, and the $7.8 million cost of the congressional pay increase represented only 7 percent of the total Federal pay increase. Still, the criticism has centered wholly on the Congressional pay hike—described by critics as "whopping" and "lavish".

Actually, the 29-percent increase for Congress was the first since 1969, with the exception of the one 5-percent increase in 1975 which I have referred to earlier. Meanwhile, during that same 8-year period, the cost of living rose 61 percent. Had congressional salaries kept pace with living costs since 1969, a Member's salary would now be $68,000, rather than the current $57,500. In that same period since 1969, the pay for blue collar workers went up 70 percent; civil service employees, 66 percent; business executives, 59 percent; white collar workers, 55 percent; Governors and other State officials, 40 percent; and broadcasters and news reporters, over 80 percent.

Is $57,500 too much to pay your Congressman? Members of Congress may be likened to the board of directors of the world's largest corporation—one with a $500 billion budget and producing ¢2 trillion in goods and services for 215 million people. Yet, 400 top corporate officials in the United States receive annual salaries over $200,000; and 100 receive over $400,000 each. A Member of Congress works, on the average, 10 to 12 hours daily, usually six, and sometimes 7 days a week,—I, myself, work more than 80 hours, every week. Every Member of Congress makes decisions affecting the general welfare of all 215 million Americans. He receives from 5,000 to 20,000 letters, telegrams, and postcards a week dealing with every subject under the Sun, from social security to saccharin, and he is expected to meet and talk with his share of the 4 million constituents who visit the Capitol and congressional office buildings each year.

He listens alike to the sober and the inebriate caller; and he reads the mail of the thoughtful citizen as well as the abusive correspondence from the thoughtless. He makes financial contributions to many worthy causes. He is criticized if he stays in Washington too much and criticized if he is not in Washington to answer all of the rollcalls. He is expected to be able to solve every personal problem—ranging from a constituent's marital difficulties to the restoration of an operator's license for the motorist caught driving while drunk. He suffers the inflation common to all, but, by virtue of his office, is subject to financial demands uncommon to most. Then why does he take the job? The answer: Most Members are dedicated to a career of public service; but increasingly, Members of Congress are choosing not to run for reelection rather than continue to endure the frustration and abuse that go with the job.

Again, is $57,500 too much to pay your Congressman? Actually, when the fire and brimstone are cleared away, the pay increase for Congress costs 7 cents for each of the 113 million tax returns filed annually.

We all know about movie stars and television entertainers who are paid hundreds of thousands of dollars annually. Many sports professionals report annual earnings in excess of $100,000. Is their value to the public greater than that of Members of Congress? Or has our sense of values gone haywire?

I realize that the $57,500 salary of a Member of Congress sounds big—and indeed it is a big salary. However, let us look at the situation of a Member of Congress more closely. On the average, 40 percent of the monthly pay of a Senator is deducted for retirement, health and life insurance, Federal and State income taxes. His Federal income taxes are in a high bracket. For example, in the last 6 years I have paid $92,164.19 in Federal and State income taxes. Many Members have to maintain two residential properties—one in the home State and one in the Washington area. For those Members who do maintain residential properties in their home States—and I do not—the upkeep on the property at home for fire insurance, property taxes, utilities and repair bills is a constant cost, in addition to the cost of maintaining a home or apartment in the Washington area, where real estate costs and real estate taxes are exorbitant.

Moreover, the cost of living in Washington is higher, generally, than the cost of living in many of the areas represented by Members of the House and Senate, and, in addition, there are many financial burdens that go with serving in the Congress. For example, when constituents come to Washington, Members of the House and Senate are often expected to entertain those constituents.

Fortunately, my wife and I were able to send our two daughters to college a good many years ago when the costs of

tuition and books were much less than they are today. But, younger Members of the House and Senate are not so fortunate in this regard.

I mention these things in an attempt to more accurately portray the financial situation that confronts Members of Congress—especially those who are not wealthy. Nevertheless, many Members of Congress would find it difficult, politically to cast a vote for a pay increase for themselves. Speaking for myself, it would have been easier for me to have opposed the President's pay increase for Members of Congress than to have supported it.

The question may be asked, why, after having opposed all previous pay increases during 25 years in Congress, did I support this most recent one? I supported it for the following reasons:

First. The increasingly wide disparity between congressional pay and pay for comparable positions outside Congress had become so great that I felt it was time to take a step in the direction of closing the gap.

Second. It is becoming more and more difficult to attract qualified people to, and retain qualified people in, many high-level and upper-grade positions in the executive and judicial branches in view of the fact that the salaries for those positions are tied, by law, directly or indirectly, to the pay levels of Members of Congress. As a result, because of the salary lag, the Federal Government has been losing some of its best people. I have been advised that in the last 3 years, 4 of the 11 Institute directorships at the National Institutes of Health had become vacant and that 85 out of 87 outside candidates had refused the positions due to the low pay. The Directorship of the Institute of Cancer Research, for example, was vacated because the then Director could not maintain his family on the low pay. So, he left the position in order to take a position that would pay more. The Social Security Administration lost 9 out of 19 of its most senior civil service employees at one time last year, with 30 candidates refusing the job because of the low pay. The legislative branch continuously loses some of its most able support personnel because of higher salaries available to them in the business community. So, the lag in congressional salaries was creating a crisis in other areas of Government.

Third. Increasingly, only the wealthy will be able to serve in Congress unless the salary is made sufficient to sustain men and women of limited financial means from all walks of life.

Fourth. Election to Congress is one of the highest honors that can be bestowed by the people upon any man or woman. But, the honor itself is not always sufficient to attract and retain the best brains and the most capable and dedicated servants. The pay must be commensurate with the high responsibilities that go with the job. As in most everything else, the people get just about what they pay for; and the American people deserve the best in their national legislative branch.

Mr. President, in the final analysis, most Members of Congress are dedicated, hard working and conscientious, and have a high sense of duty. They are often deserving of constructive criticism and they expect to receive it. But they are subjected also to much criticism that is unwarranted and unfair. The recent salary increase is such an instance.

COMMITTEE MEETINGS DURING SENATE SESSION

SUBCOMMITTEE ON SCIENCE TECHNOLOGY AND SPACE

Mr. ROBERT C. BYRD. Mr. President, I have cleared these two requests with the able minority leader.

I ask unanimous consent that the Subcommittee on Science, Technology, and Space of the Commerce Committee be authorized to meet during the afternoon of Wednesday, May 4, 1977, while the Senate is in session.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on April 28 and April 29.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the committees may be authorized to have until midnight tonight to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECORD TO REMAIN OPEN UNTIL 6 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 6 o'clock p.m. today to submit statements, bills and resolutions, petitions and memorials for the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10:30 a.m., tomorrow. After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m., with statements therein limited to 5 minutes each.

ORDER FOR NO STATEMENTS TO COME OVER UNDER THE RULE TOMORROW

I ask unanimous consent that no statements come over under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF H.R. 3477 TOMORROW

Mr. ROBERT C. BYRD. At the hour of 11 a.m., the Senate will resume consideration of the bill H.R. 3477. The pending question at that time will be on the amendment by Mr. JAVITS and Mr. DANFORTH, amendment No. 200, as modified. There is a time limitation of 2 hours for debate on that amendment, with the vote to occur, up or down, at the hour of 1 p.m., tomorrow.

Mr. President, it is the hope on the part of the leadership, certainly, that the Senate will complete action on this bill this week. It is anticipated that the Senate will stay in late tomorrow; will come in early on Thursday and will stay in late Thursday; will come in on Friday and stay in late on Friday, in an effort to complete action on the bill.

I think that is about all I can say, except to add that several rollcall votes can be anticipated tomorrow, Thursday, and Friday, on amendments and motions relating to the bill.

There are other matters which could come up, of course. Conference reports are privileged matters and can be brought up at any time and other measures that may be cleared for action may be brought up.

That about sums it up, I think, as far as tomorrow is concerned and the rest of the week.

RECESS TO 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10:30 a.m. tomorrow.

The motion was agreed to; and at 4:31 p.m., the Senate recessed until tomorrow, Wednesday, April 27, 1977, at 10:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 26, 1977:

DEPARTMENT OF JUSTICE

Andrew J. Chishom, of South Carolina, to be U.S. Marshal for the district of South Carolina for the term of 4 years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, April 26, 1977*

The House met at 12 o'clock noon.

Rev. John W. Zsittnik, Community United Methodist Church of Maryland City, Laurel, Md., offered the following prayer:

Gracious God, whose nature is love; move in our hearts and through our lives.

Fill us, Lord; fill us with faith in You, with hope for the future, and love for all humanity.

Empty us, Lord, of self-righteousness and narrow nationalism; empty us so we may hunger for truth and thirst for justice.

Remind us that true greatness is found not in being served but is being a servant.

Nurture in us compassion, making of us servants with minds open to divine guidance and hearts open to human need.

Move us, Lord. Jolt us; disturb us and stir us until we are satisfied with nothing less than integrity for ourselves, justice for our Nation, and peace for the world.

Shalom; Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

THE LATE HONORABLE D. EMMERT BRUMBAUGH

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, it is with a deep sense of loss that I rise to advise the House of Representatives of the death of the Honorable D. Emmert Brumbaugh, a Member of Congress from 1943 to 1946.

Mr. Brumbaugh, who resided in my central Pennsylvania congressional district, led an exemplary life of public and community service. He enriched the lives of his compatriots and rewarded his State and his Nation, which he loved dearly, with unmatched devotion and dedication to the public good.

Rising from the position of clerk in a small rural Pennsylvania bank to chairman of the board of the Central Pennsylvania National Bank, Mr. Brumbaugh demonstrated the skills and talents which made him an outstanding success in all walks of life. His farsighted expertise in banking was recognized by his banking contemporaries who honored him by electing him president of the Independent Bankers Association, chairman of the Federal Deposit Insurance Corporation committee of the American Bankers Association, and president of the National Association of State Supervisors of Banks. He also served as Pennsylvania State secretary of banking from 1947 to 1952.

Mr. Brumbaugh, who enlisted in the U.S. Army in 1918 and served in the Argonne with the Army of Occupation, was active in veterans affairs throughout his life. He was a charter member of the D. Merle Tipton Post, Veterans of Foreign Wars, Martinsburg; was the first commander of the Claysburg American Legion Post; and was chairman of Selective Service Board No. 32. He was dedicated to serving the veterans of our Armed Forces and was an inspiration to many who felt they had nowhere to turn following the sacrifices of major American wars.

D. Emmert Brumbaugh early recognized the importance of a good education in developing the character and integrity of our youth, and he devoted a lifetime to assisting the educational pursuits of our young people. He served as a member of the board of trustees of Cedar Crest and Hood Colleges and as a member of the board of the Hoffman House for Children in Littlestown. He was a recipient of an honorary doctoral degree in commercial sciences from Franklin & Marshall College and a citation from Hood College. He also served as a trustee for the Pennsylvania Industrial School in Huntingdon.

Mr. Brumbaugh's deep sense of devotion to public service emanated from his strong personal religious and moral commitment. A lifetime church member, Mr. Brumbaugh remained active in church affairs and served on the consistory of the United Church of Christ of Claysburg. He also taught Sunday school for more than 40 years in his hometown of Claysburg.

The central Pennsylvania community will undoubtedly experience a tremendous void in community affairs leadership with the loss of D. Emmert Brumbaugh. He never stopped working for his central Pennsylvania friends and neighbors, and could always be called upon to initiate and organize a community effort in the spirit of self-sacrifice. He served as chairman of the Blair County chapter of the American Red Cross for 30 years and was on the chapter's executive committee for an additional 15 years. He served as a member of the board of Altoona Hospital and was county chairman of its successful $1.5 million fundraising campaign in 1947.

Mr. Brumbaugh also served on the Woodbury Lodge, F. & A.M., and was illustrious potentate of the Jaffa Shrine in 1953. He was director of the Blair County Motor Club for many years, and helped organize the Greenfield Township Agriculture Association and served as an officer of the annual farm products show at Claysburg.

Mr. Brumbaugh, who was born in 1894, was elected to the U.S. House of Representatives in a special election in 1943. The following year, he was elected to a full term in Congress, and devoted his efforts to promoting the interests of his area and his constituents. He will be long remembered by his constituents as an accessible Congressman who always took the time to listen to other people's problems. He achieved an enviable record in the Congress and was accorded the highest respect of his colleagues. For D. Emmert Brumbaugh, the prefix "Honorable" had a true lifetime meaning. Mr. Brumbaugh also served in the Pennsylvania State Senate and was long active in central Pennsylvania politics.

It is difficult if not impossible to adequately pay tribute to a man who earned the lifetime respect and admiration of all those who were privileged to know him. His accomplishments, while many, do not address the true worth and value of this man, and do not illustrate the esteem in which he is held by his friends, neighbors, and acquaintances. D. Emmert Brumbaugh truly exemplified those attributes and qualities for which many men strive, but few achieve. He had the peace of mind that only honest, conscientious, and dedicated public sacrifice can bring.

Mr. Speaker, D. Emmert Brumbaugh is survived by his wife, 4 children, 16 grandchildren, 3 great-grandchildren, and a sister. I extend to them my deepest condolences and sympathy. The legacy of D. Emmert Brumbaugh will live on for many generations to come, and I know that his family will find comfort in the unequaled respect and admiration that Mr. Brumbaugh has earned throughout his lifetime and which will be recognized and remembered long into the future.

America and central Pennsylvania have lost an outstanding leader, a true patriot, and a devoted public servant. D. Emmert Brumbaugh leaves an emptiness in all our lives that will be impossible to fill.

GENERAL LEAVE

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable D. Emmert Brumbaugh.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

IS PRESIDENT CARTER TELLING THE TRUTH ABOUT OIL?

(Mr. MICHEL asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I bring to your attention the following:

The Associated Press reports that a United Nations conference disagrees with President Carter's warning that we are running out of gas and oil. This conference stated that petroleum and gas resources will be available for the next hundred years if oil producers are given sufficient economic incentives.

Newsweek reports that the Defense Intelligence Agency places Soviet proved oil reserves at 85 billion barrels instead of the 35 billion barrels estimated by the Central Intelligence Agency (CIA) report used by President Carter to bolster his claim that the world is running short of oil. Newsweek says that the disparity between the two estimates "is bound to raise the question whether the President chose the CIA figures because they bolstered his gloomy view of world fuel supplies."

National Journal reports that the CIA report, contrary to popular belief "does not talk about world oil reserves as such—there is a difference between a shortage of oil in the ground and a shortage of oil in the marketplace that Carter might have acknowledged."

Admiral Turner of the CIA says that the Soviet Union is flooding its oilfields; the Washington Post quotes an "oil industry expert" who disagrees with that opinion.

The Congress should immediately investigate these important differences of opinion and differences concerning basic facts. As of this moment, the American people are being asked to sacrifice on the basis of widely conflicting data.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1978

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 515 and ask for its immediate consideratiion.

The Clerk read the resolution, as follows:

H. RES. 515

Resolved, That during the consideration of the concurrent resolution (H. Con. Res. 195) setting forth the congressional budget for the United States Government for fiscal year 1978, it shall be in order to consider without the intervention of any point of order an amendment offered by the chairman of the Committee on the Budget revising the congressional budget for the United States Government for the fiscal year 1977, and said amendment shall not be subject to amendment except a germane amendment offered by Representative Holtzman, of New York; nor shall any other amendment revising the congressional budget for the United States Government for the fiscal year 1977 be in order during the consideration of H. Con. Res. 195.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, this resolution is an interesting one because it does not affect the substance of the current resolution that will be considered when the rule is adopted. It affects the substance of the Third Budget Resolution for fiscal year 1977.

The President has withdrawn his support of the tax rebate, and the Committee on the Budget thought it wise to get the figures on the Third Budget Resolution for 1977 straightened out so that there would not be that large overhang of a number of billions of dollars.

The gentlewoman from New York (Ms. HOLTZMAN) sought the opportunity, on the basis of equity, to offer an amendment to knock out whatever kind of business incentive would have been included; and the Committee on Rules, without much controversy, decided that that was a reasonable set of requests. Therefore, in effect, this rule makes it possible to amend the Third Budget Resolution for fiscal year 1977 and does not affect the consideration really of the First Budget Resolution for 1978, which will be considered under the rule, which really did not need to be granted by the Committee on Rules. It is actually in the law, so this is a technical procedural matter.

Mr. Speaker, I do not know of any great controversy over the rule. There probably will be some over at least one aspect of one amendment.

Therefore, Mr. Speaker, I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the statement just made by the gentleman from Missouri (Mr. BOLLING) about this proposed rule.

Let me say that I agree with the main thrust of this rule. I certainly do not, however, support the Holtzman portion of this rule. I recall there was a little controversy in the Rules Committee on this part of the resolution. As a matter of fact, the vote itself showed that there was some controversy. It was a 6-to-5 vote in the Committee on Rules, so it was not overwhelming.

However, Mr. Speaker, let me say that I am delighted to support the main thrust of this request today because it indicates that we on this side of the aisle are in a position to say, "We told you so."

Our side did not support the $50 rebate scheme because we did not think the economy was in such a state that it needed this type stimulus. Time has proven that we were correct in our assessment of the state of our economy.

We are delighted that the President of the United States saw the light and agreed with us. We are therefore, pleased to support this resolution today which makes an adjustment in the 1977 resolution to make certain that new spending does not take over the sudden windfall.

Mr. Speaker, I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. OAKAR), and I ask unanimous consent that she be permitted to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEGISLATION FORBIDDING RETURNING CROWN OF ST. STEPHEN TO HUNGARY

Ms. OAKAR. Mr. Speaker, as a Representative of Cleveland, Ohio, which has the largest community of Hungarians in this country, I today introduced a bill to forbid the President from returning the Crown of St. Stephen to Hungary without the express approval of Congress. As the Members of this Chamber know, the Crown came into American possession in the last days of World War II, and thus far our Government has refused to return it to Hungary, despite numerous demands from the Hungarian Government.

I am strongly opposed to returning the Crown now, and recent indications that the President and the Department of State are seriously considering returning the Crown are of deep concern to me. So deep is my concern that I have taken the step of introducing a bill to protect the Crown which goes far beyond any other legislation that has ever been offered.

While earlier bills merely expressed the sense of Congress that the Crown not be returned, my bill, which is entitled the Crown of St. Stephen Protection Act, would preclude return of the Crown without the consent of Congress. My fear is that unless this bill is enacted, the Crown at some time may be wisked out of the country, and it will be in Budapest before the American people even know of the decision. My bill would insure the participation of the Congress—and thus the American people—in any decision on the fate of the Crown.

I believe there is ample support in the Constitution for an exercise of power by Congress in this manner. Under article I, section 8 of the Constitution, Congress has the power, in connection with its power to declare war, to make rules concerning captures on land and water. This grant of authority is obviously a very broad one, but it has rarely been exercised.

Congress can exercise this authority with regard to the Crown, in my view, because of the circumstances in which it came into American possession. As Russian troops approached Budapest near the end of World War II, the Hungarian Royal Guard, fearing for the safety of the Crown, removed it from Hungary.

along with the other relics of the Hungarian royalty, an orb, a scepter, a sword, and a robe. They buried these treasures at a number of sites in Austria, with the Crown having been buried in a gasoline barrel.

During May through July of 1945, officials of the Royal Guards showed American troops of General Patton's Third Army where the Crown and the other objects were located, and thus they came into the custody of the United States. During this time, the United States was at war with Hungary, war having been declared on June 5, 1942. A treaty of peace with Hungary was not signed until February 10, 1947, and President Truman officially declared the cessation of hostilities of World War II on December 31, 1946.

As to the reasons why I feel so strongly that the Crown should not be returned, I believe they are amply stated in the history and significance of the Crown. I think there is no exaggeration in saying that the Crown of St. Stephen has as deep a meaning to the Hungarian people as, for example, the Liberty Bell and the Statute of Liberty have to Americans. Given to King Stephen of Hungary in the year 1001—nearly a thousand years ago—the Crown was a gift from Pope Sylvester II sent in gratitude for the King's converting himself, and his nation, to Christianity. Thus the Crown symbolizes not only Hungary as a nation, independent from all others, but also Hungary as a Christian nation. To the Hungarian people, the Crown has a mystic quality. Acts of state had often been done "in the name of the Crown of St. Stephen."

While the Crown originally was quite simple, it was embellished through the ages with tears of gold, jewels, and enamel portraits of ancient kings. Nine pendants are strung from it by golden chains, and these would make a tinkling sound as the monarch walked. A cross at the top of it was bent, legend has it, in the 13th century when conspirators tried to assassinate the king.

As stories concerning the possibility of the Crown's return have appeared in the media recently, I have learned well the deep sentiment that Hungarians in the Cleveland area—and indeed, all over the United States—have for the Crown. Frankly, they are outraged at the thought of its being given to the present rulers of Hungary, and who can blame them? Many of them might be in Hungary today, were it not for the oppressive government installed there by the Soviet Union in 1948. Thousands came to this country in 1956, after they and their countrymen wrote in their blood a story of courage that evokes the respect, and the tears, of free men and women everywhere.

Think of Budapest in 1956, and the absurdity of giving the rulers there now a symbol of independence and Christianity becomes strikingly clear.

I realize, Mr. Speaker, that the United States must live and work with many foreign governments, the policies of which we find very distasteful. I realize, too, that President Carter is now trying to establish and improve relations with many such governments, and I do concur in his efforts to foster understanding and cooperation among nations. But another policy of the Carter administration, one that, in my view, transcends all others in importance, is that of speaking out in behalf of human rights. I have joined many others in Congress in enthusiastically endorsing this policy, and I must say that returning the Crown to Hungary now would, in my view, be completely contrary to the principles underlying this policy.

For the human rights policy is basically one of being honest with ourselves and the rest of the world, of refusing to close our eyes, and still our voice, when deprivations of basic human rights are taking place. Our retaining this beautiful, thousand-year-old Crown in trust for the Hungarian people is fully consistent with these high principles, and frankly, I cannot see how the United States could claim that it upholds these principles, were it to give the Crown to the present Government of Hungary.

Thus, I earnestly ask my colleagues to study this issue, and to join with me in supporting the bill I introduced today.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. TRIBLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 400, nays 1, not voting 32, as follows:

[Roll No. 152]

YEAS—400

Abdnor	Blanchard	Chisholm
Addabbo	Blouin	Clausen, Don H.
Akaka	Boland	Clawson, Del
Alexander	Bolling	Clay
Allen	Bonior	Cleveland
Ammerman	Bonker	Cochran
Anderson, Calif.	Bowen	Cohen
Anderson, Ill.	Brademas	Coleman
Andrews, N.C.	Breaux	Collins, Ill.
Andrews, N. Dak.	Breckinridge	Collins, Tex.
Annunzio	Brinkley	Conable
Applegate	Brodhead	Conte
Archer	Brooks	Conyers
Ashbrook	Broomfield	Corcoran
Ashley	Brown, Calif.	Corman
Aspin	Brown, Mich.	Cornell
Badham	Brown, Ohio	Cornwell
Badillo	Broyhill	Cotter
Bafalis	Buchanan	Coughlin
Baldus	Burgener	Crane
Barnard	Burke, Calif.	D'Amours
Baucus	Burke, Fla.	Daniel, Dan
Bauman	Burke, Mass.	Daniel, R. W.
Beard, R.I.	Burleson, Tex.	Danielson
Beard, Tenn.	Burlison, Mo.	Davis
Bedell	Butler	de la Garza
Beilenson	Byron	Delaney
Benjamin	Caputo	Dellums
Bennett	Carney	Dent
Biaggi	Carr	Devine
Bingham	Carter	Dickinson
	Cavanaugh	Dicks
	Chappell	
Diggs	Kildee	Richmond
Dingell	Kindness	Rinaldo
Dodd	Kostmayer	Rhodes
Dornan	Krebs	Risenhoover
Downey	Krueger	Roberts
Drinan	LaFalce	Robinson
Duncan, Oreg.	Lagomarsino	Rodino
Duncan, Tenn.	Latta	Roe
Early	Le Fante	Rogers
Edgar	Leach	Roncalio
Edwards, Ala.	Lederer	Rooney
Edwards, Calif.	Leggett	Rosenthal
Edwards, Okla.	Lehman	Rostenkowski
Eilberg	Lent	Rousselot
Emery	Levitas	Roybal
English	Lloyd, Calif.	Rudd
Erlenborn	Lloyd, Tenn.	Runnels
Ertel	Long, La.	Ruppe
Evans, Colo.	Long, Md.	Russo
Evans, Del.	Lott	Ryan
Evans, Ga.	Lujan	Santini
Evans, Ind.	Luken	Sarasin
Fary	Lundine	Satterfield
Fascell	McClory	Sawyer
Fenwick	McCloskey	Scheuer
Findley	McDonald	Schroeder
Fish	McEwen	Schulze
Fisher	McFall	Sebelius
Fithian	McHugh	Seiberling
Flippo	McKay	Sharp
Flood	Madigan	Shipley
Florio	Maguire	Shuster
Flowers	Mahon	Sikes
Flynt	Mann	Simon
Foley	Markey	Sisk
Ford, Mich.	Marks	Skelton
Ford, Tenn.	Marlenee	Skubitz
Fountain	Marriott	Slack
Fraser	Martin	Smith, Iowa
Frenzel	Mattox	Smith, Nebr.
Frey	Mazzoli	Snyder
Fuqua	Meeds	Solarz
Gammage	Metcalfe	Spence
Gaydos	Meyner	St Germain
Gephardt	Michel	Staggers
Giaimo	Mikulski	Stangeland
Gibbons	Mikva	Steed
Gilman	Miller, Calif.	Steers
Ginn	Miller, Ohio	Steiger
Glickman	Mineta	Stockman
Goldwater	Minish	Stokes
Gonzalez	Mitchell, Md.	Stratton
Goodling	Mitchell, N.Y.	Studds
Gore	Moakley	Stump
Gradison	Moffett	Symms
Grassley	Mollohan	Taylor
Gudger	Montgomery	Thompson
Guyer	Moore	Thone
Hagedorn	Moorhead, Calif.	Thornton
Hall	Moorhead, Pa.	Tonry
Hamilton	Moss	Traxler
Hammer-schmidt	Mottl	Trible
Hanley	Murphy, Ill.	Tsongas
Hannaford	Murphy, N.Y.	Tucker
Hansen	Murphy, Pa.	Udall
Harkin	Murtha	Ullman
Harris	Myers, Michael	Van Deerlin
Harsha	Natcher	Vander Jagt
Hawkins	Neal	Vanik
Heftel	Nedzi	Vento
Hightower	Nichols	Volkmer
Hillis	Nix	Waggonner
Holland	Nolan	Walgren
Hollenbeck	Nowak	Walker
Holt	O'Brien	Walsh
Holtzman	Oakar	Wampler
Horton	Oberstar	Watkins
Howard	Obey	Waxman
Hubbard	Ottinger	Weaver
Huckaby	Panetta	Weiss
Hughes	Patten	Whalen
Hyde	Patterson	White
Ichord	Pattison	Whitehurst
Ireland	Pease	Whitley
Jacobs	Perkins	Whitten
Jeffords	Pettis	Wiggins
Jenkins	Pickle	Wilson, Bob
Jenrette	Pike	Wilson, C. H.
Johnson, Calif	Poage	Wilson, Tex.
Johnson, Colo.	Pressler	Winn
Jones, N.C.	Preyer	Wirth
Jones, Okla.	Pritchard	Wolff
Jones, Tenn.	Pursell	Wright
Jordan	Quayle	Wydler
Kasten	Quie	Wylie
Kastenmeier	Quillen	Yates
Kazen	Rahall	Young, Alaska
Kelly	Railsback	Young, Fla.
Kemp	Rangel	Young, Mo.
Ketchum	Regula	Young, Tex.
Keys	Reuss	Zablocki
		Zeferetti

NAYS—1

Myers, Gary

NOT VOTING—32

Ambro	Forsythe	Myers, Ind.
Armstrong	Fowler	Pepper
AuCoin	Harrington	Price
Bevill	Heckler	Rose
Boggs	Hefner	Spellman
Burton, John	Koch	Stanton
Burton, Phillip	McCormack	Stark
Cederberg	McDade	Teague
Derrick	McKinney	Treen
Derwinski	Mathis	Yatron
Eckhardt	Milford	

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Armstrong.
Mr. Ambro with Mr. McKinney.
Mr. Harrington with Mr. Treen.
Mr. Milford with Mrs. Heckler.
Mr. Price with Mr. Rose.
Mr. Pepper with Mr. Cederberg.
Mrs. Spellman with Mr. Derwinski.
Mr. Teague with Mr. Fowler.
Mr. Yatron with Mr. Eckhardt.
Mr. Stark with Mr. Hefner.
Mr. Phillip Burton with Mr. Derrick.
Mr. Bevill with Mr. Koch.
Mr. John L. Burton with Mr. McDade.
Mr. McCormack with Mr. Forsythe.
Mr. AuCoin with Mr. Mathis.
Mr. Stanton with Mr. John T. Myers.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BOLAND. Mr. Speaker, when the House voted on final passage of H.R. 5840, the Export Administration Amendments of 1977, my vote was not recorded by the electronic recording device. Had my vote been recorded, it would have shown that I voted "aye" for passage of the bill.

I ask unanimous consent that this statement appear in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1978

Mr. GIAIMO. Mr. Speaker, pursuant to section 305(a), title 3, Public Law 93–344, the Congressional Budget Act of 1974, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 195) setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

GENERAL LEAVE

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter at the end of consideration of House Concurrent Resolution 195.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution House Concurrent Resolution 195, with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

The CHAIRMAN. Pursuant to section 305(a), title 3, Public Law 93–344 of the Congressional Budget Act of 1974, the gentleman from Connecticut (Mr. GIAIMO) will be recognized for 5 hours, and the gentleman from Ohio (Mr. LATTA) will be recognized for 5 hours.

The Chair now recognizes the gentleman from Connecticut (Mr. GIAIMO), chairman of the committee.

Mr. GIAIMO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of House Concurrent Resolution 95, the first budget resolution for fiscal year 1978. This resolution proposes a prudent and responsible economic policy and recognizes key national priorities and needs. Adoption of this resolution will establish a benchmark to measure tax and spending measures for the upcoming fiscal year. In the fall, Congress will adopt a second budget resolution which will impose a binding ceiling on spending and a floor on revenues.

This resolution has posed difficult choices. It was written in a period of substantial economic uncertainty. The rapid decline of the recovery in late 1976 had prompted widespread support for immediate action to stimulate the economy. The unexpectedly severe winter weather, coupled with a natural gas shortage throughout much of the Nation, delivered an additional unwelcome jolt to the economy. Numerous economists called on Congress and the President to act.

And Congress did act. We responded to the situation by adopting an unprecedented Third Budget Resolution for fiscal year 1977, calling for quick stimulus to the economy through tax reductions and rebates and direct Federal spending. Yet, 2 months after we adopted the third resolution, major components of the stimulus package proposed in that resolution remain to be approved by Congress and implemented by the President. And just 2 weeks ago, the administration withdrew its support of the proposed $50 tax rebates, a major element of the economic stimulus package.

However, despite the lack of additional stimulus, the economy has shown signs of unexpected vitality in recent months, although the prospects for recovery over the long run are still uncertain. Compounding the complexity of the situation, inflation is once again a cause of concern to us all.

In view of these uncertainties, the committee believes that the best policy is to delay consideration of major new stimulus efforts until additional information is available later this year. In particular, the Budget Committee and the Congress must evaluate the impact on the economy of the withdrawal of the tax rebate proposal.

At the present time, however, there is insufficient data to support either a more optimistic appraisal of the economic recovery or a determination that new economic stimulus alternatives should be proposed for the upcoming fiscal year.

In recognition of this uncertainty, the resolution includes language to the effect that if the economic recovery does not proceed satisfactorily during the summer months, it will be necessary for Congress to provide additional economic stimulus in the Second Budget Resolution for fiscal year 1978. By the same token, if prospects for long-term recovery appear to be satisfactory, the committee will consider reductions in spending in order to move more rapidly toward a balanced budget.

This does not mean, of course, that we should cut back on or abandon the economic stimulus measures which are still pending before Congress. While recent economic indicators have given us some reason for encouragement, we are still far from our goal of full employment, steady growth, and stable prices. Our Nation needs the economic stimulus of accelerated public works, public service jobs, and other forms of assistance. And while I share the doubts of many Members as to the effectiveness of many of these programs, we must provide some measure of support to the economy as quickly as possible—even if it means utilizing programs that leave much to be desired.

SUMMARY OF RESOLUTION

The First Budget Resolution for fiscal year 1978 sets targets for aggregate spending and revenue levels and for spending in the 17 functional categories of the budget.

BUDGET AGGREGATES

[In millions of dollars]

(1)	Revenues	$398,094
(2)	Budget authority	500,764
(3)	Outlays	462,345
(4)	Deficit	64,259
(5)	Public debt	801,100

FUNCTIONAL CATEGORIES
[In millions of dollars]

	Function	Budget authority	Outlays
050	National defense	115,686	109,647
150	International affairs	9,543	7,397
250	General science, space, and technology	4,930	4,737
300	Natural resources, environment, and energy	20,950	20,677
350	Agriculture	2,153	2,880
400	Commerce and transportation	20,569	20,277
450	Community and regional development	8,237	10,926
500	Education, training, employment, and social services	22,739	27,756
550	Health	47,685	44,238
600	Income security	182,688	148,309
700	Veterans benefits and services	19,935	19,903
750	Law enforcement and justice	3,560	3,800
800	General government	3,898	3,998
850	Revenue sharing and general purpose fiscal assistance	9,822	9,783
900	Interest	43,000	43,000
	Allowances	1,069	1,021
950	Undistributed offsetting receipts	—16,000	—16,000

It is designed to achieve three major objectives: First, to provide sufficient stimulus to sustain the economic recovery; second, to provide for a reasonable balance between spending for national defense and social programs while calling for a series of program reforms to conserve budget resources; and third, to avoid major new budget commitments which would jeopardize the availability of resources needed for major new program initiatives in fiscal year 1979 and beyond.

The committee's recommendations for fiscal year 1978 differ only moderately, in real terms, from those proposed by the President. These differences are due primarily to differing outlay estimates and economic assumptions.

The resolution establishes the following budget aggregate targets for the fiscal year beginning on October 1, 1977: revenues of $398.1 billion; budget authority of $500.8 billion; outlays of $462.3 billion; a deficit of $64.3 billion; and a public debt level of $801.1 billion.

ECONOMIC ASSUMPTIONS AND PROJECTIONS

The committee assumes the enactment of economic stimulus measures for fiscal year 1978 primarily along the lines proposed by the President. In addition, the committee recommends moderate increases for discretionary programs—particularly in the community and regional development and the education, training, employment, and social services functions—which can be made available for programs that increase job and training opportunities.

The committee estimates that enactment of the measures assumed in this resolution will result in the following economic goals: real growth in GNP—fourth quarter over fourth quarter—will be 4.5 percent, unemployment will be 6.3 percent by the fourth quarter of 1978; and inflation will be at a rate of 5.5 percent by the end of 1978.

These economic goals are less optimistic than those recommended by the administration in its February budget submission. However, the committee feels that its estimates reflect a more accurate assessment of the probable course of the economy in the months ahead. Of course, it will be essential to monitor very carefully the course of the economy over the next few months, particularly to determine the impact of the President's withdrawal of the rebate proposal.

DEFICIT

The committee recommends a deficit of $64.3 billion for fiscal year 1978. Although the deficit level recommended in the budget resolution is about $6.5 billion higher than that recommended by the President in his February 22 budget revisions, the difference is largely due to different economic assumptions and outlay estimates for various programs and activities. If common economic assumptions and program estimates were used, the President's deficit would be increased from $57.7 billion to $62.2 billion, approximately $2 billion lower than projected by the committee.

The Budget Committee has taken strong action to hold this deficit to a minimum and to insure that it does not strain credit markets or create undue pressure on prices.

We have made sharp and controversial cuts in many spending programs. And I expect that there will be a great deal of interest in restoring some of those cuts during consideration of this resolution. Remember, however, that every dollar that is added to our spending recommendations will add to our deficit. And, while substantial reductions in the deficit will come only as we approach full employment, we must control spending if we are to have the flexibility to undertake important new program initiatives.

REVENUES

The resolution proposes a revenue level of $398.1 billion in fiscal year 1978, $3.5 billion below the $401.6 billion level recommended by the President. The largest part of this difference is due to the committee's more modest economic assumptions, primarily in the areas of business investment and residential construction. The lower economic projections reduce our revenue estimates by about $2.5 billion. The remaining $1 billion difference between the committee and the President is due primarily to the fact that the committee assumes enactment of the economic stimulus tax reduction proposals passed by the House and extension of the 1976 temporary tax reductions for another year.

OUTLAYS

Of the $6.5 billion increase in the deficit recommended by the committee over the level proposed by the President, $3 billion is accounted for by increases in outlays. About $2 billion of this amount results from differing economic assumptions and estimates. The remaining $1 billion results from changes recommended in funding levels for various functional categories. Within these limits, however, the committee has recommended a modest shift of resources away from national defense and toward social needs.

I believe the committee's recommendation for national defense—budget authority of $116 billion and outlays of $109.6 billion—is reasonable and responsible. Proposed reductions in the President's budget are intended primarily to promote needed reforms in defense activities; they do not involve the elimination or abandonment of any ongoing weapons system. Even with these reductions, national defense would receive the largest outlay increase over the congressional budget for fiscal year 1977—approximately $9.5 billion.

RECOMMENDED PROGRAM REFORMS

The committee recommends a series of legislative reforms in Federal programs designed to conserve present and future budget resources, eliminate waste and inefficiency, and provide the flexibility to respond to pressing national needs. These reforms, which will require positive action by the Congress would result in savings in fiscal year 1978 of $1 billion in budget authority and $2.1 billion in outlays. Over a 5-year period, cumulative savings would be approximately $7.6 billion in budget authority and $26 billion in outlays.

The committee realizes that many of these reforms involve substantial controversy. But Members should recognize that unless Congress is prepared to act responsibly and courageously in the area of program reform, we will mortgage our future resources to outmoded programs and activities.

I urge House committees to look carefully at the reform proposals outlined in our report. And I urge all committees to go beyond these proposals to examine other programs within their jurisdiction.

In particular, we need to evaluate present Federal efforts to stimulate the economy and create new jobs. The effectiveness of a number of programs and activities, including but not limited to counter-cyclical assistance, public service employment, and temporary and permanent tax relief is being increasingly questioned.

In the coming months, the Budget Committee's Task Force on Economic Policy will undertake a comprehensive evaluation on a comparative basis of the various forms of economic stimulus. The information gathered from these hearings will enable the Budget Committee and the Congress to make more enlightened fiscal policy choices. We urge all committees to supplement our efforts with a review of major spending activities within their jurisdiction.

COMMITTEE AMENDMENTS

Mr. Chairman, the Budget Committee has authorized me to offer two floor amendments to the resolution, one dealing with agriculture and one modifying the third budget resolution for fiscal year 1977.

During Committee consideration of the first budget resolution, it became apparent that it would be necessary to modify our recommendations for agriculture due to possible changes in commodity support programs. As expected, the severe winter weather has prompted the administration to change the level of price supports for certain Commodity Credit Corporation programs. Conse-

quently, I will offer an amendment to add $1.5 billion to the agriculture function in order to accommodate these program changes.

Since the Budget Committee has already provided about $500 million more for agriculture than the President had originally recommended, the total increase over the President's budget submission for agriculture would come to some $2 billion.

Although these increases are needed to accommodate administrative action already taken, I must caution the Members of this body against further increases in subsidies to agriculture. The pressures on the Federal budget are enormous. And, deserving as the American farmer is of every consideration by the Government, other sectors of the economy have equally pressing needs—cities, States, the poor, minorities, older Americans—all can lay claim to a portion of the Nation's resources. To be fair to all, we must make hard choices in every budget category.

The Budget Committee has also authorized me to offer an amendment revising the Third Budget Resolution for fiscal year 1977 to take into account the withdrawal of the $50 tax rebate proposal. I will offer this amendment reluctantly, since I believe that it is unwise to make repeated changes in the policies we adopt in our budget resolutions.

In this case, however, the revision is necessary. The rebate proposal has been abandoned by the President, and unless we recognize this fact by adjusting the spending ceiling and revenue floor in the Third Budget Resolution, there will be pressure to fill the vacuum left by the rebates with undesirable new tax initiatives which could commit substantial budget resources for years to come. New proposals, particularly those involving tax expenditures, should be evaluated carefully and deliberately. I believe that an amendment revising the Third Budget Resolution is necessary to insure proper consideration of measures which could have major impact on the budget and on our ability to act freely in future fiscal years.

Finally, as I said at the outset of my remarks, writing this First Budget Resolution has been a difficult task. It would have been much more difficult without the constant strong support and hard work of the members of the Budget Committee, many of whom are new to the process. As chairman of the committee, I acknowledge my debt to them and I commend them for their dedication. I owe a special debt to the ranking minority leader, Mr. LATTA. Although we frequently disagree on questions of policy, we are united in our commitment to make the budget process work.

Mr. Chairman, I urge adoption of the resolution and of the two committee amendments to be offered.

Mr. LATTA. Mr. Chairman, as we begin our deliberations on this First Concurrent Resolution on the 1978 Budget, I believe we can all take a measure of satisfaction that the new budget process has come as far as it has in just a few short years. Skeptics on all sides said it would never work; that the Congress and the special interest groups would not tolerate any meaningful intrusion into the "politics as usual" approach to spending the peoples' money. In short, those people said, the Congress was incapable of disciplining itself, and had permanently relinquished the power of the purse to the executive branch.

Well, these dour predictions have not yet come to pass, and if the minority has anything to do with it, they never will. This does not imply, however, that we are satisfied with the results this process has produced to date—we definitely are not. While the Budget Committee may have succeeded in trimming the extravagances out of the budget, it has all but failed to weed out the excesses. We have prevented the ship from sinking directly to the bottom of the sea, but it is still taking on water at an alarming rate. We must, therefore, take those hard, admittedly unpopular, actions needed to return our ship of state to an even keel and get it moving on a steady course ahead.

I would like to set the proper tone for the ensuing debate by suggesting that it should not degenerate into petty arguments about who cares the most about the unemployed, or who is more strongly in favor of the elderly, or who wants a strong national defense. Instead, let us accept the fact that each of us want peace, prosperity, and full employment as much as the next man or woman. Perhaps we can achieve this attitude if you will recall an observation made by Elliot Richardson back when he was Secretary of Health, Education, and Welfare. I believe his words are entirely appropriate to the difficult and important task we have before us today:

> Choice is the basic reality, and for us it is doubly difficult and saddening because whatever we have to give up is not something bad or trivial, but something that is only somewhat less important, if that, than what we have selected to do.

Like all of you, I know too well just how difficult many of these choices can be. And I have often been distressed that this House has taken the easy way out and made virtually no choices whatsoever. I would, therefore, call on all of my colleagues to take Mr. Richardson's words to heart, and join with the minority during the next 2 days and start to make these vital, but oft-postponed, decisions.

It was impossible for the minority members of the Committee on the Budget to support the First Concurrent Resolution on the 1978 budget as it was reported out, not because we felt a partisan urge to disagree or to be negative, but because we were convinced that, as proposed, the excessive spending contained therein is wrong for our country at this time. I would like to take this opportunity to explain how we came to this conclusion, and then describe what we, as the minority party, propose as an alternative course of action.

The Federal budget is a major feature of our national economic policy, and as such cannot be considered in a vacuum, unrelated to the needs and realities of our economy. We have before us a document which purports to be the "most appropriate" Federal response to the state of the economy. I cannot help but be skeptical of that presumption. Here we have proposed budget targets which would produce the largest budget deficit in all our 201 years as a nation—a budget which would provide for an increase in Federal spending of almost 20 percent over the current year, and a budget which, if adopted, would push the Federal debt over the $800 billion mark. In short, we have a proposal aimed at stimulating an economy at the bottom of a severe and prolonged recession.

But let us look at the economy. The economy bottomed out of the recent recession more than 20 months ago, and is currently experiencing a strong, expansionary period. By fiscal year 1978, we will be into our 3d full year of economic recovery. Look at the facts:

During the first quarter of this year real gross national product grew at a rate of 5.2 percent, and quite possibly would have approached 7 percent were it not for the vagaries of last winter's weather.

Consumer demand, as measured by the pace of retail sales of goods and services, has been strong for some time now, and increased at an annual rate of nearly 29 percent in March.

Consumer confidence in the future of the economy as measured by their willingness to make immediate purchases by installment credit, grew by over $2 billion in February, the second largest monthly increase ever.

Although unacceptably high inflation for the past 4 years caused many workers to lose their jobs, and forced many others into the job market to make ends meet, the economy was able to provide 2.6 million more people jobs during the past year, with over 500,000 of this jump coming in March alone. In short, the economy is biting into the inflation-enlarged labor surplus at a solid, sustainable rate.

In March, we got more good news from our Nation's homebuilders who reported that new housing starts reached an annual rate of more than 2.1 million homes and apartments. Especially gratifying was the strong showing of new single-family homes, indicating that the dream of millions of Americans to own their own homes was very much alive, and the market was responding to meet those dreams.

Let me summarize all of this: We now have an economy that is recovering at a better rate than projected by knowledgeable economists, and at a rate which exceeds that projected by the Budget Committee itself. And remember, we have accomplished all of this without one bit of the so-called "stimulus" package the President claimed was essential to keep us from sliding back into a recession. Now while no one can predict with certainty that the recovery will continue to grow at this rate, all the indicators save a few are in a "go" position, and absent

any evidence to the contrary, we have to operate on the assumption that the recovery is going to continue apace through 1978.

How, then, I ask you, can you even contemplate voting for a series of targets which would force upon our people an all-time high record budget deficit? How, in particular, can you consider voting for a resolution which will produce a deficit of its magnitude when the darkest cloud on the economic horizon is the accelerating rate of inflation? The deep and ingrained fear of a return to a double-digit inflation has taken its toll on the investors and business community in this country who are continuing to hold back on new capital spending plans. We keep talking about the woes of unemployment, yet we keep turning our backs on the one and only permanent solution to the unemployment problem: More and more investment in new and productive plants and equipment. And I will tell you this—there is no way you can expect a markedly improved climate for such investment if you insist on voting a record budget deficit in the face of improving business conditions and worsening inflation.

I was delighted to see that current estimates now project a deficit for 1977 of less than $49 billion—a result in part of Mr. Carter's belated abandonment of his $50 per person give-away scheme, but more the result of former President Ford's policies of restraint and moderation which enabled the economy to perform at a better than expected rate. Indeed, $49 billion of red ink is nothing to cheer about, but it is a vast improvement over the $70 billion the House was conceding only a few months ago.

Let me remind you as well that President Carter has promised repeatedly to balance the budget in fiscal year 1981. Make no mistake about it, we are on his side and will do everything possible to make him keep that pledge. But unless you are wearing rose-colored glasses with inch-thick lenses, you are deluding yourselves if you think you can approve spending and deficit targets as spelled out in the resolution before us and still reach a surplus position in 1981. Let me tell you, there is no way.

We must get that deficit trend line going down. Not in 1979 or 1980, but now, today. If we run a deficit of just less than $49 billion in 1977, then, given the strength of the recovery and signs that inflation is accelerating, we must, absolutely must, achieve an even lower figure next year. How, in good conscience, can any one of you justify a higher deficit—higher by nearly 50 percent—than we will have this year? How can you go back to your constituents and tell them you have just voted to increase the deficit to an all time record high at the very time the economy is charging forward? How can you tell the people of this country that you just voted to increase, dramatically, the risk that inflation will once again ravage our lives?

The minority Members of this Chamber will soon offer an amendment in the form of a substitute to this First Concurrent Resolution. It will provide for a budget deficit of just over $47 billion, $22 billion less than the deficit proposed by this resolution. We are starting that trend line down in anticipation of reaching a balanced budget in 1981. If this were not enough, we have provided the necessary revenues to give the American people an across-the-board tax reduction of 10 percent starting at the beginning of the next tax year—January 1, 1978. We project that this tax reduction will produce approximately 1 million plus new jobs, and the resulting savings in unemployment-related costs to the Government, as well as greater tax revenues from the increased business activity, will mean that we can accomplish this at a net cost of about $4 billion to the total budget.

I want to stress that last feature of our alternative. A tax cut for the people of this country is absolutely essential. A closer examination of Mr. Carter's plan to balance the budget, as well as the 5-year projections in the committee majority's report, show one thing which is indisputable: The only way either one can balance the budget in 1981 with their current spending plans is to increase taxes. Mind you, this is not speculation, it is in front of you in the figures the majority has provided. Let me repeat: The only way Mr. Carter can balance his budget is to raise taxes on the working men and women of this country. Compared with 1977, to raise the revenue needed to balance his budget, we have no alternative but to increase the effective tax burden of the American people, and you can check this yourself. Revenues as a percentage of GNP or as a percentage of personal income must rise, by as much as 20 percent in 3 years in order to raise this revenue. This is an inflation-induced tax increase that will be felt every bit as much by the working people of this country as an explicit tax increase created by Ways and Means and passed by the Congress.

The Republicans will simply not stand idle. We can and must balance the budget by 1981, but we cannot do this by increasing the tax rates. We can only reach this goal by assuring that our economic recovery continues, that capital investment in new, job-creating enterprises picks up, deficit spending is not allowed to worsen the inflation rate and, hardest but most important of all, we must moderate our appetite for spending. It will not be easy, but we on this side of the aisle have bitten the bullet and come up with a set of lean outlay targets which reflect our desire to help the most needy in this country while eliminating the waste and ineffective programs.

President Carter told us the economy was recovering so well the rebates were not needed. We are telling President Carter, that if that is so—and we fully believe the economy is in a strong recovery—then the stimulus plans for 1978 are even less necessary but potentially even more dangerous to the economy. Limiting the growth in Federal spending may require courage and risk political unpopularity in the short run, but there is no other way—I repeat, no other way—we can achieve a balanced budget with full employment by 1981.

We will put forward our alternative in the sincere desire to approach Federal fiscal policy in a bipartisan manner. I am confident that enough Members of the majority will agree with us that we cannot promise the American people a balanced budget on one hand, yet manage to balance it only by increasing their taxes. We must instead work to keep inflation-induced tax increases to a minimum, and concentrate on moderating run-away Federal spending. Our substitute resolution will do just that: Give us a balanced budget by 1981 without a tax increase, and indeed, a tax decrease. We think this is not only an infinitely sensible course to follow, but the only one which will keep our promise to our people that we will always act in their best interests.

Mr. GIAIMO. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. BROOKS).

Mr. BROOKS. Mr. Chairman, perhaps nothing we do in Congress requires more patience and persistence than planning our own budget for the future and controlling our expenditures. I have said many times that if Congress is given the proper information, if it receives the detailed and penetrating analyses of costs involved in our program commitments, and if it is provided with an understanding of the interrelationship of its decisions to the economy, then it can make the right decisions. All of this, of course, requires self-discipline.

This first budget resolution has been constructed at a time of great economic uncertainty. We do not know whether the recovery that began a short time ago, following the worst recession since the 1930's, is capable of sustaining itself. We do not know whether or not a new wave of inflation, brought about by shortages of energy supplies, the drought in the Western States, and the recent severe winter, will be able to be checked. With these economic circumstances glaring us in the face, the Budget Committee had also to face the competing demands from a new administration in its honeymoon period, the priorities of our own congressional committees and its members, and the requests of a wide variety of special interests.

The Budget Committee has done a commendable job in bringing together and accommodating such diversity. Not everyone can agree with every part of this resolution, but its general thrust and direction are deserving of support.

Let me be specific. The committee's recommendation that we suspend new initiatives until the administration and the Congress have had an opportunity to assess the programs and organizational structure of the Federal Government is a wise one. It makes sense to me. The committee's decision to reorder some of the President's priorities is also meritorious in my view.

I want to single out Chairman GIAIMO for special recognition. Since he has been a member of the Budget Committee, and now its chairman, he has faithfully adhered to the principle of realism in budgeting in the most difficult 3-month

period in the history of the new budget process. It would be an easy chore for him and the members of his committee to accept the estimate of the Office of Management and Budget on such things as off shore oil receipts, impact aid, and numerous other items. My own personal analysis reveals to me that the deficit recommended in this resolution is higher only because our Budget Committee wants to bring the true facts to light.

I shall support this resolution not because it represents all things to all people, but because it is an exercise in prudence and restraint.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, today as we begin our debate on this first concurrent resolution on the budget for 1978, we plan to offer a substitute, as the gentleman from Ohio mentioned in his discussion. There will be amendments offered to try to restore the national defense function to the Carter level of the request.

I want to take this time just to sound a word of caution. President Carter's original request was $2.8 billion in budget authority below the figure recommended by President Ford as the minimum consistent with national security requirements. It is going to be argued that the recommendation of the Budget Committee should be adopted, since it represents a balanced response to overall national priorities that was arrived at by that committee only after a comprehensive analysis of the requirements of each of the functional components of the budget. I want to use this as an example, because I think there is a great danger here that we are going to destroy this budget process. I have great faith in it. I think this is the way to bring about some discipline to this body.

I feel that we should do everything in our power to preserve it. That is why I dare to take the floor to sound this word of warning.

In this national defense area, no analysis was ever conducted. The defense task force of the Budget Committee held only three formal meetings and was not asked to make any recommendations on the level of the defense budget either to the chairman or to the full committee.

The chairman recommended a level of $116 billion in budget authority for national defense. A narrow majority of the committee supported an additional reduction, but you will search in vain for any valid rationale for this action, because there is none.

The Budget Committee recommendation is totally inconsistent with the recommendations of congressional committees which bear the primary responsibility for national defense. Without exception, the House and Senate Appropriations and Armed Services Committees recommended increases, not decreases, in the defense budget after extensive hearings. The Senate Budget Committee also recommended an increase.

If a narrow majority of the Budget Committee, after only three hearings, is allowed to completely ignore the recommendations of responsible committees of Congress and establish an arbitrary budget level for national defense, unrelated to its legitimate requirements, then we will have made a mockery of the congressional budget process.

And if it can happen in this function, it can happen in others. I think this is a serious mistake, and it will destroy this process if we go into line items in reaching our levels of spending.

The Budget Committee recommendation eliminates all real growth in the defense budget at a time when Soviet forces are in the midst of an unprecedented buildup and the SALT negotiations are foundering.

The simple truth is that the proposed reductions in the defense budget have nothing to do with defense or defense requirements. They were manufactured, because the committee wanted to find $4 billion somewhere in the budget to offset program additions it wished to fund elsewhere.

So I urge the House to restore this category to what is actually required for national defense.

Mr. GIAIMO. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. As a member of the Budget Committee, I wish to compliment the chairman and to support the committee proposal which I understand would enable the Appropriations Committee to appropriate funds for a Federal-local partnership in servicing the debt on Metro bonds.

Mr. Chairman, am I correct in stating that the committee proposal provides sufficient flexibility for the Appropriations Committee to make a direct appropriation to take care of this issue in fiscal year 1978?

Mr. GIAIMO. Yes, that is correct, so long as the total remains within the overall ceilings established by the budget resolution.

Mr. FISHER. I thank the chairman for this constructive approach to this important problem, and I look forward to corresponding action by the Appropriations Committee.

Mr. LATTA. Mr. Chairman, I yield 8 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I am grateful to those Members who are here in the Chamber for this general debate.

I wish that there were more interest in discussing the budget process as such, because it seems to me that we should review this process from time to time and should discuss the manner in which it is working, its shortcomings and its advantages, rather than simply concerning ourselves about those individual items of the budget that may have particular reference to our work here in the Congress. I suspect there will be considerably more interest in this process later today and tomorrow when we get into the line items.

The budget process has had strong support in the House, and with good reason. For some time we have ignored Presidential budgets, choosing to do whatever we wanted to do whenever we wanted to do it and resisting the discipline of fiscal policy. We have realized that the priorities implicit in a Presidential budget cannot be changed here in the Congress or even seriously questioned here in the Congress unless we ourselves have a similar process; hence hard-minded and yet idealistic legislators on both sides of the aisle have pushed for this budget process and have brought it to fruition. Whether it is working as intended should, I think, be the subject of constant review.

We have now a skilled staff—and let me say I think it is an excellent staff—we have a modus operandi, we have a couple years of experience, and in short we have the fiscal tools with which to make changes, if we are willing to use them. Because like any other process or any other mechanism the budget process is only a tool, the will to govern must direct it if it is to be an effective part of our total governmental effort.

It seems to me, Mr. Chairman, that we do not spend enough time in the consideration of overall fiscal policy. There is some feeling on the part of the Members of the House who are not on the Committee on the Budget that we should not interfere in even the basic decisions of that committee, and that if we do, we are somehow endangering the process itself. There is this tendency to look at it as something sacrosanct, not subject to question. Thus we have, I think, put too great a reliance on even the macroeconomic conclusions of the Committee on the Budget, without a great deal of earnest fiscal discussion at the outset of the budget year.

Fiscal policy is not an accounting process, nor is it the arithmetically arrived-at conclusion of a series of line-item microeconomic decisions. Fiscal policy is a very serious part of the responsibility of this Congress, and it should be set well in advance of the decision as to how we are going to cut the pattern to fit the cloth with respect to all those line-item decisions. We should set our fiscal goals with broad participation and after the most careful consideration. Presidents do this in their dealings with OMB; they give real discretion to the process and so should the Congress in its dealings with its Budget Committees.

Mr. Chairman, I do not want the Members to get me wrong. There is value in the process even if it does involve only formal acknowledgment of the unrelated items of spending and revenue. I admit that we do more than that, but I feel that in the committee we have a tendency to rush on to the line items and not to spend enough time in considering overall fiscal policy.

Once these line items of spending and revenue are committed to formal resolution, the budget process takes over and provides a discipline which is of value to the country in and of itself. We have to protect this discipline, as I see it, from

inevitable assaults from those who want to do what they want to do whenever they want to do it. There is a tendency, because the discipline imposes rigidity on the House, for Members to come forward and say, "We need more slack in the process, we need more flexibility."

I question this conclusion, because we have just passed, this spring, the largest supplemental appropriations bill in the history of this body. There was a time where many thought the Budget Reform Act would end supplemental appropriations.

Most of us felt that some supplemental appropriations were justified, because a new President should have the chance to do his thing.

Mr. Chairman, we are today and tomorrow, in effect, passing a fourth budget resolution with respect to fiscal 1977 and presumably the number of budget resolutions can stretch on indefinitely, so no one can claim that there is no flexibility in the process. Yet, there are increasing numbers of people coming forward and saying that we need more unallocated "cushions" to protect us from the rigidities of a discipline which I think it is strange to call inflexible under these circumstances.

We need to look also regularly—I hope we will do this—at the law with respect to the budget reform process. For instance, in the House we have put a 4-year limit on service of members of the Committee on the Budget. That was done, of course, to avoid the creation of a new power elite. I understand the rationale, given the concerns of the Congress at the time this process was set up, to the effect that this was going to become a supercommittee with superpowers; and therefore, it was necessary to rotate the membership.

It is my impression, however, that most of the members of the Committee on the Budget, with the exception of the chairman and some of the very senior members, look at it as a secondary assignment and that it does not acquire the importance in the congressional lives of its members that was hoped when the Committee on the Budget was set up. Necessary continuity may encourage more investment in the process by the members.

Mr. Chairman, I think we should consider whether a 4-year term is long enough, given the importance of the other committees on which the Members serve, to attract a primary commitment. Certainly if the will to govern is to actuate the process, the Members must take it seriously and must have sufficient continuity so that they will be willing to make the investment of time and effort to make this a first-line committee.

I support the process, and have made these suggestions only in a spirit of review. That I do not like the fruits of the process, and intend to oppose a deficit of the size recommended by the majority should not be interpreted as lack of respect for the process or the Members who inspired it.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, first, I would like to establish my qualifications. I favor a balanced budget by 1981. I support reorientation of national priorities, and I want to compliment the chairman of the committee for an outstanding job. In developing these numbers democratically through a synthesis process, we have arrived at targets that I think are fully reliable and justifiable.

Mr. Chairman, I rise in support of the resolution and in support of the budget priorities contained therein. In supporting this resolution I fully recognize that it is not perfect and that there are opportunities for improvements in many areas. For example, I am convinced we must eventually design more imaginative tax incentive programs to attack the problems of unemployment and I believe that Congress must be prepared to provide leadership in formulating concepts for wage and price policies so that the accelerating economic upturn does not turn into real growth for only a select few and inflation for everybody else.

These macroeconomic concerns aside, I believe the Budget Committee has provided a resolution which attempts to adequately provide for national priorities while recognizing that certain fiscal constraints must be accepted if we are to achieve our goal of a balanced budget and continued economic growth over the near term.

Operating within these constraints we are recommending funding for the national defense function of $116.0 billion in budget authority and $109.6 billion in outlays. Mr. Chairman these totals, while representing a small reduction from President Carter's revised request will still provide for continued real growth in defense programs. As you know, during the Vietnam war, the Defense Department operated on a consumption budget with only minor amounts provided for modernization. In fiscal years 1976 and 1977, Congress provided for substantial real growth for national defense. With this resolution, the trend will be continued, though at a somewhat more modest pace. The resolution assumes some continued real growth for defense programs but it also recognizes that there are substantial savings that can be realized through a critical review of the current financial situation in the Department of Defense.

For example it is clear from the rapid growth in unobligated and unexpended balances, that the Department of Defense has been unable to execute its budget as planned. While some increases in such balances had been anticipated along with the increased appropriations being made available, it is now clear that these balances have increased even faster than DOD had anticipated.

Since 1972 unobligated balances have increased from $11.0 billion to an estimated $18.0 billion by the end of fiscal year 1978 and unexpended balances have increased from $37.5 billion in fiscal year 1972 to an estimated $72.2 billion by the end of fiscal year 1978. This growth is phenomenal and indicates a tremendous backlog in the Department of Defense. Another indicator of excess funding in the DOD is reflected in the amount of money which has been returned to the Treasury without being used over the last 3 years. In fiscal year 1974, $247 million was returned. In fiscal year 1975 it was $521 million and in fiscal year 1976 it was $1.267 million. This totals $2.0 billion of unused money in a 3-year period. The resolution assumes that there are still excess funds available in current DOD accounts, which could be used to offset new requirements in fiscal year 1978 over dollar above reprograming.

The resolution also assumes that a too rapid growth in modernization, while providing increased inventories of sophisticated weaponry, can be counterproductive if it results in reduced readiness. Such a situation can occur, and there is evidence that such is already beginning to happen, when funding for training and maintenance for new equipment is not phased so as to keep pace with the new inventory input. Consequently, we believe it would be prudent, in this transition budget, to slow down the rate of increase in purchases until the new administration has had sufficient opportunity to devise programs which strike the best balance of funding for both readiness and modernization.

Another major assumption in the resolution deals with personnel and compensation. In recent years a multitude of studies have been made in this area which constitutes 52 percent of the budget. All of these studies indicate that significant improvement can be made in this area. Little has been done to improve manpower utilization and policies. The resolution assumes a modest reduction of 1½ percent in the funding provided for this purpose. We think it can be accomplished.

Mr. Chairman, this resolution also makes some other assumptions about possible savings in the national defense function. I do not intend to discuss them individually at this time. They are all spelled out in detail in the report which has already been made available. However, I do wish to make it clear that none of the budget savings we are assuming in the national defense area would affect the muscle of our military forces. What we are saying is that the DOD is not using all of the money that was appropriated in the last 2 years; that it would be prudent to encourage the new administration to take a careful look at the relationship of readiness to modernization before it commits itself and the Congress to long range spending plans for weapons systems and other purchase which may, upon reflection, prove excessive to current requirements.

Mr. Chairman, let me stress again that the fiscal year 1978 defense budget must be regarded as a transition budget and that in its deliberations on this resolution the Budget Committee took into consideration the fact that the new administration is currently reviewing basic assumptions regarding strategic planning,

force structure, and military deployments which will undoubtedly affect future defense budgets.

I believe that this resolution provides the proper level of funding for national defense for this transition period and urge your support.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. Mr. Chairman, I rise in opposition to the fiscal year 1978 budget resolution now being considered by the House. The budget resolution provides for outlays of $462.3 billion, revenues of only $398.1 billion, and a deficit of $64.2 billion.

Mr. Chairman, I should like to relate a bit of history. In 1971 the Federal budget exceeded for the first time $200 billion. In fiscal year 1976 the Federal budget topped for the first time $400 billion. This year the Federal budget will be $462.2 billion pursuant to this authorization.

In the course of these few short years, the size of the Federal budget has increased more than 100 percent, but during those same years few Americans could argue that the quality of service rendered by our Government has increased. This Nation simply cannot continue to spend more money than it receives in revenues. The continued implementation of such policy will bring only continued inflation, higher taxes, and the threat of economic ruin.

We need a Congress with the courage to say no to irresponsible fiscal policies and wasteful Federal spending. I am not afraid to say no, and I urge my colleagues to say no today.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I have had the privilege of serving on the Budget Committee since its inception. I would certainly be remiss and derelict if I did not take this time to praise the chairman and the members of the committee for the very hard work that they have done on both the majority side and the minority side. I wanted to get on the Budget Committee—I was anxious to serve on it—primarily because I wanted to see to it, if I could, that the Budget Committee lived up to its declaration of purpose.

As stated in Public Law 93-344, section 24, the Congress declares that it is essential to establish national budget priorities. After having praised the chairman and the members of the Budget Committee, it is with regret that I must indicate that we have no established priorities for this country. Because we have not, I am prepared to offer two substitute amendments which have been printed in the RECORD. I think every Member of the House has received a copy of those amendments which are known as the transfer amendments.

I shall first offer an amendment in the form of a substitute to the first concurrent budget resolution which will transfer budget authority and outlays from the military function into employment and economic development.

One objective in offering this amendment is to establish that the potential threats to the national security of America—and, indeed, they are potential—are balanced off by the potentital threat of 7 million known people unemployed in this country, and another 5 million that we do not even count as being unemployed. The potential threat is 12 million Americans unemployed without any prospect of employment and caught up in a feeling of hopelessness and alienation.

I wish the Members could have been in the committee when certain things occurred. I remember on one day we had to break the normal process of the Budget Committee and go in for a waiver really under an emergency basis. We had to do that because we needed to put more money into the unemployment compensation category.

Mr. Chairman, is it not ironic and ridiculous that at the same time we were putting more money into unemployment compensation, the Budget Committee did not act in a purposeful and powerful fashion to create more jobs?

I think it is ironic and rather tragic that this Budget Committee has produced a first budget resolution which does not establish priorities. We are concerned about Government spending on both the minority side and on the majority side. Yet when it comes down to the real matter of curbing Government spending, there is an unwillingness to act. I cite by way of illustration the fact that for each 1 percent of unemployment we have, it costs us something like $14 billion a year to sustain that 1-percent unemployment. Those are the figures and data which have been provided by economists of all persuasions. Yet we will not come to grips with unemployment. We will not establish priorities.

Members have read my amendments and I know those amendments are in for a tough time, but the right thing is always tough to do. One of my colleagues said some time ago, and I am not speaking to the merit or lack of merit of his statement, but I will repeat to the Members what he said: "Generally the people of the country, the citizens of America are way out in front of the Congress and the Congress is always playing catch up with the citizens."

With that statement in mind, let me indicate what the response of the people has been in terms of my transfer amendments.

We have received correspondence from citizens in 25 of the States. Citizens in half of the States have written in support of my amendments: Arizona, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Louisiana, Marvland, Michigan, Nebraska, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Virginia, Washington, and Wisconsin. The Members have seen their letters. We have seen their letters urging that we establish some new priorities and that the way to do it is to support either of the two amendments which I shall offer here today or tomorrow in this House.

The next logical question would be: What kinds of people are these who are writing to support a transfer amendment? Are they true blue, good Americans, or are they a part of some lunatic fringe? I think we can give an answer to that. Let me just share some of the correspondence.

Mr. Chairman, I ask unanimous consent that this correspondence go into the RECORD at this point.

The CHAIRMAN. The Chair will advise the gentleman that permission will have to be secured when we go back into the House.

Mr. MITCHELL of Maryland. I appreciate the Chairman's statement.

Mr. Chairman, the first communication is the statement of the Governor and Lieutenant Governor of the State of Massachusetts, Governor Dukakis and the Honorable Thomas P. O'Neill III, supporting the Mitchell transfer amendments.

Who are the people who support this? The United Mine Workers of America.

Who are the people who support it? The United Conference of Mayors are on record urging that we prioritize in terms of human need, not in terms of wasteful military spending.

Also we have neard from the National Farmers Union, the Department of Health from the State of Masachusetts, and I could go on an on. Good, solid, sensible, concerned Americans who recognize that this whole process, the budget process, in this House is doomed until we address the matter of really establishing priorities.

The effect of my amendments will be this. The first one will be to transfer $12.9 billion in budget authority and $4 billion in outlays from the military function. That seems like an enormous sum of money; does it not? But if we think that is an enormous sum of money, we should just ask ourselves this: What about the $15 billion shortfall in military spending last year, and based on all reports coming out of the Department of Defense there will occur another enormous shortfall.

While we bloat that budget, we met only the needs of 15 percent of the children in the Head Start program. While we bloat that budget, we do not even begin to meet the needs of employment in this country. While we continue to pile up unobligated funds for the military endlessly, ad nauseam, we are providing for the senior citizens in this country only approximately one-third of the moneys required to meet their needs. Of course, it is unpopular. Of course, it is unpopular to talk about the military budget and any reduction thereof, simply because in the last 6 months we have gone through the resurgence and revival of the old cold war attitudes, with all the antiquated thinking that is associated with these cold war attitudes.

"Bloated military budgets create jobs," and that is utter arrant nonsense. The Soviets are about to land tomorrow; that is utter, arrant nonsense.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. GIAIMO. Mr. Chairman, I yield 3 additional minutes to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, while we continue to bloat the military budget, we continue to deny what I think is the most important function of Government. I do not want to seem sophomoric, but it says in a document that we cherish very much that the people are entitled to life, liberty, and the pursuit of happiness. But they cannot pursue happiness if they live out their lives under grinding, searing poverty. They cannot really have full liberty unless they are employed.

What we do in terms of our nonprioritizing for human needs is to make a mockery out of some words in that document.

My colleagues, I am keenly aware of the fact that few if any of you, on this floor are really listening to me. I am fully aware of the fact that few, if any, Members who are not on the floor will have read and read carefully what I am trying to talk about. I am fully aware that some of you consider what I am saying is frivolous but let me warn this House what our concerns are and why I am deadly and sincerely serious. Despite all the propaganda about the increased Soviet threat, I do not believe this democracy will ever be destroyed because of the Union of Soviet Socialist Republics. Despite all the propaganda that has been put out about the possibility somewhere down the line of a threat from the People's Republic of China, I do not believe that this democracy is going to be destroyed by the People's Republic of China.

I think our present defensive posture is strong enough to meet security needs for the next 20, 30, or 40 years. Mark my words well, if this democracy is ever destroyed it is going to be because we have not met the needs of the people, because we permit a gap to develop between the haves and have-nots. If it is ever to be destroyed, it will be because those who need the support of the Government in terms of survival programs were sacrificed on the altar of a bloated military budget.

Mr. Chairman, I hope one word, one phrase I have used, might strike a chord. I hope this House will support my amendments when the time comes.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I will not attempt at this time to discuss all aspects of this Concurrent Resolution 195 now before us. I will participate in the amendment process when that time arrives.

The minority views to the report of the first resolution on the budget for 1978 represent in large part my position on this legislation. They adequately cover the two primary items which the majority proposal desperately lacks: Permanent tax rate reductions and restraints in increased spending. By ignoring these essential elements, and embracing more deficits and bigger Government spending programs, the first budget resolution for 1978 which has been proposed by the majority will do more harm than good for the economy.

There is, however, one concept which deserves special attention. Mention was made in several instances in the minority views of "restraining increases" in spending, rather than "making cuts" in spending. In my view there is an important distinction in these two expressions which should be emphasized. Often times when suggestions are made to amend spending downward from the majority-recommended levels for a new fiscal year, the complaint is heard that we are "cutting the budget", or perhaps "meat-axing" a particular program. This is not true. As long as amended expenditure figures will leave outlays at, or above, present fiscal year spending levels, it cannot be alleged that "cuts" are being made—only restraints in increases.

Noted economists have observed that spending for fiscal year 1977 will likely fall below the current estimated level of $417 billion and be close to $408 billion. This would then mean that any outlays over $408 billion will amount to new spending and constitute an increase over present levels. The majority has recommended an increase in the 1977 budget over $54.3 billion to $462.3 billion, with a corresponding deficit of $64.3 billion. An amendment to reduce the majority recommendation would not, then be a reduction in spending, but simply a restraint in increases over 1977 expenditure levels. Without cutting the budget at all, then, and simply holding the line at present levels, the deficit could be drastically reduced and the commonly expressed goal of a balanced budget could be brought substantially closer.

I will present, after our minority substitute has been offered, my annual balanced budget concept, because I think it is more pertinent than ever. With this substitute resolution, I will present some permanent tax cut concepts which would include, just as the minority resolution does, permanent tax cuts for all of the roughly 210,000 working people in each congressional district in this country. That is the average number of working people in each one of our congressional districts—210,000. I think we should start talking about ways to allow them to participate in the economic stimulus if there is to be one, instead of shipping all the money back here to Washington and then redistributing only 50 percent.

So, once again at the appropriate time, I will provide an opportunity for Members to vote a balanced budget concept. It will be possible for Members to go on record for putting a stop to add-on deficit financing, and show their constituents that the House should not let the Federal Government go the way of New York City and Great Britain.

Mr. Speaker, let me now present the House with my substitute resolution:

H. CON. RES. 208

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $409,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $13,884,000,000;

(2) the appropriate level of total new budget authority is $453,500,000,000;

(3) the appropriate level of total budget outlays is $409,000,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(5) the appropriate level of the public debt is $717,332,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,332,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $120,136,000,000;

(B) Outlays, $112,800,000,000.

(2 International Affairs (150):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $4,000,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,400,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New budget authority, $20,500,000,000;

(B) Outlays, $17,000,000,000.

(5) Agriculture (350):

(A) New budget authority, $2,729,000,000;

(B) Outlays, $2,333,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $18,600,000,000;

(B) Outlays, $16,000,000,000.

(7) Community and Regional Development (450):

(A) New budget authority, $6,413,000,000;

(B) Outlays, $7,208,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $17,922,000,000;

(B) Outlays, $19,359,000,000.

(9) Health (550):

(A) New budget authority, $41,000,000,000;

(B) Outlays, $39,100,000,000.

(10) Income Security (600):

(A) New budget authority, $160,500,000,000;

(B) Outlays, $134,000,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $18,200,000,000;

(B) Outlays, $18,200,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,200,000,000;

(B) Outlays, $3,100,000,000.

(13) General Government (800):

(A) New budget authority, $3,100,000,000;

(B) Outlays, $3,000,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,000,000,000;

(B) Outlays, $7,000,000,000.

(15) Interest (900):

(A) New buget authority, $37,000,000,000;
(B) Outlays, $37,000,000,000.
(16) Allowances:
(A) New budget authority, $500,000,000;
(B) Outlays, $500,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$16,000,000,000;
(B) Outlays, —$16,000,000,000.

SEC. 3. In the third budget resolution for fiscal year 1977, the Congress provided for revenue and spending proposals designed to stimulate the Nation's economy in order to reduce unemployment. These proposals, together with recent indications of more vigorous economic growth in the private sector, provide evidence that the Nation's economy may be returning to the levels needed to provide jobs to millions of our unemployed.

The Congress recognizes, however, that unusual uncertainties surround the current economic outlook for 1977 and 1978—primarily, the economic impact of the stimulus proposals and the likelihood of continued economic growth in the private sector—and that additional time and information are needed to make final determinations with respect to fiscal policy for fiscal year 1978; and declares that, if economic recovery does not proceed satisfactorily during the months immediately following adoption of the first budget resolution for fiscal year 1978, it will be necessary to provide additional stimulus to the economy in appropriate amounts to be determined in the second budget resolution for fiscal year 1978. On the other hand, if the recovery continues to show signs of long-term renewed growth, it may be desirable to reduce some of the economic stimulus provided for fiscal year 1978 in order to make more rapid progress toward a balanced budget.

Let me now review comparative figures:

[In millions of dollars]

	Fiscal year 1977, 3d budget resolution	Ford budget	President Carter's request	Chairman's recommendations	Rousselot balanced budget substitute
Revenues	347,700	393,000	401,624	398,094	409,000
Budget authority	472,900	439,967	507,254	500,764	453,500
Outlays	417,450	440,000	459,373	462,349	409,000
Deficit	69,750	47,000	57,749	64,255	0
Debt subject to limit	718,400	NA	794,655	801,100	

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from California.

Mr. ROUSSELOT. I thank my ranking member (Mr. LATTA), for yielding further. Instead of shipping all the money back here to go through all this vast bureaucracy that we have, I think we ought to say to every one of the 89 million working people in this country, "We will reduce your tax liability by, say, 10 percent of what you are now paying into the Federal coffers, and you make the decision as to whether to save that money, buy a new car, buy a new house, do whatever it is you want to do. You make the decision as to where to spend that money."

There is another point I would like to make. I am fascinated, and I hope my colleagues will read all the additional views, the minority views, the supplemental views, of all of my colleagues on the committee. I was fascinated by the comments, on page 159, of my distinguished colleague, the gentleman from California (Mr. MINETA), who said, in point 2 of his comments:

A significant effort should be made to hold down spending and to avoid any commitments that might impinge on fiscal year 1979 initiatives.

And then my distinguished colleague, the gentleman from California (Mr. MINETA), goes on to say:

If there was ever a time that required fiscal restraint, that time is now.

I agree with him. But we do not do that in this resolution. There is no real fiscal restraint. We are adding on billions of dollars to what was spent last year.

So I hope that some time, some place we will really do what we say in these views and really put restraints on increases and expenditures. In my judgment, we are not doing it in this resolution, and that is why I feel constrained to offer a substitute balanced budget resolution, which I will do at the appropriate moment.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from California (Mr. ROUSSELOT).

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I would like to compliment the gentleman from California (Mr. ROUSSELOT) for his remarks, and I would like to ask him if he intends again to offer the nationally renowned Rousselot amendment for a balanced budget.

Mr. ROUSSELOT. Yes, I will say to my colleague that at the appropriate time I will offer the so-called Rousselot balanced budget resolution.

We have had substantial so-called shortfalls in expenditures, which to the gentleman and to myself means savings that have actually occurred. This administration has admitted, the Blumenthal-Lance-Shultze triumvirate has admitted that they have not even been able to spend the money as fast as this Congress has appropriated it. So they are saving money on the expenditure side, which is a new experience for Government.

Mr. SYMMS. I thank the gentleman

Mr. Chairman, I would just like to urge the Members to support the gentleman's amendment so that they can in fact give the people what the President promised them, a balanced budget.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I thank my good friend and distinguished Member of this body from the great State of Connecticut (Mr. GIAIMO) for yielding to me this time.

Mr. Chairman, we in the Committee on Armed Services have just finished an intense 4 months reviewing the fiscal year 1978 budget submission, culminating in the passage yesterday of the military procurement bill. The military construction bill is yet to come before this body.

Since this is a Presidential transition year, we reviewed the original budget submission of the outgoing administration, that is, the Ford administration, which was received on January 17, 1977, and the amended budget submission of the new administration, the Carter administration, which was received on February 22, 1977. Because of these separate submissions and because of the organizational problems attendant to any transition government, the committee was required to accelerate much of its work and at the same time carefully evaluate the entire defense budget in order to vote upon and submit to the House realistic budget recommendations by March 17, 1977, as well as prepare the annual military authorization for appropriation which, as I stated previously, the House just completed yesterday.

Such a process becomes increasingly important since it has become clear, as reported by the Committee on the Budget, that it does not and apparently cannot consider individual line items in formulating the annual budget resolution. Apparently again the best it can do is to concentrate on broad trend areas in making its findings. The Committee on the Budget in its recent report stated clearly that—

Specific items to be funded will be determined by the authorization and appropriation committees.

Mr. Chairman, the Committee on Armed Services produced 6 volumes of testimony covering some 6,200 pages as a result of holding the detailed budget and authorization hearings covering defense posture, procurement, personnel, ship construction, research and development—which subcommittee I happen to chair—and civil defense. In compiling that information during the period between January and April, 1977, the full committee met 28 times, and the appropriate subcommittees held 72 meetings.

In preparing the report to the Committee on the Budget, the Committee on Armed Services produced a 36-page committee print covering every line item in the defense budget submission, and every line item in both the January and February Presidential budget requests was reviewed. In submitting its March 15 report, the Committee on Armed Services recommended new budget authority of $120.9 billion.

Despite our exhaustive review on almost a case-by-case basis, the recommendation of the Committee on the Budget would slash that figure, I understand, to $115.9 billion, approximately $116 billion, admittedly with but few hearings, with no consideration of line items. and with emphasis on what was described as a concentration on trends only.

The recommendation of the Committee on Armed Services was $802.7 million above the Presidential request and $1.9 billion below the initial budget request—that is the Ford budget—submitted on January 17, 1977.

Yesterday, Mr. Chairman, by a vote of 347 to 43 the House accepted overwhelmingly our committee's fiscal year 1978 authorization bill which would authorize $35.9 billion to be appropriated for our national defense. In essence, that bill is the President's bill, for it is only $60.8 million above the President's request and it is $2.5 billion below the initial Ford submission. Obviously by its vote the House concurred that the bill represents a fair and considered judgment of our current defense requirements which we face in the 1980's. In considering that bill the Committee on Armed Services produced a second committee print covering 30 pages which scrutinizes in minute detail the authorization line items contained in both the January and February requests.

Literally, Mr. Chairman, there was no stone left unturned in our efforts to come up with a realistic submission which squarely faced national security requirements.

I might say, Mr. Chairman, that among the concerns about which I am troubled, deeply troubled, is this one: I would state to the gentleman from California that the Committee on the Budget failed to approve over one-half billion dollars in inflation estimates that were originally included as a result of the initiative of the Committee on Armed Services in insisting that budget submissions reflect reasonably foreseeable increases in the cost of labor, material, and other goods and services. That provision was included in our authorization bill for fiscal year 1977, and it seems to me that it reflects clearly the intent of Congress to recognize the realities of inflation in passing on defense budget requests.

Mr. Chairman, the principal point I wish to make is to urge my colleagues to support the budget of President Carter, which is in the amount of $120.1 billion. I recognize the agonizing that must go into resolving the almost $5 billion difference that exists between the recommendations of the Committee on the Budget and those of the House Committee on Armed Services; but, as I stated previously and I want to reemphasize, the Committee on Armed Services has never worked with more detail and with more diligence in arriving at its recommendations. We feel very strongly that our recommended figure of $120.9 billion is a figure that can reasonably be approved if we are to maintain a respectable defense posture, and particularly if we hope to continue talks with the Russians and have the necessary tools and resolve to arrive at a new SALT agreement.

At the very least, I state to the members of the committee, we should adopt the budget of our new Commander in Chief, President Carter, in the amount of $120.1 billion.

Mr. Chairman, this is a critical time for the United States. In arriving at approved defense funding, we must make it clear that we have the strength, will, and determination to maintain an adequate defense posture, both now and down the road. At the same time, we must make it perfectly clear that with mutual cooperation among nations, we can arrive at understandings on disarmament.

In our negotiations with the Soviet Union, I state to the members of the committee, we should not even hint at unilateral actions or the possibility that we might be dealing from a weaker hand at some time in the future.

I would further state to the members of the committee who so strongly supported the amendment offered by my good friend, the gentleman from Maine, yesterday, that we cannot support the $116 billion as recommended by the Committee on the Budget and expect that our bases will not be closed. We cannot have our cake and eat it, too.

I state also to the members of the committee who so overwhelmingly adopted the motion increasing the number of civil servants that the military has, that we cannot expect any such add-on to remain in the budget with only $116 billion.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

Mr. LEGGETT. Mr. Chairman, I yield 1 additional minute to the gentleman from Missouri.

Mr. ICHORD. Accordingly, Mr. Chairman, I urge the adoption of the amendment restoring the President's budget figure of $120.1 billion, which I understand will be offered by the distinguished gentleman from Texas (Mr. BURLESON).

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, my good friend, the gentleman from Missouri (Mr. ICHORD), has suggested in a somewhat circumspect manner that what we spend our money on somehow gives us a stronger defense.

The gentleman certainly is aware that, for instance, we could double the salary of the persons in our uniformed services and that would not make us a stronger country.

Mr. ICHORD. Mr. Chairman, if there is a question propounded by the gentleman from New York (Mr. DOWNEY), the gentleman well knows that I supported very strongly the amendment of the gentleman from Wisconsin (Mr. ASPIN) to reduce retirement costs in the future for the military, which started out in 1954 at a cost of $1.4 billion, running, as the gentleman from New York (Mr. PIKE) very well knows now, at the present time, in the amount of $9.4 billion, and projected out to the year 2000 when it is going to cost $24 billion.

We cannot spend that kind of money and expect to buy the necessary hardware to defend the United States of America. Therefore, I agree with the gentleman.

What is the question of the gentleman from New York?

Mr. DOWNEY. If the gentleman will yield further, it seems that the gentleman is somehow suggesting that $116 billion spent on the defense function is not going to keep our country safe, strong, and free.

Does the gentleman agree with that?

Mr. ICHORD. With all due respect to the gentleman from New York, if I may answer the gentleman's question, the gentleman is a very learned member of the House Committee on Armed Services and is a member of my subcommittee on R. & D. and makes a tremendous contribution to that committee.

Mr. DOWNEY. I thank the gentleman from Missouri.

Mr. ICHORD. But I believe the gentleman had better study what the Committee on the Budget has done. There are a lot of what I consider to be very unreasonable expectations in arriving at this $116 billion.

For example, they are making an unrealistic cut in foreign military sales, in addition to the $500 million that I mentioned in inflation. The gentleman knows we cannot continue as we are with our fiscal policy that we are pursuing and expect not to have rampaging inflation which will reduce the amount of hardware we can buy. I agree with the gentleman from New York.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, as a new member of the Committee on the Budget, I would like to offer a few observations as we discuss this first budget resolution.

First of all, Mr. Chairman, I would like to compliment the chairman of the committee, the gentleman from Connecticut, for the evenhanded manner in which he conducts the committee. My experience over many weeks of hearings has been that the gentleman is extremely fair, giving every viewpoint an opportunity to be heard. I, as one member of this committee, appreciate that very much.

Second, Mr. Chairman, I would observe that the committee is very fiscally prudent, because each of us has to pay for his or her share of the coffee.

Speaking now to the issues, Mr. Chair-

man, I think perhaps we are making one mistake in the budget process. That is, we tend to do as we have done prior to the institution of this committee; namely, determine what the components of the Federal budget will be, add them up, and produce a total. We established the Committee on the Budget in order to avoid that very process.

When I am back home speaking in the district I often show my audience my voting card and I say:

This is the world's greatest credit card. Vote now and pay later.

The resolution we are discussing today is a perfect example of our proposal to do that in fiscal 1978: "Vote now and pay later."

I think it is important that we approach the budget process on the basis of what is good fiscal management, and then work backwards in determining the priorities within those totals.

First, I do not think we put enough emphasis on the long-term impact and objectives of the budget priorities in the resolution. If the budget process is to work, we must do this as we develop the budget components each year.

If we hope to achieve a balanced budget for fiscal 1981, to which President Carter is dedicated it must be predicated on decisions made in this and subsequent budget resolutions. I find very little evidence of any effort in this first budget resolution to achieve the goal of a balanced budget in 1981. In fact, adding our totals to what the President proposed goes in the opposite direction. If anything, we are headed toward larger deficits.

Second, we hear much about the process called zero-based budgeting. As I sit as a member of this committee, I find very little, if any, emphasis on the technique of zero-based budgeting. In fact, it is quite the contrary. It is a matter of how much we can add, and not an examination on a critical basis of existing programs.

Third, I find no emphasis on improving the delivery system or on the management of the world's largest business. Government is a business. We take money from the taxpayers and in return we deliver services; be it for defense, be it for education, be it for any number of things. If we are to manage this Nation well, if we are to give taxpayers value received for their dollars, it is important that we place more emphasis in the budget process on the delivery system. How can we improve the quality of the service we deliver for the dollars we take from the taxpayer?

Fourth, another area I find deficient in this budget resolution is that it places greater and greater emphasis on the public sector. This is contrary to the fundamental principles of this Nation. I think we should be emphasizing the encouragement of the private sector as opposed to the public sector. Yet as we look at this budget and what it means in terms of a percentage of the gross national product of this Nation, we see a growing emphasis on putting our assets in the public sector as opposed to the private sector.

I find it rather strange that in a period of economic recovery and growth we are proposing a budget deficit in fiscal year 1977 that represents 3.6 percent of this Nation's gross national product; and in fiscal year 1978 a deficit that will be estimated to be 3 percent of this Nation's gross national product. This compares to a growth factor, total growth in real productivity in the gross national product, of 5 percent. What this means is that the U.S. Government is proposing in effect to absorb almost all of the growth of this Nation.

We should also compare present years with the 11 previous years from 1965 to 1976 when the average deficit was 1.6 percent of the gross national product. It gives us some idea of the growing impact of the public sector.

I would also point out to those who are interested in new programs that will meet this Nation's priorities that we are proposing to spend 11 percent of the Federal budget on interest. This means that as that figure continues to grow and grow, there will be less left to meet the Nation's needs in new and existing programs. In a way it is self-defeating—as the deficits get larger, the interest rates go up. This means the interest on the national debt for debt service continues to grow larger and larger. The rates have to be larger to induce the money into the Federal Treasury through the process of borrowing.

We must avert the point where we begin to spend the capital of this Nation, because when the Federal deficit becomes larger than the growth in the gross national product, this means we will be spending our principal as opposed to the growth. We have only to look at the historical trends to know about our fears in this budget process.

Lastly, I am disappointed that the revisions to the third budget resolution do not provide for the shortfall of about $6.1 billion. In terms of being realistic, we should have removed it in our amending process. In taking out the money for the rebate, we should also have deleted the $6.1 in outlays in the fiscal year 1977 resolution to reflect the true facts.

I expect to hear some great claims from the other end of Pennsylvania Avenue this fall about our spending being way under the budget. The truth of the matter is this results from prudent management in the previous administration. I think that it is important to point out what in reality is going to happen.

Mr. GIAIMO. I yield 7 minutes to the gentleman from California (Mr. MINETA).

Mr. MINETA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, first let me commend our able chairman, Mr. ROBERT GIAIMO, for his skillful leadership during what has been a trying period. Coordinating any new process here in the Congress can often be a difficult task—but dealing with the initial stages of a process as weighty as the Budget Act, with its many mandatory guidelines and reporting deadlines, is especially onerous. I am sure I speak for all the members of the Budget Committee in thanking our colleague from Connecticut for guiding us through the past few months of deadlines to arrive here today with what I consider to be an excellent set of spending and revenue targets.

In essence, the budget document with which the committee dealt was President Ford's January budget. Although President Carter was able to complete a number of important revisions, time did not allow him to undertake the exhaustive analysis of all agency and program budgets essential to a responsible effort that would reflect the priorities of the new administration. However, even with the extraordinary time pressures, President Carter was able to make revisions submitted on February 22, that were a significant and important improvement from the January budget submission.

The budget resolution we are voting on today includes additional changes recommended by the Budget Committee. In passing this resolution I think we will be establishing a total fiscal policy that is a well-balanced approach that meets both social and defense needs and reflects the wishes of the majority of American voters.

Our committee recommendations went further than Mr. Carter in reducing spending for defense and increasing spending for human needs—a significant reordering of national priorities that is in keeping with the desires of the American people.

The economic goals which the committee's recommendations are designed to achieve, are as follows: Real growth in GNP of 4.5 percent; unemployment rate of 6.3 percent; and a Consumer Price Index rate of increase of 5.5 percent.

These are not overly extravagant goals—in fact, I am sure many of my colleagues will find them quite discouraging. I want to assure you that I too find a 6.3 percent unemployment rate discouraging. However, while our projections are not optimistic, they are realistic—projecting substantially lower rates by the end of fiscal year 1978 would simply be dishonest. Given the economic, programmatic and political realities within which we must ultimately operate, I feel the committee's goals are fair and reasonable.

One bright note which I hasten to add here is that the economy does seem to be doing better at present than had been expected, and indeed may possibly exceed our expectation. For example, the most recent economic statistics during the first quarter of 1977 show that real GNP grew at an annual rate of 5.2 percent, a very strong showing in light of the winter hardships. Also, industrial production posted a sizable gain in March; increasing 1.4 percent over the February level. Even during February, which felt the coldest blows of the winter, industrial production managed to top January by 1 percent. As a result of the increased industrial production, capacity utilization has now climbed to 82 percent of capacity—though still far short of potential, the increase of 2 points over the last

5 months is a hopeful sign that health is returning to the economy.

Further, there has been a real surprise in housing—new starts in March were at a startling annual rate of 2.13 million, seasonally adjusted, some 17 percent above February. Even though the January rate was 1.38 million, the quarter averaged 1.78 million units, equal to the best quarter of last year.

This level of activity was originally held to be an estimate of starts for the year, implying no growth after last year's advance. However, as homebuilding permits advanced significantly in March, the housing sector will apparently continue its healthy performance into the second quarter.

Thus, it appears to me that while the economic goals included in our resolution, are realistic given current data, there are signs on the economic horizon that our employment and GNP goals might, indeed, be exceeded. However, given the economic analyses available to the committee, and with the realization that our projections are educated guesses at best, I think the fiscal policy embodied in this resolution is prudent and represents what will be a good first step toward our ultimate goal of a full-employment economy and a balanced budget by 1981.

In expressing my overall support for the committee's recommendations, I do not mean to obscure my concern over the size of the deficit. While present economic conditions seem to necessitate the stimulative fiscal policy embodied in this resolution, I am growing increasingly wary of deficit spending that fails to bring about the intended results.

If there was ever a time that requires fiscal restraint, that time is now. After several years of continued deficit spending, we are still saddled with relatively poor economic growth, high rates of inflation, and persistently high levels of unemployment. I, for one, am forced to conclude that some of our programs are not working.

In voting on various amendments which seek to increase spending, I hope my colleagues will keep this in mind. The time has come to say no to programs that don't work, no matter how politically expedient they may be. If we are to make room in the budget for programs that can counteract recession, that can provide jobs and training, and that can assist the needy, we must scrutinize existing programs and eliminate those which are not working. This is an effort which must receive the highest priority of the 95th Congress.

If we are to meet the twin goals of a balanced budget and a full-employment economy, all the authorizing and appropriating committees must accept their responsibility, resist the urge to fully fund programs of dubious value, and instead, devote their resources and energies to weeding out bad programs.

The 1978 budget should not be used to implement hasty, ill-advised initiatives or overextend existing programs that have little chance of success. Rather, in this budget we must make every effort to present programs, and make room in the 1979 budget for new initiatives that will succeed.

If the Congress can accept the challenges reflected in the committee recommendations for the 1978 budget, that is, program reevaluation and fiscal restraint designed to achieve savings and conserve budgetary resources, I believe that the first budget resolution for fiscal year 1979 will find us immeasurably closer to a balanced budet and a healthy economy. Conversely, if we fail to meet these challenges, I fear we will be facing continually growing deficits and persistently high rates of unemployment. I doubt that the American public—the voters who put us here—will accept such a failure.

Finally, Mr. Chairman, in urging all my colleagues to support this first concurrent resolution on the budget for fiscal year 1978, I wish to remind them that these revenue and spending targets are estimates of what will be needed during the upcoming fiscal year—as the course of the economy for fiscal year 1978 becomes more certain during the summer, adjustments may become necessary—these can, and no doubt will, be made in the second concurrent resolution. Even beyond that however, unforeseen events during fiscal year 1978 may make more changes necessary, it is truly one of the virtues of the Budget Act that it allows us the necessary flexibility to make such changes. Yet in making those changes, the Budget Act forces us to acknowledge on a macrolevel what our microlevel changes add up to. And that is really what the congressional budget process is all about, requiring the Congress to state explicitly what its fiscal policy is, to move us away from the de facto fiscal policies of the recent past to an open, explicit procedure where the full Congress must assume the responsibility for, and accept the accountability for the total fiscal consequences for our various actions.

I urge all my colleagues to support House Concurrent Resolution 195—it is an important first step in giving the American public what they have asked for—a full-employment economy with a balanced budget.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, just a few general remarks about the resolution. First of all, I want to join my colleagues who have praised the work of the new chairman of the Budget Committee. This House and this Nation were served well by our first chairman, the gentleman from Washington (Mr. ADAMS), but we have also been served well by the gentleman's successor, who has handled these matters with tact, with diligence, with ability, and with stability.

The process itself has been discussed earlier in the debate.

There are two portions of that. One is that the budget process should restrain expenditures to keep them somewhat in line with income. In that area, the Budget Committee has served effectively. The second is to take a look at priorities. In that area—and I say this as a brandnew member of the Budget Committee, and I could be wrong—I have the feeling that we have not come to grips yet with this problem of priorities as effectively as we should or, I hope, sometime can.

The process has given us a chance for an overview of the problems, at least for me as a relatively new Member of Congress. I have enjoyed my service with my colleagues, and I think the committee has contributed beyond the budget process through this opportunity for an overview.

It has been suggested by my good friend, the gentlewoman from Maryland (Mrs. HOLT) and the gentleman from Missouri (Mr. ICHORD) earlier in this debate that we have somewhat precipitously, and without adequate care, gone into the matter of reduced defense expenditures. I would point out that the estimate of expenditures in all areas received by the Budget Committee were somewhere in excess of $32 million more than the committee ultimately authorized. Defense was cut, but so were veterans, so was education and labor; almost every area received a very substantial cut.

If I may use as one illustration, the cut that has been made by the committee. The unexpended balance for the next fiscal year from the Pentagon is $1.3 billion more than they anticipated. The chairman, in his mark, knocked out $1 billion of that. Through an amendment which I offered, which was adopted, we knocked out the additional $300 million. That was not an irresponsible act. The fact is that the Pentagon had budgeted a little more for inflation than they ended up having, so they ended up with $1.3 billion more than they thought they would have, and we knocked that out. That was a responsible, legitimate cut.

I have two other comments. One is that the distinguished gentleman from New York (Mr. CONABLE) touched on a point that one of these days we are going to have to face up to. That is, the 4-year-term limitation on the Budget Committee. Our friends in the Senate believe that we have made a serious mistake in not permitting Members to be on long enough so that we really can dig into these procedures and have the kind of impact that ought to be there. We have to consider very seriously whether or not that criticism is justified. I tend to agree with the gentleman from New York that the 4-year-term limitation is a mistake, even though I was one of those who supported it originally.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GIAIMO. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. SIMON. Finally, Mr. Chairman, I want to mention that my colleague from Minnesota (Mr. FRASER) and I will be considering—sometime prior to the second budget resolution—an amendment which would increase expenditures by about $2 billion, which would be used to

put unemployed people to work insulating the homes of the poor. What we do is tie in three needs: The needs of the poor; the needs of the unemployed; and the energy needs of the Nation. That strikes me as making a great deal of sense, and I hope we can move in that direction.

Again, I have been pleased to serve on this committee. I think the chairman and the members of the committee on both sides of the aisle have done an exceptionally fine job, and I am proud to be serving with them.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, I rise in strong support of the First Concurrent Resolution on the fiscal year 1978 budget. I would like to express my pride and pleasure in our committee, and my deep admiration and gratitude for the superior leadership given us by our chairman, BOB GIAIMO. As you know, the necessity for a third resolution on the 1977 budget greatly limited the time available for our consideration of the resolution now before this House, but I feel that it is as carefully worked out as anything we could have reported with unlimited time. The committee has worked very hard to set targets for this summer's action which balance short-term economic stimulus with long-term growth, defense with social programs, recommendations for reform with expectations for new program initiatives.

The Federal budget, especially in this target stage, cannot be simply a "wish list," containing all the funding for all the legislative proposals Members and committees have in mind, whatever their merits. One job of the Budget Committee is to make serious judgments, based on the best information available, on what legislation is likely to be enacted soon enough to have budgetary impact in fiscal year 1978. I believe we have performed this task well.

The committee has made several recommendations for reform, which I heartily endorse. For instance, significant savings could be realized through the modest cut in the Defense Department's unexpended balances. Our Federal support for education could be better used through terminating impact aid for the "B kids" and targeting the funds where there is greater need.

We must all realize, of course, that there are many uncertainties assumed in this budget resolution. We have attempted to provide some fiscal stimulus, based on the most accurate data we could obtain. But the rate of our apparent economic recovery, the effects of the administration's energy proposals, and many other factors may combine to vastly change the situation at summer's end. I believe the chairman was wise in recommending and the committee correct in agreeing that the resolution contain language pledging that necessary adjustments will be made in the second resolution, based on the economic situation at that time.

Mr. Chairman, I believe that this resolution and its budget targets are adequate, reasonable, and flexible enough to meet our needs. I urge all my colleagues to support it and the balanced priorities it represents.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Chairman, I am sorry that as we debate the first half trillion dollar budget in our history, there are so few Members present.

Mr. Chairman, I am not greatly given to nauseous praise of committee chairmen and committees in general, so I would just like to say that I do agree with the others before me who have said that the gentleman from Connecticut (Mr. GIAIMO), the chairman of the committee, has behaved with great good humor under very trying circumstances and with admirable restraint under all sorts of pressures, and I think he has done a superb job.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I know that the chairman of the committee is modest, and the praise that the gentleman has given to the committee chairman will never be considered nauseous by this group. I wish to associate myself with the gentleman's remarks about the chairman of the committee.

Mr. PIKE. Mr. Chairman, I would agree that praise of the chairman of this committee would never be considered nauseous. However, I have heard praise given to other chairmen of committees at other times which seemed to go a little beyond that required by the facts of the situation.

Mr. Chairman, this has been an interesting debate. I listened with great interest to the gentleman from Maryland (Mr. MITCHELL), who made what I thought was a superb speech. Immediately after that I listened to the gentleman from California (Mr. ROUSSELOT) make what I thought was another superb speech. The problem is that we just cannot reconcile the two speeches.

We are dealing with all kinds of issues here. We are dealing with human beings around the country, and the human beings with whom the gentleman from Maryland (Mr. MITCHELL) is most greatly concerned are those who have great needs; they need jobs, they need Government services, and their needs are real. The people across the country to whom the gentleman from California (Mr. ROUSSELOT) was addressing himself are the taxpayers. They are real, too, and they have needs also.

I am afraid that in the course of events in the Committee on the Budget all of us vote our interests; we vote our consciences and our philosophies. I think that I have come down probably closer to the position of the gentleman from California (Mr. ROUSSELOT) than I have to that of the gentleman from Maryland (Mr. MITCHELL) when my votes are considered. But all of these concerns are real concerns, and what we are trying to do is balance the needs of some people against the ability of other people to pay for them.

I think one of the things that has happened to us in this Nation is that we have found what were luxuries a decade ago are needs today. We change our definition of "needs." Automobiles have stopped being luxuries and have become needs. So have TV's.

We had a hurricane up in my district last year, and a lot of trees got knocked down. In the process of cleaning up my backyard, I broke my axe, and I went down to the hardware store to get a new handle for it. I said to the man who ran the hardware store, "I'll bet you have sold a lot of axes."

He said, "I haven't sold one, but I did sell 25 powersaws."

So again, what were luxuries a while back are needs today.

Mr. Chairman, I voted for this resolution in committee, not with any enthusiasm whatsoever but because it was the only budget resolution in town. And the thing that bothers me about this resolution is that I think we are time after time converting wants into needs. We always talk about the necessity of cutting Government spending, but not this year—somewhere down the road. We talk about the necessity of balancing the budget, but not this year—somewhere down the road.

The CHAIRMAN. The time of the gentleman from New York (Mr. PIKE) has expired.

Mr. OBEY. Mr. Chairman, I yield 3 additional minutes to the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Chairman, we talk about the necessity of biting the bullet, but we never bite the bullet. Once in a while we gum a marshmallow, but we never really bite a bullet. We say, "Yes," to everything, and in all these speeches today every Member is honestly and sincerely representing his philosophy and his constituency as he sees them.

They are all worthy causes. The things that the gentleman from Maryland (Mr. MITCHELL) wants are worthy causes, and the things that the gentleman from Missouri (Mr. ICHORD) and the gentlewoman from Maryland (Mrs. HOLT) wants are worthy causes. Our national defense is, of course, among the worthy causes.

Mr. Chairman, if we say "yes" to all of them, we will never, ever balance our budget; we will never, ever stop our deficits unless we summon up the courage to say "No" to worthy causes. Every one of us has to do it in his own home and in his own personal life. We get dunned by every worthy cause there is and we would like to say "Yes" to all of them. They are all good, but we just plain have to learn to say "No" sometimes.

Mr. Chairman, I have watched the city of New York go down the drain because it could not say "No," and I have watched the State of New York get into great difficulties because it could not say "No."

I think that the act of real statesmanship around here as far as the budget is

concerned is going to have to be to learn to say "No" sometimes to very worthy causes.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, as a resident of the city of New York, I would say that it has not gone down the drain, but it would have gone down the drain if the then President had had his way when he said, "Drop dead" to the city.

I think that if we say "Yes" to some of the needs of the cities instead of saying "No," we will be doing the right thing.

Mr. PIKE. The city would have gone down the drain if somebody on the outside had not come along to bail it out, and the State itself is getting into this position; but the trouble is that when the Federal Government gets into that position, there is not going to be anybody there on the outside to come along and bail it out.

Mr. OBEY. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I would like to begin my remarks by echoing what other Members have said about the chairman of the Committee on the Budget, the distinguished gentleman from Connecticut (Mr. GIAIMO), who has shown extraordinary fairness and extraordinary ability in leading the Committee on the Budget through the difficult preparations for the third budget resolution for fiscal 1977 and the first concurrent resolution for 1978. Most remarkably, he has done it with a fine sense of humor.

I also commend the chairman for leading the Committee on the Budget to produce a budget that is better than those proposed by two Presidents, both the present and former occupants of the White House.

The budget that is presented to the Congress in this resolution is better than that offered by either President in that it restrains unnecessary military growth and deals more generously with the very pressing needs of our citizens in the areas of jobs, education, child welfare, senior citizen employment, and the like.

I commend the chairman and the committee for this achievement. However, I would say also that while this budget is better than that presented to us by the White House under two administrations, I still think that it fundamentally fails to address some of the extraordinary needs that the Nation faces at this time and continues to endorse and support waste in a number of programs, especially in the military budget.

Let me say, Mr. Chairman, that although President Carter's proposal for the defense budget was reduced by the committee by $4.15 billion in budget authority, nonetheless, this budget calls for an increase in budget authority for weapons procurement and research and development of 15 percent, and increases actual weapons spending by 25 percent.

Mr. Chairman, I believe that significant savings could be made with respect to the military budget by scrutinizing very carefully the $70 billion in unspent funds already in the pipeline and by providing greater control over the almost $18 billion in procurement contracts that are awarded on a noncompetitive basis.

The tradeoffs for the continued support of wasteful military spending are the serious economic and social problems that we confront here in the United States.

It is one thing to say we are No. 1 in national security if you define national security by the number of dollars you spend on weapons; it is another thing if you define national security by the ability to walk the streets in the cities of this country unafraid; if you define national security as having a population that is literate; if you define national security in the sense of having provided for the people of this country the basic necessities of life.

We are no longer No. 1 in some of the measures that are tests as to where a country ranks in the quality of life it gives its citizens. We are no longer No. 1 in per capita income. We are no longer No. 1 in literacy; 11 countries are ahead of us.

We are no longer No. 1 in health care for children; 15 countries are ahead of us.

We are no longer No. 1 in life expectancy for men and women. In fact, 18 countries are ahead of us in life expectancy for men.

In addition to providing no real hope for improvements in 1978 with regard to these problems, the budget makes absolutely no commitment in three areas where I believe we need to move forward this year with new initiatives. The first is welfare reform. There is not one penny in this budget that will assist States and local governments in dealing with the extraordinary burden that welfare has placed upon them. Nor is there one penny in this budget to move toward national health insurance. And there are no new initiatives for mass transit, although, clearly, Mr. Chairman, mass transit is an integral part of any effective energy program for this country.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. GIAIMO. Mr. Chairman, I yield 3 additional minutes to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, let me also point out that although this budget is concerned with the issue of unemployment, by the end of the calendar year 1978, after all the stimulus measures in this budget will have had their impact, we still expect to have 6.3 percent of unemployment. This is an intolerable waste of human resources.

I intend, Mr. Chairman, to offer several amendments to this budget. One amendment has to do with the proposed business tax credits for fiscal year 1977. As the Members may know, the President has recommended that the $50 tax rebates be withdrawn and also that the proposed business tax credits be withdrawn. Nonetheless, the fiscal 1977 budget still contains moneys for both the business tax credits and the tax rebate. The gentleman from Connecticut, Mr. GIAIMO, will move to eliminate the tax rebate leaving in the tax credits.

It seems to me inexcusable, when we still have a substantial budget deficit, to spend $900 million in 1977 on tax credits that will not work. And it is inequitable to give a tax credit to business when the tax rebate to consumers will be withdrawn.

I also will offer an amendment to restore the cuts that have been made in the Law Enforcement Assistance Administration's budget. As the Members know, as a result of the actions of the committee, the law enforcement assistance program is going to be cut by one-third. That is a very devastating cut in the only Federal program that assists States and localities in developing programs to deal effectively with crime.

I intend to support the amendment offered by the gentleman from Maryland (Mr. MITCHELL), the so-called transfer amendment. Having offered one last year, I very strongly support the concept that we need to begin to turn around the priorities of this country. We must recognize that national security is defined by more than the dollars spent on defense and the number of missiles in our arsenal, and that the strongest resource we have and the greatest defense this country has is the well-being of the people here at home.

Mr. Chairman, I yield back the remainder of my time.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, I want to rise out of concern for the budget, out of frustration, and out of a deep desire and hope to make this budget process work. I want to commend the chairman and the committee for what they have done. Within the limits of the Budget Act, I believe the work of the chairman and the Budget Committee, have, indeed, been admirable. House Concurrent Resolution 195 is the product of a long and difficult process that tries to balance the needs between social programs and defense requirements. But I rise to speak here as a freshman Member who is, indeed, frustrated by the process that we face. I have the responsibility now to evaluate a massive budget that includes budget authority in excess of $500 billion, includes outlays of $463 billion, and provides for a discouraging deficit of $65.8 billion. It is frustrating, because I do not think I or the Congress has an understanding or a hold on this budget or the various programs that are a part of it.

My concerns are these: First, I think there is too little oversight that goes into ongoing programs. I do not see within this budget sufficient attention to programs that are already in existence that are not working effectively—programs in HEW, or Labor, or the Pentagon, which require complete and careful oversight.

Second, the new programs that are incorporated here are programs I do not think we have had the time to sufficiently

evaluate. We are dealing in broad generalities and not hard evidence. We are dealing in broad philosophies but with few specifics. Recognizing these frustrations, I think that if the budget process is going to be effective, it has to look forward to additional reforms if it is to truly be an effective tool in reducing spending and balancing our budget.

First and foremost, there simply has to be stronger oversight of ongoing programs. We have got to cut away at the programs that are not working effectively, and they are there. We continue to deal with new programs added on old programs and that is how this budget continues to grow and grow each year.

Second, we are talking about the need for zero-based budgeting. We are talking about the need for sunset laws. If this is going to be done effectively, we have to give time to the process. It means that committees have to devote time to oversight and ongoing programs. Zero-based budgeting without the time to do it, without the time to get into oversight, is meaningless.

Third, we have to get over this year-to-year budget process that throws us into constant turmoil 12 months of each year. We must recognize that we have to start moving toward a 2-year budget here so that we can plan; we can look at these programs; we can begin to plan our budget needs over a 2-year period rather than from year to year. The present process is chaotic; it does not make sense; it simply does not work.

Lastly, I would suggest that to provide the time we need, we should set aside a year in each Congress to do budgeting, to be able to look carefully at these programs, and to properly exercise our responsibilities. These are the kinds of broader reforms that I think are necessary, because if we are to really do a job with this budget, we are going to have to take the time to look at programs, determine their effectiveness, and devote complete concentration to the budget effort. That is the only way we can fulfill our responsibilities to the Congress, to our people, and to the Nation.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I would like to compliment the gentleman on a very thoughtful presentation. While he did not speak about specifics in the budget or amounts—and we might disagree on some of those—I certainly think that the proposals that the gentleman has outlined are worthy of very serious consideration.

Certainly we have to get a hold on the budget process, and we have to do it on something different than on a crisis basis. It seems we have had a budget resolution here almost every day—which is an exaggeration, but it has been all too often. I think many of the suggestions the gentleman made in his remarks would be very beneficial to this whole process, and I would hope that the Budget Committee would take a very close look at his recommendations and perhaps recommend them to the Congress.

Mr. GIAIMO. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Chairman, during the consideration of House Concurrent Resolution 195, I intend to offer an amendment to increase both the total budget authority and total outlays by $500 million.

I would hope that these funds would go toward the cost of an urgently needed and too long ignored pension for those veterans of World War I.

Mr. Chairman, over 160 Members of this House and 6 of the other body have joined in cosponsorship of H.R. 55, a bill to provide a $150 pension to veterans of World War I, or their surviving spouses, and would not have an income limitation:

LIST OF COSPONSORS

Congressional co-sponsors of H.R. 55, the "World War I Pension Act." The "World War I Pension Act" provides a $150 monthly service-based pension to veterans of World War I or their surviving spouses. The bill will not adversely affect any veteran benefit which a World War I veteran might presently be receiving.

ALABAMA

Bill Nichols and John Buchanan.

ALASKA

Don Young.

CALIFORNIA

Harold T. Johnson, Ronald V. Dellums, Leo J. Ryan, Paul N. McCloskey, Jr., Norman Y. Mineta, B. F. Sisk, Leon E. Panetta, John Krebs, William M. Ketchum, Robert J. Lagomarsino, James C. Corman, Carlos J. Moorhead, Henry A. Waxman, Edward R. Roybal, Yvonne Brathwaite Burke, Augustus F. Hawkins, Charles H. Wilson, Glenn M. Anderson, Mark W. Hannaford, George E. Brown, Jr., Jerry M. Patterson, and Clair W. Burgener.

CONNECTICUT

Robert N. Giaimo and Stewart B. McKinney.

FLORIDA

Robert L. F. Sikes, Don Fuqua, Richard Kelly, L. A. Bafalis, William Lehman, Claude Pepper, and Dante B. Fascell.

GEORGIA

Bo Ginn and Dawson Mathis.

HAWAII

Daniel K. Akaka.

ILLINOIS

Morgan F. Murphy, Marty Russo, Cardiss Collins, John B. Anderson, George M. O'Brien, Melvin Price, and Paul Simon.

INDIANA

Floyd Fithian, Lee H. Hamilton, and Andrew Jacobs, Jr.

IOWA

Michael T. Blouin.

KANSAS

Keith G. Sebelius and Dan Glickman.

KENTUCKY

William H. Natcher, Romano L. Mazzoli, and Tim Lee Carter.

LOUISIANA

Gillis W. Long.

MAINE

David F. Emery and William S. Cohen.

MARYLAND

Barbara A. Mikulski, Marjorie S. Holt, Gladys Spellman, Parren J. Mitchell, and Newton I. Steers, Jr.

MASSACHUSETTS

Silvio O. Conte, Robert F. Drinan, Joe Moakley, and Margaret Heckler.

MICHIGAN

John Conyers, Jr., Harold Sawyer, Dave Stockman, Bob Carr, Dale E. Kildee, and David E. Bonior.

MINNESOTA

Tom Hagedorn.

MISSISSIPPI

David R. Bowen, and Trent Lott.

MISSOURI

Robert A. Young, Gene Taylor, and Harold L. Volkmer.

MONTANA

Max Baucus and Ron Marlene.

NEBRASKA

Charles Thone.

NEW HAMPSHIRE

Norman E. D'Amours.

NEW JERSEY

William J. Hughes, James J. Howard, Robert A. Roe, and Harold C. Hollenbeck.

NEW YORK

Norman F. Lent, Lester L. Wolff, Mario Biaggi, Shirley Chisholm, Leo C. Zeferetti, John M. Murphy, Herman Badillo, Richard L. Ottinger, Hamilton Fish, Jr., Benjamin A. Gilman, Donald J. Mitchell, William F. Walsh, Frank Horton, and Stanley N. Lundine.

NORTH CAROLINA

Walter B. Jones, Ike F. Andrews, Stephen L. Neal, and James G. Martin.

NORTH DAKOTA

Mark Andrews.

OHIO

Thomas A. Luken, William H. Harsha, Thomas N. Kindness, Clarence E. Miller, Douglas Applegate, Charles J. Carney, Mary Rose Oakar, Tennyson Guyer, and Ronald M. Mottl.

OKLAHOMA

Tom Steed, Mickey Edwards, and Glenn English.

OREGON

James Weaver.

PENNSYLVANIA

Robert N. C. Nix, Richard T. Schulze, Gus Yatron, Robert W. Edgar, Daniel J. Flood, John P. Murtha, Robert S. Walker, Allen E. Ertel, and Austin J. Murphy.

RHODE ISLAND

Edward P. Beard.

SOUTH CAROLINA

Mendel J. Davis, Floyd Spence, and John W. Jenrette, Jr.

TENNESSEE

James H. Quillen, John J. Duncan, Marilyn Lloyd, Clifford Allen, and Harold E. Ford

TEXAS

Charles Wilson, Jack Hightower, E de la Garza, and Henry B. Gonzalez.

VERMONT

James M. Jeffords.

VIRGINIA

William C. Wampler.

WASHINGTON

Lloyd Meeds.

WEST VIRGINIA

Robert H. Mollohan, Harley O. Staggers, and John M. Slack.

WISCONSIN

Clement J. Zablocki.

PUERTO RICO

Baltasar Corrada.

VIRGIN ISLANDS

Ron de Lugo.

ADDITIONAL COSPONSORS OF H.R. 55—"THE WORLD WAR I PENSION BILL OF 1977"

California: Hon. Charles H. Wilson.
Hawaii: Hon. Cecil Heftel.
Massachusetts: Hon. Margaret Heckler.
Missouri: Hon. Ike Skelton.
North Dakota: Hon. Mark Andrews.
Oklahoma: Hon. Wes Watkins.
Viriginia: Hon. Paul Trible.
Wisconsin: Hon. Robert Cornell.
Florida: Hon. Andy Ireland.
Indiana: Hon. Floyd Fithian.
Michigan: Hon. Dave Stockman, Hon. Harold Sawyer.
Montana: Hon. Max Baucus.
Ohio: Hon. Tennyson Guyer.
Tennessee: Hon. Clifford Allen.
West Virginia: Hon. Nick Rahall II.

I enclose for your study, also, a breakdown of the numbers of such veterans of World War I now living in the various States:

Breakdown by State of Veterans of World War I

[In thousands]

State:	*World War I*
Total	867
State total	858
Alabama	11
Alaska	*
Arizona	10
California	82
Colorado	9
Connecticut	12
Delaware	2
District of Columbia	3
Florida	58
Georgia	13
Hawaii	1
Idaho	3
Illinois	44
Indiana	21
Iowa	15
Kansas	12
Kentucky	12
Louisiana	12
Maine	6
Maryland	13
Massachusetts	27
Michigan	31
Minnesota	19
Mississippi	8
Missouri	24
Montana	3
Nebraska	7
Nevada	2
New Hampshire	3
New Jersey	30
New Mexico	4
New York	74
North Carolina	15
North Dakota	3
Ohio	40
Oklahoma	14
Oregon	13
Pennsylvania	50
Rhode Island	4
South Carolina	7
South Dakota	4
Tennessee	15
Texas	42
Utah	4
Vermont	2
Virginia	15
Washington	16
West Virginia	9
Wisconsin	21
Wyoming	2
Outside U.S.—Total [1]	9

*Less than 0.5 (thousand).

[1] Includes Commonwealth of Puerto Rico, U.S. Possessions and outlying areas, and foreign countries.

NOTE.—These estimates have been developed from "bench mark" veteran population statistics for the states as of June 30, 1970, based on 1970 Census Population data on veterans' place of residence, extended to June 30, 1976 on the basis of (1) 1965–1970 veteran interstate migration statistics from the 1970 Census; (2) Bureau of the Census provisional estmates of 1970–1971 net civilian migration of the States: "Current Population Report." Series P–25, No. 468, October 5, 1971; and (3) mobility of the United States Population 1970–1971, "Current Population Reports," Series P–20, No. 235, April 1972. They are independent of, and therefore not directly comparable with, estimates for June 30, 1970 through June 30, 1974, previously published. Excluded are an estimated 194 (thousand) who served only between World War I and World War II, and 251 (thousand) who served only between World War II and the Korean Conflict.

Mr. Chairman, I receive letters almost every day, each telling a specific "horror" story of how our veterans are being forced to live on pensions of from $5 to $15 a month.

Where is the equity when we pay these veterans of World War I one lump sum payment of $607.50, and then pay a Vietnam veteran with two dependents over $13,176 per year in educational benefits alone?

Mr. Chairman, I urge the 160 cosponsors of H.R. 55 to join in our effort to provide the necessary moneys to fund a World War I pension bill.

Mr. GIAIMO. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I do not think I need to express to this House the great respect which I have for the chairman of the Budget Committee.

Let me say that I think that we ought to view this resolution in the light of the very special circumstances which surround its being brought to the floor. I think we might have had a number of things done quite differently if we had been able to bring this bill to the floor in a different time circumstance, but as everyone is well aware, we are in a situation in which we have a new President. He is trying to deal with a budget which for the most part he did not prepare, to which he has been able only to react. We also have a new committee and we have probably the murkiest outlook in terms of the future inclinations of the economy that we have had in the last 5 or 6 years.

Frankly my instincts tell me we would be better off if we were able to provide funds in this resolution for both an additional temporary—I emphasize the word "temporary"—tax reduction and as well some start-up funds for the implementation of welfare reform. I really believe that if we want to achieve any degree of confidence on the part of the consumers and business alike in this country we have to start down the road of welfare reform, because until we do that we have to build the welfare component into virtually every other issue we deal with. We are always forced to deal with the energy issue in terms of welfare problems. We are forced to look at social security almost in terms of it being a welfare program, when it was never meant to be that but was meant to be an insurance program. The issue really inhibits our ability to deal with in a very straight way most of the other issues that face us.

The only reason I am not offering an amendment to do that this afternoon is because I am really deferring to reality, deferring to the fact that we really have a very murky situation. No one really knows the direction in which the economy is headed and I think most of the people would feel more comfortable in making a careful assessment 3 or 4 or 5 months down the road. By that time I would hope we would have a better knowledge of what way the economy is headed, and of what is really happening with inflation, and of what the true roots of inflation are, and of what in fact the weather will be, which is probably a factor that will really affect the economy in the future a great deal.

Mr. REGULA. Mr. Chairman, we are now completing work on the first budget resolution for fiscal year 1978. However, I must remind my colleagues there are still a few loose ends from the third resolution for fiscal year 1977 that we did not clean up.

This month the Office of Management and Budget estimated that during the current fiscal year we will have a shortfall of $6.1 billion in outlays. This means the Government will spend $6.1 billion less than projected.

This being the case, we should cut this $6.1 billion out of the resolution, as we do not need it. However, it has been purposely left in the third resolution, unnecessarily available for whatever the Congress wishes to throw into the budget. This action is the type of political ploy for which Congress loses the trust of the American people.

Worse yet is the presentation, or lack of it, in allowing this $6.1 billion to remain dangling. The shortfall itself is widely publicized. But no one talks of what adjustments should be made now that it exists.

You may all write your constituents expounding on the service provided in not needing to spend this additional money. In fact, you would be telling a half truth. Your constituents will believe you have saved them $6.1 billion. In actuality Congress is simply holding on to that outlay authority and will inevitably spend it, for your constituents. Most likely, it will not be spent on the original purposes for which it was included in the budget. You would not say that there will be no savings; that this inescapable action will add to their country's deficit; and unavoidably eat up their tax dollars.

While I commend the administration and the Budget Committee on removing the tax rebate program from the fiscal year 1977 resolution, I feel we shirk our responsibility in retaining this $6.1 billion. All of you know as well as I that it will float around in the vacuous budget vat until new ways to expend it are effected.

While this is an immensely clever incentive for backdoor spending, it is wrong—wrong in terms of the budget resolution's function, and wrong in hoodwinking the taxpayer.

We are continuing an economic recovery that should encourage us to reduce

spending and deficits. The one thing we should not do is impede this process by reserving a comfortable $6.1 billion cushion that we know is unnecessary.

During the past weeks I have heard the word confidence used many times during our committee deliberations. Reducing the deficit an additional $6.1 billion for fiscal year 1977 will do much to generate that confidence.

Mr. ADDABBO. Mr. Chairman, it is my belief that Members of Congress ought to have a pay raise. We have suffered along with all other Americans through 8 years of unrelieved inflation. For 7 of those years, Members of Congress have seen their purchasing power undercut by inflation without a pay increase.

I was frankly pleased when the Presidential Commission urged President Ford to suggest a pay raise for Congressmen last fall. It would have been better to have small annual increases to account for increases in the cost of living than it would have had to have one huge increase, but taking the increase over a 7-year span, it was not out of line with what most American workers have received. It broke down to about an increase of $1,800 a year, far less than what most business executives have received.

But it has offended me personally that we are portrayed as raising our own salaries and it has further offended me that the House did not move to affirm the raise on its own behalf.

It seems to me that if the House of Representatives is to truly represent the people of this Nation, it must lead through example. When we adopt these shabby habits of granting ourselves extra emoluments without even voting on it, we tend to solidify those who would complain that the Congress sets one standard for the American people and yet another standard for itself.

Had the Members of the House been granted the opportunity to vote on the pay raise last winter when the matter should have been heard, I would have voted for it. Since it was the decision of the House not to vote on the matter at that time, I believe the Members of the House have forfeited their right to the pay raise, and it ought to be ended.

Accordingly, I will support the gentleman from New York (Mr. PIKE) when he moves later to strike the money for the pay increase from the budget resolution. I would urge the Members of the House to purge themselves of the memory of how this pay raise was enacted, and vote along with us on this issue.

Having said that, I want to implore the leadership from both sides of the aisle and from both Houses of Congress to work with the administration to devise a sensible and honorable means of providing pay increases for Members of Congress. Even Congressmen are not immune from the onslaught of inflation and, just like every other American worker, the pay scale of the American Congressman ought to be readjusted periodically. But it should not be within the power of the Congress to make that determination, nor should the subject be allowed to become a political football which can be used to embarrass Members.

This situation has been handled dreadfully and ought to be terminated because it is inherently flawed. The American public is convinced that Members of Congress cannot resolve their problems but are eagerly willing to feather their own nests. That is far from true, but we have caused to some extent the problem for ourselves and our only alternative is to clean our nest.

We must lead in this Chamber. We must be faithful with the American people and we must not help ourselves when the people are not.

Mr. GRASSLEY. Mr. Chairman, the amendment offered by the gentleman from New York (Mr. PIKE) is a good one and deserves the support, the vote, of each Member of the House. Of course, I recognize that this amendment is of more symbolic importance than anything else in that the budget function from which this $7 million would be deleted is broad. The money can be transferred and shifted around easily enough; further, this budget resolution is only a target susceptible of later amendments and changes.

Nonetheless, the House of Representatives ought to adopt by a recorded vote this amendment which would reduce the budget authority and outlays for congressional salaries. The gentleman from New York (Mr. BIAGGI) put it well in his "Dear Colleague" of the 22d when he observed that we ought to vote on this issue and quit hiding behind the Speaker's chair.

I will not, at this time, discuss my views on the substantive issue of automatic no-vote congressional salary increases, both past and present, except to say that I believe the recent inaction of Congress with respect to the February pay raise has not set well with the American people. They feel that their trust has been betrayed.

Therefore, I welcome this opportunity to vote "aye" on the pending amendment. It would also seem appropriate for Members who favor accountability in Government to support legislation which I have introduced; namely, H.R. 2430 and H.R. 2431, which would repeal the annual automatic cost-of-living increase in compensation paid to Members of Congress.

Mr. GIAIMO. Mr. Chairman, I have no further requests for time.

Mr. LATTA. Mr. Chairman, I have no further requests for time.

Mr. GIAIMO. Mr. Chairman, I yield back the balance of my time.

Mr. LATTA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to clause 8 of rule XXIII, the concurrent resolution is considered as having been read for amendment and open to amendment at any point.

The concurrent resolution is as follows:

Resolving by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $398,094,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $1,073,000,000;

(2) the appropriate level of total new budget authority is $500,764,000,000;

(3) the appropriate level of total budget outlays is $462,349,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $64,255,000,000; and

(5) the appropriate level of the public debt is $801,100,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $101,100,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $115,986,000,000;

(B) Outlays, $109,647,000,000.

(2) International Affairs (150):

(A) New budget authority, $9,543,000,000;

(B) Outlays, $7,397,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,930,000,000;

(B) Outlays, $4,737,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New budget authority, $20,950,000,000;

(B) Outlays, $20,677,000,000.

(5) Agriculture (350):

(A) New budget authority, $2,153,000,000;

(B) Outlays, $2,880,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $20,569,000,000;

(B) Outlays, $20,277,000,000.

(7) Community and Regional Development (450):

(A) New budget authority, $8,237,000,000;

(B) Outlays, $10,926,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $22,739,000,000;

(B) Outlays, $27,756,000,000.

(9) Health (550):

(A) New budget authority, $47,685,000,000;

(B) Outlays, $44,238,000,000.

(10) Income Security (600):

(A) New budget authority, $182,688,000,000;

(B) Outlays, $148,309,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $19,935,000,000;

(B) Outlays, $19,903,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,560,000,000;

(B) Outlays, $3,800,000,000.

(13) General Government (800):

(A) New budget authority, $3,898,000,000;

(B) Outlays, $3,998,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,822,000,000;

(B) Outlays, $9,783,000,000.

(15) Interest (900):

(A) New budget authority, $43,000,000,000;

(B) Outlays, $43,000,000,000.

(16) Allowances:

(A) New budget authority, $1,069,000,000;

(B) Outlays, $1,021,000,000.

(17) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$16,000,000,000;

(B) Outlays, —$16,000,000,000.

SEC. 3. In the third budget resolution for fiscal year 1977, the Congress provided for revenue and spending proposals designed to stimulate the Nation's economy in order to

reduce unemployment. These proposals, together with recent indications of more vigorous economic growth in the private sector, provide evidence that the Nation's economy may be returning to the levels needed to provide jobs to millions of our unemployed.

The Congress recognizes, however, that unusual uncertainties surround the current economic outlook for 1977 and 1978—primarily, the economic impact of the stimulus proposals and the likelihood of continued economic growth in the private sector—and that additional time and information are needed to make final determinations with respect to fiscal policy for fiscal year 1978; and declares that, if economic recovery does not proceed satisfactorily during the months immediately following adoption of the first budget resolution for fiscal year 1978, it will be necessary to provide additional stimulus to the economy in appropriate amounts to be determined in the second budget resolution for fiscal year 1978. On the other hand, if the recovery continues to show signs of long-term renewed growth, it may be desirable to reduce some of the economic stimulus provided for fiscal year 1978 in order to make more rapid progress toward a balanced budget.

AMENDMENT OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIAIMO: On page 2, line 2 strike out $462,349,000,000 and insert in lieu thereof $463,854,000,000;

On page 2, line 5 strike out $64,255,000,000 and insert in lieu thereof $65,770,000,000;

On page 2, line 7 strike out $801,100,000,000 and insert in lieu thereof $792,100,000,000;

On page 2, line 9 strike out $101,100,000,000 and insert in lieu thereof $92,100,000,000;

On page 3, line 9 strike out $2,880,000,000 and insert in lieu thereof $4,395,000,000.

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, I offer a Budget Committee amendment to the first budget resolution for fiscal year 1978 to cover reestimates of commodity program expenditures in the agriculture functional category. The amendment increases outlays for the agriculture function and the budget resolution total by $1,515 million. This change is necessary to accommodate recent administrative actions and changes in the economy which will require payments to be made under current law.

The committee was aware during its markup that some adjustment would have to be made for this program, but deferred action until events settled down and a reliable estimate could be developed. Among other things, during committee markup, the administration was in the process of presenting its farm policy recommendations to the Congress. I have discussed this matter several times with the gentleman from Washington, the distinguished chairman of the House Agriculture Committee, and his staff, and I have also talked about it to Director Lance of the Office of Management and Budget.

The administration has now submitted a revised estimate for this program, which has been reviewed by the Congressional Budget Office and the committee staff. This increase assumes that administrative actions to extend wheat loans—the reseal program—to expand storage facility loans, and to increase price support levels for wheat, feedgrains, and dairy will require additional expenditures. Further, it is assumed that deteriorating economic circumstances for commodities, such as wheat, will require larger loans and payments.

I wish to emphasize that the amendment addresses only payments expected to be made under current law. It assumes no legislative changes for 1977 crops. Payments made for this program under current law are mandatory. There is no choice. It was just a matter of developing a reliable estimate, which I believe we now have.

Mr. LATTA. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, I agree with the statement just made by the chairman of our committee. This amendment is absolutely necessary because of these administrative changes. I think that, perhaps, it might add to farm income and all farmers agree it is at a low level. I support the amendment and hope it will pass.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIAIMO: Insert the following new section:

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974.

(1) Section 1 of S. Con. Res. 10 is amended to read as follows:

"That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

"(1) The recommended level of Federal revenues is $355,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,300,000,000;

"(2) The appropriate level of total new budget authority is $469,700,000,000;

"(3) The appropriate level of total budget outlays is $414,250,000,000;

"(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $59,250,000,000; and

"(5) The appropriate level of the public debt is $707,970,000,000."

(2) Section 2, paragraph (10) of S. Con. Res. 10 is amended to read as follows:

"(10) Income Security (600):

"(A) New budget authority, $167,700,000,000;

"(B) Outlays, $138,100,000,000."

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, I rise to support this Budget Committee amendment to make the necessary adjustments in the third budget resolution for fiscal year 1977 to remove provision for the $50 individual tax rebate and payment proposal. The amendment reduces the deficit by $10.5 billion to $59.25 billion, and affects both the revenue and spending sides of the budget.

Removal of the tax rebate provision increases the estimate for total revenues to $355.0 billion, which reflects an increase of $7.3 billion. Budget authority and outlays in the budget resolution totals and in the functional category for income security are reduced by $3.2 billion each. It had been estimated that payments to social security, supplemental security income, and railroad retirement recipients would cost about $1.8 billion and that payments to others in excess of their tax liability would cost about $1.4 billion.

On April 14, President Carter announced he was no longer supporting his earlier proposal for the $50 rebate and payment, as well as his proposals for tax credits for business. The Budget Committee amendment strikes provision only for the $50 rebate and payment. As amended, the resolution still provides for some version of tax assistance to business either through business tax credits or jobs tax credit. As it left the House, the tax bill included the rebate provision, but substituted a new jobs tax credit for the business tax credit approach proposed by the administration. The other body is still considering the tax legislation, but votes taken last week indicated widespread support for some version of tax assistance to business.

I have discussed the matter at length with the gentleman from Oregon, the distinglished chairman of the Committee on Ways and Means, and I believe he endorses the approach taken by the committee amendment. I have also discussed the problem with the Democratic Steering and Policy Committee and that group has adopted a Resolution supporting the committee position.

Mr. Chairman, I would like to call to the attention of the House that the Budget Committee amendment does not reflect the revised estimates announced by the administration on Friday of last week indicating a shortfall of some $6 billion in outlays in fiscal year 1977 and an increase of about $43 billion in outlays for fiscal year 1978. Under provisions of the Budget Act, Mr. Chairman, the administration submits four comprehensive revisions of the budget estimates during the course of 1 year: One in its formal budget submission usually in January; one on April 10 to give Congress the latest information in its preparation of the first budget resolution; one on July 15 to give Congress the latest information in its preparation of the second budget resolution; and finally on November 10, in connection with its submission of the current services budget.

This most recent revision derives from a general concern of the administration expressed in the February 22 budget that in recent experience there appears to be a general tendency for estimates to be overstated. It is different from the four comprehensive revisions called for by the Budget Act in that this analysis does not deal with budget authority, and a number of the revisions are based on agency, bureau, or major program aggregates. The lack of line item and other detailed supporting materials inhibits the usual careful review to which the regular comprehensive reestimates are subjected before they are adopted for use by the Congress. The lack of these supporting materials also would make more difficult the distribution of these revisions among the committees of the Congress, which is required by section 302 of the Budget Act.

The budget estimates revision document itself states:

A cautionary note is important. Despite recent outlay underruns it would be erroneous to assume that outlays for programs that are now underrunning will continue to underrun indefinitely. The estimates of relatively uncontrollable outlays can easily swing to being low rather than high, and outlays that were anticipated in this or earlier fiscal years in programs with carry-over budget authority (e.g., major procurement) will generally be made in 1978 or later years.

With 5 months in the fiscal year still left, it seems possible to me, Mr. Chairman, that such a reversal could still take place—at least in part—in this fiscal year, and our adjustment would prove premature.

It is also true that budget estimates in many respects are not merely forecasts, but definitly involve a plan of the Congress. They reflect assumptions about spending rates that are crucial to the role of the budget as a fiscal program related to the goals reducing unemployment and promoting growth in the economy. I therefore conclude that it is not wise at this point to adjust the fiscal year 1977 ceilings to reflect the recent revisions in the estimates.

With regard to the $3.0 billion increase the President added to his total outlays for fiscal year 1978, several factors suggest that change is not appropriate now. To begin with, the Budget Committee already acounts for the lion's share of the President's increases. For example, the revision increases the President's budget by $1.8 billion for social security. The budget resolution already accounts for $1.3 billion of that amount. The revision increases the President's budget by $700 million for offshore oil receipts, which the budget resolution already covers. The revision increases the President's budget by $2.0 billion for farm price supports. The budget resolution already includes $0.5 billion of that amount, and the committee specifically plans to cover the remainder with a committee amendment.

Economic conditions drive the estimates in every budget. Economic assumptions necessarily are uncertain at this time because nobody can now predict with certainty the duration of the current recovery or the economic effect of the energy program, the anti-inflationary program, and the expected environmental message. This is a target resolution. A comprehensive set of revised estimates will be submitted on July 15. I think it is much wiser to let things settle down and make the adjustments in the estimates in the usual fashion in connection with the second budget resolution for fiscal year 1978, when we will have a better picture of where we are going.

Mr. LATTA. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I do not want to say, "I told you so," but back on February 23, 1977, we said the economy was going forward with such fervor that we did not need the stimulus of a $50 rebate. I am pleased to support this amendment to take it out because we are going to have a reduction in this deficit of $10.5 billion by so doing. The President of the United States says that we should take it out and all economic indicators reveal it should come out. As a matter of fact, it should not have been in, in the first place.

Mr. LEGGETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am not going to request any rollcall on this amendment, but I do think that we are making a mistake. I think perhaps we have no other choice but to take the Rebate out. We are taking it out because the President says he is not going to support the $50 rebate that he suggested to us at one point, and if the Senate is not going to agree to the rebate, it is not going to happen in this fiscal year, so the committee is just recognizing a reality. But I do think we are hopping, skipping, and jumping to the tune of the President. He came into office and he suggested that we have a stimulus program of some $15 billion or $20 billion, and we gave it to him. Now he has taken part of it away. We are, in fact, concurring in that, albeit with some support of the other body and some of the other committees. I think we have to recognize the fact, as was pointed out in some of the labor bulletins the other day, when the President took office there was 7.3 percent unemployment. There is 7.3 percent unemployment today.

There is still 20 percent of our Nation's industrial capacity standing idle today, and that percentage stood idle when the President took office. Our job unemployment rate is unconscionably high, and our rate of economic growth is needlessly low.

I merely point out that contrary to the position of my distinguished colleague, the gentleman from Ohio (Mr. LATTA), I think we were right originally. What we had in mind to do was not to provide an overall quick-fix on the economy but to come up with a supportive program to accelerate the growth of GNP.

Mr. Chairman, I have here a report that was just issued in April 1977 by Data Research and Review, Inc., an econometric group out of Lexington, Mass. What they point out is that the effect of not moving ahead with the $50 rebate will be to cut GNP this fiscal year from 5 to 4.4 percent, with a quarterly pattern showing a peak rate of 5.7 percent in the second quarter just passed.

They say that the total employment gain in the four quarters ending this December will be 2.31 million, as opposed to a projected gain of 246,000 persons more than that figure, were the rebate to take effect.

They also say that the unemployment rate, which our committee had projected to be 6.9 percent in the fourth quarter of this year, should now be reprojected to be 7.1 percent, and that the inflation rate would be little affected; it would only be lowered by one-tenth of a point in the final quarter.

So with all that, we are gaining overall very little by not taking the original position of the House. We are exacerbating unemployment. We are not moving in the direction that the President originally projected. We are backtracking from that position.

The President has put out an economic statement in which he has indicated that in fiscal year 1978 he is going to be fighting tooth and nail against excessive spending by the Congress of the United States. I must say that when I hear my Democratic President making that kind of a statement, it harkens back to some of the conflicts we have had with previous administrations.

Mr. Chairman, I think we ought to recognize what we do here. This amendment is undoubtedly going to pass, but it portends very serious confrontations in the future. I think the position of the House was originally correct, and that we are making a mistake.

Mr. Chairman, I intend to vote for the first budget resolution establishing targets for fiscal year 1978 but not this committee amendment. I am deeply skeptical about a process of budgeting that less than 6 weeks ago convinced me and the majority of both Houses that our economy required immediate stimulative action to offset another recession, and that our expenditure ceilings had to be raised and our revenue floor lowered to accommodate that need. In January of this year, economists of various persuasions were all saying that unless immediate action was taken by the Federal Government, lagging consumer demand would contribute further to the high unemployment rate that has persisted for almost 3 years. But lo and behold, with one Presidential puff, he blew the House down.

After a massive propaganda effort to convince Members of Congress of the urgency of stimulative action in the form of tax reductions and rebates, the President announced, without any consultation with the overwhelming majority of the Members of Congress, that the $50 rebate was no longer needed. The President's action took not only Congress by surprise, but also members of his own administration.

Under the separation of powers, the President, I suppose, is free to do this. What concerns me is how quickly and

easily we capitulated, both times. It makes it appear that we are no more than a rubber stamp in that we say, "here's your economic stimulus program, Mr. President, whatever you want," and then say, "thank you, Mr. President, for taking it away."

I have heard the same economists rationalize the need for stimulus and then the need for no new stimulus, defending both positions with essentially the same economic data. The simple facts speak for themselves, however. Our jobless rate is unconscionably high, our rate of economic growth is needlessly low, our industrial capacity is underutilized, and the threat of inflation is no greater now than it was a month ago.

The rebate which was embodied in our third resolution for fiscal year 1977 was aimed at gently lifting our growth trajectory in an attempt to deal more forcefully with this society's foremost problem—unemployment. As such, this feature was never intended as a quick fix, but rather as part of a longer term strategy to promote employment by raising consumer demand and confidence.

It is still my firm conviction that our economy needs substantial fiscal stimulus to maintain a strong growth rate and to reduce unemployment. The rebate seemed like the ideal tool—it would have provided added purchasing power for low- and middle-income families, thereby helping those most in need. It would have helped to offset added fuel bills and rising food prices which will continue to siphon off consumer purchasing power; it would have proven more equitable than our amended stimulative efforts since now too large a portion of the tax reduction will be going to busineses; and it was temporary in nature. In addition, these present levels of unemployment and idle capacity are of significant magnitude such that it is highly unlikely the rebate would have added to inflationary pressures. Therefore, I am troubled by this all too eager flip-flop in overall budget policy represented by the Budget Committee amendment to this resolution adding a fourth title which in effect amends the third budget resolution for fiscal year 1977.

I believe our budget process must be capable of producing sound, independent judgments about the appropirate action which Congress should follow, regardless of which political party occupies the White House or for that matter which party controls the Congress, if we believed we were right. I will say it directly. Had President Ford done the same thing, we would not be so passive and complacent.

If the American people are to have confidence in the congressional budget process, and in our capacity to manage the economy, we cannot tilt at every windmill. I believe that all we have accomplished here is to demonstrate to the American people, many of whom believed that very modest tax relief in the form of a $50 rebate would be available to them, that our promises are empty.

Despite these very serious and profound reservations, reservations which may test the survival of the budget process itself, I am able to find sufficient substantive proposals there to justify an affirmative vote on our first budget resolution.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, before this amendment rushes to judgment I would like to inquire if any Member, including the committee chairman, can tell me what happened to the other part of the original stimulus package.

Apparently we have determined that the rebate of $50 per capita to the citizens of this country would indeed be inflationary, and that it is unnecessary at this point. But am I to understand that the employers, the manufacturers, and the corporation heads of this country are now in a position where their part of the stimulus package will be protected? Will it be protected, will it be ignored, or will it be safeguarded?

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield with pleasure to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I understand the gentleman's impatience, but I am pleased to inform him that I am prepared to seek recognition and offer an amendment to strike out the funds for tax credits to business.

Mr. CONYERS. Mr. Chairman, I thank the gentlewoman, and I assure her that I will, of course, support that.

Mr. Chairman, may I inquire further as to the logic of the committee's determining in its ultimate judgment that the citizens will be deprived of their $50 per capita, but that the part that was to stimulate the business community, which apparently we were all willing to go along with, did not rise to the dignity of the committee's determination that it ought to be stricken? Could the committee chairman enlighten me on this point, please?

Mr. GIAIMO. Mr. Chairman, I would appreciate having the gentleman repeat his question.

Mr. CONYERS. I will repeat it. I understand it is complicated.

Mr. Chairman, the question is this: Why did the committee apparently in its collective judgment determine that the $50 rebate would be overstimulating to a rising economy and yet the benefits that were attached to the stimulus package for the benefit of the corporations should not reach that same level? Are we in a position that we are doing well enough not to reward the citizens but not so well that we should take away the benefits to the corporations?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. Yes, I yield with pleasure to the chairman of the committee.

Mr. GIAIMO. First of all, Mr. Chairman, it was not the desire of the committee to eliminate the $50 payment.

The gentleman will recall that this committee authorized it in the Third Budget Resolution for fiscal 1977.

Mr. CONYERS. Right.

Mr. GIAIMO. We thought it was good, proper, and necessary to do that to stimulate the economy. Many of us think it still is, but we are now faced with the realities of life in that the President has said he is not going to pursue the rebate. The other body obviously is not going to implement it. Therefore, we are left with the situation where we have provided for a $50 rebate which is not going to take effect, but which is going to result in available revenues in fiscal 1977 in the neighborhood of $7.3 billion in revenues and $3.2 billion in expenditures, a total of $10.5 billion.

We do not think that that kind of available revenue ought to be kicking around the halls of Congress because we think it could lead to all kinds of pet ideas for tax cuts for various individuals, causes, or groups. We do not think that we ought to have tax reform in that way.

What I am saying is that I do not want to see a Christmas-tree approach to a tax bill.

Therefore, we consulted the Committee on Ways and Means and discussed this matter very carefully with the Committee on Ways and Means chairman. He is prepared to go along with the removal of the rebate in the amount of $10.5 billion. However, the chairman indicated that he would like to have some flexibility as to the remainder of the revenue provided in that legislation. This includes the business tax, both versions—the investment tax credit, the payroll credits, and some other items.

For that reason, we did not take that out.

Mr. CONYERS. Mr. Chairman, if I can recapture some of my time, could the chairman indicate how much of the employers' benefits in the original stimulus package presently remain intact?

Mr. GIAIMO. If the gentleman will yield further, there is $900 million for the business tax—I believe that is the total amount for the business tax—that is still in the tax package. That is being debated, as the gentleman knows, in the other body at the present moment. In fact, they voted not to remove such provisions; therefore, they are in both tax bills, in the bill of our Committee on Ways and Means and in the bill of the Committee on Finance of the other body. That is why we did not remove it, because they are in both of those bills.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. CONYERS) has expired.

(On request of Mr. GIAIMO and by unanimous consent, Mr. CONYERS was allowed to proceed for 5 additional minutes.)

Mr. CONYERS. Mr. Chairman, I appreciate this colloquy, and I do not want to consume too much time; but the explanation, then, from my distinguished colleague, the gentleman from Connecticut (Mr. GIAIMO), is that because the President withdrew the $50 per capita stimulus and because the other body has not determined that it would remove the corporate benefits and also because the chairman of the Committee on Ways and

Means in this body has determined that that should not be removed, means, in effect, that the Committee on the Budget has little choice but to leave it in; is that correct?

Mr. GIAIMO. If the gentleman will yield, let me say to the gentleman that the Committee on the Budget could vote to remove it; but we are faced with the situation where this House has voted to leave in the business tax, albeit it was tied to the $50 rebate at the time. However, the other body has voted to leave in the business tax credit; and since both bodies have got it in and since they will have to go to conference and resolve it, it would not be wise, it seems to me, for the Committee on the Budget to block the Committees on Finance and Ways and Means from making a determination. Ultimately, it would not be the committees; it would be this body and the other body that would make a determination as to whether or not, in fact, they want to leave in that business tax credit.

I do not think it would be wise for the Committee on the Budget to chop it off right now and say, "No, you shall not even consider it. We will not make it in order."

That is why we left it in.

Mr. CONYERS. Mr. Chairman, this puts me in a pretty difficult position.

It is clear that the chairman of the committee has been indeed sympathetic to the problems of creating jobs and full employment, but how am I going to explain in the First District of Michigan, where the unemployment rate, the real unemployment rate, happens to be in excess of 20 percent, where the young people are unemployed at an increasing amount of over 50 percent? Should I tell them that because of the machinations of the various committees, the employers are still entitled to their benefits, but that the $50 rebate which many people relied on would not stimulate the economy at all? Some of these people are still paying their heating bills from the winter, and many others are in fact unemployed persons. It puts me in a very difficult position, to say the least, if I were to go along with the committee.

Mr. GIAIMO. Let me say, to go a little further that it put us in a difficult position to have the money available in the third budget resolution, the $50 rebate, and then have it cut off. And I am not pleased. Frankly I think it may be necessary as a stimulus. But I bow to major forces both in the other body and down at the other end of Pennsylvania Avenue. Quite frankly I do not think we are going to get the $50 rebate.

AMENDMENT OFFERED BY MS. HOLTZMAN TO THE AMENDMENT OFFERED BY MR. GIAIMO

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN to the amendment offered by Mr. GIAIMO: In the matter relating to the recommended level of Federal revenues strike out "$355,000,000,000" and insert in lieu thereof "$355,900,000,000";

In the matter of relating to the amount by which the aggregate level of Federal revenues should be decreased strike out "$3,300,000,000" and insert in lieu thereof "$2,400,000,000";

In the matter relating to the amount of the deficit strike out "$59,250,000,000" and insert in lieu thereof '$58,350,000,000";

In the matter relating to the appropriate level of the public debt strike out '$707,970,000,000" and insert in lieu thereof "$707,070,000,000."

Ms. HOLTZMAN. Mr. Chairman, this amendment is intended to deal with the problem that has just been discussed. It eliminates $900 million in the third budget resolution for fiscal year 1977 for business tax credits.

Specifically, the amendment increases revenues by $900 million, and reduces the deficit and the national debt by $900 million.

The effect of this amendment is simply to prevent the enactment of the investment tax credit, and/or the so-called employment tax credit in the amount of $900 million that was contained in the third budget resolution.

The basic reason I propose this amendment at this time is as a matter of equity. Originally the President proposed an economic stimulus package for fiscal year 1977. That package included tax rebates to consumers in the amount of $50 each and investment tax credits to business, as well as various job creation measures. The Committee on the Budget included all those items in the third budget resolution for fiscal 1977.

Now the President has called for the withdrawal of both the tax rebate, and the tax credits. The chairman of the committee, however, has asked only for the removal of the tax rebate from the budget resolution. We are thus left with the prospect that although the consumers of this country are not going to get a tax rebate, the business community will receive a $900 million tax giveaway in fiscal year 1977.

It seems to me, as a matter of equity, Mr. Chairman, that this should not be done. Originally the only reason for including the tax credits for business was as part of the overall package so that, while helping consumers through the rebate, the President could make a gesture to the business community to indicate sympathy for their plight as well.

Since we have eliminated the funds for the tax rebate, there is no reason left for the business tax credit.

Let me say also that, as a matter of substance, the proposed tax credits, in my judgment, are really unjustified. The credits might be justified as part of a stimulus package if they could directly create jobs, but I must say with all candor to my colleagues that these tax credits will not provide jobs; in my judgment, they will simply provide a windfall for big business.

The investment tax credit is already at 10 percent. The bill in the other body would raise it to 12 percent. Who would get the benefit of this investment tax credit if it were added? The giant corporations in this country, not the small businesses. Eighty percent of the investment credit will go to corporations, and 70 percent of that amount would go to two-tenths of 1 percent of the corporations with assets of over $100 million. In addition, the record shows that the investment credit does not stimulate investment when the economy is weak. It seems to me that the 10-percent credit we have already on the books is certainly sufficient—if it is needed at all.

Second, with respect to the so-called jobs tax credit that the House Committee on Ways and Means proposed and that the House adopted, there is similarly no evidence that it will in any way increase employment. It only goes to businesses that are already expanding, so that it may well constitute a windfall to such businesses. It does nothing for areas of the country where the economy is weak, and it does nothing for businesses in those areas as well. It will constitute an administrative nightmare for employers and for the Government.

I might say that if the tax rebate remained to the consumers and only the so-called jobs credit were at issue, it might be worth a try, but without the rebate and with the possibility of the investment credit proposed by the Senate, it seems to me that we cannot justify leaving in these windfalls for business. I would urge the adoption of my amendment.

Mr. Chairman, I yield back the remainder of my time.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN). Before speaking to the amendment itself, let me point out something that I think is going terribly wrong in this country. I think what is happening in the White House and in this Congress and on the Budget Committee is that we are beginning to treat the economic system as the master of the people rather than have that system be the servant of people. I think really that is something that we must look at within the context of the gentlewoman's amendment. Because that kind of thinking has developed, the American people have suffered incredible insults, indignities, and unfairness by past administrations and by this Congress. It strains credulity to me to assume that the people will continue to take some of the things that we cram down their throats. Maybe they will stop taking them one of these days. However, of all the unfair things, of all the indignities, I think this action by the Budget Committee today is the crowning indignity; and the action contemplated by the President is the crowning indignity; the action contemplated by the other body is the crowning indignity. This was a package we put together, which included a tax rebate, to help people. Now we have blithely and summarily dismissed that tax rebate, but at the same time we are going to keep in place tax credits for the major corporations in this country. How does one sell it? My colleague, the gentleman from Michigan, asks, How can we sell it? The answer is it is not sellable. It is simply not sellable. I would suggest to the Members that perhaps if they come from districts where people are hurting, they might

have read the letters that the people wrote back to them on the tax rebate: "I plan to pay my fuel bill from last winter." "I plan to try to get enough money together to see that my child graduates this year in the proper fashion." "I plan somehow or other to get caught up on my mortgage payments which have fallen behind."

The money was to be put to good use, but I think if the President and the Senate in their collective wisdom decided that the tax rebate must be foregone, then the people might accept this, were it not for the crass unfairness of giving to the major corporations, who had maximum profits last year, what can only be described as a tax break windfall. That is all that it can be described as.

This is unfair. I would hope the gentlewoman's amendment would prevail. Everybody has a toleration level for frustration, and if we keep on playing this double standard game with the American people we are going to see a reaction as a result of toleration level for frustration being exceeded. I strongly urge support for the gentlewoman's amendment.

I yield back the balance of my time.

Mr. LEGGETT. Mr. Chairman, I rise in opposition to the amendment. I think the amendment of the committee points up the problems that we have in trying to amend a budget resolution that affects a bill that is in conference or that shortly will be in conference, and now we have an amendment to that amendment and we are trying to anticipate the posture of the conferees. I think it is a very unwise thing that we do.

I think it would be wise were we perhaps to vote both of these amendments down. I happen to like the rebate program and I happen to like not so much the investment tax part of the program, but there is also a tax credit for creating new jobs. There are a number of the committee that tend to think that this latter item is an experiment in hiring people that has never really been tried in this country before.

The Senate has embellished the House bill by providing 50 percent rather than 40 percent credit for the first, $4,200 wages paid for each new job. That is a way whereby we can create new jobs for teenagers and it does not necessarily just give a windfall to those people who are planning to expand their tax base because it excludes the first 3 percent of increased wage base.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I am having some difficulty following the logic of what the gentleman is saying. He is saying the bill will be in conference. He is saying the bill will be in conference and for us to take any action would be premature?

Mr. LEGGETT. The tax bill will be in conference.

Mr. MITCHELL of Maryland. The gentleman is saying that for us to take any action now might in some way jeopardize the conference? Is not the tax rebate portion still in conference too? Would not that portion also be in conference?

Mr. LEGGETT. Everything would be in conference.

Mr. MITCHELL of Maryland. All right. Then if it is going to be there, we will have already acted in the budget to knock it out. We should apply that same action to both parts of the bill.

Mr. LEGGETT. I have said I think it is wrong in both parts of the 1977 budget. I do not think it wise for us to have amended the third budget resolution the way we attempted to by the chairman's amendment.

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield, I think the gentleman has to understand the $50 rebate is gone. The President is not going to implement it and with the strong opposition to it in the other body, combining those two factors, even though it would still be technically in conference it is just not going to take place. I wish it would. I think it is necessary.

As far as the business tax credit, it is in both House and Senate bills and therefore, most likely, that will be enacted into law in some fashion. We ought to leave that existing flexibility there because it is presently the subject of discussion between the House Ways and Means Committee and the Senate Finance Committee.

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield further, I thank the gentleman. It is clear now. We know what has happened. The fate of the little people has already been decided. The fate of the big corporations still has to be decided.

I thank the gentleman for yielding.

Mr. LEGGETT. I do not like to be put on the side of the big corporations. There is still some relief for the little people in the tax program which is still alive and I think it would be a mistake to take away from the discretion of the Ways and Means Committee their discretion on this amendment. I do not believe in the second amendment particularly and I believe the tax investment credit would not be a windfall.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, I think the conference is here, that we have just the corporation benefits remaining. The fact is, the biggest part of the package is the part having to do with the standard deduction. It is more than a $4 billion annual benefit that goes to all those that use the standard deduction. The gentleman's constituents will be the ones who will benefit in most part, the low- and medium-low income people. It is a major benefit. Now, the thing that is left in the job category is the new job credit. That relates to people. Unless business hires new people, they will get no credit.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I intend not to take the full 5 minutes.

Mr. Chairman, I rise in support of the gentlewoman from New York (Ms. HOLTZMAN). Perhaps the greatest phrase of many weeks of debate came from the gentleman from Maryland a few minutes ago when the gentleman said that our economic system should be the servant of the people. Somehow we have to forge the budget, these bills that pass, to help people. There are effective ways of doing that and there are ineffective ways of doing that. I happen to think that both the item that the gentlewoman from New York wants to knock out and the $50-rebate are ineffective ways to meet the problem.

I do not concur with my colleague, the gentleman from Ohio (Mr. LATTA), who earlier said the economy is in such great shape that we need a rebate. I do not think we need a rebate, because it is a very ineffective, inefficient way to give people jobs. I do not think we need this corporation tax deduction. It is an inefficient, ineffective way of giving people jobs.

We do have a long-range capital formation problem, but this does not address the problem.

Mr. Chairman, I think the amendment of the gentlewoman from New York is sound and I intend to support it.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, just to correct any misconception, my amendment in no way prevents the passage of those items relating to the standard deduction. Those are intact and my amendment in no way touches them.

Mr. SIMON. The gentlewoman is absolutely correct. That portion of the tax package still would remain a stimulus for the people of the Nation.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all, I would like to be sure I understand from the Budget Committee what is left of all of the other tax proposals that were passed by the House, that had to do with increasing the minimum standard deduction.

Does our budget resolution contain the figures that were in the House bill or the ones that are in the Senate Finance Committee bill, because there is almost $2 billion difference in the two bills?

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield, it does include provisions for the change in the standard deduction and the business tax credit, which is $900 million.

Mr. CORMAN. Mr. Chairman, I thank the gentleman.

We are going to be in conference on some issues over that. The Senate has a different view from our own. The President has a slightly different view from our own. I would hope the House would not unduly restrict our capacity in this matter of negotiating on the minimum standard deduction, because I know that the Senate has passed a minimum standard deduction which would increase taxes for some single heads of households. I hope we do not do that.

Mr. Chairman, to look, first of all, at the $50 rebate, it was obvious that was

never going through the other body. Now, it is not the first time this House has passed something that was good, but never became law. To castigate the President for his unwillingness to create a confrontation with the other body does not seem to me to be totally fair. He indicated to us when we took the matter up that relative speed was necessary because there was to be an effort to refund the $50 rebate with the 1976 tax refunds.

That would have meant that the bill would have had to be passed some time ago, but it is clear, as the chairman of the Budget Committee has said, that it is not going to be passed at all, ever. I think that decision was much more made by the other body than by the President.

As to the business credit provision, it seems to me that it does hold some real promise for hiring more employees. I do not particularly like tax incentives as a way to try to stimulate the economy, but I suspect that this will more precisely create new jobs. It will not be a windfall for large corporations, because it is limited to 25 employees. It is not limited to corporations, but to any employer who expands his employment.

I would hope that the gentlewoman's amendment would not pass, and I would also hope that we could stand firm on the House version of the tax provisions. If I thought there were a chance in the world that the rebate might get through the Senate, I would have a different view of it, and the chairman would not have made his proposal if there was any possiiblity otherwise.

Mr. TUCKER. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Arkansas.

Mr. TUCKER. I thank the gentleman, a distinguished member of the committee, for yielding to me.

I would like to ask the gentleman if he is aware, and if the Members are aware, that when the Senate made their changes in the employment tax credit, it was a little more than perhaps may have caught the eye, because they not only changed the percentage that would be available from the reduction for the first $4,200 in wages in the form of credit, but they also, if I understand it correctly, eliminated the provision which allows one to deduct those wages in the first place up to $4,200. So, the net effect for the marginal-type employer, of whom I think a majority of the members of the Ways and Means Committee were concerned with, if one wants to hire an employee—perhaps a teenager—and one is in the 25-percent bracket, because in the Senate provision one would have to then deduct $4,200 in wages, the credit he would get would exactly wipe it out, meaning that for small businesses the Senate provision provides absolutely no incentive. Once more, it is an effort to take care of the biggest business in the country, and that is all.

If we adopt the Senate provision either in conference or as part of this process, which will then go to conference, we have once more done away with the rebate and ignored the average man, the workingmen in this country, and will have taken care of big business again and again and again.

Mr. OBEY. Mr. Chairman, I move to strike the last word, and I rise to support the amendment.

Mr. Chairman, I take the floor as a Member of the House who believed originally, and still believes, that the entire stimulus package as first recommended by the President was essential. In fact, my own judgment is that it is probably too timid to adequately deal with our economic problems.

I do not frankly know whether the Senate would have passed the rebate if the President had determined to stick with it or not, but I really believe that the main reason for abandoning it is because there is a serious effort on the part of the administration to achieve some kind of business confidence. I can understand their efforts in doing that. I frankly do not know how to do it, because I am mystified as to how we generate confidence on the part of the business community, given the many misleading economic myths to which many people subscribe these days.

But, I would really suggest that if they are right, in fact, to try to obtain business confidence in this manner then at least, given the businessmen I know, they would have a greater degree of confidence in the actions of this Congress were we to reduce the deficit as much as we can. I think they want that deficit reduced. If my businessmen are reflective of the businessmen across the country, I think they want that good old deficit reduced more than they want some good old additions to the investment tax credit or the new employment tax credit suggested by the Ways and Means Committee on this side of the Capitol.

I would also suggest that, given the occasional ability of the Finance Committee on the other side to do things which nobody else in the world can figure out, it would be in the interest of anyone in this House who wants to preserve maximum flexibility for our Committee on Ways and Means to accomplish tax reform further down the line, to knock out this item at this time.

Very frankly, I have probably changed my mind on this item about every 5 minutes. I have not known technically what is the best thing to do. I have not known substantively what is the best thing to do. But I think this whole budget resolution is surrounded far more by myth than by reality—in terms of the economic wisdom we bring to its consideration. I think we would be far better off, if we go all of the way, take out all the money, and reduce the budget as far as we can in the third budget resolution. I urge, in the interest of reestablishing business confidence, that we adopt the amendment of the gentlewoman from New York.

Mr. GEPHARDT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman and members of the committee, I rise in favor of this amendment. As a new member of the Committee on Ways and Means, I sat for a couple of weeks in hearings before that committee on the Carter stimulus package and listened to the reasoning given by a variety of witnesses as to why that package should be passed. I think it is absolutely imperative that, as we consider this budget resolution, we take from the budget the authority to include within it moneys for the investment tax credit or the employment tax credit which, apparently, has been included.

I would like to read for the Members some testimony from economic adviser Charles Schultz, who testified before our committee, about how this package was an integrated package which was to stimulate the economy. He said:

> The investment credit component of the President's proposals is also designed to increase investment. Nobody can argue that the addition of 2 percentage points to the credit will revolutionize investment behavior. Of course it will not. By itself, and without an expansion in sales and capacity utilization, the additional investment credit would not elicit much extra investment. But in the context of a steady expansion in sales, and growing confidence in the sustainability of the recovery, a modest increase in the investment credit should add its contribution to the set of factors generating an expansion in investment.

I think the last phrase is very telling, because it says that the investment tax credit is one factor in an integrated set of factors designed to stimulate the economy. The President has said and his advisers have said, in taking the rebate out of the package, that the economy now is not in need of stimulation.

Either it is or it is not. If it is—and I think we have to assume that it is—then I think it only makes sense, it is only logical, to take out other parts of the integrated package that was designed to stimulate the economy.

Mr. Chairman, I would like to make one final point. Other witnesses who talked about the investment tax credit from business made it very clear that more important than the amount of tax credit was the fact that they wanted the investment tax credit to be level and steady and permanent.

And they say that the business of fluctuating it between 10 and 7 and 12 percent has been no help to business.

Mr. Chairman, I think that is just one more reason why, in considering whether we want to stimulate the economy, we should indeed take out the portion that relates to an investment credit.

The employment tax credit, I think, has been a very good idea. It is a noble experiment, and I commend the chairman of our committee for having brought it into this economic package. As the Members know, the Carter package did not include that aspect; it only included the investment tax credit. I think it is very important, as we go along, if we want to give incentives to business and if we feel the logical underpinnings to do that are present, that we give incentives to labor-intensive industry as well as to capital-intensive industry. I hope that in the future, if we decide to

do that, we will make that a part of any investment stimulus package we put together.

To return to the central theme of what I have said, the logical underpinning for all of this stimulus package was that the economy was not generating. President Carter and his advisors say now it is generating sufficiently. If it is—and I think we have to assume it is—then not only should the rebate go but the other aspects of the Carter stimulus package should also go. We should wait for a day when we do need economic stimulation to put together an integrated economic package that includes incentives for capital investment and investment in new jobs.

Mr. ULLMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hope that this amendment will not carry. This is not the proper forum, it seems to me, to make the decision about a stimulus package.

President Carter has withdrawn the rebate; that was not our doing. It is fait accompli; it is dead. There will be no rebate, and there is no way we can revive it. The President has veto authority, and if he does not want it, there is no reason why we should send it to him.

The other parts of the package are very defensible. I hate to disagree with my good friend on the committee, the gentleman from Missouri (Mr. GEPHARDT), on this. The balance of the package, including the extension of tax reductions that we put into effect 2 years ago, are absolutely vital. If we allow a tax increase next January, it would in my judgment be disastrous. That is a very important part of this package.

A second very significant part of the package is the major simplification reform in the standard deduction item. This does help poor-income people, middle-income people, all the people who do not have deductions, the people who take the standard deduction. It is a major tax improvement for a vast majority of Americans who file tax returns. It does affect the poor working people, and it affects them much more heavily than any other segment of the economy. So that is something that is extremely worthwhile and worth doing.

The part of the package that the gentlewoman from New York (Ms. HOLTZMAN) attempts to strike has to do with the business stimulus. Let me say that what we did in the House was not something to help corporations as much as it was to help people. It applies to all businesses across the board. We have limited it to 25 members. We have put the emphasis on small business. We have given a major reduction of 40 percent for newly hired people up to the figure of 4,200. These figures relate to all business, and that makes it easy to implement. This is an innovative new approach to taxation. It does relate to people. It only comes into play when people are hired to new jobs in the current year.

Mr. Chairman, it seems to me that when we are looking at a tax system that is a little less than innovative, we should recognize that this is the kind of an approach to the problem that is people oriented and people related. It is something that is very well worth trying.

Mr. Chairman, I hope that this amendment is defeated and that we can go into the conference and work our will, fight for the House provisicn and come out with a significant and a constructive stimulus package.

Mr. TUCKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a member of the Committee on Ways and Means, I plan to vote in favor of this amendment. I am going to vote in favor of it not because I approve of the portion of the amendment that strikes the House version of the employment tax credit, because I think that is a valuable approach, and it is one that I hope very much the conferees on the tax bill can retain in conference. However, I think it is absolutely imperative that in some manner we express ourselves in the strongest way to the other body that this House will not tolerate granting an increase in the investment tax credit, the amount of business credits available, while at the same time striking the $50 rebate.

It is not fair. It will not sell in Peoria; it will not sell in Little Rock; and I believe it will not sell in any of our districts.

Therefore, Mr. Chairman, I hope we will pass this amendment. I think—and I hope I will be corrected if I am wrong—that this will not in any way infringe on the ability of the House conferees on the tax bill of the Committee on Ways and Means to still reach an accommodation so as to include provisions for the House-passed version of the employment tax credit.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to the gentleman from Oregon, the distinguished chairman of the Committee on Ways and Means.

Mr. ULLMAN. Mr. Chairman, the business tax provisions in the House-passed tax stimulus package extend beyond fiscal year 1977. This relates only to a small piece of the action.

Because it is in both the Senate and House versions, we would come out of conference with the whole package. There is no way in which we can fail, in conference, to accept provisions that have been adopted by both the Senate and the House. These are locked in. We would work our will.

Mr. Chairman, the gentleman voted for amendments that were small business-related. The package on new job credits that came out of our committee was fully supported by him. It is an excellent package. He made a good statement on its behalf, I believe; and it will be just as effective when it comes out of conference as before.

We will fight for the House version. It is meaningful and it is innovative. It is locked in when it goes to conference; and even if this were done, it would not knock it out because we would have the full impact of the forthcoming year, which is not included in this amendment.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to the distinguished gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for yielding.

I would just simply say that if my amendment were to succeed with respect to fiscal year 1977, I assure the gentleman that I would do it with respect to fiscal year 1978 when the amount increases from $900 million to $2.4 billion.

Mr. TUCKER. Mr. Chairman, let me inquire of the gentlewoman from New York (Ms. HOLTZMAN) whether she will engage in a colloquy with me on this point.

Is the proposal of the gentlewoman from New York not only with respect to the investment tax credit, but with respect to any form of jobs credit, such as is in the original House-passed version?

Ms. HOLTZMAN. If the gentleman will yield, I personally think that the investment tax credit is absolutely, totally unjustifiable, and the House tax credit only unjustifiable; but my amendment would knock out the $900 million which could be used to finance either the House version or the Senate version of the bill.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, the gentleman in the well points up the danger of amending this resolution as we are.

By his position, the gentleman indicates that he supports the House position on the jobs credit; he has also indicated that he supports the amendment of the gentlewoman from New York (Ms. HOLTZMAN).

In supporting the gentlewoman's amendment, theoretically we would have no discretion in conference to prevail with respect to the House position on the jobs credit program because if the other body bought this budget resolution, the authority would be taken out.

Therefore, to be consistent, we really have to follow the gentlewoman's amendment and retain the authority of the House so that our position can prevail in conference.

Mr. TUCKER. I understand that, and I appreciate the gentleman's comments.

However, I want to refer to the comments of the distinguished gentleman from Maryland a moment ago.

I do not believe there is any way in which I can explain the machinations of this to the people of my State. I know that there are probably some rules and strategies that might help it to work in that way. However, as I was telling the chairman of the Committee on the Budget a moment ago, if this investment tax credit is left in here, I may have to vote against the entire budget resolution.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN) to the amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and on a

division (demanded by Ms. HOLTZMAN) there were—ayes 22, noes 24.

RECORDED VOTE

Ms. HOLTZMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 109, noes 302, not voting 22, as follows:

[Roll No. 153]

AYES—109

Addabbo	Ford, Tenn.	Quayle
Akaka	Fraser	Rangel
Ammerman	Gephardt	Reuss
Ashley	Gibbons	Richmond
Aspin	Gore	Rodino
AuCoin	Harrington	Rosenthal
Badillo	Harris	Rousselot
Baldus	Holtzman	Roybal
Baucus	Hughes	Sarasin
Bellenson	Jacobs	Scheuer
Bennett	Jeffords	Schroeder
Bingham	Jordan	Seiberling
Boiling	Kastenmeier	Simon
Bonior	Kemp	Snyder
Brademas	Keys	Solarz
Brodhead	Krebs	Spellman
Brown, Calif.	Le Fante	St Germain
Burke, Calif.	Long, Md.	Stark
Burlison, Mo.	McCloskey	Steiger
Burton, John	Maguire	Stokes
Burton, Phillip	Metcalfe	Studds
Carr	Meyner	Thompson
Cavanaugh	Mikulski	Tsongas
Chisholm	Mikva	Tucker
Clay	Miller Calif.	Udall
Cohen	Mineta	Vanik
Conyers	Minish	Vento
Dellums	Mitchell, Md.	Walgren
Dodd	Moakley	Waxman
Drinan	Moffett	Weaver
Duncan, Oreg.	Nix	Weiss
Early	Nolan	Whalen
Eckhardt	Oakar	Wolff
Edwards, Calif.	Oberstar	Yates
Fascell	Obey	Zablocki
Fenwick	Pease	
Foley	Pike	

NOES—302

Abdnor	Clausen,	Fithian
Alexander	Don H.	Flippo
Ambro	Clawson, Del	Flood
Anderson,	Cleveland	Florio
Calif.	Cochran	Flowers
Andrews, N.C.	Coleman	Flynt
Andrews,	Collins, Tex.	Ford, Mich.
N. Dak.	Conable	Fountain
Annunzio	Conte	Fowler
Applegate	Corcoran	Frenzel
Archer	Corman	Frey
Armstrong	Cornell	Fuqua
Ashbrook	Cornwell	Gammage
Badham	Cotter	Gaydos
Bafalis	Coughlin	Giaimo
Barnard	Crane	Gilman
Bauman	D'Amours	Ginn
Beard, R.I.	Daniel, Dan	Glickman
Beard, Tenn.	Daniel, R. W.	Goldwater
Bedell	Danielson	Gonzalez
Benjamin	Davis	Goodling
Bevill	de la Garza	Gradison
Biaggi	Delaney	Grassley
Blanchard	Dent	Gudger
Blouin	Devine	Guyer
Boland	Dickinson	Hagedorn
Bonker	Dicks	Hall
Bowen	Diggs	Hamilton
Breaux	Dingell	Hammer-
Breckinridge	Dornan	schmidt
Brinkley	Downey	Hanley
Brooks	Duncan, Tenn.	Hannaford
Broomfield	Edgar	Hansen
Brown, Mich.	Edwards, Ala.	Harkin
Brown, Ohio	Edwards, Okla.	Harsha
Broyhill	Eilberg	Hawkins
Buchanan	Emery	Heckler
Burgener	English	Hefner
Burke, Fla.	Erlenborn	Heftel
Burke, Mass.	Ertel	Hightower
Burleson, Tex.	Evans, Colo.	Hillis
Butler	Evans, Del.	Holland
Byron	Evans, Ga.	Hollenbeck
Caputo	Evans, Ind.	Holt
Carney	Fary	Horton
Carter	Findley	Howard
Cederberg	Fish	Hubbard
Chappell	Fisher	Huckaby
Hyde	Mitchell, N.Y.	Sebelius
Ichord	Moakley	Sharp
Ireland	Montgomery	Shipley
Jenkins	Moore	Shuster
Jenrette	Moorhead,	Sisk
Johnson, Calif.	Calif.	Skelton
Johnson, Colo.	Moorhead, Pa.	Skubitz
Jones, N.C.	Mottl	Slack
Jones, Okla.	Murphy, Ill.	Smith, Iowa
Jones, Tenn.	Murphy, N.Y.	Smith, Nebr.
Kasten	Murphy, Pa.	Spence
Kazen	Murtha	Staggers
Kelly	Myers, Gary	Stangeland
Ketchum	Myers, Michael	Stanton
Kildee	Natcher	Steed
Kindness	Neal	Steers
Kostmayer	Nedzi	Stockman
Krueger	Nichols	Stratton
LaFalce	Nowak	Stump
Lagomarsino	O'Brien	Symms
Latta	Ottinger	Taylor
Leach	Panetta	Thone
Lederer	Patten	Thornton
Leggett	Patterson	Tonry
Lehman	Pattison	Traxler
Lent	Perkins	Treen
Levitas	Pettis	Trible
Lloyd, Calif.	Pickle	Ullman
Lloyd, Tenn.	Poage	Van Deerlin
Long, La.	Pressler	Vander Jagt
Lott	Preyer	Volkmer
Lujan	Pritchard	Waggonner
Luken	Pursell	Walker
Lundine	Quie	Walsh
McClory	Quillen	Wampler
McDade	Rahall	Watkins
McDonald	Railsback	White
McEwen	Regula	Whitley
McFall	Rhodes	Whitten
McHugh	Rinaldo	Wiggins
McKay	Risenhoover	Wilson, Bob
Madigan	Roberts	Wilson, C. H.
Mahon	Robinson	Wilson, Tex.
Mann	Rogers	Winn
Markey	Rooney	Wirth
Marks	Rostenkowski	Wright
Marlenee	Rudd	Wydler
Marriott	Runnels	Wylie
Martin	Ruppe	Young, Alaska
Mathis	Russo	Young, Fla.
Mattox	Ryan	Young, Mo.
Mazzoli	Santini	Young, Tex.
Meeds	Satterfield	Zeferetti
Michel	Sawyer	
Miller, Ohio	Schulze	

NOT VOTING—22

Allen	McCormack	Roncalio
Anderson, Ill.	McKinney	Rose
Boggs	Milford	Sikes
Collins, Ill.	Moss	Teague
Derrick	Myers, Ind.	Whitehurst
Derwinski	Pepper	Yatron
Forsythe	Price	
Koch	Roe	

Messrs. STEIGER, SARASIN, COHEN, and Mrs. FENWICK changed their vote from "no" to "aye."

Messrs. CARNEY, MEEDS, BREAUX, PATTEN, FORD of Michigan, DANIELSON changed their vote from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PIKE

Mr. PIKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PIKE: In the matter relating to the appropriate level of total new budget authority strike out $500,764,000,000" and insert in lieu thereof "$500,757,000,000";

In the matter relating to the appropriate level of total budget outlays strike out "$463,864,000,000" and insert in lieu thereof "$463,857,000,000";

In the matter relating to the amount of the deficit strike out "$65,770,000,000" and insert in lieu thereof "$65,763,000";

In the matter relating to the appropriate level of the public debt strike out "$792,100,000" and insert in lieu thereof "$792,093,000,000".

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "$92,100,000,000" and insert in lieu thereof "$92,093,000,000."

In the matter relating to General Government (800) strike out "$3,898,000,000" in budget authority and insert in lieu thereof $3,891,000,000"; and strike out "$3,998,000,000" in outlays and insert in lieu thereof "3,991,000,000."

Mr. PIKE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I would ask the gentleman for an explanation, since we will not have the amendment read.

Mr. PIKE. Well, the reading of the language is not going to be terribly revealing. All that the language which the clerk would read does is cut the sum of $7 million from each number in the budget resolution.

Mr. BAUMAN. I assume the gentleman has a purpose for this in mind?

Mr. PIKE. I do.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PIKE. Mr. Chairman, during the general debate on the budget resolution, when almost no one was here as we discussed a half trillion dollar budget, I said that one of the things that this body is going to have to learn to do is say no to worthy causes if we are ever going to achieve a balanced budget.

The worthiest cause that most of us can think of is ourselves. What I am going to ask the Members to do in the next few minutes is say no to themselves. Perhaps the toughest thing I am going to ask them to do is to ask their knees, which are going to be arguing the other way, to lift their bodies, which do not want to be lifted from their chairs, so that we can get a record vote on this amendment.

All that this amendment does is to remove from the function known as "general government" the sum of $7 million which is what the pay raise, the 29 percent pay raise for 537 Members of the House and Senate, costs. That is all it does. It removes $7 million from the general government function.

We have now told the average taxpayer of the United States of America that it would be inflationary to give him back $50, and I am just asking the Members to say that they can do without a $12,900 raise.

Mr. Chairman, I reserve the balance of my time.

AMENDMENT OFFERED BY MR. LEGGETT TO THE AMENDMENT OFFERED BY MR. PIKE

Mr. LEGGETT. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LEGGETT to the amendment offered by Mr. PIKE: In the matter relating to the appropriate level of total new budget authority strike out "$500,757,000,000" and insert in lieu thereof "$500,627,000,000";

In the matter relating to the appropriate level of total budget outlays strike out "$463,857,000,000" and insert in lieu thereof "$463,727,000,000";

In the matter relating to the amount of the deficit strike out "$65,763,000,000" and insert in lieu thereof "$65,633,000,000";

In the matter relating to the appropriate level of the public debt strike out "$792,-093,000,000" and insert in lieu thereof "$791,963,000,000";

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "$92,093,000" and insert in lieu thereof "$91,963,000,000".

In the matter relating to allowances strike out "$1,069,000,000" in budget authority and insert in lieu thereof "$939,000,000"; and strike out "$1,021,000,000" in outlays and insert in lieu thereof "$891,000,000".

Mr. LEGGETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEGGETT. Mr. Chairman, the amendment, in effect, goes to the whole litany of receipts, disbursements, national debt, and it would change the numbers that the gentleman from New York (Mr. PIKE), would amend by his amendment.

The Pike amendment relates only to U.S. Congressmen and Senators and comprises a total amount of $7 million of savings. I do believe that over a period of time the U.S. Congress and the Senate have assumed a posture in relation to overall governmental activity. We relate to the President and the Vice President, and we have rated in the past below them. We have related to the Chief Justice, to the Associate Justices, and to the level 1, the Cabinet officers, and we have rated below them. But with respect to virtually everybody else we have generally been paid higher in the Congress—the Justices of the Circuit Court of Appeals, now make $65,000, the Court of Claims Justices, $65,000, the Court of Military Appeals Justices, $65,000, the Court of Customs and Patent Appeals, $65,000, the U.S. District Court Justices, $62,000, the Customs Court, $62,000, Tax Court Justices, $62,000, executive level 2; that is, the Assistant Secretaries, who are making $60,000, the Comptroller General, $60,000—all of these people, at least in the executive branch, under the normal rules of protocol we can ask that they come to our offices to explain administration programs; that's protocol.

Then we have executive level 3—that is, Deputy Assistant Secretaries. They are making $57,000. We have the Assistant Comptroller, who makes $57,000, the Director of Administrative Offices, $57,000, the General Counsel, GAO, $53,000, the Librarian of Congress, $53,000, the Public Printer, $53,000, the Capitol Architect, $53,000, the Commissioner of the Court of Claims, $53,000, the Bankruptcy Court Justices, $53,000, the Deputy Public Printer, $49,000.

And so I think if we want to retain the proper posture, all of these people ought to be scaled down too. It involves some 22,000 Federal employees, and the savings that we could effect in our overall budget is not the $7 million pointed up by the gentleman from New York (Mr. PIKE), but it would be an additional $130 million. So the amendment to the amendment would include all of these people, would scale them all back down, and it would relate to a considerable number of GS–18's and perhaps GS–17's. The Members will recall that before we passed this decompression amendment with respect to Congress, or took that action, we had at one point GS–14's, GS–15's, GS–16's, GS–17's, and GS–18's in various stages all making exactly the same amount of money.

If we want to go back to that position, let us be fair and square about it. Let us not be utterly myopic about $7 million. Let us bring everybody in, make this a $137 million overall amendment, and then let us vote it up or down.

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened to both amendments, and it does my heart good to hear this discussion. I am not going into the merits of the amendments at this point. That is a determination that will be made by this assembled body.

What heartens me is that this new-found ethics of ours is finally working its will. We are bringing the issue of salary increases right out in the open where the Members of the House of Representatives can either vote them up or down, depending upon the amount of courage or lack of courage they possess.

The question I ask myself, depending on whether these amendments are agreed to, is this: Are we more or less ethical at $44,000 than we are at $57,000? That is a question to which I do not have the answer, because this new-found ethics that has worked its will in this House of recent vintage still has not permeated the entire fiber and structure of this Congress.

Mr. Chairman, I would like to see more time and experience and conduct of this nature manifest itself before I could properly assess this issue. But as for myself, I am grateful to the gentleman from New York (Mr. PIKE) and even more grateful perhaps to the gentleman from California (Mr. LEGGETT) for at least taking this single first step.

Mr. FLOWERS. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Alabama.

Mr. FLOWERS. Mr. Chairman, could my distinguished friend, the gentleman from New York, tell me how he is going to vote on this issue? I remember getting his "Dear Colleague" letter and reading it with much interest, and a lot of us are looking for some direction, but it still is not clear to me how the gentleman intends to vote.

Mr. BIAGGI. Mr. Chairman, I feel flattered that the gentleman from Alabama (Mr. FLOWERS) has asked me for direction. I sincerely hope that he will follow my lead, but it is not my purpose to persuade any Member one way or the other.

Mr. FLOWERS. I just want to know what way the gentleman is going.

The late Representative John Rankin once told the story in debate about the old farmer who was passing the cemetery and noted a new gravestone for his recently departed neighbor. He read it with interest:

> Hark ye stranger passing by
> As you are now, so once was I
> As I am now, so you will be
> Prepare for death, and follow me

Well, the old farmer had known his neighbor quite well, so he took out his pencil and added beneath the epitaph the following:

> To follow you, I'd not consent
> Unless I knew which way you went!

Mr. BIAGGI. I know how I am going to vote, but the important thing is to stress the ethical quality of our undertaking.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it has been said many times that fools walk in where angels fear to tread. I never knew there were so many angels among so many fools.

Mr. Chairman, this is not a new role for me. I have taken this kind of position for about 18 years, not including time in the State senate; and in all those years there were many loudly disclaiming and very few proclaiming that we needed salary increases.

Mr. Chairman, I can honestly say that I know Members who never voted for a salary increase and never refused one.

I do not believe on going ahead on somebody else's prayers. I figure that if I cannot pray for myself, then I will go to hell where I belong.

Mr. Chairman, I believe the time has come when we should face up to the issue. As far as I am concerned, very frankly, I do not need it as much as I did when I led the fight to take care of a family when my salary was $1,500 a year.

Mr. Chairman, this is the most responsible job in the United States of America for untrained, nonprofessional experts in a field in which persons obtain training and become professionals in this body if they stay long enough.

We are the common run of America, or, at least, we were until a few years ago. We are the men and women of the many streets, of the valleys, of the hills, of the alleys, of the high-class districts and the lower class districts that populate this

great Nation, and have done so since its beginning. Somehow we have been able to mold an organization representing all the people, and over the last 200 years we forged ahead greater distances in less space of time than have any other organized peoples on the face of the Earth.

Mr. Chairman, there are many here I know personally who need every nickel they can get; but they are faced with a decision to make. They will serve just a few terms, if that. They have now left their connections which they had before they came here, and they should have a right to expect something because of this cost of living, this great inflation which attacks all of us in our lifetime. They should expect some security because all costs, the cost of business and the cost of labor, are rising.

However, so long as we have those who will take the money and not stand up to vote for it, those deserving and needing it most will have to vote with them.

Mr. Chairman, perhaps I lose the most by voting the way I have over all the years; but somehow or other, is it not strange that the same persons who voted for me for 47 years just voted for me again?

Mr. Chairman, if I felt we needed something to give courage to men and women to stand up to the reality of life, why does it seem so important that a person, for instance, making $12,000 a year was just suddenly brought into Government just the other day with no specific training for the new position and the new title?

One person I knew was in attendance at the Committee on House Administration, sitting there over 3 or 4 years. This person I refer to making $12,000 a year was brought into Government, into the executive branch, last week at a salary of $52,000 a year.

Mr. Chairman, it has been said by a wiser man than I, a much wiser man, that when a man talks, few listen and fewer hear him.

That is the problem. This is a very serious matter. Do we have the love of all so great within us that we would rather be elected and serve in this body and stand up for that which we should stand up for?

Mr. Chairman, the cost of living has gone up for the families of every Member of this House, as it has for everyone else around here, everyone sitting here or standing on this floor.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. DENT) has expired.

Mr. WRIGHT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Pike amendment. I am going to vote against the Leggett amendment, too, but I believe the Leggett amendment is better than the Pike amendment.

If the Pike amendment should be adopted without the Leggett amendment, the Supreme Court Judges would be making $27,400 more than Members of the Congress. Do we want further to aggrandize the Court and further to denigrate the Congress?

Hundreds of subcabinet appointees will be paid from $2,900 to $12,900 more than Members of the Congress. Do you want further to aggrandize the bureaucracy and denigrate the Congress?

If the intent of the Pike amendment were carried out, some congressional staff personnel would be making more than Members of the Congress.

I know that some of the Members find it hard to go home and justify the recent pay increases to the public because some apparently felt there ought to have been a vote on it. Maybe there should have been.

If all you promised to do was to get a vote, then here is your chance. You can vote today. Some of you may even have promised to vote against it. I hope you did not do that. If you did, I can understand it, but I wish you had not done so.

You know what is right. You know that Congress has not had a pay raise of any substance since 1969. The cost of living has gone up 65 percent since then. Do you think 29 percent is too much? The reason the increases came to 29 percent is because we kept turning down those 5 percent increases when they came along.

We already have voted not to accept the next cost of living increase. We have already agreed to have a vote on any future increase. We will have to vote for or against them. Is that an insufficient demonstration of good faith? It may be 20 years before Congress will muster the courage to accept another increase.

Some Members want to vote against an increase but to receive it. Some want to receive public credit for self-abnegation but to receive the increase. Some want the Senate, or the leadership, to save them from themselves.

Let me say this to my friends, do not count on somebody else doing it for you. Have the courage to stand up and be for it, if you are for it. And I am for it.

Yes, I know that the 29-percent has been criticized by some in the media. Since 1969, average wage and salary increases have come to some 80 percent for the news media, to some 70 percent for blue collar workers in general, to some 66 percent for civil service workers to grade 15, to some 59 percent for business executives, to about 55 percent for white collar workers, and to about 40 percent for governors and other top State officials.

My dear friend OTIS PIKE is piqued at Congress.

I regret PIKE's pique. He is disturbed with us and understandably so perhaps because of the limits we established on outside earnings in our ethics reform. He made that quite clear at the time. But, nevertheless, it just is not defensible morally or politically for us to take the position that, since Members are not permitted to make extra money from outside sources while serving in the Congress, we should deny our colleagues the right to make an appropriate income commensurate with our responsibilities on the inside.

We said in behalf of what we did earlier this year in passing the ethics bill that this is a full-time job and that it deserves the full-time, total and undivided efforts of our Members.

The pay increase therefore is a logical companion piece with the limitations we imposed in the ethics bill. I think this is what people are going to respect us for doing. They are not likely to respect us if we do not respect ourselves or the work that we perform.

In the entire history of the Republic, there have been 11 increases voted to Members of the Congress. The increases were 33 percent in 1818, 138 percent in 1856, 67 percent in 1866, 50 percent in 1907, and others including an 80-percent increase in 1955 and 42 percent in 1969.

I see the gentlewoman from New Jersey standing seeking recognition. I think most of us know about how much the gentlewoman is reputed to be worth, and I congratulate the gentlewoman for that. But I do believe we ought to make it possible for people to serve in this Congress who do not have independent wealth.

There have been 11 increases in history, and if anyone thinks a 29 percent increase is too much, only one—only one—was less than 29 percent in the history of Congress.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Not at this moment.

I want to say one thing to my collegaue, the gentlewoman from New Jersey (Mrs. FENWICK). I hope I have not offended the gentlewoman. I really do not intend to, and I have great respect for the gentlewoman. But I earnestly implore her to recognize that there are others who do not have great personal wealth and who ought to be permitted to serve in the Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WRIGHT. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mrs. FENWICK. Mr. Chairman, I will object.

Mr. WRIGHT. I will yield to the gentlewoman from New Jersey.

Mrs. FENWICK. In that case, Mr. Chairman, I will not object.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague, the gentleman from Texas, for yielding.

I rise in the earnest hope that both of these amendments will be defeated. I should like to say further we have complied with the ethical requirements. I should like to associate myself with the very good remarks of the gentleman from

Pennsylvania. We are dealing here with the lives of people, and we cannot joke and make mockery of what is important to others, whether it is important to us or not. I should like to associate myself with the remarks of the gentleman from Pennsylvania, not because we are in comparison with anybody else but in reversing these two, we will do the right thing.

Mr. WRIGHT. I am delighted that I yielded to the gentlewoman.

Let me quote something told me by Mr. Sam Rayburn the first year I came to Congress. One of the first bills we had was an increase in pay for Members of Congress. It was more than 29 percent; it was from $15,000 to $22,500. I felt strange about that because I knew what the pay was when I ran for Congress. I expressed concern to Mr. Rayburn. I said, "Gosh, what are people going to think when one of the first things I do is come up here and vote for a pay increase?"

Mr. Rayburn in his inimitable way of boiling down the essence to a few words of truth said to me, "JIM, if you vote against the pay raise, you are saying one of two things. Either you are saying that the job you sought was not that important, or you are saying that you are not a big enough man for the job."

The jobs we hold, Mr. Chairman, are worthy of the pay. If we are not individually worthy of it, then the people ought to get somebody who is.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this will not take 5 minutes. I find it very hard to understand how Members of this House can sit here enjoying this kind of debate. I am not terribly impressed by people talking about the economic needs of Members of Congress. There is no Member of this House who has less personal wealth than I have, but I want to say to the distinguished majority leader, if I may, that while the gentleman from New York (Mr. PIKE) may be piqued, the people in my district are damned mad. What pay the Supreme Court members make is totally irrelevant. It was not the Supreme Court that created the inflation that is eating up the people back home; it was the Members of this body.

I want to say to the Members that I am going to vote for the amendment, and I will do it without my knees shaking.

Mr. BEARD of Rhode Island. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I am not going to take the 5 minutes because I know the Members want to vote on this, but I am definitely going to say something because of my situation, my background. The Members know my background when I came to this Congress and it was well known the salary and the type of money I made. But I know one thing: On every job I ever had in my life, when I received a benefit or an increase in salary, it was never taken away—only if I was not doing my job properly, and if that was the case I probably would have been fired.

I think most Members of Congress here are doing their job and most Members work very, very hard, and most Members earn the salary that they receive. There are people in the Government who may receive a lot more and do a lot less with a lot less responsibility.

I do not feel embarrassed, like most others when they cash their pay check, and the Members should not feel embarrassed in voting the money if they feel they deserve it. That is really the bottom line. The Congressman would not be here if the constituent decided he was not worthy, but there are two separate issues. The issue now is either, one, we deserve what we receive or, two, we do not, and that is the way our vote should be cast.

I told my people in Rhode Island how I was going to vote. Then I put it to the test on a radio talk show, and they told me very simply: "Eddie, you are doing your job. Keep the pay." And that is how we should vote if we really believe that.

Mr. GARY A. MYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is important that we look at what the relative size of the pay raise we are discussing is. We should realize that the Pay Commission will not make another recommendation for the next 4 years, so that will mean that the pay raise that we got should be divided by 12 years, and if we add the 5 percent we got in 1975 and the 28.9 percent, that is less than 3 percent a year over a 12-year period. That is certainly well within the range of what most of my constituents are saying a Congressman should live within. They normally write in and ask that we receive not more than 6 or 7 percent per year.

I hope Members also realize if we vote this pay raise down that during that 12-year period we will have to have lived with one 5-percent increase, and I do not know any segment of the economy that will have lived with a five-twelfths of 1 percent increase per year.

I think we should be fair about it. I think we could all recognize if it was unfair and would be willing to say so, but I do not find very many constitutents, when I put it on a yearly basis of around 3 percent and also tell them that the Pay Board will not be making another recommendation for 4 years, that the constituents have very many objections.

The 28.9 percent does sound large and particularly if they think it is an annual adjustment.

There is a colleague of mine from the same Pittsburgh district and myself who appeared on a radio talk show. He was taking the position of being opposed to the pay raise and I quite frankly was speaking in favor of it. During the talk show I was rather surprised that the talk show host admitted that he makes about what a Congressman makes and he said: "Gary, I think you ought to be able to live on that."

There is one other important point. There is no incentive for that radio talk show man to risk running for Congress and risk thousands of hours and thousands or dollars in trying to come here. It takes an effort to step out of the mid-stream of a career or a developing career and try to come here. There are certainly elective jobs many of us can identify which we would not risk seeking and should not put our family to the financial test to go and serve in such jobs, much as we would like to.

I think the vote, if we are interested in incumbency only, is that we would vote for the lowest possible pay increases and assure ourselves of no competition at election time. But I think we ought to be fair and set a pay scale so as to attract good candidates. Maybe we are afraid of good candidates, I do not know, but I think we have to set the fairest possible pay system in this House. Sometimes it takes a little courage to explain that. I do not think a 3-percent-a-year increase is unfair. I think the Commission made a fairly good recommendation and we ought to accept that.

Mr. CRANE. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Chairman, I would simply say that at the lower pay scale our salary schedule has attracted some very fine, high quality, high caliber people, such as the distinguished gentleman from Pennsylvania; but there is some inaccuracy in what the gentleman said about the percentage class relative to the inflationary impact. In 1969, the Members were receiving $30,000 a year. With the automatic increase we voted 2 years ago as it went into effect in November, we would be making over $60,000 at the end of this year. That is a 100-percent increase in a time frame when the cost of living has increased less than 70 percent.

Mr. GARY A. MYERS. We have to assume that the pay recommendation in 1968 was based on a historical pattern, the same as this is. If we want to take out only certain time spectrums, we can make that conclusion; but if we start with one 12-year period and go to another 12-year period, there is a 3-percent differential.

The other argument is if, in fact, we do not go with the independent commission.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. GARY A. MYERS was allowed to proceed for 1 additional minute.)

Mr. GARY A. MYERS. Mr. Chairman, I would simply like to say, the pressure to include Members of Congress in the automatic cost of living will increase if, in fact, we continually reject the 4-year Commission recommendation. I would rather see an independent Commission on a 4-year basis recommend and we either take or reject it and not just accept automatic cost of living.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the distinguished gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I think we should have in mind that the principal objection I have heard, at least, is the failure or refusal of the House of Representatives to vote on its own pay increase: so I suggest that we reject the Leggett amendment and give us the opportunity to vote on the Pike amendment, without the Leggett amendment attached to it.

Mr. PIKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all, one of the things that I have learned over the 17 years I have been here is that really it is not so terribly wise to base an argument on a questioning of the motives of a person who offers an amendment. It just really is not good sense.

Now I have heard the gentleman from California talk about revenge. I think if I talked to the gentleman privately, I could convince the gentleman that is not the case. I have heard the distinguished majority leader talk about PIKE's pique which I, frankly, thought was funny when I first heard it over 25 years ago, but it wears on one after awhile; but what we are talking about now is the majority leader also said it is not defensible morally or ethically not to vote for this pay raise. I honestly do not care all that much how this vote comes out. I am not going to be hurt if I am told to take more money. We got our last big raise in 1969 and I voted for it. Last year when we were talking about a 4.83-percent raise, I voted for it and there were only about, I think, the number was 75 Members of the House of Representatives, who voted for it before the election. That is all that has changed. What has changed is the fact that the election is over. Now we are talking about a 29-percent pay raise after the election.

All I want to do is have a recorded vote on our pay raise.

I would like to say in regard to the substitute amendment of the gentleman from California (Mr. LEGGETT), I had not one, but two amendments at the Clerk's desk. The second amendment does exactly what the gentleman's amendment does. It covers everybody else; but I think we ought to be leaders. I would like to cover our little pay raise first and have a vote on it.

I want to assure the Members that if the Leggett amendment to the amendment is defeated and my amendment is adopted, the second Pike amendment will have exactly the same effect as the Leggett amendment.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for yielding to me. During that same 17 years the gentleman has been here learning what I think he clearly states is the motives of an author to not be questioned, I have also learned during that same period that sometimes we do not really do what we think we are doing.

Can the gentleman assure me that his amendment absolutely will do what it purports to do?

Mr. PIKE. Well, if the gentleman is asking me whether an amendment on the budget resolution today cuts off the pay raise, the answer is no.

Mr. ASHBROOK. We are not sure.

Mr. PIKE. We are not. All kinds of things could be done, but I would just like us to be sending a signal to this Nation of taxpayers whom we have told that we cannot afford to give 50 bucks to, because it is inflationary, that we care a little bit about some of the inflationary impacts we have with our own acts around here.

Mr. ASHBROOK. I thank the gentleman for his accurate and honest statement. I would say that during my 17 years, I do not always get that accurate and honest a response.

Mr. RYAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think I have as many problems with this particular issue as anybody else in the House, although perhaps there are those who have more. I have noted with interest the public outrage where it was said that at least Members of Congress ought to vote on the pay raise themselves and be honest. However, if we read far enough back, and there are many who do, the big objection to a pay raise then was, "You should not be able to vote on it yourselves. You should have somebody else do that on an objective basis." So, the law was passed before I got here taking it out of the hands of those grubby fingers on the floor of the House and Senate and putting it someplace where it could be more objectively done, and so they did.

Now, the cry is, "Put it back where it belongs."

I presume in the years to come, if this body survives, there will be a cry again, "Take it out of their hands, they should not be able to vote on their own salaries."

For those who say it is an inflationary time and we should not be rewarding ourselves for causing inflation, that is interesting. Apparently, they never left the country or read the papers, because certainly the most devastating single factor in inflation, as anyone will tell us who looks at the factors involved, is the Arab oil increase worldwide, and we are still suffering from that. If the Congress has the power to change that, I would like to see us do it, but I kind of doubt that we have that ability.

What it comes down to, really, and the reason I am talking about this particular pay raise at this time, is because we have done a very significant thing. For the first time in 200 years, we have closed the back door. It is not possible any longer for a person who does not serve here to say, "I think I will run for Congress. If I make it, I will work there for a time even though I make a pretty good salary as an educated man or woman—" as we expect they could do—"and I will work there for a while, because on the side I can supplement the income I already have."

They cannot do that now. That is new.

If we go with this particular amendment today, it seems to me that here is what we do: We say to ourselves, "From now on, and for a long time to come, inflation will eat away, eat away until the average salary of this Congress and the purchasing power of this salary is cut little by little, and as it becomes less and less in actual purchasing power, fewer and fewer people who have, by our definition in this country anyway, become successful—that is, they have gone to school, they have received special kinds of training, they have taken the time and made the effort and taken the risk to run for office and come here, we will keep those people from coming here, because the one thing they cannot give up—or most people cannot give up in running for office—is their family, their home, and the income which they have become dependent upon.

I do not mind, I suppose, making this in the end, a place where rich and poor can serve, if that is what the will of this Congress is or if, more importantly, that is really what the will of this country is.

I do not think it is the will of this country. They are mad at the Government, because of the things which have happened in the last few years, but I have yet to get, in answer to the more than 200 letters which have come to me, wherein they have said, "Don't you dare vote for that increase in salary," and which, in my reply, I said, "I respect your opinion, and thank you very much. Now, write me back one more time and tell me what you think the salary of Members of Congress ought to be." I have yet to receive the first response to that first letter which I sent back in reply. And the reason I cannot get a reply is simply because when you press the individual person who is piqued, if I may use the word, at the Congress, angry with the system in general, when you come right down to it and ask them, "What do you think this House and this branch of Government should be, should it be in parity with the other two branches or not, should it be in parity with the family physician at home, should it be in parity with the United Airlines pilot, who has been flying 25 years with a few lives in his hands?" We do not receive a reply.

We hold the lives of this entire country, more than some of us realize on occasion, in our hands. That, to me, is the kind of job which ought to be, in the eyes of the public, worth looking up to, the way it is done and ought to be done.

Mr. Chairman, I ask the Members to vote this down.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to both amendments. Let me just say that there are two issues before us here today. One is the question of congressional pay and the pay of the executive level of Government. In that regard, I would like to associate myself with the remarks of the majority leader, the gentleman from Texas (Mr. WRIGHT). I think Congressmen should have this pay increase. I believe that others in the executive branch and in the judicial branch should have the pay increase. I think it would be unconscionable to take away this increase. I have voted for

every pay increase since I came here 18 years ago, and I would say that the overwhelming majority of the people in my district agree that there is need for adequate salaries in Government.

But having said that, let me say that these arguments have a place in this forum and should be debated, but they should be debated where they can have some efficacy. That is not today. The question today is the adoption of the First Budget Resolution for fiscal year 1978. The question before us today is not whether or not we are going to knock-out the congressional pay raise. And let us not fool the American people. Those who say we want to show the American people that we have voted on it may or may not have a point. But I will say this, that what we do here today is not going to fulfill that commitment to the American people, because our vote here today will not affect the pay raise of Congressmen or anyone else.

Just think about that. Let us not let the news media send out a message that we voted on something here today when in fact we did not. This is a simple question of whether we are going to reduce two budget functions, whether we are going to reduce the general Government function and the allowance function. Those functions have in them almost $4 billion in general Government and about $1 billion in allowances. We are going to reduce them by an unspecified amount of $7 and $130 million, and that is all we are going to do here today. This is not the vote that the American people may or may not be looking to as a vote on our pay raise.

And we should not dare let them believe it is, because if we do, we would be misleading them.

If we want to vote on the pay raise, we will get our opportunity. We will get it sooner than some of us think; that will happen when we vote on the appropriation for it in the coming months. I intend to vote in favor of the pay raise, just so there will be no uncertainty as to where I stand in this matter.

But I am saying that we should not use the budget process as a vehicle to do something that it does not do, or as a vehicle to imply to the American people that it is going to do something that it will not do. Some of the Members have said that they have promised their folks that they would vote on the pay raise and that they wanted a chance to vote on the pay raise. Fine. We can keep that promise, but let us keep it in the one place where we can fulfill the promise, and that will be on a vote on the funds for the pay raise.

This is not that occasion because our votes here will not affect it one way or the other. All it will do will be to reduce the total budget of $5 billion in those two functions by about $137 million. That is what is at stake here.

So I submit to the Members that this is an amendment that reduces the budget, but it does not provide a vote on congressional pay or anything else involving or affecting pay of Federal employees, and I defy any Member to say that it does.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the gentleman from Connecticut (Mr. GIAIMO) made an excellent point, but it is a point that is appropriately made not only on the amendment offered by the gentleman from New York (Mr. PIKE) and the amendment offered by the gentleman from California (Mr. LEGGETT), but it is a point that is well made for every single amendment that has been offered to this budget resolution. We ought to realize that. Unfortunately, a lot of lobby groups do not realize it, so they will write us vehemently in opposition to our votes. But it really is not that that we vote on. Some of us in this body, I think, do not fully appreciate that fact.

Let us assume, though, that that is not the case. Let us assume that our vote would have efficacy, although it will not, even if the amendment passes. What is the real issue here? I do not think we have yet crystallized the issue.

The issue is not a pay increase. If 2 months ago a bill had come up on which we could have voted for a pay increase or against a pay increase, I would have voted against a 29-percent increase at one time, at one fell swoop. If a resolution of disapproval had come up, I would have voted for it.

But that is not the issue now. As a matter of law, Federal employees, including Supreme Court Justices and U.S. Congressmen, are now entitled to a certain amount of money. They have been entitled to that amount of money since approximately February 20. The issue is not whether we are going to vote for a pay increase; the issue is not recording our votes on the issue of 2 months ago. It is a new issue, and that is whether or not there should be a pay decrease, and I do not know of any instance in the entire history of Congress when we have voted for a pay decrease.

Mr. Chairman, for those Members who 3 months ago told their constituents they would vote against a pay increase at that time, I suggest in all intellectual honesty that if they would go back to them and say, "Now I voted no," they would be consistent, and they would be right.

Mr. MOTTL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, during these times of outlandish Federal budget deficits, of skyrocketing inflation, and of low ratings in polls of Members of Congress in the House now, we have an excellent opportunity to demonstrate that we are responsive to the wishes of the American public.

We could do this by voting to support the amendment of our colleague OTIS PIKE, which would delete the funds in the 1978 budget to pay for our whopping 29 percent pay raises which became effective 2 months ago.

Furthermore, I would like to remain on record as being opposed to the whole raise package which is costing taxpayers about $120 million-a-year. I testified against these increases before the House Post Office and Civil Service Committee on February 9, and wish to reiterate my opposition today.

It is not proper that these whopping pay increases—which in many instances are greater than the average American's yearly salary—went into effect without even a vote. I ask you to join me so all Members of the House can stand up and be counted on this most important issue.

Thank you.

Mr. PATTISON of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not often take this well, but I think this is an important issue.

I do not think there is any Member of this Congress who has more reason to vote in favor of these two amendments than I have. I was just reelected last fall with 47.5 percent of the vote in an overwhelmingly Republican district; an election in which the pay raise that I voted for last year but did not keep was one of the major issues.

The irony is that I do not need this damn pay raise. My children are grown up. My youngest is 20 years old; she has another year of college. Two of my children have graduated from college, and working, and one of my children is working and still attending college. My mortgage is paid off; I do not owe anybody anything. I live modestly. I do not not even have a car here in Washington, D.C. I live in a $200-a-month apartment.

I frankly do not need it. I made good money when I was practicing law, and I really have done quite well financially in my life.

Mr. Chairman, I would rather that we vote on a pay raise to be effective in the next Congress. I think that makes sense.

Mr. Chairman, I have sponsored, along with the gentleman from Ohio (Mr. WHALEN) a bill to do just that, and I think we ought to vote on that bill. However, that does not happen to be what is in front of us right now.

Consistent, by the way, with that position, I will not keep the pay raise that I get if we get one. I am going to give it back one way or the other. Therefore, I will not profit by it. Consequently, I have a whole bunch of reasons to vote for these two amendments, but I am going to vote against both of these amendments because I think it is time that the Members of this Congress and the people of the country who pay our salary understand a few things.

It is not a question of what we deserve. I think we all deserve the pay raise. That is not the point.

The question, I think, was well put by the Pay Commission. The Pay Commission, which was a nonpartisan, nonpolitical, broad-spectrum group of people—and, by the way, whose recommendations were supported by almost every major business person in this country and all the labor people in this

country as being sensible recommendations—asked in their report: "What does it take to get the very best people in this country to run for this office?"

Frankly, I would rather have the pay, in my particular circumstances, down to about $30,000 because if it goes to $57,500, I am sure I am going to have a lot stiffer opposition than I have had in the past. And when one wins by 47.5 percent of the vote, having better opposition is likely to get you defeated.

However, we ought not to go back to a point in this Congress when the people can only vote for either millionaires or rogues.

Mr. Chairman, I think we have good people in this Congress. I think that most of them need this pay raise, and I do think we all ought to vote against these two amendments.

Mr. WHALEN. Mr. Chairman, I rise to make just one quick point.

If the amendment before us would eliminate the recent salary increase for Members of Congress—and there is considerable question that it would actually accomplish this—then we are now being asked to vote on our own salaries.

From the first day of this session, I have repeatedly warned this body that unless we change our policy we will continually find ourselves in this most blatant conflict-of-interest situation. And what could possibly be a clearer conflict than voting on his own salaries, to our obvious personal benefit or detriment?

That is why I introduced the Congressional Pay Raise Deferral Act, H.R. 1365. That legislation would postpone any increase in congressional salary until after the next general election, thus getting us out of this unseemingly situation of voting on our own salaries.

Roughly 100 Members are cosponsors of the Congressional Pay Raise Deferral Act, and we are all hopeful that the Post Office and Civil Service Committee will take the advice of BILL FORD's select subcommittee and act on this legislation. Because, until H.R. 1365 or some comparable legislation is enacted, we will find ourselves in this situation again and again.

However we vote on this amendment today, we must bear in mind that we are purportedly voting on our own salaries. There is an inherent conflict-of-interest here which I hope will soon eliminate for the future.

Mr. TONRY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think this is the first time I have come to the well. I do not think that I hold my seat too securely.

I do know that the newspapers in my district have come out vehemently against the pay raise; but I also know that there are Federal employees who are desperately in need of the pay raise. Moreover, if we are going to attract good, qualified persons for those positions in Government, then their pay raises must pass.

Therefore, Mr. Chairman, I speak in opposition to the Leggett amendment.

I also know that in my struggle to stay here, my attorney fees have already cost me 2 years of my salary. I know also that the 15 percent of earned income limitation contained in the ethics bill that I voted for has cost me a tremendous amount of money. But I also have looked around this House and have been tremendously impressed with its membership, with the character, and honesty, and integrity, and industriousness of its Members.

Furthermore, Mr. Chairman, I know that as I look around, there are some who will not be back if they do not have this pay raise because they simply cannot afford to raise their families, keep two homes, and demand that their children and wives be deprived of essentials and luxuries they could have if they were not Members of this House.

It is simply too great a sacrifice to demand of their families.

Therefore, Mr. Chairman, I simply say that a person is worthy of his hire, and the Members of this House are worthy of this pay raise.

Not for myself, but for the other Members who could not afford to serve without it, I oppose the Pike amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. TONRY. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I commend the gentleman for his courage.

I just want to make two points: In my judgment, we have seen the last pay raise in this House of Representatives. Those Members who are going to be here for 20 years will never see another one because this whole mechanism which worked in 1969 and which worked this year is dead.

The second thing I wanted to point out is that—and I am not sure this is understood—we are not talking about a rollback. We can roll back our own pay if we want to, but the chairman of the Committee on the Judiciary is going to be making less money than some bankruptcy referee in Flagstaff, Ariz.

We are not going to roll back the others. This is going to come to a vote. The gentleman from Connecticut (Mr. GIAIMO) the chairman, said.

On any appropriation bill, if I had my way, I would try to get some kind of special rule so that we rolled back everybody.

But this way, the first assistant to the doorkeeper will be making more than the Members of Congress are if we roll back just our pay.

I think this is a very unwise move to do it this way in this particular situation.

I strongly urge a vote against these amendments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LEGGETT) to the amendment offered by the gentleman from New York (Mr. PIKE).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PIKE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PIKE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 236, noes 179, not voting 18, as follows:

[Roll No. 154]

AYES—236

Abdnor	Gephardt	Moore
Addabbo	Gilman	Moorhead, Calif.
Ambro	Ginn	Mottl
Andrews, N.C.	Glickman	Murphy, Ill.
Andrews, N. Dak.	Goldwater	Natcher
Applegate	Goodling	Neal
Archer	Gore	Nichols
Armstrong	Gradison	O'Brien
Ashbrook	Grassley	Oakar
Aspin	Gudger	Panetta
AuCoin	Guyer	Perkins
Bafalis	Hagedorn	Pettis
Barnard	Hall	Pickle
Baucus	Hamilton	Pike
Bauman	Hammer-schmidt	Poage
Beard, Tenn.	Hanley	Pressler
Bedell	Hannaford	Pursell
Benjamin	Hansen	Quayle
Bennett	Harkin	Quie
Bevill	Harris	Quillen
Biaggi	Harsha	Rahall
Blouin	Heckler	Regula
Boland	Hightower	Reuss
Bonior	Hillis	Rinaldo
Brinkley	Hollenbeck	Risenhoover
Broomfield	Holt	Robinson
Brown, Mich.	Holtzman	Rogers
Brown, Ohio	Hubbard	Roncalio
Broyhill	Huckaby	Rousselot
Buchanan	Hughes	Rudd
Burgener	Hyde	Runnels
Burke, Fla.	Ichord	Ruppe
Byron	Jacobs	Russo
Caputo	Jeffords	Santini
Carr	Jenkins	Satterfield
Cavanaugh	Johnson, Colo.	Sawyer
Clausen, Don H.	Jones, Okla.	Schroeder
	Jones, Tenn.	Schulze
Cleveland	Kasten	Sebelius
Cochran	Kastenmeier	Sharp
Cohen	Kelly	Shuster
Coleman	Kemp	Skelton
Collins, Tex.	Ketchum	Skubitz
Conable	Keys	Smith, Nebr.
Conte	Kildee	Snyder
Corcoran	Kindness	Spellman
Crane	Kostmayer	Spence
D'Amours	Krueger	St Germain
Daniel, Dan	Lagomarsino	Stangeland
Daniel, R. W.	Latta	Stanton
Davis	Leach	Steers
de la Garza	Lent	Steiger
Devine	Levitas	Stockman
Dickinson	Lloyd, Calif.	Stratton
Dornan	Lloyd, Tenn.	Studds
Downey	Lott	Stump
Drinan	Lujan	Symms
Duncan, Tenn.	Luken	Taylor
Edgar	Lundine	Thone
Edwards, Okla.	McClory	Thornton
Eilberg	McDade	Traxler
Emery	McDonald	Trible
English	McEwen	Tsongas
Ertel	McHugh	Tucker
Evans, Del.	Maguire	Vander Jagt
Evans, Ga.	Mahon	Volkmer
Evans, Ind.	Markey	Walker
Findley	Marks	Walsh
Fish	Marlenee	Wampler
Fisher	Marriott	Watkins
Fithian	Martin	Weaver
Florio	Mathis	White
Flynt	Mattox	Whitehurst
Ford, Tenn.	Meyner	Whitley
Fowler	Mikulski	Wilson, Bob
Frenzel	Miller, Ohio	Wirth
Frey	Moffett	Wydler
Fuqua	Mollohan	Wylie
Gammage	Montgomery	Young, Fla.

NOES—179

Akaka	Flippo	Oberstar
Alexander	Flood	Obey
Ammerman	Flowers	Ottinger
Anderson, Calif.	Foley	Patten
	Ford, Mich.	Patterson
Annunzio	Fountain	Pattison
Ashley	Fraser	Pease
Badham	Gaydos	Preyer
Badillo	Giaimo	Pritchard
Baldus	Gibbons	Railsback
Beard, R.I.	Gonzalez	Rangel
Bellenson	Harrington	Rhodes
Bingham	Hawkins	Richmond
Blanchard	Hefner	Roberts
Boiling	Heftel	Rodino
Bonker	Holland	Rooney
Bowen	Horton	Rosenthal
Brademas	Howard	Rostenkowski
Breaux	Ireland	Roybal
Breckinridge	Jenrette	Ryan
Brodhead	Johnson, Calif.	Sarasin
Brooks	Jones, N.C.	Scheuer
Burke, Calif.	Jordan	Seiberling
Burke, Mass.	Kazen	Shipley
Burleson, Tex.	Krebs	Sikes
Burlison, Mo.	LaFalce	Simon
Burton, John	Le Fante	Sisk
Burton, Phillip	Lederer	Slack
Butler	Leggett	Smith, Iowa
Carney	Lehman	Solarz
Carter	Long, La.	Staggers
Cederberg	Long, Md.	Stark
Chappell	McCloskey	Steed
Chisholm	McCormack	Stokes
Clawson, Del	McFall	Thompson
Clay	McKay	Tonry
Conyers	Madigan	Treen
Corman	Mann	Udall
Cornell	Mazzoli	Ullman
Cornwell	Meeds	Van Deerlin
Cotter	Metcalfe	Vanik
Coughlin	Michel	Vento
Danielson	Mikva	Waggonner
Delaney	Miller, Calif.	Walgren
Dellums	Mineta	Waxman
Dent	Minish	Weiss
Dicks	Mitchell, Md.	Whalen
Diggs	Mitchell, N.Y.	Whitten
Dingell	Moakley	Wiggins
Dodd	Moorhead, Pa.	Wilson, C. H.
Duncan, Oreg.	Moss	Wilson, Tex.
Early	Murphy, N.Y.	Winn
Eckhardt	Murphy, Pa.	Wolff
Edwards, Ala.	Murtha	Wright
Edwards, Calif.	Myers, Gary	Yates
Erlenborn	Myers, Michael	Young, Alaska
Evans, Colo.	Nedzi	Young, Mo.
Fary	Nix	Young, Tex.
Fascell	Nolan	Zablocki
Fenwick	Nowak	Zeferetti

NOT VOTING—18

Allen	Derwinski	Pepper
Anderson, Ill.	Forsythe	Price
Boggs	Koch	Roe
Brown, Calif.	McKinney	Rose
Collins, Ill.	Milford	Teague
Derrick	Myers, Ind.	Yatron

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

I take this time to make a personal observation, and it is my impression that after this the Committee intends to rise.

Sometimes in the heat of passion we say things that perhaps on sober reflection we would not have said.

Any time any Member questions the motive of another Member, really, he is playing God, and that of course is a dangerously presumptuous and offensively arrogant thing to do. I guess I did that when I publicly attributed to the gentleman from New York (Mr. PIKE) a motive that was not within my ability to know. So I want to apologize to the gentleman.

We refer to one another in our public dialogs here on the House floor as gentlemen and gentlewomen. If that is to be more than a meaningless parliamentary nicety, we owe it to one another to behave as such. It really is none of my business, and comes no doubt in bad taste, to comment upon the financial worth of one of my colleagues. I believe that I probably committed an unwitting and unintentional indiscretion in calling attention to a matter of this kind with regard to the gentlewoman from New Jersey (Mrs. FENWICK), and I want to extend to the gentlewoman my apology. I hope the comment was not offensive to her.

Obviously, we cannot all see things alike. No doubt the Members realized how keenly I had allowed myself to feel about this situation and this vote. That certainly does not mean that those who felt otherwise were wrong. That is the great thing about this whole system of ours, that we can disagree without being disagreeable. That we can accord to other Members the right to disagree and the assumption of the same sincerity on their part that we would want them to accord to us.

So, to the extent that I may have breached the bounds of proper parliamentary conduct in debate, I apologize to my two colleagues and ask their forgiveness; and I apologize to the House.

Thank you.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 195) setting forth the congressional budget for the U.S. Government for the fiscal year 1978, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON HOUSE ADMINISTRATION TO FILE PRIVILEGED REPORT

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have until midnight tonight to file a privileged report to accompany House Resolution 465, to provide for the expenses of investigations and studies to be conducted by the Select Committee on Assassinations.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CONSIDERATION OF SEPARATE LEGISLATIVE ISSUES BY DEMOCRATIC CAUCUS AND THE HOUSE

(Mr. WAXMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WAXMAN. Mr. Speaker, I have sent a letter to Congressman JOHN DINGELL, a copy of which I am inserting herewith in the RECORD.

The letter speaks for itself. There are however, some additional comments I would like to make.

First, when I entered the Congress, the Democratic caucus and the House as a whole instituted reforms to make committee and subcommittee chairmen responsible to their committee members and to their party caucus. I feel it is incumbent upon Democratic Members of Congress to assure themselves that the Democratic chairmen who represent them in the leadership are acting in the best interests of the majority party to work with the President to solve some of the pressing issues before the country. It is in this spirit that I sent the letter to Representative DINGELL.

Second, I wish to congratulate and express my sincere appreciation to the President for the position he has taken on automobile pollution controls. I am sure that he has had to withstand enormous pressures exerted upon him by representatives of big business—the auto manufacturers—and big labor—the United Auto Workers—and Representative JOHN DINGELL of Michigan, who has sponsored the industry's amendment, and who also happens to be chairman of the subcommittee which will have control over critical aspects of the President's energy message.

It takes great courage and conviction to resist, as President Carter has done, the temptation to give in on one issue to a subcommittee chairman who will review other legislation of crucial importance to the success of his administration.

President Carter has chosen instead to deal with these questions on their merits.

I believe there is a similar obligation on the Congress to confront these issues in a responsible manner.

I have had Members of Congress tell me that they agree with President Carter on the merits and want to vote with him, but are finding it extremely difficult to resist the lobbying pressures exerted by big industry and big labor. The lobbying against clean air is as intense as any in recent memory. Henry Ford himself has called committee members, and the United Auto Workers is mounting an enormous effort.

But I am hopeful that we in the Congress will not succumb to these pressures, and will also decide the issue on its merits.

The President knows that tighter pollution controls are essential to protect public health. He knows that the industry has distorted the issues. The President knows that the American people do not face a choice between clean air and fuel economy, or clean air and jobs, but that they are all compatible. This is why his program has been wholeheartedly embraced by his energy advisers, including Jim Schlesinger, and why it is completely consistent with his energy policy.

What is at issue is the responsible

exercise of power and how that affects, in this instance, action in the energy legislation. Representative DINGELL's subcommittee will receive that part of the program dealing with the pricing and regulation of oil and natural gas, perhaps coal conversion, and perhaps synthetic fuels development—none of which are related to automobile emissions.

Thus, I consider any thought to obstruct consideration of these urgent matters because of vehement disagreement by the subcommittee chairman on another issue wholly outside the legislative jurisdiction of his subcommittee, cause for the most serious concern of my colleagues on the Commerce Committee as well as the public generally.

The formulation of public policy should not be allowed to be held hostage in any manner, particularly when this issue is not one which should be considered politics as usual as it is of such enormous consequences that the President has termed it the moral equivalent of war.

I am also inserting in the RECORD a response I have received from Congressman DINGELL to my letter. I am pleased that he has stated his pledge "to move expeditiously on the President's energy proposal." While this is not a denial that he may be using his subcommittee chairmanship as a lever with the President to get the administration to back off its strong position for clean air auto requirements, it is encouraging to have his pledge on record. His future conduct in pursuance of his responsibilities will speak for itself.

HOUSE OF REPRESENTATIVES,
Washington, D.C., Apr. 25, 1977.

Hon. JOHN D. DINGELL,
Chairman, Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I have been increasingly concerned over the last several days about the Committee's consideration of auto emissions standards under the Clean Air Act, and your Subcommittee's pending review of the President's energy legislation.

I am well familiar with, and you have forcefully expressed, your vehement opposition to the President's proposed automobile pollution control program. I know that you have held extensive meetings on this question with the President, the White House energy staff, the Federal Energy Administration, and the Environmental Protection Agency.

You are certainly entitled to your views on these issues and to represent the interests of your constituents, especially the automobile manufacturers and the United Auto Workers, in this regard. But I am also concerned that when you speak with the President and members of the Administration on these issues, you are speaking not only as a representative from Detroit, but as Chairman of the Energy and Power Subcommittee, and on the behalf, by virtue of your approval to that position by the committee caucus, of the Commerce Committee Democrats.

In your leadership capacity as chairman, you implicitly represent your colleagues. As your constituents, we have an obligation to be certain that subcommittee chairmen are acting responsibly and in a manner consistent with the intentions of our party's leadership to work constructively with our President.

I was therefore extremely disturbed by the report in the Washington Post on Saturday, April 23, that your vehement disagreement with the President on auto emissions controls "could cost Carter in terms of Commerce Committee action" on the energy legislation.

The Energy and Power Subcommittee will consider several critical aspects of the President's energy program. It is clear that energy has the highest priority on the national agenda. I believe it very important that we deal with these proposals on their merits alone, and that our deliberations not be impeded because of disagreements over another, separate legislative issue.

I am therefore very anxious to receive your assurance that you are not and would not consider holding hostage or otherwise obstructing the orderly and forthright consideration of the energy package because of your differences with the President over clean air standards for automobiles.

If in fact the concerns raised by the Post article are accurate, and the reservations I have regarding the nature of your discussions with the Administration are justified, I believe it appropriate that you meet with the committee caucus for a full airing of these questions, and that the caucus should consider whether you should continue your tenure as chairmnn of the Energy and Power Subcommittee.

With appreciation for your attention, I am,

Sincerely,

HENRY A. WAXMAN,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 26, 1977.

Hon. HENRY A. WAXMAN,
U.S. House of Representatives, Washington, D.C.

DEAR HENRY: The so-called "separate legislative issues" you refer to in your letter to me may result, according to FEA and EPA, in a fuel penalty and make it difficult to achieve compliance with fuel economy requirements of law which are within the oversight jurisdiction of my Subcommittee. Such a result could have adverse economic effects on consumers who purchase motor vehicles in the future and impede energy conservation. If you paid attention to the entire issue, rather than news stories, you would understand these matters and not write arrogant letters.

Evidently you were absent from the House Floor last week when, during debate on the Ad Hoc Committee, I pledged my cooperation to the Speaker to move expeditiously on the President's energy proposal. I suggest that you read the Congressional Record and become better informed. Nothing has happened to change that pledge, but I did not pledge blind support.

I did not hesitate to criticize the prior Administration when its legislative proposals were not well-supported. I and my Subcommittee will do the same with the new Administration. Remember, the Congress is a separate, but equal, branch responsive to the people. A Democratic Administration, like a Republican one, has an obligation to be responsive to Congressional requests for hard data on issues that impact heavily on energy matters. Thus far, the EPA has not supplied such data.

You make accusations without having the courtesy to ascertain their accuracy. Your letter is an outrageous insult and I demand an immediate apology.

Sincerely,

JOHN D. DINGELL.

"HELSINKI'S UNFULFILLED PROMISE"

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, I am pleased to join my distingiushed colleague, Representative DRINAN, in a project he inaugurated entitled "Helsinki's Unfulfilled Promise." The 35 nations which signed the Helsinki Final Act, in August 1975, pledged to facilitate the reunification of families separated by political boundaries. As Chairman of the Commission on Security and Cooperation in Europe, created to monitor compliance with the Final Act, I have learned that the Soviet Union, regrettably, is not abiding by that pledge. Thus, for the second consecutive session, Members of Congress are conducting a vigil in behalf of those Soviet Jewish families and individuals denied the right to emigrate.

Last year's vigil, the "Orphans of the Exodus," initiated by Representatives EILBERG and HOLTZMAN, was designed to illustrate to the Soviet authorities congressional concern for the plight of divided Soviet families. The case histories used in the "Orphans of the Exodus" vigil were taken from a publication of the same name compiled by the South Florida Conference on Soviet Jewry. This year's vigil will also draw on material from the South Florida Conference's newest publication "Helsinki—Promise or Betrayal?" I commend this organization for these excellent works and their conscientious efforts in behalf of Soviet Jews.

Mr. Speaker, I would like to call your attention to the tragic story of one courageous Soviet Jewish family—Vladimir and Maria Slepak—a dramatic illustration of the Soviet Union's capricious emigration policies. In March 1970, Vladimir Slepak's family including Mrs. Berta Rashkovsky, Maria's mother, applied for permission to emigrate to Israel. In early 1971, Mrs. Rashkovsky, suffering from a serious heart ailment, was permitted to leave the U.S.S.R. alone. Since then, she has been doing all that she can to help her children obtain permission to join her.

The Slepaks have been the targets of systematic harassment by the Soviet authorities. Slepak, a radio engineer, has been fired from several jobs, tailed, searched, beaten, had his phone disconnected and his apartment bugged, and has been imprisoned approximately 25 times for 10 to 15 days. On March 5, 1977, Slepak, along with two other Soviet Jewish refuseniks, Aleksandr Lerner and Anatoly Scharansky who has since been arrested, was accused, in Izvestia, of espionage and other treasonous activities against the Soviet state.

Apparently, the U.S.S.R. considers it "treasonous" for individuals to seek to exercise the basic human rights guaranteed them by the Universal Declaration of human rights and reaffirmed in

the Helsinki Final Act. Such an attitude by the Soviet Government brings into question the sincerity of their solemn promises at Helsinki. We are, therefore, obligated to insure that the pledges undertook in the Final Act do not go unfulfilled and that families such as the Slepaks are allowed to be reunited. This can only be achieved by continued pressure from the West. I encourage every Member of Congress to express his concern by participating in this vigil.

H.R. 3744—MINIMUM WAGE BILL

The SPEAKER. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 60 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I have requested this special order to discuss H.R. 3744, the minimum wage bill that will soon come before this House. I want to talk specifically about one feature of this bill: The indexing provision.

With this provision, there would be an automatic increase in the minimum wage every time there was an increase in the average hourly manufacturing wage for production workers. That is the real issue. Labor and the White House would have us believe that what is important is the actual initial increase in the minimum wage. But while this diversion is being created, what labor really wants is that indexing provision. Because with this provision, the minimum will soon catch up with their initial recommendation of $3 per hour. And thereafter, labor, not Congress, will be the prime factor in determining the minimum wage.

Indexing would remove from Congress the responsibility to periodically review the minimum wage. Congress must not relinquish this responsibility. When Congress sets the minimum wage we can take into account the effect on inflation and the effect on the rate of unemployment. If we surrender this responsibility and allow the minimum wage to be set by labor negotiations we lose those important controls.

A system of indexing would be highly inflationary. If an increase in the minimum is mandated, covering those at the bottom of the wage ladder, then, in justice, increases will have to be made at each rung of the ladder above that to maintain pay differentials. Indexing the minimum wage is an indirect indexing of wages at all levels, and will lead to increases in consumer costs.

If the reaction to H.R. 3744 is similar to the result flowing from minimum wage increases in the past, labor costs for all businesses will increase by approximately 4.4 percent. For small businesses the figure is even higher, 5.4 percent. Consumer prices would climb as much as 3 percent.

Under these inflationary pressures many of the industries and small businesses employing marginally trained or unskilled workers will be forced to cut back on the number of those employees or go out of business. The very worker that the Federal minimum wage was intended to aid will find himself out of work.

My home State of Oklahoma alone could lose about 32,000 jobs if H.R. 3744 is adopted. But the real losers will be those young workers and minority workers and older people 65 and over who will lose their jobs on account of this piece of legislation. These groups already comprise more than 20 percent of the total number of people who are unemployed. Passage of this bill will only serve to aggravate the situation. In my State of Oklahoma, the total number of jobs for these people will be reduced by nearly 8,000.

On top of this, H.R. 3744 would repeal the tip credit now given to employees of the foodservice industry and other tipped employees. The food service industry employs some 4 million workers; 30 percent—or 1.2 million—are teenagers, 16–19-year-olds and 14 percent are minority group members. Repeal of the tip credit alone would require the elimination of 190,000 jobs if employers held wage costs constant. Once again, the poor, the teenagers, and the unskilled stand to lose the most.

Given all these facts, why does Labor still want this bill? The minimum wage is a protection not for low-paid unskilled workers as Labor suggests, but for organized labor.

Now is not the time to set in legislative concrete a mathematical formula for increasing the statutory minimum wage at regular intervals. The American public is constantly being reminded that Federal expenditures are not under control because we in Congress have set up so many ongoing programs that cannot be changed. Setting up a system to index and, therefore, increase the minimum wage every year, is just another example of how the Federal Government builds a self-perpetuating program into our economic system—a program that is uncontrolled until the Congress decides it should be changed, if ever.

Congress, as a matter of policy, should review this minimum wage legislation from time to time and be forced to pass on its adequacy. To do less would be to shirk our duty to our constituents. Given the low esteem in which Congress is viewed today by the general public, it also would seem to be a wise decision on our part. I urge you all then to join with me in stopping this bill. It is clearly not in the general interest to have a law on the books that will contribute toward the growth of those twin ogres, inflation and unemployment.

Mr. RUDD. Mr. Speaker, I am pleased to join my colleague, the gentleman from Oklahoma (Mr. EDWARDS) in this colloquy opposing a further increase in the statutory minimum wage, and I commend him for his leadership in this area.

I am vitally concerned about the thousands of teenagers and young adults who will either lose their jobs or be rendered unemployable in the unskilled labor markets as the result of increasing the minimum wage to $2.50 or more per hour.

My State of Arizona is a leader in the travel and tourism industry, which is highly labor intensive and where many young workers and family women find flexible part-time employment.

In a total work force of around 875,000, more than 58,500 Arizonans work directly in jobs associated with tourism and travel.

A large majority of these workers are teenagers and young adults who work at restaurants, hotels and motels, shops, recreation and sightseeing areas. These young, mostly part-time workers depend greatly upon the income that they receive as waiters and waitresses, bellboys, cashiers, sales clerks, and in other capacities.

An arbitrary additional increase in the current $2.30 Federal minimum wage would price thousands of these young employees out of their jobs as their employers are forced to cut back and turn to older, more mature, full-time employees to justify the higher wages they are forced to pay.

Mr. Speaker, this concern about youth employment—particularly among minority youth—is no idle matter.

Young people under 25 years of age constitute about 10 percent of the total U.S. work force. But they constitute a shocking 50 percent of all unemployment.

Teenagers between 16 and 19, who are usually the most marginal unskilled workers, constitute more than 28 percent of all unemployment. More than 32 percent of all minority teenagers are unemployed.

Youth unemployment has clearly increased when Congress has raised the statutory minimum wage.

According to data prepared by economic analyst David Williams of the Heritage Foundation, the small decline in youth unemployment from 1965 to 1968 was totally offset by the 4.7 percent jump in teenage joblessness during 1970 and 1971, when the first real effects were registered by the 1968 minimum wage increase from $1.40 to $1.60 an hour.

Teenage unemployment jumped yet another 5.4 percent during 1974 and 1975, following a very slight decline the previous 2 years, when Congress again raised the minimum wage to $2 and then immediately to $2.10 an hour.

The data is not yet available to see the further adverse impact from last year's additional 20-cent minimum wage increase, to $2.30 an hour. But we know that youth unemployment has reached almost crisis proportions, which should be reason enough not to needlessly fuel this problem with another foolish increase in the Federal minimum wage.

I include at this point in the RECORD the Heritage Foundation data which charts teenage unemployment over the 11-year period that Congress has increased the minimum wage from its 1965 level of $1.25, to its current level of $2.30 an hour:

MINIMUM WAGE AND UNEMPLOYMENT (1965-76)

Year	Minimum wage	Unemployment rate (adult) (percent)	Total employed (adult)	Total unemployed (adult)	Unemployment rate: Teenagers (16 to 19) (percent)	Unemployment rate: Tennagers (white) (percent)	Unemployment rate: Teenagers (nonwhite) (percent)	Total teenage employment	Total teenage unemployment	Change in unemployment rate: Teenagers from previous year (percent)
1965	$1.25	4.5	69,032,000	2,492,000	15.6	14.2	26.1	5,037,000	872,000	
1966	1.25	3.8	67,174,000	2,040,000	13.2	11.1	25.1	5,720,000	836,000	−2.4
1967	1.40	3.8	68,691,000	2,137,000	12.9	11.0	26.3	6,251,000	839,000	−.3
1968	1.60	3.6	70,140,000	1,987,000	12.7	11.0	25.4	5,780,000	839,000	−.2
1969	1.60	3.5	71,785,000	1,977,000	12.2	10.7	24.1	6,117,000	853,000	−.5
1970	1.60	4.9	72,477,000	2,983,000	15.2	13.5	29.1	6,142,000	1,106,000	+3.0
1971	1.60	5.9	72,934,000	3,736,000	16.9	15.1	31.7	6,195,000	1,258,000	+1.7
1972	1.60	5.6	74,980,000	3,538,000	16.2	14.2	33.5	6,722,000	1,301,000	−.7
1973	1.60	4.9	77,173,000	3,079,000	14.5	12.6	30.3	7,236,000	1,325,000	−1.7
1974	2.00	5.6	78,533,000	3,666,000	16.0	14.0	32.9	7,403,000	1,410,000	+1.5
1975	2.10	8.5	77,737,000	6,077,000	19.9	17.9	36.8	7,046,000	1,753,000	+3.9
1976	2.30	7.9	80,216,000	6,586,000	19.0	16.9	32.1	6,969,000	1,701,000	−.9

Mr. Speaker, I have had many thoughtful letters on this subject from Arizona employers in my district, who can speak from practical experience and knowledge about this concern.

Most of their views are directed at H.R. 3744, sponsored by the Honorable JOHN H. DENT of Pennsylvania, which has been referred to the House Committee on Education and Labor.

Three such letters are from Mr. C. M. Guggisberg and Associates, owners of Guggy's Family Restaurants, Mr. John W. Teets, president of Greyhound Food Management, Inc., which operates post houses at bus stations around the country, and Mr. Ted Wright, general manager of Marriott's Camelback Inn of Scottsdale.

I appreciate and share these concerns of my constituents, and would like to include their good letters at this point in the RECORD:

GUGGY'S FAMILY RESTAURANTS,
Phoenix, Ariz., April 4, 1977.

Representative ELDON RUDD,
House Office Building,
Washington, D.C.

DEAR SIR: We are writing this letter as extremely troubled citizens of the United States. Our country became great not because of big government, big business or big labor. The United States became a world power because it was a truly free nation.

Yet, today we see our nation beset with a multitude of problems which can be traced back to a loss of freedom.

For example: The energy crisis, which to a large degree has come about because of indecisiveness, harassment, and over regulation by the Federal Government. The Alaskan pipeline was delayed because of this type of muddle. Today we are faced with an acute shortage of gas which would result in higher unemployment and economic chaos. Why can't the cost of gas be deregulated? A true free enterprise system would eliminate the problem in extremely short time.

However, the primary purpose for this letter is the impending misfortune this country will be confronted with if the Federal Minimum Wage is increased. At present, we have the twin problems of unemployment and inflation. Increasing the minimum wage will increase both these problems by thirty percent. In fact, we cannot find a single reason to increase the minimum wage. However, there are many reasons why it should not be increased:

I. As the minimum wage increases, wages and prices, in general, spiral upward. Who suffers? Those people on fixed incomes such as Social Security.

II. The Federal Minimum wage removes the freedom of the individual states, such as Arizona, to enact minimum wage laws more in line with that particular state's needs.

III. The Federal Minimum Wage removes the ability of individual Businessmen to motivate employees by giving merit increases in wages. (Another loss of freedom.)

IV. The teenager in today's society comprises a hefty percentage of the unemployable. Yet with each increase in the Federal Minimum Wage, fewer teenagers can find jobs.

Personally, we need an answer. What are the positive aspects of raising the Federal Minimum Wage?

Regarding the tip credit.—Tipped employees, like all employees, are guaranteed the minimum wage or the employer cannot apply the full currently authorized tip gratuity credit. Labor Department studies show that, on the average, income of tipped employees is far higher than the minimum wage.

Proposals to freeze the tip allowance at a specified amount are not supported by logic or fact. There is no more justification to freeze the tip allowance at a specified dollar limit than to allow them to be credited up to 50% of the minimum wage.

Tips are wages under our tax laws and under our employment laws. The fundamental purpose of minimum wage laws are to insure that wages for work do not fall below a specified minimum. The current law on crediting tip income to a specified percent accomplishes that purpose in keeping with the intent and spirit of existing legislation.

Regarding the size of proposed increases.—Industrywide increases in wages in other industries normally approximate no more than 6–7%. The proposal for changes in the minimum wage run at over double these percentages, threatening the economic viability of our industry.

Regarding indexing the minimum wage.—Tying increases in the minimum wage to Average Hourly Earnings—Manufacturing, would perpetuate an inflationary spiral that would feed on itself. A constantly rising minimum escalates average hourly earnings, which in turn would require further increases in the minimum. Congress would abdicate its responsibility to review periodically the level of the minimum wage in relation to the cost of production of goods and services.

Indexing the minimum wage is a major step toward adopting indexing as a national policy. A step of this significance demands much closer scrutiny and evaluation than merely tying it into minimum wage legislation.

Sincerely,

C. M. GUGGISBERG,
President.
M. HAL GUGGISBERG,
Vice President.
GIL M. GUGGISBERG,
Vice President.
JIM N. HALVERSON,
Vice President.

GREYHOUND FOOD MANAGEMENT, INC.,
Phoenix, Ariz., March 28, 1977.

Subject: H.R. 3744—Amendment to the Fair Labor Standards Act.

Hon. ELDON RUDD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN RUDD: I am writing because of my conviction of the potential harm to the many marginally skilled employees in the Food Service Industry which would result from passage of the above Amendment to the Fair Labor Standards Act. I am aware that Congressman Dent, the sponsor of the Bill, states that its primary purpose is to assist low wage workers by increasing their purchasing power. No right thinking person could quarrel with this purpcse. However, in my opinion, the Bill would have a contrary effect.

The argument has been offered that it would be difficult to support a family with earnings based on the current Minimum Wage level. However, all employees are not ready, able, or required to support a family. The Food Service Industry has traditionally employed large numbers of unskilled, uneducated, and part-time employees. Many of these are youngsters who have dropped out of school, students who are working to pay for their education, and homemakers who augment their husband's income with part-time employment. Their wages, when added to the primary family income, can make the difference between "making ends meet" and a comfortable family living standard.

LOSS OF JOBS

When I first entered the Food Service Industry, the number of unskilled jobs were numerous and the general unemployment rate was low. I have seen Food Service Operators increasingly turn to labor-saving devices and methods since 1966 when faced with sharp increases in the Minimum Wage. You, I am sure, have seen the numbers of unemployed grow proportionately in this same period because no other industry would or could employ the displaced workers.

THE REAL TRAGEDY

For the student or housewife who is displaced from a Food Service job, the effects will vary from no new summer outfit or no ticket to the big game, to no new family car, no family vacation or no extra money for a college education. For the dropout or lower skilled person, the result is usually more drastic—weeks of unemployment benefits followed by years of welfare aid—both of which aggravate our already lagging national economy.

WHO IS PROTECTED?

The majority of American workers will not benefit by the increase in the Minimum Wage. Skilled and trained workers have generally risen above the Federal Minimum Wage level because of what they could contribute to the job. They need no protection from this Bill. Unfortunately, those

who the Minimum Wage Law seeks to protect are often forced out of the job market because the Law makes it more economically feasible for the employer to replace a salad making assistant with a food processing machine, a porter with a power floor scrubber, or a bus person with an added duty for the waiter or waitress.

SOCIAL IMPACT

Recent publications recite the plight of Social Workers who are unable to find jobs for Welfare raised youngsters. Many attribute the rise in the crime rate to this problem. The jobless rate for teenagers is reported to have hit 20% and the rate for minority teenagers has supposedly approached 40%. The increase in the Minimum Wage to $2.79 or $3.04 can only accelerate these figures.

I urge you to consider the ramifications when it comes time to vote on this issue and, if you doubt the effects of increasing the Minimum Wage to levels proposed by Mr. Dent, just ask yourself . . .

How many pin-setters have you heard of lately?

When was the last time your car was washed by a group of youngsters rather than a group of plastic brushes?

When was the last time you saw a clerk, or even space for a clerk, behind a retail counter?

When was the last time your weekly groceries were transported to your car by a carry-out boy rather than a stainless steel cart?

There are many people who would welcome the above jobs if they were available today. There are many more who would welcome today's minimum skilled jobs if they are still available tomorrow.

Sincerely,

JOHN W. TEETS.

MARRIOTT'S CAMELBACK INN,
Scottsdale, Ariz., March 9, 1977.

Hon. ELDON RUDD,
House of Representatives,
Washington, D.C.

DEAR MR. RUDD: Since Arizona doesn't have a member on the House Education and Labor Committee, please do everything you can to oppose HR 3744 . . . Congressman John Dent's bill to increase the minimum wage . . . and express my views to Congressman Dent.

The provisions of his bill are most inflationary, and will increase wage costs of the hospitality industry by hundreds of millions of dollars per year, leading to increasing unemployment.

Inflation is my biggest concern. We are told that the minimum wage has not kept pace with the cost of living. This is not true. The minimum wage for the hotel and restaurant industry advanced 130% from February 1967 to January 1977, while the CPI increased only 76.6% during that same period of time. Since the last minimum wage legislation in 1974, the food service industry's wage rate has risen 21.1% . . . the CPI 19.8%. Under that legislation, our minimum wage was again increased as recently as January 1, 1977. Now, Congressman Dent's proposal would increase it again 47.8% by January 1, 1978. (Industry wide increases are normally in the 6–8% range.) This threatens the economic viability of our industry. We all know that increases in the minimum wage have a ripple effect on all other wages.

Then his proposal would tie future increases in the minimum wage to average earnings in manufacturing. This would perpetuate an inflationary spiral that feeds on itself: a constantly rising minimum pushes up average earnings which, in turn, trigger further increases in the minimum.

In addition, this bill would eliminate the present 50% credit for tips (presently $1.15 of the $2.30 minimum wage). Why? Tipped employees are guaranteed at least the minimum wage. Labor Department studies show that on the average, their income is far higher. I don't know any tipped employee who would give up his tips for a fixed hourly rate. However, I know many who prefer to work for tips.

As minimum wage is increased, unemployment will also. It doesn't make sense to attack the problem of high unemployment by increasing the cost of employment. Of the unemployed, 19% are teenagers, 37% are minorities. The food service industry has over 5 million employees. Over 30% of them are teenagers and 68.7% are women.

Our industry is labor intensive, employs marginal labor, and has the lowest productivity per employee of any industry. Increases in the minimum wage, coupled with the economic burdens of the energy crisis will discourage the creation of new employment opportunities and actually encourage job cuts.

I have many more views on this subject, and can summarize them all by stating that HR 3744 is a bill designed to ruin the hospitality and food service industries. It is inconceivable that it was designed without consulting anyone in our industry, particularly our service (tipped) employees.

Oppose it vigorously!

Sincerely,

TED WRIGHT,
General Manager.

Mr. BADHAM. Mr. Speaker, the minimum wage is not a windfall for the poor. It is a law which, in reality, serves to defeat its basic purpose. Countless studies by liberals and conservatives alike have revealed that minimum wage laws contribute significantly to the unemployment roles of marginal workers. There are many teenagers attempting to develop marketable skills who are unable to get that first break in the labor market; housewives looking for supplemental part-time work; elderly people trying to make ends meet on their social security checks; and others who lack all but basic skills and education, seeking employment to support their families. It is these workers who are most harmed by an increase in the minimum wage. Unfortunately, the minimum wage is thought by many to be a panacea, a cure-all remedy for this group. But the following information reveals a situation quite to the contrary.

A study by Edward Gramlich for the Brookings Institution concludes that "as the minimum wage is increased beyond its historical range of 40 to 50 percent of the median wage more and more workers confront the grab-bag combination of a higher wage but a reduced possibility of having a job." Mr. Gramlich actually favors a lower minimum wage for teenagers, a "youth differential" as a way of reducing teenage unemployment.

A study conducted by Colin and Rosemary Campbell reveals that, for the employment period from 1950–65, the rate of unemployment in areas with minimum wage laws was on the average six-tenths of a percent higher than in areas without such laws.

Those who are endeavoring to acquire skills and improve their chances of moving into better-paying jobs with those skills have been frustrated in their attempts to do so, having been priced out of the low-paying jobs which many times provide these opportunities.

Ask any adult in America today about his first job, about that first opportunity to participate as an active contributor to the American economy. Not only did this mean a certain amount of financial independence but also served to bolster his self-image as a productive, worthwhile unit of the busy world around him. Are we going to deny the youth of this great country the necessary opportunities that so many have enjoyed for so long? Can we advocate a program which could mean the demoralization of American youth, who actively seek and desire gainful employment but who are rejected because their labor may not be worth $3 an hour due to a correctable lack of skills? As opposed to the idea of mandatory minimum wage as I am, I believe any such law should include a "youth differential" as advocated by Edward Gramlich. Under this system youths under the age of 21 would not be subject to the minimum wage laws. This would mean the opportunity to be hired by employers who did not consider the fruits of their labor to be worth $3 an hour, but who could offer constructive employment at some figure less than this. They deserve a chance to prove themselves worthy of responsibility, can we deny this to our youth.

We need to be realistic and understand minimum wage for what it really is: a limitation upon marginal workers to obtain employment of their own choosing, and a mechanism which serves to inhibit the upward mobility of those who have been fortunate enough to secure employment. Is this really what the proponents of minimum wage have in mind when they decry the evils of pricing and laud the supposed benefits of their program? I think not. I truly believe that their intentions are commendable, but their mechanisms need to be reevaluated.

Mr. GOODLING. Mr. Speaker, last year I voted against a substantial increase in the minimum wage. This year I support the President in calling for a modest 20 cent-an-hour increase in minimum wages because it is the only proposal allowing workers to keep up with inflation while not adding new inflationary pressures to the economy.

The Committee on Education and Labor on which I serve is now considering the Fair Labor Standards Amendments of 1977 (H.R. 3477) which would raise the minimum wage by 55 cents an hour to $2.85 and automatically base all future increases on a percentage of the average hourly earnings of production workers. The bill would also repeal the "tip credit provision" which allows workers to receive less than the minimum wage if their salaries are augmented by customer gratuities.

I very much oppose the 55-cent minimum wage increase because of its long-term effects on the economy and on employment. The increase proposed by H.R. 3477 would most severely affect the small businessman who would have difficulty in paying such a wage while making ends meet. Also, unskilled and part-time employees would be priced out of the job market by the excessive increases. The solution to below-average wages is not excessive increases in the minimum wage but a small increase initially with future increases tied to the Consumer Price Index.

It is important to prevent the mini-

mum wage law from affecting the job opportunities of our young, temporary, and part-time workers. This group of employees should be exempt from minimum wage standards. Although Secretary Marshall and the administration have not addressed themselves to the proposed repeal of the tip credit provision, I am against such a repeal because of its inflationary impact.

Mr. HAGEDORN. Mr. Speaker, while old adages often sound trite, there is more truth to them than mere repetition. One such comes to mind: Those who refuse to learn from past mistakes are bound to repeat them. It comes to mind at this particular moment because the Congress seems bound and determined to repeat one of its most disastrous mistakes. What I am referring to is the proposed increase in the minimum wage. I am certain that those sponsoring the measure have the best intentions; however, there is another truism which says the path to perdition is paved with good intentions.

Now, I am not saying that any of my colleagues are on their way to the nether regions. However, their actions may make life somewhat hellish for the poor, the minority teenager, the elderly person, or any other individual who is marginally employable. This is because their actions are going to eliminate a lot of jobs those people might have been able to hold. How is this so? Well, colleagues, just look at the facts.

In every instance in which the minimum wage has been increased, there eventually has been a loss of marginal employment—a loss of jobs normally filled by those for whom work is most difficult to find. Can you not see that what you are doing is insuring that a certain percentage of our potentially productive population will be barred from entering the labor force?

Over the next few years, we are going to have to come up with 19 million jobs if we are going to meet the administration's goal of a 4 percent rate of unemployment. Just how, may I ask, are we to accomplish this if we continue to propagate policies which are eliminating jobs faster than we can create them? Seven million eight hundred thousand jobs have been wiped out fully by automation over the last 5 years. How many of these jobs would still be in existence if the minimum wage had not made it economically infeasible for businesses to use labor to perform them?

Gentlemen, I will be the first to grant that, even at the proposed new minimum wage, a worker is not going to get rich, but he is also unlikely to stay at that wage very long. As the worker develops skills which are marketable, he will become more productive and will either get more money from his employer or move on to another job which pays what he is worth. However, he has to get that first job in order to learn those marketable skills, and he cannot do so if an employer will not hire him because he would have to pay his employee more than he is then worth.

The fact is that the minimum wage limits the number of persons able to enter the labor force. Now, this is just fine for the skilled worker, for the union leaders, and for others who have a vested interest in limiting the competition for jobs. On the other hand, it is not so fine for certain other groups. It is not fine for the nonwhite teenager who, according to the Department of Labor, is currently suffering from an unemployment rate which is in excess of 37 percent. It is not fine for the housewife who has found that she has to enter the job market on a part-time basis in order to help keep the family's head above water financially. It is not fine for the elderly person who wishes to supplement his or her inadequate social security check. And it is not fine for the marginal small businessman who cannot afford to automate, and who, if he is unable to afford an unexperienced teen-ager at the minimum wage, may go out of business. These are the ones who suffer, who are eliminated from jobs by automation, who are effectively barred from the job market by the minimum wage.

Gentlemen, how can we in good conscience continue to condone a policy which dictates that people, both willing and able to work, may not be hired by employers because we, not they, have determined that the wage agreed upon by the two parties concerned is too low? Who are we anyway, gentlemen? We are the peoples' representatives, not their rulers. It is our responsibility to work the will of the people, not to work our will upon them. Nor, might I add, is it our duty to work the will of the labor leaders who wish to get a deathgrip on employment in our Nation.

The question of the minimum wage goes beyond the immediate problem. It strikes at a basic underpinning of our democratic system. It touches on the ability of individuals to enter freely into contract without coercion and without arbitrary restrictions for mutual profit. Have we so soon forgotten that the American Revolution was fought in part because of such restrictions? Have we forgotten that there is a correlation between a free market economy and the amount of personal freedom enjoyed by the inhabitants of a country? I certainly hope not. What we are accomplishing by setting a minimum wage is restricting the ability of persons to freely contract for their services and, in so doing, effectively limiting their opportunities to achieve economic well-being.

Further, we are effectively condemning a certain portion of our population to a stultifying existence on the dole—a portion of our population which is willing to work and for whom there exists work to do. The only problem is that the Federal Government has made it economically impossible for employers to hire those individuals. Does it not make more sense to give someone a job rather than a handout? Are we so resigned to the concept of third or fourth generation welfare families that we are unwilling to take the steps necessary to give some of our disadvantaged youth an opportunity to break out of the welfare syndrome?

Gentlemen, opponents of the minimum wage are frequently characterized as lacking in compassion. I would suggest that it is far more heartless to take away someone's opportunity to achieve the dignity and self-respect which comes from earning their own way, no matter how meager that way might be.

If we are truly compassionate, then we will act to remove the source of the problem for the marginally employable. Admittedly, the answer is going to be hard to accept for some people because they are going to have to recognize that they made a mistake. The minimum wage has not accomplished what it was intended to. However, is it not better to learn from your mistakes than to repeat them?

Mr. DEL CLAWSON. Mr. Speaker, today's special order offers a welcome opportunity to debate the minimum wage issue and to take a look at some evidence which paints an entirely different picture from the rosy projections of supposed benefits of increases for low-wage workers and for the national economy as a whole offered by proponents of increasing the minimum wage. The truth is closer to a classic illustration of how "more" rapidly becomes "less" through Government intervention.

There is little evidence to indicate that low-wage workers benefit from minimum wage supports. There is more evidence to indicate that these supports actually diminish the earning potential of low-wage workers and new entrants into the job market.

In America today, the person who wishes to enter the job market part time or for the first time and knows that his services are not worth $2.30 per hour finds himself priced out of the market. The effect is to keep people who are willing to work, and could provide needed services, from needed employment. It could also be argued that minimum wage supports are, for all intents and purposes, a form of discrimination as well, since they are more likely to bar minorities, youth, unskilled, and nonunion laborers from work.

Proponents of minimum wage argue that maintaining a relatively constant purchasing power within the covered labor force will maintain and perhaps even generate employment. This is contradicted by experience. When the minimum wage goes up it is the marginal worker, newly hired, probably only partially skilled or trained who is the first to suffer, for he is the one that is squeezed out for lack of funds. Hence we find one of two situations: fewer workers laboring for a bit more money, or, fewer workers laboring for the same amount of money with the additional capital invested in machines. Either way, it is a case of minimum wage supports generating rather than alleviating unemployment.

In 1973 it was estimated that a rise in the manimum wage would cost approximately 116,000 jobs. In the last year the minimum wage has increased by a modest 20 cents; unemployment among adult males, traditionally the group first considered for available jobs, has decreased to about 5.4 percent while unemployment for black teenagers, a hard-to-place group, has increased 3 to over 40 percent. While adults who have found their place

in the work force have profited from the rising minimum wage supports, the young blacks are being denied entrance into the job market because to many employers $2.30 per hour is simply too much to pay on-the-job training.

By arbitrarily raising the minimum-wage supports we are not only harming marginal workers of today, but causing them to remain marginal workers in the future. If teens, part timers, unskilled, and first-time entrants to whom further education is unavailable or undesirable are denied the opportunity to gain work experience, we are destroying the work force of the future and making it impossible for people to become productive members of economic society when they would have done so had they been given the opportunity.

Contrary to the discrimination and inequality which increases in the minimum wage foster, the choice of the House must be the development of a healthy economic base which allows free entry for anyone who is willing and able to work even for a somewhat lower wage. Freedom of opportunity is more than an honorable tradition in the United States. It is the strength of our system and should apply equally to industry and the working population. I join my colleagues who are participating in this special order today in urging that Members of the House vote against further increases in the minimum wage.

Mrs. HOLT. Mr. Speaker, every few years there is an emotion-charged debate over the question of the minimum wage. Time and again the specter rises of workers slaving away in sweat shops for avaricious businessmen of questionable ethics. Visions come to mind of ragged, starving figures queuing up to receive their weekly pittance from their niggardly employer. Charles Dickens could not have done better in conjuring up such pitiful souls. However, the danger in this view is evident: It obscures the many, very real questions which cry out for answers concerning the minimum wage.

Among these perhaps is the most important question: What is the degree to which requiring a minimum wage contributes to our Nation's unemployment? It may be enlightening, therefore, to take a brief look at the economics of the marginally employable and how minimum wage requirements affect them.

First of all, let us define just what we mean by "marginally employable." These are individuals who lack basic marketable skills. They are frequently young, or black, or women. In many cases they have never held a job or have been out of the job market for extended periods of time. In other words, they have little in the way of qualifications which would make them attractive to an employer. For this reason employers, quite logically, are unwilling to pay a premium for their services.

It is at this point that the "Catch 22" of the minimum wage enters the picture. An employer might be willing to hire someone with marginal skills at a lower starting rate in order to allow the employee to develop the skills necessary for promotion to better paying work. However, he would not do so if the wages he had to pay were higher than what the employer expected in terms of productivity. A businessman must be concerned with productivity or else he will not be in business very long. To expect him to pay someone more than they are worth is simply foolish. The result is that the employer simply does not hire the marginal worker.

The impact of this is staggering for those who are most in need of an opportunity to develop employment skills.

According to the February 21 U.S. News & World Report, the jobless rate for nonwhite teenagers stood at 36.1 percent as of January 1977; for white teenagers the figure was 18.1 percent. This means that nearly 2 out of every 10 teenagers who want work cannot find it; and, it should be noted that this is a continuation of a trend which has been growing over the past two and a half decades. As the minimum wage rate has gone up, so has teenage unemployment.

For women entering the job market for the first time to supplement family income in these times of high inflation, the picture is much the same. In many instances these women have children at home and are looking for part-time work to help make ends meet. Here again, they may have no marketable skills but are willing to work—in fact desperate to find some way to earn extra money. And, similar to the case of the unskilled teenager, whereas an employer might consider hiring them for some marginally productive task, he is unlikely to if required to pay a high wage. The result is that 10.2 percent of our Nation's part-time employees are out of work, and no small portion of those part-time employees are out of work because of the minimum wage.

I remind my colleagues of the simple fact that rather than helping the low wage earner, the imposition of a minimum wage merely puts him or her out of work. It acts as a barrier to employers who might otherwise hire the marginal worker and give him an opportunity to learn the skills with which to move on to better paying employment. In so doing it aggravates the economic disparities which exist between black and white and between men and women. How can we expect a ghetto teenager with no salable skills to develop any if we make it impossible for a businessman to hire him? How can we expect to make inroads into getting the so-called "hard-core" unemployed back into productive endeavor if we price them out of the market? How can we speak of trying to solve the unemployment problem while taking action which will surely aggravate it?

It just does not make sense. If we truly wish to get the teenager and the hard-core unemployed back to work, then we have to make it possible for businessmen to hire them. The way to do so is to make it economically justifiable. What ever happened to the principle of paying someone what they are worth?

There are those who will argue that the purpose of a minimum wage is to accomplish just that: Without the imposition of a minimum wage, workers would be exploited. This is a gross distortion of the facts, and any logical examination of just who is paid the minimum wage easily refutes this argument. After all, it is not the skilled craftsman or the professional or even the laborer who earns the minimum wage—it is the marginal employee. As a matter of fact, the disparity between the average industrial wage and the minimum wage has generally increased since the enactment of the Fair Labor Standards Act in 1938. Simple logic should tell one that a skilled worker does not have to work for such wages. Why? Because he is more productive.

This brings us back to the basic point. The wages an employer is willing to pay are a reflection of the relative productivity of the worker. If the worker is highly productive or possesses valuable skills, then the employer is going to pay accordingly. Conversely, if the employee is performing a relatively unproductive task, then the employer is again going to pay only what he perceives the task is worth.

We must not forget that the American worker is among the best paid in the world and enjoys one of the highest standards of living in the world. This standard of living could not have resulted from exploitation. Rather it occurred through free competition in the marketptlace where skilled workers were able to obtain fair wages. To the extent that the imposition of a minimum wage interferes with the processes of the market, it serves to undermine the very things which have brought this bounty to our workers.

If we insist on tampering with the market mechanism through artificially high wage requirements, we are denying to millions of our potential workers the opportunity to learn to compete. In so doing, we are also undermining the Nation's productivity; in every instance where a potential worker was denied entry to the job market due to artificially high minimum wages, that person's productive capacity was lost to the Nation. If multiplied by the countless numbers who have been so barred, the economic impact is tremendous. Gentlemen, the minimum wage is counterproductive. It is an entry barrier to the job market; it contributes to unemployment; and it has no sound economic justification. Let us recognize it for what it is, admit that in its enactment we have erred, and take action to eliminate it.

Mr. ROUSSELOT. Mr. Speaker, I wish to commend my colleague from Oklahoma (Mr. EDWARDS) for taking this special order and giving many of us an opportunity to speak against H.R. 3744, legislation to raise the minimum wage, index it, and make other adjustments in the Fair Labor Standards Act of 1938. Mr. EDWARDS is on the Education and Labor Committee which is currently considering the issue and has been in the forefront of opposition against an increased minimum wage. We appreciate his leadership on this most important economic matter.

While many individuals believe that such an increase—$2.85 within 30 days of enactment and $3.10 by 1978—will promote a higher standard of living and help to eliminate poverty, the opposite is actually true. Through minimum wage

laws, the Government has artificially mandated unrealistically high labor costs and, as a result, many Americans are denied employment simply because employers cannot meet the arbitrary wage standards set by law. For example, an individual who is only capable of producing goods and services worth $1.50 an hour is prevented from being hired since the Government says he must produce goods and services worth at least $2.30 an hour. In the view of many, the minimum wage is actually $3.22 an hour. Payroll taxes, indirect wages, overhead costs, plus the employer's profits, increases the productivity needed to support the official minimum wage of $2.30 an hour by at least 40 percent. Thus, workers who are unable to meet such a standard, and produce goods and services worth the Government minimum wage, are forced onto welfare rolls in order to sustain themselves because they are in fact legally barred from working. Tragically, the burden falls most heavily upon minority groups and young people. It is unfortunate to consider that it is against the law to offer to underprivileged minority groups work which pays $75 a week—implicitly suggesting that it is better to be prevented from earning $75 a week and go on welfare—if one cannot earn the minimum wage of approximately $100 a week. Such a capricious and arbitrary legislative decree fattens welfare rolls and generally promotes unemployment in our country.

What will happen in the marketplace if the minimum wage is increased to $2.85 within 30 days of enactment of H.R. 3744? It could cause the loss of approximately 2 million jobs—about 271,000 of those in my own home State of California. In addition, passage of this proposal would add billions of dollars to labor costs, thereby fueling inflation. In California, we could expect to see a 4.1-percent increase for all business labor costs and a 5.1-percent increase for small businesses. Who pays for all of these increases? The consumer, of course, in the form of higher prices and reductions in goods and services. High unemployment and skyrocketing inflation are in the hallmarks of such an initiative.

Mr. Speaker, a better way to generate real income for the 89 million working men and women in this country would be to reduce the Federal tax burden. By legislating a permanent tax cut, as I have proposed, all Americans will benefit; not only low-income groups. In addition, new jobs would be created as opposed to the unemployment which will result from this latest attempt to amend the Fair Labor Standards Act.

Mr. CRANE. Mr. Speaker, before joining the dialog on minimum wage legislation, I would like to thank my good friend and colleague from Oklahoma (Mr. EDWARDS) for taking the time to organize this special order. Ever since taking office in January, he has worked long and hard, both in committee and on the floor, and this effort here today is just one more indication of his diligence.

Ever since the inception of minimum wage laws, the commonly held view has been that, without such laws, employees would be exploited by employers. Any opinions to the contrary have been variously characterized as attacks on God, motherhood, and apple pie, scandalous if not sacrilegious, and unworthy of serious consideration. Unfortunately, both the conventional wisdom and the emotional defense of it, have obscured two key facts. One is that the only beneficiaries are those who still have jobs after the law has gone into effect; and the other is that all workers are consumers.

As any student of economics knows, the law of supply and demand applies to wages and labor as well as to prices and sales. If the cost of labor goes up, either due to a shortage of workers or by artificially raising their pay, the demand for those workers will eventually go down. Sooner or later if pay continues to go up a point will be reached where the price of a given commodity will reduce sales to the point that they will not support the hiring of new personnel or even retention of existing employees. And when that happens over and over again, in not just one industry but in all, an increase in the unemployment rate will inevitably result.

Unwittingly, Secretary of Labor Ray Marshall admitted this when he testified before the Subcommittee on Labor-Management Relations not long ago. In arguing for the administration's $2.50 per hour minimum wage bill, Marshall said it would increase productivity "* * * as employers are induced to seek more effective operations." Of course, the way employers would do that is by laying off help or automating, or both.

Additionally, the laws of economics tell us that when the money supply grows faster than the rate of productivity, inflation is the ultimate result. Not only do artificial increases in the minimum wage bear no relation to increases in productivity, but the deficit financing required to employ and train those denied employment as a result of minimum wage hikes jacks up the money supply. As both events occur simultaneously, more money begins chasing fewer goods thus increasing demand which, in turn, means higher prices for everybody—minimum wage beneficiaries included.

All theory aside, the statistics bear out the fact that increasing the minimum wage also increases both unemployment and inflation, often to the detriment of the very workers who can afford it the least. For instance, the U.S. Chamber of Commerce estimates that passage of H.R. 3744—which would increase the minimum wage to $2.85 immediately and then index it at 60 percent of manufacturing wages after 1 year—would eliminate over 2 million full and part-time jobs. Teenagers, particularly black teenagers, would be hardest hit. As it is now, the unemployment rate for 16-to-19-year-olds is 18.8 percent as compared to 7.3 percent for the work force as a whole, while the unemployment rate for minorities in the same age group is 40.1 percent.

Furthermore, a study conducted by Dr. Yale Brozen of the University of Chicago indicated that as the minimum wage has been increased over the years black teenage unemployment has increased dramatically relative to the white teenage unemployment rate. Before 1956, the unemployment rate never differed by more than 20 percent; after the 1956, 1966, and 1967 minimum wage increases, the rate for young blacks was 80, 130, and 140 percent higher, respectively, and there is no reason to think that another minimum wage increase will have any different effect. In fact, the U.S. Chamber has also estimated that, if H.R. 3744 were passed, 32.7 percent of the nonwhite teenage labor force would be pushed out of the job market. Even the minimum wage proposal being suggested by President Carter would, according to the Chamber of Commerce, cost 13.6 percent of nonwhite teenagers their jobs.

Sobering as those estimates are, they may understate the case if the so-called tip-credit provision is repealed as part of an upward revision of the minimum wage. According to one estimate, some 500,000 tipped employees, most of them waiters or waitresses, would be affected by any attempt to end the practice of counting tips toward the minimum wage. At present, waiters and waitresses are averaging approximately $1.37 per hour in wages plus $2.91 per hour in tips, meaning that repeal of the tip credit would force employers to double, approximately, their service payrolls. This, in turn, would mean that restaurants would have to raise their prices sharply, which would affect us all, or reduce their cost of doing business. The latter could take two forms—either more cafeteria style self-serve operations or fewer waiters and waitresses working shorter hours and more split shifts. In either case the result would be similar to the experience in California: After repeal of that State's tip credit provision, tipped employees suffered a 12-percent reduction in jobs and a 20-percent reduction in working hours.

Instead of repealing the tip credit, which would reduce unemployment opportunities particularly for young people, what would make far more sense is a youth differential that would help young people get their first job, get some needed experience, and get started in the work world. All of us are aware of the problem young people face at the outset; one cannot get a job without experience but one cannot get experience without a job. Yet given an artificially high and all-inclusive minimum wage, it is not reasonable to expect employers, particularly those whose products have to compete with foreign goods, to pay top dollar for an unskilled worker; but many would be glad to hire and train young workers if they could pay them less. Since many young workers are students, and are living at home, they can afford to work for less and they need the training.

The other factor that needs to be considered is the impact of minimum wage legislation on inflation. Last year, the Department of Labor undertook to evaluate the effect of a $3 minimum wage, which is what organized labor is pushing for, and concluded it would affect 11.2 million workers and would increase annual wages by $6.2 billion. Obviously such an increase would dramatically increase prices. The chamber of commerce has estimated the size of such an increase at almost 4.9 percent. Even an increase to $2.53 an hour, about what the President

is proposing, would drive up prices 1.8 percent. And that does not count the inflationary impact of all those federally financed programs to employ and train those put out of work by the minimum wage.

As if those figures were not enough, all of the minimum wage bills being considered by the Education and Labor Committee include provisions to make future minimum wage increases take place automatically. At present, the minimum wage level is—and has been—roughly 46 percent of the gross hourly earnings of production workers in manufacturing. Under the administration proposal, the minimum wage would be raised to the 50-percent level and kept there while the proposal sponsored by the AFL-CIO would index the minimum at 60 percent of average hourly manufacturing wages. The rationale for this automatic escalator feature is that the purchasing power of the minimum wage should not be eroded by inflation; the reality is that its enactment insures that it will be. With indexation of the minmum wage, cost-push inflation will literally be institutionalized with disastrous results for everybody, particularly senior citizens on fixed incomes who do not benefit from the minimum wage increase in the first place.

Perhaps the biggest irony of requiring that wages spiral automatically upward in times of inflation is that when a fixed minimum wage was first established in 1938, the idea was to keep wages from spiraling naturally downward in times of deflation. One then wonders why it is not just as bad to tie the minimum wage to private sector wages in times of inflation when too much inflation can lead to recession or even depression. If we must have a minimum wage and the minimum wage is to be tied to anything, let it be tied to productivity which would give workers a positive incentive to produce more and to be more efficient. That is the only way Secretary Marshall's analysis will ever come true without even worse side effects.

Given all these adverse effects, and the number of people who would be hurt by them, the question is who really wants this legislation and why? For the answer to that we need to look no further than the primary moving force behind this bill, organized labor, and to ask ourselves why an organization representing 22 percent of all American workers is so interested in legislation that ostensibly will help out the other 78 percent—few union workers are making only the minmum wage.

The reason organized labor wants this bill passed is because while it will help out some nonunion workers, it will help out unionized workers far more. For one thing, raising the minimum wage for nonunion members will reduce the wage differential between union and nonunion workers thereby making it easier for the unions to "justify" even higher wage demands by their own members. But, even more importantly, by keeping young people and more and more nonunion workers out of the work force, the unions protect the jobs of their own members. In short, what the unions want is higher wages and greater job security for their own members but not for anyone else. And to cover their intentions, and public reaction to them, they push for publicly financed job training and public works programs which ostensibly will take care of the victims of the minimum wage increase. Of course, the job-training programs are often unrelated to specific job vacancies and public works projects do not provide permanent employment. But consciences are balmed, and the truth is successfully obfuscated, all at the expense of the American taxpayer.

In that context, it is interesting to note that in the last year Congress has extended CETA—the Comprehensive Employment Training Act—continued the Job Corps, passed a $2 billion bill for public works construction and is about to add another $4 billion to public works construction. Can it be pure coincidence that now we are being asked to consider minimum wage legislation? If not, Congress should question the wisdom of robbing Peter to pay Paul.

If Congress is really serious about reducing inflation and unemployment, it should reject any major increase in the minimum wage at this time. Even more importantly, it should reject any suggestion that the minimum wage be tied to the average hourly earnings of production workers in manufacturing. Such an indexation would simply institutionalize inflation and erode the purchasing power of all Americans. Moreover, it would make the companies of this Nation even less competitive in world markets which in turn would adversely affect employment. Understandably, everybody wants to make more money, but as Abraham Lincoln once said: "You cannot help the wage earner by pulling down the wage payer."

In the final analysis, the key to economic prosperity is increased productivity. Instead of increasing the minimum wage, which bears little relation to productivity, what Congress should be doing is reforming the tax code in such a way as to stimulate the creation of investment capital which in turn will mean plant expansion, more jobs, higher profits and ultimately higher salaries—all without inflation. Enactment of such a program would inure to the benefit of all workers, union and nonunion alike, without being a detriment to everyone else.

Mr. ARCHER. Mr. Speaker, in this time of high unemployment, it is incumbent upon each of us to do our utmost to get our Nation's economy back on its feet. In spite of this weighty responsibility, however, there is currently before us a measure which would go a long way toward accomplishing the opposite result. What is worse is that the brunt of the deleterious impact of that measure would be felt by those least able to bear up under it: the marginally employable. The measure I am speaking of proposes to raise the level of the required minimum wage. It is allegedly aimed at assisting those at the lower end of the income scale. Its effect, however, will be to put those persons out of work.

Time and again, the Congress has been presented with evidence that demonstrates the major effect of minimum wage laws is to decrease the number of opportunities for the marginally employable. But do we listen? No. Time and again the debate centers not on whether or not we should have a minimum wage but rather on how much that minimum should be. Gentlemen, it does not matter what the minimum wage is if the persons whom it is intended to benefit are not offered employment.

With the declining level of capital investment that our country has experienced over the past several decades, it is going to be well-nigh impossible to provide sufficient jobs for those entering the labor market unless drastic steps are taken to reduce barriers to employment. One of the primary barriers to initial employment comes in the guise of the minimum wage. Does anyone in this Chamber honestly believe that an employer can afford to hire someone at a wage which is higher than what that employer expects the individual to produce? I would certainly hope not. And if one accepts the premise that an employer is going to pay a worker a wage which reflects that worker's productivity, does it not stand to reason that in setting a minimum amount which an employee may earn we are also setting a level of productivity below which no one will be hired?

The logic should be inescapable to any rational examination. Perhaps the Federal Government can afford to hire people to do nothing; my constituent files would certainly indicate that this appears to be the case in some of our Federal agencies and bureaus, but a business cannot.

A business enterprise is set up to make a profit, and they cannot do so if they have to pay people more than they are worth. Therefore, as the minimum wage goes up, the marginal employee—the one whose productivity is just at the level which justifies the previous minimum wage—is going to be discharged. the employer may not wish to discharge that employee and in fact might have kept him on at the lower figure; but the higher wage level removes the economic rationale for that worker's job.

Perhaps the most obvious example of the effect of the minimum wage increases over time is found among minority teenagers. The rate of unemployment for this group has consistently gone up with each successive increase in the minimum wage. It currently stands at over 37 percent. That means that nearly 4 out of 10 minority youth who are willing and able to work are unable to find any. While it may not be that all of this figure is represented by jobs eliminated by the imposition of a minimum wage, it should be pointed out that in 1951, before coverage under the Fair Labor Standards Act was as extensive as it is now and before minimum wage rates were as high as they are now, the unemployment rate for the same group was less than half the current rate. I cannot believe that there is no relationship between the two figures.

Gentlemen, while we talk of achieving "full employment" and speak of reducing the level of unemployment to under 4 percent, we are ignoring the fact that many of the measures we are proposing

are contributing to the increase in unemployment. In the case of the minimum wage law this is especially true. It is estimated that our Nation is going to need some 19.3 million new jobs in order to attain the 4-percent unemployment figure. The unfortunate thing is that individuals never will get a chance to enter the job market and develop the skills which will enable them to better themselves, that many of our poor and our minority youth will be trapped into living from the public trough without the opportunity to take that first step out of the ghetto, that much of the productive capacity of the Nation will be lost because of federally mandated barriers to entry into the labor force. It is an appalling situation, but there is an alternative solution. The alternative takes courage, however. It is to recognize the minimum wage for the problems it creates.

Mr. ABDNOR. Mr. Speaker, I would like to join my distinguished colleagues in opposing H.R. 3744, the minimum wage bill. I strongly believe that any increase in the minimum wage would only serve to put more people out of work and fuel our high inflation. Those groups that would suffer the most from such a proposal are those that are already suffering from high unemployment, such as our young people, the handicapped, and our minority groups.

I am especially opposed to any kind of minimum wage indexing mechanism, which has been proposed in H.R. 3744, and also by the administration. Such indexing provisions are perfect examples of built-in inflation and would be a serious blow to our Nation's economy. At a time when inflation is dangerously high, and threatening to go even higher, it is incredible that we are even considering such a proposal. If the minimum wage was tied to an index, it is very likely that we would never be able to get a handle on our inflation problem.

It is paradoxical that those groups which are arguing for a higher minimum wage are the first to complain when these proposals increase business costs and put more people out of work. And as a solution, Congress is expected to respond to this forced unemployment by providing public work job programs.

It has been clearly shown by a number of studies that increased inflation and higher unemployment can be directly attributed to minimum wage increases. It has to be remembered that such an increase would affect not only those individuals earning less than the new level, but also those who are presently earning more. In order to maintain wage differentials, all wages will rise at all levels. Because of these wage relationships, a self-perpetuating indexing mechanism will guarantee annual inflation.

An indexing of the minimum wage will also guarantee annual unemployment. Whether the labor bosses in this country will admit it or not, our small businesses cannot afford to absorb a wage increase without either raising prices or reducing the number of employees. Usually a business is faced with doing both. To give you a good example of the effects of a minimum wage increase, let me quote from a letter that I received last week from a small businessman in South Dakota:

> We have been in the retail business since 1922 and have seen good years and bad years. In 1975, due to both inflation and the drouth, we suffered a small loss, our first loss since the 1930's. And in 1976, out net profit was less than 1% of sales; so we do not have any leeway or "fat" in our operation to absorb any wage increases and would have to raise our prices and hope that the customers would pay these increases, and also reduce our number of employees and store hours. The history of previous minimum wage increases has proven this to be the case. In April 1974, we had 17 employees; today we have 13 employees and they are working shorter hours per week.

I would like to emphasize the fact that the above example is not an isolated case, but is representative of many of our businesses in South Dakota and the Midwest. One of our hospital directors has indicated that H.R. 3744 would increase the hospital's annual payroll by at least $300,000. In order to accommodate the increase, they would have to lay off 20 to 30 employees, and their patient care programs would ultimately suffer. I have received a great many similar responses from businesses, both small and large, in South Dakota, and virtually all of the input that I have received from my constituency has been in strong opposition to an increase in the minimum wage as proposed in H.R. 3744.

One popular justification of increases in the minimum wage is that the increase will be absorbed by wealthy owners or through a lower profit margin. Numerous studies of the impact of minimum wage legislation indicate that what actually occurs in that the workers bear a good part of the cost of increases in the minimum wage through man-hour reductions and other types of adjustments, including price decreases for material suppliers, reduced quality of customer services, and price increases for consumers. Also, there is evidence to indicate that the more workers affected by the increase, the more likely it is that they will suffer some direct hardship as a result of it. The more substantial the payroll costs of the increase in the minimum wage, the more adjustments are made in worker assignments and hours.

Perhaps the worst impact of the minimum wage affects the small retailer. It is a harsh reality that minimum wage rates do force some firms to close and others to shift to new industries. There are some who would argue that the decrease in the number of small firms in these industries is not really bad. They would argue that the firms were probably marginally productive and that their elimination makes the industry more efficient as a whole because larger plants can take advantage of economies of scale. This, however is not borne out by the evidence. Size is no guarantee of efficiency, and the undermining of small firms by the minimum wage may in fact be contributing to a decline in productivity rather than the opposite.

I would like to make special mention of the impact of a minimum wage increase on teenagers, the handicapped, and part-time workers. Businesses have historically trained young people by providing them job opportunities at pay levels usually commensurate with the minimum wage. If the minimum wage becomes too high, businesses would be much better off to hire full-time, experienced personnel. There are experienced individuals who would be ready and willing to work at a guaranteed high minimum wage, and employers would understandably be justified in turning to them over young, inexperienced workers. The unemployment rate for our youth in this country is disgracefully high, and it would be a crime to take away those opportunities, however limited, that are presently available. Our businesses have also provided employment for our handicapped citizens by giving them opportunities to develop their job skills. Again, if the minimum wage becomes too high, these individuals will be priced out of the market and we cannot realistically expect our small businesses to pay unreasonably high wages to provide these training opportunities because they simply would not be able to afford it.

Mr. Speaker, in conclusion I would like to again urge my colleagues to defeat H.R. 3744 and any other unreasonable minimum wage proposal that might come before us in the House. An increase in the minimum wage would put a severe strain on our struggling economy. It would fuel inflation and increase unemployment, and it would be a slap in the face to those disadvantaged groups which we have so often sought to help. The weight of evidence argues against an increase in the minimum wage, and it especially argues against an indexing scheme such as that proposed in H.R. 3744. Congress must recognize this legislation for what it is—a mechanism to obtain higher wages for union employees, without regard to the adverse consequences—and we must defeat it when it comes up for consideration in this body.

Thank you very much.

Mr. GRASSLEY. Mr. Speaker, it simply cannot be denied that, at this point in time, an increase in the minimum wage will be inflationary. We have been fighting inflation for several year now, and to pass legislation which will only cause it to increase is to negate all the efforts of recent years, in other words, foolish.

Earlier this year Arthur Okun, a former chairman of the Council of Economic Advisors under President Johnson, stated, in testimony before the Senate Budget Committee, that he was opposed to an increase in the minimum wage to $3. His opposition was based upon statistics which indicate that such an increase is tantamount to an across-the-board wage increase of 2.5 percent—an increase that will be paid by consumers in every sector of society. Minimum wage supports are said to help the low-wage worker, but, with the above figures in mind, how can this be? We raise his wages, and costs go up all along the line. We effectively price him out of the consumer market.

A study by Edward Gramlich from the Brookings Institution indicates that if

the minimum wage had been increased in 1974 from $2 to $3 the increase would have produced "nearly permanent one-shot upward change in the rate of price inflation." The same effect will be produced by a massive increase in the minimum wage now.

The minimum wage is intended to redistribute income to persons at the lower end of the economic spectrum. However, inflation, which is aggravated by precipitous increases in the minimum wage, hurts the low-wage earner more than nearly anyone else. Only those on fixed incomes suffer more.

So far my comments have primarily focused upon the inflationary aspects of an increase in the minimum wage. There is another factor to be taken into account which is of greater, if not equal, importance. It follows as night does day that any increase in the minimum wage would also cause greater unemployment—especially among young people and minorities.

A recent study concluded that should H.R. 3744 become law the price would be 2,700,000 jobs. The administration's proposal, while less objectionable, is still bad in that it causes a loss of approximately 900,000 full and part-time jobs.

Those groups within our society who already suffer from the highest rate of unemployment would be those most adversely affected by an increase in the minimum wage level. These are, as I earlier said, the blacks, Hispanics, and other minorities, as well as our young people. We have heard a good deal of talk about the need to find summer jobs for these persons. The passage of a new minimum wage level would mean that there will be fewer year-round jobs and a commensurate decrease in summer job opportunities.

There are already too many Americans who never have held a job and whose prospects for ever securing employment are grim. We should not swell the ranks of what may be referred to as the hopelessly unemployed by throwing, more Americans out of work.

Additionally, the best vocational education we can provide young people is entry into the labor market. Let's not make job entry more difficult for these people.

In conclusion, we should be aware of the problems that both inflation and unemployment cause in every sector of our society. These considerations far outweigh the advantages of increasing the minimum wage. Let us not make an already bad situation worse.

Mr. HANSEN. Mr. Speaker, since 1938, the Federal Government has attempted to dictate a wage floor for American workers. Today, we are asked once again to raise this floor. We are asked to do so in the name of charity. But there is no charity where sacrifices are imposed on unwilling and uncomprehending taxpayers. We are asked to increase the minimum wage in the name of patriotism—that we must do more for our country, for our fellow men, than for ourselves, and that when we do not sacrifice for ourselves we should feel guilty for our egotism and greed. I suppose it is a cliche to repeat once more that our country was founded on sacrifices which individuals gave for themselves or for those whom they chose to support and not on the forced levies imposed by special organized interest groups or by Byzantine bureaucracies. It may be a cliche, but expressions become cliches because they are often repeated; and when things are often repeated, it is frequently because they are true. In the case of the minimum wage, however, we do not have to rely merely on the traditions of our ancestors. We have the most sophisticated economic analyses of our time to support this wisdom.

The truth is, Mr. Speaker, that modern economists have shown repeatedly that minimum wage laws contribute to unemployment. An employer, especially one in a small business which he owns and operates himself, cannot afford to hire as many workers at a higher level of wages as he could at a lower level. When, therefore, he is forced to increase his wage payments for all his employees, he must cut back, lay off—in a word, fire—those workers he judges to be least efficient and least valuable for his enterprise. In practice, what this means is that the victims of minimum wages are often from those very groups whose problems and afflictions have become national problems: the poor, the black, the young, the female. Some years ago, according to Prof. Yale Brozen, University of Chicago, the crabmeat packaging industry in North Carolina was virtually wiped out, made extinct, because the minimum wages were raised at a Federal level. Ironically, perhaps to judge from the professions of many who advocate higher minimum wages, one of the biggest supporters of this particular increase was the New England crabmeat packagers. They knew that their transportation costs to the big, Northeastern markets for crabmeat were much lower than those of their Southern competitors, that with the increase in labor costs the higher wages would cause, the Southerners would be in trouble. And they were right. Perhaps it will give our perpetual critics of free enterprise, the malcontents, who never tire of downgrading business, some pleasure to learn that this Southern industry is now almost nonexistent. Perhaps it will also please them that the several thousand women who worked in this industry were thrown out of their jobs, and that the efforts of one of our poorer regions to better its economy were cruelly crushed.

Blacks, also, in the large Northern cities where they have increasingly moved, are hurt by minimum wage hikes. Not only do such increases result in joblessness for young black men and women, but also they force them into competition for unskilled jobs, which, as they are increasingly overcrowded, become more and more difficult to find. In other words, minimum wage laws contribute to the overcrowding of some types of jobs and the grotesque misallocation of our human labor resources. Let us say that an employer has hired two men at $1 an hour. Because they are different individuals, one is better at his job than the other. Then we in Congress decide that $1 an hour is not enough, and we make this employer pay each of them $1.20 an hour. But the employer can afford to pay only $2 an hour, $80.00 a week, for his labor costs. He cannot afford the $2.40 an hour, the $95 a week which our 20-cent increase would make him pay. So he must cut back on his labor costs by firing the least valuable of the two men. The victim in the employer's judgment is simply not worth $1.20 an hour, though his job may well be worth a mere $1. Unfortunately, it so happens that among the least skilled and valuable workers are those in the minority groups of our Nation, and it is they, Mr. Speaker, who must frequently get the ax.

My figures, of course, are hypothetical, but real ones—too complicated to be given here—are easily available to anyone who is willing to look for them.

Mr. Speaker, I include for the RECORD at this point information entitled "Federal Minimum Wage and its impact on the State of Idaho by Dr. Jack Carlson, vice-president and Chief Economist of the U.S. Chamber of Commerce:

An increase in the minimum wage is not like an increase in welfare payments. Wages are paid on the basis of the value of a worker's contribution to a product or service that a consumer is willing to purchase. Consequently, government-directed increases in wages make it impossible for business to hire inexperienced or less skilled workers. As a result, these workers become discouraged and cannot find jobs anytime now or in the future. This is a key reason why participation in the labor force and unemployment rates remain unsatisfactory even during good times and why public sector jobs are proposed by the same lawmakers that caused the problem by increasing the minimum wage.

Rep. Dent (D-Pa) and the AFL–CIO support an increase in the minimum wage from $2.30 to over $3.00 an hour with a built-in automatic increase each year to maintain the minimum wage at 60% of manufacturing wages, elimination of the tip credit, and elimination of a lower minimum wage for youth workers.

Applying the best study available, if the reaction to this increase is similar to what resulted from minimum wage increases in the past, this proposal could cause the loss of 2 million job opportunities that will not be created as a result of the higher minimum, plus 700,000 layoffs, 4.4% higher labor costs for all businesses, but 5.4% higher labor costs for small businesses which would reduce competition, and 2.9% higher consumer prices for all Americans.

The State of Idaho could lose about 9,000 jobs—2,000 jobs for adult women; 300 jobs for young male minorities (through age 24); and 400 jobs for older workers (65 and over).

Idaho would also experience a 5.0% increase in labor costs for all businesses; 6.2% increase for small business; and 3.6% increase in consumer prices. Of those workers still employed and at or near the minimum wage, only about one-half would be from household receiving low incomes. Increases in the minimum wage is an undesirable and cruel way to help a few households increase low incomes.

The Administration proposed a more reasonable increase in the Federal minimum wage from $2.30 to $2.50 with automatic adjustments to maintain 50% of average man-

ufacturing wages. However, even this seemingly moderate increase could cause a loss of 900,000 full and part-time jobs, an increase in labor costs of 1.4% for all businesses and 1.8% for small businesses, and an increase in consumer prices of 0.9% for Americans.

Under this proposal, Idaho would lose about 3,000 jobs: 700 adult women; 1300 white teenagers; 100 nonwhite teenagers; 600 white workers ages 20–24; and 100 older workers (over 65). Labor costs would increase by 1.6% for all businesses, 2.0% for small businesses, and consumers would have to pay about 1.2% higher consumer prices.

By way of contrast, the stimulus program proposed by President Carter in January was expected to create about the same number of jobs. What government giveth, government can taketh away.

Idaho would be better off without an increase in the minimum wage. If an increase is enacted it should be modest, not tied to automatic adjustments and recognize the importance of retaining a full tip credit and provide a 25% youth differential.

Mr. Speaker, minimum wage laws, so far from being humanitarian, charitable, or patriotic, are economically unsound and socially cruel. Too often, they are the weapons of special interests in labor and business in their war against their competitors. I urge my colleagues to reconsider their idea about this outmoded, 40-year-old abuse.

GENERAL LEAVE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and include extraneous material on the subject of my special order today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERSONAL EXPLANATION

The SPEAKER pro tempore (Mr. OBEY). Under a previous order of the House, the gentleman from Montana (Mr. MARLENEE) is recognized for 5 minutes.

Mr. MARLENEE. Mr. Speaker, on rollcall 150 yesterday, I am listed as having voted "Nay." I should have been recorded as voting "Yea."

REPORT ON VISIT TO EAST TIMOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GOODLING), is recognized for 10 minutes.

Mr. GOODLING. Mr. Speaker, last week I asked that my observations from a recently completed trip to Panama be included in the RECORD. Today, I ask that my observations from an equally important international trip also be included in the RECORD.

This time my remarks refer to the lesser known area of East Timor, an island in the Indonesian chain. I traveled to this remote area of the South Pacific at the request of the International Relations Committee and the State Department. I met with literally thousands of East Timorese who are trying to recover from a recent civil war. As the below report explains, I left the island with a new perspective on future United States-East Timorese relations.

I think it is important that each Member of the House take a few minutes to read my observations. I hope they shed some light on this relatively unknown part of the world:

REPORT ON VISIT TO EAST TIMOR FROM: CONGRESSMAN BILL GOODLING

After approximately 63 hours of flying time and 25 hours of sleep over a seven day period, I would offer the following summary of my findings, impressions, and conclusions of the trip I was requested to make into East Timor, which has just recently become part of Indonesia after 400 plus years of Portuguese rule.

As a way of background, two subcommittees of the International Relations Committee, under the co-chairmanship of Congressman Wolfe and Fraser, held hearings concerning the use of American arms by the Indonesians while attempting to end the civil war in East Timor. The war broke out when Portugal left East Timor before successfully arranging a peaceful takeover by the 3 major Timorese factions. Unfortunately, the one group—Fretelin—fell heir to probably as many as 15,000 weapons. After the apparent killing and torturing of many thousand Timorese, the Indonesian government moved in.

I flew from Washington to Tokyo and on to Jakarta (approximately 21 hours). Our ambassador in Jakarta "leaned on" General M. Pangtabean, Commander of Indonesian forces, to permit my entering East Timor—something that has not been permitted since the fall of 1975. However, our 7 seater Air Force plane, based in Jakarta, was only permitted to go as far as Kupany in West Timor. An Indonesian bush pilot crew took me on to Dili in East Timor accompanied by Al Lehn and Chuck Green of the Embassy—two tremendous partners—as well as Col. Subiakto, Col. Damanik and Mr. Dahlan of the Indonesian government, which made it a 7 hour trip.

We were met by more than 12,000 Timorese and we traveled from Dili to Bacau to Viqueque to Bobonaro via "bush pilot," helicopter and jeep transportation. As I shook some 6,000 hands of many Timorese who never saw an American before, and who walked as much as 10 miles to greet us, the cry was the same, from tribal chiefs to civil authorities, to the Bishop, the Spanish and Italian priests, and the Spanish nuns and the masses whose education was neglected by the Portuguese: "Please let's put the horrible civil war with all its atrocities behind us and move ahead toward a hopefully better new life."

I listened to an elderly Portuguese gentleman who has lived in East Timor for 41 years tell of the natural death of his wife, the murder of 2 of his sons by the Fretelin and the story of how his 3rd son is the Finance Minister of these very same Fretelin. The Bishop indicated it was war and both sides were guilty—the Fretelin atrocities caused because the Fretelin leadership ordered it and the Indonesian improprieties because of the actions of individual soldiers. Young priests in Baccau expressed concern that there may be more Fretelin action yet to come than the Timorese civil authorities think—opinion somewhat shared by the Sisters in Bobonaro who, it would appear, have some contact with the Fretelin. I was entertained by a brother of Horta, a leading Fretelin, who apparently has been given a 3 month visa to come to the United States. The teenage brother is the soloist and lead guitarist in one of the Vice Governor's newly formed bands. Many Timorese believe the several shipments of guns and ammunition that came in during the war were brought by the Australian Red Cross—a view apparently shared by the Governor but not by the Vice Governor who believes they were imposters carrying Austrilian Red Cross flags. Many tragic tales were repeated over and over again resulting in, perhaps, 40,000 to 60,000 deaths.

The following are my conclusions:

1. Yes, the Indonesians did use American arms, although they tried, I believe, to first not enter the fray at all and then use inferior weapons of other nations including Yugoslavia, before finding it necessary to use ours.

2. Our concern should be how we can help heal the civil war wounds and get them on to some road to recovery toward hopefully better than anything they have known in the past.

3. All wars are hell but this civil war illustrates how civil wars are doubly so.

4. No way could any Independent East Timorese Government survive—their only hope is a union with Indonesia and, because the country has so little to offer, there isn't too much hope even then.

5. Their only export of any means was coffee, and these plantings must be restored as quickly as possible.

6. The Indonesians should have entered the fray much earlier and perhaps more lives could have been spared.

7. The young Timorese Vice Governor is one of the most compassionate leaders I have ever met.

8. The Bishop, priests and nuns all indicated that things have been better the last several months and all indicated if they see something wrong by the Indonesian army the Indonesian leadership listens to them and corrects the problem and the same is true of the civil authorities. They desperately need medical supplies to combat malaria and tuberculosis.

9. No one can want the area for any reason other than security for it will be a financial noose around Indonesia's neck for years to come and maybe forever. The Japanese failed on two occasions to find enough oil to make drilling profitable. There are beautiful beaches available to attract tourism—but who has billions of dollars to construct the necessary communication and transportation facilities as well as the hotels?

10. The Indonesians estimate there are still 2,000 to 2,200 Fretelin in the hills who hit and run about 3 times a week.

11. The Indonesian Commander and the young Timorese Vice Governor, Lopes da Cruz, are dedicated to making the union work for the best of all Timorese and to prevent further suffering.

12. I can only surmise that the Australian Jim Dunn must have some personal interest in trying to prevent the union; hence his traveling about trying to bring world attention to the situation.

PANAMA CANAL—MAJOR MODERNIZATION AN IMPERATIVE NECESSITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, the solution to the Panama Canal issue is to continue the work which has begun. The solution is major modernization. This large engineering and construction undertaking for the major increase of capacity and improvement of operations of the Panama Canal is a subject that has been under consideration for many years. The first positive step in that direction was the authorization by the Congress in 1939, on the eve of the outbreak in Europe of World War II, of what was designated as the third locks project.

The original plan for that project provided for a third set of larger locks (140' x 1200') for larger vessels near each of the existing locks (110' x 1000') and for joining the proposed new locks with existing channels by means of bypass channels.

Started in 1940, construction was on a "rush basis." Following the attack on Pearl Harbor, more urgent war needs for manpower, materials, and vessels led to the suspension of work after the expenditure of $76,357,405. The principal parts completed included two huge lock sites excavations at Gatun and Miraflores, the bed for relocating the Panama Railroad from its present site near the existing Gatun Locks to the east of the proposed new set of Gatun Locks, and a railroad-vehicular bridge across the Miraflores Locks. All of these contributions can be utilized in the major modernization of the canal. No excavation was undertaken at Pedro Miguel, which, as will be shown later, was fortunate.

Mr. Speaker, for an extensive bibliography on the "Isthmian Canal Policy of the United States," attention is invited to remarks by Representative Clark W. Thompson of Texas, former chairman of a special subcommittee to investigate the financial operations of the Panama Canal, in the CONGRESSIONAL RECORD of March 23, 1955, page 3610. Those remarks list many authoritative references in an immensely complicated subject and would be most helpful to those seeking background information on the present canal situation.

A post World War II project for improvement of navigation in the Panama Canal was the enlargement of Gaillard Cut from 300 feet minimum width to 500 feet. Started in 1959 and completed in 1970 at a cost of some $95 million, this work brought the total expenditures toward major canal modernization to more than $171 million—$76 million plus $95 million.

The suspension of the third locks project in 1942 enabled its restudy in the Panama Canal organization in the light of both war and peace operating experience. Those studies resulted in the preparation and submission of what is known as the Terminal Lake-third locks plan.

This plan includes the removal of the bottleneck Pedro Miguel locks the relocation of all Pacific locks in continuous steps near Aguadulce, which is just south of Miraflores, the creation of a summit-level terminal lake in the Pacific sector of the canal, and raising the maximum summit lake level 5 feet from 87 to 92 feet. The lock arrangment in the Pacific and of the canal would then correspond with that of the Atlantic end, and can be accomplished with every assurance of success.

Recognized by experienced ship canal engineers, navigators, including Panama Canal pilots, economists, and other experts as providing the best solution of the canal problem at least cost, it won the approval of President Franklin D. Roosevelt as a postwar project but is still in a suspended status.

As stated in a 1975 Memorial to the Congress on "Panama Canal: Sovereignty and Modernization" by the Committee for Continued U.S. Control of the Panama Canal of Fairfax, Va., competent, experienced engineers have officially reported that all "engineering considerations which are associated with the plan are favorable to it." Moreover, this committee emphasizes that such solution would—

First. Enable the maximum utilization of all work so far accomplished on the Panama Canal, including that on the suspended third locks project.

Second. Avoid the danger of disastrous slides.

Third. Provide the best operational canal practicable of achievement with the certainty of success.

Fourth. Preserve and increase the economy of Panama.

Fifth. Can be constructed at "comparatively low cost."

Mr. Speaker, the major modernization of the existing canal under the Terminal Lake-third locks solution can be under existing treaty provisions. It does not require the negotiation of a new treaty. These are paramount considerations and should be controlling.

The people of the United States and the Congress have always opposed the huge expenditures of public funds for a canal project at Panama except in territory under the sovereign control in perpetuity of the United States. Any other policy would place the United States in the untenable position of being saddled with grave responsibility without adequate authority.

As previously indicated, in the proposed major modernization there are two problems: First, increase of capacity; and second, operational improvement. Though separate, the two are closely related.

There are two aspects in the capacity problem: First, increasing the number of transits; and second, increasing canal capacity for larger vessels. While certain relatively minor changes of nonbasic character in the existing canal can enable the transit of additional numbers of vessels, they will not increase canal capacity for handling larger vessels in existing locks (110'x1000') or channels. The operational improvements demonstrated by prolonged experience, in addition to larger locks, include removal of the Pedro Miguel Locks from their position at the south end of Gaillard Cut, the creation of a summit level lake in the Pacific end of the canal to serve as an expansion chamber for traffic, and correlated channel improvements in Gatun Lake, especially at channel bends.

Mr. Speaker, the future need for the transit of larger tankers, which the canal cannot now handle, with fuel oil from Alaska to the industrialized east coast stresses the importance of major modernization as an imperative necessity. The time for further procrastination is over.

In order to provide the indicated increased transit facilities, my most distinguished and able colleagues from New York (Mr. MURPHY) and from Kentucky (Mr. SNYDER) and I have introduced proposed legislation to resume construction on the canal modernization project modified and improved to provide the previously mentioned summit-level terminal lake in the Pacific sector of the canal. Special attention is invited to its sections 2 and 15.

The indicated measure follows:

H.R. 1587

A bill to provide for the increase of capacity and the improvement of operations of the Panama Canal after the President terminates negotiations by the United States with the Republic of Panama to surrender the Panama Canal and the Canal Zone to the Republic of Panama, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Panama Canal Modernization Act."

SEC. 2. The Congress hereby finds and declares that—

(1) the United States of America is a high contracting party to the Hay-Pauncefote Treaty of 1901 in force with Great Britain;

(2) the treaty serves as the basis for daily regulation and management of the Panama Canal, including the establishment of tolls for use of the canal;

(3) the treaty imposes upon the United States obligations to uphold "the general principle of neutralization" of the Panama Canal; to maintain it "free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise"; to insure that "the canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it"; and "to protect it against lawlessness and disorder";

(4) under the direction of the President, the United States Department of State, despite the obligations of the United States under the treaty, has been negotiating with the Republic of Panama to cede the Canal Zone and Panama Canal to that country;

(5) such cession would render the United

States incapable of fulfilling its obligations under the treaty;

(6) further, the United States is a party to a treaty with the Republic of Colombia signed April 6, 1914, by which that country recognizes the title to the Panama Canal and Panama Railroad as "vested entirely and absolutely in the United States of America, without any incumbrances or indemnities whatever", and by which the United States guarantees that "the products of the soil and industry of Colombia passing through the canal, as well as the Colombian mails, shall be exempt from any charge or duty other than those to which the products and mails of the United States may be subject", an obligation we could not fulfill upon the surrender of the Canal Zone and waterway to the Republic of Panama or to any international organization;

(7) the undertaking of the United States in constructing, maintaining, operating, sanitating, and protecting the Panama Canal has proven to be of enormous benefit to the people of the United States, the Republic of Panama, and the entire world;

(8) the interests of defense and interoceanic commerce, and the increasing dimensions of ships, require an increase of canal capacity and operational improvement of existing facilities and installations;

(9) the greater marine operational and logistical capability resulting from a modernization of the canal based on decades of actual experience in transiting over half a million vessels would permit increased canal revenues; improved efficiency and economy of operations; simplified canal management and defense; capacity for handling larger ships, lessening of transit time; increased safety through diminished navigational hazards; reduction of fatigue factors for pilot personnel; minimization of dispatching problems; and a summit level lake anchorage and traffic reservoir at the Pacific end comparable to the Gatun Lock-Lake arrangement at the Atlantic end, allowing unrestricted operation of all locks, elimination of traffic bottlenecks, mitigation of the effect of fog on canal operations, and lessening of lockage water surges in Gaillard Cut;

(10) in addition to stimulating United States trade, industry, and employment, canal modernization would bring major benefits to intercoastal and international commerce and to hemispheric states, including reduced cost per cargo-ton to United States and foreign producers, suppliers, and consumers of the world's goods, as well as to canal users; generation of greater economic well-being for the American nations through improved trade and communication; strengthened hemispheric security through the canal's increased capacity for marine operations, and increased prosperity and economic opportunity for the people of the Republic of Panama by virtue of the enormous outlays for new construction involved in this Terminal Lake—Third Locks Project in the Canal Zone;

(11) canal modernization by the United States, initially called the Third Locks Project, was authorized by Congress in 1939 at a cost not to exceed $277,000,000, was started in 1940, but was suspended in 1942 because of World War II priorities;

(12) $76,357,405 was expended on that project before suspension, and later an additional $95,000,000 was expended on the enlargement of the Gaillard Cut, making a total of $171,000,000 already expended toward the major modernization of the existing canal;

(13) no new treaty or agreement with the Republic of Panama was necessary for the United States to initiate such modernization in 1939 inasmuch as the United States, in accordance with the Spooner Act of 1902, and the treaty of 1903 with the Republic of Panama, paid that republic $10,000,000 to acquire control of the Canal Zone; the Republic of Panama by said treaty of 1903 granted to the United States in perpetuity full sovereign rights, power, and authority over the Canal Zone, "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority" (a grant recognized and not changed by subsequent treaties of 1936 and 1955 between the two nations); Panama by said treaty recognized as absolute the title of the United States to all lands and properties and rights purchased from the several companies holding railroad or canal concessions on the Isthmus of Panama; and under said treaty the United States took title to all remaining privately owned land property in the zone, purchasing such tracts from individual owners;

(14) completion under this Act of such modernization as modified and improved by additional experience with canal operations and current technology requires no new treaty arrangements with the Republic of Panama;

(15) it would be both unwise and a shedding of its responsibility to the citizen-taxpayers of the United States for the Congress to authorize any funds for modernization of the Panama Canal should there be any relinquishment or surrender of the sovereign rights, power, and authority currently exercised exclusively by the United States over the Canal Zone and the waterway;

(16) although one reason for approval of modernization in 1939 was to facilitate conversion of the Panama Canal to a so-called "sea level" waterway, at this time all factors in combination indicate no weighty advantage to be gained in converting the existing high level lake and lock canal to a "sea level" canal—actually a tidal level lock canal of very complicated construction necessitated both by alternating currents that would be set up by twenty-two-foot Pacific maximum tidal range versus Atlantic tidal range of only some twenty-two inches, and by flood control requirements—or in the construction of a new "sea level" canal at a different site, prior to either of which treaty modifications or new treaty arrangements, respectively, would have to be reached; nevertheless should new technology of the future or other considerations indicate a conversion of the Panama Canal, expenditures made in consequence of this Act shall not have been wasted, but rather shall have facilitated such a conversion by these accomplishments: (a) continuous traffic through the canal would be permitted during conversion construction; (b) the additional lockages would permit movement of construction equipment and excavated material as required; (c) lock overhaul and other major maintenance could be accomplished during conversion without traffic stoppage; and (d) transits even in excess of today's normal traffic could be handled during conversion.

SEC. 3. (a) Except as provided in section 15, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the third locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by not less than forty-five feet, except as recommended otherwise by the Board created under section 4 of this Act, and including the following: elimination of the Pedro Miguel locks, and consolidation of all Pacific locks near Agua Dulce in new lock structures to correspond with the locks capacity at Gatun, raise the summit water level to its optimum height of approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at an estimated total cost not to exceed $1,250,000,000, which is hereby authorized to be appropriated for this purpose: *Provided however*, That the initial appropriation for the fiscal year 1978 shall not exceed $50,000,000.

(b) The provisions of the second sentence and the second paragraph of the Act of August 11, 1939 (53 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), shall apply with respect to the work authorized by subsection (a) of this section. As used in such Act, the terms "Governor of the Panama Canal", 'Secretary of War", and "Panama Railroad Company" shall be held and considered to refer to the "Governor of the Canal Zone", "Secretary of the Army", and "Panama Canal Company", respectively, for the purposes of this Act.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that company.

SEC. 4. (a) There is hereby established a board, to be known as the "Panama Canal Advisory and Inspection Board" (hereinafter referred to as the "Board").

(b) The Board shall be composed of five members who are citizens of the United States of America. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) One member from private life, experienced and skilled in private business (including engineering).

(2) Two members from private life, experienced and skilled in the science of engineering.

(3) One member who is a commissioned officer of the Corps of Engineers, United States Army (retired).

(4) One member who is a commissioned officer of the line, United States Navy (retired).

(c) The President shall designate as Chairman of the Board one of the members experienced and skilled in the science of engineering.

(d) The President shall fill each vacancy on the Board in the same manner as the original appointment.

(e) The Board shall cease to exist on that date designated by the President as the date on which its work under this Act is completed.

(f) The Chairman of the Board shall be paid basic pay at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The other members of the Board appointed from private life shall be paid basic pay at a per annum rate which is $500 less than the rate of basic pay of the Chairman. The members of the Board who are retired officers of the United States Army and the United States Navy each shall be paid at a rate of basic pay which, when added to his pay as a retired officer, will establish his total rate of pay from the United States at a per annum rate which is $500 less than the rate of basic pay of the Chairman.

(g) The Board shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Secretary and such other personnel as may be necessary to carry out its functions and activities and shall fix their

rates of basic pay in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Secretary and other personnel appointed by the Board shall serve at the pleasure of the Board.

SEC. 5. (a) The Board is authorized and directed to study and review all plans and designs for the Third Locks project referred to in section 3(a) of this Act, to make on-the-site studies and inspections of the Third Locks project, and to obtain current information on all phases of planning and construction with respect to such project. The Governor of the Canal Zone shall furnish and make available to the Board at all times current information with respect to such plans, designs, and construction. No construction work shall be commenced at any stage of the Third Locks project unless the plans and designs for such work, and all changes and modifications of such plans and designs, have been submitted by the Governor of the Canal Zone to, and have had the prior approval of, the Board. The Board shall report promptly to the Governor of the Canal Zone the results of its studies and reviews of all plans and designs, including changes and modifications thereof, which have been submitted to the Board by the Governor of the Canal Zone, together with its approval or disapproval thereof, or its recommendations for changes or modifications thereof, and its reasons thereof.

(b) The Board shall submit to the President and to the Congress an annual report covering its activities and functions under this Act and the progress of the work on the Third Locks project and may submit, in its discretion, interim reports to the President and to the Congress with respect to these matters.

SEC. 6. For the purpose of conducting all studies, reviews, inquiries, and investigations deemed necessary by the Board in carrying out its functions and activities under this Act, the Board is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Board is given power to designate and authorize any member, or other personnel, of the Board, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Board may deem relevant or material to the performance of the functions and activities of the Board. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 7. In carrying out its functions and activities under this Act, the Board is authorized to obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, at rates not in excess of $200 per diem.

SEC. 8. Upon request of the Board, the head of any department, agency, or establishment in the executive branch of the Federal Government is authorized to detail, on a reimbursable or nonreimbursable basis, for such period or periods as may be agreed upon by the Board and the head of the department, agency, or establishment concerned, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions and activities under this Act.

SEC. 9. The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

SEC. 10. The Administrator of General Services or the President of the Panama Canal Company, or both, shall provide, on a reimbursable basis, such administrative support services for the Board as the Board may request.

SEC. 11. The Board may make expenditures for travel and subsistence expenses of members and personnel of the Board in accordance with chapter 57 of title 5, United States Code, for rent of quarters at the seat of government and in the Canal Zone, and for such printing and binding as the Board deems necessary to carry out effectively its functions and activities under this Act.

SEC. 12. All expenses of the Board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Board or by such other member or employee of the Board as the Chairman may designate.

SEC. 13. There are hereby authorized to be appropriated to the Board each fiscal year such sums as may be necessary to carry out its functions and activities under this Act.

SEC. 14. Any provision of the Act of August 11, 1939 (54 Stat. 1409; Public Numbered 391, Seventy-sixth Congress), or of any other statute, inconsistent with any provision of this Act is superseded, for the purposes of this Act, to the extent of such inconsistency.

SEC. 15. (a) This Act shall not take effect until the date the Speaker of the House of Representatives and the President pro tempore of the Senate receive written notice from the President that thenceforth during his term or terms of office, no negotiations will be conducted, nor will any plan be initiated, for the surrender by the United States of the Canal Zone and the Panama Canal, in whole or in part, to the Republic of Panama, or to any international organization.

(b) The provisions of this Act shall remain in effect only so long as all the sovereign rights, power, and authority granted in perpetuity to the United States by the Republic of Panama in articles II and III of the convention between the United States and the Republic of Panama signed on November 18, 1903, and reaffirmed in the General Treaty of Friendship and Cooperation signed March 2, 1936, and the Treaty of Mutual Understanding and Cooperation signed January 25, 1955, remain unaltered.

SEC. 16. The assets created by the expenditure of the funds authorized by this Act shall be considered by the Panama Canal Company as depreciable or nondepreciable in accordance with the provisions of subsection (b) of section 412 of title 2 Canal Zone Code (76A Stat. 27) as amended. The Company shall in its calculations of toll rates include as annual expense such amounts as will over the period of seventy-five years allow for a payback to the United States Treasury of 100 per centum of the funds appropriated in consequence of the provisions of this Act, except that in recognition of the defense value of said assets, and in conformity with the purposes of subsection (e) of section 412 of title 2 Canal Zone Code (76A Stat. 27), interest during construction shall not be included for purposes of repayment.

IN SUPPORT OF WELFARE REFORM THIS SESSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 10 minutes.

Mr. KOCH. Mr. Speaker, the members of the Welfare Reform Task Force of the Northeast-Midwest Coalition today sent a letter to Speaker O'NEILL expressing our concern that the issue of welfare reform may be placed on a "back burner" by the Congress. As chairman of that task force, I wanted to share with all of our colleagues the text of the letter sent to Speaker O'NEILL which advocates the creation of an Ad Hoc Committee on Welfare Reform. The text of the letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 26, 1977.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: As members of the Northeast-Midwest Economic Advancement Coalition Task Force on Welfare Reform, we are particularly distressed by the recent developments which indicate that the issue of welfare reform might be placed on the "back burner" by the Congress. Senator Byrd's comments to that effect have been compounded by the postponement of comprehensive welfare reform hearings which had been contemplated for late-May by the Ways and Means Subcommittee on Public Assistance.

We understand that these developments are the result of a desire to consider President Carter's energy proposals expeditiously. However, we believe that while welfare reform legislation may not be as dramatic as the Administration's energy proposals, it also deserves the Congress' special attention. We would like to suggest that the House take the lead in maintaining welfare reform as one of the major legislative goals of the 95th Congress.

We believe that the Congress should publicly state its commitment to welfare reform. We supported the establishment of the Ad Hoc Committee on Energy and commend your leadership in the effort to expedite the House' consideration of the energy proposals. We also support the establishment of an Ad Hoc Committee on Welfare Reform so that this equally complex issue can be appropriately addressed. The establishment of such an Ad Hoc Committee would prevent the issue of welfare reform from being needlessly neglected. If there are other options that you would suggest that would ensure expeditious consideration of welfare reform proposals by the House, we would be pleased to discuss these options with you.

We would be happy to meet with you to further discuss this matter in general and would appreciate your support.

Sincerely,

Edward I. Koch, Chairman, Welfare Reform Task Force, Northeast-Midwest Coalition; Michael Harrington, Chairman, Northeast-Midwest Coalition; Charles B. Rangel; William F. Walsh; Frank Horton, Co-Chairman, Northeast-Midwest Coalition; James L. Oberstar, Secretary-Treasurer, Northeast-Midwest Coalition; Donald M. Fraser; Elizabeth Holtzman; Abner J. Mikva; Silvio O. Conte; and Stephen J. Solarz.

HOSPITAL COST CONTAINMENT ACT OF 1977 AND HOSPITAL SURVEY CITED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MIKVA) is recognized for 5 minutes.

Mr. MIKVA. Mr. Speaker, I would like to call to the attention of my colleagues a bill introduced yesterday by Congressmen ROSTENKOWSKI and ROGERS, the Hospital Cost Containment Act of 1977.

This bill is one of the most significant pieces of medical care legislation that we will consider in the 95th Congress. The bill embodies the proposals of the Carter administration and is designed so that we may, at long last, get a handle on the

most inflationary part of the medical care system. In addition, the bill provides some of the first tangible steps toward a truly comprehensive national health insurance system.

Mr. Speaker, we will have little chance of slowing the rate of inflation in this country if we do not come to grips with health inflation, and we will have little chance to slow health inflation until we do something about hospital expenditures. The rate of inflation for hospital care is 15 percent a year, far above the general rate of inflation. And hospital expenditures comprise more than 40 percent of the total medical care expenditures.

It is no longer much of a secret that the high cost of hospital care is largely the result of such practices as overutilization, inefficiency and, in many instances, excess capacity stemming from the way current operations and capital investment are financed. Until now, however, there has been little in the way of a comprehensive plan to bring these costly practices under control.

The Hospital Cost Containment Act of 1977, by setting limits on reimbursements which hospitals receive from all sources, provides hospitals with an incentive to operate more efficiently and effectively. The goal is not only to improve the present system but to put into place the budgetary machinery necessary for national health insurance. President Carter yesterday reaffirmed his determination to phase in a workable national health insurance program. But he also noted that with current inflation, "the cost of any national health insurance program the administration and the Congress will develop will double in just 5 years." That is why it is imperative that the first phase of a national health insurance program be aimed at controlling costs.

No one suggests that hospitals and their boards are either rapacious or malevolent. Indeed hospital managers are much more the victims of inflation than the victimizers. But the results are passed on to the consumer. Because hospitals cannot manage these problems on a single institution basis, the results are often capricious, as well as heavy.

Mr. Speaker, I recently compiled a survey of hospital costs in my district, the 10th Congressional District of Illinois. The purpose of the survey was to get a more accurate and current picture of local hospital charges. Among other concusions, we found that charges for the same services sometimes fluctuated by more than 100 percent from the lowest to the highest charge.

In comparing preoperative tests, the survey found that charges for a complete blood count ranged from $7 to $17, a 142 percent increase; a cholesterol count ranged from $5.50 to $13, 136 percent; a urinalysis ranged from $3.50 to $7, 100 percent; a pap smear ranged from $2.50 to $13, 420 percent; a chest X-ray ranged from $15 to $38, 153 percent; and an electrocardiogram ranged from $15.50 to $22, 42 percent.

Fluctutations in charges also included hospital rooms. The per diem cost of a private room, for example, varied from a low of $115 to a high of $153, a 33 percent jump from the lowest to the highest charge. For a semiprivate room, the charges ranged from a low of $105 per day to a high of $146 per day, a range of 39 percent from the lowest to the highest charge.

Wide variations were also found in the hospital-quoted charges for operations including hernias, appendectomies and tonsillectomies, with the differences usually amounting to hundreds of dollars between the lowest and highest average prices quoted.

The higher cost of services at a particular hospital does not necessarily indicate superior quality or lack of efficiency. The cost differences may be attributable to a variety of factors. The hospitals frequently have to make up losses on medicare, medicaid, emergency room care, and even Blue Cross and Blue Shield payments in their charges for these other services. But the wide fluctuations in the cost of so many services between hospitals providing similar care inevitably raise doubts among people about the rationality of an important part of our medical care system. One of the goals of the bill introduced yesterday is to rationalize that portion of medical care. It is a goal that is worthy of our full pursuit.

At this time, I would like to report the complete results of the survey of the six hospitals that are located in the 10th Congressional District of Illinois:

HOSPITAL SURVEY RESULTS

Hospital	A Skokie Valley	B St. Francis	C Lutheran General	D Holy Family	E Evanston	F Community Hospital of Evanston
I. GENERAL INFORMATION						
Type	General nonprofit	Short term nonprofit	General nonprofit	General nonprofit	General nonprofit	Short term nonprofit.
Number of beds	246	459	697	247	500	47.
Average bed occupancy per day	75 percent	89 percent	89 percent	87 percent	92 percent	47 percent.
Teaching hospital	No	Yes	Yes	No	Yes	No.
Number of employees	510 full time, 230 part time.	1,384 full time equivalent.	2,000 full time, 828 part time.	365 full time, 355 part time.	1,600 full time equivalent.	60 full time equivalent.
II. PREOPERATIVE TEST AND ROOM COSTS						
Daily charge for private room	$127	$124	$153	$115	$145	$135.
Daily charge for semiprivate room	$121	$115	$146	$105	$125	$110 to $125.
Emergency room visit [1]	$10	$23	$30 to $60 [2]	$15 [2]	$20 [2]	$28.
Complete blood count	$7	$9	$7	$9	$16.50	$17.
Cholesterol count	$6	$9	$6	$7.50	$5.50	$13.
Urinalysis	$4.50	$5.75	$3.50	$5	$6.50	$7.
Pap smear	$5	$8	$2.50	$6	$6	$13.
Chest X-ray	$20	$19.25	$15	$19	$38	$22.
Electrocardiogram	$16	$18	$21	$18	$15.50	$22.
III. MINOR OPERATION CHARGES ON THE AVERAGE [3]						
Hernia [4]	$900 (4-day stay)	$1,255 (8.5-day stay)	$1,140 (5-day stay)	$826 (5-day stay)	Figures not available	$1,298 (7-day stay).
Appendectomy [4]	$900 (5-day stay)	$1,035 (7-day stay)	$1,745 (8-day stay)	$840 (5-day stay)	do	$1,298 (7-day stay).
Tonsillectomy [4]	$310 (1-day stay)	$400 (1-day stay)	$428 (1-day stay)	$355 (1-day stay)	do	$480 (1-day stay).
Delivery	$1,080 (5-day stay for mother and baby).	$950 (3-day stay	$950 (3-day stay for mother and baby).	$836 (4-day stay for mother and baby).	do	Not available.
State classification of emergency room [5]	Comprehensive	Comprehensive	Comprehensive	Comprehensive	Comprehensive, regional trauma center	Stand-by.
Number of beds occupied per month by:						
Medicare patients	33 percent	46 precent	30 percent	22 percent	30 percent	Figures not available.
Blue cross patients	28 percent	18 percent	25 percent	25 percent	24 percent	Do.
Medicaid patients	1 to 2 percent	7 percent	1 percent	4 percent	5 percent	Do.
Other patients (including private, other insurance and workman's compensation).	37 percent	29 percent	44 percent	10 percent	41 percent	Do.

[1] Does not include physician's services, drugs or supplies.
[2] Charge varies with severity of illness.
[3] Excluding physician's charges, including preoperative tests, drugs, supplies, operating and recovery room costs, room and board charges, anesthetic and nursing care.
[4] According to the Commission on Professional and Hospital Activities in Ann Arbor, Michigan, the average length of hospital stay for these operations are as follows: Hernia, 5.9 days; appendectomy, 6 days. Tonsillectomy, 2.2 days. Delivery, 3.5 days.
[5] The State of Illinois classifies hospital emergency rooms as follows:
Stand-by treatment—A registered nurse shall be on duty for emergency services at all times and a licensed physician shall be "on call" to the emergency department at all times.
Basic emergency treatment—At least 1 physician shall be in the emergency department at all times and physician specialists representing the specialites of medicine, surgery, pediatrics and maternity shall be available within minutes.
Comprehensive emergency treatment—At least 1 licensed physician shall be in the emergency department at all times. Physician specialists representing the major specialties and sub-specialties such as plastic surgery, dermatology, ophthalmology, etc., shall be available within minutes. Ancillary services including laboratory, X-ray and pharmacy shall be staffed at all times.
Regional trauma center—A comprehensive emergency room equipped to handle severe, multiperson accidents and acute trauma patients. The emergency rooms are capable of higher levels of communication with ambulances on the streets.

FBI AGENTS AND THE LAW: A SIMPLE QUESTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, I have previously informed the House of Representatives of my request that hearings be held by the Government Operations Subcommittee on Government Information and Individual Rights into the recent intervention by FBI Director Clarence Kelley regarding criminal prosecutions of FBI agents.

Today, I would like to share with my colleagues a letter which appeared in the April 25 edition of the New York Times. This letter, written by Morris B. Abram, an attorney nationally respected for his knowledge of the Constitution, places Director Kelley's action in perspective, and clearly sets forth the true issue involved—

Whether the Justice Department will treat FBI felons as other Federal felons are treated or whether the FBI, as the CIA, is made a body exempt from the law.

I, again, urge my colleagues give attention to this most serious problem.

The full text of the letter follows:

FBI AGENTS AND THE LAW: "A SIMPLE QUESTION"

TO THE EDITOR:

The demonstration against the indictment of an FBI supervisor for a felony by several hundred FBI agents on the steps of the Federal courthouse in New York City, followed by the FBI Director's demand that the Attorney General stop the probe of other agents suspected of crimes, raises again the stark question whether the Federal intelligence and police agencies are above the law. The demonstration paradoxically took place on the premises of the court building in which FBI agents testify against other suspected felons regularly.

The Church Committee of the United States Senate documented thousands of instances of felonies committed by the FBI and the CIA. A Federal grand jury is still meeting to decide whether to indict former CIA Director Helms for perjury before Congressional committees. The Justice Department has for several years been in possession of the contradictory sworn testimony of Richard Helms and others and even that of Helms on one day against Helms on other days.

Patrick Gray, former FBI chief, admitted the burning of Watergate-related documents—certainly a crime.

The Cointelpro program of the FBI was essentially a gangster-style operation to ruin reputations by the fabrication of evidence plus overt setups to provoke a shoot-out with men and women designated for these desperate and potentially fatal traps by the FBI without trial.

Yet the first indictment of an FBI agent after due process of law results in demonstrations by agents and the declaration by the Director of the FBI which amount to a claim that the police are above the law.

At the Nuremberg trials, when questioned about the operation of the Nazi police state, Herman Goering correctly observed that all states have police—that the real question was who controls the police.

A distinguished feature of a democracy is that the civil authority, under the rule of law and by its due process, controls the military, the police and the intelligence services.

The CIA has up to now successfully resisted this principle. The FBI demands the same treatment. Soon the police departments in every state and city will claim the same exemptions. The question now is whether the Justice Department will treat the FBI felons as other Federal felons are treated or whether the FBI, as the CIA, is made a body exempt from the law.

The Founding Fathers would have had little trouble resolving such a simple question.

MORRIS B. ABRAM.

NEW YORK, *April 15, 1977.*

THE ENERGY BALANCE: WEIGHING PRESIDENT CARTER'S PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 15 minutes.

Mr. DRINAN. Mr. Speaker, in the past week the President of the United States proposed a comprehensive and far reaching energy program. This program has been put forth by the national energy plan, which will be acted upon by the Congress and used to address the very serious energy situation which faces America today.

I commend President Carter for focusing national attention on the seriousness of our energy supply problem and the need for immediate action in this area. The energy crisis which we faced during the Arab Oil Embargo in 1973 has not been solved, it has merely hidden its ugly head as American imports of foreign energy supplies have reached an all time high, surpassing the level of our imports in 1973. Indeed, if the OPEC nations decided to declare another oil embargo this year, the 1973 crisis would amount to a slight inconvenience by comparison. In short, the results could be disastrous, with jobs lost, our standard of living affected, and energy prices sent skyrocketing upward.

The fact that another oil embargo is unlikely at this time should not lull us into inaction. Rather, we must take this opportunity to forge a strong and sweeping national energy program which will begin to cut down on America's fuel waste, increase our domestic energy supplies, and develop new forms of energy for the future. Toward that end, I feel that President Carter has taken the first important step in formulating the beginning of a truly comprehensive national plan.

Mr. Speaker, while I congratulate Mr. Carter for his initial work in framing the national plan, I do not mean to indicate that I agree with all of his initiatives. I do find his emphasis on energy conservation, solar power development, and utility rate reform to be praiseworthy, but I feel that the President's program is seriously deficient in quite a number of other areas.

I fear that the program will have a heavy impact on the low- and middle-income individual and his family, with fuel prices due to increases in virtually every area—at the gas pump, in the home, and at the stores where consumer goods will increase in price. The inordinate use of tax incentives rather than Federal grants and loans in the Carter plan also concerns me, as this will make the U.S. Tax Code even more regressive than it is now, increasing the number of tax loopholes available to wealthy taxpayers and large corporations. Insofar as transportation alternatives, I was disappointed that no plans were included to provide options to the continued use of energy inefficient automobiles. And no divestiture proposals of any type were put forth, thereby allowing oil and gas companies to pyramid their existing monopolies, buying out developing coal, uranium, and solar power companies.

In spite of the deficiencies which I have mentioned, there can be little doubt that the national energy plan proposed by the President is comprehensive and exhaustive. There are many elements, facets, and nuances which I cannot adequately discuss here. However, I would like to take this opportunity to review what I feel are the major positive and negative elements in the Carter energy package. In the past several years, I have been very active in the field of energy, introducing more than 10 pieces of legislation, a number of which passed in the 94th Congress. Based on this experience, I would like to offer my insights into the President's plan which is before us.

POSITIVE ELEMENTS OF THE CARTER PROGRAM

Let me first comment, Mr. Speaker, on the positive aspects of the Carter plan which I feel will make a significant contribution in dealing with our energy problems. The President has suggested many noteworthy programs to cut down on America's fuel waste and develop our energy resources. A good number of these policies and programs promise to be highly successful, and they clearly deserve the support of the Congress and the public.

I am most impressed by the President's emphasis on energy conservation. For years, many of us in the Congress have been calling for a major energy conservation campaign which could reverse this country's growing fuel consumption. In the past two Congresses, for example, I have personally introduced the Industrial Energy Conservation Act, the Energy Conservation Implementation Act, and the Solar and Energy Conservation Commercialization Act, all pieces of legislation which call for increased focus on conservation practices. I have also assisted my colleagues in increasing the Federal budget for energy conservation expenditures.

The President has correctly called for an intense energy efficiency campaign because, first, Americans waste more fuel than we import. With the same standard of living, we use twice as much energy per person as do other countries such as Germany, Japan, and Sweden. Second, it is far cheaper to save a barrel of oil today than to produce that same barrel, and the savings continue year after year. Clearly, for the foreseeable future, energy conservation should be the major component in our national energy plan.

Mr. Speaker, the President has proposed a wide variety of conservation measures. I believe that many of them

should be enacted by the Congress in the very near future. A good example of these measures is the tax on new "gas guzzling" automobiles. This tax, which could rise as high as $2,500 on the most wasteful of cars by 1985, is likely to push our automakers to produce fuel efficient cars which will avoid any significant taxation. As a matter of fact, it is my feeling that the rebate which is offered for economy cars will benefit many more Americans than the gas guzzler tax will penalize. The reason for this is that the rebates will be highly attractive, with up to $500 being available as early as 1978 to those who purchase highly energy efficient cars or electric vehicles.

I similarly applaud the energy conservation program which is being proposed to cut down on energy wastage in our homes and buildings. Homeowners would be entitled to a tax credit of up to $410 to install insulation and energy conservation devices. The credit could be taken on 25 percent of the first $800 spent and 15 percent on the next $1,400. In addition to tax incentives, energy conservation loans will be made available through the Federal Home Loan Corporation and the Federal National Mortgage Association. There will also be funding provided for low-income residents for conservation programs whereby homes will be weatherized to avoid heating loss.

To insure that we properly insulate and construct our new homes and buildings according to sound conservation principles, the energy program proposes mandatory efficiency standards which will go into effect by 1980. These standards, as well as those for major home appliances, follow the dictates of legislation previously passed by the Congress, but strengthens that legislation even more.

Other commendable conservation provisions have been included in the package, such as a $300 million Federal grant program to schools and hospitals to install conservation measures. A major electrical cogeneration effort has been outlined as well, in which waste heat would be used to generate electricity in industries where on site energy production is feasible.

The second positive element in the President's energy program involves utility rate reform. Our present utility rates, especially for electricity, favor the largest users of energy and penalize the smallest consumers. As a result, there is a distincentive built into the rates which discourages sound conservation practices.

Mr. Speaker, the President's utility proposals closely follow legislation which I have introduced in my Electric Utilities Rate Reform Act, H.R. 4176. Both of these proposals would require state public utility commissions to phase out and eliminate promotional, declining block and other special rates for electricity that do not reflect actual cost. The rates will be set according to how much it costs the utility to provide the energy, not according to arbitrary and promotional rates which are designed to encourage greater electricity use.

As in my legislation, the President also calls for the implementation of peak power pricing to reduce energy demand during high usage times, generally 4 p.m. to 7 p.m. Utilities use their most expensive and inefficient generating facilities to produce electrical power during these hours. By encouraging consumption during off peak times with incentivized rates, we can avoid the need for new powerplant construction and reduce the cost of generating electricity.

The third major element in the program which I highly endorse is the extensive development of solar power and other alternative energy sources. President Carter has recognized the great potential which exists in solar power and he recognizes that without an attractive incentive program it will be very difficult to install enough solar energy units to truly make a difference. His goal is to utilize solar energy in two and a half million homes across America by 1985, an ambitious but realizable goal which would greatly help our energy predicament.

To stimulate the development of a large solar market, the President has posposed tax credits of up to $2,000 for the purchase and installation of solar equipment. The tax credit would represent 40 percent of the first $1,000 spent, and 25 percent of the next $6,400 paid for the installation of qualifying solar devices. The credit would be available between 1977 and 1984, but it would decline in value as the years pass. The tax credit would be accompanied by a joint Federal/State program of standards development, certification, training, and public education to assist the average homeowner.

Business and industry would be eligible to receive 10 percent tax credits for making energy saving investments which can include solar power equipment. On top of the grant programs which are available to hospitals and schools, these programs should help to encourage a real boom in solar technology.

Mr. Speaker, to insure that the Federal Government takes a leading role in promoting solar power installations, up to $100 million will be spent over the next 3 years to add solar hot water and space heating to suitable Federal structures. In combination with the program to design energy efficient Federal buildings, this should make our governmental structures among the most energy efficient anywhere.

Before leaving the solar power area, I would like to say that these proposals somewhat follow my own legislation in the solar field. I have introduced the Solar and Energy Conservation Commercialization Act, a bill which would provide loans and grants to help homeowners, neighborhood and community groups, nonprofit organizations, and small businesses install solar and energy conservation equipment. While I feel that the President has done a real service in proposing a major stimulus program in alternative energy sources, I feel that the grants and loans approach is much preferable to the use of the tax system. I will expand on this at greater length later in this statement.

A fourth major element of the President's program which I commend is his effort is to finally centralize energy information. For too long, this country has been dependent on the factual data and information of the oil and gas companies. Unbelievably enough, in setting its energy policies the Federal Government often depends most directly on the statistics delivered by the American Gas Association and American Petroleum Association. Given the importance of this information to energy policy, and given the conflict of interest which exists for the energy industries which supply this information, it is absolutely critical that this information be independent and objective.

Under the President's proposals, the Department of Energy would take over the energy audit and verification roles in all facets of energy. The oil and gas companies would be required to submit detailed financial information to the Federal Government on all aspects of their operations. The Government would also maintain extensive regional energy information to help in formulating regional energy strategies.

Mr. Speaker, the above points represent what I feel are the most positive elements of the President's energy package. I would now like to comment on those aspects which are more ill-advised and questionable in Mr. Carter's program.

NEGATIVE ELEMENTS OF THE CARTER PROGRAM

In the coming months the Congress will focus in on each aspect of the President's energy program. In many cases the Congress will follow the wishes of the President and pass legislation very close to the initial proposals. In other cases, modifications, improvements and deletions will have to be made to insure that the plan is both effective and fair to all Americans. The following section raises questions and objections which I and many others have with regard to the plan as it presently stands.

My first major objection is that I believe the Carter energy plan is going to bear down heaviest on the middle and low income individual and his family. While the President has proposed tax credits and rebates which are designed to soften the blow of higher energy prices, in fact, the inflationary and hardship impact of higher energy prices will be felt by the average consumer every day of the year. Significant prices increases will be experienced in heating oil and on natural gas, electricity, at the gas pumps, and on the vast array of consumer products which will cost more to produce as a result of higher energy costs.

The gas tax which the President has proposed is the most obvious example of significantly increased prices for the consumer. The President has suggested that the gas tax be imposed at the rate of 5 cents per gallon after January 15, 1979. He would then increase the gas tax by 5 cents each year thereafter when we do not reach specified conservation goals. The tax could eventually go as high as 50 cents per gallon.

Mr. Carter also intends to impose a

"crude oil equalization tax" on the price of domestic oil. The oil tax will equal the difference between the controlled domestic price of oil and the prevailing world price. Although the tax will again be refunded, the interim cost hikes will be felt by all Americans when they attempt to buy heating oil for their home or petroleum supplies for their transportation needs. Businesses will experience dramatically increased costs as well, with these costs simply being passed on to the consumer.

Higher energy prices are similarly going to be felt through the decontrol of gasoline and increases in the price for natural gas. Gas decontrol will allow the oil companies to finally jack prices up to their full uncontrolled "ceiling" price, a move which we have fought in the Congress for years. Then the regulated price for natural gas will be raised from $1.42 per thousand cubic feet to $1.75 per thousand cubic feet. The natural gas increase follows another recent cost hike which was just levied by the Federal Power Commission less than a year ago.

I think the important question which must be asked here is just how much good these price increases will bring about as opposed to the hardship and suffering which they will cause for the American public. Will these tax increases actually reduce our energy consumption very substantially or will they cause just greater inflation and a reduction in our standard of living?

Mr. Speaker, this country is just emerging from one of the worst recessions experienced in the United States in 30 years. The recession was characterized by high unemployment and high inflation at the same time. The recession has now retreated, but our unemployment remains high and our inflation rate, after dropping somewhat for a period of time has dangerously increased in recent months. Therefore, I do believe that we must be very careful in our energy program to avoid crippling inflationary pressures.

I think we must seriously question at this particular time whether a system of energy rationing would perhaps not be better than stiff energy price hikes for the consumer. Although the administrative burden of any type of rationing system would be large, it might be more effective in cutting down energy consumption at less overall costs to individuals and their families. If the time has come for such serious taxing proposals, then perhaps the time has come for equally serious rationing plans as a more effective but less costly alternative.

A second major negative element of the Carter energy program is found in its extensive use of the tax code. In virtually every case where a stimulus is required, a tax credit or deduction of some kind is offered. These tax incentives may do the job, but at a heavy price to the equity and fairness in the Federal tax system. Already we find that the average taxpayer feels that our tax system is not a model of reform. With the passage of this new tax stimulus program, new loopholes will abound for wealthy individuals and corporations who already pay a less than fair share of Federal tax revenues.

President Carter campaigned extensively on the promise that he would reform a tax system which has become "a disgrace to the human race." He was clearly correct in stating that our tax system has become increasingly regressive with the middle income taxpayer shouldering more of the tax burden while upper income individuals and large corporations pay a disproportionately smaller percentage of tax. Yet barely 6 months before the President is scheduled to announce his own tax reform plans, he has suggested an energy program replete with tax incentives of all types.

Mr. Speaker, I feel that we would be much better off if we used grants and loans to effect many if not most of the objectives desired in the energy plan. This avoids doing further harm to the tax code and guarantees that the grants and loans are processed through the standard congressional authorization and appropriation procedures. These procedures insure that Federal moneys are spent wisely and that the grant programs are halted when they are no longer needed. I would highly recommend a grants and loans approach to the President and I am hopeful that he will see the merits of proceeding in this way when the Congress begins to consider his proposals of last night.

A third unfortunate aspect of the Carter program is the absence of an integrated transportation program. The President began his address last night by pointing out that Americans waste more energy in the transportation area than anywhere else. He referred to the fact that buses, trains, and other mass transit alternatives are far more energy efficient. But his solution is to cut down on the use of the car as much as possible without building up our mass transit system as an alternative. Without these transportation alternatives we leave our citizens with no other choice but to use their car, at a higher cost to the commuter.

In fairness to the President, it must be stated that he does envision a major transportation study to be performed by a Presidential commission. However, I suggest that we need more than transportation studies. We need an action plan which will implement many recommendations which previous transportation studies have already proposed.

A fourth major objection which I have to the energy program involves the lack of any divestiture proposals of any type. I believe that we need competition in the energy area, and in spite of the growing monopolistic trends which have occurred within the oil and gas industries, the President's message states that divestiture proposals are not needed at this time. Not only does the President reject any need for vertical divestiture, but he states that horizontal divestiture is not being seriously contemplated by his administration.

Mr. Speaker, this position seems to run contrary to Mr. Carter's pledge during the campaign that he would implement horizontal divestiture to keep the great energy combines from taking over all new emerging energy sources. If the oil and gas companies take over coal, uranium, solar power and geothermal energy, we could find ourself faced with some of the most awe inspiring monopolies of all time. The oil companies state that they are not a monopoly, that the industries' assets are spread throughout a number of major companies; but the assets of these corporations amount to a de facto monopoly of frightening proportions. It is therefore wrong to allow these companies to extend their control into all phases of the energy business and it is wrong for the President to dismiss the need for at least horizontal divestiture at this time.

Mr. Speaker, in this statement to the Congress I have attempted to deal with both the strengths and weaknesses in the President's energy program. I have indicated that the plan is at its best in bringing about a major energy conservation and solar power implementation effort. Yet it is at its worst in bearing heavily on the low- and middle-income groups who will face sharply higher energy prices in the coming years.

I commend President Carter for the very significant effort which he has made in framing the issues, in alerting the American public to the increasingly short supply of energy which we face, and in directing the attention of his powerful office to the solutions of our energy problems. He has done a fine job in combining a comprehensive energy statement which covers most aspects in the energy area.

As the President stated in delivering his energy message to the Congress however, many individuals will disagree with particular provisions in his program. He is correct in that respect, as I like many others have pointed out some of the inadequacies of the plan. Yet by this criticism I do not mean to indicate that the Congress does not have a duty to work with the President on a priority basis in formulating a national energy plan which will be comprehensive, effective and fair. By correcting the deficiencies which I have specified today, I believe that the President's program could lead to the solutions which are so important to America's future progress in meeting our energy needs.

PERSONAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD at this point a statement regarding several recorded votes I missed on Monday, April 25, 1977, and an indication of how I would have voted had I been present.

The votes are as follows:

Rollcall No. 149, a vote on an amendment offered by Mr. ASPIN of Wisconsin to H.R. 5970, Department of Defense authorization bill for fiscal 1978, to place all future military enlistees under the congressional pension system. The amendment was rejected by a vote of 148 to 247. I was paired for the amendment.

and had I been present, would have voted in favor of it.

Rollcall No. 150, a vote on an amendment offered by Mr. TREEN of Louisiana to H.R. 5970, Department of Defense authorization bill for fiscal 1978, to prohibit the expenditure of funds for the purpose of advertising the existence of the special discharge review program. The amendment was agreed to by a vote of 291 to 96. I was paired against this amendment, and had I been present, would have voted against the amendment.

Rollcall No. 151, a vote on final passage of H.R. 5970, Department of Defense authorization bill for fiscal 1978. The bill passed by a vote of 347 to 43. I was paired for this bill, and had I been present would have voted in favor of it.

RECIPROCAL FISHING AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

Mr. BONKER. Mr. Speaker, the reciprocal agreement with Canada represents, I believe, a conscientious effort on the part of Ambassador Ridgway to maintain some semblance of order in the fishing industries of our two nations until such time as the complexities that must be addressed at some length can be discussed and a long-term agreement reached.

However, I am disturbed that we cannot begin to address the tremendous stock interception that has existed since these fisheries began. Historically, Canadian fishermen have harvested a measureable, documented number of U.S. origin Pacific salmon as they migrate out of our waters into the water off Canada's shores. In fact, the buildup of Canadian troll fishing effort has occurred at a time when the U.S. troll fleet was experiencing a drastic reduction.

I am doubtful that there is a need or a possibility to hold this reciprocal fishing agreement with Canada ransom. but I do feel that I should make every effort to make the Department of State aware that the problem of stock interception is an urgent matter that should be resolved at the earliest possible time, and must in any case be an integral part of the long-term agreement when it is written.

In the meantime, I feel that Canadian officials should recognize that the harvest of Pacific salmon off their coast that originated in U.S. waters and would return to those waters if allowed, is intolerable if continued enhancement is to be financed by American citizens.

Even though the various members of the Pacific Council have stated and published the fact that the management plan addresses both conservation of fish stocks and Federal court-ordered allocation requirements, the fact is that this same management plan, or one very similar, was adopted last year before the Pacific Council came into being with a stated purpose of conservation only. The Canadian fishery management personnel's position that they cannot accept a similar management plan for their ocean waters because "this stated need to meet allocation requirements ordered by the American Federal courts is a domestic problem and not a conservation problem," lies at the base of my concern.

The conservation of U.S. fish stocks ordered by the Fishery Conservation and Management Act cannot be successful unless the same seasons and limits are required for all fishermen from California to Alaska. It is imperative that Canada recognizes that a transfer of salmon will occur if their season goes forward while American fishermen are curtailed—even if that fishing takes place only off Canada's shores—because of the migratory patterns of salmon from U.S. waters to Canadian waters.

Again, I would like to state my reluctance to be an obstructionist. I want to repeat again that I do not feel it is either necessary or possible to refuse to allow the reciprocal fishing agreement with Canada to become effective. But I cannot in good conscience vote to put this agreement into effect without giving notice to the State Department, the Commerce Department, and any Canadian officials who might get the chance to read this, that I feel this agreement negates the effort of the Fishery Conservation and Management Act to conserve the U.S. fish stocks.

The fact that the Pacific Council management plan chose to put major emphasis on the Federal court-ordered allocation need is unfortunate because that was not even handed down until long during committee considerations of the bill in its 6- to 8-year existence before Congress. In fact, the Federal decision was not even handed down until long after this bill first surfaced in Congress. But the Pacific Council did announce that the decision was a major factor in the development of the management plan and there is nothing that can be done to retract that statement, except to assure Canadian fishery managers again that the true concern that should be considered by them is conservation. I hope that message is clearly transmitted to them and that perhaps they can reconsider their salmon fishing season off their Pacific coast in their ocean waters so that it might be the same as that of American salmon fishermen.

INTRODUCTION OF THE FEDERAL INTELLIGENCE AGENCIES CONTROL ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BADILLO) is recognized for 15 minutes.

Mr. BADILLO. Mr Speaker, we are introducing the Federal Intelligence Agencies Control Act of 1977, a comprehensive and far-reaching bill to restructure and reform every aspect of our civilian domestic and foreign intelligence structure.

The need for this legislation is self-evident. We have become numb to the almost daily revelations of crime and abuse within our intelligence operations during the past 7 years. And despite assurances that illegal spying and intrusion into our lives has stopped, there is evidence that indicates that it has not. Recently FBI agents, for the first time, have been indicted for illegal acts. The FBI, the CIA, the National Security Agency have been allowed to establish a separate—and not equal—branch of Government, unchecked and unrestrained in the havoc they have played on the civil rights and liberties of American citizens.

By now we have all learned about how these intelligence agencies have operated, but even today we have not begun to plumb the depths to which these agencies and their shadowy subdivisions have influenced our lives. Last year I served on the Subcommittee on Civil and Constitutional Rights of the Judiciary Committee. Within the jurisdiction of that subcommittee lay FBI oversight. As the session wore on, Attorney General Edward Levi would periodically produce a new set of guidelines to govern some aspect of FBI operations. And it was appalling to me how, each time he or his representatives would come up to the Hill with a new set of guidelines, the members of our subcommittee had no problems finding the loopholes and weaknesses in those regulations. And each time the Attorney General would aver as to how we were absolutely right and he would return to Justice to correct them. Some of those guidelines are in effect right now, and none of them begin to do the job.

The only conclusion I could draw from those hearings—and it was only a confirmation of the conclusion I had drawn earlier—is that no intelligence agency can honestly promulgate the regulations that govern it. Coupling my own experience with those of the Pike committee in the House and the Church committee in the Senate, both of which were obviously manipulated by the very agencies they sought to investigate, I became even more keenly aware that something had to be done, and done quickly, to put an end to the overwhelming potential of abuse that still exists. It is not nearly enough to have an administration that is honest and that respects the rights of Americans. We must have an ironclad law that will no longer countenance any Government criminality.

The bill which we are introducing today covers all Federal intelligence activities. It restricts the FBI to the investigation of crimes and prohibits it from conducting political surveillance; it controls and severely limits the use of covert surveillance, both domestically and in foreign countries, by the CIA and other agencies; it limits access to tax, bank, credit, and telephone toll records; it amends the Freedom of Information Act to limit the "national security" exemption and reduce secrecy; it would make lying to Congress by senior, nonelected officials a crime; it would provide legal protections to Government officials who release information to the Congress; and it would create a special prosecutor's office with jurisdiction over crimes committed by intelligence agency employees.

My colleagues will develop each section of this bill for you, but I shall begin with a more detailed summary of the proposed legislation. The bill consists of seven separate titles, each of which is

addressed to a different aspect of the intelligence issue:

In the domestic area—

All intelligence agencies are prohibited from conducting "political surveillance," that is, investigating the lawful political views and activities of citizens;

Preventive action aimed at disrupting or discrediting individuals or groups—such as the FBI's COINTELPRO—is prohibited;

Selective enforcement of the law against individuals or groups because of their political views or activities—such as IRS auditing of the tax returns of dissenters—is prohibited;

The FBI is sharply limited to a criminal jurisdiction and its Internal Security Division is abolished; and

Statutes now on the books which make criminal certain forms of controversial speech or advocacy—for example, the Smith Act—are repealed.

To insure compliance with these prohibitions in the domestic intelligence area the legislation—

Establishes procedures for initiating criminal investigations;

Contains reporting, inspection, and oversight rquirements at both the administrative and congressional level;

Requires the budgets of the FBI and other domestic intelligence agencies to be published; and

Provides criminal penalties and civil remedies for violation of the prohibition.

The bill would also sharply restrict the kinds of intrusive investigative techniques which intelligence agencies utilize by—

Prohibiting the use of electronic surveillance;

Making it a crime for a Government agent to join or associate, for the purpose of covert surveillance, with a group of persons engaged in activity protected by the first amendment;

Requiring the Government to obtain a warrant, or use a subpena with prior notice in order to inspect a person's tax, bank, or telephone toll records; and

Requiring judicial authorization for the use of mail covers.

In the area of foreign intelligence activities, the premise of the legislation is that there should not be—as there is now—one standard for American citizens and another standard for foreigners, justifying U.S. Government actions abroad which would be unconstitutional or illegal if conducted at home.

Foreign intelligence activities based on this double standard have corrupted American institutions and the principles of democratic government. Accordingly, the legislation—

Prohibits peacetime espionage or covert operations by the United States aimed at foreign countries;

Bars the payment of funds to individuals, businesses, foundations, universities, religious groups, news organizations, or other private bodies to conduct spying or covert operations in peacetime;

Changes the name of the CIA to the Foreign Information Service, the mission of which would be to collect and analyze foreign information from public sources or mechanical sources such as satellites, so long as the communications of U.S. citizens and resident aliens are not intercepted;

Requires all expenditures for foreign intelligence activities to be made through specific annual appropriations, which must be published; and

Creates civil remedies and criminal penalties for violation of these foreign intelligence restrictions.

To enforce these substantive controls which are imposed on the intelligence agencies, the bill contains a variety of measures designed to reduce secrecy and promote accountability to the public by agency officials. These enforcement mechanisms include—

An amendment to the Freedom of Information Act that would limit the categories of national security information subject to withholding from the public;

A provision making it a crime for senior, nonelected officials of the Federal Government knowingly and willfully to conceal or misrepresent an intelligence activity which violates the prohibitions of the Federal Intelligence Agencies Control Act;

A provision protecting "whistleblowers" against administrative reprisal—that is, Federal employees who make good faith disclosures of information when such disclosure is not specifically prohibited by statute and does not constitute a clearly unwarranted invasion of privacy; and

The creation of an independent Office of Special Prosecutor with exclusive jurisdiction to investigate and prosecute all violations of the Federal Intelligence Agencies Control Act.

Mr. CONYERS. Mr. Speaker, the Intelligence Agency Control Act of 1977 is legislation long overdue. The act essentially deals with a quarter-century of the so-called intelligence community operating, as an independent branch of Government, largely immune from the control of our Nation's political institutions and legal controls. Most significantly, the FBI, the CIA, and military intelligence, with Presidential complicity and congressional acquiescence, have persistently violated specific provisions and the integrity of the Constitution.

In the name of "national security," a term which is unknown to the Constitution, the rule of law has been nullified by domestic and foreign intelligence activities. Under the cover of the concept of "secrecy," the Congress and the American people have been subjected to systematic deception and rubterfuge. Ostensibly to protect the national interest, the American people have been denied information essential to the functioning of democracy. By default, Congress has been deprived of information essential to the functioning of the legislative branch. Perhaps worst of all, a large segment of Congress apparently has acquiesced to the assumption that, by evoking the concept of national security, the executive branch has a right to immunity from constitutional restraints.

Therefore, if our democracy is to survive, if our constitutional rights are to preserve their meaning, and if we are to avoid slipping toward police state tyranny, we must vigorously and diligently reinforce the system of checks and balances designed by the framers of the Constitution to prevent such abuses of Federal Government power. The weight of the public record on abuses of domestic and foreign intelligence powers provides us with an unprecedented mandate to insure that Federal law enforcement and intelligence agencies are never again allowed to transcend the control of the American people and to violate the basic principles and provisions of the Constitution.

For these reasons, we are introducing the Intelligence Agency Control Act of 1977. Title I of this act prohibits officials of all Federal law enforcement and intelligence agencies from spying on the lawful political activities of American citizens. It also defines, for the first time in law, the investigation jurisdiction of the FBI, and it provides procedures for making officials of the FBI accountable for their actions.

The shocking record on domestic intelligence investigations defies defense. The FBI and other Federal agencies, including the CIA and military intelligence, infiltrated and compiled secret dossiers on members of organizations across the whole spectrum of social and political dissent in this country. These agencies opened the mail, burglarized the offices, and bugged the phones of civil rights groups, the peace movement, the women's movement, and the student movement. Of course, certain Members of Congress were subjected to these indignities as well.

Even more dangerously, these same agencies intentionally acted to disrupt, neutralize, and discredit persons whose only "crime" was to exercise their first amendment rights. The vicious smear campaign against Dr. Martin Luther King, Jr. is only one example of these lawless tactics. The FBI's role in what appears to have been the police "murder" of Fred Hampton and Mark Clark, and other provocations of violence and dissension in the Black Panthers, are other examples.

Who among us have been the victims of these blatant abuses of state police power? The fact that we still do not know, and cannot even say with certainty that these kinds of crimes have stopped, should be a matter of the gravest concern to every American citizen.

Two critical lessons emerge from this shameful record of the unconstitutional abuse of police power. First, as Vice President MONDALE asserted during his campaign, the intelligence establishment must "be seen for what it was and for what it continues to be: a threat to our national survival as dangerous as any foreign enemy." Second, that the threat persists as long as we neglect to define and limit the powers of these agencies in law and to establish systematic oversight of their activities.

Title I would fill the legislative gap that has allowed the FBI, the CIA, and other intelligence agencies to operate with impunity in violation of the Constitution. The FBI has no legislative charter.

Clearly, before the FBI can be made to obey the law it must have a law that defines and circumscribes its authority and responsibilities. Astonishingly, for the last 40 years, the Bureau has relied on vague Executive orders issued by Presidents to investigate "subversive activities." Today the FBI operates under the so-called Levi Guidelines which FBI agents interpret to permit the same sort of surveillance they have engaged in for these many years. There is wide agreement that statutory definitions and prohibitions are necessary. The Senate Intelligence Committee advocated legislation. FBI Director Kelley advocates legislation. The Carter administration advocates legislation. During the campaign, now-Vice President MONDALE said that the administration would "press for a specific legislative charter to spell out the powers of the FBI, CIA, and other intelligence agencies; and the precise limitations on those powers. We will end the practice of using vague and elastic Executive orders to define the jurisdiction of these sensitive agencies."

Title I of the Federal Intelligence Agencies Control Act of 1977 prohibits "political surveillance" by an agency or official of the U.S. Government defined as the collection or dissemination of information about the first amendment activity of any person. It prohibits "preventive action," the FBI's euphemism for its COINTEL operations to disrupt and discredit citizens: Selective investigations are outlawed; for example, the IRS could no longer conduct politically motivated tax audits.

The FBI is limited by this legislation to the investigation of violations of Federal law. The act makes the Bureau what it is supposed to be—a criminal investigative agency. It would no longer investigate those who espouse unpopular opinions and causes. And to insure this, we have called for the repeal of statutes that on their face punish speech or expression, such as the Smith Act and Voorhis Act.

These are strict prohibitions. But it is our contention, supported by the record, that any threat to our "internal security" can be handled as a matter of law enforcement. If our laws are violated by those intent on harming the country, the FBI may investigate and violators may be prosecuted. The often-made claim of the Bureau that intelligence is necessary to "prevent violence" is not supported by any evidence. According to the Church committee, the FBI has conducted over 500,000 intelligence investigations over the last decade and a half without uncovering one single violent act worthy of prosecution. The GAO audit in 1974 established that the Bureau seldom if ever anticipates illegal or violent activity and usually begins an investigation involving violence after it has occurred. This, of course, is proper. The FBI should investigate when it has evidence of a crime, not when citizens make speeches, attend meetings, or hold rallies. An agency attempting to anticipate all crimes is a big brother agency that takes us down the road to a police state. We have already traveled too far down that road.

Mr. STARK. Mr. Speaker, the outpouring of revelations about Government surveillance of private citizens has proved that snooping into our lives is not just the act of an occasionally over-zealous official. It has become an established and frequent practice. The abuses that have come to light in the past few years show that our right to privacy is very fragile. Too often safeguards are simply ignored, and in many cases they do not even exist. Government intrusion into our lives cannot be allowed to continue. That is why I am sponsoring this bill.

Section 201 of title 11 prohibits the use of electronic surveillance. It is too easy to forget that wiretapping is nothing else but an electronic search. If the Government made a key to your house and had an agent come and go as he pleased, listening to whatever interested him, we would all be outraged. But this is just what the technology of electronic surveillance allows the Government to achieve albeit by a different, seemingly less intrusive means. But a wiretap is actually a far greater invasion of our privacy than a physical search of our home or person. The average wiretap in the year 1972 intercepted over 1,000 calls over a 3-week period—intercepting all conversations no matter how innocent, personal, or irrelevant. This represents a massive invasion of our rights and is precisely the kind of "general search" which the fourth amendment was adopted to prohibit nearly two centuries ago.

While law enforcement officials claim that bugging is a powerful crime-fighting tool, the facts do not bear this out. Very few convictions are the result of wiretaps; the vast majority of these are for gambling offenses. The question arises after an examination of the statistics as to whether wiretaps are worth the cost in both dollars and our liberty. I do not believe they are. I am joined in this view by former Attorney General Ramsey Clark, and it is worth recalling that President Lyndon Johnson urged the Congress—unsuccessfully—in 1967 not to enact the current Federal wiretap law which title 11 of this bill substantially repeals.

If the reports of court-ordered wiretapping show so much promiscuous Government eavesdropping, imagine what has gone on with so-called national security taps for which no warrants or reporting are required. Information from Senator KENNEDY's office indicates that there were almost as much national security taps in the years 1969 and 1970 as there were court ordered taps and that they usually lasted at least three times as long.

Most disturbing is the evidence that this surveillance apparatus was not used as much for gathering criminal evidence as it was for gathering general intelligence information about the social, business, and political associations of the person being listened to. The White House taps of 13 Government employees and 4 newsmen during 1969 and 1970 illustrate too clearly the common features of national security wiretaps. In the Morton Halperin case, the tap continued for 21 months, the last 17 of which he was not even a Government employee. Another example was the tap placed on Martin Luther King until a few days before his death. None of these had anything even remotely to do with criminal activity.

Section 202 bans the infiltration by Government informants of groups engaged in lawful activities. Only a few years ago, it would have been thought that this sort of prohibition was unnecessary. After all, the fifth amendment protects the lawful association of citizens. However, the record now shows that the Government, especially the FBI, systematically used paid informers to disrupt legitimate political groups. Government assertions to the contrary, the record of informers is one of almost constant violations of our rights and perversion of the political system. And despite the fact that the FBI emphasizes the role of informers in fighting crime, its budget for fiscal year 1976 allocated twice as much for intelligence gathering as for organized crime informant programs.

Informers constitute much more than a passive intrusion into political groups. They have often stolen membership lists, engaged in disruptive tactics, encouraged violence, and influenced the direction of the organizations which they have infiltrated. Because of this necessarily active role, informers often pose more of a threat to our liberties than wiretaps. Infiltration by Government informers amounts to a sanction against lawful political activity in far too many cases. It is critical that it be stopped.

Sections 203 and 204 deal with another area that has been left vulnerable—the protection of our personal records form access to Government officials. Hearings held by the Federal Privacy Protection Study Commission over the last 2 years have shown that institutions that maintain our private records—banks, telephone companies, credit card agencies, and the like—do not resist demands for access to information about their customers. From these records it is quite simple to create a profile of a person's life, complete with finances and acquaintances.

This unrestricted Government entry into our private records has been used on many occasions for the collection of purely political intelligence; access to the telephone records of reporters to pinpoint their sources, access to bank records of antiwar and civil rights groups to identify their contributors—indeed, access to practically anyone at all, for these intelligence gatherers operate with a completely free hand.

It is time that procedural protections guaranteed by the fourth amendment, which sanctifies the privacy of our home against general searches, be extended to those private records whose safekeeping we entrust to outsiders. Just like the search of a private home, a search of private records should be carried out only with a court order after having met specific conditions. We should not allow Government fishing trips into our personal lives.

Lastly, section 206 of title II establishes a procedure for conducting mail covers. Not until recent hearings before the Senate Select Committee on Intelligence was the full extent of mail surveillance operations revealed. We already knew

about the case of a New Jersey high school student who wrote to the Socialist Workers Party as part of a school project resulting in her being investigated by the FBI. But it was not until the Church hearings that we learned that over a 20-year period, a CIA office in New York filmed the envelopes of over 2 million letters and opened more than 200,000. There were similar operations in three other locations. Clearly, this type of search should also be governed by a judicial warrant procedure and conducted only when there is a probable cause to believe that a crime has been committed.

In sum, Government assertions of the need for general surveillance and secrecy cannot be allowed to overshadow our constitutional rights. Though there is no doubt in my mind that law enforcement might operate more efficiently without the Bill of Rights, we have chosen to pay that price to preserve our liberties. Without taking the steps called for in this bill to guarantee our rights to privacy as well as freedom from unwarranted Government searches, whether by physical or electronic means, we will be forfeiting our birthright as Americans.

TITLE III

INTRODUCTION

In 1947 Congress created the CIA and gave it a statutory mandate to coordinate intelligence analysis within the Federal Government. The surprise attack on Pearl Harbor had taught the need for a centralized intelligence service. The growing hostility between the United States and the Soviet Union gave it added urgency. Nowhere did that statute, the National Security Act of 1947, authorize the CIA to engage in clandestine collection of intelligence or covert action to influence foreign events. The legislative history of the 1947 act does not indicate that the full Congress intended to authorize such activities. Yet within 3 years clandestine activities, involving both covert operations and covert collection; that is, espionage, occupied the bulk of the CIA's energies. It became the first peacetime spying agency in our Nation's history.

The CIA developed clandestine techniques for use abroad, but as the atmosphere of the cold war and McCarthyism triggered a search for enemies at home, our Government began to apply the same techniques at home. By 1976, a Senate committee could conclude that domestic intelligence activities "undermined the constitutional rights of citizens." (Church Report, Book II, p. 289.)

This is a rough, tough, dirty business, and dangerous—

William C. Sullivan, former FBI assistant director in charge of the Bureau's intelligence program, recently testified—

No holds were barred. . . . We have used (these techniques) against Soviet agents. They have used (them) against us. . . . (The same methods were) brought home against any organization against which we were targeted. We did not differentiate. This is a rough, tough business.

Watergate, impeachment, and the Church and Pike committee investigations of CIA activities at home and abroad have taught the public to be far more skeptical about our Government's activities. There is thus growing support for efforts to curtail domestic intelligence activities at home and to restrict, if not abolish, covert operations abroad. However, with the possible exception of the suppressed report of the Pike committee which reviewed the failures of intelligence collection and analysis and questioned the need for some of the methods, few have seriously questioned whether the United States should continue to engage in covert collection as well. The general attitude has been that domestic abuses can be corrected without restricting foreign collection activities and that foreign abuses can be corrected by banning or at least limiting covert operations. We disagree. If the acknowledged domestic abuses, such as using the CIA to find a foreign basis for the anti-Vietnam war protests, and all covert operations, were to be banned tomorrow, the continuation of pure foreign intelligence collection by covert means would present the same dangers.

Democracy cannot afford involvement in peacetime espionage, any more than it can afford involvement in covert operations. Both require the same clandestine apparatus, the same clandestine bureaucracy, the same secrecy, the same cover, the same lies—in short, the same costs to democracy. We disagree fundamentally with the Church committee which, although warned about the impact which the secrecy mandated by both covert operations and espionage had on democracy, concluded that democracy had to yield.

A peacetime spying apparatus contributes little to our national security while posing a grave threat to constitutional rights and to open democratic procedures in the United States. The costs—corruption of our own institutions, secrecy, government deception of its own people, and the inevitable spillover of the "rough, tough business" against our own citizens—are simply too high.

We therefore propose: First, to abolish peacetime human espionage and to restructure the CIA as the Foreign Information Service, focusing on collection and analysis of information gathered from overt sources or by technical sources; second, to ban all covert operations abroad; and third, to restrict the use of counterintelligence investigations as an espionage tool, requiring instead that foreign spies who break our laws be investigated and prosecuted like other criminals.

Along with these fundamental changes, we would strengthen and expand the existing ban on CIA domestic activities, transfer the responsibility for background investigation of Foreign Information Service employees or contractors to the Civil Service Commission, and make the total budget of the Foreign Information Service—as well as the budgets of the FBI and other intelligence agencis—public, so that the allocation of Government funds for particular intelligence purposes could be publicly debated, as mandated by the Constitution.

Our argument for banning continuing U.S. involvement in classical espionage has two basic elements:

The costs of espionage in terms of corruption of our democracy are far too high.

The gains from espionage are illusory.

The costs of espionage in terms of corruption of our democracy are far too high.

A peacetime spying apparatus poses a grave threat to both constitutional rights and to open democratic procedures. It corrupts our institutions, both public and private. The secrecy it demands allows abuses to flourish. Spying involves the Government in secret relationships with individuals and institutions. The Church committee has documented the range of tasks which these institutions perform for the CIA—scholars and journalists collecting intelligence, journalists propaganda, U.S. publications abroad providing cover. In some cases CIA involvement is even hidden from the recipient.

Prior to 1967 the CIA covertly funded academic and philanthropic foundations in an extensive way. After disclosure of the CIA funding of the National Student Association caused a nationwide furor, a Presidential committee headed by Nicholas Katzenbach recommended ending such funding of educational or private voluntary organizations. Many important covert relationships were untouched: covert relationships with U.S. businesses, covert funding of foreign-based organizations, and covert relationships with individuals as opposed to institutions.

Today academicians—including administrators, faculty members, and graduate student teachers—at over 100 American colleges, universities and related institutions are still being used by the CIA. The CIA uses the U.S. media for both intelligence collection and cover. They have a network of foreign individuals who give the CIA access to and influence with foreign press institutions. The CIA produces or subsidizes books and articles for propaganda purposes. Although aimed at foreign audiences, many circulate in the United States. On at least one occasion, a CIA book was reviewed in the New York Times by a writer under contract with the CIA. Despite earlier flaps over the use of U.S. religious personnel, a small number are still being used for intelligence collection purposes, including a U.S. priest informing on students and religious dissidents. (Church Report, Book I, pp. 179–203.)

The CIA also makes wide use of American and multinational corporations. Banks secretly help move money. Corporations provide cover. According to William Colby, the CIA had over 200 operatives working under corporate cover as of February 1974. (Halperin et al., "The Lawless State," Penguin 1976, pp. 47–8.) These relationships weaken the moral fiber of our country and destroy our good name abroad. The covert use of American universities, journalists, teachers, and religious leaders—all of whom help to mold the beliefs of our own citizens,

and of those we seek to influence abroad by our example.

In the words of President Jimmy Carter:

> Our nation can be strong abroad only if it is strong at home, and we know that the best way to enhance freedom in other lands is to demonstrate here that our democratic system is worthy of emulation.
>
> To be true to ourselves, we must be true to others. We will not behave in foreign places so as to violate our rules and standards here at home, for we know that this trust which our nation earns is essential to our strength.

His words echo those written by Justice Brandeis 50 years ago:

> Our government is the . . . omnipotent teacher. For good or ill, it teaches the whole people by its example. Crime is contagious. If government becomes a law-breaker it breeds contempt for the law; it invites every man to become a law unto himself; it invites anarchy.

The existence of these covert relationships also corrupts the process of Government itself. The Church committee, in examining the CIA role on the American college campus, concluded that these activities pose a threat to academic freedom. However, the committee was prevented from accurately describing what the CIA does by the Agency's insistence that it could not maintain its peacetime spying apparatus without performing these activities on campus and that if they were described publicly they could not continue. Thus, we are prevented from having a public debate about whether we want to tolerate activities which a Senate committee believes threatens one of the very foundations of our society—the free university. It has been this way since the CIA began. As noted at the outset, the legislative history of the CIA does not indicate that the full Congress intended to authorize covert collection of intelligence and other clandestine activities. Supporters of these CIA activities claim they were authorized from the outset. The Church committee reports that—

> The legislating committees discussed the issue in some detail in executive session, but it was mentioned only briefly in public hearing and floor debates. (Church Report, Book I, p. 128)

If, as CIA supporters claim, this provided effective legitimate authority for clandstone collection, a basic decision about the way our democratic Government was to conduct its business for the first time in peacetime history was made in secret, without public debate and, indeed, without public knowledge.

An additional price of covert foreign intelligence collection in terms of corruption of the functioning of the Government itself is favoritism for those who provide "cover" for covert intelligence gathering. The inevitable result of "cover" arrangements for "pure" intelligence gathering, such as that which was maintained for the Hughes' Glomar Explorer—a $250,000 to $450,000 expenditure—is that those who give help receive favors. Whether ITT in Chile, or Howard Hughes around the world, they receive special treatment under domestic law. In a series of articles in the Philadelphia Inquirer, Bartlett and Steele, the winners of the 1975 Pulitzer prize, wrote of Hughes' antitrust law exemptions, his immunity from extradition, the refusals to prosecute him in Las Vegas, to tax him, and to prosecute him and other corporations for perjury or nondisclosure of facts under the securities laws.

Another startling example just recently came to light. Six years ago the CIA had a bug in the South Korean presidential palace. The bug picked up information about the South Koreans' plans to influence U.S. policy by making secret cash payments to Members of Congress and by establishing the Reverend Sun Myung Moon as a link to the American people. All the details of these plans were known to the CIA, but it decided not to reveal them to the Justice Department or any other Government agency because it didn't want to jeopardize its bug in the palace. An even more recent example of the corrupting power of secret funding for intelligence-gathering purposes involves newly elected President Jimmy Carter. Candidate Carter promised to curtail excessive secrecy. As indicated above, in his inaugural address, he said:

> We will not behave in foreign places so as to violate our rules and standards here at home . . .

Approximately 1 month later, President Carter sought to stop the publication of news stories revealing that the CIA had paid millions of dollars to King Hussein of Jordan. Faced with charges that the payments were bribes, administration spokesmen defended them as payments for intelligence-gathering and the President himself described these kinds of operations as "legitimate and proper" and described their revelation as "extremely damaging." The other administration response was to call for more secrecy. President Carter reduced the number of White House staff with access to intelligence secrets and endorsed a single congressional committee so as to limit the number of people to whom these same secrets would have to be revealed. CIA Director-designate Turner endorsed criminal penalties for those who disclose official secrets at his confirmation hearing.

In order to protect its ability to collect intelligence abroad, the U.S. Government has also tolerated actions of the undercover agents of friendly countries such as Iran, South Korea, Chile, and Taiwan. The Iranian secret service, as numerous articles and TV reports have documented, has surveyed and used physical violence against anti-Shah students in the U.S. State Department testimony before Congress confirmed the Korean CIA's physical attacks on Korean-Americans opposed to the Park regime and its subsidy of the Korean press in the United States. (See e.g. Marks, "'Friendly' Secret Agents," Washington Post, Nov. 8, 1976; "The Multinational CIA," The Nation, Nov. 13, 1976.)

Spying also involves the government in deceit and secrecy. For the last quarter century Presidents of the United States have regularly lied to the people in the name of "national security." Eisenhower lied about the U–2, Kennedy about the Bay of Pigs. Johnson had a "credibility gap." Nixon was forced to resign because of his lies, and Gerald Ford told the House Judiciary Committee he too would lie in the name of national security.

The need to lie, reinforced by pervasive secrecy, has encouraged Government officials to act beyond the law and in ways they know the public would never tolerate if it had the facts. As columnist Tom Braden, a former CIA official, has described it:

> You bring a group of people together, bind them with an oath, test their loyalty periodically with machines, spy on them to make sure they're not meeting secretly with someone from the Czech Embassy, cushion them from the rest of the world with a false cover story, teach them to lie because lying is in the national interest, and they do not behave like other men.

Such lies and deceptions about acts of government are inconsistent with democracy's basic tenet—government depends on the consent of the governed. Our best national security is not secrecy but the truth. A democratic government based on lies loses its legitimacy. Thomas Jefferson, in the Declaration of Independence wrote that "to secure the rights of liberty, governments are instituted among men, deriving their just powers from the consent of the governed." Only if Congress and the public can get at the truth can there be meaningful accountability. The secrecy which these activities mandate make effective control and oversight impossbile. The curtain of secrecy and deception enables the Government to conduct operations, many of which have important policy ramifications, without the knowledge or consent of the people.

If the Government is free to use covert techniques to collect foreign intelligence information and to hide them with secrecy and deception it is inevitable that they will be used against our own citizens. President Johnson and the CIA justified their voracious pursuit of information on American antiwar demonstrators for their foreign links. The CIA's Operation CHAOS was a covert foreign intelligence operation, as was its mail-opening program. No other basis is offered to support the practices of the National Security Agency in monitoring cable and telephone traffic to and from the United States. And recently, Senator KENNEDY and others, with the help of the Ford administration, fought hard for legislation to authorize, albeit under a kind of warrant, wiretapping of Americans in order to collect foreign intelligence information.

Critics of our proposal to abolish peacetime spying label it naive and unworkable. "Our enemies do it. We must do it too" goes the argument. But in fact one need not, and we believe should not, follow the other.

Second, information gotten from espionage is a very small percentage of the intelligence data we acquire, unreliable because of the constant risk of misinterpretation or double agents, often

not shared with analysts for fear of disclosure, useless for obtaining military information, inefficient and a waste of the taxpayers' money.

About 95 percent of our foreign intelligence comes from satellites and the analysis of public information, not from spies. Most of the means by which the United States now gathers information about foreign activities thus would not be affected at all by the adoption of this proposal. Spy satellites would still circle the globe taking pictures of, for example, Soviet missile silos. Other technical means of intelligence could be employed to intercept and decode foreign communications. American foreign service officers and military attaches abroad could still gather information. Open sources, including radio broadcasts, could be combed for clues as to capabilities and intentions.

These judgments are confirmed by the June 1975 Report of the Commission on the Organization of the Government for the Conduct of Foreign Policy—the Murphy commission. A paper accompanying that report estimates that approximately 20 to 25 percent of the information used by the intelligence community comes from open sources—newspaper and magazine articles, scholarly journals, books, radio broadcasts and the published documents of foreign governments and international organizations. Another 20 to 25 percent comes from official reports of U.S. Government officials openly stationed abroad—Foreign Service officers, U.S. AID mission officials, Treasury, Labor and Agricultures attachés and USIS personnel. Another 10 percent comes from U.S. military officials stationed abroad. The final source of information collected by humans, as opposed to by technical means, is information obtained by clandestine collection.

In this area, the report estimates "probably no more than 5 percent of the total information used by the intelligence community comes from classical espionage operations." The remainder of the information—probably over a third of the total—comes from technological methods which have rapidly grown since World War II—communications intelligence derived sometimes from the contents and also from analysis of the traffic, interception of noncommunication radio waves from weapons being tested, technical receivers for detecting shock waves from nuclear explosions, and, most importantly, imagery or photographic intelligence by satellite, reconnaissance planes and other means. William J. Barnds, "Intelligence and Policymaking in an Institutional Context," volume 7, report of the Commission on the Organization of the Government for the Conduct of Foreign Policy, 25–27, June 1975.

This same figure—that espionage accounts for only 5 percent of information collected—is repeated in another Murphy commission paper. Paul W. Blackstock. "Intelligence, Covert Operations and Foreign Policy", ibid at 101.

Information gained from espionage is inherently unreliable. Informants and spies have usually had intimate relations with the enemy country and it is difficult to determine where their loyalties actually lie. Furthermore, our agencies have little contact with their foreign agents and have no real way of knowing if their agents have been discovered and are continuing to send valid information. The uncertainty of covert sources and the inability to validate the information, according to many intelligence experts, makes clandestine collection almost useless. (Halperin, Mortion, "The Abuses of the Intelligence Agencies", pg. 128).

Certain events during the Cuban missile crisis clearly illustrate this reliability problem. Cuban informants reported seeing missiles several weeks prior to their discovery through aerial photography, but intelligence analysts had rejected the reports, feeling they were unreliable. Prior to this time Cuban informants had made numerous reports of missile sightings which had proved to be false. This clandestine intelligence network in Cuba, which was much more comprehensive and secure than that which exists in either the Soviet Union or China was still considered unreliable. Even when the information was reliable, analysts did not rely upon it. (Scoville, Herbert, "Is Espionage a Necessary Instrument for Intelligence Collection?")

Herbert Scoville, the former CIA Assistant Director for Scientific Intelligence, referred to above, argues that spies have only a limited area of usefulness—collecting political not military intelligence:

> Human covert sources rarely provide useful intelligence in the military area. It is hard enough to recruit an agent who has any inside knowledge on military affairs, but it is even more difficult to recruit one who has sufficient technical background to provide timely and meaningful information on the characteristics of modern weapons.

He argues:

> And even then, there are better and more reliable ways to obtain information. Even in the case of highly secure societies, public information and overt means are probably the most important source of political intelligence. Over the years, there have developed a coterie of experts on Soviet society and politics. . . . Similar groups, although far less extensive, follow other areas of the world.
>
> In sum, espionage would appear to have only limited potential as a source of intelligence information. In the national security and military areas, it rarely will supply data of any great value and is a relatively unimportant and less reliable adjunct to technological methods.

Supporters of CIA espionage activities cite most often the Soviet and Chinese threats. Victor Marchetti and John Marks—both former CIA agents—in their recent book, "The CIA and the Cult of Intelligence," page 24, claim that our agencies have been completely unsuccessful at placing spies in either the Soviet Union or China. Former Secretary of Defense Clark Clifford has testified that we have no penetration of the Soviet Union. (Cite Church, vol. 7, p. 91) Scoville, along with Marks and Marchetti, argues that espionage has proved successful only in the weaker, less secure Third World countries—countries which in no real way directly threaten us. The Church committee reports that the CIA's clandestine collection efforts are being reoriented against "denied areas"—that is, Communist countries—and away from Third World countries. (Church Report, Book I, p. 437) The Murphy commission paper referred to earlier states that—

> The police organizations of the Communist countries, especially the Soviet Union and China, make these societies especially hard to penetrate. (Barnds, op. cit at 26.)

The argument that in the area of political intelligence, there are better ways to collect information is made as well by anthropologist Margaret Mead. Writing in a popular magazine, she observes:

> Spying is neither efficient nor necessary for the orderly, intelligent conduct of human affairs. What can be learned by spying is inevitably piecemeal and subject to misinterpretation because it is torn from its context. In order to be effective, what we need to know about the political, economic and social life of any country depends in the first instance on a sound knowledge of the language and culture of that country.
>
> And what we need essentially is a well-trained and trusted career foreign service, whose members build up a sound working knowledge of particular areas of the world at first hand and who are in good communication with similarly well-trained analysts and policy makers at home. Knowledge that is openly arrived at and openly discussed can always be tested against the realities of the current situation and can be corrected as situations change. (Margaret Mead, Redbook Magazine, June 1976)

TITLE IV

Mr. CARR. Mr. Speaker, the substantive provisions of this legislation will have little effect unless they are reinforced by a drastic reduction in secrecy. In order to do that effectively, we must modify the premise underlying the security classification system. We have always assumed that information should not be made public if it had any effect at all on foreign or military affairs. We all know that this has resulted in millions of pieces of paper stamped secret by overzealous and self-protective bureaucrats. We have seen everything from the Pentagon Papers to information about break-ins at the Socialist Workers Party classified. And how many of us as individuals received, after much struggle, our own files—a thought appalling enough in itself—only to discover page after page crossed with heavy black lines for "national security" reasons?

To prevent the growth of illegal practices under the cloak of secrecy, this bill begins with the premise that all Government information should be disclosed. There would be exceptions to that relating to the technical details of weaponry, military operations in time of declared war, and military defense plans for response to a direct attack by a foreign power, but only when this information could reasonably be expected to cause damage to the national defense, and this damage would be severe enough to outweigh the public interest in disclosure. No other approach to classification can be consistent with an open, democratic society.

Section 401 of the bill amends the Freedom of Information Act so that the categories of national defense information that may be withheld from public disclosure are considerably narrowed.

The only information that could be withheld upon a request for public disclosure would be information relating to certain aspects of national defense, as I discussed earlier, and even in those instances, the information could not be withheld if it "appears to relate to illegal or unconstitutional activities engaged in by an official of the Federal Government." Of course, judicial review would continue to be available under the Freedom of Information Act.

Section 402 defines the categories of national defense information that may be withheld. As well as those mentioned above, it also includes restricted data as defined by the Atomic Energy Act of 1954, and information pertaining to communications intelligence and cryptography, the disclosure of which is prohibited by law.

We must reject the premise of government that secrecy is necessary for our national security. Secrecy corrupts. It corrupts institutions and it corrupts democracy by preventing people from evaluating their government, and permitting government agencies to grow without any accountability to the public. Title IV of this bill will help to put an end to it.

TITLES V–VI

To enforce the controls over intelligence activities which the bill we are introducing today would impose, it is necessary to protect Government employees who "blow the whistle" on illegal or improper conduct and to deter senior officials from lying to Congress or the public about intelligence operations.

No one is in a better position to expose illegal or prohibited official conduct than Government employees with first-hand knowledge of the facts. The way the system now works, however, when an employee blows the whistle on his superiors—as did Ernest Fitzgerald, the Air Force analyst who alerted the public to huge cost overruns on the C5A airplane—he or she will be ostracized, discredited, and ultimately forced out of Government. On the other hand, when a senior official lies to the public to protect himself or his agency—as Richard Helms did when he was questioned by Congress about the CIA's domestic activities and its involvement in Watergate—he will suffer no penalty for helping to protect illegal or secret activities by covering up the truth.

Our Government derives its power from the consent of the people. Yet that consent cannot be given when the people are not allowed access to facts; when abuses of the Constitution are shrouded by "national security"; when lies and deceit are cloaked by claims of executive privilege; and when actions that expose abuses of the public's trust are punished because they affect the "efficiency of the service."

The claim that firing or disciplining "whistle blowers" promotes "the efficiency of the service" is absurb. Sound public policy requires that malfeasance and misfeasance in the executive branch be exposed. We have learned dramatically that we cannot count on those at the top to assume this responsibility. People who refuse to participate in executive branch coverups—who reveal abuses of the public trust which others seek to hide—should be rewarded not penalized.

For each Government scandal exposed by investigation from outside, by the press or others, the question must be asked: Where were the loyal public officials whose very jobs make them responsible for protecting the public from wrongdoing? Why, during the Watergate period, did we have silence by so many employees in various Government agencies, such as the IRS, who were told to perform illegal and improper political deeds? Why did no one speak up to stop the illegal wiretaps, the burglaries, the surveillance? Why have there been so few Ernie Fitzgeralds?

Why did it take so long to expose the massive CIA violations of the law which the Church and Pike committees and Rockefeller commission have documented? Why did CIA Director Helms agree to provide President Johnson with information on American students knowing full well that doing so was outside the CIA's charter? Why did no one inside the CIA expose these things? It is the systematized acceptance of both secrecy and deception of the public which has made this all possible.

Titles V and VI of the bill we are introducing today seek to effectuate several constitutional interests: The public's rights to know; the right of Congress to obtain information to legislate and oversee the executive branch; and the right of the Government employees under the first amendment to speak out on public issues and to petition the Congress for redress of grievances. In implementing these important interests, this bill would reverse the assumption, under which the intelligence agencies have operated for so long. Good faith disclosures to the public by Government employees acting unilaterally and not in violation of any criminal statute would be protected, while high level official lies would be punished. In this way the secrecy and deceit which protect illegal intelligence activities can be eliminated.

Mr. DRINAN. Mr. Speaker, I am pleased to join Representative BADILLO and other Members of the House in introducing the Federal Intelligence Agencies Control Act of 1977. The measure is designed to bring the investigative and intelligence agencies of the Federal Government under effective control. For too long, agencies such as the FBI have operated without any guidance from Congress and without any restraint by the President. This bill seeks to correct those deficiencies by carefully defining the jurisdiction and permissible activities of the affected agencies.

Other Members today have addressed the provisions of this bill restricting the activities of intelligence and investigative agencies. I will not reiterate their descriptions of those features. I do wish to comment briefly, however, on one of the remedial devices in the proposal: The creation of an office of special prosecutor to deal solely with crimes arising out of "intelligence and counterintelligence activities." That office is established by title VII of the bill, which defines the jurisdiction of the office in a manner similar to the definition in H.R. 11357, a bill I introduced last year.

The need for a special prosecutor with jurisdiction over the intelligence community has been cogently stated by Senator CHURCH. I am appending to my comments here the full text of Senator CHURCH's analysis of the inadequacies of enforcing Federal criminal laws against these agencies through the regular channels at the Justice Department.

The principal objection is that the Department of Justice has been something less than vigorous in pursuing and prosecuting offenses committed by Federal employees engaged in intelligence or counterintelligence activities. The historical relationship between the Department and the agencies covered by this bill discloses a "sweetheart" arrangement which is inconsistent with is duty to enforce the criminal laws impartially.

We should recall that from 1954 until early 1975, the Justice Department essentially delegated its investigative and prosecutorial functions, involving alleged criminal conduct by employees of the CIA, to the Director of that agency. I understand that a similar arrangement obtained with the FBI, apart from the fact that it is a part of the Justice Department.

In addition the Justice Departments provides legal representation to present and former employees of these agencies in civil actions arising out of their official conduct, however illegal it might have been. That provision of legal counsel represents an inherent conflict of interest and argues strongly for an independent prosecutor to investigate the allegations of criminality.

It is of the highest importance that Federal employees engaged in intelligence or counter-intelligence be held to the same standards as all citizens. Their duty to obey the law cannot be relieved simply because of the nature of their work. The maxim that no one is above the law applies with equal force to these Federal agents. Title VII of this bill seeks to restore the belief of Americans in that premise, so seriously eroded by those to whom we have given very sensitive tasks.

I urge the Members of this House to support this omnibus bill and hope that the committees to which it is referred will undertake hearings at the earliest possible time. Congress has for too long allowed these agencies unbridled discretion in their operations. It is now time to regulate them and to place precise limitations on their authority.

I insert Senator CHURCH's statement in the RECORD at this point:

GOVERNMENT ADHERENCE TO THE LAW: A CALL FOR A TEMPORARY SPECIAL PROSECUTOR ON INTELLIGENCE ABUSES

Mr. CHURCH. Mr. President, a year ago the Select Committee on Intelligence began its investigation of the American intelligence service. Since then, the road we have traveled has been long and hard. But now the end of the journey is near. Soon the committee will present its final recommendations.

We have sat neither as judges nor jurors in this inquiry. It has not been our function to act as a grand jury. Our purpose, rather,

has been to obtain information to aid the legislative process. In particular, we have sought the knowledge and understanding, based on a close review of intelligence activities over the past three decades, which could help us develop sound legislative remedies to reform the intelligence agencies and prevent abuses of power in the future.

The criminal investigation and prosecution of officials within the intelligence service who may have violated the law is not the task of this, or any other, congressional committee. Yet all Members of Congress, and the citizens they represent, should be concerned that justice takes its proper and impartial course in this matter.

The Senate Select Committee has spent the better part of a year ferreting out the facts and has established that many laws have indeed been violated. The list is extensive:

From 1956 to 1971, the Federal Bureau of Investigation carried out five counter-intelligence programs, or "COINTELPROs," against a variety of organizations involved in peaceful protests. Among these organizations were the Southern Christian Leadership Conference, most black student groups, and various antiwar groups.

The FBI program against the New Left was the most wide sweeping of all. Its targets included underground newspapers, students protesting various university policies, the antiwar Inter-University Committee for Debate on Foreign Policy, and several colleges and universities.

The FBI tactics included the use of anonymous letters and telephone calls designed to disrupt families, friendships, careers, and organizations; the use of agents provocateurs to sow dissension and fragment groups; the dissemination of fake information about individuals to employers, credit bureaus, and creditors; the instigation of tax investigations against certain citizens for harassment purposes, alone; the investigation of the private life of group leaders for whispering to the press; and an almost endless list of equally deplorable assaults on first amendment rights.

From 1962 until his death, Dr. Martin Luther King was the target of a vicious campaign by the FBI to discredit him as the most prominent black activist in America. The full array of the Bureau's sophisticated devices of technical surveillance was turned against Dr. King. He was illegally bugged, tapped, and followed. Information on his private life was then delivered by agents of the FBI to clergymen, Members of Congress, the White House, U.S. Ambassadors, newsmen, the National Science Foundation, and the British Government, among others. Agents were sent to colleges to persuade them not to grant Dr. King honorary degrees.

Information obtained from microphone coverage of Dr. King was handcarried to prominent clergymen throughout the country. As one agent recalls:

"[Hoover] sent me . . . to talk to an Episcopalian Bishop. He instructed me to tell this Episcopalian Bishop, who had been speaking for King . . . all sorts of details. It was not a pleasant assignment. But it was an order, an instruction, and I did go. . . . [The Bishop] led me to believe that we could have done a more honorable thing if we had stayed in Washington and not carried that tale out there, and I'm inclined to think that he was right."

Thirty-four days before Dr. King was to fly to Norway to receive the highest honor an American can earn, the Nobel Prize for Peace, the Federal Bureau of Investigation even sent him a message urging him to take his own life. The unsigned note read:

"King, there is only one thing left for you to do. You know what it is. You have just 34 days in which to do it. (This exact number has been selected for a specific reason.) It has definite practical significance. You are done. There is but one way out for you."

The FBI has engaged in a host of other questionable activities, including the collection of intelligence on critics and political opponents of incumbent Presidents.

In 1969, the Internal Revenue Service established a special service staff—SSS. For the next 5 years the SS staff was used by the IRS and, indirectly, the FBI to gather intelligence on dissident groups. Its 11,458 files included dossiers on antiwar leaders, black political leaders, writers, labor organizers, tax reform groups, civil rights groups, women's liberation groups, clergymen, and many more.

In 1967, a special operations group was formed in the Central Intelligence Agency. Its purpose was to explore possible ties between hostile foreign nations and domestic dissent within the United States. The project received the code-name "Operation CHAOS." Over a 6-year period, CHAOS accumulated more than 13,000 files, including 7,200 on American citizens. Through this program the CIA became a storehouse for the stockpiling of large quantities of data on citizens of this country.

From 1940 to 1973, various illegal mail-opening programs were conducted intermittently by the CIA and the FBI. The CIA program ran—off and on—from 1952 to 1973, and involved the opening of mail to and from American citizens. This mail was intercepted in five major cities within the United States, with the largest operation taking place in New York City. In that metropolis alone, 9,000 letters were opened and read by CIA agents in the last year of the program. Among the individuals and organizations whose mail was examined were Arthur Burns, Mrs. Martin Luther King, Jr., Richard Nixon, Senators HUMPHREY and KENNEDY, the Ford Foundation, Harvard University, and the Rockefeller Foundation.

The FBI mail-opening program ran from 1940 to 1966, with Federal agents in seven American cities reading and photographing letters written by citizens of the United States. The FBI also cooperated with the CIA mail program in New York City, receiving copies of more than 50,000 intercepted letters from the Agency between 1958 and 1973. Military intelligence units shared the CIA take, too.

In the summer of 1970, the so-called Huston Plan was drafted for and approved by the President. Based on a sweeping review of intelligence collection methods prepared by officials of the CIA, the FBI, the National Security Agency—NSA—the Defense Intelligency Agency—DIA—and the separate military service units, the Huston Plan contained a series of illegal proposals. The plan, approved by President Nixon, invested the intelligence agencies with Presidential authority to monitor the international communications of U.S. citizens; intensify the electronic surveillance of domestic dissidents; read the mail of American citizens; break into the homes of domestic dissenters; and increase the coverage of college students.

Although the plan was rescinded 5 days after its initial approval, several of the programs continued—just as they had gone on before the Presidential appointment. They had a life of their own, apart from higher authority. The CIA mail program is but one example.

Among the programs approved by the President in the Huston Plan was a "watch list" maintained on American citizens by the National Security Agency. Messages carried over international communications facilities which were to, from, or about individuals whose names appeared on the watch list were automatically sorted out and monitored by NSA computers. The messages were also disseminated to the CIA, the FBI, and the Secret Service. Throughout the 1960s and early 1970's, over 16,000 American names were placed on the NSA watch list.

Moreover, since 1945, three international telegraph companies provided the U.S. Government with copies of telegrams sent abroad by American citizens. This program was turned over to the National Security Agency, when that agency was established in 1952 and it became known as Operation Shamrock. American names on the NSA watch list served as computer indexes or signals for the private companies to sort from their large volume of messages those which were of interest to the Government. These messages were then circulated to the Bureau and the CIA.

This is, by no means, a comprehensive list of unlawful conduct by the intelligence agencies. The possibility of perjury by intelligence officers before the Congress is not the least of several questions which have yet to be resolved by a thorough investigation of the evidence. This is an issue of utmost importance, since the Congress cannot hope to arrive at useful remedial legislation on the intelligence service—or any other public policy concern—if it is not told the truth.

The issue, then, is not whether laws have been violated, but rather when and how justice will be served. The "when" ought to be as soon as possible; the "how" is a more tangled problem.

An argument can be made in favor of allowing the usual processes and institutions to take their course. The Justice Department has begun to conduct criminal investigations of several cases uncovered by the Rockefeller Commission and the committees of Congress. It can be argued that these investigations should not be interrupted since they have already begun.

Certainly, the present Attorney General is a man of integrity. He has voiced his concern several times over regarding the abuses which have come to light through the investigations of the past year. He has been helpful to the select committee by providing documents and other information. I have full confidence in his good intentions and his respect for the law.

Nonetheless, the Attorney General faces an unfortunate dilemma. Since the Federal Bureau of Investigation is a subdivision of the Justice Department, it lies within the administrative responsibility of the Attorney General. He is thus placed in a position of investigating the very house over which he must preside.

It is not only the actuality of impartiality which is at stake. The appearance of impartiality is just as important. The American Bar Association standards for criminal justice provide that a prosecuting officer should have no conflict of interest or the appearance of a conflict of interest. As Chesterfield Smith, past president of the ABA, has noted:

"Under the Standards, it would be improper for an investigation . . . of the Executive Branch of the Federal Government to be conducted by a prosecutor subject to the direction and control of the President."

The fact that the FBI is a part of the Justice Department is not the only troubling aspect of this situation—though it is serious enough since, over the years, senior FBI officials and Justice personnel have had close contact in their daily work and have shared knowledge of the dubious activities brought to light by the select committee inquiry. The Justice Department and the CIA have also had a unique relationship. A secret agreement between the two was in effect for 20 years which exempted the Agency from the usual requirements of reporting to Justice any violations of the law among CIA personnel.

Moreover, it is the Justice Department which is supposed to represent intelligence officials who may be sued for civil damages as a consequence of the disclosures brought

about by the Congressional investigations. How can the Justice Department investigate and prosecute these officials, on the one hand, and defend their interests in civil suits on the other? It just will not work.

It is obvious that the public is deeply troubled by the findings of the investigations into the intelligence service. In a recent Harris survey, 80 percent of those interviewed agreed "it was wrong for the FBI to send a note to Martin Luther King suggesting that he commit suicide"; 74 percent agreed "it was wrong for the CIA to work out a deal with Mafia characters to try to assassinate Castro"; and 61 percent agreed "it was a violation of basic rights for the CIA and FBI to conduct spying on prominent Americans here at home."

The Government must move decisively. To avoid charges of a whitewash, it is in the best interests of the Justice Department to disqualify itself in this case.

What is vital now is to guarantee a full, thorough, and independent investigation. A special prosecutor should be enlisted for this purpose, and given sufficient authority to fully perform the task.

Last year, the American Bar Association Committee to Study Federal Law Enforcement Agencies addressed itself in a preliminary report to the question of a special prosecutor. The committee rejected the establishment of a permanent special prosecutor, but noted that—

"The public must be assured that crimes committed in high places will be investigated and prosecuted fearlessly and with integrity."

To this end, the ABA committee properly concluded:

"There may be exceptional circumstances requiring a special prosecutor from outside the Department of Justice who is not dependent on the Attorney General or the President for future promotion or other preferment. The primary obligation to appoint such an attorney should reside in the Attorney General."

The relationship between the Justice Department and the intelligence service unquestionably presents us with an exceptional circumstance.

The person chosen to perform the task of special prosecutor must possess the same impartiality and strength of resolution which Leon Jaworski demonstrated during his appearance before a committee of Congress in 1973. The following exchange occurred that year in hearings before the Senate Committee on the Judiciary:

"Senator TUNNEY. So as I understand your statement today, you feel that if there is evidence of criminal activity which is indictable, that you would be prepared to move ahead with an investigation and indictments despite the fact that the defendants involved might be prepared to claim that national security required them to do what they did?"

"Mr. JAWORSKI. That is right, sir. And they would have the burden of sustaining that position. I would not assume the burden. I would contest it."

The special prosecutor, moreover, should be imbued with the same faith in the law that possessed John Adams, who knew that the law "without any regard to persons, commands that which is good and punishes evil in all, whether rich or poor, high or low—'tis deaf, inexorable, inflexible."

The basic machinery of a special prosecutor's office is already in place as a legacy of the Watergate affair. It should not be too difficult to modify this machinery in the appropriate manner to carry out the investigation of unlawfulness in the FBI and other intelligence agencies.

It may be argued that we should concentrate on the reform of the intelligence agencies for the future, not on the punishment of individuals for misdeeds of the past. This is a beguiling argument. But the truth is that we can ill-afford to overlook the lawlessness of the past if we wish to avoid a repetition in the future. As two scholars from the Center for National Security Studies, Jerry J. Berman and Morton H. Halperin, noted in a recent New York Times article:

"One key element in bringing the intelligence agencies under democratic control is to insure that officials of intelligence agencies are prosecuted when they violate the law. Unless there is a thorough investigation by an impartial prosecutor followed by indictments and a report, the threat of criminal penalties will not deter future abuses."

I find it utterly deplorable that the President in his State of the Union message failed completely to say even a word about the need to make our intelligence agencies obey the law. As the journalist Anthony Lewis has commented:

"It is easy to denounce private crime, as Mr. Ford did. But it is more important, now, for Government to commit itself to law."

And so I must conclude that, in the present situation, resort to a temporary special prosecutor is both proper and necessary. Leon Jaworski, a former Special Prosecutor himself, and others in the legal community agree with this conclusion.

GENERAL LEAVE

Mr. DICKS. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks and include therein extraneous material on the subject of the special order taken today by the gentleman from New York (Mr. BADILLO).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

THE REVEREND THEODORE M. HESBURGH AND JAMES P. GRANT ON "AGENDA 1977: THE UNITED STATES AND WORLD DEVELOPMENT"

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, the Overseas Development Council, of which my distinguished constituent, the Reverend Theodore M. Hesburgh, C.S.C., president of the University of Notre Dame, is chairman, has just published a most significant volume entitled, "Agenda 1977: The United States and World Development."

The book was isued just 1 day after President Carter made his outstanding address to the United Nations setting forth the outline of our country's foreign policy, and I understand that leading officials of the new administration had read the page proofs of the publication before the address was prepared.

In his remarks of March 18, 1977, on the presentation of the volume, Father Hesburgh declared:

For the first time there is a realistic possibility of eliminating the worst aspect of human poverty, in less than 25 years, and at a cost the U.S. and other industrialized countries can afford to pay. The question is, is there the political will and, will the U.S. provide the necessary leadership?

Mr. Speaker, "Agenda 1977" makes an outstanding case for a vigorous role for American leadership in the attack on poverty in the world, and I commend the publication to the attention of all Members of the House of Representatives and Senate.

Mr. Speaker, at this point in the RECORD I insert the introduction to the book which was written by Father Hesburgh and James P. Grant, president of the Overseas Development Council:

INTRODUCTION

(By Theodore M. Hesburgh and James P. Grant)

Agenda 1977, the fifth annual assessment by the Overseas Development Council of relationships between the United States and the developing countries, is being published at one of those open moments in history when a series of developments combine to make changes possible on a scale normally not within the realm of possibility. The United States, under the leadership of a President who bears no burden of prior identification with past disputes, has a unique opportunity to contribute to the global leadership that is urgently required if the world is to work more effectively and equitably for people in both the developed and developing countries. The question now is whether or not this opportunity will be seized.

This sense that the next few years will be a period of considerable change in international development is reflected in the unprecedented statement to the world by President Jimmy Carter—reprinted on the facing page—that was broadcast on Inauguration Day. Addressed to those "citizens of the world who did not participate in our election but who will nevertheless be affected by my decisions," President Carter committed his Administration to shaping a world order that is "just" and "more responsive to human aspirations" as well as stable and peaceful. He spoke of the "basic rights" of every human being to be free not only of political repression but also of poverty, hunger, and disease. He further emphasized the need for an "equitable development of the world's resources" and the "proper safeguarding of the world's environment." While stressing the limitations of America's acting alone, he committed the United States to joining with others in addressing these issues and taking the lead in such efforts. His closing words called upon the citizens of the world to "join us in a common effort."

But what is the shape of the "common effort" to which President Carter referred? How far-reaching a response is needed? What is feasible? What might be done now to signal a U.S. will to respond constructively to global problems? Analysis and discussion of these critical issues is the main objective of Agenda 1977.

President Carter has come to power in the United States at a time when there is a growing understanding both in the United States and abroad that the world order created after World War II is coming to an end and that another is urgently required. A broad consensus is emerging among the leaders of both the industrialized democracies of the Northern Hemisphere and of the developing countries to their South that the economic, social, and political systems created after World War II require renovation, restructuring, and in some instances, replacement and supplement. Only through such changes will they once again meet the legitimate needs of the North and, at the same time, become far more responsive to the South's needs and aspirations for greater equality of opportunity. Existing arrangements in areas such as trade and monetary affairs need to be adapted to changed circumstances. Problems such as energy shortages and nuclear proliferation, the deteriorating environment, and growing population re-

quire major new approaches if they are to be adequately resolved.

There also is a second and growing area of agreement among citizens and leaders in many countries: the need for increased cooperation to accelerate development in the poorest countries in a way which more effectively addresses the basic human needs of this poorest fourth of humanity. More effective approaches are needed to the problems associated with their poverty—the increased migration from the countryside to the city, growing unemployment, population growth, and the continuing erosion in many countries of basic political rights. It is becoming increasingly apparent that major changes are required in both international and domestic policies if the prospects of the world's poorest billion people are to improve noticeably in the remaining decades of this century and millions are not to continue to die prematurely each year.

Beyond this very general level of awareness of the problem, however, there is no consensus on the goals and means for proceeding on a "common effort." Clearly, a far-reaching response is desirable and, in our view, indispensable. The critical question is how far reaching a response will be both needed and politically acceptable, and what forms of response are feasible.

This year the format of the Overseas Development Council's *Agenda* has been changed in order to illumine the choices that face the new Administration—and indeed *all* Americans. The opening essay, "The United States and World Development, 1977," by *Agenda* Director John W. Sewell sets the stage for the ensuing analysis of the central issues. It briefly describes global problems, surveys the present state of development progress in the Third World, reviews the record of the past four years of North-South relations, discusses some of the reasons behind the proposals of the developing countries for a "new international economic order," and identifies the need for new policies of global cooperation. This essay also describes the emergence of new international strategies to facilitate the attainment of "basic human needs" on an accelerated basis in all countries, but particularly in the world's poorest nations, and raises the numerous critical questions that must be considered by U.S. policy makers in the years ahead.

The central choices open to the Carter Administration are analyzed in the essay, "Major U.S. Options on North-South Relations: A Letter to President Carter," in which Roger Hansen sets forth the pros and cons on three principal "options" facing the new Administration; from among these, he formulates a preferred proposal which, in effect, represents a fourth possible choice. These four alternative policy "packages" may be briefly summarized as follows.

Option 1 provides for only marginal changes in existing policies—but with more effective implementation. Under this approach, there would be some increased U.S. responsiveness to developing-country concerns, with U.S. *actions* in areas such as aid, trade, commodities, etc., being consonant with the more responsive official rhetoric of the recent past—and especially since the September 1975 Seventh Special Session of the U.N. General Assembly. The prime objective would be to seek to take the heat out of the North-South confrontation. This would reduce the adverse impacts that this confrontation is having on the operation of various aspects of the present international system and would increase the capacity for collective action on a range of global issues.

Option 2 calls for a policy of "accelerated reform." In contrast to the "marginal change" approach of Option 1, this package of policies emphasizes the *active search* for a broader and more significant range of reforms of existing international political and economic systems. It suggests using the present North-South debate as an opportunity to not only examine and hopefully resolve some conflict-ridden North-South issues but also as a chance (similar in scope to that which confronted the Bretton Woods and subsequent negotiations in the post-World War II era), to lay the basis for the new, more relevant world order that so many believe is required for the balance of this century.

Option 3, which could be carried out in combination with either of the first two options, provides for greatly increased support for a "basic human needs" strategy of development designed to virtually eliminate, by the end of this century, the worst consequences of absolute poverty—including widespread malnutrition, mass underemployment, high birth rates, and low productivity of the poor.

Hansen's preferred proposal for the United States and the new Administration would combine early implementation of those "incremental" reforms of Option 1 which do not foreclose more far-reaching actions together with active exploration (with the developing countries) of the potential for the "accelerated reform" proposals of Option 2, as well as with a limited version of the basic human needs of Option 3. Any other choice, he concludes, would amount to selling ourselves short—for the future as well as the present.

Two major conceptual differences divide the proponents of Option 1 and the proponents of the more far-reaching proposals. The first is their differing assesment of the seriousness of the current predicament of mankind—an assessment which can differ in part depending on one's values. The second is a divergence of views over what is politically feasible. Clearly, far more than ad hoc pragmatic responses is required if the increasingly dangerous situation in which humanity now finds itself is to be avoided. Yet it is generally acknowledged that it is considerably more difficult to address world problems today than it was in the late 1940s. There now are far more national actors and a far greater diversity of interests represented on the world scene (the number of independent countries has nearly tripled since World War II). The United States is no longer the overwhelmingly dominant power among the market-economy countries; and domestic expectations of governmental action to provide jobs and protect human welfare are far higher among the developing countries than ever before.

Responsible and knowledgeable persons will take different positions on these two questions of need and feasibility. Our own personal judgment is that something considerably more substantial than marginal changes is required, and that such changes can be made politically feasible. But these are only *our* conclusions; the analysis in the "Letter to President Carter" is, we think, sufficiently comprehensive and balanced that others may reach different conclusions from the same information.

The third chapter of this *Agenda*, "Recommendations for U.S. Policy," presents a series of specific proposals—within a broader, long-term framework—for early U.S. action on issues relating to trade, commodities, developing-country debt, technology transfer, energy, oceans, food, basic human needs, population, human rights, development assistance, arms transfers, and decision-making processes on interdependence issues. The policy recommendations are of several different types. Some call for decisions which can be taken in the immediate future to signal a constructive intent on the part of the United States to reshape its policies toward the developing countries; others set forth actions which can be taken in the next two to four years. Still others identify major areas on which further studies and discussion should be initiated now to permit early decisions on a range of far-reaching reforms of various global systems and on a cooperative effort to address basic human needs so that the worst aspects of absolute poverty might be largely eliminated during the remaining years of this century.

An important addition to this *Agenda's* Statistical Annexes is the introduction of a "Physical Quality of Life Index" (PQLI) designed to complement per capita gross national product (GNP) in measuring development progress. This index is described in the introductory note to the Annexes; in Table A-3 of the Annexes, it is shown—along with other economic and social indicators—for 160 countries. The increased attention paid in recent years to addressing basic human needs more effectively has only strengthened the need for the development of an indicator that would parallel the GNP measure of output of goods and services and could be used to measure progress in terms of human well-being. The PQLI demonstrates that individuals in some areas (which differ widely in other respects)—for example China, Taiwan, Sri Lanka, and the Indian state of Kerala—have a far higher level of physical well-being than would be expected from an assessment of their per capita GNP figures alone—and that the reverse is true in other countries, including Algeria, Brazil, Iran, and South Africa.

Four final points merit mention in this introduction. First, the development of a coherent strategy for addressing the global problems of today will require a great deal of analysis and discussion among the developed countries, between developed and developing countries, and among developing countries. The atmosphere in which these discussions and negotiations are undertaken is critically important. Is the underlying assumption that where one party to negotiations gains, the other must necessarily lose? Or are negotiations undertaken with the commitment to address major problems in such a manner that there may be direct or indirect benefits to all principal parties? If the former, then it is highly likely that the confrontational atmosphere of the last three years will continue; if the latter approach is adopted (as already has been done in the mid-1970s on questions of world food policy), then the prospects for global solutions to these pressing problems will improve greatly.

If the United States were to take an active lead in implementing present policies on which there already is substantial agreement in principle—such as the partial lowering of trade barriers, noticeably increased aid flows to the poorest countries, and establishment of world food reserves—such actions should create a constructive atmosphere for the active exploration in 1977 and 1978 of the possibilities for greatly increased cooperation in reshaping the international system.

Second, analysis and discussion of the more far-reaching changes that will be required should be launched in many forums. Some will encompass both the public and private sector—as does the January 1977 proposal by World Bank President Robert S. McNamara for a commission of eminent persons to examine North-South issues. Action by the private sector is particularly important in the years ahead. Much of the progress that has been made in recent years in this country and internationally in such areas as environment, population, women's rights, and a more effective approach to solving the world food problem has resulted from private initiatives and leadership.

Third, more serious attention needs to be given to those individuals and groups within the United States who suffer losses even though our economy as a whole gains. Trade policy provides the best example of this problem. In the long run, freer trade will benefit all Americans by providing more

efficient and higher-paying jobs and less costly consumer goods. But liberalized trade also will mean allowing the developing countries greater access to our markets for their manufactured goods. Is the total price for these benefits to society as a whole to be paid by, for example, a Hispanic worker in the garment industry or a Southerner working in a textile mill who lose their jobs due to competition from other countries? Clearly we will need policies that not only accommodate the needs of the developing countries but also assure all Americans of just treatment in accommodating to changed circumstances.

Fourth, in the mid-1970s we are witnessing a tremendous increase in awareness and concern among Americans about human political and economic rights. It seems increasingly likely that an effective combination of international and domestic policies could overcome the worst aspects of absolute poverty by the end of this century. But far more analysis and thought is required on what might be considered minimum political rights and on how their acceptance can best be advanced, on the degree to which progress on political and economic well-being is associated, and on what goals—if any—we should seek to attain in these areas by the end of this century. Most studies to date have treated approaches to advancing political and economic well-being as two separate topics. President Carter, however, has quite properly encompassed both under the common heading of "basic rights."

The ideas and proposals contained in this *Agenda* may not find agreement among all or even a majority of Americans. They have been designed, however, to stimulate thinking about actions needed a year ahead as well as forward planning of the kind of world we want by the end of the century. A majority of those who read this *Agenda* will still be in their working lives by the year 2000. They have a stake in seeing to it that a reshaping of international institutions and structures begins now if they wish to glean any of the benefits of such changes in their lifetimes.

The industrial democracies should resist the temptation to see the current North-South dialogue as a situation in which losses are inevitable and negotiations are primarily designed to gain time or preserve the status quo. Rather, they should treat it as an extraordinary opportunity for initiating, in the words of President Carter, "a common effort"—which, by the end of this century, could create a world that not only better serves the already advantaged, but also is free of the worst aspects of absolute poverty and repression.

CRISIS IN THE CANOE COUNTRY

(Mr. FRASER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FRASER. Mr. Speaker, the January/March edition of the Living Wilderness, the Wilderness Society's quarterly publication, contained perhaps the most comprehensive and informative article I have read on the Boundary Waters Canoe Area in northern Minnesota. Entitled "Crisis in the Canoe Country," the article was written by Miron Heinselman, a research forester and principal plant ecologist for 26 years at the U.S. Forest Service's North Central Forest Experiment Station.

In January, I introduced H.R. 2820, the Boundary Waters Wilderness Act, a bill to bring full wilderness protection to the Boundary Waters Canoe Area. The Heinselman aritcle clearly and forcefully outlines the dimensions of the problems that have made my bill necessary. I commend it to my colleagues' attention. The article follows:

CRISIS IN THE CANOE COUNTRY

(By Miron L. Heinselman)

Few of America's wilderness areas have been embroiled in such persistent controversy as northeastern Minnesota's million-acre Boundary Waters Canoe Area. On its face BWCA would seem safe for the enthusiastic canoe travelers who already tax the carrying capacity of its more accessible lakes and streams, not many decades ago routes for the picturesque voyageurs who paddled furs out of the north country. By act of Congress—the 1964 Wilderness Act—the Canoe Area is part of the National Wilderness Preservation System, which is dedicated to human enjoyment without mechanized intrusion. And certainly in conservationists' eyes the BWCA has the credentials entitling it to unequivocal protection. It is the only large lakeland unit of the Wilderness System and the system's second largest unit of any kind; east of the Rockies it is larger than all other existing wilderness units combined and embraces the largest remaining virgin forest; and it attracts more recreationists than any other wilderness area in the nation.

But in the Wilderness Act framework the BWCA is a special case. Because of pressure from loggers and motorboaters, Congress in 1964 wrote a BWCA protective provision with two large loopholes. The law provides that the area must be managed "with the general purpose of maintaining . . . the primitive character of the area, particularly in the vicinity of lakes, streams and portages." But it also stipulates that this protection is to be "without unnecessary restrictions on other uses, including that of timber," and further provides "that nothing in this Act shall preclude the continuance within the area of any already established use of motorboats." No other wilderness area has been burdened with such compromises.

Because of these loopholes, the BWCA faces mounting threats. Some of the area has been logged already. After being halted by litigation, timber access-road building and logging are now about to resume on six federal timber sale areas covering 10,000 acres of virgin forest. Vast additional areas are vulnerable to future sales. Mining also is a threat. Snowmobilers and motorboaters are trying to nullify curbs on motor use and in a real sense to dismember the entire BWCA. All this is creating a growing preservation crisis.

Legislation dealing with this crisis was initiated in the last Congress, although not acted upon. A bill sponsored by Rep. Donald Fraser (D-Minneapolis) and backed by conservationists would have closed the entire BWCA to logging, mining and mechanized recreation. However, a competing bill sponsored by Rep. James Oberstar (D-Duluth), whose district includes the BWCA, and supported by some commercial and motor-recreation interests, while giving full wilderness protection to 60 percent of the area would bodily have removed the rest from the Wilderness System. The bill would have converted the latter portion to a national recreation area open to logging, motors and other non-wilderness uses, in the process setting a dangerous national precedent. Current plans of timber companies to resume logging next September will make this a crucial BWCA year of decision in the new Congress.

It would be difficult to exaggerate the BWCA's significance as a conservation and recreation resource. The area, in the first place, is truly big wild country. Stretching along the Minnesota-Ontario border for 110 miles, it is a land of a thousand pristine island-studded lakes connected by 1,200 miles of streams, portages and foot trails, where dark forests of jack pine and black spruce march out to the edges of plunging glacier-carved lakeside cliffs; where sturdy centuries-old white and red pines keep lonely vigil over canoe routes once followed by the Sioux, the Chippewa and the French voyageurs; where the mournful howl of the timber wolf and the haunting laughter of the loon awaken memories of primeval America.

Precisely because the BWCA is the last large relatively complete northern coniferous forest ecosystem east of the Rockies, scientists and students use it as a living laboratory, studying its areas of natural vegetation inhabited by such plant-eaters as the moose, beaver, snowshoe hare and porcupine and their natural predators, including such rare species as the eastern timber wolf, marten, fisher, lynx and bald eagle. Even many wilderness areas of the West lack such complete food chains. The area has become the focus of much research and education in forest and wildlife ecology, animal behavior, vegetation history, nutrient cycling and aquatic ecosystems.

Complementing the BWCA is Ontario's adjacent 1,120,000-acre Quetico Provincial Park, where logging and snowmobiles are banned and motorboats are barred except on the periphery; on the latter an early motorboat phase-out is proposed. Together these two wilderness expanses match the size of Yellowstone National Park.

Logging in what is now the BWCA began about 1895 in the heyday of big-time logging. By 1930 about a quarter of the area had been cut for lumber. Rafting and stream-driving were used to move the logs to the mills or to railheads mostly outside the area. Most early cutover tracts were later burned and not reforested. White and red pine seed sources were often lost. Such tracts now support second-growth forest of aspen, birch, jack pine, spruce and balsam. Where enough white and red pine seed trees survived, good second-growth stands often exist today. Pulpwood logging based on jack pine and black spruce began in the BWCA in about 1948, mostly on the original public domain lands where there were many recent burns or trees that had been too young to cut during the early big-pine logging. The pulpwood logging has involved clearcutting of timber-sale blocks encompassing many square miles, often followed by bulldozing or disking of the soil, artificial reforestation and herbicide use and sometimes no reforestation at all. Most sale areas have been cut only for pine and spruce, with aspen, birch and fir left to rot, causing severe changes in the ecosystem as well as scarring the landscape.

Heavy trucks requiring gravel roads are used, yet much of the pulpwood logging has occurred in the very areas that in 1926 Secretary of Agriculture William M. Jardine had promised to keep "free of roads of any character." The era 1948 to 1972 therefore saw the development of a spider-web network of roads in a fourth of the BWCA. There were dozens of crossings of portages and canoe routes by roads, bridges, fills and culverts. Many of these roads still exist, even though the Forest Service and timber industry call them temporary. Signs on several claim they will be "obliterated" when logging is finished, but the actual policy has been to "put to bed" the road grade by simply blocking off access and sometimes removing bridge spans and culverts. Many cutover areas are dotted with such reminders of civilization as old bed springs, stoves, refrigerators, truck tires, tarpaper shacks, bridge timbers, culverts, gravel pits and eroding cuts, fills and grades.

How well is the Forest Service carrying out the Wilderness Act's mandate to "maintain the primitive character of the area, particularly in the vicinity of lakes, streams

and portages"? For timber-management purposes the BWCA is divided into two general "zones"—the Interior Zone of some 600,000 acres where logging is banned and the Portal Zone of some 400,000 acres where it is permitted. Most of the lakes and streams are in the Interior Zone. This zone, however, is not a single, solid unit but an irregular strip along the Canadian border with a number of narrow appendages and small isolated units following streams and lake chains southward into the Portal Zone. Thus the effective contiguous area from which logging is excluded is smaller than the total area of the Interior Zone.

Some of the Interior Zone was established only recently. This means that much of it has already been logged—part years ago, part very recently. In 1975, 100,000 acres were added to the zone, but only about 15,000 acres of the addition had not been logged. (Much of the logging occurred after the Wilderness Act was enacted.) About 160,000 acres of the zone are virgin forest yet still subject to logging. Established administratively by the Secretary of Agriculture, the zones could be changed by any Secretary.

There has been much confusion and controversy over the nature, location and extent of the BWCA's remaining virgin forest and its relationship to the two zones. Some industry people have claimed that virtually all the BWCA has been logged and that conservationists concerned about logging do not know the facts. Others go to the opposite extreme, claiming that most of the BWCA forest is over-mature and decadent because of wilderness protection and will soon die of old age if not logged. Neither view is correct.

Most people will agree that a virgin forest is any forest area primarily the product of natural forces that never has been subjected to logging, land-clearing, roadbuilding, mining, agriculture or other direct alterations by man. We cannot limit the term virgin forest to particular species or age classes of trees, because the primeval forests of most regions, including the BWCA, consisted of a mosaic of different species and age classes of stands on various geological landforms and soils. Many virgin forest stands are nearly even-aged, at least in their upper canopy layers, because the larger trees all originated soon after some natural event that eliminated an earlier stand. Examples of such events are fires, windstorms and insect and disease attacks. If a natural disturbance occurred long ago the overstory trees will be very old. If it occurred only a few years ago they will be young. In the BWCA the maximum longevity of most tree species is 400 years or less. One should therefore expect the virgin forest to consist of a mosaic of species and age classes ranging up to about that age, with perhaps only a few stands near the maximum and a good scattering of age classes all the way down to new stands that have just begun life on recent burns or blow-down areas.

My own research has shown that virtually all of the present BWCA virgin forest originated following forest fires and that recurrent fires have been part of the natural environment for thousands of years. One can therefore describe the age structure of the total virgin forest mosaic by mapping out the stands on past burns and then determining the total area now occupied by forest that dates from each fire year. Such maps, called "stand-origin maps," are available for the entire virgin area of the BWCA. For a lakeland region like the BWCA there are two relevant kinds of estimates of the remaining virgin wilderness resource. One is the total area of landscape—land and water—never disturbed by logging. The other is the land area still supporting virgin forest communities. The latter can be broken down by stand-origin-year classes, to give a feel for the age-class structure of the forest mosaic. I have done this for the entire area of virgin forest in the BWCA, as shown in the accompanying table. It is very clear that the BWCA's virgin forest is *not* "all overmature and decadent," although there are large areas that do support scenic stands of large trees.

Actually, of the total 1,030,000-acre BWCA, about 540,000 acres or 52 percent still is virgin forest. This includes some 10,000 acres within the boundaries of six active federal timber sales. Within the total virgin area the actual virgin *forest* uncommitted to timber sales classifiable by stand ages is 416,000 acres (see table).

BWCA VIRGIN FOREST STANDS

Stand-origin fire year	Stand age (Years from 1977)	Stand area: Interior zone (acres)	Portal zone (acres)	Total BWCA (acres)
1971	6	96	1,936	2,032
1967	10	128	------	128
1936	41	7,920	48	7,968
1925	52	400	------	400
1918	59	416	160	576
1917	60	448	1,408	1,856
1914	63	32	------	32
1910	67	20,096	13,904	34,000
1904	73	304	1,648	1,952
1903	74	2,240	128	2,368
1900	77	------	512	512
1894	83	50,656	46,288	96,944
1890	87	32	------	32
1889	88	128	128	256
1887–8	90–89	160	16	176
1885–7	92–91	384	------	384
1882	95	288	------	288
1881	96	8,672	1,296	9,968
1875	102	63,552	27,062	90,614
1871	106	5,856	------	5,856
1863–4	114–113	61,120	22,480	83,600
1854	123	5,904	2,208	8,112
1846	131	2,288	368	2,656
1827	150	912	------	912
1824	153	320	1,296	1,616
1822	155	3,296	2,832	6,128
1815	162	5,200	------	5,200
1803	174	176	------	176
1801	176	14,464	2,608	17,072
1796	181	2,848	2,992	5,840
1784	193	432	------	432
1766	211	48	------	48
1755–9	222–218	7,632	4,608	12,240
1747	230	752	16	768
1739	238	160	------	160
1727	250	3,200	208	3,408
1712	265	224	16	240
1692	285	1,472	------	1,472
1681	296	7,568	992	8,560
1648	329	64	------	64
1610	367	704	16	720
1595	382	16	------	16
Total		280,608	135,174	415,782

NOTE: Virgin areas as defined for the above table are those never logged, cleared, roaded, etc. Essentially all BWCA areas have been burned since 1595 A.D. The stand-origin year is the year of the last major fire from which the *overstory* dates. Only virgin forest in solid tracts of considerable size is included. Excluded are uncut areas within generally cutover lands, Shipstead-Nolan reserves within cutover areas, approximately 10,000 acres of virgin timber already sold to timber companies, and all lakes, streams and ponds within virgin areas. Area determinations by M. L. Heinselman, March, 1973.

The rest of the acreage is lakes, marshes and other non-forest types. Some 256,000 acres of this virgin forest consist of tree stands more than a century old (62 percent of the virgin forest or 25 percent of the entire BWCA). Most of the 10,000 acres of virgin forest in the six federal timber sales is also over a century old. Some 28,000 acres of the virgin forest support stands over 200 years old (seven percent of the virgin forest and three percent of the entire BWCA). About 10,000 acres contain stands with overstory trees close to 300 years old. The oldest-known pine stand of all is 382 years old. Some of the oldest and most scenic pine expanses are near Lac La Croix and Lakes Saganaga, Sea Gull, Rose, Duncan, Mountain, Clearwater and Alder. These areas would have been deleted from the National Wilderness Preservation System by the 1975 Oberstar bill. On the other hand, there are some 159,000 acres of virgin forest younger than 100 years. This is natural and desirable because in the cycle of a wilderness there must be young replacement trees coming along as older stands die and are regenerated by natural factors. Some of these will become the giant pine stands that one hopes our great-grandchildren will enjoy. Because of fire suppression over the last 60 years there is a deficiency of these younger age classes. Nevertheless, there are quite a few young stands.

It was in 1972 that the massive scale of modern mechanized pulpwood operations, and the rapid pace at which these operations were chewing into the remaining virgin areas, finally brought the BWCA logging issue to the crisis stage. Thirteen federal timber sales were active when litigation was instituted by the Minnesota Public Interest Research Group under the National Environmental Policy Act. In 1973 Federal District Judge Miles Lord ruled in favor of MPIRG, halting the logging on the seven sales that involved the deepest incursions in virgin

areas. The following year the Forest Service completed an environmental impact statement and new management plan and elected to continue cutting. A further suit then was brought by MPIRG and the Sierra Club under the Wilderness Act. Judge Lord granted a permanent injunction against further logging of any large contiguous blocks of virgin forest in the entire BWCA. (At that point some 160,000 acres of virgin forest survived in the Portal Zone, including about 10,000 uncut acres in six active timber sales that he enjoined.) But last August the decision was reversed by the Eighth Circuit Court of Appeals, and in November the injunctions were lifted. The Supreme Court declined to halt the logging pending the outcome of an appeal.

Last December Rep. Oberstar, with the Forest Service acting as mediator, persuaded the four logging companies (Boise Cascade, Abitibi Corp., Potlatch Forests and Kainz Lumber) to suspend cutting for six months so Congress could consider the issue. The moratorium actually will last until September 15 because of a Forest Service rule against logging in the canoeing season. But then the sawing of the virgin forest will resume unless Congress or the Supreme Court intervenes.

One of the six sales—the Sunnydale Sale—involves slicing a new road deep into the beautiful Lac La Croix region almost to the shores of pristine Oyster Lake, a "paddle only" lake in the Interior Zone. This road would also cross the Sioux-Hustler hiking trail. Another sale, the East Tofte, involves logging almost up to remote Cherokee Lake in the famous Sawbill region. To be sure, a provision of the 1930 Shipstead-Nolan Act that prohibits logging within 400 feet of BWCA lakes and streams would effectively hide the impact from the unsuspecting canoeist. Many visitors now travel for miles through logged-off BWCA country without realizing that the wilderness they see is only a thin facade. They may never learn the truth unless they cross an active logging road, and the full extent of the damage may go unrecognized unless they take the time to explore the whole timber-sale area. But this does not alter the fact that some of our choicest surviving wilderness is threatened with imminent destruction.

The timber industry's argument is that the wilderness needs to be cut for its own good. The claim is that if the Portal Zone forest is "locked-up" as wilderness it will become over-mature and decadent with no browse for deer and moose or aspen for grouse and beaver. When the deer and moose disappear, so will the timber wolf, so the argument goes—the thrust of many industry color commercials on Minnesota television. Logging, it is true, often benefits deer, and sometimes also moose. White-tailed deer invaded northeastern Minnesota in the wake of clearcut logging, slash fires and local land-clearing. Originally it was moose and caribou country and deer were rare. Now with better forestry and fire control the old slashings are growing back to conifers and the deer herd is declining, even in multiple-use forest outside the wilderness. Soon it may be possible to reintroduce woodland caribou, which still roam adjoining Ontario. The deer decline may well be permanent.

Of course we cannot literally preserve a tree or even a whole stand of trees of one particular age class. But the goal of wilderness preservation is not literally to save individual trees but to maintain and restore complete natural ecosystems—the dynamic mosaic of plant communities, wildlife habitats and animal populations of a natural region. In the primeval BWCA ecosystem fire was the key agent in maintaining diverse vegetation and animal populations, regenerating old forest, recycling nutrients and sustaining the long-term stability of the system. This is true of most of our best-known western wilderness areas and national parks, where management programs now include restoring fire to its natural role.

Burning after logging has effects different from natural fire in a virgin forest. For example, if red, white or jack pine or black spruce is cut for timber, when the slash-covered land is burned over the seeds are destroyed and it becomes necessary to re-seed or re-plant artifically in order to restore the species. If this is not done the area will be taken over by birch and aspen. In nature, jack pine and black spruce seeds are stored in closed or semi-closed cones which open and re-seed the area after the fire's heat has unsealed the resin coating. Red and white pine are very fire-resistant, and "seed-trees" usually escape the fire to regenerate their kind. When a stand is logged, the nutrients in the mature trees—which would have been recycled by fire—are lost to the system in the timber that is carted off. In the BWCA, too, herbicides have often been used—another ecological insult—to kill fast-growing deciduous trees that otherwise would shade out the planted pine.

If we log the BWCA there is just no way all the interactions of its natural ecosystem can continue. The ecological principles are the same as in such preserves as Yellowstone and Sequoia National Parks and the Bob Marshall and Selway-Bitterroot Wilderness Area. So if we must log the BWCA to "save" its forests as industry claims, then logically we must also log Yellowstone and all the rest! The best proof that the BWCA's virgin forest and its wildlife can persist without logging is that they have done so for 10,000 years—ever since the last ice age. And if logging is permitted on the rationale that it will maintain diversity and provide wildlife habitat, then the seeds of potential destruction will have been sown for all the nation's protected wilderness.

The present Forest Service BWCA management plan permits some noncommercial "administrative cutting" even in the virgin forest of the Interior Zone. It disavows a commercial motive for any BWCA logging, claiming that cutting and removal will be done in a manner achieving desirable vegetation diversity. In other words, man-planned vegetation rather than natural wilderness is the goal. Again, if such reasoning is tolerated for the BWCA's wilderness a fatal principle applicable to our entire Wilderness System will have crept in.

Industry in Minnesota complains of a shortage of softwood pulping timber (pine and spruce) and contends there are no alternative sources to fill the gap that would be created by closing the Portal Zone to logging. But it is obviously the remaining 160,000 acres of virgin forest in the zone that the industry wants, because there are vast areas of second-growth forest elsewhere in northern Minnesota of a quality equal or superior to the second-growth stands in the BWCA. Actually Minnesota has 16 million acres of commercial forest *outside* the BWCA. The Portal Zone virgin forest is a mere one percent of the commercial forest in the state. Although it has been closed to logging for three years by the courts, the industry has not suffered. The softwoods for which industry claims there are no alternatives are jack pine, spruce, balsam and tamarack, yet there are four million acres of these species outside the BWCA and only 70,000 acres of such virgin forest in the Portal Zone—only about two percent of Minnesota's softwood acreage.

From 1973 to 1975 the annual statewide timber cut of all species for all products averaged 2,189,000 cords, while the Portal Zone cut before the injunctions was 37,000 cords—less than two percent of the state cut. For jack pine and spruce, the softwoods most used by industry, the annual BWCA cut was 33,000 cords compared to an average statewide cut for pulpwood of 422,000 cords (1973–75). Thus the BWCA only contributed about eight percent of such pulpwood.

The "desirable cut" for Minnesota calculated by the Minnesota Forest Survey, in which industry participates, is an estimate of how much timber can be cut on a sustained basis. The last period for which such figures exist is 1960 to 1970. But when these figures are adjusted for changes in forest areas up to 1973 and for the Fraser bill's effects there is still a large timber surplus. The adjusted desirable cut for jack pine is 339,000 cords annually, while the actual cut of all products from 1973 to 1975 averaged 279,000 cords—leaving a yearly surplus of 60,000 cords. For spruce the desirable cut is 328,000 cords, the actual cut 224,000 cords—a 104,000-cord surplus. For balsam the desirable cut is 369,000 cords, the actual cut 95,000 cords—a 274,000-cord surplus. For aspen the desirable cut is 1,520,000 cords, the actual cut 827,000 cords—a 693,000-cord surplus. For all species the surplus is 1,552,000 cords.

Even if there might be local shortages of spruce and pine, the pulp industry has the technical capability of shifting its pulp mix to raise the percentages of aspen, birch and balsam—species with large surpluses. In Wisconsin and Michigan similar shifts have been made already.

Superior National Forest studies show that because of thin, rocky soils BWCA lands are that forest's least productive and most sensitive. If good foresty is practiced on the more fertile and accessible lands nearer the pulp mills, Minnesota can grow its present annual cut of two million cords of forest products on fewer than eight million acres—and all outside the BWCA. Superior National Forest alone has nearly two million acres of multiple-use lands outside the BWCA.

Before the 1973 ban, logging in the BWCA supported a mere 40 or so jobs for about five months each year. Since the ban, no jobs have been lost—the workers simply have shifted to other timber. Another pertinent fact is that thanks to several new taconite operations the economy of Minnesota's Iron Range is improving. According to studies by W. D. Brackel of the University of Minnesota College of Forestry, "the degree to which mining dominates the region's economy borders on the astounding." In fact the region's economic health depends fundamentally on iron mining, not logging. The BWCA itself supports many jobs in outfitting and other wilderness-related businesses.

There is another angle to the logging issue. Minnesota owns some 102,000 acres of the BWCA, about 56,000 acres of it still virgin forest Of the latter, about half is in the Portal Zone, where total state ownership is about 54,000 acres, much of it in two blocks in Burntside State Forest west of Burntside Lake. Minnesota has always honored the federal Interior-Portal Zone concept, confining its timber sales to the Portal Zone. However, both last year's Oberstar and Fraser bills included much of Burntside Forest in wilderness areas that they would have closed to logging. Industry spokesmen might well assert that Burntside Forest *cannot* be closed to logging because this land was given to Minnesota by the federal government expressly for forestry purposes. There is some legal opinion, however, that wilderness preservation legitimately can be construed to be a forestry purpose and not a violation of the terms of the gift. If Congress closes the entire BWCA to logging, it would then be logical for the Minnesota legislature to enact a parallel statute. The Shipstead-Nolan Act set the precedent for such action.

The conflict between wilderness-seeking paddle canoeists, skiers, snowshoers and hikers on the one hand and motorboaters and snowmobilers on the other is just as complex and longstanding as the logging issue. Pres-

ent motor zoning was established in 1965 after passage of the Wilderness Act, but it has been controversial ever since. Some 21 designated motorboat routes now encompass over 60 percent of the water area in the BWCA. Snowmobiles have been allowed on the ice of these same waterways on the ridiculous pretense that they are "winterized motorboats." The Interior Zone-Portal Zone concept applies only to commercial logging, and the Forest Service has designated motorboat and snowmobile routes and "paddle only" areas in both zones. Those few areas managed as true wilderness where both logging and mechanized recreation are banned are scattered and confined to small enclaves in the Interior Zone where there are no motor routes. It is hard to plan a cross-country skiing or snowshoeing trip into the Canoe Area free of competition with snowmobiles, because most of the access routes have been open to them. Closed routes have mostly been those requiring more than a day's travel from access points.

There is no provision for snowmobiles in the Wilderness Act, and the Forest Service recognized this in its 1974 BWCA plan. Yet the plan provided for stringing out a phaseout to 1980. In response to a Sierra Club appeal the machines were banned as of the 1975–76 season; but then in response to pressures from local snowmobile clubs and manufacturers use was extended for one more season pending appeals to the Secretary of Agriculture. Last September the Secretary imposed a snowmobile ban for this winter. Snowmobilers and manufacturers went to court, labeling the ban arbitrary and capricious. Minntour and the U.S. Ski Association countered with a contention that the ban was mandatory under the Wilderness Act. On January 18, U.S. District Judge Donald D. Alsop ruled that the matter was discretionary with the Secretary. The ban was left in effect. Locally snowmobiles are the most volatile of all BWCA issues. Pressure from snowmobilers will therefore be heavy in the congressional debates, even though so far there have been only about 7,000 snowmobile visits annually compared to 95,000 visits by paddlers, hikers, skiers and snowshoers. The Secretary's 1976 decision also instituted horespower limits on motorboats in certain areas, but these limits are so generous they will not affect many users.

Fortunately, most summer BWCA visitors accept the lakeland environment on its own terms. More than 70 percent of the use is by paddle canoe, and that percentage is increasing. According to a detailed study, "Sources of Congestion and Visitor Dissatisfaction in the BWCA," by Dr. David Lime, Forest Service geographer in St. Paul, 93 percent of the paddlers find their experience impaired by encounters with motors, and the conflict is worsening. Because their high speed allows them to cover great distances in a short time, motor travelers tend to crowd an area. "Permitting motor use to continue reduces the carrying capacity of the area and can only result in an earlier need to restrict the number of people permitted in the BWCA," the Lime report asserts. This prediction has already come true. Today a visitor-distribution program limits entry at the most popular access points during the summer season. No preference is shown toward the paddle canoeist over motorboaters. If such limitations are necessary, it seems logical that the incompatible uses should go first.

Motorboating is still increasing, but at a slower pace than canoeing. Much of the motorboat use is associated with fishing, especially on Lac La Croix and Basswood, Knife and Saganaga Lakes, and much of it is by local residents. Snowmobile use is heavily focused on fishing the hard-pressed lake trout. Most of the few remaining good native trout lakes east of the Rockies are in the BWCA, and unless this species is given relief soon the fishery will vanish. Most snowmobilers also come from northeastern Minnesota.

Although many still insist on crowding the wilderness, motorboaters and snowmobilers have ample opportunities outside the Canoe Area. Just beyond the BWCA boundary are dozens of large and attractive lakes open to motors. Minnesota has a whopping 14,000 non-BWCA lakes on which motorboating is legal. Snowmobiles legally can operate on those same 14,000 lakes when they are frozen over, as well as on national and state forest lands, in many state parks, on thousands of miles of state and private trails and along road rights-of-way. Vast areas in close-by Wisconsin and Michigan also are available to both motorboats and snowmobiles, including at least another 25,000 lakes. In contrast, many who wish to hike, canoe or ski in quiet wild country have virtually nowhere to go except portions of the BWCA. Interestingly, while an expectably high proportion of motorboaters and snowmobilers are local, most BWCA wilderness-seeking paddlers, hikers, skiers and snowshoers come from more distant parts of Minnesota and from Illinois, Wisconsin, Iowa, Indiana and beyond.

Banning motors would be especially controversial on a few large lakes with mechanized portages and/or a long-standing tradition of motorboat use, notably Lac La Croix, Big Trout, Basswood, the Moose-Birch chain, Saganaga and Sea Gull. All these lakes are popular with fishermen, and all have had some motorboating for 40 years or longer. Basswood long has been served by both the Four Mile Truck Portage and the Prairie Portage truck service. Lac La Croix has been served by two short tram-car portages on the Loon River for more than half a century. Big Trout has a short truck portage. These facilities are on land that has now been acquired by the Forest Service and are operated as concessions. Saganaga, Sea Gull and the Moose Lake chain have large summer resorts and private-cabin developments just outside the wilderness boundary.

Lac La Croix and Lake Saganaga also have several resorts and/or cabins outside Quetico Park on the Canadian shore and on Canadian islands and the Lac La Croix band of Indians lives on the Canadian side just west of the park boundary. Within the park, there are no private cabins, but both these large lakes are only partly within present park boundaries. The cabin owners, mostly Americans, as well as the Indians, still would have legal motorized access by water or air from the Canadian side. The Fraser bill would eliminate motorized access from the American side.

Assuming the Fraser bill were enacted, the Forest Service still might not have effective control over motorboats and snowmobiles on peripheral lakes with water access sites outside the BWCA. The problem is that Minnesota claims exclusive jurisdiction over all public waters. This is being tested in court, but if the state prevails the federal government might be able to control motor use only by prohibiting the transportation of motors and snowmobiles over federal land. This is how the Forest Service now regulates BWCA motor use. But this approach would in effect leave still open to motors all waterways having direct water access from outside the BWCA, even those deep inside the wilderness. This would include such vital lakes as Basswood, Fourtown, Big Moose, the Moose-Newfound-Sucker-Birch chain, Lake One, Sawbill, Brule, Saganaga, Sea Gull, Duncan, Daniels, Clearwater, Pine and many more.

A solution is available, however. This is simply to make Minnesota a partner in regulating motors on such lakes. The state already excludes motors from several peripheral lakes under its 1971 Regulation NR–1000, which parallels the federal motorboat rules and already supplements them for several lakes straddling the BWCA boundary. The Fraser bill is intended to close all such lakes to motors at the BWCA boundary. Some new signing along boundaries would be needed to enforce such a rule, but the long-standing partnership between the state and Forest Service in managing the BWCA points toward answers to this problem regardless of legal jurisdiction.

Another question that may surface in Congress is the effect of the Webster-Ashburton Treaty of 1842 on our government's ability to close the international boundary route to motors. Some believe that the provision in the treaty making portages along this route "free and open to the use of citizens and subjects of both countries" bars either nation from closing the route to motors. But an advisory letter from the Department of State to Rep. Oberstar last year said the treaty bars neither nation from applying reasonable regulations to the travel of its citizens along this route. And Ontario already has a horsepower limit on motors on its side of the boundary route in Quetico and is considering a motor ban on the route.

Copper-nickel mining poses yet another threat. In the 1950s exploratory test-drilling for copper-nickel sulfide ores began outside the BWCA, and about a decade ago it was resumed by International Nickel Company and other firms. Leases are concentrated near the Kawishiwi River and Birch Lake southeast of Ely. The presently known possible ore bodies are low-grade but very large, and there are know exposures of mineralized rock deep inside the Interior Zone. The potential for damage to the wilderness by air and water pollution and general industrialization of the region from mining these deposits is major.

In 1969 a prospecting crew hired by a businessman claiming more than 100,000 acres of mineral rights set up camp on Howard Lake in the heart of the Interior Zone. That December he notified the Forest Service that he would enter the BWCA with drilling rigs. The Izaak Walton League of America sued in federal district court to block exploration and mining. The league maintained that because the BWCA is zoned as wilderness private mineral-holders cannot exercise the rights to their minerals. Both the Forest Service and the state of Minnesota initially were codefendants. Later the state turned around and joined the IWLA side. Judge Philip Neville ruled for the conservationists, although his injunction later was lifted by the Eighth Circuit Appeals Court on procedural grounds. Fortunately, Judge Neville's acceptance of the substantive zoning argument still stands.

The 1975–76 Minnesota legislature enacted a law barring mining and related activity on state lands in the BWCA and use of any state resources for such mining or related activity. The law also in effect forbids development of many privately held BWCA mineral rights. Since 40 percent of the BWCA's mineral rights are state-owned and many of the rights on federal lands are held privately, the law also effectively prohibits mining most federal lands, since state resources would be necessary. Both Judge Neville's decision and this new Minnesota law are based on the classification of the BWCA as wilderness, however. If much of the BWCA were downgraded to a national recreation area this legal protection against mining could be lost.

Everyone seems to agree that new legislation defining what is and is not to be permissible within the BWCA is essential. Paragraph 4(d)(5) of the Wilderness Act dumped the whole problem in the Forest Service's lap, and the service is understandably sick of being in the middle. The question is what direction congressional action will take. Rep. Fraser again is sponsoring a bill that would

protect the entire BWCA as wilderness. (It would also add some 35,000 acres of critical adjoining de facto wilderness and certain lakes and streams that now straddle the boundary.) Rep. Oberstar undoubtedly will be sponsoring a different bill, although at this writing it had not been introduced. Probably, again, it will seek to remove part of the BWCA from the Wilderness System. On Congress' decision, if so, will hang not only the fate of America's only great lakeland wilderness but in some degree the strength of wilderness protection all across the nation.

If the partisans of logging, motorboating, snowmobiling and mining win legislation removing part of the BWCA from wilderness status, it will not only reverse direction for the BWCA and drastically shrink the sparse protected wilderness east of the Rockies, but will set a menacing precedent for the entire National Wilderness Preservation System. And if commercial logging is allowed in the BWCA on the rationale that mechanical manipulation of the ecosystem is necessary to maintain vegetation, another ominous precedent will be set.

PERSONAL EXPLANATION

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I was out of town and missed a number of votes late last week. Had I been present on Thursday, I would have voted "yes" to the conference report on H.R. 4877—roll No. 142, making supplemental appropriations of fiscal year 1977. I also would have voted "yes" on roll No. 143, the amendments relating to the funding of the military medical school. I would have agreed to Senate amendment No. 35, relating to the funding of snow removal operations in four states, and cast a "yes" vote—roll No. 144.

On Friday, I would have voted "yes" on roll No. 145, to approve the Journal of Thursday, April 21. I also would have voted "yes" on an amendment to prohibit the procurement of the Airborn Warning and Control System Aircraft—AWACS—unless NATO agrees to purchase them—roll No. 146.

THE COGENERATION AND WASTE HEAT UTILIZATION ACT

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I am today introducing the Cogeneration and Waste Heat Utilization Act which was authored and introduced in the Senate yesterday by Senator GARY HART. It provides various methods of encouraging use of industrial waste heat that can save vast amounts of energy.

Earlier this month I introduced an amendment to the ERDA authorization for 1978 to have a demonstration program for industrial cogeneration; this bill expands on that legislation to promote wide-scale use of cogeneration throughout our economy and to cover both incentives and regulations.

The President's energy message includes a call for a major effort in this country to utilize cogeneration principals and to greatly expand the use of cogeneration techniques. I thoroughly back this request and feel this legisiation will bring about accomplishment of this objective.

The United States wastes much of its energy by not making use of the energy represented by industrial heat. We discharge our waste heat into our waters or the atmosphere. With cogeneration we can use industrial waste heat for both process heat and for electrical generation at much more efficient rates.

Sweden, West Germany, and most other industrialized countries currently are taking advantage of cogeneration technology. Indeed, Sweden produces 29 percent of its total electrical needs through cogeneration. To show what this can mean in energy savings, the average European powerplant is 60 percent efficient, compared to 30 percent here, largely because of use by the Europeans of cogeneration. The bill which I am introducing will bring the United States into the mainstream of energy efficiency and the conservation of our energy resources.

H.R. 6661

A bill to promote the recovery of waste heat energy resources and the expedited development and commercial application of dual purpose powerplants, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cogeneration and Waste Heat Utilization Act."

TITLE I—WASTE HEAT ENERGY RECOVERY POLICY ANALYSIS

SEC. 101(a). The Administrator of the Federal Energy Administration (hereinafter referred to in this Act as the "Administrator") is authorized and directed to conduct, in consultation with the Environmental Protection Agency, the Federal Trade Commission, and other appropriate agencies, a full and complete analysis of the economic, social, environmental and technological feasibility and consequences of implementing, on a nationwide scale, various waste heat energy recovery and use techniques. The policy analysis shall focus primarily on industrial site and utility site dual purpose powerplant systems, and shall include the development and application of industry-by-industry surveys of existing and projected patterns of steam or heat energy generation, according to steam pressure, size of installation, load curve characteristics and other appropriate criteria, to ascertain the national potential for recovering and using waste heat energy and for the development of industrial and utility site dual purpose powerplants.

At or before the expiration of each six-month period following the date of the enactment of this Act, the Administrator shall submit to the Congress and to the President an interim report on the status of the policy analysis provided for by this Title. A final report, in three parts, shall be prepared and submitted as hereinafter specified.

(b) PART 1: FEASIBILITY AND CONSEQUENCES. At or before the expiration of the twelve-month period following the enactment of this Act, the Administrator shall submit to the Congress and to the President Part 1 of the Policy Analysis Final Report. The scope of Part 1 shall be the potential benefits and impact of a national policy promoting the recovery of waste heat energy and the development of dual purpose powerplants. Part 1 of the Final Report shall include a thorough examination and assessment of at least the following subjects:

(1) the net potential energy, capital and consumer savings realizable from maximum development of industrial and utility site dual purpose powerplants;

(2) the effects of industrial site electric power generation on the United States electrical network;

(3) the reliability and defense security of multisource versus larger single source systems;

(4) any and all air, water, solid waste or other possible environmental problems associated with industrial and utility site dual purpose powerplants and with various coal-burning technologies such as fluidized bed combustors;

(5) the effect of existing public policies, including subsidies and economic incentives and disincentives, on efforts to recover and use waste heat energy; and

(6) waste heat energy conservation and recovery practices and policies in foreign countries.

(c) PART 2: COMPETITION IN THE ELECTRIC UTILITY INDUSTRY. At or before the expiration of the eighteen-month period following the enactment of this Act, the Administrator shall submit to the Congress and to the President Part 2 of the Policy Analysis Final Report. Prepared in consultation with the Bureau of Competition of the Federal Trade Commission, Part 2 shall analyze the interrelationship between increased competition in the electric utility industry and the objective of promoting the recovery of waste heat energy and the development of dual purpose powerplants. Part 2 of the Final Report shall include a thorough examination and assessment of at least the following subjects:

(1) appropriate ownership arrangements for equipment, transmission lines, and energy required or created by application of cogeneration or waste heat recovery techniques;

(2) the feasibility and consequences, from a regulatory, economic and technological standpoint, of separate ownership and operation of facilities for generating, transmitting, and distributing electric energy, and means to promote such separate ownership and operation;

(3) the effect on competition, and on the ability to compete, of tax and other public policies relating to the sale of electric energy;

(4) means to reduce legal and regulatory restrictions on entry into the business of generating, transmitting, and distributing electric energy;

(5) means to promote greater use of wheeling and sales of electric energy for resale; and,

(6) the feasibility and consequences of separate ownership and operation of facilities for electric energy and for natural gas distribution.

(d) PART 3: PROPOSALS FOR GOVERNMENTAL ACTION. At or before the expiration of the twenty-four month period following the enactment of this Act, the Administrator shall submit to the Congress and to the President Part 3 of the Policy Analysis Final Report. Part 3 shall identify the legal, regulatory, economic, and social factors impeding the rapid development of industrial and utility site dual purpose powerplants and other waste heat energy recovery techniques. In addition, Part 3 shall contain specific proposals for governmental action designed to reduce or eliminate existing impediments to such rapid development, and shall include a thorough examination and assessment of at least the following subjects:

(1) JURISDICTION—Identification of the governmental authority or authorities most properly charged with regulating the development and operation of industrial site and utility site dual purpose powerplants and related transmission, distribution and other facilities, including specifically:

(A) the determination of rates or guidelines for rates for sales of electric power from industrial site dual purpose powerplants to utilities and for sales of electric power from utilities to industrial site dual purpose powerplants; and,

(B) the establishment of a forum and procedure for the fair and efficient resolution of disputes between generators, transmitters and distributors of industrially generated electric power;

(2) REGULATORY MEASURES.—Identification of such regulatory action as may be appropriate to promote increased waste heat energy recovery and use, including:

(A) requiring that electric utility transmission facilities be deemed common carriers, with wheeling services available to all producers of electric power at a published tariff rate;

(B) reducing stand-by demand charges to industry in consideration of industrial assumption of a portion of the burden of providing electric power;

(C) granting industrial generation of electric power for sale to the utility system a priority use status in any national allocation of fuels;

(D) requiring industrial site dual purpose powerplants to provide auxiliary electric power generation capacity for use during industrial plant shut-down periods;

(E) assessing peak-load pricing as a policy tool for encouraging waste heat recovery and use;

(F) evaluating the effect of proposed rate structure changes such as time-of-day pricing, life-line costing, marginal pricing, and constant industry and residential rates on extensive development of waste heat conservation and recovery practices: and,

(3) INCENTIVES AND DISINCENTIVES—Identification of measures calculated to encourage private action leading to increased waste heat energy recovery and use, including:

(A) amendments or additions to those provisions of the Federal Power Act, Public Utility Holding Company Act, related federal legislation, and state and local public utility regulations having the greatest effect on waste heat conservation, recovery and use techniques;

(B) employing waste heat charges as a waste heat conservation, recovery and use strategy;

(C) various tax incentives and disincentives such as an increased investment tax credit and accelerated depreciation for properties and equipment dedicated to waste heat energy conservation and recovery uses, and increased taxes on enterprises wasting excessive quantities of heat energy;

(D) regulatory disallowance, in determining just and reasonable rates, of capital costs for the construction of additional electric utility generating capacity where industrially generated electric power is available; and,

(E) fuel taxes on enterprises requiring significant quantities of steam or heat energy that do not adopt measures to conserve, recover and use that energy.

SEC. 102. Beginning one year following submission of Part 3 of the Policy Analysis Final Report and continuing at annual intervals thereafter, the Administrator shall report to the Congress and to the President on the progress made toward definition and implementation of an effective national policy promoting waste heat energy recovery and development of industrial and utility site dual purpose powerplants. The Administrator's annual reports shall include at least the following subjects:

(a) Current forecasts of technological, economic, social and environmental factors bearing upon effective implementation of the national policy;

(b) Perceived trends and changed circumstances anticipated to effect the national policy;

(c) Effectiveness of policy measures thus far adopted; and

(d) Proposed additions or modifications to the national policy as then constituted.

SEC. 103. The Administrator and the Director of the Bureau of Competition of the Federal Trade Commission are each authorized, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53, title 5, United States Code, relating to classification and General Schedule pay rates, to appoint and fix the compensation of such additional personnel as may be necessary to enable the Administrator and Director to carry out their functions under this Act.

SEC. 104. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

TITLE II—INTERIM INCENTIVES FOR INDUSTRIAL COGENERATION

SEC. 201. INVESTMENT TAX CREDIT AMENDMENTS RELATING TO CERTAIN ELECTRICAL ENERGY GENERATING EQUIPMENT

(a) ADDITIONAL CREDIT ALLOWED.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to rules for computing credit for investment in certain depreciable property) is amended by inserting immediately after section 46 the following new section:

"SEC. 46A. SPECIAL RULES RELATING TO CERTAIN ELECTRICAL ENERGY GENERATING EQUIPMENT

"(a) IN GENERAL.—In lieu of the amount which would be determined under section 46(a)(20) with respect to property which is qualified electrical energy generating equipment, the amount of the credit allowed by section 38 for the taxable year with respect to such property shall be an amount equal to 20 percent of the qualified investment (as determined under section 46 (c) and (d) in section 38 property which is (or, for the purpose of applying section 46(d), will be) qualified electrical energy generating equipment.

"(b) ADDITIONAL PERCENTAGE.—In the case of a corporation which elects to have the provisions of this subsection apply, the amount of the credit allowed by section 38 for the taxable year with respect to such property shall be an amount equal to the percentage determined under subsection (a) plus—

"(1) an additional percent of the qualified investment in such property (as determined under subsections (c) and (d) of section 46), and

"(2) an additional percent (not in excess of ½ percent) of such qualified investment (as so determined) equal in amount to the amount determined under section 301(e) of the Tax Reduction Act of 1975.

An election may not be made to have the provisions of this subsection apply for the taxable year unless the corporation making the election meets the requirements of section 301(d) of the Tax Reduction Act of 1975. An election by a corporation to have the provisions of this paragraph apply shall be made at such time, in such form, and in such manner as the Secretary may prescribe.

"(c) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) ELECTRICAL ENERGY GENERATING EQUIPMENT.—The term 'electrical energy generating equipment' means any equipment or device of a character subject to depreciation installed in connection with, and as an integral part of, a system of heating, cooling, or providing power for manufacturing goods which, in addition to its principal purpose, generates electrical energy in excess of the user's needs in such a fashion as to produce commercially marketable quantities and durations thereof, as determined by the Secretary after consultation with the Administrator of the Energy Research and Development Administration.

"(2) QUALIFIED ELECTRICAL ENERGY GENERATING EQUIPMENT.—The term 'qualified electrical energy generating equipment' means electrical energy generating equipment (other than public utility property as defined in section 46(f)(5)) which is used to produce marketable quantities and durations of electrical energy, a substantial amount of which is used by the taxpayer to meet his electrical energy needs or which is sold by the taxpayer to a public utility.

"(d) CONVERSION OF ELECTRICAL ENERGY GENERATING EQUIPMENT TO OTHER USE.—If property with respect to which the credit allowed by section 38 was determined under this section is not used to generate substantial amounts of excess electrical energy in any taxable year before the close of the useful life which was taken into account in computing the credit, the taxpayer shall be treated, for purposes of section 47, as having disposed of such property on the first day of such taxable year.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section. Initial regulations shall be promulgated within 180 days after the date of enactment of the Cogeneration and Waste Heat Utilization Act.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart B is amended by inserting immediately after the item relating to section 46 of the following new item:

"SEC. 46A. SPECIAL RULES RELATING TO CERTAIN ELECTRICAL ENERGY GENERATING EQUIPMENT."

SEC. 202. UTILITY INCENTIVE.

Subsection (f) of section 46 of the Internal Revenue Code of 1954 (relating to limitation in case of certain regulated companies) is amended by adding at the end thereof the following new paragraph:

"(10) No credit shall be allowed by section 38 with respect to any property described in section 50 which is public utility property (as defined in paragraph (5)) of the taxpayer if the taxpayer—

"(A) is engaged predominantly in the trade or business of the furnishing or sale of electrical power, and

"(B) unreasonably refuses (as determined by the Federal Power Commission under standards prescribed by the Commission)—

"(i) to purchase electricity generated by customers of the taxpayer in excess of their requirements,

"(ii) to establish physical connection of its transmission facilities with the facilities of one or more other persons engaged in the transmission or sale of electric energy, or

"(iii) to sell electrical energy to, transmit such energy for, provide transmission services or wheeling for, exchange electrical energy with, provide pooling services for or coordinate with, such other persons.".

SEC. 203. PARTIAL REFUND OF EXCESS CREDIT.

(a) Section 6401(b) of the Internal Revenue Code of 1954 (relating to amounts treated as overpayments) is amended by adding at the end thereof the following new sentence: "If the amount allowable as a credit under section 38 (relating to investment in certain depreciable property) exceeds the limitation provided by section 46(a)(3), the amount of the excess shall be considered an overpayment to the extent that it is attributable to the amount determined under section 46A."

(b) Section 6201(A)(4) of such Code (relating to erroneous credit under section 39 or 43) is amended—

(1) by striking out "section 39 or 43" in the caption and inserting in lieu thereof "section 38, 39, or 43", and

(2) by adding at the end thereof the following new sentence: "If on any claim for refund of income taxes under subtitle A there is an overstatement of that portion of the credit allowable by section 38 (relating to investment in certain depreciable property) which is treated as an overpayment under section 6401(b), the amount so overstated which is allowed as a refund may be assessed by the Secretary in the same manner as in the case of a mathematical or clerical error appearing upon the return, except that the provisions of section 6213(b)(2) (relating to abatement of mathematical or clerical error assessments) shall not apply with regard to any assessment under this sentence.".

SEC. 304. EFFECTIVE DATE.

The amendments made by this title apply with respect to—

(a) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1976, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection after such date and before January 1, 1981;

(b) property to which section 46(d) of such Code does not apply, acquired by the taxpayer after December 31, 1976, and placed in service before January 1, 1981; and

(c) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after December 31, 1976, and before January 1, 1981.

SEC. 205. FINANCIAL ASSISTANCE TO STATE REGULATORY AUTHORITIES

(a) The Administrator is authorized to make monetary grants to State utility regulatory authorities, on an interim basis, for the specific purpose of assisting such authorities in efforts to:

(1) facilitate the recovery and use of waste heat energy;

(2) promote the exchange of electric power between industrial site dual purpose powerplants and electric utilities at reasonable rates; and

(3) encourage electric utilities to transmit electric energy, and provide transmission services or wheeling, to industrial site dual purpose powerplants at reasonable rates.

(b) No monetary grant shall be made under this section unless a formal application therefor has been submitted in such manner as the Administrator may require. The Administration shall promptly review, on a case-by-case basis, each application submitted by a State authority, but may not authorize the issuance of funds to such authority unless:

(1) the Administrator determines that explicit standards satisfying the objectives of this section have been prescribed by the applicant authority; or

(2) the Administrator determines that, although the applicant authority has not yet prescribed explicit standards satisfying the objectives of this section, such standards will be forthcoming in the near future. In such case, however, the Administrator may grant to the applicant authority no more than fifty per centum of the funds that would otherwise be granted, until such time as the authority has submitted, and the Administrator approved, explicit standards satisfying the objectives of this section.

(c) The Administrator may not approve the application of a State authority should the Administrator determine that the State has reduced, or intends to reduce, appropriations for its utility regulatory authority in anticipation of the receipt of funds pursuant to this section.

(d) The Administrator may withhold all or any part of a grant made pursuant to this section should the Administrator determine that the State authority is not diligently carrying out the program described in its application or is failing to abide by assurances given in such application.

(e) There is authorized to be appropriated under this section a sum not to exceed $20,000,000 in grants during any fiscal year. Such grants shall be allocated by the Administrator among the various States on an equitable basis, taking into consideration such objective criteria as population and existing energy deficiencies.

(f) No grant shall be made pursuant to this section after the close of a three year period commencing with the date of the enactment of this Act.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. QUAYLE), to revise and extend their remarks, and to include extraneous matter:)

Mr. MARLENEE, for 5 minutes, today.
Mr. FINDLEY, for 5 minutes, today.
Mr. GOODLING, for 10 minutes, today.

(The following Members (at the request of Mr. DICKS), to revise and extend their remarks, and to include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. FLOOD, for 10 minutes, today.
Mr. KOCH, for 10 minutes, today.
Mr. MIKVA, for 5 minutes, today.
Ms. HOLTZMAN, for 30 minutes, today.
Mr. WEISS, for 5 minutes, today.
Mr. DRINAN, for 15 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. BONKER, for 5 minutes, today.
Mr. BADILLO, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. RHODES, and to include a speech by former President Gerald Ford notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,046.50.

Mr. FRASER, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,127.

(The following Members (at the request of Mr. QUAYLE) and to include extraneous matter:)

Mr. WINN.
Mr. DERWINSKI.
Mr. SHUSTER.
Mr. SARASIN.
Mrs. FENWICK.
Mr. GRASSLEY.
Mr. STEERS in two instances.
Mr. SYMMS.
Mr. MADIGAN.
Mr. GOLDWATER.
Mr. O'BRIEN.
Mr. FINDLEY.
Mr. TAYLOR.
Mr. HAGEDORN in two instances.
Mr. CRANE.
Mr. WAMPLER.

(The following Members (at the request of Mr. DICKS) and to include extraneous matter:)

Mr. GONZALEZ in three instances.
Mr. PREYER.
Mr. ANDERSON of California in three instances.
Mr. OTTINGER.
Mr. MONTGOMERY.
Mr. DOWNEY.
Mr. MURPHY of Illinois.
Mr. EILBERG in five instances.
Mr. BEARD of Rhode Island.
Mr. YOUNG of Missouri.
Mr. LUNDINE.
Mr. KOCH in four instances.
Mr. DRINAN in 10 instances.
Ms. SCHROEDER in two instances.
Mr. VANIK in two instances.
Mr. SANTINI.
Mr. NIX.
Mr. ECKHARDT.
Mr. APPLEGATE.
Mr. RYAN.
Mr. MOAKLEY.
Mr. RANGEL.
Mr. CARNEY.
Mr. BROWN of California.
Mr. TEAGUE.
Mr. BONKER.
Mr. DANIELSON.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and a Joint Resolution of the Senate of the following title:

S. 385. An act to name a certain Federal building in Grand Rapids, Michigan, the "Gerald R. Ford Building"; and

S.J. Res. 44. A joint resolution to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the author.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4877. An act making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes.

ADJOURNMENT

Mr. DICKS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p.m.), the House adjourned until tomorrow, Wednesday, April 27, 1977, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1344. A letter from the Comptroller General of the United States, transmitting a report on the need for and use of air launched and Tomahawk Cruise missile programs (PSAD-77-36, April 26, 1977); jointly, to the Committees on Government Operations, and Armed Services.

1345. A letter from the Comptroller General of the United States, transmitting a report on the Navy's fleet air defense (PSAD-77-82, April 25, 1977); jointly, to the Committees on Government Operations, and Armed Services.

1346. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of the intention of the Department of Defense to obligate funds available in the DOD stock fund for war reserve inventory for the Defense Logistics Agency, pursuant to section 735 of Public Law 94-419; to the Committee on Appropriations.

1347. A letter from the Chairman, Board of Trustees, Public Defender Service for the District of Columbia, transmitting the Board's annual report for fiscal year 1976 and the transition quarter, pursuant to section 306(a) of Public Law 91-358 [D.C. Code, § 2-2226]; to the Committee on the District of Columbia.

1348. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the National School Lunch Act and the Child Nutrition Act of 1966 to revise and extend the summer food service program for children, to revise the nonfood assistance program, and for other purposes; to the Commtitee on Education and Labor.

1349. A letter from the Secretary of Commerce, transmitting the annual report of the Department of Commerce for fiscal year 1976 and the transition quarter, pursuant to section 8 of the act of February 14, 1903 [15 U.S.C. 1519]; to the Committee on Interstate and Foreign Commerce.

1350. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's views on H.R. 2482, a bill "To regulate commerce by establishing national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes," pursuant to section 27(k)(2) of Public Law 92-573; to the Committee on Interstate and Foreign Commerce.

1351. A letter from the Administrator, Federal Energy Administration, transmitting a report covering the month of December 1976, on gasoline service station market shares, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1352. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a supplemental list of names to the report on NASA and aerospace-related industry employment (Executive Communication No. 1124), pursuant to section 6 of Public Law 91-119, as amended; to the Committee on Science and Technology.

1353. A letter from the Comptroller General of the United States, transmitting a report on new approaches needed by the Department of Agriculture to control the production of major crops if surpluses again occur (CED-77-57, April 25, 1977); jointly, to the Committees on Government Operations, and Agriculture.

1354. A letter from the Comptroller General of the United States, transmitting the fifth report on the implementation of the Emergency Loan Guarantee Act, pursuant to section 7(b) of the act (Public Law 92-70); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

1355. A letter from the Administrator, Federal Energy Administration, transmitting a report on the equitable sharing of Alaska North Slope crude oil, pursuant to section 18 of Public Law 94-586; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MEEDS: Committee on Rules. House Resolution 523. Resolution providing for the consideration of H.R. 2. A bill to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes (Rept. No. 95-222). Referred to the House Calendar.

Mr. DENT: Committee on House Administration. House Resolution 465. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Assassinations; with amendment (Rept. No. 95-223). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER (for himself, Mr. NOLAN, Mr. HUGHES, Mr. CHARLES WILSON of Texas, Mr. AKAKA, Mr. KINDNESS, Mr. RAHALL, Mr. BEVILL, Mr. ROSE, Mr. MCHUGH, Mr. BAUCUS, Mr. BLOUIN, Mr. RUPPE, Mr. AUCOIN, Mr. PERKINS, Mr. ERTEL, Mr. CORNELL, Mr. EMERY, Mr. SIMON, Mr. HAMMERSCHMIDT, Mr. RISENHOOVER, Mrs. MEYNER, and Mr. PATTISON of New York):

H.R. 6616. A bill to amend section 306(a) of the Consolidated Farm and Rural Development Act to prescribe criteria for determining the amount of grants made under such section, to prescribe the priority of applicants for loans and grants under such section, and for other purposes; to the Committee on Agriculture.

By Mr. ANDERSON of California (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. AMBRO, Mr. BEARD of Rhode Island, Mr. BRODHEAD, Ms. BURKE of California, Mr. DELLUMS, Mr. DE LUGO, Mr. FRASER, Mr. GEPHARDT, Mr. GIBBONS, Mr. HARRINGTON, Mr. HOLLENBECK, Mr. JACOBS, Mr. KREBS, Mr. KOCH, Mr. KOSTMAYER, Mr. MCCLOSKEY, Mr. MIKVA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOSS, Mr. OTTINGER, and Mr. PEPPER):

H.R. 6617. A bill to regulate the trapping of mammals and birds on Federal lands, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, Interstate and Foreign Commerce, and the Judiciary.

By Mr. ANDERSON of Illinois (for himself, Miss JORDAN, Mr. ANDERSON of California, Mr. CONABLE, Mr. FINDLEY, Mr. FITHIAN, Mr. MCKINNEY, and Mr. PURSELL):

H.R. 6618. A bill to reorganize Federal regulatory agencies to prevent excessive, duplicative, inflationary, and anticompetitive regulation, and to make regulation more effective and responsive to the public interest; jointly, to the Committees on Government Operations, and Rules.

By Mr. BEARD of Rhode Island:

H.R. 6619. A bill to amend title VII of the Civil Rights Act of 1964 to extend the equal opportunity in employment provisions to prohibit employment discrimination against the handicapped; to the Committee on Education and Labor.

By Mr. BRODHEAD:

H.R. 6620. A bill to amend title XVI of the Social Security Act to establish a more adequate and realistic guaranteed annual income for all aged, blind, and disabled individuals by increasing benefit amounts, and to establish outreach procedures to assure that all potential recipients of benefits under such program will be fully informed concerning such benefits; to the Committee on Ways and Means.

By Mr. BUTLER:

H.R. 6621. A bill to designate certain lands within the National Forest System in the State of Virginia as wilderness, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FAUNTROY:

H.R. 6622. A bill to amend part of the act of August 21, 1974 enacting the Education Amendments of 1974 so as to authorize the Commissioner of Education to grant to the District of Columbia, as to any State, financial assistance for the development and administration of an equalization plan; to the Committee on Education and Labor.

By Mrs. FENWICK:

H.R. 6623. A bill to provide that increases in rates of pay for Members of Congress, and other financial benefits specifically applicable to Members of Congress, may take effect only if approved by the Congress and deferred until the beginning of the following Congress; to the Committee on Post Office and Civil Service.

By Mr. FINDLEY:

H.R. 6624. A bill to study and recommend remedial measures to stabilize the bank of the Illinois River at Hardin, Ill.; to the Committee on Public Works and Transportation.

By Mr. FLORIO (for himself, Mr. PHILLIP BURTON, Mr. PATTEN, Mr. RODINO, Mr. THOMPSON, Mr. RINALDO, Mrs. FENWICK, Mrs. MEYNER, Mr. MINISH, Mr. HOWARD, Mr. HOLLENBECK, and Mr. MAGUIRE):

H.R. 6625. A bill to provide for the establishment of a Pines Barrens National Ecological Reserve in the State of New Jersey, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HANSEN:

H.R. 6626. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from active military service under less than honorable conditions are administratively upgraded under the revised standards as implemented by the Department of Defense's special discharge review program; to the Committee on Veterans' Affairs.

By Mr. JACOBS (for himself and Ms. KEYS):

H.R. 6627. A bill to amend the Motor Vehicle Information and Cost Savings Act to provide minimum fuel economy standards for every passenger automobile manufactured in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. LAGOMARSINO (for himself and Mr. DON H. CLAUSEN):

H.R. 6628. A bill to provide for a continuing program of water resources research and development; to the Committee on Interior and Insular Affairs.

By Mr. LOTT:

H.R. 6629. A bill to amend the Wild and Scenic Rivers Act to designate a certain portion of Black Creek in Mississippi for potential addition to the Wild and Scenic River System; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 6630. A bill to amend the Internal Revenue Code of 1954 to allow individuals certain credits against income tax for certain expenses for education and a deduction from gross income for certain contributions to qualified higher education funds, and for other purposes; to the Committee on Ways and Means.

By Mr. MIKVA (for himself and Mr. HORTON):

H.R. 6631. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to defer a portion of his income tax based upon the amount of certain expenses paid or incurred by him in connection with the education or training at an institution of higher education or a vocational school of the taxpayer, his spouse, or any dependent; to the Committee on Ways and Means.

By Mr MOLLOHAN (for himself and Mr. SISK):

H.R. 6632. A bill to authorize the disposal of tin from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. NIX:

H.R. 6633. A bill to amend title 5, United States Code, to provide for grade retention benefits for certain employees whose positions are reduced in grade, and for other purposes; to the Committee on Post Office and Civil Service.

By Ms. OAKAR:

H.R. 6634. A bill to require that the Hungarian Crown of Saint Stephen and other relics of the Hungarian royalty remain in the custody of the U.S. Government and that they not be transported out of the United States, unless the Congress provides otherwise by legislation; to the Committee on International Relations.

By Mr. PICKLE:

H.R. 6635. A bill to amend the Second Liberty Bond Act to allow the interest rates paid on U.S. retirement plan and individual retirement bonds to be increased to the rate paid on U.S. series E savings bonds; to the Committee on Ways and Means.

By Mr. PICKLE (for himself, Mr. WON PAT, Mr. ROSE, Mr. ZEFERETTI, and Mr. HYDE):

H.R. 6636. A bill to provide a comprehensive program to improve cargo security for property being transported in interstate and foreign commerce; jointly, to the Committees on Interstate and Foreign Commerce, Public Works and Transportation, Ways and Means, and Merchant Marine and Fisheries.

By Mr. ROE:

H.R. 6637. A bill to make the provisions of the Public Safety Officers Benefits Act retroactive to January 1, 1972 and to include volunteer ambulance, first-aid and rescue squad members as Public Safety Officers eligible to receive benefits thereunder; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself and Mr. LEACH):

H.R. 6638. A bill to establish an Office of Spanish-Speaking Affairs in the Executive Office of the President, and for other purposes; to the Committee on Government Operations.

By Mr. ST GERMAIN:

H.R. 6639. A bill to authorize the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 6640. A bill to amend the Internal Revenue Code of 1954 to encourage businesses to purchase surplus school or hospital buildings from governmental and nonprofit entities by providing rapid amortization for such buildings; to the Committee on Ways and Means.

H.R. 6641. A bill to amend title XVIII of the Social Security Act to provide payment for rural health clinic services; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 6642. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by professional registered nurses in the peer review, and related activities authorized thereunder; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. SANTINI:

H.R. 6643. A bill to amend the Mineral Leasing Act of 1920 and the Interstate Commerce Act, and for other purposes; jointly to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Public Works and Transportation.

By Mrs. SCHROEDER (for herself, Mr. NIX, Mr. BLOUIN, Mr. CORRADA, Mr. PRICE, Mr. WAXMAN, Mr. JOHNSON of Colorado, Mr. DAVIS, Mr. KETCHUM, Mr. BEARD of Rhode Island, Mr. MILLER of California, Mr. GLICKMAN, Mr. FRASER, Mr. ERTEL, Mrs. CHISHOLM, Mr. EDWARDS of California, Ms. HOLTZMAN, and Mr. FISHER):

H.R. 6644. A bill to amend title 38, United States Code, to provide that the recipient of a veterans' pension or dependency and indemnity compensation will not have the amount of such pension or compensation reduced because of cost-of-living increases in social security benefits, railroad retirement annuities, or other retirement benefits; to the Committee on Veterans' Affairs.

By Mrs. SCHROEDER (for herself, Mr. RANGEL, Mr. CARR, Mr. JOHNSON of California, Mr. MURPHY of Pennsylvania, Mr. MCCLOSKEY, Mr. YATRON, Mr. DELLUMS, Mr. PANETTA, Mr. JACOBS, Mr. JOHN L. BURTON, Mr. MOAKLEY, Mr. STANTON, Mr KINDNESS, Mr. YOUNG of Alaska, Mr. ALLEN, Mr. CHARLES WILSON of Texas, Mr. PURSELL, Mr. WHITLEY, Mr. OTTINGER, Mr. ROSE, Mr. EDWARDS of Oklahoma, Mr. REUSS, and Ms. MIKULSKI):

H.R. 6645. A bill to amend title 38, United States Code, to provide that the recipient of a veterans' pension or dependency and indemnity compensation will not have the amount of such pension or compensation reduced because of cost-of-living increases in social security benetfis, railroad retirement annuities, or other retirement benefits; to the Committee on Veterans' Affairs.

By Mr. SHIPLEY:

H.R. 6646. A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from a temporary construction project worksite; to the Committee on Ways and Means.

By Mr. ANNUNZIO:

H.R. 6647. A bill to amend title XVI of the Social Security Act to provide that supplementary security income benefits shall be payable to a resident alien only if he has continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

By Mr. BARNARD (for himself and Mr. SKELTON):

H.R. 6648. A bill to amend title 18 of the United States Code to increase the penalties imposed for certain firearms violations and to extend the mandatory imposition of those penalties to first offenses; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON (for himself, Mr. LLOYD of California, Mr. KREBS, Mr. BADILLO, Mr. AUCOIN, Mrs. COLLINS of Illinois, Mr. CARNEY, Mr. HAWKINS, Mr. MILLER of California, Mr. MIKVA, Mr. WIRTH, Ms. MIKULSKI, Mr. NOLAN, Mr. PATTERSON of California, Mr. OTTINGER, Mr. RYAN, Mr. SANTINI, Mr. WAXMAN, Mr. WINN, and Mr. WON PAT):

H.R. 6649. A bill to amend the Disaster Relief Act of 1974, and for other purposes; jointly, to the Committees on Public Works and Transportation, Banking, Finance and Urban Affairs, Education and Labor, and Small Business.

By Mr. CRANE:

H.R. 6650. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 so as to prohibit the use for political purposes of certain funds collected by labor organizations from their members, and for other purposes; to the Committee on Education and Labor.

By Mr. EILBERG:

H.R. 6651. A bill to establish a Select Commission on Immigration and Refugee Policy; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.R. 6652. A bill to amend the Social Security Act to provide that future increases in retirement or disability benefits under Federal programs shall not be taken into consideration in determining a person's need for aid or assistance under any of the Federal-State public assistance programs; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. ADDABBO, Mr. BADILLO, Mr. BAUCUS, Mr. BINGHAM, Mr. BROWN of California, Mr. CAPUTO, Mr. CARR, Mr. GEPHARDT, Mr. GILMAN, Mr. MCKINNEY, Mr. MITCHELL of Maryland, Mr. MOAKLEY, and Mr. MOFFETT):

H.R. 6653. A bill to amend the Urban Mass Transportation Act of 1964 to require public hearings before any increase in fares and for other purposes; to the Committee on Public Works and Transportation.

By Ms. HOLTZMAN (for herself, Mr. MOSS, Mr. MURPHY of New York, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON of California, Mr. RICHMOND, Mr. ROE, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SIMON, Mrs. SPELLMAN, Mr. WEISS, and Mr. WOLFF):

H.R. 6654. A bill to amend the Urban Mass Transportation Act of 1964 to require public hearings before any increase in fares and for other purposes; to the Committee on Public Works and Transportation.

By Mr. REUSS (for himself, Mr. ASHLEY, Mr. BROWN of Michigan, Mr. MOORHEAD of Pennsylvania, Mr. ST GERMAIN, Mr. MITCHELL of Maryland, Mr. HANLEY, Mr. FAUNTROY, Mr. LA FALCE, Mr. AUCOIN, Mrs. SPELLMAN, Mr. BLANCHARD, Mr. HUBBARD, Mr. TSONGAS, Mr. EVANS of Indiana, Mr. LUNDINE, Mr. STANTON, Mr. WYLIE, Mr. MCKINNEY, and Mr. EVANS of Delaware):

H.R. 6655. A bill to amend certain Federal laws pertaining to community development, housing, and related programs; to the Committee on Banking, Finance and Urban Affairs.

By Mr. REUSS (for himself, Mr. ASHLEY, Mr. BROWN of Michigan, Mr. ALLEN, Mr. D'AMOURS, Mr. BADILLO, Mr. PATTISON of New York, Ms. OAKAR, Mr. VENTO, Mr. BARNARD, Mr. WATKINS, Mr. HYDE, Mrs. FENWICK, Mr. LEACH, Mr. STEERS, Mr. CAPUTO, and Mr. HOLLENBECK):

H.R. 6656. A bill to amend certain Federal laws pertaining to community development, housing, and related programs; to the committee on Banking, Finance and Urban Affairs.

By Mr. STEIGER (for himself, Mr. ERLENBORN, and Mr. KRUEGER):

H.R. 6657. A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement; to the Committee on Ways and Means.

By Mr. WEAVER:

H.R. 6658. A bill to require that all timber harvested from lands owned by the United States located west of the 100th meridian be processed in the United States, that only certain products from the processing of timber harvested from certain lands owned by the United States be exported from the United States, and for other purposes; jointly, to the Committees on International Relations and Interior and Insular Affairs.

By Mr. ZEFERETTI:

H.R. 6659. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. DINGELL (for himself, Mr. MOSS, Mr. OTTINGER, Mr. MOFFETT, Mr. MAGUIRE, Mr. FLORIO, Mr. TRAXLER, Mr. HARRINGTON, Mr. FORD of Michigan, Mr. VENTO, Mr. GORE, Ms. MIKULSKI, Mr. PRICE, Mr. SEIBERLING, Mr. MILLER of California, Mr. LEGGETT, Mr. ZEFERETTI, Mr. EDWARDS of

California, Mr. STUDDS, Mr. DOWNEY, Mr. MOTTL, Mr. PATTERSON of California, Mr. CAPUTO, Mr. THOMPSON, and Mr. DRINAN):

H.R. 6660. A bill to increase the efficiency of the production and use of electric energy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OTTINGER:

H.R. 6661. A bill to promote the recovery of waste heat energy resources and the expedited development and commercial application of dual purpose powerplants, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. ADDABBO (for himself and Mr. BIAGGI):

H.J. Res. 416. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Prevention Day; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of California (for himself, Mr. PATTEN, Ms. OAKAR, Mr. BAUCUS, Mr. PIKE, Mr. UDALL, Mr. MANN, Mr. SYMMS, Mr. WALGREN, Ms. MEYNER, Mr. VANDER JAGT, Mr. EVANS of Georgia, Mr. ROGERS, Mr. STEIGER, Mr. ROBINSON, Mr. ARCHER, Mr. KILDEE, Ms. COLLINS of Illinois, Mr. MARTIN, Mr. CAVANAUGH, Mr. VOLKMER, Mr. MCDONALD, Mr. HOLLAND, Mr. BIAGGI, and Mr. RYAN):

H.J. Res. 417. Joint resolution to provide for the designation of a week as National Lupus Week; to the Committee on Post Office and Civil Service.

By Mr. MOLLOHAN:

H.J. Res. 418. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. KEMP (for himself, Mr. MCDONALD, Mr. WHITEHURST, and Mr. DORNAN):

H. Con. Res. 207. Concurrent resolution designating April 30, 1977, Vietnam Memorial Day; to the Committee on Post Office and Civil Service.

By Mr. ROUSSELOT:

H. Con. Res. 208. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal year 1978; to the Committee on the Budget.

By Mr. FAUNTROY:

H. Res. 518. Resolution relative to providing high quality telephone service; to the Committee on Interstate and Foreign Commerce.

H. Res. 519. Resolution relative to including optometric services in medical assistance programs; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. PICKLE (for himself, Mr. CARNEY, and Ms. HOLTZMAN):

H. Res. 520. Resolution to study the feasibility of installing solar energy equipment in the House office buildings; to the Committee on Public Works and Transportation.

By Mr. ROE:

H. Res. 521. Resolution expressing support for Solidarity Sunday; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

106. By the SPEAKER: Memorial of the Legislature of the State of North Dakota, relative to retention of section 14(b) of the Taft-Hartley Act; to the Committee on Education and Labor.

107. Also, memorial of the Senate of the State of North Dakota, relative to common situs picketing; to the Committee on Education and Labor.

108. Also, memorial of the Legislature of the State of North Dakota, relative to overlapping jurisdictions on Indian reservations; to the Committee on Interior and Insular Affairs.

109. Also, memorial of the Legislature of the State of Hawaii, relative to construction grants for the improvement of public water systems in compliance with the Safe Drinking Water Act; to the Committee on Interstate and Foreign Commerce.

110. Also, memorial of the Legislature of the State of North Dakota, relative to permitting States to have flexibility in establishing standards and solving local problems; to the Committee on the Judiciary.

111. Also, memorial of the Legislature of the State of Delaware, relative to research and development funding for nuclear and coal energy development and alternate energy resources; to the Committee on Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEILENSON:

H.R. 6662. A bill for the relief of Miladin Radenko Radicevich; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 6663. A bill for the relief of Marco S. Marinello Associates, Inc.; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 6664. A bill for the relief of Lily Lirio Galindo; to the Committee on the Judiciary.

By Mr. MOFFETT:

H.R. 6665. A bill for the relief of Col. Donald G. Carpenter, retired; to the Committee on the Judiciary.

By Mr. BOLAND:

H. Res. 522. Resolution to refer H.R. 6663 to the Chief Commissioner of the U.S. Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

93. By the SPEAKER: Petition of the common council, New Britain, Conn., relative to low-cost spaying and neutering clinics; to the Committee on Interstate and Foreign Commerce.

94. Also, petition of the Board of Mahoning County Commissioners, Youngstown, Ohio, relative to low-cost spaying and neutering clinics; to the Committee on Interstate and Foreign Commerce.

95. Also, petition of the San Diego Regional Criminal Justice Planning Board, San Diego, Calif., relative to funding of programs under the Crime Control Act of 1968 to the Committee on the Judiciary.

96. Also, petition of the Village Board, Westmont, Ill., relative to the proposed flood control program for the village of Westmont; to the Committee on Public Works and Transportation.

97. Also, petition of the Louisiana AFL–CIO, Baton Rouge, relative to national health insurance; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 195

By Mr. ANDERSON of California:

Page 4, line 2, strike out "$19,935,000,000" and insert in lieu thereof "$20,435,000,000".

Page 4, line 3, strike out "$19,903,000,000" and insert in lieu thereof "$20,403,000,000".

Page 1, line 11, strike out the dollar figure and insert in lieu thereof "$501,264,000,000".

Page 2, line 2, strike out the dollar figure and insert in lieu thereof "$462,849,000,000".

Page 2, line 5, strike out the dollar figure and insert in lieu thereof "$64,755,000,000".

H.R. 2

By Mr. RUPPE:

Page 259, line 23 through page 260, line 13: strike out paragraph (6) in its entirety.

By Mr. STEERS:

To amend title 4, section 403 to read:

"ELIGIBLE LANDS AND WATER

"Sec. 403. The only lands and water eligible for reclamation or drainage abatement expenditures under this title."

By Mr. WAMPLER:

On page 227, following line 3, strike the period at the end of line 3 and add the following language, renumbering succeeding subsections accordingly: ", except as provided in subsection (d).

"(d) All existing surface coal mining operations producing 250,000 tons or less per year on lands on which such operations are regulated by a State shall be allowed 30 months from the date of enactment of this Act to comply with the provisions of section 515 of this Act."

Page 269, line 11, delete all following the colon in line 11 through page 270, line 22 and in lieu thereof insert the following: *"And provided further*, That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that the amount of overburden and other spoil and waste materials cannot be economically restored to the approximate original contour, the operator shall backfill, grade, and compact (where advisable) the overburden and other spoil and waste materials to the maximum extent possible in accordance with regulations of the regulatory authority and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region in accordance with the requirements of subsection (c)(3) and that such overburden or spoil shall be shaped and graded in such way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;"

On page 284, delete all through page 285, line 18, inserting in lieu of the deleted text the following, and renumbering succeeding sections accordingly:

"(1) Insure that when surface coal mining is performed on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block cut of earth in the surface coal mining operation can be placed on a limited and specified area of the downslope below the initial cut in accordance with regulations adopted pursuant to the provisions of paragraph 415(b)(3) if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided*, That spoil material regulated under the provisions of paragraph 415(b)(3) or 415(d)(2) or excess spoil from a surface coal mining operation granted a permit under subsection 415(c) may be permanently stored at such offsite spoil storage areas as the regulatory authority shall designate and for the purposes of this Act such

areas shall be deemed in all respects to be part of the lands affected by surface coal mining operations. Such offsite spoil storage areas shall be designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site.

"(2) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however*. That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

"(3) For the purposes of this section, the term "steep slope" is any slope above twenty degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State."

EXTENSIONS OF REMARKS

FIRST JOHN SHERMAN COOPER LECTURE

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. RHODES. Mr. Speaker, recently former President Ford gave the John Sherman Cooper Lecture at the University of Kentucky. I think it would be of interest to my colleagues, so I insert it at this point in the RECORD:

JOHN SHERMAN COOPER LECTURE, UNIVERSITY OF KENTUCKY, APRIL 11, 1977

It is an honor and a very special privilege for me to deliver the first John Sherman Cooper Lecture at the University of Kentucky.

To know John Sherman Cooper is to know one of the finest statesmen this country and the Commonwealth of Kentucky have ever produced.

For almost half a century, he has served the Nation with the highest distinction—as a legislator and judge here in Kentucky, as a soldier under General Patton, as a delegate to the United Nations and a founder of NATO, as Ambassador to India and East Germany, and as a United States Senator.

A few days before he retired from the Senate in 1972, the Congressional Record was filled with his tribute. From both sides of the partisan aisle, the sentiments were the same.

Integrity, vision, compassion, wisdom, honor—these were the words his fellow Senators used to describe their friend and define their loss on his retirement.

His magnificent record in foreign affairs, both in the Congress and in the executive branch, his sponsorship of the Appalachian Regional Development Program, his statesmanlike influence on his fellow legislators—all of these help form the legacy of John Sherman Cooper.

As a serious, constructive student of government, and as an able lawyer, Senator Cooper also devoted much of his time and thought to the search for a proper balance of powers—particularly in foreign policy—between the executive and legislative branches of government.

This fascinating, frustrating search is as old as our Constitution, with roots much deeper in the history of governments.

It has at various times concerned the Roman Senate and Caesars, the English King and Parliaments, and others fully as much as it concerns American Presidents and the Congress in our time.

The Framers of our Constitution, well schooled in the history of governments and deeply influenced by such political philosophers as Polybius and Montesquieu, recognized the need for separate powers as checks and balances among the executive, legislative and judicial branches.

They gave the Congress the power to coin money, collect taxes and appropriate funds; to regulate commerce; to establish courts; to raise and support an army and navy; to declare war; and to make all laws necessary and proper for executing the powers of government.

The President was assigned the powers of Commander-in-chief of the army and navy; the appointment of ambassadors, judges and other public officials; the veto of congressional legislation; and the power to convene the Congress in special session.

With powers thus divided, neither branch was intended to dominate the other.

Yet each has established a clear dominance at different stages in our history.

In 1885 a young Woodrow Wilson published his doctoral dissertation on the subject of "Congressional Government." He concluded that the Congress was the dominant branch of government, and that the President was "nothing but an ineffective figurehead."

He advised that "we think less of checks and balances and more of coordinated power," and that we achieve that coordinated power through "the encouragement of Presidential leadership."

Nearly a century later, after two Roosevelts, a Truman, an Eisenhower, a Kennedy, a Johnson, a Nixon—and an older Woodrow Wilson—Presidential leadership does not seem to need much encouragement.

But the question remains, "how should the powers of the executive and legislative branches be coordinated, especially in the field of foreign policy?"

I address this question tonight as one who has been honored to serve at both ends of Pennsylvania Avenue over the past 28-plus years.

As a Member of Congress, I sometimes wondered if the Presidents with whom I served weren't going too fast in making important decisions and commitments for the Nation.

I wondered if the White House didn't isolate them too much from public opinion and from the free expression of competing views.

Later, like many of the modern Presidents, I occasionally felt a certain impatience with the painstaking, deliberative process that is the heart and soul of the legislative branch.

The pace of this modern age has been so fast its problems filled with such urgency, the the parliamentary rules and customs so deeply rooted in tradition often seem antiquated, petty and maddeningly slow when viewed from the Oval Office.

So the problems of coordination can be troublesome, and they are magnified a thousandfold when foreign policy is involved.

In the years just following World War II, while two junior legislators named Cooper and Ford were learning their way around Washington, there was a remarkable degree of national consensus about the role America should play in the world.

We held the noble conviction that since we alone had emerged virtually unscathed by the destruction of war—since the war had in fact made us the most formidable military and economic power on earth—we had a special responsibility to build a new and better world from the ruins of the old.

We knew, too, that we had been dragged into two world wars we did not want by the collapse of the world political system in 1917 and 1941, and that we could not sit by and let that system collapse again.

This national consensus was made possible by such men as Arthur Vandenberg, my own political mentor, who championed bipartisanship in foreign affairs and helped cement with President Truman a common bond of purpose in international relations between the legislative and executive branches of government.

Working together, it was an easy and rewarding task to guide public opinion and mandate government resources for such monumental efforts as the Marshall Plan, the Point Four program, and NATO.

Consensus was also made possible by the recognition of a growing threat from the Soviet Union. In that early post-war era, the Soviets under Stalin were consolidating their power and authority over the nations of eastern Europe.

They were also probing for footholds in the Middle East, first in Iran and Turkey, and later in many other parts of the region.

No one knew how far their aggressive designs might reach, and none decided that if the Soviet march were to be stopped, the United States would have to assume the active leadership of the free world.

The nations which had guided European diplomacy for centuries no longer had the power to do so, especially before the massive threat of Soviet expansion.

These goals for a new and better world, and these challenges of the Cold War, established a foreign policy consensus that endured well into the 1960's.

It is the Presidential drama of this period we remember best: Eisenhower pledging to go to Korea; the dramatic summit conferences; Kennedy's courage in the Cuban missile crisis.

But underlying every Presidential initiative was a broad foundation of support in the United States Congress.

Even in the case of Vietnam, the SEATO Treaty was approved by the Senate, 82 to 1, in 1955, and the Gulf of Tonkin Resolution was passed in the Senate, 88 to 2, and in the House of Representatives, 414 to 0, in 1964.

But as that frustrating war went on year after year, our national unity was shattered, and with it the essential foreign policy coordination between President and Congress.

Old assumptions were challenged. Longstanding commitments were called into question. Bipartisanship in foreign affairs gave way to deep divisions within the two parties themselves.

Members of Congress who came to oppose the war would also come to oppose the Presidents who prosecuted the war.

In the end, they would argue that the Presidency itself had grown too powerful, that a usurpation of powers by the President from the Congress was chiefly to blame for our disillusioning involvement in Vietnam.

These concerns found legislative expression in the War Powers Resolution of 1973.

This resolution claimed for the Congress unprecedented power in the conduct of foreign policy, at the same time holding the President in strict account for his own actions in international affairs.

The resolution required that "the President in every possible instance shall consult with Congress" before committing U.S. combat troops abroad, and that the President report in writing within 48 hours to the Speaker of the House and President pro

tem of the Senate on any commitment or substantial enlargement of such troops.

It also required that after such forces are introduced, the President "shall consult regularly with the Congress" until forces "are no longer engaged in hostilities or have been removed."

A second major section of the resolution provided that any such troop commitment must be terminated within 60 days, unless Congress has declared war, specifically authorized the commitment, or has been unable to convene because of an armed attack on the United States.

The legislation also specified that, by the passage of a concurrent resolution, the Congress can direct the President to remove U.S. forces before the 60-day period expires.

"No more Vietnams" was the theme sounded over and over in the debate on this War Powers Resolution.

John Sherman Cooper, seeing only tragedy in Vietnam and knowing that it would, indeed, be dangerous to have too much power concentrated in any one branch of government, was a co-sponsor of this resolution.

But he did not agree with one of its underlying themes, that, in his words, "the executive has taken from the Congress its powers."

He reminded his colleagues that "the Congress, particularly since World War II, has not only acceded to, but has supported" executive requests for congressional authority "to use the armed forces of the United States, if necessary, in hostilities."

"These are settled facts of history," he said. "We can change our course but we cannot revise and rewrite history."

While debate on the resolution was underway, a new and distressing chapter in American history was being written across the front pages of the Nations newspapers.

Day after day, new allegations of excessive and misused presidential power were being unveiled. The scandal of Watergate became a national obsession.

It was in this highly-charged atmosphere, in the boiling passions of Vietnam and Watergate, and in defiance of President Nixon's veto, that the Congress finally passed the War Powers Resolution.

The debate was framed by constitutional issues. As Eugene Rostow has noted, "the battle cry of 'constitutional usurpation' quickens the blood of every Congressman, indeed of every American. We find it easy to conclude that whatever we dislike intensely must therefore be unconstitutional, as well."

But as John Cooper's good friend in the Senate, George Aiken of Vermont, has written, the War Powers Resolution was "largely a political effort . . ., an attempt to amend the Constitution by congressional resolution." The arrangements which the Constitution makes for the conduct of foreign policy involve a complex interplay between the legislative and executive branches.

Congress is given the power to declare war, and to raise an army and navy. The Senate is given the additional power of advice and consent in the ratification of treaties and the appointment of ambassadors and other officials, including the Secretaries of State and Defense.

The President is made Commander-in-Chief and head of state. By fundamental definition, the chief executive is also given the power to execute American foreign policy.

It was not intended that these powers be consolidated in the interest of efficiency, but rather that they be separated in the interest of democracy.

Coordination between the two branches was obviously to be encouraged. The brilliant system of checks and balances which the Founding Fathers devised was not meant to breed constant, paralyzing confrontation between the President and Congress of the United States.

But as former Undersecretary of State George Ball testified in hearings on the War Powers bill, this resolution "represents an attempt to do what the Founding Fathers felt they were not wise enough to do."

It seeks by simple legislation to codify the military powers of the President, spelling out exactly what he can and cannot do, and how, and under what circumstances, to defend the United States and its citizens from international danger.

The Resolution also grants to the Congress powers which tend to make it superior to the executive branch, as in the provision that Congress may order the withdrawal of troops within 60 days by a concurrent resolution not subject to Presidential veto.

Where are the constitutional checks and balances of this system?

The resolution also requires consultation with Congress in military emergencies.

Of course, consultation by the President with congressional leaders is a wise and normal feature of our constitutional and political life.

No President with commonsense would dream of neglecting this aspect of his obligation. But can it be mandated by law? And what does it mean?

Can the President satisfy the law by having breakfast with three or four or a dozen leaders he decides are the key people?

Does the law mean that the leaders of both houses, and key members of relevant committees, can speak for or bind the Congress?

Finally, there is a question of how closely this resolution would involve the Congress in the actual execution, as opposed to the general direction, of foreign policy, particularly in times of crisis.

Does the consultation provision require the approval of the Congress before executive action is taken? What if the President and Congress disagree? Which of these separate but equal powers would prevail in such a confrontation?

These arguments of dubious constitutionality can be more than matched by other arguments of workability.

The United States was involved in six military crises during my Presidency: the evacuation of U.S. citizens and refugees from DaNang, Phnom Penh and Saigon in the spring of 1975, the rescue of the Mayaguez in May, 1975, and the two evacuation operations in Lebanon in June, 1976.

In none of those instances did I believe the War Powers Resolution applied, and many members of Congress also questioned its applicability in cases of protection and evacuation of American citizens.

Furthermore, I did not concede that the Resolution itself was legally binding on the President on constitutional grounds.

Nevertheless, in each instance, I took note of its consultation and reporting provisions, and provided certain information on operations and strategies to key Members of Congress.

Let me stress that in my Administration it was customary to communicate with the leaders of Congress when an important executive action was about to be taken, particularly involving foreign affairs.

It is my view that when the President as Commander-in-chief undertakes such military operations, he would inevitably take the Congress into his confidence in order to receive its advice and, if possible, insure its support.

This type of consultation makes commonsense and certainly strengthens trust between the executive and legislative branches. But it is to be distinguished from the detailed information and time limits imposed by the War Powers Resolution.

The role of the President in these critical situations is clearly defined. As Commander-in-chief and Chairman of the National Security Council, my job was to concentrate on resolving the crisis as expeditiously and as successfully as possible. As you would expect, it is a full-time job.

When the situation permitted, as in the case of the Mayaguez, I consulted personally with the bipartisan leadership in the Cabinet Room. However, the nature of most of these crisis situations was such that the consultation process with the legislative branch had to be delegated to others, primarily my congressional relations staff at the White House.

In the interest of absolute accuracy, a summary of actions I proposed to take or had taken was drafted by the National Security Council staff. This summary was reviewed by senior officials at the Departments of State and Defense and at the White House.

This careful attention to detail was essential but it was also time-consuming for senior officials who were at the same time acting as my advisers in this fast-moving situation.

The summary often went through two and three drafts to ensure as nearly as possible that there would be no mistakes, no confusion of highly sensitive information.

Once the consultation process began, an inherent weakness of the War Powers Resolution from a practical standpoint was conclusively demonstrated.

When the evacuation of DaNang was forced upon us during the Congress' Easter recess, not one of the key bipartisan leaders of Congress was in Washington.

Without mentioning names, here is where we found the leaders of Congress: two were in Mexico, three were in Greece, one was in the Middle East, one was in Europe, and two were in the People's Republic of China. The rest we found in twelve widely-scattered States of the Union.

This, one might say, is an unfair example, since the Congres was in recess. But it must be remembered that critical world events, especially military operations, seldom wait for the Congress to meet. In fact, most of what goes on in the world happens in the middle of the night, Washington time.

On June 18, 1976, we began the first evacuation of American citizens from the civil war in Lebanon. The Congress was not in recess, but it had adjourned for the day.

As telephone calls were made, we discovered, among other things, that one Member of Congress had an unlisted number which his press secretary refused to divulge. After trying and failing to reach another Member of Congress, we were told by his assistant that the Congressman did not need to be reached.

We tried so hard to reach a third Member of Congress that our resourceful White House operators had the local police leave a note on the Congressman's beach cottage door: "Please call the White House."

When a crisis breaks, it is impossible to draw the Congress into the decision-making process in an effective way, for several reasons.

First, they have so many other concerns: legislation in committee and on the floor, constituents to serve, and a thousand other things. It is impractical to ask them to be as well versed in fast-breaking developments as the President, the National Security Council, the Joint Chiefs of Staff, and others who deal with foreign policy and national security situations every hour of every day.

Second, it is also impossible to wait for a consensus to form among those congressional leaders as to the proper course of action, especially when they are scattered literally around the world and when time is the one thing we cannot spare. Again, we should ask what the outcome would be if the leaders consulted do not agree among themselves or disagree collectively with the President on an action he considers essential.

Third, there is the risk of disclosure of sensitive information through insecure means of communication, particularly by telephone. Members of Congress with a great many things on their minds might also con-

fuse what they hear on the radio news in this day of instant communication with what they are told on a highly classified basis by the White House.

Fourth, the potential legal consequences of taking executive action before mandated congressional consultation can be completed may cause a costly delay. The consequences to the President, if he does not wait for Congress, could be as severe as impeachment. But the consequences to the Nation, if he does wait, could be much worse.

Fifth, there is a question of how consultations with a handful of congressional leaders can bind the entire Congress to support a course of action—especially when younger Members of Congress are becoming increasingly independent.

A survey reported by Congressional Quarterly last November indicated that an overwhelming majority of the Congress believed the legislative branch had an inadequate role in the international crises I have mentioned.

Sixth, the Congress has little to gain and much to lose politically by involving itself deeply in crisis management.

If the crisis is successfully resolved, it is the President who will get credit for the success. If his efforts are not successful, if the objectives are not met or if casualties are too high, the Congress will have seriously compromised its right to criticize the decisions and actions of the President.

Finally, there is absolutely no way American foreign policy can be conducted or military operations commanded by 535 Members of Congress on Capitol Hill, even if they all happen to be on Capitol Hill when they are needed.

Domestic policy—for housing, health, education, or energy—can and should be advanced in the calm deliberation and spirited debate I loved so much as a Congressman.

The broad outlines and goals of foreign policy also benefit immensely from this kind of meticulous congressional consideration.

But in times of crisis, decisiveness is everything—and the Constitution plainly puts the responsibility for such decisions on the shoulders of the President of the United States.

There are institutional limitations on the Congress which cannot be legislated away.

Yet since the Mayaguez incident, there has been talk of putting more teeth into the War Powers Resolution, intensifying congressional participation in actual crisis management.

There have also been attempts to introduce the Congress into sensitive negotiations with foreign nations.

The Jackson-Vanik Amendment to the Trade Act of 1972, in effect proposed to liberalize emigration from the Soviet Union by legislative decree, had precisely the opposite effect.

The Congressional restrictions on military assistance to Turkey after the latest Cyprus crisis prove how determined—and how wrong—the Congress can be, and how cumbersome diplomacy by rigid legislative dictate can be.

Where, then, does the balance of powers lie?

It cannot lie in a constant rivalry for power. As Professor Rostow has written, this "would tend to convert every crisis of foreign policy into a crisis of will, of pride and of precedence between Congress and the President."

Nor, obviously, does the balance lie in the dominance of one branch of government over the other.

The Constitution makes that plain enough, and our own history proves it.

The Reconstruction Congresses of the 1860's and 1870's—ignoring, thwarting, even impeaching a President, and dealing with the American South as a defeated, occupied enemy—inflicted wounds on this Nation that took a century to heal.

Woodrow Wilson refused to involve the Congress in his plans for a League of Nations—and saw his noble dream crushed on Capitol Hill.

The balance must lie, instead, in a frank recognition of the basic strengths and weaknesses of both the executive and legislative branches of government, in the institutional capabilities and limitations imposed by the Constitution and by common sense.

As I said in my State of the Union address earlier this year, "in these times, crises cannot be managed and wars cannot be waged by committee; nor can peace be pursued solely by parliamentary debate.

"To the ears of the world, the President speaks for the Nation. While he is ultimately accountable to the Congress, the courts and the people, he and his emissaries must not be handicapped in advance in their relations with foreign governments. . . ."

The notion that the President must sometimes use the armed forces of the Nation on his own ultimate responsibility comes hard to Americans because we are, and have always been, deeply concerned about democratic control.

But this power has been recognized as necessary—even as inescapable—since the earliest days of the Republic.

Pirates attack our ships off the coast of Tripoli—and we must respond. The Soviet Union blockades Berlin or places missiles in Cuba—and we must respond. An American ship is seized off Cambodia—and we must respond.

And if the nightmare danger of nuclear attack becomes reality on some dread future day—we must respond.

For such challenges, which vary from year to year and generation to generation, there is no substitute for Presidential leadership. But there is always democratic control in the electoral process, and in legislative action, as we know from Vietnam.

The bitter experiences of Vietnam and the national atmosphere in the last decade have encouraged, I believe, too much tampering with the basic machinery by which the United States Government has run successfully for the past two hundred years.

We must not abandon the wisdom of the ages in the passion of a moment.

If we have disagreements of policy, let us resolve them as matters of policy, rather than escalating them into constitutional confrontations.

Tragically, in recent years, the bases of trust, cooperation and civility between the legislative and executive branches of our government have been eroded.

In their place, there has been an attempt to build new and permanent structures on the shaky ground of mutual suspicion.

This is no way for the government to serve the American people. It is, instead, the sure way to division at home and danger abroad.

What we need, as Wilson said, is "more coordinated power."

We need to seek once again a common ground on which the President, the Congress and the American people can proudly and firmly stand through crisis and calm.

We must decide again, as a Nation, what is important to us, what goals we will set, what dangers we will risk, what burdens we will bear, in our dealings with the wider world.

The Congress has the responsibility to do now what it does best—debate these great issues, openly, freely and thoroughly—and help us find a new path on which we all may travel together.

The new Administration—free of the burden of war, unfettered by mistakes of the past—has an historic opportunity to lead America to a new age in foreign policy; an age in which the goals and commitments we hold precious as a Nation may be fulfilled through the quiet, beneficial strength that commands respect and invites cooperation.

All this will not be easy The world is very different now than it was thirty years ago We are different, and our problems and aspirations more complex.

But we are still Americans who love our country, who cherish peace and freedom in the world.

Let us in the months ahead open a constructive dialogue among the American people, the Congress and the President, leaders past and present, so we can preserve the bulwark of our strength—the Constitution—and find the mechanisms and the spirit that have made America what it is today—free and dedicated to a better world for all peoples.

NOAA PROGRAM SALUTED

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. WINN. Mr. Speaker, I would like to draw the attention of my colleagues to a program being implemented by the National Oceanic and Atmospheric Administration. NOAA has instituted a public service program for radio designed to inform the public about such varied subjects as hurricanes, tornadoes, atmospheric pollution, and other environmental activities. From what is currently planned, the program promises to be one of great benefit to everyone.

I am particularly pleased that the first program features a man considered to be among the Nation's leading experts on tornadoes and severe storms—Allen Pearson, director of the National Severe Storms Forecast Center in Kansas City.

Mr. Speaker, at this time of year our weather is extremely unpredictable. This is a time when black thunderclouds threaten homes, property, and lives. However much some people may romanticize about being swept over the rainbow to adventure like Dorothy in the Wizard of Oz, anyone who has witnessed a tornado knows all too well the capabilities for destruction and terror these storms possess.

One of the goals of NOAA's meteorological service is to reduce the economic and social impact of these natural disasters. Certainly, in recent years, our progress in forecasting, monitoring, and warning against severe storms has been admirable and substantial.

However, our existing warning systems still continue to have problems, particularly in their capacity to pinpoint in advance the locations where these short-term severe storms will develop. Improvement of this record can be achieved, but it will be in direct proportion to our willingness to commit the resources necessary to develop tools and techniques suitable to the task.

In the past, I have repeatedly called for more Federal funding to coordinate the expertise of the National Aeronautics and Space Administration with that of NOAA in the field of meteorology. I believe NASA's expertise in the fields of aircraft instrumentation and satellite technology could be applied more vigorously to developing severe storm data collection and forecasting, without taking the preeminence away from NOAA.

In the meantime, however, I believe a lot can be accomplished through a program of public education, and this is what NOAA is attempting to do. So far, the response has been greater than expected.

Mr. Speaker, I rise today to commend NOAA for working in the public interest.

ARMED SERVICES COMPENSATION

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. DOWNEY. Mr. Speaker, President Carter has announced his intention to establish a blue-ribbon panel to review the problems plaguing the armed services regarding compensation. This is a long-overdue step, and one that I believe has great potential for initiating worthwhile reforms.

The President's blue-ribbon panel would do well to consider as a foundation for much of their work the recommendations on the subject contained in the third quadrennial review of military compensation. This 10-volume study examines in great detail many of the political, economic, and social aspects of the differing reform proposals concerning military compensation. I recommend it to my colleague's attention—I am sure that even a cursory review would prove enlightening.

An area deserving the attention of both the panel and Members of Congress is that of military retirement pay. The military pension system has overstepped itself to the point that it is costing billions of dollars a year more than it should. This shocking trend must be stopped, and I hope that Congress will be able to consider this matter soon.

The problems with military retirement pay, which is of interest to me personally, was discussed in more detail in an article which I wrote for the April 10, 1977, edition of the Baltimore Sun. I submit it for my colleague's attention:

THE MILITARY PENSION SYSTEM IS TOO GENEROUS

(By THOMAS J. DOWNEY)

During the last few months there has been great interest among the media in the rising cost of military pensions. Most of this attention has been focused on "double-dipping," the procedure whereby a retired serviceman receiving a pension takes a civilian job in the federal government, collecting both the military pension and a salary.

Double-dipping is indeed a problem, one that has been acknowledged by President Carter as an area targeted for reform. Approximately 141,000 retired servicemen are now civil servants. They collect pensions and salaries at the rate of $2.8 billion annually.

But double-dipping is only a symptom of the overall problem of military pensions. The system as a whole has overextended itself to the point where it is costing billions of dollars more than it should in total unfunded liability. Consider these facts. The $8.2 billion spent for military pensions in fiscal 1977 represents more than the total cost of pay and travel allowances for the entire active Army. That reflects more than 7 per cent of the total defense budget, and covers a million persons.

The fiscal 1978 budget for military pensions jumps to $9.1 billion, reflecting a trend that began in 1964 when the tab was only $1.2 billion. By the year 2000, the pension system's cost can be expected to reach $30 billion a year and cover 1.7 million retirees. That could come to approximately $470 billion which will be spent by the military during the last quarter of this century on pensions. And, the nation does not have an ounce of defense muscle to show for it.

By enumerating these figures, I do not mean to imply that we do not need a military pension system. Retirement pay is necessary to provide a serviceman a degree of financial security after his military career ends. Therefore, these expenditures would be totally justified if—and it is a big if—the excessive outlays were necessary. Unfortunately, the pension system is too generous and too liberal when compared to any other system of its kind.

The average retired officer is 46 years old and receives a yearly pension of $15,400. The average enlisted man retires at age 41 and receives $6,400. Overall, the average retiree gets 55 per cent of his service pay and through his life can expect to take in 144 per cent of the amount he received while on active duty. In effect then, the military compensates a soldier 2½ times for his services.

Compare these figures with the federal Civil Service retirement system. Federal employees are not eligible to receive their benefits until they are 55 years-old. Compared to the military, they are paid a lesser percentage of their salary, their calculation base is devised to offer them less money, and unlike their military counterparts, they are forced to contribute 7 per cent of their salary to the pension fund. In addition—again unlike their military counterparts—they are not covered by Social Security.

Lest these statistics seem misleading, I should point out that with the exception of the military, the federal Civil Service retirement system is more liberal in its benefits than any other pension system in the country.

The purpose of a pension is to provide a retiree with financial security so that he or she might be able to maintain a comparable standard of living after retirement. Of course, some pension systems do not meet this goal. However, the Civil Service system goes beyond the goal, providing more than what is necessary for a comparable standard of living to the retiree. I believe the military pension system, in that it goes well beyond the purpose of a pension, is excessively generous and claims a large portion of the defense budget in the process.

A simple solution would be to bring the military pension system more in line with the Civil Service retirement program. This would still provide an adequate pension to servicemen, while at the same time saving billions of dollars. Additionally, it would eliminate double-dipping by former military men or women.

Most military-related occupations have near identical job descriptions as their counterparts in Civil Service employment. It is both discriminatory and costly to have two separate retirement compensation systems for two different sets of government employees when the greatest difference between these employees is that one group wears a service uniform and the other does not.

VETERANS' COST-OF-LIVING INCREASES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mrs. SCHROEDER. Mr. Speaker, today I am introducing a bill with 41 cosponsors to allow cost-of-living increases in social security, railroad retirement annuities, or other retirement benefits to be passed through to eligible veterans.

Currently, benefits are being reduced considerably when veterans receive cost-of-living increases from other retirement programs. There are 2½ million veterans receiving some form of veterans' pension or survivors' benefits. The majority of these veterans are affected by this VA procedure.

In addition, my district office has received numerous letters and calls about veterans' pensions being reduced because of cost-of-living increases from other retirement programs. The following letter is typical of those I receive from veterans:

DEAR MRS. SCHROEDER: I am a medically discharged veteran of World War II and also have a pacemaker, a bad leg, emphysema and suffer from blackouts, to mention a few problems that are existent. My physical condition prohibits employment and has for the past several years.

Recently the veterans pension I was receiving was reduced substantially because I am now receiving some Social Security benefits.

It is difficult for me to understand why Social Security would or should have any bearing on a veterans pension.

It was suggested to me that perhaps, you could, if you desire, bring some attention to this in Congress. There are probably others who have experienced this same problem. Thank you for bearing with me.

Veterans are shocked to find the cost-of-living increase is counted as additional income by the Veterans' Administration, which then decreases the veterans' pension or survivors' benefits.

As a result of social security's cost-of-living increases, monthly VA benefits were reduced in some extreme cases from $120 to $6. Cost-of-living increases are supposed to help people on fixed incomes deal with inflation; to take back with one hand what we have given with the other is bureaucratic malevolence.

This bill is more comprehensive than most bills on this subject introduced by my colleagues, as I believe the need is now greater with the upcoming July 5.9 percent social security cost-of-living increase.

UNITED STATES-CANADIAN RECIPROCAL FISHERIES AGREEMENT

HON. STANLEY LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. LUNDINE. Mr. Speaker, yesterday by unanimous consent the House of Representatives passed H.R. 5638, to provide for a United States-Canadian Reciprocal Fisheries Agreement. This legislation will waive certain requirements of the Fishery Conservation and Management Act, and replace the 1973 agreement, which expired on April 24, with an interim short-term agreement until December 31, 1977.

While I supported this legislation and agree that we must have an interim

agreement to regulate the fishing in U.S. and Canadian waters, I think we must not forget the fact that the reason this is a short-term agreement is because there have been real difficulties associated with maritime boundaries, salmon, and traditional fisheries between the two countries.

We must resolve these difficulties during the next 8 months before signing a longer term fishing agreement. Concern for an agreement that will provide parity for U.S. fishermen has been expressed by a number of my constituents, including the distinguished mayor of Dunkirk, N.Y., Gilbert Snyder, U.S. fishery in Canadian waters is valued at about $15 million per year, and I share the concern of my constituents that U.S. fishermen be treated with fairness under any agreement between the United States and Canada. Given the longstanding friendship between the United States and Canada, I am confident that we can arrive at a long-term agreement that is just and in the best interests of both United States and Canadian fishermen.

PROTECTION FOR DOWNGRADED FEDERAL EMPLOYEES

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. NIX. Mr. Speaker, demotions caused by downgrading of positions are one of the most pressing problems of the Government's civil service workforce. Thousands of positions may be downgraded shortly which will have the devastating effect of demoralizing the dedicated employees involved as well as severely hampering their career advancement. It is incumbent on the Congress to act with dispatch on this issue and, therefore, I have introduced a bill which will correct the inequities inherent in this process.

For the most part, the downgrading of a position is through no fault of the employee. Yet the major impact of such determinations is felt almost exclusively by the employee.

This bill will protect these employees by providing that they would retain their grade and salary for as long as they hold that position.

I also believe very strongly that this legislation is necessary in order to allow the executive branch to move forward with the important task of reviewing the classification of positions and taking appropriate action to correct improper classifications. It is equally important to protect the rights of the innocent Federal employees affected.

Overgraded positions are a serious and costly problem that must be corrected. There are too many indications of contrived or outdated position descriptions which lead to overgrading to allow the practice to continue. Yet at the same time, it is inequitable to expect the employees in the affected positions to be penalized for an action outside their control.

The bill, I believe, provides adequate protection from abuse and I am confident will lead to a better classification process in the future.

In general, the bill will apply to any employee whose position has been reclassified to a lower grade since July 1, 1975, if the positon had been classified at the higher grade for a period of at least 1 year.

The minimal direct costs of this legislation will be practically offset by the considerable savings of administrative costs connected with the current system, since employee appeals will no longer be necessary.

I expect the Post Office and Civil Service Committee to take quick action on this legislation so that the rights and entitlements in the bill will be enacted before there is even greater adverse impact on the employees involved.

PROTECT OUR COASTAL WATERS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. MOAKLEY. Mr. Speaker, I rise today in order to bring to the attention of my esteemed colleagues of the House a resolution from the House of Representatives of the Commonwealth of Massachusetts. It calls on the Congress of the United States to protect our coastal waters from overfishing by foreign fleets to the full limit of the law. Recently, the Congress enacted a 200-mile fishing limit in order to preserve this precious resource for the people of our Nation. Since then, we have witnessed gross violations of this internationally recognized law. Surely as responsible public servants, we can take the appropriate steps in directing the U.S. Coast Guard to action. The Federal Government must safeguard the livelihoods of American fishermen and the abundance of the American dinner table. With these facts in mind, it is a great honor to relay these ideas of the Massachusetts Legislature on to my fellow representatives here in Washington:

THE COMMONWEALTH OF MASSACHUSETTS

Resolutions memorializing the Congress of the United States to apprehend, detain and prosecute to the full extent of the law violators of the two hundred mile fishing limit

Whereas, Fish has always been and remains one of the basic and necessary foods for all people; and

Whereas, The Fishing Industry is of vital importance to the Commonwealth and its people; and

Whereas, Overfishing has resulted in a substantial decrease in the species and quantity of fish available off our shores; and

Whereas, Recent legislation has been enacted which seeks to protect, preserve and thereby increase this tremendous resource within two hundred miles of the shores of our Nation; therefore be it

Resolved, That the Massachusetts House of Representatives memorializes the Congress of the United States to authorize and direct the United States Coast Guard to apprehend, detain and prosecute to the full extent of the law those who violate the two hundred mile fishing limit; and be it further

Resolved, That copies of these resolutions be sent by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth.

CONSUMER COMMUNICATIONS REFORM ACT

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. PREYER. Mr. Speaker, there has been considerable controversy about a proposal known as the Consumer Communications Reform Act. This legislation was introduced in the 94th Congress and has been reintroduced in the 95th Congress. There have also been counterproposals, some of which specifically establish a policy of competition in the telephone industry and a so-called neutral resolution calling for an independent study of the effects of competition on individual telephone users.

The consumer communications reform proposal has been much maligned as being Ma Bell's bill and one which seeks to eliminate any competition in the field of telecommunications. It is not my intention as a cosponsor of this legislation to prohibit competition for the benefit of the Bell Telephone System, and I am not entirely convinced that the proposal is the appropriate vehicle for addressing the larger question of the impact of ever increasing competition on the individual residential consumer. However, it is this very consumer about which I am concerned and for this reason I believe that indepth congressional consideration should be given to the matter. While many organizations have been quick to label the consumer communications reform bill as anticonsumer, a well respected North Carolina consumer organization has indicated its support for the proposal. I wanted to share this letter with my colleagues as follows:

THE CONSUMERS CENTER
OF NORTH CAROLINA,
March 10, 1977.

The Honorable RICHARDSON PREYER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PREYER: As a consumer and a person vitally interested in consumer affairs, I am deeply concerned about prices—especially the rates paid for utilities. The telephone has long been a necessity, and we should do all we can from a public policy standpoint to see that the consumer's service remains excellent and available at the lowest possible cost to the residential user.

Lately there has been a great deal of concern about policy trends of the Federal Communications Commission in the name of "competition." Some people and organiza-

tions say the FCC's policies are good. The independent telephone companies, some unions, the Bell System, and a large number of state regulators (including our own Public Utilities Commission) believe the FCC's actions will eventually result in higher rates for home telephone service.

The issue should be investigated promptly, and there should be a review of the FCC's trends in order to protect the home telephone user. I believe strongly that Congress, not the FCC, is the proper forum for investigating the issues and setting national telecommunications policy.

I am aware that most members of the North Carolina Delegation demonstrated their concern by introducing or co-sponsoring the Consumer Communications Reform Act in the last session. I hope your interest will be sustained in the 95th Congress and that you will follow through by sponsoring similar legislation in this session. I sincerely believe the people of North Carolina deserve your help on this issue.

Sincerely,

LILLIAN C. WOO,
Director.

SECTION 601(b)(3) OF H.R. 2 (STRIP MINING BILL) WINS THE DODO AWARD

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. SANTINI. Mr. Speaker, the Society for the Preservation of Bureaucratic Abuse—SPA—has presented section 601(b)(3) of the strip mining bill with the treasured DODO—delegated opportunity for disastrous obfuscation—award.

Within the Surface Mining Control and Reclamation Act is an indefensible provision which suffers from several legislative deficiencies. While I have previously gone on record as supporting the strip mining legislation, I cannot in good conscience and judgment vote in favor of this bill so long as the award-winning subsection (b)(3) of section 601 in title 6 remains. Therefore, I will be offering an amendment to strike this section.

Too often I have seen the Federal agencies get hold of some ambiguous but well intentioned language in a bill and completely change the meaning. I am afraid this will be the case in section 601(b)(3), which could lead to the demise and bankruptcy of the small miners. Under the provision, the Interior Secretary could shut off noncoal mining on Federal lands if it would harm "cultural, scientific or esthetic values."

I will be offering an amendment on the floor Wednesday to strike this section and to prevent the extension of still another undefined power to the bureaucratic octopus. I do not want to see its tentacles wrapped around the economic throat of the small, hard rock miner.

Here are just a few of my concerns, any one of which alone would justify rejection of section 601(b)(3):

1. The section is not germane to the overall objectives and purposes of H.R. 2.

2. The section represents a most enticing tidbit for bureaucratic abuse.

3. The "Federal Land Policy and Management Act of 1976" already contains a complete procedure for making and reviewing mineral withdrawals on public lands. H.R. 2 would only add contradiction and confusion.

4. There has been no testimony or evidence to support this section. In 4 years of the strip mining battle, I have seen no public hearing discussion on this section.

5. The language represents a piecemeal patchwork attempt at both land use planning and revision of the 1872 mining law. These two subjects will be considered individually (H.R. 5806 and H.R. 5831) and in depth by the Interior Committee in a more logical and proper approach.

I hope you will join me on the floor to strike this section from the bill.

TAY-SACHS MONTH

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. EILBERG. Mr. Speaker, I wish to call to the attention of my colleagues a critically important effort being made in my home city, Philadelphia, Pa., to battle the disease Tay-Sachs. I speak as the Delaware Valley Chapter of the National Tay-Sachs and Allied Disease Association prepares to observe Tay-Sachs Month, starting May 15.

For 80 years after the identification of Tay-Sachs disease in 1881, this killer of Jewish children was a hidden disease. Few, except the families faced with this tragedy, were aware of the genetic mutation being inbred in the Jewish community. To the scientific community, it was a little understood puzzle. Children, seemingly normal at birth, would stop developing and soon deteriorate and die. The cause of this tragic degeneration was not known.

In February 1969, a small group of dedicated young women in Philadelphia, motivated by the need to combat this fatal disease, pledged themselves to fight against Tay-Sachs disease and allied neurodegenerative disorders. Organized in September 1969 as a chartered chapter of National Tay-Sachs and Allied Diseases Association—NTSAD—the Delaware Valley Chapter focused on three goals: to educate the community, to assist families of afflicted children through counseling, and to support research.

The Tay-Sachs prevention program of Thomas Jefferson University was formally opened in October 1972. Organized and fully funded by NTSAD, the program is aimed at testing every adult in the Jewish community of the Delaware Valley—total population 400,000—in order to locate an estimated 13,000 unsuspecting carriers of Tay-Sachs. To date, through community screenings, the program has tested over 16,000 individuals. Unsuspecting carriers have been identified, and carrier couples found and given vital genetic counseling and followup services. Through effective implementation of the Tay-Sachs prevention program, no family need ever again suffer the tragedy of Tay-Sachs disease.

The Tay-Sachs prevention program has brought testing to many and an awareness of Tay-Sachs to the entire Delaware Valley community. With this increased awareness has come a deeper concern and interest which has resulted in the creation of three affiliated branches of the Delaware Valley Chapter, NTSAD: Northeast Philadelphia Branch, Neshaminy Valley Branch, and Bux-Mont Branch.

Mr. Speaker, I offer this information with the hope of contributing to the effort of increasing the public's awareness of the ease with which individuals can be tested to discover Tay-Sachs.

KATYN FOREST

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. ZABLOCKI. Mr. Speaker, we are often reminded of the importance of our commitment to a moral world, and as we all know it is incumbent upon all of us to be diligent and speak out for human rights everywhere in the world. Certain events in history, when recalled, should serve as an added incentive and remind us of our responsibilities and obligations. In this respect, I would like to draw attention to a recent speech given by Mr. Aloysius A. Mazewski, president of the Polish American Congress and Polish National Alliance, at the Katyn Memorial Observance sponsored earlier this month by the Downstate New York Division of the Polish American Congress.

Aloysius Mazewski is a dedicated champion of human rights, and in his thesis of what happened at Katyn Forest he focuses on the need for our continued commitment to human rights. His views are worthy of our attention on this most important issue:

SPEECH OF ALOYSIUS A. MAZEWSKI

Going into details and historical data of the Katyn genocide would be, I believe, redundant on my part.

For these facts are known to all the Poles living in their homeland and abroad:

They are known to Americans of Polish origin and heritage as events of most shocking and enduringly disturbing facts not only in the history of Poland but of the entire western world:

They are known, or should and must be known to the American public, for it was by a Resolution of the United States House of Representatives that a Select Committee under former Congressman Ray J. Madden made a thorough and conscientious investigation of this fact of genocide and proved beyond any reasonable doubt that the Soviet Union is the perpetrator of this international crime.

The findings and conclusion of the Select Committee with indisputable documentation were turned over to the State Department with the request that the Katyn Massacre

be brought before the forum of the United Nations.

The State Department replied that the time was "not right" for such action.

This is why the Katyn Observances by American Polonia are of utmost importance.

It is imperative that we keep the memory of the Katyn genocide alive and keep reminding the Western World of its moral timidity and negligence in this matter of universal appeal and importance.

We know in our hearts that some day, somehow, the Soviet Union will be brought before the bar of international justice and the perpetrators of the Katyn genocide will be shown to world opinion in their true light as the most barbaric example in the long and torturous history of man's inhumanity to man.

There is no doubt in our minds that eventually justice will be meted out.

However, this is not the sole objective of the Katyn Observances annually organized by American Polonia.

Their second objective of equal, and perhaps even more importance in the long term of history is to show inherent savagery of the multi-national monster collectively, and, perhaps, rightly, called Russia.

The bloody expansion of the Russian Empire, whether under the Tsar or currently, under the Communist tyrants of the Kremlin, shows a Mongolian pattern of conquest, pillage and enslavement of entire nations.

The methods may have changed to conform with the requirements of certain periods of history, but the objective of the Russian juggernaut remain the same from the 13th Century to the present time.

It is a mixture of a Byzantine power structure of a Mongolian hunger and passion for conquest.

These were the main attributes that shaped the history and development of Russia, now referred to in Communist semantics as the Soviet Union.

The Katyn Massacre lies within this pattern of the Russian Empire evolution steeped in criminality of international scope and import.

The Katyn Massacre became the glaring example of Russia's genocidal fury, because of unusual circumstances in which it occurred during World War Two.

The world was shocked to learn that Russia at that time, ostensibly allied with Poland, savagely murdered some 15,000 Polish Army officers, intellectuals, professionals and priests.

This genocide was designed by the Kremlin masters to deprive the Polish nation of the military and civic leadership desperately needed by the Polish nation, facing at that time annihilation on two fronts—Nazi and Communist.

The treachery and perfidy of this mass murder left the leaders of the Western World literally speechless.

They found it more convenient and diplomatically more expedient not to see the enormity of the Katyn Massacre in its true light.

The same timidity and short-sightedness, supposedly dictated by war exigencies, led in 1945 to the Yalta Agreement and its tragic concomitant—the division of Europe into half free and half enslaved, which division was soon to spread across the world.

Verily, Katyn was the test case in closing years of World War Two, and the West has lost, because in its enthusiasm for accommodation with Russia, the West, in the case of Katyn, has abandoned the high moral and judicial principle of the Judeo-Christian ethics.

The wages of this collective sin were not long in coming.

The onset of the Cold War, the nuclear arms race, the ideological struggle for the heart and mind of modern man, are experiences painfully known in the West.

They are known, but not heeded to.

Today, in the same atmosphere of concessions or sophismatic justification of Russia and what it stands for are rampant in the area of international diplomacy.

It led to the wishful thinking of the ineffective Helsinki Agreement, with its grandiose declaration of human rights, not backed by any meaningful guarantee.

It is, of course, to America's credit that President Jimmy Carter speaks openly of the violations of human rights in Russia.

For those are the things that need to be said—diplomatic niceties and double talk notwithstanding.

There are many professional diplomats, supported by certain naive intellectuals, who profess to be scared by President Carter's insistence that human rights should and must be taken in universal terms.

They say that such remarks may impede the arms limitation negotiations with Russia.

Those are the same diplomats and intellectuals who are always ready to look in the other direction in order not to see the most brutal and savage genocide perpetrated by Russia in the Katyn Forest.

To them, every diplomatic smile of Russia is of tremendous importance and every frown from the Kremlin forebodes catastrophe.

Those apologists of Russia know the history of its empire only from textbooks written by such wishful thinkers as themselves.

Simply stated: that they do not know Russia, they never studied and thus cannot appraise the evolutionary forces that shaped the Russian Empire and keep it going today.

They apply western standards to the empire where byzantine servilism and tyranny together with cunning designs for conquest, are the way of life.

Certainly, we want arms limitation, particularly the nuclear arms limitations.

In the armament race in post World War Two years, uncounted resources have been wasted by both the free world and the Communist camp. Further race in sophisticated weapons and nuclear implement of total destruction, can be termed as international insanity.

But that insanity, if imposed on the world, will be exclusively of the Russian-Communist making.

We in the West have no desire for conquest and exploitation of weaker nations and states. Such desire, however, is the fixed objective of the Russian empire.

And if Russia persists in manufacturing ever more effective arms of death and destruction, we will not only match her effort—but we will surpass them in order to prevent Russia from committing another Katyn crime of genocide on a world wide scale.

Hopefully, some arms limitation agreement can be reached. But only by firmness on our part.

The Russians must be convinced that their diplomatic sophistries and international blackmail will not force us into a corner.

The Russians who built and keep their empire on raw power, have a healthy respect for real power, and that real power of free men must be demonstrated to them, by showing them that any agreement, be it in armaments or in human rights, must be a two-way street, and that no more accommodation at any price are available to them.

In this context, President Carter's statements in the defense of human rights and demanding that Russia abides by the letter, spirt and intent of the Helsinki Agreement is of utmost importance and deserves our enthusiastic acclaim and full support. President Carter is right in separating the basic, fundamental rights of man to free expression, free assembly and free exchange of ideas from technical and military details of the pending arms limitations negotiations. These two are separate and distinct matters.

Furthermore, we can rightfully assume that if Russia violates the Helsinki Agreement on Human Rights, she cannot be trusted in any other agreement.

In the firming up of its stand against the Russian Empire—the United States can draw a lesson from the Katyn Tragedy.

For this reason the Katyn Observances are of utmost importance, and their sponsors and organizers deserve our gratitude.

EULOGY TO AL KEY

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. MONTGOMERY. Mr. Speaker, I am pleased to be able to share with my colleagues the following eulogy to a truly outstanding American—former Col. Al Key. A retired officer from the U.S. Air Force, Colonel Key served as mayor of Meridian, Miss., for several years. However, he is probably best known for having set the flight endurance record with his brother Fred. Their airplane, the Ole Miss has since been given to the Smithsonian. But this eulogy is even more remarkable, but it was written and delivered by a former Member of this body, the Honorable Aubert Dunn. Mr. Dunn served as a Congressman from Mississippi in the 74th Congress. I commend the following eulogy to my colleagues:

EULOGY TO AL KEY

It is my solemn hope here to do for Al Key in death that which he often promised to do for me though altogether I do not feel equal to the memory of the dead I love, nor of the great and worthy stature of manhood he bequeaths to his people in death. I therefore must humbly find enough strength in my heart during these brief services to speak of Al Key as a close and warm friend for the greater part of his exemplary life. Before I can find a name for any thought I must remember that words are often not subtle enough, tender enough, or warm enough to express in fact and substance all the feeling that abounds in my heart now in the presence of God, and the principality of Death. It is so because when language fails the highest and deepest respect and sorrow are translated into grief. And grief is the suffering climate of the soul as it floods the heart seeking refuge from so great a loss.

The people of this community, our city and the State of Mississippi, will miss the strength, the personal and moral influence, as well as the Christian endeavors of Colonel Al Key. So, too, will the multitude of friends scattered throughout the various precincts, nationally and internationally, who not only knew and respected the warmth of his friendship, but his accomplishments, courage and sturdy nobility in the precise arts and skills of flying, to which he dedicated the greater part of his life.

The landscapes of the life and career of Colonel Key belong to the unwritten biography of his life and so must await the handiwork of others as the future bids to enfold and embroider the breadth and depth of his life. My words are only a prelude to the ultimate victories lodged in these wider landscapes soon to be written in more unemotional and sturdier moments. Funeral

words are for the dead and lamentations and sadness are but spiritual bouquets of pain and regret for a loved one, but they are words bathed no less in the tears of human anguish to better endow memory, and to preserve it in the climate of the soul. To each of us then, there remains great and signal proofs which entitle all to an inestimable and memorable admiration and affection for Colonel Key, alike unto that we hold for his late and beloved brother Fred; admiration which belongs not only to the past, but to future ages as well.

In life as a person, a devout gentleman, a tolerant man of God, there was no timidity in his stainless character but there was a permissible and dignified reticence always present in deference to the voice and judgment of others. He had an immovable faith in everything that is good, all things that are high above and things generally that are acceptable beneath, if they would only persuade the tempo of the people of his country and the people he loved toward a power for righteousness in the welfare of the greatest nation on earth. No man loved the United States of America more than Al Key. To him, unqualified patriotism was never negotiable, duty was the archangel of democratic discipline. He lived to help facilitate these qualities by precept and example. His greatest and most sacrificial service to his people and his country was in the United States Air Force, along with his brother Fred. Both were fearless and skilled pilots, and both were of one mind and dedication to the flag of this nation. Both knew and experienced the anxieties of a troubled nation at war.

Colonel Al Key was a worshipper of liberty. He believed that America was the citadel of Justice and that all seasons were days of dedicated duty, humanity the perfect religion and truth and love the only high priest. His one unending joy was to be an uncompromising part of that which ensured his people the holiness of freedom in the pursuit of happiness. Hundreds and hundreds of hours found him, during hard and embittered flights, searching the elements of the world in sunshine, rain and storm in and out of the steel flack and torturing fire of the enemy guns from every perimeter of combat, doing that which only self-possessed men of war know how to do in high distress and professional anxiety. Flying by day and by night, seeking hard the true objective of his flight, in and out of dark crested clouds, angry and tornadic winds that rocked and scolded his sturdy ship, and all the while with a faith in victory he somehow knew in the end would rapidly vanish the enemy phantoms of the world.

Al Key loved the beautiful and he always was with color and manly form. A musician himself, he was often touched to tears in its melody and inspiration. He always sided with the weak and with a willing hand gave alms; with a tender and loyal heart and with purest mind and hands he faithfully discharged all public trusts. These things indeed, do I have reverend knowledge of.

As for me, I shall spend the remainder of my life in the cool, calm and endearing shadows of the warmth I held in simple friendship for Al and his delightful family. He might have touched the silver prongs of the restless stars at night in his long years of flying, or he may have had sweet and close communion with the celestial boundaries of God's infinite heavens which belong to eternity, but from the voiceless lips of the unreplying dead, while there come no words, I can see in the long night of death a star of hope, replenishing as it were, a listening rustle in my heart and those of his friends and family; a wilderness of flowers beddecking the memory we have for this departed friend, servant and trusted companion.

And to you Evelyn, his gracious and loving wife, and to you Neil, his daughter, and the small covey of beautiful and robust grandchildren, and other loving members of the family, what is there more to say in this hour of gloom when we consecrate this sacred dust? In the everlasting tenderness of the Bible there is, reposing in the eleventh chapter of Saint Luke, these words of God to one of his closer friends. It is a very short but beautiful commendation directed to Barnabas, Man of Antioch. God simply said, "Barnabas is a good man." If God chose to so eulogize his own servant, who are we to defer, or choose any such other title of endearment to the memory of one of our own. However narrow is the value of life, it holds well for Al in our wailing cry of bereavement. Each of you is a part of all that was good, commendable and pure in this husband, father, grandfather and companion. The billows that roared in the mighty conflict Al suffered in his divine appointment with God are stilled. Your solace is in God-tempered mercy and the full and acceptable promises that His mercy is for each of us in the end, and it is good.

And so, through the veil of the mysteries of death, and in this solemn hour when tears search for an understanding of reason and right, we acknowledge again the judgments of God in His all-wise and Providential wisdom as our Shepherd of love, the eternal keeper of the verdant and green pastures of hope and eternal rest. And we are persuaded that love and grief are the greatest of all passions and death is the final shadow. We also know that death gets all its human terror from love, and love gets its radiance, its glory and its rapture from the darkness of death, over which the Lord of all presides. Let us then remember that holy love is the Lily of the Valley, a flower that grows forever on the edge of the grave by the grace of God.

And now to you who have been set aside from among the many friends Al loved, may you tenderly perform the last sad chore for the dead as we put in your care his sacred dust.

UNIONS HOLD RALLIES ACROSS NATION TO FOCUS ATTENTION ON FOREIGN TRADE POLICIES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. EILBERG. Mr. Speaker, on April 13, members of the International Ladies' Garment Workers Union and the Amalgamated Clothing and Textile Workers Union staged rallies in a host of cities, large and small, across the country to focus public attention on the unwise foreign trade policies of the current administration.

The concern of these trade unionists is one which I, and many of my colleagues, share: A concern that the President's foreign trade policies are creating havoc in American industry, threatening the jobs of hundreds of thousands of American workers, and further undermining our domestic economy.

Mr. Speaker, the AFL–CIO News, in its issue of April 23, 1977, carried a detailed report on these rallies and for the information of my colleagues, I am making that news account a part of the RECORD at this point:

NATIONWIDE RALLIES SEEK LIMITS ON APPAREL, TEXTILE IMPORT RISE

Hundreds of thousands of apparel and textile workers took time off from their jobs April 13 to participate in a nationwide protest against damaging imports.

They joined in rallies, parades and demonstrations in big cities and small towns across the country—along with many workers who already have lost their jobs to imports—to plead for effective government measures to limit the increasing flow of foreign-made goods that threaten their livelihoods.

And in meetings with elected government officials at city halls, state houses and historical sites, representatives of the Ladies' Garment Workers and the Clothing & Textile Workers received indications that their warnings may be heeded.

The thrust of the joint ACTWU–ILGWU demonstrations was to make the public more aware of the widening import problem and for government trade negotiators to eliminate loopholes in a new Multifiber Arrangement.

As the demonstrations were being staged in more than 150 cities and towns, AFL–CIO President George Meany and President Murray A. Finley of ACTWU and Sol C. Chaikin of the ILGWU detailed the extent of the import problem for President Carter at a meeting in the White House.

The largest turnouts of ILGWU and ACTWU members were in Philadelphia, New York, Boston, Baltimore, Cleveland, Newark, Atlanta, Miami, St. Louis, Kansas City, Los Angeles, Milwaukee, Chicago, and a number of other major cities.

Addressing a crowd that Philadelphia police estimated at 17,000 in Independence Hall Mall, Rep. Joshua Eilberg (D-Pa.) called on Congress to make better use of the provisions in the 1974 Trade Act to safeguard the jobs of U.S. workers, including the authority to override faulty presidential decisions on foreign trade arrangements.

"We'd better use that power now, before imports destroy the American economy and prevent economic recovery," Eilberg declared.

"American workers don't want handouts, they want jobs," he said in stressing that it is the government's responsibility to protect its citizens from being deprived of their jobs.

In New York's Herald Square, Sen. Daniel P. Moynihan (D-N.Y.) told a crowd of more than 10,000 that apparel imports have had a serious impact on jobs in New York City and the Northeast. Over the last seven years, one job in three in the apparel industry has been lost to imports, he said.

"Those of us committed to free trade must show that we are equally committed to the well-being of the people and communities most affected by it," Moynihan said.

The safeguards labor is seeking from imports are routine practices of America's trading partners, he observed, but "only in America are they thought an aberration."

ACTWU Executive Vice President Sol Stetin charged at the New York rally that America is importing unemployment while exporting its technology and capital.

The cheap imports provide little savings for the American consumer, ILGWU Executive Vice President Wilbur Daniels added. "Goods on the racks from overseas don't cost that much less than those made here," he said. "But the retailers and the importers are making three times the profit."

In Boston, demonstrators marched through the streets before assembling for a rally at the State House. An estimated 10,000 union

members staged rallies in apparel factory towns throughout New England.

In Martinsburg, W. Va., workers rallied outside their plant at the request of their employer, who has been hit hard by the imports.

In Los Angeles, thousands of apparel and textile union members were joined by hundreds of other trade unionists in their demonstration on the City Hall steps where they heard an address from Mayor Thomas Bradley.

NO AID TO VIETNAM'S COMMUNIST RULERS

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. BAUMAN. Mr. Speaker, a recent article in the Washington Post written by a Catholic priest long familiar with Vietnam, estimates that a minimum of 400,000 to 500,000 Vietnamese have been sent to concentration camps. The people who sent them there now want to get on our country's foreign aid rolls, having asked an interested President Carter for the aid to North Vietnam which the Ford administration refused them last year.

Irony is a mild word to describe the situation in which an American President outspoken in his zeal for universal human rights would even consider aid in any form to the Vietnamese Communists which as this is read continue to systematically jail, mutilate, and murder their own people. I know that I am not the only Member opposed to aid to North Vietnam, and I hope that the entire Congress will actively dissuade the President from following such a course of action. Kingsbury Smith's recent article in the Baltimore News American, "Hanoi's Blackmail Scheme," ought to be read over the commissary loudspeakers in the State Department. I do not think we should be aiding Pham Van Dong and his homegrown Himmlers and I hope that the majority of my colleagues will agree with me after they read the article which I now submit into the RECORD:

HANOI'S BLACKMAIL SCHEME

(By Kingsbury Smith)

Vietnam's Communist rulers want American taxpayers' money badly.

That was clearly evident in the smiling reception the first U.S. official mission to Vietnam received on its arrival in Hanoi.

The red carpet welcome included living quarters that United Auto Workers President Leonard Woodcock, chief of the American delegation, said were so comfortable "I would feel well even if I were tired."

Quite a difference from the brutal treatment accorded American war prisoners during the Vietnam conflict.

Then the Hanoi dictatorship was relying on Russia and Communist China for war supplies to kill American soldiers and conquer South Vietnam. Now it cannot get from the two Communist giants the economic and technical aid it needs to reconstruct the devastated, backward country.

So Hanoi has, in effect, been blackmailing the American Government by linking information about missing American soldiers with demands for some of the $3.25 billion of reconstruction aid it claimed Richard Nixon, when president, promised it if it would sign the 1973 peace agreement.

One clause of the treaty provided for U.S. postwar aid to North Vietnam. Another provided for Hanoi's help in accounting for dead and missing Americans estimated to number about 2,500.

On March 3, a Vietnamese foreign ministry spokesman said the United States must "disassociate itself from this erroneous policy" of wanting information on missing Americans but not wanting to provide the promised aid.

In his first meeting with Woodcock this week, Vietnamese Prime Minister Pham Van Dong made it clear Hanoi considers America still committed to the Nixon promise of $3.25 billion. Asserting that the question "does not relate to Mr. Nixon but to the United States," he said: "This is not just a question of money but of national responsibility and honor."

Either the man has colossal nerve or he thinks Americans are dopes. Henry Kissinger, as secretary of state, made it clear on June 18, 1975, that the North Vietnamese military conquest of South Vietnam in flagrant violation of the peace treaty invalidated that agreement and that all American undertakings in the peace accords thereby became null and void.

One former American ambassador to South Vietnam told me the U.S. has no moral obligation whatsoever to help the Vietnamese Communist regime. Nor does he understand why the Carter administration considers it in American national interests to help strengthen that regime's tyrannical control of Vietnam, especially when the ultimate objective of Hanoi's Red rulers is generally acknowledged to be domination of all Indochina.

Some American oil companies would like the administration to lift the trade embargo on Vietnam so they can bid for a share of the off-shore drilling concessions Hanoi has been negotiating with French, Japanese and West German oil companies. Oil deposits off South Vietnam's coast are thought to be substantial.

President Carter has made it clear he wants to normalize relations with Vietnam. Answering a question on his phone-in radio program March 5, he said Vietnam needed trade with the outside world so that it would not be completely dependent on the other Communist countries. He neglected to add they cannot give it what it needs.

In his apparent eagerness to recognize and help the Vietnamese Communist regime, the President seemed to be applying the apparent double standard that has marked the selective morality of his foreign policy.

While he and the State Dept. have risked impairment of relations with Russia, Brazil, Argentina, Uruguay and Ethiopia by taking a strong stand on the violation of human rights in those countries, his secretary of state, Cyrus Vance, told the Senate that South Korea's strategic importance to the United States out-weighed concern over human rights.

So apparently, does Vietnam's undefined importance to America outweigh concern over the inhuman treatment of those South Vietnamese who were loyal allies of the U.S. From almost every non-Communist foreigner who has left Saigon in recent months come reports of the ruthless repression of the South Vietnamese population, and especially of those who collaborated with the American forces.

One of the latest Catholic priest who lived in Vietnam from 1948 until he was expelled last year—15 months after the fall of Saigon.

In an article published in the Washington Post, Father Gelinas estimated that between 400,000 and 500,000 South Vietnamese have been sent to so-called "re-indoctrination" centers, which means concentration camps.

The cruel treatment of people in Saigon following the Communist takeover led, according to Father Gelinas, to an "epidemic of suicides. Entire families killed themselves with revolvers."

"The bureaucratic mind," he added, "is capable of a kind of sadism that is unbearable."

This is the kind of treatment the North Vietnamese Communist leaders have meted out to the people they used to claim they wanted to liberate from American imperialism.

If President Carter wants the morality tone of his foreign policy to ring true, a condition for normalizing relations with the Hanoi government should be respect for the human rights of those South Vietnamese who, encouraged by four American presidents to resist the Communists, stood with America to the bitter end.

CONGRESS URGED TO PROVIDE ADEQUATE FUNDING FOR ARTHRITIS PROGRAMS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. EILBERG. Mr. Speaker, on April 20, 1977, George E. Ehrlich, M.D., director of rhematology and of the Arthritis Center, Albert Einstein Medical Center and Moss Rehabilitation Hospital, and professor of medicine and of rehabilitation medicine at Temple University School of Medicine in Philadelphia, testified before the House Appropriations Subcommittee on Labor and HEW, on behalf of the Arthritis Foundation and the field of rehabilitation medicine in respect to the national arthritis plan and its implementation by the National Institute of Arthritis, Metabolism, and Digestive Diseases.

Dr. Ehrlich drew to the attention of the committee the fact that of a $50 million authorization for new arthritis programs, only $2.5 million has thus far been appropriated. He pointed out that over 20 million Americans have arthritis to a significant degree and that it has an influence on their lives, while many more millions have arthritis waiting to be initiated by injury, wear and tear, or other factors.

The cost of arthritis to the Nation is estimated to be increasing at the rate of $1 billion a year, and already costs $13 billion in direct costs and in wages not earned by those disabled or unable to find employment because of their arthritis.

Dr. Ehrlich therefore requested an increase in appropriations from the $25.8 million requested for fiscal year 1978 by the President's budget, to $42.5 million, with $12.2 million to be allocated to arthritis center programs. He pointed out that 66 applications for arthritis center grants, totaling over $25 million, have already been submitted—10 times the amount currently appropriated for the program. He also pointed out that less

than 1.5 percent of those being helped by the Vocational Rehabilitation Administration nationally represent victims of arthritis, despite the fact that arthritis is the single most important cause of absenteeism and disability at work.

This testimony by Dr. Ehrlich before the subcommittee was the only presentation on behalf of arthritis during the appropriations hearings. Because of his involvement in the development of arthritis centers, programs regarding arthritis and industry, and his writings in this area, Dr. Ehrlich was chosen to advocate appropriate funding for this major problem.

Mr. Speaker, I encourage my colleagues to read the full text of Dr. Ehrlich's testimony, which I am placing in the RECORD at this point:

TESTIMONY OF GEORGE E. EHRLICH, M.D.

Mr. Chairman, I am here today representing The Arthritis Foundation and the field of rehabilitative medicine in respect to the National Arthritis Plan and its implementation by The National Institute of Arthritis, Metabolism and Digestive Diseases (NIAMDD). As you are aware, Mr. Chairman, only $2.5 million has so far been appropriated of a $50 million authorization for new arthritis programs. In the light of the impact which arthritis has on the lives of over 20 million Americans, and of the fact that the cost of arthritis to the nation is estimated to be increasing at the rate of $1 billion a year, we in the arthritis community plead with you to recognize this national health problem by substantially increasing the President's budget for the arthritis programs of NIAMMD in FY1978 from $25.8 million to $42.5 million, of which $12.2 million would be allocated to the arthritis centers program.

This spring, NIAMDD has received 66 applications for arthritis center grants totaling over $25 million, ten times the amount appropriated for this new program. Besides this obvious indication of need, I would like to illustrate how the centers can play an important role in reducing absenteeism, low productivity, early retirement and extremely costly disability benefits.

Disability retirements attributed to musculoskeletal impairments increased by 500 percent between 1955 and 1974. Arthritis and related musculoskeletal diseases currently account for approximately 15 percent of Social Security Disability Insurance payments. The value of these payments is estimated at $1.1 billion, plus another $300 million which goes to the dependents of those disabled by arthritis, America's number one crippling disease. Nearly a half million persons, including dependents, are involved in this support program. In addition, nearly 160,000 persons are receiving $150 million a year in VA benefits because of arthritis.

Only heart disease outranks arthritis as a major cause of limitation of activity. In respect to limitation of mobility, arthritis is responsible for twice the cases attributable to heart condition—24.4 percent vs. 12.6 percent.

Approximately 3.5 million Americans are disabled by arthritis, nearly 750,000 of whom either require assistance to moving from place to place, or are confined to their beds. These figures relate only to the non-institutionalized population. According to the 1969–70 Public Health Service Household Interview Survey, over 14 million work days are lost each year because of arthritis.

The worker disabled as the result of arthritis is treated with almost complete neglect by his employer and by the rehabilitative system, especially, the Vocational Rehabilitation Administration, which in 1973 reported only 4,710 arthritis patients as being "rehabilitated", representing 1.3 percent of the VRA "population". This neglect must be eradicated if arthritis victims are to avail themselves of today's possibilities for rehabilitation.

Not all the blame can be attributed to industry or to the VRA. Much is the result of personal neglect. A recent survey by the Arthritis Foundation found that less than five percent of those severely disabled with arthritis and receiving disability insurance seek VRA assistance. The reasons given were (1) age; (2) lack of motivation resulting from a self-assessed unsuitability for being retrained for another job; (3) lack of sufficient or no prior work experience; (4) inadequate education; (5) discriminatory hiring practices, even with disability waiver; (6) risk of loss of disability compensation when re-employment is viewed as holding only short-term prospects for monetary gain, and eventual loss of income over the long-term; (7) unwillingness of employers and unions to allow jobs to be adapted to the applicant's disability in the belief that this job would henceforth be "frozen" and available only to persons "qualified by disability"; and (8) the inordinate length of time required to go through the VRA rehabilitative process, be retrained, and then wait for a position which may never develop.

With accessibility to care as one of the nation's major concerns, accessibility for displaced arthritis victims to care is especially important because of the economic impact this disease has on the national economy.

Obviously if we are to reduce the economic impact of arthritis, we must pay special attention to the educational needs of the 20 million patients with arthritis as well as their medical needs.

In addition to the 95 percent of severely disabled persons with arthritis who reportedly do not seek VRA assistance, recent surveys show that 12 million of the 20 million Americans with arthritis are not under a physician's care for this problem. Why? Fear? Ignorance? Lack of motivation? Lack of financial support? Lack of family support?

There are serious psychological accompaniments to arthritis caused by the progressive pain, debilitation and deformity caused by the disease. Some victims become slaves to their disease, relegating themselves to lives of loneliness, desertion by their families, and to the general abhorrence with which the well often treat those who are lame and disfigured. The emotional and psychological effects of arthritis are thus often as debilitating as the disease itself, and tend to exacerbate the disease process in an as yet not understood manner.

There are few persons with arthritis who today cannot be helped in some way, even though none of the causes of the some 100 forms of arthritis are yet known. Drug therapy, physical therapy, corrective surgery, psychological counseling, and vocational guidance are all available but too often the patient is not placed in contact with the few health professionals who are trained in the modern management of arthritis.

Let us look at what we can do with one group of arthritis victims—those who face disability retirement because of their disease.

Analysis of the relationship of the problem of arthritis patient as it relates to industry requires consideration of several factors. One factor is the relationship of occupation to the etiology of certain rheumatic diseases. Evidence indicates that some forms of rheumatic disease, particularly osteoarthritis, are in part occupational or traumatic and thus preventable or capable of modification. In addition, it is important to evaluate the prevalence of rheumatic complaints in the working population and to assess the effect on work capacity and work loss. Finally, of major import to both patient and industry, is the problem of employability of the arthritis patient.

It has been demonstrated in a number of studies that patients with major arthritic diseases are capable of effective full-time or part-time employment. The success of intensive rehabilitation programs in improving functional status and enabling up to 40 percent of patients disabled by rheumatoid arthritis to return to full-time employment is well-documented. Sample estimates of costs and benefits accruing from such programs have been made. In one British series, the cost of treating 100 cases was $40,000, which was offset by annual earnings of $90,000 by those placed in employment. Such programs include vocational guidance, the importance of which is well illustrated by the work of the New York State Employment Service. In its studies during the 1960's although only one in four arthritis job applicants was initially successful, expert help in selective occupational placement resulted in 80 percent finding employment.

Effective placement and work capabilities requires taking advantage of good personal attitudes and motivation on the part of the patient, appropriate rehabilitation techniques, intensive medical therapy, and full cooperation of knowledgeable persons in industry. Employer attitudes must change from a negative to a positive stance in accepting and retaining handicapped workers.

Goals of industry programs should include decreased absenteeism, employment for the first time of those patients with arthritis, retention of workers with arthritis, and return of the rehabilitated worker to his previous employment. These programs should include the severely disabled since great ingenuity has led to the availability of adaptive equipment and work methods which allows their successful employment in industry as well. Transit to and from work should be designed to provide practical methods for maintaining employment. Reduced absenteeism and continued employability of patients with arthritis can lead to substantial savings in terms of monies otherwise provided by public welfare.

Rehabilitation requires a team effort by the patient, the employer, social services in the community, physical therapy and occupational therapy facilities, vocational guidance and placement services, and work shops. A review by vocational counselors allows determination of prognosis of disease and the presence of disability which might adversely affect future employment. It is essential that the counselor have intimate knowledge of the requirements of the job at which the patient is to be employed and provide confidence. Close contact with both union and management is of major importance.

Some of the above goals can be accomplished in part by available resources; however, maximal achievement in solving the problem of employment of arthritics in industry requires development of large, well-organized work classification and employment centers. The goal is to place and maintain the handicapped arthritic individual in profitable employment so that he retains his dignity and avoids becoming a public charge. Consideration should be given to protection of the employer by a "hold harmless clause" backed by appropriate legislative measures which provide protection to industry resulting from such disabilities.

THE CONTROL OF ARTHRITIS IN INDUSTRY

Most arthritis patients in industry try to cover up their disease for as long as possible for fear they will be fired. Most industrial nurses report that their first knowledge of a worker with arthritis is when they come in for their retirement counseling session. The chronic absenteeism of many arthritis patients who are trying to self-medicate is

apparently seldom investigated. Only when their disease becomes too painful and disabling does the average worker with arthritis opt for disability retirement. By then, the disease has taken its toll, and rehabilitation is made much more difficult.

The earlier in the disease process an individual with arthritis can be identified, the greater the possibility for effective rehabilitation and control of the disease process. The initial years of rehabilitation in arthritis are the most critical and the most intensive, for if good management practices are not introduced at this point, the possibility of acute exacerbation becomes increasingly great.

And, since arthritis is a progressive disease, marked in certain forms by both acute episodes and sudden remissions, it must be carefully and regularly monitored, and the patient's total condition periodically re-evaluated to ascertain the degree of compliance with therapy, the effectiveness of the therapy, and the degree to which debilitation has either progressed or has been stabilized.

There are numerous forms of lesser arthritic or rheumatic complaints and disorders which are almost impossible to objectify. These include bursitis, tendivitis, low-back syndrome, neck and single-joint problems, tenosynovitis, etc. Some may be brought on by trauma, strain or excessive (unaccustomed) exercise. Many are easily treated, even in the acute form, and will gradually disappear. In some instance, changes of normal activity, even one's job, may be necessitated to ameliorate the stresses and strains which could have caused the temporary disability and which could exacerbate it if continued.

Thus, industry must learn how to set the psychological stage whereby a worker will no longer feel threatened if his arthritis is found out. Industrial physicians and nurses must be trained in the diagnoses of arthritis and must be made aware of community resources which can be brought to bear upon the needs of the patient.

Epidemiological studies of industrial populations should also be undertaken to examine factors of environment, stress, age, sex, ethnic group, familial aggregations, trauma and joint strain to see how these relate to the development, prevalence and exacerbation of arthritis.

THE NEED TO EDUCATE

The problem of inadequate information about arthritis being made available to the general public, to patients and to health professionals has already been noted as key to much of the disability caused by this disease. The National Commission on Arthritis and Related Musculoskeletal Disease cited the need for improved education at all levels as the number one priority in the implementation of The Arthritis Plan.

Much of this education—of the public, of patients, and of health professionals—can be accomplished through a national system of Arthritis Centers which would work closely with The Arthritis Foundation and its 73 local chapters. The Foundation began the initial financing of such a center's system in 1965 and is now providing token support to some 44 "centers", which are basically Rheumatology Units or Divisions in medical schools. The present level at which the Foundation is able to assist these "centers" is grossly inadequate to needs. This is demonstrated by the fact that when the National Institute of Arthritis, Metabolism and Digestive Diseases (NIAMDD) circulated the initial call for Arthritis Center grant applications last fall, 66 institutions responded, asking for over $25 million in aid, ten times that which was appropriated in the FY 1977 budget. Therefore, for FY 1978, the Foundation is requesting that $12.2 million be made available for Arthritis Centers, an amount still far from meeting the diverse needs of the applicant institutions in respect to the training of health professionals, patient and public education, community demonstration projects, and basic and clinical research.

During the past three years, over $9 million has been spent on arthritis outreach programs under the aegis of the now defunct Regional Medical Programs. These programs have been eminently successful for the most part in bringing knowledge from the medical center out into smaller communities where the general practitioner is the one from whom the average citizen seeks aid when suffering from arthritis. Unfortunately, 70 percent of these physicians have never been exposed to any formal training about arthritis, so the care they are capable of dispensing is sometimes minimal, sometimes non-existent, sometimes harmful, but seldom very effective. These physicians, their patients, and the allied health personnel who work with them, need to be brought into the mainstream of modern management of the arthritis patient. This will not happen without some stimulus from the Federal Government. And, unless, and until it does, millions of Americans will continue to receive grossly inadequate care, and thousands each year will continue to join the lists of those disabled by arthritis, unable any longer to lead fruitful, productive lives.

Despite this crying need, Congress failed to appropriate a single dollar for community demonstration projects in arthritis in FY 1977, although $3 million was specifically authorized for this purpose. The Foundation is requesting that $2 million be appropriated for community demonstration projects in FY 1978, and that the Associate Director for Arthritis be given adequate staff to effectively oversee these projects as well as for the administration of the Arthritis Centers program.

WHAT WILL AN ARTHRITIS CENTER DO BESIDES EDUCATE?

Arthritis is a uniquely human disease. It cannot be wholly duplicated in an animal model. Thus, clinical, or bedside, research is together with basic research, a requisite component of a national attack on arthritis. Clinical research, however, cannot easily be performed when arthritis patients are spread all over a hospital's wards. There therefore needs to be a central focus for clinical research, yet there are even very few teaching hospitals which have concentrated their arthritis patients in a single area to which the rheumatologist, orthopaedic surgeon, physical therapist, nurse, social worker, occupational therapist, and other members of the arthritis team can then attend. There is, however, a trend in this direction to which the Federally-funded Arthritis Centers program could make a major contribution, benefitting both patients and researchers, reducing duplication of effort, and leading to major reductions in patient care costs, especially when extended care facilities and outpatient care can be used as viable options to in-patient care. This of course will require major changes in the structure of third party payments for medical care.

There also needs to be a certain degree of targeted research in arthritis. During the hearings on the National Arthritis Act before the House Subcommittee on Public Health & Environment, the Director of the National Institute of Arthritis, Metabolism & Digestive Diseases (NIAMDD), Dr. G. Donald Whedon, provided a breakdown of the $8,343,000 expended on extramural research grants in arthritis during FY1974. Only $388,000 was spent that year on research into the causes of Juvenile Rheumatoid Arthritis, which affects some 400–500,000 children in the U.S.: $420,000 was spent on research in osteoarthritis which affects 13–14 million Americans; and only $344,000 on gout which affects 900,000—1,000,000 persons in this country. Systemic lupus erythematosus (SLE), which is a potentially fatal disease in young women if not treated quickly and expertly, although funded at a slightly greater rate—$608,000—is considered underfunded by at least three hundred percent. These are only a few of the major areas of arthritis which are begging for greater attention and for research results which will bring some greater relief to the millions disabled by these diseases.

Another primary research area is how torn cartilage relates to arthritis. Sports injuries often cause serious arthritis later in life if not properly cared for. Knowledge in this area is still insufficient to prevent several thousand high school and college athletes each year from facing possible crippling in their 40's. Only $179,000 was spent on research in this area in 1974.

The Foundation is requesting an increase of $5,595,000 in the arthritis research budget of NIAMDD in FY1978 to meet these critical needs.

EXPLANATION OF ENCLOSED BUDGET CHART

The enclosed Budget Chart reflects the Foundation's hopes for FY1978, in respect to the arthritis programs of NIAMDD. Of the $16.7 million increase requested over the President's Budget, half would go to Arthritis Centers, one-third to Research, and lesser amounts to initiate priority programs recommended by the National Arthritis Commission and authorized by the National Arthritis Act, as amended: Community Demonstration Projects, National Arthritis Data System, and a National Arthritis Information Services program. We also request that $300,000 be made available to the Institute to fund the activities of the National Arthritis Advisory Board.

ARTHRITIS PROGRAMS OF THE NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM AND DIGESTIVE DISEASES—FISCAL YEAR 1976–78

[Amounts in thousands of dollars]

	Research grants	Centers	RCDA	National Research Service awards	Training grants	Community demonstration projects	Data	National Information Services	Contracts	Subtotal extramural	Intramural	Total
Fiscal year 1976	13,064	0	420	402	28	0	0	0	465	14,919	3,176	18,095
Fiscal year 1977	13,389	2,500	394	986	0	0	0	0	1,300	18,569	3,820	22,389
Authorized fiscal year 1977, Public Law 93-640, and Public Law 94-278		20,000				3,000	1,000					
President Ford's proposed fiscal year 1978	14,253	4,200	177	1,202	0	0	0	0	1,300	21,672	4,089	25,761

Footnotes at end of table.

ARTHRITIS PROGRAMS OF THE NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM AND DIGESTIVE DISEASES—FISCAL YEAR 1976-78—Continued

[Amounts in thousands of dollars]

	Research grants	Centers	RCDA	National Research Service awards	Training grants	Community demonstration projects	Data	National Information Services	Contracts	Subtotal extramural	Intramural	Total
Arthritis Commission's proposed fiscal year 1978	28,781	24,000	1,200	2,750	0	5,000	1,500	750	2,500	67,481	4,750	72,231
Foundation's proposed fiscal year 1978	19,284	12,200	717	1,421	0	2,000	500	400	1,600	38,122	4,339	42,461
Increases over fiscal year 1978 President's budget	5,031	8,000	----------	219	----------	2,000	500	400	300	16,450	250	16,700
Authorized Public Law 94-562	----------	18,700	----------	----------	----------	[1] 3,000	1,000	----------	[2] 300	----------	----------	----------

[1] Includes Public Information Projects such as those envisaged as being carried out by the National Arthritis Information Services.

[2] For National Arthritis Advisory Board.

TRANSPORTATION AND ENERGY—WILL AUTO PROPOSALS CHANGE AMERICAN VALUES?

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. SHUSTER. Mr. Speaker, "Cars give poor people more choices." This quote came from a Washington Post article by William Greider sums up the basis for my deep-rooted concerns about President Carter's proposed gasoline tax increase.

Mr. Greider rightfully points out that—

If government regulation were to cripple the automobile society, in the name of saving oil, it would most surely hurt the least first and hardest, then ripple upward on the economic ladder to the rich whose lives would not suffer at all.

The automobile has become a way of life in America, and anybody who tells you he is going to do away with it is just whistling dixie. Furthermore, it has enriched the lives of Americans, especially poor Americans, by giving them opportunities that a less mobile society could not offer.

We are talking about American values, Mr. Speaker, and Mr. Greider correctly commends to the national energy debate the importance of those values in the automobile, particularly for the poor and underprivileged, both socially and economically.

Because this is an issue that will touch every American in some way, I commend the article by William Greider to you and our colleagues so that we may all better understand precisely what a substantial gas tax increase would do to our American values. The article, reprinted from the April 25, 1977, issue of the Washington Post, follows:

CAR CRAZY IN AMERICA, A NATION IN OVERDRIVE

(By William Greider)

My daughter, right at this moment, loves horses and, as sometimes happens when children develop intense interests, it educates the parents.

This time, on a Sunday afternoon, I learned something about the true nature of horse shows. I thought horse shows, especially jumpers going over fences, belonged to rich people, the town-and-country tweeds.

What we discovered at one of the stables in Rock Creek Park was an extraordinary scene—hundreds of ordinary folk (instantly recognizable as middle-middle (Americans) gathered to ride and jump in friendly competition. Scores of well-muscled horses. Friendly banter. The easy ambience of a country fair, right in the city.

But more startling still was the awesome fleet of monster vehicles assembled for this horse show. Bumper-to-bumper horse vans were parked around the ring. Not just your little single-horse trailers, but huge trucks with fancy interiors, capable of hauling four horses or six horses—gas-guzzling horse stables on wheels.

Only America, right? The puritan in me was naturally offended by the grossness. All that mechanical horsepower assembled for the purpose of playing horse-and-rider. You could probably run Europe on the oil Americans devoted to such non-essential marvels as horse vans.

But the small-d democrat in me felt good. I would like the kings and queens of Europe to come to Rock Creek Park some Sunday afternoon and try to guess who these people are. They are just regular people, ordinary Americans enjoying a sport invented for dukes and earls.

Automobiles, camper vans, pick-up trucks—they are gross, luxurious, wasteful vehicles. But they are also democratic engines. The horse show reminded me that someone ought to say this, now that the puritans are mounting another offensive.

I think cars and Interstate highways and even those ridiculous summer-homes-on-wheels called "recreation vehicles" spread equalitarian life values through America—the values of time and mobility—and they spread these qualities downward in our society, more directly than any patch-up government programs. Cars give poor people more choices. If government regulation were to cripple the automobile society, in the name of saving oil, it would most surely hurt the least first and hardest, then ripple upward on the economic ladder to the rich, whose lives would not suffer at all (I am reasonably certain that government regulation will not be allowed to cripple the automobile because too many politicians understand that the very idea contains the seeds of class war).

I can't prove these claims with statistics but anyone who has traveled much around this country has seen what I mean. The new pattern of country living is a man or woman who drives 100 or 150 miles a day from their farm or small town for a job in a medium-sized city. In Kentucky, people who live in benighted mountain counties drive the turnpike to good jobs in Lexington. In Illinois, a woman drives 140 miles a day commuting from Carbondale to Mt. Vernon. In the West, the distances are more awesome still.

The range of these working people in the country has been defined by the Interstates and, of course, it has greatly increased their job choices. The practice of long-distance commuting, outside metropolitan areas, has increased dramatically in the last few years, so has the population in those places. The energy statistics may put that mileage down in the luxury column, but I doubt that it looks that way to those people.

Here's another thing that doesn't show up very clearly in the statistics: cars help people, especially poor people, to create their own private "social security" systems to cope with their big problems—unemployment, family trouble, poverty. You can run away from home in a car (and also return when you get homesick). The Okies drove to California in the 1930s and that process, less obvious and dramatic, is still in motion today, all over this country.

I saw it years ago in Cincinnati, my hometown, where thousands of Appalachian mountaineers—"hillbillies," we called them—came north to look for work. They lived in the slums and were widely despised, and many could not find jobs.

But they did not just migrate to the city—they went back and forth, frequently. They might return to the home place in eastern Kentucky during lean times, come back to the city when jobs opened up, drive home to the mountains on the weekends, where friends and family were around for comfort. These were painful times, but the old cars they drove were part of easing the pain. The Cincinnati bridges are still jammed with cars, heading south, on Friday afternoons.

You can find the same thing on Indian reservations. Talk to the most impoverished families in a remote canyon of a South Dakota reservation and it is likely that some of them have been to Chicago or Cleveland or San Francisco. There are no jobs on the reservation; they do not like the wretched life in the cities. So they move back and forth, searching earnestly for modest improvement in their lives.

And it is not just the traveling around, private and unplanned by the economists. It is the idea of traveling that is important to us, transcending all class lines. This notion, the roaming American, is as old as the republic but it has survived, miraculously, in a new mythology built around the automobile (and lately the van).

The car is a subterranean linkage in this broad country: expressed in mad non-stop dashes from coast to coast, burning across the heartland's allnight radio band, tripping the continent on adrenalin. If you have not done it, if you don't understand why other people do it, read Kerouac's "On the Road" or Algren's "Walk on the Wild Side."

Cars are our leap into sensational experiences: I remember leaving lower Manhattan at midnight, plunging into the greasy air of the Lincoln Tunnel and 30 hours later we were sitting in a drugstore in a steamy small town of Mississippi, drinking Coke and listening to the dead voice of the counterman. Thirty hours later, we were in the rain forest of Mexico where tarantulas sometimes cross the highway.

I remember a wreck on the West Coast, coming back north, where a Mexican nun in a white habit sewed up my forehead. We limped north on buses and hitchhiking, feeling suspicious of ourselves without a car. I knew I was home at a used-car lot in Tucson when the salesman warned us: "This car

ain't got no gar-antee, you know." He was from West Virginia, a familiar voice and I can still hear it, though this was 20 years ago.

These cars, I think, burned images in all our young minds—painful, frantic, gaudy moments, sometimes suicidal, occasionally triumphant. I am thankful that I lived through it (a few friends did not) and I can still say that it seemed necessary, those escapes by car. Adults, I discovered later, are not so different, only more cautious as drivers. Think of Joan Didion's heroine in "Play It As It Lays," driving the freeways of Los Angeles for hours, days, suspended animation at 80 miles an hour.

This is all very untidy. Economically wasteful. In a better world, people would not wander around like this, burning up gasoline in futile searches (in a better world, people would not be poor or spiritually desperate). Still, there's an explosion waiting, I think, if the government tries to price Americans out of their wandering.

If you want to see what it looks like, examine a Latin American city where the poor lack mobility—where they stack up in the cities and build tarpaper slums, unable to find work and unable to return home.

Right now, the puritans are bringing up Europe again, to make us feel bad. Europe is more efficient, less wasteful. Europe does not squander oil the way we do. This is beyond dispute, but there are reasons which the puritans do not mention.

For one thing, we have lots of people in this country who drive the equivalent of halfway across France every day, just getting to work and back. The French do not do that much, especially the poorer French. It is a smaller place, more crowded, with less wandering.

Also the poor people in France do not own cars. They have motor scooters or bikes or they walk. With good fortune, they buy the bottom-of-the-line Citroen, a noisy sluggish beast which would strain its guts out driving halfway across France everyday.

These are my impressions from Europe. I looked up some statistics which confirm them. For starters, there are 245 million cars in the world—and 45 percent of them are owned by Americans. In the United States, there is more than one car for every two citizens. In France, there is less than one car for every three citizens. In thrifty West Germany, which we are supposed to emulate in energy matters, there is one car for every four citizens.

People in West Germany or France don't need cars as much—they live closer together in villages and towns and they move around less (and besides gasoline costs more than $1.60 a gallon). The population per square mile in America is 60 people. In France it is 250 people. In Germany it is 650.

I could not find any statistics to show who owns cars in Europe and who doesn't. I would be happy to bet my seven-year-old Ford station wagon that it is not the rich who sacrifice their mobility to save oil (if you saw the condition of my station wagon, you would not take it on a bet).

But Europe does have something which America doesn't have in automobiles: efficient design. European cars are smaller, less exotic, less powerful, but in the medium and upper price ranges they are as comfortable for families as American cars, merely less gross (if Detroit would sell Americans the same cars which it markets overseas, it would save us a lot of oil).

But here is something else that Europeans enjoy: speed. Strange but true that Frenchmen are driving along their Autoroute in smaller cars at 80 to 100 miles an hour while America chugs along the Interstates in their behemoths at 55 m.p.h.

If we are talking about inefficiency, this is one of the grossest inefficiences in America today. This nation spent billions of dollars building a rational system of high-speed highways; yet now millions of Americans are wasting millions of hours of their lives, driving slow in order to save a little oil. I know all the pieties about how slower is faster, but folks are already defeating that anyway with CB radios and native American stealth. If Americans drove better-designed cars, they would drive a lot faster, more efficiently.

Time and mobility. What I'm getting at is that the political solutions to the energy problems will make a lot more sense—and will have at least a prayer of popular acceptance—if the energy debate recognizes the importance of those values in the automobile, especially for the less privileged. The solutions could aim to preserve those social values—even enhance them—instead of denouncing us for statistical luxuries.

All sorts of wild ideas might flow from that recognition—that America is not Europe and there is no way it can become Europe (and no reason why it should want to). In the best American tradition, we can steal the best ideas from Europe and throw back the rest.

So why not make a deal with American car owners? When the nation's fleet of gross monsters become smaller and less wasteful, they can go back to driving 80 miles an hour on the Interstates. Make a trade: size for time, grossness in exchange for speed.

Or, since we are subsidizing every good thing in life and commerce, how about a federal program to help people buy new cars—more efficient cars, naturally—for the people who are driving old clunkers and can't afford new models? This sells cars for Detroit, reduces air pollution, saves oil and helps poor people.

Who could be against all those good things? It's as American as stock-car racing.

ELECTRIC MOTOR POINTS TO ENERGY CONSERVATION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. ANDERSON of California. Mr. Speaker, yesterday at a press conference sponsored by the California Public Utilities Commission, Southern California Edison Co., and officials from the State's energy commission, a new electrical motor was unveiled which could mark a significant step toward greater energy conservation.

C. L. Wanless of Orange County has developed a new type of electric motor that uses 10 to 18 percent less energy than present motors consume. It has been estimated that the savings which could be had by converting to this motor could reach as high as 30 percent.

Called the Controlled Torque, the new engine was designed by its inventor using existing parts from conventional motors. Since electrical motors currently consume as much as 65 percent of all electricity generated in the United States, widespread use of this product in appliances and industry could save up to the equivalent of 1 million barrels of oil a day.

Mr. Wanless is to be congratulated for the imagination and inventiveness he has demonstrated in this new breakthrough. And perhaps it should serve as a lesson to us in dealing with the energy shortage. Real steps toward energy conservation may lie in examining the current technology available to us and giving it new applications.

Futuristic research into new energy sources is necessary, but in stressing it too much we may miss solutions which lie much closer to our grasp.

THE OUTRAGE OF CHILD PORNOGRAPHY

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. YOUNG of Missouri. Mr. Speaker, the abuse of children in pornographic materials has become a virtual avalanche that must be stopped. Police raids in cities across the country have gathered whole warehouses of pornographic photographs, magazines and motion pictures involving children. One Los Angeles reporter has gathered nearly 300 magazines dealing with sex involving children under the age of 16.

The fact that there is a demand for such material is a distressing example of moral decay in American society. But the terrible aspect of the problem is the effect that the pornography has on the children who are forced to engage in this activity. Children in the age range of 3 to 12 have little, if any, real sexual awareness; in nearly every instance an adult—sometimes even the parent—has forced the child into pornography for money.

A revealing article by Associated Press correspondent Peter Arnett in the St. Louis Post-Dispatch graphically described the extent of such child abuse. "The wide use of children in pornography is only now becoming apparent," according to the article:

Magazines featuring young boys have long been available to the homosexual trade, but in the last year police report an avalanche of publications and movies featuring children.

The article continues:

Robin Lloyd, a Los Angeles-based television reporter who has written a book on the subject, says he has 264 magazines, each costing about $7, dealing with sex involving children under 16. One publication deals entirely with sex between identical young twins.

Police raids have gathered up whole warehouses of pornography featuring children. A major find in a Houston raid in 1975 was 15,000 color slides of boys engaged in sex acts. New York police discovered last year that one-third of their 2,000 warehouse feet of pornography involved children.

The magazines range from Lollitots, which features young girls aping their big sisters in Penthouse and Playboy, to hard-core extravaganzas such as "How to Deflower a Virgin."

Lloyd reported that there are even several organized groups in the United States dedicated to the proposition that sex between adults and children is not only desirable but necessary for the mental well-being of the child . . .

Who are the children exploited in the magazines and the movies? Like the girl who

posed shyly in a nudist magazine and then graduated to hard-core pornography, most are totally anonymous. "We know every anatomical detail, but not their names and addresses," said Lt. Lloyd Martin of the Los Angeles police.

There is little doubt that most of the children are American. License plates on automobiles and street signs give Florida and California backgrounds even to films purportedly made in Europe.

Fred Cohen (executive director of the Odyssey Institute) says: "The Europeans have much stronger laws against using kids in this way." Ninety percent of all child porno in the world comes from America . . .

A New York housewife is known to have produced a nine-minute porno movie called "Susie and her Little Brother" starring her 10-year-old daughter and 9-year-old son . . . The institute said the housewife sold 60 copies of the movie last Christmas for $30 a copy. The girl is now being held in a New York Catholic home.

Much of the pornography involving older children also finds its way onto the market through parents. "It is the only way the really young kids can get involved," said Lt. Martin.

Advertising in magazines and the huge pornography mail order business allows untrammeled trade with little possibility of detection.

The profits of the child pornography business are enormous, with some estimates placing the total sales near the billion-dollar range. Retail prices of individual magazines range from $5 to $25, and crude, normally silent 8 mm films are sold for $20 to $50.

A study prepared by the Library of Congress showed recently that only six States have laws prohibiting the participation of minors in obscene performances in books or films. Five Federal laws now prohibit the distribution of obscene materials, but those laws depend on the much-argued definition of obscenity which the courts have had difficulty in reaching. Such vague definitions have greatly hampered the enforcement of the antiobscenity laws.

For these and other reasons, I have consponsored H.R. 4631, a bill which would amend the Child Abuse Treatment Act to prohibit the sexual exploitation of children and the transportation and distribution of photographs or films depicting such exploitation.

This bill describes a specific list of prohibited sexual acts which children under the age of 16 shall not be caused or permitted to engage in. The bill also calls for penalties of a $50,000 fine or 20 years imprisonment for the pornographer, photographer, or other responsible party. Persons who transport, receive, or sell such materials would be subject to a $25,000 fine, 2 years imprisonment or both.

I urge that the committees considering this bill move quickly so that the outrage of child pornography can be stopped.

SECRETARIES WEEK

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. EILBERG. Mr. Speaker, this week has been set aside by the National Secretaries Association as Secretaries Week, and tomorrow, April 27, has been designated as Secretaries Day.

I would like to take this opportunity to pay my own tribute to the members of the secretarial profession, and I would like to signal out for special recognition the very dedicated and devoted secretaries who work in my congressional office here in Washington and in my district office in Philadelphia.

These are the people, Mr. Speaker, who day in and day out, provide the essential support services without which we, as Members of the Congress, simply could not function efficiently. They are the dedicated public servants who care about the problems of our constituents and who expedite the incredible flow of work which daily crosses our desks.

I, for one, could not get along without these invaluable people, Mr. Speaker, and I am pleased to have the opportunity, even in this small way, to say "thank you" to the secretaries who give such dedicated service each day of the year.

PRESIDENT'S ENERGY PROGRAM

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. DERWINSKI. Mr. Speaker, reaction is coming from across the country to Mr. Carter's energy package, and the first reports show far more pessimism and disfavor than optimism and support

Mr. Carter's energy plan is analyzed in twin editorials appearing in the April 22, Chicago Tribune. I insert these articles for the attention of the Members:

ENERGY: TOO LITTLE ON SUPPLY

President Carter's proposals for a national energy policy rely too much on curbing demand and consumption and too little on increasing domestic supplies of natural gas and petroleum. The President should have called for the gradual deregulation not only of natural gas prices, as he promised in his campaign, but also of petroleum prices.

That would help achieve conservation by allowing prices more nearly to reflect the true cost of replacing present supplies. Market-oriented prices would also provide producers with the capital and the incentive for more drilling. A sensible policy would also insure that producers plow increased profits back into petroleum, natural gas, and other forms of energy production Profits not used for energy development could be taxed away.

Instead, Mr. Carter's plan would tax petroleum producers so as to raise prices to world levels—set by the foreign oil cartel—and would pass the revenues on to the government, which would then return part of them to the public through rebates. That is backwards, since it is neither the government nor the public that needs the money for exploration and drilling. The Carter proposal is regressive also on natural gas. It would regulate the heretofore unregulated intrastate price and do little to increase supplies.

The demand side of the President's scheme, on the other hand, has several good elements. Taxing gasoline, "gas guzzling" autos, and other energy-inefficient machines and appliances might succeed in restricting the growth in U.S. demand for energy. It might insure a little more time than will perhaps actually be needed to bring into use energy sources to replace finite supplies of petroleum and natural gas. That would be desirable for this nation's economy.

But the program is so one-sided as to be self-defeating. It contemplates stiff taxes to conserve gasoline, but nowhere suggests that the resulting revenues might be used to improve alternatives to the highway—such as mass transit—or railroad trackage.

But very likely the chief failing of Mr. Carter's plan is that, by concentrating so heavily on holding down demand rather than increasing supply, it may end up paradoxically making us even more dependent on foreign energy sources. That could drive up the cost of nearly everything and could jeopardize our economic growth without the compensating promise of increased domestic oil and gas supplies.

. . . AND A BIGGER BUREAUCRACY

Thanks to what appears to be a paranoid fear of the free market, the Carter administration has produced an energy bill that would not only do little to encourage the development of new sources of energy, but would inevitably depend for enforcement on a gigantic, costly, and oppressive new bureaucracy.

And so we find an administration which was elected on a promise to streamline the federal government proposing a plan which would have the very opposite effect. In fact, the White House staff has already grown by about 30 per cent since Mr. Carter took office.

Oh, we know that Mr. Schlesinger, the federal energy administrator, and other White House spokesmen deny that a new bureaucracy would be required. But if there is not to be an increase, then how are all the new controls going to be policed?

To say that a bigger bureuacracy won't be necessary is to suggest that the new controls won't really be enforced at all—that people will go through all of the prescribed motions and fill out all of the required forms and that their work will then be filed away in warehouses, never to be seen again, or perhaps even thrown away like the dividend reporting forms which corporations have been submitting to the Internal Revenue Service at great expense.

Instead of moving toward the free market, as industry and most sensible economists have been urging, the Carter administration is inviting the worst of both worlds: tough and politically unpopular conservation measures plus tough and unpopular controls which may end up making the conservation measures futile.

For example, Mr. Carter is not calling for the deregulation of the price of natural gas, even though he once promised to do so. On the contrary, he is calling for a new ceiling on the price of gas which, though higher than the present one, links the price of gas to the price of fuel oil and applies the new ceiling to gas sold within the producing state as well as beyond its borders. Does anybody seriously believe this can be enforced without thousands of new payrollers?

Similarly, the incentive to produce new oil is based not on the free market, but on another intricate formula based on world prices. Who would police this? And who would police the complicated schedule of taxes and rebates attending the purchase of new cars, based on the fuel consumption of the cars? Who would determine the fuel consumption?

We're told that much of the suffering caused by higher fuel prices would be offset by higher credits for the poor on income tax returns and by direct payments to those who don't file income taxes. This sounds alarmingly like a reincarnation of the late and unlamented tax rebate—a scheme to distribute alms about the country without any apparent relationship to whether the beneficiaries pay for gasoline or heating oil.

In short, Mr. Carter has called coura-

geously for temporary sacrifices and would now impose a new array of agencies and controls whose long run effect, we suspect, would be to make those sacrifices permanent. And once again, the country is asked to suffer in order to gratify the ego of planners who think they can outsmart the free market.

SECRETARIES WEEK

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. ECKHARDT. Mr. Speaker, April 24–30, 1977, is being observed nationwide as Secretaries Week, with Wednesday, April 27, being highlighted as Secretaries Day. The National Secretaries Association—International—in cooperation with the U.S. Department of Commerce, originated Secretaries Week in 1952 to bring recognition to all secretaries and to inform the public of the secretary's contribution to the educational, professional, and civic growth of the community.

The National Secretaries Association—International—a nonprofit association with chapters throughout the United States, Puerto Rico, Canada, and many other countries, is the world's leading organization for secretaries. One of its major programs is the certified professional secretary program. In order to attain the CPS designation, the secretary must successfully complete a 2-day certifying examination in six important areas: First, environmental relationships in business; second, business and public policy; third, economics of management; fourth, financial analysis and the mathematics of business; fifth, communications and decisionmaking; and sixth, office procedures.

I wish to acknowledge the dedicated work of the secretaries in my own office—including a certified professional secretary—and also to pay tribute to secretaries everywhere for their vital role in business, industry, education, government, and the professions.

Secretaries Week is officially acknowledged by Federal, State, and municipal governments, by the issuance of official proclamations. Mayor Walter E. Washington has issued the following proclamation:

A PROCLAMATION BY THE MAYOR OF THE DISTRICT OF COLUMBIA

Whereas, the Capital and District of Columbia Chapters of the National Secretaries Association (International) together with other chapters throughout the nation are observing April 24–30, 1977 as "Secretaries Week"; and

Whereas, in keeping with the best tradition of their profession, secretaries continue to accept vital responsibilities and are performing important roles in commerce, industry and government; and

Whereas, professional development for secretaries should be stressed to remind the secretary of benefits from continued education, and to remind the employer he will gain a better qualified secretary; and

Whereas, to honor the secretaries now doing their jobs diligently and to encourage others to enter this worthy career, it is essential that rightful recognition be given them:

Now, Therefore, I, the Mayor of the District of Columbia, do hereby proclaim the week of April 24–30, 1977 as "Secretaries Week" in Washington, D.C. and ask that all employers in business, industry and government join with me in honoring and giving due recognition to this dedicated group of people, paying special attention to "Secretaries Day" on April 27, 1977.

WALTER E. WASHINGTON,
Mayor, District of Columbia.

In addition, President Jimmy Carter has issued a special message which states:

SECRETARIES WEEK, 1977

Secretaries are a mainstay of both business and government. On their skills, accuracy and discretion depend countless daily decisions that affect the success and quality of service provided in both the public and private sectors.

This Week gives all of us a splendid opportunity to applaud the individuals who pursue this fine career and to recognize their indispensable contribution to so many facets of our national life.

JIMMY CARTER.

SUPPORT FOR NEW INDIAN GOVERNMENT URGED

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. FRASER. Mr. Speaker, a group of 46 House Members have urged that the United States demonstrate its support for the new Government of India.

In a letter to President Carter, we wrote that U.S. support of the new Indian Government would give "tangible expression to the positive side of our commitment to human rights."

We told the President that a demonstration of U.S. support was warranted in view of the peaceful transfer of power to a new political group that intends to respect the rights of the Indian people.

The text of the letter follows with a list of the Members who endorsed its sentiments:

DEAR MR. PRESIDENT: We welcome your concern for human rights as an important ingredient in American foreign policy.

In the past, Congress has sought to express its concern over serious human rights violations by calling for limitations on assistance to governments committing such violations. We believe, however, that it is equally important to affirm our support for those governments that demonstrate a strong concern for human rights and hold power based on the exercise of the right of the people to select their own government.

In this connection, we invite your attention to the nation of India. India has been governed by one party for 18 years and for the last 19 months experienced a significant loss of democratic rights. However, as a result of the recent election in India, it appears that a peaceful transfer of power to a new political group has been achieved and that the new government intends to fully respect the rights of the people of India.

Under these circumstances, we believe the U.S. government should evidence its willingness to give support to the new government. This would give tangible expression to the positive side of our commitment to human rights and would underscore your inaugural pledge that the U.S. will give "preference to those nations which share with us an abiding respect for individual human rights."

India continues to face major challenges in its development efforts. Its per capita income is $150. Its population of 600 million accounts for 60% of the total population of noncommunist nations under $200 per capita G.N.P.

We will fully support action by the Administration that demonstrates support for nations such as India that share with us "an abiding respect for individual human rights."

Sincerely,

Donald M. Fraser, Henry S. Reuss, Paul Simon, Edward I. Koch, Tom Harkin, William M. Brodhead, Joe Moakley, Shirley Chisholm, Paul N. McCloskey, Jr., Barbara A. Mikulski,

Parren J. Mitchell, Melvin Price, James C. Corman, Millicent Fenwick, John J. LaFalce, John J. Cavanaugh, Leon E. Panetta, Stephen J. Solarz, Michael Harrington, Richard L. Ottinger,

Benjamin S. Rosenthal, Robert F. Drinan, Abner J. Mikva, Thomas J. Downey, Jerry M. Patterson, Gladys Noon Spellman, Elizabeth Holtzman, Don Edwards,

James L. Oberstar, Bob Carr, James Weaver, Peter H. Kostmayer, Ralph H. Metcalfe, Edward W. Pattison, Fortney H. (Pete) Stark, Anthony C. Beilenson, Robert N. C. Nix,

Paul Findley, Jonathan B. Bingham, Christopher J. Dodd, Paul E. Tsongas, Lloyd Meeds, Newton I. Steers, Jr., Les AuCoin, Bruce F. Vento, and Berkley Bedell.

TRIBUTE TO ANTHONY "TONY" ADDUCI

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. MURPHY of Illinois. Mr. Speaker, I would like to pay tribute to one of Chicago's outstanding political figures, Anthony "Tony" Adduci, who died at the age of 63 on April 6, 1977.

Tony Adduci devoted over 45 years of his life to the Democratic Party, serving for 29 years as the party's ninth ward secretary, and then as administrative aide to the water commissioner.

Tony Adduci's career in the Democratic Party dates back to the 1930's, when the ninth ward was a Republican stronghold. Through skill, persistence, and devoted service to people, Tony Adduci turned the ninth ward into one of the Democratic Party's most reliable areas for support.

Tony Adduci's success as an organizer was due to a single-minded principle: serve the people. He constantly reminded politicians who ran in the ward of this simple, but important, principle.

Mr. Speaker, the loss of Tony Adduci is felt by his family, his many friends, by the Democratic Party, and by the people of Chicago. Mayor Bilandic recently paid tribute to Tony Adduci in these words: "He never failed to help me." The mayor's words neatly sum up the feelings of those who came to know Tony Adduci. He will be missed by all of us.

DRUG TRAFFICKING: A NEW TECHNIQUE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. RANGEL. Mr. Speaker, as the representative from Harlem, the largest drug-prone community in the country, I have often been appalled by the methods used by our Nation's drug peddlers. This latest form of pushing the narcotics highlights quite clearly the need for action in this area.

Recently while I was in the district, community residents informed me of the way in which this system works. Juveniles are used as couriers, as they are known on the streets. These youths are used by the veteran pushers as peddlers to avoid the latter's prosecution under New York's strict narcotics law. As a result these youths become seasoned to the drug world before they reach their 16th birthday.

We as elected officials cannot allow this practice to continue. Our children must be insulated from this cancer. I urge my colleagues to carefully review the article from the New York Post of April 8 which I have inserted. Those committees that have jurisdiction over the narcotics issue must move and move expeditiously in order that this problem does not allow our children to be used as pawns in the pusher's pursuit of profit. The article follows:

SIX-YEAR-OLDS RUN DRUGS—IT KEEPS HEAT OFF PUSHERS

(By John L. Mitchell)

The drug pushers of Harlem have enlisted kids as young as six as their couriers.

According to police and community sources, the couriers—called "holders" or "runners"—are paid up to $300 a week to carry large amounts of concealed heroin within eyesight of the pusher.

In this way the older pushers—many of whom could be prosecuted as adults under strict state laws—can circumvent the mandatory life sentence for possessing or selling large quantities of heroin.

The Post last month revealed that young teens had entered the packaging and processing level of the drug hierarchy in a similar attempt to beat adult drug laws.

Yesterday afternoon police arrested an 11-year-old boy, accused of selling heroin, with his 18-year-old "boss" in an apartment in Harlem's notorious drug "marketplace."

Police said they seized 2.7 pounds of heroin—$19,000—and $1357 in cash.

It was the largest catch in a four-month crackdown on Harlem drug trafficking along Eighth Av.

"It's not rare. We arrest them that young every day," said Joseph Garcia, one of the arresting officers. "Yesterday we arrested a 12-year-old and a 13-year-old for possessing drugs.

"We've arrested them as young as 6," Garcia said.

HOLD THE DROPS

"As long as they're kids (under 16) and can walk and talk sensibly, the older pushers have them holding the drops on the street," he said.

"You'll never find one of the older pushers holding more than 'misdemeanor weight.'" Garcia said. Because their young helpers are treated as juvenile delinquents, charges against them don't specify whether they were selling or merely possessing the drug.

Another cop, an undercover officer who buys drugs on the street and then arrests the seller, told of a recent meeting with a pusher in a Harlem tenement hallway.

He asked the pusher for two bundles—each with 25 $10 bags. The pusher didn't have that much and called to a girl jumping rope with friends in the street.

She came inside the hallway, the officer recalled. "What do you want," she asked. "How much do you have on you," the pusher asked.

The girl rolled up her sweater sleeves and revealed seven bundles taped to her right arm and five to her left. The pusher took what he needed and the girl went back to jumping rope.

"She was no older than nine," the cop said. "It didn't seem like she knew it was drugs. It was something she was holding and she would get paid for it later."

In many cases the youths' parents encourage or quietly acquiesce to their children's activities, police and community sources told The Post.

One cop, who requested anonymity, recently arrested a nine-year-old boy and accused him of selling heroin. The boy had $1600 on him.

Called to the precinct stationhouse and informed about the money, the boy's mother said, "I told you to pay that furniture bill."

According to Garcia, the youths become "holders" because of the fast money and the prestige they receive on the block for being associated with the pushers.

But once they're part of the operation, Garcia said, "they're often threatened or beaten up to remain in—or just not to talk."

The alleged boss of the 11-year-old arrested yesterday was identified by police as Ronald Cherebin. Cherebin lives in an apartment at 262 W. 115th St. where drugs were being processed for street sale, police said.

SPOTTED FROM ROOF

Officers Garcia and James Woods spotted the 11-year-old pusher from a rooftop surveillance post after chasing a group of addicts loitering. They waited and watched the boy make several trips into the building.

The boy delivered the dope to customers and then Cherebin collected the money—Cherebin was charged with possession and sale of dangerous drugs, and impairing the morals of a minor.

The boy was arrested as a juvenile and released to his mother.

CIVIL RIGHTS FOR THE HANDICAPPED

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. BEARD of Rhode Island. Mr. Speaker, I am introducing a bill today that would eliminate discrimination against handicapped persons in their search for jobs. I think it is about time the Civil Rights Act should be made to apply to handicapped persons. The whole country knows that the handicapped can provide good skills in many businesses and industries, that they have had an excellent record of attendance and are reliable. There are some industries that have made a practice of hiring skilled handicapped persons—some have even instituted training programs. All these enlightened industries report the splendid results. However, discrimination still prevents many from getting jobs and still more are excluded from training programs.

This bill would amend the Civil Rights Act of 1964 to extend the equal opportunity provision so that employment discrimination against the handicapped would be unlawful.

AMERICAN AGRICULTURE CANNOT AFFORD CHEAPER FOOD

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. GRASSLEY. Mr. Speaker, from time to time some self-appointed "consumer interest" group comes along and continues to foster the misconception that American food is expensive and that the consumer deserves "cheap" food. Well, as those of use who come from agricultural States know, American food is cheap. The only way it could be any less expensive would be to knock out the middlemen, the retailers, and the butchers—all of whom are consumers in their own right.

A recent editorial in the April 1977 edition of Beef explains the dangers these "consumer interest" groups pose to the agriculture industry.

I would like to share it with my colleagues:

NEW "FOOD POLICY" REPORT OVERLOOKS PAST EXPERIENCES

Muddle-headed thinking about agriculture isn't the exclusive domain of government bureaucrats and leaders, as proven by a report published by a private group a few weeks ago.

Entitled "Toward a National Food Policy," the report is the work of Joe Belden and Gregg Forte, members of a privately sponsored organization known as the Exploratory Project for Economic Alternatives.

The 228-page report contains a series of frightening recommendations and proposals as to how agriculture should be handled. In essence, the report seeks complete dominance of agriculture by the federal government.

Although past history has vividly demonstrated the chaos that is created when government intervenes too greatly in the affairs of agriculture, the report blithely ignores past bitter experience.

The basic premise of the report is that Americans should be guaranteed cheap food and that the federal treasury should be tapped for some $12 to $15 billion annually to hold down food price inflation and also to subsidize small farmers with direct payments to keep them in business.

According to the theory of the authors, this revenue would come by revising present income tax laws so that the top 25 percent of the taxpayers would foot the bill.

A key point in the report is that such crops as wheat and soybeans would be handled by "a publicly-controlled marketing agency similar to the Canadian Wheat Board."

The report says, "The board, in essence, would buy the domestic crop at guaranteed floor prices, sell it to domestic processors at guaranteed ceiling prices and market the remainder abroad at world prices.

"The initial payment to farmers would then be supplemented by proceeds from domestic and foreign sales and with direct payments from the government."

If this plan was followed the report authors conclude that, "Consumers need no longer be victimized by sudden high-volume private sales of grain or other foods to desperate foreign buyers."

If the writers of the report had taken time to study the workings of the Canadian Wheat Board they would have quickly found out that the system just doesn't work all that well and it is far from a panacea.

They also bring up another windmill to tilt at in the form of the old argument that Americans eat too much meat and grain should be used for people rather than "wasted" on feeding cattle.

"American cattle feeding lots now use valuable grain that could contribute to international emergency relief. Feedlots are heavy polluters and grain-fed beef is much higher in cholesterol than is meat from range-fed cattle," says the report.

"Therefore, though taxes and direct restrictions and feedlot operations, and through the exclusion of feedlots from the benefits of grain price controls, the U.S. could shift grain to human consumption and increase the production of cheaper, more healthful range-fed cattle."

Obviously, the authors chose to disregard all the data and evidence science has presented that feeding grain to cattle is not wasteful nor is there a health hazard in eating grain-fed beef. It is equally obvious they have not studied the economics of range-fed cattle or sampled any milo or corn silage recently.

In another portion of the report there is a recommendation that the USDA, the Food and Drug Administartion, the Agency for International Development and the Environmental Protection Agency be combined to form a new Food and Agriculture Department.

"Primary emphasis in this new department should be given to the needs and rights of the 100 percent of us who consume farm products," the report states.

The Exploratory Project for Economic Alternatives said the report wasn't its final conclusion on U.S. food policy and that, "It is being released to share the information and analysis with interested fellow citizens and to elicit comment and criticism."

You can do that by writing the group at 1519 Connecticut Ave., NW., Washington, D.C. 20036.

The best thing that can happen to this report is that it be consigned to molder away in some file cabinet and forever be forgotten.

GEORGE MAVROMATIS HONORED AS "BLUE COAT OF THE YEAR"

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. APPLEGATE. Mr. Speaker, on Thursday, April 21, 1977, the Steubenville, Ohio, Council No. 472 of the Knights of Columbus presented their annual "Blue Coat of the Year" award to George Mavromatis, chief of police in Steubenville.

This award is given to the individual who best exemplifies the qualities and attributes of our "men in blue." Any policeman, fireman, or other public servant whose responsibility it is to protect our citizenry, is eligible for the award.

Chief Mavromatis has served the Steubenville Police Department for over 31 years, being selected as chief of police on January 1, 1969. He also serves as immediate past president of the Ohio Police Chief's Association as he was president in 1975–76. His record of public service is uncommonly fine.

We should all be proud of men and women with the kind of loyalty, dedication, and fairness that Chief Mavromatis possesses.

CONGRESSIONAL BENEFITS

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mrs. FENWICK. Mr. Speaker, in February, the House approved a resolution adopting a strict new code of ethics for Members of the House. Recently, the House approved an amendment which will require a recorded vote to approve congressional pay increases. These changes are important, and I supported them. I hope they signify a new spirit of openness in Congress which will help restore the public trust in elected officials. But there is still more to be done.

Members can still vote themselves a pay raise which takes effect immediately. This is also true of office expense allotments and any number of other emoluments. Members of Congress are in a very delicate position because we are frequently asked to vote for a measure that will benefit us directly, whether it be a pay raise or a tax deduction. I think it would be easier and fairer if we could vote these benefits for future Congresses instead of ourselves. The effective date of benefits affecting Members directly, because of their status as Members of Congress, should be delayed. Members would have to stand for election before they could benefit.

I have joined a large number of my colleagues in introducing and cosponsoring legislation to delay the effective date of pay raises for Members of Congress. Today I am introducing legislation which would apply that philosophy to other benefits as well. The bill applies only to financial benefits "specifically applicable to Members of Congress or officers of the Congress." The text of the bill follows:

H.R. 6623

A bill to provide that increases in rates of pay for Members of Congress, and other financial benefits specifically applicable to Members of Congress, may take effect only if approved by the Congress and deferred until the beginning of the following Congress

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other law, any increase in the rate of pay for Members of Congress or officers of the Congress, and the adoption of or increase in any other financial benefit specifically applicable to Members of Congress or officers of the Congress, shall not take effect unless—

(1) such increase or benefit is established by Federal statute, and, in the case of any such increase or benefit which takes effect by reason of administrative action under any such statute, is specifically approved by each House of the Congress by resolution adopted by recorded vote; and

(2) such increase or benefit does not take effect before the first day of the Congress following the Congress in which the enactment of such statute or the adoption of such resolution, as the case may be, occurs.

(b) For purposes of subsection (a), any statute enacted or resolution adopted in any Congress during the period which begins on the Tuesday following the first Monday in November in any even-numbered year and ends at noon on the following January third shall be considered to be enacted or adopted, as the case may be, during the first session of the following Congress.

(c) For purposes of subsection (a)—

(1) the term "Member of Congress" means a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress; and

(2) the term "officer of the Congress" means the President pro tempore of the Senate, the Speaker of the House of Representatives, the majority and minority leaders of the Senate and the House, and any Member of Congress holding any office in the Senate or the House who, by reason of holding such office, receives a rate of pay in excess of that which such Member would otherwise receive as a Member of Congress.

SEC. 2. No law enacted after the date of the enactment of this Act shall supersede this Act unless it does so in specific terms, referring to this Act, and declaring that such law supersedes the provisions of this Act.

MEDICAL FREEDOM OF CHOICE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. SYMMS. Mr. Speaker, in today's Democratic Study Group Staff Bulletin the Honorable SHIRLEY CHISHOLM entered a letter regarding the medical freedom of choice bill, H.R. 54, in the constituent mail responses section.

I thank Mrs. CHISHOLM for entering the letter in the DSG Bulletin and I urge my colleagues to study her statement. There is no question that the American public is being denied access to many new, lifesaving drugs as a result of the excessive regulations of the Food and Drug Administration.

To date, 92 Members of Congress have cosponsored the medical freedom of choice bill. The cosponsors represent both political parties and all political philosophies. I hope that more of my colleagues will join in the effort to return the regulation of drugs in our country to a commonsense, practical approach by cosponsoring the medical freedom of choice bill.

Representative CHISHOLM's letter follows:

MEDICAL FREEDOM OF CHOICE BILL AND THE DRUG EFFICACY REQUIREMENTS

(Text of a letter by Representative CHISHOLM)

Thank you very much for your recent letter supporting the Medical Freedom of Choice bill, H.R. 54, which would repeal the "efficacy" provisions in existing Food, Drug and Cosmetic law. I truly appreciate your support and I am pleased to report that I am a cosponsor of the bill.

Naturally, everyone would like to see that all drugs on the marketplace are effective, but 15 years of experience and billions of dollars have shown very clearly that the 1962 Amendments to the Food, Drug and

Cosmetic Act have not helped achieve that goal. In fact, they have considerably harmed the American consumer. As Professor Sam Peltzman so succinctly stated in his book Regulation of Pharmaceutical Innovation: The 1962 Amendments, "If the Food, Drug and Cosmetics Act was intended to benefit consumers, the inescapable conclusion to which this study points is that the intent is better served by reversion to the status quo ante 1962."

There is overwhelming economic and medical evidence that the American people are being denied access to many drugs now in wide use in other countries for the treatment of serious diseases because of controversy over the efficacy of the drugs alone. It is our belief that so long as a drug is proven safe, and is properly labeled regarding all possible efficacy, it should be made available to patients and physicians who wish to use it.

In addition to the basic question of the rights of individuals to exercise freedom of choice of safe medical treatment, there is considerable evidence that internal problems at FDA and overly stringent proof requirements under the law have made it virtually impossible to meet efficacy standards in a timely fashion. Hence, this country suffers from a "drug lag" as compared to other developed nations.

As our drug regulatory system is now structured, medical freedom of choice is available only to those wealthy enough to travel outside the country to obtain treatment with drugs banned in this country. The situation is serious enough that the following statement appeared in the highly respected New England Journal of Medicine: "On the basis of past experience, years will pass before beclomethasone will be approved by the Food and Drug Administration (FDA). Needlessly, during this period many children will be stunted in growth, and adults will suffer spinal fractures. In the patient's best interest, the physician must advise leaving the country or obtaining the drug illegally." It is truly alarming that this is far from an isolated example and that this is what the 1962 Amendments have brought us to.

I have supported the Medical Freedom of Choice bill because of its pro-consumer, anti-monopoly nature. Professor Peltzman concluded: "Treated as a group, consumers seem clearly to have lost on balance from the Amendments . . . The measurable effects (of the 1962 Amendments) add up to a net loss of $250 to $350 million, or about 6% of total drug sales." The New England Journal of Medicine states: "The introduction of new drugs has become extremely expensive, preventing development of drugs for less common indications. Because smaller companies cannot afford to spend several million dollars for the cost of an FDA review large companies gain a monopolistic position and can maintain high prices."

It has been suggested that the public has neither the time nor the training to make scientific determinations as to the effectiveness of drugs. I think there is no question that the majority of doctors have a better idea of the value of drugs than the FDA, particularly when one reviews the recent statements of Dr. Richard Crout, Director of the Bureau of Drugs: "I can tell you that in my first year at the FDA—even actually longer than that, 1972, 1973—going to certain kinds of meetings was an extraordinarily peculiar kind of exercise. People—I'm talking about division directors and their staffs—would engage in a kind of behavior that invited insubordination: People tittered in the corners, throwing spitballs—now I'm describing physicians; people would slouch down in their chair and not respond to questions; and moan-and-groan, the sleeping gestures. This was a kind of behavior I have not seen in any other institution from a grown man. . . . FDA has a long-term problem with the recruitment of personnel, good scientific personnel. . . . It is a fundamental societal concern as to whether, over the long term, FDA can operate solely with an in-house staff, or what the role of the advisory committees will be, because I don't think we will ever solve the problem of a totally strong in-house staff." (Emphasis added)

I hope that I have provided you with some valuable information on this bill. Thank you, again, for your interest and support.

GARDENING IN NEW YORK CITY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. BROWN of California. Mr. Speaker, spring is here and gardens are being planted in many backyards and available plots. But many of our urban dwellers do not have access to land even if they have the spirit for planting and growing their food. It is time to start using our many acres of barren, ugly city plots for the production of green, fresh vegetables.

Our distinguished colleague, the gentleman from New York, FRED RICHMOND has been doing just that. Two years ago he began pushing for funds and technical assistance by the Department of Agriculture's Extension Service for gardening projects in six major cities, including New York; $1.5 million was appropriated in the fiscal year 1976 budget.

Since that time, FRED has been insuring the rapid implementation of this program in New York City. Land in this city which was just a collection of eyesores is now being leveled and prepared for planting; novice gardeners are learning pointers about soil tilth, watering and proper care. I commend the gentleman from New York for his excellent achievements. I have long been a supporter of gardening and I find such progress extremely encouraging.

What better use of the public money than to have people working with the soil, learning about nature and its many cycles and frustrations, enjoying the sunshine and the cloudy days, and producing a little food that is tastier and healthier than most of that which is found in the local markets?

The following article, which I include in the RECORD, that appeared in today's New York Times, summarizes the progress and achievements of this gardening project. I hope my colleagues will review it and that those with urban districts will encourage such self-sufficient efforts:

ONE THOUSAND "FARMS" PLANNED ON LOTS IN NEW YORK

(By Murray Schumach)

Garbage-littered lots, many of them in the worst sections of New York City, will become vegetable gardens under a program to green the city by creating a thousand farms in low-income neighborhoods.

Residents of these areas, mostly young people, but some of them elderly, will do the farming—and keep the food—under the guidance of experts with the Cornell University Cooperative. The program is financed with $500,000 from the Federal Department of Agriculture.

"The whole idea," said Albert Harris, who heads the Cornell staff, "will be to let the people in the communities do the work. It will be their gardens. We will act as consultants."

The Cornell staff will supply expertise on soil and how to improve it. The program will provide tools and fertilizer, and will pay for the rental of any necessary vehicles.

"We are not getting involved in flower gardens," said John Ameroso, who will represent Cornell with Brooklyn community groups.

In the Bedford-Stuyvesant section of Brooklyn, Joan Edwards, the executive director of the Magnolia Tree Earth Center, which has been successful in working with community groups in creating vegetable gardens in littered lots, was enthusiastic about the program.

"We will not only be able to have more gardens in our own area," she said, "we may be able to expand the work into other parts of Brooklyn."

In the South Bronx, Jack Flanagan, the director of operations for the Bronx Frontier Development Corporation, said 25 community groups in the area were already interested in the program.

"We will be the liaison between the communities and Cornell," he said. "We don't want to build expectations too high, but it seems an excellent idea."

At the Queens Botanical Garden—the Cornell group is also working with the city's botanical gardens on this project—Diana Miller, community liaison, said:

"We will be meeting with community groups next month. I've already had requests from community groups, and we've been meeting with people from Cornell. This program has a tremendous potential."

Experts in nutrition are equally pleased with the program. Joan Dye Gussow, associate professor of nutrition and education, who directs a program in nutrition at Teacher's College of Columbia University, said:

"I think it's a terrific idea. When you've grown a vegetable it's hard not to eat it. I think a lot of people have stopped eating vegetables because they've forgotten what fresh vegetables taste like."

PROGRAM BEGINS MAY 8

The program is scheduled to begin officially on May 8, at a large lot in Brooklyn on Baltic Street, from Fourth to Fifth Avenue, where a sort of neighborhood garbage dump is to be converted this summer into a community vegetable farm.

However, preliminary work has already begun there, with youngsters clearing the ground to get the earth ready for the seeds.

In this, and all other vegetable gardens in the program, the community will get the food. Cornell will have nutrition and agricultural experts available for the community workers, who may be undecided about which crop to plant.

One reason the official opening will be in Brooklyn is that one of the main sponsors of the Congressional legislation that made this program possible was Representative Fred W. Richmond of Brooklyn, a member of the Appropriations subcommittee of the House Appropriations Committee.

Five other cities will have similar programs this summer under the legislation that will call for an expenditure of $1.5 million. The other cities are Los Angeles, Chicago, Philadelphia, Detroit and Houston.

"This is a step to improve urban blight," Representative Richmond said. "There are lots of areas that are just rubble, and nothing is being done about it. The people who work on such projects will feel a pride in their community. We are relating a Federal growing program to New York City."

In recent years, a number of community groups in New York have tried converting lots into vegetable or flower gardens. Many have failed—some because of vandalism, others because of indifference—but some have been very successful.

For instance, last year, under the auspices of the Magnolia Tree Earth Center, a block association was so successful in growing vegetables in what had been just another cluttered lot on East 95th Street that it won a $500 prize awarded by Molly Parnis for the best such garden in Brooklyn.

The urban farmers according to the Magnolia Earth Center, have decided to spend the money to beautify the garden.

The Cornell group conducted a pilot project last summer with 11 lots. The results were promising. Only two of the projects were absolute failures and the rest had varying degrees of success.

The average farm in last summer's experiment by Cornell was 1,800 square feet, and the farmers included 135 adults and 283 youngsters. The successful farms, the Cornell study showed, had good yields of tomatoes, peppers, radishes, collard greens, zuchini, egg plant and an assortment of beans.

SOIL IS REPORTED ACID

Mr. Ameroso, who was in charge of last year's pilot project, said most soil in city lots was "pretty acid." He said it was worse where the lots had been covered by brick buildings than where they once supported wooden houses.

"In cases where there were brick buildings that were abandoned and razed," he said, "we may have to bring top soil. In many cases we will probably just have to add lime. Lime is not expensive. You can cover one of these lots for $2 worth of lime."

Last summer's experience showed that urban farmers tend to be stingy with water. They see the ground is wet and assume that is enough.

"We will be holding classes with them in the fields or at community centers," Mr. Ameroso said. "They will learn how to poke their hands or a stick into the earth to see that the water has gone 12 inches or so."

Mr. Harris said some community groups were planning to plant a single crop because it would be easier to share among the farmers—or to sell and share the proceeds.

"We hope, no matter what they plant," he said, "that they will realize what farmers have to do to grow a crop."

IN MEMORY OF BERNARDINO VACCARO

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. OTTINGER. Mr. Speaker, the Port Chester community was deeply saddened recently by the passing of Bernardino Vaccaro. A lovely tribute appeared in the Port Chester Daily Item, which I would like to share with my colleagues at this time:

A LOSS FOR ALL

The passing of Bernardino (Billie) Vaccaro is a sad loss, not only for the Vaccaro family but for the entire area as well.

Epitomizing the American dream, the immigrant from Italy was noted not only for his popular grocery store, but for the many charitable and civic endeovors that he and his family have been associated with.

Vaccaro's Supermarket has been a Post Chester fixture for more than 50 years and draws shoppers from all parts of the Sound Shore area. Founded by him and his wife, the little "mom and pop" grocery store has twice expanded, and now, under the direction of his sons, the Midland Avenue store will soon embark on a new expansion program.

It is sad to lose such a pillar of the community, but we know that the many good works of Bernardino Vaccaro accomplished in his lifetime will help ease the sorrow now being felt by his family, associates and friends.

The founder has died, but the tradition he fostered lives on.

COST OF MEDICARE CHRONIC KIDNEY DISEASE PROGRAM CLIMBS TO $1.9 BILLION BY 1982

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. VANIK. Mr. Speaker, during the 94th Congress, the Ways and Means Oversight Subcommittee conducted an extensive study of the medicare chronic kidney disease program. During our work in 1975, we were told by HEW that the cost of the program might amount to as much as $1 billion for the treatment of some 70,000 patients in the year 1984. By early 1976, we were receiving warnings that the program could cost as much as $1.7 billion by 1990.

Health Subcommittee Chairman ROSTENKOWSKI and I have just received a new report from the Social Security Actuary that the cost of the program is now estimated at $1.9 billion by 1982, $3.6 billion by 1987, and $6.3 billion by 1992. In general, these enormous increases in costs are due to the high rate of inflation in the health sector and the fact that more people are being treating successfully for chronic kidney disease. Nevertheless, the fact remains that we must find ways to reduce the staggering costs of this program. If we cannot control costs in the case of this one small program treating one disease, then we cannot even begin to consider national health insurance or coverage for other catastrophic diseases.

We must control costs in this program—even if it means directing physicians and patients who are currently using expensive modes of treatment to use less expensive but equally sound methods of treatment.

Earlier this year, Chairman ROSTENKOWSKI and I introduced legislation designed to control the costs in the kidney disease program without reducing the quality of care provided to patients. This legislation (H.R. 3112) was the subject of hearings on Monday, April 25.

Basically, the bill encourages kidney transplants and kidney dialysis in a home setting as ways of reducing program costs. While there is some disagreement with the bill, the subcommittee received a wide range of testimony from physicians and patients, many of whom described the benefits of home dialysis and ways to encourage greater use of home dialysis—a form of treatment that is approximately one-third as expensive as other forms of therapy. I would like to enter in the RECORD at this point a statement by Mr. John Moore representing the Kolff Foundation of Cleveland, Ohio. This statement demonstrates some of the ways in which we can achieve major savings in this program:

We assume that House Bill 3112 is an effort to contain the costs caused by a very bad law which did an enormous amount of good for a very small segment of our population at great expense to the Government. Noting that the original estimate of 120 million dollars per year for the ESRD program has ballooned to 600 million dollars per year and will surely reach one billion dollars per year by 1980, something must be done to reverse the rising trend especially since this program is a reasonable facsimile of what to expect if national health insurance is enacted by expanding the same procedures governing ESRD.

In my humble judgement, ESRD costs have escalated for the following reasons:

(1) The complete failure of most of the health community to recognize any social or economic limiting factors in prescribing treatment modalities.

(2) The trend established almost immediately after the enactment of H.R. 1 in 1973, in many areas of the country, where home dialysis became a neglected treatment and center dialysis units were allowed to proliferate.

(3) Increasingly expensive artificial kidney machines and dialyzers were prescribed and justified through the use of the "Uncle Sam is paying for it, why worry syndrome" without valid medical reasons for the use of such equipment.

(4) Complex regulations and creation of overlapping agencies, with similar functions and the consequent increase in already burdensome paper work for hospitals, medical personnel and administrative personnel in all units providing dialysis services.

(5) The regrettable tendency for H.E.W. and Social Security to fund studies which become obsolete before they are finished. A four year study of dialyzers and a study to determine why more patients are not opting for home dialysis come to mind. The many thousands of dollars spent on useless projects like these could be much better applied to equipment which could greatly reduce dialysis costs in the next few years. I refer to such items as a wearable artificial kidney, smaller portable units, further miniaturization and the like.

Action on all of these fronts is needed now since their development will totally change present dialysis procedures.

I should like to establish the credentials for us to make such judgements without previous medical knowledge, except what might have been acquired by osmosis in a close connection with home dialysis kidney patients for some twelve years beginning with our involvement in a very minor way in procuring hardware for the kidney machine Dr. Willem Kolff produced at the Cleveland Clinic using a tub washing machine as a base. The finished product cost $950 and home patients using it made up their own dialyzers or filters at a cost of about $10 per dialysis. We might remark in passing that some of these patients are still alive, but have graduated to more sophisicated devices. At the time this was developed, an artificial kidney machine cost in the neighborhood of $10,000.

The Foundation's next project was a program to rent artificial kidney machines at between $50 to $65 per month to home dialysis patients. Some 50 such patients were assisted over a five year period. The main funding source was money borrowed at a Cleveland bank with the machines being used as security for five year chattel mortgages. It is worthy of note that none of our projects

to date have involved federal funding except the program we completed in September last to train dialysis aides, which was partially funded by CETA.

With the enactment of H.R. 1, we proposed to Medicare a per dialysis billing program, which removed most of the inequities in home patient dialysis coverage caused by provisions in prior regulations of Medicare enacted before the ESRD program was thought of. With the assistance and guidance of Phillip Jos and Matt Pionski of the Medicare Department of Social Security, this program began with seven home patients of the Cleveland Clinic in August of 1974 and now covers nearly 200 patients in ten states with some fifty more patients presently in process. Without going into the mechanics of our plan, it suffices to say that the billing for each dialysis covers the cost of the artificial kidney machine, its maintenance and repair, storage and transportation and reconditioning when necessary, when a patient no longer needs the device, and all the ancillary supplies necessary for each dialysis including the dialyzer and blood lines.

No patient is accepted on the plan without a prescription signed by his doctor which sets forth the type and make of dialyzer to be used, the type and make of artificial kidney machine and ancillary supplies needed for each dialysis, as well as indicating the supplier who will send these items on a regular basis to the home dialysis patients on the program.

Our chief concern has always been the welfare of home dialysis patients.

With this procedure in mind, we have acquired complete cost data from some 90 patients in 1976 who were on the program for a full year. Our study shows that the cost of dialyzers and ancillary supplies run from an average low of $43 to a high of $75 or more per dialysis, a cost variance, of $30 per treatment or $360 per month per patient. This cost variance, except in rare cases, cannot be medically justified. Second, artificial kidney machines cost from $2,000 to $6,000, this cost variance, except in rare cases cannot be medically justified.

Prescriptions for nearly all patients now being trained for home dialysis designate high priced dialyzers and artificial kidney machines. It is our belief that the criteria for selection of dialyzers and supplies for the home dialysis patients should be established with the idea of keeping the patient usefully, safely and comfortably alive.

Since we happen to be firmly committed to home dialysis as a preferred modality, second only to a successful kidney transplant, we feel that the criteria for all kidney patients should be examined, not only from the medical aspect, but with due consideration of the social and economic factors as well.

We also happen to believe that the average kidney patient has presently no influence at all in opting for a transplant, hospital dialysis, center dialysis, self care dialysis or home dialysis. Where nephrologists are firm believers that transplants should be the first choice, that procedure will be adopted. Where nephrologists have empty stations in a dialysis center, that treatment will be promoted. Where nephrologists are committed to home care or, to a lesser degree, self care, that will be the accepted modality. We have only to instance the Northwest Kidney Center in Seattle, Presbyterian University in Pittsburgh, MacMillan Hospital in Charleston, W. Va., St. Barnabas and Holy Name in New Jersey, Henry Ford in Detroit and Dr. Eli Friendman's program in New York, as instances of units where many home dialysis patients are being trained.

Florida and California which used to have a great number of patients at home, have dwindled to practically nothing. Home dialysis support programs in Pennsylvania supplementing the Medicare program, the very fine KDI program administered by Henry Bochner in New York, splendid assistance by the American Kidney Fund, many local kidney foundations, the UMWA, The United Labor Agency, Blue Cross and Blue Shield, some insurance companies and many industries both large and small have kept the home dialysis population from dwindling to almost nothing.

Having said all this, what do we feel about the provisions of H.B. 3112 which might reverse the trend to higher cost dialysis treatment modalities.

(1) Elimination of the ninety day waiting period would be a step in the right direction and extension of the after transplant coverage period is very necessary.

(2) An arbitrary quota system of 40 or 50% of future ESRD dialysis patients to be in self care or at home would only increase costs. Rigid restrictions on construction of further facilities for in center or hospital dialysis would help. I know of two recent cases where limited care centers have opened in close proximity to other centers which are not yet fully utilized.

(3) Elimination of many of the conflicting alphabets which presently have their fingers in the ESRD soup should be a must. I refer to HEW in Washington, Social Security in Baltimore, HEW regionals, SNCC's, HSA's, PSRO's ESRD medical review boards, and the ESRD regions as now constituted. By the time a project clears that group the need may have already been modified or vanished.

(4) Elimination or simplification of the gobble-de-gook now contained in the final regulations governing ERSD units, produced after two and one half years labor by the planning agencies in H.E.W. and Medicare. Most laymen would give up in utter bewilderment after the first several pages. I know of no way that the presence of a certain number of RN's, LPN's, a graduate social worker, even a nephrologist or two, guarantees quality care for the patient. Since the Lord made no two of us alike in His infinite wisdom and since we are dealing with people and not cards falling out of a computer, there are too many human factors to be considered which may well be beyond the competence of a many degreed RN, or a social worker or even a highly competent nephrologist. Neither do I think that the success of a transplant unit can be judged by the number of such operations performed.

One hundred percent coverage for home patients is not an answer, at least as far as our program is concerned. Using 100 as a factor, 96.5% of our patients were fully covered one way or another in 1975–76. What then can we do? First for starters, remove the financial disincentive which now favors doctors in hsopitals and dialysis centers so that home dialysis physicians are equally rewarded for their continued care of home patients and increasingly rewarded for the number of home patients they train.

Secondly, devise new rewards for the home patients themselves. One way would be to establish a maximum per year fee the government would allow for home dialysis with the indigent being allowed to keep any savings they realize. If environment is a limiting factor, relocate such patients in government housing affording them the highest priority. Get jobs for them if they are able to work. For those in higher income brackets, offer some tax incentives. For those making over $50,000 per year as showing in their tax reports, eliminate their coverage entirely. I purposely chose $50,000 so that Congressmen would still be covered.

Thirdly, study home dialysis patients who have been provided with dialysis aides for many years before Medicare coverage. Study self care in Seattle Washington. Dr. John Sullivan's unit in New York City, and Dr. Norman Deane's in Hawaii competent investigator can find out all he needs to know about any such procedures in less than a week without hiring an outside source to make a stratified random sampling, whatever that is.

Fourthly, I would be very remiss if I did not pay tribute to the staff at HEW. Struggling to implement regulations which they did not instigate, with little or no budget, they have performed a yeomans job in attempting to reconcile conflicting interests. I would also like to pay tribute to Dr's Schupak, Hampers and Hagar, who established a number of dialysis centers throughout this country well before the advent of H.R. 1. They now care for almost 25% of the dialysis population. It is rumored that they made some money but since when has profit been a dirty word in the American economic system. Incidentally most of these units dialyze on coils and a relatively inexpensive bedside monitoring system. Thus far no one has said the BMA patients are less well cared for than those using expensive dialyzers and monitoring equipment. Some years back Dr. Hampers assembles a monitoring system for home patients costing less than $1,000.00. What ever happened to it?

I want to thank the committee for allowing me to express my views and their patience in listening.

PREVAILING WAGE CONCEPT

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. HAGEDORN. Mr. Speaker, while the "prevailing wage" concept of the Davis-Bacon Act applies only to direct Federal construction, Congress has seen fit to extend its application to federally assisted construction on at least 80 occasions. In the past 4 years alone, we have extended its coverage on at least 17 occasions, invariably without comment or debate.

I would like to insert at this point in the RECORD a listing of legislation passed by Congress over the years which specifically incorporates the provisions of the Davis-Bacon Act. In each of these instances, we have imposed additional construction costs of at least 5 to 15 percent—estimated by the General Accounting Office—upon the States, local communities, or private institutions which have received the Federal assistance. In each of these instances, we have also insured that the ultimate program beneficiaries will have received fewer services or less extensive facilities than they would have in the absence of the Davis-Bacon Act. A study by the Wharton School of Business estimated in 1975 that the cumulative costs of Davis-Bacon were in the neighborhood of $20 billion.

I would ask my fellow Members of Congress to consider whether or not we can continue to exact this kind of fee on public construction projects so that highly paid building trades laborers can be subsidized at the expense of intended program beneficiaries. This, it should not be forgotten, is the basic result of Davis-Bacon.

The listing follows:

STATUTES RELATED TO DAVIS-BACON ACT REQUIRING PAYMENT OF WAGES AT RATES PREDETERMINED BY THE SECRETARY OF LABOR

1. The Davis-Bacon Act (secs. 1–7, 46 Stat. 1494, as amended; Public Law 74–403, 40 U.S.C. 276a–276a–7).

2. The Federal-Aid Highway Act of 1956 (sec. 108(b), 70 Stat. 378, recodified at 72 Stat. 895; 23 U.S.C. 113(a), as amended), see particularly the amendments in the Federal-Aid Highway Act of 1968 (Public Law 90–495, 62 Stat. 815).

3. National Housing Act (sec. 212 added to c. 847, 48 Stat. 1246 by sec. 14, 53 Stat. 807; 12 U.S.C. 1715c) and repeatedly amended.

4. Federal Airport Act (sec. 15, 60 Stat. 178; 49 U.S.C. 1114(b)).

5. Housing Act of 1949 (sec. 109, 63 Stat. 419, as amended; 42 U.S.C. 1459).

6. School Survey and Construction Act of 1950 (sec. 101, 72 Stat. 551, 20 U.S.C. 636(b)(1)(E), Public Law 85–620).

7. Defense Housing and Community Facilities and Services Act of 1951 (sec. 310, 65 Stat. 307, 42 U.S.C. 1592i).

8. U.S. Housing Act of 1937 (sec. 16, 50 Stat. 896, as amended; 42 U.S.C. 1416).

9. Federal Civil Defense Act of 1950 (sec. 3(c), 72 Stat. 533, 50 U.S.C. App. 2281, Public Law 85–606).

10. Health Professions Educational Assistance Act of 1963 (sec. 2(a), 77 Stat. 164; 42 U.S.C. 292d(c)(4) and 42 U.S.C. 293a(c)(5), Public Law 88–129).

11. Mental Retardation Facilities Construction Act (secs. 101, 122, 135; 77 Stat. 282, 284, 288; 42 U.S.C. 295(a)(2)(D), 2662(5), 2675(a)(5), Public Law 88–164).

12. Community Mental Health Centers Act (sec. 205, 77 Stat. 292; 42 U.S.C. 2685(a)(5), Public Law 88–164).

13. Higher Educational Facilities Act of 1963 (sec. 403, 77 Stat. 379; 20 U.S.C. 753, Public Law 88–204).

14. Vocational Educational Act of 1963 (sec. 7, 77 Stat. 408; 20 U.S.C. 35f, Public Law 88–210).

15. Library Services and Construction Act (sec. 7(a), 78 Stat. 13; 20 U.S.C. 355c(a)(4), Public Law 88–269).

16. Urban Mass Transportation Act of 1964 (sec. 10, 78 Stat. 307; 49 U.S.C. 1609, Public Law 88–365).

17. Economic Opportunity Act of 1964 (sec. 607, 78 Stat. 532; 42 U.S.C. 2947, Public Law 88–452).

18. Hospital Survey and Construction Act, as amended by the Hospital and Medical Facilities Amendments of 1964 (sec. 605(a)(5), 78 Stat. 453; 42 U.S.C. 291e(a)(5), Public Law 88–443).

19. Housing Act of 1964 (adds sec. 516(f) to Housing Act of 1949 by sec. 503, 78 Stat. 797; 42 U.S.C. 1486(f), Public Law 88–560).

20. Commercial Fisheries Research and Development Act of 1964 (sec. 7, 78 Stat. 199; 16 U.S.C. 779e(b), Public Law 88–309).

21. Nurse Training Act of 1964 (sec. 2, 78 Stat. 909; 42 U.S.C. 296a(b)(5), Public Law 88–581).

22. Appalachian Regional Development Act of 1965 (sec. 402, 79 Stat. 21; 40 U.S.C. App. 402, Public Law 90–103).

23. Act to provide Financial Assistance for Local Educational Agencies in areas affected by Federal activities (64 Stat. 1100, as amended by sec. 2, 79 Stat. 33; 20 U.S.C. 2411, Public Law 89–10).

24. Elementary and Secondary Education Act of 1965 (sec. 308, 79 Stat. 44; 20 U.S.C. 848, Public Law 89–10).

25. Cooperative Research Act of 1966 (sec. 4(c), added by sec. 403, Public Law 89–750, 79 Stat. 46; U.S.C. 332a(c)).

26. Housing Act of 1961 (sec. 707, added by sec. 907, 79 Stat. 496; 42 U.S.C. 1500c–3, Public Law 89–117).

27. Housing and Urban Development Act of 1965 (sec. 707, 79 Stat. 492; 42 U.S.C. 3107, Public Law 89–117).

28. Public Works and Economic Development Act of 1965 (sec. 712, 79 Stat. 575; 42 U.S.C. 3222, Public Law 89–136).

29. National Foundation on the Acts and Humanities Act of 1965 (sec. 5(k), 79 Stat. 846; 20 U.S.C. 954(k) Public Law 89–209).

30. Federal Water Pollution Control Act as amended by sec. 4(g) of the Water Quality Act of 1965, (79 Stat. 910; 33 U.S.C. 466e(g), Public Law 89–234).

31. Heart Disease, Cancer and Stroke Amendments of 1965 (sec. 904, as added by sec. 2, 79 Stat. 928; 42 U.S.C. 299d(b)(4), Public Law 89–239).

32. National Capital Transportation Act of 1965 (sec. 3(b)(4), 79 Stat. 644; 40 U.S.C. 682(b)(4), Public Law 89–173) Note: Repealed December 9, 1969 and labor standards incorporated in sec. 1–1431 of the District of Columbia Code.

33. Vocational Rehabilitation Act (sec. 12(b), added by sec. 3, 79 Stat. 1284; 29 U.S.C. 41a(b)(4), Public Law 89–333).

34. Medical Library Assistance Act of 1965 (sec. 2, adding sec. 393 of the Public Health Service Act, 79 Stat. 1060; 42 U.S.C. 280b–3(b)(3) Public Law 89–291).

35. Solid Waste Disposal Act (sec. 207, 79 Stat. 1000; 42 U.S.C. 4256, Public Law 89–272).

36. National Technical Institute for the Deaf Act (sec. 5(b)(5), 70 Stat. 126; 20 U.S.C. 684(b)(5), Public Law 89–36).

37. Demonstration Cities and Metropolitan Development Act of 1966 (secs. 110, 311, 503, 1003, 80 Stat. 1259, 1270, 1277, 1284; 42 U.S.C. 3310; 12 U.S.C. 1715c; 42 U.S.C. 1416, Public Law 89–745).

38. Model Secondary School for the Deaf Act (sec. 4, 80 Stat. 1028, Public Law 89–695).

39. Delaware River Basin Compact (sec. 15.1 75 Stat. 714, Public Law 87–328) (considered a statute for purposes of the plan.)

40. Alaska Purchase Centennial (sec. 2(b), 80 Stat. 8, Public Law 89–375).

41. Highway Speed Ground Transportation Study (sec. 6(b), 79 Stat. 895, 49 U.S.C. 1636(b), Public Law 89–220).

42. Allied Health Professions Personnel Training Act of 1966 (80 Stat. 1222; 42 U.S.C. 295h(b)(2)(E), Public Law 89–751).

43. Air Quality Act of 1967 (sec. 307 added by sec. 2, 81 Stat. 506; 42 U.S.C. 1957j–3, Public Law 90–148).

44. Elementary and Secondary Education Amendments of 1967 (81 Stat. 819; 20 U.S.C. 880b–6, Public Law 90–247).

45. Vocational Rehabilitation Amendments of 1967 (81 Stat. 252, 29 U.S.C. 42a(c)(3), Public Law 90–391).

46. National Visitors Center Facilities Act of 1968 (sec. 110, 82 Stat. 45; 40 U.S.C. 808, Public Law 90–264).

47. Juvenile Delinquency Prevention and Control Act of 1968 (sec. 133, 82 Stat. 469; 42 U.S.C. 3843, Public Law 90–445).

48. New Communities Act of 1968 (sec. 410 of Public Law 90–448, 82 Stat. 516; 42 U.S.C. 3909).

49. Alcoholic and Narcotic Addict Rehabilitation Amendments of 1968 (sec. 243(d) added by sec. 301, 82 Stat. 1008; 42 U.S.C. 2688h(d), Public Law 88–164).

50. Vocational Education Amendments of 1968 (sec. 106 added by sec. 101(b), 82 Stat. 1069, 20 U.S.C. 1246, Public Law 90–576).

51. Postal Reorganization Act (39 U.S.C. 410(b)(4)(c), Public Law 91–375).

52. Developmental Disabilities Services and Facilities Construction Amendments of 1970 (84 Stat. 1316, 42 U.S.C. 2675, sec. 135(a)(5), Public Law 91–517).

53. Rail Passenger Service Act of 1970 (84 Stat. 1327, 45 U.S.C. 565, sec. 405(d), Public Law 91–518).

54. Housing and Urban Development Act of 1970 (84 Stat. 1770, sec. 707 (a) and (b), Public Law 91–609, 42 U.S.C. 1500c–3).

55. Airport and Airway Development Act of 1970 (84 Stat. 219, sec. 22(b), Public Law 91–258, 41 U.S.C. 1722(b)) (this Act provides for wage determination by the Secretary of Labor but does not subject the Act to Reorganization Plan No. 14).

56. Elementary and Secondary Education Amendments (84 Stat. 121, sec. 423, Public Law 91–230, 20 U.S.C. 1231 et seq.).

57. Housing Act of 1959 (73 Stat. 681, Public Law 86–372, 12 U.S.C. 1701q(c)(3), Public Law 86–372).

58. Housing Act of 1950 (64 Stat. 78, 12 U.S.C. 1749a(f).

59. Area Redevelopment Act of 1961 (75 Stat. 61, Public Law 87–27, 42 U.S.C. 2518).

60. Mental Retardation Facilities and Community Mental Health Centers Construction Act Amendments of 1965 (79 Stat. 429, Public Law 89–105, 20 U.S.C. 618(g)).

61. Veterans Nursing Home Care Act of 1964 (78 Stat. 502, Public Law 88–450, 38 U.S.C. 5035(a)(8)).

62. Education Amendments of 1972 (86 Stat. 331, Public Law 92–318)

63. Juvenile Delinquency Prevention and Control Act of 1968, amendment (86 Stat. 532, Public Law 92–381).

64. State and Local Fiscal Assistance Act of 1972, Public Law 92–512, October 20, 1972, 86 Stat. 919.

65. Rehabilitation Act of 1973 (Public Law 93–112, 87 Stat. 355).

66. Domestic Volunteer Service Act of 1973 (Public Law 93–113, 87 Stat. 394).

67. Comprehensive Employment and Training Act of 1973 (Public Law 93–203, 87 Stat. 839).

68. Health Services Research, Health Statistics, and Medical Libraries Act of 1974 (Public Law 93–353, 88 Stat. 362).

69. Safe Drinking Water Act (Public Law 93–523, 88 Stat. 1660).

70. Indian Self-Determination & Education Assistance Act (Public Law 93–638, 88 Stat. 2206).

71. National Health Planning and Resources Act (Public Law 93–641, 88 Stat. 2225).

72. Headstart, Economic Opportunity, and Community Partnership Act of 1974 (Public Law 93–644, 88 Stat. 2291).

73. Special Health Revenue Sharing Act of 1975 (Public Law 94–63, 89 Stat. 304).

74. Developmentally Disabled Assistance and Bill of Rights Act (Public Law 94–103, 89 Stat. 486).

75. Public Works Employment Act of 1976 (Public Law 94–69, 90 Stat. 999)

76. Energy Conservation and Production Act (Public Law 94–163, 89 Stat. 871).

77. Indian Health Care Improvement Act (Public Law 94–437, 90 Stat. 1400).

78. Arts, Humanities, and Cultural Affairs Act (Public Law 94–462, 90 Stat. 1971).

79. Health Professions Educational Assistance Act (Public Law 94–484, 90 Stat. 2243).

80. Urban Mass Transportation Act (Public Law 88–365, 78 Stat. 302).

81. Disaster Relief Act of 1969 (Public Law 89–769, 80 Stat. 1316).

THE NORTHEAST SHOULD HAVE EFFICIENT PIGGYBACK SERVICE

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. KOCH. Mr. Speaker, amidst all the sound and fury surrounding the current efforts to salvage the railroads in the Northeast and to establish high-speed passenger service along the Northeast corridor, one important matter which promises to be of great economic

benefit to the region is receiving little attention—namely "intermodal" or "piggyback" service in which a truck trailer is transported over long distances by railroad and then delivered locally at the end of the line by truck.

At present, virtually no freight to or from the Southern States moves in this manner north of Washington, D.C., because of low clearances in tunnels and under highway bridges crossing above the tracks. Trailers on conventional flat cars stand higher than box cars and cannot get through these tunnels or under these bridges. Rather than break the trip in half at Washington, most shippers send their goods the entire distance by truck on our already congested highways. Similarly, all intermodal traffic destined for New York and New England from Chicago and the Midwest has to be unloaded in northern New Jersey and trucked across the Hudson by highway bridges to New York City, Long Island, and up into New England. The resulting traffic congestion, noise, air pollution, and wear on the roads are well known to all who live in the area. The energy waste in this situation is obvious. It is estimated that 3.4 times as much fuel is burned up transporting a shipment by truck than piggback.

Another crucial factor to be considered, given the adverse economic position of much of the Northeast, is the additional costs inherent in the inefficient means of transportation available. According to a study by the New York City Department of City Planning, it costs $414 to transport a trailer 970 miles by train from Chicago to the city's freight terminals in northern New Jersey and then it costs an $110 more—including tolls—to pull the trailer an additional 20 miles to Brooklyn. Meanwhile, it costs only $50 to pull it to Arlington, N.J., near the terminals. This extra cost is a significant factor discouraging businesses from locating in the Northeast and encouraging those presently in the region to relocate elsewhere.

The need to improve intermodal service to the Northeast is particularly urgent because then major output from the region is high-value manufactured products, like appliances, which are especially suited to intermodal shipping. Unlike bulk raw materials such as coal or grain which are adequately handled by traditional rolling stock and the marshalling-yard system, these goods call for speedy and reliable delivery. Trucks now handle most of this market because on-time delivery and low-damage rates outweigh the extra cost to the shipper.

What the Northeast needs is an efficient piggyback freight system which resembles passenger service more than traditional freight service. Separate trains would be dedicated to this kind of service, leaving on a regular schedule, whether full or not, operating at high speeds, and bypassing freight yards, where traditional freight cars often sit for days to be routed.

Modern terminals would be built which could quickly load and unload entire trainloads of trailers, enabling a shipper to deliver a trailer to the terminal up until a half hour or an hour before departure time. The goal would be a system offering 8-hour shipment time from Boston to Washington, thereby achieving a competitive edge over the use of trucks for the entire haul.

Because intermodal trains are lightweight and can operate at high speeds, they could be routed up the existing Northeast corridor, interspersed with passenger trains or during off hours, without damaging the roadbed or slowing Amtrak service.

As mentioned earlier, however, low clearances along the corridor, specifically in Washington, Baltimore, New York, and southern Connecticut, presently obstruct trailer-on-flat-car—TOFC—trains. Several localities are engaged in studying ways to overcome the obstructions under their jurisdictions, but what is needed is a comprehensive study of the entire Northeast to identify physical obstacles to intermodal service and the most practical way to overcome them. I believe it to be in the best interests of the Northeast for the Federal Railroad Administration to conduct, in coordination with interested localities, just such a study.

One promising proposal that has been offered as a low-cost solution to the clearance restrictions is to design and construct a lightweight, low-profile railroad car which could carry a trailer low enough to pass under the lowest clearances in the Northeast. I have appended a letter from the chairman of the Sierra Club's National Transportation Committee describing in detail the benefits of such a car, which go beyond solving clearance problems to include energy savings and stability.

At least one manufacturer claims to have designed a car that could negotiate the most severe clearances, namely those in the North River tunnels of New York City. The study I propose would determine the accuracy of that claim and would decide whether this approach or another, such as the construction of a new railroad bridge or tunnel or some kind of railroad ferry service, would be the most practical solution. I have also appended an article from the March 28, 1977, issue of Railway Age discussing lightweight, low-profile cars being built and tested by the Sante Fe Railroad.

The time has come to do something to restore economical and energy-efficient freight railroad service to the Northeast. Because this region has the potential of becoming the most important intermodal market in the country, this kind of service should be given special attention.

The letter from the Sierra Club and the article from Railway Age follow:

SIERRA CLUB,
New York, N.Y., March 4, 1977.

Re: Rail Intermodal Service.
Congressman EDWARD I. KOCH,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: The Sierra Club strongly supports the improvement of rail intermodal service; and we furthermore support appropriate measures by the Federal Government to foster the development of improved equipment, such as rolling-stock, for rail intermodal service. The Sierra Club Board of Directors adopted on January 9th an interim Policy on Transportation which explicitly mentions the encouragement of rail intermodal service; a copy of this Policy is enclosed under separate cover.

The Federal Railroad Administration's proposal to test a demonstration fleet of low-profile intermodal railcars represents an extremely promising development: such railcars could both improve the potential for rail intermodal service nationwide by sharply upgrading the quality of equipment available, and in addition would confer particular benefits on the entire Northeastern region, where limitations in the railroad physical plant—due to rail tunnels which carry major rail routes under river estuaries—prohibit the operation of conventional intermodal (piggyback) equipment.

The encouragement of technological improvements, such as the proposed low-profile intermodal railcar represents, is an especially appropriate role for the Federal Government when the project involved promises to yield benefits far exceeding the costs. The potential benefits for energy conservation, and for the environment, are major. In addition, consumers would benefit economically through low-cost rail delivery to cities and towns in the Northeast which cannot now be reached by rail intermodal service.

An amendment to the Conference Report accompanying H.R. 8365 presently precludes Federal participation in such railcar development and testing. We urge that this amendment be stricken, and that the Federal Railroad Administration be given the flexibility to fund part or all of the development and capital costs involved in manufacturing a demonstration fleet of low-profile intermodal cars. Furthermore, we urge that this project, which can make a significant contribution to national goals of energy conservation and independence from petroleum energy sources, be given a high priority: the implementation of a National Intermodal Rail Network should be accelerated.

The benefits of improved rail intermodal equipment would be both national and regional:

Nationally, the improved energy-efficiency of lighter-weight, aerodynamically improved rail intermodal cars would make a direct contribution to energy conservation, and would contribute to the economic condition of the railroads through lower fuel costs; in addition, improved competitiveness of rail service employing this equipment would encourage a shift to more energy-efficient long-haul rail transport;

In addition, if expected electrification of certain major rail routes takes place, then improved intermodal service will provide the nation with a competitive system of long-haul freight transport whose energy requirements will not depend on petroleum;

Finally, shifting heavy freight loads from highways to rails will directly reduce the requirements for expensive highway repairs in future years—repairs which are likely to impose a heavy financial burden on taxpayers.

In the Northeastern region, potential benefits will be both economic and environmental:

Intermodal freight service could cross directly by rail to New York City, Long Island, and southwestern Connecticut, bypassing (via rail) the congested conditions of the New York metropolitan area. The economic benefits, if existing rail tunnels could be used, would be major: examination of present freight tariffs suggests that savings of around $50 per trailer may well result. Such economies could result in lower food costs in metropolitan New York, Long Island and Connecticut; furthermore, more competitive transportation costs could encourage manufacturers and other industries to consider locating in this economically depressed area.

Environmentally, downstate New York, Connecticut and New England would benefit from an alternative to heavy volumes of air-polluting truck traffic which presently pass through congested metropolitan New York. Congestion is not only costly to freight haulers, who must pay for time consumed, but generates sharply increased amounts of pollution. Both metropolitan New York and neighboring areas in Connecticut presently suffer from undesirably high levels of air pollution: as you are well aware, New York City is being required to implement strong measures to conform with the Clean Air Act. Shifting some freight to the uncongested and smoothly-operating rail system, which generates minimal pollution as compared with congestion-impeded truck movements which create exorbitant quantities of pollutants, could make a significant contribution to the attainment of clean air standards in the Northeastern region.

In addition, the noise impact of present heavy truck movements in built-up areas, which is particularly acute in New York City and along I-95 in Connecticut, provides a further argument for encouraging rail intermodal service.

The benefits of such improved equipment would by no means be restricted to the Northeastern region. For example, over such distances as the over 2,000 mile trip from Chicago to the West Coast the savings in fuel costs due to the improved efficiency of such equipment would be significant.

Therefore we strongly support the Federal Railroad Administration's improved intermodal railcar development proposals, and we urge that existing legislative impediments to funding of this project be removed. Any efforts which you or others may make in this direction would be a positive contribution to improvement both of the economy and of the environment.

Sincerely,

CHRISTOPHER WASIUTYNSKI,
Chairman, Sierra Club National Transportation Committee.

[From Railway Age, Mar. 28, 1977]

SANTA FE TRIES "ARTICULATED SKELETON" FOR TOFC/COFC LOADS

(By Gus Welty, Senior Editor)

Imagine a new concept for handling TOFC/COFC traffic in which:

The basic railcar equipment costs much less to build and is less costly to maintain.

Locomotive requirements are significantly reduced; so is fuel consumption.

There is less potential for lading damage as well as for pilferage.

Flexibility is built-in, in terms of the railcar's being able to handle both 40-foot trailers and 45-foot units in more economical fashion.

Imagine all that, and you have the concept Santa Fe will begin testing in May.

Essentially, the road's mechanical engineers began their design work with one overriding goal: to reduce railcar tare weight in order to improve still further the energy efficiency of rail transportation. Though the concept might well have application to other types of equipment, they concentrated on TOFC/COFC for a couple of reasons: Piggyback, Santa Fe believes, holds the greatest potential for traffic growth in the foreseeable future; and piggyback equipment offers the best opportunity to make improvements in the lading-to-tare ratio and thus to improve fuel efficiency.

PROTOTYPE A-BUILDING

The concept that evolved is that of a series of short, skeleton-type cars, semi-permanently connected by articulated couplings, with each coupling supported on a conventional truck equipped with 28-inch wheels.

The prototype now under construction at Topeka Shops will have six such short cars, but Santa Fe is looking to eventual revenue operation using sections of 12 cars each; ends of these sections will be equipped with conventional couplers to permit fast make-up/breakup of trains. Cushioning, the designers say, may not be required, because the concept promises a significant reduction in slack action.

In TOFC configuration, each car will have a fixed hitch at one end and trailer-wheel aprons at the other end; trailers will ride in a level attitude but low-down, with the wheels riding several inches below the top of the center sill. In COFC configuration, bolsters will be positioned at the ends of the car for corner-casting securement of containers.

Santa Fe emphasizes that the system is designed for true unit-train operation on a point-to-point basis (though sections of cars could be picked up and/or set out at intermediate points). The center sill need only be of sufficient strength to withstand pull and buff train forces and to support the trailer or containers; side-bearing support members will be attached to each end of the sill to stabilize the car.

As for riding qualities, Santa Fe expects them to be excellent, because the trucks will be located at the very ends of the cars; in addition, designers say, with the pivot point of the coupling at the extreme end of the car, any tendency of cars to jacknife in a compression situation should be greatly reduced (as compared with conventional cars, where the bolster pivot point is some distance back from the coupling point).

REDUCTIONS IN FORCE

In operation, trains made up of skeleton-car sections would be scheduled to avoid forces to which conventional equipment is ordinarily subjected. Cars will not be humped or kicked in switching operations; this, combined with virtual elimination of train-action forces, is another major factor permitting the equipment to be less rugged, and thus much lighter in weight.

As Santa Fe points out, there is a definite need for equipment meeting the specifications of what Topeka Shops is building (the half-dozen cars, nicknamed, logically enough, The Six-Packer). Traditionally, rail equipment has been built heavy—to withstand flat-yard and hump switching impacts and in-train operating forces—and while a number of efforts have been made to reduce equipment weight through use of higher-strength and lighter-weight materials and components, the results of those efforts have not been spectacular. Now, the road notes, the need for a reduction in tare weight "has been brought sharply into focus . . . with the increasing scarcity of fuel resources and the resulting increase in fuel costs and its impact on railroad profitability."

A CONSTRUCTIVE ALTERNATIVE

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. SARASIN. Mr. Speaker, we are all concerned about the national economy and the continuing problem of unemployment throughout much of the country. Millions of words have been written and spoken on how best to deal with this problem, many of them in this very Chamber, but we really have made little progress.

I believe what we should be doing is going back to the basics of economics, to the kind of programs and policies which allowed this country to become the greatest in the world. This, of course, has been recognized by many others, including our colleague, JACK KEMP, who has long been a leader in the effort to restore our economy to its natural state of health.

The correctness of Mr. KEMP's prescription is increasingly being recognized, and support seems to be growing. The case was recently put most succinctly by former U.S. Senator James Buckley, in a nationally distributed radio commentary. I submit Mr. Buckley's comments for the consideration of my House colleagues:

Under the leadership of New York Congressman Jack Kemp, House and Senate Republicans are developing a new strategy for creating real jobs without triggering higher rates of inflation. What they propose is permanent tax reductions that will benefit producers and investors as well as low to middle income consumers.

This strategy is based on what ought to be the self-evident fact that too high a burden of taxation discourages economic growth. What we need is not gimmickry such as one-time tax rebates and non-productive public service jobs, but permanent, meaningful, tax reductions; reductions that will leave more money in private hands and increase the kind of capital investment that will keep our economy competitive while generating jobs.

What is more, this kind of tax reduction will stimulate enough new economic activity to more than offset the loss of revenues on existing income. When John Kennedy initiated his controversial tax cuts in 1962, the Treasury predicted a 1963 net revenue loss of $2.4 billion. Instead, we realized a net revenue gain of $7 billion, and similar gains were experienced after the tax cuts that took effect in 1964 and '65.

Because the Democrats can claim that President Kennedy pioneered the new Republican strategy, perhaps we can hope that it won't be doomed for partisan reasons.—James Buckley broadcast over WINS, NYCity, Boston, LA., Pittsburgh, Chicago, Philadelphia and Ft. Wayne—early April, 1977.

SERGEANT BOWMAN RETIRING FROM STATE POLICE FORCE

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. BYRON. Mr. Speaker, F./Sgt. Glenn L. Bowman will retire this summer from the Maryland State Police after 30 years of distinguished service. During these years in western Maryland he has gained the respect of the public and his fellow law-enforcement officers.

Glenn grew up in my hometown, Williamsport. He joined the Maryland State police in 1947 and, since that time, has served in central and western Maryland.

I am sure my fellow residents in the Sixth Congressional District join in congratulating F./Sgt. Glenn Bowman on a job welldone. And, I would like to share with my colleagues in the U.S. House of Representatives, this article from the Daily Mail newspaper in Hagerstown:

SERGEANT BOWMAN RETIRING FROM STATE POLICE FORCE

First Sgt. Glenn L. Bowman, fourth in command of the local Maryland State Police barracks, will be retiring this summer, after 30 years service.

Sgt. Bowman announced his retirement plans recently, saying that "30 years in any one department is plenty."

Bowman, a Williamsport native, plans to start a second career, he says, in some public safety field.

Bowman, 51, has been the administrative sergeant at the Hagerstown barracks since 1973. As such, Bowman has coordinated local Prevent-A-Tragedy and Operation Yellow Jacket traffic safety programs, both of which are aimed at getting the drunk drivers and speeders off the roads.

Bowman's brother, Harry, retired several years ago after spending nearly 26 years on the force. Harry Bowman later became Williamsport Police Chief for a year, before going to work for a private industry.

In a recent interview, Sgt. Bowman said that while he's had "no regrets" about being a state policeman, he didn't know whether he could be a rookie trooper today.

"You don't get the cooperation from the people—they don't want to get involved—like they used to. A policeman's lot is much harder. People don't get involved except when they're in trouble themselves."

"But I have no regrets. It's been a pleasure, an honor," he said.

Bowman worked as a road trooper for 20 years. He joined the state police in 1947 and was assigned to the Waterloo Barracks in Howard County, remaining there until 1950.

The next 12 years, Bowman worked the roads in Washington County. After being promoted to corporal in 1962, he worked in Frederick County for five years. He was promoted to sergeant in 1967 and returned to Hagerstown. Except for a year in Montgomery County, Bowman has since remained in Washington County.

Bowman said the nature of law enforcement here has changed considerably since 1950. "When I first came to Hagerstown there were five troopers." The number now is closer to 50.

In 1950 the troopers worked out of "one room on the fourth floor of City Hall." With the addition of Interstates 81 and 70, the county was transformed from rural to suburban and demands for police protection intensified, he said.

He lives in Williamsport with his wife Violet Wilfong Bowman. A daughter, Karen Bowman Grove, is married. Another daughter, Candy, is a recent college graduate.

SALUTE TO WOODLAND HILLS CHAMBER OF COMMERCE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. GOLDWATER. Mr. Speaker, today, the Woodland Hills, Calif., Chamber of Commerce celebrates the distinct honor of accreditation after 35 years of hard work and dedicated service to the community.

There are but 2 accredited chambers in the San Fernando Valley, 25 in the State of California, and only 326 in the entire United States. Accreditation is clearly an honor that is bestowed upon only the very best.

In 1942, a small group of businessmen in Woodland Hills—there were but 20 or so businesses in the community then—met to form an organization that, 4 years later, incorporated as the nonprofit Woodland Hills Chamber of Commerce. They helped build the community center building that was later to become the Woodland Hills Community Church; they were the voice of the community in vital zoning matters where they fought for "clean" industry, and that concern helped establish the West Valley as a major aerospace center, beginning with Rocketdyne, and then with the later arrivals of Litton Industries and Hughes Aircraft, among others. The chamber was active in the master plan for the community from its inception in 1954; freeways, streets, and highways were a source of great concern and active involvement during the ensuing expansion years.

The Woodland Hills Chamber of Commerce has constantly been in the forefront of the effort to keep the community an attractive, interesting, satisfying place to live, and it has succeeded admirably. I know that firsthand, as I am proud to call Woodland Hills my home.

I ask my colleagues to join with me in saluting the Woodland Hills Chamber of Commerce on this important, and well-deserved day.

WHY "NO" ON PAY RAISE

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. SANTINI. Mr. Speaker, want more pay? You bet—who does not? Is our $13,000 pay raise justified? I believe the emphatic answer is "no." Many House colleagues of substantial stature would conclude with an emphatic "yes."

An examination of the basic arguments offered in support of the pay raise abundantly demonstrates the indefensible premise for retaining the raise:

First. Economic privation.—Some Members are indeed experiencing economic hardships. It is understandably difficult to elicit outcries of sympathy for our meager annual wage of $44,600—with raise, $57,500—when the struggling majority of Americans are earning less than $15,000 a year.

There are sizable additional expenses that are part of this job. Most of those financial sacrifices—and some Members have experienced significant income reductions—were foreseeable and considered when we filed for office. For those unexpected expenses, we were certainly well educated about those expenses when we refiled for office. Under our election system, a Member can decline reelection, returning to the lucrative environment of private business or professional practice. We chose to pursue our congressional goals with knowledge of the pay scale. There may be a money sacrifice for some but it is certainly a sacrifice that we voluntarily accepted.

That does not preclude seeking periodic raises. But it cannot justify this whopping increase that is near the median income of the average American family. This excessive acceleration in congressional pay is not a commendable precedent for the 95th Congress.

Second. "Without the pay raise, we will become a select club of millionaries," is a second contention which is oft repeated. This assertion is totally specious.

Millionaires indeed. What are we now? The $44,600 salary scale prior to the $13,000 pay increase places each Member of the House and Senate in the upper 4 percent of all American incomes. This assertion implies that unless the salary remains at $57,500, "paupers need not apply."

There are hardships, as discussed, but there are a large number of Americans who would relish the opportunity to "struggle" along at $44,600 a year.

It is wholly fallacious to suggest that a significant number of men and women are—or would be—discouraged from seeking Congressional office because of the deficient wage of $44,600.

Third. Any pay raise should be determined by an outside panel.—There is logic to this assertion. However, this conclusion implicitly neglects the concept of legislative accountability. If a "blue ribbon" panel recommends a substantial salary increase—and expenditure of taxpayer money—for government officials, who is accountable to the taxpayer-public whose money has been spent? Not the panel—they are immune.

It is always difficult for any public official to vote a pay raise. It should be. If a raise is justified, then that case should be forthrightly presented to the people. It should not be implemented by legislative circumvention. Otherwise, the American people, whose money is being spent, are in all practicality cut off from any avenue of either protest or affirmation. That is not a defensible or intelligent legislative posture.

Mr. Chairman, another part of concern should be raised. A pay raise should not be permitted to take effect during a House Member's term of office.

We took our 2-year mandate at a specific salary. As discussed above, we knew exactly what that wage was when we sought election. So did all prospective opponents. If the salary had been higher—for example, $57,500—perhaps a larger number of opposition candidates would have sought the office. It is dubious because the cold, hard fact of the matter is that every Member in this distinguished assemblage did not seek the office because of the salary level.

In conclusion, most Members have chosen the election process and public service because of the combination of compelling personal drives. One of the primary drives is public service. We conclude that it is important to us to participate, and hopefully, formulate, within our Nation's political system. That will always serve as our primary reward. It can never be the dollars returned for labor expended.

THE B–1 BOMBER, DEFENSE AUTHORIZATION BILL FOR FISCAL YEAR 1978

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mrs. SCHROEDER. Mr. Speaker, I would like to offer a few comments on the B–1 bomber to clarify my position on this issue. I still remain convinced that the B–1 is an unnecessary weapons system given the cost we are asked to pay. However, as several of my colleagues and I noted in our dissenting views to the report of the House Armed Services Committee on H.R. 5970, we have not opposed

the $1.1 billion included in the bill solely out of deference to the right of the Carter administration to make its own decision on the B–1 in an atmosphere as free of congressional prejudice and pressure as possible.

While this is not the time or place to fully engage the debate again, I have been disturbed by news reports that suggest that the Pentagon study group examining strategic bomber options seems to have considered all options but one—that the day of the bomber as a strategic weapons system has passed. A viable decision is not possible without returning to this more basic premise. The one simple but recurring question I have is if the B–1 is all it is cranked up to be why do the Soviets show no fear of it as they do the cruise missile. A recent CBS television program on the strategic military balance presented a powerful visual image when in one shot they panned rows of neatly arranged B–58's sitting on a deserted airstrip collecting dust. The B–58, as you might recall, was one of two follow-on bombers to the B–52 that the Congress has been asked to accept. The other was the B–70. It is now in a museum. I can only imagine the B–1 joining them.

MINIMUM WAGE AND HEALTH CARE COSTS

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. O'BRIEN. Mr. Speaker, I would like to draw my colleagues' attention to the question of how an increase in the minimum wage would affect the costs of health care in this country.

President Carter has proposed a hospital cost containment measure which would limit reimbursements hospitals receive to 9 percent a year—which is supposed to be a reasonable figure to cover "general inflation." At the same time, the House Subcomimttee on Labor Standards is considering a bill which would raise the minimum wage by 30 percent immediately. It also would tie future increases in the wage to 60 percent of the average manufacturing wage.

Hospital operations are labor intensive; about 50 percent of their total operating costs are attributable to labor. These costs are relatively controllable in that the hospital can determine when, and in what amount, raises will be passed on to employees. According to information I have received from the Illinois Hospital Association, labor costs averaged between 10 to 11 percent in the year 1974–75. Nonsupervisory personnel—who would be affected by an increase in the minimum wage—account for roughly 40 to 50 percent of total operating costs. Although there are few hospital employees who work at the minimum wage, there is strong evidence that an increase in the minimum base would trigger wage increases for many hospital employees.

While reimbursements would be limited to a 9-percent increase per year, and while the minimum wage may be increased by as much as 30 percent, the President proposes to allow hospitals to pass these wage increases on to its nonsupervisory employees. Will hospitals be able to pass the wage increases along? The costs of labor rose at 10 to 11 percent, and the uncontrollable costs of energy, equipment, drugs and the like rose at about 15 to 20 percent a year. In order for hospitals to be able to afford wage increases for their employees, they will have to keep their uncontrollable costs well below the 9 percent limit.

What does this mean for health personnel in this country? First, hospitals may not be able to pay for wage increases. There are no assurances that the uncontrollable costs will increase at a rate below 9 percent per year. We may see lay offs of hospital employees as well as possible pay freezes for the remaining employees. We should ask ourselves how this will affect the quality of health care delivery in the short-term as well as over a period of years.

In my opinion, these two bills, taken together, are another example of incomplete planning. It seems improper for us to increase the costs of operating a hospital and, at the same time, limit the revenues necessary to pay for those costs. I urge my colleagues to write to their hospital administrators to find out exactly how their operations will be affected by these two bills.

ARMENIAN MARTYRS DAY REMEMBERED

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. DANIELSON. Mr. Speaker, on April 24 of each year many of my colleagues in Congress have joined me in marking the anniversary of the Armenian martyrs who suffered so much at the hands of the Turkish Ottoman Empire.

We all know that the great Armenian people were the tragic victims of the first genocide of this century, the emotional scars of which are still borne by many today who lived through those dark days and yet, Mr. Speaker, to this day the government of Turkey has chosen to ignore the responsibility for that human holocaust. We all know that it happened. Have all those who lived through that nightmare told lies? Are all the books written about it mere fabrication? As we stand up each year in Congress to remember the Armenian martyrs who suffered under Turkish atrocities, are we basing our remarks on hearsay? And is the 1976 testimony on this subject gathered by the House International Relations Subcommittee to be overlooked, ignored, or forgotten? I hardly think so.

The evidence is all there, it is overwhelming and it has been there for far too long without remedy or reparation. Under the new administration, we have heard glowing commitments to "human rights." This is highly commendable, to say the least, because it means we now recognize a moral obligation to speak out for equal justice for all.

Mr. Speaker and my colleagues, I ask that you join me, in the spirit of the April 24, 1975, resolution overwhelmingly passed by this House designating that day as "National Day of Remembrance of Man's Inhumanity to Man," in this tribute to the memory of the Armenian martyrs whose sacrifices we must never forget.

LONDON TIMES EDITOR WILLIAM REES-MOGG ON THE RELATIONSHIP BETWEEN INFLATION AND THE MONEY SUPPLY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. KEMP. Mr. Speaker, William Rees-Mogg, distinguished editor of the Times, is one of England's most distinguished journalists. His research indicates that Great Britain's high inflation results almost totally from an excess supply of money. As he points out, so long as the pound was tied to gold, as it was prior to 1913, money growth was restricted by the availability of gold. As a result, prices in 1900 were the same as in 1700. Now, however, the Government capriciously increases the supply of money to avoid increasing taxes, without regard to productivity. As Rees-Mogg put it, the consequences of this action are inevitable:

Excess Money Supply is like water flowing from a tap attached to a hosepipe which is about two years in length. Once you have turned the tap on nothing will stop the water coming out at the other end of the hosepipe in the form of price increases. Therefore the essential matter is to see that the tap is not turned on.

Interestingly, a recent staff report by the Domestic Monetary Policy Subcommittee completely supports this view. It argues that more than 70 percent of the rise in the consumer price index in the United States between 1966 and 1975 can be attributed to excessively rapid monetary growth. Furthermore, every 1-percent increase in the Consumer Price Index in one year led to a 1-percent decrease in real GNP the following year.

Thus we may attribute not only Great Britain's poor economic condition to excess monetary growth but the present economic malaise in the United States as well. Therefore, I urge my colleagues to read this important article by Mr. Rees-Mogg from the Times, July 13, 1976:

[From the London Times, July 13, 1976]

HOW A 9.4 PERCENT EXCESS MONEY SUPPLY GAVE BRITAIN 9.4 INFLATION

The strongest for monetarism has always been that it works. Whereas many economic theories—like many phychological theories—can neither be proved nor disproved, the theory of monetariasm can be tested scientifically. It can be used to make predictions, and the fulfillment or nonfulfillment of the predictions can be observed.

The basic monetarist claim is that changes in the money supply cause other economic changes and particularly changes in price levels, but after a time lag. The most complete exposition of these relationships is to be found in Professor Milton Friedman's classic work: *A Monetary History of the United States, 1867–1960.* In that work he states:

"Throughout the near-century examined

in detail; we have found that: (1) Changes in the behaviour of the money stock have been closely associated with changes in economic activity, money income and prices; (2) The interrelation between monetary and economic change has been highly stable; (3) Monetary changes have often had an independent origin; they have not been simply a reflection of changes in economic activity."

The American experience is supported by British experience in the gold standard period; gold was simply an automatic regulator of the money supply. In the eighteenth and nineteenth centuries gold stabilized the money supply, and the money supply stabilized prices, so that in 1900 prices in Britain were no higher than they had been in 1700—two centuries of substantial price stability.

There are some people who distrust economic history as a guide to the present; they believe that changes in economic institutions, and particularly in trade union power, have altered the fundamental relationships of economic processes to each other. To convince them that monetary policy works it is necessary to show that these relationships, which Professor Friedman traced in the history of the United States, have persisted in recent years, even in the economy of Britain which has suffered such serious inflationary experience.

The most important and consistent relationship is that between money supply and prices. The natural comparison to make is therefore between increase in money supply and rises in the retail price index.

There are technical difficulties about both aspects of the comparison. The most suitable definition of money supply is M3, which includes money and what might be termed near-money, but there is room for argument about the degree to which M3 is a perfect definition of money supply. Equally there is room for argument about the quality of the retail price index as an indicator of price movements. Nevertheless, one would expect to see a broad agreement between movements in M3 and movements in the retail price index.

Dr. Friedman established that there was a time lag, normally of about two years, between changes in the money supply and consequential changes in prices. To take account of this time lag one should compare changes in the money supply with changes in the retail price index occurring approximately two years later. In addition one ought to take account of increases in the real gross domestic product. In theory the money supply needs to rise at the same rate as the increase in the real gross domestic product to maintain stable prices, and an increase in the money supply less than the increase in the gross domestic product would cause prices to fall.

The sum is however quite a simple one. You take the annual rate of growth of the money supply; you deduct from it the annual rate of growth of the domestic product. The residue of that sum is the Excess Money Supply, that is the increase in the money supply over and above what was needed to finance the real growth of the economy. The Excess Money Supply ought to predict future movements of the rise in the retail price index about two years ahead. Because of changes in the time lag and difficulties in the statistics one would not expect the prediction to be precise, but one would expect a reasonably good fit between the prediction and the result.

I decided to do these sums for the increase in the money supply in the years 1965–1973, net of the increase in the gross domestic product, and for the rise in the retail price index in the matching years, 1967–1975. The results are in the attached table.

It will at once be apparent that they show a closer match than the most confident monetarists could reasonably have expected. Over the period as a whole the average Excess Money Supply was 9.4 percent at an annual rate; the average annual rise in prices was 9.4 percent.

As one would expect, the individual years show considerable variations. In eight of the nine years the Excess Money Supply gave a prediction which was in the same broad area as the resulting rate of inflation. The odd year out was 1971 which seemd to reflect the rising Excess Money Supply of 1970 rather than the very low Excess Money Supply of 1969. Nevertheless it should be emphasized that the timing is not consistent (if only because of changes in the velocity of circulation). The method is more reliable in providing a forecast over a period of years than for a single year.

If these figures stood on their own they could hardly be dismissed as coincidence. In fact they merely confirm, thought to a striking degree, a great deal of work on money supply in a wide variety of other countries. The most recent report of the Bank for International Settlements has a special section which deals with the question. It can be summed up in the statement that "the past decade has provided further strong prima facie evidence of the close long term relationship between monetary expansion and price levels, on a worldwide as well as on a national level." The value of the British figures is that they give a local and recent proof of a historical and worldwide phenomenon.

To use a simple analogy, the money supply, or more precisely the Excess Money Supply, is like water flowing from a tap attached to a hosepipe which is about two years in length. Once you have turned the tap on nothing will stop the water coming out at the other end of the hosepipe in the form of price increases. Therefore the essential matter is to see that the tap is not turned on. To reduce the Excess Money Supply to a low level, and keep it at a low level, becomes the central objective of economic policy, central because no other economic policy objectives can be secured if that is not.

These figures have changed further my own attitude to incomes policy. If the Excess Money Supply determines the rate of inflation equally closely in years subject to incomes policy and in years without, there seems to be no evidence left that incomes policy has any significant influence on inflation. Nor did incomes policy help in these years to keep down the increases in money supply, which were actually highest in incomes policy years.

At the end of 1974, six months before phase one of the present incomes policy was adopted, the Excess Money Supply already predicted an inflation rate of over 20 per cent in 1975 and of under 15 per cent in 1976. The first prediction was fulfilled; the second is apparently being fulfilled; all the intervening incomes policy decisions seem not to have changed the rate of inflation at all. The whole movement of prices in the last ten years, in which there were three incomes policy phases, two Labour and one Conservative, is accounted for by surplus money leading to higher prices.

That does not of course wholly remove the other arguments for incomes policy, which can still be defended on the grounds that it helps to avoid a rise in unemployment, or larger deficits in public industry. It is doubtful, however, whether the sacrifices that are made in support of incomes policy would be made if it were not believed to be a defence against inflation. If it does not affect inflation, its other benefits have to be weighed carefully against the serious distortions it causes.

The evidence also suggests that a high Excess Money Supply is bad rather than good for employment. A leading article recently discussed the reasons for supposing that inflation naturally produces higher levels of unemployment than would result from price stability. During this period the Excess Money Supply tended to rise and unemployment tended to rise with it. Sharp reductions in money supply can also increase unemployment, and a stable but low rate of increase would seem to be best both for employment and for prices.

If one makes international comparisons one can see what monetary policy can do and what it cannot do. The countries with a low rate of Excess Money Supply have been the United States and Germany. They have both enjoyed a much lower rate of domestic inflation than the world average. Countries with a middle increase have included France and Japan; their inflation rates have not been good but have been better than the high Excess Money Supply countries, such as Italy and the United Kingdom.

There does not appear to be any correlation between growth rates as such and the money supply; countries with low and high growth rates appear at both ends of the money supply scale. Standards of living are however higher in countries with low Excess Money Supply, partly because their currencies have a good external value and their terms of trade are therefore relatively favourable. If one takes the six major industrial trading nations, the order of the rate of increase of the Excess Money Supply is the United States lowest, Germany, France, Japan, the United Kingdom and Italy highest. Those are the rankings for the period 1969–1973. They are also the rankings for the standard of living of the nations concerned.

BRITAIN'S EXCESS MONEY SUPPLY AND RISING PRICES

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Increase in money supply	7.7	3.7	9.9	7.7	3.1	9.6	13.0	25.8	27.6	12.6	7.6
Increase in domestic product	3.0	1.8	2.1	3.7	1.8	1.8	1.6	2.4	5.4	.2	−1.7
Excess money supply	4.7	1.9	7.8	4.0	1.3	7.8	11.4	23.4	22.2	12.4	9.3

	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977
Increase in prices	2.5	4.7	5.4	6.4	9.4	7.1	9.2	16.1	24.2		
Variation of price increases from Excess Money Supply	−2.2	−2.8	−2.4	+2.4	+8.1	−.7	−2.2	−7.3	+2.0		
Variation as a running average	−2.2	+.3	−.6	+.15	+1.7	+1.3	+.8	−.2	+.05		
Average Excess Money Supply	1965–73	9.4									
Average price rises	1967–75	9.4									

Note: All figures are in annual percentage terms. Gross Domestic Product is average estimate at 1970 factor cost. Money supply is M3. Prices are taken from the index of retail prices.

Professor Friedman's recommendation is that money supply should be increased at a steady rate slightly above the expected increase in the domestic product. The conclusions to be drawn from these figures certainly support such a policy. There is no evidence in these figures that increases in money supply above the level recommended by Professor Friedman had anything but a damaging effect, even if at the time it seemed hard to avoid them.

There are various ways in which the money supply could be stabilized. It could be done through Mr. Peter Jay's suggestion of a currency commission. It was historically done by the device of the gold standard. An increasing number of nations are doing it by setting money supply targets. Those targets can either be explicit operational targets for the increase in money supply, or for the increase in the reserve assets of the banks, or both. A money supply target reducing the growth of the Excess Money Supply to 2 percent by 1979 would be an immediate recommendation; but it should be followed by a national agreement that money supply should be held to that rate of growth permanently, or as permanently as people prefer stable jobs and prices to inflation and unemployment.

One of the advantages of such a permanent target or limit is that it would have, if trusted, a favourable effect on long term interest rates, therefore on investment, and through investment on employment and growth. Short term interest rates are largely determined by the immediate balance of demand and supply for money; a reduction in the rate of expansion of money supply can therefore raise short term rates, particularly if there is an excessive Budget deficit, as there now is.

The demand for long term fixed interest securities is more dependent on long term expectations about the inflation rate. If it were guaranteed that Excess Money Supply would not rise by more than 2 percent in any of the 10 years from 1979, the yield on undated British Government stocks should fall sharply, and funding operations and industrial finance would be greatly assisted.

A low, definite, long term and announced monetary policy would therefore offer Britain great advantages. The question of money supply and inflation is a simple central decision which has been wrongly made but can be made rightly in the future. That leaves the questions of industrial relations, of management incentives, of industrial investment, of productivity and profitability, and of growth; we can only start to solve them when we have stopped the wasteful and unnecessary process of generating our own inflation.

FEDERALIZATION OF WELFARE

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. HAGEDORN. Mr. Speaker, a new group calling itself the Businessmen's Committee for the Federalization of Welfare has urged Congress to provide complete Federal financing of welfare benefits. We are told that this is required by virtue of the fact that the "burden of poverty is preventing the older urban portions of the country from fulfilling their functions in the Nation's economy and retaining their attractiveness to business and individuals." and that "poverty is a national problem."

Noting that the overwhelming majority of the 131 signatories are from the New York City area, I would suggest to them that they could do a great deal more for their area's economic climate by urging some budgetary restraint upon their local officials than by trying to export the city's woes throughout the Nation.

The businessmen signing the letter also argue that federalization is necessary to alleviate the complexity of regulations that now burden the welfare system. In view of the history of Federal rulemaking, I would further suggest that federalization is about as likely to simplify welfare regulations as Federal debt ceilings are to limit deficit spending. I would like to insert the committee's letter, along with a list of signers. I await, with great anticipation, the next occasion on which one of these men complains about what Washington is doing to his business or industry.

BUSINESSMEN'S COMMITTEE FOR THE FEDERALIZATION OF WELFARE

Whereas poverty is a national problem that burdens different parts of the country to different degrees, and

Whereas this burden of poverty is preventing the older urban portions of the country from fulfilling their function in the nation's economy and retaining their attractiveness to business and individuals;

Whereas the present welfare system discourages people from working or from keeping their families together, and

Whereas regulations are so complex and cumbersome that the system is inefficient, unfair to many recipients and extremely difficult to keep free of ineligibles,

Therefore, we the undersigned Businessmen's Committee for the Federalization of Welfare, hereby petition the Congress and the President to reform the system of welfare payments and finance it entirely by federal taxes.

The signatures were collected over an eight-month period.

SIGNERS

Barnes, Wallace, President, Barnes Group, Inc., Bristol, Conn.

Barnhill, Howard E., President & CEO, North American Life & Casualty, Minneapolis, Minn.

Bates, Edward B., President, Connecticut Mutual Life Insurance Co., Hartford, Conn.

Beach, Morrison H., Chairman & CEO, The Travelers Corporation, Hartford, Conn.

Beretta, David, Chairman & President, Uniroyal, Inc., New York, N.Y.

Berlinger, George F., George Berlinger Investments, New York, N.Y.

Block, Joseph L., Honorary Director, Inland Steel Co., Chicago, Ill.

Brennan, Joseph C., Chairman, Emigrant Savings Bank, New York, N.Y.

Brennan, William R., Jr., President, Harlem Savings Bank, New York, N.Y.

Brittain, Alfred, III, Chairman, Bankers Trust Co., New York, N.Y.

Bronfman, Edgar M., Chairman, Joseph E. Seagram & Sons, Inc., New York, N.Y.

Brophy, Theodore F., Chairman & CEO, General Telephone & Electronics Corp., Stamford, Conn.

Butler, Marshall D., President, AVX Corp., Great Neck, N.Y.

Byrom, Fletcher L., Chairman, Koppers Company, Inc., Pittsburgh, Penn.

Carroll, Thomas S., President, Lever Brothers Company, New York, N.Y.

Clark, Howard L., Chairman, American Express Company, New York, N.Y.

Cohen, Alan N., President & CEO, Madison Square Garden Corp., New York, N.Y.

Cohen, Jerome M., President, Williams Real Estate Co., Inc., New York, N.Y.

Conklin, George T., Jr., President, Guardian Life Insurance Co., New York, N.Y.

Conway, E. Virgil, Chairman & President, The Seamen's Bank for Savings, New York, N.Y.

Conzen, W. H., President, Schering-Plough Corp., Kenilworth, N.J.

Craft, Wardell C., President, Wright Mutual Insurance Co., Detroit, Mich.

Crawford, Morris D., Jr., Chairman, The Bowery Savings Bank, New York.

Crown, Lester, President, Material Service Corp., Chicago, Ill.

Diebold, John, Chairman, The Diebold Group, Inc., New York, N.Y.

Durst, Seymour B., President, The Durst Organization, Inc., New York, N.Y.

Dyson, Charles H., Chairman, The Dyson-Kissner Corp., New York, N.Y.

Eisner, Richard A., Managing Partner, Richard A. Eisner & Co., New York, N.Y.

Ekblom, Harry E., Chairman & CEO, European-American Banking Corp., New York, N.Y.

Ellinghaus, William M., Vice Chairman, American Telephone & Telegraph, New York, N.Y.

English, James F., Jr., Chairman, CBT, Hartford, Conn.

Farkas, Robin L., Vice President, Alexander's, Inc., New York, N.Y.

Faulkner, E. J., President, Woodmen Accident & Life Co., Lincoln, Nebr.

Feldman, Jacob, Chairman, Commercial Metals Co., Dallas, Tex.

Filer, John H., Chairman, Aetna Life & Casualty, Hartford, Conn.

Frank, Zollie S., President, Z. Frank, Inc., Chicago, Ill.

Gelb, Arthur, President, The Analytic Sciences Corp. (TASC), Reading, Mass.

Gelb, Harold S., Managing Partner, S. D. Leidesdorf & Co., New York, N.Y.

Gerken, Walter B., Chairman, Pacific Mutual Life Insurance Co., Newport Beach, Calif.

Gross, Arthur, President, The Clam Box, Inc., Cos Cob, Conn.

Halas, George S., Chairman, Chicago Bears Football Club, Chicago, Ill.

Hall, Floyd D., Chairman, Eastern Air Lines, Inc., New York, N.Y.

Hawley, Philip M., President, Carter Hawley Hale Stores, Inc., Los Angeles, Calif.

Hazen, W. Richard, Executive Vice President, First Jersey National Bank, Jersey City, N.J.

Heineman, Ben. W., President, Northwest Industries, Inc., Chicago, Ill.

Heiskell, Andrew, Chairman, Time, Inc., New York, N.Y.

Helmsley, Harry B., President, Helmsley-Spear, Inc., New York, N.Y.

Herrmann, Mark J., President, Mark Buick Corp., Yonkers, N.Y.

Holman, M. Carl, President, National Urban Coalition, Washington, D.C.

Jesser, Edward A., Jr., Chairman, United Jersey Bank, Hackensack, N.J.

Kelvin, Zel, President, United National Corp., New York, N.Y.

Killefer, Tom, President & CEO, United States Trust, New York, N.Y.

Klutznick, Philip M., Partner, Klutznick Investments, Chicago, Ill.

Kolin, Oscar, Chairman, Helena Rubinstein, Inc., New York, N.Y.

Koven, Irving, President, Ambassador Construction Co., Inc., New York, N.Y.

Lachman, Lawrence, Chairman, Bloomingdale's, New York, N.Y.

Lefkowitz, Nat, Co-Chairman, William Morris Agency, Inc., New York, N.Y.

LeFRAK, Samuel J., Chairman, LeFrak Organization, Inc., Forest Hills, N.Y.

Light, Charles F., President, Buffalo Area Chamber of Commerce, Buffalo, N.Y.

Llewellyn, J. Bruce, President, FEDCO Food Corp., Bronx, N.Y.

Loeb, John L., Senior Partner, Loeb, Rhoades & Co., New York, N.Y.

Luce, Charles F., Chairman, Consolidated Edison Co. of New York, Inc., New York, N.Y.
Luntey, Eugene H., president & CEO, The Brooklyn Union Gas Co., Brooklyn, N.Y.
Mahoney, David J., Chairman & President, Norton Simon, Inc., New York, N.Y.
Mansfield, C. F., Group Exec. Vice President, Marine Midland Bank, New York, N.Y.
Margolis, David I., President, Colt Industries, Inc., New York, N.Y.
Marshall, Alton G., President, Rockefeller Center, Inc., New York, N.Y.
Martin, C. Virgil, Chairman, Finance Committee, Carson Pirie Scott & Co., Chicago, Ill.
Matthael, Frederick C., Jr., Chairman, Arco Industries Corp., Birmingham, Mich.
May, William F., Chairman, American Can Co., Greenwich, Conn.
Merck, Albert W., Director, Merck & Co., Inc., Rahway, N.J.
Mitchell, Joseph N., President, Beneficial Standard Corp., Los Angeles, Calif.
Morrow, George L., President, The Peoples Gas Light & Coke Co., Chicago, Ill.
Murphy, Austin S., Chairman & President, East River Savings Bank, New York, N.Y.
McAllister, James P., Chairman, McAllister Brothers, Inc., New York, N.Y.
McGrath, John P., Chairman, The East New York Savings Bank, Brooklyn, N.Y.
McSwiney, J. W., Chairman & CEO, The Mead Corp., Dayton, Ohio.
Nathan, Robert R., President, Robert R. Nathan Associates, Inc., Washington, D.C.
Neal, Alfred C., Consultant, CED, New York, N.Y.
Newell, Robert L., Chairman & President, Hartford National Bank and Trust Co., Hartford, Conn.
O'Brasky, David, Publisher, Esquire Magazine, New York, N.Y.
O'Leary, James J., Vice Chairman, United States Trust Co. of New York, New York, N.Y.
Patterson, Ellmore C., Chairman, Morgan Guaranty Trust Co. of New York, New York, N.Y.
Peck, Clair L., Chairman, C. L. Peck Contractor, Los Angeles, Calif.
Pepper, Richard S., Chairman, Pepper Construction Co., Chicago, Ill.
Platten, Donald C., Chairman, Chemical Bank, New York, N.Y.
Powers, Robert A., Chairman & CEO, Smith Barney, Harris Upham, New York, N.Y.
Pratt, E. T., Jr., Chairman, Pfizer, Inc., New York, N.Y.
Rapaport, Robert M., President & CEO, SuCrest Corp., New York, N.Y.
Rees, William M., Chairman, The Chubb Corp., New York, N.Y.
Richards, Bernard, President, Alpha Portland Industries, Inc., Maspeth, N.Y.
Richards, Roger C., President, Metropolitan Savings Association, Farmington Hills, Mich.
Roberts, Melvin J., Retired Chairman, Colorado National Bank, Denver, Colo.
Rockefeller, David, Chairman, The Chase Manhattan Bank, N.A., New York, N.Y.
Rohatyn, Felix G., General Partner, Lazard Freres & Co., New York, N.Y.
Rooney, Francis C., Jr., President, Melville Corp., Harrison, N.Y.
Rose, Daniel, Partner, Rose Associates, New York, N.Y.
Rosin, Axel G., Chairman, Book-of-the-Month Club, Inc., New York, N.Y.
Ross, Steven J., Chairman, Warner Communications, Inc., New York, N.Y.
Rothschild, Charles J., Jr., President, Campus Sweater & Sportswear Co., New York, N.Y.
Rugger, Gerald K., President, Home Life Insurance Co., New York, N.Y.
Salomon, William R., Managing Partner, Salomon Brothers, New York, N.Y.
Schiff, John M., Partner, Kuhn, Loeb & Co., of New York, N.Y.
Schmidt, Benno C., Managing Partner, J. H. Whitney & Co., New York, N.Y.
Schulman, S. J., President, The Westchester County Association, Inc., White Plains, N.Y.
Schulman, Samuel, President, First Northwest Industries of America, Inc., Los Angeles, Calif.
Seder, Arthur R., Jr., Chairman & President, American Natural Resources Co., Detroit, Mich.
Segal, Martin E., Chairman, Wertheim Asset Management Services Incorporated, New York, N.Y.
Shinn, Richard R., President & CEO, Metropolitan Life, New York, N.Y.
Siciliano, Rocco C., Chairman & CEO, The TI Corp., Los Angeles, Calif.
Silverstein, Larry A., Partner, Silverstein & Mendik Co., New York, N.Y.
Smiley, Donald B., Chairman, R. H. Macy & Co., Inc., New York, N.Y.
Spoor, T. Richard, Vice Chairman, United States Trust, New York, N.Y.
Staff, George L., President, United Merchants & Manufacturers, Inc., New York, N.Y.
Stanton, Thomas J., Jr., Chairman, First Jersey National Bank, Jersey City, N.J.
Stecker, Robert B., Vice President & General Manager, AT&T Long Lines, New York, N.Y.
Steinberg, Saul P., Chairman and President, Reliance Group, Inc., New York, N.Y.
Terry, Benjamin P., President, Society for Savings, Hartford, Conn.
Tillinghast, Charles C., Jr., Vice Chairman, White, Weld & Co. Incorporated, New York, N.Y.
Tisch, Preston Robert, President, Loews Corporation, New York, N.Y.
Tishman, Robert V., President, Tishman Realty & Construction Co., Inc., New York, N.Y.
Turner, H. S., Chairman, Turner Construction Co., New York, N.Y.
Urstadt, Charles J., Chairman, Battery Park City Authority, New York, N.Y.
Van Fossan, R. V., President & CEO, Mutual Benefit Life Insurance Co. Newark, N.J.
Vogel, John H., President & CEO, National Bank of North America, New York, N.Y.
Wallis, Gordon T., Chairman, Irving Trust Co., New York, N.Y.
Weller, Ralph, Chairman, Otis Elevator Co., New York, N.Y.
Wilde, Frazer B., Retired Chairman, Connecticut General Life Insurance Co., Hartford, Conn.
Willis, Robert H., Chairman and President, Connecticut Natural Gas Corp., Hartford, Conn.
Winkelman, Stanley J., Chairman, Winkelman Stores, Inc., Detroit, Mich.
Zeiler, Robert G., Chairman, F. Eberstadt & Co., Inc., New York, N.Y.

STRIP MINE BILL AMENDMENTS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. WAMPLER. Mr. Speaker, it is my intention to offer the following amendment to H.R. 2, the so-called strip mine bill, when it comes to the floor. In view of President Carter's tough energy proposals calling for more coal production, and the loss in coal production in my State and throughout the Appalachian region and elsewhere that will result if the strip mine bill is enacted, it is my view that delaying the effective date of Federal control now contained in H.R. 2, leaving it with the States until we get through the rough period of this crisis, would ease the impact of this bill on our severe energy problem. The amendment follows:

Section 528, on page 331, line 6, add a new subsection (3) as follows:

"(3) the extraction of coal for commercial purposes where the surface mining operation is conducted on any steep slope as defined in Section 515(e) until six years after enactment of this Act."

CORN SWEETENER

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. MADIGAN. Mr. Speaker, some confusion exists as to what a corn sweetener is—what it can be used for—and what the relationship is between the corn sweetener and the sugar industry. Mr. Donald Nordlund, a resident of my district, has devoted a great deal of his time and energy to the development of corn sweetener. For the benefit of Members who would like to better understand the corn sweetener industry both in regard to its history and its current status in the marketplace, I am submitting remarks by Mr. Nordlund which I feel will contribute substantially to a better understanding. Mr. Nordlund is chairman and president of A. E. Staley Manufacturing Co., Decatur, Ill.

Mr. Nordlund's remarks follow:

CATALYST IN THE SWEETENER WORLD

(By Donald E. Nordlund)

Corn sweetener producers and the sugar industry have much in common, but I believe we view each other differently today than we did in the past. Sugar, of course, is still the dominant nutritive sweetener, but corn syrups can no longer be relegated to their former role. They have come of age primarily because of one important development—high fructose corn syrup.

This afternoon I would like to focus my comments on this significant product—to examine its remarkable growth record, present status, and promising outlook. In so doing, perhaps we may see more clearly the direction of the sweetener industry in the years ahead.

Although the adjective "new" is still often applied to it, high fructose syrup has been available in commercial quantities for nearly 10 years.

Two companies generally are considered the pioneers in high fructose syrup but, in a sense, the entire corn wet milling industry can share the credit. The product's introduction in 1967 marked the fruition of an industry goal. It reflected a long-standing willingness by corn wet millers to commit capital for sweetener research and development. From its very beginning, the wet milling industry has been sensitive to the needs of its consumers. Perhaps this was out of necessity inasmuch as we were trying to match and surpass the standard of sweeteners—namely, sugar. It is this consumer orientation which continues to direct the industry today.

High fructose corn syrup, in a sense, epitomizes a corn sweetener evolution that has been in progress for 50 years. It is an evolution that has carried corn syrups from a very minor percent of the domestic sweetener

market in the 1920's to over 25 percent today.

Every decade since the 20's has been highlighted by progress in corn sweetener technology—dextrose, enzyme converted syrups, maltodextrins, to name a few. With each product and process advance, corn sweeteners extended their market share. But, even with this success, the full potential for corn sweeteners was not being realized as sweetness differences remained the major challenge to the wet milling industry.

The situation significantly changed in the late 1960's with the development of commercial processes for the isomerization of dextrose into fructose, a monosaccharide considerably sweeter than sucrose. By 1972 two companies with a combined capacity of about 800 million commercial pounds comprised the entire industry capability in high fructose syrup. Much has transpired in the five years since 1972.

HIGH FRUCTOSE ACCEPTANCE

Because of extraordinary circumstances, the formative years of high fructose syrup were compressed into an abnormally short time frame. The results have been both positive and negative.

Despite what one reads in the press today, sweetener users did not and do not rush to accept high fructose syrup. It did not sell itself in the early 70's any more than it sells itself today. High fructose syrup was an unknown, and food and beverage processors do not readily change formulas to accommodate an unproven ingredient.

Reflecting the highly competitive nature of the sweetener market, high fructose syrup in 1972 was priced at a discount to sugar. It was hoped that this discount would illustrate the basic economic advantage of high fructose syrup and permanently open the door for this new sweetener.

This cost differential did attract attention; however, it did not sell high fructose syrup. First, the product had to be proven to the entire food and beverage world.

To accomplish this, high fructose producers relied upon the same technical service approach that had been used successfully with other corn sweeteners. Customers' products were reformulated using high fructose syrup as a total or partial replacement in an effort to demonstrate cost savings while maintaining quality standards. This time-honored technique was especially important in areas where corn sweeteners had never been utilized to any substantial degree, such as in the soft drink industry.

By late 1973, the efforts began to pay off. High fructose syrup recognition and acceptance were growing and sales were increasing.

I might add that manufacturers of high fructose were learning more about their processes and, as a result, eliminated some initial product shortcomings. We also were discovering the high quality standards, effective distribution systems, and blending facilities of sugar refiners. In short, we quickly came to realize that the sugar industry had done an outstanding customer service job, one which we had to match in order to sell our new syrup.

Initially high fructose was sold as a sugar replacement in existing products, but as sugar prices began to move upward in 1973, it began to be included in new products as food and beverage companies became increasingly concerned with rising sugar costs and consumer resistance to higher retail prices. Major credit must be given to food and beverage processors as the effectiveness of their research programs permitted quick evaluation and incorporation of high fructose into many of these new products.

The period of 1974 and 1975 will be long remembered by everyone associated in any manner with the sweetener world. As sugar prices rose to record levels, demand for high fructose syrup grew in proportion. Though industry capacity increased to about 2 billion wet pounds, demand far outstripped it, a fact which attracted a number of companies to the high fructose business.

While 1974–75 was a positive period for the producers of high fructose syrup, it also was one of difficulty.

It was positive in the sense of speeding the acceptance of HFCS and establishing its position as a full-fledged alternate to liquid sugar. It was a difficult time in that high fructose syrup had to be placed on allocation and the task of trying to meet customer requirements became impossible. High fructose syrup usage was not only maximized, it sometimes was overused—reminding everyone that it, too, was a sweetener with some limitations.

There is no need to detail what has happened to sweeteners since that 1974–75 peak, but its significance for HFCS is worth examining. In many ways, what has happened recently is more meaningful than the experience of prior years.

Reflecting the high sugar prices of 1974–75, corn sweetener consumption reached 31 pounds per capita in 1975, with high fructose accounting for nearly 7 pounds. Corn sweeteners then accounted for 25 percent of total nutritive sweetener consumption. Last year, with considerably lower sugar prices, corn sweeteners advanced even further—to 33 pounds per capita or 26 percent of overall sweetener usage. High fructose syrup accounted for all the increase, climbing to 9½ pounds per person.

The point is clear. Availability of lower priced sugar did not cause an exodus from HFCS by sweetener users. The markets for high fructose syrup have continued to develop at a steady rate. The expanded variety of corn sweeteners, including HFCS, now available from the industry and the success they have achieved is a good example of the fruits of industrial research.

The continuing growth in high fructose syrup usage is coming from several quarters: customers who are increasing their use as they gain more confidence in it, and first-time users who had to be convinced that the sweetener's cost advantage would remain even in the face of lower sugar prices.

The economics of high fructose syrup have been graphically illustrated in recent months. An important factor in the continued profitability of HFCS in the face of sharply reduced prices has been the industry's continued progress in processing efficiencies, especially as it relates to enzyme utilization.

However, even though high fructose sales continue to expand and we have been able to earn a profit on our investment, the industry is not without problems. The primary one today has been caused by the rapid expansion of productive capacity.

As I mentioned a moment ago, the 1974–75 high fructose syrup market attracted several companies into the business. They since have entered the market or are currently doing so. This year and early next, the industry will add some 3 billion pounds of capacity—essentially doubling last year's output. As a result, 10 or 12 years of normal expansion are being compressed into a two-year period.

The market will develop to consume this sizable addition, but not as rapidly as the new capacity is coming on-stream.

Corn wet milling is a capital intense business, and considering the time required to build a plant, additional high fructose entries are unlikely for the next few years. High fructose syrup supply and demand, therefore, could reach equilibrium in a year or two. Among the factors which will dictate the extent and timing of such supply and demand balance will be the price of sugar, which apparently will be determined by governmental action more than by normal market forces.

A second factor will be degree of progress made by second generation high fructose syrups.

Regarding governmental action, it would be inappropriate for me to discuss the pros and cons of recent sugar policy pronouncements since, at this point, it is unclear exactly what will develop. There is one observation I will make; namely, that usage of high fructose syrups will continue to grow regardless of sugar policy changes, short of placing it under new sugar legislation as has been suggested by some.

CORN RESEARCH BENEFITS CONSUMERS

On this matter I would note that we in the corn refining industry see no logical reason for such inclusion. We have not asked for governmental assistance nor do we wish any. Further, we believe that any such inclusion of corn sweeteners would eliminate an important segment of our free enterprise system and deprive the American consumer of the benefits of progress resulting from research conducted by our industry.

In addition to the price of sugar, second generation products will be an important influence in the growth of high fructose syrups. Several producers have introduced such products with most emphasis centered upon 55 or 60 percent fructose products and, to a lesser extent, a 90 percent product. The present industry standard, as you know, is 42 percent.

While high fructose syrup is used extensively in soft drinks—it has not been approved for use in either of the major cola brands. Considering the importance of these two brands, we hope our new 55 percent product will hold the key to success. I would quickly add that we are optimistic.

Since the announcement of the proposed saccharin ban, increased attention has been given to the 90 percent fructose product. It is about one-and-one-half times as sweet as sugar and therefore does permit the formulation of lower calorie foods and beverages with a nutritive sweetener.

Predicting the future is always risky. It is especially risky where weather, international relations, and government policies are involved.

However, I do want to leave you with some food for thought on the longer term outlook.

First, there can be no doubt that—despite significant inroads by corn syrups—sugar will remain the standard of the sweetener industry for years to come. On the other hand, we can expect the sweetener industry to be in a state of transition as the result of technical developments, not just from corn wet millers, but from sugar refiners as well. There are indications that research emphasis is growing in the sugar industry—a significant and positive trend!

Hopefully, one of the more immediate results will be development of low-calorie nutritive sweeteners, whether from corn, cane, beet, or other sources. Longer range, another goal will be an economic process for crystalline fructose, a development that would place a corn sweetener in the consumer's sugar bowl for the first time. The capability to produce such a product exists now at the laboratory level, and it is conceivable that granular fructose will become commercially available in the early 1980's.

In the coming decade, we also will see more corn sweetener producers and sugar refiners redefining their positions. The present trend toward becoming "full line" sweetener suppliers—both corn syrups and sugar—will continue.

Advancing technology also may lead the sugar industry and corn processors into entirely new and promising areas. There is evidence of this in the growing science of sucrochemicals and in continued modified corn starch developments. Because of these new potentials—corn, beets, and cane can be-

come increasingly valuable to this nation as renewable natural resources. In a nation looking down the road to the depletion of its petroleum reserves and other such resources, the implications could be beyond our present understanding.

In summary, the sweetener world has undergone dramatic change and it can expect to undergo more of the same. High fructose corn syrups will continue to serve as the catalyst. Every segment of the sweetener business must face the reality of change, view it as an opportunity, and prepare to participate fully in it.

RESEARCH PROGRAMS TO AID THE HANDICAPPED

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. TEAGUE. Mr. Speaker, your Committee on Science and Technology recently conducted a study, via a panel of expert consultants, on research programs to aid the handicapped. This study pointed out a number of significant findings, too many to enumerate and elaborate on here.

One of the findings, however, was the need to inform the public, particularly the professional communities serving the disabled and the disabled individuals themselves, about the results of our national research and development efforts. Many great innovations have never reached the marketplace and the intended handicapped users, because of the lack of communication regarding these developments.

Fortunately, the intended user population of handicapped individuals is small compared to the general consumer population; however, this creates a problem in that the usual marketing techniques become cost prohibitive when added to the often high costs of production for a rather limited number of sophisticated, high-technology devices.

For this reason, I am happy to bring to the attention of my colleagues an article which appeared April 17, 1977, in the Washington Post, Parade magazine, entitled "New Devices to Help the Blind and Near-Blind." I congratulate the Washington Post for publishing this article, thereby bringing these advancements of benefit to the visually impaired to public attention; and I commend this article to my colleagues:

NEW DEVICES TO HELP THE BLIND AND NEAR-BLIND

(By Lawrence Galton)

In a Philadelphia suburb, a blind man today gets around as he never could before—with the aid of a laser cane that probes the environment for him. Resembling an ordinary cane, the device, with its three built-in lasers, sends out thin beams of light that not only tell him when there's an obstacle directly ahead—they warn him with auditory and tacile signals when he's approaching a drop-off such as a curb or down stairway and also when he is nearing a low-hanging tree branch, awning or sign. When the cane is silent, he knows there is an open path he can safely travel.

Daily now in Chicago, a blind World War II veteran uses his laser cane—it weighs only one pound—to go from the end of the city where he lives to the end where he works as an X-ray darkroom technician. He has to take the elevated train and two buses. "For the first time," says his wife, "I feel at peace when he leaves home."

NOW MASS-PRODUCED

The result of 25 years of Veterans Administration-sponsored development by Bionic Instruments, a Bala Cynwyd, Pa., bioengineering firm, the laser cane now is being produced in quantity. Its cost is $1950. Thirty to 40 hours of training in its use over a period of two weeks are needed. The Mobility Foundation of North Wales, Pa., has been formed with the primary objective of providing laser canes for those who need, want and are not financially able to purchase them.

The cane is one of a series of developments that promise to improve the lives and opportunities of many of the blind and the near-blind.

READING MACHINES

It's called the Optacon—for optical-to-tactile conversion. In one hand, a user holds a miniature camera about the size of a small pocketknife to read printed material and convert it into impulses. And with the index finger of his other hand, the user can feel the letters and numbers via a 1" x ½" tactile array of 144 miniature vibrating rods contained in a portable, battery-operated electronics section about the size and weight of a portable cassette tape recorder. For example, as the camera moves across an "E," the user feels a vertical line and three horizontal lines moving beneath the finger.

Selling for $2895, the Optacon was developed with federal aid by a team headed by Dr. James D. Bliss of Telesensory Systems, Inc., Palo Alto, Cal., which now produces it, and Dr. John G. Linvill of Stanford University, whose own blind daughter has also been involved in the project since 1964.

As of now, more than 3200 of the machines have been produced. With the ability to read print directly, their users can independently carry out many everyday tasks—reading their letters, bank statements and bills, following cookbook recipes, and enjoying books and magazines.

And many users have been helped to advance in jobs and enter vocations previously closed to them. Various accessories increase the Optacon's occupational usefulness. For example, accessory lenses allow a blind computer programmer to read displays on a computer video terminal and a blind secretary to read what she is typing, make corrections, and fill out preprinted forms.

SOON IT WILL TALK

The Optacon in its present form is hardly the last word. Its top reading speed now is 80 to 90 words a minute. But well within the next five years, it's expected, new accessory equipment will let the machine speak out in words and phrases, making reading speeds of up to 200 words a minute possible. And, in fact, the text-to-speech technology is well along in development by Dr. Jonathan Allen at the Massachusetts Institute of Technology.

Meanwhile, a machine that reads aloud to the blind has been developed by a brilliant, 28-year-old inventor, Raymond Kurzweil, president of Kurzweil Computer Products in Cambridge, Mass. It consists of a reading unit that resembles a tabletop copying device and a small keyboard.

When a user places a printed page face down on the unit's glass top, a camera scans it line by line, converting light into electronic signals much like a photocopier. A miniature computer groups letters into words, determines how they should be pronounced according to a preset program, then produces speech sounds, enunciating words into sentences with stresses and pauses in a metallic but understandable voice at a rate of about 150 words a minute. At the push of a button, the user can repeat or skip passages, or mark a point on the page he wants to come back to later.

Half a dozen of the machines have been built for practical testing—with promising results—in the Perkins School for the Blind, West Virginia Rehabilitation Center, Boston school system and elsewhere. At this stage, the cost of a machine is $50,000. But, with further development and volume production, it's expected to sell for about $5000 within a few years and eventually to be as portable as a briefcase.

TALKING CALCULATOR

In 1976, a hand-held, battery-powered calculator that talks was chosen as one of the most significant new products of the year by Industrial Research magazine.

Called Speech Plus and developed by Telesensory Systems, makers of the Optacon, the $395 machine, weighing 17 ounces and measuring 1½" x 4½" x 7", can add, subtract, multiply, divide, subtotal, do square root and percentage calculations. Its numeric keys are arranged like a push-button phone because the blind are more familiar with this configuration. And the device lets the operator hear every key he presses in a clear machine voice so he knows he is making no mistakes as he goes along.

ELECTRONIC EYES

Two systems now under development could hold even greater promise for the sightless.

At the Smith-Kettlewell Institute of Visual Sciences, Pacific Medical Center, San Francisco, Dr. Paul Bach-y-Rita and a research team are working with a Tactile Vision Substitution System (TVSS).

TVSS uses a tiny, battery-powered TV camera worn in the frame of a pair of glasses which picks up images, serving much like the normal lens of the eye. The camera transmits visual images to an elastic garment that fits over the abdomen and has sewn into it more than 1000 tiny electrodes. As images from the camera, translated into electrical impulses, activate the electrodes, the wearer feels vibrations on his skin in the pattern of the original images; so the skin, in effect, serves somewhat in the same way as the retina of the eye.

OBJECTS RECOGNIZED

Wearers of the experimental system have quickly learned to recognize drinking glasses, telephones and other common objects and to wend their way through tables, chairs and other obstructions in a room. A blind psychologist at the institute can move around obstacles at the rate of two feet a second, far faster than with a cane.

The institute team also developed a similar stationary system in which the camera is attached to a microscope and, instead of wearing an electrode pack, the user presses his abdomen against a bench-mounted electrode array. Using the system, one man is able to assemble small components at an electronics plant as quickly and accurately as sighted workers.

The stationary system may become available for wide use within a year or two; the portable system, still being refined, may become available a few years after that.

In an entirely different approach, Dr. William Dobelle and a research team at the University of Utah's Institute for Biomedical Engineering are working toward a system which only a few years ago would have seemed inconceivable: one that would stimulate visual centers in the brain to let the blind see.

In experiments with a 33-year-old volun-

teer, blind from a gunshot accident, they have implanted a plastic strip with an array of electrodes against the visual cortex at the rear of the brain, with wires emerging through the skin above and behind an ear.

As electrical signals reach the electrodes, they're seen as spots of light, or phosphenes. In one experiment—with electrodes connected to a TV camera which sent images to a computer to be simplified and then transmitted as electrical impulses—the volunteer could see horizontal and vertical lines in the pattern of phosphenes. In another experiment, with the system hooked up to transmit Braille images, he could read words in phosphene form five times faster than with his fingertips.

Dobelle and his colleagues foresee a miniature system that the blind could wear and use constantly. It would consist of a small camera implanted in an eye socket. The camera would transmit light electronically to a tiny computer built into an eyeglass frame which would, in turn, translate the light into electrical impulses to be sent to the implanted electrodes in the visual cortex. With such a system, a wearer could perceive people and objects as well as read.

HELP FOR THE NEARLY BLIND

In addition to the totally blind, half a million Americans are legally blind, with 20/200 visual acuity or with normal acuity but field of vision sharply restricted to 20 degrees or less.

Effective new devices to help them are coming out of laboratories—in particular, from the nonprofit National Institute for Rehabilitation Engineering (NIRE) in Pompton Lakes, N.J. There, a team of ophthalmologists, optometrists and engineers develops means for individual patients to make best use of their remaining sight.

CORRECTS TUNNEL VISION

Not long ago, a 42-year-old man was referred to NIRE because an eye disease, retinitis pigmentosa, had left him with tunnel vision so severe that he retained only two degrees of the normal visual field, causing him to bump into objects and restricting his activities. The institute's staff designed and built for him "field expander glasses" mounted on a conventional eyeglass frame. By looking alternately through the regular lens and the field expander, he can now see a full 180 degrees. The field expander glasses now offer full-field vision, too, for people blind in one eye or with half-vision in each eye as the result of brain injury or stroke.

At NIRE, special wide-angle magnifying telescopic spectacles in bifocal form are made for people with impaired central vision or poor visual sharpness, enabling them to see clearly at a distance and drive a car again.

Strong reading spectacles with long working distances are made to help people who have been able to read only by holding print to the face. With the spectacles, they can read at a comfortable distance of 10 to 14 inches.

Miniaturized electronic devices that can be held in the hand or worn on the head are helping people unable to see adequately in dim light.

Among the remarkable achievements of NIRE are cross-vision glasses for people blind in one eye. Through technical legerdemain, the glasses provide full-field, high-acuity vision by detecting images on the blind side and conveying them to the brain through the normal optic pathways on the sighted side without causing double vision or confusion. One of those wearing the glasses is Israel's Gen. Moshe Dayan, who never expected to regain the ability to see on his left side.

Nothing can ever take the place of the priceless gift of normal sight. But increasingly now technological developments promise to help many of the partly sighted and the totally blind to gain, literally, a new outlook on the world.

SENSELESS SLAP

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. FINDLEY. Mr. Speaker, I would like to call to the attention of my colleagues the excellent Washington Post editorial of April 22, "A Senseless Slap at Pakistan."

This editorial questions the recent State Department decision to rescind an earlier decision in favor of a tear gas shipment to Pakistan. This decision, whatever its motives, is an affront to a nation that has been a longtime friend and ally of the United States. It also represents an unfortunate prejudgment of the involvement of Prime Minister Bhutto in election fraud when evidence of wrongdoing is not available. Prime Minister Bhutto's many previous achievements in the interests of his nation should not be so easily discounted:

A SENSELESS SLAP AT PAKISTAN

By what sort of self-indulgent pseudo-idealism did the State Department decide to rescind its own decision of March 15 to let tear gas be sold to Pakistan? "Conditions have changed substantially in the four weeks since the license was issued," the department says, by which it means that protests against Prime Minister Bhutto, whom the opposition accuses of having rigged the elections of March 7, roll on. It is apparently the department's view that further deliveries of tear gas could be interpreted as endorsement of the Bhutto government at a moment when its end may be near.

This is absurd. Pakistan has been a good friend and longtime treaty ally of the United States for decades. Mr. Bhutto, who took over after East Pakistan was torn away in 1970, has since been credited with genuine achievements in settling his country down, pushing development forward and, yes, enhancing human rights. He does not take orders from Washington, and he has made his mistakes at home, but he is unquestionably one of the best Third World leaders currently going. It is his government that Washington has stopped providing with a normal and, under the circumstances, humane means of coping with street disorders; one alternative, of course, is bullets. The political insult is plain.

Aha, say the pure of heart, he rigged the elections. Did he? Has the State Department so established? On March 15, after all, one week *after* the elections, the department was prepared to ship the tear gas. Whatever Mr. Bhutto did, was it more heinous than what went on in, say, Cook County in 1960? It strikes us as both arrogant and pusillanimous of the department to have decided that Mr. Bhutto's electoral performance, whatever it was, negated the many other ties between the United States and Pakistan and required the Carter administration to deal him, at a moment of his extreme duress, a small but savage vote of no-confidence.

We are not unmindful of the new administration's effort to take a fresh look at arms transfers. Some foreign governments are bound to get caught in the gears of American policy change. We offer no endorsement of blind acceptance of past arms-transfer patterns. But in this case a major error has been made. Apparently intent on not appearing to be interfering by sending a pro-Bhutto signal to Pakistan, the State Department seems not to see that it is interfering much more blatantly by sending an anti-Bhutto signal. That is the way Pakistanis will surely read the department's conspicuous departure from the normal course: a routine approval of the tear gas shipments. And the department seems equally blind to the fact that it is also sending a lot of other countries the wrong message—one that says that when otherwise unoffending friends get in trouble, the Carter administration quickly gives them the back of its hand. The tear gas shipments should be promptly resumed.

ORGANIZED LABOR AND CAMPAIGN FINANCING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. CRANE. Mr. Speaker, in the wake of the 1976 Presidential election, the first in which candidates campaign expenses were paid by the taxpayers, increasing attention is being given to the possibility of providing public financing for congressonal races. The major argument being raised by proponents in favor of such a step is that expanding the scope of the public financing law would further reduce the influence of the special interest groups.

Even if this assumption were accurate, its importance would have to be weighed alongside the fact that public financing not only gives incumbents an unfair advantage while restricting individual freedom of expression but it requires people to financally support candidates with whom they are in disagreement. However, the plain fact of the matter is that such an assumption is blatantly incorrect as the events of 1976 and 1977 clearly show.

Most political experts agree that President Carter would have fallen short in his effort to become President had it not been for the tremendous effort of organized labor. Unquestionably, that effort was the key in States like Ohio and Wisconsin which gave President Carter his narrow victory. What's more, it is quite clear from subsequent events that AFL–CIO boss George Meany thinks organized labor was responsible for the Carter victory and expects to be rewarded. Not only have the labor bosses presented the biggest package of labor legislation in recent memory, but even the slightest rebuff brings howls of protest indicating just how deeply they feel the President is indebted to them. The only question seems to be, how long can he withstand the pressure, if indeed he is withstanding it now.

If one has any doubt about the extent of President Carter's indebtedness, one would do well to read an excellent column, written by John Lofton, which appeared in the April 3 issue of the Arkansas Democrat. In it, Mr. Lofton passes along some highly relevant information about the extent of labor's financial commitment to the Carter campaign and the ways in which labor can contribute but others cannot. From all this, Mr. Lofton concludes that it is little wonder the labor bosses like public financing of campaigns and hope to see it extended to the congressional level.

To one who has long been concerned about the relationship between compulsory union dues and political contributions by organized labor, Mr. Lofton's column takes an added significance. Prior to passage of public financing at the Presidential level, it was bad enough that some folks saw their hard-earned money being used—by virtue of union activities financed out of union dues—for candidates not of their choosing; with passage of public financing that concept was not only extended to everybody, but extended twice to the union member. First, he sees the union spend his dues for a candidate he does not favor, then he sees the Government spend his tax dollars in the same fashion. The very least we can do, instead of providing public financing of congressional campaigns, is to do away with the most discriminatory of these two evils—the use of compulsory union dues for political purposes.

To that end, I have decided to reintroduce a bill I first introduced back in 1971 before public financing was even likely. My bill would make it a crime, punishable by a $5,000 fine or 1 year in prison, or both, for any labor leader to spend "* * * dues, assessments, or other moneys collected by any person covered by an agreement requiring membership in such labor organization as a condition of employment for any political purpose whatsoever * * *." Left unaffected would be political or lobbying activities financed by voluntary contributions and lobbying activities directly related to legislation affecting wages, hours, and working conditions.

Under the circumstances, I think enactment of this legislation would be both timely and appropriate. Aside from the moral issues involved, amending current law to reduce the advantage public financing of campaigns gives the special interest, can only benefit the national interest. And there is no doubt that organized labor is a special interest group; not only does it represent less than one-quarter of all American workers, but it is recognized as a special interest group under both labor and antitrust law. Were it not for that fact, compulsory membership in labor unions would not be a fact of life and the bill I am proposing would not be necessary.

But compulsory membership, despite the existence of first amendment guarantees of freedom of association, is a fact of life; and given the advantages—to the unions—of combining its financial features with the existing campaign financing law, my bill is necessary. If there was any doubt about that my colleagues might take a look at Mr. Lofton's column and, to that end, I insert it in the RECORD at this time:

LABOR AND PUBLIC FINANCING

WASHINGTON.—How many times have you heard it said, by those who favored it, that financing last year's presidential elections with our federal tax monies was a great idea because now, at long last—praise the Lord and Hallelujah!—finally, after all these years, we have a man in the White House who is "free" and in no way indebted to any "special interest" groups?

Well, if your experience has been the same as mine, you've heard this repeatedly. Some would say, like me, that we've heard this asserted ad nauseam. But what you've not heard said over and over again, if at all, is that this is simply not true. What is true is that despite the 1974 and 1976 amendments to the campaign finance law, Jimmy Carter has assumed the presidency in hock up to his eyeballs to Big Labor.

(Organized labor must, by definition, be considered a "special interest" since George Meany and Company represent only about one in four members of the American work force. Even then, the word "represent" is used here loosely because the union leadership doesn't necessarily speak for the rank-and-file on all issues.)

Writing in this month's "National Journal," a Washington-based weekly that covers politics and government, reporter Michael Malbin observes:

"Public financing for the general election campaign shut off private contributions to the two major presidential candidates. Contributions to the national party committees were permitted, but even this was limited. In contrast, labor was able to spend as much as it wanted to in communicating with union members and their families, registering them to vote and getting them to the polls."

The "net result" of the new campaign finance law, Malbin writes, is "that a law that appeared to be even-handed in theory has proven to be uneven in practice. With the virtual extinction of the individual big giver, a number of different groups appear to be the gainers in terms of political influence. But when the relative positions of these groups are assessed, labor comes out well ahead of the rest."

Although it is impossible to determine with any precision just exactly how much money Big Labor spent in behalf of the Carter-Mondale ticket, says Malbin, a "conservative estimate" puts this amount at $8.5 million. Uncounted and additional unreported spending "almost certainly" pushes this total up to or over the $11 million mark, which is over half the $21.8 million the ticket was legally allowed to spend under the new federal campaign finance law.

On so-called "internal communications" with its members, which are not limited by law, the AFL–CIO reported spending $400,558, of which $315,982 was spent to help Carter. Most of the $289,139 spent by the United Auto Workers (UAW), and most of the $120,424 spent by the Communications Workers of America for this same purpose, was also spent on the Carter campaign.

According to "National Journal" estimates, Big Labor reported spending $26 on behalf of Carter for every dollar anybody spent on behalf of President Ford for "internal communications," and this figure counts only those "communications" required to be reported by law.

Malbin notes that the help Carter received from Big Labor in just this form alone exceeded the sum that Nixon got in 1972 from any single source, with the sole exception of a $2.1 million contribution from Clement Stone, a Chicago insurance executive. But, since Nixon outspent Carter almost three-to-one, Big Labor's "internal communications" spending for Carter was more important proportionately than Stone's money was to Nixon.

Registration and get-out-the-vote drives bankrolled by Big Labor in behalf of the Carter-Mondale ticket, and also unlimited by law, were even more important financially and politically than was "internal communications" spending, says Malbin.

While no hard figures are available, AFL–CIO and UAW sources are quoted as saying that their unions spent about $3 million each on these efforts, which "probably played a decisive role in Carter's victory."

Malbin writes that because they were so intertwined:

"By the time the campaign was over, it became difficult to distinguish between labor's efforts and those of the Democratic National Committee (DNC) or Carter . . . This network enabled the DNC and organized labor to target their efforts in a manner that best fit the Carter campaign strategy.

"It meant that registration efforts could be concentrated in large states that Carter's polls showed to be up for grabs. It also meant that the DNC and labor did not duplicate their efforts. In some key states, labor's registration efforts were almost the only ones in operation."

But this is not all. Besides all this, there were a variety of other "miscellaneous activities" by Big Labor in support of the Carter-Mondale ticket. For example, Robert Hartman, associate director of the National Education Association, says his union spent more than $400,000 to help elect Carter-Mondale.

In conclusion, Malbin writes:

"The flat-grant public financing system creates a possibility that never existed before. When labor unites behind one candidate, as it did in 1976, a flat-grant system in which private contributions are prohibited leaves it in a position no other group can match. Little wonder that labor calls the campaign finance experiment a success."

And, little wonder that Big Labor is now going all-out lobbying very hard to see that in the future all congressional elections are "publicly financed." There's nothing like a monopoly to assure success.

PERSONAL EXPLANATION

HON. STANLEY LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. LUNDINE. Mr. Speaker, I regret that I was unavoidably detained in my district on business last Monday and, therefore, was not able to be here to record my vote on H.R. 3340, the business use of homes for day care services bill. I am a cosponsor of this legislation, because I believe that in tightening the deduction for use of the home for business purposes, an unintentional hardship was worked on family day care centers in my district and throughout the country. These centers attempt to provide a warm home environment for child care and receive no other Federal assistance. Family day care providers, however, would be thwarted in this goal without H.R. 3340. Otherwise, to preserve their deductions, providers would be required to isolate that portion of the home used for day care and keep their own family out of that portion of home during nonbusiness hours. This bill by restoring the deduction in this instance would preserve a homelike atmosphere in the day care center while leaving intact the general intent of the business deduction reforms of the 1976 Tax Reform Act.

THE LIBRARY BUILT BY SHARING

HON. GENE TAYLOR
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. TAYLOR. Mr. Speaker, while more and more of our citizens seem to be looking to the Federal Government to solve more and more of their problems, I am proud to state that we still have those rugged individuals down in the Ozark hills who firmly believe in themselves and in their ability to care for their own needs without calling on the Government for assistance.

On Sunday afternoon, April 24, it was my privilege to participate in the results of such an endeavor, the dedication of the new Taneyhills Community Library located in Branson, Mo.

The new $100,000 library building was financed by club funds, donations, and financial aid from many groups. In addition, volunteer services and materials, plus a low interest loan were added in.

Mr. Speaker, the Taneyhills Community Library was built by the same spirit that created this Nation. It is an outstanding example of what people can do for themselves and their communities when they work together to reach a common goal.

Kathleen Van Buskirk recently reviewed the history of the library in an article that was published in the Ozark Mountaineer. I would like to submit that story so that my colleagues might also share in this rewarding endeavor. The article follows:

THE LIBRARY BUILT BY SHARING

(By Kathleen Van Buskirk)

If Bill Ellen Hall and Josephine Madry are wearing triumphant smiles during Library Week this spring their friends will understand.

For the past 44 years, supporting the Taneyhills Community Library in Branson, Mo., has been part of the two women's daily lives. This year's Library Week plans include dedication of a new $100,000 library building which they, as hard-working members of the Taneyhills Library Club, helped to build.

Josephine and her late husband, James Madry, moved to Branson from Aurora in 1925. While he operated the Madry Lumber Company and later became president of the Security Bank, she helped develop and operate the Anchor Village Resort.

Bill Ellen left her home near Green Forest, Ark., when she was 12 years old to attend high school at the School of the Ozarks, and on completion of normal school at Warrensburg, she returned to Taney County. Three years ago she retired after 40 years of teaching grade school. Her busy life also included helping her late husband, Ted Hall, run a store in Branson and raising their son, Jerry.

Mrs. Hall was a new bride in 1931 when she and Mrs. Madry signed the membership list at the first meeting of the Taneyhills Study Group. Members of the "Maids and Matrons" class at the Branson Presbyterian Church formed the club in an effort to break the cultural isolation of the area. The two young women had no way of knowing they were making a lifelong commitment.

Mrs. Madry credits the library's beginnings to her friend, Fannie Dawes. "I had taken over the Sunday School class, but I didn't enjoy teaching."

"Mrs. Dawes and her husband, Frank, had moved from Chicago for the sake of their chronically ill small son. Frank Dawes' uncle was Charles G. Dawes, who became Vice President of the United States in 1925. There was tremendous activity surrounding the family in Chicago in the mid-20's and Fannie and Frank just had to leave. They moved south of Hollister and raised chickens until Frank went to work for the REA in 1940.

"When tutors started the boy's schooling, Fannie had time to spare, and I was happy to turn the class over to her. Right away she saw that we needed a study group."

Though the club name didn't reflect its responsibilities until 1945, members started the library in 1933. Artists, lawyers and visitors of note were introducing the young women to a new world, but few books were available to foster their knowledge.

"The plan to pool our books in a library generated much enthusiasm," Mrs. Hall recalls. "The J. J. Pattons offered us a hall in the Branson Hotel, and someone donated shelves."

"We were so excited about it. Members mentioned our efforts in letters to friends, and books came by mail from all over. Some arrived with postage due, so we started raising money for expenses. We couldn't buy new books for several years. Later we bought best sellers and rented them to defray the cost."

"Dorothy Jaenicke was our first librarian," Mrs. Hall remembers. "She served without pay for several years, but we still had an annual budget of $105, one hundred for the library and $5 for the club. We served our own monthly luncheons so the 25c dues could help pay library bills, and we provided meals for other groups, bringing the food from our own larders until that got too costly."

The first annual report showed 500 volumes crowding the hotel hall. Branson businessmen offered to pay three months' rent on larger quarters, and January, 1935, found the library moving to what is now Aehle's Jewelry Store.

Both Mrs. Hall and Mrs. Madry remember well the moving process, which was repeated several times as the book collection increased. The store front building, shared with a real estate office, quickly became overcrowded, and the $15 monthly rent was hard to support once the subsidy ended.

Friends at the Civil League cleared two small rooms in their building, and book borrowers found their community library in offices that now house the automobile licensing bureau.

The librarian's job grew increasingly demanding. When 1,514 books were moved next door to the ground floor of the new Community Building in January, 1937, reports showed 4,261 books loaded during the previous 12 months! The club faced more fundraising, for surely the librarian deserved a small salary.

An ardent library supporter introduced a new, continuing source of income. Mary Elizabeth Mahnkey had not transportation from her Oasis home, south of Long Creek, so she couldn't attend monthly lectures, but she loved books and borrowed many from the library.

For 53 of her 65 years Mrs. Mahnkey had written a newspaper column about community events. In July, 1935, her warm-hearted news notes and story-filled poems brought her national acclaim as Crowell Publishing Company's "best country journalist of the year." Friends suggested a book of her poems be published, and the writer decided to help the library by letting the Taneyhills Study Group handle the sales and reap any profits.

Club records show that three printings of her *Ozark Lyrics* were ordered and sold out before the books arrived. By today's economics the resulting funds were small, but club members were delighted. In September, 1935, Mrs. Mahnkey became the group's first honorary member.

Elated members then investigated further book sales. "The Shepherd of the Hills", Harold Bell Wright's 1907 novel about White River hill folk, was long out of print, but visitors frequently looked for copies.

"When we decided to get Wright's book back in print," Mrs. Hall recalls, "we had to get reprint rights and arrange production on a continuing basis.

"The first books arrived in the late 1930's and Mrs. Jaenicke and I went all over the area, talking stores and tourist places into taking them for resale. During my first term as president in 1940 we sold 1,100 copies."

The project was so successful that Wright's book now stands among the country's all-time bestsellers. In 1976 some 6,000 copies were distributed through tourist centers, stores and restaurants.

With only one part-time librarian, club members have been called on to assist the library's operation in many ways.

"In the mid-forties," Mrs. Madry smiles wryly, "after several very wet years, books began moulding on the shelves. The club board arranged to move the 5,000 volumes upstairs. All our 70 members worked to clean and catalogue the books, and businessmen and civic clubs helped refinish the new rooms."

Over the years 32 women have guided the club as president, coordinating the many money-raising efforts. New members who joined for the cultural and social contacts found, as did the original members, that the library was a big responsibility.

Today, the club has 200 members. Those who have worked for so many years to keep the library operating share the load with daughters and with new residents.

Nonetheless, Mrs. Hall served again as president in 1964 and was finance chairman in 1975 when the campaign to build the new library began. And Mrs. Madry, in addition to serving on the library board, has spent considerable time in the 1970's compiling historical records and helping re-catalogue the books.

From the early 1940's both women recall repeated discussions of the need for a permanent building, but funds were never available.

In 1975 many problems faced the library. Shelves were crammed with 18,000 books. Boxes of still usable volumes, displaced by new acquisitions, cluttered the aisles. Cartons of "Shepherd of the Hills" books awaiting distribution filled one wall. Elderly patrons complained of the stairs, and there were indications the library might soon be displaced by city offices that already occupied the ground floor below.

The possibility of tax support was studied, but Taney County has no towns large enough to vote a library tax, and even if voters approved a county levy, it would be many years before a building project would be possible.

So, a little less than two years ago, encouraged by sufficient donations to buy a desirable lot, and sparked by Jane Arend, Mrs. Madry's energetic niece who was club president in 1973 and 1974, the club embarked on a building campaign.

Such is the loyalty that the volunteer library has generated over the years, that enough funds were collected within a year to erect the building shell. Volunteer services and material, plus a low interest loan, made possible the completion of the project in time for a December, 1976, opening. Dedication ceremonies do not, of course, mark the end of the fund-raising, for the loan must be paid and the operating budget is increased by several thousand dollars.

Mrs. Mahnkey reported years ago that she had walked many a mile to borrow a book.

Josephine Madry and Bill Ellen Hall don't count the effort in miles but their commitment of almost half a century continues, so that books will be available for those who love to read.

ALLAN BROWNFELD COMMENTS ON AID TO HANOI AS IMMORAL

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. KEMP. Mr. Speaker, the recent visit of the U.S. mission to the Communist regime was warmly received as one might expect from a government soliciting a handout from the American taxpayers. Aid to the Hanoi regime assumes a far more important dimension than merely another foreign aid boondoggle. Not only does the Hanoi regime occupy South Vietnam as a consequence of a broken international agreement, but it is also one of the worst regimes of an era characterized by odious totalitarian regimes. In assimilating power in 1956, it routinely executed 50,000 of its own citizens simply to facilitate the collectivization of its agricultural system. Upon taking power in South Vietnam, they have placed more than 300,000 South Vietnamese priests, civil servants, teachers, and former officials of the regime in concentration camps which rival the Gulag Archipelago in raw brutality.

A new organization led by the widow of an American military officer killed by the North Vietnamese, Mrs. Barbara Keating, known as the National Committee Against the Recognition of Communist Vietnam has recently been formed to remind us that a concern for human rights should not exclude Vietnam. Nor should we forget the sacrifice made by the thousands of Americans killed or wounded to help preserve human rights in Southeast Asia.

In a recent article published in Human Events, Allan C. Brownfeld, the very able journalist, has called attention to the situation now apparent—even to former devotees of the Communist order in North Vietnam. I ask unanimous consent that Mr. Brownfeld's important essay be published in the RECORD at the conclusion of my remarks:

AID TO HANOI WOULD BE IMMORAL

(By Allen C. Brownfeld)

The government of Communist Vietnam gave the recent U.S. mission to Hanoi what has widely been called a "friendly reception." These words were, in fact, used in a New York Times headline in its issue of March 24 to describe the Hanoi meeting.

The fact is, however, that the mission led by UAW President Leonard Woodcock came back to the U.S. with little information about the several thousand Americans who are still listed as Missing in Action. They were provided with 12 bodies, two of which turned out not to be Americans at all.

What was certain at the Hanoi meeting was that the Communist regime wants U.S. aid, and it states clearly that it wants it in return for any further information about missing American servicemen. By any estimate, this is what we have traditionally called "blood money."

The Hanoi regime states that the U.S. "owes" it this money as "reparations" for the war. While President Carter rejects the notion that the U.S. owes a "debt" to Hanoi, he seems much too willing to entertain the idea of providing this brutal regime with financial assistance. He declared that the U.S. would "respond well" on the question of economic aid if the assistance was arranged as part of successful negotiations to open normal diplomatic relations.

President Carter's willingness to adopt such a conciliatory posture toward the totalitarian government in Hanoi flies in the face of his own rhetoric concerning human rights. He has applied stringent standards to Brazil, Uruguay, Argentina, Rhodesia and South Africa. Why not apply the same standards to an autocratic government which is responsible for the death of more than 50,000 Americans and the torture of thousands of prisoners of war?

It is a fact of life which many Americans prefer not to recognize that those who opposed the war in Vietnam, arguing that we were supporting "the wrong side," and that the Vietcong and National Liberation Front were virtuous, not really Communists at all, have now been proven wrong. Why have so many Americans who originally supported the war effort—Hubert Humphrey, Harold Brown, Cyrus Vance, Robert McNamara, etc.—seen fit to "admit" their error? Wasn't this simply pandering to the changing winds of public opinion which have now proven to be mistaken?

The fact is that the people we were fighting in Vietnam were exactly what we said they were. We said that the National Liberation Front was simply a tool of the North Vietnamese government, not an independent, nationalist body.

Recently the NLF was laid to rest in a quiet ceremony in Ho Chi Minh City (formerly Saigon). Also no longer in existence are the Vietcong, which have been melded into the regular army, the Provisional Revolutionary Government, which has been subsumed into the Hanoi government, the Lao Dong (Workers party), which has been coopted by the Communist party of Vietnam.

Martin Woollacott, writing in the distinguished English journal, the Manchester *Guardian*, declares that "It is clear that the NLF was never a true coalition of Communist and non-Communist forces, nor was it ever an independent Southern entity. The NFL has gone the way (i.e., into oblivion) of all the other organizations that once loomed large on the Vietnamese and the world horizon."

Even the "doves" of the war years now admit that the side they supported was not as virtuous as they naively believed. In December, a petition declaring that the Communist regime in Vietnam is a "gross abuser" of civil liberties—suppressing free speech and filling prisons with civilians accused of nothing more than possession of their religious and ideological beliefs—was presented to the permanent Vietnamese observer at the United Nations.

"The Communists were accused of grievous and systematic violations of human rights," including the detention of an estimated 300,000 Vietnamese in so-called "re-education" camps, the suppression of cultural and political expression and the stifling of dissent.

Who were the signers of this petition? Not conservatives. Not hawish military figures. Not spokesmen for the "Establishment." Instead, the signers included Hanoi's former friends on the American left: folksinger Joan Baez; Roger Baldwin, founder of the American Civil Liberties Union; Paul O'Dwyer, president of the New York City Council; the Rev. John Neuhaus, a founder of Clergy and Laymen Concerned about Vietnam; poet Allen Ginsberg. The list is a long one.

Vietnam is a slaughterhouse of the naive worldview of the American left. Even the *New York Review of Books*, a leader of the pro-Hanoi movement, recognizes its error. It recently reprinted an article from the French journal *L'Express*, by Andre Gelinas, a French-Canadian Catholic priest and Chinese scholar who settled in Vietnam in 1948, and was expelled in July 1976, 15 months after the North Vietnamese troops arrived in Saigon.

He observes that "the methods, the doctrine, and the very weight of the police bureaucratic apparatus" in the South "are entirely Russian." He reports that "In our Catholic education center we had some 80,000 volumes, a large number of which we had to burn. Lists were compiled of all . . . intellectuals. . . . An epidemic of suicides followed. Entire families killed themselves. . . . The regime evidently felt it had to take the population in hand and instill fear. One day I saw a little vendor who did not get out of the way quickly enough. A soldier took out his pistol and fired a bullet right next to his head."

This is the status of human rights in Vietnam. This is the regime which brutally tortured American prisoners of war and now refuses to account for those who are missing. To even consider financial aid to such a regime is immoral, and flies in the face of any real concern for human rights.

REPRESENTATIVE BONKER PROPOSES MILITARY AID CUTOFF TO ZAIRE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Mr. BONKER. Mr. Speaker, I will be offering an amendment to strike the administration's fiscal year 1978 FMS request for Zaire of $30 million. My amendment to omit any fiscal year 1978 FMS funding for Zaire is based on the cold hard facts of the security situation in Zaire and the advisability of our involvement in it. The facts are these;

In 1974, DOD sent a military technical assistance team under General Rockwell to Zaire at the request of General Mobutu to survey the security needs of that country. Congress appropriated $19 million in FMS credits for Zaire for fiscal year 1976 to fund six C–130 aircraft, plus support, and some communication and transportation equipment. The last of this money is now being spent, with the departure of the last C–130 to Zaire.

With the end of the Angola war, in 1976, the Rockwell team returned to Zaire, again at Mobutu's request, to resurvey a decidedly shakier security situation. After its second visit, the Rockwell team issued a "consultant's" report, advising Mobutu how he might upgrade his armed forces to meet his perceived threat. A 15-year upgrading program was outlined which would result in the

equivalent of one modern army division, fully trained and supported.

The first tranche of the suggested upgrade program was a $38 million "impact package" to create one highly mobile armored cavalry squadron for use in Shaba. This package was to be funded by FMS appropriations of $10 million in fiscal year 1976T and $28 million in fiscal year 1977. The armored cavalry squadron, ACS, would be carefully created over 3 to 4 years, starting with armored cars and preliminary training and ending with the supply of one company of M–60 tanks and sophisticated training. The "impact package" was designed in phases, in consideration of Zaire's absorptive capacity. Initial contracts for the package were to be signed in April 1977 with the actual implementation to begin in the fall of 1977. Although the $38 million impact package funded in fiscal year 1976T and fiscal year 1977 represents the only outstanding USG FMS commitment to Zaire, the administration expects future requests from Zaire over the next decade or so to implement the rest of the original 15-year Rockwell program.

RECENT CRISIS

The 1977 timetable for contracting and implementing the impact package was scrapped because of the Shaba crisis; $17 million of the $38 million which was to have been spent on the package was used instead to pay for emergency nonlethal supplies shipped to Zaire since March 8 of this year. The sum of $21 million remains for implementation of the impact package—$17 million short of the necessary total.

FISCAL YEAR 1978 FMS REQUEST

The administration has requested $30 million for fiscal year 1978 FMS credits for Zaire. Since the impact package had already been funded by earlier appropriations, this $30 million was purely a contingency figure when it was proposed to OMB last fall, before the current crisis. At that time, with the exception of funding any cost over-runs in the impact package, there were no definite projects on which the $30 million was to be spent. Now, however, because of the diversion of $17 million of FMS credits originally destined for the impact package, part of the fiscal year 1978 $30 million authorization could conceivably be used to replenish the impact package funding.

I would argue against such replenishment at this time. The impact package was designed as a 3 to 4 year program and the start of its implementation seems certain to be delayed until 1978 at the earliest. The $21 million remaining in the pipeline from the fiscal year 1976T and fiscal year 1977 appropriations is enough to start the program off. There will be plenty of time to complete the necessary funding for the impact package with authorizations in fiscal year 1979. I believe that such a funding delay, which need not in fact delay the actual implementation of the package at all, is prudent for the following reasons:

The Rockwell estimates may need to be changed after the experience of the Shaba crisis. Zaire may need more, or less, or something different than that envisaged before Zairean troops had actually been tested in battle;

An effective fighting force needs more than just modern equipment and training. It needs morale, esprit, commitment—all of which are said to be in short supply in Zaire because of widespread corruption and maldistribution of income. It may be that no amount of equipment can create an effective fighting force in Zaire without a basic restructuring of the social and economic structure of the country, giving the soldiers something to fight for. If Mobutu is in fact another Ngo Diem Dinh, then our money is wasted. In short, I believe we should keep our fingers on the tap. Let the impact package start off with the funding already there and let us, over the next few years, monitor closely Mobutu's efforts to effect morale improvements, as well as military ones in the army. If he makes progress, then perhaps we go ahead to complete the impact package. If he does not, then it makes no sense to throw good money after bad.

Beyond the $17 million replenishment I have just argued against, there is even less justification for the remaining $13 million. With the 3 to 4 year impact package delayed, it makes no sense to consider funding for projects to follow that package in the 1980's—which in any case have yet to be designed. At this time, that $13 million constitutes a blank check which I strongly urge this body not to sign. If and when the impact package is successfully implemented, and Mobutu is able to genuinely improve morale in the Zaire Army, there will be plenty of time to fund further FMS credits for future fiscal years.

NEED FOR ACTION TO HALT TEXTILE INDUSTRY JOB LOSS DUE TO IMPORTS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 26, 1977

Ms. OAKAR. Mr. Speaker, I am deeply concerned about the loss of jobs in this country due to imports, and of particular concern to me is the threat posed by the rising level of textile imports. Workers in the textile industry in Cleveland, Ohio, have been hit very hard by these imports. One union official reported to me that the clothing division of his union has lost 20 percent of its members because of imports.

Thus I am very interested in the negotiations that will be taking place to extend the multifiber arrangement under the General Agreement on Tariffs and Trade. Last week, the Informal House Textile Committee, of which I am a member, adopted a set of recommendations regarding the arrangement. For the information of my colleagues, I would like to insert its statement into the RECORD, along with a newspaper article which describes the concern that workers in Cleveland have over imports:

TEXTILE TRADE POLICY, A RESOLUTION OF THE INFORMAL HOUSE TEXTILE COMMITTEE, APRIL 20, 1977

The GATT Multifiber Arrangement (MFA) is presently scheduled to expire December 31, 1977. The President has endorsed the principle of orderly trade in textiles embodied in the MFA.

The Informal House Textile Committee is a bipartisan organization of Members working for a sound United States textile trade policy which will preserve the viability of the fiber-textile-apparel industry and the 2.3 million jobs its provides.

To that end, we:

(1) Support the MFA and its extension for a period of at least five years beyond 1977, with the present 6% quota growth factor reduced to a level no greater than domestic market growth; and with revision of those provisions which permit carryovers of unused ceilings to the following year, "borrowing" of ceilings from the following year, and "borrowing" from other categories.

(2) Urge that new bilateral agreements allow no quota growth in those categories of products already heavily impacted by imports, defining such impact in terms of total imports of a particular product from all countries; that such bilaterals limit year-to-year import growth when substantial unused quotas would result in excessively increased shipments; and that the provisions of the bilaterals be monitored and enforced more effectively.

(3) Request expeditious conclusion of a bilateral agreement with the Peoples Republic of China, the major remaining uncontrolled low-wage supplier of textiles and apparel to the United States, and suggest a U.S. policy of prompt negotiation of such bilaterals with any nation whose imports threaten or significantly impact the U.S. market.

(4) Urge that textile and apparel tariffs be cleanly and completely exempted from the present round of multilateral trade negotiations.

[From the Cleveland (Ohio) Plain Dealer, Apr. 14, 1977]

IMPORT CLOTHES ROB JOBS, RALLY TOLD—UNION LEADER ATTACKS CHEAP OVERSEAS LABOR

(By Joseph L. Wagner)

Organized labor protested yesterday the increasing imports of foreign clothing and said the trend has cost thousands of Americans their jobs.

Labor leaders in Cleveland and other cities told rallies that public pressure must be brought on Congress to impose strict import regulations.

More than 300 unionists, carrying signs and singing patriotic songs, marched on Public Square. They received assurances from representatives of area congressmen that legislation favoring imports will be opposed.

Sam Janis, regional direcotr and an international vice president of the International Ladies' Garment Workers Union, called the increase in imports shocking.

He said the number of sweaters imported last year increased 111.5% over the previous year, sport coats, 44.9%; trousers, 36% mens' suits, 20.8%, and womens' coats, almost 35%.

Janis said the clothing industry lost 271,000 jobs between 1969 and 1975. The industry employs 2.3 million, one of the largest in the United States, he said.

"An unusually high proportion of the

workers are members of minority groups, women and others, who won't find it easy to obtain other jobs if imports keep taking jobs away," he said. "The result is more people on welfare, rising taxes—all the things our nation is trying to avoid."

Janis said much of the imported clothing is made by persons earning low wages, ranging from 38 cents an hour in Korea to 74 cents in Hong Kong.

"Consumers don't benefit from most of these imports," Janis said. "In most cases, the advantages of low wage costs are taken by the retailer who is able to improve his profit."

"We don't want to cut off trade or even reduce it," said Janis, "merely to regulate the flood."

He said Congress should act to reduce the annual growth of imports.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Wednesday, April 27, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 28

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extent through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:00 a.m.
Governmental Affairs
To hold hearings on the nominations of Gladys Kessler, Robert M. Scott, Robert A. Shuker, Annice M. Wagner, and Paul R. Webber, each to be a judge of the District of Columbia Superior Court.
457 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for ERDA.
1114 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building
Commerce, Science and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings to receive testimony in connection with delays and congestion occurring at U.S. airports-of-entry.
1202 Dirksen Building
Human Resources
Child and Human Development Subcommittee
To consider S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children, and proposed legislation to extend the Child Abuse Prevention and Treatment Act.
Until 10:30 a.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for the Federal Maritime Commission, Renegotiation Board, and SBA.
S–146, Capitol
Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 419, to test the commercial, environmental, and social viability of various oil-shale technologies.
3110 Dirksen Building
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on proposed fiscal year 1978 authorizations for the Nuclear Regulatory Commission.
4200 Dirksen Building
Finance
To mark up proposed legislation authorizing funds for fiscal year 1978 for the U.S. International Trade Commission, and to consider pending nominations.
2221 Dirksen Building
Foreign Relations
International Operations Subcommittee
To hold hearings to receive testimony from representatives of Voice of America.
4221 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To mark up S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act), and S. 904, to establish a center within OMB to provide current information on Federal domestic assistance programs.
357 Russell Building
Select Intelligence
To continue hearings with a view to determine whether disclosure of fiscal year 1978 budget figures for Government intelligence activities is in the public interest.
S–407 Capitol

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on porposed budget estimates for fiscal year 1978 for the National Highway Traffic Safety Administration.
1224 Dirksen Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

APRIL 29

8:00 a.m.
Agriculture, Nutrition, and Forestry.
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

8:30 a.m.
Commerce, Science, and Transportation.
Science, Technology, and Space Subcommittee
To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
6202 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building
Human Resources
Labor Subcommittee
To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related conditions.
Until noon 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Judiciary and FCC.
S–146, Capitol
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearings on rural housing legislation with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold hearings on S. 259, to extend certain noncompetitive oil and gas leases in Wyoming.
457 Russell Building
Energy and Natural Resources
Subcommittee on Parks and Recreation
To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.
3110 Dirksen Building
Environment and Public Works
Nuclear Regulation Subcommittee
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
6226 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To mark up S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act), and S. 904, to establish a center within OMB to provide current information on Federal domestic assistance programs.
357 Russell Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

MAY 2

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275 to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1347, to establish a National Advisory Committee on Oceans and Atmosphere.
5110 Dirksen Building

10:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building
Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building
Environment and Public Works.
Water Resources Subcommittee
To resume hearings on the proposed replacement of Lock and Dam 26, Alton, Ill.
4200 Dirksen Building
*Select Small Business
To hold hearings on proposed fiscal year 1978 authorizations for programs of the Small Business Administration.
424 Russell Building

1:00 p.m.
Commerce, Science, Transportation, and Human Resources
To hold hearings jointly on S. 1350, increasing authorizations for programs under the National Sea Grant Program Act for fiscal years 1978 and 1979.
5110 Dirksen Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue markup of legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

MAY 3

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue mark up of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building

9:00 a.m.
Energy and Natural Resources
To hold hearings to receive testimony on the President's energy proposals from Dr. Schlesinger.
1202 Dirksen Building

9:30 a.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
1224 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1288, proposed legislation amending the Federal Trade Commission Act.
5110 Dirksen Building
Environment and Public Works
Resource Protection Subcommittee
To resume hearings on proposed authorizations for fiscal years 1978 for the Energy Research and Development Administration.
4200 Dirksen Building
Governmental Affairs
To hold hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.
3302 Dirksen Building
Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:30 p.m.
Banking, Housing, and Urban Affairs
To mark up S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold hearings on the nomination of Fabian Chavez, Jr., of New Mexico, to be an Assistant Secretary of Commerce for Tourism.
6226 Dirksen Building

MAY 4

9:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To continue markup of proposed fiscal year 1978 authorizations for ERDA.
Room To Be Announced

9:30 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 1 p.m. 1202 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building
Rules and Administration
To hold hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations from the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 1288, proposed legislation to amend the Federal Trade Commission Act.
235 Russell Building
Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on H.R. 5306, Land and Water Conservation Fund Act amendments.
3110 Dirksen Building
Governmental Affairs
To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.
3302 Dirksen Building

1:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
5110 Dirksen Building

MAY 5

9:00 a.m.
Energy and Natural Resources
To consider proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building
Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved.
5110 Dirksen Building
Governmental Affairs
To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the

Federal Government, and related legislation: S. 113, 290, 383, and 673.
3302 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 6

9:30 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1978 for the Legal Services Corporation.
Until 2:00 p.m. 4232 Dirksen Building
Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344. President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Select Small Business
To hold hearings to investigate problems in development of timber set-asides.
424 Russell Building

MAY 9

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building
Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

MAY 10

9:00 a.m.
Energy and Natural Resources
To mark up proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
5110 Dirksen Building
Environment and Public Works
To mark up proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
4200 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 11

9:00 a.m.
Energy and Natural Resources
To continue markup of proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building
Environment and Public Works
To consider pending committee business.
4200 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building
Rules and Administration
To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act; S. 15, 105, 962 and 966, President's message dated March 22, and recommendations of the FEC submitted March 21.
301 Russell Building
Veterans' Affairs
To mark up S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States for construction of veterans health care facilities.
412 Russell Building

MAY 12

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
Environment and Public Works
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government are established.
6202 Dirksen Building

MAY 13

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building
Select Indian Affairs
To hold hearings on S. 470 and S. 471, pertaining to lands on the Umatilla Indian Reservation, Oregon.
Room to be announced

MAY 17

10:00 a.m.
*Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT.
1224 Dirksen Building
Banking, Housing and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building
Select Indian Affairs
To hold hearings on S. 103, 667, and 785, to convey certain Federal land to the Ely Indian Colony, Paiute, and Shoshone Tribes.
Room to be announced

MAY 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 20

9:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold oversight hearings on the implementation of the Wild Horses and Burros Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building
Select Indian Affairs
To hold hearings on S. 905, the Central Arizona Indian Tribal Water Settlement Act of 1977.
Room to be announced

MAY 24

9:30 a.m.
Select Small Business
To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 25

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building
Select Indian Affairs
To hold hearings on S. 660, seeking an agreement with the Cherokee, Choctaw, and Chickasaw Indian Tribes of Oklahoma for the purchase or lease of their rights in the riverbed of the Arkansas River.
Room to be announced
Veterans' Affairs
To hold hearings on S. 247, to provide recognition to the Women's Air Forces Service Pilots.
Until noon 318 Russell Building

1:00 p.m.
Governmental Affairs
Governmental Efficiency Subcommittee
To hold hearings to receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
1224 Dirksen Building

MAY 26

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
235 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

JUNE 6

10:00 a.m.
Select Indian Affairs
To hold oversight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 7

10:00 a.m.
Select Indian Affairs
To continue oversight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the cable TV system.
235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transpotration
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building

CANCELLATIONS

MAY 3

9:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To mark up proposed fiscal year 1978 authcrizations for ERDA.
3110 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building

SENATE—*Wednesday, April 27, 1977*

(Legislative day of Monday, February 21, 1977)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. EDMUND S. MUSKIE, a Senator from the State of Maine.

Mr. MUSKIE. We are delighted to have as our guest chaplain this morning, on the occasion of his 25th anniversary as president of the University of Notre Dame, Father Theodore M. Hesburgh.

PRAYER

The Reverend Father Theodore M. Hesburgh, C.S.C., president, University of Notre Dame, Notre Dame, Ind., offered the following prayer:

Almighty God and Father, we pray this day for our country and for those who formulate and enact its laws. We pray that You may always inspire them with a deep sense of justice, for without justice there are no good laws and no civic peace. We pray that You also give them the wisdom to know what can and should be legislated and what cannot. We pray that You give them insight to ask first and only what is right, not what is popular, and having seen the right, to follow its course courageously, whatever the cost. And finally, Lord, we pray that we may follow where they lead, support what they rightly enact, espouse the justice that good laws represent and achieve for ourselves, our country, and our world the peace that is not just the absence of war, but, more important, the tranquility of order established by law and respect for law. We ask this in the name of the Father, the Son, and the Holy Spirit. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 27, 1977.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. EDMUND S. MUSKIE, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. MUSKIE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, April 26, 1977, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOW NOT TO END NUCLEAR PROLIFERATION

Mr. BAKER. Mr. President, Sunday's Washington Post published a most insightful article by our colleague in the House, MIKE MCCORMACK. Representative MCCORMACK's thoughts, under the title "How Not To End Nuclear Proliferation," deserve the attention of all of us.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 24, 1977]

HOW NOT TO END NUCLEAR PROLIFERATION

(By MIKE MCCORMACK)

President Carter's recent proposals to modify America's long-range nuclear energy policies, although intended to reduce the threat of nuclear weapons proliferation, could well have precisely the opposite effect; and would probably deny our country its only chance to produce the energy we will need for economic stability.

The President has proposed that we:

Defer indefinitely nuclear fuel reprocessing;

Restructure our nuclear breeder program and defer the date of breeder commercialization;

Fund research and development programs in alternate fuel cycles—"which do not involve direct access to materials usable in nuclear weapons."

The President also proposed a substantial increase in the number of conventional nuclear power plants, and proposed increasing our uranium enrichment capacity for domestic and foreign fuel requirements.

I commend the President for his initiative in making the energy crisis a major national issue, and I support his emphasis on conservation and shifting from oil and gas to the use of coal. I commend him for his attempts to reduce the threat of nuclear war and nuclear weapons proliferation.

However, his specific recommendations dealing with nuclear fuel reprocessing and breeder programs are clearly based on several fundamental assumptions that are unsubstantiated, and which I believe constitute a serious threat to the success of any program to overcome the energy crisis. They have been challenged by experts in this country and by our friends overseas, with whom we have obligations under the Nuclear Non-Proliferation Treaty. The assumptions are based on a recent report, funded by the Ford Foundation, which the President has apparently embraced in its totality.

BREEDERS AND WEAPONS

The first of these assumptions is that a program of research, development and demonstration involving the liquid metal fast breeder (LMFBR) will, in itself, uniquely contribute to the potential for nuclear weapons proliferation and constitute a "potential security risk." There is no theoretical or other justification for this assumption, and all experience demonstrates that it has no foundation in fact.

As far as is known, no weapon has been made from any fuel produced in any commercial nuclear power plant in the world. (India's nuclear explosive did not come from a power plant, but was made from a research reactor sold to India by Canada. This demonstrates the ease with which many nations can, if they wish, make weapons totally outside the energy program.)

There is every reason to believe that diversion to weapons would be less likely for breeders, because breeder fuel will be more difficult to handle than fuel from conventional nuclear plants. The next U.S. demonstration breeder reactor to be built, known as the Clinch River plant, will produce only about one-third as much plutonium, one of the materials that can be used to make weapons, as is produced in conventional nuclear power plants now going on the line in this country.

The reason that weapons have not been made from commercial nuclear power plant fuel is that it is much cheaper and simpler to make nuclear weapons from natural uranium using facilities designed and built exclusively for that purpose. Trying to divert nuclear power plant fuel into weapons production is the most expensive, clumsiest, dangerous and inefficient way for any nation to make a weapon.

The virtue of a breeder is that future models, which should be in operation late in this century, will produce more fuel than they consume. Thus, with a breeder program, the otherwise useless uranium-238 (which comprises 99.3 per cent of natural uranium) provides a potential fuel resource of extraordinary value to almost every nation. The United States has many tons of purified uranium-238 in storage which, when used in a breeder program, will produce the electrical equivalent of more than five times all the oil possessed by all the oil-exporting nations combined.

It will be easily seen why the breeder offers many nations of the world their only discernible hope of relative energy independence from OPEC and from the nightmare of worldwide inflation and economic chaos.

However, bringing a breeder technology to the point where commercialization can occur (possibly starting about 1990 in the United States) constitutes a difficult engineering challenge requiring many years. This country has had a small breeder in operation in Idaho since 1963. The next larger one, the Fast Flux Test Facility, is about 80 per cent complete at Hanford, Wash. The Clinch River plant will be the third in the series, followed by a full-size prototype plant to be built before 1990. Other nations, including France, England, Germany, Japan and the Soviet Union, have breeder programs under way. Each nation has chosen the same specific type, the liquid metal fast breeder, because it holds the most economic and technological promise. France and the Soviet Union are far ahead of us, and all these nations probably will be soon. France may soon start selling breeders on the international market.

Knowledgeable scientists throughout the world, dedicated to minimizing the threat of nuclear weapons proliferation, scoff at the suggestion that these breeder development programs, by themselves, constitute any special threat of weapons proliferation. What is required, they insist, to provide protection against weapons proliferation originating from the civilian nuclear energy program is strict controls over the reprocessing of nuclear fuels, including the manufacture of new fuel elements from reprocessed fuel.

OTHERS WON'T FOLLOW

The next assumption is that, if the United States defers or abandons breeder development and nuclear reprocessing programs, other nations will follow our lead. This suggestion has left our friends overseas openmouthed with amazement. Japan and most Western European nations do not have our supply of fossil fuels, and we cannot supply them with their requirements for either nuclear or fossil fuels. In their view, it is absolutely vital to their survival to proceed promptly with their breeder programs.

Only Canada and Australia, which have large supplies of uranium and a comparatively small electrical demand, can afford the "throw-away nuclear fuel cycle." (This involves burying the fuel rods, with the unused uranium and newly created plutonium still inside, after they are removed from a power plant.) No more profligate waste of energy resources could be imagined. If we were to do this, it would deprive us of the only source of fuel available to give us a chance at energy self-sufficiency, even if the President's proposals for conservation, coal and solar energy are successful. Other nations will not follow us if we choose this course.

The next assumption is that there are some "safe" breeder technologies which this country, and the other countries of the world, have bypassed in favor of the "unsafe" liquid metal fast breeder program. This represents a flight of fancy apparently born of wishful thinking. The basic fact is that any nuclear material which will produce energy in a power plant can be extracted from the fuel and used in a weapon, if one is willing and able to build the complex and expensive equipment to do it. (There are three nuclear fuels; uranium 233 and 235 and plutonium 239. All three will produce energy in a power plant and all three can be used in weapons.)

An alternative to the LMFBR, breeding uranium-233 from thorium, is no safer than any other fuel cycle, especially since it, too, produces plutonium. The ease or complexity of extracting weapons material varies, but the difference between a simple technology and a more complex one is insignificant compared to the difficulty of diversion from one of them—if simple technological and institutional procedures are, as they should be, adopted for all.

Any reprocessing and fuel fabricating system can easily be designed to make clandestine diversion of nuclear fuel immeasurably difficult, even for large terrorist groups. Furthermore, all fuel cycles and all breeder technologies, whether they use uranium, thorium or plutonium, require, within a factor of two, the same amount of weapons material. In short, there is no magic or simple proliferation-proof technology to which the United States can switch if we abandon the LMFBR.

GAMBLING ON URANIUM

The most dangerous unverified assumption of the Ford Foundation report is that far more recoverable uranium will be found in this country than intense exploration has indicated will be available.

During recent years a series of studies by federal and private agencies, and more recently by the National Academy of Sciences, have agreed that the known and probable reserves of uranium in this country total about 1.8 million tons and that this should be considered as the "prudent planning base." It will provide fuel for about one-half of the nuclear energy production required by this nation during this century, using a throw-away cycle and the President's figures for conservation and other energy sources. The Ford Foundation report simply assumes that much more uranium will be found and that recycling will therefore be unnecessary.

No one can know for certain how much uranium will or will not be discovered but we would be taking a completely unacceptable risk if we were to proceed under the assumption that we will not need a breeder technology until sometimes in the 21st Century because fuel will be found as we need it. This may happen, but if it does not, we will almost certainly suffer a serious energy shortage, with all the attendant social and economic disruptions—and be without the technology to do anything about it. The result would be catastrophic. Therefore, our energy policy must include the development of one or more breeder technologies and the reprocessing of our nuclear fuel, one of the most important energy conservation undertakings available to us.

We don't need to decide now whether or not we must commercialize one breeder technology or another, or to what degree. Such decisions can be made as late as 1990. However, we must be able to make such a choice at that time, and the cost of the research and development, between now and then, is insignificant compared to the losses we will suffer if we don't have the breeder when we need it, or the benefits if we do.

REGIONAL REPROCESSING

There is a rational solution to the dilemma that nations face in attempting to provide adequate supplies of energy while minimizing the potential for nuclear weapons proliferation. I suggest that our national

energy policy should include a positive approach to making it work, rather than a negative approach that nothing can be done. If we adopt a positive approach, the other nations of the world may follow our leadership.

The rational solution involves the establishment of regional nuclear reprocessing centers, closely supervised by the International Atomic Energy Agency, with the involvement of all the participating nations. Two regional fuel centers could be established in the United States, and one each in Europe, Japan and the Soviet Union. (There is no secret national defense information involved.) Additional nuclear fuel centers could be established as needed, possibly in the Middle East and in South America.

In the United Statse all nuclear fuel would be owned by the Federal Government, which would be responsible for all facilities, security and accountability. Fuel elements would be leased to foreign and domestic utilities on the condition that they be returned and on condition that the leasing nations be subject to IAEA inspection.

No plutonium or other weapons material would ever be produced in pure form or in any form in which it could be used for weapons fabrication. Weapons material would always be blended with other materials to make it unworkable for weapons. For instance, a chemical reprocessing step would produce only blended uranium and plutonium, which could be used for fuel elements, but which would simply not work in a weapon.

Fuel fabricating facilities would be built immediately adjacent to the chemical separation plant, as would a facility for glassification of all waste for deep burial. New fuel elements could be slightly irradiated as a last step before being shipped from the facility. Thus, they would require the same heavy shielding that is necessary to return irradiated fuel elements from a nuclear power plant. There would be no shipment anywhere of any material which could be used for weapons, unless it would first be reprocessed through large, expensive, remote separation facilities.

With these procedures, it would be necessary to steal at least one, and perhaps several, 50-ton shipping casks in order to steal enough material to make a single weapon. Then it would be necessary to extract the weapons material, even from new fuels. This would reduce the potential for illicit diversion of weapons material virtually to zero.

U.S. LEADERSHIP REQUIRED

Of course, no system is perfect or foolproof. It should be obvious, however, that this nation and the world can have the energy required for economic stability and a high degree of nuclear security as well.

If some nation decides that, in spite of all the attendant problems, it is determined to obtain nuclear weapons, then it will obviously be much easier to make the weapons outside the fuel cycle, as was done by India. This could be done secretly today, regardless of any restraints the United States places on its own energy programs. It is more likely to happen if the United States does not provide leadership for a workable program to assure adequate controls and supplies of energy.

Above all else, this nation must lead, and from a credible position. The other nations of the world do not believe that we can provide them with nuclear fuel unless we have a breeder program and unless we recycle and reprocess our fuel. They are already turning away from us. Nations which are our friends are looking even behind the Iron Curtain for nuclear facilities and fuel.

One of the obstacles facing this nation as it attempts to deal with the energy crisis is the lack of understanding of the complex programs involved and the difficulty in obtaining accurate information concerning them. Nevertheless, we must demand that our nation's energy policies be based on scientific, engineering and economic facts.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 11 a.m., with statements therein limited to 5 minutes each.

FATHER THEODORE HESBURGH

Mr. BAYH. Mr. President, today's session of the Senate was opened by a prayer by the Reverend Theodore Hesburgh, president of the Univerity of Notre Dame. I would like to express the sense of privilege that I am sure all Members of this body feel in having Father Hesburgh with us this morning and the sense of pride which I feel in a man who has made such a great contribution to this country and to society.

Mr. President, it is almost incomprehensible that any one man could achieve as much as Father Hesburgh has in one lifetime. His leadership has made the University of Notre Dame one of the most important centers of higher education in the Nation. As Chairman of the Civil Rights Commission he was instrumental in the passage of some of the most important legislation to be enacted in this century. As a spokesman for human rights, he has helped in shaping basic human values throughout the Nation.

It is coincidental that in the same week he is here with us a major article regarding his career and accomplishments appears in Time magazine. I ask unanimous consent that that article be printed in the RECORD, and I highly recommend it to my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time Magazine, May 2, 1977]

PRINCE OF PRIESTS, WITHOUT A NICKEL

(NOTE.—In 1952 Father Theodore Hesburgh, then only 35, was appointed president of the University of Notre Dame. Over the following quarter-century—a longer term than that of any other major university president—he has changed the school profoundly and become one of the most influential figures in the country. As Notre Dame prepared for its 25th graduation of the Hesburgh era, Time Correspondent Robert Ajemian talked with the priest and wrote this report:)

The familiar Roman collar had been pulled off and hung up with the black jacket. It was well past midnight and Father Hesburgh was still working through the piles of mail in his old, high-ceilinged office. He routinely stays up until 3 or 4 o'clock in the morning.

Traces of his fame are all around him. On the walls and tables of the big room are autographed photos of a younger Ted Hesburgh standing comfortably beside Popes and Presidents. His hair is less black now and his heavy jaw fuller, but he still has the handsome black-Irish looks of his mother. There is an inscribed silver plate from Jackie Kennedy and an emerald-studded ring from Pope Paul. He has become a virtual prince among priests. The sound of a Beethoven recording, a gift from the president of RCA, plays softly in the background.

MONASTIC LIFE

On the other hand, Hesburgh for all his years at Notre Dame has continued to sleep on the same iron cot in his tiny room at nearby Corby Hall. The shelves of his outer office are stacked with cans of orange juice and Campbell soup, a sharp reminder of his monastic life. His rickety hot plate sits on the counter. It is the mark of an asceticism that Ted Hesburgh seems to impose on himself—almost as though he felt a need to reassure himself that he still is a priest. "After all these years, I haven't got a nickel in the world," he says, "and I like that."

Hesburgh's batch of mail touched on the widely contrasting aspects of his life—appealing to the simple pastor as well as to the clerical entrepreneur. There was a letter from Cardinal Franz Koenig of Vienna congratulating Hesburgh on his recent elevation to the chairmanship of the Rockefeller Foundation. A woman friend in terrible emotional trouble begged for help. Teddy Kollek, the mayor of Jerusalem, wanted Hesburgh to fly over and help stop the rapid development of high-rise buildings. There was a hopeful note from the freshman class asking if Hesburgh would attend their formal dance. Another letter told him that the Chinese Communists, who generally view priests as only slightly more admirable than locusts, were interested in inviting him to China.

Hesburgh searched for one letter in particular, a reply from Alexander Solzhenitsyn, who had been offered a Notre Dame degree this year. He finally found it: a polite no. Hesburgh was disappointed—but he had already landed his friend Jimmy Carter as the commencement speaker. The graduation ceremony will be a deliberate show of support for Carter on human rights, one of Hesburgh's passions. Hesburgh will award degrees to Bishop Donal Lamont, who was ousted from Rhodesia; Stephen Cardinal Kim, who has fought against government repression in South Korea; and Paul Cardinal Arnes, who has spoken out against human rights violations in Brazil.

When Hesburgh took over the university in 1952, Notre Dame was best known for football and dedicated to the production of believing Catholics. In those days students had to attend Mass three times a week or face disciplinary reprisals. Notre Dame boys were even advised to pray before dates with girls at nearby St. Mary's. Outside lecturers were picked for orthodoxy more than for probing intellect.

Hesburgh, who had been a prison priest as well as a chaplain for the armed forces—and was no great lover of football—soon began changing all that. He steered Notre Dame away from the control of the church and into the hands of a lay board of trustees. It was a painful and uncommon achievement, which freed the school from a burdensome authority and historically redefined Catholic higher education in the U.S. At the same time, Hesburgh struggled to retain the moral quality of his school. "We stress values here," he says. "American universities have become obsessed with objectivity. They turn out highly competent but morally neutral people." Hesburgh upgraded the quality of faculty and curriculum, and in 1972 instituted his second dramatic reform: Notre Dame became co-ed.

Almost from the beginning, the priest made a remarkable impression on the Establishment. He began getting invitations to join more and more of America's powerful private foundations and Government commissions. At times he was considered simply "the necessary Catholic," but Hesburgh eagerly accepted the chance to make himself

heard. Eisenhower named him to the Civil Rights Commission in 1957. He became a member of the Carnegie Commission on higher education, later accepted a place on the board of David Rockefeller's Chase Manhattan Bank. The Vatican appointed him representative to the International Atomic Energy Agency.

He did not always accept. When Lyndon Johnson asked him to take over the space program in 1964, Hesburgh declined. "I couldn't see a Catholic priest handing out $6 billion in contracts." He similarly turned down Richard Nixon's offer in 1969 to head the poverty program. His priesthood always had to be reckoned with. Says he: "I didn't want to become some sort of Cardinal Richelieu."

OVER THE ANDES

Nonetheless, the clergyman became irresistibly more and more involved in power and politics. He was soon criscrossing the globe, logging as many as 150,000 miles a year. His messages often included lines like "I am writing this from over the Andes." Back home, his spectacular travels were at first greeted with pride and then, as the years passed, a certain amount of sniping. A campus statue of Moses, with hand pointed skyward, inspired the gag: "There goes Hesburgh."

No matter that he was a place dropper, Hesburgh had the ear of the elite. He remembers waiting for Lyndon Johnson outside the Oval Office late one evening with his civil rights team until Johnson, looking limp, ushered them in. Johnson was so exhausted he lay down on a couch, gathered the group around him like visitors to a sickbed and kept his eyes fastened on the ceiling as Hesburgh outlined the difficult goals. Johnson accepted all of them.

Hesburgh's advice was often blunt. He once told Richard Nixon, with whom he developed a special closeness, that young people were scornful of the President. He urged Nixon to end the draft and allow 18-year-olds to vote. When Hesburgh's civil rights commission sharply criticized Nixon, the President's patience ran out. A White House secretary soon called Hesburgh and demanded that he resign by 6 o'clock the same day.

Carter offered Hesburgh a job working in the State Department for Cyrus Vance, but Hesburgh again held back. Of all the political leaders he has encountered, Hesburgh says that he finds Carter by far the most forthright. When Carter told him during the election that he was worried about Catholic support, Hesburgh reassured him. Then he offered a typically direct piece of advice: "I don't think people like to hear a man yakking about religion all the time."

Hesburgh is a fascinating, if exhausting, conversationalist, with strong opinions and an enormous range of subjects. Racism is the world's biggest problem, in Hesburgh's mind, although he is hopeful because he finds young people round the world much less prejudiced than their parents. It shows up, he says, in their confessions. "They feel worse about their sins of omission than they used to." Today's theologians, on the other hand, bother Hesburgh. "They have no faith," he says. "They teach theology like a science. They're not believers themselves. At least the scientists do believe in a chemistry table or the speed of light." Hesburgh worries about educators too. "We've got a bunch of faint fellows who don't want to make educational waves. The '60s took a terrific toll. We lost a whole generation of university presidents. Only King Brewster [of Yale] and I survived."

BIG MISTAKE

On some of the moral issues that confront his students, Hesburgh is fairly traditional. He is opposed to young people living together before they marry. "I think the girls get shortchanged," he says. "Some of these young people get so jaded they can't ever settle down with anybody." He is proud of some statistics indicating that 93% of the marriages of Notre Dame alumni hold together. Although he is against abortion, he believes that the Vatican encyclical forbidding artificial contraceptives was a big mistake. He supports more work on a reliable method of determining the ovulation cycle. He ends up sounding ambivalent on celibacy. "I don't recommend it for everybody," he says with a shrug. "It's not easy, but it's right for me. For some priest on the Amazon, it might not be. After all, priests in the Middle Ages lived with women, and all the Apostles were married."

Hesburgh sounds more confident on the subject of happiness. "It can only come," he says, "from giving at least a corner of yourself to others. People today are so egocentric. God help the person who goes through life doing nothing for someone else. He's doomed." He finds that young people today are less ambitious than a generation ago, duller than in the '60s but more eager to find some meaning in their lives. Hesburgh keeps a close rein on his own ambitions, even as he enjoys the trappings of success, smoking a Cuban cigar and sipping a Grand Marnier. Ambition among churchmen, says Hesburgh, is corrosive: "I've seen it ruin so many."

Hesburgh the outer man seems unfailingly optimistic. Close friends say they never find him in a bad mood. But his is a calling where true feelings are often submerged. For all his heartiness, the inner Hesburgh seldom surfaces. "I think he's probably a lonely man who makes up for it by work and talk," says a colleague. Hesburgh laughs at this. He says his religion protects him from loneliness. While he says Mass every day, whether in a Moscow hotel room or at the South Pole, he seldom quotes the Bible in conversation. He is not a scholar or even especially profound. "Ted is a doer," says one close friend, "not a tormented intellectual seeking some kind of truth."

Though he is popularly viewed as a kind of Catholic Mr. Chips, Hesburgh is now held in such awe by Notre Dame students that they seldom deal personally with him. Student Body President Mike Gassman says he would not dare interrupt the president with ordinary school problems because "he's too important now." Another student says, "Father Ted is usually too busy playing world savior." Both of them are swift to add, however, they think Hesburgh is the main force behind Notre Dame's stress on values.

Even as Hesburgh buries himself in his work, no one really understands what drives him. Is it his need for prestige or power, or is it his need to keep building for the greater glory of his God? His answer is just to keep working. He turns 60 this month and has no plans to retire. Instead, he announced a week ago that Notre Dame is undertaking the largest fund-raising drive in its history: $130 million. "Show me the top ten endowments," says Hesburgh, "and I'll show you the top ten schools in the country." Notre Dame's campaign will lift it close to the top ten, but everybody knows in the long run that will not be good enough for Ted Hesburgh.

ENERGY-RELATED PUBLIC LAWS

Mr. ROBERT C. BYRD. Mr. President, during the last few days, I have listened to criticism of the energy proposals outlined by President Carter. In response, I have called on Members of the Senate to step back and carefully study this package before closing their minds in opposition.

I have also listened to criticism of congressional action on energy—criticism which I feel is unjustified. I think the record should be set straight on congressional energy initiatives. The Senate, in fact, has been in the forefront in seeking a national energy policy. At the urging of my distinguished colleague from West Virginia, Senator RANDOLPH, the Senate in 1961 focused on this need by establishing a National Fuels and Energy Study Group—an action that preceded by 10 years the first Presidential message on energy. That study group identified policy issues that were subsequently examined by the National Fuels and Energy Policy Study group created in 1971 by Senate Resolution 45 and composed of members from the legislative committees concerned with energy. While making the first exhaustive investigation of the Nation's energy policy in many years the Senate Resolution 45 group held hearings on issues ranging from fuel shortages to deepwater ports and laid the groundwork for the extensive energy legislation enacted by subsequent Congresses.

During the 93d Congress, the national attention was concentrated on Watergate matters. The Congress, however, continued to try to come to grips with energy issues and wrote into law 42 energy-related measures. Among the most important of these were:

Emergency Petroleum Allocation Act of 1973 (Public Law 93–159) which authorized the President to deal with existing or imminent shortages of crude oil or refined petroleum products and provided for a price ceiling on domestic crude oil from fields which were producing before May 22, 1972; that is, old crude oil;

Federal Energy Administration Act of 1974 (Public Law 93–275) which established the FEA, an independent agency within the executive branch, "to assure a coordinated and effective approach to overcoming energy shortages";

Energy Supply and Enviromental Coordination Act of 1974 (Public Law 93–319) which authorized the Federal Energy Administrator to prohibit a powerplant or other major fuel-burning installations from burning crude oil or natural gas, if the Administrator makes certain findings including that the powerplant has the capability to burn coal;

Energy Reorganization Act of 1974 (Public Law 93–438) which established the Energy Research and Development Administration, an independent executive agency, to exercise central responsibility for policy planning and management of research and development programs respecting all energy sources to be developed consistent with warranted priorities; to conduct demonstrations of commercial feasibility of any energy source or phase of utilization of any energy source; and to develop new and improved conservation measures with "the goal of the most expeditious possible application of these measures." This statute also established the Nuclear Regulatory Commission with the general purpose of separating promotion of the use of nuclear energy from health and safety regulation of nuclear powerplants; and

Nonnuclear energy research and de-

velopment (Public Law 93–577) which authorized $20 billion over the next 10 years to undertake a comprehensive national program of basic and applied research and development.

At the convening of the 94th Congress, Democratic Senators designated an ad hoc group of Senators to forge a comprehensive congressional energy program and to expedite its enactment. Many of their proposals became law as part of the following two multipurpose acts which incorporated modified provisions of eight separate bills:

Energy Policy and Conservation Act of 1975 (Public Law 94–163) which provided for regulation of domestic crude oil at the wellhead; continued price controls on refined products; provided for automobile fuel efficiency standards; provided for home appliance energy efficiency standards; and

Energy Conservation and Production Act of 1976 (Public Law 94–385) which extended the Federal Energy Administration; provided a broad range of energy conservation measures including Federal energy conservation standards for new residential and commercial buildings, a $200 million grant program to permit low-income persons to weatherize their homes, a $2 billion loan guarantee program to foster investments in energy conservation in public and commercial developments, and a $200 million demonstration program to encourage energy-conserving home improvements.

It is readily apparent from the above listing that Congress has assumed leadership in the formulation of an energy policy. Enactment of these programs, however, has not been easy. In fact, the following 12 measures important to a national energy policy were vetoed by Presidents Nixon and Ford:

ENERGY VETOES—1971 TO THE PRESENT

First. October 27, 1972—Mining and Minerals Research Centers, S. 635.

Second. March 2, 1974—Energy Emergency, S. 2589.

Third. October 12, 1974—Nuclear Incidents—Insurance, H.R. 15323.

Fourth. December 30, 1974—Energy Transportation, H.R. 8193.

Fifth. December 30, 1974—Strip Mining, S. 425.

Sixth. March 4, 1975—Oil Import Fees, H.R. 1767.

Seventh. May 20, 1975—Strip Mining, S. 425.

Eighth. July 21, 1975—Oil Pricing, H.R. 4035.

Ninth. September 9, 1975—Emergency Petroleum Allocation, S. 1849.

Tenth. July 3, 1976—Coal Leasing, S. 391.

Eleventh. September 13, 1976—Electric Car Research, H.R. 8800 (Public Law 94–413).

Twelfth. September 24, 1976—Automobile Research and Development, H.R. 13655.

In the coming months, Congress will be examining new approaches to the many facets of the complex energy issue. We will be building upon the very respectable record we have already made. Although I have outlined some of the most important of congressional initiatives, I feel that it would be useful to include for the record a more detailed account of all 79 energy-related measures we have enacted in the last 8 years. I therefore ask unanimous consent that such a report, prepared by the staff of the Democratic Policy Committee, be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

ENERGY-RELATED PUBLIC LAWS, 1969–77

91ST CONGRESS (1969–1970)

1. Public Law 91–158, Interstate Oil Compact Commission, 2-Year Extension, S.J. Res. 54.

2. Public Law 91–173, Coal Mine Health and Safety Act of 1969, S. 2917.

3. Public Law 91–245, Oil and Gas Leases, S. 1193.

4. Public Law 91–581, Geothermal Steam Act of 1970, S. 368.

5. Public Law 91–631, National Mines and Minerals Policy Act, S. 719.

92ND CONGRESS (1971–1972)

6. Public Law 92–84, Atomic Commission Authorization, 1972, H.R. 9388.

7. Public Law 92–307, Temporary Operating Licenses for Nuclear Powerplants, H.R. 14655.

8. Public Law 92–314, Atomic Energy Commission Appropriations, 1973, S. 3607.

9. Public Law 92–401, Natural Gas Pipeline Safety Act of 1968, H.R. 5065.

10. Public Law 92–500, Federal Water Pollution Control Act Amendments of 1972, S. 2770.

11. Public Law 92–583, Coastal Zone Management Act of 1972, S. 3507.

12. S. Res. 45, to establish the Senate National Fuels and Energy Policy Study Group.

93RD CONGRESS (1973–1974)

13. Public Law 93–28, Economic Stabilization Act Amendments of 1973; Voluntary Petroleum Allocation, S. 398.

14. Public Law 93–60, AEC Authorization, S. 1994.

15. Public Law 93–74, NSA Authorization, H.R. 7528.

16. Public Law 93–87, Federal-Aid Highway Act, S. 502.

17. Public Law 93–88, Euratom Corporation Act of 1958 Amendments, S. 1993.

18. Public Law 93–119, Oil Pollution Act Amendments, H.R. 5451.,

19. Public Law 93–153, Mineral Leasing Act of 1920, Amendments, and Trans-Alaska Oil Pipeline Authorization, S. 1081.

20. Public Law 93–159, Emergency Petroleum Allocation Act of 1973, S. 1570.

21. Public Law 93–182, Emergency Daylight Saving Time Energy Conservation Act of 1973, H.R. 11324.

22. Public Law 93–208, G.I. Bill Benefits During Energy Crisis, S. 2794.

23. Public Law 93–239, Highway Speed Limit Reduction, H.R. 11372.

24. Public Law 93–245, Supplemental Appropriations; Naval Petroleum Reserves, H.R. 11576.

25. Public Law 93–248, Intervention on the High Seas Act, S. 1070.

26. Public Law 93–249, Fuel Cost Pass-Through for Truckers S.J. Res. 185.

27. Public Law 93–275, Federal Energy Administration, H.R. 11793.

28. Public Law 93–276, AEC Authorization Act, S. 3292.

29. Public Law 93–316, NASA Authorization Act, H.R. 13998.

30. Public Law 93–319, Energy Supply and Environmental Coordination Act of 1974, H.R. 14368.

31. Public Law 93–322, Special Energy Research and Development Appropriations for 1975, H.R. 14434.

32. Public Law 93–377, AEC Omnibus Legislation of 1974, S. 3669.

33. Public Law 93–383, Housing and Community Development Act, S. 3066.

34. Public Law 93–386, Aid to Energy Affected Small Businesses, S. 3331.

35. Public Law 93–403, Natural Gas Pipeline Safety Act, as Amended, Additional Appropriations, H.R. 15205.

36. Public Law 93–409, Solar Heating and Cooling Demonstration Act of 1974, H.R. 11864.

37. Public Law 93–410, Geothermal Energy Research, Development, and Demonstration Act, H.R. 14920.

38. Public Law 93–426, Defense Production Act of 1950, 2-year extension, S. 3270.

39. Public Law 93–434, Emergency Daylight Saving Time Energy Conservation Act of 1973, Amendments, H.R. 16102.

40. Public Law 93–438, Energy Reorganization Act of 1974, H.R. 11510.

41. Public Law 93–454, Federal Columbia River Transmission System, S. 3362.

42. Public Law 93–473, Solar Energy Research, Development and Demonstration Act of 1974, S. 3234.

43. Public Law 93–482, Duty Free Entry of Methanol for Use as Fuel, H.R. 11251.

44. Public law 93–485, International Nuclear Cooperation Act, S. 3698.

45. Public Law 93–496, National Railroad Passenger Corporation, H.R. 15427.

46. Public Law 93–511, Emergency Petroleum Allocation Act of 1973 Extension, H.R. 16757.

47. Public Law 93–514, Nuclear Information Annual Report, S. 3802.

48. Public Law 93–522, Sequoia National Park Hydroelectric Project, H.J. Res. 444.

49. Public Law 93–577, Federal Nonnuclear Energy Research and Development Act of 1975, S. 1283.

50. Public Law 93–627, Deep Water Ports Act, H.R. 10701.

51. Public Law 93–643, Federal-Aid Highway Act Amendments of 1975—Fuel Exports to U.S.S.R., S. 3934.

52. Public Law 93–646, Export-Import Bank Act Amendments, H.R. 15977.

53. S. Res. 138, National Consumer Effort to Save Gas.

54. S. Res. 249, Oil Price Increase.

55. S. Res. 279, Washington Energy Conference.

94TH CONGRESS (1975–1976)

56. Public Law 94–12, Tax Reduction Act of 1975; Repeal of Depletion Allowance, H.R. 2166.

57. Public Law 94–18, Nuclear Regulatory Commission Authorization, S. 994.

58. Public Law 94–79, Nuclear Regulatory Commission Authorization, S. 1716.

59. Public Law 94–139, TVA Bonding Authority, H.R. 9472.

60. Public Law 94–163, Energy Policy and Conservation Act, S. 622.

61. Public Law 94–180, Public Works—ERDA Appropriations 1976, H.R. 8122.

62. Public Law 94–187, ERDA Authorization 1976, H.R. 3474.

63. Public Law 94–197, Nuclear Accident Indemnity, H.R. 8631.

64. Public Law 94–227, International Petroleum Exposition, S.J. Res. 59.

65. Public Law 94–258, Naval Petroleum Reserves Production Act of 1976, H.R. 49.

66. Public Law 94–269, ERDA Supplemental Authorization, 1976, S. 3108.

67. Public Law 94–291, Nuclear Regulatory Commission Authorization, S. 3107.

68. Public Law 94–332, Federal Energy Administration Extension, S. 3625.

69. Public Law 94–355, Public Works—ERDA Appropriations, 1977, H.R. 14236.

70. Public Law 94–364, Motor Vehicle Information and Cost Savings Act, S. 1518.

71. Public Law 94–370, Coastal Zone Management Act Amendments, State grants, S. 586.

72. Public Law 94–377, Federal Coal Leasing Amendments Act, S. 391.

73. Public Law 94-385, Energy Conservation and Production, H.R. 12169.

74. Public Law 94-413, Electric and Hybrid Vehicle Research, Development and Demonstration Act of 1976, H.R. 8800.

75. Public Law 94-422, Land and Water Conservation Fund Act, S. 327.

76. Public Law 94-477, Natural Gas Pipeline Safety, H.R. 12168.

77. Public Law 94-493, Interstate Oil and Gas Compact, S.J. Res. 126.

78. Public Law 94-586, Alaskan Gas Transportation, S. 3521.

95TH CONGRESS (1977)

79. Public Law 95-2, Natural Gas Emergency, S. 474.

SUMMARIES OF ENERGY-RELATED MEASURES ENACTED BY CONGRESS, 1969-77

91ST CONGRESS (1969-70)

Federal Coal Mine Health and Safety Act

S. 2917—Public Law 91-173, approved December 30, 1969

Established interim mandatory health and safety standards applicable to all underground coal mines until superseded by standards promulgated by the Secretary of the Interior.

Directed the Secretary of the Interior to develop and promulgate safety and health standards for coal miners, which standards shall be no lower than those established by Title II. Provided civil penalties for violation of such health or safety standards.

Required the Secretary of the Interior to appoint an Advisory Committee on Coal Mine Safety Research to consult with and make recommendations to the Secretary on matters involving coal mine safety research. Required the Secretary of Health, Education, and Welfare to appoint an Advisory Committee on Coal Mine Research with duties to parallel the Advisory Committee for safety.

Authorized inspection and investigation of coal mines. Provided that whenever a representative of the miners has reasonable grounds to believe that a violation or imminent danger exists, an immediate inspection may be obtained upon proper notice.

Authorized a disability program for miners totally disabled due to pneumoconiosis and insured that future adequate benefits are provided to coal miners and their dependents where disability or death occurs from such disease. Provided for payments of benefits claimed before or on December 31, 1972 for persons suffering from Black Lung Disease and set up a procedure for the payment of benefit claims after December 31, 1972.

Geothermal resource development

S. 368—Public Law 91-581, approved December 24, 1970.

Opened to exploration and development, through private enterprise, the geothermal steam and associated geothermal resources underlying certain of the public domain lands of the United States.

National mining and minerals policy

S. 719—Public Law 91-631, approved December 31, 1970

Established a national mining and minerals policy to foster and encourage the development of the domestic mining and minerals industry, the development of domestic mineral resources to meet industrial and security needs, mining, mineral, and metallurgical research and study and development of methods for the disposal, control and reclamation of mineral waste products and reclamation of mined lands.

Oil and gas compact

S.J. Res. 54—Public Law 91-158, approved December 24, 1969.

Granted the consent of Congress to an extension and renewal for a period of 2 years, from September 1, 1969 to September 1, 1971 of the Interstate Compact to Conserve Oil and Gas, originally signed in Dallas, Texas, on February 16, 1935.

Oil and gas leases

S. 1193—Public Law 91-245, approved May 12, 1970.

Conferred discretionary authority on the Secretary of the Interior to prevent, administratively, termination of certain oil and gas leases on Federal lands and to reinstate terminated leases under certain limitations and conditions.

92D CONGRESS (1971-1972)

Atomic Energy Commission authorizations

H.R. 9388—Public Law 92-84, approved August 11, 1971.

Authorized $2,325,187,000 for the Atomic Energy Commission for fiscal year 1972.

Atomic Energy Commission temporary licensing for nuclear power reactors

H.R. 14655—Public Law 92-307, approved June 2, 1972.

Added a new section "Temporary Operating License" to the Atomic Energy Act, and authorized the Atomic Energy Commission (for an interim period which will end on October 30, 1973) to issue a temporary operating license for a nuclear power reactor whose electrical energy is needed to meet energy needs in its service area, provided the Commission determines that the plant can be operated on a temporary basis, safely and with adequate protection of the environment.

S. 3607—Public Law 92-314, approved June 16, 1972.

Authorized $2,110,480,000 for operating expenses and $492,995,000 for plant and capital equipment, making a total authorization of $2,603,475,000 for the AEC for fiscal year 1973.

Coastal Zone Management Act of 1972

S. 3507—Public Law 92-583, approved October 27, 1972.

Established a national program for the management, beneficial use, protection, and development of the land and water resources of the Nation's coastal zones; authorized Federal grants-in-aid to coastal states for up to 66⅔ percent of the cost of establishing and administering coastal zone management programs; authorized Federal grants to States for up to 50 percent of the cost of acquisition, development, and operation of estuarine sanctuaries; and contained other provisions.

National fuels and energy policy study

S. Res. 45—Agreed to May 3, 1971.

Authorizes the Senate Committee on Interior and Insular Affairs and ex officio members of the Committees on Commerce and Public Works and the Joint Committee on Atomic Energy to make a comprehensive study of programs and policies required to meet national energy needs.

Natural Gas Pipeline Safety Act amendments

H.R. 5065—Public Law 92-401, approved August 22, 1972.

Amended the Natural Gas Pipeline Safety Act of 1968, so as to extend the deadline by which a State must have in force legislation authorizing the State enforcement agency to impose monetary and injunctive sanctions from August 12, 1970, to August 12, 1973; authorized the Secretary of Transportation to make grants-in-aid of up to 50 percent of the cost of activities of State safety programs; * * * year 1973, and $5 million for fiscal year 1974 for the purpose of carrying out the provisions of the Act; and contained other provisions.

Water Pollution Control Act amendments

S. 2770—President Nixon Vetoed October 17, 1972; Senate overrode Veto October 17, 1972; House overrode Veto October 18, 1972; S. 2770 became Public Law 92-500, without the President's approval, October 18, 1972.

Established a policy that the discharge of pollutants should be eliminated by 1985, that the national chemical, physical, and biological integrity of the Nation's waters be restored and maintained, and that an interim goal of water quality providing for the protection of fish, shellfish, and wildlife and for recreation in and on the water be achieved by 1981; charged the enforcement mechanism of the Federal water pollution control program from water quality standards to effluent limits; balanced the Federal-State effort in the pollutant discharge permit system; authorized $14 billion during fiscal years 1972 through 1975 for Federal grants to communities for construction of sewage treatment facilities; and contained other provisions.

93RD CONGRESS (1973-1974)

Alaska pipeline

S. 1081—Public Law 93-153, approved November 16, 1973.

Authorizes the Secretary of the Interior, or appropriate agency head, to grant rights-of-way through Federal lands (except for National Park System, Indian, and Outer Continental Shelf lands) for transportation by pipeline of oil, natural gas, synthetic liquid or gaseous fuels, or any refined product produced therefrom; provides that this width of a right-of-way shall not exceed 50 feet plus the ground occupied by the pipeline and related facilities unless the Secretary or the agency head determines otherwise; provides that a right-of-way may be supplemented by a temporary permit for the use of Federal lands in the vicinity of the pipeline with the approval of the Secretary or the agency head; contains provisions concerning the suspension or termination of a right-of-way, the reimbursement to the government for the use of the right-of-way at the fair market rental price as well as for certain other expenses, and the joint use of rights-of-way; provides that pipelines and related facilities be constructed, operated, and maintained as common carriers; prohibits the export of domestically produced oil unless the President certifies to Congress that such exports (1) will not diminish the total quantity or quality available to the United States, (2) are in the national interest, and (3) are in accord with the Export Administration Act of 1969 and Congress does not disapprove within 60 days;

Provides, in Title II, Trans-Alaska Pipeline Authorization Act, that the trans-Alaska oil pipeline, from the North Slope of Alaska to Port Valdez, be constructed promptly without further administrative or judicial delay under the National Environmental Policy Act of 1969 (NEPA); authorizes and directs the Secretary and other Federal officers to issue rights-of-way and other authorizations necessary for the construction and operation of the trans-Alaska oil pipeline system, including roads and airstrips, as described in the final Environmental Impact Statement issued on March 20, 1973; imposes strict liability of up to $50 million without regard to fault on the owners of the pipeline for any one incident on land; imposes strict liability on the owners of tankers carrying oil from the pipeline without regard to fault at $100 million for any one oil spill, with the owner and operator jointly liable for the first $14 million and the Trans-Alaskan Pipeline Liability Fund liable for the remainder up to $100 million; establishes the Trans-Alaskan Pipeline Liability Fund as a non-profit corporate entity to be administered by the holders of the trans-Alaska pipeline right-of-way, and provides that a fee of five cents per barrel will be collected from the owner of the oil at the time it is loaded on the vessel until $100 million has been accumulated in the Fund and resumed when the Fund falls below $100 million;

Authorizes the President to negotiate with Canada, in Title III, to determine its willingness to permit the construction of pipelines or other transportation systems across Canada for the transport of natural gas and oil from Alaska to U.S. markets, including the use of tankers by way of the Northwest Passage; requires the President to report to the

House and Senate Interior and Insular Affairs Committees on the results of such negotiations;

Contains miscellaneous provisions, in Title IV, regarding vessel construction standards, vessel traffic control by the Coast Guard in the Valdez area, Senate confirmation of the Director of the Energy Policy Office and the head of the Mining Enforcement and Safety Administration except for the present appointees unless such nominations are disapproved by the Senate, exemption of the first sale of crude oil and natural gas from striper wells (those wells with an average daily production of not more than 10 barrels) from price restraints and allocation programs, and advance payment to Alaska natives of $5 million every six months beginning fiscal year 1976; grants the Federal Trade Commission the requisite authority to insure prompt enforcement of the laws the Commission administers by granting statutory authority to directly enforce its subpenas and to seek preliminary injunctive relief to avoid unfair competitive practices; exempts independent Federal regulatory agencies from obtaining advance approval from the Office of Management and Budget before collecting information from ten or more persons and provides a procedure for advance review by the General Accounting Office to insure that such information requested is obtained with a minimum burden upon businesses or persons required to furnish such information;

And contains other provisions.

Amtrak improvement and authorizations

H.R. 15427—Public Law 93–496, approved October 28, 1974.

Authorizes funds for the National Railroad Passenger Corporation (Amtrak) for 1975 including funding of a study to determine the feasibility and economic practicality of a high-speed ground transportation system between Tijuana, Mexico and Vancouver, Canada, the various means of providing such transportation, the cost, usage, and energy utilization and impact on energy resources.

Atomic Energy Commission authorizations

S. 1994—Public Law 93–60, approved July 6, 1973.

Authorizes $2,429,055,000 for the Atomic Energy Commission for fiscal year 1974 which includes funds for high energy programs and facilities.

S. 3292—Public Law 93–276, approved May 10, 1974.

Authorizes $3,667,433,000 for the Atomic Energy Commission for fiscal year 1975 of which $2,551,553,000 is for operating expenses and $1,125,900,000 is for plant and capital equipment.

Atomic Energy Commission omnibus legislation

S. 3669—Public Law 93–377, approved August 17, 1974.

Amends the Atomic Rewards Act of 1955 to authorize rewards for furnishing of information with respect to the attempted or actual introduction, manufacture, or acquisition of special nuclear material or an atomic weapon; includes authorization for rewards for information concerning the export, attempted export, or conspiracy to introduce, manufacture, or acquire a special nuclear material or an atomic weapon; places the determination of entitlement to a reward in the Attorney General, in consultation with the AEC, rather than an Awards Board; changes the title of the act to "Atomic Weapons and Special Nuclear Materials Act"; amends the Atomic Energy Act of 1954, as amended, to provide for Congressional review of proposed increases in the amounts of special nuclear material authorized for distribution to the International Atomic Energy Agency or other groups of nations, and proposed changes in the duration of agreements for such distribution whereby all such proposals would be submitted to Congress for a 60-day period and referred to the Joint Committee on Atomic Energy who, within the first 30 days, must report its views and recommendations to the Congress together with a proposed concurrent resolution favoring, or not favoring the proposal and gives to a concurrent resolution of disfavor the legal effect of barring the execution of the proposed increase or change in duration; permits the AEC to exempt minimal quantities of special nuclear material from licensing requirements; extends for 5 years, to fiscal 1979, the compulsory licensing provisions of the act; and clarifies the AEC's statutory authority to institute a materials access approval program for safeguard purposes.

Daylight saving time

H.R. 11324—Public Law 93–182, approved December 15, 1973.

Seeks to alleviate the national energy shortage by imposing 1 hour advanced time on a year-round basis for a two-year trial period throughout the country, beginning January 6, 1974; amends the Uniform Time Act of 1966 to allow States the option to go permanently on year-round daylight saving time and authorizes the President to exempt any State upon a proclamation by the Governor of that State, prior to the effective date, that such an exemption from uniform advanced time is necessary to avoid undue hardship or to conserve fuel requires the Secretary of Transportation to report to Congress on the operation and effects of this act on the use of energy, traffic safety (including the safety of children traveling to and from school) and school hours; and requires the Federal Communications Commission to permit certain daytime broadcast stations to operate before local sunrise.

H.R. 16102—Public Law 93–434, approved October 5, 1974.

Amends the Emergency Daylight Saving Time Energy Conservation Act of 1973 (Public Law 93–182) to put the entire nation on nonadvanced time for the winter months beginning at 2:00 a.m., October 27, 1974, until 2:00 a.m., February 23, 1975, and changes from June 30, 1975, to July 31, 1975, the date by which the Secretary of Transportation must submit to the Congress his final report on the effects of advanced time in winter months.

Deepwater ports

H.R. 10701—Public Law 93–627, approved January 3, 1975.

Establishes a licensing and regulatory program governing offshore deepwater port development beyond the territorial limits and off the coast of the United States for use to transfer oil and natural gas transported by tanker to and from States of the United States; authorizes the Secretary of the Department in which the Coast Guard is operating (currently the Department of Transportation) to issue licenses to own, construct and operate deepwater ports; requires the Secretary to exercise this authorization in consultation with other Federal agencies (Interior, State, Environmental Protection Agency and the Corps of Engineers) and with the approval of the governor of the adjacent coastal state; requires the Federal Trade Commission and the Attorney General to comment on whether issuance of a license would adversely affect competition, restrain trade or promote monopolization; requires a detailed environmental impact statement to satisfy the requirements of the National Environmental Policy Act; creates levels of liability for damages for oil spills and a $100 million Deepwater Port Liability Fund which is financed by a charge of 2 cents per barrel of oil flowing through any licensed deepwater port; and contains other provisions.

Defense Production Act Extension

S. 3270—Public Law 93–426, approved September 30, 1974.

Extends the Defense Production Act of 1950 for 1 year, from June 30, 1974, to June 30, 1975; changes the method by which stockpile materials are purchased from Treasury Department loans to regular congressional appropriations in order to guarantee uninterrupted defense prouction when necessary.

Energy reorganization (ERDA)

H.R. 11510—Public Law 93–438, approved October 11, 1974.

Consolidates the Federal government's fragmented and uncoordinated energy research and development functions by establishing the Energy Research and Development Administration (ERDA), an independent agency formed from the transfer of the technical staff and national laboratories of the Atomic Energy Commission (AEC)—which is abolished by this Act—and certain research and development programs from the Department of Interior and the National Science Foundation; provides that ERDA will be headed by a single Administrator, appointed by the President and confirmed by the Senate, who will exercise broad functions to explore and develop all possible sources of energy—both nuclear and non-nuclear; provides safeguards against unwarranted priority being given to any single energy technology; establishes an Energy Resources Council to coordinate energy programs in the Federal agencies and to advise the President on energy matters;

Requires the President to report to Congress by June 30, 1975, additional recommendations for the organization of energy and related functions in the Federal government, including the advisability of creating a Department of Energy and Natural Resources;

Establishes the Nuclear Regulatory Commission, an independent bipartisan regulatory commission which is based upon the Regulatory Division of the AEC but with a revised internal organization and broadens the licensing and regulatory authority transferred to it from the AEC; requires Senate confirmation of the 4-member commission and chairman who are charged with protecting the nation's health and environment by ensuring the safety and the security of the nuclear industry and the weapons-grade and other radioactive materials used to fuel it; provides for three coequal directors, each with direct and independent access to the Commission, and each responsible for separate operations relating to nuclear reactor safety, nuclear materials security, and nuclear safety research; establishes civil and criminal penalties for noncompliance with regulations or failure to report potentially hazardous defects; requires the Commission to make quarterly reports to Congress on details of abnormal occurrences at licensed nuclear facilities and to widely disseminate initial information to the public within 15 days of learning of each abnormal occurrence which it determines is significant enough to be reported;

And contains other provisions.

Energy research and development appropriations, 1975

H.R. 14434—Public Law 93–322, approved June 30, 1974.

Appropriates $2,236,089,000 to accelerate the Federal program of energy research and development, particularly in the fields of atomic energy and coal gasification and liquefactions, including funds for the Atomic Energy Commission; Interior Department; National Science Foundation; Environmental Protection Agency; National Oceanic and Atmospheric Administration; Federal Energy Office; National Aeronautics and Space Administration; and Department of Transportation.

Energy supply—Clean air

H.R. 14368—Public Law 93–319, approved June 22, 1974.

Directs the Federal Energy Administration (FEA) to prohibit an electric powerplant from burning petroleum or natural gas if it has the capability to burn coal and author-

izes, but does not require such prohibitions with respect to other major fuel-burning facilities aside from powerplants unless coal or coal transportation are not available or electrical service would be impaired; authorizes FEA to require that powerplants be designed to burn coal as well as other fuels; authorizes FEA to allocate coal to any facility that is prohibited from burning oil or natural gas;

Permits the Environmental Protection Agency (EPA) to suspend until June 30, 1975, any stationary source fuel or emission limitation as it applies to the Clean Air Act if (1) there is an unavailability of fuels to meet the act's requirements, (2) a plant converted to coal between September 15, 1973, and March 15, 1974, or was ordered to convert to coal by FEA, or (3) the suspensions would result in emissions that exceed the primary air quality standard for a particular region; permits EPA to delay a plant's compliance schedule until January 1, 1979, if (1) emission limits to maintain primary air quality standards could be met, (2) the suspension would not result in emissions that would exceed the primary standards in an air pollution control region, or (3) EPA approved an interim compliance plan; prohibits EPA from using parking surcharges to control air pollution;

Continues emission standards established for 1975 model year automobiles during the 1976 model year and delays until September 30, 1977, final automobile emission standards for carbon monoxide and hydrocarbons and until September 30, 1978, final standards for nitrogen oxides; provides that after January 1, 1975, an automobile manufacturer may seek a 1-year suspension of the statutory standards for hydrocarbons and carbon monoxide applicable to the 1977 model year and requires EPA to establish interim standards for such a suspension; provides for allocation of low sulfur fuel to minimize adverse effects on the public health; clarifies the relationship between the National Environmental Policy Act and the Clean Air Act; extends the Clean Air Act authorizations for 1 year; and provides criminal penalties for willful violations of the act.

EURATOM cooperation

S. 1993—Public Law 93–88, approved August 14, 1973.

Amends section 5 of the EURATOM Cooperation Act of 1958, as amended, by increasing the amount, from 215,000 kilograms to 583,000 kilograms, of contained uranium 235 which the United States Atomic Energy Commission is authorized to transfer to the European Atomic Energy Community under the Agreements for Cooperation between the United States and EURATOM.

Export-Import Bank extension

H.R. 15977—Public Law 93–646, approved January 4, 1975.

Requires congressional notification of loans, guarantees or a combination thereof of $25 million or more for the export of goods or services involving research, exploration, or production of fossil fuel energy resources in the Soviet Union; places a ceiling of $300 million in the aggregate on loans and guarantees to the Soviet Union in connection with exports, and provides that the ceiling may be raised if requested by the President and approved by the Congress by concurrent resolution, and provides that no more than $40 million of this aggregate amount shall be for the purchase, lease, or procurement of any product or service which involves research or exploration of fossil fuel energy resources.

Federal-Aid Highway Act amendments

S. 3934—Public Law 93–643, approved January 4, 1975.

Makes the temporary 55 mile per hour speed limit permanent, and authorizes $7.5 million for grants for demonstration projects designed to encourage the use of carpools in urban areas.

S. 507—Public Law 93–87, approved August 13, 1977.

Includes authorization to encourage the development, improvement and use of bicycle transportation and pedestrian walkways and evaluate public mass transportation systems in all urban areas.

Federal Energy Administration

H.R. 11793—Public Law 93–275, approved May 7, 1974.

Establishes the Federal Energy Administration (FEA) as an independent executive agency, to be headed by an Administrator to be appointed by the President with the advice and consent of the Senate; transfers to the Administration four existing agencies now in the Interior Department—the Offices of Petroleum Allocation, Energy Conservation, Energy Data and Analysis, and Oil and Gas; transfers the Energy Division of the Cost of Living Council into the new Administration; requires policy coordination with the Environmental Protection Agency; authorizes the Comptroller General to monitor FEA operations and make public its reports; authorizes the Government Accounting Office to issue subpenas to obtain information from companies engaged in any phase of energy supply or major consumption of energy; creates an Office of Private Redress and Grievances to handle complaints; requires the Administrator to prepare a comprehensive energy plan mapping out the Administration's proposed course of action for the next two years; and contains other provisions.

Geothermal energy

H.R. 14920—Public Law 93–410, approved September 3, 1974.

Establishes a Geothermal Energy Coordination and Management Project composed of the Federal Energy Administration, the National Science Foundation, the Department of the Interior, the National Aeronautics and Space Administration, and the Atomic Energy Commission, which will be headed by an Administrator to be appointed by the President, and shall have overall management responsibility for geothermal resource inventory, research and development inventory programs; directs the National Aeronautics and Space Administration (NASA) to carry out geothermal energy technology research and development programs assigned to it by the Project, including the establishment of an inventory and assessment program and requires the Administrator to carry out a comprehensive program definition with respect to the development of geothermal energy with an interim report to be submitted by November 30, 1974, and the final report by August 31, 1975; authorizes the Project to initiate a research and development program with respect to commercial utilization of geothermal resources and to enter into cooperative agreements with non-Federal entities for the construction, operation, and maintenance of demonstration developments for the production of electric or heat energy from geothermal resources; authorizes the Chairman of the Project to designate the head of a Federal agency to guarantee loans (up to 75 percent of cost) for projects involving geothermal energy development and provides that such loans shall not exceed $25 million for a single project or $500 million to a single borrower; limits the life of the loan guarantee program to 10 years; requires the Chairman of the Project to submit annual reports to the President and Congress; and authorizes therefor for fiscal years 1976 through 1980 such sums as may be appropriated following enactment of the Act plus $2.5 million to NASA for fiscal year 1975 to fund the preparation of the required Program definitions and $50 million annually for the loan guarantee program.

GI bill benefits during the energy crisis

S. 2794—Public Law 93–208 approved December 28, 1973.

Amends Chapter 36 of title 38, United States Code, to authorize the Administrator to continue to pay educational benefits to eligible veterans, wives, widows, and children during periods when educational institutions are temporarily closed pursuant to an established policy proclaimed by the President, such as closings to conserve energy, or are closed due to emergency conditions.

Housing and community development—Home mortgage assistance

S. 3066—Public Law 93–383, approved August 22, 1974.

In title VIII, includes provisions which establish a National Institute of Building Sciences to evaluate and promulgate criteria for housing and building regulations.

NASA authorization

H.R. 7528—Public Law 93–74, approved July 23, 1973.

Authorizes $3,064,500,000 to the National Aeronautics and Space Administration for fiscal year 1974 including funds to formulate a long-term energy program that would explore options for energy generation and management from the many technologies the agency has developed.

H.R. 13998—Public Law 93–316, approved June 22, 1974.

Authorizes $3,266,929,000 to the National Aeronautics and Space Administration for fiscal year 1975 as follows: $2,372,815,000 for research and development including continued funding of the space shuttle and space station programs; $144,490,000 for construction of facilities; and $749,624,000 for research and program management.

National consumer effort to save gas and arrive alive

S. Res. 138—Senate adopted August 2, 1973.

Calls for all motor vehicle operators travelling on high-speed roads on week-ends and holidays, between the date of passage of this resolution and Labor Day, September 3, 1973, to: (1) travel at speed no greater than 10 miles per hour less than the posted speed limit; and (2) turn on headlights to encourage fellow travellers to join in the nation-wide campaign to slow down, save gas, save lives and save money.

Natural gas pipeline safety authorizations

H.R. 15205—Public Law 93–403, approved August 30, 1974.

Authorizes $2 million for fiscal year 1975 and $2.85 million for fiscal year 1976 to carry out the provisions of the Natural Gas Pipeline Safety Act of 1968 and authorizes $1.8 million for fiscal year 1975 and $2.5 million for fiscal year 1976 for the Federal grant-in-aid program for which States would receive compensation of up to 50 percent of their costs in carrying out pipeline safety activities.

Nonnuclear energy research and development

S. 1283—Public Law 93–577, approved December 31, 1974.

Authorizes $20 billion over the next 10 years to undertake a comprehensive, national program of basic and applied research and development, including but not limited to demonstrations of practical applications of all potentially beneficial energy sources and utilization technologies within the Research and Development Administration (ERDA); directs the Administrator of ERDA to transmit to Congress by June 30, 1975, and annually thereafter, a comprehensive plan for energy research, development, and demonstration designed to achieve solutions to environmental problems which are immediate and short term (to the early 1980's), middle term (the early 1980's to 2000), and long term (beyond 2000); provides that such research programs shall include research, development and demonstrations designed: (a)

to advance energy conservation technologies; (b) to accelerate the commercial demonstration of technologies for producing low-sulfur fuels suitable for boiler use, for producing substitutes for natural gas, including coal gasification, and for producing syncrude and liquid petroleum products from coal; (c) to demonstrate improved methods for the generation, storage and transmission of electrical energy; and (d) to explore a variety of other nonnuclear energy sources as well as to improve methods for the prevention and clean-up of marine oil spills; authorizes the Administrator to utilize various forms of Federal assistance and participation including: joint Federal-industry experimental, demonstration, or commercial corporations; contractual arrangements with non-Federal participants including corporations, universities and non-Federally owned facilities; Federal purchases or guaranteed prices of demonstration products; and Federal loans and loan guarantees; provides that the establishment of a joint Federal-industry corporation must be approved by Congress; contains provisions regarding the patenting of inventions made or conceived in the course of a project; and contains other provisions.

Nuclear agreements

S. 3698—Public Law 93-485, approved October 26, 1974. NOTE: (Comparable provisions for distribution of special nuclear material are contained in S. 3666, the Atomic Energy Commission Omnibus Legislation.)

Amends the Atomic Energy Act of 1954, as amended, to require that proposed international agreements for peaceful cooperation in nuclear energy which deal with nuclear reactors capable of producing more than 5 megawatts of heat and fuel be submitted to the Congress under the procedure for military agreements for a period of 60 days of continuous session during which Congress may disapprove the agreement by passage of a concurrent resolution; directs that such agreements be referred to the Joint Committee on Atomic Energy who, within the first 30-day period, must report its views and recommendations together with a proposed concurrent resolution stating that the Congress does or does not favor the agreement of cooperation; and provides that any concurrent resolution so reported shall become the pending business of the House in question within 25 days and voted on within 5 calendar days thereafter unless otherwise determined; and provides that the act shall apply to all proposed agreements and amendments thereto submitted to Congress after its enactment.

Nuclear information report

S. 3802—Public Law 93-514, approved December 6, 1974.

Amends section 202 of the Atomic Energy Act of 1954, as amended, to establish a requirement for an annual report by the Joint Committee membership to their respective Houses on the development, use and control of nuclear energy for the common defense and security and for peaceful purposes in order to provide Members of Congress with factual information concerning nuclear energy, weapons and policy.

Oil pollution

H.R. 5451—Public Law 93-119, approved October 4, 1973.

Amends the Oil Pollution Act to conform with the 1969 and 1971 amendments to the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, as amended dealing with intentional discharges of oil and oily wastes from vessels and expands the penalty provisions of the Act.

S. 1070—Public Law 93-248, approved February 5, 1974.

Incorporates into statutory law the rights, duties, and responsibilities of the United States under the International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, signed November 29, 1969, at Brussels, which permits a coastal nation to take whatever action it deems necessary to prevent, mitigate, or eliminate a threat of oil pollution resulting from a maritime accident beyond that coastal nation's territorial limits by vesting such authority in the Secretary of the Department in which the Coast Guard is operating; gives the Secretary the authority to determine the extent of danger resulting from a collision, stranding, or other disablement of a vessel carrying oil, and to remove and, if necessary, destroy the ship and cargo which is the source of the danger; incorporates general guidelines for determining the permissible scope of intervention actions; authorizes actions against the United States in the Federal courts by persons claiming compensation; creates a mechanism for settling controversies between signatory nations, or between such nations and claimants relating to compensation for excessive measures; authorizes the Secretary to issue rules and regulations to carry out the purposes of this Act; imposes criminal penalties to insure full compliance with the legislation; and extends the right of intervention now inherent in the Federal Government for vessel incidents in territorial waters to incidents on the high seas involving potential oil pollution damage.

Oil price increase

S. Res. 249—Senate adopted January 29, 1974.

States a sense of the Senate that it be an urgent matter to communicate to the governments of Canada, Venezuela, and the Arab oil producing countries that the United States views with the utmost concern the recent oil price increases as detrimental to prices, real income and employment in the United States and that such actions should not be taken by these countries without regard for these effects on the life of the American people and for the possibility of reciprocal economic action by the United States which might adversely affect the economies of these countries.

Pacific Northwest Power

S. 3362—Public Law 93-454, approved October 18, 1974.

Establishes a Bonneville Power Administration Fund in the U.S. Treasury to receive revenues from electric power sales, appropriations made by the Congress, receipts from the sales of bonds, and miscellaneous other receipts of the Bonneville Power Administration; and authorizes the Bonneville Power Administrator to issue bonds and sell them to the Secretary of the Treasury to assist in financing the construction, acquisition, and replacement of the Bonneville electric power transmission system.

Petroleum allocation—Mandatory

S. 1570—Public Law 93-159, approved November 27, 1973.

Requires the President to implement a comprehensive mandatory allocation program providing for the compelled distribution of crude oil, residual fuel oil, and refined petroleum products in amounts and at prices in accordance with regulations to be promulgated not later than 15 days after the enactment date of this Act (with a 30 day delay permitted with respect to the allocation of gasoline and any allocation of products which are allocated under section 203 (a) (3) of the Economic Stabilization Act prior to promulgation of the regulations under this act) which are to be designed to meet the following objectives: (1) the protection of public health, safety, and welfare (including residential heating), and the national defense; (2) the maintenance of all public services and agricultural operations; (3) the preservation of an economically sound and competitive petroleum industry; (4) the allocation of suitable types, grades, and quality of crude oil to refineries in the United States to permit such refineries to operate at full capacity; (5) the equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry, including independent refiners, small refiners, nonbranded independent marketers, branded independent marketers, and among all users; (6) the allocation of residual fuel oil and refined petroleum products as necessary to maintain exploration for, and production of, fuels; (7) economic efficiency; and (8) the minimization of economic distortion, inflexibility, and unnecessary interference with market mechanisms;

Provides that in specifying prices the regulations shall provide for (1) a dollar-for-dollar pass-through of net increases in the cost of crude oil, residual fuel oil, and refined petroleum products to retail distributors and (2) the use of the same date in the computation of markup, margin, and posted price for all distributors at all levels;

Directs, to the extent practicable, allocations of each refined petroleum products to each independent branded and non-branded marketer, and of crude oil to each independent refiner, in an amount equal to that which they were able to obtain in calendar year 1972, such allocations to be equitably adjusted to provide for new market entry, a change of circumstances, or a pro rata sharing of any greater or lesser amount produced than produced in 1972 but does not require supply at 1972 levels if to do so would be inconsistent with the objectives outlined above, and expressly authorizes the President to depart from 1972 allocation patterns if necessary to meet priority needs; exempts the first sale of crude oil from stripper wells (those wells having an average daily production of crude oil not exceeding 10 barrels per well) from allocation and price regulations of this Act;

Provides that the regulations shall remain in effect until March 1, 1975, with certain exceptions whereby the President may exempt products; provides that compliance with requirements of this Act are a defense to certain actions which might otherwise violate the antitrust laws; directs the Federal Trade Commission to monitor the program and report on its effectiveness to the Congress within 60 days after implementation; authorizes the President to delegate any part of his authority under this Act to any Federal officer or agency or to any State or officer thereof;

And contains other provisions.

H.R. 16757—Public Law 93-511, approved December 5, 1974.

Extends for an additional 6-month period, until August 31, 1975, the existing authorities under the Emergency Petroleum Allocation Act of 1973 to assure that the allocation and price control authorities contained in the Act will continue through the ensuing winter and spring and give Congress an opportunity to consider whether the Act should be further extended or whether substantive amendments should be made.

Petroleum allocation—Voluntary

S. 398—Public Law 93-28, approved April 30, 1973.

Gives the President authority to establish, after public hearings priorities of use and an allocation system of supplies of petroleum products, including crude oil, in order to meet essential needs in various sections of the country and to prevent anticompetitive effects which could develop from shortages of petroleum products, and contains other provisions.

Sequoia National Park Hydroelectric Project

H.J. Res. 444—Public Law 93-522, approved December 14, 1974.

Authorizes the Secretary of the Interior to issue a permit for the use of Federal land in Sequoia National Park for the Kaweah No. 3 Hydroelectric project of Southern California Edison Co.; terminates the permit when existing of future licenses granted by the Federal Power Commission expire or not later than 10 years; specifies that the permit is to contain terms and conditions considered necessary by the Secretary to protect the Park; and states that the permit shall set forth that the privileges granted by it are to be exercised in accordance with applicable rules and regulations of the Federal Power Act.

Small Business Administration Authority

S. 3331—Public Law 93–386, approved August 23, 1974.

Provides loan assistance, refinancing, and deferred payments, if need can be shown to small businessmen adjusting to the new requirements imposed by the energy crisis.

Solar energy research

S. 3234—Public Law 93–473, approved October 26, 1974.

Establishes an interagency Solar Energy Coordination and Management Project to coordinate and administer the Federal program of research and development of solar energy; directs the chairman of the Project to initiate a solar resource determination and assessment program and a research and development program to facilitate commercial utilization of solar energy; requires the Chairman to initiate a program to construct demonstration facilities or powerplants for the development and use of solar energy; requires the establishment of a Solar Energy Information Data Bank to collect and disseminate information with respect to solar energy technologies; directs the Chairman to cooperate with other nations on solar energy research and projects; delineates the following as the advanced solar energy technologies covered by the Act: (1) solar heat for industrial purposes, (2) thermal energy conversion for electric powerplant generation, (3) conversion of organic materials to energy, (4) photovoltaic conversion, (5) sea thermal power conversion, (6) windpower conversion, (7) solar heating and cooling of housing and of commercial and public buildings, and (8) energy storage; provides that the Chairman may proceed with the construction of any small scale demonstration plant not in excess of $20 million; authorizes $75 million for fiscal year 1976 and such amounts as may be necessary for construction of demonstration projects; establishes a Solar Energy Research Institute to carry out any research, development or related functions assigned to it by the Chairman of the Project; and contains other provisions.

Solar heating and cooling

H.R. 11864—Public Law 93–409, approved September 3, 1974.

Authorizes $5 million to NASA for fiscal year 1975, and $5 million to HUD for fiscal year 1975 to be used to reimburse the Department of Defense, the National Bureau of Standards, and the General Services Administration for expenses incurred by them in carrying out their respective functions, and an additional $50 million for fiscal years 1976 through 1979 for further development and testing for large scale commercial use of solar systems in heating and cooling residential and commercial buildings.

Speed limit reduction

H.R. 11372—Public Law 93–239, approved January 2, 1974.

Sets in this measure, the Emergency Highway Energy Conservation Act, a uniform nationwide maximum speed limit of 55 miles per hour; conditions continued approval of Federal-aid highway projects upon the establishment by a State within 60 days of its enactment of a maximum speed limit not in excess thereof; and contains other provisions.

Supplemental appropriations, 1974

H.R. 11576—Public Law 93–245, approved January 3, 1974.

Appropriates $1,703,125,386 in supplemental appropriations for fiscal year 1974, including funds to explore and develop naval petroleum reserves.

Suspension of duty on methanol

H.R. 11251—Public Law 93–482, approved October 26, 1974.

Suspends the duty on methanol when imported for use in producing synthetic natural gas or for direct use as a fuel.

Truck fuel prices

S.J. Res. 185—Public Law 93–249, approved February 8, 1974.

Provides that the Interstate Commerce Commission shall issue its final order in Docket No. MC 43 (Sub. No. 2) as soon as possible which shall become effective not later than February 15, 1974. * * *

Washington Energy Conference

S. Res. 279—Senate adopted February 6, 1974; Reconsidered and adopted by Senate amended February 7, 1974.

States as the sense of the Senate that the Washington Energy Conference, called by the President to provide a forum for the discussion of the common problems faced by the oil consuming nations, should consider: (1) conservation measures necessary to reduce demand; (2) procedures for the emergency sharing of oil resources; (3) guidelines for bilateral agreements between oil consuming and oil producing countries; (4) coordination of research efforts in developing conservation practices and alternative sources of energy; (5) the responsibility for and the means to help to alleviate the plight of the developing countries in the oil crisis; and (6) closer coordination of fiscal and monetary policies; and further states that the United States should continue to bring about conditions of peace and stability in the Middle East.

94TH CONGRESS (1975–76)

Alaskan gas transportation

S. 3521—Public Law 94–586, approved October 22, 1976.

Establishes a procedure for expediting a decision on construction of facilities to transport natural gas from the North Slope of Alaska to the lower forty-eight States; directs the Federal Power Commission (FPC) to consider reasonable alternatives, including pending applications, for the transportation of Alaskan natural gas to consumers and to transmit a recommendation for approval of a particular system, or that no system should be approved pursuant to this act, to the President by May 1, 1977; provides a period for Federal officers and agencies, State governors, other instrumentalities of government, and interested persons to comment on the recommendation and report of the FPC; requires each Federal officer or agency to report to the President by July 1, 1977, on actions to be taken by the officer or agency relative to each transportation system reported upon by the FPC; gives the Council on Environmental Quality specific responsibilities to hold hearings on the various environmental impact statements which have been prepared relative to the alternative transportation systems reported on by the FPC and to comment formally to the President on the legal and factual sufficiency of each such statement, with the report to be made to the President by July 1, 1977, and contemporaneously made available to the public;

Provides that the President is to review the recommendation and transmit his own decision to Congress by September 1, 1977; permits an additional 90 days for transmittal if necessary to obtain environmental impact statements or to reach a sound decision; provides that the President's decision shall become final if Congress enacts a joint resolution of approval within 60 days of transmittal, and provides that if the joint resolution is not so enacted the President may propose a new decision within 30 days for consideration under the same procedures;

Provides that if a decision of the President is approved by Congress, Federal officers and agencies whose permission is required to proceed with the construction and initial operation of the approved system shall issue the necessary certificates, permits, rights-of-way, leases or other authorization as soon as practicable; restricts judicial review of a certificate and other approvals required through the construction phase to the point of initial commercial operation of the system to claims alleging that an action will deny rights under the Constitution or that an action is beyond the scope of statutory authority; limits the time for bringing these claims to 60 days from the date of the challenged action (or the date of actual or constructive knowledge of the challenged action); provides that such claims shall be barred unless filed within the 60 day time limit in the U.S. Court of Appeals for the District of Columbia acting as a Special Court; gives the court exclusive jurisdiction over such claims; provides that the court shall render its decision within 90 days unless it determines that a longer time is necessary to satisfy constitutional requirements; provides that the enactment of a joint resolution approving the decision of the President shall be conclusive as to the legal and factual sufficiency of the environmental impact statements submitted by the President relative to the approved system and that no court shall have jurisdiction to consider questions respecting the sufficiency of such statements under the National Environmental Policy Act of 1969; prohibits discrimination on the grounds of sex, race, creed, color, or national origin, in activities under this act; and contains other provisions.

Coal leasing

S. 391—Vetoed July 3, 1976. Senate overrode veto August 3, 1976; House overrode veto August 4, 1976. Became Public Law 94–377, without approval August 4, 1976. Senate record vote number 364,* 456.

Makes basic changes in the Mineral Leasing Act of 1920 governing leasing of Federally owned coal which constitutes almost 50 percent of the recoverable coal reserves in the United States; provides that leases may be issued only by competitive bidding and that at least 50 percent of all lands leased within any year be on the basis of a deferred bonus bidding system;

Requires the preparation of land use plans where the United States owns both the surface and subsurface prior to sale of leases, and provides that, in cases where the Federal interest is nominal, a State or local land use plan or a land use analysis prepared by the Secretary would be required;

Eliminates prospecting permits and preference right leases to prospectors and replaces this with a system of non-exclusive exploratory licenses; eliminates collective prospecting contracts in favor of the concept of a logical mining unit; provides that a coal lease for a logical mining unit is not producing in commercial quantities at the end of 10 years shall be terminated; provides that coal leases shall be for a term of 20 years, and may be readjusted every 10 instead of 20 years, dependent upon diligent production; permits the Secretary to waive the requirement for a period not to exceed 15 years and accept in lieu thereof an advanced royalty; provides for a comprehensive Federal exploration program for lands to be offered for leasing;

Increases from 37½ to 50 percent the share of lease revenues to the State in which the lease is located; specifies that the 12½ percent shall be used for planning, construction and maintenance of public facilities, and provision of public services with pri-

ority to be given to those areas suffering impact problems as a result of energy development and provides that 12½ percent of the revenues accumulating under the Geothermal Steam Act are to be available to the States for the same purpose; and contains other provisions.

Coastal zone management

S. 586—Public Law 94-370, approved July 26, 1976.

Amends the Coastal Zone Management Act to assist States facing Outer Continental Shelf (OCS) oil and gas development or other energy-related developments and facilities affecting the coastal zone; provides assistance in the form of grants or loans to coastal States from a new coastal energy facility impact fund, which is to be available to States receiving or anticipating impacts in their coastal zones from the exploration, development, and production of energy resources, or from the location, construction, expansion or operation of any energy facility requiring a Federal license or permit; authorizes moneys for the fund at $250 million per year for 3 fiscal years and the 1976 transition period; provides that up to 20 percent of the moneys may be used for planning grants with the balance to be used for efforts to reduce or ameliorate adverse impacts from energy exploration and development or to provide public facilities and services necessitated by such activity; requires as a condition of eligibility the provision of public facilities and services necessitated by such activity; requires as a condition of eligibility for assistance from the fund that the State must participate in a coastal zone management program and must experience or anticipate a temporary or net adverse impact or have experienced an adverse impact with the 3 years prior to enactment; authorizes automatic grants payable from the general treasury to any State where OCS oil or natural gas is being directly landed (brought ashore); provides a Federal guarantee for State or local government bonds issued to pay for measures needed to reduce adverse coastal impacts; contains provisions to make Federal leases consistent with approved coastal zone management programs of the affected States; raises the Federal share for coastal zone management funding from 66⅔ percent to 80 percent; amends the Mineral Leasing Act of 1920 to increase from 37½ percent to 60 percent the amounts returned to the States as reclamation funds from royalties paid to the Federal Government by mining companies extracting federally-owned minerals; and contains other provisions.

Electric and hybrid vehicle research

H.R. 8800—Vetoed September 13, 1976. House overrode veto September 16, 1976; Senate overrode veto September 17, 1976. Became Public Law 94-413 without approval September 17, 1976. Senate record vote numbers *281, *606.

Establishes within the Energy Research and Development Administration (ERDA) a comprehensive research and development project which will focus on basic and applied research on electric and hybrid vehicle batteries, controls, motors, and overall vehicle design, with early emphasis on battery technology; provides that ERDA shall also carry out a three-stage demonstration project to provide for (a) development of baseline data to delineate the performance and other characterics of existing electric and hybrid vehicle and hybrid vehicle technology, (b) contracting for the purchase, or lease of 2,500 electric or hybrid vehicles which represent the best available state-of-the-art technology, and (c) contracting for the purchase or lease of 5,000 advanced electric or hybrid vehicles which must represent a significant improvement over present state-of-the-art vehicles; provides that ERDA shall, through contracts and loan guarantees, carry out the research, development, and demonsration project, and may utilize other Federal agencies to the extent they enhance the participation of small businesses concerned with electric and hybrid vehicle technology, and shall reserve a reasonable portion of funds to be made available for the research, development, and demonstration project for contracts with such small businesses; requires ERDA to undertake a number of studies on various factors which may hinder or encourage the utilization of electric and hybrid vehicles, and also to make annual reports on the progress of the project; and authorizes a total of $160 million over 5 years for the project.

Energy policy and conservation

S. 622—Public Law 94-163, approved December 22, 1975, Senate record vote number 138.

Extends in title I, domestic supply availability, the authority of the Federal Energy Administration (FEA) to direct powerplants, and other major fuel burning installations, to convert to the use of domestic coal; increases competition in the oil industry by limiting joint venture bidding by major oil companies in the development of crude oil or natural gas on the Outer Continental Shelf; authorizes the President to restrict exports of energy supplies and energy-related materials under certain circumstances, and authorizes the President to require the production of crude oil and natural gas from designated fields at the maximum efficient rate of production or the temporary emergency production rate; creates a Strategic Petroleum Reserve of up to one billion barrels of crude oil, residual fuel oil and refined petroleum products to insulate the domestic economy from future supply interruptions; provides that the plan for the Reserve, which is subject to review and disapproval by either House, must be submitted to Congress not later than December 15, 1976; requires that the plan include provision for the creation of regional petroleum product reserves in regions where more than 20 percent of demand for such products is met by imports; authorizes the FEA to require importers and refiners to store as reserves up to 3 percent of their imports as throughputs for the previous calendar year; creates also an Early Storage Reserve consisting of not less than 150 million barrels of crude oil, residual fuel oil and refined petroleum products, to be stored within 3 years of the date of enactment;

Authorizes in title II, standby energy authorities, the President to prescribe energy conservation plans, including rationing plans, and to authorize actions necessary to carry out U.S. obligations under the International Energy Program if a contingency plan for implementing this authority has been approved by concurrent resolution of the House and Senate and the President has determined that exercise of the plan is required by a severe energy supply interruption or the International Energy Program; and gives the President authority to authorize persons in the oil industry to develop and carry out voluntary agreements for international oil allocation under a grant of limited antitrust immunity and to transmit information to the International Energy Agency;

Establishes in title II, energy conservation programs, mandatory average fuel economy performance standards for passenger automobiles and other light duty highway vehicles, which are applicable in model year 1978 and thereafter; requires energy labeling of automobiles and major home appliances and major appliances; authorizes block grants-in-aid for States to assist in the development and implementation of State-administered energy conservation programs and establishes programs to encourage increased efficiency of energy use by industry, for energy conservation within the Federal Government, and to promote the use of recycled oil;

Amends in title IV, *oil pricing policy*, the Emergency Petroleum Allocation Act of 1973 to establish a pricing formula for domestically-produced crude oil which provides for initial crude oil price rollback and authorizes gradual increases in the prices received by domestic producers over a 40-month period as follows:

Establishes a domestic composite price of $7.66 per barrel, which represents a rollback of $1.09 from the current domestic average estimated by FEA at $8.75 per barrel which, in combination with the removal of the $2 per barrel import tariff, will result in a significant reduction in the price of the crude oil run in domestic oil refineries; requires that these reductions in crude oil costs be reflected in the price of refined petroleum products paid by consumers; grants the President broad flexibility to set prices for various categories of oil production as long as the average domestic price does not exceed the $7.66 composite price; permits upward adjustment of the domestic composite price for inflation, and allows a 3 percent price increase per year as an incentive for the development of high-cost production, to maintain production from marginally profitable properties, or to encourage the application of enhanced recovery techniques, with the sum of these adjustments limited to 10 percent per year unless further authority for upward adjustment is obtained from Congress; allows the President to submit proposals to modify the 3 percent and 10 percent ceiling to Congress at 3 month intervals, which will take effect unless disapproved by either House; directs the President to submit to Congress on February 15, 1977, an analysis of energy supply, demand and import relationships which have evolved under the Act; requires the President to submit to Congress on April 15, 1977, a report on the impact of anticipated Alaskan oil production levels and prices on domestic oil prices and on incentives to increase and maintain production in the lower 48 States, and authorizes the President then to propose, subject to Congressional review, the exclusion of up to 2 million barrels per day of Alaskan production from the composite price ceiling and the establishment of a separate ceiling for this production not to exceed the highest price granted to significant volumes within the composite;

Extends the basic petroleum allocation authority presently contained in the Emergency Petroleum Allocation Act for 40 months; converts this allocation authority and the oil pricing provisions in this act to an optional standby status at the end of the 40-month period, and terminates the authority 5 years after enactment.

In title V, *general provisions*, sets forth provisions of general applicability relating to procedural requirements for agency actions, judicial review, and enforcement.

ERDA authorization

H.R. 3474—Public Law 94-187, approved December 31, 1975. Senate record vote numbers 371,568.

Authorizes $5,014,133,000 for fiscal year 1976 and $1,347,283,000 for the transition period July–September 30, 1976, for the Energy Research and Development Administration (ERDA) which was established by the Energy Reorganization Act of 1974 and is responsible for the nuclear programs formerly administered by the Atomic Energy Commission and which also has the leadership role in implementing nonnuclear energy research programs; includes, among the nuclear programs funded: basic physical research; fusion research; fission research, including the development of advanced reactors which will permit increased utilization of nuclear fuel resources—uranium and thorium; a nuclear materials program to assure a sufficient supply of enriched uranium to fuel civilian power reactors; a national security program to enable continued maintenance of a nuclear weapons capability; and en-

vironmental and safety research, which also includes work on the artificial heart and nuclear medicine; and includes among the nonnuclear programs; fossil energy development programs in coal, oil and gas, fusion, solar and geothermal energy programs, and advanced energy systems research programs.

ERDA supplemental authorization

S. 308—Public Law 94-269, approved April 16, 1976.

Authorizes for the Energy Research and Development Administration supplemental appropriations for $34 million for fiscal year 1976 and $23 million for the transition period July 1-September 30, 1976, in budget authority and $26.5 million and $17.5 million in budget outlays for the respective periods to provide a balanced nuclear weapons research, development, and testing program, a capability to verify the peaceful nuclear exposive agreement now being negotiated with the Soviet Union as part of the Threshold Test Ban Treaty and to purchase, at reduced cost, a computer now being leased for the Lawrence Livermore Laboratory.

Energy conservation and production

H.R. 12169—Public Law 94-385, approved August 14, 1976. Senate record vote number *295.

Provides an 18 month extention of the Federal Energy Administration (FEA) until December 31, 1977; improves FEA procedures with respect to: the standards of hardship applicable to exception and exemption requests; appeals from adverse decisions on exception and exemption requests; holding of local hearings where the effects of a rule or regulation are essentially local in character; public access to the Project Independence Evaluation System model; and the gathering of energy information from small businesses so as to alleviate unnecessary reporting burdens; establishes certain limitations on the Administrator's discretion, including restraints upon retroactive application of rules and regulations under specified circumstances and upon the submission, in a single energy action, of a proposal to exempt an oil, refined petroleum product, or refined product category from both the price and the allocation provisions of the regulations under the Emergency Petroleum Allocation Act of 1973; increases Congressional oversight of the agency's operations; provides for authorizations of appropriations on a functional basis to assure that appropriated funds are utilized consistently with Congressional intent, and provides for a national energy information system for coordinating the gathering of energy information and energy data analysis to be established by newly-created Office of Energy Information and Analysis within the FEA;

Provides a broad range of energy conservation measures for new and existing buildings; contains Federal energy conservation performance standards for new residential and commercial buildings; a $200 million grant program to permit low-income persons to weatherize existing homes; a program at the state level designed to provide home owners and owners of public and commercial buildings with reliable information regarding the costs, savings, and benefits of energy conservation related investments; a $2 billion loan guarantee program to encourage energy conservation related investments in public and commercial buildings; and a $200 million demonstration program to identify incentives to encourage homeowners to make energy conservation related investments in home improvements;

Amends the crude oil pricing policy established in the Energy Policy and Conservation Act to remove the 3 percent limitation on the production incentive factor in adjustment by the President of the composite price per barrel on domestic crude oil, while retaining the 10 percent overall limitation on combined price increases attributable to the inflation adjustment factor and the production incentive factor; exempts stripper well production from price ceilings, but not from the calculation of the weighted average composite price for domestic oil; gives stripper oil production an imputed value in calculating the composite price, with the imputed price to be first calculated at $11.63, an approximation of today's average first sale price of stripper well production, which is to be adjusted to reflect increases in the actual average price of domestic production remaining subject to controls; directs the President, taking into consideration the greater flexibility attending the removal of the 3 percent limitation, to amend the regulations to provide additional price incentives for extraordinary and high-cost enhancement techniques associated with tertiary recovery of oil; authorizes $3 million for a program to promote commercialization of solar energy; and contains other provisions.

Federal Energy Administration extension

S. 3625—Public Law 94-332, approved June 30, 1976.

Extends for 30 days, from June 30, 1976, to July 30, 1976, the expiration date of the Federal Energy Administration.

International Petroleum Exposition

S.J. Res. 59—Public Law 94-227, approved March 11, 1976.

Authorizes the President to invite the several States and foreign nations to participate in the International Petroleum Exposition at Tulsa, Oklahoma, from May 16 through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products.

Interstate Oil and Gas Compact

S.J. Res. 126—Public Law 94-493, approved October 14, 1976.

Extends until December 31, 1978, the consent of Congress to the Interstate Compact to Conserve Oil and Gas consisting of 30 oil and gas producing States and 6 associate member States whose purpose is to conserve oil and gas by prevention of physical waste thereof from any cause, and calls for a special report from the Attorney General on the activities of advisory committees used in connection with activities related to the purposes of the Compact to see if they are consistent with the antitrust laws.

Land and Water Conservation Fund—National Historic Preservation Fund—Oil shale revenues

S. 327—Public Law 94-422, approved September 28, 1976.

Amends the Land and Water Conservation Fund Act to increase the minimum annual level of the Fund from $300 million to $600 million in fiscal year 1978, $750 million in fiscal 1979, and $900 million in fiscal 1980 and annually thereafter through fiscal 1989; provides that not less than 40 percent in any appropriation shall be for Federal purposes to insure that the Federal portion for land acquisition in the National Park System and elsewhere is not drastically reduced; retains the present 40 percent distribution formula of Land and Conservation Fund moneys for the first $225 million and adds a formula by which such funds will decrease as the fund begins to grow; raises from 7 to 10 percent the maximum percentage of allocated grant funds to which a State is entitled in any one year with the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, and the Northern Marianas (when they achieve commonwealth status) entitled to receive, on the basis of their relative populations, an amount equal to the share of one State in terms of the portion of the fund apportioned equally among the States; requires States to submit their Statewide plans to the areawide clearing house created under the Intergovernmental Cooperation Act for comment; provides that not to exceed 10 percent of a State's annual allocation (including the matching funds for that 10 percent) shall be available for sheltered facilities; requires States to account for funds received on a project-by-project basis; directs the Secretary of the Interior to prepare and submit a comprehensive review and report on urban recreation within one year of enactment; clarifies the extent to which Land and Water Funds can be used to acquire land for endangered species or wildlife refuges;

Extends the National Historic Preservation Act of 1966 for 5 years; changes the formula for matching grants for planning, nationally significant properties, demonstration projects, and meeting houses; repeals the 50 percent limit on planning; establishes a National Historic Preservation Fund, similar to the Land and Water Conservation Fund, and authorizes therefor $24.4 million for fiscal year 1977, $100 million annually for fiscal 1978 and 1979, and $150 million annually for fiscal 1980 and 1981; makes necessary changes in the act to make the Advisory Council on Historic Preservation an independent agency; extends U.S. participation in the International Centre for the Study of the Preservation and Restoration of Cultural Property for these years and authorizes therefor $175,000 annually;

Clarifies that the provisions of Public Law 94-377, which permits each State to use its share of oil shale revenues for planning, construction, and maintenance of public facilities and provisions of public services, applies to all moneys paid to Colorado and Utah from oil shale leases and to any State as its share of Federal oil revenues.

Motor vehicle information and cost savings

S. 1518—Public Law 94-364, approved July 14, 1976.

Amends the Motor Vehicle Information and Cost Savings Act to authorize additional appropriations to implement the following titles of the bill for fiscal year 1976, the transition period July 1-September 30, 1976, and fiscal years 1977 and 1978, respectively, as follows: Title I, which requires the Secretary of Transportation to promulgate bumper standards applicable to all passenger motor vehicles: $125,000, $75,000, $130,000 and $395,000; Title II, which provides for an automobile consumer information program: $1,875,000, $500,000, $3,385,000 and $3,375,000; Title III, which provides for diagnostic inspection demonstration projects: $5 million, $500,000, $7,500,000 and $4,400,000; and Title IV, which sets odometer requirements: $450,000, $100,000, $650,000 and $562,000; redefines the special order vehicle diagnostic inspection demonstration project under title III to assure that the project will be designed for use by States for high volume inspection facilities to evaluate conditions of parts, components and repairs required to comply with State and Federal safety, noise and emission standards and to assist the owner in achieving the optimum fuel and maintenance economy; provide the Secretary with additional authority to enforce the odometer and anti-tampering provisions and imposes a civil penalty of not to exceed $1,000 for each violation up to a maximum of $100,000 for a related series of violations and criminal penalties of not more than $50,000 and/or 1 year in prison.

Natural gas pipeline safety

H.R. 12168—Public Law 94-477, approved October 11, 1976.

Amends the Natural Gas Pipeline Safety Act of 1968 to authorize an additional total

of $17.165 million to implement the Natural Gas Pipeline Safety Act through fiscal 1978 and to make certain improvements to protect the public from hazards associated with natural gas pipelines; authorizes from the total, $7 million for State grant-in-aid programs; defines the term "intrastate pipeline transportation" as that not subject to the jurisdiction of the Federal Power Commission under this act and includes within the definition those pipeline facilities which transport gas from an interstate pipeline to a direct sales customer purchasing gas for its own consumption; provides that the Secretary may establish standards relating to emergency plans and procedures; revises the State certification process to allow certification of a State agency even though it may not have adopted each Federal safety standard established within 120 days of the date of certification; requires States which are certified under this act, to encourage and promote programs designed to prevent natural gas pipelines and subsurface utility equipment from being damaged as a result of excavation; increases the amount of Federal contribution to State efforts to enforce Federal natural gas pipeline safety standards by authorizing the Secretary to pay the cost of not more than three full-time pipeline safety inspectors for each State (but not to exceed $60,000 for each State) in fiscal year 1978: continues the existing authority of the Secretary of Transportation to pay up to 50 percent of the cost of personnel, equipment, and activities with respect to interstate transmission lines; makes clear that the Department of Transportation's pipeline safety standards are the only Federal pipeline safety standards that an interstate pipeline operator is required to meet; requires the Secretary to include in his annual report to the President and Congress a full compilation of natural gas pipeline leaks occurring during that year; requires each person engaged in the transportation of natural gas to conduct a program to educate the public on the hazards associated with gas leaks and on the importance of reporting gas odors and leaks to the pipeline owner; authorizes the Secretary to develop materials suitable for use in such a consumer education program; and authorizes under specified conditions citizens' civil actions for mandatory or prohibitive injunctive relief against any person who is alleged to be in violation of the act.

Naval petroleum reserves production

H R. 49—Public Law 94–258, approved April 5, 1976. Senate record vote number 342.

Transfers, effective June 1, 1977, jurisdiction of Naval Petroleum Reserve No. 4 in Alaska from the Secretary of the Navy to the Secretary of Interior and redesignates it the "National Petroleum Reserve in Alaska"; provides for continued petroleum exploration of this reserve but prohibits development and production until authorized by Congress;

Amends chapter 64, title 10, United States Code, to provide for the full exploration and development of the naval petroleum reserves and to permit limited production of Naval Petroleum Reserves No. 1—Elk Hills in California, No. 2—Buena Vista in California, and No. 3—Teapot Dome in Wyoming, within 90 days of enactment, under the authority of the Secretary of the Navy; defines "national defense" for the purposes of permitting such production in terms broad enough to permit production to offset a situation such as the Arab embargo of 1973; provides that production will not exceed the maximum efficient rate determined in accordance with sound oilfield engineering practices for a period of 6 years with provision for 3 year extensions thereafter; authorizes the President at his discretion to direct that all or any part of oil produced from the naval petroleum reserves be placed in a strategic reserve or be exchanged for petroleum of equal value to be so stored; waives, for the period of production, the requirement that the Secretary consult with the Congress on every contract; retains the requirement that the sale of oil be by competitive bidding for periods of not more than 1 year; prohibits the sale of more than 20 percent of the estimated Federal share of petroleum produced from Elk Hills to any buyer in a single year; requires that pipelines and facilities at this reserve be capable of handling 350,000 barrels of oil a day not later than 3 years after enactment; establishes a special account in the Treasury to offset outlay requirements for continued exploration and development, construction and filing of a strategic reserve and for operations in the Alaska reserve; requires that pipelines operate as common carriers; and contains other provisions.

Nuclear accident indemnity

H.R. 8631—Public Law 94–197, approved December 31, 1975. Senate record vote number 600.

Provides for the phase-out of government indemnity under the Price-Anderson Act, which was enacted in 1957 to protect the public and the emerging nuclear industry by assuring the availability of funds up to $560 million for the payment of claims and by protecting the nuclear industry against unlimited liability in the unlikely event of a catastrophic nuclear accident; requires participation by licensees in an insurance retrospective rating plan under which, in case of accident, each licensee would be assessed a deferred premium which would be a prorated share of the damages over the amount of Government indemnity and eliminates Government indemnity at the point where the total of primary insurance and the number of licensees paying the deferred premiums is sufficient to provide $560 million for claims payment without using Government funds; provides that the $560 million limit on liability shall rise thereafter to correspond with the increasing total level of primary insurance and deferred premium funds as more licenses are issued; extends indemnity coverage outside the territorial limits of the United States for certain activities conducted by Energy Research and Development Administration (ERDA) contractors or involving licensed nuclear facilities or licensed activities, none of which involve indemnity for any shipment of nuclear technology abroad under an agreement for cooperation with nations or groups of nations; extends the Act, which is scheduled to expire on August 1, 1977, for a period of 10 years, and contains other provisions.

Nuclear Regulatory Commission authorizations

S. 994—Public Law 94–18, approved April 25, 1975.

Authorizes supplemental appropriations of $50.2 million to the Nuclear Regulatory Commission for fiscal year 1975 which is in addition to the $90,765,000 fiscal year 1975 Atomic Energy Commission authorization (Public Law 93–276) transferred to the Commission on January 19, 1975, when the Atomic Energy Commission was abolished pursuant to the Energy Reorganization Act of 1974 (Public Law 93–438) and its functions transferred to the Nuclear Regulatory Commission and Energy Research and Development Administration.

S. 1716—Public Law 94–79, approved August 9, 1975.

Authorizes $222,935,000 for fiscal year 1976 and $52,750,000 for the transition period July 1–September 30, 1976, for the Nuclear Regulatory Commission; authorizes an additional 131 employees for nuclear safety inspection and enforcement; prohibits the shipment by air transport of any form of plutonium (except if it is contained in a medical device designed for individual human application) until the Commission has certified to the Joint Committee on Atomic Energy that a safe container has been developed which will not rupture under crash and explosion of a high-flying aircraft; and clarifies the commencing date for the terms of the members of the Commission.

S. 3107—Public Law 94–291, approved May 22, 1976.

Authorizes $274,300,000 for the Nuclear Regulatory Commission for fiscal year 1976; permits the obligation of funds received by the Commission for the cooperative nuclear safety research programs only to the extent provided in appropriation acts; and permits the retention and use of funds received by the Commission under appropriations acts for the cooperative nuclear research programs during fiscal year 1976.

Public works—ERDA

H.R. 8122—Public Law 94–180, approved December 26, 1975. Senate record vote number 565.

Appropriates $4,310,156,500 for fiscal year 1976 and $1,173,526,000 fro the transition period July to September 30, 1976, for public works for water and power development and energy research, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian Regional Development Commission, the Federal Power Commission, the Nuclear Regulatory Commission, the Tennessee Valley Authority, and related independent agencies and commissions; and

Appropriates $3,130,756,000 for fiscal year 1976 and $941,507,000 for the transition period July to September 30, 1976, for the programs of the Energy Research and Development Administration (ERDA).

H.R. 14236—Public Law 94–355, approved July 12, 1976. Senate record vote number *321.

Appropriates $9,703,713,000 for fiscal year 1977 for public works for water and power development and energy research including the Corps of Engineers—Civil, the Bureau of Reclamation, power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Nuclear Regulatory Commission, the Energy Research and Development Administration, and related independent agencies and commissions, including the Appalachian Regional Commission, the Nuclear Regulatory Commission, the Federal Power Commisson, and the Tennessee Valley Authority; includes a substantial increase in funding over the budget estimate for research and development in the areas of solar energy and fusion power and for civil planning and construction projects of the Army Corps of Engineers; and provides that $200 million be charged to the fiscal year 1976 transition quarter for the Teton Dam disaster payment of claims.

Tax reduction of 1975

H.R. 2166—Public Law 94–12, approved March 29, 1975. Senate record vote numbers 112,117.

Amends the Internal Revenue Code of 1954 for a $22.8 billion net tax reduction;

Depletion Allowance: Repeals the 22 percent depletion allowance for major oil and natural gas producers; retains the 22 percent depletion allowance for independent companies, who do not have retail outlets, on a daily maximum of 2,000 barrels of oil or 12 million cubic feet of natural gas which is phased down to 1,000 barrels or 6 million cubic feet of gas by 1980 and to a 15 percent depletion allowance on the first 1,000 barrels or 6 million cubic feet by 1984.

TVA Bonding Authority

H.R. 9472—Public Law 94–139, approved November 28, 1975.

Amends the Tennessee Valley Authority Act of 1933 to increase from $5 billion to $15 billion the amount of revenue bonds which the Tennessee Valley Authority may have outstanding to finance additions to its power system and allow for annual payments to the Treasury for earlier appropriated investments as is the case of other Federal corporations.

95TH CONGRESS (1977)

Natural gas emergency

S. 474—Public Law 95-2, approved February 2, 1977. (21)

Authorizes the President to declare a natural gas emergency if he finds that a severe shortage exists or is imminent in the United States which would endanger the supply of natural gas for high-priority uses and the exercise of his authorities is reasonably necessary to assist in meeting requirements for such uses; provides that these authorities shall terminate when the President finds that shortages no longer exist and are no longer imminent;

Emergency Allocation: Authorizes the President, during a declared natural gas emergency, to require (1) any interstate pipeline to make emergency deliveries or transport interstate natural gas to any other interstate pipeline or a local distribution company served by an interstate pipeline; (2) any intrastate pipeline to transport interstate natural gas from one interstate pipeline to another or to any local distribution company served by an interstate pipeline; or (3) the construction and operation by any pipeline of necessary facilities to effect deliveries or transportation; directs the President, in issuing such orders, to consider the availability of alternative fuel to users of the interstate pipeline ordered to make deliveries and to determine that they would not have an adverse effect on the natural gas supply or exceed the transportation capacity of the pipeline; provides that these authorities shall terminate by April 30, 1977, or after the President terminates the emergency, whichever is earlier;

Emergency Sales at Deregulated Prices: Authorizes interstate pipelines or local distribution companies to purchase supplies of natural gas for delivery before August 1, 1977, from intrastate pipelines at unregulated prices as reviewed by the President for fairness and equity; provides that these purchases could be delivered from intrastate pipelines and any producer of natural gas not affiliated with an interstate pipeline unless such natural gas was produced from the Outer Continental Shelf, and the sale or transportation of the gas was not, immediately prior to the date of the contract for purchase of the gas, certificated under the Natural Gas Act; authorizes the President to require, by order, any interstate or intrastate pipeline to transport gas and operate facilities necessary to carry out emergency purchase contracts;

Miscellaneous: Authorizes the President to subpena information to carry out his authority under the Act; contains antitrust protection provisions available as a defense against civil or criminal action brought against any person for violation of the antitrust laws with respect to actions taken pursuant to a Presidential order; gives the Temporary Emergency Court of Appeals exclusive jurisdiction to review all cases including any order issued or other action taken under this act; imposes civil penalties of up to $25,000 a day for violations of orders and $50,000 a day for willful violations; directs the President to require weekly reports which shall be made available to the Congress on prices and volume of natural gas delivered, transported or contracted for, and to report to Congress by October 1, 1977, on all actions taken under this act; and authorizes the President to delegate all or any portion of the authority granted to him to such executive agencies or officers he deems appropriate.

ENERGY VETOES—1972

Mining and Minerals Research Centers

S. 635—President Nixon Pocket Vetoed October 27, 1972.

Amended the Mining and Mineral Policy Act to provide a more adequate national program of mining and mineral resources through the establishment of research centers throughout the United States; authorized matching grants to each participating state of $200,000 in fiscal year 1973, $300,000 in fiscal year 1974, and $400,00 for each fiscal year thereafter for the work of such centers; authorized additional funds for special mineral resource research projects; and contained other provisions.

1974

Energy emergency

S. 2589—Vetoed March 6, 1974. Senate sustained veto March 6, 1974.

Declares that current and imminent fuel shortages have created a nationwide energy emergency; calls for proposals for energy emergency rationing and conservation measures and authorizes specific temporary emergency actions to be exercised, subject to congressional review and right of approval or disapproval, to assure that the essential needs of the United States for fuels will be met;

Establishes a Federal Energy Emergency Administration (FEEA) until May 15, 1975, to be headed by an Administrator who will be appointed by the President with the advice and consent of the Senate; transfers certain powers and duties of the President under the Emergency Petroleum Allocation Act of 1973 to the FEEA Administrator; authorizes the promulgation of a rule to order priorities among users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment of rights entitling certain users to obtain products in precedence to others; requires the President to provide procedures by which any user may petition for review of priorities and entitlements;

Authorizes the FEEA Administrator to promulgate by regulation energy conservation plans to reduce energy consumption to a level which can be supplied by available energy resources through transportation controls, including highway speed limits, or other necessary and reasonable restrictions on the public or private use of energy, including limitations on energy consumption by businesses; provides that no energy conservation plan promulgated by regulation under this authority may impose rationing or any tax or user fee, or provide for a credit or deduction in computing any tax; terminates any such energy conservation plan on May 15, 1975; requires transmission of any plan to each House of Congress, and makes any plan which would become effective before March 15, 1974, subject to congressional disapproval; provides that any energy plan which would become effective on March 15, 1974, and before September 1, 1974, shall go into effect 15 days after its transmission to Congress if neither House disapproves; provides that any energy plan which would become effective on or after September 1, 1974, must be approved by act of Congress; provides procedures for congressional review of the plans;

Directs the Administrator, to the extent practicable, to prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment, has the capability and necessary plant equipment to burn coal;

Directs the Administrator, within 30 days after enactment, to propose a contingency plan for allocation of supplies of materials and equipment for exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities, implementation of such a plan to be subject to congressional approval by a means similar to that for any energy conservation plan;

Authorizes the Administrator, in order to supplement domestic energy supplies, to require production of oilfields to be designated by the Secretary of the Interior or the Secretary of the Navy at the maximum efficient rate of production and, in certain cases, in excess of the maximum rate;

Requires the President to specify equitable prices for domestic crude oil, all residual oil, and all refined petroleum products; provides that within 30 days of enactment the ceiling price for all crude oil be the price for that grade of oil in that field at 6:00 a.m., May 15, 1973, plus $1.35, making the average basic price $5.25 per barrel with savings from a price rollback to be passed on to consumers on a dollar-for-dollar basis; provides that the President may establish a higher ceiling price up to $7.09 per barrel, upon proper justification to Congress, that a higher price is necessary for a recovery of costs as in the case of crude oil produced from stripper wells or by secondary or tertiary recovery;

Contains provisions for the protection of franchised dealers; provides, in relation to antitrust provisions, for procedures to achieve the goals of this act while retaining the integrity of the antitrust laws; authorizes the appropriate agencies to take action for conserving energy consumption by regulated carriers; authorizes certain restrictions on exports; provides for employment impact and unemployment assistance to those adversely affected by the energy emergency; directs the Secretary of Transportation to encourage the use of carpools; prohibits the use of limousines by Federal officials in the executive branch below the level of a Cabinet officer except for the Federal Bureau of Investigation and the Department of State for diplomatic assignment; prohibits the use of funds for furnishing a chauffeur for individual use to any Federal official; provides for administrative procedures and judicial review; and contains enforcement provisions; authorizes to FEEA to carry out its functions and to make grants to State $75 million annually for fiscal years 1974 and 1975, with an additional $50 million for 1974 and $75 million for 1975 grants to States to carry out conservation measures and $500 million for fiscal year 1974 for grants to States for unemployment assistance;

Amends the Clean Air Act to permit the Administrator of the Environmental Protection Agency to suspend, until November 1, 1974, any stationary source fuel or emission limitation; provides for implementation plan revisions; extends the interim standards for motor vehicle emissions to 1977; and contains other provisions.

Energy transportation

H.R. 8193—Pocket vetoed December 30, 1974.

Requires that 20 percent initially, 25 percent beginning after June 30, 1975, and 30 percent beginning after June 30, 1977, of oil for import into the United States shall be transported on U.S.-flag vessels to the extent that such vessels are available at fair and reasonable rates; authorizes the President to waive these requirements for a period up to 180 days if he determines that an emergency exists; applies the requirements to direct shipments from the original point of production and to and from any intermediate points used for storage, refining, processing, packaging, unloading, or reloading of oil; exempts refiners whose total refinery capacity does not exceed 30,000 barrels a day provided that the total quantity of oil imported by or for such refiner does not in any year exceed the rated refining capacity of such refiner; permits reduction of license fees for imports of oil by 15 cents per barrel of oil other than residual fuel oil and by 42 cents per barrel for residual fuel oil if

the oil is carried on privately owned U.S.-flag commercial vessels and the amount of the license fee reduction is passed on to the ultiamte consumer;

Requires that not less than 10 percent of funds appropriated or otherwise made available for the foreign-trade requirements of the United States shall be allocated to each of the Atlantic, Gulf, Great Lakes, and Pacific range of ports;

And contains other provisions.

Nuclear incidents—Insurance

H.R. 15323—Vetoed October 12, 1974.

Amends and further extends for five years from August 1, 1977, to August 1, 1982, the Price-Anderson indemnity provisions of the Atomic Energy Act which were designed to protect the public and the emerging nuclear industry by assuring the availability of funds for the payment of claims in the event of a nuclear incident up to a total amount of $560 million, which represents the sum of Government indemnity fixed at $500 million by the Congress and the then-existing (1957) maximum available private liability insurance of $60 million (currently $110 million);

Provides that the provisions of this bill shall not come into effect until 30 days after the Rasmussen Study on reactor safety and the probability of accidents has been completed and the Joint Committee on Atomic Energy has reported to the Congress its evaluation of the results of such study unless Congress within 30 days thereafter adopts a concurrent resolution of disapproval of extension of the Price-Anderson Act;

Amends the act to phase out Government indemnity for the nuclear industry; authorizes the Atomic Energy Commission (AEC) to establish the terms and conditions of the financial protection required of nuclear licenses and provides a deferred premium system whereby in the event of a nuclear incident resulting in damages exceeding the base layer of insurance each license would be assessed a deferred premium which would be a prorated share of the excess damages; sets the level of the standard maximum deferred premium at no less than $2 million per facility and an upper level for the premium of $5 million per facility; retains the present $560 million limit on total liability until the total of primary insurance and assessable retrospective premiums reaches the level necessary to completely replace the Government indemnity; places no ultimate limitation on the level to which this coverage could rise and has a projected level, which, at a premium level of $3 million per reactor, is $1 billion about 1987 and $1,346,000,000 in 1990;

Extends the coverage of the act (which is presently limited to the occurrence of a nuclear incident within the United States or involving the nuclear ship Savannah and to nuclear incidents involving activities under contract to the United States) to include occurrences outside the territorial limits of the United States and all other nations involving ocean shipments of fuel during transit from one AEC license to another and a nuclear facility such as an AEC licensed floating nuclear powerplant, and any occurrences resulting from theft;

And contains other provisions.

Strip mining control

S. 425—Pocket vetoed December 30, 1974.

Establishes a nationwide program to prevent the adverse effect to society and the environment resulting from surface mining; places the authority for the administration of the Act with the Secretary of Interior who shall prepare and publish within 6 months regulations concerning coal surface mining and reclamation operations and a detailed description of actions to be taken by a State to develop an acceptable State program to regulate such operations; establishes the Office of Reclamation and Enforcement in the Department of the Interior which will be headed by a Director to be named by the President, with the advice and consent of the Senate; gives States 18 months to submit their regulatory programs for approval by the Secretary which upon approval gives States full responsibility for all regulation of surface mining and reclamation within the State; provides for Federal regulation of strip mining and reclamation in any State which proves unwilling or unable to do so itself; establishes an interim surface mining permit program which is in effect until the deadline for approval of a State program; sets requirements for performance bonds which must be filed before a surface mining permit is issued, such bond to satisfy the costs for reclamation of the land mined; sets criteria to be met by all surface mining and reclamation operations under a State program, a Federal program, and Federal Lands Program or the State or Federal interim permit, including the banning of downslope dumping of spoil, and mined materials in mountainous areas and restoration to the approximate original contour of the land with all highwalls (vertical cuts in the mountainside), spoil piles and depressions eliminated; provides for civil and criminal penalties for certain violations of the act; provides for citizen suits against persons violating the act or against the responsible regulatory authority; establishes a process for designation of areas as unsuitable for surface mining and prohibits new surface mining on National Parks, National Wilderness and National Forest lands; applies the requirements of the Act to public corporations, agencies, and utilities, including the Tennessee Valley Authority, which engage in surface mining; creates an "Abandoned Mine Reclamation Fund" in the Treasury to be funded by a reclamation fee of 35 cents per ton of coal produced by stripmining or 25 cents per ton for underground mined coal or 10 percent of the value of the coal, whichever is less; provides that 50 percent of the funds collected annually shall be spent in the State contributing the funds; authorizes an in-depth study by the National Science Foundation and the National Academy of Engineering involving surface and open pit mining for minerals other than coal; provides that where the surface owner is not the owner of the mineral rights, written consent or waiver by the owner must be obtained, or the surface miner must in addition to the performance bond required; places a moratorium until March 1976 on all surface mining of property privately owned where the Federal Government owns the mineral rights; authorizes funds to be used on a matching basis for the establishment of a mining and mineral resources institute or center at one college or university in each State; authorizes grants to States to provide cash payments to persons who become unemployed as a direct result of the administration and enforcement of the Act and who are not eligible for regular unemployment assistance; and contains other provisions.

1975

Emergency petroleum allocation

S. 1849—Vetoed September 9, 1975. Senate sustained veto September 10, 1975. NOTE: (Provisions contained in H.R. 4035, Oil Pricing, which was vetoed on July 21, 1975.) Senate record vote numbers 281,388.

Extends the Emergency Petroleum Allocation Act of 1973, which contains the only existing authority for allocation and price control of oil, from August 31, 1975, to March 1, 1976; extends the authority of the Federal Energy Administration (FEA) under the Energy Supply and Environmental Coordination Act to require electric powerplants and major industrial facilities with the capability to utilize coal to convert from oil and natural gas to coal from June 30, 1975, to December 31, 1975; and requires the FEA to include in its quarterly energy information reports information on pricing and related developments in the coal industry and any other major energy industries not subject to Federal price regulation.

Oil import fees

H.R. 1767—Vetoed March 4, 1975. Senate record vote number 13.

Suspends for the 90-day period beginning on the date of enactment any authority the President might have to adjust imports of petroleum and petroleum products; negates any Presidential action to adjust petroleum imports taken after January 15, 1975, and before the date of enactment, and also provides for the rebate of any duties or import fees or taxes levied and collected pursuant to any such action; provides that the suspension of this authority will cease if at any time during the 90-day period war is declared, a national emergency occurs, or certain situations involving the commitment of U.S. Armed Forces arise; and provides that the import license fee system on petroleum and petroleum products which the provisions of this bill provide shall not affect the import license fee system on petroleum and petroleum products which was in effect on January 15, 1975.

Oil pricing

H.R. 4035—Vetoed July 21, 1975. Senate record vote numbers 161,287.

Makes more effective the mechanism in existing law for congressional review and right of disapproval of Presidential proposals to exempt petroleum products from the allocation or pricing controls currently in effect under the Emergency Petroleum Allocation Act of 1973;

Expands the time for congressional review from 5 to 20 days and contains procedures for expediting review to assure that the question of approval or disapproval can be brought to the floor of either House within the 20-day review period;

Requires the President to establish administratively price controls for presently noncontrolled "new oil" (oil produced at levels above the 1972 volumes) with price ceilings no higher than the January 31, 1975, prevailing prices (which averaged $11.28 per barrel on a national basis); does not make this authority subject to congressional review unless the proposal would bring the price over this maximum ceiling;

Provides for congressional review of any proposal to permit the price of presently controlled "old oil" (oil from properties producing at, or less than, their 1972 production levels) to increase substantially above its national average price of $5.25; grants specific authority to alter present price controls to allow a price incentive to take account of natural declines in field production and to encourage the most costly use of secondary and tertiary recovery methods where the costs are significantly greater than the regular methods; requires congressional review only where the total incentives are of such a magnitude as to cause an increase in excess of 50 cents per barrel in the national average price of "old" crude oil;

Extends the Emergency Petroleum Allocation Act, which contains the only existing authority for price control and allocation of crude oil and petroleum products, from August 31 to December 31, 1975; extends the authority under the Energy Supply and Coordination Act of the Federal Energy Administration to issue coal conversion orders requiring facilities using oil or gas to convert to coal and the authority under that Act to gather energy data from June 30 to December 31, 1975;

Provides a limited exemption for small refiners from the crude oil entitlements program in effect under current Federal Energy Administration regulations; and contains other provisions.

Strip mining

H.R. 25—Vetoed May 20, 1975. House sustained veto June 10, 1975. Senate record vote number 62.

Establishes a program for the regulation of coal surface mining activities and the reclamation of coal mined lands in order to assure that surface coal mining operations—including exploration activities and the surface effects of underground mining—are conducted so as to prevent or minimize degradation to the environment, and that surface mining operations are not conducted where reclamation is not feasible according to the terms and conditions of the Act;

Establishes the Office of Surface Mining Reclamation and Enforcement in the Department of the Interior to administer the programs for controlling surface coal mining operations, including the State programs which must be submitted for approval;

Requires the Corps of Engineers to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervision and enforcement;

Establishes a fund and a program for the reclamation of abandoned mined lands and for relief of impacted areas; provides funding for such activities from reclamation fees collected at 35 cents per ton for surface mined coal, 15 cents per ton for all coal mined by underground methods or 10 percent of the value of the coal at the mine, whichever is less except that the fee will not exceed 5 percent of the value of lignite; provides that 50 percent of fees collected in any one State are to be expended in that State for reclamation or alleviating the impact of coal development in the area; provides that, in areas where there is relatively little damage from past coal mining, the States' share of the fees may be used for other purposes;

Sets a series of minimum uniform requirements for all coal surface mining operations on both Federal and State lands which deal with four basic issues—pre-planning, mining practices, post-mining reclamation and the protection of water resources; specifies that lands which cannot be reclaimed under the standards of the Act and lands within the National Park, Wildlife Refuge, Wilderness and Wild and Scenic Rivers systems, National Recreation Areas, National Forests, and certain other areas may not be strip-mined; makes special provision for mining which affects alluvial valley farming land; provides for certain limited variances to the prescribed standards where such variances provide equal or better protection to the environment and result in a higher post-mining use;

Provides, in regard to rights of private surface owners, for obtaining consent as a condition of issuing a new Federal coal lease, and requires payment of all damages, including lost income, and payment of limited additional compensation to the surface owner;

Establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities to train qualified personnel in mine-related fields and to conduct research related to mining technology;

Provides for a study, to be completed by 1976, to determine the appropriate program for regulating surface coal mines on Indian lands and requires, in the interim, that all leases on Indian lands include certain performance standards at least as stringent as those in the Act: and contains enforcement and other provisions.

1976

Automotive research and development

H.R. 13655—Vetoed September 24, 1976. House overrode veto September 29, 1976; Senate sustained veto September 29, 1976. Senate record vote number *283,*582,*674.

Establishes a 5-year program within the Energy Research and Development Administration (ERDA) for advanced automobile research and development to ensure the development of advanced automobile propulsion systems, advanced automobile subsystems, and integrated test vehicles; authorizes the Administrator of ERDA to establish in-house programs and provide grants and contracts outside ERDA; directs the Administrator to utilize the expertise of the Department of Transportation and other Federal agencies to the extent of their appropriate expertise; places the responsibility with the Administrator for testing and evaluating new technology as well as establishing a capability for information collection, analysis, and dissemination; requires the submission of an annual report to Congress on the research and development activities within the United States as well as on the need for a loan guarantee authority in order to perform research and development activities in automobile technology and commercialization thereof.

Coal leasing

S. 391—Vetoed July 3, 1976. Senate overrode veto August 3, 1976; House overrode veto August 4, 1976. Became Public Law 94-377, without approval August 4, 1976. Senate record vote number 265,*456.

Makes basic changes in the Mineral Leasing Act of 1920 governing leasing of Federally owned coal which constitutes almost 50 percent of the recoverable coal reserves in the United States; provides that leases may be issued only by competitive bidding and that at least 50 percent of all lands leased within any year be on the basis of a deferred bonus bidding system;

Requires the preparation of land use plans where the United States owns both the surface and subsurface prior to sale of leases, and provides that, in cases where the Federal interest is nominal, a State or local land use plan or a land use analysis prepared by the Secretary would be required;

Eliminates prospecting permits and preference right leases to prospectors and replaces this with a system of non-exclusive exploratory licenses; eliminates collective prospecting contracts in favor of the concept of a logical mining unit; provides that a coal lease for a logical mining unit which is not producing in commercial quantities at the end of 10 years shall be terminated; provides that coal leases shall be for a term of 20 years, and may be readjusted every 10 instead of 20 years, dependent upon diligent production; permits the Secretary to waive the requirement for a period not to exceed 15 years and accept in lieu thereof an advanced royalty; provides for a comprehensive Federal exploration program for lands to be offered for leasing;

Increases from 37½ to 50 percent the share of lease revenues to the State in which the lease is located; specifies that 12½ percent shall be used for planning, construction and maintenance of public facilities, and provision of public services with priority to be given to those areas suffering impact problems as a result of energy development and provides that 12½ percent of the revenues accumulating under the Geothermal Steam Act are to be available to the States for the same purpose; and contains other provisions.

Electric and hybrid vehicle research

H.R. 8800—Vetoed September 13, 1976. House overrode veto September 16, 1976; Senate overrode veto September 17, 1976. Became Public Law 94-413 without approval September 17, 1976. Senate record vote numbers *281,*606.

Establishes within the Energy Research and Development Administration (ERDA) a comprehensive research and development project which will focus on basic and applied research on electric and hybrid vehicle batteries, controls, motors, and overall vehicle design, with early emphasis on battery technology; provides that ERDA shall also carry out a three-stage demonstration project to provide for (a) development of baseline data to delineate the performance and other characteristics of existing electric and hybrid vehicle and hybrid vehicle technology, (b) contracting for the purchase, or lease of 2,500 electric or hybrid vehicles which represent the best available state-of-the-art technology, and (c) contracting for the purchase or lease of 5,000 advanced electric or hybrid vehicles which must represent a significant improvement over present state-of-the-art vehicles; provides that ERDA shall, through contracts and loan guarantees, carry out the research, development, and demonstration project, and may utilize other Federal agencies to the extent they enhance the participation of small businesses concerned with electric and hybrid vehicle technology, and shall reserve a reasonable portion of funds to be made available for the research, development, and demonstration project for contracts with such small businesses; requires ERDA to undertake a number of studies on various factors which may hinder or encourage the utilization of electric and hybrid vehicles, and also to make annual reports on the progress of the project; and authorizes a total of $160 million over 5 years for the project.

NATIONAL STANDARD DEDUCTION IN FOOD STAMP PROGRAM

Mr. LEAHY. Mr. President, about 3 weeks ago Secretary Bergland presented to the Congress the administration's proposal on reform of the food stamp program. The Secretary stated that their proposal is designed to streamline, overhaul, and tighten up the program, while providing greater access to those in need.

For the most part I agree with their proposal. I especially applaud the new administration for recognizing the benefits of eliminating the purchase requirement. This idea, which has been championed by my colleagues Senators DOLE and MCGOVERN, will remove one of the greatest hurdles to participation in the program: the purchase prices. Not only does EPR improve access, it also simplifies the program's operation.

Currently, we have 17.3 million recipients paying over $3 billion a year to 15,000 check cashing firms, banks, post offices, welfare offices, town clerks, churches, and even fire stations and corner stores. Each year these $3 billion worth of stamps must be printed, shipped, stored, issued, redeemed, and reconciled. Abandoning the purchase requirement would completely eliminate the cash transactions with their great potential for abuse, and would cut administrative costs at every level. I fully support this part of the administration's program.

In a further effort to streamline the program, the administration has recommended replacing the present system of itemized deductions with a single national standard deduction in the food stamp program. While a standard deduction may reduce administrative complexity, it also removes the responsiveness of the food stamp program to individual household differences throughout the country. A standard deduction gives

an average deduction to all those participating, whether they need it or not.

By removing this individual responsiveness, a standard deduction also removes the responsiveness to various factors which are specific to, and within, different regions of the country. At this time, I ask unanimous consent to submit for the record a table prepared by the Congressional Budget Office which outlines the average deductions in different regions of the country.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CHART 1

ITEMIZED DEDUCTIONS PER HOUSEHOLD, U.S. AND REGIONAL AVERAGE

	Overall average	New England	Mid-Atlantic	Southeast	Midwest	Western	West-Central
1. Shelter	$46.50	$77.85	$49.16	$36.76	$44.86	$59.54	$28.27
2. Mandatory (taxes, etc.)	10.09	21.79	9.62	9.71	8.35	11.12	7.69
3. Medical expenses	7.42	10.58	4.04	12.72	5.28	5.14	10.73
4. Work allowance	5.72	7.60	5.46	6.84	4.36	5.68	6.08
5. Child care	2.30	.99	1.64	2.22	2.04	4.43	2.67
6. School tuition and mandatory fees	1.21	3.22	1.39	.55	.71	1.57	1.34
7. Alimony support	.35	1.47	.23	.60	.02	.02	.34
8. Casualty losses	.31	.05	.20	.07	.37	.35	.55
9. Other	1.12	.07	.04	.80	.82	.14	.45
Total deductions [1]	74.12	123.62	71.78	70.27	66.31	87.99	58.7

[1] Figures may not add to exact totals because of rounding.

NOTES

Mid-Atlantic: Delaware, District of Columbia, Maryland, New Jersey, New York, Pennsylvania, Puerto Rico, Virginia, Virgin Islands, and West Virginia.

Southeast: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee.

Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin.

Western: Alaska, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon, Samoa, Trust Territories, and Washington.

West-Central: Arkansas, Colorado, Louisiana, Montana, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, and Wyoming.

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Source: CBO tabulations from USDA September 1975 Food Stamp Survey tape. Tabulations include Puerto Rico and outlying territories. Numbers may not add up to totals because of rounding.

Mr. LEAHY. This table shows that average deductions vary from $59 in the west-central region to $124 in New England. The major cause of this variation is the difference paid for shelter. In general, higher deductions are taken in the colder and more urban areas of the country reflecting the higher costs of shelter in those areas. Therefore, with such high variation in shelter costs, a standard deduction creates losers and gainers. In this case, those who live in the colder and/or more urban areas lose and those who live in areas with low shelter costs gain. This effect is clearly shown in an analysis of the administration proposal's effect on various areas of the country which I ask unanimous consent to submit at this time.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

CHART 2

REGIONAL EFFECTS OF FOOD STAMP PROPOSALS [1]

[In percent]

	Northeast	North-central	South	West
Ineligible:				
Carter	10.9	10.6	5.0	10.9
Talmadge	13.9	13.1	7.0	13.2
Leahy	10.1	10.7	5.0	11.0
Lose bonus:				
Carter	50.2	24.7	19.9	37.3
Talmadge	45.7	20.5	19.8	32.6
Leahy	38.0	17.9	13.2	30.0
No change:				
Carter	22.1	24.5	27.6	27.9
Talmadge	17.4	23.9	23.5	28.0
Leahy	39.9	34.0	33.1	36.4
Gain bonus:				
Carter	16.1	39.4	47.1	22.6
Talmadge	22.3	41.7	49.2	25.6
Leahy	11.6	36.9	48.3	21.8

[1] These estimates were prepared by the Food and Nutrition Service, USDA.

NOTES

Northeast: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania.

North-Central: Ohio, Indiana, Michigan, Illinois, Wisdonsin, Missouri, Kansas, Iowa, Minnesota, Nebraska, South Dakota, and North Dakota.

South: Delaware, Maryland, District of Columbia, West Virginia Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas.

West: Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, California, Oregon, Washington, Alaska, and Hawaii.

Mr. LEAHY. Under the administration proposal, almost 11 percent of those now in the program in the Northeast are made ineligible, as compared to only 5 percent in the South. In addition, a full 50.2 percent, over half the recipients in the Northeast, lose benefits—whereas less than 20 percent of those in the South lose. Not only does the Northeast lose more but it also gains less. Only 16 percent of the recipients gain benefits under the administration proposal as compared to almost half of the recipients in the South. Clearly, a standard deduction discriminates both against regions of the country and against individuals within those regions.

But the answer is not to regionalize benefits, for that does not direct benefits only to those households with high shelter costs. The answer is to try to account for individual needs while aiming for improved program operation: To balance program efficiency with program equity.

Therefore, when the administration food stamp program proposal comes before the Senate Agriculture, Nutrition, and Forestry Committee, I plan to introduce an amendment to that proposal which would take into account higher housing, utility, and fuel costs in various areas of the country, in the Presiding Officer's (Mr. BURDICK) State and my own State.

My amendment would use the best of both systems—standard deduction and itemizing. The standard deduction would be retained, but lowered to $60. Second, increased benefits would be provided to those with truly excessive shelter costs, by allowing a household to deduct that amount of their shelter costs which exceeds 50 percent of their net income, up to $75. To give an idea of how this excess shelter provision will work, I ask unanimous consent to submit to charts which show the effects of the provision on households with different incomes and shelter costs.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

EFFECTS OF ADMINISTRATION AND LEAHY PROPOSALS ON HOUSEHOLDS WITH VARIOUS INCOMES AND SHELTER COSTS [1]

Proposal	Administration	Leahy	Administration	Leahy	Administration	Leahy
CHART 3						
Gross income	300	300	300	300	300	300
Standard deduction	80	60	80	60	80	60
Net income	220	240	220	240	220	240
Actual shelter costs	100	100	150	150	200	200
50 percent net income	(2)	120	(2)	120	(2)	120
Excess shelter costs	(2)	0	(2)	30	(2)	75
Eligibility income	200	240	220	210	220	165
Coupon allotment	166	166	166	166	166	166
30 percent eligibility income	66	72	66	63	66	50
Bonus stamps	100	94	100	103	100	116
CHART 4						
Gross income	400	400	400	400	400	400
Standard deduction	80	60	80	60	80	60
Net income	320	340	320	340	320	340
Actual shelter costs	150	150	200	200	250	250
50 percent net income	(2)	170	(2)	170	(2)	170
Excess shelter costs	(2)	0	(2)	30	(2)	75
Eligibility income	320	340	320	310	320	265
Coupon allotment	166	166	166	166	166	166
30 percent eligibility income	96	102	96	93	96	80
Bonus stamps	70	64	70	73	70	86
CHART 5						
Gross income	500	500	500	500	500	500
Standard deduction	80	60	80	60	80	60
Net income	420	440	420	440	420	440
Actual shelter costs	200	200	250	250	300	300
50 percent net income	(2)	220	(2)	220	(2)	220
Excess shelter costs	(2)	0	(2)	30	(2)	75
Eligibility income	420	440	420	410	420	365
Coupon allotment	166	166	166	166	166	166
30 percent eligibility income	126	132	126	123	126	110
Bonus stamps	40	34	40	43	40	56

[1] All examples are 4-person households with no income for employment.

[2] Not applicable.

Mr. LEAHY. My amendment, by limiting itself to those who pay over half their net income on shelter is truly an excess shelter deduction. Consider it for a moment: A poor family will be spend- at least 30 percent of their income on food, so surely it is not unreasonable to provide extra relief to those families who must spend almost the rest of their income to provide shelter for their families.

This amendment will not subsidize any luxury housing either. It places a $75 ceiling on excess shelter deduction, therefore, effectively limiting the level of shelter that will be allowed under the program.

I would also like to point out that this amendment would not benefit just one section of the country. In fact, it helps all areas. In the south, the west, the northeast, and the north-central regions, less households lose benefits than would under the administration proposal. And in the South, not only do less households lose benefits, but more also gain benefits.

Finally, one of my prime concerns when drafting this proposal was the cost. I am sensitive to the fact that the President will be concerned about any measure which would increase the cost over his administration's proposal. Therefore, I am pleased that my amendment would only be a reasonable increase over that proposal. According to USDA figures the increase would be approximately $100 million—a 2-percent increase.

I believe that if the administration's proposal is adopted with the amendments I have discussed here, we will have a balanced program, which is accessible, equitable, simplified, and cost-conscious—a true reform package.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—AMENDMENT 200 TO H.R. 3477

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the last 20 minutes of the debate on amendment No. 200, as modified, by Mr. JAVITS and Mr. DANFORTH, be equally divided between Mr. LONG and the authors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees; and a message withdrawing the nomination of John Patrick White, of the District of Columbia, to be Assistant Secretary of Defense.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT—PM 72

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I am transmitting herewith the Twelfth Annual Report of the Department of Housing and Urban Development, describing its activities for the calendar year 1976.

This Report covers a period of time prior to the commencement of my term of office.

JIMMY CARTER.

THE WHITE HOUSE, *April 27, 1977.*

REPORT OF THE UNITED STATES SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT—PM 73

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit herewith the Third Report of the United States Sinai Support Mission. This report describes the manner in which the Mission is continuing to carry out its peacekeeping responsibilities by operating an early warning system in the Sinai, as called for in the basic agreement between Egypt and Israel signed on September 4, 1975. This report is provided to the Congress in conformity with Section 4 of Public Law 94-110 of October 13, 1975.

The report emphasizes the successful completion on February 22, 1977, of one full year of operations. With the completion of initial construction activity, the Sinai Field Mission has had an opportunity to analyze in detail various elements of the Mission's activity. In particular, attention has been directed to improving operating procedures, to ugrading equipment and to reducing personnel through the introduction of advanced technology.

The parties to the agreement continue to affirm their satisfaction with the role of the United States in the Sinai and the fair way in which the Sinai Support Mission has discharged its responsibilities for the early warning system.

As our initiatives to help the parties to the Arab-Israeli dispute move toward a resumption of negotiations, it is important that the United States continue to fulfill its commitments. As long as the Sinai Support Mission is able to make a positive contribution to these efforts, I will urge that the Congress continue its support for this important mission.

JIMMY CARTER.

THE WHITE HOUSE, *April 27, 1977.*

MESSAGE FROM THE HOUSE

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 10:36 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its clearks, announced that the Speaker has signed the following enrolled bill and joint resolution:

S. 385. An act to name a certain Federal building in Grand Rapids, Mich., the "Gerald R. Ford Building"; and

S.J. Res. 44. A joint resolution to authorize the printing and binding of an edition of "Senate Procedure" and providing the same shall be subject to copyright by the author.

The enrolled bill and joint resolution were subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDING OFFICER laid before the Senate the following communications which were referred as indicated:

EC-1221. A leter from the Chairman of the United States Water Resources Council transmitting a draft of proposed legislation to provide the necessary authorization of appropriations for expenses in carrying out the Comprehensive Planning Program of the Council (with accompanying papers); to the Committee on Environment and Public Works.

EC-1222. A letter from the Acting Administrator of the General Services Administration transmitting, pursuant to law, a revised report of building project survey for the Government Printing Office, Washington, D.C. (with an accompanying report); to the Committee on Environment and Public Works.

EC-1223. A letter from the Secretary of Transportation transmitting, pursuant to law, the 1977 annual report on the Highway Safety Improvement Prorgams covering programs through June 30, 1976 (with an accompanying report); to the Committee on Environment and Public Works.

EC-1224. A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, 1290 reports covering the period of January 16, through January 31, 1977, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference cassification under the Immigration and Nationality Act (with accompanying reports); to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions which were referred as indicated:

POM-140. House Concurrent Resolution No. 3021 adopted by the Legislative Assembly of the State of North Dakota urging the President and the Congress of the United States to expeditiously enact a long-range and comprehensive energy conservation and development program; to the Committee on Energy and Natural Resources:

"HOUSE CONCURRENT RESOLUTION No. 3021

"A concurrent resolution urging the President and the Congress of the United States to expeditiously enact a long-range and comprehensive energy conservation and development program

"Whereas, the United States is an energy-consuming nation, which annually consumes more energy than it produces; and

"Whereas, there is a lack of readily available and renewable energy sources; and

"Whereas, the nation is faced with a growing energy shortage which will continue to become more acute; and

"Whereas, there are a number of alternative energy sources which may be available to meet the energy shortage, including solar, wind, geothermal, and magnetohydrodynamics;

"Now, therefore, be it resolved by the House of Representatives of the State of North Dakota, the Senate concurring therein:

"That the Forty-fifth Legislative Assembly urges the President and the Congress of the United States to expeditiously enact a long-range and comprehensive energy conservation and development program; and

"Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the President of the United States, the Secretary of the United States Senate, the Chief Clerk of the United States House of Representatives, and to each member of the North Dakota Congressional Delegation."

POM-141. Senate Resolution No. 5 adopted by the Senate of the State of Montana urging the United States Congress to stop treaty negotiations to transfer control, administration and ownership of our canal to the present Government of Panama; to the Committee on Foreign Relations:

"SENATE RESOLUTION NO. 5

"A resolution of the Senate of the State of Montana urging the U.S. Congress to stop treaty negotiations to transfer control, administration and ownership of our canal to the present Government of Panama.

"Whereas, the Panama Canal Convention in 1903 stated, "The Republic of Panama grants to the United States in perpetuity the use, occupation and control of a zone of land and land under water for the construction, maintenance, operation, sanitation and protection of said canal . . ."; and

"Whereas, the 1903 Treaty stated, "The Republic of Panama grants to the United States in perpetuity a monopoly for the construction, maintenance and operation of any system of communication by means of a canal or railroad across the territory between the Caribbean Sea and the Pacific Ocean."; and

"Whereas, 'Perpetuity' is defined as meaning, 'petpetual existence, duration, validity; something perpetual or perpetually held or maintained; endless time'; and

"Whereas, Article III of the 1903 Treaty says, 'The Republic of Panama grants to the United States all the rights, power, and authority within the zone mentioned . . . which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority'; and

"Whereas, the Treaty states, 'If the Republic of Panama shall hereafter enter as a constituent into any other government or into any union or confederation of states, so as to merge her sovereignty or independence in such government, union or confederation, the rights of the United States under this convention shall not be in any respect lessened or impaired,'; and

"Whereas, in 1903 Panama was offered ten million dollars 'in gold coin' plus 'an annual payment' of a quarter of a million dollars 'in like gold coin' for 50 square miles; and

"Whereas, the Panama Canal Convention was ratified on February 26, 1904; and

"Whereas, the Panama Canal Treaty was updated and reaffirmed by all parties in 1936 and in 1955, and no further negotiations are either desired or necessary; and

"Whereas, when acquired by the United States, the land that later became the Canal Zone was jungle covered, insect ridden, and disease infested. There was no canal on it. The United States of America cleared the jungle, eradicated the malaria problem, and built the Canal—at a huge cost in American lives, times, and money; and

"Whereas, the Panama Canal is undeniably the most important waterway in the western hemisphere.

"Now, therefore, be it resolved by the Senate of the State of Montana:

"That the United States of America should retain all of the right, title and interest of and to the Panama Canal.

"Be it further resolved, that a copy of this resolution be sent to the President of the United States, the United States Senate, and to the United States Secretary of State."

POM-142. A petition from Mr. Albert Carter Tipton, Elizabethton, Tennessee requesting an investigation concerning the disposition of information transmitted to the Department of Justice in 1940; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. NELSON, from the Select Committee on Small Business:

Without amendment:

S. Res. 140. A resolution authorizing additional expenditures by the Select Committee on Small Business for inquiries and investigations. Referred to the Committee on Rules and Administration.

By Mr. CANNON, from the Committee on Rules and Administration:

With an amendment:

S. Res. 136. A resolution authorizing the furnishing of copies of certain documents or affidavits for in camera inspection by the court in the case of Common Cause et al., against Benjamin Ballar, et al. (Rept. No. 95-105).

By Mr. NUNN, from the Committee on Armed Services:

With an amendment:

H.R. 583. An act to amend chapter 5 of title 37, United States Code, to extend the special pay provisions for reenlistment and enlistment bonuses (title amended) (Rept. No. 95-106).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Kingman Brewster, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Kingman Brewster, Jr.

Post: Ambassador to United Kingdom.

Contributions; amount; date; and donee:

1. Self—none.
2. Spouse—none.
3. Children and spouses—none.
4. Parents—none.
5. Grandparents—none.
6. Brothers and spouses—none.
7. Sisters and spouses—none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

KINGMAN BREWSTER, JR.

Philip Henry Alston, Jr., of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Philip Henry Alston, Jr.

Post: Proposed Nominee as United States Ambassador to Australia.

Nominated: March 1977.

Contributions by

1. Self, Philip H. Alston, Jr.:

Amount; date; and donee:

$1,200, January 25, 1973, Democratic National Committee.

$100, February 9, 1973, Democratic Party of Georgia.

$200, August 22, 1973, Democratic Party of Georgia.

$100, November 8, 1973, Sam Nunn Senate Campaign.

$100, November 9, 1973, Finance Committee for Sam Nunn.

$500, December 17, 1973, Georgians for Talmadge.

$100, January 7, 1974, Sam Nunn Finance Committee.

$100, January 23, 1974, Democratic Party of Georgia.

($210), March 1974, Refund from Talmadge Fund.

$10, July 3, 1974, Democratic National Committee.

$50, July 10, 1974, Salute to Andrew Young.

$50, July 17, 1974, Andrew Young Dinner.

$30, October 14, 1974, Andrew Young breakfast.

$50, November 1, 1974, Phil Landrum.

$10, January 6, 1975, Thank You Sam Nunn Committee.

$200, March 14, 1975, Committee for Jimmy Carter.

$200, March 19, 1975, Committee For Jimmy Carter.

$200, October 24, 1975, Committee for Jimmy Carter.

$400, December 16, 1975, Committee for Jimmy Carter.

$15, March 15, 1976, Democratic National Committee.

$50, June 16, 1976, Democratic Convention Housing Account.

$25, October 1976, Andrew Young Campaign.

$200, October 18, 1976, Democratic National Committee (Victory Fund).

$200, October 21, 1976, Democratic National Committee (Victory Fund).

$25, October 29, 1976, Elliott Levitas Campaign.

$100, December 22, 1976, Wyche Fowler for Congress Committee.

$50, March 18, 1977, Wyche Fowler for Congress Committee.

In addition, between December 1974 and July 1976, I expended on behalf of the candidacy of Jimmy Carter for President for long-distance telephone calls, transportation, stationery, postage the sum of $1,278.20, which amount was refunded to me by check in September, 1976, from the Committee for Jimmy Carter.

Contributions by

2. Spouse, Elkin G. Alston:

Amount; date; and donee:

$4,000, May 7, 1973, Jimmy Carter.

$200, September 12, 1973, Democratic Party of Georgia.

$2,000, April 10, 1974, Jimmy Carter.

$75, July 24, 1975, Jimmy Carter.

$50, February 4, 1976, Jimmy Carter for President.

$465, February 2, 1976, Jimmy Carter.

$300, February 12, 1976, Jimmy Carter for President.

$100, February 14, 1976, Jimmy Carter for President.

$256*, June 23, 1976, Jimmy Carter for President.

3. Children and Spouses: Son, John Goddard Alston: $200, March 13, 1975, Jimmy Carter Appreciation Dinner.

Spouse, Gayle S. Alston, $200, November 19, 1975, Jimmy Carter.

$50, January 27, 1976, Jimmy Carter.

$75, February 16, 1976, Jimmy Carter (check to George Hart, who issued his check for $150).

Daughter, Elkin A. Cushman, spouse, James E. Cushman, no response to inquiry; believed by nominee with complete certainty to be nominal in amount.

4. Parents: Philip H. Alston and May L. Alston (both deceased 1962).

5. Grandparents (both deceased).

6. Brothers and spouses:

James L. Alston, Lucille V. Alston, no response to inquiry; believed by nominee with complete certainty to be nominal in amount.

Robert C. Alston, $100, March 5, 1975, Jimmy Carter.

Tudor Alston, $25, September 18, 1975, Jimmy Carter; $200, November 5, 1975, Jimmy Carter; $100, March 3, 1976, Jimmy Carter; $61, December 31, 1976, Wyche Fowler for Congress.

7. Sisters and spouses:

Birnie Alston Jordan, $50, January 12, 1976.

Fletcher Jordan, Jr., $50, February 26, 1976; $25, March 12, 1976; $25, May 4, 1976; $50, June 11, 1976; $100, June 28, 1976; $10, July 1, 1976; $25, October 14, 1976.

Anne Alston Glenn, $400, 1975, Jimmy Carter Campaign for President.

Jack F. Glenn, $1,600, 1976, Jimmy Carter Campaign for President; $200, 1976, Carter/Mondale Victory Celebration; $51, 1976, Democratic National Committee Victory Fund; $200, 1977, Wyche Fowler Campaign for U.S. Congressman 5th Dist. of Ga.; $50, 1977, Paul Coverdell Campaign for U.S. Congressman 5th Dist. of Ga.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

PHILIP H. ALSTON, JR.

Anne Cox Chambers, of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium.

POLITICAL CONTRIBUTIONS STATEMENT

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Anne Cox Chambers.

Post: Ambassadress to Belgium.

Nominated: March 1977.

Contributions; amount; date; and donee:

1. Self—Anne Cox Chambers (see attached).

2. Spouse—Robert W. Chambers (see attached).

3. Children and spouses—Margaretta Taylor, Katharine Anne Johnson, James Cox Chambers (see attached).

4. Parents—N/A.

5. Grandparents—N/A.

6. Brothers and spouses—James M. Cox, Jr. passed away October 27, 1974—prior information not available. Betty Gage Cox was his spouse.*

7. Sisters and spouses—Barbara Cox Anthony and her spouse, Garner Anthony.*

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is completed and accurate.

ANNE COX CHAMBERS.

Political contributions by Anne Cox Chambers and Robert W. Chambers

1976

Date; payee; signed by; and amount:

January 8, the Democratic Party of Georgia (1), H, $50.

January 28, Democratic Finance Committee, $1,000.

January 28, Jimmy Carter Presidential Campaign, $400.

February 3, the Democratic Party of Georgia (1), $50.

March 22, the Democratic Party of Georgia (1), H, $50.

April 12, Governor's Club (1), $50.

April 20, Southern Council on International and Public Affairs, W, $12.

May 19, Democratic Party of Georgia (1), H, $50.

June 16, Democratic National Committee, W, $750.

June 16, Jimmy Carter, W, $100.

June 16, the Democratic Party of Georgia (1), H, $50.

June 16, Atlanta Chamber of Commerce (2), H, $10.

June 17, Democratic Dinner Committee, W, $500.

July 6, the Democratic Party of Georgia (1), H, $50.

July 7, New York City Democratic Committee (3), H, $400.

July 7, NWPC Democratic Task Force (4), H, $60.

August 19, the Democratic Party of Georgia (1), H, $50.

September 24, the Democratic Party of Georgia (1), $50.

October 2, Campaign Victory Fund—DNC (5), W, $513.

October 2, Campaign Victory Fund—DNC (6), W, $16,000.

October 2, Campaign Victory Fund—DNC (7), H, $4,000.

October 4, the Democratic Party of Georgia (1), H, $50.

October 13, Campaign Victory Fund—DNC (8), H, $1,000.

October 18, Dollars for Democrats, H, $100.

October 19, Victory Campaign—DNC, H, $15,000.

October 26, the Andrew Young Campaign, W, $100.

November 10, the Democratic Party of Georgia (1), H, $50.

December 3, the Democratic Party of Georgia (1), H, $50.

(1) Dues.

(2) Senator Nunn luncheon.

(3) Gala 7/12/76.

(4) 4 tickets.

(5) housewife.

(6) Clarendon, Atlanta Newspapers.

(7) Chairman of the Board—Cox Broadcasting Corp.

(8) Duke table.

1977

Wyche Fowler, H, $1,000.

Wyche Fowler, W, $1,000.

1973

Date; payee; signed by; and amount:

September 11, Charles L. Weltner Campaign, W, $1,000.

October 6, Wyche Fowler, Campaign, W, $1,000.

May 7, Jimmy Carter*, W, $2,000.

1974

February 7, Finance Committee for Sam Nunn, H, $100.

June 18, Bert Lance Campaign Fund, W, $2,500.

July 23, Bert Lance Campaign Fund, W, $2,500.

1975

January 20, Jimmy Carter Presidential Campaign, W, $1,000.

March 20, Jimmy Carter Presidential Campaign, H, $400.

December 2, the Democratic Party of Georgia (1), H, $50.

(1) Dues.

Political contributions by Chambers' children

January 7, 1977, Margaretta Taylor—from trust account, 1977 Inaugural Committee, $1,000.

April 21, 1976, Katharine Johnson—from personal account Tydings committee, $50.

January 7, 1977, James Cox Chambers—trust account, 1977 Inaugural Committee, $1,000.

January 7, 1977, James Cox Chambers—from trust account, 1977 Inaugural Committee $1,000.

(The foregoing nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. NUNN. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of Vice Adm. Jon L. Boyes, U.S. Navy, for appointment to the grade of vice admiral on the retired list; and Lt. Gen. Warren D. Johnson, U.S. Air Force, to be placed on the retired list in the grade of lieutenant general; and Henry M. Miley, Jr., U.S. Army, for reappointment to the active list for a period of 1 day, to be major general and general, and to be placed on the retired list in the grade of general. Also, Lt. Gen. Ray B. Sitton, U.S. Air Force, to be placed on the retired list in the grade of lieutenant general; and Lt. Generals James M. Meck, Joseph Wilson, Maurice F. Casey, U.S. Air Force, to be placed on the retired list in the grade of lieutenant general; and Lt. Gen. Lew Allen, Jr., U.S. Air Force, to be general. Also, Lt. Gen. James R. Allen, U.S. Air Force, to be general; and Gen. Louis T. Seith, U.S. Air Force, to be placed on the retired list in the grade of general; and Maj. Gen. Dewitt C. Smith, Jr., U.S. Army, to be lieutenant general. Also, Lt. Gen. Harold G. Moore, U.S. Army, to be placed on the retired list in the grade of lieutenant general; Maj. Gen. Abbott C. Greenleaf, U.S. Air Force, to be lieutenant general; and Maj. Gen. Russell E. Dougherty, to be general. I ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. In addition, Mr. President, there are 267 in the Navy for permanent and temporary appointment to commander and below (list beginning with Richard R. Van't Hof); and 47 in the Air Force for appointment to the grade of colonel and below (list beginning with Gerald Strohmeyer). Also, there are 729 cadets of the class of 1977 of the U.S.

*This was for two air fares to New York for the Democratic Convention on a chartered plane. We elected not to go on this plane and this sum of $256.00 was refunded shortly after July 10, 1976 by a check from the Committee for Jimmy Carter.

*Inquiry pending—Supplemental information will be supplied after their reply.

* Payment of Campaign Debt.

Military Academy for appointment in the Army in the grade of second lieutenant and one for reappointment on the active list of the Army in the grade of colonel (list beginning with Bruce C. Abbott); and 65 for temporary appointment in the Marine Corps in the grade of first lieutenant (list beginning with Clarence T. Anthony, Jr.). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's Desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of March 29 and 30, 1977, at the end of the Senate proceedings.)

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that today, April 27, 1977, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 385. An act to name a certain Federal building in Grand Rapids, Mich., the "Gerald R. Ford Building"; and

S.J. Res. 44. A joint resolution to authorize the printing and binding of an edition of Senate Procedure and providing the same shall be subject to copyright by the author.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated;

By Mr. HUMPHREY:

S. 1396. A bill entitled the "National Domestic Development Bank Act"; to the Committee on Banking, Housing and Urban Affairs.

By Mr. PROXMIRE (for himself and Mr. CRANSTON):

S. 1397. A bill to amend the Federal National Mortgage Association Charter Act to increase the size of the board of directors thereof, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

By Mr. EASTLAND:

S. 1398. A bill for the relief of Jin Suk Park.

S. 1399. A bill for the relief of Kwan Do Sun.

S. 1400. A bill for the relief of Margret Chun; to the Committee on the Judiciary.

By Mr. DOLE:

S. 1401. A bill for the relief of Elvi Engelsmann Jensen; to the Committee on the Judiciary.

By Mr. DOLE:

S. 1402. A bill to establish a National Agricultural Research, Extension, and Teaching Policy Advisory Board, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 1403. A bill to provide for conveyance of certain lands near Dixon, N. Mex., to the University of New Mexico; to the Committee on Energy and Natural Resources.

By Mr. STONE (for himself and Mr. CHILES):

S. 1404. A bill to amend the Federal Aviation Act of 1958 to provide improved air service for members of the traveling public who use Florida intrastate carriers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. McINTYRE (for himself, Mr. HATFIELD, Mr. NELSON, Mr. WILLIAMS, and Mr. LUGAR):

S. 1405. A bill to amend the Tariff Act of 1930 and the Tariff Schedules of the United States to reduce the burden of paperwork involved in the customs entry process for travelers and goods entering the United States; to the Committee on Finance.

By Mr. DECONCINI:

S. 1406. A bill to amend the Internal Revenue Code of 1954 to limit the foreign tax credit to amounts paid to national governments, permitting a deduction for foreign taxes paid to subordinate levels of government; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 1407. A bill for the relief of Raymond W. Milling; to the Committee on Governmental Affairs.

By Mr. EAGLETON:

S. 1408. A bill to amend the Flood Disaster Protection Act of 1973 and the National Flood Insurance Act of 1968 to permit the extension of credit secured by property in flood prone areas, to require cost benefit analyses relating to participation in the flood insurance program, to permit individual participation in the flood insurance program, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1409. A bill to extend the Marine Protection, Research, and Sanctuaries Act, as amended, for two years; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 1396. A bill entitled the "National Domestic Development Bank Act"; to the Committee on Banking, Housing and Urban Affairs.

NATIONAL DOMESTIC DEVELOPMENT BANK

Mr. HUMPHREY. Mr. President, I introduce today legislation to create a National Domestic Development Bank. The need for a new financial agency to support State and local public development is as pressing in 1977 as it was in 1967, when the Congress first systematically studied public capital expenditures.

In 1977 it is as important to the American public that they obtain adequate sewage treatment as it was in 1971, when I first introduced this legislation. In 1977 it is more important to the American public that all possible measures be taken to conserve energy in public buildings and usages than it was in 1975, the year in which I introduced this legislation in the previous session of Congress. In 1977 it is increasingly important to rehabilitate and rebuild our cities; to encourage small town and rural development; to modernize our public services; and to expand our recreational and health facilities.

These needs are not being met. These needs cannot be met by wishing. They cannot be met by thinking or planning alone. They must be met by construction and expenditures by governments which are given the responsibility under our federal system of government to provide goods and services for the benefits of the whole populace.

The problems of finding money to do this construction and to finance public development are the same today in 1977 as they were in 1967. Intervening events have just made the old problems more intractable. The 10 years which have passed since the Subcommittee on Economic Progress of the Joint Economic Committee reported on State and local public facility needs and financing, saw several municipalities approach the event which had not occurred during the brink of default and bankruptcy—and previous 40 years despite other trying economic times. The economic depression, which we have not left yet, was severe indeed for government. The combination of inflated expenditures and revenue shortfalls required substantial tax increases, employee layoffs, and service cutbacks.

The interest rates which municipalities paid for borrowed capital funds soared to new heights during the Nixon-Ford administration. As recently as last December municipalities with good credit ratings were paying 5.07 to 6.73 for long-term credit. This compares to a taxable yield of 9 to 12 percent. At the same time, over the same period the yields on long term Federal Government borrowing, which is taxable, was at 6.39. And since these figures are averages, there are thousands of municipalities and States which paid and are paying even higher rates. For example, the State of New York last fall paid 8.7 percent even despite its AA credit rating—the equivalent of a taxable yield of 13 to 15 percent. The city of Cleveland estimated that it was forced to pay an additional $450,000 in interest charges as a result of the near default by New York City. Investors who were willing to buy any sort of municipal bonds demanded and received a premium.

In 1975, State and local governments floated over 8,000 bond issues. The average yield on these issues was 6.89 percent—for the average so-called high grade municipal security. Ten years ago the yield, was 3.98 percent. The inflated interest rates that our local and State governments pay today add millions of dollars to the cost of the sewage treatment plant, the school, the community center, the clinic. On an average 10-year bond of $7.2 million, the difference between paying today's interest and the interest of 10 years ago is $2.1 million. It is $2.1 million that must be paid for interest rather than bricks and mortar. It is $2.1 million that may push the local government to its debt ceiling, thereby stopping development and construction of other essential community facilities. The cost of interest inflation is large and serious and one which the National Domestic Development Bank will help to reduce.

Ten years ago the Joint Economic Committee estimated the value of existing public facilities at $450 billion. It then suggested that to meet the needs of the coming decade an equal amount of capital would have to be raised and expended. We have not met that goal. Actually expenditures for public facilities construction did not keep pace with the requirements. We have now another decade in which crowded highways are more crowded; the inadequate streets,

water and sewage systems are more inadequate; and long waiting lines for using public facilities have become even longer. Out of necessity we have continued the use of overage facilities more intensively than originally contemplated.

Ten years ago the Joint Economic Committee could not see and could not predict the public facility requirements which have arisen from the energy crisis and from the awakening concern for environmental values.

The winter of 1977, under the pressure of the unusually cold weather, this country imported 50 percent of the oil burned. The need for serious energy conservation was made clear and graphic. The cold weather has presented a convincing demonstration of the need to reduce dependence on expensive foreign oil.

We are beginning a citizens campaign under the aegis of the Alliance to Save Energy to convince our citizens and our governments that it makes sense to invest to save energy. State and local governments will play an important role in overall energy saving—especially in constructing and rehabilitating public buildings, schools, municipal buildings, hospitals, courthouses, and jails, so that they are better insulated and more energy efficient; in capturing waste heat from municipal utilities and waste treatment facilities and other industrial plants; and in providing mass transit systems to reduce the need for personal automobiles on most trips.

Modern, efficient and up-to-date public facilities also are essential for our Nation's economic well-being. Private industry and commerce cannot flourish and provide jobs if there are no schools for the children of their employees; if there are poor roads for transport of supplies and products; if there are no treatment plants that can dispose of industrial wastes. Modernizing and improving the efficiency of public facilities and services is a valuable asset for private industry and commerce.

These trends, backlogs, and new developments all point to increasing need for public capital investment in the years ahead. These trends, backlogs, and new developments raise serious doubts about the adequacy of the system which we have relied upon exclusively for providing municipal capital.

We simply cannot allow a shortage of funds to prevent cities from financing needed projects in housing, environment, school and health care facilities and transportation. Neither can we force local governments to raise taxes to pay exorbitant interest costs.

If we are to meet our commitments as governments of the people, we must have a new source of capital funds—at rates which governments of the people can afford to pay. The new financial agency created by the bill which I introduce today will help assure that the essential public needs of our society get appropriate financial support. The Bank will provide new capital resources for public development, public redevelopment to save energy, expansion of basic service industries and job creation in the economic backwaters of this Nation.

The National Domestic Development Bank will offer long-term loans at low rates of interest. The Bank's regional offices also will provide planning and technical assistance. Representatives of local governments and economic groups will participate in the operation of these regional offices.

The Bank will also make loans available to nonprofit or quasi-governmental organizations which receive Federal funds and pursue public purposes in the construction of housing, medical, educational, and other public facilities. In addition, the Bank will provide loans to businesses in geographical areas and economic sectors which economic indicators show to be disproportionately affected by high unemployment, high welfare participation, and high capital costs.

The National Domestic Development Bank will be a national institution sponsored by the Federal Government. But it will emphasize decisionmaking at the local level where the problems are known first hand. Communities and regions will determine their own development priorities under their planning.

The Presidentially appointed Board of Directors will be composed of Federal, State, county, and local officials as well as representatives of the general public.

The Bank's lending activities will be carried out directly through regional operating divisions. Each region will have an advisory committee broadly representative of local governments, economic groups, and the public.

The Bank I propose will have a primary capitalization of $3.5 billion. This initial capital will be raised mainly through public stock subscriptions and dividend income will be partially exempt from the Federal income tax in order to provide an incentive for investors. Lending power of the Bank will be multiplied by the issuance of bonds on the national investment market.

National Domestic Development Bank loans will be made for the following purposes:

First, cities, counties, and States will be able to borrow money for basic community facilities at rates comparable to municipal bonds.

Second, 40-year loans also will be available to nonprofit or quasi-governmental organizations receiving Federal funds and pursuing public purposes for the construction of housing, medical, and other public facilities.

Third, loans over a 20-year period will be made to business organizations for economic development purposes in specially designated areas or sectors of the economy.

While financial assistance is crucial, it is not enough. To achieve sound community and economic development, the Bank will offer technical assistance in the planning of projects, the coordination of other funding sources, and the integration of current Federal programs with the overall development plans of the community.

The Bank must also develop the technical and financing expertise that is essential in anticipating the environmental impact of a rapidly changing and expanding technology in the United States. In addition to community and economic development, there is a basic demand in this Nation for substantially increased energy resources and for greatly improved transportation facilities and systems. An escalating pollution hazard will be the natural consequence of intensive efforts to meet these basic needs, unless effective assistance is provided to communities and our various industrial sectors to meet the environmental protection standards that will be increasingly applied and enforced by government.

It is important, at this point, to emphasize the basic philosophy and objectives of the financing of public development under this act.

The National Domestic Development Bank will provide an orderly, continuing source of capital funds for our financially beleaguered States and communities.

It will allow us to tackle local financial problems in a rational and comprehensive way by eliminating the stop-start history of public construction.

It will multiply the purchasing power of Federal, State, and local revenues by amassing long-term credit commitments for public construction.

It will facilitate economic development in areas of this Nation confronted with high unemployment.

It is a development program for the communities of America.

The National Domestic Development Bank can launch a comprehensive attack upon urban and rural blight. It can trigger new private investment and provide jobs in a slumping economy.

The list of needed public development has no end.

We have neglected public development too long. And, we have succeeded in becoming a nation that is privately wealthy but publicly poor.

The time to redress that imbalance is now.

It is time that we changed our antiquated methods of financing public construction to meet the mounting needs of our growing population.

My work with mayors, county commissioners, and other local officials, as well as my study as chairman of the Joint Economic Committee, of national urban and rural development needs, gives rise to the bill which I am introducing today.

Based on this first hand experience, it is my firm conviction that the cost of inaction, the cost of permitting the public needs of America to pile-up unmet, is too great a price to pay.

The cost to the Federal Government in establishing the National Domestic Development Bank will be a small fraction of the development value the Bank can generate. The Bank can facilitate urban revitalization. The Bank can effectuate the goals of the National Rural Development Act which assists small towns and rural counties. The Bank can assure that public facilities that serve all of the population are given proper priority.

I began working on legislation for a National Domestic Development Bank in 1964. Bills embodying the concept of a low cost source of municipal capital have been introduced by myself and others in every congressional session since 1968. I note with some satisfaction recent news stories that the concept is getting serious consideration from the administration

and the capital finance community. The time for adoption of this important improvement in public capital finance has come.

Mr. President, I ask unanimous consent that the text of the National Domestic Development Bank Act, a section-by-section analysis, a question and answer description of the act, and a recent report from the New York Times concerning Treasury Secretary Blumenthal's proposal for a reconstruction bank, be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1396

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Domestic Development Bank Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that—

(1) population increases and rising demands for a safe and prosperous life have created an unprecedented demand for (A) basic community facilities, such as streets, schools, hospitals, housing, water, sewer, waste disposal, and mass transit facilities and parks and playgrounds, (B) economic development in urban ghettos, disaster areas, and labor surplus areas, as well as in new towns and new cities; and (C) economic health of basic sectors of the economy which provide essential services and goods to the public;

(2) the existing institutional structure for providing funds—the municipal bond-Federal grant arrangement—cannot provide at reasonable cost the amounts necessary to satisfy these growing demands. The financial needs of our growing communities require the full mobilization of skills and resources in all levels of government, Federal, State, and local, as well as in the private sector; and

(3) the most effective use of funds can only be made when information and technical expertise regarding engineering requirements, financial and economic factors, Federal programs and funding levels, and comprehensive area problems and planning are readily available from a single source.

(b) The purpose of this Act is to establish a national domestic development bank system which will provide an alternative source of funds for community facilities and economic development, which will involve national investment markets and all groups of investors, and which will furnish information to coordinate Federal, State, and local programs with local problems and governments.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "bank" means the National Domestic Development bank established by section 4;

(2) "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, or any agency or instrumentality thereof;

(3) "local government" means any county, municipality, or other political subdivision of a State, or any agency or instrumentality thereof, or any school or other special district created by or pursuant to State law, and

(4) "obligation" means any bond, note, debenture, or other instrument evidencing debt.

ESTABLISHMENT OF BANK

SEC. 4. (a) There is hereby created a body corporate to be known as the National Domestic Development Bank, which shall have succession until dissolved by Act of Congress. The bank, which shall not be an agency of the United States Government, shall maintain such offices as may be necessary or appropriate in the conduct of its business. For the purposes of jurisdiction and venue, the bank shall be deemed a citizen and resident of the District of Columbia.

(b) No individual, association, partnership, or corporation, except the bank, shall hereafter use the words "National Domestic Development Bank" as the name or a part hereof under which he does business.

GENERAL POWERS

SEC. 5. The bank shall have, in addition to the special authority conferred by section 8 of this Act, the power—

(1) to sue and be sued, and complain and defend, in its corporate name and through its own counsel;

(2) to adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) to adopt, amend, and repeal, by the board, such bylaws, rules, and regulations as may be necessary for the conduct of its business;

(4) to conduct its business, carry on its operations, have offices, and exercise the powers granted by this Act in any State without regard to any qualification or similar statute in any State;

(5) to lease, purchase, or otherwise acquire, and own, hold, improve, use or otherwise deal in and with, any property, real, personal, or mixed, or any interest therein, wherever situated;

(6) to accept gifts or donations or services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the bank;

(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

(8) to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define their duties, to fix their salaries, and to require bonds for them and fix the penalty thereof; and

(9) to enter into contracts, execute instruments, incur liabilities, and do all things which are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

BOARD OF DIRECTORS: MANAGEMENT

SEC. 6. (a) The bank shall have a board of directors which shall initially consist of fifteen members to be appointed by the President of the United States as follows:

(1) one member to be appointed from the Federal Reserve System.

(2) four members to be appointed from among the heads of departments and agencies in the executive branch of the Government;

(3) four members to be appointed from among those who represent the public generally, one of whom shall be appointed, by and with the advice and consent of the Senate to serve as president of the bank and chairman of the board of directors;

(4) two members who are Governors of States from among nominees of the National Governors' Conference;

(5) two members who are elected officials of county governments from among nominees of the National Association of County Officials; and

(6) two members who are elected officials of city governments from among nominees of the National League of Cities.

(b)(1) Directors appointed under clauses (1), (2), and (3) of subsection (a) of this section shall serve at the pleasure of the President or until their successors have been appointed.

(2) One director initially appointed pursuant to each of clauses (4), (5), and (6) shall be designated by the President of the United States to serve until the first annual meeting of the stockholders, and one director appointed pursuant to each such clause shall be designated by the President of the United States to serve until the second annual meeting of the stockholders. Vacancies occurring pursuant to this paragraph at the time of each such annual meeting shall be filled by election by the stockholders at such meeting from among nominees as provided in subsection (a) of this section. Directors elected pursuant to this subsection shall serve for terms of two years. The board may appoint a member to serve for any unexpired term of any such director.

(c) The board shall hold regular bimonthly meetings and shall hold other meetings at the call of the chairman. A majority of the board shall constitute a majority for the transaction of business. Any vacancy in the board shall not affect its powers or duties.

(d) Any director who is an officer or employee of the United States shall serve without additional compensation for his services as a director.

(e) The management of the bank shall be vested in the President of the bank, subject to such policies as the board of directors shall prescribe from time to time.

INITIAL EXPENSES

SEC. 7. In order to facilitate the formation of the bank, the Secretary of the Treasury is authorized to pay initial organizing and operating expenses. There is hereby authorized to be appropriated a sum not to exceed $500,000 for this purpose.

SPECIAL AUTHORITY

SEC. 8 (a) Subject to the provisions of this Act, the bank is authorized—

(1) to make commitments to purchase, and to purchase, service, and sell, on terms and conditions determined by the bank, any obligation (or participation therein) of a State or local government issued to finance in total or in part the construction, or re-construction to energy efficient standards, of basic community facilities or public works of any type;

(2) to make or guarantee loans to State and local governments to finance the construction or re-construction to energy efficient standards of basic community facilities and public works of all types (including loans to non-profit or quasigovernmental organizations and entities to finance the construction of housing, medical facilities, and other facilities which are supported by Federal or State programs and are determined by the bank to have the attributes of public facilities; and

(3) to make loans for the purpose of creating jobs and facilitating economic development in geographical areas whose population consists of a high proportion of unemployed or low income individuals and families; that suffers a natural disaster; or that is in need of direct investment to further the national public interest; and

(4) to make loans for the purpose of financing continued operation of businesses and construction of energy efficient systems in sectors of economic activity which are found by the bank to need low cost capital in order to further the national public interest.

(b) The bank shall develop criteria to assure that projects assisted by it are not inconsistent with comprehensive planning for the development of the communities in which they will be located, or disruptive of Federal programs which authorize assistance for the development of like or similar categories of projects, or inconsistent with Federal policies directed at the protection of the environment.

(c) A loan made or guaranteed under this section may not exceed the total capital cost of the project to be financed, and shall be made for a term determined by the bank; except that the term of a loan made under paragraph (2) of subsection (a) shall not exceed the life of the project or forty years,

whichever is less, and the term of a loan made under paragraph (3) of subsection (a) to a private person for a project consisting primarily of profitmaking facilities shall not exceed twenty years.

(d) All obligations purchased and loans made pursuant to this section shall bear interest at a rate determined by the bank which shall be low enough to be competitive with municipal bonds, but in no event greater than 1 point over the average rate on Treasury borrowings of similar maturity.

(e) In any case in which the bank undertakes to provide assistance to a State or local government under subsection (a) for the construction of a project for which a department or agency of the Federal Government (under another law of the United States) will also provide funds—

(1) the assistance provided by the bank under subsection (a) may be in the full amount needed by the State or local government to finance such construction (including the amount of the funds which will be provided by such department or agency), with the funds to be provided by such department or agency with respect to such construction thereupon becoming payable (notwithstanding any contrary provision in the law under which they are payable) to the bank in lieu of being paid directly to such government; and

(2) the bank may accept in return (A) an obligation or obligations of such State or local government covering only the difference between such full amount and the amount of the funds which are payable with respect to such construction by such department or agency, plus (B) a commitment from such department or agency to pay the funds which are to be provided by it and are payable to the bank as described in paragraph (1), in order to insure that such State or local government will not have to include within its debt limit that portion of the indebtedness incurred for the financing of such construction which is attributable to funds provided by the Federal Government.

(f) The bank is authorized to establish a financial aid and technical advisory staff for any metropolitan area upon a determination by the board that the amount of the bank's activity in such area is sufficiently large to support a full financial and technical advisory staff. The staff shall process applications and requests for assistance from that area and shall assist applicants in obtaining such assistance.

(g) Except as otherwise specifically provided in this Act, the bank may impose charges or fees for its services with the objective that all costs and expenses of its operations should be within its income derived from such operations.

REGIONAL OPERATING DIVISIONS

SEC. 9. (a) The bank shall establish regional operating divisions. Each division shall be charged with responsibility for assessing borrower eligibility and making loans within its region or geographical area. To the maximum extent feasible, the boundaries of the regions or geographical areas respectively represented by the several regional operating divisions shall be the same as the boundaries of the areas respectively served by the regional offices of the various Federal departments and agencies.

(b) Each regional operating division shall transact all of the bank's business within its region with the assistance of the metropolitan area advisory staffs.

(c) Each regional operating division shall be supervised by a three member panel appointed by the board. In addition, an advisory committee of not less than eighteen nor more than twenty-five persons representing all governments and all socioeconomic levels within the division's region shall be appointed by the board to develop policies and guidelines for the division's activities.

TECHNICAL ASSISTANCE

SEC. 10. (a) The bank shall have, in addition to a staff adequately equipped in the field of development banking, personnel qualified to give advice in the following fields (and any other categories of advice appropriately related to the bank's activities):

(1) The Federal Government, particularly the organization and operation relating to State and local governments.

(2) All phases of all Federal grant-in-aid programs.

(3) Methods of administering the development and operation of community facilities.

(4) Technical data and requirements in fields appropriately related to the bank's activities, including the following:

(A) roads, hospitals, schools, and airports;

(B) urban mass transit systems and bridges;

(C) housing, municipal buildings, and parks;

(D) courthouses;

(E) water and sewage facilities and air pollution controls; and

(F) commercial developments.

(b) The bank shall give any necessary technical assistance under this section to applicants for assistance under section 8. No fees for preliminary advice shall be charged; however, after an application has been accepted for processing, the bank may charge reasonable fees for continued assistance under this subsection.

(c) The bank is also authorized to undertake research and information gathering, and to facilitate the exchange of advanced concepts and techniques relating to municipal growth and development among State and local governments.

STOCK

SEC. 11. (a) The bank shall have one class of common stock, which shall have voting rights and have a par value of $100 per share. Stock shall be sold to investors throughout the country.

(b) All moneys received by the bank in return for its common stock shall be accumulated in a stated capital account. All net earnings from the operations of the bank shall annually be transferred to its general surplus account. Such dividends as may be declared shall be paid by the bank to the holders of its common stock and shall be charged against the general surplus account, but in any one fiscal year dividends shall not exceed 6 per centum of the par value of the common stock issued and outstanding and shall be payable out of the net earnings of the bank for that year.

CAPITALIZATION OF THE BANK

SEC. 12. The bank's stated capital shall be limited to $3,500,000,000, which shall be raised, insofar as it is feasible, by the sale of the bank's common stock, and the remainder shall be provided as follows:

(1) The Secretary of the Treasury is authorized to purchase obligations of the bank in the amount of $300,000,000 a year for a period of ten years. If the Secretary finds it is necessary for the successful operation of the bank to waive the payment of interest and principal for any given year such interest shall then be added to the principal of the obligation. The bank is authorized to include appropriate provisions in the instruments evidencing the obligations provided for in this paragraph. Each purchase of obligations by the Secretary under this paragraph shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities. The Secretary may sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this paragraph.

(2) The Secretary of the Treasury is additionally authorized to purchase debentures of the bank in the amount of $300,000,000 on emergency call of the bank.

(3) Each public borrower from the bank at the time of receiving loans shall be required to purchase stock until it holds an amount of stock equivalent of $.50 per capita for each person within its jurisdiction or for each person expected to be served by the facility or facilities involved. The borrower shall purchase stock equal to one-twentieth of the amount of his loans until he reaches the $.50 per capita maximum requirement. For the purposes of paragraphs (1) and (2) of this section, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include such purchases. All redemptions, purchases, and sales of obligations or debentures under such paragraphs shall be treated as public debt transactions of the United States.

OBLIGATIONS OF THE BANK

SEC. 13. (a) The bank is authorized to issue and have outstanding obligations (including but not limited to the obligations and debentures described in section 12) having such maturities and bearing such rates of interest as may be determined by the bank. Such obligations may be redeemable at the option of the bank before maturity in such manner as may be stipulated therein. The amount of the bank's indebtedness outstanding at any one time should be limited to fifty times the bank's paid-in stated capital.

(b) The Government National Mortgage Association (hereafter referred to as the "Association") is authorized, upon such terms and conditions as it may deem appropriate, to guarantee the timely payment of principal of and interest on such obligations (other than obligations and debentures described in section 12) as shall be issued by the bank. The Association shall collect from the bank a reasonable fee for any guaranty under this subsection and shall make such charges as it may determine to be reasonable for the analysis of any obligation proposed to be issued by the bank. In the event the bank is unable to make any payment of principal of or interest on any obligations guaranteed under this subsection, the Association shall make such payment as and when due in cash, and thereupon shall be subrogated fully to the rights satisfied by such payment. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.

FEDERAL PAYMENTS TO THE BANK

SEC. 14. (a) With respect to such amounts of loans of the bank as may be specified in appropriation Acts, the Secretary of the Treasury is authorized to make, and to contract to make, annual payments to the bank in such amounts as are necessary to equal the amount by which the dollar amount of interest paid by the bank on account of its outstanding obligations exceeds the dollar amount of interest received by the bank on account of obligations purchased or loans made by it pursuant to section 8.

(b) There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to carry out his functions under this Act, including such sums as may be necesary to make the annual payments required by contracts entered into

by the Secretary of the Treasury pursuant to subsection (a) of this section.

FEDERAL INSURANCE OF OBLIGATIONS TO THE BANK

SEC. 15. (a) The Secretary of Housing and Urban Development (hereinafter in this section referred to as the "Secretary"), upon application by the bank, is authorized to insure any loan made by the bank under section 8(a) (including, for purposes of this section, any obligation purchased as provided in paragraph (1) thereof), and to issue a commitment for the insurance of any such loan prior to the date of its execution or disbursement thereon upon a determination that all of the applicable criteria established by or under this Act will be met with respect to such loan.

(b) The insurance of any loan under subsection (a) and any payments pursuant thereto shall be made on such terms and conditions, and in such manner and form, as the Secretary shall by regulations prescribe, and shall provide for the payment in full to the bank of the outstanding principal balance of the loan together with any unpaid interest, upon default by the borrower, in accordance with procedures set forth in such regulations.

(c) The Secretary is authorized to charge and collect premiums for insurance under this section. Such premiums shall be fixed at the lowest possible levels which are determined by the Secretary to be reasonable and sufficient to keep the insurance program under this section in a sound and secure condition and maintain the fund established by subsection (d) at a level adequate to meet all anticipated losses, but in any event shall be lower for loans made under paragraphs (1) and (2) of section 8(a) than for loans made under paragraph (3) for such section.

(d)(1) There is established a revolving fund to be used by the Secretary in carrying out his function under this section. All premiums charged as provided in subsection (c), and all other receipts under the insurance program, shall be deposited in the fund. All payments with respect to insurance under this section shall be made from the fund. Moneys in the fund not needed for the payment of current operating expenses or the payment of insurance under the program may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States.

(2) There is authorized to be appropriated as initial capital for the revolving fund established by paragraph (1) the sum of $10,000,000.

(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Secretary shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 16. (a) The financial transactions of the bank shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the bank and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians.

(b) The expenses of any audit performed under this section shall be borne out of appropriations to the General Accounting Office, and appropriations in such sums as may be necessary for this purpose are authorized. The bank shall reimburse the General Accounting Office for the full cost of any such audit, and the General Accounting Office shall deposit sums received as reimbursed into the Treasury as miscellaneous receipts.

AUDIT REPORT TO CONGRESS

SEC. 17. A report of each audit of the bank for any fiscal year shall be made by the Comptroller General to the President and to the Congress not later than six months following the close of such fiscal year. The report shall set forth the scope of any such audit and shall include a statement (showing intercorpoarte relations) of assets and liabilities; a statement of capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the Congress informed of the operations and financial condition of the bank, together with such recommendations with respect thereto as the Comptroller General may deem advisable, including a report of any impairment of capital or lack of sufficient capital noted in the audit. A copy of each report shall be furnished to the Secretary of Housing and Urban Development, the Secretary of the Treasury, and the bank.

TAX EXEMPTION

SEC. 18. (a) The bank, its property, its franchise, capital, reserves, surplus, security holdings, and other funds, and its income shall be exempt from all taxation now or hereafter imposed by the United States or by any State or local taxing authority: except that (1) any real property and tangible personal property of the bank shall be subject to Federal, State, and local taxation to the same extent according to its value as other such property is taxed, and (2) any and all obligations issued by the bank shall be subjected both as to principal and interest to Federal, State, and local taxation to the same extent as the obligations of private corporations are taxed.

(b)(1) Subsection (a) of section 116 of the Internal Reveue Code of 1954 (relating to partial exclusion from gross income of dividends received by individuals) is amended to read as follows:

"(a) EXCLUSION FROM GROSS INCOME.—

"(1) DOMESTIC CORPORATIONS.—Gross income does not include amounts received by an individual as dividends from domestic corporations (other than the National Domestic Development Bank), to the extent that the dividends do not exceed $100.

"(2) NATIONAL DOMESTIC DEVELOPMENT BANK.—Gross income does not include 50 percent of the amounts received by an individual during any taxable year as dividends from the National Domestic Development Bank."

(2) Such section 116 is further amended by striking out "Subsection (a)" in subsection (b) and inserting in lieu thereof "Subsection (a)(1)".

NATURE OF STOCK AND OBLIGATIONS

SEC. 19. (a) All obligations issued by the bank shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under authority or control of the United States or of any officer or officers thereof. All stock and obligations issued by the bank pursuant to this Act shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States.

(b) The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the bank, for its own account or as fiduciary, and such banks shall be reimbursed for such services in such manner as may be agreed upon; and the bank may itself act in such capacities, for its own account or as fiduciary, and for the account of others.

PREPARATION OF OBLIGATIONS

SEC. 20. In order to furnish obligations for delivery by the bank, the Secretary of the Treasury is authorized to prepare such obligations in such form as the board many approve, such obligations when prepared to be held in Treasury subject to delivery upon order by the bank. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith, shall remain in the custody of the Secretary of the Treasury. The bank shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such obligations.

UNITED STATES NOT LIABLE

SEC. 21. Except as otherwise specifically provided in this Act, the United States shall not be liable for any debts, defaults, acts, or omissions of the bank.

ANNUAL REPORT

SEC. 22. The bank shall, as soon as practicable after the end of each fiscal year, transmit to the President and the Congress an annual report of its operations and activities.

AMENDMENTS RELATING TO FINANCIAL INSTITUTIONS

SEC. 23. (a) The sixth sentence of the seventh paragraph of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by inserting "or obligations of the National Domestic Development Bank," immediately after "or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association,"

(b) Section 5200 of the Revised Statutes (12 U.S.C. 84) is amended by adding at the end thereof the following new paragraph:

"(14) Obligations of the National Domestic Development Bank shall not be subject to any limitation based upon such capital stock and surplus."

(c) The first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by inserting "or in obligations of the National Domestic Development Bank," in the second proviso immediately after "any political subdivision thereof;"

(d) Paragraph (2) of section 14(b) of the Federal Reserve Act (12 U.S.C. 355) is amended by inserting, "or any obligation of the National Domestic Development Bank" immediately before the period at the end thereof.

SEPARABILITY

SEC. 24. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 25. There are authorized to be appropriated, without fiscal year limitation, such sums as may be necessary to carry out the purposes of this Act.

SECTION-BY-SECTION SUMMARY—NATIONAL DOMESTIC DEVELOPMENT BANK ACT

Sec. 2. Sets forth the Findings of Congress which make this bill necessary; that there is an unprecedented demand for community facilities to provide for our growing population and that an alternative method for financing these facilities is imperative. It states that the purpose of the Act is to create a National Domestic Development Bank System.

Sec. 3. Contains definitions of terms used in the Act.

Sec. 4. Establishes the Bank as a body corporate and reserves the use of the name "National Domestic Development Bank".

Sec. 5. Grants the Bank the general powers of a corporation.

Sec. 6. Provides for an initial fifteen (15) member Board of Directors, to be appointed initially by the President, with the following composition:

1 representing Federal Reserve System.

4 representing departments and agencies of the Federal Government.

4 representing the public generally (appointed by the President with advice and consent of the Senate).

2 State governors (nominated by the National Governors Conference).

2 elected officials of county government (nominated by the National Association of County Officials).

2 elected officials of city government (nominated by the National League of Cities).

Subsequently, the representatives of state and local governments will be elected from those nominated by stockholders of the Bank.

Sec. 7. Authorizes $500,000 for organizational and initial operating expenses.

Sec. 8. Outlines the special authority of the Bank:

(a)(1) To purchase obligations of state and local governments issued to finance community facilities or public works of any type.

(2) To make or guarantee loans to:

(a) State and local governments;

(b) Nonprofit and quasi-governmental entities for financing projects supported by state or Federal programs or otherwise having the attributes of public facilities.

(3) To make loans for economic development in areas needing government assistance.

(4) To make loans to businesses in sectors needing government assistance.

(b) To reject any projects inconsistent with comprehensive planning for the communities being served.

(c) To loan money for up to forty (40) years for public facilities and twenty (20) years for economic development projects.

(d) To set interest rates competitive with rates on municipal bonds.

(e) To loan the entire cost of a project which is partly financed by a Federal assistance program, taking back obligations from both the local and the Federal government for their respective shares so that only the amount of the local share will be counted for its debt limit.

(f) To provide a financial and technical advisory staff for each active metropolitan region.

(g) To impose appropriate fees and charges.

Sec. 9. Provides that the Bank's lending activity will be carried out through regional operating divisions supervised by a three (3) member panel appointed by the Board of Directors. Each region will also have an advisory committee of 18 to 25 persons broadly representative of governments and economic groups within the region.

Sec. 10. Authorizes assembly of a staff to give technical and economic advice including preliminary assistance with applications to the Bank and general advice during the construction period. In addition, the Bank may undertake research and facilitate information exchange among Bank customers.

Sec. 11. Provides for one class of common, voting stock with a $100 par. Dividends in any one year may not exceed six percent (6%) of the value of stock outstanding and must be paid out of net earnings.

Sec. 12. Capitalizes the Bank at $3.5 billion to be provided from the sale of common stock and, if necessary, by purchases by the Treasury Department of the Bank's obligations in yearly amounts of $300 million. Each public borrower must subscribe to purchase common stock in an amount equal to $.50 multiplied by the population within the jurisdiction, in increments of 1/20th of the face amount of a loan.

Sec. 13. Authorizes the Bank to sell bonds on the national market in an amount up to 50 times its stated capital to raise monies necessary to finance projects which are applied for by the users of the Bank. These bonds may be guaranteed by the Government National Mortgage Association and pledge the full faith and credit of the United States.

Sec. 14. Authorizes annual federal payments to the Bank in an amount sufficient to make up the difference between interest paid by the Bank on its obligations and the interest received from its loans to local governments.

Sec. 15. Provides for federal insurance of Bank loans, by the Department of Housing and Urban Development and authorizes appropriations of $10 million to establish a revolving fund for this purpose.

Secs. 16 and 17. Provides for an annual audit by the General Accounting Office and a yearly report by the General Accounting Office to the Congress.

Sec. 18. Amends the Internal Revenue Code to exclude from gross income 50% of the amounts received as dividends by a stockholder during any taxable year.

Sec. 19. Makes the bonds of the Bank lawful investments.

Sec. 20. Authorizes the Secretary of the Treasury to prepare and print the Bank's bonds.

Sec. 21. Provides that the United States is not liable for debts, defaults or actions of the Bank other than those specified in the Act.

Sec. 22. Orders that an annual report be submitted to the President and the Congress.

Sec. 23. Contains technical amendments to Federal banking statutes.

Sec. 24. Provides that any invalid provision of this Act may be severed and that the remainder continues in full effect.

Sec. 25. Authorizes to be appropriated without fiscal year limits such funds as may be necessary to carry out the purposes of the Act.

THE NATIONAL DOMESTIC DEVELOPMENT BANK ACT

1. What is the National Domestic Development Bank?

The National Domestic Development Bank is a national lending institution under the directorship of federal, state, and local officials as well as representatives of the general public. The Bank will provide a new source of capital funds to enable cities and towns to undertake a wide range of public projects.

2. What will the Bank do?

It will make 40 year loans to State and local governments to finance the construction of basic community facilities and public works of all types. Loans can also be made to nonprofit organizations for housing, medical, and other public facility construction.

The Bank is authorized to make 20 year loans to business organizations for economic development in geographic areas or economic sectors in need of direct investment to further the national public interest.

3. Why is this Bank needed?

First, there is a limited market for state and municipal bonds. These bonds are one of the first types of securities to be affected by tight money periods. The Bank will assure that municipalities will always have a market for their securities. It will provide communities with an alternative means of financing public development.

Second, the capital financing needs of our states and cities are growing at a rapid rate. In 1968, the Bureau of the Budget estimated a ten-year need of $58 billion.

At the same time, cities are fast approaching the fiscal breaking point. Cities need new ways of obtaining development money that do not sharply increase their public debt burden, putting an additional strain on limited revenues.

4. Won't the Bank complicate public development financing?

On the contrary, the Bank will create a more simplified, flexible, inexpensive, and efficient way to raise capital. It will provide a single source where cities and towns can obtain financial and technical assistance. It will coordinate aid under various federal programs with additional financing, cutting red tape and extended application review procedures.

5. Is this an agency of the Federal Government?

No, the Bank will not be an agency of the U.S. Government and its budget will be independent of the Federal budget.

6. How much will it cost?

The cost of the Bank will be very low. Start-up costs will be $500,000 for organizing expenses and $10 million to establish a revolving insurance fund at the Department of Housing and Urban Development to insure Bank loans. In addition, Congress will need to enact annual appropriations to make up the difference between interest rates paid by the Bank on its bond issues, and the interest rate it charges to borrowers. The net cost would be minimal, however, because the Treasury would collect taxes on the earnings of Bank bonds.

7. Will the Bank have unlimited bonding capacity?

No. It can only borrow on national investment markets for lending to state and local governments and other qualified users at fifty (50) times the amount of paid-in capital stock of this corporation. In addition, the Bank must lend at rates competitive with municipal bonds.

8. Where does the Bank's capital reserve come from?

It comes from three sources:

(1) Sale of stock to the public. One investment incentive will be the exclusion from gross income of 50 percent of dividend earnings from this stock, for Federal income tax purposes.

(2) Sale of stock to public users of the Bank. Each user must buy a small amount of stock in increments as it obtains Bank loans, until it has purchased an amount of stock equal to 50 cents per capita.

(3) The Treasury is authorized to purchase special bonds up to $300 million per year for ten years, and this money can be used for capital reserve.

9. What assurances are provided investors?

First, bonds sold by the National Domestic Development Bank may be guaranteed by the Government National Mortgage Association, and the full faith and credit of the United States pledged to the payment of all amounts under this guaranty.

Second, loans made by the Bank may be insured by the Federal Housing Administration, and a $10 million insurance revolving fund is established for this purpose.

10. What interest rates will be charged to the borrowers of this Bank?

Under this bill the Bank will set interest rates at a level that is competitive with municipal bond rates.

11. Will Borrowers have to come to Washington to apply for loans?

No. The Bank's lending operations will be carried out directly through regional operating divisions, coinciding basically with the regional offices of the various Federal departments and agencies.

12. Will the Bank assist in any way other than providing loans?

Yes. One of the major services of the Bank is to maintain a technical staff that can give advice on Federal programs, on comprehensive planning and administration of the development of community facilities, and on technical data and requirements relating to

the facilities eligible for financing. In addition, the Bank will do research, collect information, and facilitate the exchange of ideas on new technology and improvements in public administration relating to local and regional public development.

13. What projects will the Bank help finance?

A wide range of public facility construction is possible under this Act. Some examples are:

Schools and libraries.
Medical centers and hospitals.
Mass transit systems.
Industrial parks.
Police and fire departments.
Water and sewer systems and waste disposal and treatment facilities.
Parks and recreation areas.
Community service and day care centers.
Public housing.
Job-training and adult education centers.
The renewal of town and city business centers.
And the reconstruction or rehabilitation of all of these types of public facilities to energy saving standards.

[From the New York Times, Apr. 8, 1977]

UNITED STATES PLANNING BANK TO AID LARGE CITIES

(By Hedrick Smith)

WASHINGTON, April 7.—Treasury Secretary W. Michael Blumenthal disclosed today that the Carter Administration was drafting plans to set up an urban reconstruction bank to make borrowing easier for New York and other large cities with financial problems.

He compared the concept to that of the Reconstruction Finance Corporation set up in the New Deal period to aid failing businesses or to the International Bank for Reconstruction and Development, both known for providing loans not otherwise available from normal commercial lenders. Often, their loans are made at favorable interest rates and with other concessionary terms.

In New York, Felix G. Rohatyn, chairman of the Municipal Assistance Corporation, urged that the city try to issue its own notes to the public to meet some of its short-term borrowing needs next summer. His Proposal met with a favorable but qualified response from Mayor Beams, Governor Carey, City Comptroller Harrison J. Goldin and several bankers.

Although he has raised the issue before as one option before the Federal Government, Mr. Blumenthal went further today in a luncheon interview in suggesting that the Carter Administration was prepared to proceed with some sort of bank proposal.

In a luncheon interview with New York Times reporters and editors, Mr. Blumenthal said the Treasury Department and other Administration agencies were working to complete plans for the urban bank by summer, but he did not go into details of its operation.

Other treasury officials said that Mr. Blumenthal had already established an Office of Urban Finance in the Treasury Department and given it the task of developing financial assistance programs for central cities. The urban bank plan, they said, will not only require more refinement but ultimately Presidential approval and legislation passed by Congress before it can take effect.

The basic purpose, he explained, is to "create resources available to the cities that would not otherwise be available" in order to provide assistance to the older urban areas of the Northeast and Middle West and help them reverse the cycle of economic decline and higher tax rates that drive businesses and residents into the suburbs.

From his description, it sounded like an effort to set up a permanent mechanism for the kind of seasonal financing that New York City has received from the Federal Government for more than a year. The $2.3 billion seasonal loan authority established by the Ford Administration expires June 30, 1978. Other officials said that the plan, promoted by some New York officials, was still in an "embryonic" stage.

Speaking with considerable feeling about the "vicious circle" of financial problems that beset cities like New York, Mr. Blumenthal predicted that the Carter Administration's welfare reform package would provide "some" financial relief for the city, though it would not offer a "total" answer to the city's chronic budget deficits.

Last summer, in his speech accepting the Presidential nomination at the Democratic National Convention in New York City, President Carter asserted that the welfare burden "should be removed from the cities, with all welfare costs being paid by the Federal and state governments."

Today, Mr. Blumenthal, relaxed but looking tired from what he said was a heavier work schedule than in private industry, sounded a bit more tentative about how far the Administration would go in assuming the welfare costs of a city like New York. He carefully shied away from specifics.

In spite of the fact that, earlier this spring, New York City was able to put together a package to cover its debt moratorium, the 51-year-old Treasury Secretary asserted his belief that its financial problems were not "by any means over" nor was its need over for Federal assistance.

"I do believe that a good bit of progress has been made in cutting expenditures and moving towards greater efficiency," he said. "The problem that we want to address ourselves is how to help them in the longer run, after 1978. The present economic environment does not get you toward a balanced [budget] in the long run."

Mr. Blumenthal gave indications today that the seasonal loan authority might be replaced by the urban bank.

Puffing gently on a cigar as he spoke, Mr. Blumenthal outlined the Administration's philosophical approach to the cities. He said that experts from the Treasury Department and other agencies dealing with urban problems were examining such questions as these:

BOUNDARY PROBLEMS CITED

"Why are places like New York, Detroit, Cincinnati and similar old urban centers in financial trouble? Are there some common factors? To what extent can these factors be eliminated by more intelligent local governments? If in New York the pension system is abused, you can correct that. If there is padding of payrolls with a lot of people that don't do any work in a particular city, you can correct that. If you have improper budget procedures or controls over expenditures, you can correct that.

"So assuming therefore, you take these cities and you make them more efficient, you still have some inherent problems. One of them may be the load of welfare and with that we'll see what comes out of welfare reform. Let's assume that you have some changes in the welfare system such as you would be able to get through Congress, and let's assume that you would have a relatively efficient administration, are the cards simply stacked against large cities?"

The critical problem, he said, is that the "political boundaries of cities and the fiscal boundaries" do not match, meaning that cities cannot tax all those businesses and individuals who benefit from living in the metropolitan areas surrounding them.

By Mr. PROXMIRE (for himself and Mr. CRANSTON):

S. 1397. A bill to amend the Federal National Mortgage Association Charter Act to increase the size of the board of directors thereof, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FNMA

Mr. PROXMIRE. Mr. President, I am introducing a bill for myself and Senator CRANSTON to make two changes in the charter of the Federal National Mortgage Association.

FNMA is a privately owned corporation which is chartered by Congress for the purpose of providing a secondary market for home mortgages. Its function is to buy mortgages from private, primary lenders, in order to supplement the funds available for housing, to help move mortgage funds from capital-surplus to capital-short areas of the country, and to implement certain special housing programs.

In 1968 FNMA was removed from the Federal Government and reconstituted as a quasi-private, quasi-governmental institution unlike any other. It is like a private corporation in that its stock is held and traded by private individuals, it makes a profit, and it pays full corporate income taxes. Its obligations are not backed by the full faith and credit of the United States, and it receives no operating funds from tax revenues, and it employs its own chief executive officer.

On the other hand, FNMA is far from being a true private corporation. It is chartered by Congress to meet the specific public purpose of supporting the housing market. It has a $2.250 billion emergency line of credit from the U.S. Treasury, which enables it to borrow at rates well below other private corporations. One-third of its board of directors is appointed by the President of the United States. It is statutorily subject to general and specific regulatory authority from the Secretary of Housing and Urban Development, and the Secretary of Treasury must approve its borrowing. Its securities are exempt from SEC requirements, Federal Reserve banks are authorized to act as its depositories and fiscal agents, and its stock and obligations are classified so as to make them highly desirable investments for Federal savings and loan associations.

In other words, FNMA is neither fish nor fowl. It is a unique, privately owned profitmaking company with a public purpose and extensive Government control.

This ambivalence makes it perpetually difficult to strike the appropriate balance between FNMA's public and private procedures and goals. In some ways I think the corporation has done a good job. It has pioneered the conventional mortgage purchase market and made initiatives in areas such as standard mortgage instruments and purchase of condominium loans, graduated payment mortgages, and apartment loans. In the process, it has grown into a corporation with more than $30 billion in assets which pays handsome dividends to its stockholders.

Despite its partial record of success, however, I believe that FNMA has not been nearly as responsive as it should be to the public interest for which it was chartered. I do not mean to say that FNMA should stop making profits, or should become a subsidy institution for

low-income housing. It should remain a sound, profitmaking company. At the same time, however, I believe that it can and should take on an increased role in the public interest. Let me cite three examples.

First, FNMA should do far more to purchase sound conventional loans made in inner-city neighborhoods. It is well documented that our urban areas contain many sound homes and creditworthy home buyers who have great difficulty finding conventional—or non-Government backed—mortgages. A typical refrain of lenders when challenged on this point is that they cannot make such loans because FNMA would not buy them. Furthermore, FNMA has promulgated standard appraisal criteria which tend to discriminate against properties simply because they are old or because they are located in areas which are subjectively evaluated as having high risks. Again, I do not advocate having FNMA buy high-risk, unsound loans. I do believe, however, that FNMA, with its great size, prestige, and expertise, should be a leader in getting the private mortgage market to seek the sound loan in the inner city, to keep our urban neighborhood alive and viable. Despite a few recent, very limited initiatives in this area, I believe FNMA has not been playing this role.

Second, I believe FNMA should make itself much more open and available to the public and to the public interest groups which have such an extensive and legitimate concern with its actions. There has been a recent series of incidents which lead me to believe that FNMA does not feel the public has a right to much of the basic information on its interests and activities.

One such incident occurred recently in Seattle, Wash., where FNMA was holding one of a series of local meetings for the stated purpose of encouraging lenders to make inner-city loans. A neighborhood-based church group which had spent several years researching and advocating increased mortgage lending was ignored in its efforts to be included in the meeting and to make input into its agenda. They ended up outside the door of the meeting, protesting, instead of inside talking to FNMA and their local lenders.

Another glaring example is the fact that FNMA's board of directors in March passed a specific resolution ruling that the public and press could not have access to public and industry comments which it solicits and receives on new program initiatives. FNMA offered no argument as to why the public interest is served by this policy. Instead, it has merely stood on the fact that it is a "private corporation" and thus is not, in its view, subject to the Freedom of Information Act.

In both of these specific cases, FNMA has partially corrected its initial stance following congressional objections to its actions. The point, however, is that its first reaction so often is to protect its "corporate prerogatives" rather than to promote the public interest.

A third example of FNMA's questionable actions is the fact that its board approved a contract for the president and chairman of the board, Oakley Hunter, on terms which insulate him from the need to be responsive to the public interest. Mr. Hunter's contract was executed in September 1975, and lasts for 5 years. It provides that he be paid no less than $122,000 a year. This year his salary has been increased to $140,000. The contract also provides for benefits to Mr. Hunter and his estate if he is removed from office or dies. These include the fact that, if he is removed without good cause, he need not seek other employment, and can collect his full salary, plus $5,000 a year to compensate for lost fringe benefits, through the end of the 5-year period.

Mr. Hunter presumably thought it advisable to secure this contract from FNMA's board, because his Johnson-appointed predecessor, Ray Lapin, was removed when President Nixon took office and was unsuccessful in litigating the issue. When Nixon removed Mr. Lapin and appointed Mr. Hunter, FNMA's charter gave the President direct authority to appoint FNMA's president. Today, FNMA's president is hired by its board, with the President of the United States empowered only to appoint one-third of the directors and to remove any director for good cause. Nevertheless, the precedent of changing FNMA's chief executive with a change in administrations made Mr. Hunter's position somewhat insecure in late 1975, when his 5-year contract was initiated.

The FNMA board which approved Mr. Hunter's contract was made up entirely of directors who were elected or appointed after President Nixon took office. Since then, there has been only one change in the elected directors, and this year the board has submitted the same slate of elected directors, without a single change, to the stockholders for ratification at their annual meeting on May 19.

It seems to me that these cases—FNMA's insensitivity to urban lending needs, its board's refusal to allow the public access to information, the staff's unwillingness to cooperate with the neighborhood group in Seattle, and the board's approval of an expensive contract insulating the chief executive officer from full accountability for 5 years—are signs of a serious problem with FNMA's attitude toward its mission. This attitude is at the heart of my concern. I think the orientation of the board and staff should be to start with the fact that FNMA exists to serve a public purpose, and that within the limits of its charter and responsibilities, they should do everything possible to promote the public interest. Instead, I think the people at FNMA start with the premise that they are part of a private corporation, and that they should only promote the public interest to the extent required by the charter.

This difference in emphasis is critical. There is a vast gray area between the things which FNMA clearly must do under its charter, and the things it clearly should not do under its charter. Within this middle ground are endless possibilities for pursuing the public interest, on which FNMA could go either way. It seems to me that their corporation attitude leans the wrong way. They seem to say to themselves, "when in doubt, do nothing."

Mr. President, the bill which Senator CRANSTON and I are introducing today is intended to try to get that attitude leaning a little more in the other direction. It does two things.

First, it would make it clear that FNMA must comply with the provisions of the Freedom of Information Act. At present there is apparently room for doubt on this question, with FNMA maintaining that they are not subject to this law and with several members of the press having considered litigating the matter. Our amendment would simply remove any ambiguity from the law by making it explicit that FNMA must observe these public information procedures.

Second, the bill would increase the number of FNMA directors which are appointed by the President of the United States. At present, the charter calls for a 15-member board, of which 10 are elected by the stockholders and five are appointed by the President. Of these five, however, three are statutorily required to be representatives of industry interest groups—one each from the lending industry, the homebuilders, and the real estate industry. By tradition, also, the other two presidentially appointed positions have normally included representatives of HUD and/or the Treasury.

Our bill would leave the number of elected directors at 10, and would increase the presidentially appointed directors from five to nine, making a board of 19 members. The bill leaves intact the requirement that three of these nine members be industry representatives.

By keeping the presidentially appointed members in the minority on the board, and by retaining the requirement that three of them represent industry, we hope to make it clear that our intention is not to change the nature of FNMA as a profitmaking privately directed corporation. The bill changes absolutely nothing else in the FNMA charter, including the clear provision that FNMA is to purchase loans for low-income housing only within the constraints of being able to make a reasonable profit.

Every one of the new appointees would have a fiduciary responsibility to the corporation, just as the presidentially appointed directors do at present. Every one of them would be charged with carrying out the continued mandates of the corporation's charter. In no way does the bill constitute a drastic or precipitous change in the corporation .

What it will do, I believe, is to increase FNMA's sensitivity to the public purpose in its charter. The four additional appointees will give the President the opportunity to name people of more varied backgrounds, including women and minorities, to the board .This will be a stark contrast to the directors elected by the stockholder, every one of whom is a

white, male representative of a financial institution or other business associated with FNMA. I feel that the change will result in better balance and increased sensitivity, without in any way changing FNMA's basic function.

Mr. President, FNMA is one of the largest corporations in the United States. It is the second biggest borrower of credit in this country, exceeded only by the U.S. Treasury, itself. It owes its size and success in large part to the extraordinary advantages which Congress has given it in order to help it serve its public purpose. I strongly feel that we should, accordingly, assure that FNMA keeps that public purpose uppermost in its mind as it pursues its chartered activities. I believe the bill offered today by myself and Senator CRANSTON will effectively accomplish that goal.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 308 (b) of the National Housing Act is amended—

(1) by striking out "fifteen" and inserting in lieu thereof "19";

(2) by striking out "one-third" and inserting in lieu thereof "nine"; and

(3) by adding at the end thereof the following: "The Federal National Mortgage Association shall be deemed to be an agency within the meaning of section 551 of title 5, United States Code, for the purpose of section 552 of such title.".

By Mr. DOLE:

S. 1401. A bill for the relief of Elvi Engelsmann Jensen; to the Committee on the Judiciary.

Mr. DOLE. Mr. President, the Senator from Kansas is introducing a bill on the behalf of Elvi Engelsmann Jensen, the adopted daughter of Mr. and Mrs. Donald Jensen of Larned, Kans.

Ms. Engelsmann first visited the Jensens in 1967, staying with them for several months. Over the next several years she periodically returned to the Jensen's home, developing a bond of affection which has lasted through the years, and eventually led to Ms. Engelsmann's adoption by the Jensens in 1976. Because she was over the age of 14 at the time of her adoption, she cannot earn special consideration under the law, and is now faced with voluntary departure from the United States by July 1, 1977.

To reaffirm the Jensen's request for permanent resident status, I ask unanimous consent that their letter be printed in the RECORD.

Mr. President, I urge the Senate to act upon this legislation as quickly as possible.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 22, 1977.

Hon. BOB DOLE,
U.S. Senate,
Washington, D.C.

DEAR MR. DOLE: We received your letter dated March 17, and thank you very much for your concern. We would like your help in obtaining a private bill on behalf of our daughter Elvi.

Elvi was born in Copenhagen, Denmark, 7–16–58 to my sister and her husband Mr. Preben Engelsmann, but they were divorced while Elvi was still an infant.

When Elvi was 9 years old she was having personal problems in school and at home. Her mother had planned a short vacation with us here in Kansas and the school psychologist suggested a longer stay for Elvi in our family would greatly benefit her. She stayed for 6 months with us and by the time she left was a different girl. The most important thing she found here was a father in my husband, someone she needed all her young life, and being an only child, brothers and a sister. In the next few years she came back twice for visits, each time for 3 months. My sister made sacrifices to be able to send Elvi, but it meant so much to her to come over to "her daddy and family".

When Elvi finished her formal schooling at age 15, she went to work for a doctors family and lived with them. Elvi's mother remarried and her husband promised an open door for Elvi, but when Elvi returned home she found that her new step-father and her could not live in the same house. Elvi wrote us for advice, she did not want to break her mother's marriage and she didn't feel like she belonged anywhere. Could she come over here for awhile? She knew we loved her and she felt at home here. First it was to be a visit, but we soon felt that she rather stay in this country than anything else. We wrote to you then for help Mr. Dole and you contacted Mr. Carroll at the Immigration Dept. for us. We enrolled her in Larned Sr. High School and she graduated in May 1976.

We asked the help of Mr. Vincent Fleming, Attorney At Law to help us to keep Elvi, but it was like for every step forward, we went two backwards. Mr. Fleming, now deceased, contacted Mr. Sharp in Kansas City, who specializes in Immigration, he advised us that if we did adopt Elvi our problems would be over. Elvi's mother had agreed to adoption long before and she contacted Elvi's father who lived in east Berlin, he also gave his consent.

My sister felt that the best thing she could do for her daughter would be to let her stay with us where she knew she was wanted and loved by all. Soon after the adoption Mr. Fleming passed away and we asked Mr. Louis James, Attorney at Law to help us. Mr. James found there was an Immigration office in Garden City, Kansas and contacted them. Mr. Hasson of that office came out to talk to Elvi and us and informed us that the adoption was not valid for immigration and she now was here illegally. It seems that after two years we are right back where we started. We thought we did the right thing when we contacted the attorney, but according to the investigator nothing was right. We were told she would have 30 days to leave the country, but later in a letter she was given until July 1. We are thankful for this but hope she will never have to go back.

Mr. Dole, Elvi wants to stay here more than anything and we want her here with us as a family. She is now attending Barton County JUCO and getting along well. She can have a brght future here if she gets to stay. "If" she has to go back my sister will leave her husband to be with Elvi, but what will that do to Elvi?

I can never take the place of my sister as Elvi's mother, but my husband is truly her DAD in every way that counts and our children are her brothers and sister. It is hard to believe that this might have to come to an end because of immigration rules. Everybody needs to be loved and wanted. She did not feel that in Denmark but she found that here. She knows we love her and want her to have a bright future and God willing it will be in this country.

Mr. Dole, we have been told that a private bill to obtain a permanent visa for Elvi is our only hope and we ask for your help.

Hopefully yours,

Mr. and Mrs. DONALD JENSEN.

By Mr. DOLE:

S. 1402. A bill to establish a National Agricultural Research, Extension, and Teaching Policy Advisory Board, and for other purposes; to the Comittee on Agriculture, Nutrition, and Forestry.

NATIONAL AGRICULTURAL RESEARCH, EXTENSION, TEACHING POLICY ACT OF 1977

Mr. DOLE. Mr. President, in January of this year the Senator from Kansas introduced S. 248, the National Agricultural Research Policy Act. My purpose in offering this legislation was to place renewed emphasis on agricultural research so that the food and fiber needs of the Nation and the world may be met in future years.

Since the introduction of S. 248, the Committee on Agriculture, Nutrition, and Forestry has received the testimony of a number of expert witnesses representing a broad spectrum of the agricultural research and teaching community. The facts and suggestions offered by these witnesses have given me a better insight into the needs and problems of agricultural research. In consequence, the Senator from Kansas is pleased to submit new legislation which builds upon and improves the provisions of S. 248.

RESEARCH NEEDS

The record of past successes in agricultural science is impressive. The U.S. Department of Agriculture, universities, foundations, and private enterprise have all made important contributions. Today, a single American farmworker supplies enough food and fiber for 56 people. But past success has created a feeling of complacency. Expenditures on agricultural research have not kept up with inflation during recent years.

For example, in 1965, agricultural research funding from Federal, State agricultural experiment stations, and industry sources was estimated at $854 million. A comparable estimate for 1975 was about $1.6 billion. However, after discounting for inflation, the 1975 expenditure had less purchasing power than the amount spent in 1965.

The fiscal year 1977 budget of the major research arm of the U.S. Department of Agriculture, the Agricultural Research Service, is only about 60 percent of what it was 10 years ago in constant dollars. In 1940, 38 percent of the Federal government's research and development budget went to agriculture. In 1977, agricultural research accounted for only 1.8 percent of the total Federal research and development budget.

Beyond the immediate concern of dollar expenditures, however, is the knowledge that available research funds have had to be stretched again and again to cover emerging new needs. Human nutrition, environmental quality, and energy availability are examples of worthy research priorities. At the same time, though, these priorities have forced reductions in production and marketing research.

NEW DEMANDS

Demands for more food production continue to grow. Even with the declining birth rate in the United States our population is expected to increase from 214 to 270 million by the year 2000. Worldwide population is expected to increase from 4 billion to at last 6 billion during the same period.

Furthermore, as we look to the future, it appears that it will not be as easy to turn on the spigot of agricultural production as it has been in the past. We no longer have 60 million acres being held out of production as in the early 1970's. In many areas, chemical fertilizers have reached a point of diminishing returns. Crops yields appear to be nearing a biological ceiling unless there are research breakthroughs.

In 1974, the Economic Research Service of USDA gave this assessment of past research accomplishments and our prospects for the future:

An extensive inquiry was made into the root causes of productivity change in agriculture. Factors considered were: mechanization, hybridization, fertilization, and pesticides. Change in aggregate agriculture productivity was made a function of changes in the adoption of these major technologies. There is strong evidence that these few technologies were responsible for the bulk of productivity change during this century. Since most of the major technologies were nearly exploited by 1960, the productivity increase has slackened since that time. For the future, minor technologies will contribute a modest improvement in productivity but major change will have to wait the discovery of new major technology.

This means the day has passed when we can take for granted our excellent past record in bettering our agricultural performance.

FRAGMENTATION OF RESEARCH

While the evidence strongly suggests that there is a need for upgrading the priority given to agricultural research expenditures in this country, increased coordination of research is also needed. In addition to USDA, many colleges and universities—including the land grant colleges, State agricultural experiment stations, the National Science Foundation, the National Institutes of Health, the Department of Health, Education, and Welfare, the Environmental Protection Agency, and the Energy Research and Development Administration all carry out some farm-related research.

Such fragmentation greatly hinders our ability to focus the vast research capabilities of this Nation on the research needs of highest priority.

In short, this country needs to revitalize agricultural research through increased funding and better coordination. Then we can begin to tackle basic research in such promising areas as: Photosynthesis; nitrogen fixation; crop and livestock protection; water and nutrient efficiencies; genetics; biochemical aspects of handling and processing of crops, livestock, and fish; soil and water relationships; and alternative market arrangements.

This legislation is being introduced so that these goals can be realized.

PROVISIONS OF THE ACT

To accomplish the purposes outlined here, my act:

First. Establishes the position of Assistant Secretary of Agriculture for Research and Education;

Second. Establishes a Joint Council on Food and Agricultural Sciences to coordinate the research and related activities of the Department with State and private sector efforts;

Third. Establishes a Subcommittee on Food and Renewable Resources in the Federal Coordinating Council for Science, Engineering, and Technology;

Fourth. Mandates an annual report to Congress by the Secretary on research, extension, and teaching programs;

Fifth. Establishes a National Agricultural Research, Extension, and Teaching Policy Advisory Board to monitor Department activities and provide independent advisory opinions;

Sixth. Establishes new competitive grant programs for general research, nutrition research, and research facilities;

Seventh. Establishes an animal health program including grants to animal research institutions and matching grants to States for the creation of schools of veterinary medicine;

Eighth. Establishes a program and facilities for the research of forest and rangeland renewable resources;

Ninth. Mandates an assessment of current and projected weather patterns and their likely impact on food and fiber production;

Tenth. Redirects the Cooperative Extension Service toward a greater emphasis on education programs for small farmers, human nutrition, energy conservation, forestry, and animal diseases;

Eleventh. Mandates competitive grants to universities and colleges for teachers of agricultural science;

Twelfth. And establishes Department of Agriculture graduate assistantships and postdoctoral fellowships at eligible universities.

Mr. President, I believe that these provisions will restore research and education as a priority activity of the Department of Agriculture. Past investments in these areas have reaped rich returns, and a renewed commitment today assures greater returns tomorrow, to the benefit of producers and consumers alike.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 1403. A bill to provide for conveyance of certain lands near Dixon, N. Mex., to the University of New Mexico; to the Committee on Energy and Natural Resources.

Mr. DOMENICI. Mr. President, today I am introducing legislation which provides for a conveyance of land comprising about 110 acres of land to the University of New Mexico. I am pleased to be joined by my colleague, Mr. Schmitt.

Dr. Arthur Montgomery, the owner of the unpatented and patented claims, desires to donate the claims to the University of New Mexico for use by its geology department and students since the claims are of exceptional geologic interest. The unpatented mining claims were properly located, discovery thereon made, and the annual assessment work has been accomplished. For all practical purposes, and subject to continuing to do the annual assessment work, the right to the possession and extraction of the minerals is in Dr. Montgomery and he has expressed his desire to make a gift of these minerals to the university. The purpose of this bill is to avoid the necessity for the University of New Mexico to continue to do the annual assessment work, since as an educational institution is not readily equipped to do annual assessment work. The beneficial ownership of the minerals is already outside the United States and under mining law there is no royalty payable.

This bill provides for a conveyance "upon such terms and conditions as the Secretary shall deem necessary to insure proper land use and protection of the public interest." The university is seeking title to the claims for educational purposes and the restriction spelled out in the bill prohibiting transfer by the university and prohibiting commercial exploitation—except perhaps for production upon approval by the Secretary of the Interior if he deems it in the public interest to have the minerals produced—would seem to me fair to all parties.

Mr. President, I ask unanimous consent that a letter which I received from William C. Briggs, attorney at law, Albuquerque, N. Mex., be printed in the RECORD. This letter describes the matter more fully.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 30, 1976.

Hon. PETE V. DOMENICI,
U.S. Senate, Federal Office Building and U.S. Courthouse, Albuquerque, N. Mex.

DEAR SENATOR DOMENICI: In June of 1975 Peter Rask, counsel for the University of New Mexico, asked our office to represent the University with respect to certain mining claims in Section 29, Township 23 North, Range 11 East, near Dixon, New Mexico, consisting of one patented claim and some eleven unpatented claims. These claims contain or contained lithium, tantalum, beryl, and various rare element minerals. The claims are well known among geologists, and have an interesting history of prior production. I am enclosing with this letter some of the information with respect to the claims.

The holder of the claims, Dr. Arthur Montgomery, was Chairman of the Department of Geology of Lafayette College until his recent resignation. However, his association with the mines goes back to World War II when he personally with the help of others mined badly needed lithium. Dr. Montgomery is a very generous and high-minded individual who felt that the most significant use of the

claims would be in connection with education and that the claims should be the property of an educational institution. After a number of discussions, Dr. Montgomery in effect donated the claims to the University of New Mexico if the University is able to get fee title to the land. I enclose copies of letters from the Chairman of the University of New Mexico Geology Department, Dr. Woodward, and the Dean of the School of Earth Sciences and Professor of Geology at Stanford, expressing their opinions regarding ownership by the University. We finally worked out and entered into an agreement between Dr. Montgomery and the University in the nature of a lease giving possession of the claims to the University and allowing the University to attempt to obtain the title. I enclose a copy of this agreement.

I have explored at some length the cost and problems associated with attempting to patent the claims. I am convinced that this is not practical in this case. I explored with the office of the Commissioner of Public Lands the possibility of the State of New Mexico securing the land and transferring it to the University. This also appears highly impractical and substantially impossible. I explored with the B.L.M. the possibility of an exchange of lands with the University which would give the University title to the lands on which the claims were situate—we are talking of approximately 200 acres—the South West Quarter and the East Half of the South East Quarter in the section above mentioned. They advised that while they do not have any objection to ownership by the University of New Mexico and to an exchange, they felt it unlikely that we could ever complete an exchange where the land to be exchanged has value for mineral purposes.

This brings me after considerable length to the purpose of this letter. I ask on behalf of the University of New Mexico that you and your staff consider the introduction of a bill in Congress which would vest the fee to the lands and minerals in the University of New Mexico. My own feeling is that since the highest and best use of the claims seems to be for education or research purposes, it would be in the public interest to assure ownership in the University of New Mexico. I will be very happy to confer with you or with your staff at any time at your convenience if you feel my suggestion a feasible one.

Sincerely yours,

WILLIAM C. BRIGGS.

By Mr. McINTYRE (for himself, Mr. HATFIELD, Mr. NELSON, Mr. WILLIAMS, and Mr. LUGAR):

S. 1405. A bill to amend the Tariff Act of 1930 and the Tariff Schedules of the United States to reduce the burden of paperwork involved in the customs entry process for travelers and goods entering the United States; to the Committee on Finance.

CUSTOMS PAPERWORK SIMPLIFICATION

Mr. McINTYRE. Mr. President, today I am introducing the Customs Paperwork Simplification Act of 1977. Senators NELSON, HATFIELD, WILLIAMS, and LUGAR are joining with me as cosponsors on this piece of legislation. Similar legislation is being introduced in the House of Representatives.

You will recall that earlier in this session, I had introduced S. 683, dealing with the same subject matter. However, the bill today contains safeguards and controls which would prevent possible abuses of the process. It is designed to reduce paperwork and needless delay both for the international traveler and for the importer of small commercial shipments.

The bill would assess a flat rate of duty of 10 percent at retail value, for the first $500 worth of goods, less certain exclusions, which a traveler might bring in for personal use. This rate equates with the average of 15 percent of wholesale value which is now assessed.

The advantage here is that the amount due under the flat rate can be ascertained easily without the involved calculations required to establish a whole value and then determine the amount of duty for each item the traveler is bringing in for personal use. There would be no revenue loss to the Government, an estimated threefold increase in customs processing capacity, and a commensurate reduction in traveler waiting time.

The bill would also raise the limit of informal entries of commercial shipments into the United States from $250 to $500. This increase is intended to reflect, in a reasonably accurate way, the inflationary changes in the value of merchandise since the present limit of $250 was established in 1953. Here, too, there will be no loss of revenue to the United States, since the duty continues to be assessed based on the Tariff Schedules of the United States and not on the method of entry.

The informal entry system is much simpler and requires considerably less paperwork. Nevertheless, the statistics derived from the entry will be identical with those compiled from formal entries, so that import quotas, and other controls and monitors can still be maintained—the Customs Service estimates annual savings to importers of $6,000,000 in brokers fees and surety bonds, to say nothing of the time factor in the import process which would be considerably lessened.

In summary, the bill, which has received favorable reactions from both industry and labor, in our considered opinion is in the public interest and deserving of enactment.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1405

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Customs Paperwork Simplification Act of 1977".

SEC. 2. (a) Schedule 8 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by redesignating "Part 6" as "Part 7", changing the phrase "Part 6 headnote" to "Part 7 headnote", and inserting a new Part 6 to read:

PART 6.—NONCOMMERCIAL

Importations of Limited Value

Part 6 headnote: 1. For the purposes of this part the rates of duty for articles provided for in this part shall be assessed in lieu of any other rates of duty except free rates of duty on such articles, unless the Secretary of the Treasury or his delegate determines, in accordance with regulations, that the application of the rate of duty otherwise applicable thereto adversely affects the economic interest of the United States.			
Articles for personal or household use, or as bona fide gifts, not imported for sale or for the account of another person:			
869.00	Accompanying a person, arriving in the United States and valued in the aggregate (exclusive of duty-free articles) not over $500 fair retail value in the country of acquisition, if such person has not received the benefits of this item (869.00) within the 30 days immediately preceding his arrival	10% of the fair retail value.	10% of the fair retail value.

(b) The amendment made by this section shall take effect with respect to persons and articles arriving in the United States on or after the thirtieth day following the date of enactment.

SEC. 3. Section 498(a)(1) of the Tariff Act of 1930 (19 U.S.C. 1498(a)(1)), as amended, is hereby further amended by striking "$250" and substituting "$500", and by adding the following after the semicolon: *"Provided, however,* That such regulations shall require the submission, as part of any declaration wtih respect to any shipment of merchandise which exceeds $250 in aggregate value, of an accurate statement specifying kinds and quantities of all articles imported in such shipment and the value of the total quantity of each kind of article.".

By Mr. DECONCINI:

S. 1406. A bill to amend the Internal Revenue Code of 1954 to limit the foreign tax credit to amounts paid to national governments, permitting a deduction for foreign taxes paid to subordinate levels of government; to the Committee on Finance.

Mr. DECONCINI. Mr. President, I am introducing a bill today which in my estimation brings a degree of equity to our tax treatment of American-owned corporations operating in foreign countries.

Corporations are allowed a tax credit for taxes paid to foreign governments, and I have no argument with this allowance. I do believe, nonetheless, that we need to examine carefully whether our present applications of the foreign tax credit are equitable.

A tax credit is allowed because we have decided to avoid double taxation by comparable sovereign nations. So, while under U.S. law an American corporation is liable for U.S. corporate taxes, that liability is waived to the extent that a payment was made to a foreign sovereign entity. If there is a difference between the amount paid to the foreign government and the amount of U.S. liability, the corporation is required to pay that difference when the income is repatriated.

Under present law, an American corporation operating in my own State of Arizona pays State and local taxes. These taxes are deductions against overall Federal tax liability. That same corporation operating abroad, however, has a unique advantage.

The reason is that not all foreign tax payments are payments to sovereign entities. For example, the taxes a corpora-

tion operating abroad pays to the municipality in which it is located is different from taxes paid to the country itself. In the United States, we make such a distinction. State and local corporate taxes are deductions, that is, expenses incurred as part of doing business; they are not treated as credits. Essentially, taxes paid to local governments are for services provided by the local governments.

To treat taxes paid by American corporations to foreign State and local governments as credits rather than deductions is a distortion of the tax credit concept. A distinction needs to be made between foreign taxes paid to the foreign sovereign and lesser units of government. The legislation I am introducing makes that distinction by treating foreign taxes paid to subnational—that is, the equivalent of our State and local governments—units of government as deductions and not credits.

To relieve the administrative burdens associated with a case-by-case determination of the precise amounts of payments to subnational units of foreign governments, the bill I am introducing uses a formula approach. The Treasury is mandated to determine the ratio between domestic Federal taxes paid by corporations, on the one hand, and State and local taxes paid on the other. The ratio expressed as a percentage figure—for example, if corporations in the United States paid 7 percent of their total taxes to State and local governments—will be applied across the board to foreign countries.

In other words, the assumption for the purposes of this legislation is that other countries have the same relationship in tax terms between the national government and lesser units. There are two provisions here of special note. First, there is an absolute limitation of 10 percent. That is, regardless of what the U.S. proportion of State and local taxes is of the total corporate tax assessment, it will not exceed 10 percent for purposes of assessment against U.S. corporations operating abroad. Second, there is provision for a phase-in. During the first year, the proportion cannot be more than 5 percentage points, the second year 6 percentage points, and so forth until the 10 percentage point limit is reached.

Assume, for example, that an American corporation operating abroad pays total foreign taxes of $1,000. Assume further that the U.S. proportion of State and local taxes is 6 percent. Then, the corporation would not be allowed the full $1,000 as a credit against U.S. taxes; it would be allowed only $940 in tax credits. The balance—that is, the $60—would be treated as a deduction. And since the corporate tax rate is approximately 50 percent—48 percent, in fact—the $60 would only be worth about $30 in tax benefits.

While this is a relatively small change, it is dictated by equity and the desire to make foreign investment—with its concomitant loss of jobs for Americans—no more attractive than domestic investment. It is my belief that our entire tax structure as it affects American corporations operating abroad tends to make overseas investments artificially more attractive. Investment decisions are distorted because tax preferences favor investing abroad rather than at home.

Any business executive will naturally want to invest his capital in such a manner as to maximize its return. Investment decisions will be made on the basis of the after-tax return potential. This means that two investments of equal profitability—one in the United States and one abroad—will be evaluated as to the return after taxes are paid. If we give special advantage to overseas investments through the tax code, it is natural that capital will, indeed, flow abroad. All recent data suggests that this is precisely what is happening. The net effect of the flight of American capital is fewer American jobs, the export of vital American technology and know-how, lagging capital formation, and, ultimately, transforming the American economy into a rentier economy.

There are obviously multiple dimensions to this problem and the legislation I am introducing today only addresses one aspect of the larger issue. It is, nonetheless, important and deserves the consideration of this body. By removing the tax credit for that portion of foreign taxes that can be reasonably assumed to have been paid to State and local units of government and replacing it with the deduction, we will have provided a degree of equity in our treatment of foreign and domestic earnings. Some of the undue advantage will have been removed, and the American economy will be better able to compete effectively for capital and jobs.

I ask unanimous consent, Mr. President, that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1406

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMITATION OF FOREIGN TAX CREDIT TO AMOUNTS PAID TO THE NATIONAL LEVEL GOVERNMENTS.

(a) IN GENERAL.—Section 901 of the Internal Revenue Code of 1954 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (h) as (i) and by inserting after subsection (g) the following new subsection:

"(h) LIMITATION OF CREDIT TO FOREIGN FEDERAL TAX EQUIVALENT AMOUNT.—

"(1) GENERAL RULE.—Notwithstanding the provisions of subsection (b), the amount of the credit allowed under subsection (a) for income, war profits or excess profits taxes paid or accrued by a taxpayer during the taxable year to any foreign country or to any possession of the United States shall not exceed an amount equal to the foreign federal tax equivalent amount for the taxpayer for such country or possession.

"(2) FOREIGN FEDERAL TAX EQUIVALENT AMOUNT.—For purposes of this subsection, the term 'foreign Federal tax equivalent amount' means an amount equal to the greater of—

"(A) in the case of taxable years beginning in—

"(i) calendar 1977, 95 percent of the sum of the income, war profits, and excess profits taxes paid or accrued during the taxable year to a foreign country or possession of the United States,

"(ii) calendar 1978, 94 percent of such sum,

"(iii) calendar 1979, 93 percent of such sum,

"(iv) calendar 1980, 92 percent of such sum,

"(v) calendar 1981, 91 percent of such sum,

"(vi) calendar 1982 and subsequent calendar years, 90 percent of such sum; or

"(B) an amount which bears the same ratio to the sum of the income, war profits, and excess profits taxes paid or accrued by the taxpayer during the taxable year to a foreign country or possession of the United States as the amount determined by the Secretary to have been paid under this chapter by domestic corporations for taxable years ending in the most recently ended calendar year bears to the sum of—

"(i) the amounts paid by such corporations for such taxable years under this chapter, and

"(ii) the income taxes paid by such corporations to States and political subdivisions thereof for such taxable years.

"(3) EXCEPTION.—This subsection shall not apply to amounts determined under section 907.".

(b) DEDUCTION OF NONCREDITABLE FOREIGN TAXES.—Paragraph (4) of section 275(a) of such Code (relating to certain taxes not deductible) is amended by adding before the period at the end thereof the following: "except to the extent that a credit is not allowed for such taxes under such section because of the application of subsection (g) of such section".

By Mr. EAGLETON:

S. 1408. A bill to amend the Flood Disaster Protection Act of 1973 and the National Flood Insurance Act of 1968 to permit the extension of credit secured by property in flood prone areas, to require cost benefit analyses relating to participation in the flood insurance program, to permit individual participation in the flood insurance program, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. EAGLETON. Mr. President, I send to the desk a bill to amend the National Flood Insurance Act of 1968. I ask unanimous consent that the text be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 202(b) of the Flood Disaster Protection Act of 1973 is repealed.

SEC. 2. Section 201 of the Flood Disaster Protection Act of 1973 is amended by adding at the end thereof the following:

"(e) The Secretary shall determine, with respect to each tentatively identified community, the potential cost of participation by that community in the national flood insurance program and the potential losses to that community in the event of a flood absent such participation. In any case where the cost of participation outweighs the potential losses in the event of non-participation, such community may not be required to participate in the program and shall not be subject to section 202.".

SEC. 3. Section 1305(c) of the National Flood Insurance Act of 1968 is amended by adding at the end thereof the following flush sentence:

"In addition, notwithstanding the provisions

of section 1315, the Secretary shall make flood insurance available for property in other States or areas (of subdivisions thereof) where the Secretary finds that the failure of participation is not attributable to the individual making application for the insurance and that such individual has made good faith effort to encourage participation.".

SEC. 4. Section 1340 of the National Flood Insurance Act of 1968 is amended by adding at the end thereof the following:

"(c) Notwithstanding any other provision of this section, any determination made pursuant to subsection (a) shall not become effective prior to the date on which both Houses of Congress have agreed to a concurrent resolution stating in substance that they approve such determination.".

SEC. 5. Section 1346 of the National Flood Insurance Act of 1968 is amended by adding at the end thereof the following:

"(g) A contract under this section may not prohibit any pool or insurance company from offering flood insurance in the private market.".

SEC. 6. Section 3(a)(4) of the Flood Disaster Protection Act of 1973 is amended by striking out all after "mortgages or mortgage loans" and inserting in lieu thereof the following: "but shall exclude assistance pursuant to the Disaster Relief Act of 1974 (other than assistance under such Act in connection with a flood)".

SEC. 7. Section 202 of the Flood Disaster Protection Act of 1973 is amended by adding at the end thereof the following:

"(c) Nothing in this section applies to financial assistance which is being sought for the purpose of floodproofing or relocating any structure which is located in an area which has been identified by the Secretary as an area having special flood hazards.".

SEC. 8. Section 1362 of the National Flood Insurance Act of 1968 is amended—

(1) by striking out "INSURED" in the caption;

(2) by inserting "(a)" after "SEC. 1362."; and

(3) by adding at the end thereof the following new subsection:

"(b) The Secretary shall purchase any real property which is located in a flood-risk area from which the owner is required to move as a result of the application of land management and use criteria established under this title.".

SEC. 9. The Secretary of Housing and Urban Development, in conjunction with the Administrator of the Small Business Administration, the Secretary of the Army representing the Corps of Engineers, and such other officials and agencies as may be appropriate, shall carry out a study for the purpose of determining whether the standard for identifying special flood hazard areas and establishing base flood elevations which has been used in the past continues to be an appropriate standard for future application. Not later than one year after the date of enactment of this Act, the Secretary shall transmit to the President and the Congress a report on such study.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1409. A bill to extend the Marine Protection, Research, and Sanctuaries Act, as amended, for 2 years; to the Committee on Commerce, Science, and Transportation.

Mr. MAGNUSON. Mr. President, I introduce for myself and Mr. PEARSON, by request, a bill to extend the Marine Protection, Research, and Sanctuaries Act, as amended, for 2 years, and ask that it be appropriately referred.

Mr. President, this bill was referred to the Committee on Commerce, Science, and Transportation pursuant to an executive communication from the Environmental Protection Agency, and I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1409

To extend the Marine Protection, Research, and Sanctuaries Act, as amended, for two years

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 111 of the Marine Protection, Research, and Sanctuaries Act, as amended (33 U.S.C. 1420), is amended by striking "and not to exceed $4,800,000 for fiscal year 1977," and inserting in lieu thereof "not to exceed $4,800,000 for fiscal year 1977, not to exceed $1,400,000 for fiscal year 1978, and such sums as may be necessary for fiscal year 1979,".

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., April 6, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is our proposed bill "To extend the Marine Protection, Research, and Sanctuaries Act, as amended, for two years."

The bill would extend our authorities under section 111 of the Act. These authorities expire on September 30, 1977.

This extension is suggested in order to enable us to continue the programs envisioned by the Act. We recommend that this bill be referred to the appropriate Committee for consideration, and that it be enacted.

The Office of Management and Budget advises that enactment of this legislative proposal would be consistent with the Administration's objectives.

Sincerely yours,

DOUGLAS M. COSTLE.

ADDITIONAL COSPONSORS

S. 35

At the request of Mr. BROOKE, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 35, to amend section 1979 of the Revised Statutes.

S. 247

At his own request, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 247, to provide recognition to the Women's Air Forces Service Pilots for their service to their country during World War II.

S. 381

At the request of Mr. TOWER, the Senator from Oklahoma (Mr. BARTLETT), the Senator from Nebraska (Mr. CURTIS), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Wyoming (Mr. HANSEN), the Senator from North Carolina (Mr. HELMS), the Senator from Nevada (Mr. LAXALT), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Montana (Mr. MELCHER), and the Senator from North Dakota (Mr. YOUNG) are added as cosponsors of S. 381, a bill to amend the Federal Water Pollution Control Act.

S. 571

At the request of Mr. GLENN, the Senator from Indiana (Mr. BAYH) and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 571, to increase the civil rights enforcement powers of the Department of Housing and Urban Development.

S. 805

At the request of Mr. MCINTYRE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 805, the Solar and Energy Conservation Commercialization Act.

S. 806

At the request of Mr. MCINTYRE, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 806, the Renewable Energy and Energy Conservation Tax Act of 1977.

S. 807

At the request of Mr. MCINTYRE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 807, the Small Business Energy Research Incentives Act.

S. 819

At the request of Mr. MATHIAS, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 819, to require appointment of interpreters for hearing-impaired individuals.

S. 840

At the request of Mr. ABOUREZK, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 840, the Family Farm Antitrust Act.

S. 878

At the request of Mr. TOWER, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 878, to amend the Internal Revenue Code.

S. 991

At the request of Mr. RIBICOFF, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 991, to establish a Department of Education, and for other purposes.

S. 1072

At the request of Mr. CANNON, the Senator from Ohio (Mr. METZENBAUM) and the Senator from South Dakota (Mr. ABOUREZK) were added as cosponsors of S. 1072, to establish a universal voter registration program.

S. 1119

At the request of Mr. YOUNG, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 1119, to amend the Food Stamp Act of 1964.

S. 1162

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1162, to repeal section 222 of the Communications Act of 1934.

S. 1168

At the request of Mr. ABOUREZK, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 1168, relating to payments to certain local governments by the Secretary of the Interior.

S. 1174

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 1174, the Critical Lands Resource Conservation Act of 1977.

S. 1262

At the request of Mr. RIBICOFF, the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Hampshire (Mr. DURKIN), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 1262, to establish an independent consumer agency.

S. 1287

At the request of Mr. GRAVEL, the Senator from Indiana (Mr. BAYH), the Senator from Minnesota (Mr. HUMPHREY), and the Senators from Montana (Mr. METCALF and Mr. MELCHER) were added as cosponsors of S. 1287, the Indian and Alaska Native Housing and Community Development Act.

S. 1295

At the request of Mr. TOWER, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1295, to reform the food stamp program.

S. 1307

At the request of Mr. THURMOND, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) was added as a cosponsor of S. 1307, to deny title 38 benefits to G.I.'s whose discharges are upgraded under the Revised Standards.

S. 1318

At the request of Mr. MATSUNAGA, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1318, to permit the State of Hawaii to use the proceeds from the sale, lease, or other disposition of certain real property for any public purpose.

S. 1362

At the request of Mr. ROBERT C. BYRD, the Senator from Tennessee (Mr. BAKER) and the Senators from Kentucky (Mr. HUDDLESTON and Mr. FORD) were added as cosponsors of S. 1362, to amend the Small Business Act.

SENATE RESOLUTION 153

At the request of Mr. METCALF, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of Senate Resolution 153, relating to radio and television coverage of Senate proceedings.

SENATE JOINT RESOLUTION 9

At the request of Mr. BROOKE, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of Senate Joint Resolution 9, to designate Martin Luther King Day.

AMENDMENT NO. 185

At the request of Mr. RIEGLE, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Iowa (Mr. CLARK), the Senator from Kansas (Mr. DOLE), the Senator from Vermont (Mr. LEAHY), and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of Amendment No. 185, intended to be proposed to S. 275, the Food and Agriculture Act of 1977.

AMENDMENT NO. 191

At the request of Mr. MOYNIHAN, the Senator from Pennsylvania (Mr. HEINZ) and the Senator from New York (Mr. JAVITS) were added as cosponsors of Amendment No. 191, intended to be proposed to H.R. 3477, the Tax Reduction and Simplification Act of 1977.

AMENDMENT NO. 207

At the request of Mr. PROXMIRE, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of Amendment No. 207, intended to be proposed to Senate Concurrent Resolution 19, the first budget resolution.

SENATE RESOLUTION 154—SUBMISSION OF A RESOLUTION AUTHORIZING CERTAIN PRINTING

(Referred to the Committee on Rules and Administration.)

Mr. RIBICOFF submitted the following resolution:

S. RES. 154

Resolved, That the committee print of the Committee on Governmental Affairs entitled "U.S. Participation in International Organizations" be printed as a Senate document, and there be printed two thousand additional copies of such document for the use of the committee.

AMENDMENTS SUBMITTED FOR PRINTING

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977—H.R. 3477

AMENDMENT NO. 224

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted an amendment intended to be proposed by him to the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

AMENDMENTS NOS. 225 AND 226

(Ordered to be printed and to lie on the table.)

Mr. CHAFEE (for himself and Mr. PELL) submitted two amendments intended to be proposed by them jointly to the bill (H.R. 3477), supra.

AMENDMENT NO. 228

(Ordered to be printed and to lie on the table.)

Mr. MOYNIHAN (for himself, Mr. YOUNG, Mr. STAFFORD, Mr. MAGNUSON, Mr. METCALF, Mr. JAVITS, Mr. SCHWEIKER, Mr. WILLIAMS, Mr. HELMS, Mr. ANDERSON, Mr. GRAVEL, Mr. SCHMITT, Mr. BURDICK, Mr. MELCHER, Mr. CHILES, Mr. SASSER, Mr. ALLEN, Mr. RIEGLE, Mr. JACKSON, Mr. GRIFFIN, Mr. HASKELL, Mr. LEAHY, Mr. BENTSEN, and Mr. STONE) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 3477), supra.

AMENDMENT NO. 229

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD. Mr. President, today I am submitting for myself and Senators MATSUNAGA and NUNN, an amendment to H.R. 3477, the Tax Reduction and Simplification Act of 1977. This amendment permits savings and loans and mutual banks to use the full investment tax credit. Currently these taxpayers are limited to one-half of the investment tax credit.

The one-half reduction for savings and loans and mutual banks was created in 1962 with the original investment tax credit. Then, because of the bad debt reserve, savings and loans paid very little taxes.

In 1962 and 1969, the bad debt reserve was substantially restricted. The full effect of the 1969 restrictions will not be felt until 1979.

Because of these new restrictions, savings and loans now have an effective tax rate of about 26 percent. This is comparable to the effective rate of tax paid by the major U.S. corporations, and higher than commercial banks.

Yet, savings and loans still get only one-half the investment tax credit—and commercial banks get the full credit. The Packwood-Matsunaga amendment would eliminate this anachronistic rule from the Internal Revenue Code.

The revenue loss of this amendment is $10 million per year if the investment tax credit is 10 percent, and $12 million if it is 12 percent.

This issue was before the Ways and Means Committee when it considered H.R. 3477. H.R. 3477, as proposed by President Carter, contained an optional 2-percent additional investment tax credit. This meant the general issue of the investment tax credit would be before the Ways and Means Committee. Because of this, the U.S. League of Savings Associations submitted testimony to the Ways and Means Committee in favor of the substance of the amendment we are introducing today. However, the Ways and Means Committee deleted the investment tax credit feature from the bill, and it was not reinstated by the House of Representatives. Therefore, no testimony was submitted to the Senate Finance Committee on this issue.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 229

At the appropriate place, insert the following new section:

SEC. . REPEAL OF CERTAIN LIMITATIONS ON THE INVESTMENT CREDIT OF CERTAIN MUTUAL SAVINGS BANKS, ETC.

(a) IN GENERAL.—Section 46(e) (relating to limitations with respect to certain persons) is amended—

(1) by striking out subparagraph (A) of paragraph (1) thereof and redesignating subparagraphs (B) and (C) of paragraph (1) thereof as subparagraphs (A) and (B);

(2) by striking out subparagraph (A) of paragraph (2) thereof and redesignating subparagraph (B) and (C) of paragraph (2) thereof as subparagraphs (A) and (B); and

(3) by striking out "subparagraph (B)" in the last sentence of paragraph (2) thereof and inserting in lieu thereof "subparagraph (A)".

(b) The amendments made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

NATIONAL SCIENCE FOUNDATION AUTHORIZATIONS—S. 855

AMENDMENT NO. 227

(Ordered to be printed and to lie on the table.)

Mr. HATCH (for himself, Mr. BURDICK, Mr. EASTLAND, Mr. ROTH, Mr. THURMOND, Mr. GARN, Mr. MCCLELLAN, Mr. MCCLURE, and Mr. METCALF) submitted an amendment intended to be proposed by them jointly to the bill (S. 855) to authorize appropriations for the activities of the National Science Foundation, and for other purposes.

Mr. HATCH. Mr. President, I am submitting an amendment to the National Science Foundation bill, S. 855, which would require that not less than one-quarter of 1 percent of the total program funds—about $2.1 million—be paid to qualified individuals and institutions, based on merit proposals, in each State and the District of Columbia.

In the 1950 Act establishing the National Science Foundation, Congress clearly mandated that the NSF should "avoid undue concentration" in carrying out its function (Public Law 81-507, Sec. 3 (b)).

Actual figures show that over 40 percent of all NSF program funds are being allocated to only four States. The fiscal year 1978 authorization asks $898 million, of which $850 million are funds authorized for program activities. It is my belief that for an authorization of that amount, for which all U.S. taxpayers are expected to contribute, there should be a more equitable distribution of program funds.

Passage of the amendment I am submitting will be positive action by Congress to insure the fair distribution of funds to dedicated researchers in all 50 States and the District which was intended by the NSF Act of 1950.

NOTICES OF HEARINGS

RESCHEDULING OF HEARINGS

Mr. JOHNSTON. Mr. President, the hearings on Federal policy with respect to the pricing of crude oil to be produced on the Alaskan North Slope which had been scheduled for Tuesday, May 3, 1977, by the Subcommitee on Energy Conservation and Regulation of the Senate Committee on Energy and Natural Resources have been rescheduled for Monday, May 9. This hearing will commence at 9 a.m. in room 3110 of the Dirksen Senate Office Building. Questions concerning this matter should be addressed to Betsy Moler or Ben Cooper at 224-0611.

NOMINATION HEARING

Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Human Resources has scheduled a hearing on Monday, May 2, 1977, at 10 a.m. in room 4232 Dirksen Senate Office Building, on the nomination of Richard C. Atkinson of California to be Director of the National Science Foundation.

Persons wishing to testify or submit statements, please contact: Lisa Walker, room 6302 of the committee staff.

NUCLEAR NONPROLIFERATION AND POSTAL SERVICE

Mr. GLENN. Mr. President, the Subcommittee on Energy, Nuclear Proliferation, and Federal Services will hold 3 days of hearings on S. 897, the Nuclear Nonproliferation Act of 1977.

On April 29, hearings will be held at 10 a.m. in room 6226, Dirksen. On May 6, hearings will be held at 10 a.m. in room 3302, Dirksen. On May 10, the subcommittee's hearings will be held in room 3302 Dirksen at 10 a.m.

Also scheduled by the Energy, Nuclear Proliferation, and Federal Services Subcommittee is a hearing on May 2, in room 3302 on the report of the Special Commission on Postal Service.

Additional hearings on S. 897 and on the Commission on Postal Service will be announced at a later date.

ADDITIONAL STATEMENTS

PRESIDENT CARTER'S UNWISE DISCHARGE REVIEW PROGRAM

Mr. HARRY F. BYRD, JR. Mr. President, late last month the Carter administration announced plans to implement a program for upgrading the undesirable and general discharges given to some Vietnam-era veterans.

This program has been described as one of "forgiveness and compassion" by the Carter administration and is now being put into effect.

I have studied the details of this program and I find that the Carter program goes far beyond forgiveness and even beyond compassion. It will not only forgive the many individuals who received less than honorable discharges but will reward them at the taxpayer's expense.

The Carter program will automatically entitle to Veterans' Administration benefits all those who have their discharges upgraded, and could cost the taxpayer as much as $230 million annually.

Under the Carter program former servicemen guilty of offenses that range from the very serious to the petty will all receive the same assemblyline treatment. They will receive an automatic upgrade of their discharge regardless of the seriousness of the offense.

The exceptions are those persons separated from the service for reasons involving violence, criminal intent, use of force, or desertion from a combat zone.

This Carter administration program goes far beyond forgiveness and compassion for it not only erases an individual's record of less than honorable service but, in fact, requires the U.S. Government to certify that the individual's service was "honest and faithful."

I do not believe that the United States should give a testimonial to those individuals—and that is what the discharge paper is—"a testimonial of honest and faithful service."

Furthermore, once an individual's discharge has been upgraded, the individual will then become eligible for veteran's benefits—a reward at the taxpayer's expense. These benefits would include such things as:

Home loan guarantees;

G.I. education benefits;

Use of veterans' hospitals;

Preferential hiring for Federal jobs; and

Veterans pension programs and more.

The Department of Defense has made a preliminary estimate that as many as 173,000 individuals, who are not now eligible, would be made eligible for VA benefits when this program is carried out.

Using figures from the Veterans' Administration for Vietnam era veteran usage of VA benefits, it is estimated that the Carter discharge review program could cost the taxpayer as much as $230 million per year if every eligible individual were to utilize these benefits.

I believe the American people are capable of great forgiveness and great compassion, and I believe there is room for compassion for those individuals concerned.

But this program cheapens the honorable discharges of those millions of Americans who served honorably during the Vietnam era; and it is a precedent which may have serious negative consequences in the years ahead.

Further, it goes beyond forgiveness and provides a very tangible reward for less than honorable service.

Senator THURMOND of South Carolina has introduced a bill which would mitigate some of the harshest effects of this ill-advised program and I want to indicate my strong support for that bill—S. 1307.

Senator THURMOND's bill, if passed, would have the effect of preventing automatic entitlement to veterans' benefits to those individuals receiving an upgraded discharge under the relaxed standards of the Carter administration.

It would not deny entitlement to benefits to anyone who can qualify under the standards in existence prior to the Carter administration program, and it would not prevent the upgrading of discharges according to President Carter's newly established standards.

It would, however, prevent the American taxpayer from footing the bill for an unjust reward for service that has not been rendered.

I urge my colleagues to support S. 1307.

DEFINING GENOCIDE

Mr. PROXMIRE. Mr. President, genocide means any of the following acts with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group, as such:

First. Killing members of the group;

Second. Causing serious bodily or mental harm to members of the group;

Third. Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;

Fourth. Imposing measures intended to prevent births within the group; and

Fifth. Forcibly transferring children of the group to another group.

There is no question, at least in my mind, that all of the aforementioned items are immoral acts and should be legally condemned by the United States. I cannot understand why the Senate has failed to ratify the Genocide Convention, a treaty which simply denounces the mass murder of any particular group because of their beliefs or origin.

Some opponents of the Genocide Convention say that the term genocide is too general, extending to the violent ex-

pression of prejudice against individual members of groups. This is not so. It is clearly written in the treaty that genocide refers to those acts committed "with the intent to destroy the entire group concerned," not just certain individuals. As Senator McMahon said in 1950 in a Genocide Subcommittee hearing:

In other words, an action leveled against one or two of a race or religion would not be, as I understand it, the crime of genocide. They must have the intent to go through and kill them all.

Other opponents claim that the term genocide is too narrow, covering only the destruction of entire groups and not the murders of parts of a group that are obviously intended to lead to the abolition of the entire group. Again, this is clearly not the case. Then Deputy Under Secretary of State Dean Rusk stressed in 1950 that—

The United Nations negotiators felt that it should not be necessary that an entire human group be destroyed to constitute the crime of genocide, but rather that genocide meant the partial destruction of such a group with the intent to destroy the entire group concerned.

It is obvious that genocide is very clearly defined in the treaty and that those who fail to ratify the Convention because of the supposed uncertainty of the term do so on faulty grounds. Mr. President, there are no valid arguments whatsoever against the Genocide Convention. We must ratify the treaty now.

THOSE MAGNIFICENT WOMEN IN THEIR FLYING MACHINES

Mr. GOLDWATER. Mr. President, with hearings on the Women's Air Force Service Pilots planned by the Senate Veterans' Affairs Committee for May 25, I am happy to call to the attention of my colleagues an excellent article which explains why I, and 12 other Senators, have joined in sponsoring legislation providing veterans status to these ladies.

The article, which appears in this month's issue of Viva magazine, accurately depicts the extraordinary aviation skills the women pilots contributed to the war effort during World War II. The dangers and difficulties of their task, the subtle and not-so-subtle discrimination which the girls encountered simply because they were women, and the indifference with which their organization was treated by their Government at the close of the war are all described with clarity and eloquence in the article.

Mr. President, so that my colleagues may have this factual history of the WASP available before the congressional hearing, I ask unanimous consent that the article by Sally Van Wagenen Keil, in the May 1977 issue of Viva be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THOSE MAGNIFICENT WOMEN IN THEIR FLYING MACHINES

(By Sally Van Wagenen Keil)

On a spring afternoon in 1943, twenty-six-year-old Jill McCormick revved the engine of an army-air-force A–24 dive bomber on the runway of Old Harbor Air Base in Maryland. Taxiing into position, she pushed the throttle to full power, and, with a roar, the dive bomber began to roll. As the ship lifted smoothly off the runway, Jill breathed a sigh of relief and then exhilaration—the typical pilot's reaction in the first moments of achieving the miracle of flight.

Three thousand miles away, that same year, twenty-four-year-old Helen Schaefer, in the cockpit of a P–40 fighter plane, circled San Francisco Bay on her approach into an Oakland military air base. The P–40, a rough-and-ready, 1,150-horsepower single-engine pursuit aircraft, bore the distinctive insignia of the growling Bengali tiger on its cowling—the instantly recognizable markings of Gen. Claire Chennault's famous Flying Tigers. But here was Helen Schaefer, en route from Buffalo to Oakland, flying the first leg of its long journey to combat over the Hump in China.

A year later, twenty-five-year-old Dawn Rochow held her B–17 Flying Fortress steady at 3,000 feet over the Gulf of Mexico. Male gunners in the bomber's turrets hammered rounds of fifty-caliber bullets at muslin targets towed behind a sister ship 400 yards away. When the gunners had finished, Dawn barked over the intercom, "Get ready to climb!" As the gunners reloaded, pilot Rochow lifted the nose of the lumbering four-engine bomber and forced the ship toward 22,000 feet. As the altimeter passed 20,000, the gunners adjusted their oxygen masks to compensate for the ever rarified atmosphere and tested their machine guns against the suddenly arctic temperatures.

Military pilots Jill McMormick of New York City, Helen Schaefer of Cincinnati, Ohio, and Dawn Rochow of Rochester, New York remain three of America's better-kept military secrets. Along with 1,100 other women pilots during World War II, they were members of a special unit of military aviators whose existence was virtually stamped top secret by the male military hierarchy in the army air corps, and which, three decades later, remains a subject of political controversy. They were called Women's Air Force Service Pilots, or WASPs, and were an historic military experiment in the utilization of women in the war effort. The success of the experiment was so extraordinary that even today, significant sectors of America's military and political establishment seemingly seek to deny that the WASPs ever existed.

The WASPs began as an official military program to determine the feasibility of substituting women pilots in domestic flying missions in order to release men for combat duty. In point of fact, from September 1942 until they were disbanded in December 1944, WASPs flew over 60 million miles crisscrossing the United States and Canada in every single type of airplane manufactured in the United States for the war effort, including the colossal B–29 Superfortress, the lightning-fast P–51 Mustang fighter, and even the experimental P–59X, the first jet in America's aviation history.

WASP ferry pilots flew airplanes hot off the factory assembly line to airbases and ports of embarkation for shipment overseas to combat zones. WASPs were also stationed on air-corps training fields across the country and were frequently required to test-fly airplanes just out of the repair shop. In addition, they were heavily involved as staff pilots in every training mission designed to prepare males for air-combat duty. WASPs taught men how to strafe, drop bombs, lay blankets of smoke, and track enemy aircraft with blinding searchlights. They taught gunners to shoot at airplanes from turrets and tanks and from batteries of ground artillery. WASPs worked in intelligence against sabotage. As evidence of the reality of their immediate involvement in war, thirty-eight WASPs crashed to their deaths flying for their country.

But perhaps the most incredible WASP assignment was to make their male counterparts act like men. In this role, the military authorities asked the WASPs to tackle some of the relatively untested new airplanes that America's assembly lines were pumping out like late-model cars—which many men were understandably leery of flying. The B–26 was given the name of the "Flying Prostitute"—its short wingspan, the joke went, appeared to give it no visible means of support. It was also ominously known as the "Widow Maker." The P–39 fighter—with its engine behind the cockpit, auxiliary tanks in the belly, and center of gravity far to the rear—required innovations in landing techniques that caused dozens of male pilots to crash during initial flights. WASPs, however, adapted to the tricky nuances of this odd fighter and thereby set an example for their male counterparts.

The B–29, introduced in the summer of 1944, was, in its time, the biggest ship anyone had ever seen. It inspired tremors of distrust among the men who faced the vast expanse of Pacific Ocean between American-held islands and targets in Japan. But twenty-one-year-old WASP Dora Doughterty Srother flew the B–29 in its very early days. "This was a demonstration flight to show that it was so easy even a woman could fly it," said Dr. Strother, now chief of Bell Helicopter's Human Factors Engineering Group in Fort Worth, Texas. Her B–29, called *Lady Bird*, wore the WASP mascot "Fifinella"—designed for the group by Walt Disney—painted on the side. "Another WASP and I were selected and checked out by Col. Paul Tibbets, who dropped the atomic bomb on Hiroshima. He had seen two girls fly a B–26 into a base in England, and the reaction among the men had been just electric. They all had to fly it, because they were chicken if they didn't. So when the brass assigned Tibbets the task of introducing the B–29, he said, 'I need two girls to fly that.' We flew from Birmingham, Alabama to New Mexico, stopping several times en route. Word really got around in a hurry." Indeed, the legend of the WASPs and the new B–29 got around so fast and created such a stir that high brass put an end to their B–29 flights—but not before the "girls" had once again made their point.

Six months later, however, women pilots were no longer flying for the AAF at all. The story is a bit complicated, but grounding the WASPs was a relatively easy matter. Although WASPs enjoyed flight-officer status, they were accorded only civil-service rank. Unlike the men they flew with, they were denied military hospitalization and insurance, and their salaries were pegged a full 20 percent lower than men's. The matter was brought to a head in 1944, when H.R. 4219, a bill to accord full military status to the WASPs, was introduced in Congress by Rep. John Costello of California. For a variety of reasons, Congress responded to the bill as if the seniority principle—or their manhood—were being attacked. The debate on the floor of the House was so strident that even the WASPs' most ardent supporters—Gen. H. H. "Hap" Arnold, commanding general of the army air forces, and Director of Women Pilots Jacqueline Cochran, founder (with airline pilot Nancy Harkness Love) of the WASPs—knew the time had come to abandon ship. The idea of female pilots had been shot down by the heavy guns in Congress.

Today, thirty-three years later, women are again flying for the air force, and just recently legislation has been introduced to provide veterans' benefits to former WASPs. Now in their fifties, these women are World War II veterans in every sense but in law, because they are women.

As General Arnold said, addressing the last WASP graduating class on December 7, 1944, "You and more than 900 of your sisters have shown that you can fly wing tip to wing tip

with your brothers. If there was a doubt in anyone's mind that women can become skillful pilots, the WASPs have dispelled that doubt. We of the AAF are proud of you. We will never forget our debt to you." General Arnold's emotional endorsement was, alas, largely ignored by most of America's male decision makers. A World War I "ace," a longtime friend and admirer of Amelia Earhart and a visionary military strategist, General Arnold knew what women pilots could do and threw the massive power of his office behind Jacqueline Cochran and her WASPs. But even General Arnold could not defeat the army of men who opposed the idea of women doing *their* jobs, and thus, to this day, the debt to the WASPs has yet to be paid.

Interestingly, these WASP pioneers were not the obvious, preselected "types" one might assume. Rather, they personified the consummate all-American young woman of the 1940s. Jill McCormick was an assistant buyer of teenage apparel in New York. Dora Doughterty Strother was a history student at Northwestern University. Other WASPs were teachers, actresses, midwives, nurses, models (one posed for the Dragon Lady in the comic strip "Steve Canyon"), stunt women in Mack Sennett and Busby Berkeley films, and wives with husbands overseas. But they all had one thing in common: they wanted to fly. In the era of barnstormers and biplanes, the romance of flying was *not* solely in the hearts of men.

Betty Phillips Whiting was seven years old when Charles Lindbergh made his historic solo flight across the Atlantic in 1927. "A newspaper boy came down our street in Indianapolis selling "extras," she said as we talked in the back room of her bicycle shop in San Jose, California. "All the neighbors were out on their porches, and I sensed the excitement of the adults. After that I always wanted to fly. Every time a plane went over, I asked my mother, 'Is that Lindy?' I can see Lindbergh riding down the street, up on the backseat of a touring car. Everybody was waving and cheering, and the sunshine was streaming through his hair. I thought he was right up there with the angels." Betty Whiting became a WASP test pilot.

Betty Gillies received her pilot's license in 1929. "I was in nurse's training at Presbyterian Hospital in New York," she said over lunch in San Diego. "I was having difficulty trying to catch a certain navy aviator, when I read an article by Amelia Earhart entitled 'You Too Can Fly.' So I said, 'By golly, that's not a bad idea at all.' I'd get off duty and break all speed records driving out to Roosevelt Field, have half an hour of flying, dash back to the wards, and tell my patients what I'd learned that day." Betty Gillies not only became a WASP, but she also married her navy aviator.

Lucille Friesen McVey grew up on a wheat farm in a German community in Kansas. "I couldn't see just getting married and having babies like my sisters," said the WASP B–17 pilot as we talked in her home in Novato, California. "That was probably part of why I wanted to fly. I had to get out, you see. I had this feeling I had to get out and *do* things. It was always the greatest sensation once I got that airplane up in the air. I would think, 'Boy, I got it up!' It was just heavenly to be up in that great big wide sky."

COCHRAN'S CONVENT

The women chosen to be WASPs passed the same stringent physical and aptitude exams as did men fighter pilots (though, unlike male recruits, WASPs had to have at least thirty-five hours of previous flying experience). They also submitted to extensive personal interviews by Director of Women Pilots Jacqueline Cochran, or by one of her staff from Washington. Many endured thorough security investigations of their families and backgrounds. Once accepted in this select coterie of female talent, they then had to pay their own way to Avenger Field, the WASP training base in Sweetwater, Texas.

At Avenger Field—affectionately called "Cochran's Convent"—each new class of WASP trainees began a six-month course in learning to fly the "army way." The new WASP recruits embraced the army *esprit de corps*. They loved the life. The army had no flight clothes for women so the WASPs willingly accepted ill-fitting GI overalls, laughingly dubbed "zoot suits," which they then wore into the showers in a stubborn effort to get them to shrink. Songs were composed to familiar tunes. To "Bell-bottom Trousers" they sang, "Zoot suits and parachutes and wings of silver, too/He'll ferry planes like his mama used to do. . . ." After completing their solos in the primary, basic, and advanced trainer airplanes, they threw each other into a reflecting pool called the "Wishing Well," zoot suits and all—splashing right onto a brass plaque affixed to the bottom that read, "To the Best Women Pilots in the World, from Gen. H. H. 'Hap' Arnold."

The "army way" of dealing with sexuality was to keep trainees physically exhausted. WASPs had six-day weeks. After four hours of flying instruction, they spent five hours in ground school studying physics, math, navigation, weather, and engine maintenance. Then they were called out for an hour of calisthenics or a rousing game of baseball or volleyball. Their feet grew a size larger from marching.

The WASPs were at Cochran's Convent to work—and to prove themselves. Twice during each phase of training, stern, often disgruntled military check pilots flew into Avenger Field to test the women trainees. If a WASP failed her check ride, she was given a pink slip. Two pink slips and she washed out. "Each month, I'd put $36 in a bank account to pay my fare back to St. Louis," said WASP Dolores Meurer Reed, a balloonist and Powder Puff Derby veteran who owns a ranch in New Mexico. "At the end of the month, I'd drink it up to celebrate. There was one check pilot who washed out so many WASPs that we called him Captain Maytag. Captain Maytag took me up once for a check ride. When we landed he had one comment: 'Well, I guess you won't kill yourself.' "

GUINEA PIGS AND CLAY PIGEONS

After graduating from Sweetwater, WASPs excitedly reported for duty to air bases across the country. But once out of Cochran's Convent, WASPs found that America's vast and intricate war machine had its bugs. WASP Peg McNamara Slaymaker (whose brother, future Secretary of Defense Robert McNamara, had sent her CPT forms after he had failed the eye exam) was assigned as a test pilot to Craig Field, Selma, Alabama. "We went to report for duty, and the commanding officer was on the telephone," Peg recalled from her home in Tiburon, California. "Finally there was a pause in his conversation, and he looked up and said, 'What do you ladies want?' We said, 'We're reporting. We're pilots.' He dropped the telephone and fell out of his chair. He didn't even know that women flew. They didn't have any facilities for women pilots, so he put us in the nurses' quarters and gave us the choice of eating at the officers club or with the nurses. Obviously we chose the officers club."

Women pilots were not expected by airbase control towers either. One spring day in 1944, WASP ferry pilot Carol Fillmore flew one of America's hot new P–51 fighters into an all-male training field in Georgia. "I needed gas, so I got near a base and called in for landing instructions," Carol said as we sat in the living room of the house she designed overlooking San Francisco Airport. "No one answered, so I got in the pattern and kept calling and calling, and still no one answered. Finally a voice with a southern accent said, 'Will the lady who's trying to get in, please stay off the air. We're trying to bring in a P–51!' 'For your information,' I said, 'the lady on the air is in the P–51.' I made a beautiful landing and got over to the flight line and everyone was gawking."

The WASPs adapted to such reactions. But they also had to adapt to the airplanes, built, of course, for men. Betty Gillies, barely five feet tall, had wooden chocks specially made to fit over the rudder pedals so that her feet could reach them. Even WASPs who were five foot eleven, like Adele Beyer, discovered that certain airplanes raised havoc with female anatomy. "The AT–10 attack bomber had a special landing quality," she said. "The pilot and copilot rode tandem with dual controls. My instructor was in the back telling me over the intercom what he was doing as I followed the written tech orders. We came around to land, and he had to pull back hard on the stick. My controls did the same, of course, and the stick slammed right into my chest. After a couple of days of this, I got up enough nerve to tell him my problem, and he ordered special chest protectors."

In case after case, WASPs dispelled all doubts about their abilities to fly even the heaviest bombers. For example, if one of the engines went out in a twin-engine B–25, the pilot in command needed considerable strength of body and presence of mind to correct for the torque and keep the plane flying level. Men assumed that women were much too frail to handle the task, until WASP Margaret Kerr Boylan proved them wrong. "We were taking our instrument training in the 25," she said in her office at the Federal Aviation Administration in Washington. "I said if we're getting our instrument rating in these planes, why can't we check out as first pilot in them? One of the officers said, 'Well, we're not sure that women can hold the B–25 in a single-engine procedure. I said, 'There's one way to find out.' We went up, and 200 feet off the ground he cut out an engine. Well, standing up on the rudder was all I needed to do."

WASPs took their assignments to dangerous training missions with the same adventurous attitude. Col. W. Bruce Arnold, Gen. "Hap" Arnold's son, was a young artillery officer in North Carolina, where women towed targets. (Colonel Arnold has now taken over for his father to champion the WASPs in this spring's legislative efforts.) "They had positions for batteries of antiaircraft guns all along the beach," he recalled. "So the gal would start at one end of the beach, with the sleeve target out behind her, and fly at a specific altitude for the big guns, then fly down lower for the small-arms guys. Officer instructors would walk up and down the beach shouting to the gunners, 'More lead! More lead!' "

"I got a couple of slugs in the fuselage," said Dora Doughterty Strother, one of the WASP "clay pigeons," as they called themselves. "But I don't think we were frightened. The major thing was that we were finally contributing. We were at all-out war."

But the WASP experiment was more than just flying airplanes and missions. The WASPs also pioneered in a "prop set" lifestyle that only recently seems commonplace. As women officers stationed on air bases where the female/male ratios were 1–100, WASPs enjoyed outstanding social lives. Pilot Frances Green met her future husband when gunners from the B–17 she was piloting shot at the target he was towing behind his B–26. "Who are you?" he asked over the radio. "I'm Greenie," she said. "I'll meet you on the flight line. I'm blond." For the next few weeks they courted curled up in the plexiglass nose of a B–17, enjoying the panoramic view as the plane flew over the Gulf of Mexico.

Their new marriage underwent a few bumps, however, when Greenie took off on a ferrying trip. "On the way back, I ran into a storm," said Greenie, now a retired police

inspector in Salt Lake City. "Then my radio went out. I tried to follow the coastline, but all I could see were whitecaps. The gas gauge was bouncing down lower and lower when suddenly I saw a great big long strip with lights. I thought, 'There is a landing strip!' I went down to look it over and saw something shining on the surface. It was an open oil-storage tank elevated about thirty feet in the air and marked with lights. If I'd been ten feet lower, my exhaust flames would've blown up me and half of Florida. I turned back toward home, and the minute my wheels hit the runway, the engine went blub, blub, blub and died. George came racing out in a jeep saying, 'Where in hell have you been?'" After the war, Greenie was told by her husband, "There is going to be one pilot in this family, and it is going to be me."

THE BATTLE OF THE WASP

When the WASP bill was first introduced in Congress in the spring of 1944, the WASPs prepared themselves to be militarized. More than 400 of the women successfully completed an officer's-training course in Orlando, Florida, where they learned military law, chemical warfare, military flow charts, and various survival techniques—including how to cook rattlesnake meat.

But the "Battle of the WASP" (a term coined by columnist Drew Pearson, an ardent WASP opponent) had already begun. WASP ferry pilot Jill McCormick encountered the prevailing sentiments firsthand while waiting in Raleigh for an airline connection back to her home base after delivering a P-47 fighter. "The town was full of troops," she said in West Lafayette, Indiana, where, after serving with the WASPs, she founded the Department of Aviation Technology at Purdue University. "I bought a paperback, went into a hotel lobby, and sat down to read. Before I knew it, a group of GIs and sailors spotted me in my uniform. They came up to me and started saying what a slut I was, what a crummy organization I was in. Finally an officer came over and shooed them away. He and I talked for a while, and then the bus to the airport was announced. He looked disappointed. 'You know,' he said, 'I was trying to get my nerve up to ask you to come up to my room."

Rep. James Morrison, a freshman congressman from Louisiana hot on a reelection issue, began his anti-WASP campaign with an article entitled "Wanted—Female Impersonators," which he inserted in the CONGRESSIONAL RECORD in April 1944. "How about some of these thirty-five hour female wonders swapping their flying togs for nurses' uniforms?" said the article. "But that would be downright rub-and-scrub work—no glamour there—and we do mean glamour."

The House Committee on Military Affairs favorably reported H.R. 4219, having heard its sole witness, General Arnold, say that the AAF needed the WASPs. Secretary of War Henry L. Stimson wrote to the committee, expressing support of the bill on behalf of President Roosevelt. But in June, as the Allies marched into Cherbourg, Congress waged war on the WASPs.

"There is absolutely no need for girl pilots in the army at this time," said Representative Morrison. Said another congressman, "The army says, 'You cannot pass the examination, so out you go, but we will uniform these women and let them take your places.' Is that not a fine situation?"

Representative Costello gallantly defended the WASPs." . . . If you like to be covered with grease," he said, "if you like to sweat out piloting an airplane through stormy weather from one coast to another, then vote against this bill. If they are doing the work that calls for the grade and calls for the pay, they are entitled to it . . . I do not think that a woman . . . should be discriminated against."

But on June 21, 1944, one week after passage of the GI Bill of Rights, the House voted down the WASP bill by nineteen votes. After four terms in Congress, Representative Costello was later defeated in his fifth primary bid, because of—according to one newspaper report—his support of the WASPs.

Denied congressional authorization, the WASPs were disbanded on December 20, 1944. "It was just torture," remembers WASP Jean Landis, a physical-education professor at San Diego State University. "It was like a coach saying, 'Clean out your locker, you're through.'" WASPs offered to continue flying for a salary of a dollar a year, but the AAF said, "Thank you, but no."

Though the WASPs were some of America's more experienced pilots, few flying jobs were available to women. Betty Phillips Whiting tried to recapture her idol Lindbergh's pioneer spirit by becoming a bush pilot in Canada. Frances Green, whose husband was sent overseas, became a wing walker with Sammy Mason and the Hollywood Hawks, Jean Landis tried ferrying war-surplus trainers from Wickenburg, Arizona, to Portland, Oregon—until she found out why she had been offered the job. On her first trip, her engine quit, almost sizzling her alive as she snapped two power lines. Her carburetor iced up over the mountains into Portland, and her hands nearly froze in the open cockpit. "I took my teeny-weeny check for this hazardous, harrowing experience, and I came home. I said, 'If this is all that's left for women in flying, I quit.' It bothered me for a couple of years. I still had this terrible passion to fly. But there just wasn't anything available for women, so I thought, 'Quit torturing yourself; get interested in something else.' But nothing will ever match the years in the WASPs—nothing."

THE YEAR OF THE WASP

Today, the children of WASPs are living lives their mothers could only dream of. Western Airlines' first woman pilot is twenty-eight-year-old Terry London, daughter of WASP Barbara Erickson London (the only woman during World War II to receive the prestigious Air Medal). "I was still in the womb, and I had more hours in the air than most people," said Ms. London, who flies 737s out of San Francisco Airport. "My mother flew until she coudn't pull the stick back any more. Having an air-force pilot for your mother is a great motivation. Even now it still impresses people."

How is a woman pilot received today? "I get strange looks," said Ms. London. "But no one has questioned my ability. A couple of mothers have even brought their little girls up to the cockpit, saying, 'See what you can do?'"

Today, women are flying with the army and the navy. In September 1976, ten women were accepted for the first time into the year-long undergraduate pilot-training program at Williams Air Force Base outside of Phoenix. Air-force publicity did not mention the women pilots of World War II, but developers of the air-force test program did consult Jacqueline Cochran's final report on the WASPs—submitted to the commanding general of the army air forces in 1945. Only one thing has changed. WASPs had flown all the weapons of war. Today's women pilots, however, are barred by legislation passed in 1948 from being assigned to aircraft engaged in combat missions—i.e., the prestige aircraft.

Last fall, 320 Women's Air Force Service Pilots—a third of the WASPs believed still to be alive—flew, many in their own planes, into the misty hills of Hot Springs, Arkansas, for a weekend of reminiscences, booze, and news. Only in recent years have the WASPs begun to hold regular biennial reunions. At last fall's gala, however, the main topic of conversation was politics—the progress of another WASP bill pending in Congress. Introduced by Sen. Barry Goldwater and Congresswoman Lindy Boggs, this bill will provide the WASPs with Veterans Administration hospitalization benefits and will accord them the official recognition they have been denied for more than thirty years. The Order of Fifinella (the WASP organization) has mobilized a cross-country network of former WASPs and their supporters to push for passage of the bill.

At last the times are recognizing their unusual past. National news cameras caught the WASPs at the reunion banquet—grayer but, to a woman, handsome and flamboyant—singing songs from Sweetwater and swapping tales from their flying days.

Congratulatory telegrams from their congressional supporters and the ailing Jacqueline Cochran were read aloud and applauded. Incredibly, one of the telegrams had been sent by the WASPs' sisters in Russia. The room hushed as the telegram was read:

"Soviet Women Air Force Pilots Veterans World War Two send greetings to American women Air Force pilots participants of common struggle of nations of anti-Hitler coalition and highly value their contribution to complete defeat of Germany fascism in 1945. Soviet women former Air Force pilots wish American Women's Air Force Service Pilots Association successes in struggle for peace and express their hope for further extension of our friendly contacts—Soviet War Veterans Committee Group of Women, Air Force Pilots Veterans of World War Two.

And so the WASP movement has now gone international. "We felt we were army pilots," said WASP B-29 pilot Dora Dougherty Strother. "I would look out and see that star on my wing and choke up inside. I do now when I think of it. I was so proud that I was allowed to contribute.

The Order of Fifinella has declared 1977 the "Year of the WASP." Whether or not Congress gets around to passing the long overdue WASP legislation, it seems clear that this year will be remembered as a turning point in the little-known history of the WASP.

Two identical bills granting veteran's benefits to the WASPs have been simultaneously introduced before the Senate and the House of Representatives. Both bills—H.R. 3321 (sponsored by Rep. Lindy Boggs of New Orleans, Louisiana) and S. 247 (cosponsored by Sen. Barry Goldwater of Arizona and Sen. Clifford Hansen of Wyoming) have now been referred to committee, where they await hearings before coming to a floor vote. Readers interested in expressing support for these two bills are urged to write to their individual senators or congresspersons, or to the committee chairmen themselves.

In the Senate:

Hon. Alan Cranston, Chairman, Veterans Affairs Committee, U.S. Senate, Washington, D.C. 20510.

In the House:

Hon. Ray Roberts, Chairman, Veterans Affairs Committee, U.S. House of Representatives, Washington, D.C. 20515, or: Hon G. V. (Sonny) Montgomery, Chairman, Compensation, Pension, and Insurance Subcommittee, U.S. House of Representatives, Washington, D.C. 20515.

NATIONAL PERIODICALS PROTESTING EXCLUSION FROM PRESS GALLERIES

Mr. METCALF. Mr. President, freedom of the press disputes usually arise in the adversary relationship between newsmen, on the one hand, and an official or agency of Government on the other. But the dispute I wish to bring to the Senate's attention today—although it turns on a rule of Congress—is primarily between journalists representing different kinds of publications.

For several years, reporters for Science

magazine, Consumer Reports, and other periodicals published by nonprofit groups have been protesting their exclusion from the Senate and House periodical press galleries. Under the rules of these galleries, only periodicals that are "published for profit and supported chiefly by advertising or by subscription, and owned and operated independently of any industry, business, association or institution" may be accredited.

Reporters for such publications as Science and Consumer Reports have alleged that their first amendment right to access to the news is being violated because they are not permitted the privilege of the galleries.

Moreover, a number of reporters who are not excluded as well as professional societies in the field of journalism have argued that the present rule is grossly unfair. The Columbia Journalism Review, for example, has twice editorialized against the exclusionary rule, the last time in its January–February issue. Also, the National Association of Science Writers decided just a few weeks ago to seek redress for reporters on the staffs of Science and other similarly affected publications such as Chemical and Engineering News, Science News, and the Chronicle of Higher Education.

George Alexander, a science writer with the Los Angeles Times who is president of the Science Writers Association, has advised my office that the association believes application of the rule constitutes an "abridgment of the freedom of the press."

However, the executive committee of the Periodical Correspondents Association here in Washington has continued to defend the existing rules and exclusions vehemently.

The bitterness of the dispute—and I think the venting of personal animosities it has led to on both sides is most unfortunate—is reflected in an exchange in the March issue of Harper's, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METCALF. Mr. President, underlying the rhetoric of this exchange between Peter Schuck, an attorney with Consumers Union, and Neil MacNeil of Time, who is the leading spokesman for the executive committee of the Periodical Correspondents Association, is a relatively simple question: Should the reporters for all periodicals published by nonprofit groups be barred from the galleries just because some such groups engage in lobbying?

I believe that any such blanket exclusionary rule is inequitable, unnecessary, and indefensible.

As Senators know, the authority to change the gallery rules rests, at least initially, with the Committee on Rules and Administration in the Senate, and, in the House, with the Speaker. Knowing of my interest in this matter, Chairman Cannon last August asked me to meet with the executive committee of the Periodical Correspondents Association, to see if the accreditation problem could be resolved. I agreed to do so and, concurrently, circulated among all concerned parties an analysis of the problem and detailed proposals for remedying it.

Because of the pressure of other matters, I have not yet had an opportunity to talk with Mr. MacNeil and the executive committee. But I plan to arrange a meeting as soon as there is some indication that a discussion of the problem—and not the personalities involved—is likely to be constructive.

Mr. President, as a preliminary step, I believe all members of the executive committee should give careful consideration to the proposals that I circulated some while ago. I am by no means wedded to the details of these proposals, but I remain convinced that full accreditation can and should be afforded to all bona fide reporters for established periodicals who, first, agreed not to lobby or engage in any other unprofessional conduct, and, second, can demonstrate a need for continuing access to the galleries. Temporary credentials could be offered to other bona fide reporters who need access to the galleries only occasionally.

To sum up, Mr. President, the existing rules on accreditation to the periodical galleries are an embarrassment to the members of the Capitol Hill press corps—who, more than anyone else, should be acutely aware that their first amendment rights are not divisible—and to the Congress as well.

The sooner the exclusionary rule is changed, the better. I hope that other Senators and, particularly, the executive committee of the Correspondents Association will join in working toward this end.

EXHIBIT 1

WHISPERING IN THE PRESS GALLERY

(By Peter H. Schuck))

Long ago Congress established a press gallery to facilitate coverage of its proceedings. Over time this evolved into four separate galleries for the daily press, the periodical press, radio and TV correspondents, and press photographers. Unlike the public galleries, which strictly forbid spectators to take notes and rotate visitors in and out, the press galleries are the home away from home of the Congressional correspondent. They are equipped with telephones, typewriters, and complimentary copies of the Congressional Record, and are staffed by attendants who take messages and keep up with the day's proceedings. More important, the press galleries provide special access to the floor and assure admission to the daily on-the-record press conferences held by the leadership of both chambers. Gallery membership also confers a certain journalistic cachet, making it easier to obtain other press privileges; for example, such membership normally assures credentials for White House press conferences.

The Periodical Press Galleries are run by the Periodical Correspondents' Association, a large group of journalists working for publications which have been admitted to the galleries. Through its executive committee, composed of senior Congressional correspondents from Time, Newsweek, and several other leading publications, the association administers the galleries, nominally under the supervision and control of the Speaker of the House and the Senate Committee on Rules and Administration.

Until recently the gallery rules, first approved by Congress in the mid-nineteenth century, provided that a periodical could be admitted only if it was "published for profit and supported chiefly by advertising, and owned and operated independently of any industry, business, association or institution." The purpose of the rules was to protect members of Congress from being importuned by special-interest lobbyists disguised as journalists, a real problem in the early 1800s, when journalists sat on the floor of the Capitol, but one which apparently vanished after special galleries were built above the chamber in the 1850s. However, the rules, which assumed that nonprofit organizations could not possibly engage in bona fide journalism, have remained essentially unchanged.

Science is a well-known and prestigious periodical, the third most widely read publication among faculty members at major universities (after the New York Times and Time). It is published by a nonprofit organization, the American Association for the Advancement of Science, and therefore ineligible under the rules for admission into the galleries. Nevertheless, in the mid-Sixties a lenient galleries administrator issued to Science's Capitol Hill reporter, Luther Carter, a temporary pass, and that pass was routinely renewed for years. In 1971 Carter left Science to write a book on land-use and growth problems in Florida. After returning in early 1973 to resume his duties at Science, Carter requested that his gallery privileges be restored. It seemed a routine matter, but Carter's request was quickly denied, without explanation. From a thoroughly respectable publication with full access to the galleries. Science was suddenly transformed into a journalistic pariah not fit to enter the galleries' precincts.

Carter soon discovered what lay behind the Periodical Correspondents' Association's volte-face. The association, he learned, had excluded numerous periodicals in the past, all with impunity. These included such substantial publications as The Village Voice (allegedly because it was believed to be an "underground" publication), the Chronicle of Higher Education, Consumer Reports, the highly regarded, 2 million-subscriber monthly published by Consumers Union, and a number of Washington-based newsletters reporting on governmental affairs and excluded from the galleries because they were sustained by subscriptions rather than by advertising. The publishers of some of these newsletters had retained a lawyer and, in exasperation, threatened suit.

After protracted negotiations, the newsletters finally succeeded in gaining entry to the inner sanctum by having the rules amended to permit admission of subscription-financed periodicals. Their admission, however, was not unanimous. Neil MacNeil, Time's Congressional correspondent and a leader of the association's executive committee, was so piqued by the rules change and so scornful of the committee's acquiescence that he refused to attend the meeting at which it was approved: "I did not wish to seem to condone this action by my presence," he wrote in a letter of protest. "The Committee has surrendered under simple coercion."

MacNeil's philippic seemed to have stiffened the galleries' resistance to any further enlargement of the fraternity that might admit Consumer Reports, which had also threatened legal action. Consumer Reports, like Science, is published by a nonprofit institution and therefore, according to the association, could not be an "independent" publication. Indeed, Consumers Union was, as the association put it, "a self-proclaimed advocate of consumer interests" and could not properly share the galleries with true journalists. MacNeil later explained his position in a letter to Sen. Edward Kennedy: "To date no one has come up with any change of rules which would satisfy the Congress's long determination to exclude from

press accreditation any individual or organization engaged in lobbying the Congress and still allow accreditation of organizations such as Science magazine." After almost nine months of fruitless negotiations, Consumers Union decided to file suit.

In its action, Consumers Union noted that a publication of any size is published by a legally distinct corporation, and that Consumers Union, as a matter of long-standing policy, had scrupulously avoided any lobbying activity whatsoever. It also pointed out that if the association were truly concerned about journalists affiliated with lobbying organizations, it could begin with its own executive committee, which was dominated by a reporter (MacNeil of Time) for a periodical owned by a large corporate conglomerate with substantial nonpublishing interests. Indeed, investigation revealed that Time Inc. employed a registered lobbyist to promote its corporate interests on the Hill, and that the galleries' membership list swarmed with special-interest publications. These included such journalistic stalwarts as Modern Tire Dealer, National Timber Industry, Automotive News, Baking Industry Magazine, Drug Topics and Drug Trade News, Food Processing and Marketing, Leather and Shoes Magazine, and Investment Dealer's Digest, to name just a few. Consumers Union also showed that the other Congressional press galleries had admitted not only consumer publications but even Communist-bloc news agencies, requiring only that they refrain from lobbying.

Consumers Union, which had felt the heavy hand of the censor years earlier when postal authorities tried to seize copies of an issue describing a pamphlet on contraceptives, argued in court that the correspondents, by arbitrarily excluding Consumer Reports while accrediting numerous industry organs, had violated its First Amendment rights to equal access to Congressional news as well as its right to equal protection of the laws. In October 1973, Judge Gerhard Gesell of the Federal District Court of Washington ruled in Consumers Union's favor, declaring the galleries' rule unconstitutional.

"There should be no glossing over what this record discloses. Under a broad, generalized congressional delegation, authority has been given certain newsmen to prevent other newsmen from having access to news of vital consequence to the public. As a result, a group of established periodical correspondents have undertaken to implement arbitrary and unnecessary regulations with a view to excluding from news sources representatives of publications whose ownership or ideas they consider objectionable.

"The situation disclosed by this undisputed record flouts the First Amendment. It matters not that elements of the press as well as Congress itself appear to have been the instruments for denial of constitutional rights in this instance for those rights limit the actions of legislative agents and instrumentalities as surely as those of Congress itself."

Shortly before the court's decision, Luther Carter had submitted his gallery membership application once again, but had been requested by the executive committee to await the outcome of the Consumers Union case. He had graciously complied. When Judge Gesell issued his ruling, Carter was elated. But he soon learned that his frustrations, rather than ending, had only begun. Even temporary accreditation of Science, the executive committee insisted, might prejudice the association's legal position to appeal the decision, which would drag the case out for at least two more years. In the meanwhile, neither Consumer Reports nor Science could enter the galleries.

Mindful of Judge Gesell's emphatic decision, the correspondents decided to take a different tack on appeal. Citing a section of the Constitution providing that "the Senators and Representatives . . . for any speech or debate in either House . . . shall not be questioned in any other place," the association argued that, even assuming that it had violated the First Amendment, it was nevertheless immune from suit.

This argument seemed preposterous, a mere clutching at straws. After all, the "speech-or-debate clause" had been inserted into the Constitution merely to protect legislators from being harassed by litigious political adversaries, and to ensure robust, untrammeled debate and an unconstrained legislative process. The Supreme Court had carefully confined the immunity from suit to strictly "legislative tasks" performed by members of Congress or their legislative aides; it had never been deemed to extend to a group of private citizens, much less one performing a task—accreditation of periodicals—so remote from the process of legislating. Indeed, the correspondents had not even bothered to raise the issue in the trial court. (Judge Gesell, a jurist renowned for his thoroughness, had considered the clause on his own initiative, but concluded that it was clearly inapplicable to the correspondents.)

To Consumers Union's astonishment, the appeals court ruled in July 1975 that the association was indeed immune from suit. It was not necessary to decide whether the correspondents had violated the First Amendment rights of Consumers Union, the court noted; because they were acting as agents of Congress in running the galleries, they were entitled to invoke the speech-or-debate clause immunity to shield themselves from any potential liability. When the Supreme Court declined to hear the case, the correspondents were safe from further challenge.

Some Members of Congress, however, were not at all pleased with the handiwork of their "agents." Back in 1974, when the *Consumers Union* case was still on appeal, Sen. Sam Ervin, the Hill's acknowledged constitutional authority, had protested to his colleagues "the injustice being done to reputable journalists such as Mr. Carter," demanding that the galleries' rules be changed to prevent "further injury to legitimate newsgathering." After the Court of Appeals decision, several other members of Congress, including Senators Philip Hart of Michigan and Lee Metcalf of Montana, voiced similar concern and urged that the rules be revised perhaps along the lines adopted by the other press galleries and first suggested by Luther Carter and Consumers Union almost three years earlier—that is, by replacing the ambiguous requirements of "for profit" and "independent" ownership with a flat prohibition against lobbying activities by any accredited journalist.

When Sen. Howard Cannon, the chairman of the Rules Committee which nominally supervises the galleries (but in practice defers to the views of the executive committee) took up these and other Congressional letters of protest with the correspondents in October 1975, he was assured that the committee had established a subcommittee—chaired by Neil MacNeil himself—which would "study the rules to see if any revisions are warranted." Only later did Cannon learn that the subcommittee had been subsequently dissolved at MacNeil's request without ever having met formally despite several attempts by one of its members, Mark Arnold of *The National Observer*, to get MacNeil to convene a meeting so that a report could be prepared. When Arnold urged a compromise rule change that would admit organizations with IRS-approved tax-exempt status in return for their agreeing not to lobby, MacNeil, defending the independent authority of Congress, put through a substitute resolution opposing any rule change that relied upon prior determination by an executive branch agency.

Carter recently discussed the situation with Sam Shaffer of *Newsweek*, a member of the executive committee. Shaffer noted that the question of *Science's* exclusion was not closed, but that the galleries were waiting for someone to come up with an acceptable solution. Carter, ever tenacious, again suggested that instead of the committee attempting to evaluate applicants on the basis of its perception of their political orientation, all correspondents should be required to submit affidavits swearing that they would not engage in lobbying. Shaffer replied that such a requirement would be "demeaning." Carter pointed out that it was far more demeaning for *Science* to be barred from the galleries while Tass, the Soviet news agency, was admitted. Shaffer, growing impatient, denounced Carter for "pestering" the galleries for the past three years.

There the matter rests. *Science* and *Consumer Reports* remain exiles from the galleries, along with other reputable periodicals. The illegality of the correspondents' exclusion of them continues without remedy. This injustice was underscored by a federal court decision in July 1976 ruling unconstitutional the refusal of Ron Ziegler and the Secret Service "for security reasons" to accredit Robert Sherrill of *The Nation* for admission to White House press conferences. The court, noting that the Congressional immunity from suit was not available to the White House, relied heavily on Judge Gesell's views on the First Amendment issues in the *Consumers Union* case.

The galleries controversy contains many disturbing ironies. If any group should be our most passionate defender of the First Amendment, it should be the correspondents who report on the exercise of political power. Yet some of the correspondents who run the galleries apparently regard the First Amendment as some men regard a mistress—someone to be embraced with ardor when one needs a refuge and discarded when she becomes a nuisance.

For correspondents to lend their energies to an official allocation of journalistic privileges according to vague, invidious criteria, is to relinquish that remoteness from power that justifies a free press. That professional writers, enjoying access to the Justice Department's lawyers, are unable to draft a rule that can fairly distinguish between journalists whose organizations lobby and those whose organizations do not, suggests a notable want of imagination and of will.

The vitality of a free press depends upon journalists maintaining their independence from friendly politicians as well as hostile ones. Yet some of the galleries' leadership has chosen, in Judge Gesell's words, to "flout the First Amendment" and then, when pursued by the law, to hide behind the skirts of the same Congress that they, as journalists, are supposed to investigate and chronicle at arm's length. They have taken upon themselves the awesome power to decide (in Sam Shaffer's words to Senator Cannon) that the work of *Science*, and presumably *Consumer Reports* and many others as well "falls outside the function of the Press as an American institution." If these are the friends of the First Amendment, God save it from its enemies.

THE FOURTH ESTATE

(By Neil MacNeil)

The author of the preceding article has told a remarkable tale of what he views as an unholy alliance between powerful leaders of Congress and a small band of Congressional correspondents to suppress the constitutional rights of certain publishers and reporters. He protests that by a trick of legal finesse my colleagues and I have escaped culpability for our crimes.

Peter Schuck and I agree on little, but I agree with him that this case was a matter of great moment to Congress, the nation's press, and the Washington lobbyists. What was at hazard was nothing less than the integrity of the Congressional press corps and

the ability of Congress to control access by lobbyists to its members.

Schuck's title at Consumers Union, "Washington director," has a special meaning in the nation's capital, for it is frequently used as a polite euphemism for "chief lobbyist." It is so in Schuck's case, and his suit challenged that section of our galleries' rules which excludes lobbying organizations from membership: "owned and operated independently of any industry, business, association or institution." Those who judge between his account and mine should know that his was written by a lobbyist as skilled as any in that line of work.

I am aware that Schuck has repeatedly denied that he or his organization lobby either Congress or federal agencies, a not unusual disclaimer by lobbyists. He has admitted, however, because he had to, that he regularly testifies before Congressional committees and intervenes before the government's regulatory agencies. That is exactly what lobbyists do. He once claimed that his organization's purposes were "purer" than those of some already accredited to the press galleries, but he abandoned that argument when, presumably, he realized that the rules prohibiting lobbyists do not differentiate between "pure" and "impure" lobbies. He then argued that he advocated only general interests, not "special" interests, but the rules are not concerned with that difference either. Schuck further argued that when he testifies he does so only on invitation. Everybody in political Washington knows that no one testifies before a Congressional committee without invitation, even when that invitation takes the form of a subpoena. Besides, Schuck has no trouble getting invitations. To cite just one of his connections, Michael Pertschuk, chief counsel of the Senate Commerce Committee, a key committee on consumer legislation, serves on Schuck's board of directors.

There is, of course, nothing inherently wrong about lobbying, even though most lobbyists shrink from describing themselves by that name and relatively few feel compelled to register under the loosely drawn Lobbying Act of 1946. The right to lobby is guaranteed by the constitutional right of petition, and some of Washington's lobbyists have proved themselves immensely helpful to Congress. They often provide valuable information and insights, as I am sure Schuck does when he testifies. It is wrong, however, for lobbyists to pose as journalists—wrong for the press, wrong for Congress, wrong for the lobbyists themselves. And that is why the rules of all Congressional press galleries were written as they were.

Schuck states that the purpose of the rules was to protect members of Congress from "special-interest" lobbyists, and he would have you believe that although this was a real problem in the early 1800s, it apparently vanished when the reporters were given their own seats upstairs in the 1850s. An ingenious argument, that. In fact, the rules were written as much to protect the legitimate press corps. Congress did have problems before 1850, primarily from claims agents, but professional lobbyists appeared in Washington only when Congress began voting huge subsidies to railroads, steamship lines, and other industries in the later part of the nineteenth century. For a price, this new man, the lobbyist, would work to pass or defeat any bill, an effort that sometimes included bribing Congressmen. Lobbyists saw the intimacy reporters enjoyed with the Congressmen, and some finagled press credentials for themselves or hired venal reporters. By the 1870s, the Capitol was overrun with lobbyists and claims agents. In 1875, in one notorious instance, four reporters were paid fees ranging from $5,000 to $30,000 for a lobbying scheme. The corruption of Congress and its press corps had become a national scandal.

The Senate and the House of Representatives repeatedly tried to write protective regulations, for their members knew, as Will Rogers later said, that no Congressman ever corrupted himself. They tried to keep claims agents and lobbyists at a safe distance, but they failed. There were honest and reputable reporters covering Congress in those years, and they were appalled by the "journalistic jobbers" in their midst "bleeding corporations and getting money easily from divers lobbying schemes," as one of them put it. On November 5, 1877, a group of them met with Speaker of the House Sam Randall and asked for the power to cleanse their own membership. Randall authorized them to form a committee to regulate the press galleries under new rules. They were charged with protecting the members of Congress, but, more important for them, with protecting the integrity of the press corps. Their assignment has never been successfully completed, and it never can be, for by the very nature of the legislative process the temptations do not vanish, despite Schuck's happy conclusion to the contrary.

When the Periodical Press Galleries were created in 1941, a special problem arose because many organized lobbies published periodicals, ranging from house organs to national magazines. That was why the special language was needed on ownership of periodicals, on the theory that he who pays the piper calls the tune. Schuck lists, as he did in court, what he calls "special-interest" publications accredited to our galleries as though they were admitted because they serve special interests. He knows they qualify because they are owned and operated independent of any potential lobby. Moreover, Schuck neglected to mention the powerful lobbies excluded from our galleries by the very words he sought to eliminate: the National Rifle Association, the American Medical Association, the AFL–CIO, the National Association of Manufacturers. All publish periodicals, as do hundreds of other lobbies operating in Washington.

Schuck chose to mix his case with two other questions then before our executive committee, the accreditation of *Science* magazine and a request to change the rules to qualify newsletters. All three posed distinctly different questions, and, of course, we dealt with them differently. In the case of the newsletters, the committee's decision was sudden and made under the threat of a lawsuit. I wanted my colleagues to consider some alternatives, but they would brook no delay.

Schuck saw how the executive committee surrendered before the newsletters' threat; he was at the same meeting arguing for the admission of *Consumer Reports*. What worked for them might work for him: he made his own threat, as he called it, to sue. He credits me with stiffening my colleagues' resistance. I doubt that. No one questioned the journalistic legitimacy of the newsletters. The only question was how, not whether, they should be accredited. I believed they were entitled to their own gallery and volunteered to help them get it. Schuck's challenge went to the very heart of the lobbyist question, and my colleagues knew it. We voted unanimously against *Consumer Reports*. Schuck then appealed to the Speaker of the House and the Senate Rules Committee. The Speaker ignored his appeal, and the Senate committee met, considered his arguments, and then ratified our decisions. Schuck appealed to both because they write the rules for our galleries. We enforce their rules, but we have no power to change them, only to make suggestions.

Schuck sued us, not the Speaker or the Senate committee. This was shrewd, for had he sued them, as he should have, his case would have received scant hearing in any court, as he knew. I confess I paid no attention to the suit; neither did most of my colleagues. Since it involved Congress, the U.S. Attorney's Office provided defense counsel, and we assumed it was in competent hands. We also assumed that the language Schuck questioned was validly drafted under Congress constitutional authority to write its own rules and its common-law powers to protect itself. Not until Judge Gesell handed down his decision did we discover the seriousness of Schuck's suit: Gesell agreed with him and declared unconstitutional that phrase in our rules meant to exclude lobbyists from our midst.

I read the decision with disbelief and only belatedly the transcription of the hearing on which it was based. I promptly telephoned the U.S. Attorney's Office to ask for a rehearing of the case. I got short shrift. The Attorney's Office had no interest, and an official there explained why. They knew Judge Gesell well, he said, and they knew that Gesell, a judge with a flair for headlines, wanted a "freedom-of-the-press" case for his career portfolio. The "facts" did not matter, I was told. As a journalist, I was not unfamiliar with cynicism in public office, but I had no idea it ran so deeply in the legal community. Only later did I discover that the U.S. Attorney's Office was so uninterested in this case that it had been routinely assigned to a young lawyer fresh from law school. A case involving the constitutional powers of Congress and the integrity of the Washington press corps had been argued by a defense attorney who had never before tried a case in court!

At the hearing, the defense attorney had failed even to raise the question of the court's jurisdiction, the obvious threshold question in a constitutional case, and, when it was raised by the judge, confessed he was taken "somewhat by surprise." He admitted he found the galleries' rules "puzzling," and in his helplessness he was simply overrun by Schuck and Gesell. Schuck discovered that he could say without protest whatever he wanted. He stressed that we voted against Consumer Reports because of its "advocacy" of consumers' interests and thereby led the judge to believe we had set ourselves up as censors. Gesell actually suggested from the bench that under Congress's auspices he had established a "private club" and decided among ourselves who should be members. "The prohibition is one addressed to ideas," Gesell said, "unless I have missed something here." He had missed something. Defense counsel did not know what, and Schuck, understandably, did not tell him. Gesell concluded at last that we had excluded the magazine "because of their ideas." He had not a shred of evidence. He had not heard a single witness. Renowned for his thoroughness, indeed!

Gesell's decision was unprecedented: never before had a court struck down an internal rule of Congress. He went further: "The Constitution requires that Congressional press galleries remain available to all members of the working press, regardless of their affiliation." That dictum made almost every lobbyist in town eligible, and in the next few days we received a flood of applications from them. At my urgent request, the Speaker and the Chairman of the Senate Rules Committee wrote to the acting Attorney General on behalf of our committee, in effect demanding a top-flight attorney for the appeal. The Justice Department reacted quickly, assigning to the case one of its most experienced lawyers, Neil Koslowe.

Schuck says he was astonished at the appeals court's decision. No one else was. In fact, he lost the case before that court ever met. In pre-hearing briefs, Koslowe destroyed his arguments, and he never had a chance in the hearing. The court found that our rules were reasonable and legally valid and stated

that we "were acting in good faith" in carrying them out under a proper mandate from Congress. We won on the merits, not on mere technicalities, and we won by a unanimous decision of the three-judge court, a decision that was confirmed and ratified by the Supreme Court.

With the Consumer Reports case won, I suggested that our committee initiate a study to examine whether our rules might be changed to remove any inequities. We had in mind the application of Science, a magazine technically disqualified but one whose sponsors did not lobby Congress. Because we believed the rules worked an undue hardship on Science, for some years we had afforded its reporter, Luther Carter, the "courtesies" of our galleries—that is, use of such facilities as we have. We had done the same with other reporters in like circumstances from time to time, on the theory that we should try to do what we could to assist fellow journalists when we could. After Gesell's decision, on advice of counsel, we withdrew our offer to Carter on the grounds that Schuck might be able to use it against us in court. After the Supreme Court decision, we renewed the offer to Carter, but he declined: he insisted on full accreditation or none.

All of us on the committee spent several months examining and discussing various proposals for changes in the rules, but we could find none that would at the same time satisfy Congressional control of the rules, admit technically disqualified but bona fide reporters, and exclude lobbyist organizations. One member, Mark Arnold, had language he felt did the job, and I moved the dissolution of the rules subcommittee so that the full committee could consider his proposal. At a special meeting called for that purpose, Arnold's proposal was fully discussed, but finally rejected. The concept was flawed by its dependence on the Internal Revenue Service, an executive agency, for definitions.

There is a ready solution for Science—the way Tass was handled years ago. Tass correspondents were admitted to the newspaper press galleries, not ours, even though not qualified under the rules, by direction of the Congressional leaders on the urgent plea of the State Department. The department's officials stated this would help lessen tensions with Russia and prevent Soviet retaliation on American reporters in Moscow. The Speaker and the Senate Rules Committee have that authority over the press galleries. So far neither has chosen to use it on behalf of Science or its reporter.

[From Harper's Magazine, April 1977]

PETER SCHUCK REPLIES

FIRST AMENDMENT DEBATE

In my article ["Whisperings in the Press Gallery," March], I showed that the journalists of the Periodical Press Galleries in Congress had, by refusing accreditation to periodicals published by nonprofit groups, trampled on the First Amendment rights of many of their colleagues in an arrogant and arbitrary fashion. Neil MacNeil's response confirms my point, while careering wildly between canard, error, insult, irrelevancy, and evasion.

First, the canards. The major premise of MacNeil's entire argument is that I am a lobbyist, and he repeats it continually. Yet it is demonstrably, utterly, unequivocally false. As MacNeil well knows, Consumers Union and its employees do no lobbying, as was established through sworn evidence in court; the correspondents did not even dispute it, Judge Gerhard Gesell explicitly stated this in his opinion, and the Court of Appeals did not question that finding. MacNeil's argument to the contrary—based entirely on the word Washington in my title and the fact that I do one thing that lobbyists sometimes do (i.e., testify before Congress)—reflects the logic of the Red Queen. Finally, MacNeil knows that Consumers Union testifies only upon written invitation from a Congressional committee and that this is not lobbying, yet he implies that we inveigle the invitations through our "connections." If MacNeil believes that nonsense, perhaps Time needs a new Congressional correspondent.

MacNeil litters his piece with other errors and omissions. I shall mention only a few:

(1) The correspondents' original lawyer was not "fresh from law school" and had in fact tried many cases in Court.

(2) The correspondents did not win in the Court of Appeals on the First Amendment issue; the court twice stated that it would not reach that issue because it found them immune from suit. (Incidentally, several recent cases rejecting claims of legislative immunity suggest that even on that issue the Court of Appeals decision was an aberration.) The Supreme Court did not "confirm and ratify" that decision but merely declined to hear the case, a very different thing.

(3) MacNeil states that he suggested a committee to study a possible rule change, but neglects to mention that this occurred only after letters protesting the exclusions were sent by Senators and members of Congress.

(4) MacNeil suggests that his gallery spent months reviewing possible changes, but there is no evidence that serious consideration was given to a change or that any outsiders were ever consulted in the process

Not content with building defenses on a foundation of innuendo and error, MacNeil proceeds to publish a scurrilous ad hominem attack on Judge Gesell's motives (Gesell, he says "wanted a 'freedom-of-the-press' case for his career portfolio"). MacNeil does so by hiding behind some unnamed official's words disingenuously attributing "cynicism" to the official. It is ironic—but wholly consistent with the theme of my article—that MacNeil should hurl his most corrosive acid at a distinguished judge who had the temerity to uphold First Amendment rights against the journalistic establishment.

When MacNeil is not gratuitously insulting actual men (me, Gesell, and the lawyer who represented the correspondents in the trial court), he is savaging straw men. Thus he discusses at length the problem of lobbyists disguised as journalists (a point my article made as well), but it is a problem quite irrelevant to Consumer Reports and Science, whose reporters and publishing organizations have never lobbied. (Indeed, the ancient abuses he recited were not committed by reporters for such nonprofit publishers as Consumers Union and the American Association for the Advancement of Science, but for others, including the New York Times.)

The important point is that, of the four special Congressional galleries, only MacNeil's excludes bona fide journalists whose organizations do not lobby, while admitting some organizations (such as his own Time Inc.) which do. The answer to the lobbying problem is really quite simple and straightforward—as Luther Carter, I, and a number of Senators and Congressmen have been saying for over four years now. It is to accredit all bona fide reporters for publications that carry a substantial volume of government-related news, provided that they swear in writing that they do not and will not lobby. Sam Shaffer of Newsweek once rejected this suggestion as "insulting," a term that better describes the refusal of the gallery to give Science the privileges accorded to Tass and Modern Tire Dealer.

What is the real issue lurking behind MacNeil's straw men? It is, of course, the First Amendment rights of Luther Carter and other fine journalists who are arbitrarily excluded from the galleries. Nothing in MacNeil's response is more intriguing or revealing than his failure to even mention the First Amendment (except to suggest Judge Gesell's ignoble motives in defending it). The First Amendment does not permit privileges to be parceled out among newsmen according to whether or not their magazine's publisher seeks a profit, accepts advertising, or is separately incorporated.

Under the First Amendment, it matters not that a publisher may use his magazine for personal crusades, as *Time's* Henry Luce did in becoming the very personification of the "China lobby"; that some commercial publishers are so subservient to their advertisers that their editorial independence vanishes; that many narrowly focused trade periodicals (of the kind already accredited to the gallery) are virtually as one with the interests or trades for which they write; or that some association publications are little more than organization mouthpieces. If MacNeil's crabbed view of the First Amendment were applied in a consistent way, his gallery would have to purge half its membership and *Time* itself would be excluded. That's not about to happen.

NEIL MACNEIL REPLIES

Peter Schuck in a way reminds me of the member of the British Parliament of whom Lord Acton wrote: "He knew only one thing and that was wrong." Schuck *knows* that his was a "freedom-of-the-press" case, and he is wrong. It was the most dangerous challenge to the integrity of the Washington press corps in modern times. Had he won, he would have opened the Congressional press galleries to untold hundreds of lobbyists; they were lined up waiting to apply. That's what brought me into this case, and that's why the leaders of Congress joined in the fight.

Schuck would have you believe that I, with my "crabbed view" somehow bamboozled the three-member U.S. Appeals Court and the Supreme Court itself into permitting the blatant violation of the constitutional rights of fellow journalists. No, he lost his suit because his claim that this was a First Amendment case did not withstand the scrutiny of competent counsel and the federal courts.

Sen. Sam Ervin once told me, jokingly, an old lawyer's maxim: if the facts are against you, argue the law; if the law is against you, argue the facts; and if the facts and the law are both against you, attack your opponent. Schuck lost on the facts and the law, and although I did not expect him to play the graceful loser, I am surprised that his invective has now reached the level of a common scold's.

I am more disturbed by his abuse of the legal processes he initiated. He claims that only Judge Gesell understood the case. He dismisses as a mere "aberration" the unanimous judgment of the Appeals Court overturning Gesell, and, incredibly, he suggests that the Supreme Court's approval of that action should not count. Schuck has turned the federal judiciary upside down, with a district judge the supreme authority in his case.

Schuck's posturing as the friend of the press would be comic, were it not grotesque. His self-gratulatory lecture on *my* professional standards approaches the obscene. For two decades and more, my father was the editor who each night decided what the *New York Times* would print the next morning. By the very nature of his position, he became in his time a leader in the never-ending struggle to protect the freedom of the press and the integrity of the press corps. I learned from him at the start that the words of the First Amendment are living words: cut them and they bleed. I learned from him at the start the meaning of professional probity. I need no lawyer-lobbyist to teach me the ethics of my craft or my responsibilities as a journalist. I had a better tutor.

THE WORTH OF A RIVER TO PEOPLE

Mr. TOWER. Mr. President, not many news articles or editorials, by virtue of their excellence, capture the essence of an issue, but one I had the pleasure of reading recently, by the editor of the Texas Almanac and appearing in the April 13 issue of the Dallas Morning News, must be considered of that caliber.

Mr. Fred Pass addresses "The Worth of a River to People" in making the case for water resource development. I hope each of my colleagues will take a few moments to read this article, for it surely has application beyond my State's borders.

I want to take this opportunity to thank Mr. Pass for saying so well what many of us here in the Senate would like to say to those who question the value of flood protection and water development projects. He has done us an invaluable service.

Mr. President, I ask unanimous consent that a copy of the article entitled "The Worth of a River to People" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WORTH OF A RIVER TO PEOPLE

(By Fred Pass, Editor, Texas Almanac)

What is a river project, such as a reservoir, really worth to a community?

The governmental entity that plans and builds the project has a responsibility to determine the cost-benefit ratio that must justify the expenditure. In the case of most reservoirs on the Trinity River, the U.S. Army Corps of Engineers has this responsibility.

But how can the value of a dam built with dollars and under conditions of one time be projected decades into the future with a high degree of accuracy?

Take, for example, three reservoirs on the Trinity in the Dallas-Fort Worth area—Lewisville, Benbrook and Grapevine. They were built at a total cost of $42 million.

In one weekend—the last weekend of March when heavy rains fell in the watershed—the three dams prevented $95.5 million in flood damages, according to John F. Wall, district engineer of the Corps of Engineers' Fort Worth District.

Thus, in one flooding condition, the savings in dollars—not to mention lives—amounted to more than twice the cost of the three dams.

If that's impressive, consider this:

In the approximately two decades that the three dams have been in service, they have prevented flood damages valued at almost half a billion dollars, more than 11 times their cost. You won't find many investments with that kind of return.

And that is only from flood prevention. Added to that must be the value of water to the metropolitan area and the recreation the lakes provide.

The estimates of a river project's values can be based on known quantities. But there always seems to be an unknown factor that crops up, one that had not been calculated in the estimation. Perhaps a 7-year drouth, such as the one that lingered through much of the 1950s in North Texas making water a scarcity in Dallas, can be anticipated. Floods can be expected at intervals.

But how was the subsidence of land along the Gulf Coast in the Houston area, caused by heavy use of water from wells, to be figured into a formula a couple of decades ago? This subsidence is causing serious damage to a wide area today and makes other sources of water necessary.

Who would have known a couple of decades ago that the enormous lignite deposits within the watershed would be worth billions of dollars because of a shortage of natural gas and a sharply rising cost of fuel? This development will have impact for years to come on the region's economy.

We may expect the unexpected. Perhaps it will be a food shortage that will require the cultivation of all land capable of producing food crops, especially land in river bottoms that are protected from floods. Or it may be a serious water shortage (one has already been predicted) that will require the impoundment of vastly greater amounts of water.

Critics of reservoirs along the Trinity River prefer, instead, a nonstructural flood plain. That proposal was rebutted at a recent congressional hearing by Anderson County Judge N. R. Link, chairman of the Tennessee Colony Lake area improvement committee.

"Their solution is the so-called nonstructural approach, a nice way of saying that they want the government to buy the flooded land, take it off the tax rolls, put a fence around it and let it flood," said Judge Link. "We want to reclaim this valuable farm and ranch land by the same structural flood control methods that have built Dallas and Fort Worth and have added millions (of dollars) to their tax rolls, and that have provided those cities their jobs and wealth."

He said that while most of the river improvement projects have served the upper Trinity basin, providing water and recreation and preventing floods there, the midsection of the river is suffering greater losses.

He urged the construction of Tennessee Colony reservoir to reduce these damages from flooding downstream. But if that is denied, he added, that area of the river will seek relief by asking the Congress or federal courts to reduce the amount of water stored in the upper stream reservoirs around Dallas and Fort Worth in order that they may hold back more flood water.

Such an arrangement would provide less—not more—water for this metropolitan area as we approach the day of water scarcities.

A river takes many twists and turns. And so does its worth to the people who must depend on it.

TOWARD DECENT RURAL HEALTH CARE

Mr. CLARK. Mr. President, last November, the Second National Conference on Rural America was held in Des Moines, Iowa, and was attended by 400 people who share a deep concern for the future of small towns and rural areas.

A wide range of topics was discussed in depth, including housing, transportation, employment, poverty, education, and health. I was very impressed by a speech presented by Dr. Lorin E. Kerr entitled, "Toward Decent Rural Health Care," which I would like to share with my colleagues.

Dr. Kerr is the director of the United Mine Workers' Department of Occupational Health and also the chairman of the Health Advisory Council for Rural America, Inc., a national constituency based organization that sponsored the conference.

Dr. Kerr identifies three major tasks that face our Nation with respect to health care in rural areas:

First, to devise a national system through which people can pay for the medical care that they require;

Second, to place the necessary facilities and services in rural areas;

And third, to influence the training of medical personnel and to redirect the distribution of existing health professionals so as to assure the right of every citizen to adequate health care.

Speaking on the responsibility of the Federal Government to alleviate the problems of rural health care, Dr. Kerr states:

> Fundamental to my thinking is the recognition that any system of health care must rely on Federal leadership and Federal financing. Citizens in this country are national citizens, and their rights should be viewed as national rights, and not circumscribed by where they choose or are forced to reside.

The Federal Government is beginning to grapple with the obstacles to health services in small towns and rural areas. The Health Manpower Act of 1976 authorizes new initiatives to promote the training of primary care physicians and to encourage physician practice in medically underserved areas. In addition, Congress may soon enact legislation to permit medicare reimbursement for rural health clinic services. Forty-eight Senators have joined me in sponsoring S. 708, which would change the medicare program in this way.

However, Dr. Kerr suggests that the rural health agenda is far from completion in a number of areas. I urge my colleagues to review his recommendations, and I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

TOWARD DECENT RURAL HEALTH CARE

(Remarks by Dr. Lorin E. Kerr, Director, Department of Occupational Health, United Mine Workers of America)

I am Dr. Lorin E. Kerr, Director of the United Mine Workers' Department of Occupational Health. I am also a member of Rural America, and serve as the chairman of Rural America's Health Advisory Council.

Many of you here today participated in the first National Conference on Rural America, which was convened in Washington a little over a year and a half ago. In addition to helping to launch Rural America as a national constituency-based organization, the Conference produced this very important booklet entitled "Toward A Platform for Rural America." In it, we attempted to outline some sense of the dimensions and scope of the problems affecting rural people—in housing, transportation, education, health and nutrition, and other areas of human need. In effect, it represents an unprecedented attempt to take a holistic approach to rural needs.

Included in the platform for Rural America is a brief section in which rural health problems are identified and some suggestions made for corrective action. By some standards, those recommendations might appear today to be woefully inadequate, and perhaps, reflected limitations in our understanding of the existing health care delivery system in this country. However, it is a significant and sturdy little document, and becomes a part of the limited but growing amount of literature which looks at the special needs of rural people and their communities in obtaining adequate medical and health care.

In the intervening 18 months, and currently, I suspect that many of you have devoted and will continue to devote most of your energies to dealing with immediate and

pressing issues, running from simply trying to get Federal reimbursement for services provided through rural clinics and health centers, to seeking full consumer and rural representation within health planning structures, or simply trying to keep a small clinic operating. These, of course, are critical matters, and I hope we will have sufficient time here and during the workshop which follows this panel to explore them further. However, I believe that my most useful contribution to this Conference may be to push for a discussion of rural health issues in terms of national policy alternatives and principles.

Let me begin, then, with a brief sketch of the health conditions of Rural America. Nowhere in the United States is the need for an improved health system more pressing and nowhere is it less adequate than in rural America. From the standpoint of nearly every measure available, the people of small town and rural America are health disadvantaged.

There are several specific examples which should leave little doubt about what I am talking about. In a recent survey of infant mortality, the figures show that infant deaths in the poor and rural areas of this country, such as in the rural counties of West Virginia, are double those in the highest-income urban states. Put another way, the probability of an infant dying during its first year of life is twice as great in our most rural areas. Moreover, this gap, measured by the number of preventable infant deaths, has been increasing rather than declining in the last ten years.

If we look at the number of deaths among women related to child birth, i e., maternal mortality, we find a similar situation. While women in rural America make up only 20 percent of all women of childbearing age, they account for 50 percent of all maternal deaths in the country. The message of these figures on infant and maternal mortality is quite clear for both, rural America offers a more hazardous environment than urban America.

Work related death and disability in rural communities has long constituted a major health problem, and has only recently begun to attract serious national attention. This should come as no surprise, however, particularly because traditional rural occupations such as mining, timbering and agriculture are among the most dangerous to working people. And although our system of collecting information concerning work related injury is inadequate, particularly with regard to such rural issues as farm accidents and the effects of pesticides on humans, there is evidence that the mortality rate for rural workers is almost double that of their urban counterparts. Overall, our record is extremely poor compared to other industrialized nations of the world.

And finally, let us examine data on two other rural health problems.

First, data on chronic health problems for all income groups indicate they are significantly higher for rural than urban people. Secondly, we find the intolerable situation in this society that one of the most serious health problems confronting the rural poor is under-nutrition and hunger. It is estimated that less than ½ of the 26 million Americans who cannot afford an adequate diet are receiving assistance through the Federal food programs. A majority of these Americans live in rural America.

This, then, is the status of health in rural America. It is not a statistic situation, it is changing. In fact, in this century, we have managed to reverse the traditional relationship between urban and rural areas as far as the public's health. Today, on the basis of most indicators, rural America is far less healthy than the dominant, more urbanized part of society.

THE DISTRIBUTION OF HEALTH RESOURCES IN AMERICA

It should come as no surprise to most of us that the distribution of health resources and personnel in rural America is as bad (and in some cases worse) as the distribution of other vital resources. As noted by Professor Navarro during the First Rural America Conference, "the greater the need for resources," in rural America, "the lower their availability."

The quickest way to learn what is wrong with our health system in general is to observe its particular malfunction in rural areas. At the heart of the crisis lies the gross maldistribution of medical personnel. Overall, the United States averages one doctor for every 665 persons; in rural areas the ratio is one doctor for every 2,400 persons. Looked at another way, although roughly a third of our national population currently resides in rural America, they are served by only 12 percent of the nation's doctors and just 18 percent of the nurses. Since 1963, the number of counties without a physician has increased from 98 to 135, and in a large number of rural counties the number of doctors has declined. Additionally, it is estimated that over 5,000 towns in rural America do not have access to the services of a single physician.

Not surprisingly, the relative lack of health resources is concentrated among the rural poor. Examples abound, including clear inequities in the allocation of publicly provided resources, such as Medicaid and Medicare, between urban and rural areas; the lack of needed rural primary and secondary care facilities; and the limited budgets and services of many local health departments in rural communities. All tend to adversely affect rural people's access to medical care. And despite recent expansion in community health care facilities; hospital construction, and other programs affecting rural America, inadequate health services in rural areas remain a serious problem. Today, rural people remain well behind their metropolitan counterparts in access to quality health care.

TOWARD DECENT HEALTH CARE IN RURAL AMERICA

It is clear then, that we are faced with at least three major tasks with respect to health care in rural areas. The first is to devise a national system through which people can pay for the medical care that they require.

The second is to place the necessary facilities and services in rural areas. And the third is to influence the training of medical personnel and to redirect the distribution of existing health professionals so as to assure the right of every citizen to adequate health care.

In the time remaining to me, I would like to discuss some of the basic principles which should underlie our approach in each of these three areas. Fundamental to my thinking is the recognition that any system of health care must rely on Federal leadership and Federal financing. Citizens in this country are national citizens, and their rights should be viewed as national rights, and not circumscribed by where they choose or are forced to reside. Therefore, the bulk of my comments are directed toward bringing about some fundamental shifts in public policy at the national level and setting the stage for effective Federal legislative initiatives.

NATIONAL HEALTH CARE SYSTEM

The single most important need is for the development of an adequate national system of financing good health care. I don't care whether it goes by the name of National Health Insurance, Health Security, or something else, we must have a comprehensive, national program of financing medical costs. To be effective, I strongly believe that such a system must contain the following elements:

It must provide for universal entitlement for all citizens;

It must be comprehensive in terms of coverage and compulsory;

It must have no barriers to service or participation, either geographic, economic, or other;

It must rely on public financing, preferably through a progressive tax on income;

It must recognize the special problems faced by rural people in obtaining adequate medical care and respond to the unique circumstances surrounding smaller, rural communities' participation in such a national system; and

It must be administered by a public agency or public corporation, free of domination by either the private insurance industry, organized medicine, or other special interests, and subject to full consumer control.

There are those who will quickly say that we simply cannot afford such a system of national health insurance. It costs too much! We have certainly heard a lot of that kind of talk during the recent national and congressional campaigns. Too frequently endorsement of a system of national health coverage has been linked with these imaginary budgetary constraints. For instance, some proponents have called for phasing in a national health insurance program only "as funds become available."

The fact is, we cannot afford our present health care system. We now spend over $100 billion annually on health care. That's over 8 percent of our gross national product, and all indications are that the health sector of our economy, if unchecked, will grow to even more alarming proportions. Currently we spend in this country roughly $500 per person per year on medical care, and yet we have been unable to provide a level of general care equal to many other countries which devote substantially smaller portions of their national resources to health care.

The fact is, and I am sure the new Carter Administration will quickly come to understand, that under most of the proposed national health insurance programs, we will not be spending any more for health care than we are spending now. What we would have, however, is a far more rationale system for allocating medical resources and services and for underwriting the basic health needs of most of our citizens.

Similarly, we must have a comprehensive system of health coverage. Any substitution of a partial program of health insurance such as medicare or medicaid, or others geared to special age groups or specific coverage, will, in the long run, leave out rural and other disadvantaged people. We have developed in this country a system of medical assistance which Max Fine has described as "Medigap" insurance. Since we tend to approach things incrementally, and since in the health area at least, much of our social legislation has been heavily influenced by both the insurance and medical industries, we have evolved a wholly inadequate program of partial reimbursements, gaps in coverage, and barriers to service which have little relationship to actual needs.

I say it is time we had an efficient national program, with universal coverage, and paid for by everyone in some proportion to their resources.

ACCESS TO DECENT HEALTH CARE

The establishment of a national program of health insurance will not automatically result in the provision of adequate health resources and services for rural people. Unless specific steps are taken and a conscious effort made to meet existing rural needs, the present imbalance in the allocation of health

personnel, facilities, and other health resources will continue.

We need to do two things. First, we need to develop an effective means for placing necessary services in rural areas. Simply put, we must have places where preventive and curative medicine can be provided. Capital funds to construct or rehabilitate offices, clinics, health centers, and hospitals in rural areas must be increased substantially. Similarly, funding the operation of those facilities, including the hiring of professional medical personnel, must be made available on a continuing basis.

The current Rural Health Initiative (RHI) and Health Underserved Rural Areas (HURA) projects may serve as useful models. But we must be prepared to move beyond the research and demonstration stage by committing sizeable amounts of public funds to the continuing operation of these important primary care facilities, and begin to integrate their functions into an overall publicly supported health delivery system. And finally, it is important that we do not overlook some of the existing health facilities in rural areas. There is a clear need to expand the activities and resources available to local public health departments to conduct health education, preventive as well as curative medical functions. Wherever they exist, publicly controlled institutions need to be strengthened, both by expanding their traditional public health roles and encouraging those local health agencies which are prepared to move into the provision of primary care directly in their communities.

The second major issue affecting rural people's access to decent health care runs to the existing overall shortage and maldistribution of trained medical personnel in this country. Unless we can make some dramatic changes in (1) the way we recruit and train our physicians and other medical personnel; (2) the way we finance medical education; (3) the way we allocate medical personnel; and (4) the way we license and utilize nonphysician providers of medical care—rural people will continue to be denied essential care.

In recent years, the costs of medical education have risen almost as quickly as the cost of medical care itself. One of the results is that increasing numbers of medical students come from non-rural, upper middle-class backgrounds. One out of every three is the son of a physician. And according to a study made by the U.S. Public Health Service, only 18 percent of medical students come from towns of less than 5,000 people. In part, these figures are reflected in the fact that increasing numbers of medical school graduates are locating in metropolitan areas, despite the existing concentration of physicians there. Senator Kennedy's office estimates that at the present rate, in the next 15 years, it can be expected that roughly 95 per cent of the doctors will be located in urban areas unless the present patterns are altered.

We agree with the American Medical Association and with the Association of American Medical Colleges that medical manpower training requires considerable public subsidy. But we insist that medical manpower and training is a public issue, and that policies affecting them ought to be decided by the American people, rather than by an exclusive coalition of doctors, deans, and demographers.

Additionally, we need to take new and fresh looks at the structure of medical practices and the way in which traditional medical services are delivered. Just as we need to stimulate, encourage, and support a variety of pre-paid group practices in rural areas, we also need to recognize nonphysician providers of medical care as major elements in the rural health care delivery structure, and work actively to remove all existing administrative and legal barriers to their fullest participation.

As a part of the effort to expand the availability of improved health care in rural and other manpower shortage areas, therefore, we need to move on several fronts simultaneously. With respect to existing shortages of medical personnel, the following would appear to be a minimal national agenda:

Dramatically expand the numbers of physicians and other health specialists now being trained;

Reduce the out of pocket cost of medical education to permit access by lower income and working class families;

Require service in rural areas and other manpower shortage areas for all medical school graduates;

Increase recruitment of rural and minority students;

Increase emphasis on primary care, general practitioner, and family medicine, and reduce specialization;

Increase support of special health education programs which offer training in rural areas; and

Expand utilization of non-physician providers in rural areas and remove existing reimbursements, licensure, and related constraints.

CONCLUSION

I hope that we can use the balance of this meeting to discuss further these and related issues affecting rural health care. I am most encouraged by the progress I have seen since our earlier meeting in April 1975. Certainly, the fundamental issues remain. But they are the same issues which are always present or confront those who seek social change in this country—the problems of commitment, of leadership, of resources. But what has emerged in the past 18 months, is a new association of people, a network of individuals and organizations seeking to improve conditions in rural areas. That organization, RURAL AMERICA, along with the people who share similar concerns, can make an important contribution to the continuing national stuggle for a decent health care system. I am most encouraged by the formation of RURAL AMERICA's Health Policy Committee, which I believe can provide a very useful forum for the exchange of information and ideas between rural groups as well as for deliberation on critical matters of policy. I have been pleased to chair the Health Advisory Council, as I hope I have been able to contribute to the purposes of this session. I look forward to obtaining your contributions during today's discussion.

TO GIVE RECOGNITION TO THE WOMEN'S AIR FORCE SERVICE PILOTS

Mr. DOLE. Mr. President, for 33 years the United States has neglected to correct a glaring injustice by granting active duty veterans' status to the Women's Air Force Service Pilots who served their country so valiantly in World War II. This discrepancy has been before Congress at regular intervals since 1944, but we have failed to act.

I am cosponsoring S. 247, which would recognize the service of the WASP's and make them eligible for veterans' benefits.

It will be recalled by some of my colleagues that only last year we passed H.R. 71, a bill to provide certain veterans' benefits to any citizen of Poland or Czechoslovakia who fought on the side of the Allies during World War II and who has been a citizen of the United States for at least 10 years. An amendment by the senior Senator From Arizona (Mr. GOLDWATER) was adopted by the Senate. That amendment would have provided that same eligibility for veterans' benefits to the WASP's—women who fought on the side of the allies and who were born American citizens. Four days later, the WASP amendment was rejected by the House, one of the stated reasons being that no hearings had been held on the question.

GREAT ACHIEVEMENTS BUT NO RECOGNITION

Mr. President, the record of the WASP's contains ample evidence of often heroic achievements under the most hazardous conditions without exceptions being asked or given because these pilots were women. Unfortunately, it also contains a history of deplorable inequities.

For instance, on October 2, 1944, at Victorville, Calif., an Army Air Corps B–25 bomber crashed and burned. The Air Corps lieutenant pilot, the WASP copilot, and the crew chief, an Air Corps sergeant, were all killed.

The two men received full military honors and their families received insurance payments and other veterans' privileges.

The WASP and her family received nothing.

This WASP was one of 38 who died while flying with the Army Air Corps. In each case the same treatment—or lack of treatment—was experienced by the WASP and those family members who survived her.

It is our badge of national dishonor that on more than one occasion these military pilots "passed the hat" to help defray burial costs of former comrades. Parents and relatives could not even display a gold star because the WASP's rated none of the death or separation benefits of their designated military counterparts.

And, while they took the same oath and flew the same airplanes in performance of the same hazardous flight missions, attended the same drill formations, and were subject to the same regulations and disciplines of their male counterparts, they were paid 20 percent less than male pilots in the Army Air Corps.

WASP'S BELIEVED THEY WOULD BE MILITARIZED

In spite of the danger and death experienced by this group of patriots, the fact is that the surviving WASP's—there are some 800 of these gallant women alive today—accepted these differences willingly because they believed them to be temporary. They anticipated the eventual formal militarization of their unit. When they took the oath, the WASP's believed they would be commissioned later into full military service.

As the Senator from Arizona (Mr. GOLDWATER) pointed out so convincingly when he introduced S. 247, the WASP program proved its merit. The Army Air Corps recommended to Congress in 1944 that the WASP's be officially militarized. This bill was approved by the House Military Affairs Committee and was reported favorably to the House of Representatives. The bill failed to pass, however, due mainly to the opposition of a well-organized lobby of civilian male pilots. The record of that debate is available and revealing. It could not have occurred today. Without the support of Congress, the Army realized it was unfair to allow these women to continue

their duties. The Army had no choice but to abolish the organization.

WASP'S STAND APART FROM OTHER WWII SERVICE GROUPS

There are still those who oppose WASP recognition. The main reason given is that recognition of the WASP's would force similar recognition of hundreds of World War II splinter groups who served with but not in our Armed Forces.

I do not agree. To me there are too many ways in which the WASP's stand apart from other civilian groups which could and might petition for recognition.

The WASP's were organized and trained from the outset to become a part of the Army Air Corps after being proven operationally effective.

The organization was tested and made to prove its military capabilities before being militarized.

During recruitment of personnel, new members were informed that they were to be militarized.

Members were required to take the same oath of office that the male officers took.

The WASP's were officially sponsored for militarization by the U.S. Armed Forces during the war years.

A special staff officers school was organized in preparation for commissioning its officers.

WASP's were decorated by military orders in military ceremonies. One woman received the Air Medal, a decoration which, by regulation, can only be given to military personnel.

Mr. President, the Senate Veterans' Affairs Committee has scheduled hearings on S. 247 for May 25. It is my hope that after these hearings are conducted the Senate will act quickly and favorably to give long overdue recognition to the Women's Air Forces Service Pilots.

ANNOUNCEMENT OF REDUCTION IN DAYS OF PUBLICATION OF COMMITTEE SCHEDULES

Mr. CANNON. Mr. President, title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the office designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the office of the Senate Daily Digest prepares such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD.

The cooperation of committees in notifying the Daily Digest office of their meeting schedules has been outstanding. This response is very gratifying to those of us who seek ways to assist committees to avoid scheduling meeting times that conflict with other important business of the Senate. I am informed that committees have found this information very helpful in planning meetings.

I am also aware that "subscribers" to the RECORD not in the Congress find it very helpful in being aware of what is coming and scheduling appearance at hearings. Its value should increase even more as we become accustomed to its use.

There is one aspect of the publication that gives me some concern. Some days the publication of committee schedules covers at least 5 pages in the Extensions of Remarks. Some days it has reached 8 pages. The Public Printer has calculated the cost per page of the CONGRESSIONAL RECORD to be in excess of $300. Therefore, each day we spend $1,500 to $2,400 in printing costs. The Joint Committee on Printing, the Daily Digest office, and the Rules Committee have studied several approaches to reducing this cost. The most feasible solution seems to be to reduce the days of publication.

As Senators know, in each Friday's issue of the CONGRESSIONAL RECORD, the Daily Digest contains a list of committee meetings scheduled for the following week in the heading "Congressional Program Ahead." Therefore, if we limit publication of the entire schedules to 2 days each week, Monday and Wednesday, and continue the publication of the "Congressional Program Ahead" on Friday, information relating to committee schedules will appear 3 times each week.

I believe this is a reasonable compromise between cost and the need to inform.

Mr. President, I wish to announce that this change will become effective May 2, 1977.

BAN ON SACCHARIN

Mr. TOWER. Mr. President, I would like to insert in the RECORD the official position of the American Cancer Society opposing the ban on saccharin. Dr. R. Lee Clark, who is president of the American Cancer Society as well as president of the University of Texas System Cancer Center, has been kind enough to provide me with this statement.

No one has questioned the motives behind FDA's exercise of responsibility as delegated by specific language of the Delaney amendment and by the Food, Drug, and Cosmetic Act. That responsibility is to protect the public. However, the people have been protesting in massive numbers about being protected from a risk they deem insignificant.

As FDA points out, there is no evidence that saccharin has ever caused cancer in human beings. We do know from the flood of letters and phone calls that withdrawal of saccharin from the market as a food additive will cause great personal harm. FDA now lacks the regulatory flexibility to make such risk/benefit decisions, and it is my contention that it should not have the authority to interfere in what is obviously a very personal decision.

We do not want to be protected against our will nor deprived of the ability to exercise our own judgment in such matters. It is time that we stopped and reexamined the steady depletion of our personal freedoms in the name of consumer protection.

Mr. President, I ask unanimous consent that this statement by an association dedicated to the prevention and cure of cancer, but which nevertheless urges an exemption for saccharin, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE AMERICAN CANCER SOCIETY ON SACCHARIN, MARCH 25, 1977

It is clear that the Food and Drug Administration acted properly under the Delaney Amendment to the Food, Drug and Cosmetic Act in banning saccharin. If a food additive induces cancer in animals or in man, under appropriate tests, the law demands that it must be banned.

The Delaney principle is basically sound. The American Cancer Society wants to reduce exposure to all identifiable carcinogens whenever feasible.

But as a major national voluntary health agency whose primary responsibility is cancer, the American Cancer Society is vitally concerned with the general health and well-being of the public. Saccharin is of great value in dietetic foods used to help control diabetes and obesity, which afflict tens of millions of Americans and pose more immediate dangers than the possible carcinogenicity of saccharin. Banning saccharin may cause great harm to many citizens while protecting a theoretical few.

The Delaney Amendment has served the public well. But as more sophisticated and quantitative technology becomes available, issues of dosage, cost-benefit, risk-benefit, and the predictability of animal data to potential impact in people must be further and better evaluated.

All the evidence for and against saccharin should be further studied by independent scientists so that a course of action could be determined which would be of greatest benefit to the public. Although there is no evidence that saccharin causes human cancer, the Society's Department of Epidemiology and Statistics will be investigating this most important aspect of the problem.

In addition, saccharin requires special review by the Congress to determine if it should be exempt from the Delaney Amendment because of its importance at the present time in medical and health matters.

COMMUNITY DEVELOPMENT

Mr. SPARKMAN. Mr. President, I would like to urge my colleagues to support amendment No. 207 to the proposed budget resolution in order to restore housing and community development funds requested by the administration.

I was disappointed that the Budget Committee chose to cut back over $6 billion in housing assistance and $500 million in community development aid to local governments.

The community development program is now just 3 years old. Local governments throughout the country have declared the program a success. To cut back the funding requested by the President after thorough review by his Office of Management and Budget and after recommendations by both the Committee on Banking, Housing, and Urban Affairs and the Committee on Appropriations just does not make sense to me.

I understand that on the House side all of the involved committees—the Committee on Banking, Finance and Urban Affairs, the Committee on Appropriations, and the Committee on the Budget—have approved the President's request.

I am particularly disturbed by the cutback in housing assistance proposed by the Committee on the Budget. As one who has worked for many years to improve the Nation's housing, I have high hopes that the new administration will produce results. They are needed because, as you know, the past administration effectively shut down the Federal housing programs in 1973, and they are only now beginning to be implemented again. I cannot understand why when the new administration wants to carry out the housing goals set by the Congress, the Committee on the Budget would deny them the tools. This is the time to give the President the authority he has requested—not to deny him what he needs.

HUD has provided me with a State-by-State estimate of the reductions in housing units that will occur should the budget cuts be maintained. A corresponding estimate of the reduction in potential employment also has been prepared. I ask unanimous consent that a table presenting this information be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Potential impact of proposed reduction of $6.2 billion in housing budget authority, fiscal year 1978, by region and State

	Decrease in housing units	Decrease in potential jobs
Boston region:		
Connecticut	908	1,816
Massachusetts	1,855	3,710
New Hampshire	236	472
Maine	383	766
Rhode Island	304	608
Vermont	146	292
New York region:		
New Jersey	2,225	4,450
New York	6,844	13,688
Puerto Rico	2,781	5,562
Philadelphia region:		
District of Columbia	817	1,634
Maryland	850	1,700
Pennsylvania	3,841	7,682
Virginia	1,445	2,890
Delaware	141	282
West Virginia	696	1,392
Atlanta region:		
Alabama	1,721	3,442
Florida	3,107	6,214
Georgia	1,826	3,652
Kentucky	1,253	2,506
Mississippi	792	1,584
North Carolina	1,941	3,882
South Carolina	1,060	2,120
Tennessee	1,840	3,680
Chicago region:		
Illinois	3,652	7,304
Indiana	1,688	3,376
Michigan	2,590	5,180
Minnesota	1,324	2,648
Ohio	3,409	6,818
Wisconsin	1,464	2,928
Dallas region:		
Arkansas	886	1,772
Louisiana	1,633	3,266
Oklahoma	818	1,636
Texas	4,288	8,576
New Mexico	356	712
Kansas City region:		
Kansas	440	880
Missouri	2,039	4,078
Nebraska	422	844
Iowa	790	1,580
Denver region:		
Colorado	962	1,924
Montana	189	378
North Dakota	148	296
South Dakota	164	328
Utah	444	888
Wyoming	56	112
San Francisco region:		
California	6,430	12,860
Hawaii	653	1,306
Arizona	834	1,668
Nevada	181	362
Seattle region:		
Oregon	796	1,592
Washington	1,043	2,086
Alaska	107	214
Idaho	182	364
Nationwide	75,000	150,000

Mr. SPARKMAN. Mr. President, I believe this information will be of use to all of the Members in considering the action taken by the Committee on the Budget, and the amendment to restore the funds requested by the administration in its budget for fiscal year 1978.

I believe that when my colleagues consider the adverse effects that cutbacks in housing and community development assistance will have, they will vote to support the administration's budget proposals by supporting the amendment No. 207 to the First Budget Resolution for fiscal year 1978.

FLUOROCARBON LABELING REGULATIONS

Mr. HATFIELD. Mr. President, yesterday the Food and Drug Administration and the Consumer Product Safety Administration made important announcements regarding the use of fluorocarbon gases in aerosol spray products. Both agencies have announced their intention to require that all products containing these fluorocarbons be so labeled. The label would read: "Warning: contains a chlorofluorocarbon that may harm the public health and environment by reducing ozone in the upper atmosphere."

The labeling requirement of the FDA is to become effective on October 31, 1977. The CPSC's order is not due to become effective for at least 7 months. Between the two agencies most of the products containing these fluorocarbons should be required to carry the warning label.

It is my hope that these actions will be a prelude to the eventual banning of all nonessential uses of aerosol products containing these gases, which have been proven harmful to the ozone layer in the Earth's upper atmosphere. Further damage to this protective ozone layer will result in an increase in the incidence of skin cancer as a result of the atmosphere's reduced ability to filter out the more harmful rays of the sun.

I have cosponsored legislation, sponsored by my colleague from Oregon, Senator PACKWOOD, to ban all nonessential uses of fluorocarbons, and the State of Oregon enacted legislation recently along these lines. I applaud this preliminary step by the Food and Drug Administration and the Consumer Product Safety Commission, and hope that this will lead to even stronger controls in the future.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification from the Department of Defense the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the three notifications I have just received. A portion of the notifications which is classified information has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room S-116 in the Capitol.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

TRANSMITTAL NO. 77-17, NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$70.8
Other	15.8
Total	86.6

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered:

[Deleted] M-60A1 tanks and 1-year concurrent spare parts.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc., Paid, Offered or Agreed To Be Paid: None.

(vi) Date Report Delivered to Congress: April 25, 1977.

TRANSMITTAL NO. 77-18, NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$41.2
Other	12.5
Total	53.7

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered:

[Deleted] howitzers [deleted] and 1-year concurrent spare parts.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc., Paid, Offered or Agreed To Be Paid: None.

(vi) Date Report Delivered to Congress: April 25, 1977.

TRANSMITTAL NO. 77-26, NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Republic of Korea.

(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$32.4
Other	50.3
Total	82.7

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered:

Modification kits to convert [deleted] battalions of basic Hawk to Improved Hawk configuration and 304 I-Hawk missiles.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc., Paid, Offered or Agreed To Be Paid: None.

(vi) Date Report Delivered to Congress: April 25, 1977.

FDA DECISIONMAKING AND SACCHARIN

Mr. HELMS. Mr. President, few regulatory actions by the Federal bureaucracy have raised as much public surprise and protest as has the recent Food and Drug Administration decision to ban saccharin from the American market. The FDA decision to ban saccharin was based upon a Canadian study which found that saccharin, when fed to rats in high doses, caused cancer. However, previous tests conducted in this country and elsewhere have not concluded that saccharin causes cancer in humans. Indeed, Americans have been consuming saccharin for about 80 years with no medical evidence that it causes cancer in humans. Against this background, the FDA action caused a storm of complaints and a broad public outcry. Furthermore, the fact that the Canadian study force fed rats the equivalent of 800 12-ounce cans of diet soda or 6,700 pieces of sugar-free chewing gum per day did not reassure the American public of the soundness of the FDA decision.

This decision to ban saccharin upon such slight and inconclusive evidence is even more astounding when one remembers that there are over 10 million diabetics in this country who must avoid consuming sugar. Millions of other Americans suffer from different conditions which also require them to restrict their consumption of sugar. Shortly after the ban on saccharin was announced, one leading heart specialist warned that the ban could result in as many as 25,000 more heart attacks each year.

Mr. President, on March 18, I joined with my colleagues, Senators SCHWEIKER, DOLE, HATFIELD, and RANDOLPH in introducing the "Food Additive Safety Amendments of 1977," S. 1046, in response to the Food and Drug Administration's proposed ban of saccharin.

This legislation amends the Federal Food, Drug, and Cosmetic Act so that before a food additive like saccharin may be banned by FDA, an evaluation of the risks and benefits of banning the product may be made, and that in the case of saccharin, it not be banned until such an evaluation has been made. This bill provides that in making such a finding, the Secretary of Health, Education, and Welfare shall consider the intake level at which the food additive causes cancer in animals, the quality of the test data, human consumption and exposure to the food additive and the available means of limiting human exposure to the additive. S. 1046 creates a special advisory committee made up of scientists, nutritionists, consumer and industry representatives, as well as other experts to assist the Secretary in making this risk/benefit determination. This bill also provides that the Secretary publish his proposed decision in the Federal Register and allow a time period for members of the public to comment on the decision before it becomes final. The provisions of this bill are similar to legislation introduced in the House by my friend and fellow North Carolinian, Representative JIM MARTIN.

Mr. President, I am pleased to cosponsor this bill. I will support any reasonable proposal to curb the excessive ardor of FDA bureaucrats. I have been concerned for sometime that the present regulatory mentality of officials at the Food and Drug Administration has overemphasized the potential risks of a product entering the market while neglecting the real and proven cost in lives and suffering when such a product is kept off the market.

For example, although there is no artificial sweetener to replace saccharin presently on the market, a new artificial sweetener made from orange and grapefruit rinds which is 1,500 times sweeter than sugar was discovered 10 years ago. However, it will still be sometime before FDA approves its use, since the company has not yet concluded the extensive number of tests required by FDA officials.

Turning for a moment to another area of FDA regulation, while 23 million Americans suffer with high blood pressure, a condition causing thousands of deaths yearly, not one new, antihypertension drug has been introduced in the United States since 1963. While more than 20 such drugs are being used in Europe, only one, and the oldest one at that, is available in the United States. One leading authority in the area of drug regulation estimates that this delay in introducing new drugs for this one condition alone is causing 10,000 unnecessary deaths annually in this country.

During the next few days, I intend to introduce legislation entitled the "Medical Freedom of Choice Act." This bill will reform procedures which presently delay the introduction of important new drugs into the American market. This legislation will allow Congress the opportunity to investigate on a broader scale the decisionmaking process at the Food and Drug Administration and make it more responsive to the American consumer.

PROF. CHENEY C. JOSEPH, JR.

Mr. JOHNSTON. Mr. President, within the next few weeks, the middle district of Louisiana will be losing an able and distinguished U.S. Attorney. Cheney C. Joseph, Jr., will be returning to his teaching responsibilities as associate professor of law, Louisiana State University, after serving for 10 months as U.S. Attorney.

When first approached by the district court in anticipation of the upcoming need for an interim appointee, Professor Joseph agreed, thereby demonstrating his dedication not only as an officer of the court but also as a servant of the law. He assumed the unfamiliar responsibilities of his new office with enthusiasm; immediately encountered serious and sensitive criminal investigations which were concluded successfully through the exercise of professional and mature judgment; and implemented policies and procedures in furtherance of his philosophical dedication to efficient, swift, and sure justice.

During his tenure in office, Mr. Joseph refused to play the role of a caretaker, even though his was an interim appointment. With a zeal for prompt and thorough handling of all cases, he plunged himself into every phase of the work of the office. No job was too menial, no task too burdensome. His organizational talent revealed itself by statistics indicating a tremendous increase in the number of cases handled with no resultant backlog.

I am informed that Professor Joseph has earned the respect and admiration of the various Federal, State, and local agencies which have dealt with him during his tenure, and I am likewise assured of the high esteem in which he is held by all personnel of the district court, in full affirmance of the original decision made by that court.

The body politic is indeed deeply indebted to Professor Joseph for his public service, and surely should, by this medium, transmit to him our heartiest "Well done and thank you."

EXAMPLES OF CONTINUED REASONS FOR CONCERN ABOUT SOVIET STANCE ON HUMAN RIGHTS

Mr. CASE. Mr. President, in the wake of the Soviet Union's rejection of the SALT proposals, some second guessers are suggesting that Moscow's reaction was affected by its displeasure at criticism of its violations of human rights. Some are even questioning why the United States should have raised the issue.

To the first point, I am satisfied after studying the reports of the meetings, including the testimony by Secretary Vance to the Senate Foreign Relations Committee, that the human rights controversy was not the reason for Moscow's rejection of the U.S. proposals. A SALT agreement is so important that it stands on its own. The proposals would have

been rejected—or accepted—regardless of Moscow's irritation at those in the administration, Congress, the rest of the Western World who believe the pledges of the Helsinki accord should be honored.

As to the second point, concern for human rights is a basic part of the American political, social, and historic fabric. We have not always achieved fulfillment of the ideals, even at home. But these ideals exist and we cannot forsake them. They were the motivating force behind our civil rights legislation, and they color our attitudes toward other nations, whether they be repressive regimes of the right or of the left, as manifested in the human rights amendments to the foreign aid legislation.

Even as the SALT talks were in process, certain incidents took place which can only add to our concern. I cite these incidents not to show another reason for criticizing the Soviet Government's actions, but to try to help them and others understand why we cannot turn a blind eye to our fellow human beings and the promises made to them by the Soviet Union as a signatory to the Helsinki accord.

A specific example took place recently in Leningrad. Even as Secretary of State Vance was meeting Soviet officials in Moscow, a young Russian who had sought to emigrate was hospitalized last week after apparently receiving the "burn treatment."

The person is Ilya Levin, a 28-year-old linguist and editor. According to those in the United States who talked to him by telephone, and later verified by U.S. officials, he attended a function at the Leningrad writer's club March 11, and after returning to his table, suddenly noticed a burning sensation. Later, severe burns and blisters developed on his leg and side, which caused him to be bedridden and finally hospitalized. The burns were diagnosed by a Russian doctor as chemical burns. According to the Helsinki Commission staff, there had been at least two other reported incidents in Leningrad during the past year or two in which activists had developed chemical burns—in one case after interrogation by the police.

This was not the first instance of "difficulties" suffered by Mr. Levin who, incidentally, has been accepted as a student at a Texas university if only he can get permission to emigrate. In December, he was arrested for 15 days to prevent him from attending the Jewish cultural symposium being held then in Moscow. In February, he was accused in a Leningrad newspaper of "trafficking in anti-Soviet slander with a West German diplomat."

This excerpt from the Soviet press indicates the extent to which the authorities use the possibility of foreign connections as a way of branding someone as "anti-Soviet." Thus, Soviet press statements play on and enhance what may or may not be genuine popular fear and suspicion of foreigners, linking both Soviet dissent and Jewish emigration to Western propaganda, emigre groups or even the CIA. Certainly such tactics are contrary to détente and the spirit of Helsinki.

The Soviet authorities do not restrict their activities to attempts to isolate dissidents and Jewish activitists, but also try to cut off the average Soviet citizen from contacts with the West.

People in the United States and in Israel who have relatives and friends in the Soviet Union recently have had even more difficulty than usual in maintaining contacts both by mail and by telephone.

I recently was told of an instance when it took 4 days of concerted efforts to reach someone in Moscow. The callers from the West were told that no one was home—although at one point the caller heard a familiar voice answer the phone and then it was abruptly cut off by the operator saying that there was no answer. When contact was finally made, the person in Moscow maintained that he heard the phone ringing, but it went dead as soon as he answered it.

Earlier events revealed that the official Soviet attitude of anti-Semitism is once again in high gear: Soviet television repeated a prime-time screening of "Buyers of Souls," a documentary which accused Israel and Zionists of using false promises to "lure" Jews into emigrating to Israel, and Izvestiya published a "confession" of a Soviet former Jewish activist in which he accused many leading Jewish dissidents, including Anatoly Shcharansky, Aleksandr Lerner, Vitaly Rubin and Vladimir Slepak, of being agents of the CIA. Since nothing appears in Soviet media without the active approval of the Government, these virulent expressions of official disapproval were expected to forebode further action on the part of the Soviet authorities.

Such action came of March 16, 1977, when Anatoly Shcharansky was arrested as he left Vladimir Slepak's apartment—where he had been staying since the ominous article in Izvestiya—to go across the street to make a phone call. No sooner did Mr. Shcharansky go into the hall, then he was seized by plainclothesmen—as two Western newsmen looked on helplessly—taken downstairs, and bundled into a waiting car. The Izvestiya article gives clear evidence on the reasons why the Soviets decided to arrest Shcharansky:

> Being alarmed by the prospect of declining interest in them by their foreign masters who have given them considerable material aid, they (Aleksandr Lerner and Vitaly Rubin) decided to team up with the so-called "Group for the Observation of the Fulfillment of the Helsinki Accords" headed by Yu. Orlov. V. Rubin was introduced into the group and then A. Shcharansky. This idea was presented by foreign correspondents (the article goes on to lambaste Alfred Friendly, Peter Osnos, and George Krimsky, the AP reporter who had just been expelled from the Soviet Union) as a step towards the consolidation of persons struggling for "human rights" in the USSR.

Shcharansky had served as an important link with the West and foreign newsmen—his excellent command of English had been useful for both Jewish activists and dissidents in communicating their news to the outside world—and this was an area of his activity which the Soviets particularly disliked.

Thus, Shcharansky's arrest was the culmination of a carefully orchestrated campaign both to discourage dissent and to dampen Soviet Jewish enthusiasm for emigrating to Israel. It appears that the end result of this official campaign against Shcharansky will be to charge him with espionage which, of course, is an extremely serious offense carrying very heavy penalties under Soviet law.

Surely such action on the part of the Soviet Government do not bode well for their fulfilling the promises they made at Helsinki. Greater freedom of information and human contacts were two of the areas which are covered in the basic three provisions of the Helsinki Final Act. I hope that the Soviet Government demonstrates its serious intention to fulfill some of the obligations it solemnly undertook at Helsinki by releasing Anatoly Shcharansky, Aleksandr Ginzburg, Yuri Orlov, and members of the Ukrainian-Helsinki group—Mykola Rudenko and Oleksiy Tykhy who are being punished only for actively collecting information about the Soviet record of compliance with the basic three provisions of the accords. I also call upon the Soviet authorities to grant some of the emigration requests by Soviet Jews such as Ilya Levin, Aleksandr Levich, Vladimir Slepak, and Anatoly Shcharansky—requests which the U.S.S.R. promised at Helsinki "to deal with in a positive and humanitarian spirit."

CABINET-LEVEL DEPARTMENT OF EDUCATION

Mr. JOHNSTON. Mr. President, it is a distinct pleasure to join with my colleagues in cosponsoring legislation to create a separate, Cabinet-level Department of Education.

Our Nation, since its earliest days, has been aware of the importance of education. We have consistently strived for the best in the education of our children; and that striving has resulted in obvious rewards in terms of the enormous growth of our Nation, its industry, its contributions to science and culture throughout the world.

The time has come, however, to refocus these efforts. Past involvement in the educational field by the Federal Government has insured the right to a free public education, the right to education for the handicapped, special aids for disadvantaged children, and highlighted the importance of continuing education for all our people, no matter their age. The value of vocational education has been recognized by the Congress and our efforts there are coming to fruition. But the vast array of programs has not led to the development of a truly comprehensive and coordinated policy on the part of the Federal Government.

The budget of the Office of Education, within the Department of HEW, is larger than many full Cabinet departments. Yet the Secretary of HEW in the course of his myriad responsibilities is unable to provide the attention and leadership

necessary to really develop this necessary cohesiveness within the Office of Education. I believe the time has come to recognize the importance of this organization to the education of our young people, and to the future of our country.

In order to do this, we must take this final step of consolidating all the education programs in a single, Cabinet-level Department of Education. Nearly one of every three of our citizens is involved in the educational process. It is incumbent upon this body to give that process a distinct and separate integrity. For these reasons, I am hopeful that we will see hearings on this important legislation in the very near future.

THE ALASKA GASLINE AND CANADIAN INTERESTS

Mr. STEVENS. Mr. President, the Federal Power Commission will soon make its recommendation regarding a system to transport Prudhoe Bay natural gas to the lower 48 States.

The FPC will recommend one of the three alternatives: the all-Alaska LNG project or one of two routes crossing Canada.

This decision is of great importance to Alaska and to the rest of the United States. It is also important to Canada, but in a different way than to the United States.

The Alaskan North Slope has a lot of natural gas. And the rest of the United States has a great need for more natural gas, as we saw this past winter. Alaska could be providing more than 12 percent of the U.S. gas supply by the year 2000, if the appropriate transportation systems are approved and constructed.

Those who advocate a pipeline across Canada to connect U.S. supply to U.S. demand must promise something to our Canadian neighbors to get their interest in the project, because the costs to Canada of such a project could be very great.

The proposed arctic gas project would pass through the Mackenzie Valley, where Native claims must first be resolved. Just today, an article appeared on the front page of the Wall Street Journal on this matter. The Natives insist upon settlement before a pipeline. They are not all unalterably opposed to any pipeline; but they insist upon a big share of the economic benefits and upon consideration of their other interests.

Sam Raddi, who testified earlier this year before the House Indians Affairs and Public Lands Subcommittee, is quoted as saying,

We don't want it and we don't need it, but we realize those resources will be taken out. What we must do is prepare for development and try to gain from it as much as possible for our people.

The story goes on to say,

But if the Canadian government breaks its promise of a fair deal, he warns, native groups will sue to try to block the pipeline.

As my colleagues will recall, the settlement of Native claims in Alaska, which was necessary before the construction of the trans-Alaska oil pipeline could begin, was a long and costly process. A Canadian settlement will be no easier and no less costly.

The Canadian Government would not push a settlement for the sake of a pipeline unless they have a lot to gain from the pipeline. And I do not think they do.

The proponents of the Arctic Gas line claim that their proposal would serve the Canadian national interior by facilitating the transportation of Canada's Mackenzie Delta gas to Canadian markets. That might be a nice idea, except for two facts:

First, the Mackenzie Delta does not have all that much gas. There is much more gas in another frontier region of Canada, the Arctic Islands. Sixteen trillion cubic feet (TcF) have been found here compared to less than 6 TcF in the Mackenzie Delta. Canadians might do better to invest in the Polar Gas project to bring this Arctic Islands gas to market.

Second, even if there was plenty of gas in the Mackenzie Delta, Canadian markets do not need it. Canadian producers are complaining that a surplus is making it extremely difficult to find buyers for their gas. Mackenzie gas would have to be exported to the United States to make the Canadian investment pay off. The producers and U.S. consumers might like that. But I doubt that the Canadian people or their government would go for it.

I have some excerpts from a statement by Mr. E. C. Phillips, whose Westcoast Transmission Co. has a share in the competing Alcan project. He says, in short, the Arctic Gas project is simply not in the Canadian national interest. There are not enough pluses to make it worthwhile for the Canadians to undertake the burden of expediting the settlement of Native claims or the risk of losing control over Northern development.

Mr. Phillips says that the project must be seen as a U.S. project only, without any attempt to "piggyback" Canadian gas. Thus he advocates the Alcan project.

Mr. President, these questions must be addressed. I urge the Senate to take a critical look at the arguments for and against a pipeline through Canada. So I ask unanimous consent to have printed in the RECORD these three press clippings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 27, 1977]

CANADIAN NATIVES SAY THEIR RIGHTS COME BEFORE ANY PIPELINE

(By Dorothea Katzenstein and Alan Bayless)

INUVIK, NORTHWEST TERRITORIES—Though its midday temperature lingers below zero even in springtime, this outpost 200 miles north of the Arctic Circle is getting a lot of visitors these days. Inuvik lies on the route of a proposed pipeline from Arctic natural-gas fields, and increasing controversy about the pipeline plan is making the settlement of 3,300 a familiar spot to government officials, executives and engineers who until recently had never heard of the place.

Inuvik is also the base of a group called the Committee for Original People's Entitlement. It represents the region's Inuit, or Eskimos, one of three groups of Canadian natives who are claiming a fifth of Canada's land. The Inuit, the Indians and the Metis (people of mixed white and Indian ancestry) differ on some matters, but they agree that their land claims must be settled before any major development of the mineral-rich frontier can take place.

The Canadian government hasn't decided what to do about a pipeline, nor about the natives' claims. It will be strongly influenced, however, by a royal-commission report due next month that will recommend ways to protect the northern culture and environment if a pipeline is built. Another ruling coming out even sooner also will affect matters. The U.S. Federal Power Commission must say by May 1 whether it thinks a pipeline should run through the disputed land or elsewhere.

NATIVES AREN'T UNITED

The Canadian natives are far from united about the pipeline. Leaders of Northwest Territories Indians adamantly oppose it, saying it threatens hunting, fishing, and trapping grounds. The Metis favor the project but insist that land claims be settled first. The local Inuit (they dislike the term Eskimo, which means eater of raw flesh) won't fight the pipeline if a land settlement first assures them of a share in its bounty. But this group has broken with the national Inuit organization over negotiating tactics. And the Indians of the Yukon, to the West, are bargaining separately.

Native leaders agree, however, that the push for a pipeline could give them the leverage to wring from the government a settlement of their long-standing land claims. "Before the pipeline, no one gave a damn about the North," says Ram Raddi, a blind ex-trapper who heads the Inuit Committee for Original People's Entitlement. "Now we have something to bargain with, and this time we aren't going to lose."

The 30,000 Canadian natives claim ownership of the land through native title as the region's first settlers. Indian groups contend that documents signed generations ago were understood by their ancestors as expressions of friendship, not treaties ceding land to Canada.

This concept of native or, as it sometimes is called, aboriginal right has gained some recognition in Canada. It was also such a claim that Alaskan natives pressed, holding up an Alaska pipeline, before Congress in 1971 promised 40 million acres and about $1 billion over 20 years. The Canadian natives acknowledge a debt to the Alaskans but say they wouldn't settle on the same terms because the Alaska Native Claims Act eventually extinguishes natives' special status.

RIGHTS "AREN'T FOR SALE"

"We want recognition of our rights, not an end to them," says Georges Erasmus, president of the 7,000-member Indian Brotherhood of the Northwest Territories. "They're not for sale."

The Northern natives also believe their cause has gained credibility from Quebec's recent election of a separatist government. "Quebec raised the question of whether two cultures, French and English, can exist within one country," Mr. Erasmus says. "We're asking the same question about the culture of Canada's original people."

The natives don't seek secession, however. Northwest Territories Indians want an "Indian nation" within Canada with "exclusive political jurisdiction," Mr. Erasmus says. The Inuit hope for a new territory to be called Nunavut, meaning "our land."

The various groups haven't said just what it would take to settle their claims to 750,000 square miles—more than Alaska and California combined—in the Northwest Territories and the Yukon. But they will insist on semi-autonomy and a voice in resource development. They also probably will demand mineral royalties and structures such as native corporations to ensure long-term economic benefits for the North.

While Canada tries to decide what to do about the Northerners' claims, its National Energy Board and the U.S. Federal Power Commission are weighing possible ways to bring natural gas south. One plan got an important boost in February when an FPC administrative law judge, Nahum Litt, recommended a Mackenzie Valley pipeline proposed by Canadian Arctic Gas Pipeline Ltd, a consortium of 15 U.S. and Canadian concerns. The $10.4 billion line would begin on the Alaskan North Slope, run southeast to the Mackenzie Delta to pick up Canadian gas and then head south. At a spot in Alberta near the U.S. border it would split, one leg going to the U.S. Pacific coast and one to the Midwest.

The FPC official rejected a plan by an El Paso Co. unit to transport only Alaskan gas, piping it through the state to the Pacific coast and taking it from there to California by tanker.

Mr. Litt also opposed a pipeline along the Alaska Highway corridor proposed by Alcan Pipeline Co., a unit of Northwest Energy Co. of Salt Lake City, and by three Canadian concerns. A Canadian panel recently began looking into the impact this plan would have on the Yukon Territory, through which it would pass. The three Canadian companies associated with Alcan also have proposed a separate pipeline through the Northwest Territories' Mackenzie Valley.

The FPC has to tell President Carter by May 1 which project it prefers. He then can take until Dec. 1 to choose a pipeline plan. His decision will be final for the U.S. unless Congress rejects it.

Once that decision is made, U.S. interests are likely to be impatient with delays in final approval stemming from land claims or other internal Canadian issues. The Arctic Gas consortium says that if it is chosen it will proceed with construction even if native land claims aren't settled. Alcan officials believe the claims must be settled before construction to ensure security, and they are considering offering natives some equity participation. The pipeline proposed by El Paso Alaska Co. wouldn't enter Canada.

Canada's government says it will make an independent ruling on the pipeline proposals based on its own economic and energy needs. It hopes to decide by September after weighing reports from the National Energy Board, from the panel looking at the Alcan plan's impact and from a royal commission studying social, environmental and economic effects of a Mackenzie Valley pipeline.

The royal commission, headed by British Columbia Supreme Court Judge Thomas Berger, has held 20 months of hearings, sometimes traveling to isolated northern settlements by dog sled or canoe for a first-hand look. Among hearing sites was the Yukon village of Old Crow, where investigators were told of an organized community dating back 1,000 years and of archaeological evidence that human beings had lived in the area 27,000 years ago.

"Many of us began to wonder," says Michael Jackson, a member of the commission, "whether we have the right to risk disappearance of a culture this old for a pipeline with a life span of 20 or 30 years that, in any case, offers no long-term energy solution."

The commission's staff recommended last fall that any pipeline be delayed for 10 to 15 years after a settlement of the Canadian natives' land claims. The delay would give natives time to set up institutions to guarantee a secure political, social and economic base, the staff members said. They cautioned that threats of sabotage against an unwanted pipeline should be taken seriously, and they warned that ignoring natives' wishes could turn the Canadian North into "an arena for a war of liberation." The commission isn't bound by its staff's views.

Not all Northern natives think their land claims are incompatible with developing natural resources. Richard Hardy, leader of the Metis, says most native people have left the land to live in villages, and what they need is economic independence. Metis view the proposed pipeline "as one of the economic projects we wish to take part in," Mr. Hardy says.

Sam Raddi, the Inuit ex-trapper, says of the pipeline: "We don't want it and we don't need it, but we realize those resources will be taken out. What we must do is prepare for development and try to gain from it as much as possible for our people." But if the Canadian government breaks its promise of a fair deal, he warns, native groups will sue to try to block the pipeline.

The Indian Brotherhood led by Georges Erasmus has emerged as the most militant group. If a pipeline company begins construction before the natives' land claims are settled "some of us will be very unhappy," the Indian leader warns. And he adds: "We're prepared to organize in any way necessary to protect our rights."

[From the Oil & Gas Journal, Apr. 18, 1977]

POLAR GAS TO FILE FOR ARCTIC ISLANDS GAS LINE

The Polar Gas Project has set September as target date for filing applications to lay a 2,300-mile pipeline along a route west of Hudson Bay to tap natural-gas supplies in the Canadian Arctic Islands.

John D. Houlding, president of the six-company consortium, says start of construction hinges upon issuance of permits by Canada's National Energy Board (NEB). Completion of the project to move gas to southern Canada would come within 5 years following receipt of permits.

Although reserves in the prime supply area, Melville Island, are still shy of the 20-trillion-cu ft threshold volume, the line is being designed to move an initial 2.5 billion cfd through a 48-in. buried system. The line will be refrigerated through areas of continuous permafrost.

PRICE TAG

Cost of the initial system is estimated at $6.6 billion in 1974 Canadian dollars, including financing and provision for return on investment during construction.

Design will allow expansion to 4.6-billion-cfd at a cost of $2.6 billion in 1974 Canadian dollars. The expansion would include an extension to other supply areas, particularly Ellef Ringnes Island, in addition to compressor stations on the main line.

Houlding says the consortium is updating to a current-dollar basis its estimates of capital and financing costs.

The consortium, formed late in 1972 and led by TransCanada PipeLines Ltd., figures it will have spent more than $60 million by the end of this year on engineering and environmental studies of a pipeline and other methods to transport gas from the islands. The other methods included use of LNG tankers.

Polar Gas envisions deliveries to TransCanada at a connecting point near Longlac, Ont. If exports are approved by NEB, U.S. lines could be supplied via interconnections at several points in southern Ontario.

Houlding believes exports of Arctic Islands gas are possible, because the region at first will supply more gas than Canadian energy markets can absorb. He foresees new exports licenses "tied to a periodic assessment of Canada's energy supply/demand balance."

Polar Gas chose a route west of Hudson Bay to save money and to avoid problems with deepwater crossings in the northern part of an alternate route east of the bay. Laying a line east of the bay would have added about $1.5 billion to construction costs, the consortium says.

Island reserves. Panarctic Oil Ltd., leading operator in the Arctic Islands, expects the 20-trillion-cu-ft threshold volume of reserves to be "in sight" in 1978.

Panarctic Pres. Charles R. Hetherington bases the outlook on a current supply of 16 trillion cu ft and historic discovery of 2.5–3 trillion cu ft/year. Of the current total, 12.5 trillion cu ft is in the Melville Island area and 3.5 trillion on and around Ellef Ringnes and King Christian islands.

The company's exploration budget amounts to more than $70 million this year, up sharply from 1976. The increase stems from a joint-venture program launched by Panarctic, Imperial Oil Ltd., Gulf Oil Canada Ltd., and state-owned Petro-Canada.

Hetherington forecasts that exploration/development programs will yield reserves of at least 100 trillion cu ft in the islands during the next 25 years.

His company holds interests in more than 80 million acres in the islands, about half lying offshore in ice-covered water. "A large number" of structures offshore have been found which appear similar to productive structures onshore, Heatherington says.

Current gas supplies, found as a result of the $400-million program conducted during the past 8 years, are free of hydrogen sulfide and will require only dehydration to be of pipeline quality. The gas is about 97% methane, with small amounts of nitrogen, carbon dioxide, ethane and propane, and traces of other hydrocarbons.

[From the Globe and Mail, Apr. 20, 1977]

WILL CANADA LOSE CONTROL OF DESTINY IN THE NORTH?

(By E. C. Phillips)

[NOTE.—Mr. Phillips is president and chief executive officer of Westcoast Transmission Company Limited. Following are excerpts from remarks to the annual shareholders meeting.]

Today I am compelled to expose a threat we see to Canada's national interest—the spectre of our country losing control of its own energy destiny in the North.

If you think this is unduly alarmist, consider this testimony by R. Clyde Hargrove, counsel for the Arctic Gas Project, given before a (U.S.) Congressional committee hearing Feb. 17, 1977:

Mr. Hargrove: "Now, the upshot of this is that regardless of which route is selected, that project is going to be owned on an equity basis and controlled by the majority of the shippers who are shiping gas through it. It is not going to be an El Paso Project; it is not going to be a Northwest Pipeline Project; it is not necessarily even going to be an Arctic Gas Project. It is going to be a project managed by the shippers who buy the gas.

"Now, if that pattern obtains which has been indicated in earlier contracts which were dismissed because of certain advance payment restrictions, and you include the recently announced tentative sales of Alaska royalty gas, the eight (U.S.) companies comprising the Arctic Gas consortium will have a 7½ (sic) voting control of any project that is put through."

The transcript phrase "7½ voting control" is unclear but the emphatic repetition of the word "project" leaves no doubt as to the totality of U.S. control envisaged by Arctic Gas. Quite obviously, that is not how Arctic Gas describes the control of their project when giving evidence this side of the border.

PUBLIC'S DECISION

The public of Canada will have to decide whether or not that exceedingly candid Arctic Gas statement about U.S. control sounds like the voice of a neighbor who will be truly grateful for the privilege of a 2,200-mile shortcut across Canada for a U.S. pipeline.

Nine years ago, Westcoast developed, with three U.S. partners, its own northern project called Mountain Pacific Pipelines Ltd. Other

firms were studying competitive plans which eventually evolved into two contestants, a large consortium of U.S. and Canadian companies commonly known as Arctic Gas, and a single-member company called Foothills. The latter was wholly-owned by Alberta Gas Trunk and its plan became known as the Maple Leaf Project.

Westcoast was invited to abandon its project and join the Arctic Gas consortium. In the searching analysis of our Mountain Pacific project, we discovered that its imperfections resembled features of the Arctic Gas scheme and that our own philosophy was far more in harmony with Foothills Maple Leaf.

Accordingly, we sought to join the Maple Leaf project although our participation had never been requested. Alberta Gas Trunk agreed to sell Westcoast 20 per cent of its ownership of Foothills. Later, the company purchased more shares to advance the partnership with AGTL to a 30–70 basis.

A subsequent development of the AGTL–WTCL partnership with Northwest Pipeline Corporation in a plan for an Alaska Highway pipeline exclusively for Alaska gas has enhanced our expansion opportunities. At this very moment our conviction as to the choice is just as firm; our determination just as resolute; our confidence just as high.

The Government of Canada must have the final word in deciding just one question: Is Canada's independence and sovereignty respecting its own energy resources established more clearly by approving two Canadian-owned and controlled northern pipelines (Foothills) mainly following established corridors (one for U.S. gas and one for Canadian gas) than it is by selecting a dual-purpose pipeline (U.S. gas commingled with Canadian gas) owned by a consortium (Arctic Gas) under powerful foreign influence?

No two trading countries in the world are as capable as Canada and the United States in making difficult deals work; but the joint pipeline concept is so barren of commonality that this marriage of convenience would not last. Serious international strains would be inevitable, and future legislation could be compromised by the entanglement.

The recent ruling of Judge (Nahum) Litt of U.S. Federal Power Commission was a revelation. Quite expectedly, as a dedicated U.S. public servant, he found the dual-purpose Mackenzie Valley pipeline to be superior in the U.S. public interest.

But the tone of the judge's unblushing praise for the joint U.S.-Canada scheme and his sarcastic denunciation of the Alaska Highway pipeline plan expose what could be the first quasi-official thrust from the United States for a continental energy-sharing policy.

Judge Litt saw his U.S. public duty and did it. He wants to share more than a pipeline; he wants to share our natural gas in the Delta. Consider this extract from his decision dated Feb. 1, 1977:

NOT SAME QUESTION

Finally, it is not irrelevant to U.S. interests when Canada brings frontier gas to market. Whether a political decision is reached to continue, or even expand, exports is not the same question as whether underlying reserves are attached that would make a favorable decision viable. Given what is represented as the existing Canadian view of Canada's natural gas supplies, absent attaching substantial Canadian reserves, no affirmative decision could be made to export additional gas even if the NEB were so inclined. Attaching Canadian frontier gas, therefore, can only help the U.S. prospects; certainly the climate will be improved even if the decision never is made."

And here again is what Mr. Hargrove told the congressional committee hearing on behalf of his client, Arctic Gas.

"Connection of Mackenzie-Beaufort reserves by Arctic Gas may permit some short-term increase in Canadian exports and should allow longer term continuation of present export levels.

"While we certainly cannot speak for the Canadian Government on export policies, this much is absolutely certain; the prospect for continued high levels of Canadian gas exports to the U.S. is incomparably better with the Mackenzie-Beaufort attached than without it."

I do not attribute any sinister or disloyal intent to the Canadian members of the Arctic Gas consortium. Their pipeline concept had some apparent practicality when originally proposed about 10 years ago; but the passage of time and dramatically changed circumstances (mainly disappointing Delta discoveries, improved Alberta gas supply, and the native land claims) created the serious international conflict of interest they could not have anticipated.

The National Energy Board may indeed authorize export of Canadian Delta gas some time in the future, probably no later than the time High Arctic gas becomes available through the Polar Gas Project. That decision, so favorable for the United States, could result from proper international bargaining producing valuable tradeoffs for our country. However, our federal negotiators must not be compromised by the indicative move of installing a 2,200-mile siphon from the United States right into our rich gas reservoirs before the export bargaining even starts.

As though he had forgotten his preferred pipeline was to cut through another nation's soil, Judge Litt cavalierly described the Canadian Berger Staff Report as nonsense; declared Canada would not let native land claims interfere with a Mackenzie Valley pipeline decision; disagreed with his own staff by suggesting Canada would export more of its gas to the United States by a dual-purpose pipeline decision; explained how the United States would fall into some cheap transportation expansibility for Alaska gas if there was not enough Delta gas to fill the Canadian 50 per cent share of the pipeline; and declared it would be "a work of joy" to loop the pipeline through Canada for extra gas for the United States.

Finally, he pre-empted Canadian judgment by implying that the timing of need for a northern pipeline is the same for both Canada and the United States.

I am compelled to refute Judge Litt's statement about timing with some emphasis. Indeed this is one of the features of the enormous incompatibility that renders a joint pipeline incapable of serving two masters in any equitable way.

First, the timing requirement for each country is demonstrably out of phase. At one time last winter, more than a million Americans were out of work and over a million youngsters were out of school for the lack of natural gas. The United States is suffering an immense economic penalty because of a gas shortage. In stark contrast, Canada actually has a gas surplus some did not expect.

Being the only Canadian pipeline short of gas, Westcoast Transmission needs frontier gas sooner than any others. However, we do not consider the urgency of our particular situation justifies callously disregarding many other local and national interests involved in the Mackenzie Valley.

Another substantial mismatch in the Arctic Gas proposal is the magnitude of the two nations' energy requirements.

BIGGER CONSUMER

The United States consumes an average 59 billion cubic feet of gas per day; Canada only four billion. Fifteen-to-one is a manifestly improvident balance on which two nations would equally share the equity ownership of a pipeline and split its capacity at 2¼ billion cubic feet per day each.

A third major incompatibility that foretells immense partnership friction is related to size but more deeply involves the divergence in financing ability and philosophy. Because the United States is 10 times Canada's stature in economic terms, there are unique hazards in a 50-50 deal. The national burden of a $10-billion project here is only matched by the relative impact of $100-billion in the United States. We would be up to our necks in this project, with the Americans only getting their feet wet.

As the pipeline is expanded in the future for the increased flow of Alaska gas, the Canadian members of the consortium would have to match, billion-for-billion, the big spending plans of the U.S. members solely for the benefit of U.S. gas users. The unsavory alternatives would be to obstruct the necessary U.S. expansion or to accept a progressive equity dilution to a minority role with loss of whatever control existed.

The disparity in consumer price impact is still another obstacle a single pipeline cannot neutralize for two nations at one and the same time. Rolling in 2¼ billion cubic feet a day with 59 billion from traditional U.S. sources has little effect on the average price the U.S. consumer will have to pay. Blend 2¼ billion high-cost Delta gas with only four billion cubic feet from our traditional sources and the average price to the Canadian gas user rises painfully.

I must acknowledge that Westcoast Transmission was built on the economic base of gas export to the United States, and export sales still are basic to our viability. Also, they are most profitable to the B.C. treasury and beneficial to our national balance of payments . . .

To our dismay, the public came to accept that this U.S.-Canadian pipeline, routed through our rich gas areas, is designed to give Canadian Delta gas a cheap "piggyback" ride to Canadian markets, which it is not; and to assume it is not designed to increase exports of our gas to the United States, which it is.

(Recently) Arctic Gas economists appeared before the National Energy Board in Ottawa to describe the economic impact of their project on Canada.

Their evidence was based on 50 per cent of the Delta gas being exported. At about the same time in Washington, before a hearing panel of four Federal Power Commissioners, F. E. John, representing the State of California said:

". . . we believe the United States should act in its best interests, and that is to bring gas from Alaska and hopefully to allow exports from Canada into the lower 48 states, and that is why we support the Arctic Gas project which will interconnect with Mackenzie Delta reserves at the earliest time possible." (FPC–45, 289 April 8, 1977.)

The U.S. Federal Power Commission Staff and judge have declared the type of northern pipeline they prefer for the United States. The FPC commissioners will decide soon and, in the U.S. public interest, could add their endorsement for Arctic Gas.

SEPTEMBER DEADLINE

President Jimmy Carter is required to advise Congress what he wants, between Sept. 1 and the year end. In the meantime, the National Energy Board is concluding its lengthy hearings preparatory to advising Cabinet about Canada's public interest. And Justice (Thomas) Berger's important report is expected in a few weeks.

It is in the face of that timetable I have chosen this occasion publicly to resist the thrust of the U.S. Federal Power Commission's judge for what could be a premature

international energy-sharing commitment, and to suggest what Canada's response should be.

CONFUSION AND DISARRAY FOUND IN ENERGY ADVISORY COMMITTEES

Mr. METCALF. Mr. President, the Subcommittee on Reports, Accounting, and Management in 1975 commissioned a study by the Congressional Research Service of the Federal advisory committees dealing with energy.

The study of 61 energy advisory committees—when their subgroups are included the total is 250—was published recently for the use of the Senate Committee on Governmental Affairs.

I ask unanimous consent that the subcommittee press release announcing its publication be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

[Press Release]

CONFUSION AND DISARRAY FOUND IN ENERGY ADVISORY COMMITTEES

WASHINGTON, D.C.—A study of 61 Federal advisory committees dealing with energy finds "confusion and disarray symptomatic of the federal government's approach to the energy problem," Senator Lee Metcalf (D-Mont.) said today.

Metcalf said the study also found "overlapping committee membership, lack of balanced membership and, in some cases, that the principal work of committee subgroups was done by persons who were not members of the parent committee.

"It found dormant committees, and committees being kept on the books long after their responsibilities had been discharged."

The 18-month study by the Congressional Research Service of the Library of Congress, entitled "Energy Advisers: An Analysis of Federal Advisory Committees Dealing with Energy," is scheduled for publication today (25 March). Metcalf is chairman of the Senate Subcommittee on Reports, Accounting and Management, which oversees the Federal Advisory Committee Act.

"The study found inconsistent and incomplete reporting of the federal government's cost of funding and maintaining advisory committees," Metcalf said.

"It also found a major cost factor that should be recognized even though it probably cannot be charged to a given committee's operating cost—the sometimes great number of federal employees assigned to attend committee meetings as observers."

As an example, 37 federal government visitors attended a two-day meeting of the Outer Continental Shelf Research Management Advisory Board of the Interior Department in April, 1975.

The study noted that in 1974 the Interior Department had five advisory committees dealing with issues which were handled by the Office of Oil and Gas. When the Federal Energy Administration was established, this office was transferred to FEA, as were the persons who administered the advisory committees.

However, the Interior Department decided to retain the advisory committees, even though the functions they monitored were now housed in FEA. Three of the five committees then ceased meeting, and members of the other two expressed confusion about whom they were now supposed to be advising.

Metcalf asked that the CRS study include:

1. Analysis of the pertinent advisory committees, thorough examination of their charters, attendance at meetings and study of committee records, toward determining the requirements for and operating practices of each one;

2. Evaluation of the government's use of committee reports and recommendations in policy formulation, program planning, decision-making and achievement of economies and program objectives; and

3. Identification of persons who serve on more than one energy advisory committee, as well as identification of firms, institutions and groups represented on more than one energy committee, and evaluation of the extent of duplication of one committee's tasks by another.

* * * * *

For further information and copies of the study: 224-1474 or 161 Russell Senate Office Building, Washington, D.C. 20510.

SENATE RADIO AND TELEVISION COVERAGE

Mr. DOLE. Mr. President, I was pleased to join yesterday in the submission of a resolution for a 1-year trial of radio and television coverage of the proceedings in this Chamber. Making Senate floor debate accessible to the American people by way of their television and radio receivers is an idea whose time is overdue. It may be that some of our procedural customs will have to be changed as a practical consequence. But, if that is so, these are traditions which probably need to be modernized anyway. The executive branch makes full use of the electronic news media to communicate with the American people. We cannot continue to conduct our business in the dark if we are to earn the esteem of the people we serve.

Without in any way interfering with editorial decisions or censoring the contents, the Senate must, of course, maintain its supervisory authority over the physical broadcasting arrangements in the Chamber. The experimental period of 1 year will allow us to determine whether the opportunity for live coverage is abused, either by the irresponsible behavior of Members, or by the distorted use of the visual and audio reports by the news media. It is my hope that adverse constituent reaction will prevent grandstanding by Senators, and that viewers will demand fair and impartial coverage by the media themselves.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notification I have just received.

There being no objection, the notification was ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY AND DEPUTY ASSISTANT SECRETARY (SECURITY ASSISTANCE), OASD/ISA

Washington, D.C., April 21, 1977.

In reply refer to: I-13385/76ct

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 77-22, concerning the Department of the Army's proposed Letter of Offer to Korea for tank conversion kits, not major defense equipment as defined in the International Traffic in Arms Regulations (ITAR) estimated to cost $61.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director.

TRANSMITTAL NO. 77-22—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Republic of Korea.

(ii) Total Estimated Value:

[In millions]	
Major defense equipment	$0.0
Other	61.7
Total	61.7

(iii) Description of Articles or Services Offered: Four-hundred and sixteen (416) tank conversion kits to convert M-48A1 tanks to M-48A3 configuration. Kits components include diesel engines, improved optics, fire control and suspension system.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: April 21, 1977.

THE NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY

Mr. METCALF. Mr. President, President Carter's new energy policy is intended to signal the end of the era of cheap, abundant fuels and the beginning of a search for new ones. The American people are asked to conserve energy, and to apply their genius to devising new, efficient methods for doing so.

I am pleased to note that the Congress has already taken the initiative in energy conservation in many respects. In the 94th Congress, we created within the Community Services Administration the "National Center for Appropriate Technology." NCAT—or "EN-CAT" as its acronym is pronounced by those connected with it—is being located in Butte, Mont., and will shortly receive its second year of funding.

The focus on NCAT is "appropriate technology," or technology appropriate to its end use. Its principal function will be to help small inventors or consumer groups devise small-scale programs of energy conservation. This may mean conversion of low-income tenement buildings to solar heating, production of building materials from local soils, or devising new techniques of fertilization

from recycled home waste products. In each case, the attempt will be to achieve large-scale energy savings through thousands and millions of small-scale applications.

In its efforts to publicize the shift to appropriate technology, on March 21 NCAT sponsored here in Washington a speech by E. F. Schumacher, author of the widely discussed book "Small is Beautiful." His speech, entitled "Economics as if People Mattered," stressed the importance of developing systems that are much smaller in scale, energy conserving, and more labor intensive. Dr. Schumacher had earlier spoken on Capitol Hill to the Congressional Clearing House on the Future, with some 50 Members of Congress in attendance.

On March 23, the National Center for Appropriate Technology sponsored two forums, one each in the Senate and House of Representatives, to brief Members and staffs on the promise of appropriate technology, particularly as it relates to job creation, energy conservation, and the utilization of alternate sources of energy.

Mr. President, NCAT is now in the process of reviewing promising small-scale technology projects for possible funding.

I commend to my colleagues an inspection of this program. They may wish to make inquiry at my office, or directly to Executive Coordinator James F. Schmidt of the National Center for Appropriate Technology, P.O. Box 3838, Butte, Mont., 59701—telephone 406–723–6533.

NATIONAL ENERGY POLICY

Mr. STENNIS. Mr. President, I certainly fully realize that our country must have an effective, firm, and comprehensive energy policy. For too long now we have let events control us in the energy field rather than taking positive acts to control events and our future energy posture. The time for action is now. We must begin work on a program that, as nearly as possible, will balance our energy requirements and demands with the dwindling resources and, at the same time, will develop as boldly and rapidly as feasible new sources of energy as alternative to oil and gas.

While I have not yet reached mature conclusions on the details of President Carter's proposals, I certainly commend him for meeting the problem head on with forthrightness and specific recommendations for positive action. It is now incumbent on the Congress to match the President's boldness and decisiveness and fashion a comprehensive energy program which, as far as possible, will be fair to all and will spread the necessary sacrifices evenly and equitably.

I do want to take this occasion to stress—and I think this should be recognized clearly as we begin to fashion an energy program—that there is one segment of our economy which must be given special consideration and, if necessary, even a special priority. I am not talking now on behalf of a special interest but rather on behalf of the national and public interest and for the strength and welfare of our Nation.

We all recognize the tremendous job which the American farmer has done in providing vital food and fiber for the country and in assisting with the balance of trade problem. The American farmer is the marvel and at the same time the envy of every nation. If there is an area of international competition in which we are clearly ahead, it is the field of agriculture. There are only six or seven countries in the world which are net exporters of agricultural commodities. This Nation exports more than all the rest combined.

It is difficult to overemphasize the importance of agriculture to our national economy and world trade. Last year our bill for imported oil was $36 billion. This year it may reach $45 billion. This is a tremendous drain on our economy. Our agricultural exports of well in excess of $20 billion last year went a long way in partially offsetting and balancing this drain. Our foreign agricultural trade is one of our most basic "weapons" in international commerce.

I will not dwell on the obvious by discussing how important the farmer is in providing food and clothing for our Nation. He has taken care of the needs of the American consumer. He had a key role in raising our standard of living to the highest in the world. That standard cannot possibly be maintained without the farmer as a going concern.

The farmer has a vital need for oil and gas and other petroleum products. For example, natural gas is the feed stock for anhydrous ammonia, which is one of our most important and effective fertilizers. It is hardly necessary for me to point out that any increase in the price of natural gas to the manufacturer will show up in the increased price of fertilizer which, in turn, will show up in the increased cost of food in the grocery store. Petroleum products, including gasoline, diesel fuel, and bottled gas, are essential to farming operations in many ways and any increase in their cost to the farmer means an increase in the cost of the food we eat.

I make no specific suggestions or recommendations at this time, Mr. President. The point I want to make is that, in putting together an energy program, it is essential to the welfare of the country that we take into account the special needs of agriculture. Special consideration, special study, and special care are essential to insure that we do not take any action which unduly burdens, hampers, or injures this vital activity. I invite suggestions from any interested party.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification from the Department of Defense the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the four notifications I have just received.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

TRANSMITTAL NO. 77–20—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Jordan.
(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$0.0
Other	33.0
Total	33.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Technical assistance to support I-hawk air defense system to be provided by U.S. Government and contractor personnel. Further, to provide for contractor maintenance support and materiel management.
(iv) Military Department: Army.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: Apr. 25, 1977.

TRANSMITTAL NO. 77–23—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Jordan.
(ii) Total Estimated Value:

[In millions]

Major Defense Equipment*	$0.0
Other	31.0
Total	31.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR)

(iii) Description of Articles or Services Offered: Individual and unit training with missile firing and target support for I-hawk air defense system.
(iv) Military Department: Army.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: April 25, 1977.

TRANSMITTAL NO. 77–24—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.
(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$0.0
Other	121.0
Total	121.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR)

(iii) Description of Articles or Services Offered: Planning, design and contracting for construction of two-hundred twenty (220) family housing units at King Faisal Military Cantonment, Khamis Mushayt.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: April 25, 1977.

TRANSMITTAL No. 77-25—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

[In millions]

Major Defense Equipment *	$0.0
Other	30.0
Total	30.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR)

(iii) Description of Articles or Services Offered: Procurement of construction and other procurements related to a 30 megawatt power plant at Tabuk military cantonment.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: April 25, 1977.

SMALL BUSINESS AND THE HUMPHREY/HAWKINS BILL

Mr. HUMPHREY. Mr. President, today I would like to comment on the importance of the Humphrey/Hawkins full employment and balanced growth bill to small business.

Everyone has a major interest in a healthy, growing economy. Working people benefit when their services are in demand, and their income is assured. But profits are merely the income of corporations, proprietorships, and partnerships. And failures and bankruptcies are the equivalent of unemployment—often a stark equivalent—for small business.

So the ingredients of a great coalition of interests in successful and prudent macroeconomic management, designed to provide full employment and balanced, sustainable real economic growth, are present.

WHAT IS IN THE HUMPHREY/HAWKINS BILL FOR BUSINESS?

The Full Employment and Balanced Growth Act is the first national statement of confidence in the ability of the private sector to accommodate the social and economic needs of the United States and all of its people. And it calls for substantive action—policies and programs—in pursuit of its commitments. Thus, it goes far beyond past legislative initiatives which stopped short, calling only for studies and reports.

There is a widespread impression that the Humphrey/Hawkins bill exclusively contains big Government programs which are traditionally anathema to business. Nothing could be more distorted.

The bill sets forth requirements to overhaul regulatory and tax policies which interfere with the conduct of business without providing benefits justifying such interference. Reliance is placed primarily on "expansion of conventional private jobs," a commitment set forth in section 102. Specifically, that section calls for maintaining "trends in the ratio of private employment to civilian public employment similar to those from 1947 to the time of enactment of the act, which would mean a numerical growth in private employment several times as large as the numerical growth in civilian public employment."

To facilitate this, section 105 commits the President in his annual plan to review "existing Government rules and regulations to determine if they still serve a public purpose and are properly designed" and to annually evaluate "20 percent of the dollar volume of existing Federal programs which are in effect each year" submitting a "formal analysis of the economic and social impact and value of each program." These are specific, not value, objectives and obligations.

OTHER CHANGES IN THE NEW VERSION

Many attitudes toward the Humphrey/Hawkins bill unfortunately hardened during the vigorous debate surrounding past versions of the legislation. The new version has been modified to ameliorate several concerns about wording last year.

On the use of policy tools: The bill clearly prohibits national planning to be construed as permitting intrusion into the affairs of households and businesses through the following statement in section 102:

> Although it is the purpose under the act to seek diligently and to encourage the voluntary cooperation of the private sector of the economy in helping to achieve the objective of the act, no provisions of the act are intended nor shall be used, with respect to any portion of the private sector of the economy, to provide for government control of production or employment or allocations of resources, except to the event authorized under other legislation." (emphasis supplied.)

On inflation: Section 104 contains a new provision to prevent an interpretation of the bill's other parts from implying accelerating inflation. The much publicized employment objectives are now subject to the constraint that the best econometric or other analyses of the President's annual plan by the Council of Economic Advisers must not portend inflation rates higher than "such rates on the date of enactment of this act."

Unemployment of minorities and women: Section 401(e) now qualifies the overall unemployment objective by assuring that "every effort shall be made to reduce the differences between the rates of unemployment among women, minorities, and other labor force groups and the overall rate of unemployment, with the ultimate objective of removing them entirely." The new language specifically calls for use of nondiscrimination and structural approaches to attack the problem of severe, intractable unemployment among certain known groups.

On the wage standard: The present version clarifies the language setting the wage standard for all jobs created through direct implementation of any provision of the bill. New jobs would have to pay no less than that paid other employees of the same organization or company doing the same work. And in no event will new jobs pay less than the minimum wage. Under old versions of the bill, some contended that employers would have to offer the national average wage of workers in a given field.

THE PURPOSE AND THEORY OF THE UNEMPLOYMENT GOAL

In the present bill, the unemployment goal is still 3 percent within 4 years but it is now made clear in section 104 that the goal applies directly to those 20 years of age and over, and that teenagers, who face the special problems of new job entrants shall be brought in line as soon as feasible—but not necessarily within the timeframe for adults in the labor force. Since the Bureau of Labor Statistics derives the standard unemployment rate for people over age 16, the 3-percent total goal translates to about 4½ percent of the whole labor force.

The reason for having goals—for both unemployment and inflation—is that our historical experience with them confirms that we achieve more under their discipline than without them. Examples abound. In addition, they provide a yardstick for measuring progress. What if a goal is unachieved? Failure is a relative thing; if we progressed further than if we had never had a target to strive for, then we are still winners.

Some economists suggest that the labor markets currently become tight around 5 percent. Beyond that level, real wages are bid up, unit labor costs rise, and inflation sets in. So, is the 4½-percent objective unreasonable? If it is, then surely there can be a legislative reevaluation. But more broadly, we must understand why labor markets become tight at such a high level. This is largely due to structural imperfections which, within the course of 4 years, can be substantially eliminated through concerted microlabor market strategies. These include manpower training efforts, job search programs, and vocational education as well as other programs developed to fit unemployed workers to available, profitable private job openings.

Any jobs the Federal Government might directly create—to the extent they are needed—must serve well-ordered nonwasteful national priorities, an initial list of which is included in section 104.

LAST RESORT JOBS—THE UNWARRANTED FEAR

Probably the most familiar aspect of S. 50 is the so-called last resort job provision. Several things are worth noting: First, this provision, like others in the bill, is not self-enacting. It will require explicit legislative choices subject to constant review, probably through a vehicle such as CETA. Second, the 1977 version of the bill delays the potential availability of last resort Government hiring until 2 years from enactment, giving all other forms of job creation a full chance of success. And finally, this provision is included to offer the President the ultimate ability to keep the economy on track should it be apparent that other avenues of job expansion are temporarily falling short. It is not permanent, and it cannot be interpreted as an open-

ended, WPA-style program. Additionally, it is unlikely that these temporary, low-paying jobs, with no pension benefits and little chance of advancement, would seriously compete with available private jobs.

THE "COST" OF FULL EMPLOYMENT: A FALSE ISSUE

To speak of the "cost" of full employment is to be either purposefully deceptive or to entirely miss the concept. It is accurate, rather, to speak of the cost of not striving for full employment and balanced growth in our economy. If one must look at the Federal budget as a measure, as imperfect as it is, then look to transfer payments: AFDC, unemployment compensation, and food stamps. The Congressional Budget Office has confirmed that a high proportion of transfer payments would be substituted by employment income under the bill. And employment means productive use of human resources. The waste of labor is the prime cause of the GNP gap—the tremendous difference between what we could produce, and what we are producing. This is the real cost of not setting a full employment strategy—and every year we fail to set one irrevocably wastes more resources which, after all, cannot be put to work yesterday to make up for lost output.

THE BENEFITS OF GOVERNMENTAL POLICY PLANNING

The planning and coordination of national economic policy is perhaps the most misunderstood yet fundamental idea in the bill. Without question a rationalized Government approach to policy promulgation would help create a fertile atmosphere for business prosperity. Of course, rationalizing the policy process entails a number of institutional reforms and review procedures, several of which are in the bill.

What is governmental economic policy planning? First, it is not the central control planning of Gosplan and socialized economies which has universally failed to satisfy consumer needs. The bill recommits the Government to preserve the market system which has served us so well. This is explicit from section 102 cited previously.

Our proposal to reform the economic policy process is a commitment to streamline Government functions. Moreover, it is a general commitment to think ahead and out loud about future policy formation Whether one approves or not, it is inevitable that the Government through deliberate decisions will influence sectoral business activities by traditional techniques, including tax and subsidy tools, and regulation. Rational policy development processes, subjected to the political review established in the bill through the administration, Congress, and the States, would offer a systematic commitment of Government intentions in this critical area much further in advance than the present fragmented structure produces in piecemeal fashion. For business the policy statement may include a range of assumptions, thus increasing the utility of the information to internal business decisions.

The commonsense advantages to business of this new undertaking are obvious. The theoretical advantages are also convincing: Part of the cost of capital for any project reflects the uncertainty of return from the project. A large component of that uncertainty is the perceived capriciousness of governmental intervention. Governmental policy statement of the sort envisioned can only minimize such uncertainty, thus lowering the cost of capital, increasing investment and production, and encouraging a better market allocation of real economic resources. Likewise consumption and savings decisions by households are more fruitful with less uncertainty.

While the proposed economic policy planning process has been a focal point of some business misunderstanding and opposition, it should, by all rights, be one of the strongest selling points of S. 50 to the business community.

DEVELOPMENT LENDING

The United States has generously participated in multilateral efforts to provide developmental funds, at reasonable interest rates, to various portions of the world. And the Marshall plan, of course, was entirely conducted by the United States. But there has been no similar initiative to assist disadvantaged areas of our own country. Therefore, section 204 calls for "long-term loans at rates of interest no higher than the average rate of long-term Treasury borrowings plus service costs" to aid "depresesd regions, inner cities, economic sectors, and rural areas with substantial unemployment."

THE ROLE OF BUSINESS

The major emphasis of the bill is on the development of policies and programs which will create an economic climate promoting maximum business activity. In large measure, this means designing conventional fiscal and monetary policies which will encourage prosperous commercial activity. This is the way most of the job opportunities needed to meet the employment goals of the bill would be created and sustained. Judged from this perspective, H.R. 50 and S. 50 can be labeled "jobs legislation"—but only in the sense that virtually all of these jobs would be created by private enterprise.

The key to the legislation is the utilization of maximum commercial and industrial capacity. In this sense the legislation is truly a private sector jobs bill. Every other provision of the bill flows from this overriding point. Participation in the effort to win its passage is as important to the business community as it is to any other element in our economy.

FISCAL YEAR 1978 BUDGET LEVELS FOR HOUSING AND COMMUNITY DEVELOPMENT

Mr. CHILES. Mr. President, there has been a great deal of concern about the level of funding for housing and community development programs assumed in the first concurrent resolution on the budget for 1978 as reported by the Budget Committee. There has been considerable confusion about what was done and why it was done. I would therefore like to take this opportunity to clarify the record.

The first area of concern is the reduction of budget authority for low income housing assistance requested by the President. I would like to emphasize that the reductions assumed in the Budget Committee mark could be made without any reduction of funding for housing for the elderly under section 202 or any other program. Section 202 has been very effective in getting new housing built and I have supported it actively.

My presentation to the committee emphasized that a substantial reduction could be made in the private development—new construction portion of section 8, because this program has been particularly slow in moving through the "pipeline" from reservation of funds to actual construction. According to figures supplied by the Department of Housing and Urban Development, of 116,316 units for which funds were reserved in 1976 and the transition quarter, only 15,529 reached the stage of construction and only 12,525 reached final approval. I am very concerned that if we keep putting out billions of dollars in budget authority for which it takes 2 to 3 years to complete construction, then we will find ourselves with large increases in budget outlays in 1980 or 1981, when we are trying to move to a balanced budget.

Table I shows how funds have been authorized for section 8 private developer—new construction faster than they could be spent. Each year funds have been reserved for many more units than have been processed to the stage of final agreement or start of construction. The result is that an increasingly large pool of funds carries over for processing in the next year. Congress has then appropriated funds for additional reservations, ignoring the large carryover funds to which they are added. If we were to approve the President's request for an additional 103,400 units, the pool of reservations would be up to 264,846 units, almost three times the size of the annual program we have been presented.

I applaud HUD's determination to speed up processing and work off the pipeline. I would like to see more housing built. But we should not ignore the fact that the backlog exists. It is further expected that a considerable proportion of the funds reserved in a big rush last year will never reach final approval. As those projects drop off, funds previously appropriated will be freed up for new activity. We ought to take these realities into account before adding large sums to the back of the pipeline.

Mr. President, I ask unanimous consent that a table showing the pipeline buildups be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. President, assumption "C" on table I shows that we can reduce the backlog and still provide enough authority for over 100,000 units of section 8 private developer new construction to move ahead in fiscal year 1978. I suggest we do this by recognizing that we will have a

carryover of at least 160,000 units from fiscal year 1977. If we add authority to fund 50,000 additional units, we will have almost 212,000 reservations available in fiscal year 1978 and allow a smooth pipeline flow into 1979.

The Congressional Budget Office has calculated that there are already sufficient amounts of budget authority appropriated that outlays for housing assistance would rise from $3.1 billion in 1977 to $5.4 billion in 1978 even if we added zero new budget authority from now to 1982. On top of this increase to which we are already committed, the President requested to add an additional 400,000 units, requiring budget authority of $32.8 billion. This would increase outlays to $6.3 billion in 1982. Tax expenditures and GNMA subsidies could add another $1 billion net cost to the government. The Congressional Budget Office calculates that if we added 311,000 units a year, outlays would reach over $8 billion by 1982, plus over $2 billion for tax expenditures and GNMA subsidy costs. Taking the President's budget as a policy base for the next four years would thus add over $5 billion of outlays to the budget by 1982, and $7 billion of total cost.

The reason for the Congressional Budget Process is to be able to examine our goals for housing and all other programs within the context of a total budget restraint. If we commit ourselves now to large increases in section 8 housing expenses in 1982, we might find that those expenditures squeeze out new initiatives in housing or other programs we want to undertake later on.

The reduction I have proposed will not make a major reduction in this growth. Assuming we kept adding units at the same rate in fiscal years 1979, 1980 and 1982 as we do in 1978, the difference between my proposal and the President's budget would increase from $35 million of outlays in 1980, to $109 million in 1981, to $296 million in 1982, with increasingly large differences over time. Adding in the cost of tax expenditures and GNMA subsidies, the total savings to the federal government could double to about $600 million in 1982. This is not a massive reduction when we are facing an increase of over $5 billion in outlays, much of which is already beyond our control. But it does represent a significant amount of money that could be used to fund other housing programs or other new initiatives the Congress may want to undertake as we reexamine the condition of the country over the next few years. More important, by reducing the outstanding backlog of unobligated funds, it will allow us better control over the section 8 programs as we see how it actually operates. Since hardly any units have actually been built under section 8, we do not yet know what it will produce in either costs or benefits.

There is a second reason why I am concerned with the large amounts requested for new construction of low income housing. Studies by CBO and others have shown that new construction is the most expensive way to provide better housing for poor people. For any amount of available funding, we could subsidize 50% more units of existing housing than of new housing. My concern is not just for cost, but for fairness. The Congressional Budget Office has calculated that over 38 million households—40 percent of the country—are potentially eligible for section 8 assistance. We are currently committed to a total of 3.3 million assisted units by 1982. If there is no reasonable likelihood of serving all those who need some help, then I think we ought to look for ways to spread our housing dollars among the greatest number of recipients. When we build new housing to a very high level of standards for just a few people, then their neighbors who have the same level of income but no new housing feel cheated, and rightly so. We have heard expert testimony that it is possible to achieve a substantial amount of better housing by providing rent subsidies with a few controls. Higher rents can meet better maintenance of existing buildings and less urban decay. And that can mean more private construction without direct subsidies.

I believe we do need funding of new construction for the elderly, for the handicapped, and for areas where there is just not much existing housing available. But I also think Congress ought to look carefully at the mix of new and existing housing to see that it funds the programs which go out most quickly and provide the most units for the money. There has also been a lot of discussion about the community development block grant program. The current fiscal year 1977 level of funding for this program is $3.2 billion. The President requests an increase to $4.0 billion. The Budget Committee assumed a smaller increase to $3.5 billion. This should protect communities from having their current grants reduced. I am sympathetic to the needs of communities for physical development, and I think the block grant approach is a good way to do it with fewest Federal strings attached. However, with a deficit of over $60 billion, I think we have to look carefully for programs that achieve similar purposes in different agencies and different parts of the budget. That is the special role of the Budget Committee.

When we examined community development in this light, we became aware that in the same budget we were providing for $3.1 billion of outlays under the 1977 local public works program, plus $4.5 billion for EPA water and sewer grants, $1.7 billion for unrestricted countercyclical revenue sharing, and $5 billion for temporary public jobs. All that adds up to $14.3 billion that could be used for essentially the same purpose as community development block grants. In looking at the broad range of programs I have listed, I think it is useful to mention the recent Brookings Institution study which found that about: 37 percent of block grants are used for new capital spending; 38 percent are used for continuation of preexisting community development programs; 20 percent are used for noncommunity development programs (social services); 7 percent is "substituted" into general revenue offsets of the local government; and 8 percent is unallocable.

These uses are not in violation of the law, but they do demonstrate the considerable overlap with other programs of aid to local governments which have received large funding increases.

I recognize HUD's desire to start special grants for hard hit areas, but in light of the billions added in the last 2 years, I really do not think $400 million represents a turnaround. It is just one more grant program which local governments will depend on to finance their operations each year. The central thrust of mission budgeting, zero-based budgeting, and sunset legislation is that we are going to have to stop old programs to start new ones, not just keep piling them up on top of each other. If we can get agreement on what is the most effective community development strategy, whether it is funded by HUD, by the Department of Commerce, or by Treasury, then we ought to stop our less effective programs and adopt a new one.

I am very encouraged that the Budget Committee has begun to take a long-term perspective and deal with budget authority as carefully as outlays. Too often we have heard people say that we do not have to worry because a program is just adding budget authority and would not hurt next year's deficit. Then each year we try to find room for new high priority programs and find that most outlays are "uncontrollable" due to decisions or commitments made in the past. I think in this budget resolution we have begun to take the kinds of actions that will allow us more freedom and flexibility in the future.

EXHIBIT 1

Pipeline buildup, section 8 new construction-private development

	Units
Funds reserved in fiscal year 1976 and transition quarter	116,316
Minus final agreement reached (23%)	−12,525
Minus construction started (23%)	−15,529
Carried over in pipeline for processing in fiscal year 1977 (77%)	88,262
Additional reservations provided in fiscal year 1977 budget	+80,000
Additional reservations provided in fiscal year 1977 supplemental appropriation	+57,000
Total units to be processed in fiscal year 1977	215,262
Minus 25% of reservations reaching final agreement or construction in fiscal year 1977	−53,816
Reserved units carried over for processing in fiscal year 1978	161,446
President's request for additional authority to reserve units in fiscal year 1978	+103,400
Total units requested for processing in fiscal year 1978	264,846
Assumption A: Grant President's request, assume 25% processing rate:	
Reservations in fiscal year 1978	264,846
Minus 25% final agreement	−66,212
Carryover for processing in fiscal year 1979	198,634

EXHIBIT 1—Continued

Pipeline buildup, section 8 new construction-private development—Continued

Assumption B: Grant President's request, assume 50% processing rate:	
Reservations in fiscal year 1978	264,846
Minus 50% reach final agreement	−132,423
Carryover into fiscal year 1979	132,423
Assumption C: Reduce President's request by 53,000 units, assume 50% processing rate:	
Reservations in fiscal year 1978	211,846
Minus 50% reach final agreement	−105,923
Carryover into fiscal year 1979	105,923

OHIO NUCLEAR FUEL ENRICHMENT PLANT

Mr. GLENN. Mr. President, few issues during my term as Senator have stirred the people of Ohio as much as the possibility that my State may lose the uranium enrichment add-on that had been promised for Piketon, Ohio, between Chillicothe and Portsmouth.

Newspaper articles in recent days have outlined the scope of the crisis. Many millions of tax dollars have already been expended in developing the site, and firm commitments were made to the citizens of southern Ohio, an area that has unemployment ranging between 14 and 18 percent.

Last Saturday civic leaders in that part of the State, including the distinguished speaker of the Ohio House, Vern Riffe, met with local citizens in Portsmouth, at my request. I invited Robert Fri, acting administrator of ERDA, so that he could see first-hand how deep public sentiment runs in Ohio to have the Federal Government stand by its long commitment to building the plant there. I appreciated Dr. Fri's attendance and his comments to the audience that he would convey the sentiments expressed there to the administration.

This morning I joined my colleagues, Senators METZENBAUM, FORD, and HUDDLESTON, as well as Congressmen ASHLEY and HARSHA, in a very significant meeting with President Carter at the White House. The President is intensely interested in the case that has been made for locating the facility in southern Ohio, and I would like to express my thanks to him publicly for giving us the opportunity to present our viewpoint. Senators FORD and HUDDLESTON have a deep interest in the project because the proposed plan is only about 25 miles from the Ohio River and would provide employment for many citizens of their State, too.

At this time I ask unanimous consent to have printed in the RECORD a nine-point summary of why I believe the ERDA facility should be built at Piketon. I think the case for that location is very, very substantive. These are the same points that I made in our conversation today with the President. I think that my colleagues will agree that they add up to a solid summary of why the administration should stand by its commitment to southern Ohio, a commitment that has been made in unmistakably clear terms.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

MEMORANDUM REGARDING REASONS WHY URANIUM ENRICHMENT FACILITIES SHOULD BE LOCATED NEAR PORTSMOUTH, OHIO

1. A campaign commitment was made to construct facilities in Portsmouth to meet this nation's need for additional enriched uranium. This commitment reinforced the commitment made by the prior Administration to that same effect, and $176 million was appropriated for FY/77 to carry out the project.

2. In reliance upon the belief that this Administration was continuing the Portsmouth construction project, substantial federal funds have been spent, many people have purchased homes and moved into the area to work on initial phases, and an expectation developed that the severe unemployment and depressed economic conditions in the area would be somewhat alleviated.

3. Unemployment figures furnished by the U.S. Department of Labor show that unemployment in the Portsmouth area is generally double the unemployment in the Oak Ridge, Tennessee area. 1976 annual average unemployment for Scioto County, Ohio, was 15.5%. Adjacent Pike and Adams Counties in Ohio had 1976 annual average unemployment of 11.3% and 15.6% respectively. By comparison, counties in and around Oak Ridge, Tennessee, are Roane County, 7.3%; Anderson County, 6.9%; and Knox County, 4.6%. Unemployment in the Portsmouth area has been long-standing, causing substantial population loss and adverse economic conditions. Current unemployment figures (February, 1977) for Scioto County, Ohio, are 18.7%, while unemployment in Pike County, Ohio, is currently 12.3%.

4. 17 ERDA employees have moved their families into the area and 14 have either bought homes or lots for new home construction. Goodyear Atomic Corporation, which manages the existing facility, has to date hired an additional 110 scientific and professional employees to work on the anticipated construction, and approximately 75% of them have already moved into the area. All of these families made moves in reliance upon the federal commitment that the Portsmouth construction would be a reality.

5. The Environmental Impact Statement for the additional Portsmouth construction has been completed, at a cost of $750,000. The second preliminary draft was released in February, 1977, and the Statement is due to be published in final form in May. Almost all of the work done on the Statement in anticipation of a gaseous diffusion plant would remain applicable to a centrifuge plant. The Statement was over a year in preparation, and a move of the facility to Oak Ridge would require a new Environmental Impact Study, thus delaying completion of construction.

6. Approximately $4 million has already been spent in design work for parking lots, roads, warehouses and an Administration building. This work is transferable to the centrifuge facility, and the expenditures would be lost in the event construction does not go forward in Portsmouth.

7. A contract was entered into with Battelle Memorial Institute to do a socio-economic impact study with respect to the new construction. The contract was for $170,000, and approximately $140,000 has been spent to date. The study is scheduled for completion around the end of May, and virtually all of the results would remain applicable to construction of the centrifuge facilities.

8. Efforts to insure minority hiring are under way. Representatives from ERDA met with representatives of the NAACP in Columbus during the week of March 21 to work out plans for increased minority employment.

9. No apparent reason exists for moving the new construction to Oak Ridge. Hopes and expectations have developed to a substantial degree in the Portsmouth area based upon the anticipated economic benefits from the construction. No such long-standing expectations exist in Oak Ridge, and it has been reported that the effect of cancellation of the Clinch River breeder reactor project there is minimal. Approximately 450 jobs are involved with the breeder reactor project, and some of them will be saved because $33 million is still requested for FY 78. The President of the Oak Ridge Chamber of Commerce has stated that he did not think loss of the breeder would have a severe effect in Oak Ridge and the surrounding area, and was quoted in Saturday's New York Times as saying "much of the actual hardware for the breeder is being built elsewhere and it would only be assembled here." This compares with approximately 5,000 jobs to construct the uranium enrichment facility, and approximately 2,200 permanent jobs in connection with operation once the facility is built.

THE CASE OF RONALD R. HUTCHINSON VERSUS WILLIAM PROXMIRE AND MORTON SCHWARTZ

Mr. ROBERT C. BYRD. Mr. President, in April of 1975 Senator WILLIAM PROXMIRE of Wisconsin gave his "Golden Fleece of the Month" award to the National Science Foundation, the National Aeronautics and Space Administration, and the Office of Naval Research for spending almost $500,000 to determine under what conditions rats, monkeys, and humans bite and clench their jaws. As a member of the Senate Appropriations Committee, Senator PROXMIRE votes on the funds for all the agencies involved, and he chairs the Subcommittee on HUD-Independent Agencies, which has jurisditcion over both National Science Foundation and NASA funding.

Senator PROXMIRE gave a speech on the Senate floor in which he made the award. He also issued a press release, embargoed until the time of the Senate speech, which was a verbatim copy of the speech except for a slight change in which his introduction in the Senate speech was changed and deleted. In addition, the Senator later appeared on the Mike Douglas television show and stated that one of the awards had been for a study to find out why monkeys clench their jaws. He did not mention the researcher by name on that occasion. Additionally, Senator PROXMIRE sent out a newsletter to his constituents commenting further on the award and distributed copies of his original speech and release to those who requested them.

One year short a day after the speech, the researcher who had received the funds sued Senator PROXMIRE and his legislative assistant Mr. Morton Schwartz for $6 million in damages for alleged slander, libel, and other charges. Later the suit was amended to seek another $2 million in damages. In addition, the plaintiff failed to serve Morton Schwartz.

When the suit was filed, Senator PROXMIRE inquired as to what action he should take. He was told that routinely the Justice Department defends any

Federal official who is sued for conduct involving his official duties. The Senator wrote the Justice Department asking it to consider defending the case, and by letter they agreed to do so.

However, in the meantime the Senator's staff studied the precedents and cases and determined that there was a conflict between the rights and prerogatives of the Senate, as outlined in the speech and debate clause of the Constitution, and the position of the Justice Department in some previous cases.

When this was reported to the Senate leadership—Mr. Mansfield and Mr. Scott—they immediately wrote to the Senate Rules Committee saying that the Senate's rights were at stake in the case and sent Mr. Alan Raywid, a Washington attorney who had previously served in the Justice Department, to represent Senator PROXMIRE.

At a later date the Senate Rules Committee determined that the case was important to the Senate and passed a resolution supporting the Senator from Wisconsin's case. The Senate itself ratified this action.

We now have a decision in the case, which is of considerable importance to the Senate, the press, and the public.

It holds that the Senator's speech in the Senate was immune under the speech and debate clause. It also holds that the press release reporting the floor speech was within the informing function of Congress and was absolutely privileged. The Judge states that—

That press release, in a Constitutional sense, was no different than would have been a television or radio broadcast of his speech from the Senate floor.

The Judge also found that the statement Senator PROXMIRE made on national television was "innocuous" in that the researcher was neither identified nor could reasonably have been identified from the context of the statement.

The Judge further found that the researcher was both a "public official" and a "public figure," that no "malice" was involved in the Senator's remarks about his work, and that there was "no reckless disregard of the truth" with respect to the factual statement of Senator PROXMIRE, which was in fact accurate in every respect except for the spelling of the first name of the researcher.

Finally, the judge found that the statements were not libelous under the laws of either the District of Columbia or the State of Michigan, where damage might be said to have occurred.

Mr. President, this decision can have far reaching effects with respect to the conduct of the Senate. It is clear that the speech and debate clause has been upheld and strengthened as a result of this decision. A Senator's immunity from frivolous suits or harassment when involved in legitimate legislative activity is upheld.

As Senator PROXMIRE said:

This case goes far beyond the parties involved. What is at stake is the right of an elected Senator to comment upon and criticize publicly the spending of taxpayers' money.

If a Senator can be sued successfully for exercising his legitimate legislative activity, especially in criticizing government spending over which the Congress has a special Constitutional responsibility, the Congress itself could be muzzled and its legislative independence imperiled.

Mr. President, because this case is of such importance to the Senate I ask unanimous consent that a copy of the covering letter from the attorney who was hired by the Senate to represent Senator PROXMIRE and the memorandum decision be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COLE, ZYLSTRA & RAYWID,
ATTORNEYS AT LAW,
Washington, D.C., April 26, 1977.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I am pleased to transmit to you Judge Leighton's opinion of April 22, 1977, granting summary judgment in your favor and also in favor of your staff member, Morton Schwartz, holding that your comments concerning the Plaintiff are privileged from suit in part and otherwise not actionable libel.

Contained in the opinion is a rather thorough examination of the Speech and Debate Clause and the standards for application of Congressional immunity. In defining the limits of legitimate legislative activity, you will note that Judge Leighton held that the press release reporting your floor speech is within the informing function of Congress and thus absolutely privileged. In reaching that conclusion, the Court relied on lower court opinions upholding the franking privilege. Other activity, such as the contacts with government agencies, the decision holds are similarly privileged as falling within the investigative function of Congress.

Because of the nature of the comments and the status of the Plaintiff, Dr. Hutchinson, as a recipient of public funding, the Court holds that your comments on the Mike Douglas Show, as well as the newsletters to constituents, are not actionable under the First Amendment rights as defined in the New York Times doctrine. That doctrine holds that to preserve free, uninhibited discussion of public issues a party may not be held liable for making a defamatory falsehood about a public official unless the plaintiff demonstrates that the publicataion was made with actual malice, that is with actual knowledge of falsity or reckless disregard of the truth. But, the Court went beyond the finding that your comments were absent actual malice and held, under applicable state libel laws, that your remarks were "fair comment".

In my view, the opinion is a helpful ruling in defining and clarifying both the informing and the investigative functions of Congress, and thus the scope of legitimate legislative activity. The decision is final unless appealed within 30 days.

Please accept my warm personal regards and congratulations.

Respectfully yours,

ALAN RAYWID.

[In the U.S. District Court for the Western District of Wisconsin, 76–C–257]

(Ronald R. Hutchinson, Plaintiff, v. William Proxmire and Morton Schwartz, Defendants, before the Honorable George N. Leighton, U.S. District Judge, Northern District of Illinois, sitting by designation)

MEMORANDUM

I.

This is a suit by a research scientist against a United States Senator, and one of his administrative assistants, seeking eight million dollars in damages for alleged slander, libel, malicious interference with contractual relations, malicious conduct or conduct with grossly negligent disregard for the truth, invasion of rights to privacy, and intentional infliction of emotional anguish. Jurisdiction is invoked under 28 U.S.C. § 1332 (a) (1). When this suit was filed the presiding district judge recused himself, and this court was appointed to sit by designation.

Thereafter, the United States Senator moved, in the alternative, for summary judgment. Therefore, the question to be decided is whether the motion, pleadings, depositions, exhibits, and affidavits disclose there is no genuine issue of material fact and that movement is entitled to judgment as a matter of law. However, to answer this question, this court must resolve three issues. 1. Whether the investigative activities of the United States Senator in connection with his duties as a member of Senate subcommittees were privileged. 2. Whether a press release issued by the United States Senate Service Department and containing the substance of a Senate floor speech by the United States Senator was privileged under the speech or debate clause of the United States Constitution. 3. Whether the statements made by the United States Senator to his constituents and in a television appearance were libelous or defamatory. The material facts are as follows.[1]

II.

The plaintiff, Dr. Ronald R. Hutchinson, is a research scientist, president of the Foundation for Behavioral Research, a non-profit organization, former director of research at Kalamazoo State Hospital, Fort Custer State Home, and former adjunct associate professor of psychology at Western Michigan University. From 1966 to 1975, he directed research projects under federal grants from the National Aeronautics and Space Administration (NASA), the National Institute for Mental Health (NIMH), the National Institute for Drug Abuse (NIDA) and the Office of Naval Research (ONR). These projects were investigations into various aspects of animal and human aggression.

Defendant William Proxmire is the senior United States Senator from Wisconsin. Among his congressional duties is service on subcommittees of the Senate Committee on Appropriations which have jurisdiction and review of budget and appropriations for ONR, NASA, NSF, NIDA, and NIMH. As a member of these subcommittees, he votes on appropriations for government obligations and makes recommendations regarding expenditures. Defendant Morton Schwartz is Senator Proxmire's administrative assistant in legislative matters. His duties included research into efficiency in domestic government spending so that he could make recommendations to his superiors on the desirability of particular appropriations.

Early in 1975, Senator Proxmire directed his staff to gather information on wasteful government spending and provide him with at least one example each month so he could dramatize it, call it to the attention of his colleagues, and thus discourage it. To this end, while speaking on the Senate floor in March, 1975, he established what he called the "Golden Fleece of the Month Award," a program through which he made monthly announcements of wasteful government spending identified by his staff. These announcements were routinely accompanied by

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[1] This court acknowledges the invaluable assistance of Ms. Emily Nicklin, a third year student at the University of Chicago Law School, who did the underlying research, analysis of the cases, and the preliminary papers for this Memorandum. The caliber of her work reflects the high standards that characterize American legal education and the ability of the young men and women who are preparing to enter our profession.

a press release publicizing his selection for the award.

The Senate Service Department, under the Senate Sergeant-at-Arms, duplicates and distributes senatorial press releases after reviewing them for conformity with Senate regulations governing use of the mailing frank. Senator Proxmire's office routinely supplies the Service Department with a copy of a proposed release and a list of distributees composed at the Senator's direction with the view toward conveying information to his constituents, to interested segments of the news media, and his colleagues, either directly or through their constituents. Senator Proxmire established and approved the procedure by which his news releases were sent to the Senate Service Department for duplication and distribution.

In March 1975, Mr. Schwartz learned of Dr. Hutchinson's research from Dr. D. Greenburg, editor of a social science publication who had read of plaintiff's work in NTIS, a weekly abstract of government studies and publications. The NTIS abstract referred to two publications by NASA giving details of Dr. Hutchinson's research, both of which Mr. Schwartz subsequently obtained by mail from NASA's Congressional Liaison Officer, Mr. William Allen. The NASA publications cited other research conducted by plaintiff with grants from ONR, NSF, and the Michigan State Department of Mental Health. Mr. Schwartz contacted ONR and NSF seeking information concerning this research. He spoke with Dr. Robert Woodward of ONR and Mr. Richard Wilson, Congressional Liaison Officer for NSF, inquiring into their reasons for supporting Dr. Hutchinson's projects. at all times, he identifies himself as a member of Senator Proxmire's staff. Mr. Schwartz' review of the documents he obtained uncovered one grant to the plaintiff by NIMH, and the additional information that NIMH had rejected all but one 1962 research application Dr. Hutchinson had made to that agency. Having decided that the federal fundings of plaintiff's research constituted a potential "Golden Fleece of the Month Award," Mr. Schwartz spent approximately forty hours over a four-week period reviewing documents and preparing a draft of his findings. During this time, he contacted various state and federal agencies to inquire about the structure of the fundings and to determine their justification.

On or about April 11, 1975, defendant Schwartz telephoned NIMH, and was informed by Mr. Joseph Bracket that other than an expired 1962 grant, plaintiff's research had not been funded by that agency. After this inquiry, Dr. Hutchinson received from NIMH a $11,554 three-year grant commencing on June 1, 1975. Three days later, Mr. Schwartz made telephone calls to various agencies. He contacted the Michigan State Department of Mental Health to inquire about the structure of plaintiff's state fundings. He telephoned NIDA where he was informed that it did not fund any of plaintiff's projects.[2] He telephoned Mr. Fred Stollnitz of NSF and discussed the possibility of that agency receiving a Golden Fleece of the Month Award for its part in the funding of plaintiff's research. Mr. Stollnitz' telephone log of the conversation reveals that Mr. Schwartz criticized the NSF funding, stating that plaintiff's research was obvious and duplicatively funded by ONR; and that NIMH had not granted plaintiff any funds. On April 15, Mr. Schwartz telephoned Mr. Stollnitz to inform him that NSF would definitely receive the award and made comment about what he called Dr. Hutchinson's "grantsmanship." This having been done, a draft of the "Golden Fleece of the Month Award" for April 1975 was prepared and submitted for review by Senator Proxmire and Mr. Howard Shuman, another of his administrative assistants. After some editing, the award draft was finalized and approved. A copy of the news release concerning the award was sent to the Senate Service Department by Mr. Shuman on April 15 for release on the morning of April 18, 1975.[3]

On or about April 15, Mr. Schwartz telephoned Dr. Hutchinson, told him of the planned Golden Fleece Award, and read him the text of the press release. Plaintiff objected because he thought it did not fairly evaluate his work, and that his name was misspelled. As was his custom, Senator Proxmire made the award the subject of a Senate floor speech in which he stated that NSF, ONR, and NASA had spent:

"almost $500,000[4] in the last seven years to determine under what condition rats, monkeys, and humans bite and clench their jaws. From the findings of these studies, it is clear that the government paid a half a million dollars to find out that anger, stopping smoking, and loud noises produce jaw clenching in people . . . . All this money went to Dr. Roland [sic] R. Hutchinson of Kalamazoo State Hospital in Michigan. . . . Dr. Hutchinson's studies should make the taxpayer as well as his monkeys grind their teeth. In fact, the good doctor has made a fortune from his monkeys and in the process made a monkey out of the American taxpayer. . . . In view of the transparent worthlessness of Hutchinson's studies . . . it is time we put a stop to the bite Hutchinson and the bureaucrats who fund him have been taking out of the taxpayer."

In the next newsletter he mailed to his constituents following the release, Senator Proxmire told them of the April award. The news item was in the following language:

ROMANTIC LOVE STUDIED

Each month I have decided to offer a "golden fleece" award to the organization or person who has most utterly wasted your tax dollars.

Last month's award went to the National Science Foundation for a study of why people fall in love. For $84,000 the researchers were supposed to find out how people grow dependent upon each other in what they called "romantic love."

Not only is this a question that cannot be answered, like what is infinity, I'm not sure we want an answer. There should be some mysteries in life.

A BITE OUT OF YOUR POCKETBOOK

This month the award is shared jointly by the National Science Foundation, National Aeronautics and Space Administration and the Office of Naval Research. These three organizations have put up $500,000 of your tax money to reach the astounding conclusion that people and monkeys clench their jaws when angry or forced to stop smoking or confronted with loud noise.

In seven years of work by Dr. Ronald R. Hutchinson of Michigan, your money was used to discover that people get angry when they feel cheated and they tend to clench their jaws or even scream and kick. Did you know that? Did you know that monkeys become angry when they are given electric shocks? Or that drunk monkeys do not react as quickly as sober monkeys? That's what your taxes paid for!

Dr. Hutchinson has received one grant after another from various federal bureaucracies to study these earth shaking problems. He has examined crayfish, wasps, boa constrictors, turtles, alligators, opossums, foxes, pigeons, rats, monkeys and humans to discover under what circumstances they show signs of being angry.

TESTS ON ANIMALS

He has "stimulated" the animals by using physical blows, electric tail shocks, intense heat, brain probing, air blasts, foot shocks and loud noises. He has influenced them with morphine, tranquilizers, food, alcohol, caffeine and in the case of humans, with money.

He graduated from animals to humans in 1970. That's when he began to conclude that humans bite and clench their jaws under stress. And that when they feel cheated, they react by screaming and kicking on occasions.

These studies are continuing and several new proposals, if accepted, will mean another $150,000 for this program.

If this use of your tax money makes you want to kick and scream or clench your jaws, then join the club. The good doctor has made a monkey out of the federal bureaucrats.

I've told these government agencies it's time to get out of this "monkey business" and put an end to worthless studies be they scientific or social.

If you have any suggestions for my next "golden fleece" award, please write to me in Washington.

On at least one other occasion, Senator Proxmire mentioned plaintiff by name to his constituents and commented on what he thought was useless research at the expense of taxpayers. And on the same subject, he made some unspecified statements to a District of Columbia reporting firm, contributed to or authored an article in a popular publication called "Human Events Magazine" and gave an interview to "Behavior Today," a journal that publishes articles on subjects within the spectrum of the behavioral sciences. In the meantime, either Senator Proxmire personally, or his assistant Mr. Schwartz, made follow-up inquiries of federal and state agencies concerning their reaction to the April Golden Fleece of the Month Award.

Then on November 24, 1975, Senator Proxmire appeared on the Mike Douglas Show, a nationally televised interview program, and described his "Golden Fleece of the Month Award[s]." In response to questions, he gave three examples; and without naming him, alluded to Dr. Hutchinson's research, saying that one of the awards had been for ". . . a study that cost $500,000 to find out why people, rats, and monkeys clench their jaws. They found out they clench their jaws when they were angry, when they were prodded by sticks, when they were hungry, and they didn't clench their jaws as much if they had been drinking."

III.

The complaint that began this suit, originally in three counts with a fourth added by amendment, attaches the April 18, 1975 press release as an exhibit and alleges it contained untrue statements and omitted others so that the release incorrectly or falsely summarized studies with the result that Senator Proxmire, his agents and employees libeled, slandered and defamed him by implying that he improperly or illegally profited personally from his governmental research grants; that defendants' telephoning of various federal agencies and attempting to persuade or pressure them to terminate existing grants or contracts for research, prejudiced and prevented plaintiff from obtaining other grants or contracts from federal agencies in the future; that Mr. Schwartz in contacting the federal agencies

[2] Since the Golden Fleece Award was given to agencies funding plaintiff's research, he has received at least three federal grants: from NASA for one year commencing February 1, 1976, in the sum of $25,000; from NIDA for six months commencing May 30, 1975, in the sum of $54,800; and from NIMH for three years commencing June 1, 1975, in the sum of $11,554.

[3] The release is set out in full as Appendix A to this Memorandum.

[4] There are various estimates of how much federal money plaintiff actually received. Senator Proxmire states that plaintiff received $910,500; plaintiff says that the sum is $820,500.

involved identified himself as Senator Proxmire's staff member and uttered or published slanderous, libelous and defamatory statements which were false regarding plaintiff and threatened or implied to these agencies that if they continued funding of plaintiff's research they would receive Senator Proxmire's "Golden Fleece of the Month Award;" that as a result of defendants' actions, plaintiff lost research funding from various federal agencies, lost the respect of his profession, was subjected to humiliation, held up to public scorn, suffered extreme mental anguish, injury to his feelings, physical illness and pain to his person, accompanied by loss of income and ability to earn money in the future; and that defendants' conduct intentionally violated and infringed plaintiff's right to privacy, his right to peace of mind and tranquility, for which conduct plaintiff seeks judgment against defendants, jointly and severally, in the sum of $8,000,000.

Senator Proxmire's alternative motion for summary judgment concedes as true the issuance of the press release, his investigative activities and those of his administrative assistant, the news letters to constituents containing statements about Dr. Hutchinson, and the appearance in the Mike Douglas television show accompanied by the statement concerning the Golden Fleece Award for April 1975. The Senator, however, insists that summary judgment in his favor must be entered because the alleged misconduct was legitimate legislative activity and accordingly absolutely privileged by virtue of the speech or debate clause of the United States Constitution, article I, section 6. He argues that the conduct falls within the investigative or informing functions of Congress, and was related to public contracting and expenditures which are at the heart of congressional business. He insists that his statements and criticisms concerning the use of public funds were privileged under the free speech clause of the First Amendment to the United States constitution. He says that (1) Dr. Hutchinson, as a recipient of public funds, was and is both a public official and a public figure; and (2) there is no factual basis to support a judgment for the plaintiff in this case because (a) his statements accurately and truthfully reported the public contracting involved; (b) the record demonstrates an absence of malice; that is, knowledge of falsity or reckless disregard of the truth; (c) during his television appearance he did not make any statements that constituted actionable libel, defamation or slander; and (d) Mr. Schwartz' communications with government officials administering public funds were privileged. The motion, contention and argument are supported by a well-documented brief, affidavits, 72 exhibits and references to depositions.

Dr. Hutchinson meets this motion with counter-affidavits, 96 exhibits, and a well-written brief containing two arguments that raise what is claimed to be material issues of fact which can only be resolved by a trial. The counter-affidavits are those of fellow scientists familiar with Dr. Hutchinson's work, government evaluations of his research, newspaper articles about the plaintiff, and a number of scientific papers authored by him. From this, he argues that the conduct of Senator Proxmire and his administrative assistant was not legitimate legislative activity and therefore not privileged under the speech or debate clause. Plaintiff declares that his complaint is not directed at any speech on the floor of the Senate; it is at the libel by republication contained in the press release of April 18, 1975, that contained in newsletters to the Senator's constituents, the allegedly defamatory statement Senator Proxmire made during the Mike Douglas Show, the comments concerning plaintiff to news reporters, and communications with various federal agencies and their staffs. Dr. Hutchinson argues for a restrictive application of the speech or debate clause which, he insists, is mandated by decisions of the United States Supreme Court in a number of its recent pronouncements on the subject.

IV.

A.

The speech or debate clause of the federal constitution provides, in pertinent part, that ". . . Senators and Representatives . . . for any Speech or Debate in either House, . . . shall not be questioned in any other Place." U.S. Const. art I, sec. 6. In *Kilbourn* v. *Thompson*, 103 U.S. 168 (1880), for the first time, the Supreme Court dealt with a challenge to the immunity conferered by the clause. There, a congressional committee witness who refused to deliver certain documents to the committee was ordered taken into custody. He brought suit for false imprisonment against the House Sergeant-at-Arms and members of the House of Representatives who had voted for the order. It was held that in ordering the witness' imprisonment, the House had exceeded its authority; but that the speech or debate clause precluded imposition of liability on the congressmen who voted for the arrest, even though they had violated the witness' constitutional rights. The Court said:

"It would be a narrow view of the constitutional provision to limit it to words spoken in debate. The reason of the rule is as forcible in its application to written reports presented in that body by its committees, to resolutions offered, which, though in writing, must be reproduced in speech, and to the act of voting. . . . In short, to things generally done in a session of the House by one of its members in relation to the business before it." 103 U.S. at 204.

Thus, actions within the legislative role were held to be within the ambit of the privilege. And consistent with this holding, the Supreme Court has reaffirmed that once it is determined a member of Congress is acting within a "legitimate legislative sphere," the speech or debate clause is an absolute bar to interference. *Eastland* v. *United States Servicemen's Fund*, 421 U.S. 491, 503 (1975), citing *Doe* v. *McMillan*, 412 U.S. 306, 314 (1973). The standard for invoking congressional immunity under article I, section 6 of the Constitution is the standard of legitimate legislative activity. In the event of a suit, once it is determined that the conduct complained of meets that standard, the action must be dismissed. The Court has said:

"[L]egislators acting within the sphere of legitimate legislative activity 'should be protected not only from the consequences of litigation's results but also from the burden of defending themselves.' *Dombrowski* v. *Eastland*, [387 U.S. 82, 85 (1967)] . . . [A] private civil action, whether for an injunction or damages, creates a distraction and forces Members to divert their time, energy, and attention from their legislative tasks to defend the litigation. Private civil actions also may be used to delay and disrupt the legislative function. Moreover, whether a criminal action is instituted by the Executive Branch, or a civil action is brought by private parties, judicial power is still brought to bear on Members of Congress and legislative independence is imperiled." *Eastland* v. *United States Servicemen's Fund*, 421 U.S. 491, 503 (1975).

Although it is certain that legitimate legislative activity is within the privilege, considerable confusion exists as to what constitutes legitimate legislative activity because there are expansive dicta and a multiplicity of views in the cases examining various conduct alleged to be protected by the clause. Although the Supreme Court has always insisted that the clause must be read "broadly to effectuate its purpose," *United States* v. *Johnson*, 383 U.S. 169, 180 (1966), recent cases appear to adopt a restrictive view of what is legitimate legislative activity.

The conduct of Senator Proxmire and his administrative assistant can be divided into phases for the purpose of determining applicability of the speech or debate clause:

(1) investigation into federal funding of Dr. Hutchinson's research;

(2) delivery of a speech on the Senate floor by the Senator; and issuance of a press release reciting the facts and content of the Senate speech;

(3) follow-up investigation by the Senator's staff and by him at appropriation hearings; and

(4) the Senator's statement on the Mike Douglas Show, his newsletter to constituents, and his other comments about the plaintiff.

As to the investigation into federal funding of Dr. Hutchinson's research, the Supreme Court has always recognized the authority of Congress to investigate. In *Watkins* v. *United States*, 354 U.S. 178 (1957), dealing with the appeal from a conviction for contempt of Congress, the Court stated:

"The power of Congress to conduct investigations is inherent in the legislative process. That power is bread. . . . It comprehends probes into departments of the Federal Government to expose corruption, inefficiency or waste. But, broad as is this power of inquiry, it is not unlimited. There is no general authority to expose the private affairs of individuals without justification in terms of the functions of the Congress. . . . No inquiry is an end in itself; it must be related to, and in furtherance of, a legitimate task of the Congress. Investigations conducted solely for the personal aggrandizement of the investigators or to 'punish' those investigated are indefensible." 354 U.S. at 187.

In this case, Senator Proxmire serves on several subcommittees of the Senate Committee on Appropriations. These subcommittees review the budgets of the various agencies with which Dr. Hutchinson has contracted. As a member of these subcommittees, Senator Proxmire votes on appropriations, makes recommendations regarding the distribution of government funds, and concerns himself with their expenditure. Therefore, his inquiries, and those of his administrative assistant, into how American taxpayers' moneys are spent by the agencies over which the subcommittees in question had jurisdiction were privileged as legitimate legislative activity under the *Kilbourn* test of "things generally done in a session of the House by one of its members in relation to the business before it." 103 U.S. at 204. This being the case, the court will turn to the issue whether as to Senator Proxmire, the April 18, 1975 press release was also privileged under the speech or debate clause.

B.

The most recent Supreme Court pronouncements on the subject of legitimate legislative activity in the context of republication of congressional activity are *Gravel* v. *United States*, 408 U.S. 606 (1972), and *Doe* v. *McMillan*, 412 U.S. 306 (1973). These pronouncements have an important bearing on the issue to be resolved.

In *Gravel*, the government sought to subpoena a Senator's aide and compel him to testify before a grand jury investigating the release and republication of certain classified documents, the Pentagon Papers. It appears that Senator Gravel had convened a subcommittee meeting and had read extensively from the classified materials. He then inserted a forty-seven volume study into the Congressional Record and, some weeks later, arranged for their republication by a private printing company. The Senator, as intervenor, moved to quash the subpoena and to require the government to specify the questions it was going to ask his aide, contending that requiring the aide to testify would violate

the speech or debate clause. In a six to three decision, the Supreme Court agreed with Senator Gravel, holding that the speech or debate clause extended immunity to both him and his aide with respect to events which occurred in preparation for and conduct of the subcommittee meeting. However, the Court held that there was no immunity with respect to arrangements the Senator had made for private republication of the Papers. With regard to the immunity that extended to the Senator's aide, the Court said,

"[I]t is literally impossible, in view of the complexities of the modern legislative process, with Congress almost constantly in session and matters of legislative concern constantly proliferating, for Members of Congress to perform their legislative task without the help of aides and assistants; . . . the day-to-day work of such aides is so critical to the Members' performance that they must be treated as the latter's alter egos; and . . . if they are not so recognized, the central role of the Speech or Debate Clause—to prevent intimidation of legislators by the Executive and accountability before a possibly hostile judiciary [citation omitted]—will inevitably be diminished and frustrated." 408 U.S. at 616–617.

The court emphasized that aides are only protected insofar as they "perform or aid in the performance of legislative acts." 408 U.S. at 618. Thus, they are protected only to the extent they perform acts which would be privileged were the legislator-superior to perform them.

In holding that the privilege precluded questioning of either the Senator or his aide about the subcommittee meeting, but not about the arrangements for private republication, the Court found that the subcommittee meeting easily met the *Kilbourn* test of acts "generally done in a session of the House by one of its members in relation to business before it." 408 U.S. at 624. The Court assumed that action taken in committee was legitimate legislative activity, without examining its relationship to pending legislation or ordinary committee business. Arrangements for private republication of the Papers were found not to meet the test because they were unrelated to the legislative process. 408 U.S. 625–26. The court warned:

"Legislative acts are not all-encompassing. The heart of the Clause is speech or debate in either House. Insofar as the Clause is construed to reach other matters, they must be an integral part of the deliberative and communicative processes by which Members participate in committee and House proceedings with respect to the consideration and passage or rejection of proposed legislation or with respect to other matters which the Constitution places within the jurisdiction of either House." 408 U.S. at 625.

Private republication, the Court found, was not central to Senate deliberations; consequently, a grand jury inquiry into arrangements for private republication did not threaten Senate independence by "impermissibly" exposing Senate deliberations to executive influence. 408 U.S. at 625.

In *Doe* v. *McMillan*, 412 U.S. 306 (1973), parents of children in the District of Columbia school system brought a class action alleging that the release and publication of a congressional committee report on the District of Columbia school system revealed embarrassing information about individually named children, infringed their right to privacy, damaged their mental and physical health, and harmed their reputations and future careers. The parents sought to enjoin further publication, and recover compensatory and punitive damages. The defendants, among others, included (1) the Chairman and members of the House Committee on the District of Columbia; (2) various committee staff members; and (3) the Superintendent of Documents and the Public Printer.

The District Court dismissed the complaint as to all defendants; the Court of Appeals affirmed; the Supreme Court affirmed in part and reversed in part, holding that the complaint was barred by the speech or debate clause "insofar as it sought relief from the Congressmen-Committee members, from the Committee staff, from the consultant, or from the investigator, for introducing material at Committee hearings that identified particular individuals, for referring the report that included the material to the Speaker of the House, and for voting for publication of the report." 412 U.S. at 312. These acts, and distribution of the report, the Court said, were "legislative acts." 412 U.S. 312. It recognized explicitly that, constitutionally, there was no judicial authority to oversee the judgment of the Committee with respect to the utility or necessity of including the names of particular children in the report. 412 U.S. at 313.

However, the Court refused to extend the privilege to non-legislator personnel who published the report for the purpose of informing the public about congressional business. Therefore, it found that the Superintendent of Documents and the Public Printer enjoyed no immunity to carrying out the directions given them to publish the report, although Congressmen and their staffs were immune from suit for ordering the publication that went beyond the requirements of the legislative function. In holding liable those who, at the direction of Congress, distributed actionable material to the public, the Court commented:

"To hold otherwise would be to invite gratuitous injury to citizens for little if any public purpose. We are unwilling to sanction such a result, at least absent more substantial evidence that, in order to perform its legislative function, Congress must not only inform the public about the fundamentals of its business but also must distribute to the public generally materials otherwise actionable under local law." 412 U.S. at 316–17.

The "informing function" of Congress was not undermined by the holding, the Court insisted, because congressional materials such as reports are available for inspection by the press and the public. 412 U.S. at 317.

The dissent in *Gravel* joined the *Doe* majority with Justice Douglas' concurring opinion emphasizing that.

"We all should be painfully aware of the potentially devastating effects of congressional accusations. . . . There can be no question that the [Senate] resolution authorizing the investigation and study expressed a legitimate legislative purpose. Nevertheless, neither the investigatory nor, indeed, the informing function of Congress authorizes any 'congressional power to expose for the sake of exposure'." 412 U.S. at 329, 330, (citing *Watkins* v. *United States*, 354 U.S. 178, 200 (1957).)

Three members of the *Gravel* majority, Chief Justice Burger and Justices Blackmun and Rehnquist, dissented. They argued that the speech or debate clause should be read to cover preparation, content, and publication of any committee report, once it is determined that it was properly authorized by Congress and had a valid legislative purpose. 412 U.S. at 331 *et seq.* Therefore· *Doe* v. *McMillan* suggests a restrictive view of what constitutes legitimate legislative activity in the context of private defamation actions. By distinguishing between the Congressmen and their staff, on the one hand, and the Public Printer and the Superintendent of Documents, on the other, the Court has made it clear that authorizing and requesting distribution of a privileged speech or document may not be made the basis of civil or criminal liability, while distribution by non-legislators may lead to liability because the privilege of the speech or debate clause does not apply.[5]

In the case at bar, Senator Proxmire resists liability for the press release on two grounds, one of which is compatible with *Gravel* and *Doe*. First, he argues that no liability can be imposed upon him for authorizing the release because the subject matter of the statement, appropriations and expenditures, is within his immediate jurisdiction as a member of the various subcommittees on appropriations. Hence, his conduct is absolutely privileged, as were the actions of the subcommittee members in *Doe*. Second, he insists that his authorization of the press release is immune because it is an exercise of the "informing function." Congress has enacted legislation to establish guidelines and mechanisms for distribution of various materials. The franking statute, 39 U.S.C. § 3210 (1970), promotes the "informing function" by authorizing free use of the mails. The statute specifically includes press releases and newsletters ". . . . which may deal with such matters as the impact of laws and decisions on State and local governments and individual citizens; reports on public and official actions taken by Members of Congress; and discussions of proposed or pending legislation or governmental actions and the positions of Members of Congress on, and arguments for or against, such matters." 39 U.S.C. § 3210 (3) (B). Moreover, Congress has established an administrative procedure for policing possible abuses of the franking privilege. See 2 U.S.C. § 501, *et seq.*

Lower courts have recognized the legitimacy of the "informing function" as a legislative activity in actions involving alleged abuses of the franking privilege. In *Hoellen* v. *Annunzio*, 348 F. Supp. 305 (N.D. Ill. 1972), *aff'd* 468 F.2d 522 (7th Cir. 1972), *cert. denied*, 412 U.S. 953 (1973), the district court held that the use of the frank to send constituents questionnaires which contained the defendant-Congressman's photograph was a legitimate mailing "upon official business" in the exercise of the "informing function." See *Bowie v. Williams*, 351 F. Supp. 628 (E.D. Pa. 1972). For these reasons, this court is constrained to agree with Senator Proxmire. The speech or debate clause of the constitution renders him immune from liability to Dr. Hutchinson for his authorization of the press release of April 18, 1975. That press release, in a constitutional sense, was no different than would have been a television or radio broadcast of his speech from the Senate floor.

C.

The remaining issue is whether Senator Proxmire's statement on the Mike Douglas Show, his newsletter references to Dr. Hutchinson's research and fundings, his comments to news reporters and in interviews either

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[5] In other cases, the Court has shown a willingness to impose liability on those who act at the direction of legislators, while protecting the legislators themselves. See, *e.g.*, *Powell* v. *McCormack*, 395 U.S. 486 (1969), where certain House members, the House Sergeant-at-Arms, and the House Doorkeeper were sued for violating constitutional rights; House members held immune under speech or debate clause. Sergeant-at-Arms and Doorkeeper held not immune for carrying out House members' orders; *Dombrowski* v. *Eastland*, 387 U.S. 82 (1967), where legislators and their counsel accused of participation in conspiracy to violate constitutional rights, legislators held immune under clause, no immunity necessarily extended to their counsel; *Kilbourn* v. *Thompson* 103 U.S. 168 (1880).

mentioning Dr. Hutchinson by name or alluding to his work, were libelous or defamatory. Resolution of this issue depends on Dr. Hutchinson's position in his community, and the interest of the public in the research projects for which he had received federal funding.

In *New York Times Co. v. Sullivan*, 376 U.S. 254 (1964), the Supreme Court held that the First Amendment provides a conditional immunity from liability in libel actions brought by public officials. The Court ruled that to preserve free, uninhibited discussion of public issues, a newspaper could not be held liable for publishing a defamatory falsehood about a public official unless the plaintiff demonstrated with "convincing clarity" that the publication was made with "actual malice" that is, actual knowledge of falsity or reckless disregard of the truth. 376 U.S. at 279–80.

In *Curtis Publishing Co.* v. *Butts*, 388 U.S. 130 (1967), the Court extended *New York Times* to actions brought by "public figures," persons who are "intimately involved in the resolution of important public questions or, by reason of their fame, shape events in areas of concern to society at large." 388 U.S. at 164 (Warren, C.J., concurring). The test formulated in *New York Times* represents recognition that freedoms of speech and press are essential to open discussion of public issues, freedoms our founding fathers deemed fundamental for the continued existence of our governmental system. *New York Times* v. *Sullivan*, 376 U.S. at 270. The test recognizes that: "erroneous statement is inevitable in free debate, and that it must be protected if the freedoms of expression are to have the 'breathing space' that they 'need to survive' . . ." *Id.* at 271–72.

Soon after this extension, a plurality of the Court held in *Rosenbloom* v. *Metromedia, Inc.*, 403 U.S. 29 (1971), that the *New York Times* test applied whenever the publication concerned matters of general or public interest, without regard to the plaintiff's position in his community. 403 U.S. at 43. This holding was abandoned in *Gertz* v. *Robert Welch, Inc.*, 418 U.S. 323 (1974), where it was decided that a publisher is liable to a public figure "only on clear and convincing proof that the defamatory falsehood was made with knowledge of its falsity or with reckless disregard for the truth." 418 U.S. at 342. However, in the case of private individuals, a less demanding standard is constitutionally permissible. At least where the substance of the defamatory statement makes substantial danger to reputation apparent, states may define for themselves the appropriate standard of liability, provided they do not impose liability without fault. 418 U.S. at 347, 348. However, states may not permit recovery of presumed or punitive damages, at least where liability is not based on a showing of "actual malice" as defined by *New York Times*. *Id.* at 349.

It is not easy to determine whether a plaintiff is a public figure or a private individual. As one court has wryly observed, "Defining public figures is much like trying to nail a jellyfish to the wall." *Rosanova* v. *Playboy Enterprises, Inc.*, 411 F. Supp. 440, 443 (S.D. Ga. 1976). In a recent decision, *Time, Inc.* v. *Firestone*, 424 U.S. 448 (1976), the Supreme Court held that the plaintiff was not a public figure since she had not assumed any role of "especial prominence in the affairs of society. . . ." *Id.* at 453. The fact that she had held press conferences during a well-publicized divorce proceeding was insufficient to make her a public figure for the purpose of determining the constitutional protection afforded the defendant's report of her divorce.

The term "public figure" has been variously defined. In *Gertz*, the Court stated that "[t]hose who, by reason of the notoriety of their achievements or the vigor and success with which they seek the public's attention, are properly classed as public figures . . ." 418 U.S. at 342. Designation as a public figure:

". . . may rest on either of two alternative bases. In some instances an individual may achieve such pervasive fame or notoriety that he becomes a public figure for all purposes and in all contexts. More commonly, an individual voluntarily injects himself or is drawn into a particular public controversy and thereby becomes a public figure for a limited range of issues. In either case such persons assume special prominence in the resolution of public questions." *Gertz* v. *Robert Welch, Inc.*, 418 U.S. at 351.

The court added:

"Absent clear evidence of general fame or notoriety in the community, and pervasive involvement in the affairs of society, an individual should not be deemed a public personality for all aspects of his life. It is preferable to reduce the public-figure question to a more meaningful context by looking to the nature and extent of an individual's participation in the particular controversy giving rise to the defamation." Id. at 352.

Lower court determinations regarding the public figure status of a plaintiff in a defamation action have followed the Court's suggestion and examined the plaintiff's role in the controversy out of which the defamation arises. See, generally, Annot., 75 A.L.R. 3d 616 (1977). In *Rosanova v. Playboy Enterprises, Inc.*, 411 F. Supp. 440 (S.D. Ga. 1976), the court concluded that the plaintiff was a public figure for purposes of a libel action based on defendant's magazine article identifying him as a "mobster" because over the years he had voluntarily engaged in a course of conduct bound to invite attention and comment through his voluntary contacts with organized crime figures. In *Hotchner v. Castillo-Puche*, 404 F. Supp. 1041 (S.D.N.Y. 1975), the plaintiff was found to be a public figure for purposes of libel action based on defendant's book about Ernest Hemingway. Although the plaintiff's name was not well known in the community, he had successfully published a number of widely distributed works based on his relation with Hemingway, and was thus found to have injected himself into controversies surrounding the later years of the novelist's life, a matter of considerable public interest. In a number of other cases, and on varying facts, courts in different parts of the country have reached the same conclusion. *Guitar v. Westinghouse Elec. Corp.*, 396 F. Supp. 1042 (S.D.N.Y. 1975), *aff'd*, 538 F.2d 309 (2d Cir. 1976); *Buchanan v. Associated Press*, 398 F. Supp. 1196 (D.D.C 1975); *Fram v. Yellow Cab Co.*, 380 F. Supp. 1314 (W.D. Pa. 1974); *Meeropol v. Nizer*, 381 F. Supp. 29 (S.D.N.Y.), *pet. denied*, 508 F.2d 837 (2d Cir. 1974). The question whether the *New York Times* test applies to a case is one of law. "[I]t is for the trial judge in the first instance to determine whether the proofs show [plaintiff] to be a [public figure or a] 'public official'." *Rosenblatt v. Baer*, 383 U.S. 75, 88 (1966); *Rosanova v. Playboy Enterprises, Inc.*, 411 F. Supp. 440, 444 (S.D. Ga. 1976); *Hotchner v. Castillo-Puche*, 404 F. Supp. 1041, 1045 (S.D.N.Y. 1975).

Here, Dr. Hutchinson argues that he is not a public figure because he has never voluntarily exposed himself to extensive public attention, nor assumed any role of special prominence in the affairs of society, nor thrust himself to the forefront of public controversy. He contends that the media coverage of his research before the "Award" was limited to brief articles in largely local newspapers. Moreover, he argues that because of the information for these articles was solicited from him by the News and Publications' Department of Western Michigan University which provided him with 'forms' for reporting on his work to the media, he did not initiate media coverage and hence did not invite public attention and comment.

Senator Proxmire contends that in the area of criticism, the merit of publicly-funded studies, plaintiff has sought and acquired a public standing and reputation. He has published widely in the scientific community, claiming more than forty behavioral science articles. Except for the period 1960–61, he has been employed as a research scientist at various public institutions. Since 1966, his achievements, grants and studies have been the subject of media coverage. Defendant argues that this media coverage indicates not only that plaintiff is a public figure but that he solicited that status through press releases and interviews.

Given Dr. Hutchinson's long involvement with publicly-funded research, his active solicitation of federal and state grants, the local press coverage of his research, and the public interest in the expenditure of public funds on the precise activities in which he voluntarily participated, the court concludes that he is a public figure for the purpose of this suit. As he acknowledged in his deposition, "Certainly, any expenditure of public funds is a matter of public interest."

He is also, in the judgment of this court, a public official. *See generally Annot.*, 19 A.L.R.3d 1361 (1968) Although the Supreme Court has never articulated the limits of this classification, *Rosenblatt v. Baer*, 383 U.S. 75 (1966), offers some guidance. There, the Court held that the *New York Times* test was applicable to a libel action brought by a former supervisor of a county recreation area who was appointed by and responsible to three county commissioners. The alleged libel had criticized fiscal management under the plaintiff's regime. The Court stated:

"The thrust of *New York Times* is that when interests in public discussion are particularly strong, as they were in that case, the Constitution limits the protections afforded by the law of defamation. Where a position in government has such apparent importance that the public has an independent interest in the qualifications and performance of the person who holds it, beyond the general public interest in the qualifications and performance of all government employees, . . . the *New York Times* malice standards apply. . . . The employee's position must be one which would invite public scrutiny and discussion of the person holding it, entirely apart from the scrutiny and discussion occasioned by the particular charges in controversy. *Id.* at 86, 86–87, fn. 13.

In *Adey v. United Action for Animals*, 361 F. Supp. 457 (S.D.N.Y 1973), *aff'd*, 493 F.2d 1397 (2d Cir. 1974), *cert. denied*, 419 U.S. 842 (1974), the district court found that the plaintiff, a research scientist employed by NASA and involved in planning a space flight for a monkey, was both a public figure and a public official for the purpose of an action based on allegedly defamatory remarks about his treatment of experimental animals. In this case, Dr. Hutchinson held the important public position of director of research at the Kalamazoo State Hospital in Kalamazoo, Michigan; he was dealt with as a responsible public official by the federal agencies that funded his research; and he holds himself out as the President of a not-for-profit corporation that purports to act in the public interest. Therefore, at the times relevant to this controversy he held "a position in government * * * [with] such apparent importance that the public has an independent interest in the qualification and performance of the person who holds it. . . ." *Rosenblatt v. Baer*, 383 U.S. 75, 86 (1966).

This important fact appears from the affidavits, exhibits, and excerpts from depositions that support the motion for summary judgment; and consequently, the question arises: has Dr. Hutchinson made a sufficient

showing that there is a genuine issue of material fact with regard to actual malice on the part of Senator Proxmire; i.e., knowledge on his part of the falsity of what he said, or a reckless disregard by him of the truth, when he made the statements about which complaint is made? The showing of malice may not be presumed but must be proved by the plaintiff. *Time, Inc. v. McLaney*, 406 F.2d 565, 572 (5th Cir. 1969), *cert. denied*, 395 U.S. 922 (1969). A bare allegation of malice, standing alone, is not sufficient to withstand a motion for summary judgment. *Fram v. Yellow Cab Co.*, 380 F. Supp. 1314, 1335 (W.D. Pa. 1974); *Goldman v. Time, Inc.*, 336 F. Supp. 133, 138 (N.D. Cal. 1971).

Rule 56(e) of the Federal Rules of Civil Procedure requires a party opposing a motion for summary judgment to show specific facts, admissible in evidence, which establishes that there is a genuine issue for trial. Moreover, under *New York Times*, the standard of proof plaintiff must meet at trial is more than a preponderance of evidence; it is a showing of defendants actual knowledge of falsity or reckless disregard of the truth by "clear and convincing evidence." *Vandenburg* v. *Newsweek, Inc.*, 507 F. 2d 1024, 1026, 1029 (5th Cir. 1975); see *New York Times Co. v. Sullivan*, 376 U.S. 254, 279–80 (1964); *Gertz* v. *Robert Welch, Inc.*, 418 U.S. 323, 342 (1974).

"Knowledge of falsity" presumably means just what it says: subjective awareness by the defendant that his statements were false. "Reckless disregard of the truth," on the other hand, has been defined by several Supreme Court decisions to require that the defendant act with a "high degree of awareness of . . . probable falsity." *Beckley Newspapers Corp. v. Hanks*, 389 U.S. 81, 84 (1967); *Garrison v. Louisiana*, 379 U.S. 64, 74 (1964). In the leading case of *St. Amant v. Thompson*, 390 U.S. 727 (1968), the Court found the "reckless disregard" requirement unsatisfied where the defendant had published defamatory falsehoods about the plaintiff without personal knowledge of the matter published. The Court said,

". . . reckless conduct is not measured by whether a reasonably prudent man would have published, or would have investigated before publishing. There must be sufficient evidence to permit the conclusion that the defendant in fact entertained serious doubts as to the truth of his publication. . . . The finder of fact must determine whether the publication was indeed made in good faith. Professions of good faith will be unlikely to prove persuasive . . . where a story is fabricated by the defendant, is the product of his imagination, or is based wholly on an unverified anonymous telephone call. Nor will they be likely to prevail when the publisher's allegations are so inherently improbable that only a reckless man would have put them in circulation. Likewise, recklessness may be found where there are obvious reasons to doubt the veracity of the informant or the accuracy of his reports." 390 U.S. at 731, 732.

Measured by this standard, it is clear that Dr. Hutchinson's allegations of libel and defamation fall short. His arguments that he was subjected to these torts proceed, basically, along these lines: failure to investigate; unfair editing in disregard of the facts before defendants; and republication after plaintiff complained about the press release of April 18, 1975. From *St. Amant*, it is clear that failure to investigate is insufficient to establish reckless disregard of the truth. Moreover, the record shows that Mr. Schwartz, on behalf of Senator Proxmire, spent approximately forty hours over a four-week period gathering and reviewing agency documents regarding plaintiff and making a draft of his findings. During this time, he contacted various state and federal agencies to verify his findings and to inquire about the justification for the funding in question. Senator Proxmire and his administrative assistant, Howard Shuman, reviewed Mr. Schwartz's findings. Before publishing the release, Schwartz telephoned plaintiff to read him the text of the release and ask him if there were any factual misstatements. Dr. Hutchinson said that the intended release did not fairly evaluate his research, but corrected only a misspelling of his name.

The charge now being made that defendants' unfair editing in disregard of the facts before them is also insufficient to establish actual malice. Undoubtedly, editing involves making choices; but selective reporting will not support a finding of reckless disregard of the truth. Summarizing plaintiff's research for the purpose of making some statement about its federal funding will not rise to the level of falsification. In *Time, Inc. v. Pape*, 401 U.S. 279 (1971), a magazine reported as a charge by the United States Commission on Civil Rights an incident of police brutality which the Commission itself, in its report, characterized as the allegations of a civil rights complaint. Notwithstanding the fact that the reporters themselves were aware that the Commission attributed its account of the incident to a court complaint, the Court held that the failure to include such a secondary attribution in the article was not 'falsification' sufficient in itself to sustain a jury finding of 'actual malice'." 401 U.S. at 289. It would appear that an error in interpretation of ambiguous documents, such as the conglomeration of plaintiff's grants and publications, through the adoption of one of several rational alternatives, is insufficient to create a jury issue.

Moreover, Dr. Hutchinson's claim with regard to unfair editing and summarization of his research is not buttressed by Senator Proxmire's characterizations as "nonsense" and "transparently worthless" or the suggestion that the news release gives the false impression of $500,000 having been paid personally to plaintiff; and that he was making a fortune from government money. In *Greenbelt Cooperative Publishing Ass'n, Inc. v. Bresler*, 398 U.S. 6 (1970), plaintiff was a land developer who was seeking zoning variances from a town which was in turn attempting to buy land from him. He used his position as seller to strengthen his position in requesting the variances. Defendant-newspaper had reported third-persons' characterizations of plaintiff's conduct as "blackmail." The Court held that, as a matter of constitutional law, the use of the word "blackmail" in this context was not libelous:

"[E]ven the most careless reader must have perceived that the word was no more than rhetorical hyperbole, a vigorous epithet used by those who considered [plaintiff's] negotiating position extremely unreasonable." 398 U.S. at 14.

Here, too, it would appear that Senator Proxmire's statement, "the good doctor has made a fortune from his monkeys and in the process made a monkey out of the American taxpayer" is, at worse, no more than rhetorical hyperbole. Compare *Time, Inc. v. Johnston*, 448 F.2d 378 (4th Cir. 1971).

Defendant's republication of the allegedly defamatory remarks after plaintiff complained about the release also appear insufficient to raise a jury issue of actual malice. Defendants Proxmire and Schwartz believed the statements to be true when made and still believe them to be true. Nothing in either defendant's affidavit or deposition indicates that they ever entertained any doubt as to the truth of their statements.

The constitutional privilege of *New York Times* mandates summary judgment once it becomes clear that a plaintiff cannot establish the actual malice required for recovery in defamation actions of this nature. *Meeropol v. Nizer*, 381 F. Supp. 29, 32, fn. 1 (S.D.N.Y. 1974), *pet. denied*, 508 F. 2d 837 (2d Cir. 1974).

However, "'[o]n a motion for a summary judgment the burden of establishing the non-existence of any genuine issue of fact is upon the moving party, *all doubts are resolved against him*, and his supporting affidavits and depositions, if any, are carefully scrutinized by the court'." *Rose v. Bridgeport Brass Co.*, 487 F.2d 804, 808 (7th Cir. 1973) [citations omitted]. But the court has a special responsibility here to determine if there is any genuine dispute because of the danger that speech may be chilled by the mere fact of litigation. *Guam Fed. of Teachers, Local 1581, A.F.T. v. Ysrael*, 492 F.2d 483 (9th Cir. 1974), *cert. denied*, 419 U.S. 872 (1974); *Oliver v. Village Voice, Inc.*, 417 F. Supp. 235, 237 (S.D.N.Y. 1976). The court must make a threshold determination, before trial, whether there has been a showing of actual malice. *Bon Air Hotel v. Time, Inc.*, 426 F.2d 858, 864 (5th Cir. 1970); *Wasserman v. Time, Inc.*, 424 F.2d 920, 922 (D.C. Cir. 1970) (Wright, J. concurring), *cert denied*, 398 U.S. 340 (1970). "[I]n making this determination, the granting of summary judgment may well be the 'rule' rather than the 'exception'." *Oliver v. Village Voice Inc.*, 417 F. Supp. 235, 237 (S.D.N.Y. 1976); *Guitar v. Westinghouse Elec. Corp.*, 396 F. Supp. 1042, 1053 (S.D.N.Y. 1975), *aff'd* 538 F.2d 309 (2d Cir. 1976); see also, *Perry v. Columbia Broadcasting System, Inc.*, 499 F.2d 797 (7th Cir. 1974), *cert. denied*, 419 U.S. 883 (1974); *Cervantes v. Time, Inc.*, 464 F.2d 986 (8th Cir. 1972), *cert. denied*, 409 U.S. 1125 (1973); *Washington Post Co. v. Keogh*, 365 F.2d 965, 968 (D.C. Cir. 1966), *cert. denied*, 385 U.S. 1011 (1967).

But even if for the purpose of this suit it is found that Dr. Hutchinson is a private person so that First Amendment protections do not extend to Senator Proxmire and his administrative assistants, relevant state law dictates the grant of summary judgment. In a diversity action, under the doctrine of *Erie R. Co. v. Tompkins*, 304 U.S. 64 (1938), a federal court must apply the conflict of laws doctrine of the state in which it sits. *Klaxon Co. v. Stentor Elec. Mfg. Co.*, 313 U.S. 487 (1941). Thus, sitting in Wisconsin where the suit is filed, this court must look to the choice of law principles of this jurisdiction to determine what state law to apply. In *Wilcox v. Wilcox*, 26 Wis. 2d 617, 133 N.W. 2d 408 (1965), the Wisconsin Supreme Court abandoned the *lex loci delicti* approach to choice of law problems in tort cases and adopted the general approach of *Babcock v. Jackson*, 12 N.Y.2d 473, 240 N.Y.S.2d 743, 191 N.E.2d 279 (1963). It has since elaborated on the new method of analysis and adopted "choice-influencing" considerations which are "Predictability of results, Maintenance of interstate and international order, Simplification of the judical task, Advancement of the forum's governmental interests, Application of the better rule of law." *Conklin v. Horner*, 38 Wis.2d 468, 157 N.W.2d 579, 583 (1968); accord, *Heath v. Zellmer*, 35 Wis.2d 578, 151 N.W.2d 664 (1967). It is not certain what law Wisconsin would apply in this case, using these "choice-influencing" considerations; but it appears the option is logically limited to the law of two jurisdictions, that of, the District of Columbia, the place where defendants work and their allegedly wrongful conduct originated, or of Michigan, the plaintiff's domicile, where the injury presumably had effect. For application of the relevant law, the conduct consisted of (1) the April 18, 1975 press release and the newsletters to constituents; (2) the Mike Douglas Show appearance and the other alleged defamations, some of them unspeci-

fied. However, under the law of either jurisdiction, Dr. Hutchinson cannot recover in this case.

In the District of Columbia, an alleged defamatory publication must be construed in the sense in which readers to whom it is addressed would ordinarily understand it. "The publication is to be read as a whole . . . If after an examination of the entire article there is only one reasonable interpretation of its meaning, it is for the judge . . . to say whether or not the words are defamatory." *Johnson v. Johnson Publishing Co.*, 271 A. 2d 696, (D.C. Ct. App. 1970). Only if a publication is libelous *per se*, are questions of malice, truth, and privilege for the jury. Restatement (Second) of Torts, an authority that is followed in the District of Columbia, *Harmon v. Liss*, 116 A.2d 693 (D.C. Mun. 1955); Restatement (Second) of Torts § 569, comment b (Tent. Draft No. 21, April 5, 1975) suggests that the only effect of a finding that a publication is libelous *per se* is to place the burden of establishing truth or privilege on the defendant; and recognizes that liability may be imposed only on a showing that defendant actually knew of the falsity and defamatory nature of his statements, or recklessly disregarded the truth, or acted negligently in failing to ascertain the facts. Based on these principles, it is clear that in the District of Columbia, neither the press release and newsletters nor the statements attributed to Senator Proxmire or members of his staff constitute actionable libel or defamation.

This conclusion is supported by the unmet averments of Mr. Schwartz and those of persons in state and federal agencies with whom he spoke during his investigation of Dr. Hutchinson's federal funding; but particularly, by the recognition in the District of Columbia of a defense to an action for defamation based on the doctrine of fair comment. In *Fisher v. Washington Post Co.*, 212 A.2d 335 (D.C. Ct. App. 1965), an action by an art gallery owner against a newspaper based on allegedly libelous comments about the manner in which the gallery presented its paintings, the court held that the doctrine of fair comment was applicable. The court defined the doctrine:

"Fair comment or criticism on a matter of public interest is not actionable so long as the comment is not motivated by malice . . . So long as the comment is the speaker's actual opinion, based on fact, about a matter of public interest, the words are protected unless they are grounded in malice or go beyond a discussion of the public works or acts of the subject of the opinion . . . Fair comment is a complete defense . . . and the words are not made actionable by the fact that the complaining party is injured in his business reputation. . . . The fair comment defense goes only to opinions expressed by the writer and does not extend to misstatements of fact." *Id.* at 337.

In the case here, the fair comment doctrine is a complete defense to Dr. Hutchinson's action with regard to the statements contained in the April 1975 press release and the newsletters. The disposition of public funds is clearly a matter of public inerest; and the opinions expressed were based on facts researched by Senator Proxmire's assistant, the defendant, Mr. Schwartz. Under these circumstances, the release and newsletters did not have to include all the facts on which the opinions were based, "[s]o long as the facts are available to the public, the criticism is within the doctrine of fair comment." *Fisher v. Washington Post Co.*, 212 A.2d 335, 338 (D.C. Ct. App. 1965).

It is also clear that in the District of Columbia the brief and innocuous statement Senator Proxmire made on the Mike Douglas Show did not constitute defamation, nor did any of the other statements about which Dr. Hutchinson complains. The law of the jurisdiction requires that in a suit for defamation there be proof of certainty as to the person defamed before liability can be imposed. Restatement of Torts § 564(b) (1938). The person defamed need not be specifically named; but the surrounding circumstances must be such that there is no doubt in the hearer's mind as to the pesron's identity. *Harmon v. Liss*, 116 A.2d 693, 695 (D.C. Mun. App. 1955), citing Restatement of Torts § 564(b). In this case, the statement on the Mike Douglas Show did not name Dr. Hutchinson or even describe him with the clarity that would suggest a jury verdict against Senator Proxmire. The other statements were similarly innocuous.

Under the law of Michigan, Dr. Hutchinson fares no better. That state recognizes a rule of qualified privilege for all *bona fide* communications concerning any subject in which the party communicating has an interest, or in reference to which he has a legal, moral or social obligation to a person having a corresponding interest or duty. *Timmis v. Bennett*, 352 Mich. 355, 89 N.W.2d 748, 753 (1958); *Bufalino v. Maxon Bros., Inc.*, 368 Mich. 140, 117 N.W.2d 150 (1962). This rule was applied in *Timmis v. Bennett, supra*, an action by a police officer against an attorney for libel in a letter referring to conduct of the city's law enforcement. The court found that the rule included "statements made in good faith by a citizen . . . having, or claiming to have, special knowledge . . . bearing on [a] matter of public concern and communicated to others concerned or interested." 89 N.W.2d at 755. The court explained the procedural consequences of a finding of qualified privilege, saying,

"The meaning in law of a privileged communication is that it is made cn such an occasion as rebuts the *prima facie* inference of malice arising from the publication of matter prejudicial to the character of the plaintiff, and throws upon him the *onus* of proving malice in fact, but not of proving it by extrinsic evidence only. . . . The effect, therefore, of showing that the communication was made upon privileged occa ion is *prima facie* to rebut the quality . . . of malice [in law] and casts upon the plaintiff the necessity of showing malice in fact,—that is, that the defendant was actuated by ill will in what he did and said, with a design to causelessly or wantonly injure the plaintiff,—and this malice in fact, resting, as it must, upon the libelous matter itself and the surrounding circumstances tending to prove fact and motive, is a question to be determined by the jury. The question whether the occasion is such as to rebut the inference of malice if the communication be *bona fide* is one of law for the court, but whether *bona fides* exist in one of fact for the jury [citations omitted] *Id.* at 753–54; accord *Harrison v. Arrow Metal Products Co.*, 20 Mich. App. 590, 174 N.W. 2d 875 (1969).

Timmis indicates that the doctrine of qualified privilege applies in Michigan for the same reasons that the doctrine of fair comment applies in the District of Columbia. Thus, the burden is on Dr. Hutchinson to resist the motion for summary judgment by showing that in the trial of this case there will be evidence of malice in fact or ill-will. He cannot simply rest on his pleadings, but must make this showing once it is established that the occasion in question was privileged. In *Nuyen v. Slater*, 372 Mich. 654, 127 N.W.2d 369, 373 (1964), where summary judgment for defendant was affirmed, the Supreme Court of Michigan said that "[i]f the circumstances relied on as showing malice are as consistent with its nonexistence as with its existence, the plaintiff has not overcome the presumption of good faith [established by defendant's showing of a qualified privilege] and there is nothing for the jury." No such showing has been made here by Dr. Hutchinson with regard to the press release or the newsletter.

As to the statement made on the Mike Douglas Show, and those claimed by Dr. Hutchinson to have been made on other occasions, it appears that the law of Michigan, like that of the District of Columbia, requires certainly as to the person allegedly defamed before liability may be imposed. In *Lewis v. Soule*, 3 Mich 514, 521 (1855), the Supreme Court of Michigan said that:

"[T]he true test is . . . whether those who are acquainted with the person libelled, upon hearing the charge, are able to make the application. . . . Men generally talk, and write, to be understood; and when they design to speak of and concerning an individual, they either refer to him by name, or connect him with some fact or circumstances, by which those addressed, understood who is to be designated. That fact or circumstances must be known by those to whom the communication is made; otherwise, nothing is communicated."

V.

It follows, then, that in this summary judgment proceeding, the motion, pleadings, depositions, exhibits, and affidavits disclose there is no genuine issue of material fact to be resolved between the parties. The conduct about which Dr. Hutchinson complains is admitted by the defendant, Senator Proxmire. On the facts alleged in the complaint, indeed the only facts on which the plaintiff can base any claim for relief, it matters not whether he was a public figure, a public official or a private person. Therefore, this court concludes that defendant is entitled to judgment as a matter of law; and this is true whether the law applied to this case is that of federal jurisdictions, the District of Columbia where the conduct complained of originated, or that the state of Michigan where Dr. Hutchinson lives and the claimed injury presumably was felt. *Bon Air Hotel Inc. v. Time, Inc.*, 426 F.2d 858 (5th Cir. 1970); *Perry v. Columbia Broadcasting System, Inc.*, 499 F.2d 797 (7th Cir. 1974); *Washington Post Company v. Keogh*, 365 F.2d 965 (D.C. Cir. 1956); *Nuyen v. Slayter*, 372 Mich. 654, 127 N.W.2d 369 (1964).

Accordingly, summary judgment will be entered in favor of the defendant Senator William Proxmire and against the plaintiff Dr. Ronald R. Hutchinson. And since on the facts alleged a claim cannot be stated on which relief can be granted against the remaining defendant, Mr. Morton Schwartz, this court serves notice on the plaintiff that because of the inadequacy of the complaint, it will, on its own initiative, dismiss the suit as to Mr. Schwartz, unless a showing is made within 30 days that such dismissal should not be ordered. *Literature, Inc.* v. *Quinn*, 482 F.2d 372 (1 Cir. 1973); *Dodd v. Spokane County, Washington*, 393 F.2d 330 (9th Cir. 1968).

APPENDIX A

Senator William Proxmire (D.-Wis) announced on Friday, "My choice for the Golden Fleece Award for the biggest waste of taxpayers' money for the month of April goes jointly to the National Science Foundation, National Aeronautics and Space Administration and the Office of Naval Research for spending almost $500,000 in the last seven years to determine under what conditions rats, monkeys and humans bite and clench their jaws. From the findings of these studies it is clear that the Government paid a half million dollars to find out that anger, stopping smoking, and loud noises produce jaw clenching in people."

The Wisconsin Senator said, "This is the second in a series of 'fleece of the month' awards which will climax in a Biggest Waste of the Year Award.

"All this money was given to Dr. Roland R. Hutchinson of Kalamazoo State Hospital in Michigan. Last year alone the good doctor spent over $200,000 of which more than $100,000 were federal funds. And what are some of the other results reached by these research projects in the last seven years?

"Dr. Hutchinson told NASA that people get angry when they feel cheated and tend to clench their jaws or even scream and kick. NSF learned that Dr. Hutchinson's monkeys became angry when they were shocked and would try to get away from the shock. In addition, NSF was informed that drunk monkeys do not usually react as quickly or as often as sober monkeys and that hungry monkeys get angry more quickly than well-fed monkeys.

"The Office of Naval Research appears to have gotten the same type of so-called research as did the NSF and NASA.

"It is very interesting to trace the history of these extremely similar and perhaps duplicative projects. In 1967, NSF gave Dr. Hutchinson $44,700 to study 'Environmental and Physiological Causes of Aggression.' For two years, Dr. Hutchinson studied the biting reactions of monkeys when they received electric shocks. He also compared their reaction while being given a number of different drugs as alcohol and caffeine. In 1969, the NSF gave Dr. Hutchinson another $26,000 to continue these experiments. He received another grant, this one for $51,200 in 1970 from the NSF.

"By this time Dr. Hutchinson was ready to extend his work to human biting and jaw clenching. In 1970, Dr. Hutchinson received a grant which ran for five years from the ONR to continue 'research on subhuman primates to determine the environmental, physiological and biochemical factors responsible for the maintenance of aggressive behavior and systematic replication of results obtained in primates extended to human subjects.' Total funding from the Navy ran to $207,000.

"During this period, Dr. Hutchinson applied for and received a $50,000 grant from NASA to develop measurements of latent anger or aggression in humans by means of jaw-clenching. In addition, Dr. Hutchinson received his fourth NSF grant in 1972 for $51,800 in order to continue his experiments on monkeys and extend the work to human jaw-clenching.

"Dr. Hutchinson, who in addition to being Research Director at Kalamazoo State Hospital, is also an Adjunct Professor at Western Michigan University and President of his own non-profit Foundation for Behavior Research, has proposals presently pending before the NSF, the National Institute of Drug Abuse, and the National Institute of Mental Health to continue research on monkeys' drinking, drug and jaw clenching habits. If Dr. Hutchinson is successful in this new grantsmanship attempt, he would receive an additional $150,000 of taxpayers' money.

"The funding of this nonsense makes me almost angry enough to scream and kick or even clench my jaw.

"Dr. Hutchinson's studies should make the taxpayers as well as his monkeys grind their teeth. In fact, the good doctor has made a fortune from his monkeys and in the process made a monkey out of the American taxpayer.

"It's time for the federal government to get out of this 'monkey business.' In view of the transparent worthlessness of Hutchinson's study of jaw-grinding and biting by angry or hard-drinking monkeys, it's time we put a stop to the bite Hutchinson and the bureaucrats who fund him have been taking out of the taxpayer."

Proxmire said that the public is urged to write him in Washington with suggestions for the "Golden Fleece of the Month" for May.

TRANSFER OF NUCLEAR TECHNOLOGY CONFERENCE

Mr. HATCH. Mr. President, on April 7, 1977, President Carter unveiled his nonproliferation position which calls for a halt in U.S. nuclear waste reprocessing and the Clinch River, Tenn., breeder reactor demonstration plant programs. While agreeing with the President's goal, I have concluded, after careful review of his statement, that the President's methods are illogical and counterproductive.

The policy objective for the President's position is to prevent proliferation by eliminating all uses of plutonium as a fuel source for producing electricity. Yet in the same statement, the President acklowledged that many other nations, industrial as well as developing, must and will reprocess their nuclear wastes so as to recover and use the economically valuable plutonium as a future source of electrical energy. Many of these nations are already developing or negotiating to purchase breeder reactors that require plutonium to operate and breed more plutoninum than they consume while making electricity.

Thus, whatever economic and commercial sacrifices President Carter would have us make with respect to reprocessing and our breeder program, plutonium will become a routine and readily available energy source elsewhere in the world. Already France, Germany, Italy, England, Japan, and Russia have aggressive breeder programs. Reprocessing plants are being built or are completed in several European countries, Japan, Russia, South Africa, Brazil, and Pakistan.

Forty-one nations had high-level representatives at a nuclear technology conference in Persepolis, Iran, when President Carter announced his policy. They immediately held a closed door session and drafted a nine point statement "expressing alarm." That response was presented to our delegation and I ask unanimous consent that the text of the document be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TRANSFER OF NUCLEAR TECHNOLOGY CONFERENCE—PERSEPOLIS, IRAN

"1. In a closed session yesterday delegates from 41 countries handed the senior U.S. delegate a nine point statement 'expressing alarm at Carter's 7 April nuclear policy statement'."

2. Text of the document given to U.S. delegate (apparently unsigned) is as follows:

(i) The essential point is that most countries look upon nuclear power as the only route to energy independence. For those countries which do not have large resources of uranium this independence will come only with the breeder reactor. The reprocessing of fuel and recycling of isotopes are essential to the operation of any breeder (or advanced converter), no matter what the type. Hence any suggestion that reprocessing and recycling are unacceptable strikes at the very root of this motivation for adopting nuclear power; and naturally is viewed with alarm.

(ii) Although President Carter has concluded that the U.S. can afford to defer the breeder, many other countries cannot afford such a course. They view the breeder as an imminent reality, and this view is supported by the rapid progress in LMFBR development in Europe. They want to make firm plans for a nuclear future now. The national investment required to establish a nuclear power capability is far too large a commitment to be made if its ultimate objective is in doubt.

(iii) In the interim until independence is achieved through the breeder, most countries are likely to take the view that uranium offers no more security than oil as an impartial fuel supply. Indeed, so long as uranium enrichment remains a near-monopoly of the U.S., it might be argued that the supply of enriched uranium is less secure than the supply of oil. In this circumstance, the implication of new restrictions on the reprocessing and enrichment technologies is again cause for alarm.

(iv) An implication that the U.S., through its enrichment, reprocessing and recycling policies will attempt to affect the course of implementation of those technologies throughout the world is another worry. The required pace of implementation will depend upon the rate of growth of energy needs in the various countries, upon the world resources of uranium and upon the policies taken by those nations which are in a position to export uranium. Most of the importing nations would like to determine their own courses of nuclear implementation—particularly the implementation of reprocessing and recycling without which their uranium feed requirements increase by 45 percent.

(v) The Carter statement is regarded by some as an implication of unilateral abrogation of international agreements. Dr. Sigvard Eklund, director general of the International Atomic Energy Agency, has cited article four of the non-proliferation treaty. This perception, on the one hand, weakens the confidence of other nations in the U.S. Promises of nuclear fuel supply, and on the other hand may weaken the effectiveness of the existing agreements and may even cause some NPT signatories to reconsider. Another possibility that has been mentioned is the independent development of enrichment and reprocessing capabilities by other nations.

(vi) Many feel that the restriction of reprocessing is not an effective deterrent to nuclear weapons proliferation. This leads to two concerns: That restriction of reprocessing is far too high a price to pay for a marginally effective safeguard: that reliance on that restriction will blunt the effort toward more effective means of proliferation control.

(vii) The emphasis in the Carter statement on exploring other breeder types and other fuel cycles tends to destroy the credibility of the technical basis for the statement. There are no fuel cycles which are consistent with breeding and which provide an effective technological barrier to proliferation, the so-called Taylor fuel cycle may have advantages of this kind, but only if reprocessing of fuel is restricted to locations considered "safe" and the resulting plutonium is burned or otherwise disposed of on that site or a similarly "safe" one.

(viii) Many nations feel that reprocessing of spent fuel is the only feasible route to safe ultimate disposal of radioactive wastes. Some are legally committed to that route.

(ix) Regardless of any further international actions by the United States to implement the points of the Carter statement the implementation of the domestic points will be regarded as a victory for the groups which oppose nuclear power. This will give them greater power in other countries, where they have already shown the capability of seriously impeding nuclear power projects.

Mr. HATCH. Mr. President, no rational person wishes to see civilian nuclear technology misused for military purposes—particularly by unstable, conflict-prone

nations. If the world is to avoid a holocaust, we need a policy that will attain the goal of nonproliferation. We cannot simply remove the power and influence of the United States from the struggle, particularly when to remove ourselves from this scene requires that we sacrifice our own interests in energy independency while foregoing an option that would reduce our own energy costs.

If nonproliferation is the goal let us set a policy that will achieve it, not one which we acknowledge to be stillborn. We should consider plans to provide the world leadership necessary to control the use, shipment and disposal of plutonium. Only through cooperative efforts to control the use of plutonium do we stand a chance of eliminating proliferation while achieving the enormous energy benefits of the breeder reactor and nuclear reprocessing. And it is only through continuing our own programs that we can provide the influence and leadership necessary to achieve this cooperation.

THE DILLINGHAM CLAIM

Mr. INOUYE. Mr. President, the Senate has recently confirmed Mr. Phillip Alston as new Ambassador of the United States to Australia. I wish him well in this new job and hope that he can further the close friendship, communication, and cooperative relationships that exist between our two countries.

The Senate knows the particular interest of my State and my own personal special interest in the Pacific area. It is with these interests and concerns in mind that I take this opportunity to wish him success in his new post.

In this context I would also like to mention a particular issue that has arisen in Australia that has caused me some concern.

Very briefly, the problem involves a unique kind of indirect taking, without just compensation, of the property of a U.S. private investor for the creation of a wilderness area by the Government of Australia. The company involved is Dillingham Corp. which is a 50 percent owner of an Australian joint venture which was established to mine industrial minerals on Fraser Island off the coast of Queensland, Australia.

The joint venture received all of the necessary authorization to mine from the Government of Queensland and export permits from the Federal Australian Government. When these permits were obtained, there was a thorough review of the whole operation, including environmental matters. The Federal Australian Government was fully aware that mining would have to be carried out over a long period of time to make it economically feasible.

After the authorization had been obtained and an investment of over $12 million put in place, an environmental inquiry was begun under subsequently enacted environmental impact legislation. The inquiry concluded that Fraser Island should be returned to a wilderness area and that this should be accomplished by the revocation of existing export permits and the denial of any future permits.

There is no market within Australia for the minerals taken from Fraser Island. Consequently, the Government decision to further the creation of a wilderness area by revocation of export permits completely destroyed the investment.

I do not take issue with the environmental decision to stop the mining and to create a wilderness area. However, it does seem that when a government takes private property, directly or indirectly, for the creation of a park or wilderness area, it is a matter of fundamental justice that the owners be paid just compensation. Reliance on the technicality of revocation of export permits is not proper when, in fact, the declared substance is the taking of private property for public use.

The precedent created by the revocation of previous assurances on which the investment was based, combined with the lack of just compensation, creates serious insecurity for all foreign investment in Australia. Australia needs investment from abroad to develop its economy and to promote employment for its people. I am hopeful that a prompt settlement of this problem will be a stimulus toward this objective.

I am submitting for the record a more detailed statement of the Dillingham claim and its background. I recommend it for review. The resolution of the difficult problem of investment relationships will surely mark a basis for strengthening and expanding the already deep and strong bonds that tie our two countries together.

I ask unanimous consent that the statement on the Dillingham claim may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE DILLINGHAM CLAIM

A. THE DILLINGHAM CLAIM AGAINST THE GOVERNMENT OF AUSTRALIA

The Australian Government has revoked export permits commencing in 1977 of a mineral sands mining joint venture investment of Dillingham Corporation and Murphyores Holdings Limited. The permits were revoked in order to reestablish a natural wilderness environment on Fraser Island, the site of the mining operation.

The project was approved by Australian Government authorities as a 20-year project. The revocation renders the investment totally valueless and amounts to a taking of private property for public purposes without just compensation. A claim of $25 million was presented to the Australian Government on March 31, 1977.

This memorandum briefly describes the background and nature of the Dillingham claim.

B. THE JOINT VENTURE

In 1973, Dillingham Construction Pty. Ltd., a subsidiary of Dillingham Corporation, and Murphyores Incorporated Pty. Ltd., an Australian company, formed a partnership entitled D.M. Minerals for the purpose of mining rutile and zircon on Fraser Island, State of Queensland, Australia. Dillingham is a Hawaii corporation headquartered in Honolulu, Hawaii. The investment in Australia in plant, equipment and other expenses totals over $12 million.

C. OPERATING AUTHORITY

D.M. Minerals obtained the right to mine on Fraser Island from the Government of Queensland and currently holds twelve leases on Fraser Island which were granted between March, 1973, and July 4, 1974. These leases run for a period of nine years in some cases and 21 years in others. All 12 key leases were granted prior to July 4, 1974. Prior to the granting of the initial leases, extensive hearings were conducted by Queensland authorities resulting in the imposition of stringent conditions to ensure the environmental preservation of Fraser Island and D.M. Minerals has at all times acted in compliance with those conditions.

D. EXPORT PERMIT GRANTED

Under Australian law, the export of a variety of specified goods, including rutile and zircon (the raw minerals which were mined on Fraser Island) are subject to export licensing under customs regulations. This license was granted by the then Minister for Minerals and Energy. Consequently, beginning in August, 1974, D.M. Minerals reviewed its plan of operation over the life of its mining leases with the Department of Minerals and Energy.

A draft contract was submitted to the Australian Government on August 6, 1974 and conditional approval (conditioned on approved price and final documentation) was given on August 9, 1974. The Australian Government stated when final approval was granted on December 13, 1974, that blanket approval to export would be extended initially for twelve months and would then be renewed. The approval was expressly conditioned on fulfilling the environmental obligations under the mining leases thus indicating that the Government was aware of and approved the environmental arrangements under which the Partnership was operating.

On the basis of the conditional approval granted on August 9, 1974, the partnership proceeded with major capital expenditures needed to establish the mining enterprise. It was clear at all times to the Australian authorities that this investment was not aimed at fulfilling just one contract, but required many years of operation to constitute a sound and profitable use of resources.

E. ENVIRONMENTAL INQUIRY

In March, 1975, the Minister for Environment and Conservation of the Federal Australian Government announced the appointment of an Inquiry, pursuant to the Environmental Protection Act 1974 (which was enacted four days after D.M. Minerals had obtained final export approval and which emphasizes that the Australian Government was quite aware of the environmental sensitivity), to investigate and report on the environmental aspects of options for land use and development on Fraser Island. On April 15, 1975, the Minister wrote to D.M. Minerals asking whether the company would be "willing to suspend mining on Fraser Island voluntarily and/or to seek your initial mineral supplies from another source until the public inquiry is completed."

At this point, D.M. Minerals had already committed over $8 million to the project and had a firm contract to supply its New York purchaser beginning in June 1975 under which contract it would be liable in damages for failure to fulfill its obligations. Due to these factors, D.M. Minerals replied that it could not comply with the Minister's request.

The final Inquiry Report recommended that all exports of minerals extracted from above the high water mark on Fraser Island henceforth be prohibited. This recommendation followed the Inquiry's conclusion that Fraser Island should be returned to its nat-

ural state and that commercial activity on the Island, except for a minor amount of tourism and timbering, was inconsistent with this objective.

The Inquiry further recommended that the whole of the Island be recorded as part of the National Estate under the Australian Heritage Commission Act. The Report stated: "Fraser Island is of major environmental significance to the present community and future generations . . . the Island is undoubtedly a place worthy of conservation in its natural state for the benefit of the nation as a whole."

F. REVOCATION OF EXPORT AUTHORITY

On November 11, 1976, Dillingham Corporation was advised by the Acting Minister for National Resources that the Government intended to implement in full the recommendations of the Inquiry Report. The Minister revoked existing export approvals and stated that no minerals mined after December 31, 1976, could be exported. Thus the reestablishment of a wilderness area was not accomplished by the normal procedure of the formal use of eminent domain power requiring just compensation, but through the indirect technique of revocation of export permits for which it is said no compensation is required.

G. INVESTMENT VALUELESS

The revocation decision has the same effects as an eminent domain taking. A substantial and profitable business enterprise has lost its economic value. While D.M. Minerals is still legally entitled to work its existing leases, this right has been rendered worthless by the prohibition against export. There is no domestic market for either rutile or zircon and the success of the Fraser Island opertaion has depended exclusively upon the ability to export.

H. THE AMOUNT AND STATUS OF CLAIM

In November, 1976 the Government indicated that it would, without commitment, consider a claim put forward by D.M. Minerals. Australian counsel has advised Dillingham that there are no available legal procedures for asserting a claim as a matter of right and that the Government's voluntary consideration of the D.M. Minerals' claim is the only procedure available within Australia.

The $25 million claim is calculated on the basis of closedown costs, loss on disposal of capital equipment, losses on forced disposal third parties, value of ore reserves after deducting all operating expenses, and loss of profits in 1977. The valuation of the ore reserve was based on the net present value of projected cash flow using constant dollars for both costs and revenues and an eight percent discount factor. Some members of the departmental staff of the government have responded to the claim which, as noted above, was presented formally on March 31, 1977 by indicating that only an *ex gratia* payment for 1977 profits would be allowed. Australian counsel to the Company have advised that there is no remedy at law in Australia to compensate the partnership for its loss.

I. U.S. LAW

In expressing our concern to the U.S Government about the taking of Dillingham's investment in Australia without just compensation, we thought it appropriate to point out that under United States law, the revocation of export permits to reestablish a wilderness area, which had the effect of making valuable property rights worthless, would constitute a taking of property by the Government entitling its owners to just compensation as provided for by the Constitution. Under our law, the Government cannot escape from its obligations by using regulatory devices such as zoning or denial of permits to reduce the value of property rights so as to make later acquisition by the Government for park purposes less expensive. The law does not allow environmental considerations to infringe upon the fundamental right to compensation where private property is taken for public use.

APPENDIX: THE APPLICABLE UNITED STATES LAW

When the Federal Government or State Governments take property for their own use the Constitution clearly requires just compensation. It is equally the rule, long established by the Supreme Court, that just compensation is required when property interests are destroyed by governmental action which falls short of an actual taking if the property involved cannot be used for any other purpose. (*Pennsylvania Coal Co.* v. *Mahon*, 260 U.S. 393 (1922)).

While there are a limited number of situations where the use of the police power to regulate property uses does not give the owner the right to compensation, particularly if use endangers public health or safety or where the property may be put to other uses, the rules stated by Justice Holmes in the *Mahon* case is consistently applied when regulation involves the invasion of property interests for the creation of parks of wilderness areas.

For example, Federal statutes creating national parks or wilderness areas provide compensation where inconsistent uses must be eliminated (e.g. Cape Canaveral National Seashore Act, 16 USCA 459j-2(b)). Particularly relevant is the case that held that an owner of barges that travelled on lakes in what became a wilderness area, and which could not be either used for commercial purposes or moved from the lakes, was entitled to compensation. (*Pete* v. *United States*, 531 F.2d 1018 (Ct. Cl. 1976)). In the *Pete* case, the Court held

"The utility of the boats as property has been effectively destroyed, for the right to drift aimlessly in a landlocked lake is the equivalent of no right at all . . . Governmental action which interferes so extensively with an owner's right in his property constitutes a substantial, direct and immediate interference with . . . use and enjoyment of the boat, and is, therefore, a taking within the meaning of the Fifth Amendment." (Page 1035).

And, in *Union Oil Co.* v. *Morton*, 512 F.2d 743, (9th Cir. 1975), the Court found that the denial on environmental grounds of the right to build an oil drilling platform constitutes a taking requiring compensation.

Indirect takings also come within the scope of the compensation rule. A series of cases make it clear that where the Government attempts to reduce the value of property by regulation in order to make it less expensive to purchase that property for Governmental use at a later time, just compensation is required (e.g. *City of Plaintifield* v. *Borough of Middlesex*, 173 A.2d 785 (Sup. Ct. N.J. 1961)).

There can be no doubt that if the United States Government attempted to reestablish a wilderness area by revoking or withholding export permits, the legislature or the courts would require compensation.

SECTION 504 REGULATIONS

Mr. CRANSTON. Mr. President, on Friday, April 22, I wrote to Secretary of Health, Education, and Welfare Joseph A. Califano to express my thoughts on possible changes in the January 21 draft of the Rehabilitation Act section 504 regulations.

For the benefit of my colleagues who I know share my concern about prompt and effective implementation of the 504 regulations, I ask unanimous consent to have printed in the RECORD the text of my letter to Secretary Califano.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., April 22, 1977.

Hon. JOSEPH A. CALIFANO, Jr.,
Secretary of Health, Education, and Welfare,
Washington, D.C.

DEAR JOE: I want to stress as strongly as possible several thoughts with respect to any changes you may be considering in the January 21 draft of the Rehabilitation Act section 504 regulations:

We in Congress remain firmly committed to ending completely the present segregation of, and the present discrimination against, handicapped individuals in our society. Section 504—which, as you know, I coauthored with Senators Randolph, Stafford, Williams, and Javits—embodies that commitment.

Tough, effective regulations implementing section 504 should be issued now, and they should be fully and forcefully implemented so as to achieve the objectives of section 504 at the earliest possible moment. For far too long, handicapped individuals have been closed off from the mainstream of life's opportunities. Section 504, and the regulations you must approve for its implementation, are their way into our society. Every potential barrier should be cleared from the path of disabled Americans who are desperately and courageously fighting for the basic human rights and freedoms to which, as Americans, they are fully entitled.

Therefore, I categorically reject any notion that a "separate but equal" approach is an acceptable way of dealing with the civil rights of disabled persons. There is a fear that some such notion may be motivating some people in your Department. I call upon you to repudiate any "separate but equal" intent in the regulations you promulgate.

Access is the key to full participation in our society. Failure to achieve full access for all citizens to activities receiving Federal financial assistance is unacceptable to handicapped Americans, unacceptable to me, and I trust, unacceptable to you as well. Let me comment on one particular issue that has arisen due to reports—or rumors—regarding your proposed revision of the regulations: It is equally unacceptable for there to be any action that would automatically exempt planned but unbuilt structures from the requirements of full accessibility to all.

Finally, I view as unacceptable any attempt to load the regulations with avenues for waivers and exceptions that can serve only to generate paperwork and litigation at the expense of investigation, compliance, and enforcement activities.

I would urge this:

That the January 21 regulations be considered presumptively valid, and that you do not approve any changes except those needed to make sure that the goals of section 504 are in fact achieved.

The January 21 regulations that Secretary Mathews passed on to you represent years of discussions and negotiations among all interested parties. You are not writing on a clean slate. Given this background, I believe you must bear the burden of justifying not only to handicapped Americans, but to all citizens and the Congress, any changes that you make.

With best regards,
Sincerely,

ALAN CRANSTON.

HOSPITALS ARE NO PLACE FOR SICK PEOPLE

Mr. PELL. Mr. President, we in the Congress and many in the medical pro-

fession have a tendency to discuss the subject of health care in America as if we were talking about a massive and impersonal business with all of the dynamics of any large corporate force. We talk about planning and regulation and budgeting and manpower and even of elasticity, since we presume that marketplace economics prevail to some extent between patients and doctors.

It is important to temper this sort of systems analysis with the recognition that the basics of health care are still centered in the patient, and that "caring" is, as it implies, not simply ministering to an illness but actually being attentive and sensitive to a patient's conditions.

I would like to share with my colleagues a perceptive and thoughtful article by a Rhode Island physician, Dr. Arthur Kern, as told to Elisabeth Keiffer, which appears in the May issue of Good Housekeeping magazine.

Dr. Kern points out that technical proficiency in the provision of treatment is not sufficient to promote recovery and good continuing health. Hospitals should all carefully review their in-patient and emergency room procedures to be sure that patients are always treated as people instead of account numbers. Specifically, the patients bill of rights of the American Hospital Association and the American Civil Liberties Union's "The Rights of Hospital Patients" are valuable guides to reasonable and practical levels of true patient care.

I commend this provocative article to all of my colleagues, and to hospital administrators and doctors throughout America. I ask unanimous consent that it be printed in the RECORD.

There being no objection. the article was ordered to be printed in the RECORD, as follows:

HOSPITALS ARE NO PLACE FOR SICK PEOPLE

(By Arthur Kern, M.D., as told to Elisabeth Keiffer)

It's time hospital patients rebelled! If any industry treated its clients the way hospitals treat their patients, it would be out of business in no time.

Surprising thoughts from a doctor, you think? Well, until recently nothing in my years of practice had ever seriously shaken my faith in hospital care. Like most physicians, I thought of the hospital as an efficient, indispensable facility. I took pride in being on the staff as chief of dermatology in a first-rate teaching hospital in a state capital. But that was before I became a patient in that same hospital.

My quarrel is not with the medical care I received for an injured spinal disc. Except for one minor slip-up it was excellent and certainly helped my recovery. My quarrel is with the attitude, from doctors down to attendants, that the patients in their care—suffering human beings—are no more than bodies in the shop for repair. This attitude made me understand the puzzling behavior of a friend a few years ago. Hospitalized with a gallbladder problem, he took all he could for three days, then simply put on his clothes and walked out.

I came home after 10 days physically improved, but furious, disgusted, appalled. My first phone call was to a writer friend to ask if she would collaborate with me on an account of my hospitalization. I felt it should be written not because I, a physician, had been treated like any other patient—and I was—but because I wanted to speak for all patients, many of whose experiences could probably top mine.

* * * * *

It is cold, bleak and seven A.M. when my wife drives me to the emergency entrance of the hospital with which I am associated. My lower spine feels like a smoldering poker. Although my condition is far from critical, I am in considerable pain. But as I enter the shiny hospital doors I feel comforted for the first time in 48 hours. In just a few minutes the saviors within will be easing my pain and helping me to recover.

I look around the emergency room with new eyes. I see a metal desk, a metal chair, a metal file cabinet, but no human being. I am unable to sit, and stretching out on the floor seems undignified. So I stand and wait. And stand and wait. Perhaps it is really only a few minutes before a middle-aged woman arrives, arranges herself at the desk and, when she has reorganized everything on it to her liking, turns to look at me for the first time.

I give my name and add that I am there to be admitted. "I have no record of it," she says in a tone of utmost finality.

I tell her that I spoke with my doctor an hour ago and am following his orders.

"You'll have to go to the admitting office," she says firmly.

It takes the combined efforts of myself and my wife to persuade her that I am in no condition to walk that far. Grudgingly, she concedes that she can write up my admission papers.

With that victory won, I ask for a stretcher. Considering where we are, it takes a surprisingly long time to appear. Suppose this were a real emergency? I think. Gratefully, I ease on to the stretcher, only to find myself a moment later stashed against a wall somewhere down the corridor while my wife finishes the lengthy paperwork. In the next half hour, nurses, residents, attendants and technicians pass by and glance incuriously at me. I am no longer Dr. Arthur Kern, but just a suffering mass of human protoplasm. No one says good morning. No one offers a comforting word.

Then, without warning, two white-clad women swoop down. Swiftly, wordlessly, they strip off my clothes and cover me with a sheet. I am not modest, but it occurs to me that someone who is, might find being undressed in a busy corridor a painful introduction to hospital care. It is reassuring to see my doctor's face a moment later. "How is it, Art?" he asks. "Do you want some medication right away?"

I certainly do, but assuming I'll be in my room momentarily, I bravely say, "I can wait," and let him hurry off. A major blunder. Another half hour passes and a new figure in white looms up. Unlike the two before her, this one is friendly and talkative, but only to passersby. All she has to say to me is, "I'm going to take some blood."

Two hours later, after a trip to X ray, I am at last in a bed. The struggle has just begun.

An hour passes and I have seen neither a nurse nor the promised medication. I push the bedside button connected to a panel at the so-called nurses' station. In reality, this station is manned by young clerks. As a doctor I've always found these young women friendly and helpful. As a patient I suspect they have been specially trained never to betray a sign of compassion.

Fifteen minutes after my buzz the intercom responds with a toneless, "What can I do for you?"

"Medication for pain, please," I croak.

Anther half hour goes by. This time I press the "instant help" button. Fifteen minutes pass before the intercom again inquires coldly, "What can I do for you?"

I repeat my plea. Thirty minutes later, an RN appears to tell me I may not have any medication because my doctor has written no orders. Without orders, she adds, I cannot have even an aspirin.

"Damn it!" I shout. "I'm a physician. I'll write orders for aspirin myself."

She retreats, saying she'll try to locate my doctor. Instead, she manages to locate his medication order—which has been clipped to my chart for the last five hours.

Ritual, I soon learn, looms large in hospital procedure. Four times a day an attendant appears to stick a thermometer in my mouth and take my pulse. Since pain and muscle spasm are my chief complaints, my doctor has put me on a regimen of muscle relaxants and sleeping pills in addition to traction and physiotherapy. More often than not, the attendant has to wake me up to determine that temperature and pulse are, expectedly, normal. This is also true of my blood pressure which is, nevertheless, taken three times a day for the duration.

These tests aren't painful, but in my case, at least, they are certainly unnecessary and frequently annoying. If they could be performed less often in such cases, I muse, might not the attendant have a bit of free time to do something that would make the patient feel more warmly cared for—straighten up the bed, for instance—and less like a piece of machinery whose working parts have to be coldly checked regularly.

Hospital timetables also take a bit of catching onto. The key seems to be that they have nothing to do with the comfort of patients. Seven A.M.: patient is awakened for temperature-taking. Seven-thirty: flannel-mouthed, hungry patient is trying to forget his discomfort by dozing when the door bursts open and a disembodied hand tosses some towels and a facecloth in the general direction of a chair. Half an hour later, breakfast tray arrives. Eight-thirty: breakfast tray departs. Only then is patient handed the tossed linens, a basin and a toothbrush. Most people wash their faces and brush their teeth before breakfast, I believe. Couldn't they be allowed to follow their normal routines in that empty hour between seven and eight when the only diversion is the spectacle of the flying towels?

If one is not accustomed to eating dinner at 4:30 P.M., the meal schedule may also seem unfortunate. Unless patients expect visitors, they must look forward to a long, empty evening after this early dinner. However, it *is* convenient for the kitchen staff and the night nursing shift. In my case it makes little difference since I have minimal contact with my food. Three times a day an attendant deposits a tray by my bed, mutters, "You can manage, can't you?" and vanishes. Sometimes the tray is a foot above the level of my bed, sometimes below. Sometimes the side rail stands between me and the food. It doesn't really matter since I can neither sit up nor roll onto my side.

Breakfast and lunch are usually confined to whatever liquids I can reach and sip through a straw. Occasionally I make the mistake of painfully easing a small dish of something onto my chest and trying to shovel it into my mouth. Usually I miss and lie in or among bits of corn or string beans until my wife arrives. She feeds me dinner but the fact that the food reaches my mouth is a hollow victory.

In all fairness I should mention that patients have a choice of foods—a fact I don't discover for several days. Looking at the printed menu on my tray one afternoon, I see that nothing has been circled to indicate preference.

Prison-wise, by now, I make enquiries by by phone to the dietitian, rather than by buzzer to the nurses' station. The dietitian tells me that an attendant has left a menu in my room every morning, but that I have never circled my choices. With a little more sleuthing I find she leaves the menu *after*

I have been taken to physiotherapy and unquestioningly reclaims it before I get back to my room.

Years ago in hospitals, a nurse or nurse's aide would give a daily bedbath to an incapacitated patient. I believe it improved the morale as much as it sanitized the corpus. There is something enormously comforting in being bathed when you are ill or in pain. It proves another human being cares about you, for one thing. Routines are different now. Every morning, the attendant who leaves a basin and towel by my bed instructs me to wash all my parts I can reach. She adds that she will do my back and legs when she returns—by which time the water will be cold and scummy. I would like to follow her orders, but the parts I can reach are few. As a result I feel—and in fact I am—unclean for the duration of my stay. It seems to me the ultimate dehumanization.

So far, my complaints are not about anything seriously threatening to patient well-being. But things can happen in hospitals that are. Two days after I arrive my doctor says, "Did you know you have diabetes, Art? Your blood sugar was 148 on admission."

"Did you know that that blood was taken an hour after I'd eaten breakfast?" I reply.

He did not. He is discomfited and he will order a fasting blood sugar—the correct way to test for diabetes—done the following day.

Midmorning next day, I'm awakened from a doze by someone pricking my finger. On his next visit, Hal says, "Art, I'm afraid you really do have diabetes. Your blood sugar was way up again the second time."

"Sorry," I say, "but that wasn't a fasting blood sugar, either. The technician took blood after breakfast."

My doctor is much more upset at that moment than I am. He still believes in the infallibility of hospitals. We try it again a third time and this time we get it right. I do *not* have diabetes.

A cause I have espoused for many years is the fight against pollution. I have fought against pollution of our atmosphere, pollution of our water and pollution of our soil. It has never occurred to me before that another battleground might well be hospitals. My first skirmish is with my initial roommate who chain smokes despite the "No Smoking" sign in our room and the fact that there is a smoking area nearby for ambulatory patients and visitors. To my relief, he is discharged my second day.

Now, less heavily sedated, I become aware of the major hospital pollutant—noise. Do you think of hospitals as quiet, peaceful places? They are not. At least every 90 seconds during the day and a bit less frequently in the evenings there are announcements of one type or another over the loudspeakers in the corridor. They are so loud that the deafest soul could turn off a hearing aid and still receive the proclamations. A patient's only defense is to ask to have the door of his room closed. However, the attendants at the desk do not like closed doors and make sure they don't stay that way.

And what are these loud-spoken messages? They are addressed entirely to hospital personnel. They are paging workers on the floor, announcing that lunch carts are ready on the north side or that 244 needs to be taken off the bedpan. I enquire as to whether anyone uses "beepers," the small, relatively quiet receiving devices doctors carry when they are making rounds. Only interns, residents and key personnel in the cardiorespiratory team, I am told.

Why? Why must sick people be assaulted by irrelevant squawks? The final straw is to be waked at 4:30 in the morning by unintelligible sounds from the loudspeakers followed by: "Testing, one, two, three, four. Testing, one, two, three, four." It really happened.

We all know that sick people can be difficult to deal with. Illness, pain, confusion and fear are likely to make them irrational and overly emotional. Consider the added stresses that being hospitalized involves. You have been stripped of your identity along with your clothes. You must submit like a child to bewildering regulations and allow strangers to perform unpleasant intimacies. You are a helpless prisoner. It is not surprising that hospital patients frequently regress to childish behavior or blow their tops.

It is near the end of my hospital stay and I have done just that. Predictably, over a minor incident. Physiotherapy, to which I am taken every morning at nine, is the high point in my day. The soothing hot packs and massage are the only tangible evidences of healing I receive. I look forward to physiotherapy like a child to a birthday party. On this morning, no stretcher arrives to take me to physio. I buzz to ask why. "I'll check," the intercom responds indifferently.

I wait and fret. An hour lated I buzz again. "I'll check," the voice again replies.

By 11 a.m. I have given up hope, but as a matter of principle I buzz again. "Your physio has been cancelled," the intercom informs me.

"Couldn't you have told me that earlier?" I ask.

This time the voice has a sharp intonation. "Too busy!" it snaps.

That does it. Using my telephone, I ask to see the floor nursing supervisor. When she arrives I recognize her as the ghostly figure who hovers in my doorway every morning just long enough to say, "How are you feeling today?" and hear me say, "Better, thanks."

To her, I pour out all my pent-up anger, frustration and feelings of helplessness. I tell her I don't expect special favors because I am a staff physician, but that as a person I beg for some semblance of consideration from those who, for the moment, have complete power over me. "You come by every morning," I accuse, "but you never ask if I have any problems. You never give any indication, and neither has anyone else, that you even give a damn."

The nursing supervisor says she is very sorry, and I believe she is. She sends in the dietician who is also sympathetic. After our talk, food trays are left within reach, my meat is cut up and my coffee poured. Medication is now given on schedule. Furthermore, the hospital director soon calls on me. He is sincerely concerned about a client's opinion of the way he runs his business. "What can we do to improve things?" he asks. I really believe he wants to know and I tell him I will try to give him some answers.

The incidents I have singled out from my hospital stay—and believe me, there were many more—are trivial in themselves. Many patients have far more serious complaints, I know. But I find these incidents deeply disturbing because of the attitude they reveal. It's an attitude, I'm ashamed to realize, that starts at the top—with doctors. Did I ever ask one of my hospitalized patients if everything possible was being done to make his stay more comfortable? I don't think so, although I'd have raised the devil if I'd found his medical care being mishandled. My doctor visited me every day, but he never asked.

If physicians see a hospitalized patient as nothing more than a body with an infirmity, rather like a car with a mechanical defect, that viewpoint is likely to be catching. Nurses and aides, technicians and clerical staff who have the most daily contact with patients will adopt the same indifferent attitude.

The American Hospital Association officially recognized several years ago that we have a problem. Hospital care in this country, for all its sophisticated technology, is often callous, frightening and degrading. In 1973, the AHA issued a Patient's Bill of Rights, the first article of which is: "The patient has a right to considerate and respectful care."

Institutions around the country are taking steps to improve the quality of the hospital experience. In over 400 of them there are ombudsmen or patient advocates to whom patients can turn with questions, fears or complaints. Depending on the individual hospital, these personnel can deal with problems that range from complaints about sloppy housekeeping to far more serious matters concerning medical treatment. Someone to whom a patient can speak frankly without fear of retaliation, someone who can explain procedures the medical staff hasn't time to discuss can do much to reduce the tension and conflict in the hospital setting.

A handful of other hospitals have taken even more innovative steps. One, in Boston, has installed "hotline phones" which patients can use to get quick action on complaints about nonmedical matters that have to do with their comfort or convenience. Four hospitals in Wisconsin provide patients with audio tapes that give information on general medical subjects, diagnostic procedures and the like. Some hospitals have training courses, taught by ex-airline stewardesses adept at dealing with people under stress, to improve the attitudes of hospital personnel who come in daily contact with patients and families. In my opinion, every hospital should give such training.

Last year the American Civil Liberties Union published a handbook titled *The Rights of Hospital Patients*. Although it deals primarily with legal rights, it is based, the introduction notes, on two fundamental premises: that the American medical consumer possesses certain rights which he does not forfeit when he enters a hospital, and that most hospitals fail to recognize the existence of these rights. As a medical practitioner, I find that failure shocking.

I am still angry about my hospital experience, but I wouldn't have missed it. Every doctor should be a patient once and see for himself how we are abusing the hospitalized. The best medical treatment is not enough. We also have to give compassion.

(This concludes additional statements submitted today.)

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The PRESIDING OFFICER. Under the previous order, the hour of 11 o'clock having arrived the Senate now will resume consideration of H.R. 3477, and proceed to debate on the amendment by the Senator from Missouri (Mr. DANFORTH) and the Senator from New York (Mr. JAVITS).

The Senate resumed with the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 200 (AS MODIFIED)

Mr. DANFORTH. Mr. President, I offer at this time amendment No. 200, as modified.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in full in the RECORD.

The amendment is as follows:

Beginning on page 32, line 1, up to page 37, line 1, in lieu of the material sought to be inserted by the committee amendment, insert thereof the following:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)), a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	12 percent of taxable income.
Over $4,200 but not over $5,200	$120, plus 13% of excess over $4,200.
Over $5,200 but not over $6,200	$250, plus 15% of excess over $5,200.
Over $6,200 but not over $7,200	$400, plus 16% of excess over $6,200.
Over $7,200 but not over $9,200	$560, plus 18% of excess over $7,200.
Over $9,200 but not over $13,200	$1,280, plus 21% of excess over $9,200.
Over $13,200 but not over $17,200	$2,120, plus 24% of excess over $13,200.
Over $17,200 but not over $21,200	$3,080, plus 27% of excess over $17,200.
Over $21,200 but not over $25,200	$4,160, plus 32% of excess over $21,200.
Over $25,200 but not over $29,200	$5,440, plus 36% of excess over $25,200.
Over $29,200 but not over $33,200	$6,880, plus 39% of excess over $29,200.
Over $33,200 but not over $37,200	$8,440, plus 42% of excess over $33,200.
Over $37,200 but not over $41,200	$10,120, plus 45% of excess over $37,200.
Over $41,200 but not over $45,200	$11,920, plus 48% of excess over $41,200.
Over $45,200 but not over $53,200	$13,840, plus 50% of excess over $45,200.
Over $53,200 but not over $65,200	$17,840, plus 53% of excess over $53,200.
Over $65,200 but not over $77,200	$24,200, plus 55% of excess over $65,200.
Over $77,200 but not over $89,200	$30,800, plus 58% of excess over $77,200.
Over $88,200 but not over $101,200	$37,760, plus 60% of excess over $89,200.
Over $101,200 but not over $121,200	$44,920, plus 62% of excess over $101,200.
Over $121,200 but not over $141,200	$57,360, plus 64% of excess over $121,200.
Over $141,200 but not over $161,200	$70,160, plus 66% of excess over $141,200.
Over $161,200 but not over $181,200	$83,360, plus 68% of excess over $161,200.
Over $181,200 but not over $201,200	$96,960, plus 69% of excess over $181,200.
Over $201,200	$110,760, plus 70% of excess over $201,200.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	12 percent of taxable income.
Over $4,200 but not over $5,200	$120, plus 14% of excess over $4,200.
Over $5,200 but not over $7,200	$260, plus 17% of excess over $5,200.
Over $7,200 but not over $9,200	$600, plus 18% of excess over $7,200.
Over $9,200 but not over $11,200	$960, plus 21% of excess over $9,200.
Over $11,200 but not over $13,200	$1,380, plus 22% of excess over $11,200.
Over $13,200 but not over $15,200	$1,820, plus 24% of excess over $13,200.
Over $15,200 but not over $17,200	$2,300, plus 26% of excess over $15,200.
Over $17,200 but not over $19,200	$2,820, plus 28% of excess over $17,200.
Over $19,200 but not over $21,200	$3,380 ,plus 30% of excess over $19,200.
Over $21,200 but not over $23,200	$3,980, plus 32% of excess over $21,200.
Over $23,200 but not over $25,200	$4,620, plus 35% of excess over $23,200.
Over $25,200 but not over $27,200	$5,320, plus 36% of excess over $25,200.
Over $27,200 but not over $29,200	$6,040, plus 38% of excess over $27,200.
Over $29,200 but not over $31,200	$6,800, plus 41% of excess over $29,200.
Over $31,200 but not over $35,200	$7,620, plus 42% of excess over $31,200.
Over $35,200 but not over $39,200	$9,300, plus 45% of excess over $35,200.
Over $39,200 but not over $41,200	$11,100, plus 48% of excess over $39,200.
Over $41,200 but not over $43,200	$12,060, plus 51% of excess over $41,200.
Over $43,200 but not over $47,200	$13,080, plus 52% of excess over $43,200.
Over $47,200 but not over $53,200	$15,160, plus 55% of excess over $47,200.
Over $53,200 but not over $55,200	$18,460, plus 56% of excess over $53,200.
Over $55,200 but not over $67,200	$19,580, plus 58% of excess over $55,200.
Over $67,200 but not over $73,200	$26,540, plus 59% of excess over $67,200.
Over $73,200 but not over $79,200	$30,080, plus 61% of excess over $73,200.
Over $79,200 but not over $83,200	$33,740, plus 62% of excess over $79,200.
Over $83,200 but not over $91,200	$36,220, plus 63% of excess over $83,200.
Over $91,200 but not over $103,200	$41,260, plus 64% of excess over $91,200.
Over $103,200 but not over $123,200	$48,940, plus 66% of excess over $103,200.
Over $123,200 but not over $143,200	$62,140, plus 67% of excess over $123,200.
Over $143,200 but not over $163,200	$75,540, plus 68% of excess over $143,200.
Over $163,200 but not over $183,200	$89,140, plus 69% of excess over $163,200.
Over $183,200 but not over $283,200	$102,940, plus 70% of excess over $183,200.
Over $283,200	$172,940, plus 70% of excess over $283,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	12 percent of taxable income.
Over $2,700 but not over $3,200	$60, plus 13% of excess over $2,700.
Over $3,200 but not over $3,700	$125, plus 15% of excess over $3,200.
Over $3,700 but not over $4,200	$200, plus 16% of excess over $3,700.
Over $4,200 but not over $6,200	$280, plus 18% of excess over $4,200.
Over $6,200 but not over $8,200	$640, plus 21% of excess over $6,200.
Over $8,200 but not over $10,200	$1,060, plus 22% of excess over $8,200.
Over $10,200 but not over $12,200	$1,500, plus 24% of excess over $10,200.
Over $12,200 but not over $14,200	$1,980, plus 27% of excess over $12,200.
Over $14,200 but not over $16,200	$2,520, plus 29% of excess over $14,200.
Over $16,200 but not over $18,200	$3,100, plus 31% of excess over $16,200.
Over $18,200 but not over $20,200	$3,720. plus 34% of excess over $18,200.
Over $20,200 but not over $22,200	$4,400, plus 36% of excess over $20,200.
Over $22,200 but not over $24,200	$5,120, plus 38% of excess over $22,200.
Over $24,200 but not over $28,200	$5,880, plus 40% of excess over $24,200.
Over $28,200 but not over $34,200	$7,480, plus 45% of excess over $28,200.
Over $34,200 but not over $40,200	$10,180, plus 50% of excess over $34,200.
Over $40,200 but not over $46,200	$13,180, plus 55% of excess over $40,200.
Over $46,200 but not over $52,200	$16,480, plus 60% of excess over $46,200.
Over $52,200 but not over $62,200	$20,080, plus 62% of excess over $52,200.
Over $62,200 but not over $72,200	$26,280, plus 64% of excess over $62,200.
Over $72,200 but not over $82,200	$32,680, plus 66% of excess over $72,200.
Over $82,200 but not over $92,200	$39,280, plus 68% of excess over $82,200.
Over $92,200 but not over $102,200	$46,080, plus 69% of excess over $92,200.
Over $102,200 but not over $152 200	$52,980, plus 70% of excess over $102.200.
Over $152,200 but not over $202,200	$87,980, plus 70% of excess over $152,200.
Over $202,200 but not over $302,200	$122,980, plus 70% of excess over $202,200.
Over $302,200	$192,980, plus 70% of excess over $302,200.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,600	No tax.
Over $1,600 but not over $2,100	12 percent of taxable income.
Over $2,100 but not over $2,600	$60, plus 13% of excess over $2,100.
Over $2,600 but not over $3,100	$125, plus 15% of excess over $2,600.
Over $3,100 but not over $3,600	$200, plus 16% of excess over $3,100.
Over $3,600 but not over $5,600	$280, plus 18% of excess over $3,600.
Over $5,600 but not over $7,600	$640, plus 21% of excess over $5,600.
Over $7,600 but not over $9,600	$1,060, plus 24% of excess over $7,600.
Over $9,600 but not over $11,600	$1,540, plus 27% of excess over $9,600.
Over $11,600 but not over $13,600	$2,080, plus 32% of excess over $11,600.
Over $13,600 but not over $15,600	$2,720, plus 36% of excess over $13,600.
Over $15,600 but not over $17,600	$3,440, plus 39% of excess over $15,600.
Over $17,600 but not over $19,600	$4,220, plus 42% of excess over $17,600.
Over $19,600 but not over $21,600	$5,060, plus 45% of excess over $19,600.
Over $21,600 but not over $23,600	$5,960, plus 48% of excess over $21,600.
Over $23,600 but not over $27,600	$6,920, plus 50% of excess over $23,600.
Over $27,600 but not over $33,600	$8,920, plus 53% of excess over $27,600.
Over $33,600 but not over $39,600	$12,100, plus 55% of excess over $33,600.
Over $39,600 but not over $45,600	$15,400, plus 58% of excess over $39,600.
Over $45,600 but not over $51,600	$18,880, plus 60% of excess over $45,600.
Over $51,600 but not over $61,600	$22,480, plus 62% of excess over $51,600.
Over $61,600 but not over $71,600	$28,680, plus 64% of excess over $61,600.
Over $71,600 but not over $81,600	$35,080, plus 66% of excess over $71,600.
Over $81,600 but not over $91,600	$41,680, plus 68% of excess over $81,600.
Over $91,600 but not over $101,600	$48,480, plus 69% of excess over $91,600.
Over $101,600	$55,380, plus 76% of excess over $101,600.".

"TITLE I—PERMANENT INCREASE IN AMOUNT OF STANDARD DEDUCTION AND TAX RATES".

On page 26 strike out lines 8 through line 10 and insert in lieu thereof the following:

On page 26, line 11, strike out "SEC. 201." and insert in lieu thereof "SEC. 101.".

On page 43, lines 8 and 9, strike out "201 and 202" and insert in lieu thereof "101 and 201".

On page 47, immediately before line 11, insert the following:

"TITLE II—SIMPLIFICATION OF INDIVIDUAL INCOME TAXES".

On page 47, line 11, strike out "SEC. 202." and insert in lieu thereof "SEC. 201.".

On page 58, line 9, strike out "SEC. 203." and insert in lieu thereof "SEC. 202.".

On page 59, line 24, strike out "SEC. 204." and insert in lieu thereof "SEC. 203.".

On page 61, line 21, strike out "SEC. 205." and insert in lieu thereof "SEC. 204.".

On page 62, lines 9 and 10, strike out "201 and 202" and insert in lieu thereof "101 and 102".

On page 62, line 16, strike out "201 and 202" and insert in lieu thereof "101 and 201".

On page 64, line 11, strike out "SEC. 206." and insert in lieu thereof "SEC. 205.".

On page 64, line 13, strike out "201, 202, and 204" and insert in lieu thereof "101, 201, and 203".

On page 64, line 16, strike out "205" and insert in lieu thereof "204".

On page 2, in the table of contents, strike out the matter relating to title I and insert in lieu thereof the following:

"TITLE I—PERMANENT INCREASE IN AMOUNT OF STANDARD DEDUCTION AND TAX RATES

"SEC. 101. Change in tax rates and tax tables to reflect permanent increase in standard deduction.

On page 2, in the table of contents, strike out "TITLE II—REDUCTION AND" and insert in lieu thereof "TITLE II—".

On page 2, in the table of contents, strike out "SEC. 201." and insert in lieu thereof "SEC. 101.".

On page 2, redesignate the items relating to sections 202 through 206 as relating to sections 201 through 205.

Mr. BAKER. Mr. President, will the Senator yield briefly to me?

Mr. DANFORTH. I yield 5 minutes to the Senator from Tennessee.

Mr. BAKER. Mr. President, it is my privilege at this time to rise in support of the amendment offered by the distinguished Senator from Missouri (Mr. DANFORTH) and the distinguished Senator from New York (Mr. JAVITS).

It is no suprise to the Members of this body to know that this is a part of the so-called Republican economic package. There were seven bills involved in that undertaking, which were submitted after deliberation by the conference of Republicans earlier this year. I am sure my colleagues will forgive my pride in stating that the decision of the conference was virtualy unanimous. There were 37 Republican Senators who voted for the entire package; there was 1 Senator who abstained from voting in favor of it.

The keystone and centerpiece of that economic package, Mr. President, in my view, is the amendment now pending before the Senate. The importance of it cannot be overstated in terms of its relevance to the current economic situation in this country, and in terms of legislative and governmental policy which will be appropriate to the economic situation as it is almost certain to be in the next few years.

It is truly remarkable that Republicans of divergent philosophies, ideologies, and points of view would agree with such unanimity on the approach that should be taken in this economic matter; but they have. And in agreeing on the approach, they have by implication agreed on the problem as well. That is the question of the appropriate, desirable stimulation of the American economy.

There is no doubt in my mind that the majority of Americans as well as the majority of Republicans and Democrats agree that the present level of economic activity, and particularly the present level of unemployment, is socially, philosophically, and governmentally unacceptable. There is no doubt in my mind that most Americans would agree that stimulation is necessary in order to produce a more desired economic situation. The unemployment level in January of this year, when the Republican economic package was adopted and submitted to the Senate for consideration in the series of bills which I was privileged to introduce on behalf of the conference, was 7.2 or 7.3 percent. The level of unemployment now, in April, as we approach the month of May 1977, according to the latest statistics and figures, is still about the same, something over 7 percent.

The economy as a whole has shown improvement in the last several months, but it is also clear that it is not improving at a rate which relieves us of the obligation to address ourselves to appropriate, cautious, careful, and prudent stimulation.

In a word, Mr. President, the same circumstances that impelled 37 Republicans to agree—I believe really 38 Republicans to agree on the fundamental principles involved—in suggesting that prudent stimulation was in order then, are just as relevant and cogent today.

Mr. President, this is a different ball game, however; a different set of legislative circumstances obtain at this moment primarily because the President of the United States has changed his point of view on the administration's policy for economic stimulation. The President first proposed, as we all know, a tax rebate of $50 to most Americans. The proposal was carefully examined in the Republican conference; it was extensively discussed among all of us in this Chamber, in the cloakrooms, and in private conversations. Many of us had views on the concept of a tax rebate that we freely expressed at that time. On my own part, I suggested that the tax rebate was a novel idea when President Ford proposed it and Congress adopted it, but that in my judgment it did not work very well; it did not have the desired stimulative effect, it was expensive, and it was not particularly cost effective. I thought we should learn from that experience, and, therefore, I was opposed this time to a tax rebate proposal.

But I also indicated that I felt as the distinguished authors of this amendment feel, that the economy requires stimulation, that the middle-income taxpayer and the low-income taxpayer in this country deserve a break, and it has been a long, long time since they have had a break. They need more than just the shot in the arm of a tax rebate; they need somethng they can depend on, something that will encourage them to order and arrange their fiscal affairs on a more permanent basis, presumably with a more permanent stimulative effect on the productive economy.

So I enthusiastically offered my support, in conversation with my colleagues and particularly the distinguished authors of this amenment, in favor of the permanent tax cut. Now, of course, the President of the United States has withdrawn his proposal in support of the $50 rebate, and has substituted nothing in its place.

Mr. President, I think that is the worst of all possible worlds. It is not going to founder the Republic. We are not going to suffer acute financial distress because of it. But I think from the standpoint of fiscal policy, it is a mistake on the administration's part to first offer the $50, and then withdraw it. I suspect some of the taxpayers may have come to depend on that. Some of them may even have spent it. To offer it and then withdraw it, and offer nothing in its place—I had really hoped, Mr. President, that the administration might, after it withdraw its own proposal for economic stimulation, come forward and say, "Look, we think that idea for a permanent tax cut is pretty good."

I had hoped the administration might say something to that effect, and I suspect the administration will propose a permanent tax cut later, but I had hoped they would come forward now and say, "The Republicans and the Democrats have their differences, but we think they have a good idea, and we are glad to support it."

The PRESIDING OFFICER (Mr. CLARK). The Senator's 5 minutes have expired.

Mr. BAKER. Could I have 2 more minutes?

Mr. DANFORTH. I yield the Senator 2 additional minutes.

Mr. BAKER. But that did not occur, so we are left with no alternative at all except the Republican initiative for a permanent tax cut.

Mr. President, I very much hope that our colleagues on the majority side of the aisle, or many of them, can see their way clear to support this proposal. I think the reason and the rationale for it is as great today as it was when it was offered. I hope they will not permit a vacuum to occur in the fiscal stimulation that we should offer the economy. I hope we will not make a mockery of the budgetary process which we have put in place here, and which is distorted by the withdrawal of the President's $50 rebate.

From that standpoint, what we have done is to provide a surplus of unspent moneys, although there is a deficit in terms of the total Federal budget, which is uncommitted money authorized under the budget resolution and up for grabs; and I suspect, knowing us as I do, that we will probably spend it if we do not pass it on to the public in some sort of tax break.

Since the administration has not come forward with some alternative suggestions, allow me briefly to describe it. As a matter of relief for the taxpayer, it provides a tax reduction from 4 to 14 percent concentrated primarily on the lower and middle income taxpayers with incomes of $20,000 or less. This will have two principal effects on the American taxpayer: First, it will mitigate, if only slightly, the continuing inroads of inflation for those on whom the burden of inflation falls the heaviest. Second, it provides a measure of redress, again only slight, for the ever-increasing direct burden of the American family which has almost doubled since the mid-1950's. If for no other reasons than these, this small measure of relief would be worth while.

But these are not the only reasons, because there are important implications to a permanent tax reduction that increases the real spendable income of the American taxpayer and consumer. Although the Nation continues to enjoy a substantial recovery from the recent economic recession, the twin specters of inflation and unemployment remain very much with us, and the prospects for continued economic growth beyond even the immediate future are not encouraging. By itself, this measure will not turn that prospect around, and there will be other measures required; but at least this is one step in the right direction.

Increased spendable income for the taxpayer equates to increased consumer confidence and willingness to recommit income to the economy. This greater degree of confidence on the part of the consumer will, in turn, inspire greater production and investment in increased production capacity necessary for noninflationary economic growth.

Without this increased growth, we have little hope of seriously reducing unemployment below the present level of over 7 percent by 1978. Without this ad-

ditional stimulus and with the presently anticipated economic growth, we can hope to do little more than hold our own with unemployment and have almost no prospect of absorbing into the economy any meaningful percentage of the structurally unemployed.

Perhaps most importantly, Mr. President, it demonstrates to the American public that this Congress can and will provide meaningful and realistic policy for the future economic well-being of the Nation. We owe the public this demonstration and I urge my colleagues to consider well that obligation and vote in favor of this amendment.

I thank the Senator from Missouri for yielding me this time as we approach the end of the debate, and I wish him good luck on the final outcome.

Mr. DANFORTH. Mr. President, the amendment now pending improves on the bill reported by the Finance Committee in the following respects:

First of all, it increases employment by 350,000 additional jobs by the end of 1978 over and above the bill now before us.

Second, this amendment would provide relief for the average taxpayers, or taxpayers with adjusted gross income of less than $20,000 a year, and it would accomplish these two objectives, these two improvements, with only a very negligible effect on the rate of inflation.

The purpose of the bill now before us is still the creation of jobs. It is an economic stimulus proposal. Despite the fact that in the month of March the economy improved somewhat, still the most recent economic forecasts are not as heartening as we might like. Under the most current forecasts by the administration, those which were announced last Friday, unemployment in 1978 will still average 6.4 percent. That is, more than 6 million Americans who want work will not be able to find work in 1978.

It is estimated that the amendment which is now before us would create 350,000 more jobs in 1978 than the bill reported by the Finance Committee. This estimate was made by a staff of the Budget Committee of the Senate and concurred in by the Congressional Budget Office staff.

This bill offers relief for middle-income and low-income taxpayers. In the arguments which have been made before the Senate in the last 4 days, ample evidence has been presented concerning the existing economic status of people who have incomes between the $10,000 and $20,000 level. People in that general bracket who receive $1 in additional salary lose between 40 cents and 50 cents of that extra $1 to either Federal taxes, to State and local taxes, to social security taxes, to inflation, or to a combination of those factors.

The whole thrust of the amendment now before us is to target the benefits for people who have adjusted gross incomes of $20,000 a year or less. In this amendment, 74.1 percent of the benefit would be for people with adjusted gross incomes under $20,000, whereas only 2.2 percent would be for the benefit of those with adjusted gross income of $50,000 or more.

The chairman of the Finance Committee has pointed out, with some truth, that the bill as it now stands without this amendment does provide some relief at least for people in the middle and lower tax brackets. However, the amount of tax saving provided for people who have incomes between $10,000 and $20,000 a year, as the bill is now before us, is less than half of the tax break they would get by virtue of the amendment now pending.

In the bill as it was reported from the Finance Committee, other than extending the existing tax law, there is no new tax benefit for individual taxpayers who itemize their return. People earning $20,000 or less a year, 8.4 million taxpayers, will continue to itemize their returns next year. Therefore, these 8.4 million people with adjusted gross incomes of $20,000 a year or less get nothing out of the bill without the pending amendment.

Furthermore, the bill as it now exists would increase the taxes for 1.75 million Americans who are single people with adjusted gross incomes of $13,750 or more per year. So, for a substantial number of people, including middle income people, the bill as it now exists, as it came out of the Finance Committee, would either do nothing for them, other than extend the existing tax system, or it would actually increase their taxes.

The amendment presented by the Senator from New York and me would solve this problem by offering tax reduction to all taxpayers, but especially targeted to taxpayers in the middle and low income groups.

Furthermore, even for those people who would be benefited by the change in the standard deduction, it is important to note that that benefit would be short-lived. For the average taxpayer the amount that his taxes would be reduced by the change in the standard deduction alone would be wiped out in a period of approximately 1 year by the effect that inflation has in pushing that person into a higher bracket of taxation. That is, without any activity at all on the part of the Congress, when people have their incomes adjusted to compensate for the increase in the rate of inflation, without any change in real income, they are pushed into a higher tax bracket and government takes more from them. By the end of a year, if in this bill we are left with nothing more than an adjustment in the standard deduction, the average taxpayer is going to be paying a larger percent of his income a year from now in taxes than he is paying now.

What this particular amendment would accomplish is to give the average taxpayer at least 3 or 4 years before inflation pushes his tax bracket up to where it is right now.

I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

Mr. President, the importance of the vote today has been very widely noted, and I think it is important. The reason for its critical nature, in my opinion, is that the circumstances not only have changed but the administration, which is the principal opponent which we have in this matter of this particular vote, admits that they have changed, and that they have changed in such a way as to make this approach which we are asking the Senate to accept more valid than ever it was before.

First, the President recognized that it was not a matter of stimulating immediate consumer confidence because he said, in withdrawing the $50 rebate idea, that consumer confidence, in his opinion, was returning. Therefore, we did not need the $50 rebate.

But he also went on to send his three top financial people up here as recently as yesterday and they completely revised their estimates to indicate that while consumer confidence is revived momentarily and, therefore, we do not need the shot in the arm or the pep pill, the $50 rebate, the longer-range situation—and that not so long range at that, to wit, 1978—has very materially decreased in terms of expectations for the United States.

All his people up here did—Mr. Lance, Mr. Blumenthal, and Mr. Schultze—was to fail to supply the answer to the question they themselves presented.

They said, one, real gross national product could fall, compared to their own projection as recently as February, for the calendar year 1977 to 4.9 percent as against the February prediction of 5.4. And that ain't hay, Mr. President. That is $6.2 billion less in real gross national product in 1977.

They said the inflation rate would materially rise from 5.3 percent, predicted in February, to 6.7 percent. This, Mr. President, is to be compared also with a material increase expected in 1978—these are the President's own men speaking—to 5.6 percent inflation compared with their forecast of 5.2. Then, to completely confound the position which they themselves are taking against a personal income tax rate cut, they opine that the average unemployment rate this year would be 7.2 percent, something over 7 million unemployed, rather than 7.1 percent, which was the earlier forecast.

Mr. President, the administration is certainly not giving the proponents of the amendment the better of it, you can be sure of that. They are giving us the worst version of the figures. Yet, even at the worst, because of the tradition of our country—that when you are a high official, you have to come through with the facts, according to what Government departments have them—the facts are as I have stated: to wit, real gross national product down; Consumer Price Index inflation up very materially; unemployment not down, but up.

Under those circumstances, what are we to do? Well, the Senator from Louisiana (Mr. LONG), my beloved and distinguished colleague, chairman of the Committee on Finance, says, "What you are to do is sit and wait until we give you a tax reform act." That is really the only answer that we have had in the course of this debate. But Senator DANFORTH has analyzed that the sitting and waiting proposition means 1 to 3 years.

The last tax reform bill, passed in 1976, took 3 years to pass.

Let us assume that under the pressure which we are under now, this bill will take 1 to 2 years. But, Mr. President, in the meantime, the American economy, by the findings of the administration itself, is in a good way to deteriorate and to get us into a worse recession than we had before.

We had a foreign visitor here, Mr. President, just yesterday—I heard him myself—Denis Healey, Chancellor of the Exchequer of the United Kingdom. They are pretty sensitive to the currents that are in the world. Healey suggested that we are facing the danger of a very serious recession in 1978 unless the more affluent countries—the United States, West Germany, and Japan—can achieve higher economic growth targets.

Mr President, what do we have to offer the American people to achieve higher economic growth targets? We have a personal income tax rate cut to the very middle-income families, who produce the buyers of the big-ticket items, the investors in securities, the professionals, the doctors, the lawyers, the engineers. That has worked before in tax cuts which have produced almost invariably more revenue than the cuts themselves have cost. We have submitted very adequate lists of the history of previous tax cuts and subsequent revenue receipts on that score.

Mr. Healey is a very distinguished foreign visitor, a very keen observer, very highly honored. He warns us about the very thing which we warn the Senate about when we ask it to adopt this amendment.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. JAVITS. I yield myself 2 additional minutes.

Finally, Mr. President, the burden of taxation on the American people, as my colleague (Mr. DANFORTH) has very seriously explained, is the increasing of income, which puts them in higher brackets. I do not like indexation. I think it gives automaticity to inflation, which we have seen in other situations in other countries. But not to be against indexation is not the same thing as not understanding when you are materially curtailing the purchasing power of the people in an unnecessary way. That we are doing through the tax take today. Let us take an average American family, a family with a $12,000 income—that is, an income for tax purposes.

In 1975, such a family paid 8.7 percent of its income in Federal taxes. Under current law, that percentage would increase to 10.5 percent. This proposed tax cut, combined with the proposed changes in the standard deduction, which we subsume and adopt in our amendment, would bring the tax liability to what it was in 1975; further proof of the fact that all we are doing is adjusting for inflated dollars and further proof of the fact that, by doing so, we would be very materially adding to the income for purposes of spending of that very type of family—to wit, in the $12,000 a year bracket, which is considered to be the most analogous to the great rank and file of the American buyer.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. Mr. President, I yield the floor momentarily.

I yield 5 minutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, we are here discussing this amendment because we think it is good for the economy of the country, and because we think that it will not cost the Treasury anything. Like every other problem in multiplication arithmetic, there are two factors. You multiply one by the other. It is just as important that we have more income, more activity to apply the tax rate as it is to have an adequate rate. Therefore, I believe that, within moderation, tax relief can be granted at times and we actually pick up revenue, rather than lose revenue, as is sometimes predicted.

We can carry that too far. I heard of a young man who read about a gadget to put on his automobile that would save 10 percent of his gasoline, so he bought 11 of them and put them on and expected to have to pump out gasoline after driving a few miles. But within reason we can add to the hopes, the planning, the risking, and the business ventures of the country, as well as to the zeal of workers, whether it is an additional moonlighting job or piecework, or what, and we get more revenue. I believe that. I think the historical figures bear it out.

There is another very impelling reason, and we have touched on it many times before. In these days of inflation, increased prices, wage levels, and everything else, individuals are handling more money than ever before, but their relative position has not improved, because this increase has put them in a higher tax bracket. Therefore, they are entitled to adjustments.

Also, this amendment is very symbolic. A gentleman who could command more press than any other man in the world told the American people that they were going to have a $50 tax rebate. Even if it had gone through, it was not that. It was going to go to millions and millions of people who do not pay any taxes. It was a distribution of money out of the Treasury. So one of the functions of this amendment is to point up the error of that presentation. Although I believe it will not be passed, it would be good for our economy and good for the Treasury if it is.

The human needs that must be met, because people are short of food or shelter or what not, should be met through our welfare programs, not under a guise of something that we say is tax law but really is not. The only way you can grant tax relief is to deal with taxpayers. This is what this amendment does. It gives to those forgotten Americans who labor, produce goods, support their families, carry on the work in our communities, make contributions to churches and charities and other worthwhile things—those are taxpayers.

They are the forgotten, the abused. This says, "We're going to give you just a little bit of tax relief."

Mr. President, I am frank to admit that if I thought this would not spur revenue and add to our deficit, I could not support it. If I did not feel impelled to do something in the way of an inflation adjustment, I could not support it. But both of those factors are here. They are compelling. I hope we can have a very substantial vote in support of this measure.

The PRESIDING OFFICER (Mr. LEAHY). The Senator's 5 minutes have expired.

Mr. CURTIS. Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, I yield 5 minutes to the Senator from Illinois (Mr. PERCY).

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I am very pleased, indeed, that the distinguished Senator from Connecticut (Mr. RIBICOFF) is on the floor, that Senator CURTIS is here, and my distinguished colleague from New York (Mr. JAVITS) and Senator DANFORTH, who have authored the existing amendment.

First, I commend the President for withdrawing the $50 rebate. I think that he, by so doing, was extraordinarily wise, both politically—he has all the credit and none of the blame now—and economically.

It was not needed because it was not the right way to do it. I believe the distinguished Senator from Connecticut (Mr. RIBICOFF) must have known in his heart the Republicans were right on that issue.

We were joined by a number of Democrats who expressed privately their own conviction to the administration that the rebate was the wrong thing to do at this time.

I think it was probably a combination of factors. Certainly, I talked to a number of cabinet officials and indicated we very strongly opposed that.

Senator HANSEN and I were selected by the minority and those who opposed the tax rebate to lead that fight. I was never happier to be relieved of a job in my life when, during the recess, I learned the President receded on that point. I respect his wisdom in so doing.

But I hope the logic of this amendment will appeal to the distinguished Senator from Connecticut because he is a man of great logic. He is a man who does not go partisan routes.

If I could have the distinguished Senator's attention for just a moment, I commend him particularly for his statements yesterday in marking up the energy reorganization bill, that we can all accept advice and counsel from the administration, but we are a separate branch of Government.

Thank God, at certain times during the course of the Nixon administration, let us say, there was no partisanship from many of us on this side of the aisle. We recognized and appreciated the fact that we were set up constitutionally to be separate and we would be abrogating our responsibility to just go along.

I respect very much the influence that Senator RIBICOFF must have had on the administration on the rebate. I hope our arguments on the permanent tax cut will be appealing to him.

I realize this puts many Democrats in a very difficult position. But on the other

hand, this tax bill has to be carved out by the Congress of the United States. Constitutionally, it is very clear, indeed, who has the primary responsibility in this area—the Congress of the United States.

We can listen to the best advice we can get from the executive branch of Government, but the buck stops right here when it comes to taxes.

Mr. RIBICOFF. Will the Senator yield?

Mr. PERCY. I am happy to.

Mr. RIBICOFF. First, I do appreciate the kind comments.

I never thought the tax rebate was a good idea, nor many things in the energy program. I do not think a rebate on automobiles with high mileage is justified.

My Connecticut upbringing makes me feel uneasy giving money to people for what they should do for their own interest. It is hard for me to understand why we should give anyone $400 back for buying an automobile that gives 36 or 37 miles to a gallon.

I am concerned when I know, as the Senator does, that we are going to need a trillion dollars for developing ultimate sources of energy and research for mass transit, so why we do not use that money for that particular purpose with a managing trust fund.

There will be differences. May I say that I am at a loss to understand where the Senator from Illinois stands on some of my differences with the administration on the Department of Energy bill. I thought the Senator from Illinois was with Senator JAVITS and myself and I am a little confused as I read this morning's newspapers.

The PRESIDING OFFICER. The 5 minutes have expired.

Mr. JAVITS. Mr. President, may I suggest to Senator RIBICOFF that they have not used any time. Could he yield time?

Mr. RIBICOFF. Mr. President, I will use it on my time.

So there are these problems.

I have one concern with the proposal of the distinguished Senator from Missouri, for whom I have come to have a fantastically high regard in the short period of time I have known him. I have observed his comments. I am fortunate in serving with him both on the Finance Committee and Governmental Affairs.

My prediction is in the years ahead that he will be one of the most constructive Senators in this whole body.

But what concerns me at this time is the feeling we do need a basic tax reform proposal and by accepting the proposal of the Senator from Missouri and the Senator from New York in their amendment, we will really shunt it aside. That is the one concern I have.

It is not a question of economics, but whether it is premature at this time.

My feeling is that we should not always listen to the President or to members of the executive branch. They are entitled to their point of view, but we do have a definite duty of developing our own program, our own ideas, and should not hesitate, on whichever side of the aisle we are, to push them along.

Mr. JAVITS. Mr. President, I yield 3 additional minutes.

Mr. RIBICOFF. We will be pleased to yield on this side. I am sure we have plenty of time, if the Senator from New York needs it.

Mr. JAVITS. I thank my colleague. We will, if we need it.

Mr. President, I yield 3 additional minutes.

Mr. PERCY. We will deal separately with the energy reorganization bill.

I would like to indicate my very strong support for the pending amendment. I think a permanent tax cut in individual income tax rates, concentrated on middle income taxpayers, makes very good economic and very good social sense at this time.

I do not see why, when the evidence is so overwhelming, we should wait for some future day when we will reform our taxes when we have a tax bill before us that is the Tax Reduction and Simplification Act of 1977, and this certainly fits right into the patterns of this.

I do believe the economy would benefit and we need a stimulant now from the extra boost and confidence that a permanent cut in tax rates would generate.

I say this having spent most of my life convincing people to give up their money for not a necessity, but a purchase, and a type of purchase we can either purchase or not purchase, as we feel compelled. You do not necessarily need it, but do you want it?

Our whole job is somehow to stimulate the private sector, to get this economy going again. The question is, do you do it through the private sector and let people spend their own money, or do you put into effect gigantic public works programs? We have decided to go both routes.

I am simply saying that the tax rebate was a bad idea. Here is a good idea. I have learned that the American public spends on confidence in future income—not $50 in their hand today, but whether they are going to have this tax reduction in the future or whether, in effect, we are freezing the rates and they are going to be paying higher and higher taxes in the future and have less and less spending money of their own.

It is for this reason that I voted for increasing business investment and employment incentives.

The kind of spending that that proposal and the earning proposal would generate is important to the economy continuing on a steady course of growth.

While the economy's progress in recent weeks has been encouraging, there are some areas in which there is continuing cause for concern. A permanent tax cut would address these problems. First, the unemployment rate for the year is now estimated to average 7.2 percent by the administration. The Chase econometric forecast estimates a fourth quarter rate as high as 8.3 percent. Second, the rate of capital investment is not sufficient to assure sufficient capacity as the economy reaches the recovery level and we approach full employment. Third, our productivity growth is disturbingly low relative to our historical growth and the current rate of growth in the other industrialized nations of the world.

The Senator from New York (Mr. JAVITS) has been on that subject as long as I have known him. He recognizes that here is a stagnation in our growth that imperils our competitive position abroad, imperils jobs at home, and is an ominous sign for the future unless we turn it around.

A permanent tax cut would address these problems in two vital respects. It would put additional money in the hands of private sector consumers and it would generate the confidence necessary to induce investment and purchase of durable goods.

The ripple effect of private expenditure is far greater than that of Government expenditure. Expenditure by a person in a home means home furnishings, appliances, carpeting, and so forth.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. Mr. President, will the Senator yield me 3 additional minutes?

Mr. JAVITS. I yield.

Mr. PERCY. Those ripple effects are the important considerations we have to take into account as we look at the effect of a permanent tax cut.

To call this proposal a real stimulus proposal is, in a sense, a misnomer. In reality, its effect would be merely to help the American taxpayer stay even.

Earlier this year, I wrote to several leading economists to ask their views on the merits of the various economic stimulus proposals that had been advanced. Alan Greenspan, formerly head of the President's Council of Economic Advisers, responded that he did not believe any stimulus of consumer spending was necessary but that he did favor a cut in individual income tax rates to prevent the tax burden on the average family from rising as inflation pushes individual families into higher income tax brackets.

This phenomenon is easily documented. The marginal individual income tax rates were the same in 1976 as they were in 1967 and in the intervening time period, the personal exemption, standard deduction and several categories of itemized deductions were increased several times. Despite this, the effective tax rate has increase from 11 percent to 11.3 percent.

Inflation has caused personal income taxes to rise since 1967 despite paper lowering of tax liability. This is because the rate brackets, exemptions and allowable deductions have not increased with the rate of inflation. While a worker's income may rise enough to keep up with inflation, as his income increases he automatically enters a higher tax bracket and the real value of exemptions and many deductions decreases. Thus tax liabilities actually rise faster than inflation and real spendable income decreases.

For example, in 1975 the effective personal income tax rate on a family of four earning $8,000 was 4.3 percent; earning $15,000 was 10.7 percent and earning $30,000 was 16.5 percent. Following a 10-percent increase in inflation, the ef-

fective rates will be 5.5 percent, 11.4 percent and 17.6 percent, respectively.

The effect of this phenonemon on consumer's spendable income is a negative one and if we do not adopt the pending proposal, many, if not most, consumers will have less spendable income in real terms at the end of this year than they do now.

So that this is not a big give-away program. This, in effect, is to allow the American consumer to stand still and stay even, rather than regress and have a depressant effect on the economy.

In 1967 the average worker with three dependents had $101.26 in gross spendable weekly earnings. In August 1976, he had $179.94. But in terms of what 1967 dollars could buy, his income rose only to $104.68.

So while we may differ on how much stimulus of private spending is necessary, or whether such stimulus is necessary at all, I have heard no one argue that consumer spending power should be reduced. But this is exactly what will happen in the months ahead if the pending proposal is not adopted.

I commend my colleagues for their leadership in this matter and strongly urge my other colleagues to examine the substance of their argument and adopt the pending amendment.

I say to the distinguished chairman of the Committee on Finance, Senator LONG, who has returned to the Chamber, that he is the first person not to want to go on record as actually having a tax bill labeled "tax reductions" and have the net effect, if we do nothing, of increasing taxes and taking real income away from people simply because of the effect of inflation. In effect, if we do not adopt a permanent tax reduction, that is exactly what we would be doing.

I thank my distinguished colleague.

Mr. JAVITS. Mr. President, Senator DANFORTH and I deeply appreciate the fine analysis just made by Senator PERCY, as he generally does on matters of economic content, such as this.

Mr. TOWER. Mr. President, at the outset it should be recognized that the rebate and a permanent tax cut are not differing solutions to the same problem.

The rebate was proposed to provide a quick stimulus to a perceived lagging demand. When the economic and inflationary indicators jumped recently, they pulled the rug out from under the rebate by removing the justification for it.

Unemployment: Down to 7.3 percent in March;

Retail sales: Up 2.7 percent in February, up 2.4 percent in March;

Industrial production up 1.4 percent in March;

Estimates for annual rate of growth for GNP have risen;

Housing demand up;

Gold prices up;

Upsurge in commodity futures index; and

Advances in wholesale and consumer price indexes.

The permanent tax cut. on the other hand, is a long range solution to a long range problem, based on factors clearly apart from the rebate.

First, instead of stimulating only the demand side of the economic equation, a permanent tax cut would provide an incentive to suppliers as well. An across-the-board cut produces a balanced economic response, and avoids the pitfalls of economic tinkering.

Second, it would offset the effects of inflation, putting more money into peoples pockets, and increasing their incentives to work and invest. Greater take home pay makes an hour of work more rewarding relative to an hour of leisure. Overtime is accepted. Productivity increases. The cost of labor to the firm is reduced while at the same time providing more opportunities for growth.

Incentives to invest are also increased. With a lower overall tax bite, the demanded return on investment is thereby reduced. Projects formerly rejected, now seem promising and are reinstated. As stated in the minority report of the joint economic committee,

> All told, the increased work effort, savings, and investment resulting from the supply effects . . . have a large impact on real output. Getting new employees to work increases supplies of vitally needed products which helps stabilize prices.

Third, a permanent tax cut, unlike pump-priming rebates, is aimed at altering spending habits. Those capital expenses—the high-ticket items—which remain unaffected by a rebate, are directly stimulated simply because their cost is lowered. Additionally increased capital is made available to business.

Investment spending has shown a lackluster performance in the current expansion. Real business capital investment in the fourth quarter of 1976 was nearly 11 percent below that of the fourth quarter of 1973 and only 7 percent above the low point of the business cycle reached in the third quarter of 1975. By the seventh quarter of previous business recoveries, business capital investment had increased on the average of 15 percent after the low point had been reached.

Capital spending needs to be stimulated not only to sustain the present economic expansion but to meet long-run capacity requirements that are needed to insure rising real incomes, meaningful and productive employment opportunities, adequate energy supplies from domestic sources and a cleaner environment.

A number of studies have shown that, in coming years, the private sector must substantially increase its capital investment if the Nation is to achieve its goal of maximizing productive employment and meeting its investment needs. Recent trends in investment spending have been extremely disappointing. Business fixed investment presently represents less than 10 percent of our gross national product. This is down from a high of roughly 11 percent just 10 years ago. Even with substantial increases in spending this year, the ratio of capital spending to GNP will remain under 10 percent, which is far below the ratio that is desirable for long run sustained economic growth. The result has been a marked decline in labor productivity since the mid-1960's, which has added to the upward cost pressures on prices.

It has been estimated that an adequate level of capital spending would be about 12 percent of our Nation's output. This is the level of spending that would be needed if we are to achieve full employment and meet the environmental and energy objectives we desire. Failure to meet these investment needs will result in a loss of job opportunities, higher unemployment, and greatly increased inflationary pressures.

Fourth, a permanent tax cut is needed simply to lift the yoke off our citizenry.

In the early sixties, only 3 percent of all tax returns were affected by marginal tax rates above 30 percent. Today, nearly a third of all tax returns are affected by these rates. Furthermore, the Office of Management and Budget has predicted that within the next 5 years taxes will increase by at least 25–30 percent simply because of inflation pushing people into higher brackets.

Economists generally agree that the maximum level of taxation which could be sustained without serious adverse effects on incentives for growth is 25 percent of national income.

Today, the total tax burden in the United States is somewhere over 40 percent and rising rapidly. Unless the tax burden is reduced, we could soon reach a situation where the average American will be giving back to Government in taxes over 50 percent of his or her earnings each year.

A tax cut, coupled with fiscal responsibility, is the quickest and cleanest way to reduce "big government"—a state of affairs that everyone deplores, but which few are willing to challenge. The tax cut, unlike the rebate, is neither pablum nor placebo, but an effective dose of what the patient needs.

If we are to realize our potential as a nation we must permit the energy, ambitions, productivity, and drive of the American people to continue to operate in a free, and unencumbered society.

Last, Mr. President, let us look at how much this will cost, and whether or not it will be inflationary.

Estimates indicate the cost to be approximately $10 billion for fiscal years 1977 and 1978. This is very modest indeed. Economic studies show the inflationary impact will be minimal.

Additionally, history of tax cuts in the past indicate that the reserves are quickly made up through increased economic activity.

Mr. President, the permanent tax cut is a long range solution to a long range problem. Given time, it will make our economy healthy again by reducing the tax bite of a voracious Government.

Mr. JAVITS. Mr. President, I yield 3 minutes to the distinguished Senator from Delaware (Mr. ROTH).

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I am deeply concerned about the state of the economy. In my judgment, the most important problem this Congress and the new administration faces today is, as our

former President Kennedy said, to get our economy moving again.

I was pleased when the President withdrew his rebate proposal, because it was the wrong answer. In my judgment, what we need today is a long-term solution to our long-term problems.

I was happy to hear the senior Senator from New York yesterday warn Congress about the state of the economy from the long-range point of view.

I was very interested in reading in the newspaper this morning that Britain's Chancellor of the Exchequer has warned against a global recession in 1978. I think his warning gives substantial argument to the need for a permanent tax cut, which will not only have a short-range beneficial effect on our economy but also, more importantly, will bring some life and buoyancy into the economy in the future.

In all candor, as my colleagues know, I favor a much broader-gaged permanent tax cut. I feel very strongly that it is important that not only those on the lower end of the economic scale, but also those who make $20,000, $30,000, and $40,000 a year be given some tax relief because of the pernicious effect that inflation has had on all Americans' standard of living.

I urge the Senate today to support the proposal that has been submitted by the senior Senator from New York and the junior Senator from Missouri, because I think it is a substantial step in the right direction. I believe we should go further. I shall see to it that the Senate has an opportunity to consider further relief for middle America.

I congratulate my colleagues who have developed this proposal as a very important step in the right direction. If we fail to act today, we are holding out no promise to the people who have been unemployed so long. This is one reason why I think it is so extraordinarily important that the permanent tax cut be enacted today, not 6 months or a year from now.

If we adopt this permanent tax cut today, we know there will be something like 600,000 jobs created by the end of 1978, by the end of next year.

So I disagree with those in the administration who have said, "Wait, we are going to come forward with our own proposal sometime this fall or next winter." We cannot afford to wait.

The people who have no jobs today need help now, and that is the reason, Mr. President, why I urge this Congress to provide some strong leadership, to take some initiative, and enact a permanent tax cut now.

I thank the Senator from New York for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, I would like to express the appreciation of the Senator from New York and myself to Senator ROTH for his very excellent remarks.

Much has been said about tax reform. In the past Presidential campaign the need for tax reform was, in fact, one of the main issues that was presented to the American people, and yet when we use the term "tax reform" oftentimes we are not told exactly what the phrase is supposed to mean.

We talk about unfairness in the Internal Revenue Code, and I think there is a basic feeling on the part of the American people that the Internal Revenue Code is unfair, that the tax system is unfair. But oftentimes we throw out that suggestion and we do not have any particular definition of what unfairness is supposed to mean.

To me the greatest unfairness of all, and the one which strikes most at our whole system, is that tax increases can be accomplished in this country not by representative government doing anything, not by any votes of the Congress of the United States, not by any act by the Congress signed into law by the President, but the people can have their taxes increased solely by the effect of inflation pushing them into a higher and higher tax bracket.

Each year, as a matter of fact, the Federal Government raises $6 billion in additional revenue simply because the ordinary citizen is pushed into a higher bracket by the effect of inflation.

Now, it is said if we have a permanent tax reduction we are foregoing in perpetuity additional tax revenues. I would like to dispute that concept because in a period of just a few years the average taxpayer is going to be paying more taxes because of the effect of inflation on his tax bracket than he will be saving as a result of this particular reduction.

So what we are really talking about are maybe 3 or 4 years of relief for the middle-income and low-income taxpayers from the effect that inflation has on their tax rates.

The PRESIDING OFFICER. All time of the Senator from Missouri has expired.

Mr. JAVITS. Mr. President, I think the Senator from Louisiana will yield some time.

Mr. LONG. Mr. President, at the moment I have no requests for time over here, and I will address myself to the amendment in due course. I would be happy to yield some of my time. How much time would the Senator like to have?

Mr. DANFORTH. Three minutes.

Mr. LONG. I yield the Senator 5 minutes.

Mr. DANFORTH. I thank the Senator from Louisiana.

We are told we should wait for tax reform before we have a permanent tax reduction. But we are not told what reform we are supposed to be waiting for.

We are told that the administration is to have a tax reform package next September or October, but we are not told what is going to be in that package.

Yesterday, before the Budget Committee of the Senate, Charles Schultze, the Chairman of the Council of Economic Advisers, indicated that the tax reform will not be in place until 1979. So we are asked to wait for a minimum of 2 years for an unspecified reform, and not to pass a tax reduction now because reform is coming.

Yet, in 2 or 3 years from now, the effect of what we are doing now, if we accept this amendment, will no longer be very helpful because the Government will be making more as a result of inflation than we will be saving as a result of this cut.

Considering the fact that 75 percent or nearly that amount of the benefit of this amendment is directed at taxpayers with adjusted gross incomes of $20,000 a year or less, I do not believe that the group of middle-income taxpayers should be expected to wait 2 or 3 years before they get a tax cut.

Furthermore, considering the fact that this is a stimulus proposal, and that it would create, according to the Congressional Budget Office, 350,000 additional jobs over and above the bill that is before us now by the end of 1978, it seems to me we should not shut the door of employment on these 350,000 who could be employed if we increased the stimulus as a result of the tax reduction that has been proposed by Senator JAVITS and myself, that we should not shut that door of employment in the name of tax reform.

Mr. President, I yield the floor.

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 42 minutes until 12:40, and then he has an additional 10 minutes at that time.

Mr. LONG. How much time remains for the proponents of the amendment?

The PRESIDING OFFICER. Only 10 minutes which they get at 12:40.

Mr. LONG. I am somewhat at a loss to understand how the timing works out. It is now only about 11:58, and if the Senator from Louisiana has 22 minutes——

The PRESIDING OFFICER. Forty-two minutes; the Senator has 42 minutes.

Mr. LONG. I have 42 minutes?

The PRESIDING OFFICER. Plus 10 extra at 12:40, plus 10 minutes at that time for the opposing side, which would work out to 62 minutes.

Mr. LONG. Mr. President, I do not anticipate I will need the whole 42 minutes, and I will make a statement of position against the amendment. Others may want to have something to say, but in view of the fact that there are no other requests at this moment, I would like to make clear to the proponents of the amendment that I would be pleased to yield some of my time to them if they would like to speak further on it.

Mr. President, those of us who favor the bill and do not favor the amendment feel we have as much stimulation as is justified in the bill at this moment. This is particularly evident if one looks at the Government's fiscal problems. We think we provide enough stimulation with this bill which provides $6 billion in tax cuts by simplification and by increasing the standard deduction, which will be fed into the economy during the year, and which provides $1.4 billion on a full-year basis in an increase in the investment tax credit, and an additional $1.6 billion with the jobs credit proposal.

When one adds all that together, it adds up to an increase of about $9 billion a year in tax reductions or a further tax cut of about $9 billion on an annual

basis over and above the reductions which taxpayers are enjoying at this time. As Senators know, inflation causes taxes to go up and, of course, that is correct.

But, on the other hand, Mr. President, we have estimated that the effects of inflation will increase Government revenues by about $6 billion, and Senators will note that we have $6 billion of tax reductions in this bill in the increase in the standard deduction alone.

So, having retreated from the $50 tax refund, which it was generally agreed might bring about inflationary pressures, it was felt that we should not put the cost of the refund back in the bill with a further tax cut which might tend to be somewhat inflationary.

There is a further problem that is compelling insofar as the manager of the bill is concerned. There is no doubt in my mind that the President is anxious to fulfill his commitment to the American people to propose a major tax reform bill. If that bill is to become law and if we look at the history of other tax reform bills, it will have to entail a major tax reduction. To do it any other way, to try to raise as much money by tax increases as we lose by tax cuts on a tax reform bill tends to mean that you cannot pass the tax reform bill. This happens because there is far more resentment among those who pay more taxes as a result of a tax reform bill than there is appreciation among those who are going to pay less taxes. When you take up a major tax bill, first one item and next another stirs resentment among taxpayers who will have to pay more. The resistance builds. A tax reform bill which does not work out to an overall tax reduction simply cannot become law.

If we pass a $12 billion permanent tax cut now the administration is not going to be able to recommend further tax reduction, and the result would be that the hope of tax reform will be dashed. It could not occur. The American people have been promised that they are going to have a major structural change of a sweeping nature in the tax code. The Senate has confirmed very fine and able men who are to work in that area and who are working on it right now. If we pass a permanent cut now, we would be left in the unfortunate situation of being unable to deliver on that commitment just because of the realities of this Government, that is, experience dictates that for a major tax reform bill to become law, it must necessarily be a bill which entails an overall tax cut of a large dimension.

So, Mr. President, I hope that the amendment will not be agreed to for a number of reasons. One of them is that it prejudices tax reform for the future. Another is that it forecloses some of the options that we need to have available to us in connection with that tax reform.

And furthermore, Mr. President, I am convinced fully in my mind that if the amendment becomes part of the bill, and I would assume that the Senate conferees will be committed to support this amendment in conference, then it means that the bill will not even reach the President's desk because the House conferees will not agree to it and the conferees will be reluctant to yield on it. If it did reach the President's desk he would veto the bill. So all we would be doing is simply to engage in one of these exercises in futility where we talk about the tax cuts which the American people are going to get and then no one gets the tax cut.

Those on the other side of the aisle can well advocate what they would like to see done and when it fails to happen they can point the finger of scorn at the President and blame him for it because he vetoes the bill and his veto will not be overridden. There is not a chance on Earth it will be overridden. But we on this side of the aisle must bear more responsibility than that. Some of us have been around here long enough to have served under Democratic Presidents, and we know that after a President has been in office for 2 years or 4 years, the people, having heard what the Democrats and their candidate for President said in a campaign, expect something to happen.

After 2 years, all the fine speeches and commitments for tax reform go for naught and nothing happens. We talk about things. By the time we get through wrangling and filling the Chamber with oratory, the result is zero; and then the public will blame us.

So, we Democrats, whether we want to or not, are going to have to learn to measure up to a certain degree of responsibility over here on this side of the aisle now that there is a Democrat in the White House. We have a burden to try to help him to put forward a program.

So I would hope, Mr. President, that this amendment will not be agreed to.

If it is not agreed to, and I hope we can defeat it, I hope that our friends on the other side of the aisle will, nevertheless, work with us to try to make this into the best bill we can make of it. I hope that their habits of fiscal responsibility and statesmanship will not depart them merely because they are unable to win on a single amendment here in the Chamber.

They have had the frustration with which some of us are familiar of trying to do what they believe is best for the country and seeing it fail to happen. But I very much hope that they will do what I have tried to do from time to time, that is, to try to work together and arrive at an overall package which even though it does not contain everything I think it should, will, nevertheless, be a good tax bill for the country.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. LONG. I yield to the distinguished Senator from New York.

Mr. JAVITS. I do not pose as a leader of the Republicans, but on this particular case it is a fact that the conference and the ranking minority member have chosen Senator DANFORTH and me to put forward the Republican position. That is a fair statement.

So I have a reaction to what the Senator says.

I agree with the Senator. I do not believe that our side here will stand in the way of a constructive tax bill just because we cannot get what we think is best for the country. But I do think, too, that the President should draw a lesson from this. It would be superficial to say he really kind of jumped the gun in the statement that he is going to veto if this particular type of cut is put into a bill. In the first place, none of his three financial representatives would say that yesterday to the Budget Committee. On the contrary, they assiduously avoided it. And second, the President I think is in this learning process, and I am all with him and for him; I think the Senator knows that about me very well. We want him to succeed because that means the country succeeds. I think this is part of the learning process, too. If we are needed, as the Senator certainly assumes we are, in respect of a constructive tax bill, and we are not to clang the door shut because we do not get what we want, I think it is fair to say that a President should feel the same way and it would be superficial, and I would not argue it; when he changes his mind suddenly on the rebate he could easily change his mind on the veto. That is such a simplistic argument that it is unnecessary to make it. But I do think it is fair to say that we would have hoped the President would have said, "I am against cuts in the personal income tax rates the way they have been proposed. But as a President, as and if a bill comes to me and the time comes I will look it over and I will decide what I ought to do about it."

I just mention that because I suppose we are all in a learning process. We will get along with a new President, and he has to get along with us. I really hope that as he reads this—he is not going to read this RECORD; but he will hear about it and he will know what is going on—he too is instructed by it just as the Senator from Louisiana hopes that we are on this side of the aisle.

Mr. LONG. I thank the Senator.

Mr. President, I feel that the bill before us is really a product of bipartisan cooperation the way it is now. Some of us felt that this bill should have some incentive for employers to employ people and put them to work. When we voted on that issue, my vote was not what the President would have preferred, but it was the vote of the majority of the Senate. The position was also overwhelmingly supported by the majority of those on the other side of the aisle. I just hope that we will be able to work together point by point, item by item, on a package and an overall tax reduction bill which will advance the Nation's interest and which will also be something that everyone here can agree will be generally a good thing for the country.

Now, some people might not be for the investment tax credit, but hopefully they would be for the job credit, or for the standard deduction. Everyone can find something in this bill that he is very pleased about, that he likes, even though there are some things he might not like about it.

So I hope, Mr. President, that the amendment will not be agreed to. However, I assure those on the other side of the aisle that I am every bit as interested in working with them, and I believe the President also is, as they are in trying to

cooperate with those on this side of the aisle in trying to put together a tax reduction proposal and a tax reform proposal that will advance this Nation's interests.

I think both the majority and the minority have made very useful contributions to the bill before us, and I hope we can keep it in its present form when it reaches the President's desk.

I yield to the Senator from Missouri.

Mr. DANFORTH. Mr. President, I have further modifications in the tables contained in amendment No. 200 as modified, and ask unanimous consent that the amendment be further modified to include the changes in the tables that I am now sending to the desk.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment as further modified is as follows:

Beginning on page 32, line 1, up to page 37, line 1, in lieu of the material sought to be inserted by the committee amendment, insert thereof the following:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who make a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)), a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	12 percent of taxable income.
Over $4,200 but not over $5,200	$120, plus 13% of excess over $4,200.
Over $5,200 but not over $6,200	$250, plus 15% of excess over $5,200.
Over $6,200 but not over $7,200	$400, plus 16% of excess over $6,200.
Over $7,200 but not over $11,200	$560, plus 18% of excess over $7,200.
Over $11,200 but not over $15,200	$1,280, plus 21% of excess over $9,200.
Over $15,200 but not over $19,200	$2,120, plus 24% of excess over $13,200.
Over $19,200 but not over $23,200	$3,080, plus 27% of excess over $17,200.
Over $23,200 but not over $27,200	$4,160, plus 32% of excess over $21,200.
Over $27,200 but not over $31,200	$5,440, plus 36% of excess over $25,200.
Over $31,200 but not over $35,200	$6,880, plus 39% of excess over $29,200.
Over $35,200 but not over $39,200	$8,440, plus 42% of excess over $33,200.
Over $39,200 but not over $43,200	$10,120, plus 45% of excess over $37,200.
Over $43,200 but not over $47,200	$11,920, plus 48% of excess over $41,200.
Over $47,200 but not over $55,200	$13,840, plus 50% of excess over $45,200.
Over $55,200 but not over $67,200	$17,840, plus 53% of excess over $53,200.
Over $67,200 but not over $79,200	$24,200, plus 55% of excess over $65,200.
Over $79,200 but not over $91,200	$30,800, plus 58% of excess over $77,200.
Over $91,200 but not over $103,200	$37,760, plus 60% of excess over $89,200.
Over $103,200 but not over $123,200	$44,920, plus 62% of excess over $101,200.
Over $123,200 but not over $143,200	$57,360, plus 64% of excess over $121,200.
Over $143,200 but not over $163,200	$70,160, plus 66% of excess over $141,200.
Over $163,200 but not over $183,200	$83,360, plus 68% of excess over $161,200.
Over $183,200 but not over $203,200	$96,960, plus 69% of excess over $181,200.
Over $203,200	$110,760, plus 70% of excess over $201,200.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	12 percent of taxable income.
Over $4,200 but not over $5,200	$120, plus 14% of excess over $4,200.
Over $5,200 but not over $7,200	$260, plus 17% of excess over $5,200.
Over $7,200 but not over $9,200	$600, plus 18% of excess over $7,200.
Over $9,200 but not over $11,200	$960, plus 21% of excess over $9,200.
Over $11,200 but not over $13,200	$1,380, plus 22% of excess over $11,200.
Over $13,200 but not over $15,200	$1,820, plus 24% of excess over $13,200.
Over $15,200 but not over $17,200	$2,300, plus 26% of excess over $15,200.
Over $17,200 but not over $19,200	$2,820, plus 28% of excess over $17,200.
Over $19,200 but not over $21,200	$3,380, plus 30% of excess over $19,200.
Over $21,200 but not over $23,200	$3,980, plus 32% of excess over $21,200.
Over $23,200 but not over $25,200	$4,620, plus 35% of excess over $23,200.
Over $25,200 but not over $27,200	$5,320, plus 36% of excess over $25,200.
Over $27,200 but not over $29,200	$6,040, plus 38% of excess over $27,200.
Over $29,200 but not over $31,200	$6,800, plus 41% of excess over $29,200.
Over $31,200 but not over $35,200	$7,620, plus 42% of excess over $31,200.
Over $35,200 but not over $39,200	$9,300, plus 45% of excess over $35,200.
Over $39,200 but not over $41,200	$11,100, plus 48% of excess over $39,200.
Over $41,200 but not over $43,200	$12,060, plus 51% of excess over $41,200.
Over $43,200 but not over $47,200	$13,080, plus 52% of excess over $43,200.
Over $47,200 but not over $53,200	$15,160, plus 55% of excess over $47,200.
Over $53,200 but not over $55,200	$18,460, plus 56% of excess over $53,200.
Over $55,200 but not over $67,200	$19,580, plus 58% of excess over $55,200.
Over $67,200 but not over $73,200	$26,540, plus 59% of excess over $67,200.
Over $73,200 but not over $79,200	$30,080, plus 61% of excess over $73,200.
Over $79,200 but not over $83,200	$33,740, plus 62% of excess over $79,200.
Over $83,200 but not over $91,200	$36,220, plus 63% of excess over $83,200.
Over $91,200 but not over $103,200	$41,260, plus 64% of excess over $91,200.
Over $103,200 but not over $123,200	$48,940, plus 66% of excess over $103,200.
Over $123,200 but not over $143,200	$62,140, plus 67% of excess over $123,200.
Over $143,200 but not over $163,200	$75,540, plus 68% of excess over $143,200.
Over $163,200 but not over $183,200	$89,140, plus 69% of excess over $163,200.
Over $183,200 but not over $283,200	$102,940, plus 70% of excess over $183,200.
Over $283,200	$172,940, plus 70% of excess over $283,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	12 percent of taxable income.
Over $2,700 but not over $3,200	$60, plus 13% of excess over $2,700.
Over $3,200 but not over $3,700	$125, plus 15% of excess over $3,200.
Over $3,700 but not over $4,200	$200, plus 16% of excess over $3,700.
Over $4,200 but not over $6,200	$280, plus 18% of excess over $4,200.
Over $6,200 but not over $8,200	$340, plus 21% of excess over $6,200.
Over $8,200 but not over $10,200	$1,060, plus 22% of excess over $8,200.
Over $10,200 but not over $12,200	$1,500, plus 24% of excess over $10,200.
Over $12,200 but not over $14,200	$1,980, plus 27% of excess over $12,200.
Over $14,200 but not over $16,200	$2,520, plus 29% of excess over $14,200.
Over $16,200 but not over $18,200	$3,100, plus 31% of excess over $16,200.
Over $18,200 but not over $20,200	$3,720, plus 34% of excess over $18,200.
Over $20,200 but not over $22,200	$4,400, plus 36% of excess over $20,200.
Over $22,200 but not over $24,200	$5,120, plus 38% of excess over $22,200.
Over $24,200 but not over $28,200	$5,880, plus 40% of excess over $24,200.
Over $28,200 but not over $34,200	$7,480, plus 45% of excess over $28,200.
Over $34,200 but not over $40,200	$10,180, plus 50% of excess over $34,200.
Over $40,200 but not over $46,200	$13,180, plus 55% of excess over $40,200.
Over $46,200 but not over $52,200	$16,480, plus 60% of excess over $46,200.
Over $52,200 but not over $62,200	$20,080, plus 62% of excess over $52,200.
Over $62,200 but not over $72,200	$26,280, plus 64% of excess over $62,200.
Over $72,200 but not over $82,200	$32,680, plus 66% of excess over $72,200.
Over $82,000 but not over $92,200	$39,280, plus 68% of excess over $82,200.
Over $92,200 but not over $102,200	$46,080, plus 69% of excess over $92,200.
Over $102,200 but not over $152,200	$52,980, plus 70% of excess over $102,200.
Over $152,200 but not over $202,200	$87,980, plus 70% of excess over $152,200.
Over $202,200 but not over $302,200	$122,980, plus 70% of excess over $202,200.
Over $302,200	$192,980, plus 70% of excess over $302,200.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,600	No tax.
Over $1,600 but not over $2,100	12 percent of taxable income.
Over $2,100 but not over $2,600	$60, plus 13% of excess over $2,100.
Over $2,600 but not over $3,100	$125, plus 15% of excess over $2,600.
Over $3,100 but not over $3,600	$200, plus 16% of excess over $3,100.
Over $3,600 but not over $5,600	$280, plus 18% of excess over $3,600.
Over $5,600 but not over $7,600	$640, plus 21% of excess over $5,600.
Over $7,600 but not over $9,600	$1,060, plus 24% of excess over $7,600.
Over $9,600 but not over $11,600	$1,540, plus 27% of excess over $9,600.
Over $11,600 but not over $13,600	$2,080, plus 32% of excess over $11,600.
Over $13,600 but not over $15,600	$2,720, plus 36% of excess over $13,600.
Over $15,600 but not over $17,600	$3,440, plus 39% of excess over $15,600.
Over $17,600 but not over $19,600	$4,220, plus 42% of excess over $17,600.
Over $19,600 but not over $21,600	$5,060, plus 45% of excess over $19,600.
Over $21,600 but not over $23,600	$5,960, plus 48% of excess over $21,600.
Over $23,600 but not over $27,600	$6,920, plus 50% of excess over $23,600.
Over $27,600 but not over $33,600	$8,920, plus 53% of excess over $27,600.
Over $33,600 but not over $39,600	$12,100, plus 55% of excess over $33,600.
Over $39,600 but not over $45,600	$15,400, plus 58% of excess over $39,600.
Over $45,600 but not over $51,600	$18,880, plus 60% of excess over $45,600.
Over $51,600 but not over $61,600	$22,480, plus 62% of excess over $51,600.
Over $61,600 but not over $71,600	$28,680, plus 64% of excess over $61,600.
Over $71,600 but not over $81,600	$35,080, plus 66% of excess over $71,600.
Over $81,600 but not over $91,600	$41,680, plus 68% of excess over $81,600.
Over $91,600 but not over $101,600	$48,480, plus 69% of excess over $91,600.
Over $101,600	$55,380, plus 70% of excess over $101,600.".

On page 26 strike out lines 8 through line 10 and insert in lieu thereof the following:

"TITLE I—PERMANENT INCREASE IN AMOUNT OF STANDARD DEDUCTION AND TAX RATES".

On page 26, line 11, strike out "SEC. 201." and insert in lieu thereof "SEC. 101.".

On page 43, lines 8 and 9, strike out "201 and 202" and insert in lieu thereof "101 and 201".

On page 47, immediately before line 11, insert the following:

"TITLE II—SIMPLIFICATION OF INDIVIDUAL INCOME TAXES".

On page 47, line 11, strike out "SEC. 202." and insert in lieu thereof "SEC. 201.".

On page 58, line 9, strike out "SEC. 203." and insert in lieu thereof "SEC. 202.".

On page 59, line 24, strike out "SEC. 204." and insert in lieu thereof "SEC. 203.".

On page 61, line 21, strike out "SEC. 205." and insert in lieu thereof "SEC. 204.".

On page 62, lines 9 and 10, strike out "201 and 202" and insert in lieu thereof "101 and 102".

On page 62, line 16, strike out "201 and 202" and insert in lieu thereof "101 and 201".

On page 64, line 11, strike out "SEC. 206." and insert in lieu thereof "SEC. 205.".

On page 64, line 13, strike out "201, 202, and 204" and insert in lieu thereof "101, 201, and 203".

On page 64, line 16, strike out "205" and insert in lieu thereof "204".

On page 2, in the table of contents, strike out the matter relating to title I and insert in lieu thereof the following:

"TITLE I—PERMANENT INCREASE IN AMOUNT OF STANDARD DEDUCTION AND PERMANENT DECREASE IN TAX RATES

"Sec. 101. Change in tax rates and tax tables to reflect permanent increase in standard deduction and permanent decrease in tax rates."

On page 2, in the table of contents, strike out "TITLE II—REDUCTION AND" and insert in lieu thereof "TITLE II—".

On page 2, in the table of contents, strike out:

"Sec. 201. Change in tax rates and tax tables to reflect permanent increase in standard deductions."

On page 2, redesignate the items relating to sections 202 through 206 as relating to sections 201 through 205.

Mr. LONG. Mr. President, if there are no further requests for time at this point, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LONG. I yield to the Senator from Delaware.

TIME LIMITATION AGREEMENT ON ROTH AMENDMENT

Mr. ROTH. Mr. President, I would be happy to agree to a consent agreement on my proposed permanent tax cut of 10 percent across the board based on a 2-hour period, 1 hour for my side of the proposition and 1 hour for the opposition, with the agreement that there would be an up and down vote at the end of 2 hours.

Mr. ROBERT C. BYRD. Reserving the right to object—and the Senator has not made a request—with the further provision that the Senator be recognized following the vote on the disposition of the Javits-Danforth amendment, that it be in order for him to call up his amendment and that it be in order. I make that request.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. ROTH. Just to make certain, it is clear that we will have an up and down vote on that amendment?

Mr. ROBERT C. BYRD. That was in the request.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LONG. I yield to the Senator from Maine.

Mr. MUSKIE. It seems to me, Mr. President, and this will not take much time, this would be the appropriate occasion to report to the Senate the result of the Budget Committee's deliberations this morning on the third concurrent resolution for the 1977 fiscal year and the first concurrent resolution for fiscal year 1978.

The committee has not concluded its consideration of both resolutions. It has dealt only with the relative size, that being most relevant to the pending debate and the pending bill. We will consider the outlay side this afternoon. That, of course, will involve the rebate related to the $50 tax rebate.

On the revenue side, just to announce the results quickly, the committee voted to raise the revenue floor in the third concurrent budget resolution from $347.7 billion to $349.3 billion. That reflects reestimates of estate and gift taxes and also it reflects the delay in the standard deduction withholding changes. Those two together add $1.6 billion to the revenue estimates for fiscal year 1977 and account wholly for the change.

The committee voted not to raise the revenue floor for the purpose of reflecting the Senate's action on the $50 tax rebate.

It was the committee's view that it still believed that the stimulus that would have been provided by that rebate is still needed by the economy. It may still be needed by the economy. In any case, the committee believed that, since that was its position with respect to our economic needs, it ought to hold to that position by holding a revenue number.

That does not eliminate the budgetary discipline on the outlay side, because we are going to reduce those estimates in order to retain that discipline. But on the revenue side, the fiscal year 1977 number, as approved by the committee this morning, reflects our belief that stimulus is needed in the economy today, as it was earlier this winter.

With respect to fiscal year 1978, the committee, by a positive vote, retained the revenue numbers of the first concurrent resolution, $395.6 billion. That makes no room, in our judgment, for some of the amendments that have already been approved by the Senate, nor does it make room for any permanent tax reduction beyond those already contained in the tax bill.

Members of the committee, nevertheless, disagree about the need for a permanent tax reduction. It was the view of the committee that, with a tax bill pending on the floor, it is virtually impossible for the committee to come up with a floating number on revenues that would necessarily reflect what the Senate and the Congress as a whole do.

We would have preferred it, with the benefit of hindsight, if we could have had the budget resolution examined before action on the tax bill, but, as I have said before, that is history. We are in the middle of that debate and we ought to conclude it and conclude it as quickly as possible at the present time. If, when Congress finally acts on the tax bill, the result is inconsistent with the First Concurrent Budget Resolution in 1978, then, obviously, appropriate action will have to be taken on the floor and we shall have to deal with it at that time.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MUSKIE. Yes.

Mr. LONG. Mr. President, I thank the Senator. I congratulate him for the action of the Committee on the Budget. It seems to the Senator from Louisiana that, with the revenue-spending proposals that the President is proposing and which Members on both sides of the aisle will be offering at this point, there is absolutely no way to estimate precisely where we are going to be in fiscal year 1978. The President made some energy proposals which might raise us a great deal of revenue to offset the cost of certain tax incentives for people who save on energy. While we would like to be able to say that the President's program will pass, history reveals that it is easy for Congress to vote for tax cuts, but much more difficult to persuade it to vote for tax increases.

While we approach all this with good will and a spirit of cooperation, it is really impossible at this moment to predict just where we are going to wind up—if we are going to pass all spending proposals or if we are going to pass all tax reductions or tax increase proposals.

We still have not seen what the President's tax reform proposal is going to look like, and we have not seen what his welfare proposal is going to look like. If the Senator says we are in the dark on the cost of those big items, I do not see how the Senator can hope to give us any final judgment on where we are going to stand in fiscal 1978, other than to say that we are going to try to be fiscally responsible. I believe that is what the Senator is trying to do and I assure him that I want to cooperate with him on that point.

Mr. MUSKIE. I shall make one other point. I say to the Senator, then I shall yield to my good friend who represents the Republican minority on the committee (Mr. DOMENICI).

This is a new administration, with its policy still in the development stage. As the distinguished floor manager said, we do not yet have a very precise or even a very rough estimate of the budgetary impact of the President's energy proposals. OMB has not been able to provide that kind of analysis. CBO has not had the time to develop that kind of analysis, and our own staffs have not. So that question is very much up in the air.

We do have the period between the first concurrent resolution and the second concurrent resolution to take into account developments in these as yet undefined policy areas. The first resolution represents targets and we try to hold to them as closely as possible in order to retain the discipline of the processes. We also recognize that in an area like energy, where policy has just been announced, we are just beginning to debate it; we are just beginning to discuss it; we are just beginning to understand it. Both the President and Congress need some leeway to form final positions before we try to freeze policy decisions into the first concurrent resolution. So, in an area like that, I think the Committee on the Budget has tried to be responsive to the need for flexibility between the two resolutions.

I hope that by September 15, we shall be in a position to set hard targets or hard ceilings. But that lies ahead of us and we have to have some flexibility in the meantime.

In addition, in all candor, I say to the Senator, it is necessary to accommodate the differences of opinion within the Budget Committee, as the Senator finds it necessary to do within the Committee on Finance.

Mr. DOMENICI. Will the Senator yield?

Mr. JAVITS. Mr. President, will the Senator yield so I may ask for the yeas and nays?

Mr. MUSKIE. Of course.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on this amendment.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. Would the Senator from New Mexico like the floor?

Mr. DOMENICI. No, I wish to talk with the Senator from Maine and I shall not take long. I wish to recap some of the statements of the Senator from Maine and see if he agrees and if my understanding is correct.

The revenue ceilings we have agreed on in the Committee on the Budget of $349.3 billion——

Mr. MUSKIE. For fiscal year 1977.

Mr. DOMENICI (continuing). For fiscal year 1977, from the standpoint of policy, obviously would have to be construed to mean that the Committee on the Budget feels that there still is a need for stimulus by way of tax cuts. We agree with that, do we not?

Mr. MUSKIE. The Senator is correct.

Mr. DOMENICI. We also agree that the Danforth-Javits amendment——

Mr. MUSKIE. Will the Senator yield?

Mr. DOMENICI. Indeed.

Mr. MUSKIE. I think it would be helpful if we had printed in the RECORD a statement by the Director of the Congressional Budget Office, Alice Rivlin, yesterday before the committee which reflects that same view.

I ask unanimous consent, Mr. President, that the statement may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY ALICE M. RIVLIN, DIRECTOR, CONGRESSIONAL BUDGET OFFICE

Mr. Chairman and Members of the Committee: At the Committee's request, I am happy to share some brief observations on the economic outlook. I will address myself to three questions:

Has the economic news through early April provided reasons for altering the economic forecast that I presented to this committee on March 2, or the forecast contained in the Committee's report on the Third Concurrent Resolution for Fiscal Year 1977?

How will the outlook be affected by withdrawal of the $50 rebate assumed in the Third Concurrent Resolution for Fiscal Year 1977?

What is the effect of the shortfall in federal expenditures on the economic outlook?

RECENT ECONOMIC NEWS

The economic statistics of the last few weeks have contained bad news about prices, at least from the consumer's point of view, and good news about economic activity. Before a drastic change in fiscal policy is made, however, these statistics should be examined carefully. It seems to us at the Congressional Budget Office that the recent speedup in the rate of price increase reflects mainly the continued effects of cold weather on food and energy prices, and it does not necessarily presage a permanent increase in the underlying rate of inflation. Recent favorable statistics on economic activity, moreover, probably reflect inventory rebuilding and a rapid rebound from the cold weather. There are reasons to think that this upsurge may be temporary and that it does not justify increased optimism about the level of activity in the second half of the year.

The rate of increase in consumer prices rose from 4.2 percent during the last quarter of 1976 to 10 percent in the three months ending in March, with the biggest single factor being a 15 percent rate of rise in food prices. This sort of increase is not expected to continue, and in fact the food price rise was already beginning to slow down in March. The rise in energy prices continues fairly high, but it has little or no relation to the balance of aggregate demand and supply in the economy. We have also seen some recent increase in the rate of change in prices other than food and energy from their relatively good performance last year. But wage rate changes have remained in the 7 to 8 percent range, and we do not interpret recent developments as evidence that the underlying rate of inflation has moved out of the 4.5 to 6.5 percent range.

OUTPUT GROWTH IN THE FIRST QUARTER

According to the preliminary estimate the rate of growth in national output in the quarter just ended was 5.2 percent—the highest it has been since the first quarter of last year and considerably better than most forecasters had expected. Furthermore, the quarter ended on a high note, with retail sales, industrial output, and employment expanding rapidly. These gains were not unexpected by CBO and other forecasters; the principal surprise since I last testified before you is that the coldweather disruptions were smaller, and the rebound earlier, than we had anticipated in early March. Good news though this was, we may want to look at it in a slightly longer perspective. Compared with a year earlier, real GNP was only 4 percent higher, and the unemployment rate only two-tenths of a percentage point lower.

While we may well see more good news in the immediate future, we have a number of reasons for expecting that growth rates in output will slow after midyear and that the unemployment rate at yearend will be little improved from the current quarter. Much of the present strength in the economy results from temporary factors and high rates of growth are therefore not likely to be maintained through the end of the year.

The first temporary factor is, of course, the rebound from output disruptions caused by the cold weather. For example, the high level of housing starts reported for March probably included starts postponed from January or February. For the quarter as a whole, starts were hardly changed from the final quarter of last year, and we continue to anticipate that the housing sector will contribute less to growth during 1977 than it did during 1976.

Second, the acceleration in growth in the first quarter was entirely due to inventories—final sales growth slowed down in real terms—and the same is likely to be true in the current quarter. After the marked slowing of inventory investment during 1976, businesses apparently found their stocks a little low by the end of the year, and stock rebuilding is currently giving an upward boost to output. By the middle of the year the desired inventory-to-sales ratios are quite likely to be achieved, and output gains should then slow to the rate of growth of real final sales.

CONSUMER BEHAVIOR

Third, over the past two quarters we have seen a dramatic decline in the personal saving rate. This means that consumer spending increased faster than consumer incomes, providing stimulus to final sales. The rising rate of consumer spending was not associated with an increase in consumer confidence. Consumer confidence, as measured by the University of Michigan Survey Research Center in February, was a little better than in November but not quite as high as it had been in the late summer. Saving rate behavior is not perfectly understood, but our best judgment is that the decline in the saving rate has reflected special factors, namely the increased availability of autos this spring, after supply disruptions caused by the Ford Motor strike and the cold weather; and what I would call "involuntary consumption"—high heating requirements in those cold months last winter. In addition, there is the disquieting possibility that some consumers may have raised spending in anticipation of a rebate this spring.

What all this means is that if consumers paid their extra heating bills entirely out of savings, the savings rate is likely to rise from its first-quarter level. If they attempt to rebuild their net money balances by cutting back on other consumption, it will rise even more. And this rise in the saving rate will mean that consumption will now grow more slowly than disposable income.

If consumer confidence is significantly reduced by dropping the rebate or by the prospective energy program, this may depress consumer spending still further. Sindlinger's telephone survey has reported a sharp decline in confidence following the announcement of the energy program, but it remains to be seen whether the decline will last. The energy program has introduced new uncertainties, not only about business conditions in general, but about markets for particular goods and services, and spending is likely to be somewhat unsettled until the uncertainties are resolved. We might expect, for instance, that sales of gas-guzzling cars would be strong but that sales of small cars, and perhaps other energy-saving products as well, might languish until the proposed taxes and subsidies are either put into effect or voted down.

Forecasting aggregate consumer behavior is subject to as much uncertainty as forecasting the rest of the economy—or more—but the latest information we have suggests that in the absence of the rebate consumer spending will be slowing down economic growth rather than leading it over the rest of 1977. What early indications we have on the second quarter go along with this, although they are extremely tentative. New auto sales appear to have slipped a little in the first 20 days of April, though the decline may reflect distortions caused by sales contests. Retail sales excluding autos dropped in the third week of April, following gains earlier in the month.

BUSINESS INVESTMENT

Will the ending of the rebates have offsetting beneficial effects on interest rates, business confidence, and investment? We believe the answer is yes, but that these effects are relatively small.

One reason they are small is that the Federal Reserve was expected, as Chairman Burns testified before this Committee, to allow a temporary bulge in the money supply during the rebate period, which would keep interest rates from rising as much as they would without such an accommodative policy. With the rebates withdrawn, we now presume that there will be no bulge in the money supply either, hence a relatively small and temporary difference in forecast interest rates.

A second reason that the positive effects on investment are relatively small is that the reduced business sales to consumers in the absence of the rebate may offset some of the positive effect of easier credit on the demand for capital goods. Our latest information on demand for capital goods does not cover the period since the withdrawal of the debate. As of March, new orders for nondefense capital equipment were down for the second month in a row, after a very strong January. On a quarterly average basis, orders

were still well above the fourth quarter, and appeared consistent with the spending plans businesses reported to the Commerce Department, which we incorporate in our forecast.

As for business confidence, we have now been told by the Conference Board that assessments of economic conditions by businesses improved between October and February. We have no information later than February, and the rebate looked like a pretty sure thing in February. Right now, judging by the behavior of the stock market, any bolstering of business confidence that followed withdrawal of the rebate may well have been offset by the uncertainties inevitably introduced by the President's announced energy program.

REVISED FORECAST

These judgments by the Congressional Budget Office are summarized in Table 1. Compared with the forecast I presented to you in my testimony of March 2, we have not changed the level of real GNP or unemployment at the end of 1978, but we are forecasting higher rates of unemployment and inflation during 1977. The forecast just released by the Administration is very similar to ours on inflation but near the optimistic end of our range for unemployment.

The withdrawal of the rebate adds 0.2 percent to the unemployment rate at the end of this year, representing the loss of 280,000 jobs. Since the rebate was to be a one-shot rather than a continuing stimulus, we estimated that it would have no effect on employment by the end of 1978.

Withdrawal of the rebate should not have a measurable effect on inflation either. The speedup in inflation that we are projecting during 1977 results from further effects of the cold weather on food and energy prices. This forecast does not include any effects of the President's energy program, which we are now in the process of evaluating. We are now estimating that the cold weather has added more than a point to the rate of change in the Consumer Price Index in 1977, but this has not been enough to raise the underlying inflation rate permanently; inflation reverts to an estimated 4.5 to 6.5 percent during 1978.

TABLE 1.—ECONOMIC PROJECTIONS BASED ON THE 3D CONCURRENT RESOLUTION WITHOUT REBATES

Economic variables	Levels			Rates of change (percent)	
	1976:4 (actual)	1977:4	1978:4	1976:4-1977:4	1977:4-1978:4
GNP (billions of current dollars)	1,745	1,910-1,970	2,100-2,230	10.0-13.0	8.5-13.0
GNP (billions of 1972 dollars)	1,280	1,335-1,355	1,390-1,440	4.3- 5.8	4.0- 6.0
General price index (GNP deflator, 1972=100)	136	143-146	150-156	5.5- 7.0	4.5- 6.5
Consumer price index (1967=100)	174	185-188	193-199	6.5- 7.5	4.5- 6.5
Unemployment rate (percentage points)	7.9	6.8-7.5	5.8-6.8		

Note: Projections include business tax cuts, which have some stimulative effect in 1978.

FEDERAL SPENDING

Still another potential problem for the economy arises from the continuing shortfall in federal spending. When I testified before this Committee in early March, we anticipated a 1977 spending shortfall of at least $5 billion from the third concurrent resolution outlay level. This shortfall was incorporated in our March economic projections. OMB's recent spending estimates include a net downward revision of outlays of $6.1 billion for 1977 due to the shortfall and other factors. Other observers of federal spending have estimated that the shortfall could be as much as $10 billion or more. We are now reviewing the recent OMB estimates and will adjust our scorekeeping tabulations where this appears to be appropriate.

About one-third of OMB's revision in estimated 1977 spending levels is in financial transactions, such as foreign military sales and HUD mortgage market activities, which do not have a significant effect on the "National Income and Product Accounts." The remaining downward adjustment falls mainly in grants to state and local governments e.g., public service jobs, EPA construction, local public works, highway construction, education programs) and in federal purchases (e.g., defense spending, federal construction activities, and energy R & D and strategic petroleum reserves). Spending for farm price supports and social security benefits have been revised upward.

If OMB's estimate of a $6.1 billion shortfall holds, then federal spending trends do not imply any revision of the projections in Table 1. However, if the spending shortfall rises to $10 billion or more and is in federal purchases, grants, or transfers which are counted in the national income and product accounts, we would expect slightly less GNP and more unemployment in 1977 than is shown in the forecast in Table 1.

CHANGING FISCAL POLICY

The Budget Committees and the Congress as a whole assessed the economic situation in March. At that time, they were aware that inventory-building and the recovery from cold weather would lead to some strong economic statistics in the spring. Weighing the economic forecast and the difficult choices involving unemployment and inflation, the Congress decided on an expansionary modification of the budget for fiscal year 1977. The possibility that this modification would lead to an overheated economy and an acceleration of inflation was judged by the Congressional Budget Office and others to be quite small.

In our judgment, recent economic news does not provide any reason for changing this assessment. Favorable statistics on economic growth were expected and do not justify feeling that stimulus would overheat the economy. Nor do the weather-related increases in prices indicate that a rebate would be more inflationary than was thought previously.

Suppose that the economy is clearly heading toward the pessimistic end of our forecast range by summer. Are there fiscal policy alternatives available to the Congress that could return the economy toward the levels of real GNP, employment, and unemployment in the March 2 forecast? Clearly one possibility is a revival of the rebate later in the fiscal year. This alternative would raise no conflict with the third concurrent resolution, as long as the margin created by withdrawal of the rebate is not used up for other tax or spending measures.

Most other tax and spending measures are not likely to have any noticeable effect this year. Permanent cuts in personal and business taxes have effects that build up rather slowly. Similarly, additional spending on countercyclical revenue sharing, public works or public service employment probably could not have a sizable effect by the end of 1977—indeed, we may be having trouble getting existing authorizations for public service employment spent.

While we do not think it likely, we cannot rule out a more optimistic prospect in which the strong growth apparent in the March statistics will be sustained through the second half of the year. But I would remind you, Mr. Chairman, that we have been beguiled by month-to-month irregularities in economic news before. Last year many forecasters, including those at CBO, were misled by an inventory swing in late winter and spring, and failed to anticipate a return to a slower rate of recovery late in the year. I hope that we guard against the possibility of making a similar error in the direction of overoptimism this year.

Mr. DOMENICI. May I take just one step further? I am not asking the chairman what his personal preference is with reference to how we should implement that stimulus. I am not asking for his personal views on that. I am asking just this very simple question: The impact of the permanent tax cut that Senator DANFORTH and Senator JAVITS have before the Senate would be accommodated within that new revenue ceiling. Is that not correct?

Mr. MUSKIE. I am sorry, I was diverted for a moment. I apologize, but I was trying to get a piece of information to anticipate the Senator's question.

Mr. DOMENICI. My question was so simple that the Senator did not have to ask the question.

Mr. MUSKIE. I have rarely found the Senator's questions to be simple.

Mr. DOMENICI. Let me say very specifically that I am not asking for the Senator's preference on how that stimulus should be implemented. The committee has varying views individually, but left the stimulus as the Senator described in the new revenue base. There is no doubt that, if it is the will of the Senate, that figure will accommodate, for the year 1977, the permanent tax cut proposed by Senator DANFORTH and Senator JAVITS. Is that not correct?

Mr. MUSKIE. The Senator is correct. I hasten to add the second point, that the 1978 number would not accommodate it.

Mr. DOMENICI. The Senator has described the 1978 number in his remarks, indicating that the effect of the permanent tax cut might not be accommodated within the $395.6 ceiling in our first concurrent resolution for 1978.

The VICE PRESIDENT. Under the previous order, the remaining 20 minutes before the vote is divided equally between the Senator from New York and the Senator from Missouri and the Senator from Louisiana.

Who yields time?

Mr. LONG. I yield 2 minutes.

Mr. DOMENICI. Two minutes.

On the other hand, if the Senate was to adopt the permanent tax cut contemplated for 1977 and 1978, the Senate Budget Committee would have that before it and the Senate as a body would have that before it when we consider the

yet unpassed first concurrent resolution, is that not correct?

Mr. MUSKIE. The Senator is correct.

Mr. DOMENICI. And there may be other tax implications in the ensuing months from the President's energy package, and others that will impact on that, which we would also take into consideration between the first and second concurrent resolutions, is that not correct?

Mr. MUSKIE. The Senator is correct.

Mr. DOMENICI. I thank the Senator from Maine.

The VICE PRESIDENT. Who yields time?

Mr. DANFORTH. Mr. President, during the last 4 days, most of the arguments for and against the proposal in amendment No. 200 have been debated at great length. But by way of summation, I would like to point out in a very few minutes what this amendment does that the bill as reported by the Finance Committee does not do.

First of all, this amendment, if it is adopted by the Senate, will create by the end of 1978 350,000 more jobs than would be created by the bill as was reported by the Finance Committee.

The current forecasts by the administration indicate that in 1978 6.4 percent of the American work force will still be unemployed. More than 6 million Americans will still be out of work next year.

What we propose to do is to use this permanent tax cut as a measure of additional stimulus.

As I understand the colloquy that just took place, the Budget Committee concurs that additional stimulus by way of tax relief is called for.

Second, what this proposal does is offer additional relief to medium-income and low-income taxpayers.

As was pointed out during the course of the debate, for taxpayers who earn $12,000, $15,000, $20,000 a year for a family of four, right now, for every additional dollar of income they make between 40 cents and 50 cents is taken away either by inflation, or by social security taxes, or by Federal taxes, or by State and local taxes.

It is our position that that is wrong and that something should be done about it. This proposal offers relief which is targeted specifically to the medium-income and low-income taxpayers; 74.1 percent of the benefit from this tax reduction would be aimed at taxpayers with adjusted gross income of less than $20,000.

It is quite true that the bill as reported by the Finance Committee offers some relief for this same group of taxpayers. But the amendment that has been offered by Senator JAVITS and myself would offer twice as much tax relief for taxpayers between the $10,000 and $20,000 adjusted gross income brackets.

The present bill as reported by the Finance Committee does nothing for 8.4 million Americans who next year will not claim the standard deduction, but will itemize deductions, and who have adjusted gross incomes of less than $20,000.

Our amendment will provide tax relief for that 8.4 million people not accounted for by the Finance Committee's bill.

Furthermore, the Finance Committee's bill would actually increase taxes for 1¾ million Americans who are single taxpayers, who take the standard deduction, and have incomes of over $13,750 a year.

We are told that we are to wait for reform and not have permanent tax reduction now. We have not been told what the proposed reforms are. But I would simply like to suggest in summing up that the people who are expected to do the waiting are not the people who are favored in this country, but the middle-income and low-income taxpayers who are being asked to wait and the 350,000 people now out of work who would be provided jobs with this amendment.

The VICE PRESIDENT. Who yields time?

Mr. JAVITS. Mr. President, I yield myself the remaining time that we have on this side.

Mr. President, I think the economic argument is irrefutable. It has now been sustained by the three principal financial representatives of the administration itself, to wit, that the economy shows a lagging rather than a galloping trend forward, that the forecast for 1978 nationally and internationally demands an effective tax stimulus, that an effective tax stimulus is directed at the classes that buy big ticket items and invest, to wit, the professional groups and groups up to the $20,000 in income. Our amendment is directly reaching that group.

If anything, a good many of the economic models promise doom for 1978, as does Dennis Healey, the Chancellor of the Exchequer of Britain.

Now, what is the argument against us?

The argument against us is a cynical one, Mr. President, that we should wait for the President's tax reform package.

I say it is cynical for two reasons. One, it asks us to run the risk that we will not have available the stimulus which a tax reduction will give us at the time when we need it the most, which is right now by the admission of everybody, practically, and going into 1978.

Second, it is cynical because it says that the American voter has to be bribed in order to agree to tax reform, otherwise he will not agree to it.

Mr. President, I remember, when I was a boy, advertisements of a flour company in Minneapolis called Pillsbury Mills. Their slogan was, "Eventually, why not now?"

Eventually, Mr. President, why not now? Why run the risk which we are asked to run by foregoing this tax reduction at this particular time when all the stars are pointing right for it? The vacuum is there. The President has pulled out his recommendation and we have come forward with a proposal which fits the present situation precisely because it is permanent.

It results in readjusting without indexing, which I am against and which I do not think is sound, the tax brackets of the individual American taxpayer.

It inspires a sense of confidence. It does not cost us an inordinate amount of money based upon the calculations of the Budget Committee and our own calculations. It is directly pointed at the very people who can do the economy the most good for the future, to wit, the middle-income groups.

As I said a minute ago, the only reason for opposing us, really—and it has been remarkable how that goal has come out in the course of the debate in which we mined a lot of rock and other products—is that it is opposed only because it is to be done when the President is ready to give us a tax reform package, notwithstanding, as Senator DANFORTH so properly analyzed, that that will take 1 to 3 years to present.

Mr. President, I am a liberal. Everybody knows that, Mr. President. It may be a little surprising to see me on this side, but it is entirely sound, and all of the debate has shown it and this argument shows it.

This is when the country can use it the best and this is the time to give it to the country, Mr. President.

Eventually, why not now?

The VICE PRESIDENT. Who yields time?

We are under controlled time, who yields time?

Mr. JAVITS. Mr. President, do we have any time left?

The VICE PRESIDENT. There is 1 minute remaining.

Mr. JAVITS. I yield it to Senator CURTIS.

The VICE PRESIDENT. The Senator from Nebraska.

Mr. CURTIS. Mr. President, in this closing minute of the debate I say that the passage of this amendment is necessary to keep the commitment of both the Congress and the executive.

It is very proper that the rebate idea be withdrawn. It was not a tax rebate. It was destined to go to millions of people who are not paying taxes. Their needs should be taken care of through welfare and other means. But the taxpayers thought that something was coming to them.

One of the virtues of this amendment is that only taxpayers will share it. It will give some encouragement and some help and some inflation adjustment to households of people who work, who produce our goods, who pay the taxes. This involves the great majority of our people.

I am also convinced that a lowering of the rates tends to increase the income and the activity in our economy. If I felt that this amendment would add to the deficit, I would not support it. I think that the contrary will be true, and I urge adoption of the amendment.

The VICE PRESIDENT. Who yields time?

Mr. RIBICOFF. Mr. President, we want to reserve the last 3 minutes. I will be pleased to yield additional time on this side, reserving the last 3 minutes for anyone on this side of the aisle who would like some time.

Mr. BELLMON. Mr. President, will the Senator yield 1 minute?

Mr. RIBICOFF. I yield.

Mr. BELLMON. Mr. President, I simply take this minute to point out to the Senate the testimony of the present head of the President's Economic Advisory Council, Mr. Schultze, who testified earlier that because of inflation, the American taxpayers will be paying about $13

billion more in fiscal 1977 in taxes than in previous years.

As everyone knows, as inflation goes up and people's salaries are adjusted upward to keep their purchasing power relatively steady, they lose because they move into higher income tax brackets. According to Mr. Schultze, this is going to prove to be a tax liability of some $13 billion for this fiscal year, and next year it will be roughly twice that.

The permanent tax reduction which has been proposed by Senator DANFORTH and Senator JAVITS is a way of adjusting that and compensating for part of the loss to the American taxpayers who are going to suffer. If this amendment is rejected, what the Senate is doing, in effect, is voting for a $13 million per year tax increase for American taxpayers. That would serve as a very significant break in the economy and could bring about the kind of recession from which we are now recovering.

The VICE PRESIDENT. Who yields time?

Mr. RIBICOFF. Mr. President, I have 2 more minutes to yield to the other side of the aisle.

I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Mr. Peter Davis, of the committee staff, be allowed the privilege of the floor during the entire consideration of the tax bill.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I yield the remainder of the time to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, several recent economic indicators suggest that the recovery is proceeding and that there is some danger of overexpansion in 1978. Housing starts were 2.1 million in March, compared to 1.5 million last year. Retail sales were up 2.7 percent in February and 2.4 percent in March, an annual growth rate of more than 30 percent. Gross national product, adjusted for inflation, was up at a rate of 5.2 percent in the first quarter of 1977, compared to a rate of 2.6 percent in the fourth quarter of 1976. Industrial production rose 1 percent in February and 1.4 percent in March, an annual growth rate of 15 percent.

The rate of inflation has also increased in recent months. Consumer prices rose by 2.6 percent in the first 3 months of 1977, an annual inflation rate of 10 percent. Wholesale prices rose at an annual rate of 10.2 percent in the first 3 months of 1977.

Mr. President, I recognize the appeal that this amendment has. I recognize that it is the kind of amendment that, especially on the surface, makes it difficult to vote against. But we are threatened with the specter of double-digit inflation; and I am concerned, as are many of our colleagues, that a permanent tax cut of this magnitude would be unnecessarily inflationary.

This amendment would reduce Federal revenues by $2.1 billion in fiscal year 1977 and $10.4 billion in fiscal year 1978. This loss in revenue could impair the ability of Congress to enact legislation in the future to meet changing economic conditions, which have fluctuated greatly recently.

Such a permanent tax cut also would greatly impair the comprehensive tax reform which is much needed, since the impetus for such reform would be hindered by a piecemeal approach.

There will be a time when the economy is once again operating at a high level of employment. At that time, large budget deficits, such as we have this fiscal year, will no longer be appropriate, and we will have to have a balanced budget or even a budget surplus. While it is true that a more prosperous economy will mean higher tax revenues, if this amendment passes, there will not be enough revenue to balance the budget. We will regret it if we mortgage our future by giving away the tax revenues we will need to balance the budget during periods of prosperity, for then we will be faced with the painful task of enacting tax increases.

It is the wrong time for a general and permanent tax reduction. The economic problems facing our country such as inflation and unemployment, require more effective, targeted, legislation.

Mr. President, for these reasons, I hope that the Senate will reject the pending amendment.

Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, earlier this month I cosponsored the Javits-Danforth permanent tax cut amendment on which we are soon to vote. At that time, it appeared that some kind of economic stimulus was necessary, and the only other alternative being offered was President Carter's $50 rebate, a program which I strongly opposed.

Since then the administration has wisely withdrawn its rebate proposal and the most recent economic indicators show a general economic recovery from the hard winter. I have therefore reviewed my position on the need for additional economic stimulus through permanent tax cuts. Frankly, as much as I agree with the need to reduce the tax burden on lower and middle income taxpayers, tax cuts at this time will add to the Federal budget deficit which is already unacceptably high.

Unemployment in March dropped 0.2 point to 7.3 percent. While we all agree that this is still too high, long-term forecasts predict further reductions in the unemployment rate through the end of the year. Total employment rose over half a million in March to 89.5 million. This sustains the expansion which has totaled 1.7 million since last October. Also, the constant dollar GNP rose at an annual rate of 5.2 percent in the first quarter of 1977, a considerable improvement over the 2.6 percent growth during the last quarter of 1976. Housing starts in March rose 17 percent above February, and are 49 percent above March of 1976. Industrial production rose 1.4 percent in March, which is a 1 percent increase over February and a 5.5 percent increase over March 1976. March retail sales increased 2 percent over February and are 12 percent over March 1976. Finally, capacity utilization, the measurement of total output in relation to total production capacity, was 82 percent in March as compared to 80.7 percent in February and 80 percent in January according to the Federal Reserve Board.

It is my understanding that the net revenue loss of the tax cut amendment—after calculating the effect of the amendment in reducing unemployment and stimulating spending—is about $8.9 billion over the next 2 years. While this is certainly an improvement over the more costly rebate proposal offered by President Carter and still supported by several of my colleagues here in the Senate, it represents an additional drain on our budget resources at a time of high deficit spending. Therefore, it is my intention to vote against this amendment this afternoon, although I do so reluctantly.

Mr. President my colleagues are aware of my commitment to a more equitable and simplified tax system. During the past two Congresses I have introduced tax legislation designed to bring this about. I will be reintroducing my Simpliform Tax Act in the near future. While I recognize the need to reduce taxes for lower and middle income taxpayers, I would prefer that this be done within the framework of a comprehensive tax reform; not the kind of "reform" we have had in the past where in reality we have further complicated a nearly indecipherable tax code.

Mr. LUGAR. Mr. President, I rise to lend my full support to the pending amendment which I have cosponsored. The permanent tax cut for low- and middle-income taxpayers provided for in this amendment is desperately needed by these income groups.

I was delighted and encouraged that President Carter withdrew his support for the $50 rebate which he had previously requested and that the Senate concurred quickly by deleting that provision from the pending bill.

The individual American taxpayer who provides the largest share of Federal revenues needs a permanent tax cut now. The tax reduction should be heavily weighted toward middle-income taxpayers—those most heavily burdened by taxation and inflation.

A permanent tax cut would allow taxpayers to commit themselves to buying more durable goods like major appliances and automobiles. This, in turn, would boost overall consumer demand and spur economic activity.

Inflation has made a permanent tax cut more advisable than ever. Inflation pushes taxpayers into higher income tax brackets and reduces the value of the exemptions and deductions they are allowed when filing their income tax returns. The result is that taxpayers must pay higher tax rates—but on the same or lower amounts of real income.

Presently, nearly 40 percent of the total income of American taxpayers is taken by Federal, State, and local governments and redistributed to other Americans by these various governments. I would like to see this growing stranglehold of governments loosened, and one way to do it is to provide substantial, certain, and lasting Federal tax cuts.

Many who advocate a one-time tax cut argue that tax rates should be kept high to provide future money for more Government spending programs that the new administration and the Congress may want to try. These same people feel confident that more general benefit to the Nation will come by taking money from some Americans and redistributing it to others.

But at this point in our history, it is from middle-income citizens and from businesses, large and small, that money is being taken—the money that might create the new jobs that many Americans need.

The case for permanent tax reduction is a strong one. A permanent tax cut would stimulate economic growth, increase investment and productivity, and decrease unemployment.

A permanent tax would encourage business investment based on increased and continuing consumer demand.

A permanent tax cut would offset some of the effects of inflation and would sustain the current economic recovery.

I encourage my colleagues to support this amendment.

TAX CUT AMENDMENT

Mr. DOLE. Mr. President, today we have an opportunity to do something to help the low and middle income taxpayers of this country. We have before us an amendment that will provide tax relief for 90 percent of all taxpayers in this country. I am pleased to be a cosponsor of this amendment.

This proposal, if enacted, would provide timely and meaningful assistance to those Americans who are struggling day to day to keep up with the cost of living. It would provide a meaningful economic stimulus and would help reduce the unacceptable 7.3-percent level of unemployment.

GROWING TAX BITE

Mr. President, probably the most difficult inflation problem nearly every American faces is the indirect increase in taxes from year to year. Every time a taxpayer gets an increase in income to offset the cost-of-living increase, he also gets a bigger tax bite.

In 1975, the increase in taxes due to inflation was about $13 billion. In 1976, it was $5 to $6 billion. In 1977, it will probably be about $5 billion and in 1978, about $8 billion.

Mr. President, that is as much or more than this amendment would reduce taxes. The amendment is $2.5 billion in fiscal year 1977, and $9.4 billion in fiscal year 1978.

So this amendment just offsets the automatic tax increase due to inflation.

Everybody talks about inflation. Few understand it. Nobody likes it. But it shows up every day in higher consumer prices for just about everything and every day we all preach against it but few ever propose a satisfactory way to combat it.

Traditionally, most of the blame for the skyrocketing cost of living is placed on farmers and businessmen. Each is duly chastised once a month when the Government releases the latest Consumer Price Index. Unfortunately, we tend to focus on readily identifiable price increases in things like the cost of food, clothing, and housing. Yet underlying higher costs for retail products, services, and food is a single, not-so-readily identifiable force: The skyrocketing cost of Government and the taxes we pay to support it.

Over the past decade, taxes, which are the most visible portion of the cost of Government, have expanded their bite of the family budget more rapidly than any other cost-of-living item. Since 1950, Government spending has increased by nearly 600 percent for every man, woman, and child in America. By contrast, per capita clothing, food, and shelter expenses grew at about 170 percent, 145 percent, and 200 percent, respectively, over the same period.

Government spending has grown astronomically and so have the income taxes, payroll taxes, and property taxes needed to finance it. In fact, it will not be until the first week in May that the average American worker will have earned enough income to pay all his taxes—Federal, State, and local—for this year.

And just recently, OMB revised the inflation projection upward from 5.3 percent to 6.7 percent for 1977, which makes the tax bite even bigger.

So, Mr. President, if we want to do something to help the average working American, let us pass the tax-cut amendment which will provide relief for 90 percent of the taxpaying population.

REDUCE UNEMPLOYMENT

Mr. President, we have 7 million persons unemployed presently, 2½ million of those are heads of households.

Only a few months ago, the Senator from Kansas heard repeated promises on almost a daily basis about how we should reduce unemployment. Yet today, the administration has abandoned all forms of tax stimulus for the economy.

This past Monday, OMB published new economic forecasts projecting a continuation of the unemployment rate at about the same level we have now.

So apparently, the Carter administration now accepts a high level of 7.3 percent unemployment.

In view of the forecast and all the promises we have heard, the Senator from Kansas simply cannot believe that the Carter administration has not recognized the need for economic tax stimulus.

The amendment we have before us today will bolster the consumer confidence and spending of low- and middle-income taxpayers. It will provide the continuing income availability that is essential for consumers to purchase the large ticket items like automobiles, houses, and appliances that require a month-to-month payment.

It is the consumer spending for these kinds of items that will stimulate the economy and result in increased employment.

Mr. President, this amendment is the kind of action we need to take to help put those 7 million people and those 2½ million heads of households back to work.

Last week, the Senate Finance Committee heard testimony from representatives of several construction trade unions about the tremendous need for employment. Mr. Thomas Murphy, president of the Bricklayers International Union, eloquently illustrated the need for jobs. He pointed out that the Federal Government is providing a $650,000 grant to train construction workers.

But the workers have no place to go for a job once they are trained. The training is good, but we need to provide some economic stimulus to open up those jobs and to provide the work opportunity.

The Senator from Kansas would like to point out that the tax cut proposal has widespread support. Mr. Bob Georgine, president of the Building & Construction Trades Unions, told the Senate Finance Committee the other morning, and I quote:

> In direct answer to your question, we do favor tax relief and we think the sooner the better. We would like to see the administration move on it as quickly as possible.

Mr. Georgine went on to explain how a few years ago, we passed a tax incentive that was able to get rid of large backlog of houses and condominiums that opened the way for new construction and many more jobs.

TIMELY ACTION

Yesterday, the Senate Budget Committee, of which I am a member, held hearings on the economic impact of the President's withdrawl of tax stimulus. We heard from Secretary Blumenthal, Mr. Lance, and Mr. Schultze. They reiterated a message we heard from Secretary Woodworth in the Senate Finance Committee last week. The administration plans to send up a comprehensive tax reform message later this year. They expect some substantial tax relief at that time.

Unrealistically, they anticipate that the tax bill will be passed quickly so that the tax relief is provided in a timely

manner. As the distinguished chairman of the Finance Committee pointed out last week, we spent about 4 years getting the Tax Reform Act of 1976 enacted. The comprehensive reform package the administration plans to send up this fall will surely not be less controversial and less difficult to pass than the Tax Reform Act of 1976.

So as I understand the administration, they are favorable to a tax reduction, except they would like to coordinate it with tax reform.

Mr. President, now is the time to approve this tax cut amendment. The administration is totally unrealistic about the time it will take to get another tax bill through the Congress.

This amendment is not a "boondoggle" bill that will benefit taxpayers who do not need the help. It is realistic tax relief for the middle- and low-income taxpayers.

Mr. President, I urge the adoption of this amendment.

The VICE PRESIDENT. The hour of 1 o'clock having arrived, under the previous order, the question is on agreeing to the amendment of the Senator from Missouri and the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH) is necessarily absent.

The result was announced—yeas 40, nays 59, as follows:

[Rollcall Vote No. 107 Leg.]

YEAS—40

Baker	Domenici	Javits
Bartlett	Durkin	Laxalt
Bellmon	Garn	Lugar
Biden	Goldwater	Mathias
Brooke	Griffin	McClure
Case	Hansen	McIntyre
Chafee	Hatch	Packwood
Curtis	Hayakawa	Pearson
Danforth	Heinz	Percy
Dole	Helms	Proxmire
Riegle	Stafford	Wallop
Roth	Stevens	Weicker
Schmitt	Thurmond	
Schweiker	Tower	

NAYS—59

Abourezk	Gravel	Metzenbaum
Allen	Hart	Morgan
Anderson	Haskell	Moynihan
Bayh	Hatfield	Muskie
Bentsen	Hathaway	Nelson
Bumpers	Hollings	Nunn
Burdick	Huddleston	Pell
Byrd, Harry F., Jr.	Humphrey	Randolph
Byrd, Robert C.	Inouye	Ribicoff
Cannon	Jackson	Sarbanes
Chiles	Johnston	Sasser
Clark	Kennedy	Scott
Cranston	Leahy	Sparkman
Culver	Long	Stennis
DeConcini	Magnuson	Stevenson
Eagleton	Matsunaga	Stone
Eastland	McClellan	Talmadge
Ford	McGovern	Williams
Glenn	Melcher	Young
	Metcalf	Zorinsky

NOT VOTING—1

Church

So the Danforth-Javits amendment was rejected.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. Under the previous order the Senator from Delaware is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Delaware yield me just a couple minutes?

Mr. BUMPERS. Mr. President, could we have order?

The VICE PRESIDENT. The Senate will be in order.

Mr. ROTH. I am happy to yield to the Senator.

Mr. ROBERT C. BYRD. I thank the Senator.

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Delaware yield the floor and the Senator from Louisiana yield me a couple minutes?

Mr. ROTH. I am happy to yield the floor.

Mr. ROBERT C. BYRD. May we have order?

Mr. LONG. I yield the Senator 2 minutes.

The VICE PRESIDENT. The Senate will be in order.

The Senator will first submit his amendment so the clerk can state it.

UP AMENDMENT NO. 158

Mr. ROTH. Mr. President, I send to the desk my amendment to provide a 10 percent across-the-board tax cut for all American taxpayers.

The VICE PRESIDENT. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH), for himself and Mr. CURTIS, Mr. HATCH, Mr. HAYAKAWA, Mr. PROXMIRE, Mr. MCCLURE, Mr. LAXALT, Mr. LUGAR, Mr. GARN and Mr. PACKWOOD proposes an unprinted amendment numbered 158.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. RIEGLE). Without objection, it is so ordered.

The amendment is as follows:

On page 32, beginning with line 1, strike out through the matter appearing before line 1, on page 37, and in lieu of the material sought to be inserted by the committee amendment, insert thereof the following:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)), a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	12.6% of the excess over $3,200.
Over $4,200 but not over $5,200	$140, plus 13.5% of excess over $4,200.
Over $5,200 but not over $6,200	$290, plus 14.4% of excess over $5,200.
Over $6,200 but not over $7,200	$450, plus 15.3% of excess over $6,200.
Over $7,200 but not over $11,200	$620, plus 17.1% of excess over $7,200.
Over $11,200 but not over $15,200	$1,380, plus 19.8% of excess over $11,200.
Over $15,200 but not over $19,200	$2,260, plus 22.5% of excess over $15,200.
Over $19,200 but not over $23,200	$3,260, plus 25.2% of excess over $19,200.
Over $23,200 but not over $27,200	$4,380, plus 28.8% of excess over $23,200.
Over $27,200 but not over $31,200	$5,660, plus 32.4% of excess over $27,200.
Over $31,200 but not over $35,200	$7,100, plus 35.1% of excess over $31,200.
Over $35,200 but not over $39,200	$8,660, plus 37.8% of excess over $35,200.
Over $39,200 but not over $43,200	$10,340, plus 40.5% of excess over $39,200.
Over $43,200 but not over $47,200	$12,140, plus 43.2% of excess over $43,200.
Over $47,200 but not over $55,200	$14,060, plus 45.0% of excess over $47,200.
Over $55,200 but not over $67,200	$18,060, plus 47.7% of excess over $55,200.
Over $67,200 but not over $79,200	$24,420, plus 49.5% of excess over $67,200.
Over $79,200 but not over $91,200	$31,020, plus 52.2% of excess over $79,200.
Over $91,200 but not over $103,200	$37,980, plus 54.0% of excess over $91,200.
Over $103,200 but not over $123,200	$45,180, plus 55.8% of excess over $108,200.
Over $123,200 but not over $143,200	$57,580, plus 57.6% of excess over $123,200.
Over $143,200 but not over $163,200	$70,380, plus 59.4% of excess over $143,200.
Over $163,200 but not over $183,200	$83,580, plus 61.2% of excess over $163,200.
Over $183,200 but not over $203,200	$97,180, plus 62.1% of excess over $183,200.
Over $203,200	$110,980, plus 63.0% of excess over $203,200.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxa ble income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the follow ing table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	12% of the excess over $3,200.
Over $4,200 but not over $5,200	$140, plus 14.4% of excess over $4,200.
Over $5,200 but not over $7,200	$300, plus 16.2% of excess over $5,200.
Over $7,200 but not over $9,200	$630, plus 17.1% of excess over $7,200.
Over $9,200 but not over $11,200	$1,040, plus 19.8% of excess over $9,200.
Over $11,200 but not over $13,200	$1,480, plus 20.7% of excess over $11,200.
Over $13,200 but not over $15,200	$1,940, plus 22.5% of excess over $13,200.
Over $15,200 but not over $17,200	$2,440, plus 24.3% of excess over $15,200.
Over $17,200 but not over $19,200	$2,980, plus 25.2% of excess over $17,200.
Over $19,200 but not over $21,200	$3,540, plus 27.9% of excess over $19,200.
Over $21,200 but not over $23,200	$4,100, plus 28.2% of excess over $21,200.
Over $23,200 but not over $25,200	$4,800, plus 31.5% of excess over $28,200.
Over $25,200 but not over $27,200	$5,500, plus 32.4% of excess over $25,200.
Over $27,200 but not over $31,200	$6,220, plus 34.2% of excess over $27,200.
Over $29,200 but not over $31,200	$6,980, plus 36.9% of excess over $29,200.
Over $31,200 but not over $35,200	$7,800, plus 37.8% of excess over $31,200.
Over $35,200 but not over $39,200	$9,480, plus 40.5% of excess over $35,200.
Over $39,200 but not over $41,200	$11,280, plus 43.2% of excess over $39,200.
Over $41,200 but not over $43,200	$12,240, plus 45.9% of excess over $41,200.
Over $43,200 but not over $47,200	$13,260, plus 46.8% of excess over $43,200.
Over $47,200 but not over $53,200	$15,340, plus 47.5% of excess over $47,200.
Over $53,200 but not over $55,200	$18,640, plus 50.4% of excess over $53,200.
Over $55,200 but not over $67,200	$19,760, plus 52.2% of excess over $55,200.
Over $67,200 but not over $73,200	$26,720, plus 53.1% of excess over $67,200.
Over $73,200 but not over $79,200	$30,260, plus 54.9% of excess over $73,200.
Over $79,200 but not over $83,200	$33,920, plus 55.8% of excess over $79,200.
Over $83,200 but not over $91,200	$36,400, plus 56.7% of excess over $83,200.
Over $91,200 but not over $103,200	$41,440, plus 57.6% of excess over $91,200.
Over $103,200 but not over $123,200	$49,120, plus 59.4% of excess over $103,200.
Over $123,200 but not over $143,200	$62,320, plus 60.3% of excess over $123,200.
Over $143,200 but not over $163,200	$75,720, plus 61.2% of excess over $143,200.
Over $163,200 but not over $183,200	$89,320, plus 62.1% of excess over $163,200.
Over $183,200	$103,120, plus 63.4% of excess over $183,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	17.6% of the excess over $2,200.
Over $2,700 but not over $3,200	$70, plus 13.5% of excess over $2,700.
Over $3,200 but not over $3,700	$145, plus 14.4% of excess over $3,200.
Over $3,700 but not over $4,200	$225, plus 15.3% of excess over $3,700.
Over $4,200 but not over $6,200	$310, plus 17.1% of excess over $4,200.
Over $6,200 but not over $8,200	$690, plus 18.9% of excess over $6,200.
Over $8,200 but not over $10,200	$1,110, plus 21.6% of excess over $8,200.
Over $10,200 but not over $12,200	$1,590, plus 22.5% of excess over $10,200.
Over $12,200 but not over $14,200	$2,000, plus 24.3% of excess over $12,200.
Over $14,200 but not over $16,200	$2,630, plus 26.1% of excess over $14,200.
Over $16,200 but not over $18,200	$3,210, plus 27.9% of excess over $16,200.
Over $18,200 but not over $20,200	$3,830, plus 30.6% of excess over $18,200.
Over $20,200 but not over $22,200	$4,510, plus 32.4% of excess over $20,200.
Over $22,200 but not over $24,200	$5,230, plus 34.2% of excess over $22,200.
Over $24,200 but not over $28,200	$5,990, plus 36.0% of excess over $24,200.
Over $28,200 but not over $34,200	$7,590, plus 40.5% of excess over $28,200.
Over $34,200 but not over $40,200	$10,290, plus 45.0% of excess over $34,200.
Over $40,200 but not over $46,200	$13,290, plus 47.5% of excess over $40,200.
Over $46,200 but not over $52,200	$16,590, plus 54.0% of excess over $46,200.
Over $52,200 but not over $52,200	$20,190, plus 55.8% of excess over $52,200.
Over $62,200 but not over $72,200	$26,390, plus 57.6% of excess over $62,200.
Over $72,200 but not over $82,200	$32,790, plus 59.4% of excess over $72,200.
Over $82,200 but not over $92,200	$39,390, plus 61.2% of excess over $82,200.
Over $92,200 but not over $102,200	$46,190, plus 62.1% of excess over $92,200.
Over $102,200	$53,090, plus 63.0% of excess over $102,200.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,600	No tax.
Over $1,600 but not over $2,100	12.6% of the excess over $1,600.
Over $2,100 but not over $2,600	$70, plus 13.5% of excess over $2,100.
Over $2,600 but not over $3,100	$145, plus 14.4% of excess over $2,600.
Over $3,100 but not over $3,600	$225, plus 15.3% of excess over $3,100.
Over $3,600 but not over $5,600	$310, plus 17.1% of excess over $3,600.
Over $5,600 but not over $7,600	$690, plus 19.8% of excess over $5,600.
Over $7,600 but not over $9,600	$1,130, plus 22.5% of excess over $7,600.
Over $9,600 but not over $11,600	$1,630, plus 25.2% of excess over $9,600.

"If the taxable income is:	The tax is:
Over $11,600 but not over $13,600	$2,190, plus 28.8% of excess over $11,600.
Over $13,600 but not over $15,600	$2,830, plus 32.4% of excess over $13,600.
Over $15,600 but not over $17,600	$3,550, plus 35.1% of excess over $15,600.
Over $17,600 but not over $19,600	$4,330, plus 37.8% of excess over $17,600.
Over $19,600 but not over $21,600	$5,170, plus 40.5% of excess over $19,600.
Over $21,600 but not over $23,600	$6,070, plus 43.2% of excess over $21,600.
Over $23,600 but not over $27,600	$7,030, plus 45.0% of excess over $23,600.
Over $27,600 but not over $33,600	$9,030, plus 47.7% of excess over $27,600.
Over $33,600 but not over $39,600	$12,210, plus 49.5% of excess over $33,600.
Over $39,600 but not over $45,600	$15,510, plus 52.2% of excess over $39,600.
Over $45,600 but not over $51,600	$18,990, plus 54.0% of excess over $45,600.
Over $51,600 but not over $61,600	$22,590, plus 55.8% of excess over $51,600.
Over $61,600 but not over $71,600	$28,790, plus 57.6% of excess over $61,600.
Over $71,600 but not over $81,600	$35,190, plus 59.4% of excess over $71,600.
Over $81,600 but not over $91,600	$41,790, plus 61.2% of excess over $81,600.
Over $91,600 but not over $101,600	$48,590, plus 62.1% of excess over $91,600.
Over $101,600	$55,490, plus 63.0% of excess over $101,600.

On page 47, immediately before line 11, insert the following:

TITLE II—ADDITIONAL REDUCTION AND SIMPLIFCATION OF INDIVIDUAL TAXES

On page 47, line 11, strike out "SEC. 202." and insert in lieu thereof "SEC. 201.".

On page 58, line 9, strike out "SEC. 203." and insert in lieu thereof "SEC. 202.".

On page 59, line 24, strike out "SEC. 204." and insert in lieu thereof "SEC. 203.".

On page 61, line 21, strike out "SEC. 205." and insert in lieu thereof "SEC. 204.".

On page 62, line 16, strike out "201 and 202" and insert in lieu thereof "101 and 201".

On page 64, line 11, strike out "SEC. 206." and insert in lieu thereof "SEC. 205.".

On page 64, line 13, strike out "201, 202, and 204" and insert in lieu thereof "101, 201, and 203".

On page 64, line 16, strike out "205" and insert in lieu thereof "204".

On page 2, in the table of contents, strike out the matter relating to title I and insert in lieu thereof the following:

TITLE I—PERMANENT INCREASE IN AMOUNT OF STANDARD DEDUCTION

SEC. 101. Change in tax rates and tax tables to reflect permanent increases in standard deduction.

On page 2, in the table of contents, strike out "TITLE II—REDUCTION" and insert in lieu thereof "TITLE II—ADDITIONAL REDUCTION".

On page 2, in the table of contents, strike out the item relating to section 201 and redesignate the items relating to sections 202 through 206 as relating to sections 201 through 205.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, we started debate on this bill on the 18th of April which was the Monday following the nonlegislative period. Today is Wednesday, the 27th of April.

I think it is incumbent upon the Senate, if it can possibly do so, to complete action on this bill this week. This would mean that the Senate would have to stay in late today, perhaps, come in early tomorrow, stay in late tomorrow, come in early Friday, and stay in late Friday. So I would hope that Members would adjust their schedules accordingly.

I think we have a responsibility to work our will on this measure. There will be amendments offered. Senators will have an opportunity to vote on them, but I hope that Senators will be prepared to call up their amendments and to enter into time agreements on them where time agreements can be reached, so that the Senate can dispose of this measure this week.

This would mean, then, that at the early part of next week we would take up the conference report on the economic stimulus package and follow that with economic stimulus appropriation which has been on the calendar now for well over a month.

So I make this plea to Senators that they be as cooperative as they possibly can with the managers of the bill and with the leadership in the effort to complete action on this measure this week and, as I say again, it will mean rollcall votes daily, lengthy sessions, early and late, beginning today.

I thank the Senator.

Mr. ROTH. Mr. President, I yield myself such time as I may require.

Mr. HATCH. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ROTH. I yield.

Mr. HATCH. Mr. President, I ask unanimous consent, that Mr. Craig Roberts, of my staff, be accorded the privilege of the floor during the debate on this measure.

The PRESIDING OFFICER (Mr. ABOUREZK). Without objection, it is so ordered.

Will the Senator from Delaware suspend until the Senate is in order? The Chair asks all Senators who are conversing to please stop their conversations, so that the debate may be heard. The Senator from Delaware is requested not to proceed until the Senate is in order.

The Senator may proceed.

Mr. ROTH. Mr. President, my amendment provides a 10-percent across-the-board tax cut for the American taxpayer.

This plan provides substantial and much needed relief to all working Americans.

We stand at the threshold of a new political era. The Nation has just selected a new President. We join him in facing unprecedented challenges abroad and in developing sound energy, environmental, and urban policies at home.

But neither our foreign objectives nor our domestic needs will be met unless the Nation once again regains her economic vitality.

And the very source of that vitality—indeed the Nation's future as a dynamic free enterprise economy is being snuffed out by the stifling taxes levied on America's work force.

The Congressional Budget Office informs me that the amendment I am proposing here today will increase our GNP by $43 billion and create 920,000 taxpaying jobs by the end of next year. If we adopt it, we will put more money into the hands of those who work and invest. We will stimulate the investment needed to create jobs and we will begin to put America back to work.

The most recent economic forecasts indicate that our economy will grow slower, inflate faster, and count more unemployed than we have in the past. Although increased consumer spending has stimulated the most recent mini-recovery, most economic analysts doubt that consumer activity will continue at the same rate. Moreover, there are no signs of an upturn in business plant and equipment investment—a bellwether for economic activity.

The President's proposed energy program has dramatically highlighted the economic malaise. According to one national poll, the Sindlinger poll, the energy program has jolted consumer confidence and created massive uncertainty. In the last 10 days Sindlinger has recorded the largest drop in consumer confidence since he began surveying consumer confidence 22 years ago.

I am deeply concerned, that unless a permanent tax cut is enacted, consumer and business confidence will surely decline further and will not be strong enough to stimulate the spending and investment needed to get the economy moving and to create new jobs.

I believe the Congress would be making a serious mistake in passing an opportunity to create almost 1 million new taxpaying jobs in the private economy. An across-the-board tax reduction will breathe life into our free enterprise system. By removing the shackles imposed on the private economy by an excessive tax rate, we will increase job-creating investments, stimulate consumer spending and expand the economy. Lower tax rates will allow the private economy to spend, save, invest, and produce. This country prospered and grew because we allowed the private economy to generate the growth and jobs needed to provide upward mobility for all Americans.

But our heavy reliance over the past 15 years on bigger Government and more

and more Federal spending has drained the life and vitality out of our private economy.

We are facing a fundamental choice today—a choice between bigger and bigger Government and higher tax rates; or a more efficient stronger private economy, capable of creating real jobs and a strong future for all Americans.

Lower tax rates will fuel industrial expansion and stimulate job-producing investments in the private economy. But these job-producing investments will occur only if we increase the aftertax rewards for working, saving, investing, and producing.

An across-the-board tax rate reduction will stimulate supply, and it will stimulate production. Most important, we would be unharnessing the individual incentive and creativity that built this Nation to create nearly a million new jobs with a future.

THE KENNEDY TAX CUTS

President John F. Kennedy successfully used an across-the-board tax cut to "get the country moving again."

At that time, in 1963, the Nation's economy faced similar problems.

In a special message to Congress in 1963, Kennedy described them. He said:

The chief problem confronting our economy is its unrealized potential—slow growth, underinvestment, unused capacity and persistent unemployment. The result is lagging wage, salary and profit income, smaller take-home pay, insufficient productivity gains, inadequate Federal revenues, and persistent budget deficits. One recession has followed another, with each period of recovery and expansion fading out earlier than the last.

The President, then, faced the same type of economic problems that we face now, yet he wisely rejected the massive increases in Federal spending and temporary tax cuts that have been offered as solutions today.

Kennedy realized then, as we should realize now, that the largest single barrier to full employment and a higher rate of economic growth was the heavy drag of Federal income taxes on private purchasing power, investment, and initiative.

Kennedy said:

Our tax system siphons out of the private economy too large a share of personal and business purchasing power and reduces the incentive for risk, investment, and effort—thereby aborting our recoveries and stifling our national growth.

The Kennedy tax cuts reduced individual income tax rates from a range of 20 to 90 percent to rates of 14 to 70 percent, and reduced corporate tax rates from 52 to 48 percent. These tax rate reductions stimulated a 5-year period of unprecedented economic growth, low inflation, and high employment.

The Kennedy tax rate reductions worked in 1963. Similar tax rate reductions will work in 1977.

IMPACT ON INFLATION

As many of us know from our own harsh experience, under our tax system, inflation and economic growth push taxpayers into higher tax brackets, automatically forcing people to pay a higher percentage of their income in taxes. According to testimony received by the Joint Economic Committee, the excessive inflation in 1971–74 has increased the effective tax rates on the average working family from 19 to 22 percent and produced roughly $30 billion in inflation-induced tax increases. This heavy tax burden reduced consumer income and purchasing power, slowed economic growth, and contributed to the 1974–75 recession.

Permanent tax cuts are essential to offset the large inflation-induced tax increases of the past few years. While the temporary tax rebates of 1975 stimulated the economy temporarily, inflation resulted in an estimated $5.1 billion hidden tax increase in 1976. A chart, prepared by the staff of the Joint Committee on Taxation, shows the impact of the estimated inflation-induced tax increase in 1976.

Mr. President, I ask unanimous consent that the chart to which I referred be printed in the RECORD at this point.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

1976 TAX INCREASE CAUSED BY INFLATION

[Dollars in millions]

Adjusted gross income class (thousands)	Present law tax	Inflation induced tax increase [1]	Percentage distribution	Average tax increase
Under $5	$660	$166	3.2	$23
$5 to $10	10,194	664	13.0	36
$10 to $15	19,971	760	14.9	48
$15 to $20	23,767	831	16.3	71
$20 to $30	33,682	1,177	23.0	119
$30 to $50	22,512	823	16.1	250
$50 to $100	16,700	514	10.0	545
$100 and over	13,600	179	3.5	844
Total	141,087	5,113	100.0	

[1] Staff estimate of the excess of actual taxes in 1976 over what taxes would have been had the tax brackets, the personal exemption, and the minimum and maximum standard deduction been adjusted upward by the 5.8-percent increase in the consumer price index 1976 over 1975.

Note: Details may not add to totals because of rounding.

Mr. ROTH. Although Congress has enacted only one major tax increase in the last 10 years, the Vietnam war surcharge, the total tax bill on the average American has increased steadily. According to a recent analysis covering the 10-year period through 1974, total taxes increased faster than wages and salaries, GNP, and national income.

In the past few years, the inflationary and tax pressures on the average American family have became almost unbearable.

Inflation has increased the cost of living by nearly 80 percent in the last 10 years. A house that sold for $25,000 in 1967 now sells for $47,000. The cost of a college education has more than doubled in the past 10 years, and the cost of buying a new car has increased by more than 40 percent. And although the average salary has increased, the increased inflation and tax burden have siphoned off more and more of people's income.

For example, an average worker earned $7,327 in 1965 and paid $657, or 8.9 percent of his income, in Federal income taxes. In 1975, this same worker earned $14,203 and paid $1,469, more than 10 percent, in Federal income taxes.

When the effects of inflation are factored in, this worker's real salary increased only about 12 percent, while his real tax burden increased 28 percent, more than double his wage rate increase.

The administration has recently estimated that inflation would increase by 6.7 percent in 1977. This inflation will produce a hidden tax increase of between $8 to $10 billion on American workers. Combined with the $5.1 billion inflation tax increase in 1976, the American taxpayers face a higher tax burden of between $13 to $15 billion for 1976 and 1977 alone.

The Office of Management and Budget informed us that the inflation tax will raise the tax rate on the median family of four from 11.4 percent of income in 1976 to 15.8 percent of income in 1982, a 30-percent increase. According to a study conducted by the Advisory Commission on Intergovernmental Relations, this inflation tax will impose a major burden on all taxpayers, including those with incomes over $20,000. By 1980, taxpayers earning between $20,000 to $28,000 a year will have a tax increase, caused solely by inflation, of $862. Taxpayers earning between $30,000 to $42,000, face an inflation induced tax increase of $1,743.

This steadily increasing inflation tax has increased the tax burden on all Americans. And unless we reduce the tax burden on all Americans, we face slower economic growth and continuing high rates of unemployment.

SAVINGS AND INVESTMENT

Besides reducing consumer purchasing power and demand, the heavy tax burden has seriously retarded savings and investment in the economy. Tax rate reductions increase consumer take-home pay and stimulate consumer spending and demand on a permanent basis. In addition, permanent tax cuts also increase the incentive to save, invest, and produce. This increased savings, investment and production will stabilize prices, produce greater economic growth, and create permanment tax-paying jobs.

The high tax rates have discouraged savings and investment in new factories, homes, and equipment—which is the main reason for our high rates of unemployment and slow economic growth. In fact, the United States devotes a lower percentage of total GNP to savings and investment than any other major industrial nation. Japan devotes 35 percent of its GNP to private investment; West Germany devotes 26 percent, and France 25 percent. The United States devotes less than 18 percent to private investment.

High tax rates mean lower savings and investment, which in turn means less growth and fewer jobs. This is what has already happened in Great Britain, and it is beginning to be reflected in this country at the State level.

Mr. HANSEN. Mr. President, will the Senator from Delaware yield?

Mr. ROTH. I am happy to yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, if I understand the distinguished Senator from Delaware correctly, he said that the in-

vestment—and I would like to have him repeat those figures—in Great Britain and in France were—how much?

Mr. ROTH. Japan devotes 35 percent of its gross national product to private investment. It, of course, is a nation that has a rapidly expanding economy. Western Germany devotes 26 percent and they have experienced the same economic growth. Even France has invested 25 percent. But the United States, in contrast to those three countries, is currently devoting only 18 percent to private investment.

Mr. HANSEN. Then my question to the distinguished Senator is: Does the Senator attribute this relatively small investment of the GNP in industry producing jobs to be a result of the high taxes that we have in the United States?

Mr. ROTH. Absolutely. I think the fact that we have stifling tax rates mean that people are not saving and investing, people in business do not have confidence in the future. The combination of these elements means that we have a stagnating economy rather than one that is rapidly growing. That is the reason I think it is so important if we are going to build confidence in this Nation that we give people a substantial tax reduction that will show them that this Congress has confidence in the private sector and is willing to show that confidence by action.

Mr. HANSEN. Does the Senator from Delaware share my opinion that it is to this sector of the economy that we must look for the jobs we need to create in order to make significant inroads in the reduction of unemployment in this country and, furthermore, to expand opportunities for people who are not yet in the labor market?

Mr. ROTH. Absolutely. As I indicated, my proposal will create, by the end of this year, 380,000 jobs in the private sector. They will not run out when the Federal funding ends. They will stay. They will be enduring.

At the end of next year, we are told by the Congressional Budget Office, that it will create almost 1 million new jobs, 920,000 jobs, to be exact. That means a saving of between $14 billion and $16 billion expended by the Federal Government by taking those people off the unemployment rolls.

Mr. HANSEN. That is a very important point the distinguished Senator is making. I hope Senators will keep that in mind as they make their individual evaluations of the merit of his amendment. I thank my colleague.

Mr. ROTH. I appreciate the words of the Senator from Wyoming. On that point, I would like to emphasize one reason why I feel so strongly that we cannot wait for action. That is that if we pass this tax cut today, it means, by the end of this year, 380,000 jobs; by the end of 1978, nearly a million jobs. But if we do as the administration is proposing—wait until this fall or wait until next year—we are delaying the creation of these jobs in the private sector.

We cannot afford to wait. These people want work now. They want meaningful work. That is the reason that I say we must have a permanent tax cut today.

As I said, Mr. President, higher tax rates mean lower savings and investment, which in turn means less growth and fewer jobs. This is what has already happened in Great Britain, and it is beginning to be reflected in this country at the State level.

The northeastern part of the country is clearly losing industry and jobs to the South and Southwest, where the tax burden on individuals and industry is considerably lower than in the Northeast.

REVENUE IMPACT

Opponents of a permanent tax cut argue that permanent tax cuts erode the Federal Government's revenue base. They claim that permanent tax cuts will result in massive revenue losses and increase the Federal budget deficit.

But history shows that permanent tax cuts do not erode the revenue base or increase Federal budget deficits. In fact, in each of the 10 major tax cuts since 1946, revenue has not been lost but has, instead, increased as a result of the tax cuts.

Permanent tax cuts will create more taxpaying jobs, produce a greater increase in GNP, and expand the economy enough to provide more, not less, Federal revenues.

This is exactly what happened when the Kennedy tax cuts were enacted. Although the Treasury Department estimated a 6-year revenue loss of $89 billion, the increased economic growth caused by the tax cuts resulted in an actual revenue gain of $54 billion, a $143 billion increase, as the following chart illustrates:

KENNEDY TAX CUTS—ESTIMATED REVENUE LOSS VERSUS ACTUAL REVENUE GAIN

[In billions]

Year	1963	1964	1965	1966	1967	1968	Total
Treasury-estimated revenue loss	−2.4	−5.2	−13.3	−20.0	−23.7	−24.4	−89.0
Actual revenue gain	+7.0	+6.0	+4.0	+14.0	+19.0	+4.0	+54.0
Differences	+9.4	+11.2	+17.3	+34.0	+42.7	+28.4	+143.0

Source: Library of Congress.

Every businessman knows that overpricing a product can actually reduce revenue. He also knows that lowering a too-high price can produce a greater percentage increase in purchases than the percentage cut in price.

We face the same situation today with our tax structure. When a product or activity is taxed, less is produced. This applies to labor and capital as well. When we lower tax rates on labor and investment, the economy expands. Workers have more incentive to work overtime. Small businessmen work longer hours. Professional people take shorter vacations. People save more, invest more, hire more workers, and produce more. As the economy expands and more taxpaying jobs are created, tax revenues rise and Federal spending on unemployment compensation falls.

One of the reasons we have such a large budget deficit is that we are spending billions and billions of dollars on unemployment compensation, food stamps, and welfare programs for the unemployed.

The permanent tax cut that I am proposing will create almost 1 million new jobs in the private economy.

According to a Library of Congress study, a reduction in the unemployment rate of 1 percentage point—which is approximately 1 million jobs—would reduce the Federal budget deficit by an estimated $14 to $16 billion.

Permanent tax cuts will not increase the budget deficit and will not erode the Federal revenue base. Permanent tax cuts will expand the economy, create permanent taxpaying jobs, and increase Federal revenues and reduce Federal spending so much that the budget deficit will be reduced, not increased.

MIDDLE-INCOME RELIEF

Permanent tax cuts will provide well deserved tax relief to working, middle-income taxpayers—the men and women most ignored and overburdened by their Government. Almost 80 percent of all individual income taxes are paid by taxpayers with incomes over $15,000, yet Congress has consistently denied these taxpayers any real tax relief.

Taxpayers who itemize their deductions, such as those who own a home or who have large medical expenses, will receive no relief from the increased standard deduction approved by the Finance Committee, which I support. These taxpayers, particularly those families where both the husband and wife work, should not—and I emphasize the word, "not"—be denied tax relief.

The heavy tax burden represents a very real threat to all Americans, and it especially threatens minorities, the poor, women, and young people who expect upward mobility in the future. Our nation was built on the premise of excellence and productivity where performance and ability are rewarded. We must recognize that the heavy tax burden on working Americans, and particularly the denial of tax relief to anyone earning over a certain income level, threatens to push this country into a rut of mediocrity and no growth.

The amendment I am offering today would provide substantial and permanent relief to all taxpayers. When combined with the increased standard deduction already approved by the Senate Finance Committee, this amendment would provide the largest percentage reductions to low- and middle-income taxpayers.

This amendment will reduce the tax burden on the American economy and stimulate the economic expansion needed to create permanent new jobs in the private economy.

An across-the-board tax rate reduction of 10 percent will increase consumer purchasing power and stimulate the type of job producing investments and pro-

duction needed to put America back to work.

This permanent tax cut will offset the inflation induced tax increases of the past two years, and it will insure that more and more of the American workers earnings will not be swallowed up by inflation and higher taxes.

Mr. President, Americans have traditionally anticipated that hard work and perseverance would produce a higher standard of living and upward mobility. But the crushing tax burden now imposed on the American economy has slowed the country down, and increased the prospects of downward mobility for too many Americans. This has eroded confidence in the economy, and contributed to our sluggish economic growth.

Jack Kennedy realized 14 years ago that the high rates of taxation were strangling economic growth and impeding the full employment of our resources. He reduced taxes across the board, and the private economy expanded at an unprecedented rate.

The Kennedy tax reductions worked in 1963. Another across-the-board tax reduction will work in 1977.

Mr. President, at this time, I would be happy to yield to the Senator from Utah such time as he sees fit to use.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. ROTH. I yield 15 minutes at this time to the Senator.

WE MUST CUT THE TAX RATES ON ALL AMERICANS NOW

Mr. HATCH. Mr. President, I wish to associate myself with the excellent remarks of my distinguished colleague from Delaware.

Mr. President, the Senate must not miss this opportunity to reduce the tax burden on work, employment, saving, and investment. The American people expect—and deserve—tax relief, and now that good sense has prevailed and the rebate has been abandoned, we have the opportunity to do what should have been done from the beginning—cut the tax rates permanently for all Americans.

The temporary rebate was not designed to get Government out of the taxpayers' pockets or off their backs. It was merely a temporary license for some Americans to pick the pockets of other Americans. It would not have built the economy, but, instead, it would have built the political handout constituencies. The rebate was favored by its advocates, because they claimed it would hold on to the tax base and allow increasing Government spending programs in the following years.

However, the rebate would not have held on to the tax base. It would have held it down. Because of congressional action, the claims on the tax base are already growing faster than the tax base. Hard political choices will soon have to be made unless politicians take action to increase the tax base. The only way this can be done is by cutting the tax rates across the board.

The most successful tax cut in the post war years was the Kennedy tax cut. It got the economy moving again, but the inflation of the past decade has canceled out Kennedy's reforms by driving all taxpayers, both individuals and businesses, into higher tax brackets. To revitalize the economy, we must reinstitute the Kennedy tax rate reductions.

It is necessary to put our economic problems into perspective. Unemployment, inflation, the deficit, the frightening problems of the social security system all come under the general problem of economic growth.

Growth—we have not had enough of it. We have not had enough growth of real production to create the jobs we need to reduce our unemployment rate. We have not had enough growth of real production to raise the American standard of living at the rate it is rising in other industrial nations. We have not had enough growth of real production to enlarge the tax base enough to eliminate the deficits in the Federal budget, and to fight inflation. We have not had enough growth in real production to enlarge the tax base enough to avoid the awesome prospect of having to triple the social security tax rate over the working life of those now entering the labor force.

If the Senate will not take effective measures to increase the growth rate, it will have to do without adequate defense, all its health care proposals, or currently promised social security benefits, because the tax base to fund these three largest budget items will not exist.

Why have we not had enough growth? The purely technical answer is that we have not had enough savings. The basic economic equation is that total national savings must be identically equal to the sum of investment and the Federal deficit. We can do two things with income—we can save it or we can consume it. The amount that is consumed is not available for investment in new factories, mines, farms, or housing. The amount that is consumed is not available for financing the Federal deficit. Only savings can be used for investment and for bailing out the Federal Government when it overspends. And given the Government's propensity to overspend, there is not really that much left for investment. If we want more economic growth, we need more investment, and that means that we need lower tax rates.

The United States has had the lowest savings rate in the Western World in the postwar period. And just look at the results: In 1950 the United States had roughly twice the per capita income of Sweden or Switzerland. By 1974, these countries surpassed the United States in per capita income, and they were quickly followed by Belgium and Denmark. Now, West Germany, Canada, France, and Japan are not very far behind.

This spectacular growth of our trading partners has stemmed from their deliberate attempts to increase their rates of saving and investment. I ask unanimous consent that two tables be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

II.—COMPARATIVE REAL GROSS DOMESTIC PRODUCT, REAL GDP PER CAPITA, AND REAL GDP PER EMPLOYED CIVILIAN, 6 COUNTRIES, 1950–75 [1]—OUTPUT BASED ON INTERNATIONAL PRICE WEIGHTS

[United States=100]

Year	Gross domestic product per capita							
	Sweden	Switzerland	Canada	Japan	France	Germany [2]	Italy	United Kingdom
1950	59.0	62.7	76.0	17.8	49.4	39.3	26.0	57.2
1955			76.1	22.7	61.6	52.2	29.9	58.4
1960	77.0	84.4	78.8	31.6	60.9	65.6	36.6	62.4
1965	96.2	98.0	81.2	41.6	64.8	67.8	39.1	60.8
1967			81.3	47.3	66.4	64.3	41.0	59.1
1970	112.2	111.5	85.7	61.5	75.0	74.7	45.8	60.3
1971			88.0	64.0	77.0	75.3	45.4	60.8
1972			87.8	65.6	76.8	73.7	44.3	59.5
1973			88.7	68.1	77.0	73.8	46.7	59.0
1974	123.4	122.2	92.1	68.4	81.4	76.0	47.0	61.1
1975	123.5	114.3	93.5	71.0	81.6	75.8	45.8	61.9

WAGE INCREASES, INVESTMENT, AND SAVING

	1965–75 percent change in real wages and fringe benefits [1]	Investment as percent of GNP averages, 1960–73		Household savings ratios, 1976 estimated (percent)
		Total	Total minus home building	
United States	15.7	17.5	13.6	6–8
Canada	48.5	21.8	17.4	10–12
Japan	137.9	35.0	29.0	24–26
Belgium	103.8	NA	NA	NA
France	77.4	24.5	18.2	16–18
Germany	78.1	25.8	20.0	14–16
Italy	116.4	20.5	14.4	22–24
Sweden	68.8	NA	NA	NA
United Kingdom	53.9	18.5	15.2	12–14
Switzerland	55.1	NA	NA	NA

[1] Includes pension programs and other fringe benefits.

NA—Not available.

Source: Bureau of Labor Statistics.

Mr. HATCH. Mr. President, the first table shows the comparative real gross domestic products per capita in several major Western countries, and their rapid rate of gain on the United States. The second chart shows the relationship between investment as a percent of GNP, and the percent change in real wages and fringe benefits in the major Western nations. The United States came in dead last in the share of investment in GNP. Not surprisingly we also came in dead last in real wage and fringe benefit increases for 1965 to 1975. While U.S. wages and fringe benefits rose less than 16 percent over this period, those in Canada rose 48 percent, those of Britain, Switzerland, Sweden, Germany, and France rose between 50 percent and 80 percent, and those of Belgium, Italy and Japan rose more than 100 percent in the same time period.

Clearly, if we want more jobs and higher wages, we have got to increase the rate of savings and investment.

Why is the rate of saving so low in this country? The rate of saving is low primarily because it does not pay people to set money aside the way it used to. Over the past 25 years, Government spending has gone from roughly 21 percent of GNP to more than 35 percent of GNP, at the Federal, State, and local levels. Over that same period of time, Federal income taxes on typical American workers and social security taxes have increased dramatically. State and local taxes have risen even faster.

Typical industrial workers who, only 4 or 5 years ago, faced Federal income marginal tax brackets of 17 or 19 percent, now face brackets of 22 percent, and these marginal rates rise every year with inflation. It is the marginal rates which determine how much of any overtime pay, or added interest from added savings that these people get to keep. Similarly, higher-income people, with the country's highest propensity to save and invest, have found their marginal rates climbing ever higher. It is reaching the point that more and more people are discouraged by very low after-tax yields on money that they had saved.

Remember the good old days when thrift used to be a virtue? Over the last 20 years, the Government has made a mockery of thrift. Not only has it been the country's leading example of profligate spending and waste, but it has drastically penalized those who have chosen to save, rather than spend. In 1960, someone could have put money aside in a savings account at 4 percent interest and would have lost one point to inflation, and one point to taxes, for a real increase each year of 2 percent on his money. That same person today would probably have his money in a 7-percent account, losing five points to inflation, three points to taxes, and ending with a real loss of 1 percent on every dollar he put in the bank. This is how the Federal Government rewards those who save.

Another way in which the Federal Government has managed to discourage savings is through its mishandling of the Social Security System. This system is regarded as a pension plan by its participants, but it is really a system of transferring funds from current workers to current retirees. In a private pension plan, or in retirement programs of countries like Sweden, each group of workers sets aside money during its own working lifetime for its own retirement. These savings are invested to expand real output in the economy, so that the workers can live on the accumulated principal and interest, which is their share of that expansion, after they retire. In the United States, workers and employers pay a social security tax which is not saved and is not invested. It is transferred immediately to retirees for immediate consumption.

Many economists have pointed out that insofar as Americans feel they can rely on social security payments for retirement income, they feel they can afford to save less during their working years. This has reduced the savings rate of such families by as much as 40 to 50 percent.

Unlike Sweden, the United States does not make up for this lower savings rate with Government saving. We do not run surpluses to build up the Social Security Trust Fund, nor do we avoid Government deficits which require the Government to borrow what would otherwise be private investment capital. This means that the Government takes much of what little saving is left, and diverts it from productive, private, growth-oriented uses.

Our low savings rate is one of the reasons for the low rates of investment, growth, and real wage increases in the United States. This in turn means a slow rate of growth of the social security tax base, which necessitates higher tax rates. These higher tax rates further discourage hiring and work effort, compounding the problem.

Obviously, we have to encourage an increase in the rate of savings. We also have to encourage the utilization of that savings in productive private investment.

The creeping tax rates that we have experienced over the last 20 years have gradually reduced the rate of return, after taxes, that the typical investor can expect. There are millions of potential investors who look at the after-tax return on investments, and who decide to spend out of their capital for a trip to Bermuda, instead of reinvesting. Consequently, we devote fewer resources to new housing, new mines, and new factories. We hold down the growth in the stock of capital and, as a consequence, we hold down the growth in wages. Wages are determined by the capital-labor ratio, the amount of tools and equipment that a worker has to work with. Countries with a high stock of tools and equipment per worker have high wages. Countries with a growing stock of tools and equipment per worker have growing wages. If we want more jobs and higher wages, tax rates must come down to increase the after-tax reward to those who provide the tools and equipment which we need.

The marginal tax rate on equity capital in this country is nearly 80 percent, counting property taxes, corporate income taxes—both State and Federal—payroll taxes, excise taxes, and taxes on dividends distributed. No wonder firms have been having a harder and harder time expanding. Investment used to be a virtue. There used to be a time when people looked with favor on those who brought a new factory into town, or who expanded existing local industries. Now these people are punished through punative tax laws, which say "Eat, drink, and be merry, because if you don't squander it the Government will."

I would like to point out that the same disincentive effects produced by marginal tax rates on savings and investment also discourage the supply of labor. People considering overtime these days find themselves with a far lower aftertax reward for that extra effort than in years past. Remember when leisure used to be frowned upon, and labor was considered a virtue? Not any more. The Government has stated, in no uncertain terms, that anyone who tried to work harder will be punished for it. I ask unanimous consent to have printed in the RECORD at this point a Wall Street Journal editorial entitled "Tax the Rich."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX THE RICH!

In what has become an annual event, the Treasury Department last week reported that 230 of the nation's wealthiest individuals paid no federal income taxes in 1975. Of the 34,121 persons who reported adjusted gross incomes of $200,000 or more, 230 paid no tax. In 1974, the number was 244. In 1973, 154.

Since early 1969, when lame-duck Treasury Secretary Joseph Barr initiated this festivity by announcing that 200 rich Americans had escaped taxes by crawling through loopholes, the government has been trying to do something about it. Loopholes have been closed left and right. A minimum tax has been legislated, then increased. IRS, treating the annual figure as a source of embarrassment, bends every effort to reduce it. But more rich people are paying no taxes than in 1969, and the economy is in much worse shape now than it was then.

It stands to reason, and we thoroughly believe, that the U.S. economy would benefit enormously if the rich paid more taxes. We have been arguing this, at least implicitly, for years. What we have not been able to get the politicians to understand, though, is that you can't get rich people to pay more in tax *revenues* by raising their tax *rates*. If you raise the rates, it becomes even more profitable for them to hire lawyers and accountants to find them loopholes, and the cost of this misdirected effort is a dead loss to the economy. Or they stop working entirely and dissipate their capital drinking champagne and sailing yachts, which is also a dead loss to the economy. Either way, they contribute less in tax revenues, and the burden of supporting government expenditures falls on the middle class and poor.

Consider what would happen to a "good" rich person who refuses to use loopholes and prefers hard work to sailing yachts. He decides to invest $1 million of his capital in a widget factory in New York City, which will employ hundreds. He will run it himself, arranging the financing, assembling the personnel, finding the markets, and so forth. Give him a year to get off the ground, but say he is lucky enough in the second year to make a 10% profit on his invested capital. This is after his workers have paid federal, state and local income taxes and the widget company has paid property taxes, license fees, etc.

Of the $100,000 profit, the city clears away roughly $5,700, leaving $94,300. The state

clears away about 10 percent of that, leaving $84,870. The IRS, levying at progressive rates, snatches $38,000, leaving $46,870. Our good rich person then pays this to himself as a dividend.

Being rich, our man is of course in the highest personal income-tax brackets, and after paying $4.3 percent to the city ($2,015) has $44,855 left. The state clips him for 15 percent of that ($6,728) and leaves him $38,-127. Uncle Sam "nicks" him for 70 percent of that, which is $26,689, leaving him with $11,438.

Thus, on the investment of $1 million in capital and two years hard work in assembling an enterprise that is risky to begin with, this lucky fellow who turned a profit of $100,000 has $11,438 to spend. He has given up two years on his yacht to gain $5,719 in annual income. If he had invested in tax-free municipals, he would have gained roughly $60,000 in annual income and could have remained on his yacht instead of fighting New York City traffic, City Hall, and the widgetmakers union.

Ralph Nader's loophole closers calculate that if you closed the loopholes the "bad" rich people would be forced to pay taxes. This assumes the bad rich will be forced to risk $1,000,000 and two years' hard work for $5,719 in after-tax income. Even Fritz Mondale, we will guess, would feel uncomfortable with this assumption.

Why not tax the rich by lowering the rates they face? They will thus be enticed back from their yachts and once again assemble widget plants in New York City, with tax revenues flowing to Washington, Albany and City Hall not only from them, but also from all those who would then be usefully employed in widgetmaking. By all means, tax the rich! But do it right, and in this fashion lift the burdens of taxation from those who aren't rich.

Mr. HATCH. Mr. President, this editorial shows how a combination of personal and corporate income taxes, Federal, State, and local, can reduce the rate of return on capital and labor to less than one-half percent, leaving millions of people to give up on the difficult job of managing their own business, and causing them instead to dump their holdings into municipal bonds and sit back doing nothing. This results in a drastic reduction of the tax base, and a drastic reduction in real output which we desperately need to feed, house, and clothe our population.

Some politicians will not agree to across the board tax rate reductions, because they believe the so-called rich will pay less taxes as a result, and they are not willing to treat the rich equally as other taxpayers. These politicians simply do not understand how taxation works, and they are senselessly introducing class warfare into the United States. I am inserting a table in the RECORD at this point. It is from the Internal Revenue Service statistics of income. It shows that as the top tax rate fell, the number of tax returns in the top bracket grew and the percent of total tax collected from the top bracket also grew. The IRS figures show that lower tax rates result in the rich paying more taxes and a greater percent of total taxes.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing special income tax returns with adjusted gross incomes above $100,000.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INCOME TAX RETURNS WITH ADJUSTED GROSS INCOMES ABOVE $100,000

Year	Number of returns filed	Percent of total tax collected	Top tax rate (percent)
1960	24,523	5.4	91
1961	29,730	6.2	91
1962	27,174	5.1	91
1963	29,498	5.1	91
1964	36,501	6.3	77
1965	46,013	7.6	70
1966	53,166	7.5	70
1967	67,021	8.5	70
1968	82,223	9.2	75.25
1969	82,111	8.2	77
1970	77,690	6.8	71.75
1971	91,020	7.9	70
1972	114,636	8.6	70

Source: IRS Statistics of Income.

Mr. HATCH. Mr. President, the answer to this apparent puzzle is clear. Allowing the rich to keep more of what they earn encourages them to take their money out of tax-free bonds, loopholes, and tax shelters and invest it where they can earn a higher rate of return. Thus, the tax base and thereby the tax revenues to the Government both grow. In short, the rich pay more total taxes.

Between 1960 and 1972, only once, as the tax rates came down from 91 to 70 percent, did the number of returns filed go lower instead of higher and did the percent of tax collected go lower instead of higher; but even then, it was much higher than when the 91 percent top tax rate was in effect.

All of our social, political, and economic problems reduce to one basic problem: that is how to encourage savings, investment, and work effort to produce greater economic growth than we have had over the past few years. Fortunately, there is one set of policies which can produce this result. That policy is tax rate reduction, as advocated by my friend, Senator ROTH.

Tax cuts work on the supply side, by rewarding those who produce additional savings, investment, and labor.

A lower tax rate on a person's top, marginal bracket makes added hours of work more worthwhile than before in terms of take-home pay. The supply of work effort rises.

Likewise, the lower marginal tax rate makes the return on additional savings rise. People who were formerly choosing more consumption and more leisure are induced to choose instead more investment and more work.

The same situation holds true for investment. Those who have expanded their businesses as much as they care to at the current high tax rates will make the added effort to earn additional income if marginal tax rates are reduced.

Throughout this discussion, I have been stressing marginal tax rates, the rates people pay on their last few dollars of earnings. When economists keep throwing the term "marginal" around, they are not just doing it for their health. They stress marginal tax rates instead of average tax rates, because it is marginal rates that can change behavior.

Let me illustrate the importance of marginal tax rates, using corporate taxes as an example. Assume two identical countries in which all corporations currently earn $1 million in profit, and there are no corporate taxes.

Country "A" decides to raise revenue by imposing an unchanging annual license fee of $500,000 on every corporation. In effect, it starts out taking 50 percent of profits.

Country "B" imposes a 25-percent corporate income tax, and starts taking 25 percent of profits.

Which country will grow faster? Is it "A" with high Government revenue, or "B" with less?

"A" will grow faster. If a firm in "A" invests a certain amount of money to double its output and profit, it pays no tax on its second $1 million. Before the investment, its average payment to the Government was 50 percent of profits. But its marginal tax rate is zero. It keeps all of the second $1 million.

If a firm in "B" invests the same amount of money to double its output and profit, it pays $250,000 of the second $1 million to the Government, as well as the first. Its return is $750,000, only three-fourths of the return to investment in "A." Its average tax rate is only 25 percent. But is marginal tax rate is also 25 percent, and that is what does the damage.

A tax cut that affects rates on the first few dollars of income may lower average tax rates. But if the tax cut does not affect the last few dollars of income, it does nothing to add to incentives to work, save, and invest to earn additional income.

What all this means is very simple. We have to reduce marginal tax rates in order to increase the country's growth rate. This will very quickly expand the tax base, allowing us to raise more revenue, at lower tax rates, from a rapidly growing economy. This will help to close the deficit, thus eliminating inflation and increasing investment further, the revenue it needs for such urgent matters as defense, health care, and the rescue of the Social Security System.

Now let me stress one important point here. All tax rates must come down. Roughly 25 percent of all families with roughly 50 percent of all income hence, more than 50 percent of all potential saving and investment—are in the higher tax brackets. If these rates are not reduced along with all others—if the tax cut does not affect the last few dollars of everyone's income—we will be throwing away over half of the potential savings, potential growth, and potential job formation and real wage increase that a tax rate reduction can provide.

We need to repeat the Kennedy tax cut. It was permanent, something people could count on for the future. It reduced personal income tax rates in every bracket to encourage everyone, including those with the biggest share of total income, to save more and to take the risks of investment, because of the higher after-tax rate of return. And the corporate tax rate reduction and investment tax credit increased the after-tax rate of return to business investment.

The Kennedy tax rate reduction produced an investment boom—exactly what is missing in the present recovery. Demand or spending, which Congress is

always worrying about, took care of itself as employment and paychecks rose.

We have an easy choice to make here today. If we do not make it, we will have hard political choices to make in the future. Congress cannot continue to create growing claims on the national income while simultaneously holding down the growth in income by inflationary policies and high tax rates. It is time to remove the tax barrier to full employment and unleash the country's saving potential and work effort in order to provide a real increase in everyone's standard of living instead of just transferring money from one group to another. Work, employment, savings, and investment should be seen by the Congress as valued things to be rewarded instead of punished. I hope we will put our political prejudices aside and unite in taking a step that will allow all Americans to pull together once again in creating a higher standard of living for all.

The PRESIDING OFFICER (Mr. SARBANES). Who yields time?

The Senator from Delaware.

Mr. ROTH. How much time does the Senator from Wyoming wish?

Mr. HANSEN. Six minutes.

Mr. ROTH. I yield 6 minutes to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I never supported President Carter's rebate proposal. I appreciated Chairman LONG's imagery when he noted that the rebate would have had an effect similar to throwing $50 bills from the top of the Washington Monument. In my own State of Wyoming, the rebate would have been virtually useless. I cite some examples by one of my constituents: She said:

> We live on a ranch 42 miles from our principal shopping center; at the rate of 16 cents per mile allowed by the State, $50 would not quite get me home from my fourth trip to town.
>
> It would pay for registering only 10 of our purebred calves, which are the only source of our ranch income.
>
> It would buy only 25 bales of hay, and we are feeding 100 bales per day.
>
> It would pay for only one-tenth of a single page ad in the Hereford Journal.
>
> It would pay the auctioneer, whom we engage for our annual sale, only 15 minutes.
>
> With only $50 we wouldn't dare call a plumber.
>
> If we had to go to the hospital, $50 might pay costs until noon.
>
> We should pay our dues to our Stockmen's organization and send the remainder of the $50 for lobbyists in Congress.
>
> Hopefully they could persuade the President and Congress to SAVE the band-outs, SAVE the bookkeeping, SAVE the checkwriting, and SAVE the postage. Cutting expenses in Washington is a more practical way to stimulate the economy than sending us $50 and then increasing our taxes $100 to cover the expense.

The rebate was a foolish idea. The press noted that it even made the President himself "queasy." Let me tell my fellow Senators that I did agree with the President's queasiness.

I do wish to speak out today in support of a permanent tax reduction for Americans. My support arises not just from the dollars and cents of the reduction. The revenue impacts of past tax reductions speak for themselves. Other Senators have spoken about the economics of a permanent reduction and have spoken clearly and persuasively. I wish to speak about what I see as one conceptual benefit of passing a permanent reduction. Simply stated, this reduction is a vote of confidence in the American people. We will say to them, "We believe that you can and should have control over your own resources."

I noted with interest an article in the January 22, 1977, issue of the New Republic, written by my distinguished colleague on the Finance Committee, the junior Senator from New York. The article developed the thesis that our concept of government has run amuck. The government, built on a foundation of mutual benefit and protection for all citizens, has strayed from those benevolent purposes, and, with the worthwhile intent of helping and caring for citizens, has become the enforcement agent for volumes of tangled regulations and a regulator of behavior. The article continued, stating that:

> The decline of government is inexorably associated with the crisis of the economy.

It describes the rise in unemployment, the regional stagnation occurring in some parts of the country, and the social disorganization that goes along with those problems.

From his article, I have drawn the conclusion that our Government simply cannot continue to take resources from our people with the promise that more and more services will be provided by what we would hope would be a benevolent and compassionate government. We have seen too many examples of good intentions which cause hardships. The financial straits of New York City are a prime example. There are others: All of us shudder at the prospect of confronting businessmen who grapple with OSHA. The Wyoming Insurance Commission writes to me weekly for clarifications of various pension programs. The procedural scrapping that took place just 2 weeks ago here in this chamber over disability and sick pay illustrates the way that our good intentions can be distorted.

I suggest, Mr. President, that one way we can show our good faith is to allow citizens to keep their resources. Let us not take 50 cents of every dollar from our citizens and tell them how we will spend it. Let us rather preserve for the people their integrity by allowing them to keep more of what they earn, so that they can provide for themselves and for their families. I can assure Senators that if we provide tax relief for millions of Americans, we, too, shall preserve our own integrity as a legislative body.

Mr. President, I yield back the remainder of my time.

Mr. ROTH. At this stage I yield 5 minutes to the junior Senator from Idaho.

Mr. McCLURE. I thank the Senator from Delaware for yielding this time to me, as well as my thanks to him for authoring the amendment which is now before the Senate of which I am proud to be a cosponsor.

Mr. President, I have a rather lengthy statement, together with certain attachments. I rather have the impression, after the last vote of this body, as well as the current attendance on the floor, that the Senate is not predisposed to debate the issue or to listen to the arguments on the debate, but I do believe we are faced with an increasing dilemma in our society today when government is taxing away more and more of the capacity of our society to build for the future of this country.

Mr. President, the objective of this amendment is to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of our economy.

Creating jobs presents all of us with a serious challenge. There is no question we have an unemployment rate that is too high. This is a problem now—and it requires a solution now—because we will not be able to pretend we are out of the economic woods until it is solved.

There are those who would address the problem through costly programs to provide a Government-financed job to every person who is employable but who cannot find work in private business. These proposals would eat up taxes while offering, at best, only a temporary solution to the unemployment problem. There is little that can soften their devastating, inevitable inflationary effects.

It seems to me this approach is both outdated and wrong-headed. It is outdated because it is the same approach taken in the 1930's, nearly 45 years ago, when this country—along with the rest of the world—was plunged into a depression so deep extraordinary measures were called for. In 1933, for example, nearly 13 million Americans were unemployed—or more than 25 percent of the total civilian work force.

Certainly the times we live in now are very different. In the economy of 1977 there must be—and there are—better ways of tackling our unemployment problem than turning back to the solutions devised in a different era now far behind us. It is ironic those advocating the big government approach think of themselves as innovative and forward-looking, when in fact they are looking backward for their answers.

Of course there are lessons to be learned from history; and a look at history gives adequate evidence of the extent to which our prosperity depends on the availability and use of private capital. For example, just 100 years ago, it took a week to produce the same amount of wheat that today can be produced with just a single hour of human labor What did it? The steel plow, tractor, harvester, better seed, and cheap transportation. All of these in turn were made possible by the use of investment capital.

Capital is the key word. Capitalism—the use of funds to build plants and to replace equipment—has been the most important factor in raising our standard of living and it can be the answer to a steady economic recovery and continued stable growth.

This tax cut will create jobs in the private sector of our economy. It would

eliminate the need for expanded Federal grants and loan programs by reducing unemployment and returning persons to self-sufficiency and a tax-generating rather than a tax-consuming status. It would encourage additional savings and investments by the individual, stimulate home construction, and assure an increase in real purchasing power by the work force.

The many pressing economic issues facing Congress today—inflation, unemployment, capital, and energy needs—are interdependent with respect to their comprehension and solution. How do we deal with these problems? Should Congress increase Federal spending providing public service employment and public works programs or should it return decisionmaking to the people by way of the marketplace? I opt for the second solution. Reliance on Government assistance is not the answer. For example, for every full $1 billion spent on public employment, no more than 50,000 jobs are created, and they are not usually permanent. This is not a substantial increase in light of the further effects on the economy due to increased Federal spending. Increased spending means either an even larger Federal budget deficit—which is already predicted to reach $70 billion—or increased tax demands.

The unavoidable truth is that deficits must be financed. The Government has two choices—to borrow from the Federal Reserve or to finance by borrowing from the private sector. When the Government borrows from the Federal Reserve, the supply of money increases relative to the supply of goods, thus sooner or later forcing prices to rise and the value of dollars to fall. Government agencies with their newly created dollars are able to bid away goods and services from the private sector where the majority of capital formation takes place.

When the Government borrows from the private sector, no new money is created. The Government sells bonds to the private sector which in turn must reduce either private current consumption or investment. Because Government expenditures consist heavily of transfer payments which go for current consumption, the net effect in time is increased demand for currently produced goods rather than a demand for goods produced in the future. In short, more now can only be achieved at the price of less in the future.

The supply of goods relative to the demand is therefore decreased and average prices rise. The Federal Reserve could step in to purchase the bonds in order to keep private investment dollars available, but this action would only cause an increase in the total money supply and further inflation. In either case, inflation or crowding out is the ultimate result. Formation of capital drops due to the lack of available investment capital.

Because we have been so caught up in our ever-increasing rate of consumption, America has fallen behind in its investment rate. Investment in new plant and equipment, per person added to the labor force in the 1970's was 22 percent less than that invested in 1956 and 1965. Our rate of capital formation was one of the lowest in the major industrialized nations. On the other hand, France and Germany have doubled their industrial capacity and Japan has tripled its capacity. America has gradually lost a competitive edge in the world market and consequently fewer jobs are available. The United States will have to provide jobs for 7 million more people in the labor force by 1980 and in addition upgrade productivity and earning power of the present labor force. An average investment of $35,000 to support each worker with plant and equipment will be needed.

Every dollar invested in capital does not necessarily go into expansion alone. Some must also be used for replacement of aging capital—at inflated prices, conversion of existing assets into similar but more technically advanced ones, or to purchase pollution abatement equipment and OSHA-mandated compulsory but nonproductive items. Those dollars which are ultimately invested in new plant and equipment are the keys to an expanding and fully employed economy. This amendment recognizes that fact and further recognizes that this investment activity can be most efficiently undertaken within the private sector and in response to free market forces.

Up to now I have been concentrating on the point that Congress must curtail expenditures and reduce deficits, thus putting the financial wherewithal back in the hands of the private sector. Government must also reduce its tax demands on individuals and businesses. This amendment will help to accomplish these objectives. It alone cannot accomplish all that is necessary to assure an adequate investment in job-creating capital for the next 10 years, but it is an initial step in the right direction.

One thing we must always remember is that people pay taxes and ultimately people bear the tax burdens of corporations. They pay direct taxes: Individual income tax, sales tax, gasoline and fuel taxes, gifts and estate taxes. They pay indirectly through high prices paid for purchased goods and services. Corporation income tax, real estate and sales taxes paid by businesses are passed on to the consumer.

Last year, the Secretary of Commerce announced that each household pays $14.06 in taxes for every $1 billion spent by the Federal Government. This amount is found by dividing the number of U.S. households—71,120,000—into $1 billion and is known as the T-dollar used to show the impact of Federal spending on the average taxpayers. The average consumer cannot relate to $1 billion, $10 billion or $100 billion spent by the Government. But when Congress spends $10 billion on a Federal project the consumer, by use of the T-dollar, will realize it is $140 of his own money. In 1929 Federal, State and local tax collections constituted only 13 percent of total national income. By 1950, it had risen to 26 percent. By 1974, it had risen to 40 percent. By 1985, total Government's share of national personal income could be 54 percent—more than half the people's earnings—if present trends are allowed to continue. These figures do not reflect the effects of inflation—the great unlegislated tax. When the Government spends money, it is spending tax dollars—hard-earned dollars of the consumer.

In February I introduced legislation which addresses not only the need for a permanent reduction in individual income taxes and the need for additional savings by private citizens by allowing a tax credit of up to $1,000 on savings and investments, but it also confronts the need to reduce the heavy tax burden of corporations, a burden which is ultimately passed on to the consumer. We must reduce corporate taxes for a number of reasons:

First, high taxes are passed along to the consumer as higher charges for goods and services. Lower corporate taxes would mean lower prices for you and me;

Second, high corporate taxes mean that corporations have fewer net dollars to spend for inventory and equipment replacement, expansion and purchase of new equipment. This means a loss of jobs. There is no new construction, so construction trade unemployment remains high or continues to escalate. Jobs are also lost within the company itself for a lack of replacement of older equipment. Plans to expand are postponed and no new jobs are created;

Third, with more money going to taxes, less is available for salaries and increased fringe benefits for employees; and

Fourth, fewer funds are available to pay dividends to the company's stockholders. The stockholders come from all walks of life with one thing in common—they depend upon dividends to maintain their standards of living.

The ability of business to create jobs and thereby reduce unemployment depends on its ability to equip present workers with the proper tools and equip new workers with more plant and equipment. All this requires further investment.

Now you may ask—what kind of loss to the Treasury will result from enactment of the bill? This could mean less revenues, thereby increasing the deficit. Crowding out of investment capital and inflation could follow the financing of that deficit. Let me make some points in this regard which I think will interest you.

Time and time again through legislation, areas where spending should be cut have been cut. And there can be more reductions. It is my hope the ever-increasing growth of Government can be reduced in order to avoid more deficit spending.

There is much evidence that the losses in revenue will be substantially offset by additional revenues generated through increased productivity and jobs created. Federal expenditures will decrease with people moving from a nonproductive, Government-supported status to a tax-generating status.

It is my contention that any decline in revenues would soon be renewed and overcome. Several years ago the Canadian Government cut corporate taxes drastically. The effective rate of taxation

was reduced from 49 percent to 40 percent, amid cries that it would bring a substantial decline in revenue. But because of the large increase in productivity and jobs generated by that tax cut, there were no losses in revenue. Instead, a surplus was generated.

The Jobs Creation Act is just one attempt at tax reform but all tax reform should share the same objectives:

First, assuring more jobs within the private sector, so as to reduce unemployment and to return persons to a tax-generating, instead of a tax-consuming, status;

Second, increasing our standard of living in real, not inflated terms;

Third, improving production efficiency, so as to produce more goods at less cost, goods which are improved in their quality; and

Fourth, attaining a durable, stable economic recovery without added reliance on the instrument of Government and Federal policies, which too often have unforeseen and counterproductive effects.

To achieve goals such as sound growth, fuller employment, and adequate capital formation, we should look to the enterprise of free men, not to big government.

These reforms can help us move toward real, sustained growth built on productivity and real wages. The rejection of them can hurt us by sending us into self-defeating artificial inflationary growth. Congress must make a choice and make it soon and there is little room for error.

Although the Senate, by its vote on the Danforth-Javits amendment, has already said it relies more upon Government than upon individual initiative. I have not yet abandoned the hope that Members of this body will exercise their independent judgment. Peanut rolling power should not roll the Senate.

In February I again introduced legislation designed to accelerate capital investment and with it job creation and productivity in the private sector. The bill, S. 503, the Jobs Creation Act of 1977, is essentially the same bill I introduced last October. At that time the official unemployment rate exceeded 8 percent and prospects for a rapid recovery were less bright than they are today. Despite this recent improvement there is more, not less, need for tax changes which will increase the pool of savings available for capital formation. During the next 5 years the challenge which the private sector must face is a considerable one.

Its parameters may be stated in both human and financial terms. Between now and 1980 we must create at least 12 million jobs for those who are currently unemployed and for several million new entrants to the labor force. In order to accomplish this monumental task and provide for the future security of these same jobholders, American industry must invest over this current decade close to $1,500 billion as measured in 1972 constant dollars. Stated another way, between 1975 and 1980, fixed capital investment must equal 12 percent of our projected gross national product.

The required annual rate of investment in fixed capital is substantially higher than the 10.4 percent rate which characterizes the period from 1965 to 1970.

The consequences of our failure to save and invest at this 12 percent rate will be both predictable and painful. The growth in our labor force will not be matched with a growth in job opportunities, new entrants will be discouraged, job habits and skills will not be learned, income maintenance programs—entitlement and otherwise—will increase, Federal deficits will rise rather than fall, productivity will decline and inflation will become not episodic but endemic as deficits are created and monetized.

At the Federal level, the impact of unemployment is staggering. Each 1 percent increase in the unemployment rate above 4 percent results in revenue losses and expenditure increases totaling $16 to $18 billion. For as long as unemployment rates remain at high levels, budgetary balance cannot be achieved and efforts to hold inflation in check become increasingly less successful as the rate of money creation exceeds the annual rate of production of goods and services.

The Federal Government can do little to alter the size of the labor force or its growth. However, efforts can be made to insure that sufficient capital investment is available to create the jobs which a growing labor force demands. That is the purpose of the Jobs Creation Act and the tax changes which the act requires.

Let me turn briefly to the subject of capital needs. We have all seen the results of several studies of capital needs. Among them one stands out as complete in the sense that it relates capital investment to a series of established national goals such as full employment, rising GNP, energy conservation, capital replacement, and a cleaner environment. In that same context it examines aggregate investment needs and relates them in dollar terms to the realization of each of our many goals in a disaggregate form. The study to which I am referring was requested by the Council of Economic Advisers and was performed by the Bureau of Economic Analysis. The results of that research were made generally available in December of 1975.

The approach followed by the Bureau was as follows:

First. GNP and its major components were projected through 1980.

Second. The aggregate GNP projections were disaggregated by industry group.

Third. Input-output analysis then related final industry sales to domestic investment requirements by industry.

Fourth. Historic capital input requirements were then adjusted by industry to reflect the demands of environmental regulations which currently exist.

Fifth. Finally, investment needs were related to energy conservation and increasing energy independence.

The figures which resulted represent a clear challenge to this society for they indicate that the price of a brighter future is a less profligate present. We cannot perpetuate an approach to our Federal tax law and Federal budget which rewards consumption and penalizes saving and investment. Over 200 years ago Adam Smith, in reflecting on the causes of the wealth of nations, concluded that wealth lies not in our hoards of precious metals, but in the productive interactions of land, labor, and capital. Our material success is related not to the fact that we work harder or longer today than we did 200 years ago, but rather that we work more productively with an ever-expanding capital base.

As a nation, we stand at a crossroads. One road, that traveled by Great Britain, has the immediate appeal associated with redistributing existing wealth; but it also holds in store the ultimate pain of sharing not the wealth but the resultant poverty. The other, less frequently traveled road, promises continued progress and gradual enrichment of all members of society. The proposals of the Jobs Creation Act are all directions to pursue the path which we have so successfully traveled in the past. Their rapid implementation will reduce revenues at the Federal level only slightly and for a short period.

While we are told that the power to tax is the power to destroy, we must also realize that the power to tax can become the power to create. It is to this creative power that the amendment is addressed.

Mr. President, I ask unanimous consent that an editorial which appeared in the Wall Street Journal on August 4, 1976, one that appeared on April 26, 1977, and my letter to the editor of the Washington Star on May 26, 1976, all be made a part of my remarks at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 4, 1976]

THE KEMP COUNTER

Jack Kemp, who stepped down as quarterback of Buffalo's pro football team to become a hard-charging Congressman, has diagramed a play by which the Republican team could steal the Democrats' unemployment issue. He has rounded up 132 congressional cosponsors for his Jobs Creation Act of 1975, but so far has been stiff-armed by both President Ford and Governor Reagan.

Congressman Kemp's insight is that the way to stimulate the economy is to cut taxes, especially taxes that retard job-creating investments and the savings that finance them. Thus his bill would allow individuals to take tax credits for additional savings of up to $1,000, reduce corporate tax rates, and speed up depreciation and investment credits. A provision in the companion Senate bill sponsored by Senator James McClure, and separately endorsed by Mr. Kemp, would index the personal tax schedules to that taxpayers are not pushed up into higher tax brackets by inflation.

These measures would be a tremendous spur to economic growth now and in the future. Democrats habitually denounce any cut in corporate taxes as a sop for the rich, but in fact the major beneficiaries would be the major shareholders, which are the pension funds of the workingman. Keynesians of course have a congenital bias against savings, but in fact an increase in the rate of return for capital would call out investment spending even in the short term. With a greater reward for putting people to work and a greater reward for working, there would be more work, more jobs and less unemployment.

Why should Congressman Kemp have

trouble selling this to his party's presidential contenders? Chiefly because they believe that tax cuts would conflict with the priority of containing inflation. Their theory is that unemployment is the price to be paid for stopping inflation. In this view, the trick is to pare down the growth in government spending, to pare down the deficits, to allow the Fed to pare down money growth. Unemployment would be sticky in the short run, but the economy will grow in the long run.

There is much to be said for this theory, especially in contrast with Jimmy Carter's proposal to fight unemployment and worry about inflation later. With modern income support systems, unemployment is a less pressing social problem than formerly, and it seems clear to us that the recent recession and the accompanying unemployment were caused by the raging inflation. Unemployment is not likely to be reduced for very long unless there is further progress against inflation, and that clearly is the first economic priority.

Yet the conflict between this priority and Congressman Kemp's kind of tax cut is more perceived than real. There is more than a bit of Keynesian brainwashing in the standard Republican belief that tax cuts cause deficits, that deficits stimulate the economy and that a stimulated economy causes inflation. In fact, inflation is caused by excessive monetary growth. Such money growth is often stimulated by large deficits, because the Fed feels under pressure to create enough money and credit to meet the borrowing demands of both government and business. But if a tax cut directly finances business investment and thus relieves borrowing demand, the Fed could continue to restrain money and slow inflation.

In any event, it is far from clear that a tax cut will always cause a deficit. It depends on whether it succeeds in stimulating the economy enough that the lower rates yield a larger net revenue. Economist Norman B. Ture has estimated that the Kemp bill would add $151.4 billion to the GNP in the first year after the trend rate, thus increasing federal tax revenues by $5.2 billion. If all the increased productivity that would result from higher investment went into real wages, they would grow by 8.2% over the trend. Alternatively, if the productivity went entirely into employment, 7.2 million new jobs would be added. His tentative calculations show bigger advances in succeeding years.

The White House spurned the Kemp bill after the Treasury pooh-poohed such calculations, keeping its eye instead on potential losses to the federal government, from lower rates. The great irony will be if Jimmy Carter is elected and succeeds in stimulating the economy by ending the double-taxing of corporate dividends, as he has promised to do.

We can't vouch for Dr. Ture's calculations, but we do respect him as an economist. As for Jack Kemp, we can't help but note that his Buffalo district has a 12% unemployment rate and that he won re-election last time out with 73% of the vote. The GOP needs an employment program, and especially in terms of getting a serious debate going on the issue, it could do a lot worse than Mr. Kemp's.

[From the Wall Street Journal, April 26, 1977]

CONGRESS AND THE ECONOMY

We don't know how long it will last, but after three months of the Carter administration, the Democratic Congress has clearly outperformed the White House on economic policy. It is hard to believe, but for the first time in recent memory the business and financial community has reason to look to Capitol Hill for protection against the excesses of the Oval Office.

It was the House that beat back the AFL–CIO's common-situs picketing bill, which Mr. Carter had pledged to sign The House almost scrapped the President's ill-conceived $50 rebate scheme, mauling it so badly that Mr. Carter had to abandon it or be embarressed by having the Senate do it for him.

Congress is also being viewed as a bulwark against Mr. Carter's energy program. It has become a cliche in the financial community to talk of the energy package as being "a cloud hanging over the market," with investors nervously assuring each other that Congress won't let it pass. Yet there is Mr. Carter vowing he will push it through even if it costs him a second term.

It might easily have cost him his first term had he last fall come out for steep energy taxes and controls instead of making his campaign pledge of energy price deregulation. That pledge, now mothballed, probably provided him with his victory margin over Gerald Ford in the energy-producing states. The locus of political forces now pressing for deregulation, which is the only solution to the nation's energy problems, now resides in the House of Representatives.

And what about positive ideas to expand the U.S. economy? Again, the pressures are in the Congress, the resistance in the White House. Now that he has scrapped his $50 rebate, Mr. Carter is arguing that the economy doesn't need help of any kind, that all indicators are up but the stock market. The stock market, which is the most reliable single indicator we have of future economic activity, has been relentlessly sliding since Inauguration Day, rallied briefly with the death of the rebate and started plunging again with the announcement of the energy program.

Against the President's wishes, the Senate has insisted on preserving the investment and job credit tax provisions of the original economic package. This is a very messy and inefficient means of reducing the corporate income tax. But the Senate's heart, at least, is in the right place.

In the next few days, the Senate will have a chance to add to its record in this regard. It will be voting on Republican measures to expand the economy through permanent reductions in personal income-tax rates. The idea, which the Republicans willingly credit to President Kennedy, who got the economy moving in the 1960s through similar rate reductions, is so popular among Senate Democrats that President Carter has had to announce he will veto the measure if it comes to his desk, thereby hoping to discipline Senators of his party who might be tempted to vote with the GOP.

There are two Republican amendments. One, offered by Senators Danforth of Missouri and Javits of New York, is a politically timid measure that clings to Keynesian economics for theoretical support. It limits rate reductions to income classes below $20,000, the idea being to keep Republicans from helping the rich.

But the reason rate reductions are in order is that the inflation of the past four years has pushed all Americans into higher tax brackets, increasing their real rates of taxation without benefit of legislation. The process has numbed incentives for people in classes above $20,000 as well as those below. And as inflation continues, so does the process. If the Senate fails to enact personal rate reductions, taxes will not remain unchanged. Instead, everyone's taxes will go up, since inflation will push everyone up the progressive rate schedule.

The second Republican amendment, offered by Senator Roth of Delaware, deals directly with this problem. It proposes a permanent 10% across-the-board reduction in personal income-tax rates. Theoretical footing for the idea rests on classical economic theory, which holds that tax rates can get so high that they both dampen economic activity and lower revenues.

There seems to be sufficient Senate support, in private, to pass the Roth amendment. Whether enough Democrats are ready to vote for a measure the President threatens to veto will be known this week. For the nation's sake, we hope there will be. President Carter, too, would eventually come to appreciate this surprising and unexpected performance on Capitol Hill.

HUMPHREY-HAWKINS NO FRIEND OF FULL EMPLOYMENT AND STABLE PRICES

THE EDITOR,
The Washington Star,
Washington, D.C.

DEAR EDITOR:

During the past month, a number of articles dealing with the Humphrey-Hawkins or Full Employment and Balanced Growth Act have appeared in the Washington media. The need for a fully employed economy is not really open to question or debate. However, the manner in which the goal is best achieved is the subject of intense disagreement. Senator Humphrey, the principal sponsor of this measure, concluded that the enactment of the Humphrey-Hawkins Bill would achieve the twin goals of full employment and price stability. He began with the basic premises that work and productivity are better than welfare and waste, and that the full utilization of human and capital resources is in the national interest.

Obviously, I would not argue with either of these sentiments. In fact, they have my full and unqualified support. I do, however, disagree with the notion that the consequence of the enactment of the Humphrey-Hawkins Bill would, in fact, be a fully employed economy with stable prices.

The bill itself is first and foremost an attempt to initiate a system of national economic planning. It assumes that the economy fails to achieve its full potential only because of an absence of an economic plan at the Federal level. In short, Senator Humphrey says that individuals and institutions plan their activities in order to realize their objectives. In short, if planning is good for General Motors, it must be good for America. This type of reasoning reveals a dazzling level of misapprehension, both about planning at General Motors and its applicability for planning a national economy. Within a complex environment, such as that faced by any large corporation, planning is a decentralized activity designed to force decision-making down to the lowest level in the organization where the information is readily available and the best decisions can be made. The national economic planning envisioned by Senator Humphrey is the reverse of this. It is monolithic and forces economic decisions away from the market place and into the upper reaches of the highest levels of the Federal bureaucracy. It is there that decisions relating to prices, capital allocation and availability, employment and wages will be made. These basic determinations will no longer be arrived at through the unfettered and free interaction of individuals in the market place.

My opposition to national economic planning, as proposed by Senator Humphrey, is only, in part, based upon a philosophical commitment to a free market system. I also reject it on the pragmatic basis that it simply does not work. Planning can be compared to an automobile trip. If we are to arrive at our destination, we must know where we are, where we are going, how long it will take, who is going to drive and how much the trip will cost. When it comes to the economy, we simply cannot answer these kinds of questions with a high level of accuracy.

If an economic plan is to be successful,

the planner must know where the economy is now and where it is likely to be in the next 18 months or so. Surely our experience over the past two years should have convinced us that we are unable to state with precision where we are in the economic cycle. However, even if we were, we would not be able to prescribe the appropriate monetary or fiscal policy to be enacted now which would be appropriate in direction and degree for the future time period in which that policy would begin to exert its effects. In this regard, you have only to recall that we were all putting on WIN buttons when subsequent data revealed that we had already lost. The economic plan is therefore unlikely to be appropriate since we have a limited understanding of where we are and where we are going. In addition to these disadvantages, we really know little about the effectiveness of the vehicles of monetary and fiscal policy to move us from one point to another in an orderly and efficient manner.

However, even in the unlikely event that these initial obstacles to effective planning could be eliminated, could the planners offer a course of action which represents the best possible way to achieve full employment and stable prices? Would the planners and the planning mechanisms be freed from the competing and contradictory demands of lobbies, pressure groups, and powerful constituencies? I think not, and am forced to conclude that optimal results would never be achieved. In short, the plan would reflect the political golden rule. That is to say, those who have the gold, or the power, will make the rules.

The final issue with which Senator Humphrey must come to grips is the issue of cost.

What is the cost of this proposed journey into an economic Utopia? In a word, the price tag is staggering. Hearings which have been held to date have brought forth testimony from liberals such as Charles Schultz and Andrew Brimmer to the effect that the enactment of the Humphrey-Hawkins Bill would result in severe inflation. With special reference to the idea of establishing the Government as an employer of last resort, Dr. Schultz, a former Director of the Bureau of the Budget said:

"The direct and indirect effects of this on the inflationary problem would be extremely serious, once the bill was in full operation. Labor would become very scarce over a broad range of semiskilled and unskilled jobs in private industry. Wage rates would rise sharply and prices would follow; the size of the government's jobs programs would grow rapidly, as workers left lower paying private job for the higher wages stipulated in Section 402 of the bill."

The inflationary effects of Senator Humphrey's proposal result not from the fact that it seeks to create full employment, but rather that it merely camouflages unemployment. Employment describes a situation in which those who labor create real goods and services which can be sold and the wages earned can be used to purchase the larger amounts of product which have been created. However, if those who are "employed" by government produce nothing or fail to produce an amount of product consistent with the wages they are paid, then their consumption of goods and services must be subsidized by others who are productive. To this extent the effect of Humphrey-Hawkins is to continue and to accelerate the ongoing process of income redistribution in an indirect, invisible and random manner.

Finally, Senator Humphry has indicated that the net cost of the bill, as fully implemented, would run between 8–12 billion dollars. In order to reach this conclusion, one must make any number of heroic assumptions and in addition fail to count the indirect costs of inflation which would be borne by the entire nation. Even on a direct cost basis, however, should the Federal Government be forced to provide three million jobs by 1980, a conservative figure, the cost per job, to include salary, supervision and investment, would exceed $15,000. Thus, the total gross cost would be $45 billion less any offsets resulting from taxes paid and reduced welfare and unemployment payments. The actual level of such offsetting revenues and savings is probably low. Our experience with programs of this type indicates that only 20 percent of the participants were formerly either receiving unemployment compensation or public assistance.

In short, the Humphrey-Hawkins Bill is at best well intentioned, but poorly conceived legislation. At worst, it is a blueprint for national economic disaster.

Sincerely yours,

JAMES A. MCCLURE,
U.S. Senator.

May 26, 1976.

Mr. McCLURE. I thank the Senator from Delaware for yielding me the time.

Mr. ROTH. Mr. President, I mentioned to the distinguished chairman of the Committee on Finance that the amendment in its present form did not properly reflect all the way through the 10-percent change in the tax brackets. I ask unanimous consent to modify the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 32, beginning with line 1, strike out through the matter appearing before line 1, on page 37, and in lieu of the material sought to be inserted by the committee amendment, insert thereof the following:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)), a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	12.6% of the excess over $3,200.
Over $4,200 but not over $5,200	$126, plus 13.5% of excess over $4,200.
Over $5,200 but not over $6,200	$261, plus 14.4% of excess over $5,200.
Over $6,200 but not over $7,200	$405, plus 15.3% of excess over $6,200.
Over $7,200 but not over $11,200	$558, plus 17.1% of excess over $7,200.
Over $11,200 but not over $15,200	$1,242, plus 19.8% of excess over $11,200.
Over $15,200 but not over $19,200	$2,034, plus 22.5% of excess over $15,200.
Over $19,200 but not over $23,200	$2,934, plus 25.2% of excess over $19,200.
Over $23,200 but not over $27,200	$3,942, plus 28.8% of excess over $23,200.
Over $27,200 but not over $31,200	$5,094, plus 32.4% of excess over $27,200.
Over $31,200 but not over $35,200	$6,390, plus 35.1% of excess over $31,200.
Over $35,200 but not over $39,200	$7,794, plus 37.8% of excess over $35,200.
Over $39,200 but not over $43,200	$9,306, plus 40.5% of excess over $39,200.
Over $43,200 but not over $47,200	$10,926, plus 43.2% of excess over $43,200.
Over $47,200 but not over $55,200	$12,654, plus 45.0% of excess over $47,200.
Over $55,200 but not over $67,200	$16,254, plus 47.7% of excess over $55,200.
Over $67,200 but not over $79,200	$21,978, plus 49.5% of excess over $67,200.
Over $79,200 but not over $91,200	$27,918, plus 52.2% of excess over $79,200.
Over $91,200 but not over $103,200	$34,182, plus 54.0% of excess over $91,200.
Over $103,200 but not over $123,200	$40,662, plus 55.8% of excess over $103,200.
Over $123,200 but not over $148,200	$51,822, plus 57.6% of excess over $123,200.
Over $148,200 but not over $163,200	$63,342, plus 59.9% of excess over $143,200.
Over $163,200 but not over $183,200	$75,222, plus 61.2% of excess over $163,200.
Over $183,200 but not over $203,200	$87,462, plus 62.1% of excess over $183,200.
Over $203,200	$99,882, plus 63.8% of excess over $208,200.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $3,200	No tax.
Over $3,200 but not over $4,200	12.1% of the excess over $3,200.
Over $4,200 but not over $5,200	$126, plus 14.4% of excess over $4,200.
Over $5,200 but not over $7,200	$270, plus 16.7% of excess over $5,200.
Over $7,200 but not over $9,200	$594, plus 17.1% of excess over $7,200.
Over $9,200 but not over $11,200	$936, plus 19.8% of excess over $9,200.

"If the taxable income is:	The tax is:
Over $11,200 but not over $13,200	$1,332, plus 20.7% of excess over $11,200.
Over $13,200 but not over $15,200	$1,746, plus 22.5% of excess over $13,200.
Over $15,200 but not over $17,200	$2,196, plus 24.3% of excess over $15,200.
Over $17,200 but not over $19,200	$2,682, plus 25.2% of excess over $17,200.
Over $19,200 but not over $21,200	$3,186, plus 27.9% of excess over $19,200.
Over $21,200 but not over $23,200	$3,744, plus 28.8% of excess over $21,200.
Over $23,200 but not over $25,200	$4,320, plus 31.5% of excess over $23,200.
Over $25,200 but not over $27,200	$4,950, plus 32.4% of excess over $25,200.
Over $27,200 but not over $29,200	$5,598, plus 34.2% of excess over $27,200.
Over $29,200 but not over $31,200	$6,282, plus 36.9% of excess over $29,200.
Over $31,200 but not over $35,200	$7,020, plus 37.8% of excess over $31,200.
Over $35,200 but not over $39,200	$8,532, plus 41.5% of excess over $35,200.
Over $39,200 but not over $41,200	$10,152, plus 43.2% of excess over $39,200.
Over $41,200 but not over $43,200	$11,616, plus 45.9% of excess over $41,200.
Over $43,200 but not over $47,200	$11,934, plus 46.8% of excess over $43,200.
Over $47,200 but not over $53,200	$13,806, plus 47.5% of excess over $47,200.
Over $53,200 but not over $55,200	$16,776, plus 51.4% of excess over $53,200.
Over $55,200 but not over $67,200	$17,784, plus 52.2% of excess over $55,200.
Over $67,200 but not over $73,200	$24,048, plus 53.1% of excess over $67,200.
Over $73,200 but not over $79,200	$27,234, plus 54.9% of excess over $73,200.
Over $79,200 but not over $83,200	$30,528, plus 55.8% of excess over $79,200.
Over $83,200 but not over $91,200	$32,760, plus 56.7% of excess over $83,200.
Over $91,200 but not over $103,200	$37,296, plus 57.6% of excess over $91,200.
Over $103,200 but not over $123,200	$44,208, plus 59.4% of excess over $103,200.
Over $123,200 but not over $143,200	$56,088, plus 60.3% of excess over $123,200.
Over $143,200 but not over $163,200	$68,148, plus 61.2% of excess over $143,200.
Over $163,200 but not over $183,200	$80,388, plus 62.1% of excess over $163,200.
Over $183,200	$92,808, plus 63.3% of excess over $183,200.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $2,200	No tax.
Over $2,200 but not over $2,700	17.6% of the excess over $2,200.
Over $2,700 but not over $3,200	$63, plus 13.5% of excess over $2,700.
Over $3,200 but not over $3,700	$130, plus 14.4% of excess over $3,200.
Over $3,700 but not over $4,200	$202, plus 15.3% of excess over $3,700.
Over $4,200 but not over $6,200	$299, plus 17.1% of excess over $4,200.
Over $6,200 but not over $8,200	$621, plus 18.9% of excess over $6,200.
Over $8,200 but not over $10,200	$999, plus 21.6% of excess over $8,200.
Over $10,200 but not over $12,200	$1,431, plus 22.5% of excess over $10,200.
Over $12,200 but not over $14,200	$1,881, plus 24.3% of excess over $12,200.
Over $14,200 but not over $16,200	$2,367, plus 26.1% of excess over $14,200.
Over $16,200 but not over $18,200	$2,889, plus 27.9% of excess over $16,200.
Over $18,200 but not over $20,000	$3,447, plus 30.4% of excess over $18,200.
Over $20,200 but not over $22,200	$4,059, plus 32.4% of excess over $20,200.
Over $22,200 but not over $24,200	$4,707, plus 34.2% of excess over $22,200.
Over $24,200 but not over $28,200	$5,391, plus 36.8% of excess over $24,200.
Over $28,200 but not over $34,200	$6,831, plus 42.5% of excess over $28,200.
Over $34,200 but not over $40,200	$9,261, plus 45% of excess over $34,200.
Over $40,200 but not over $46,200	$11,961, plus 47.5% of excess over $40,200.
Over $46,200 but not over $52,200	$14,931, plus 54.2% of excess over $46,200.
Over $52,200 but not over $62,200	$18,171, plus 55.8% of excess over $52,200.
Over $62,200 but not over $72,200	$23,751, plus 57.6% of excess over $62,200.
Over $72,200 but not over $82,200	$29,511, plus 59.4% of excess over $72,200.
Over $82,200 but not over $92,200	$35,451, plus 61.2% of excess over $82,200.
Over $92,200 but not over $102,200	$41,571, plus 62.1% of excess over $92,200.
Over $102,200	$47,781, plus 63.8% of excess over $102,200.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following table:

"If the taxable income is:	The tax is:
Not over $1,600	No tax.
Over $1,600 but not over $2,100	12.6% of the excess over $2,600.
Over $2,100 but not over $2,600	$63, plus 13.5% of excess over $2,100.
Over $2,600 but not over $3,100	$130.50, plus 14.4% of excess over $2,600.
Over $3,100 but not over $3,600	$202.50, plus 15.3% of excess over $3,100.
Over $3,600 but not over $5,600	$279, plus 17.1% of excess over $3,600.
Over $5,600 but not over $7,600	$621, plus 19.2% of excess over $5,600.
Over $7,600 but not over $9,600	$1,017, plus 22.5% of excess over $7,600.
Over $9,600 but not over $11,600	$1,467, plus 25.2% of excess over $9,600.
Over $11,600 but not over $13,600	$1,971, plus 23.5% of excess over $11,600.
Over $13,600 but not over $15,600	$2,547, plus 32.4% of excess over $13,600.
Over $15,600 but not over $17,600	$3,195, plus 35.1% of excess over $15,600.
Over $17,600 but not over $19,600	$3,897, plus 37.8% of excess over $17,600.
Over $19,600 but not over $21,600	$4,653, plus 40.5% of excess over $19,600.
Over $21,600 but not over $23,600	$5,463, plus 43.2% of excess over $21,600.
Over $23,600 but not over $27,600	$6,327, plus 45.2% of excess over $23,600.
Over $27,600 but not over $33,600	$8,127, plus 47.7% of excess over $27,600.

"If the taxable income is:	The tax is:
Over $33,600 but not over $39,600	$10,989, plus 49.5% of excess over $38,600.
Over $39,600 but not over $45,600	$13,959, plus 52.2% of excess over $39,600.
Over $45,600 but not over $51,600	$13,091, plus 54.2% of excess over $45,600.
Over $51,600 but not over $61,600	$20,331, plus 55.8% of excess over $51,600.
Over $61,600 but not over $71,600	$25,911, plus 57.1% of excess over $61,600.
Over $71,600 but not over $81,600	$31,671, plus 59.4% of excess over $71,600.
Over $81,600 but not over $91,600	$37,691, plus 61.2% of excess over $81,600.
Over $91,600 but not over $101,600	$43,731, plus 67.1% of excess over $91,600.
Over $101,600	$49,941, plus 63% of excess over $101,600.

On page 47, immediately before line 11, insert the following,

TITLE II—ADDITIONAL REDUCTION AND SIMPLIFICATION OF INDIVIDUAL INCOME TAXES

On page 47, line 11, strike out "SEC. 202." and insert in lieu thereof "SEC. 201.".

On page 58, line 9, strike out "SEC. 203." and insert in lieu thereof "SEC. 202.".

On page 59, line 24, strike out "SEC. 204." and insert in lieu thereof "SEC. 203.".

On page 61, line 21, strike out "SEC. 205." and insert in lieu thereof "SEC. 204.".

On page 62, line 16, strike out "201 and 202" and insert in lieu thereof "101 and 201".

On page 64, line 11, strike out "SEC. 206." and insert in lieu thereof "SEC. 205.".

On page 64, line 13, strike out "201, 202, and 204" and insert in lieu thereof "101, 201, and 203".

On page 64, line 16, strike out "205" and insert in lieu thereof "204".

On page 2, in the table of contents, strike out the matter relating to title I and insert in lieu thereof the following:

TITLE I—PERMANENT INCREASE IN AMOUNT OF STANDARD DEDUCTION

SEC. 101. Change in tax rates and tax tables to reflect permanent increase in standard deduction.

On page 2, in the table of contents, strike out "TITLE II—REDUCTION" and insert in lieu thereof "TITLE II—ADDITIONAL REDUCTION".

On page 2, in the table of contents, strike out the item relating to section 201 and redesignate the items relating to sections 202 through 206 as relating to sections 201 through 205.

The PRESIDING OFFICER. All of the time of the Senator from Delaware on the amendment has expired.

Mr. LONG. Mr. President, if the Senator from Delaware desires further time I would be happy to yield him some of my time if he wishes more time.

Mr. ROTH. I appreciate that. We will want a few minutes a little later. I would like to have at least 5 minutes for myself.

Mr. LONG. Mr. President, I ask unanimous consent that 5 minutes be assigned to the Senator from Delaware from my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. If he needs more time we will vield more time.

Mr. President, those of us on the majority side, in general, do not favor the amendment generally for the same reasons that we stated with regard to the previous amendment, the Danforth-Javits amendment.

This amendment would mean an additional revenue loss for fiscal year 1978 of $25 billion.

I would point out, Mr. President, that if tax reductions will stimulate the economy then we should begin to see some results with the bill that we have here. President Ford recommended what was about a $17 billion tax cut in order to stimulate the economy. We passed it, and then we renewed it. While I am sure it did some good, it did not achieve what he hoped for it and what Congress hoped for it.

The Senator's amendment, as I understand it, is a 10-percent across-the-board tax cut. Frankly, Mr. President, I really think that that type of tax cut does not have as much of a stimulative effect as something like the investment tax credit, the jobs tax credit, or the extension of the small business tax cuts that are already in the tax bill. Of course, there is room for a difference of opinion. But in my judgment, Mr. President, and I think in the judgment of a majority of this Senate, we would have a more effective stimulant if we had a tax reduction of a type which required people to do something in order to get the reduction, as is the case with the investment tax credit. In other words, if a businessman would have to make a further investment or would have to hire more people to get the benefit of the Roth amendment, I would think that it would be a more efficient vehicle for stimulating the economy.

But, Mr. President, we would point out that the Government deficit is shocking the way it stands today, with these tax reductions hoping to stimulate the economy. We are worried about inflation from the deficit coupled with some of the tax cuts recommended to the extent that the President has withdrawn his proposal for a $50 tax rebate, and what the Senator is proposing would cost a great deal more than even the $50 rebate.

I know that the Senator thinks, and I am sure he is in good faith in thinking, that his proposal will stimulate the economy. Well, it might, and then again it might not. Keep in mind if you are going to stimulate new investments, a 12-percent investment tax credit is what business has been asking for, and if that will not move them, it is hard to believe anything would move big business. When you give a jobs credit of 50 percent against the first $4,200 paid to small business people, if they will not hire more people when you give them that type of incentive it is hard to believe that just an across-the-board tax cut to put more money in circulation would do it.

And the deficit that we would have if this amendment fails to move the economy would be absolutely shocking. This is a $23 billion tax reduction for 1978. With this amendment we would be in for a tax reduction of about $48 billion. I submit, Mr. President, that that just would not be fiscally responsible.

If the economy were stimulated as the Senator believes it would be, it is our estimate that you would still lose about two-thirds of the revenue involved here so that that would still be a tax cut of about $40 billion; even if the economy were stimulated it would be very much in a deficit position.

This amendment, Mr. President, would provide $25 billion of revenue loss and 60 percent of that would go to people who have incomes of $20,000 or more. That, of course, is contrary to the philosophy of the President and the Democrats, generally, as we would like to see most of the increase in purchasing power for spending going to those who need it the most and, therefore, who we believe would spend it.

For those reasons, Mr. President, we cannot support this amendment and as the manager of the bill, I urge the Senate to vote against it.

I appreciate the good intentions of the Senator from Delaware and those who join with him in urging this amendment. I honestly believe, however, that nothing would be achieved.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield for a question.

Mr. KENNEDY. It is my understanding that there are several major points that are made by the proponent of this amendment and those who have spoken for him.

One is the fact that the inflation impact in our society has meant that more and more people are paying in taxes a greater percentage of their income. Will the Senator not agree with me, generally, it is those in the lowest income bracket who have been most adversely affected by inflation? When you look at the items on the Consumer Price Index, they are basically food, fuel, and health-care costs. Those are the three major items. There is only so much that a family can do in cutting back on food or fuel. And the Finance Committee has attempted, with the $35 credit and also with the increase in the standard deduction, to focus greater attention on low-income taxpayers.

So it would appear to me that, as to the issue of inflation, the Finance Committee has approached the issue by increasing the standard deduction with the $35 credit. The committee has tried to focus tax relief on lower-income groups and has attempted to ease the burden of inflation on those most affected. I would have liked to see more of an effort in those areas. But I do think that we should recognize how that issue has been handled.

Will the Senator, as the chairman of the Finance Committee, not agree that the purpose of the $35 credit and the increased standard deduction was to provide some equity and benefit to those in the lowest-income and middle-income groups, and to reduce the burden of inflation?

Mr. LONG. Yes; I do agree with that,

and I say to the Senator, also, that we have a problem here with which the Senator has been very much aware and with regard to which he has educated the Senate. The public, frankly, perhaps thinks it is even worse than it is. But we both know that we do have some taxpayers who really are getting the best of it these days, even after we pass the tax reform proposals. There are some people who by taking advantage of every complicated provision in the tax laws, with good tax planning, good lawyers, and good accountants, are getting by without paying more than about 20 percent of their income in taxes even though they are making a lot of money.

This provision would give an across-the-board tax cut with 60 percent of the reduction going to those who are making more than $20,000. In many cases, this would mean a tax cut to a lot of people who are not paying enough the way it is right now by any fair standard.

We really ought to reform the Tax Code, as the people have been promised we would reform it, and we ought to take a really close look at these people who, by way of good tax planning, are able to get by with paying very little taxes, and see that they pay substantially more taxes than they do now.

Those people would get a tax cut under this proposal, even though they ought to pay more, and that would postpone the day when tax reform could be accomplished. If we lose all this revenue, we are not going to be able to pass a major tax reform bill which would make those who are getting all the best of it pay substantially more, while whose who are getting the worst of it would get their taxes cut. This really postpones the day when that could happen.

I am aware that the President of the United States is very much concerned about the fact that he feels that the bill is losing too much revenue the way it is now. After he withdrew his $50 tax credit proposal, in which he had pride of authorship, while he did not say it, I have not the slightest doubt, having visited with him to discuss the problem, that if this amendment is on the bill when it goes to his desk, the bill will just be vetoed, and when the time comes the people will not gain anything.

There was a cartoon by the famous Herblock in the Washington Post of just yesterday that illustrated a problem that we had better start thinking about. It showed people who had apparently found their way across a desert landscape to an oasis, or what appeared to be one, even though, when they got to it, it was dry. That had a caption "The $50 Rebate" on it. Then they looked up and saw in the distance another mirage, which was labeled "The Energy Program."

After a while people are going to get pretty impatient with us talking about all these things that never happen. I think we would be better off to stay with something within the realm of possibility. We have a bill that has a chance to become law. As of now, I think its chances are very good. But if we load the bill down with things the President believes to be fiscally irresponsbile, we are not going to do anyone a favor.

Mr. KENNEDY. I appreciate the comment.

The chairman of the Finance Committee has indicated that about 60 percent of the benefit of this amendment would go to those in the top brackets. If we are talking about trying to do something for the low- and middle-income groups, the credit approach that has been taken in the past, could be built on and expanded to provide more advantage to the low- and middle-income groups.

Another argument that has been made is in terms of the need for new capital investment. Certainly that is very important. Again, we are going to have the President's recommendations later this year. But does not the Senator agree with me that whether you favor a tax credit, or accelerated depreciation, or some other incentive, most economists agree that other methods are better to stimulate new capital formation than a tax cut?

The Senator, I am sure, is familiar with the Library of Congress study that was made last year. They analyzed the various means by which to stimulate the economy, and they found that an incremental investment credit would be the most effective way to develop new capital, and that a general tax cut was the least effective way.

Does not the Senator agree with me that there are other more effective ways of developing new capital, rather than an across the board tax cut?

Perhaps the case can be made on other grounds for a tax cut, but in terms of capital formation, it is perhaps the most inefficient way; does not the Senator agree?

Mr. LONG. I think so. As the Senator knows, in my view we ought to implement the suggestion that we have been discussing here for some time now about the refundable tax credit in the so-called tax reform law. The Senator testified for it before the committee, and that is a provision on which I will work with the Senator when we have the tax reform bill before the committee and when we study it this year. I think that has an enormous potential.

But if we vote for this big tax cut now, if it should become law, it will pretty well kill the opportunity to do that kind of thing.

We would have what we think would be a much more efficient tool to move the economy which would then not be available to us, because we would have used up all our revenue on an across-the-board tax cut, without pinpointing areas where we think there is the greatest potential.

Mr. KENNEDY. Finally President Carter has made his recommendation to Congress with regard to the rebate and the business tax cuts; after he had seen the figures on the first quarter, he felt that these tax reductions were no longer justified. Is it not true that the impact of this proposal on the economy would be felt primarily next year, rather than this year, when we do not know what the economic indicators are going to be, or what the rate of inflation or GNP growth, or unemployment will be? So it is a rather inefficient way of meeting the broader kinds of responsibilities that we have, is it not, in terms of our general economic situation? Is it not true that the principal revenue impact is prospective, a year from now, as to which time we do not have that kind of information?

It seems that in attempting to coordinate our country's fiscal and monetary policy, this proposal is not wise from an economic point of view. If the economy needs such stimulation then, we can make the judgment as to what is the fairest and most equitable way. But it makes no sense today to try to make that judgment now.

Will the Senator agree that, given the uncertainty as to where we will be in terms of unemployment and the general economic picture, we would be wise to withhold support for this proposal?

Mr. LONG. I believe so. Mr. President, how much time remains to me?

The PRESIDING OFFICER. The Senator from Louisiana has 34 minutes remaining, and the Senator from Delaware has 5 minutes.

Mr. LONG. I yield the Senator from Delaware an additional 10 minutes.

Mr. ROTH. Mr. President, I yield 5 minutes to our distinguished ranking minority member, the Senator from Nebraska (Mr. CURTIS).

Mr. CURTIS. Mr. President, I rise in defense of the common man. It is apparent from the last vote that any amendment from this side is going to have a rather difficult time to get adopted. But I rise to state the case for the taxpayer.

This particular amendment has a great deal of virtue. One of its greatest virtues is that it is an equitable tax cut for every taxpayer.

As I go up and down the land, it does not make any difference what economic group I talk to, they think they are paying too much in taxes, and they are right.

The people of low income are paying too much taxes. They do not have enough left with which to live. The people who have the good fortune to advance a little bit to a little more income, who are the potential buyers of homes and other things, say, "Our group is taxed too much."

They are right. They are taxed too much.

When we go up to the upper level of the middle class where there is a group of people who have the capability, the imagination, the creativeness, and maybe the good luck, to plunge out and be owners and employers of many other people, they say, "We cannot do it if it all goes to taxes. We are being taxed too much."

They are right. The people of wealth say they are taxed too much, and they are right. Maybe they do not need their income, but we need them. We need capital to build factories; we need capital to make expansions. It takes a good many thousands of dollars to create one job.

Every man has to give that which he has, and only the people with funds can provide funds for others. If we tax them at a rate so that if the plan succeeds they get but a small part of it themselves, we are taxing them too much.

I maintain that from the standpoint of fairness, from the standpoint of our economy, to make it go, a tax return ought to be just to people of all income tax brackets.

We ought to apply some of the good sense here in Federal taxation that we apply on the local level. If one man has one farm and another has 10 farms of equal value, the one with 10 farms pays 10 times as much.

It is not so on the Federal level. If one man has x amount of income and somebody else has 10 times that much, he will not get off with paying 10 times as much tax. He will probably pay a great deal more.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CURTIS. Will the Senator yield 1 additional minute?

Mr. ROTH. I yield 1 additional minute.

Mr. CURTIS. Mr. President, I believe that to give everybody a tax break would spurt this economy, there would be more income, more activity, more transactions, more social security taxes paid, more income taxes paid, more excise taxes paid, and that the Treasury would not suffer.

I have no quarrel with those who want to protect the Treasury. So do I. I am ready to go on a pay-as-you-go basis tomorrow. But if we do, there have to be some changes around here. In the last 2 weeks we have added $3 billion of expenditures by amendments on the floor to previous bills. It goes on and on and on.

We have out in the wings a gigantic public works bill costing $4 billion.

Let us do something for the taxpayers. Let us stop that bill at the door. We do not need it. It will do more harm than good. Let us reduce expenditures and reduce taxes. If we put this country on a pay-as-we-go basis, we could not stop the prosperity which would come about.

I thank my friend for yielding.

Mr. McCLURE. Will the Senator from Delaware yield 1 minute.

Mr. ROTH. I yield 1 minute.

Mr. McCLURE. I wanted to ask the Senator from Nebraska if he might agree with the Senator from Idaho that the gas guzzlers of Detroit are not nearly as dangerous to the economy of this country as are the tax guzzlers in Washington.

Mr. CURTIS. No, this Washington crowd leads them all.

Mr. ROTH. I yield 3 minutes to the Senator from California.

Mr. HAYAKAWA. Mr. President, I am very much interested in this tax cut proposed by Senator ROTH.

We have before us two different kinds of tax cuts. The first applies to those with incomes of $20,000 a year and less, and the other applies to those with incomes above $20,000.

There is considerable difference in the impact of these two proposals for a tax cut. We have all been bewailing the state of the economy, which has been in a sluggish state for many years. We have tried, not too effectively, to influence that economy by taxing the rich heavily in order to make transfer payments to the not so rich. This matter of transfer payments has gone on and on until it has created a huge, huge deficit in our national budget.

The proposal to give tax cuts to those whose incomes are $20,000 or less does not hit at the people who have money to invest and who are accustomed, when they find a surplus, to making those investments, whereas a tax cut for those with incomes above that figure hits directly at those people who, when they find a surplus, are willing to invest, are willing to produce venture capital, risk capital, for business enterprises that otherwise could not get off the ground.

If we are really looking for a stimulus for the economy, then it seems to me we must encourage those who have money to invest and leave money at their disposal to invest. Otherwise, we are not encouraging people to put up the capital which makes economic growth possible.

And, Mr. President, we must have economic growth. We are being handicapped or hindered in this way, and we have been for a long, long time. It seems to me that Senator ROTH, the distinguished Senator from Delaware, has an idea that really has a future. I believe there is similar legislation being seriously considered in the House as well as in the Senate. We have something to look forward to as we push in this direction so that investment can be encouraged and the economy can get healthy again.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Louisiana has 24 minutes remaining, and the Senator from Delaware has 5 minutes remaining.

Mr. LONG. I yield 7 minutes to the Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself 5 minutes.

Mr. President, I am deeply concerned at the lack of faith, the lack of confidence, that is being expressed in America and in our economy.

As I mentioned earlier, President Kennedy, in nearly identical circumstances, urged that we give the private sector an opportunity to show what it can do. He said:

> Lets get this country moving again by providing the opportunity for all Americans to share in the good of this country.

He proposed doing it by an across-the-board tax cut that benefited all—not just the poor, not just the rich, not just the middle class but all Americans.

Mr. President, I am deeply disturbed that people do not recognize the hardship being faced by working Americans today. I am not only talking about those who are making $5,000 and $10,000 and $15,000. I am also talking about those who make $20,000, $30,000, and $40,000. I should like to read to the Senate what the New Republic, a liberal magazine, has to say about this. I think it is very interesting.

> It may be the first time in our history, depressions aside, when middle-class Americans can reasonably anticipate for their children the long-range prospect of downward mobility. The middle-class may not be a precise term; some sociologists think it obscures more than it illuminates. But many people who work at jobs—those who do not operate businesses or practice professions, also think of themselves as middle-class. In very substantial ways they are. This is, in fact, the distinctive achievement of the labor movement.

The New Republic continues, and I heartily agree when it says:

> So it is a serious political crisis when the American middle-class—an inchoate group straddling a broad range of incomes and life styles—feels itself strapped and is so. Unwanted like most revolutions, this revolution of declining expectations cannot be seen as just, and will not be seen as inevitable by those who experience it. They may not save or spend prudently; they may want automobiles too large both for their needs and the society's resources; the media they rely on for information may not be reliable, and what they prefer as entertainment, sometimes seems violent or vulgar or both. Nonetheless, in the modern economy the middle-class is not a privileged class, and it should not be treated as if it were.

Mr. President, I say, as the New Republican said, that not only those on the lower scale need help. What is wrong, I ask, wrong with helping those in the $20,000, $30,000, or $40,000 bracket? They are paying higher taxes because of the inflation caused by this Congress, by its deficit spending. It is about time that we recognize that they deserve some relief.

Are we men of so little faith, so little confidence in the future, that we are afraid to do today what Jack Kennedy did in the 1960's, when he said, "Let us give the private sector a chance to operate"? He proposed a tax reduction from 91 to 70 percent on the top end and from 20 to 14 percent on the low end, and by taking a chance, by having faith, by having confidence in our economy, in our private enterprise system, he got this country moving again.

To the big spenders, who are afraid to give a break to the American taxpayer, the working taxpayer, I say this: If you look at every tax cut in the last 20 years, it has not meant less revenue for the Federal Government; it has meant more revenue. So we are not mortgaging the future. We are not limiting the opportunity for new programs. Instead, we are increasing them.

But, more important, by acting now, we are creating nearly a million jobs by the end of next year for those people who are not employed.

You know and I know that they cannot wait. They want to go to work today. In all candor, the only reason that I believe we are not moving today is that the administration is not yet ready to move.

They talk about tax reform. Mr. President, I proposed last year, and Congress enacted, a measure requiring the Joint Committee on Taxation to come up with its recommendations for tax reform and simplification by this summer. I am as committed as any man here to the concept of simplification and tax reform that is meaningful. But we cannot wait

to get this economy moving. We must act today. Congress must show that it can seize the initiative and not wait until the White House speaks.

That is what Watergate was all about. Congress failed to provide the kind of leadership the constitutional framers saw as its proper role. That is what I am urging right now that we do: That we seize the initiative; we enact a tax cut that will be meaningful in capital formation, that will give a break to all Americans; and by doing so, show that we have confidence in our future and faith in this great Nation.

Mr. McCLURE. Will the Senator yield for just one comment?

Mr. ROTH. I am happy to yield.

Mr. McCLURE. I thank the Senator for yielding and I congratulate him on a very strong and forceful statement.

I think one thing that might be added to the dialog that has gone on on the Floor today, with regard to this amendment and the last one that was turned down by the Senate, is that the administration witnesses before the Budget Committee yesterday—Secretary of the Treasury Blumenthal, Budget Director Lance, and the Chairman of the Council of Economic Advisers, Charlie Schultze—all admitted under questioning that their proposals for a tax reduction could not be in effect prior to fiscal 1979. So we are not talking about delaying from now until August the benefits of a tax cut. We are saying to the taxpayers of this country, "You are not going to get any more tax relief before 1979."

I think this should be very clearly understood for the record right now, that those of us who voted for the last amendment and those of us who support this amendment are in favor of tax relief for the taxpayers of this country now, not 2 years from now.

Mr. ROTH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Delaware has 3 minutes remaining.

Mr. ROTH. I yield 1 minute to the Senator from Alaska.

Mr. STEVENS. Mr. President, I support this amendment. In doing so, I state that it is a change of position as far as I am concerned, because, in the past, I have opposed tax reductions of this type.

As I see the course ahead of us, the young people of this country are going to be oppressed. We are going to give tax relief to those of our generation who did not properly insulate their homes. That tax relief is going to be paid for by future generations. The only thing that I know of that is going to give hope to future generations, the young people of this country, that we mean business in our statements that we will be certain that they, too, can afford the higher costs that are coming by taxation or increase in the market price of oil or gas, is by saying that we are willing to reduce permanently the amount that Government takes from people in the future.

I supported the last amendment on that basis and I intend to support this amendment on that basis, also.

Mr. HARRY F. BYRD, JR. Mr. President, how much time does the Committee on Finance have left?

The PRESIDING OFFICER. Seventeen minutes are remaining. The Senator from Delaware has 2 minutes remaining.

Mr. HARRY F. BYRD, JR. Would the Senator from Delaware want 5 or 7 minutes of that time?

Mr. ROTH. I would appreciate that.

Mr. HARRY F. BYRD, JR. I yield 7 minutes to the Senator from Delaware.

Mr. KENNEDY. May I have the attention of the Senator from Virginia? Will he reserve a little time for me to speak in behalf of the Finance Committee's position on this amendment?

Mr. HARRY F. BYRD, JR. Yes; the Finance Committee has 17 minutes left. I propose to yield 7 minutes to the Senator from Delaware, which will leave 10. If the Senator needs more than that——

Mr. KENNEDY. No; that will be fine. Perhaps after the comment of the Senator from Delaware, I shall make a response.

The PRESIDING OFFICER. The Senator from Virginia yields 7 minutes to the Senator from Delaware.

Mr. ROTH. I make a point of order that a quorum is not present.

Mr. KENNEDY. Mr. President, I shall be glad to use some of that time. Will the Senator yield me 5 minutes?

Mr. HARRY F. BYRD, JR. I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, during the remarks of the Members who support the amendment of the Senator from Delaware, they recalled the recommendations that were made during the early 1960s for stimulating the economy.

I think there are two important factors to recognize that were not mentioned by the Senator from Delaware. First, we were facing a considerably different economic situation in the early 1960s compared to the present time.

We did have a high unemployment. It was over 7 percent in early 1961. But we were virtually free from the forces of inflation. The total increase in the Consumer Price Index from 1961 through 1963 was only about 3 percent. Inflation was running about 1 percent a year then. We had a period of price stability. We had stability in the Consumer Price Index, which is quite different from the facts we are facing today. So the economic situation was considerably different.

In both situations we had significant unemployment, but the factor of inflation was considerably different.

Beyond that, Mr. President, the messages that came from the President to Congress in 1962 and 1963 also linked tax reform with tax reduction.

The messages that came up in 1962 advocated repeal of the oil depletion allowance, advocated reform of accelerated depreciation and new taxes on multinational corporations. A whole range of proposals affecting tax equities and tax justice was made. Part of the argument made by the Senate Finance Committee is to give us the opportunity later on this year to analyze recommendations in terms of the most effective way of developing new capital and the ways we can achieve greater tax fairness and equity.

I remind my friends on the other side of the aisle, we did this in 1969. We had a new administration, yet in a 1-year period we acted on the 1969 Tax Reform Act. It did not take a long time. We had a Congress that was interested in tax reform and an administration which advanced important proposals at that time. Then again in 1976 we passed within a single Congress some important measures directed toward tax justice and tax reform.

Mr. President, for the reasons that have been mentioned here earlier today, if we are seriously interested in the process of new capital formation, we would have a difficult time finding economists who believe this is the most effective way of doing it.

The investment credit for example, has a greater impact on the development of new capital than a general tax cut.

If we are interested in dealing with the tax equity issue, there is nothing that is suggested in the amendment of the Senator from Delaware that is going to adjust the marriage penalty and many of the other kinds of tax inequities and injustice in the current law. The amendment is premature. It ought to be considered as part of the proposals for comprehensive tax reform including the recommendations which the President indicates he will send to the Congress this year.

He said he would make recommendations in energy, and he did so this past week in what has been the most far-reaching and comprehensive energy report ever made to Congress. He says he will do it in September in terms of tax reform, and it seems to me the better part of wisdom that we wait and consider those recommendations.

For those reasons, I hope that the amendment will not be agreed to.

The PRESIDING OFFICER (Mr. FORD). The 5 minutes have expired.

Who yields time?

The Senator from Virginia has all the time.

Mr. HARRY F. BYRD, JR. The Senator from Virginia yielded 7 minutes of that time to the Senator from Delaware.

The PRESIDING OFFICER. The Senator is correct.

Mr. HATCH addressed the Chair.

Mr. HARRY F. BYRD, JR. Mr. President, I am glad to yield 2 additional minutes to the Senator from Massachusetts so that he may respond to a question from the Senator from Utah.

Mr. HATCH. Mr. President, one of the major points is that we would not have the inflation we have today, partly the result of the high tax rates that hold down investment, it seems to me, in the output of goods, while at the same time Washington continues to pump up the economy.

So actually, we are arguing something that Washington is doing that is creating the difficulty.

Mr. KENNEDY. There has been a

variety of factors which have affected the inflation rate.

Mr. HATCH. Not the high tax parts——

Mr. KENNEDY. As I listen to the Senators from the other side of the aisle, any time we try to increase meals on wheels for the elderly and neighborhood health center programs, they are always talking about the deficit, and how such increases will be highly inflationary.

But here, those Senators do not mind increasing the deficit. They are not concerned about the problems of inflation.

Mr. HATCH. I point out to the Senator, John Kennedy's tax cuts paid for themselves, added more revenues to take care of some of the things the Senator has been complaining about. The problem is, we keep spending.

The PRESIDING OFFICER. The 2 minutes have expired.

Mr. KENNEDY. May I have 45 seconds?

Mr. ROTH. Yes.

Mr. KENNEDY. The Senator is correct about the effect on revenues. But the Senator has not been able to link the impact of the cuts themselves to the effect on revenues. The cuts occurred at times when we were beginning to see an expanding economy.

It is always interesting to say we get more revenues, but the challenge is to link the particular increase in revenues with the reductions and that correction has not been made by the proponents of this amendment. The testimony which is before the Finance Committee, the Library of Congress studies made and the Budget Committee observations, quite clearly indicate that in the area of new capital formation, there are many better and more efficient ways to achieve the goal.

We can take $10 billion and throw it out in the street in the front of the Capitol and someone will pick it up and spend it, so there will be some increase in spending and growth. If the economy is growing anyway, the revenue may be made up. But that is not a very efficient way. There is no cause and effect relation between the growth and the revenue loss.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATCH. May I have 15 seconds?

Mr. ROTH. How many minutes do I have?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. HATCH. May I have 30 seconds?

Mr. ROTH. One minute.

Mr. HATCH. The Senator just admitted that a tax cut across the board would increase revenue for the Federal Government which may purport to do many other things. It seems to me if we look at the charts and what it has done, every time we have a tax cut we have an increase in revenues and productivity of the GNP, and many other things that seem to turn out well.

I point out to the Senator, the 10-percent rate reduction will pull the rich out of some of their tax shelters, causing them to earn more taxable income because they can keep more of it. It has been a proven fact, every time we reduce that, they will not only keep more of it, they will spend more of it and pay more in income tax.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROTH. I yield the Senator 1 additional minute.

Mr. HATCH. The important point I am trying to make is that the way to tax the rich and have them be happy about being taxed is with a tax cut across the board, which will pull them out of the shelters and cause them to start investing in America.

Mr. KENNEDY. Mr. President, will the Senator yield me 40 seconds?

Mr. HARRY F. BYRD, JR. I have only 2 minutes remaining.

Mr. KENNEDY. Thirty seconds?

Mr. HARRY F. BYRD, JR. I yield the Senator 30 seconds.

Mr. KENNEDY. If we were to accept the reasoning of the Senator from Utah, why not abolish all taxes and let the revenues roll in? Obviously, that does not make any sense.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ROTH. I yield.

Mr. McCLURE. I say to the Senator from Massachusetts in connection with what he said about reducing taxes to zero and seeing the revenues roll in, try raising the taxes to a hundred percent and see how the revenues roll in.

Mr. ROTH. Mr. President, we are facing a fundamental choice today, a choice between bigger and bigger government and higher tax rates or a more efficient, stronger private economy capable of creating real jobs and a strong future for all Americans. That is the choice. That is the choice we are making this afternoon by voting on my amendment.

President Kennedy said in the early 1960's that the high taxes were having a stagnating effect on the economy. That was true then and it is true today.

I am amazed that some of my colleagues on the other side do not see any equity in giving tax relief not only for those receiving $15,000 and less but also for those who are earning $20,000, $30,000, and $40,000. We are giving them no tax break today.

All we are trying to do is to put the American working man and working woman back into the position they were in before this inflation affected them. Frankly, it would take a great deal more than 10 percent. The only way we are going to get this economy moving, and moving strongly, is through the private sector. We must show the American people that we think the economy is capable of building up and creating meaningful jobs.

I already have pointed out that my amendment, if adopted today, will mean an additional 920,000 jobs by the end of next year. I ask this, is there a better approach—permanent jobs in the private sector—or shall we continue the other route, of spending more and more money for public jobs that are not adding to the productivity of this country and are inflation bent? It seems to me that the choice is clear.

It is important that we recognize that the situation is serious. The Washington Post, in today's editorial on a discussion of the tax bill, points out the following, and I hope everybody will listen:

> In February, the administration predicted a real economic growth rate of 5.4 percent this year, inflation rate for consumers of 5.1 percent. Now it has revised downward the growth rate to 4.9 percent and the inflation rate up to 6.2 percent. This means higher inflation this year than in 1976 as well as slower growth. The idea that the American economy is stabilizing itself under present policies appears to be wrong.

Mr. President, I hope that the Members of the Senate will listen to these words. This is what the Washington Post is saying about this tax package:

> There is nothing in the present severely abrogated tax bill that will make any great difference in these trends one way or the other.

What I am suggesting is that we make this tax package truly an economic stimulus that will give the economy, as President Kennedy said, the chance to show what it can do. By enacting this tax cut, we will create meaningful jobs in the private sector; and by giving a tax break to all Americans, we will be showing that productivity and hard work still pay off in this great Nation.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Virginia has 2 minutes remaining.

Mr. LONG. Mr. President, I believe that our position in opposition to this amendment is clear. We smply do not buy the Senator's optimistic assumption that an across-the-board tax cut of 10 percent will stimulate the economy to anywhere near the degree the Senator thinks it would. I can picture ourselves with an additional deficit. If the economy does move, it is our estimate that the feedback would be only about one-third of what this would give us. That would make the bill's $23 billion tax cut, if you take into consideration the extenders as well as the new revenue losses, grow to a minimum of a $40 billion tax cut. Neither the administration nor those of us on this side of the aisle agree for one moment that that is the best way to put together a package to stimulate the economy.

We think there are other things, such as a refundable tax credit, to provide specific incentives in certain areas that very likely would have more effect. We think that further revenue losses beyond what is already in the bill before us should await the tax reform bill, which will be a major undertaking. To adopt this amendment would foreclose the opportunity to have meaningful tax reform in this Congress.

For those reasons, Mr. President, we do not believe that the amendment should be agreed to.

I fully appreciate the very noble intentions of the Senator from Delaware. He is a statesman and a great Senator. I regret that he is in error on occasion, but that happens to all of us from time to time. I am sure that I am no exception to that.

Mr. President, I honestly believe that if the amendment is agreed to, we are

not going to have any tax cut for anybody. That being the case, I hope the amendment will not be agreed to.

Mr. DOLE. Mr. President, the Senator from Kansas rises in support of the amendment by the Senator from Delaware.

The Senate just completed voting on another tax cut amendment. The Senator from Kansas supported that amendment. But in many ways this amendment is superior to the one we just voted on.

In my view, the most significant aspect of this amendment is the relief it provides for middle-income taxpayers. It seems to me that the heart and soul of this country is the average American who provides the day-in, day-out labor and toil that has made this country great. They are the Americans who provide the bulk of the consumer spending that is essential to the continued economic growth of this Nation.

But the middle-income American has been laboring under a growing tax burden. It is an indirect tax increase that needs no specific act of Congress. It is the tax increase that is imposed on every American due to inflation, as I referred to previously in an earlier statement.

Central to the ethic that has made our economy the greatest in the world, is the belief that we have some opportunity to get ahead—that every American has the potential for some upward mobility. But in recent years, especially the years with high-inflation rates, a pay increase does not always mean a very significant improvement in income. For, when Americans receive an increase in income to help them offset the cost of living in their struggle to meet their bills, the tax bite also increases. A raise in income means a higher tax bracket and even heavier tax burden than before.

The tax load is already excessive. It reduces incentive, and it is a restriction on the entire economy.

Adoption of this tax cut amendment would be a stimulent to the economy and to the creation of new jobs. These arguments have been presented many times previously.

This amendment in my view, does not prejudice our desire to provide tax reform at a later date, if and when the administration provides us with their tax recommendations. This is a simple provision. It does not complicate the tax code. It simply provides an across-the-board cut.

I have heard expressions of concern that this will lower revenue receipts so that we could not afford to have further cuts in tax reform. But, the record shows that the tax cut proposed by President Kennedy and by previous administrations has actually resulted in an increase in tax revenues. When we stimulate the economy, we get an increase in revenues from the greater level of sales and income.

At the earliest, we are looking at tax reform about 2 to 4 years from now. It seems to me that the effect of this tax cut will not even be felt at that time in any way that would prejudice or inhibit our opportunity to enact tax reform.

What this amendment does provide is meaningful and much needed relief for overtaxed Americans. It is particularly significant for those middle-income Americans who have received little or no assistance in the Finance Committee bill as it presently stands.

I urge the adoption of this amendment.

Mr. LONG. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. LONG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from Delaware. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

(At this point Mr. METZENBAUM assumed the Chair.)

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Michigan (Mr. RIEGLE), and the Senator from Idaho (Mr. CHURCH) are necessarily absent.

I also announce that the Senator from Illinois (Mr. STEVENSON) is absent because of illness.

I also announce that if present and voting, the Senator from Michigan (Mr. RIEGLE) would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 33, nays 62, as follows:

[Rollcall Vote No. 108 Leg.]

YEAS—33

Baker	Griffin	Provmire
Bellmon	Hansen	Roth
Byrd,	Hatch	Schmitt
Harry F., Jr.	Hayakawa	Schweiker
Chafee	Heinz	Stafford
Curtis	Helms	Stevens
Danforth	Laxalt	Thurmond
Dole	Lugar	Tower
Domenici	McClure	Wallop
Durkin	Packwood	Weicker
Garn	Pearson	
Goldwater	Percy	

NAYS—62

Allen	Gravel	Meicher
Anderson	Hart	Metcalf
Bayh	Haskell	Metzenbaum
Bentsen	Hatfield	Morgan
Biden	Hathaway	Moynihan
Brooke	Hollings	Muskie
Bumpers	Huddleston	Nelson
Burdick	Humphrey	Nunn
Byrd,	Inouye	Pell
Robert C.	Jackson	Randolph
Cannon	Javits	Ribicoff
Case	Johnston	Sarbanes
Chiles	Kennedy	Sasser
Clark	Leahy	Scott
Cranston	Long	Sparkman
Culver	Magnuson	Stennis
DeConcini	Mathias	Stone
Eagleton	Matsunaga	Talmadge
Eastland	McClellan	Williams
Ford	McGovern	Young
Glenn	McIntyre	Zorinsky

NOT VOTING—5

Abourezk	Church	Stevenson
Bartlett	Riegle	

So Mr. ROTH's amendment was rejected.

Mr. LONG. Mr. President, I have discussed this amendment with the leadership on the other side of the aisle.

At this point I believe that we should be able to get a unanimous-consent agreement to at least expedite the flow of legislation on this bill and I, therefore, ask unanimous consent that the remaining committee amendments be agreed to en bloc and as agreed to be treated as original text for the purpose of further amendment except that the Haskell amendment, No. 198, agreed to by the Senate on April 21, 1977, be agreed to as having been agreed to in lieu of the matter proposed to be inserted by the committee amendment to section 302 of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 195

Mr. GOLDWATER. Mr. President, I call up my amendment No. 195.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) for himself, Mr. INOUYE, and Mr DECONCINI, proposes amendment No. 195.

On page 119, between lines 15 and 16, insert the following new section:

SEC. 408. RESTORING THE DEDUCTIBILITY OF EXPENSES FOR ATTENDING CERTAIN CONVENTIONS IN THE NORTH AMERICAN AREA.

(a) IN GENERAL.—Section 274(h) (relating to foreign conventions) is amended by—

(1) striking out "outside the United States" in paragraph (2) and inserting in lieu thereof "outside the North American area",

(2) amending subparagraph (A) of paragraph (6) to read as follows:

"(A) FOREIGN CONVENTION DEFINED.—The term 'foreign convention' means any convention, seminar, or similar meeting held outside the North American area and the Trust Territory of the Pacific.", and

(3) adding at the end of paragraph (6) the following new subparagraph:

"(E) NORTH AMERICAN AREA.—The term 'North American area' means the United States, its possessions, and the area lying west of the thirtieth meridian west of Greenwich, east of the international dateline, and north of the Equator, but not including any country of South America."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to conventions beginning after December 31, 1976.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. MATHIAS. I ask unanimous consent that Mr. Michael Cooper of my staff be allowed the privilege of the floor during the remainder of debate on this bill and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I will be very happy to accept limited time on this amendment.

Mr. LONG. Mr. President, I am willing to limit time to 10 minutes on each side as far as I am concerned.

Mr. CURTIS. Mr. President, may we have order? A very important amendment has been offered.

Mr. LONG. I will ask unanimous consent that the time on the amendment be limited to 10 minutes on each side.

Mr. GOLDWATER. I was going to suggest 15 minutes because I do have cosponsors, and I do not see them in the Chamber.

Mr. LONG. Then I ask unanimous consent that it be a half hour equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. GOLDWATER. I yield myself what time I need.

Mr. President, I call up my amendment No. 195, which I introduce for myself and Senators INOUYE, DECONCINI, and STEVENS.

Mr. President, the amendment would remove restrictions on tax deductions—

The PRESIDING OFFICER. Will the Senator from Arizona suspend while we obtain quiet in the Chamber? Will Senators take their seats, or retire to the cloakrooms?

Mr. ROBERT C. BYRD. Mr. President, does the Senator plan to ask for the yeas and nays?

Mr. GOLDWATER. I do not care for the yeas and nays.

Mr. LONG. I would suggest we see what the debate brings forth. Maybe we can take the amendment.

Mr. GOLDWATER. Mr. President, the amendment would remove restrictions on tax deductions for attending meetings in foreign countries within North America. It is similar to language which was included in section 602 of the Senate Finance Committee report on the Tax Reform Act of 1976, but was dropped from the final law.

Mr. President, last year Congress enacted sweeping restrictions and bookkeeping requirements on tax deductions for attending conventions, educational seminars, and similar meetings in foreign countries. These provisions are considered to be so harsh and confusing by U.S. associations that hundreds of previously scheduled foreign meetings are being canceled. The result is untold damage to the economies of several friendly foreign nations.

In particular, I have just received a cable from Mexico City which verifies the very serious harm this law is having upon the economy of our sister nation. I regret to say it has caused the cancellation of 90 large conventions that otherwise would have taken place in Mexico. This has resulted in the loss of 250 million pesos to Mexico—$12.5 million in just 4 months.

Let me point out that it is not only Mexico's economy that suffers. There is a substantial reverse effect also. I am referring to the heavy loss of purchases which Mexicans will not make in U.S. border communities as the direct result of their weakened purchasing power. Remember, when Mexico loses substantial convention business, she has less money to buy American goods.

Now, Mexico has had a $9 billion trade deficit with the United States in the last decade. She has bought that much more of goods and products in the United States than we have purchased from her. She is able to fund a part of those purchases by the revenues obtained from hosting international meetings. Yet, we have enacted a law that reduces her ability to buy our exports.

Mr. President, the same thing is true of our neighbor to the north, Canada. She is our major trading partner. The two-way trade between Canada and the United States is about $50 billion.

The United States enjoyed a surplus of $610 million in 1976 as the result of the exchange of visitors between Canada and the United States. This is remarkable when you consider that visitors from Canada, a nation of 21 million people, contributed that much more to the local economies of the United States than visitors from our country, a nation of 216 million persons, spent in Canada.

Mr. President, I believe there is a question of fairness involved here. It is the height of hypocrisy for us to enact laws which discourage reciprocal travel by our citizens to foreign countries at the same time we are enjoying great benefits from the same kind of travel.

Let me point out that the U.S. Travel Service believes more foreign delegates attend conventions within the United States than the other way around. In fact, the International Congress Calendar now lists the United States as the No. 1 international convention site, hosting 14 percent of all international conventions scheduled for the period up to October 1985. For us to discourage visits to foreign conventions has every appearance to the host countries of regarding them out of favor.

Next, I should mention that our action is injuring U.S. properties as much as it is foreign ones. Many U.S.-owned hotels abroad are suffering great losses of business as a result of section 602. And, our international airlines are losing thousands of passengers who would have attended foreign meetings.

Northwest Orient, for example, has calculated that nearly $9 million of its revenues were produced by U.S. passengers who attended international conventions during 1975. Pan American reports it received $15 million in the passenger revenues of Americans who visited foreign meetings in 1975. In all, U.S. carriers may receive over $100 million in passenger revenues from U.S. delegates who attend foreign meetings. All this is put in jeopardy by section 602.

Finally, I am afraid that if section 602 is not checked now, the next step will be to abolish any deductions for conventions attended within the United States. After all, some 15,000 conventions and seminars were held within the United States last year and the costs of attending these events far exceeded the expenses of attending foreign meetings.

Mr. President, over 4,000 of those meetings were in my State of Arizona. Tourism is the biggest industry we have in the State.

According to a new study published by Arizona State University, tourism produced $2¼ billion of revenues in Arizona last year. The same kind of statistics could be presented for many other States.

Now, the question is do we encourage foreign governments to retaliate against visits to our country? Or do we look upon travel as a two-way street, with reciprocity as our guide?

Mr. President, in conclusion I find it strange that we of all people would discourage travel by our citizens. Travel, both within and outside of the United States, is one of the liberties guaranteed by the Constitution.

Moreover, we have pledged in the Helsinki agreement to "facilitate the convening of meetings as well as travel by delegations, groups, and individuals."

Mr. President, I would prefer to repeal section 602 entirely, but in deference to members of the House Ways and Means Committee who have asked for an opportunity to hold full-scale hearings on the subject, I have decided not to reopen the entire provision today. I do believe we should restore the exemption for our sister nations in North America without further delay and I urge that the amendment be adopted.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield to the Senator from Nebraska.

Mr. CURTIS. I hope that the amendment of the distinguished Senator from Arizona will be adopted. I think the provision was unwise at the beginning. It does not recoup any revenue of any consequence for the Treasury. In fact, I think its effect is adverse. It does disrupt a lot of business plans. It is very unfair to that segment of our private enterprise system that is involved in conventions, and it is a very unfriendly act toward our neighbors. This is a much-needed correction, and I commend the Senator for offering it.

Mr. GOLDWATER. Mr. President, I am happy to yield 4 minutes to the Senator from Hawaii.

Mr. INOUYE. Mr. President, I yield 2 minutes of it to the Senator from New York.

Mr. MOYNIHAN. I thank the distinguished Senator from Hawaii.

Mr. President, I rise to state my agreement with the remarks of the distinguished and beloved Senator from Arizona. As has been said in this Chamber, the existing law prejudices our relations—indeed it can be thought to have the quality of an unfriendly act toward neighbors with whom we have especially close and cherished relationships.

I would like to state that tomorrow,

on behalf of myself and 22 other Senators, I shall offer an amendment which calls the attention of the President of the United States to the fact that the Canadian Government has adopted a measure in its internal revenue code which adversely affects the flow of commerce between Canadian businesses and American broadcasters. We feel this is unfortunate. We hope the President will address himself to this serious question with a view to adjusting these outstanding differences through the diplomatic process. Adoption of the amendment offered by Senators GOLDWATER and INOUYE will be an important gesture by this Chamber.

Thank you, Mr. President.

Mr. INOUYE. Mr. President, my distinguished colleague from Arizona has presented the case very vividly and very correctly. I would like to join him in suggesting to our colleagues that the present law does not operate in the best economic interests of the United States.

The original drafters of the restrictive language felt if there were not going to be conventions held overseas, they would be held here.

However, what is happening is that tourism between the United States and Canada and the United States and Mexico, which heretofore has been a two-way street, is becoming a one-way street. If ever a situation invites retaliation this is it. Should retaliation ever occur, the United States will be the loser because, as my colleague from Arizona has stated, last year we had a favorable balance in our travel accounts with Canada and Mexico.

Accordingly, this amendment offered by my colleague from Arizona would exempt Canada, Mexico, Bermuda, and the Caribbean islands from present law.

I would hope that the chairman of the committee would accept this amendment. I think it is a reasonable one. It does not repeal the law. It just exempts a small group. I am certain the House will give this matter serious consideration this afternoon.

Mr. KENNEDY. Mr. President, who is controlling the time?

Mr. LONG. I control the time in opposition. I would be glad to yield 2 minutes to the Senator.

Mr. KENNEDY. Mr. President, I would like to ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President——

Mr. LONG. How much time does the Senator wish?

Mr. KENNEDY. Will the Senator yield 5 minutes?

Mr. LONG. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I would hope the Senate would reject the amendment of the Senator from Arizona. I believe it is important to understand what the situation is with regard to convention trips to the Caribbean, the Bahamas, and Canada, and Mexico.

These travelers already get two tax-paid trips a year. The present law provides two deductible trips a year for foreign conventions. They can go to the Bahamas once as a member of an organization and they can go to the Bahamas another time for another organization meeting.

As a deductible expense under the Internal Revenue Code, about half of that trip is being paid by the American taxpayers. There are not many blue collar workers or fishermen from Massachusetts or shoe workers who are getting half of their foreign trip paid for by the Internal Revenue Code.

This amendment in effect would say, "You can go down there once, you can go down there twice, and you can go down there a third time or a fourth time, or any number of times, and still get a tax deduction for the trip."

Mr. President, when we are talking about the interests of the United States and the magnificent places that are available for conventions within the United States, why should we subsidize these trips to conventions in foreign nations? That, I think, is a rather basic and fundamental issue.

It should not be thought, Mr. President, that we are putting absolute prohibition on deductions for conventions overseas. They can already deduct two conventions a year under the existing law. This was a liberalization of the recommendations made by the Senate Finance Committee in the legislation which came to the floor last year.

To the extent that we have the difficulties and complications with our neighbors in Canada on other issues, I think we ought to urge those responsible in the State Department and Treasury Department to attempt to negotiate those problems. We should not give up this bargaining chip unilaterally.

It is my understanding that the Treasury Department is strongly opposed to this measure.

We can go down the list of various organizations and where they are meeting. The Indiana Optometric Association was meeting in the Bahamas.

I have a list from the debate of last year. I will make it a part of the RECORD again this year. It is a list of various organizations holding conventions in the Bahamas. No one begrudges them going down there, not once and not twice. But sometime, I believe, we ought to draw the line.

Mr. President, I ask unanimous consent that the list to which I referred may be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NASSAU/PARADISE ISLAND, CONVENTIONS AND MEETINGS 1974

Names	Origin	Size	Hotel	Dates
Penn Mutual Life Insurance Co	Philadelphia, Pa	170	E.B.H	Jan. 20–23.
Hickney-Mitchell	St. Louis, Mo	24	N.B.H	January.
National Association of Wiping Cloth Manufacturers	Baltimore, Md	350	P.I. Hotel	Do.
Retail Confectioners Association	Glenview, Ill		Flagler	Do.
Graco, Inc	Minneapolis., Minn	80	Ambassador	Do.
National Utility Contractors Association	Washington, D.C	200	P.I. Hotel	Jan. 7–14.
GEHL Co	West Bend, Wis		P.I. Hotel	February.
Puritan Sportswear	New York	130	N.B.H	Do.
Teweles Seed Co	Muscatine, Iowa	700	N.B.H	Do.
Country Life Insurance Co	Bloomington, Ill	200	N.B.H	March.
Southern Conference U.S. Savings & Loan	Chicago		P.I. Hotel	Do.
Crown Life Insurance Co	Toronto	1,000		Apr. 21–24.
Orthodontic Alumni Society of Columbia University	New York		P.I. Hotel	April.
J.C. Penney—Hardlines Division	do	20	Ambassador	Apr. 21–26.
Canadian Premier Life Insurance	Winnepeg	150	Britannia	May 13–17.
Government Personnel Mutual Life Insurance Co	San Antonio, Tex	150	Ambassador	May.
Grand United Order of Oddfellows	Bristol, Pa	1,000	P.I./Flagler	Aug. 11–17.
Home Builders Association of Georgia	Macon, Ga	800	Ambassador	September.
Wittner & Co	Tampa, Fla	100	Britannia	Do.
N.Y. State Automobile Dealers, Inc	Albany, N.Y		P.I. Hotel	October.
Manitoba Bedding Co	Winnepeg, Canada	200	N.B.H	Nov. 22–29.
Ralston Purina	St. Louis, Mo		P.I. Hotel	November.
Oklahoma Oil Marketers Association	Oklahoma City, Okla	150	P.I. Hotel	December.

FREEPORT/LUCAYA, CONVENTIONS AND MEETINGS 1974

Lincoln National Life Insurance	New York		30	Xanadu Princess	June 3–6.
Peninsular Life Insurance Co	do		200	Bahamas Princess	June 8–12.
Blure Flome Counsil	Texas		125	Holiday Inn	June 9–13.
North Carolina Jobbers Association	North Carolina		100	Bahamas Princess	June 12–16.
Prudential Insurance Co	National		260	do	June 16–19.
Do	do		335	do	June 19–22.
Menley James Laboratories	do		124	Xanadu Princess	June 28–July 2.
Prudential Insurance Co	do		435	Bahamas Princess	June 23–26.
American Fidelity Insurance	Oklahoma		25	Xanadu Princess	June 26–29.
Love Cosmetics	Pennsylvania		139	do	June 28–July 2.
National Retail Grocers Association	Colorado and Wyoming		482	do	
Computers Dealers Association	do		50	Lucayan Beach	May 2–7.
Prudential Insurance Co	Nationwide		400	Bahamas Princess	May 1–4.
Indiana Optometric Association	do		250	Holiday Inn	May 1–5.
Prudential Insurance Co	do		800	Bahamas Princess	May 8–11
Do	do		800	do	May 5–8.
Louisiana State Medical Society	Louisiana		130	Xanadu Princess	May 8–12.
Purchasing Management Association	National		56	Holiday Inn	May 5–6.
League Services Corp. of New Britain	do		56	do	Do.
Monumental Life Insurance Co	do		410	Bahamas Princess	May 12–16.
Investors Fidelity Life	do		100	do	May 30–Aug. 2.
Walter Kay's Public School Teacher Group	Texas		23	Freeport Inn	Apr. 6–10.
Washington National Insurance	Washington, D.C		2,000	Bahamas Princess	Apr. 20–25.
Amenson Parts System	do		580	do	Apr. 25–28.
A.P.S. Inc	Texas		1,000	Bahamas Princess	Apr. 25–28.
Prudential Insurance Co	Nationwide		800	do	Apr. 28–May 1.
Ohio Hospital Association	Ohio		60	Xanadu Princess	Mar. 3–8.
CUNA Mutual Life Insurance			100	do	Mar. 8–17.
BanKers Life	Iowa		33	Xanadu Princess	Mar. 20–23.
Do	do		100	Lucayan Beach Hotel	Mar. 24–27.
Prudential Insurance Co	National		350	Bahamas Princess	Mar. 27–30.
Tufts Association of Orthodontists	do		150	Xanadu Princess	Mar. 31–Apr. 4.
General Contractors Association	do		140	Lucayan Beach	Jan. 19–26.
Ethyl Corp	do		85	Bahamas Princess	Jan. 13–16.
Christenson Cheverolet Group	do		16	Xanadu Princess	Jan. 19–24.
National Association of Conveniences Stores	do		150	do	Jan. 20–24.
Schaifer Brewing Co	New York		60	Bahamas Princess	Jan. 31–Feb. 4.
G.A.F. Corp	New Jersey		60	do	Feb. 10–13.
Acacia Mutual Life	Washington		125	Lucayan Beach	Feb. 10–14.
Bishop Food Company	New York		120	Grand Bahama Hotel	Feb. 22–Mar. 1.
S. S. Fritz Jr. Inc	Pennsylvania		360	Bahamas Princess	Feb. 24 and Apr. 17.
Do	do		200	do	Mar. 3 and Apr. 22.
Rocke Laboratories	New Jersey		300	do	Feb. 24–28.

It does seem to me that this is the place to draw the line. I think our convention areas here in the United States could use this business. The revenue effect is negligible either way we vote on this measure; the same deductions will be taken, but they will be taken for conventions in the United States.

Mr. GOLDWATER. The Senator is correct that a man or a woman can go to as many conventions as they wish. This is not the objection. There are the ground rules which were written into last year's tax law which already caused 91 cancellations in Mexico. I do not know how many have been cancelled in the Bahamas, the Caribbean or Canada. I directed my attention to Mexico.

It is a fact that the deduction process has usually been so liberal and so easy, and still is in this country, but does not apply in the other countries of North America. That is the objection that organizations have raised. It is not that they object to going outside of the country. Sometimes it is impossible to have conventions in this country. There are just not enough convention sites. The bookkeeping entailed in this section 602 would cause any one of us to say it is just too bothersome to go, and not go.

Mr. KENNEDY. Mr. President, will the Senator yield 1 additional minute?

Mr. LONG. I yield.

Mr. KENNEDY. The fact of the matter is, as everyone in this body knows, what we are really talking about are tax underwritten vacations in some of the loveliest spots in the world, such as those in Mexico. Acapulco is a wonderful, lovely, beautiful place. But why should the Internal Revenue Code pay for half the trip? The Federal Government pays for half of it. Under present law, they can already go to Mexico twice a year and deduct the expenses of the trips. The only question is whether we are going to lift the limit and say they can go three or four times or once a month to Mexico. I would commend convention sites in the United States to these foreign travelers. We need the business in New England. In Massachusetts we have some nice convention sites. It gets a little colder in the winter, but it is nice in the summer. We can use that business.

We are saying, "That is fine, if you want to go twice to foreign countries, with half of the expenses paid by the Internal Revenue Code." But let us draw the line someplace.

The line was drawn at a reasonable place for two conventions. I fail to see why we should permit a third.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LONG. I will yield more time.

Mr. KENNEDY. I withhold any further comment at this time.

Mr. GOLDWATER. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Arizona has 2 minutes remaining and the Senator from Louisiana has 9 minutes remaining.

Mr. GOLDWATER. I yield to the Senator from Texas.

Mr. TOWER. Mr. President, the peso has been devalued several successive times and this has wrought havoc with the economy along the Mexican-American border all the way to Brownsville. We are already talking about disaster assistance from the Federal Government to these border areas. With the failure to strike the amendment of the Senator from Arizona, we strike another blow at Mexico and another blow to Mexico. We have already loaned them $950 million to shore up the peso, and it looks as if more will be required.

Too, we are always talking about the illegal alien problem in this country. One of the reasons we have it is the sad economic condition of Mexico. Those who oppose this amendment I hope will complain no longer about the illegal aliens from Mexico in this country. We have already cut off one of their principal dollar areas. That was the bracero program. We insisted on doing that. Now we continue to do this sort of thing to the people south of the border, who should be our friends and the health of whose economy is enormously important to us.

I certainly hope the amendment of the Senator from Arizona will be adopted.

Mr. GOLDWATER. I thank my friend from Texas.

In answer to my friend from Massachusetts, I have heard the argument that section 602 is supposed to prevent people from taking vacations and then deducting that on their tax returns, but there were already stringent tax rules that would stop that kind of abuse. Under the former law, travel expenses could be deducted only when the primary purpose of the trip was to advance the taxpayer's trade or business.

Now, instead of a commonsense rule, there is so much redtape involved and restrictions on what kind of expenses can be deducted that many, many businesses and associations believe it is not worth the trouble. The per diem restriction has not been followed by the United States itself for Government employees. These rules are so nit-picking that they have the effect of stopping foreign travel

altogether. The correct solution is to enforce the rules we had, rather than to substitute a new law that completely fails to comprehend the needs of business and the need for communication with the outside world.

Mr. President, I hope that this amendment will prevail.

The PRESIDING OFFICER (Mr. NUNN). All the time of the Senator from Arizona has expired. The Senator from Louisiana has 9 minutes.

Mr. LONG. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the fact of the matter is that, unless you want to send an IRS man on each of these visits, it is virtually impossible to enforce. That has been the situation for some period of time. It is because of the unenforceability of those regulations that the Senate, in its wisdom, set the two-trip per year limitation. It was trying to get away from these regulations. That is really the purpose of the limitation.

I can understand that there are many businessmen in Arizona and Texas who would like to keep going down to Mexico for tax-subsidized vacations in the wintertime or other times of year. I think we might as well understand the nature of this amendment.

The logic seems to be that if we clog those roads and bridges with businessmen going to conventions, the illegal aliens coming the other way will find it a little harder to get across the border.

We know what is basically at stake. The question is whether we are serious about curtailing the tax abuse of expense account living in the Internal Revenue Code. We took a step in the right direction last year, and we should not undo it now.

The limit now in the law is a fair and reasonable one in terms of halting the abuse in this area. We have convention cities all over the United States. They may be a little colder in the winter. But certainly, any of these business organizations can carry out their business there. There is no reason to open up this loophole once again. Once we close a loophole, we see how hard it is to keep it shut.

Mr. LONG. Mr. President, the Treasury opposes this amendment. I have my serious doubts that the House will take it if the Senate agrees to it, because this amendment basically is an amendment that states the Senate's position of last year. We went to conference then with the House after Mr. INOUYE offered an amendment which prevailed, which was even more considerate of those who want to hold conventions overseas than this one.

Then the House was absolutely adamant that they would not accept the Senate position. Basically, this is the Senate's position of last year, applied to the North American Continent.

I believe we have to recognize that, while the Senate was favorable to it last year and may well be now, the administration opposes it and the chances are not very good that it would be agreed to in conference if accepted by the Senate.

This amendment is in the proper area for tax reform, Mr. President. What we brought back from conference is nothing to be proud of. While it permits people to hold meetings overseas or in Mexico or the Caribbean islands, it does impose on them a bookkeeper's nightmare. The burden of recordkeeping is so great that people just feel that if they have to keep all those records, they prefer to forget about it. They would rather not go than try to keep all those records. So something will have to be done in that area.

I personally would prefer to see this matter in the tax reform bill, but I recognize, Mr. President, that this was the view of the Senate last year, expressed by an overwhelming vote. I suspect that it is what we shall want to do about it at this time.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MAGNUSON. I want to mention to the Senator from Louisiana, the Senator from Massachusetts, and others, since the Senator from Massachusetts suggested that maybe there should be some negotiations on matters of this kind, that naturally, the Canadians do not like our tax restrictions on foreign conventions. However, there are several matters in which we think they are discriminating against us, matters which ought to be brought to the attention of the Canadian Government. I even suggested, when the Prime Minister of Canada was down here, that one of these items of discrimination be brought up on the agenda.

The Canadians, for instance, now have a law which will not allow a Canadian businessman to broadcast on an American television or radio station and use it as a business advertising deduction. The result is that in my own State of Washington, the city of Bellingham, which is right on the border—a good-sized town, 190 some miles from Vancouver, which is the second largest town in Canada—loses millions of dollars worth of business because of that discrimination.

There are some other discriminations I could mention.

Mr. LONG. Mr. President, I must insist that I have the floor, because I must yield some time to others opposing the amendment. Unless I can get some additional time—may I get an extension of 2 minutes to both sides?

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. KENNEDY. May I ask one question of the Senator from Washington?

Mr. MAGNUSON. Yes.

The PRESIDING OFFICER. The Senator from Louisiana has the time. Does the Senator from Louisiana yield time?

Mr. LONG. I yield to the Senator from Massachusetts 1 minute.

How much time do I have left?

The PRESIDING OFFICER. The Senator has two and a half minutes left.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Senator from Louisiana, or both sides, be given 5 more minutes so we can discuss this matter.

Mr. GOLDWATER. I object.

The PRESIDING OFFICER. Objection is heard.

Who yields time?

Mr. KENNEDY. Will the Senator yield me 30 seconds?

Mr. LONG. Yes.

Mr. KENNEDY. Will the Senator from Washington not agree that this ought to be a process of negotiation? If we accept the amendment of the Senator from Arizona, I think we would be giving up a useful bargaining chip.

Mr. MAGNUSON. That is the point I am making. Tomorrow, the Senator from New York and 30 other Senators and I are going to bring up a resolution calling attention to this discrimination.

Mr. LONG. I yield my remaining time to the Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I rise in opposition to this amendment for two major reasons. First, I question the need for Americans to attend more than two foreign conventions in any given year. The restriction imposed on overseas conventioneering in last year's tax bill was a moderate and reasonable one. To overturn the present law would only hurt American jobs and tourism. If Americans find it absolutely necessary to attend more than two conventions a year, they should give our own economy a boost by spending their money in Florida, Hawaii, or the Poconos of Pennsylvania.

Second, I oppose this amendment because the Canadian Government has been unwilling to reconsider a policy which has brought serious economic injury to certain businesses in this country, and yet wants us to unilaterally amend our tax laws to facilitate convention travel by U.S. citizens in Canada.

I speak of bill C–58, the Canadian law which denies the deductibility under Canadian income tax law of advertisements placed by Canadian firms on U.S. television stations for the purpose of reaching Canadian viewers. This measure grew out of the wave of nationalism which swept over Canada some time ago. This movement considered the influence of American culture and American television to be detrimental to Canada.

The practical effect of bill C–58 has been to threaten the economic stability of a number of U.S. television stations whose signals reach Canadian viewers. In Erie, Pa., for example, one TV station has suffered an 80-percent decrease in its advertising revenues from Canada since C–58 was enacted last year. Such a decrease, over an extended period of time, can make the difference between life and death for small broadcasting operations.

To repeat, Mr. President, until the Canadian Government demonstrates a willingness to enter into serious discussions

on the question of C-58, no serious consideration should be given by this Government to facilitating convention travel by Americans in Canada or any other foreign country.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. SCHWEICKER. Yes, I yield.

Mr. HEINZ. Mr. President, I too, rise in opposition to this amendment and I would like to associate myself with the remarks of my senior colleague from Pennsylvania. I commend him for so accurately and forthrightly setting forth the reasons why this amendment should be defeated.

The PRESIDING OFFICER. All time has expired. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. RIEGLE), and the Senator from South Dakota (Mr. ABOUREZK) are necessarily absent.

I also announce that the Senator from Illinois (Mr. STEVENSON) is absent because of illness.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE) would vote "nay."

Mr. STEVENS. I announce that the Senator from Massachusetts (Mr. BROOKE) and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 45, nays 48, as follows:

[Rollcall Vote No. 109 Leg.]

YEAS—45

Baker	Hayakawa	Morgan
Clark	Huddleston	Moynihan
Cranston	Humphrey	Packwood
Curtis	Inouye	Pearson
DeConcini	Jackson	Pell
Dole	Javits	Roth
Domenici	Johnston	Sasser
Durkin	Laxalt	Schmitt
Eastland	Lugar	Sparkman
Ford	Magnuson	Stafford
Garn	Mathias	Stevens
Goldwater	Matsunaga	Stone
Gravel	McClure	Thurmond
Hansen	McGovern	Tower
Hatch	Melcher	Wallop

NAYS—48

Allen	Eagleton	Muskie
Anderson	Glenn	Nelson
Bayh	Griffin	Nunn
Bellmon	Hart	Percy
Bentsen	Haskell	Proxmire
Biden	Hatfield	Randolph
Bumpers	Hathaway	Ribicoff
Burdick	Heinz	Sarbanes
Byrd, Harry F., Jr.	Helms	Schweiker
	Hollings	Stennis
Byrd, Robert C.	Kennedy	Talmadge
Cannon	Leahy	Weicker
Case	Long	Williams
Chafee	McClellan	Young
Chiles	McIntyre	Zorinsky
Culver	Metcalf	
Danforth	Metzenbaum	

NOT VOTING—7

Abourezk	Church	Stevenson
Bartlett	Riegle	
Brooke	Scott	

So Mr. GOLDWATER's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

UP AMENDMENT NO. 160

Mr. HANSEN. Mr. President, I send to the desk an unprinted amendment which would add a new section at the end of H.R. 3477, the Tax Reduction and Simplification Act of 1977. The provisions of this amendment are identical to those found in S. 734.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. HANSEN) proposes an unprinted amendment numbered 160.

The amendment is as follows:

At end of bill, add the following:

(a) Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as 125, and by inserting after section 123 the following new section:

"SEC. 124. INTEREST.

"(a) IN GENERAL.—In the case of an individual, gross income does not include any amount received as interest or dividends on a time or demand deposit with—

"(1) a commercial or mutual savings bank the deposits and accounts of which are insured by the Federal Deposit Insurance Corporation or which are otherwise insured in accordance with the requirements of the law of the State in which the bank is located,

"(2) a savings and loan association, building and loan association, or similar association, the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or which are otherwise insured in accordance with the requirements of the law of the State in which the association is located, or

"(3) a credit union, the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or which are otherwise insured in accordance with the requirements of the law of the State in which the credit union is located.

"(b) LIMITATION.—The amount of interest excluded under subsection (a) for the taxable year shall not exceed $100 ($200 in the case of a husband and wife who make a joint return under section 6013).".

(b) The table of sections for such part is amended by striking out the last item and inserting in lieu thereof the following items:

"Sec. 124. Interest.
"Sec. 125. Cross references to other Acts.".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1977.

Mr. CURTIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator's point is well made. The Senate will suspend until Senators take their seats and cease conversation. The Senate is not in order.

Mr. STONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. HANSEN. I would be happy to yield to my friend from Florida.

Mr. STONE. I thank the Senator from Wyoming.

Mr. President, I ask unanimous consent that Mr. Bill Pursley of my staff have the privilege of the floor during the deliberations and votes on this bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. STONE. I thank the Chair and I thank the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. HANSEN. Mr. President, this legislation would provide an exclusion from income of the first $100 earned in interest or, in the case of individuals filing a joint return, the first $200 earned as interest income. This measure would be effective January 1, 1978. It is estimated that it will result in a revenue reduction of $1.3 billion. However, notwithstanding this revenue reduction, there are significant benefits to be gained from encouraging savings among American citizens.

Our present tax system has a fundamental bias against capital formation and savings. The origin of this bias is the multiple taxation of income which is saved and invested. We tax all income people earn from their productive labors, and then we tax the interest and the dividends people earn on the money they put away for future use. Individuals must pay taxes on essentially all the income they earn, whether they spend it immediately, or invest it.

This amendment is a very modest proposal. The interest income excluded from income is specifically limited to funds derived from banks, thrift institutions, credit unions, savings and loan associations, and other institutions which encourage savings. Now, Mr. President, $100 in interest, per annum, represents just a modest savings account. Here in our own Senate Credit Union, which pays 6.25 percent compound interest, an individual would earn $100 per year on an account of about $1,600. This is a very small contingency fund, in my view. If we expect Americans to save for a rainy day, for retirement, for homes, for recreation time with their families, then we would do well to provide some small incentive for savings.

Mr. President, the May 2, 1977, issue of U.S. News & World Report has a feature story entitled "Squeeze on the Middle Class." I commend that article to Senators, and note that it contained a pie slice diagram entitled "Where the Money Goes." It shows the proportion of money a family of four spends to maintain a relatively comfortable standard of living. I find that there is no slice of pie for savings. Americans pay more in taxes than they do for food. In the face of the pressure on their dollars, they do not devote a fixed portion of income for savings.

Let me quote from part of that article:

People are frank to admit it: They're making more money than ever before, but they keep falling further and further behind rising costs. . . .

Sparse spending. Frugality is the order of the day—shopping carefully for the most inexpensive food, making their own clothes, using second-hand furniture, postponing purchase of a new car, cutting down on home heating and cooling costs. . . .

Worry over how to obtain college educations for the children is almost universal. For some, it means sending the youngsters

to a cheaper State school instead of the private institution that had been the goal. For others, the future may hold no college at all.

Not surprisingly, bitterness runs deep through middle-class families, many of whom feel cheated of what they regard as their reasonable expectations. Still, most retain some degree of optimism.

One interviewee in the article made a good point. He said:

I'm not sure if I feel abandoned or not, but I feel disillusioned about the prospects of anybody helping us out in any way. I don't think that there's any relief in sight. The only thing we can do is help ourselves as much as we can.

We should help Americans help themselves.

The goal of tax simplification is advanced with this proposal. Again, the proposal is modest in the relief it provides, but it nonetheless does give some aid to individuals who receive these fairly small amounts of interest. The proposal would eliminate some reporting requirements on the part of many financial institutions, as well.

Encouraging savings has another benefit. If we encourage savings. we can take a preliminary step toward encouraging desperately needed capital formation in our country.

Between 1960 and 1973, it turns out that the United States has experienced less growth in productivity than any other industrialized country in the Western world. To be sure, other countries started lower or suffered great and reparable destruction during World War II, but the large gap between the United States and other Western countries in real income per capita has narrowed considerably, even from pre-World War II levels.

What has the United States been doing so differently to result in such disappointing economic growth? One of the main reasons for our slowdown is that the American economy has been devoting too many of its resources to consumption and to Government and not enough of them to the capital formation which makes growth possible. In fact, of all the Western industrial countries, the United States has devoted the smallest fraction of its gross national product since 1960 to private capital formation. Even the British have devoted a larger proportion of output to capital formation than we have.

If investors had invested in 1975 as they did in 1969, there would have been 35.5 million investors. Instead, in 1975, there were only 25.27 million. That is a loss of over 10 million people. In 1969, the average size portfolio of investors was $7,100. By 1975 it was $10,000. If investors had been motivated to invest at the same rate in 1975 as in 1969, that portfolio would have been an equivalent of $103 billion in equity capital available for new jobs, new products, and new services. Approximately 4 million new jobs could have been created in the private sector alone, reducing our unemployment rate to 3.5 percent.

A chinese proverb says that a journey of a thousand miles must begin with one step. This proposal is the first step we can take toward encouraging the savings needed to gather the capital needed for our continued economic growth.

Mr. President, there is no time agreement on this amendment, but if the distinguished floor manager of the bill would like to be heard, I would be happy to yield to the distingushed ranking minority member on the Committee on Finance.

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from Nebraska.

Mr. CURTIS. Mr. President, I commend the distinguished Senator from Wyoming for presenting to the Senate this factor in our income tax law.

We have had at times various provisions of law that made a part of the dividends that someone received free from tax. Back in the Eisenhower administration we enacted the dividend credit. It was a good law. It was later repealed.

Now we have a dividend exclusion of $100 a year. There are many citizens, however, who just do not feel it appropriate that they invest in stocks. Their only chance to put their savings someplace is in a savings account where they can withdraw interest and also withdraw their principal.

This involves young people who are taught to save money. It involves a great many elderly people who have a few dollars laid aside for a rainy day, and it would be unwise for them to take the risk of investing in the stock market, so they put their money into a savings and loan or a savings account in a bank. We, however, tax every dollar of the interest.

Mr. President, all this amendment does is provide an exclusion of $100 interest on the part of each taxpayer. It is very modest. It would be a recognition by our Government that we favor the institution of saving and that it is a good idea for people of all ages to save money.

As a matter of fact, saving is one of the most potent forces against inflation. If someone has a certain number of dollars and he saves part of it, there are that many dollars that are not competing in the marketplace for goods, and someone else is going to buy cheaper because of it.

It was that sage of New England, Calvin Coolidge, who said:

Americans should practice thrift not to save money but to save men and women.

In other words, it builds a character that is very much of an asset to our country.

Mr. President, if someone makes a political contribution of $100, it is tax free, and there are some awful candidates who they could contribute it to. There are some very good ones. It would be impossible to censor and supervise their giving. But the fact is you can write a check for $100 to the biggest crackpot in the country whose program has no chance of being ever heard about, and if it did it would wreck the country, but you can get a tax writeoff of $100 for it.

Under the name of charity, education, and religious contributions there is no way the Government could say that your religious contribution has to be one of the mainline religious. It can be one that you, you, or you think would be destructive to our land, but they get it.

We have tax incentives for everything but for saving money.

I expect Congress may have some very strong principles against saving money because they never save any for the taxpayers, but that is hardly any justification for them to treat the people that way.

Thrift is an important institution in our land. I know of some savings and loan associations in my State that have separate windows and boxes there so the little tots can go in and deposit a dollar or a half dollar or $5, because the American people know the virtue of saving. It is time that the Government of the United States recognized it.

This is a very modest thing. It will give a little equality to those people who cannot and should not be taking the risk of the stock market or other investments where they might get a capital gain, but they save and retard inflation by not being so much competitors in the marketplace, and they lay aside money so that when that day comes they are not dependent upon all of the rest of the taxpayers. And I maintain that is worth recognition on the part of our Government in the very modest exclusion that we are asking for here, $100.

I do not take all of these estimates as sacred and absolutely correct. I believe if we do some things that are right, sound, and promote those activities that should be promoted somehow it makes our economy go better and there is more prosperity and more income from which to levy a tax.

Again I commend the distinguished Senator from Wyoming for speaking out in behalf of the small savers of the country who by self-denial, oftentimes, practice this very important characteristic of saving.

Mr. HANSEN. Mr. President, I thank the distinguished Senator from Nebraska for his kind words. I observe that there is much merit in what he has said.

A few days ago the distinguished chairman of the Finance Committee hosted a luncheon at which were guests from Great Britain, the Chancellor of the Exchequer and the Secretary of State for Trade. As Senators know these distinguished members of the Government of Great Britain are members of the Labor Party in England. Yet the important thing that I recall about what was said at that luncheon was that England recognizes the relationship of investing a larger proportion of the gross national product back into business than we are investing here in this country. The laborers of England, the unions there, recognize this fact. I know his excellency, Mr. Healey, observed that he was hoping that he could persuade the union movement in England to understand that productivity has to increase at a rate not less than wages increase or England would be in trouble.

He made one further observation that struck me as particularly significant, and that was that the revenues that England hopes to receive, and indeed in all likeli-

hood will, from the oil discoveries in the North Sea will be used not to go into social programs, as we seem so insistent to do in the United States, but rather to repay the loans that have been granted by the International Monetary Fund to England to pay the interest on their national debt and, in a word, to help encourage the accumulation of capital, recognizing, as England does, that that has to be the only way out of their economic difficulty. That is the way that we expand jobs. That is the way that England is expanding jobs.

This amendment and the remarks made by the distinguished ranking minority member of the Finance Committee underscore the fact that though we may try to bring about a mutation of economic law, we cannot succeed any better than any other country does. We pursue that course at great risk to our economic vitality.

I appreciate the kind words of the Senator from Nebraska, and I recognize and yield time to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, currently, under section 116 of the Internal Revenue Code there is excluded from gross income the first $100—$200 for a joint return—of dividend income received by an individual, estate, or trust from a taxable domestic corporation. I rise today in support of a similar exclusion for interest or dividend income earned by individuals on a time or demand deposit with an insured commercial savings bank, savings and loan association, or credit union.

The effects of such an exclusion would comport with the purpose of this comprehensive program to decrease unemployment and to stimulate capital formation. Specifically, this proposal would provide an additional incentive for taxpayers to save. It would encourage deposits in savings accounts, thus increasing the supply of mortgage money. In turn, the homebuilding industry would be further stimulated.

Such a proposal would also help to equalize the treatment of those who save with those who invest in equity and other securities. The exclusion of a portion of interest would help to lessen the discrimination against this type of investment as compared to other investments. Dividends are subject to an exclusion, capital gains are taxed at reduced rates if long-term, and State and local bonds are exempt from Federal, and often State, income taxation.

Mr. President, I think that there is an excellent opportunity before this body to eliminate many of the burdensome inequities in the tax system which trouble the American people. This exclusion of interest income is one way to take advantage of the opportunity. Accordingly, I ask my distinguished colleagues to join me in full support of this measure.

Mr. President, in closing, I commend the able and distinguished Senator from Wyoming for offering this amendment, and assure him that in my opinion he is rendering the country a good service if we can get the amendment adopted.

Mr. HANSEN. I thank the distinguished Senator from South Carolina for his kind words and his very astute observations. I yield to the distinguished Senator from North Carolina.

Mr. HELMS. I thank the able Senator from Wyoming.

Mr. President, I support the amendment offered by the distinguished Senator from Wyoming. His amendment would provide added incentives for savings, and that will have an entirely good impact on the economy.

By providing encouragement to savings by excluding from taxes, the first $100 of interest and dividends received each year, we do a couple of important, worthwhile things. I mention dividends because, while it is a technical point, savings and loan associations do not pay interest, they pay dividends. But I think the word "interest" in the amendment refers as well to dividends paid by savings and loans.

This amendment would urge more people to save a little more. That would mean more funds available in the economy for business investment and that means more jobs.

Second, it will encourage people to put aside more for retirement. That will mean that more people will be independent in their retirement, and in instances of financial hardship.

Our Nation has one of the lowest rates of reinvestment in the world. At this time, we take less than 20 percent of our output and put it back into our productive capacity. That 20 percent must pay for depreciation and growth. It is not enough. Nations such as Germany reinvest 28 percent of their GNP. Japan reinvests 36 percent. It is no wonder that we have some tough competition in world markets.

In fact our reinvestment rate is about the same—or a little lower—as the rate of Great Britain and Italy. We all know the condition of their economies.

Without trying to give my colleagues a lesson in economics, I would just mention that without a higher rate of capital formation—without more money being put into new plants, machines, industries—we will not have a higher standard of living in the future that we all want for our children and our fellow citizens. We will not have a higher standard of living because there will not be as high a rate of output.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HELMS. I am happy to yield to the Senator from Nebraska.

Mr. CURTIS. Is it not true that our non-Government savings and loan associations are responsible for financing the building of more homes, many times over, than all the Government housing programs?

Mr. HELMS. The Senator is absolutely correct.

Mr. CURTIS. Is not the amount that is available for home building based upon, at least one important factor, the amounts that people save and put into those institutions?

Mr. HELMS. The Senator is correct, of course.

Mr. CURTIS. Does the Senator believe that to grant to savings accounts the same consideration we do to dividends would encourage such savings?

Mr. HELMS. Unquestionably. That is what the free enterprise system is all about, and that is why I commend the Senator from Wyoming for this amendment.

There can be no increase in output without an increase in productivity, and productivity is determined by the amount and quality of capital each worker has to use. In other words, it will take great amounts of added capital investment to provide the sophisticated plant and equipment needed in the coming years to provide the Nation with a higher standard of living.

The amendment of my colleague will help, in an important way, to increase the amount of money this Nation invests in its future.

Finally, though the amendment would reduce tax revenues, I believe that the added productivity in the economy and the added income subsequently generated by that productivity, will more than make up for this loss.

Mr. HANSEN. Mr. President, I thank the Senator from North Carolina for his well chosen words. He has added to our understanding. I yield now to the distinguished Senator from Idaho.

Mr. McCLURE. Mr. President, I commend the Senator from Wyoming for having offered this amendment. I will take time only to repeat what I said earlier today with regard to another amendment, as to the very great need for capital formation if we are to create the number of jobs necessary in the next decade.

I wish to concentrate for a moment on the effect of the small investment, the small savings by average citizens, not those with massive investment portfolios, not even those who have investment portfolios from which they now get some benefit from the $100 dividend exclusion. But I think it is unfair for us to treat those who have portfolios of stocks differently from those who have small amounts of money in the country banks, the credit unions, and the savings and loan institutions across this land.

I think all our citizens ought to have an equal opportunity to save and an opportunity to have fair and equal treatment of those savings, whether it be by way of a stock investment or a savings in a local savings institution.

There is another matter that is of very high concern, at least judging from the words uttered in this body, and that is the plight of the housing industry and the opportunity of a lot of our people to have decent housing.

A large proportion of the small savings of the people of this country finds its way into savings and loan institutions, and a high proportion of that money finds its way into the money undergirding the housing industry of this country.

Housing starts are up over a few months ago, but if we are to sustain those levels of housing starts, we must have adequate mortgage financing, and there is no better way to insure that adequate mortgage financing than to give some

small incentive to savers to place their money in savings accounts.

I commend the Senator from Wyoming for the amendment. It is a small but significant step in that direction. This amendment, I am advised, if adopted will reduce revenues by about $200 million a year. That is a small investment compared to the billions of dollars that we try to channel toward the housing industry in a variety of other ways, and it will help accomplish substantial justice, as well as following the American traditions of thrift and saving that we ought to be encouraging. Again I commend the Senator from Wyoming on his amendment.

Mr. HANSEN. Mr. President, I thank my colleague from Idaho for his kind remarks. If no one else wishes to speak on my side of the issue, I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, in full operation, in 1978, this amendment would represent a revenue loss of $1.3 billion.

This is the type of thing that ought to be considered in connection with a tax reform bill, Mr. President. We have something of this sort in the law with regard to taxation of dividends, but that is to relieve the double taxation of dividends.

I hope, Mr. President, that the amendment will not be agreed to at this time. I would hope that those who are interested in the amendment would discuss it when the tax reform bill comes along. I hope the Senate will not agree to this amendment at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

(Putting the question)

The noes appear to have it.

Mr. CURTIS. Division, Mr. President.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

Mr. CURTIS. I withdraw my request.

Mr. LONG. I withdraw my suggestion of the absence of a quorum.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

UP AMENDMENT NO. 161

Mr. CURTIS. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS) proposes an unprinted amendment numbered 161.

Mr. CURTIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place add a new section as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Stock Ownership Plans of 1976".

SEC. 2. AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME.

Subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to deferred compensation, etc.) is amended by adding at the end thereof the following new part:

"PART III—AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME

"SEC. 428. AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME.

"(a) AMERICAN STOCK OWNERSHIP PLAN FOR THOSE OF MODEST INCOME.—For the purposes of this section, the term 'American stock ownership plan' means a trust created or organized in the United States for the exclusive benefit of an individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

"(1) Except in the case of a rollover contribution described in subsection (d)(4)—

"(A) no contribution will be accepted unless it is in cash;

"(B) contributions will not be accepted for the taxable year in excess of $1,500 on behalf of any individual; and

"(C) contributions will not be accepted on behalf of any individual for the 2 taxable years succeeding the taxable year in which a payment or distribution taxable to the individual under subsection (d)(2) is made.

"(2) The trust is designed to invest solely in common stock of domestic corporations.

"(3) The trustee is a bank (as defined in section 401(d)(1)) of such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the trust will be consistent with the requirements of this section. An individual for whose benefit the trust is maintained may be granted, under the written governing instrument, the power to control the investment of the trust funds either by directing investments (including reinvestments, disposals, and exchanges) or by disapproving proposed investments (including reinvestments, disposals, or exchanges).

"(4) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(5) Contributions received by the trustee during a particular taxable year will be allocated to a separate class year account. Dividends and capital gains and losses received or realized by the trustee during a particular taxable year will be allocated among class year accounts on any reasonable basis. The interest of an individual in each class year account may not be paid or distributed before the end of the 7th taxable year following the taxable year for which such class year account was established, except in the case of death or disability.

"(6) The interest of an individual in the balance in his class year accounts is nonforfeitable.

An individual for whose benefit a class year account is maintained may be granted, under the written governing instrument, the right to direct the trustee as to the manner in which the common stock allocated to such account is to be voted.

"(b) AMERICAN STOCK OWNERSHIP ANNUITY.—For purposes of this section, the term 'American stock ownership annuity' means a contract for a viable annuity, as determined under regulations prescribed by the Secretary, issued by an insurance company which meets the following requirements:

"(1) Except in the cast of a rollover contribution described in subsection (d)(4)—

"(A) no premium will be accepted unless it is in cash;

"(B) the annual premium under the contract will not exceed $1,500 and any refund of premiums will be applied before the close of the calendar year following the year of the refund toward the payment of future premiums; and

"(C) premiums will not be accepted for the 2 taxable years succeeding the taxable year in which a payment or distribution taxable to the individual under subsection (d)(2) is made.

"(2) All assets attributable to premium payments will be invested solely in common stock of domestic corporations.

"(3) Assets attributable to the contract will not be commingled with other property except in a segregated asset account established for such annuity contracts.

"(4) Premiums that are received by the insurance company during a particular taxable year will be allocated to a separate class year account. Dividends and capital gains and losses on stock attributable to the contract that are received or realized by the insurance company during a particular taxable year will be allocated among class year accounts on any reasonable basis. The interest of an owner in each class year account may not be paid or distributed before the end of the 7th taxable year following the taxable year for which such class year account was established, except in the case of death or disability.

"(5) The entire interest of the owner is nonforfeitable.

The owner may be granted, under such an annuity contract, the right to direct the insurance company as to the manner in which the common stock allocated to him is to be voted, and the power to control the investment of assets attributable to premium payments either by directing investments (including reinvestments, disposals, and exchanges) or by disapproving proposed investments (including reinvestments, disposals, or exchanges).

"(c) ACCOUNTS ESTABLISHED BY EMPLOYERS AND CERTAIN ASSOCIATIONS OF EMPLOYEES.—A trust created or organized in the United States by an employer for the exclusive benefit of his employees or their beneficiaries, or by an association of employees (which may include employees within the meaning of section 401(c)(1)) for the exclusive benefit of its members of their beneficiaries, shall be treated as American stock ownership plans (described in subsection (a)), but only if the written governing instrument creating the trust meets the following requirements:

"(1) The trust satisfies the requirements of paragraphs (1) through (6) of subsection (a).

"(2) There is a separate accounting for the interest of each employee or member.

The assets of the trust may be held in a common fund for the account of all individuals who have an interest in the trust.

"(d) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount paid or distributed out of American stock ownership plans or under an American stock ownership annuity shall be deemed to have been withdrawn first from contributions accepted for the taxable year in which the payment or distribution is received and then from the earliest class year accounts on a first-in, first-out basis. Amounts deemed to have been withdrawn from a class year account or accounts shall be included in the gross income of the payee, distributee, or individual for whose benefit such plan or annuity was established, as the case may be, for the taxable year in which the payment or distribution is received. The basis of any person in each class year account is zero.

"(2) CAPITAL GAINS TREATMENT.—Any amount deemed to have been withdrawn from a class year account established more than 7 years before the taxable year in which the payment or distribution is received, and any amount paid or distributed on account of the death of the individual for whose benefit the American stock ownership plans or American stock ownership annuity was established, shall be treated as a gain from the sale or exchange of a capital asset held for more than 6 months.

"(3) PREMATURE DISTRIBUTIONS.—

"(A) IN GENERAL.—If any portion of a payment or distribution from American stock ownership plans or under an American stock ownership annuity to or on behalf of the individual for whose benefit such plan or annuity was established is deemed to have been withdrawn from a class year account established during the 7 years before the taxable year in which the payment or distribution is received, then unless such payment or distribution is made on account of the death of the individual for whose benefit the plan or annuity was established, such individual's tax under this chapter for the taxable year in which such payment or distribution is received shall be increased by an amount equal to 10 percent of such portion of the payment or distribution.

"(B) DISABILITY.—Subparagraph (A) shall not apply if the amount paid or distributed is attributable to the taxpayer becoming disabled within the meaning of section 72 (m)(7).

"(4) ROLLOVER CONTRIBUTION.—An amount is described in this paragraph as a rollover contribution if it meets the requirements of subparagraphs (A) and (B).

"(A) IN GENERAL.—Paragraph (1) does not apply to any amount paid or distributed out of American stock ownership plans or under an American stock ownership annuity to the individual for whose benefit the plan or annuity was established if the entire amount received (including money and other property) is paid into an American stock ownership plan or an American stock ownership annuity for the benefit of such individual not later than the 60th day after the day on which he receives the payment or distribution. Any such amount shall, in the hands of the transferee, be deemed to be held in the same class year account as that from which the payment or distribution was made.

"(B) LIMITATION.—This paragraph does not apply to any amount described in subparagraph (A) received by an individual from American stock ownership plans or under an American stock ownership annuity if at any time during the 3-year period ending on the day of such receipt such individual received any other amount described in that subparagraph from American stock ownership plans or under an American stock ownership annuity which was not includable in his gross income because of the application of this paragraph.

"(5) EXCESS CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to American stock ownership plans or for an American stock ownership annuity to the extent that such contribution exceeds the amount allowable as a deduction under section 220 if—

"(A) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year,

"(B) no deduction is allowed under section 220 with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for whose benefit the plan or annuity was established for the taxable year in which received.

"(6) TRANSFER OF PLAN OR ANNUITY INCIDENT TO DIVORCE.—The transfer of an individual's interest in American stock ownership plans or an American stock ownership annuity to his former spouse under a divorce decree or under a written instrument incident to such divorce is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest at the time of the transfer is to be treated as American stock ownership plans or an American stock ownership annuity of such spouse, and not of such individual. Thereafter such plan or annuity for purposes of this subtitle is to be treated as maintained for the benefit of such spouse.

"(7) EFFECT OF PLEDGING PLAN OR ANNUITY ASSETS AS SECURITY.—If, during any taxable year of the individual for whose benefit American stock ownership plans for an American stock ownership annuity is maintained, that individual uses the plan or annuity or any portion thereof as security for a loan, the portion so used shall not be treated as distributed to such individual except to the extent that the lender forecloses upon the security.

"(e) TAX TREATMENT OF AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME.—

"(1) EXEMPTION FROM TAX.—Any American stock ownership plans for those of modest income is exempt from taxation under this subtitle unless such plan has ceased to be an American stock ownership plan by reason of paragraph (2). Notwithstanding the preceding sentence, any such plan is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

"(2) LOSS OF EXEMPTION.—

"(A) IN GENERAL.—If, during any taxable year of the individual for whose benefit any workingman's stock ownership plan is maintained, the plan engages in any one of the disqualifying transactions described in subparagraph (B), the plan will cease to be an American stock ownership plan as of the first day of such taxable year. For purposes of this paragraph, the separate account for any individual within an American stock ownership plan maintained by an employer or association of employees is treated as a separate American stock ownership plan.

"(B) DISQUALIFYING TRANSACTIONS.—For purposes of this paragraph, the term 'disqualifying transaction' means—

"(i) the acquisition of common stock from the individual for whose benefit the plan was established, except in the case of a rollover contribution described in subsection (d)(4);

"(ii) the acquisition of common stock for more than adequate consideration from a 'disqualified person' as defined in section 4975(e), applied as though the provisions thereof related to American stock ownership plans;

"(iii) the sale of common stock for less than adequate consideration to a disqualified person as so defined;

"(iv) borrowing to acquire common stock; or

"(v) loaning plan assets to the individual for whose benefit the plan was established without the receipt of adequate security and a reasonable rate of interest.

"(C) PLAN TREATED AS DISTRIBUTING ALL ITS ASSETS.—In any case in which a plan ceases to be an American stock ownership plan by reason of subparagraph (A) as of the first day of any taxable year, paragraph (1) of subsection (d) shall apply as if there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the plan (on such first day).

"(3) COMMINGLING AMERICAN STOCK OWNERSHIP PLAN AMOUNTS IN CERTAIN COMMON TRUST FUND AND COMMON INVESTMENT FUNDS.—Any common trust fund or common investment fund of American stock ownership plan assets which is exempt from taxation under this subtitle does not cease to be exempt on account of the participation or inclusion of assets of a trust exempt from taxation under section 501(a) which is described in section 401(a), or of an individual retirement account described in section 408(a).

"(f) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

"(g) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary or his delegate, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute American stock ownership plans for those of modest income described in subsection (a). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(h) REPORTS.—The trustee of an American stock ownership plan and the issuer of an American stock ownership annuity shall make such reports regarding such plan or annuity to the Secretary or his delegate and to the individuals for whose benefit the plan or annuity is, or is to be, maintained with respect to contributions, distributions, and such other matters as the Secretary or his delegate may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.

"(i) CROSS REFERENCE.—

"For tax on excess contributions to an American stock ownership plan or annuity, see section 4976."

SEC. 3. CONTRIBUTIONS TO AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. CONTRIBUTIONS TO AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME

"(a) DEDUCTION ALLOWED.—In the case of an individual, there is allowed as a deduction amounts paid in cash during the taxable year by or on behalf of such individual for his benefit—

"(1) to American stock ownership plans for those of modest income described in section 428(a), or

"(2) to an American stock ownership annuity described in section 428(b).

No deduction shall be allowed for the 2 taxable years succeeding the taxable year in which a payment on distribution taxable to such individual under section 428(d)(2) is made. For purposes of this title, any amount paid by an employer to such American stock ownership plan or for such an American stock ownership annuity constitutes payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of section 401(c)(1)) includible in his gross income, whether or not a deduction for such payment is allowable under this section to the employee after the application of subsection (b).

"(b) LIMITATIONS AND RESTRICTIONS.—

"(1) MAXIMUM DEDUCTION.—The amount allowable as a deduction under subsection

(a) to an individual for any taxable year may not exceed an amount equal to 15 percent of the compensation includible in his gross income for such taxable year, or $1,500, whichever is less, multiplied by a fraction, the denominator of which is $20,000 and the numerator of which is $20,000 minus the excess of such compensation over $20,000.

"(2) RECONTRIBUTED AMOUNTS.—No deduction is allowed under this section with respect to a rollover contribution described in section 428(d)(4).

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) COMPENSATION.—For purposes of this section, the term 'compensation' includes earned income as defined in section 401(c)(2).

"(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (b)(1) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.".

(b) DEDUCTION ALLOWED IN ARRIVING AT ADJUSTED GROSS INCOME.—Section 62 of such Code (defining adjusted gross income) is amended by adding at the end thereof the following new paragraph:

"(14) AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME.—The deduction allowed by section 221 (relating to American stock ownership plans).".

SEC. 4. TAX ON EXCESS CONTRIBUTIONS TO AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME.

Chapter 43 of the Internal Revenue Code of 1954 (relating to qualified pension, etc., plans) is amended by adding at the end thereof the following new section:

"SEC. 4976. TAX ON EXCESS CONTRIBUTIONS TO AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME.

"(a) TAX IMPOSED.—In the case of—

"(1) an American stock ownership plan (within the meaning of section 423(a)), or

"(2) an American stock ownership annuity (within the meaning of section 428(b)),

established for the benefit of any individual, there is imposed for each taxable year a tax in an amount equal to 6 percent of the amount of the excess contributions to such individual's plans or annuities (determined as of the close of the taxable year). The amount of such tax for any taxable year shall not exceed 6 percent of the value of the plan or annuity (determined as of the close of the taxable year). The tax imposed by this subsection shall be paid by such individual.

"(b) EXCESS CONTRIBUTIONS.—For purposes of this section, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the plans or annuities other than a rollover contribution described in section 428(d)(4)), over

"(B) the amount allowable as a deduction under section 220 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced by the excess (if any) of the maximum amount allowable as a deduction under section 220 for the taxable year over the amount contributed to the plans or annuities for the taxable year and reduced by the sum of the distributions out of the plans or annuities (for all prior taxable years) which was included in the gross income of the individual for whose benefit such plan or annuity was established under section 428(d)(1).

For purposes of this subsection, any contribution which is distributed from the plan or annuity in a distribution to which section 428(d)(5) applies shall be treated as an amount not contributed."

SEC. 5. PENALTY FOR FAILURE TO PROVIDE REPORTS ON AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME.

Subchapter B of chapter 68 of the Internal Revenue Code of 1954 (relating to assessible penalties) is amended by adding after section 6690 the following new section:

"SEC. 6398. FAILURE TO PROVIDE REPORTS ON AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME.

"(a) IN GENERAL.—The person required by section 428(h) to file a report regarding an American stock ownership plan or an American stock ownership annuity at the time and in the manner required by section 428(h) shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause.

"(b) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) does not apply to the assessment or collection of any penalty imposed by subsection (a)."

SEC. 6. CONFORMING AMENDMENTS.

(a) The second sentence of section 46(a)(4) of the Internal Revenue Code of 1954 (relating to investment credit) and the second sentence of section 50A(a)(3) of such Code (relating to work incentive credit) are each amended by inserting after "certain retirement accounts)," the following: "section 428(d)(3)(A)(ii) (relating to additional tax on income from certain American stock ownership plans),".

(b) Subparagraph (A) of section 56(c) of such Code and subparagraph (A) of section 56(e)(1) of such Code (relating to minimum tax for tax preferences) are each amended by striking out section "531" and inserting in lieu thereof "428(d)(3)(A)(ii), 531".

(c) Subparagraph (B) of section 801(g)(1) of such Code (relating to contracts with reserves based on a segregated asset account) is amended by adding at the end thereof the following new sentence: "An American stock ownership annuity (as defined in section 428(b)) shall be deemed to meet the requirements of clause (ii)."

(d) Section 801(g)(7) of such Code is amended to read as follows:

"(7) BASIS OF ASSETS HELD FOR QUALIFIED PENSION PLAN CONTRACTS AND AMERICAN STOCK OWNERSHIP ANNUITY.—In the case of contracts described in subparagraph (A), (B), (C), (D), or (E) of section 805(d)(1), or in section 428(b), the basis of each asset in a segregated asset account shall (in addition to all other adjustments to basis) be—

"(A) increased by the amount of any appreciation in value,

"(B) decreased by the amount of any depreciation in value,

to the extent that such appreciation and depreciation are from time to time reflected in the increases or decreases in reserves or other items in paragraph (6) with respect to such contracts."

(e) The third sentence of section 901(a) of such Code (relating to foreign tax credit) is amended by inserting after "certain retirement accounts)," the following: "against the tax imposed for the taxable year under section 428(d)(3)(A)(ii) (relating to additional tax on income from certain American stock ownership plans),".

(f) Section 3401(a)(12) of such Code (relating to exemption from collection of income tax at source on certain wages) is amended by adding at the end thereof the following new subparagraph:

"(E) for a payment described in section 220(a) if, at the time of such payment, it is reasonable to believe that the employee will be entitled to a deduction under such section for such payment; or".

(g) Subsection (d) of section 6047 of such Code (relating to information relating to certain trusts and annuity and bond purchase plans) is amended to read as follows:

"(d) OTHER PROGRAMS.—

"(1) INDIVIDUAL RETIREMENT SAVINGS.—To the extent provided by regulations prescribed by the Secretary or his delegate, the provisions of this section apply with respect to any payment described in section 219(a) and to transactions of any trust described in section 408(a) or under an individual retirement annuity described in section 408(b).

"(2) AMERICAN STOCK OWNERSHIP PLANS FOR THOSE OF MODEST INCOME.—To the extent provided by regulations prescribed by the Secretary or his delegate, the provisions of this section apply with respect to any payment described in section 221(a) and to transactions of any plan described in section 428(a) or under an American stock ownership annuity described in section 428(b)."

(h) Section 4(b) of the Employee Retirement Income Security Act of 1973 is amended—

(1) by striking out "or" at the end of paragraph (4),

(2) by striking out the period at the end of paragraph (5) and by inserting in lieu thereof "; or", and

(3) by adding at the end thereof the following new paragraph:

"(6) such plan is American stock ownership plans for those of modest income (as defined in section 428(a) of the Internal Revenue Code of 1954) or an American stock ownership annuity (as defined in section 428(b) of such Code)."

SEC. 7. CLERICAL AMENDMENTS.

(a) The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out the item relating to section 220 and inserting in lieu thereof the following:

"Sec. 221. Contributions to American stock ownership plans for those of modest income.

"Sec. 222. Cross references."

(b) The table of parts for subchapter D of chapter 1 of such Code is amended by adding at the end thereof the following:

"Part III. American stock ownership plans for those of modest income."

(c) The table of sections for chapter 43 of such Code is amended by adding at the end thereof the following new item:

"Sec. 4976. Tax on excess contributions to American stock ownership plans for those of modest income."

(d) The table of sections for subchapter B of chapter 68 is amended by inserting after the item relating to section 6697 the following new item:

"Sec. 6698. Failure to provide reports on American stock ownership plans for those of modest income."

SEC. 8. EFFECTIVE DATES.

(a) The amendments made by sections 1 through 3 shall take effect on July 1, 1977, and shall apply to taxable years beginning after December 31, 1976.

(b) The amendments made by sections 4 through 7 shall take effect on July 1, 1977.

Mr. CURTIS. This amendment is identical with the bill I introduced along with other cosponsors S. 736, the Broadened Stock Ownership Plan, BSOP.

not lost their sense of fiscal responsibility, but we are championing a concept today. Tomorrow or the next day we will be asked to vote for a $4 billion boondoggle in public works jobs and spending. When we appropriate money to create a make-work job, it runs for a year. What happens at the end of the year? The money is gone and the man is out of work again.

We are actively responsible over here, but we say that we have faith in private enterprise; that this economy will go forward if we remove some of the impediments.

In spite of the growth of the country, we have far fewer individuals owning stock in America than ever before. It takes an investment to create a business, and it takes a business to provide jobs.

This amendment is sometimes called BSOP, broadened stock ownership plan.

The American stock ownership plan will provide an incentive for taxpayers in the low and moderate income brackets to buy and hold common stocks in American industry.

How does it work? A taxpayer, for any taxable year, may deduct up to 15 percent of his earned income for such taxable year or $1,500, whichever is less. The plan is so drawn that the maximum allowable deduction of $1,500 would be available for a taxpayer with earned income of $20,000 and thereafter the amount deductible would be phased down to zero at $40,000 income.

Will this provision provide a benefit for taxpayers whose annual income from any source exceeds $40,000? The answer is "No."

This, Mr. President, is an opportunity for the have-nots to become owners of the American industry. It is limited to people of modest income, those who have enough money or enough earned income. They are not getting all the fringe benefits; they are not getting food stamps. They spend all their lives working with their hands to provide their daily bread and here is an incentive for them to become owners.

How long must the stocks be held? Seven years.

If the stocks are held for 7 years and then sold, how are the proceeds taxed? As capital gains.

If dividends are received on the stocks, how are they taxed? As ordinary income.

What are the arguments in favor of this amendment? What good will it accomplish? It will provide additional needed capital for American industry.

It opens the door to everybody, it does not make any difference where they work. They may be self-employed. They can take 15 percent of their income or $1,500, whichever is less, and buy stock and get a tax deduction for their expenditure. The maximum $1,500 is reached at $20,000 earned income. It phases down to zero at $40,000.

The individual with great property or very much property and income will not get anything in this.

Second. It will provide broadened ownership for American industry. Why not make the American dream available to all? Everyone here has read and heard about individuals who, somehow, bought a few shares every month, kept it for 30 or 40 years, and they became financially independent. Here is an incentive and an assistance to help people do those things.

Third. It will provide a tax break for low-income taxpayers who depend on their own earnings.

If they quit work, we would heap tens and tens of thousands of dollars of taxpayers' money upon them, rent subsidies, housing subsidies, school lunches, breakfasts, food stamps. If they are unemployed, medicaid. All of these things. That is why so many people find it more profitable to be unemployed than employed.

Here is something that we can do for people who pay their own way.

Fourth. It will promote thrift and savings.

Fifth. It will provide an incentive for taxpayers, particularly young taxpayers, to start a stock ownership plan and build an estate, thus contributing to self-reliance and lessening the ultimate need for additional social and welfare benefits.

Why do we have budget problems? Does the Federal Government have budget problems? We have budget problems because everyone turns to the Treasury of the United States to solve all problems. We have a large budget because, for all the contingencies of life, whether it is age or illness or whatnot, we turn to the Government. This will be of some help in reversing the trend and making it possible for people to take care of themselves.

Why is it that the great rank and file of working citizens must turn to their Congressmen and Senators and say, "Our costs are such that my paycheck is all gone, please vote in a program to take care of us"?

This will reverse that trend. This is the type of thing that will meet our budget problems. Our budget problems will only be solved when there are less Government programs. Assuming enactment effective January 1, 1978, the staff of the Joint Committee on Internal Revenue Taxation has determined that the revenue estimates for this program are less than $50 million for fiscal year 1978.

Imagine, $50 million to help people who support themselves to save a little bit when they are knocking on the door out here with a conference report for $4 billion of boondoggle. Four hundred and ten million dollars for fiscal year 1979 and $469 million for fiscal year 1980.

That is all it would cost to make the American dream of people who start out poor and work hard become owners in America. That is all it would cost. The revenue effect of this program depends on how many people will take advantage of it. It will take a while to get in motion, and the results, the improvement to our economy, the lessening of the pressure for Government expenditures and programs, will be great.

Mr. President, I am not unaware that there are not votes present to carry this, but I am also very much aware that turning it down is embracing statism, government, more relief, more welfare, and making it harder for the people of low income who work with their hands all their lives to support themselves, to accumulate something, and establish an independent position. Those are the people to whom we should open up the door and let the American dream come true.

Mr. President, I yield the floor to the Senator from Indiana. We do not have controlled time.

Mr. LUGAR. Mr. President, may I have some time?

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. I thank the Chair.

Mr. President, I associate myself with the remarks of the Senator from Nebraska. I think it is tremendously important, as we discuss tax policy and think about the revival of our economy, the acceleration of that economy, and the movement toward full employment, to think through again one facet of the capital question. Clearly, the problem that has been expressed by so many in America is that persons of little means, or persons of moderate income and moderate means, have not been participating fully in our American economy because they do not own very much of it.

The problems have become more acute due to inflation in the last few years because so many people have simply found it very difficult to keep pace with the cost of living. They have probably suffered substantial reversals and, even in the case of fairly affluent families, some reversals in terms of true income. The ability to put away money for saving, to say nothing about investing it in equity stocks, has not been present for them.

The purpose of this amendment—and it is a very important purpose—is to try to break through this cycle in which people of moderate and low income in this country, who want to be a part of our capital structure, have incentive to do that, really a very substantial incentive, provided in this amendment. I wish to recognize how disparate this ownership presently is and how adverse, really, to those of low and moderate income.

For example, I quote from the Internal Revenue Service tables of 1971: Families with less than $5,000 of income in this country at that time held only 2.4 percent of the aggregate market value of common stocks in this country. Those in the $5,000 to $9 999 brackets held only 7 percent, in addition; those in the $10,000 to $15,000 bracket, 8.9 percent; at $15,000 to $25,000, 12.8 percent.

Then we accelerate more rapidly. Those with income from $25,000 to $50,000 held 17.8 percent; $50,000 to $100,000, 20.9 percent. Those with incomes of $100,000 or over own 30.2 percent of the common stocks in this country.

Very frequently, people of a liberal persuasion have lamented this fact, that those of high income, and, sometimes, those of very large net worth in this country own an abnormal amount of the common stocks in the country. I suspect that it is important, as we take a look at a restructuring that might bring new growth in our economy, that we think how we might bring new growth of hope and very effective ownership, for

that matter, by those of low and moderate income.

I think this is a very effective means of bringing this about, and it is time to think about it.

Clearly, we are facing, if not a capital shortage in the country, a need to accelerate capital accumulation. That can occur in many ways. It can occur in large corporate earnings. It can occur with the Federal Government simply aggregating more money and investing in one way or another in capital expenditures, as we are inclined to do. But I think that a course that ought to be followed is that of encouraging persons of low and moderate income to invest in common stocks. Obviously, the incentive factor here is that a deduction of 15 percent of income could be set aside for them to do so so long as these stocks were held in trust for at least a 7-year period of time.

It is not a suggestion that is radical or very different from the IRS proposals and others that are being offered in various other committees of this body with regard to housing. We are talking today specifically about common stock ownership and owning part of the assets of this country.

I am hopeful that the U.S. Senate will take a very good look at the prospects here, as well as at the tables of ownership presently, and really strike a blow for those of low and moderate income who want to participate in capitalism in this country. I think that we have a vehicle with which to do so. Therefore, I ask the support of this body for the amendment which has been introduced by my colleague, the distinguished Senator from Nebraska (Mr. CURTIS).

Mr. CURTIS. Mr. President, I thank the distinguished Senator from Indiana for his helpfulness. This is something that it is very evident that the majority are not going to allow to be placed in this bill at this time. I think it is a very great mistake. I think that the Carter package for our economy is awfully bad medicine. I think it is going to do more harm than good, and I believe these private enterprise approaches are going to be much better. However, I am aware that we have a rule and a tradition here that an amendment has to have a majority vote in order to be adopted.

It is quite a task to impose upon the reading clerks and the others every time, so, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Are there any further amendments?

UP AMENDMENT NO. 162

Mr. CURTIS. Mr. President, I offer an unprinted amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. CURTIS) proposes unprinted amendment No. 162.

At the appropriate place add a new section as follows:

That (a) section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends received by individuals) is amended by striking out "$100" each place it appears, and by inserting in lieu thereof the following: "$600 ($1,200 in the case of a husband and wife making a joint return under section 6013)".

(b) The amendments made by this section apply to taxable years beginning after December 31, 1977.

Mr. CURTIS. Mr. President, this would raise the dividend exclusion to $600 a year. This, along with these other proposals, would go a long way toward giving us a vibrant economy that will grow and provide jobs. Unfortunately, the administration and the majority have some different ideas. We are going to spend billions creating manmade jobs. Sure, they will be fine for the fellows who are on them. But it solves nothing. At the end of the year, the money is gone and they become unemployed again. So what we ought to do here is do those things that will cause our private enterprise system to grow.

If we make a change in tax laws—and everybody knows they are harsh, and everybody knows that they retard activity in investment—if we make some changes in those and someone hires an additional employee, or three or four, or starts a new business, if it succeeds, it does not last for just a year. It goes on and on. Other things take off from it, and that is the way great industries are built.

Now, Mr. President, why is it that there are fewer people today that are owners in America than before? In 1969, we had a labor force of 80 million and we had 30 million investors. By 1975, the labor force had grown to 93 million, but the investors had dropped down to 25 million.

If investors had invested in 1975 as they did in 1968, there would have been 35 million of them. That is a loss of 10 million people who would have been investing. The size of their investments have dropped.

Here is something else, Mr. President. The well-financed industries have research departments, improved equipment, modern technology, they pay the highest wages and they do the best job in competing against foreign production, but when they are crippled they cannot do that, they hire fewer people, do a poorer job of competing and because they are just tugging along, they are not able to pay the highest of wages.

This proposal would be an inducement for more ownership in America.

The previous amendment that I offered was to get people of very low income, reaching the maximum of $20.000, to become started. This would take care of everybody.

Corporate income is taxed twice. A corporation is created and it pays the corporate tax. Then if there is any profit, it is distributed, they pay it to the shareholders and they pay again.

We ought to be in here with something to grant relief in a greater way from the double taxation of dividends. But this is a starter. It is a little something we can do.

In the tax return, we could exclude $100 in dividends, and what is proposed is $600.

All the arguments that I made for more investments apply to this, but it also deals with the very important thing that is the double taxation of the same earnings.

A corporation pays a tax of 48 percent on everything it earns. That is a hefty tax. Then they distribute those profits and the person who receives them is taxed again, at ordinary rates, except that he can exclude $100 of that.

This would be a small step in relieving us from the double taxation of dividends.

Mr. President, this program that the minority offered is far more financially responsible than the program we are trying to counteract where billions of dollars will be spent each year, will cure nothing, will discourage investment, and will not do anything to make us more competitive in the world, nothing to give us more jobs.

In those bills, they talk about billions. This would only cost $200 million each year.

Mr. President, I may have something further to say in a moment.

Mr. HATCH. Will the Senator yield to me?

Mr. CURTIS. I am happy to, but it is not controlled time.

Mr. HATCH. Fine.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from Utah.

Mr. HATCH. Mr. President, the Tax Reform Act of 1969 and the subsequent revisions through 1976 have so drastically deteriorated the personal investment climate in this country that more than 10 million people who normally would be investors in our free enterprise system have decided not to invest. At an average investment portfolio size of $10,000, over $100 billion has not been invested by individuals who were motivated not to invest by the severe penalties of the 1969–76 tax laws. The result has been significant increases in the Consumer Price Index, unacceptable increases in the rate of unemployment and continuing Federal budget deficits.

Four specific provisions in the tax laws during this period have been responsible for this serious deterioration of the personal investment climate in the United States:

First. Capital gains taxes have increased from 25 percent to between 42½ and 51½ percent as a maximum.

Second. Capital loss writeoffs have been reduced from 100 to 50 percent since 1969.

Third. Excess investment interest has now been limited to $10,000.

Fourth. Minimum taxes and tax preferences associated with capital gains have increased individuals' taxes from 30 to 35 percent.

If our country is to have any possibility of reducing unemployment, controlling inflation, and balancing our national budget, there must be a significant improvement in the investment climate.

I have been very interested today to hear the comments by some members of the majority. I have been very impressed that they are concerned about further budget deficits.

The fact of the matter is that a lot of these suggestions we have been bringing up have been opposed, because they

might lead to further budget deficits in the eyes of certain members of the majority, even though our arguments, and I think the arguments of many sound economists, are that they would decrease the budget deficits.

In this particular case, the $100 dividend exclusion was put in with the small investor in mind.

When it was put in, prices were a lot lower and money would buy more. Today, the $100 dividend exclusion is not much help to the small investor and, basically, it is no incentive to attract capital into American industry.

For the past few years, the number of small stockholders in American business has been declining. We need to restore the value to the small investor of the dividend exclusion, which has been eroded by inflation. Enlarging the exclusion to $600 will restore the real value of the exclusion and encourage the small investor to increase his ownership stake in the American economy.

We have 31 million investors in America and in the free enterprise system, but we should have many more than that. I think many more people would invest if they had the $600 dividend exclusion.

If many more would, and, specifically, the 10 million I have spoken of, they would have an average portfolio size of $10,000 which would produce somewhere in the neighborhood of $100 billion invested capital in American business.

We are talking about millions of jobs that would last. Millions of private sector jobs versus the public sector jobs. Public sector jobs continue to throw us more and more into deficit financing and huge budgetary deficits that add to this national debt we all know exists, the interest against which is more than the total Federal budget was just 25 years ago. I might mention, that interest is the third largest budgetary item in the Federal budget.

The thing that bothers me is that I think we ought to be encouraging the average American to invest in the free enterprise system, because in so doing he is going to start to have a greater understanding and knowledge about how the free enterprise system works, he will have incentives to see that it works. He will then understand that the salvation of this country is not more Federal Government employment. The answer is more private employment by stable companies that have more invested capital to stimulate more jobs and train more people who will then be paying taxes. And of course, this will help to bolster such items as the social security system that we know is now in a $2 trillion to $4 trillion unfunded status.

We need some of these incentives for the little guy in America. Sometimes I wonder whether it would not be better for all Americans if we could provide incentives to individuals who are not high-wage earners to get into the great American free enterprise system and invest in it. But under the present circumstances, I am afraid we are defeating that opportunity. In a real sense, we are only encouraging the Federal Government to continue deficit spending programs and to continue the large budget deficits. This is hurting the average citizen in America.

Mr. KENNEDY. Mr. President, I hope this amendment will not be accepted by the Senate this afternoon.

There are a few items that should be pointed out during the course of the debate on this measure. One is the cost to the Treasury. It is my understanding that it is close to $1.3 billion a year. If that is the cost to the Treasury, we should think of where the benefits are going to go. More than two-thirds of the benefits are going to go to those in the top income brackets in this country. That is a factor which should be understood very clearly as we begin this debate. The fact that it is a deduction instead of a credit means that the largest benefits go to the wealthiest individuals.

Furthermore, the proponents are interested in trying to bring new investors into the stock market. But there is no suggestion that this $600 exclusion would be only for new investors. It would be available to all present investors, too; therefore, it would be a windfall to those already receiving large amounts of dividends.

It is not keyed to new investors. It will be an extraordinary windfall to those who already are investing.

Mr. President, we have to ask ourselves why this tax subsidy is needed in our free economy to move people into stocks and move them away from savings accounts or savings and loans, which are the basis for new housing and new building construction, or to take them out of municipal bonds, by which municipalities are facing up to their responsibilities, or to move them out of corporate bonds. Why do we want to add this particular incentive?

What is the justification, what is the wisdom, what is the economic rationale for using the Internal Revenue Code to move people into that type of investment? If the economy is strong, investors will come out of the woodwork. It does not seem to me to be wise, nor do I think the case has been made here this afternoon for this sort of Federal intervention and Federal subsidy.

There is a point which the proponents make which I feel does deserve attention, and that is the problem of corporate dividends being taxed on two occasions. President Carter has talked about this issue. It is a matter of concern to me. He has indicated that it may be part of the recommendations to be made in September. It has important implications in terms of other factors affecting investment and the development of investment capital.

It seems to me that it is important that we deal with that issue, because I think there may be cases in terms of equity and fairness, but it has other implications which ripple out from action that is taken.

So, Mr. President, I hope that this amendment will not be agreed to by the Senate.

Mr. CURTIS. Mr. President, I am about to withdraw the amendment; but before I do so, I should like the RECORD to show that the Senate had an opportunity to grant some relief from the double taxation of dividends, but the Senate went in another direction.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Are there further amendments?

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 220

Mr. KENNEDY. Mr. President, I call up amendment 220 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment No. 220.

The PRESIDING OFFICER. Without objection, the reading of the amendment will be waived, and the amendment will be printed in the RECORD.

The amendment is as follows:

On page 89, lines 8 and 9, strike out "At the election of the taxpayer, there" and insert in lieu thereof "There".

On page 89, beginning with line 12, strike out through line 5 on page 90.

On page 90, line 6, strike out "'(c)" and insert in lieu thereof "'(b)".

On page 103, beginning with line 3, strike out through line 22 on page 104 and insert in lieu thereof the following:

"(d) REFUND OF PORTION OF INVESTMENT CREDIT.—

"(1) Paragraph (3) of section 46(a) (relating to limitation based on amount of tax) is amended to read as follows:

"'(3) LIMITATION BASED ON AMOUNT OF TAX.—

"'(A) Notwithstanding paragraph (1) and except as provided in subparagraph (B), the credit allowed by section 38 for the taxable year shall not exceed—

"'(i) so much of the liability for tax for the taxable year as does not exceed $25,000, plus

"'(ii) for taxable years ending on or before the last day of the suspension period (as defined in section 48(j)), 25 percent of so much of the liability for tax for the taxable year as exceeds $25,000, or

"'(iii) for taxable years ending after the last day of such suspension period 50 percent of so much of the liability for tax for the taxable year as exceeds $25,000.

"'(B) If the amount determined under paragraph (1) for the taxable year exceeds the limitation imposed by subparagraph (A) for the taxable year, and the excess is attributable (in whole or in part) to the amount determined under subparagraph (B) of paragraph (1), then the amount of the credit allowed by section 38 for the taxable year shall be increased (over the amount of the limitation imposed by subparagraph (A)) by an amount equal to so much of the excess so attributable as does not exceed the smaller of—

"'(i) 50 percent of so much of the liability for tax for the taxable year as exceeds $25,000, or

"'(ii) one-third of the amount of the excess so attributable.

"'(C) In applying clause (iii) of subparagraph (A) to a taxable year beginning on or before the last day of such suspension period and ending after the last day of such suspension period, the percent referred to in such subparagraph shall be the sum of 25 percent plus the percent which bears the same ratio to 25 percent as the number of days in such year after the last day of the suspension period bears to the total number of days in such year. The amount otherwise determined under this paragraph shall be reduced (but not below zero) by the credit which would have been allowable under paragraph (1) for such taxable year with respect to suspension property but for the application of section 48(h)(1).'.

"(2) Paragraph (1) of section 46(b) (relating to general rule for carryback and carryover of unused credits) is amended by inserting after 'subsection (a)(1)(B)' the second time it appears the following: 'shall be reduced by the amount of any overpayment made under the last sentence of section 6401(b) and, as so reduced,'.

"(3) Section 6401(b) (relating to amounts treated as overpayments) is amended by adding at the end thereof the following sentence: 'Except in the case of an organization which is exempt from the tax imposed by chapter 1, there shall be considered as an overpayment the amount by which one-third of the amount determined under clause (ii) of section 46(a)(3)(B) exceeds the amount determined under subparagraph (B) of section 46(a)(3).'.

"(4) The amendments made by this subsection shall apply to—

"(A) property to which subsection (d) of section 46 of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is completed by the taxpayer after December 31, 1976, but only to the extent as a basis thereof attributable to construction, reconstruction, or erection after such date and before January 1, 1981,

"(B) property to which such subsection (d) does not apply, acquired by the taxpayer after December 31, 1976, and before January 1, 1981, and placed in service by the taxpayer before January 1, 1981, and

"(C) property to which such subsection (d) applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) with respect to qualified progress expenditures made after December 31, 1976, and before January 1, 1981.".

On page 114, line 3, strike out "The amendments" and insert in lieu thereof "except as otherwise provided in this section, the amendments".

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield for a question?

Mr. KENNEDY. I yield.

Mr. ROBERT C. BYRD. Mr. President, would the Senator agree to a 1-hour time limitation on the amendment, to be equally divided?

Mr. RIBICOFF. It is satisfactory with me.

Mr. CURTIS. May we inquire what the amendment is about?

Mr. KENNEDY. It is a refundable investment credit amendment, a very commendable one. [Laughter.]

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be such a time limitation on the amendment.

The PRESIDING OFFICER. Is there objection? There being no objection, the time is limited to 1 hour on this amendment, to be equally divided.

Who yields time?

Mr. KENNEDY. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. KENNEDY. Mr. President, the purpose of this amendment is to substitute a one-third refundable investment credit for the alternative 2-percent investment credit in the committee bill. The refundable credit would be in addition to the jobs credit. A firm could take both. By contrast, under the committee bill, a firm much choose either the jobs credit or the investment credit.

Mr. President, if this amendment is adopted, there would be no net change in the revenue effect of the present legislation. The cost of the refundable credit is essentially the same as the 2-percent investment credit which it replaced.

Mr. President, I would like to make a brief explanation, then outline very quickly the types of firms that would be benefited under this program, and then point out some of the current inequities and, finally, review very briefly the history of the concept of refundability of credits in the Senate.

Under present law, a taxpayer can take the 10-percent investment credit in an amount equal to no more than 50 percent of the taxpayer's tax liability. For airlines and railroads, the limit was raised to 100 percent—the 100-percent fill-up—by the 1976 act; utilities received the 100-percent fill-up in 1975.

Any credit in excess of this amount is disallowed in the current year, even though the investment has been made in that year, but can be carried back 3 years, or forward for 7 years to offset past or future tax liability.

A taxpayer who has no tax liability for the year gets no current benefit from the investment credit even though he has made qualified investments. Many firms that need help the most will not receive any current benefit from the credit. No firm can qualify for the credit, unless it incurs some tax liability. And even firms with some tax liability may be ineligible for the benefits, or for the full amount of the benefits, because of the limitations that apply to the credit.

The amendment guarantees that virtually every firm will receive some stimulus from the tax package. The amendment achieves this result by providing for partial—one-third—refundability of the present 10-percent investment tax credit. A firm will calculate the amount it would receive if the credit was fully refundable and receive a refund equal to one-third of that amount—the one-third level was chosen to produce the same $1.2 billion revenue effect as the 12 percent investment credit.

For example, assume that during the recession, a firm suffered substantial losses, and will not incur any tax liability for 1977. However, in 1977 the firm is experiencing a recovery and buys new machinery and equipment costing $1 million. The firm would qualify for a 10-percent investment credit equal to $100,000. Under present law, the firm would receive no tax benefit at all. By contrast, under the proposed amendment the business would receive a 1977 tax refund of $33,333, or one-third of $100,000. The remaining $66,667 of investment credit would be carried forward, as under present law.

Or, as another example, assume a firm that is expanding would incur a 1977 tax of $100,000 on its income. It buys machinery and equipment costing $2 million. Under present law, it can use the investment credit to offset only 50 percent of its tax liability. Therefore, in 1977, it can use only $50,000 of its available $200,000 investment credit. Under the proposed amendment, it could take an additional $50,000 credit in 1977, or one-third of the remaining $150,000.

There are at least five categories of firms that would receive the benefits of the investment credit. All of these firms would be penalized by increasing the credit to 12 percent:

New firms, with large initial investment expenses;

Firms hurt by the recession, with little or no tax liability because of large loss carryovers from the recession;

Rapidly growing firms, with substantial investments compared to tax liability;

Small businesses, with large investments compared to tax liability, or with investments bunched in 1 year, and

Firms currently in financial difficulty, but still making investments.

Mr. President, new firms frequently do not incur any tax liability for the first several years they are in business, since their large start-up costs often exceed their income. Nonetheless, these firms must make significant investments in machinery and equipment. It is no help to these firms to tell them that they will get an investment credit seven years from now. They need financial assistance now to help pay for the costly machinery and equipment that they require in order to get started in their operations. The current 10 percent investment does not provide that assistance. Increasing the current credit to 12 percent is even more restrictive, since firms bumping against the present limits will be unable to use the additional 2 percent. But a partially refundable credit can give new firms immediate cash to help offset costs of vital plant machinery and equipment.

Other firms, over the past 3 years, have suffered losses due to the severe recession in the economy. These losses resulted not from mismanagement, but from poor economic conditions over which they had no control. However, for tax purposes, these losses will reduce or eliminate their tax liability during 1977 and 1978. An additional 2 percent investment credit is of no help to these firms; it merely increases the carryover of already unusable investment credits. A refundable investment credit will provide needed immediate stimulus for these firms to make capital investments.

Many rapidly expanding firms are already at or above the 50 percent limit. However, these firms are still expanding their capital investments; they are pre-

cisely the firms that should be provided encouragement. The refundable investment credit provides that incentive.

Refundability of the investment credit means that firms which suffered losses during the recession, new businesses with large initial expenses, and rapidly expanding firms will be able to obtain some benefit from the credit. I believe these are the firms on which the Senate should focus its tax stimulus effort at this time, rather than the large corporations with comfortable profit margins, which can make capital investments without further Federal financial aid.

According to Treasury estimates, only 68 percent of the eligible investment credits at the 10 percent level for 1977 will actually be claimed on 1977 tax returns. If the credit goes to 12 percent, only 56 percent of the credits would be claimed, as more and more firms become trapped by the limits of the credit.

If $1.2 billion is to be spent for business tax relief through the investment credit, it is better to distribute that relief to firms that currently do not get any benefit from the credit, not to the 68 percent of the firms that already do get the benefit.

Increasing the current 10 percent credit to 12 percent simply provides a windfall to firms that were already going to invest in any event.

Moreover, 2 percent increase is a drop in the bucket for firms already using the 10 percent credit. A one-third refundable credit means that firms not benefiting at all from the present credit would receive a 3.3 percent credit, or almost two times—67 percent—greater stimulus than the 2 percent credit. In fact, the stimulus is even greater, since going from 0 to 3.3 percent is more significant than going from 10 to 12 percent.

The refundable credit is not a reward for inefficient or mismanaged or failing firms. In fact, the present rules unfairly penalize firms with financial difficulties. A refundable credit makes an investment cost the same for all firms. The problem under the current credit is that its benefits go only to well-off firms. Rather than calling a refundable credit "welfare" for failing firms, it would be more accurate to call the current credit "welfare" for wealthy firms.

The current credit is an unfair and discriminatory subsidy: The investment credit is the major program by which the Federal Government provides financial assistance to industry. In fiscal year 1977, $8.6 billion will go to corporations and $2 billion to individuals, for a total investment subsidy of $10.6.

Because of its present limitations, however, the program is inequitable and discriminatory. Two firms can make identical investments, yet one of them may receive the investment credit currently and one may not.

When General Motors buys a $100,000 machine, it pays only $90,000 because of the investment credit. It makes no sense to say that American Motors must pay the full $100,000 for the same machine. Yet this is precisely the discrimination caused by current law, which favors wealthy firms at the expense of less affluent and struggling firms.

If the investment credit program were run as a direct subsidy program through the Commerce Department, no one would try to condition the subsidy for capital investment on the amount of a taxpayer's income tax liability to the Treasury. Instead, two taxpayers who made a $100 investment would receive a $10 Commerce Department check, regardless of their tax situation. The refundable amendment moves us in the direction of this more rational system.

In effect, the current law allows a profitable corporation to buy a $100 machine for $90, whereas an unprofitable corporation must pay the full $100. There is no economic justification for this discrimination, which distorts the free market by allowing some firms to purchase assets for 10 percent less than other firms. This discrimination will increase if the investment credit is raised to 12 percent. A refundable credit would end this discrimination by making the cost of assets the same for all companies.

Mr. President, the distribution of the current investment credit is extremely inequitable.

Two-thirds of the present $11 billion credit, or $7 billion, goes to the top 0.1 percent of corporations. A 2 percent increase in the credit will have little impact on the capital investment programs of these giants.

Only 2.9 percent of credit goes to the bottom 71 percent of corporations.

In 1975, four firms received 20 percent of the credit:

	Million
A.T. & T.	$750
GM	95
Exxon	59
U.S. Steel	51

Thus, the 12 percent credit is tax relief for these four giants.

Thirty-nine corporations claimed credits of $10 million or more each. These firms claimed 30 percent of the total profit.

Of the $1.2 billion cost of the refundable credit, for investments made in 1978, four-tenths of a billion would go to firms with zero or negative taxable income, and seven-tenths would go to firms with positive taxable income.

Mr. President, the comparative distribution of the current credit and the refundable credit is very interesting:

Seventy-three percent of the current credit goes to firms with taxable income over $10 million; only 44 percent of the refundable credit would go to such firms.

Twelve percent of the refundable credit goes to firms with taxable income of $500,000 or less; 42 percent of the refundable credit would bo to such firms.

In addition, Mr. President, there are numerous precedents for refundable credits in the Senate:

In 1975, under Senator LONG's leadership, Congress enacted the first refundable credit—the $400 earned income credit for low-income workers.

In 1976, the Senate adopted refundable energy tax credits to encourage the goal of energy conservation. The provisions were later dropped in the conference with the House.

In 1976, the Senate also voted to make the child care credit refundable, but the refundable feature was dropped in the conference with the House.

In 1974, the Treasury, under Secretary Simon, proposed that the then existing 7-percent investment tax credit be made refundable.

On April 7, 1977, Senator LONG introduced S. 1270, a bill to make the investment credit refundable on a permanent basis.

In 1974, the investment credit was increased from 7 to 10 percent, thereby exacerbating the discrimination against firms that do not qualify for the credit. Before the credit is increased again, the benefit of the incentive should be extended to all firms by making the credit refundable. There is no economic evidence that the increase to 10 percent was a significant incentive to capital investment.

On March 8, the House voted 341 to 74—almost a 5 to 1 margin—to substitute the jobs credit for the 12-percent investment credit.

Mr. President, I ask unanimous consent that a table comparing the distribution of the 12-percent credit and the refundable credit may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative benefit distribution: 2 percent increase in current investment credit versus Kennedy refundable investment credit—distribution by taxable income of corporation

Taxable income	Percent of corporations	Percent of benefit from 2 percent increase	Percent of benefit from refundable credit
Less than $50,000	78	4	36.5
$50,000 to $100,000	10	2	1.9
$100,000 to $500,000	10	5.7	3.8
$500,000 to $1,000,000	1	2.6	1.8
$1,000,000 to $10,000,000	1	12.3	12.0
Over $10,000,000	0.2	73.3	44.1
Total	100.0	100.0	100.0

Mr. KENNEDY. Mr. President, what we are attempting to do with the investment credit is to modernize our plants and factories in this country. We are attempting to provide a stimulus for that. It seems to me, Mr. President, that not many industries or businesses will be interested when we say, "We are going

to give you an investment credit, but you will not be able to take advantage of it until 5 or 7 years from now."

What is needed is modernization at the present time. What is needed is additional resources for new and expanding corporations at the present time, and not well down the road.

Finally, as I have mentioned, I think this amendment commends itself on the basic issue of equity. Without this proposal, with the expansion of the 10- to 12-percent credit, the more successful firms, those with sizable profits, will be able to purchase new equipment at a 12-percent discount, when their competition must pay the full amount. That is not fair. It violates the principles of fair competition and the Federal Government should not be a party to such tactics.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. KENNEDY. I yield myself 2 minutes more.

It does not make a great deal of sense, if our purpose is to modernize plants and increase productivity, to say we are going to give a tax benefit, but only to those companies which are the most successful and in the most favorable financial position.

Mr. President, I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and seek recognition.

Mr. RIBICOFF. Mr. President, I withdraw the request for the quorum call and yield the Senator 3 minutes.

Mr. BENTSEN. Mr. President, the Members of the Senate Finance Committee discussed the issue of refundable investment tax credits during the markup of H.R. 3477. There was substantial sentiment for this concept. However, due to the complexity of this issue, we decided that further study was clearly needed. Thus, it would be more appropriate to handle a major tax revision issue such as this during deliberations on comprehensive tax reform later this year. In fact, earlier this month the distinguished chairman of the Senate Finance Committee introduced a bill, S. 1270, to provide a refundable investment tax credit.

There are several aspects of this approach which must be carefully considered before we take final action.

First, while a refundable credit may be equitable in a case where a firm is having a bad year or has very large investments relative to its profits because it is expanding rapidly, some would consider it overly generous to those firms whose tax liabilities are low because they are already making use of other preferences.

Second, under existing law, unutilized investment tax credits may be carried back 3 years and carried forward 7 years. Usually these generous carryback and carry-forward rules enable all but the most marginal and inefficient firms from benefiting from the investment tax credit. Consequently, some tax experts have raised questions as to whether very inefficient firms should be subsidized with a refundable investment tax credit.

In light of these considerations, final action on this important issue should be delayed until Congress begins work on comprehensive tax reform later this year.

Mr. President, in addition, I believe there are compelling reasons to adopt the 2-percent increase in the investment tax credit.

The temporary increase in the investment tax credit in H.R. 3477 is essential to encourage greater investment for the expansion and modernization of plant and equipment. This is needed to prevent inflationary bottlenecks and to insure that we can remain competitive in the world markets. We cannot have high employment and a balanced budget without high levels of business investment. The Nation needs increased investment to boost productivity and provide jobs.

The House version of the tax cut bill would provide no stimulus at all to capital investment. But this is precisely where the economy needs bolstering. Spending on new plant and equipment has lagged all through the recovery from the 1974 and 1975 recession. If it does not pick up distinctly within the next year, the upswing in business is likely to abort. And if it does not maintain a high level over the long run, the United States will be unable to provide jobs for its growing labor force.

In 1973, gross fixed investment—(expenditures for new housing, plant and equipment—measured in 1972 dollars, was $190.7 billion. In 1974, gross fixed investment fell to $173.5 billion, a 9-percent decline, and in 1975 it fell to $149.8 billion, a 21-percent decline from 1973 and a 14-percent decline from 1974. Fixed investment rose to $162.8 billion in 1976, an 8.7-percent increase over 1975; however, to date it is still below the 1974 level. In the last quarter of 1976, investment in equipment actually declined.

The weakness in new plant and equipment expenditures is highlighted by noting that at this point in previous recoveries, such investment has averaged 5.3 percent above the previous peak. In this recovery, investment remains 11.8 percent below the previous peak.

Today businesses lack confidence to invest in expansion and modernization. Real aftertax return on investment, adjusted for inflation, fell from 9.9 percent in 1965 to 2.4 percent in 1975, and in 1976 it rose to about 3 percent. Certainly this sort of return does not inspire management to take risks on new investment. The investment tax credit directly rewards investment, thus creating jobs to build the new plant and equipment, and at the same time, increasing industrial capacity which is a hedge against the inflationary pressure of shortages that are likely to appear in the future. Industrial capacity pressures may emerge in basic industries unless we promote new investment now.

Of the many factors that influence economic growth rates, none is more important than the level of capital investment. A strong rate of new capital investment is required to generate sustained economic growth. However, during the 1960's the United States had the worst record of capital investment among the major industrialized nations of the free world. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output during the time period 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of 11 major industrial nations; our investment rate was 7.2 percentage points below the average commitment of the entire group.

Mr. President, I ask unanimous consent that a table illustrating these statistics be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INVESTMENT AS PERCENT OF REAL NATIONAL OUTPUT 1960–73

	Total fixed [1]	*Nonresidential fixed*
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
United States	17.5	13.6
11 OECD Counties	24.7	19.4

[1] Including residential.

Source: U.S. Department of the Treasury.

Mr. BENTSEN. Mr. President, for these reasons I urge my colleagues to reject the pending amendment so that we can carefully review the important question of refundable investment tax credits when Congress begins action on comprehensive tax reform later this year.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

Mr. President, under the existing Finance Committee bill, there will be a number of firms which will not be eligible for either the job credit or the investment credit. With the increase in the investment credit, only 56 percent of the potential credits each year are actually going to be claimed on tax returns.

The modernization of plants and machinery was the basis for the investment credit initially, and is still its current justification. But under the Finance Committee bill, there will be many companies and corporations that will not benefit. The argument is made that they can carry the credit back 3 years or carry it forward 7 years. I think the question is how to provide the stimulus now, how to get the jobs now, how to reduce unemployment now.

The refundable credit is what can be most effective at the present time. How can we say to companies, "You might be able to receive this benefit in 7 years. So, therefore, you ought to invest." I think that argument is worth very little.

Beyond that, Mr. President, this is basically a temporary measure. The amendment only goes through 1980. On

the problems that concern the Senator from Texas about the application of this, we can and will take a look at the results.

It is a useful and important opportunity to move ahead with a program which we have debated and discussed, which is sound and substantive, and which is going to provide an important benefit to new companies, to small companies, and to companies hurt by the recession.

We are not writing it in as a permanent feature, which then we will have to alter or change. We are writing it in now through 1980. We can test it during this time and find out how it is working. I believe it will have a significant impact in focusing the benefit of the investment credit on new industries, expanding industries, and those which have been treated the most harshly by the recession.

We started off with an investment credit of 7 percent. It has gone to 10 percent. Before we go to 12 percent, we ought to look back, to see who is left behind.

For all of these reasons, Mr. President, I believe this amendment can be extremely important in reaching the objectives of those who voted in the Senate for a continuation of the business incentives. If we are going to maintain these incentives in this legislation, we ought to shape it in such a way that it can help do the job of modernizing plants and promote equity and fairness. The most effective and efficient way of doing this is through the refundable investment credit. I hope the Senate will act favorably upon it.

Mr. BENTSEN. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. ZORINSKY). Twenty-six minutes remain.

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I yield myself such time as I may require for a brief statement.

Mr. President, the Senate has opened discussion of a very significant proposal, which I believe is going to be a part of our permanent tax law before this Congres is over. I personally have been advocating that we have a refundable tax credit for the investment credit for several years. I have been explaining it to my colleagues so long that they are beginning to get the idea of what this is all about.

It has always seemed to me that if we wanted to have an investment tax credit, the purpose was to persuade somebody to buy some equipment and give him a tax advantage for doing it. He would get the credit at the time he bought the equipment. But while this would be an appropriate part of the tax reform bill, and I anticipate that I shall be working with the Senator from Massachusetts to put a refundable tax credit in the Tax Reform Act when we take that measure up, it would be a mistake for us to add it to this bill at this time.

I say that for this reason: We have in this bill something that would help to stimulate jobs by encouraging businessmen to place more orders for plant and equipment. Now, admittedly, that proposal does not reach those who are not showing a profit at this time. But it will cause a lot of companies to place additional orders or to move forward their plans for placing orders if they know that this is a 2-percent temporary investment tax credit and that it is going to expire in 4 years. Some of this equipment takes a while to build. The business people tell us that if they have this incentive, they are going to step up their activity and that that is going to mean more jobs.

The Senate is not very excited about that proposal, and I can understand why. But the President was much impressed by it, because the President recommended it. The only reason the President is not recommending it to us at this moment is that he thought if we were not going to have the $50 tax cut, it might be poorly received to have something for business in here if we did not have as much for rank and file taxpayers as he would like to see us have.

But, Mr. President, in my judgment, we still have a chance to persuade the President to go along on the investment tax credit which is in the bill which he recommended.

I am personally persuaded, beyond any peradventure of doubt, and I say that having talked to the Secretary of the Treasury no less than 20 minutes ago, that the Treasury will recommend voting against this investment tax credit at this time. I think they may go along with us when the tax reform bill comes along.

But we have something in the bill that would create jobs and would stimulate more employment and that has a chance to pass. It has a chance to become law. It has a chance to merit the President's signature. It will do some good if we do this.

But if we vote this relatively new and rather revolutionary proposal from the point of view of many people who do not understand it at this time, all we are really doing is seeing to it that nobody gets any additional investment tax credit, because the Treasury feels that this will cost a great deal of money if fully implemented, and it would if it were made to apply to all investments.

They feel at this time they simply cannot commit the Treasury to something that is going to lose that amount of money.

So I urge the Senate not to agree to the amendment at this time. I understand the Senator is committed to it. But if that were not the case, I would be urging him not to insist on it, although he is advocating something I would like to do, and something some others would like to do. But, we really ought to try to consider doing it right, and that would be to provide a fully refundable investment tax credit.

What the Senator is proposing here is only about one-third of the investment tax credit. He is doing that, of course, to try to keep the cost about the same as the additional 2-percent investment tax credit.

It would seem to me, Mr. President, we would be better off to wait until a time when we can approach this concept of a refundable tax credit, that is, a tax credit to a company that has not paid any taxes at all because it is a new company, or because it has not made a profit, when we are on a bill of sufficient dimensions that the Treasury could stand a loss because of the overall planning. This proposal would be better either on a bill which has something else that would raise more money in it or it would be better to adopt it when we have income that would make it possible for us to stand the revenue loss.

Therefore, Mr. President, I hope the Senate will not agree to this suggestion which I believe is rushing the season and is premature at this time. I assure Senators that when we have the tax reform bill before us, which, hopefully, will be here this fall, that I will undertake to see that we do consider making this investment tax credit a refundable tax credit.

So I hope it will not be agreed to at this time, Mr. President.

How much time does the Senator desire?

Mr. CURTIS. Five minutes.

Mr. LONG. Mr. President, I yield the Senator 5 minutes.

Mr. CURTIS. Mr. President, there may be some situations where we ought to make the investment tax credit refundable. There are companies that desperately need new equipment. Maybe they have no profit, none in sight for awhile.

But I am not too sure that there is a need to be met by making all investment credit refundable.

Probably, also, the investment credit is to be refundable to meet a specific need of an industry or a class of industries, maybe it ought to be fully refundable and not just a third.

Here is what we have done to alleviate it. If someone buys some equipment, sometimes it is very expensive equipment, perhaps a local weekly newspaper needs a new printing press—I do not know how much they cost, I do know it is a good many thousands of dollars—and it turns out that year they have no profit. Under existing law, it does not mean that they

lose their investment tax credit. They can go back for 3 years, and if they had a profit they can file an amended tax return and ask for that credit against profits they made 3 years before then.

Also, prudent businessmen buy equipment expecting that by use of that equipment they will make a profit. If they cannot have a carryback for 3 years, that would recoup their investment credit, they can carry the investment credit forward for 7 years.

In other words, they are not denied the investment credit. If they buy equipment and it happens in that particular year that they are unable to cash in on the credit, they do not lose it. It is there. It is a prepayment of their earlier tax.

So what a refundable credit really amounts to is an advance on the part of the Government. It is true they earned something, but they were not able to avail themselves of it and they have to wait.

I said a moment ago I thought perhaps refundability was justified in certain situations. The transportation industry comes to mind. Our railroads need rejuvenation. They have not been in a profitable position. It may take a long time for them to pull out. The cost of equipment to the airlines is terrific. Our airlines must compete with foreign airlines that are highly subsidized and practically all government-owned. The other airlines that carry the people around the world are government-owned, if they need the latest jet, they can get it.

Our transportation system is privately managed, but it must compete with all the subsidies that go with ownership.

I have figures showing special arrangements for the transportation industry, because of their unique situation. But in most instances there is going to be a profit or they will not buy the new equipment, and the opportunity to carry it back means they can get it right away. The opportunity to carry it forward, they have a prepayment on their next year's taxes and that has quite an appeal.

If we have ever had a sizable tax credit coming and work the next year with that joy, knowing they are not going to get much out of us, it is quite a thing. That is far better than a refund of only a third of it.

Mr. LONG. Mr. President, will the Senator yield for a question at that point?

Mr. CURTIS. I yield.

Mr. LONG. Is it not true that we are deciding between two groups, and we must decide which group we would like to help? If this amendment is adopted, it would benefit Pan American Airways and a certain number of other airlines that, at this moment, are not showing a profit and have not been showing a profit for the last few years. It would benefit certain railroads and certain utilities that either have offset all their taxable income with tax credits or, for the time being, are not making a profit. Those would be the big beneficiaries. Of course, there would also be some small companies.

Is it not true that, knowing what the problems of these industries have been, the Finance Committee has recommended, and the Senate has agreed, to extend the date of these credits forward? Is it not true that the Tax Reform Act of 1976 gave them what we call a first-in, first-out arrangement for using their investment credits? So we have put as much life as we can in their tax credits and keep those credits alive for a long period of time to the day when the companies will be able to use their carryover of credits or to the day when we find that we can afford the cost of making them refundable.

Mr. CURTIS. Yes; in other words, in carrying their credit forward and in a given year down the line if they have some income, they can take the credit, the 7 years of which are about to expire, and apply that one first and keep the others alive.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired. The Senator from Massachusetts has 9 minutes remaining.

Mr. CURTIS. Mr. President, will the Senator yield 1 minute?

Mr. KENNEDY. I yield.

Mr. CURTIS. This proposal is of doubtful value, but it has a price tag. The price tag is to throw out the extra 2 percent that goes to everybody. It is sugar coated.

Mr. KENNEDY. Mr. President, I should like to cover a couple of points. One is as to the procedure.

A question has been raised about the procedure, as to whether the Treasury would be able to implement this particular program. The fact remains that the Treasury proposed a program similar to this in 1974. They have worked out the procedures. They have worked out the means by which this should be done. There should not be any misunderstanding that it can be done and done efficiently and effectively.

Second, that argument of the opponents is rather surprising, coming as it does from those who are imposing the extremely complex and burdensome jobs credit on the Treasury. That is straining at a gnat while swallowing a camel. If the Treasury can implement the jobs credit, they implement the refundable investment credit without even exerting themselves at all.

Third, Mr. President, it is interesting to hear the members of the Committee on Finance talk about this proposal as a new and radical proposal. The 1976 Tax Reform Act, as reported by the committee, provided, under section 802, refundability for all industries after the 7-year carry forward period. So they already understood the concept of refundability. But it made no sense to admit it at the end of the 7-year carry forward period. The stimulus is needed now. If it makes sense 7 years from now, as the committee said in 1976, it makes even more sense now.

The Treasury has worked this out. The Finance Committee, its members and staff, have reviewed this matter in considerable detail.

The record should also indicate that the amendment does not apply to charitable organizations. That is a separate issue. I believe it should, but that issue will have to wait for another day.

The final point is that we should call this investment credit for what it is. Basically, it is a Federal subsidy for investment. This is what the investment credit is. It is a Government subsidy for investment. We have made the judgment that such a subsidy is needed. We believe it is wise, in order to encourage investment. A case can be made in some areas as to why that is so. If so, how do we justify the fact that many firms do not receive the investment credit, simply because of their tax situation or because of their profit situation?

Why, in effect, should Pan Am pay more? If they wish to modernize their equipment, if we say that the Federal Government is subsidizing investment in order to modernize, why discriminate on the basis of the tax status of a particular company or corporation? Why should Pan Am pay 100 cents on the dollar for new planes, while other more profitable airlines pay only 90 cents?

Senator LONG, as one of the principal proponents of refundable credits in this body, has sponsored legislation to achieve it. He knows the problems of the airlines and railroads.

There are many others who will benefit—newer firms, younger companies and corporations, firms that are involved in rapid expansion, firms in older parts of the country, firms hurt by the recession and smaller businesses.

I hope that the Members, as they enter the Chamber, can review the figures on their desks, which indicates clearly who the real beneficiaries will be. Under the amendment, 78 percent of the corporations which have less than $50,000 of taxable income will receive 36 percent of the refundable credit. It seems to me to be the most effective and efficient way to help newer, younger, and smaller businesses, and to equalize competition among many firms.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CURTIS. It does not matter.

Mr. BENTSEN. Mr. President, how much time does the manager of the bill have?

The PRESIDING OFFICER. The manager has no time.

Mr. KENNEDY. Has not the hour expired, Mr. President?

The PRESIDING OFFICER. Two minutes remain.

Mr. BENTSEN. The opposition to the amendment has no time?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. Mr. President, I would be glad to yield my time for the purpose of a quorum call, for 2 minutes.

Mr. BENTSEN. I think the time virtually has expired.

The PRESIDING OFFICER. Under the precedents, that is not enough time for a quorum call. A Senator may yield back his time and then suggest the absence of a quorum.

Mr. KENNEDY. I yield back the re-

mainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Massachusetts. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

(Mr. HARRY F. BYRD, JR., assumed the chair at this point.)

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. RIEGLE), the Senator from South Dakota (Mr. ABOUREZK), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

I also announce that the Senator from Illinois (Mr. STEVENSON) is absent because of illness.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Connecticut (Mr. WEICKER) and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 31, nays 56, as follows:

[Rollcall Vote No. 110 Leg.]

YEAS—31

Allen	Durkin	Metcalf
Anderson	Eagleton	Metzenbaum
Bayh	Ford	Muskie
Bumpers	Hart	Pell
Burdick	Haskell	Percy
Byrd, Robert C.	Hathaway	Ribicoff
Case	Heinz	Sarbanes
Chiles	Humphrey	Sasser
Clark	Kennedy	Williams
Culver	Leahy	
DeConcini	Mathias	

NAYS—56

Bellmon	Hatfield	Nelson
Bentsen	Hayakawa	Nunn
Biden	Helms	Packwood
Byrd, Harry F., Jr.	Hollings	Pearson
	Huddleston	Pro^mire
Cannon	Inouye	Randolph
Chafee	Jackson	Roth
Cranston	Javits	Schmitt
Curtis	Johnston	Schweiker
Danforth	Laxalt	Scott
Dole	Long	Stafford
Domenici	Lugar	Stennis
Eastland	Magnuson	Stevens
Garn	Matsunaga	Stone
Glenn	McClellan	Talmadge
Goldwater	McClure	Thurmond
Gravel	Melcher	Tower
Hansen	Morgan	Wallop
Hatch	Moynihan	Zorinsky

NOT VOTING—13

Abourezk	Griffin	Stevenson
Baker	McGovern	Weicker
Bartlett	McIntyre	Young
Brooke	Riegle	
Church	Sparkman	

So Mr. KENNEDY's amendment was rejected.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The amendment will be stated.

Mr. CURTIS. Mr. President, will the Senator yield for 1 minute for an inquiry of the leader?

Mr. KENNEDY. I yield without losing my right to the floor.

Mr. CURTIS. Mr. President, may I inquire of the majority leader what the plans are for the remainder of the evening?

The PRESIDING OFFICER. Before the majority leader replies, may we have order in the Senate? Will Senators take their seats?

Mr. ROBERT C. BYRD. Mr. President, I stated earlier today, and perhaps the distinguished Senator was not in the Chamber at that moment, that the Senate would be in late today; we would come in early tomorrow, be in late tomorrow, come in early Friday, be in late Friday, if necessary, to complete action on this bill.

The bill has been ready for action in the Senate now for about 3 weeks. We started on the 18th of April, the day following the close of the legislative holiday period. It has been before the Senate now for 8 days, and I express the hope that the Senate could work its will on the measure and if Senators call up amendments we could have votes thereon, which we have been doing, and we could hopefully conclude action on the measure Friday if not before. There are other Senators who I think are prepared now to call up amendments yet this evening. Senator KENNEDY has called up an amendment. There will be a vote on that amendment. Hopefully there will be votes on other amendments. Senators have been told that we are likely to be in until about 9 p.m. tonight if we can get amendments called up and votes thereon.

Mr. CURTIS. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

UP AMENDMENT NO. 163

Mr. KENNEDY. Mr. President, we have no time agreement. I would like the attention of the leader. I am prepared to get into a time agreement, hopefully a shorter one, so we can keep the membership here. I just have two amendments with which the chairman of the Finance Committee is familiar.

The PRESIDING OFFICER. Will the Senator from Massachusetts permit the amendment to be stated?

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes unprinted amendment numbered 163.

Beginning on page 103 line 3, strike all through line 22 on page 104.

Mr. LONG. Mr. President, if the Senator is so disposed, since we discussed this, I will ask unanimous consent that debate on this amendment be limited to 20 minutes, equally divided between the Senator from Massachusetts and the Senator from Louisiana.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. Without objection, it is so ordered.

Mr. LONG. Does the Senator wish to have the yeas and nays?

Mr. KENNEDY. Yes.

Mr. LONG. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, if I may have the attention of the membership, the amendment which I offer would strike the 2 percent investment credit provisions of the bill which is before us. It would leave the jobs credit intact.

Similar action was taken by the House of Representatives. They voted 341 to 74 to strike the investment credit, and to substitute a jobs credit. I am hopeful that we can do likewise here in the Senate this evening.

Mr. President, after this last vote, if we are not going to make the investment credit readily available to newer firms, expanding firms, and smaller industries in this country, and recognize that they are also entitled to incentives for modernization and development, we ought not to expand the credit to 12 percent for the wealthy firms.

I think all of us understand the issue very well. In looking at the beneficiaries of this credit, we see that the top two-tenths of 1 percent of the corporations will receive 73 percent of the benefit of the credit in the committee bill—the add-on from 10 to 12 percent for the investment credit.

I believe those companies and corporations are already involved in the expansion activity that they would be undertaking anyway. The increase to 12 percent is a windfall, not an incentive for more expansion.

The investment credit has gone from 7 to 10 percent and now to 12 percent over recent years. I think it is important that we ask ourselves, of this $1.4 billion, where are the benefits going? If we pass this additional 2 percent, we will expand the inequities which exist at the present time, and which discriminate against many companies and corporations.

So, Mr. President, I would hope that the Senate would follow the action of the House of Representatives.

This amendment does not touch the job credit provisions; it leaves them intact. If there is a benefit from those provisions in terms of employment and expanding job opportunities, it will not be affected. But with regard to the additional increment of 2 percent on the investment credit, it is not justified either from an economic point of view or an equity point of view. I do not think the case can be made in terms of the economic benefit or the equity, and I feel that the Senate should take the action proposed in this amendment.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. Mr. President, will the manager of the bill yield me 5 minutes?

Mr. LONG. Yes.

Mr. BENTSEN. I thank the distinguished chairman.

Mr. President, the Finance Committee reported a balanced package with about three-quarters going to individuals and the other quarter to business. Then we balanced the business portions between the labor-intensive companies, with the jobs credit, and the investment credit for capital-intensive companies.

Since 1960 this country has fallen far behind the other industrialized nations of the world in modernizing our manufacturing capacity. Today we hear about utilizing 82 percent of our capacity. A few weeks ago it was 78 percent. But that does not tell the rest of the story, the exetent to which our plant and equipment is out of date.

We ought to be increasing the investment credit, instead of reducing it. We had a visit here the other day from Denis Healey, the Chancellor of the Exchequer. He told us of the problems they have been having in Great Britain.

This business of moaning and wringing our hands, and saying how we want increased capital investment, and then opposing the investment credit, just will not get the job done. We have a serious trade imbalance in this country. The only way we can get competitive is by modernizing our machinery.

One of the regions which has been hit hardest in this respect is one of the most industrialized areas of the Nation, New England. Certainly capital investment ought to be encouraged there, if anywhere.

Let me give some of the figures as to what has happened to investment as a percent of real national output.

We have invested 17½ percent from 1960 to 1973, the Japanese 35 percent, the West Germans 26 percent, France 24 percent, Canada 22 percent, Italy 20 percent, England 18½ percent, with us behind England at 17½ percent. Mr. President, we have to turn that situation around. Here is an opportunity to begin to do so.

Look at the bill as it came over from the House of Representatives. There was nothing in it to encourage modernization of our manufacturing capacity.

In the fall of 1973 and 1974, we saw inflation begin to run rampant. Why? Because we had bottlenecks in a few industries, in connection with a few products. That, in turn, led to price increases in those industries, and as we got those price increases, they leapfrogged across to other products being produced in this country.

The same signs are building up throughout the industrial production in this country again. As we move on to the next few decimal points in inflation, we will see a repetition of that process. We will experience in this country a repetition of 1973 and 1974, unless manufacturers and businessmen will invest their money in modernization.

The increased investment tax credit will help them do it, will help them accomplish that important goal.

Mr. BENTSEN. Mr. President, for these reasons I urge my colleagues to reject the pending amendment.

I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. KENNEDY. I yield myself 3 minutes.

Mr. President, in fact, in England they have more tax advantages than we are talking about here. They have 100 percent depreciation in the first year, not a 10- or 12-percent credit, but 100 percent depreciation. The countries are too different. These incentives do not represent the difference between the economic viability of the United States and that of Great Britain. They have very little to do with it.

What we ought to do is look at who is benefiting from this proposal. In 1975, four firms received almost 20 percent of the total investment credit: A.T. & T., $750 million; General Motors, $95 million; Exxon, $59 million; and United States Steel, $51 million. Two-tenths of the top 1 percent of the corporations are receiving 73 percent of the investment credit. That is the issue which is before the Senate this evening. The credit is often not available to small businesses, or rapidly growing firms, or firms hurt by the recession.

That is the reason, Mr. President, why in the House of Representatives they voted 341 to 74 to strike the 12-percent credit. No one is suggesting we eliminate the 10-percent credit. We are leaving the 10-percent credit intact. What we are reaching is the 2 percent additional credit, which is unjustified.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I yield the Senator from Nebraska 2 minutes.

Mr. CURTIS. Mr. President, I commend the distinguished Senator from Texas for pointing out the connection between productivity and new plant and equipment. That, of course, is what is involved in this investment credit.

Here is another point: Increased productivity leads to increased hourly wages. Japan has increased its productivity by 8.6 percent. This has resulted in an hourly pay increase of 17.6 percent. West Germany has increased its productivity by 5.6 percent, and there followed an annual pay increase of 14.8 percent.

Here in the United States, our annual productivity has increased only by 2.5 percent, and the result is that our annual hourly pay increases have been only 5.8 percent, compared to Germany's 14 percent and Japan's 17 percent. Efficient industries can and do pay higher wages.

Industries which have the benefit of the investment credit invest in equipment and become more efficient.

This is a proposal which involves the welfare of the wage earners of the country. If this amendment prevails, it takes away some of their prospects for increased hourly wages.

Incidentally, when we can pay increased wages by reason of increased productivity, that is fine, everybody is for it and should be. It does not cause inflation. When without increased productivity we raised wages, it means adding to the cost of the product.

Mr. President, I hope this amendment will be rejected.

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Louisiana has 5 minutes and the Senator from Massachusetts has 4 minutes.

Mr. LONG. I yield myself such time as I may require.

Mr. President, the whole purpose of these provisions in the bill relating to business is to provide jobs for people. We have put a lid on the number of jobs, or the benefit that can go to any one company, under the jobs credit. That lid is about enough to cover 50 jobs. So the job credit means virtually nothing to a major corporation, even though we have provided something that costs about $1.6 billion.

If we take Fortune's 500, corporations which employ millions upon millions of workers, and look at what the jobs credit alone could do, we find that it would be meaningless to all those big companies. These companies provide the jobs the unions want, the good jobs that pay $7, $8, $10 an hour.

The whole bunch of them, all of Fortune's 500 put together, would be able to hire only about 25,000 people.

Of all the jobs we are trying to create, look what a pitiful number the 500 largest corporations could employ.

If they have an additional 2-percent investment tax credit, these companies are going to place orders for equipment, they are going to put people to work filling orders. When we talk about putting people to work, keep in mind this would be an unbalanced bill if we provided something for the small businesses in America, something very meaningful, which means a great deal to a filling station or a grocery store, and then proceeded to say that, as far as the big corporations of America are concerned, they are not expected to participate in any way in providing the kind of jobs which, from the labor point of view, are the most desirable of them all, because they have the best conditions and the best wages. What kind of imbalance would we want in a bill? Would we want to say that we will provide the little $5,000 a year jobs but are not interested in providing the $10,000 jobs, the $15,000 jobs, the $20,000 jobs? That does not make any sense.

When we talk about helping the corporations, Mr. President, keep in mind that corporations are owned by people. Corporations represent people.

The Senator said that A.T. & T. gets a $750 million benefit from the investment credit. Why do they have that? Because they order about $7.5 billion in equipment. All that creates jobs. But the Senator overlooks the fact that A.T. & T. has millions of shareholders. I want those shareholders to be treated fairly. Those are good people who invest in A.T. & T.; a lot are small, little people, who regard this as a good investment. It is the kind of investment in which lawyers advise widows to invest their money.

Do not condemn A.T. & T. In the last analysis, a company is its shareholders. They own it. A.T. & T. or General Motors? What is wrong with them? I wish they had more plants in Louisiana. They have one, I wish they had five.

The same is true of the other firms the Senator mentioned.

What is the matter with Fourtune's 500? They provide good jobs, good working conditions, and make possible the highest standard of living anyplace on earth. We want those people to participate with everybody else in a recovery effort. We do not want to limit ourselves to providing the delivery boy job or the curb service job or the job at the corner grocery store, but also to provide the jobs that provide the $10,000, the $15,000, the $20,000 salaries, the so-called good jobs that labor is telling us about all the time.

Why not provide both jobs, the marginal jobs for the people who have no skills and the good jobs for the people sitting on the bench waiting for a call, hopefully to go back to work?

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Masachusetts has 4 minutes remaining.

Mr. KENNEDY. Mr. President, on the relationship between the jobs credit program and the creation of jobs, at least there is a tenuous relationship which can be seen. But it is not as clear with the investment credit that we are necessarily going to create jobs, I believe that is a serious question.

Hopefully, we will increase productivity and modernization. But it does not necessarily mean we will create more jobs. We should understand that distinction. That is part of the reason we have adopted the jobs credit program. The investment credit may have a different impact. A firm may buy equipment to replace workers. That has been the case in industry after industry. At best, the jobs creation argument for the investment credit relies on the trickle down economies theory—what is good for business is good for workers.

Beyond that, Mr. President, why, when we were considering the $50 rebate, did we put a ceiling on the rebate, so that those with the highest incomes would not be able to receive it? We did that out of a sense of equity and we did it out of a sense of fairness. We said, "All right, a $50 rebate will be given, but it will be phased out completely for those with incomes over $30,000 a year."

There is no such cap here. The major companies and corporations which are going to receive the 12 percent credit will be A.T. & T. and GM. We see crocodile tears on the Senate floor about feeling sorry for those stockholders if the company loses the 12 percent credit. The fact of the matter is that those stockholders represent the top income groups of the American people.

If we are going to give them a Federal subsidy, let us call it for what it really is, Mr. President.

Finally, let us take one industry, such as autos. General Motors gets over $50 million already from the investment credit. If we add on another 2 percent, which is an increase of 17 percent, they will get about $60 million. But what about American Motors and Chrysler, which also need the subsidy and are attempting to make a go of it? They receive nothing from the investment credit. We are producing serious disparities within industries with this program. We should treat all firms fairly and equitably. We should have made the credit available across the board to all firms. We should not increase the present discrimination by lifting the present unfair credit to 12 percent.

The House of Representatives understood that overwhelmingly and I am hopeful the Senate will understand this tonight as well.

How much time have I remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. KENNEDY. I yield back the 1 minute.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Massachusetts. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Idaho (Mr. CHURCH), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Ohio (Mr. METZENBAUM), the Senator from Michigan (Mr. RIEGLE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Illinois (Mr. STEVENSON) is absent because of illness.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) and the Senator from Michigan (Mr. RIEGLE) would vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

The result was announced—yeas 16, nays 66, as follows:

[Rollcall Vote No. 111 Leg.]

YEAS—16

Bumpers	Ford	Leahy
Burdick	Hart	Metcalf
Clark	Haskell	Muskie
Culver	Hathaway	Sarbanes
DeConcini	Humphrey	
Eagleton	Kennedy	

NAYS—66

Allen	Biden	Case
Anderson	Byrd, Harry F., Jr.	Chafee
Baker	Byrd, Robert C.	Chiles
Bayh	Cannon	Cranston
Bentsen	Danforth	Curtis
	Dole	
	Domenici	
	Durkin	
	Eastland	
	Garn	
	Glenn	
	Goldwater	
	Gravel	
	Hansen	
	Hatch	
	Hatfield	
	Hayakawa	
	Heinz	
	Helms	
	Hollings	
	Huddleston	
	Inouye	
	Jackson	
	Javits	
	Johnston	
	Laxalt	
	Long	
	Lugar	
	Matsunaga	
	McClure	
	Melcher	
	Morgan	
	Moynihan	
	Nelson	
	Nunn	
	Pearson	
	Pell	
	Percy	
	Proxmire	
	Randolph	
	Ribicoff	
	Roth	
	Sasser	
	Schmitt	
	Schweiker	
	Scott	
	Stafford	
	Stennis	
	Stevens	
	Stone	
	Talmadge	
	Thurmond	
	Tower	
	Wallop	
	Williams	
	Zorinsky	

NOT VOTING—18

Abourezk	Magnuson	Packwood
Bartlett	Mathias	Riegle
Bellmon	McClellan	Sparkman
Brooke	McGovern	Stevenson
Church	McIntyre	Weicker
Griffin	Metzenbaum	Young

So Mr. KENNEDY's amendment was rejected.

AMENDMENT NO. 188

Mr. DOMENICI. Mr. President, I call up my amendment No. 188 and ask that it be stated.

The PRESIDING OFFICER (Mr. BUMPERS). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an amendment numbered 188.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . TAX INCENTIVES FOR PROVIDING HOME FOR AGED DEPENDENT.

(a) ALLOWANCE OF CREDIT.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"SEC. 44C. ELDERLY DEPENDENTS.

"(a) GENERAL RULE.—In the case of an individual who maintains a household which includes as a member a dependent (as defined in section 152(a)) who is 65 years of age or older, there shall be allowed against the tax imposed by this chapter for the taxable year a credit of $250.

"(b) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(1) section 33 (relating to foreign tax credit),

"(2) section 37 (relating to credit for the elderly),

"(3) section 38 (relating to investment and certain depreciable property),

"(4) section 40 (relating to expenses of work incentive programs),

"(5) section 41 (relating to contributions to candidates for public office),

"(6) section 42 (relating to general tax credit),

"(7) section 44 (relating to purchase of new principal residence), and

"(8) section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

"(c) SPECIAL RULES.—The rules set forth in section 44A(f) apply to this section. For

the purpose of applying those rules to this section, the term 'qualifying individual' shall be considered to refer to a dependent of the taxpayer aged 65 or older.".

(b) ALLOWANCE OF DEDUCTION.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. ELDERLY DEPENDENTS.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual who maintains a household which includes as a member a dependent (as defined in section 152(a)), there shall be allowed a deduction of $1,000.

"(b) RULES.—The rules set forth in section 44A(f) apply to this section. For the purpose of applying those rules to this section, the term 'deduction' shall be substituted for the term 'credit' each place it appears, and the term 'qualifying individual' shall be considered to refer to a dependent of the taxpayer aged 65 or older.

"(c) ELECTION TO TAKE CREDIT IN LIEU OF DEDUCTION.—This section shall not apply in the case of any taxpayer who, for the taxable year, elects to take the credit against tax provided by section 44C (relating to elderly dependents). The election shall be made in such manner and at such time as the Secretary shall prescribe.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 6096(b) of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

(2) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44C. Elderly dependents.".

(3) The table of sections for such part VII is amended by striking out the last item and inserting in lieu thereof the following new items:

"Sec. 221. Elderly dependents.

"Sec. 222. Cross references.".

(d) EFFECTIVE DATE.—The amendments made by this section apply with respect to taxable years beginning after December 31, 1976.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be granted permission to modify the amendment and I send the modified amendment to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, reserving the right to object, will the Senator first explain what he is seeking to do because I am not familiar with it.

Mr. DOMENICI. Indeed.

My modified amendment would merely provide for the $250 tax credit to individuals who maintain in their homes a dependent aged 65 or over.

In the amendment which I submitted which was printed, we had an option of the $250 tax credit or $1,000. In consultation, we felt it was better to simplify it, delete the $1,000 deduction, which is very cumbersome, and provide only one way to get this help to our elderly, and that is a $250 tax credit.

Was there objection to my modification?

The PRESIDING OFFICER. Is there objection to the modification?

If not, so ordered.

The amendment, as modified, is as follows:

SEC. . TAX INCENTIVES FOR PROVIDING HOME FOR AGED DEPENDENT.

(a) ALLOWANCE OF CREDIT.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"SEC. 44C. ELDERLY DEPENDENTS.

"(a) GENERAL RULE.—In the case of an individual who maintains a household which includes as a member a dependent (as defined in section 152(a)) who is 65 years of age or older, there shall be allowed against the tax imposed by this chapter for the taxable year a credit of $250.

"(b) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under—

"(1) section 33 (relating to foreign tax credit),

"(2) section 37 (relating to credit for the elderly),

"(3) section 38 (relating to investment and certain depreciable property),

"(4) section 40 (relating to expenses of work incentive programs),

"(5) section 41 (relating to contributions to candidates for public office),

"(6) section 42 (relating to general tax credit),

"(7) section 44 (relating to purchase of new principal residence), and

"(8) section 44A (relating to expenses for household and dependent care services necessary for gainful employment).

"(c) SPECIAL RULES.—The rules set forth in section 44A(f) apply to this section. For the purpose of applying those rules to this section, the term 'qualifying individual' shall be considered to refer to a dependent of the taxpayer aged 65 or older.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 6096(b) of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44A" and inserting in lieu thereof "44A, and 44B".

(2) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44C. Elderly dependents.".

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to taxable years beginning after December 31, 1976.

Mr. DOMENICI. Mr. President, for the benefit of Senators, I do not believe I will take over 15 minutes. I am reluctant to agree to that because the distinguished junior Senator from Ohio indicated he would like to speak to the amendment and, if he does come, I would like to let him have some time.

Mr. LONG. If the Senator will yield, how much time does the Senator want, 30 minutes?

Mr. DOMENICI. Let us say 30 minutes and that will allow him some time, if he arrives.

Mr. LONG. One hour equally divided. I do not expect to use more than 15 minutes on this side, but the Senator may need it.

The PRESIDING OFFICER. Does the Chair understand the request, that there be an hour on the amendment, 30 minutes on either side?

Mr. LONG. That is right.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. DOMENICI. Mr. President, may we have order, pleace?

The PRESIDING OFFICER. The Senator's request is well taken. Senators will please retire to the cloakroom or take their seats. The Senator is entitled to be heard.

Mr. DOMENICI. Mr. President, this is a rather simple amendment. I think its goals and objectives will very easily be understood.

Since the United States, as a government, has been interested in trying to help our older people in this country, I believe it is fair to say that we have principally moved in institutional ways. So that if we are willing to help care for them, we have moved in the direction of nursing homes if they are sick, we have moved in the direction of medicare and medicaid and will pay for them to be in hospitals.

As a general proposition, the entire American policy as far as helping senior citizens has been one of institutionalization or, on the other side, there has been little effort to deinstitutionalize our aid.

There has been a great history in the United States of families trying to take care of their older people. In fact, most families that came to America and most people that live here today come from ancestors and cultures where it was common and ordinary that someone in the family helped out when mother and dad, or granddad or grandmother, became ill.

What we have done over the last 20 years is move that natural tendency—the tendency which I think is a good one—away from that which was customary, by providing maximum assistance if you will rid yourself of the burdens. We have provided tax incentives, we have provided medicare and medicaid, and we have provided nursing homes and the like, to assume that responsibility for us.

Mr. President, I have no illusions: There will have to be a major change in American policy for us to get back to a better balance between institutionalization of our elderly and programs that tend to do that—and some change that will move us in the other direction, of providing the economic justification to those who have the natural tendency to want to help the members of their family who are old and need care or attention.

I cannot tell the Senate how much this provision will save; but I am convinced that if it is in effect, we will find that it will lessen the number of elderly people who now cost us money because we provide either medicare, medicaid, or nursing homes, which now cost us about $5.6 billion. Substantially more than half of that comes from the Federal Government. It will also result in a lesser number of people who might begin to need that kind of program.

So I do not think it is fair to say just how much this amendment will cost. We should ask how much it is likely to save. Second, does it have some kind of true

moral justification? Does it prompt a tendency on the part of our people that is good? Does it move that tendency in the right direction, rather than the disincentive that has been built into most of our programs to date? I think the answer to those questions would be in the affirmative.

In summary, my amendment—which I am pleased to have cosponsored by Senator STEVENS, Senator METZENBAUM, and Senator THURMOND, and I thank them for their cosponsorship—basically would provide a $250 tax credit to individuals who maintain within their homes a dependent, as defined elsewhere in the code, age 65 or older.

This amendment, if adopted, would help us to meet the growing shortage of decent housing for all older citizens. It would expand their options of where they would live. Some of them are forced into apartments; their apartments have ever-rising rents. Others are driven from their homes because of escalating taxes. Many of those who live alone dwell in fear of crime, which all too often victimizes the defenseless elderly.

To date, there has been an unfortunate tendency to deal with these problems by segregating the elderly into separate institutions. In many cases, when an individual needs special care, these residential facilities are necessary. In this regard, the homes for the aged and the nursing homes of this country have done outstanding work; and the abuses in a few should not diminish our appreciation for the great majority of them, which have given dignity and hope to many thousands of the elderly infirm.

But only a small percentage of the elderly belong in institutional settings. All too often, however, no alternatives are available to them or to their families. Financial pressures have combined with the extraordinary mobility of contemporary society to erode our traditional sense of family responsibility.

Let us begin to redress those mistakes. The amendment I am submitting would be particularily helpful to those who want to keep their elderly relatives with them in one household.

It would provide a significant financial incentive to bring older Americans into private homes. It would encourage children to invite their parents to live with them, as was once the custom in our Nation. Specifically, I am proposing to give a taxpayer a $250 tax credit for each senior citizen, related or not, for whom the taxpayer provides housing, free of charge, in his or her own residence. This would be above and beyond any exemption presently allowed in the case of dependents. I would note, Mr. President, that such a tax benefit would be especially helpful to the family, with limited means, who really wants to keep their older relatives with them. Thus it would significantly expand the options of both the family and the older person involved.

This approach to the housing problems of the elderly offers several major advantages. It would be far less costly to the taxpayer than would the construction, with Federal funds of specialized housing projects for senior citizens. And it would provide them with a more personal, homelike, and supportive atmosphere. As we seek realistic ways to strengthen our social fabric we must see to it that older Americans are not treated as second-class citizens.

We must encourage the exercise of our individual responsibility toward the elderly. We must allow Government to assist, but never to entirely supplant, the efforts of private citizens in caring for their families. And we must begin to examine all of the present programs of the Federal Government to see that our public policies strengthen, rather than weaken, the basic family structure which is so important to the overall health of our society. The rebuilding of a true multigenerational society would help to reverse the growing trend of isolating the aged.

Mr. President, the adoption of my amendment would result in a loss of tax revenue but I believe the cost of this "tax expenditure" would be more than offset by savings in a dozen or more major Federal programs. In the process, we would be improving the quality of life for millions of older Americans, strengthening the family unit, and contributing to the vigor and vitality of our society.

I have explained the institutional approaches. I am firmly convinced that eventually our Government will have to build in an incentive away from the institutional trend which is built into both our tax code and our social programs that attempt to aid our senior citizens.

From the standpoint of my own State, I might say, on a personal note, that a substantial number of the people in New Mexico are of Spanish-American extraction. There are tremendous family ties. They would like very much to try to help their mothers and fathers and grandparents by keeping those elderly persons with them; but even if the young folks are doing well, we have given them no real incentive. To the contrary, we have almost encouraged them to rid themselves of that good, healthy tendency that is part of their culture and their religion. We have said to them: "Let them go off and be in homes. Forget about them. The Government will take care of them."

If this incentive of a $250 tax credit for them to house and take care of their elderly parents and grandparents would have some substantial effect on moving away from that tremendous tendency which is separating these families, then it would be worthwhile.

I believe that from the monetary standpoint, in the long run, an American policy prompted by this will end up costing us less in medicare, and nursing homes.

So I think that on all scores—as a matter of policy, as a matter of decency, as a matter of ultimate tax savings—this amendment deserves the attention of the Members of the Senate, and I urge its adoption.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. SASSER). The Senator has 22 minutes.

Mr. DOMENICI. I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I commend the distinguished Senator from New Mexico for proposing this amendment.

There can be no doubt that one of the results of modern society in the United States these days has been to forget, to ignore and to cast aside those persons who should be honored members of our society. There can be no question that people who are thus shunted aside have nothing but a dreary existence to look forward to. Their lives can be meaningful, and the contribution they can make to society, and particularly to young people, would be difficult to exaggerate.

I believe that the amendment proposed by the distinguished Senator from New Mexico redirects the concerns of American society in a commendable fashion. There can be no doubt we would strengthen the family, which is the basic building block of government, of all responsibilty, of all law and order, by taking this action. There can be do doubt at all that in the long run, this amendment, if adopted, will save America money.

I say that because I have had a little experience, as a former Governor of Wyoming, in knowing what it costs to try to provide even minimal care for older persons. The advantages for doing the job far better, for having happier people whose lives can be meaningful, in a fashion that accords completely with all the religious convictions and the ethic we have in this country, are on the side of the Senator from New Mexico.

I hope very much that as Senators vote on this amendment, they will not be unaware of the fact that, while it may cost us $430 million on an annual basis—that money will not be a cost at all, but that the adoption of this amendment will result in a reduction of other costs we have to bear in order to do a far poorer job for older people than could be done in this way. I believe that these factors will be sufficiently persuasive to result in the adoption of this amendment.

Mr. DOMENICI. Mr. President, the Senator indicated the enormous costs to society. I am not speaking now of the spiritual costs or the moral costs, because I agree with him on those.

However, I cite for the Senate that the average cost of housing an elderly person in a nursing home, nationwide, is $9,600 per year. In New York City, that cost is $15,000 per person per year. In Washington, D.C., the average cost per patient at St. Elizabeths is $24,000 a year.

Mr. HANSEN. Is this credit a $250 annual credit?

Mr. DOMENICI. Annual credit to the taxpayer who houses an elderly person in that taxpayer's place of abode.

Mr. HANSEN. Those are indeed dramatic illustrations of the economies that are inherent in this amendment. I think there is no need at all for anyone to dwell on the great advantages that would result from its adoption.

I thank the Senator for further elucidating the amendment.

Mr. DOMENICI. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BENTSEN. I yield myself 7 minutes.

Mr. President, I can understand the Senator's concern for the aged citizens of this country, and I share that concern.

I think too many of them are being institutionalized, being put away in homes, with the idea that they are there to die. That is one of the reasons why I have strongly supported having more medical attention provided in the home. I think that means they live longer and they live happier around the things they love, the things with which they are familiar.

However, what about children? There are 74 million children in this country under 19 years of age. How about them? What about a consideration for a tax credit there? Why should we not be just as concerned about children as we are about elderly people?

If we follow that through, follow the logic through, then let us have a tax credit. You are talking about 74 million children; and you are talking about $18.5 billion. That is how much money is involved.

There are many meritorious proposals that have been proposed here tonight and will be proposed tomorrow. We had one on the refundable investment tax credit earlier, a proposal by Senator Kennedy. But we are going to have a major tax reform proposal this fall, and that is the time, during which we will have extended hearings to really work and find out what is the practical solution to the problem the Senator has posed, and what this country should do in honoring its senior citizens and in seeing that children carry out their responsibilities to their parents, and that you help them in the process.

So again, Mr. President, as we have seen so often through the last several days there have been compassionate ideas, ideas full of concern, ideas to hold together family units that ought to be given full consideration in a tax reform bill, but not something to be decided here on the floor of the Senate with about half a dozen Members present.

This is not the time to make that kind of decision. Let us wait until we have the appropriate hearings and have some of the senior citizens testify and have some of their children before us to tell us about their burdens and their problems, and what they think we ought to be doing.

I withhold the remainder of my time.

Mr. DOMENICI. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator has 18 minutes.

Mr. DOMENICI. Mr. President, first of all, I want to say to the distinguished Senator from Texas that while I disagree with his observations in terms of whether we should or should not do this, I greatly appreciate the fact that he sees a genuine problem in the gradual institutionalization of the care and maintenance of the elderly in the United States of America, and I am pleased that, as a distinguished member of the Committee on Finance, he understands that ultimately that issue may have to be directed to, be attended to, through the tax code, not through the Committee on Aging and not through the Committee on Human Resources.

It could very well be an economic disincentive that is causing and promoting this lack of attention which used to be such a normal thing in families for decades in the past in this country and in most of Europe.

Having said that, I yield to the ranking Republican, Senator CURTIS, 4 minutes.

Mr. CURTIS. I thank my distinguished friend.

Mr. President, many of the amendments offered today would have cost revenue. This one surely will end up in a gain for the Treasury. If an elderly person who maintains his home reaches that point where he cannot, and he goes to some special community for older people, he shares in all of the housing subsidies, the social services, all of these very expensive things and, furthermore, he has been removed from the surroundings he loves; he has been removed from the human beings he holds most dear, here all this says is if someone provides a home for such a person that they will have a very modest tax credit, $250. Why, that would not pay a fraction of the subsidies on the housing alone that go into all these homes for the elderly.

Furthermore, it would reverse a trend, a trend in this country, for isolating the aging, putting them off in colonies where they never see a youngster on a bicycle or a youngster playing marbles or baseball, where they never see a young person or a middle-aged person, but are surrounded by old people some of whom are ill. He is removed from the mainstream of America at a very costly procedure in medicaid, medicare, visiting nurses, housing subsidies, social services, and on and on.

We can afford to pay the price if it is the right answer, but it is the wrong answer.

Individuals were created to live in families after all, and not every family can do it. But if some family opens up its home and takes care of an individual no longer able to maintain a home of his own, and if it saves the taxpayers all of that expense of more or less institutionalized care, certainly we ought to be willing to grant a modest tax credit for it. It is far, far cheaper.

I want to say to the distinguished Senator from New Mexico, "Do not be fooled by any estimate of cost. When the figures are all in your amendment is a plus for the Treasury of the United States and, as I say, it will help reverse a trend and will keep people of all ages in their homes."

The question has been raised here, "Well, if you do it for the older people why not the children?" Well, thank heaven in this country the children are not taken out of their homes and put in colonies away from their families. Here and there maybe there is one who ought to be because the family is a bad influence, but it is not happening. We do not have a trend of taking the children out of their homes. But there is a trend in every village, town, and city in the country of taking the older people away from the surroundings they know and with which they are familiar and the people they love, and putting them into an institution.

The distinguished Senator from New Mexico should be congratulated for offering an amendment that will save the taxpayers money and, at the same time, reverse a trend and bring happiness to a great many elderly people.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I truly thank the distinguished Senator from Nebraska for his kind words.

Let me continue responding a bit to the good Senator from Texas.

First, the Senator knows my deep respect for him and especially in this field that we are talking about, taxation. I really have a great deal of admiration for his understanding of the complex issues. He is not ashamed to speak in favor of business when he thinks he should and he is not ashamed to speak in favor of a charitable deduction when he thinks it is good.

But I really think it is a mistake to say that we should not seriously consider this amendment because there are only five or six Senators now here in this Chamber. I say that with all genuine sincerity.

We have voted, as the good Senator knows, on major issues of far more import which were far more questionable with reference to whether we should or not and with far less understanding, because they are very complex, many times in the short 4½ years that I have been here with only two or three Senators who listened to the words of explanation of sponsors.

So I do not really think that is very relevant to this issue. What is relevant to this issue is that I try to encourage those who are interested not to get lost in the shuffle that there are other needs in this country that we should attend to; therefore, we should forget about this one for a while and we should get some testimony on it from old people and from children who are in a bind because they cannot take care of their own children let alone their elderly parents. Let me tell the Senator that is preposterous, as much respect as I have for the Senator. It is patent in the United States of America that America's policy, fostered by this Government of what we should do to help our senior citizens, is a bankrupt policy of having programs and institutions that we pay for and we say, "We are going to give you that," and then a social security program that, though it was not intended, ends up being the sole source of money for most senior citizens in this country, and every one of those programs has mammoth shortcomings.

If the Senator has not seen the problem with social security yet, wait until the energy prices continue beyond where they are now and there is going to be the most major moral responsibility on our

shoulders that we have had with reference to any Americans. There is evidence that they are paying 45 percent of their social security check now for energy if they have their own home or they are renting.

It is said let us hear from the young people. We do not need to hear from the young people. We know that young people who are disposed to help their parents are doing so today at great sacrifice if they are doing it, and if they are not most of the time they are saying, "We just cannot afford to."

All I am saying in this amendment is fill that gap a little bit, and for those who are willing give them a little more opportunity to make the right decision and say, "Let me talk it over with my wife and see if this $250 tax credit will let me raise these children that I have in my house and take care of my daddy or his daddy."

And if we can help them make the answer yes, then we have done a great service to this country.

There is no higher responsibility for a civilization that claims to be moral and Christian than that it take care of its elderly people and if there are stigmas that will judge a society—we have spoken of discrimination as being a stigma that will bring the wrath down eventually—this is of equal importance. A society that ignores its senior citizens after they brought us on to this Earth and sacrificed for us is as assuredly going to incur the wrath as any other kind of social evil that is rampant.

And this one is rampant. America's policy toward its senior citizens is no good. It takes them away from natural habitats. It takes them away from normal family life and, if this costs a few million dollars, but prompts a move in the direction of meeting this moral responsibility and encouraging the natural inclination of families to take care of their senior citizens, then I submit there is no better money we could spend, and I urge that we adopt it and ask our conferees to try to convince the House of Representatives that this is one we should do and do forthwith.

Our senior citizens are going to be confronted with more problems rather than less, and there is nothing about the future that is going to move them back into homes. It is going to move them away from homes into states of absolute nothingness where they cannot pay their bills. So let us take a little risk and give the natural tendency of human beings a little shove in the right direction to take care of their own people.

I yield back the remainder of my time.

SEVERAL SENATORS. Vote!

Mr. BENTSEN. Did the Senator from New Mexico yield back the remainder of his time?

Mr. DOMENICI. I did.

Mr. BENTSEN. We are prepared to yield back the remainder of our time.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT NO RESOLUTIONS COME OVER UNDER THE RULE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no resolutions come over under the rule at the close of morning business tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BELLMON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, Mr. BELLMON be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of Mr. BELLMON's remarks there be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. with statements therein limited to 5 minutes each and at the conclusion of morning business the Senate resume consideration of the tax bill at which time Mr. CHAFEE be recognized to call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX REDUCTION AND SIMPLIFICATION ACT OF 1977

The Senate continued the consideration of the bill (H.R. 3477) to provide for a refund of 1976 individual income taxes, and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform.

Mr. ROBERT C. BYRD. Mr. President this will be the last issue to be voted on tonight. There are occasions when there are motions to reconsider if a vote is close. So I will not say it is the last vote. I will simply say it is the last issue. Once this amendment is disposed of tonight then there will be no more rollcall votes tonight.

And I thank the Senator.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Idaho (Mr. CHURCH), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Michigan (Mr. RIEGLE), the Senator from Alabama (Mr. SPARKMAN), the Senator from Mississippi (Mr. EASTLAND), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. MELCHER), the Senator from Montana (Mr. METCALF), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

I also announce that the Senator from Illinois (Mr. STEVENSON) is absent because of illness.

I further announce that, if present and voting, the Senator from Michigan (Mr. RIEGLE) would vote "yea."

Mr. BAKER. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Maryland (Mr. MATHIAS), the Senator from Oregon (Mr. PACKWOOD), the Senator from Virginia (Mr. SCOTT), the Senator from Alaska (Mr. STEVENS), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BARTLETT) is absent due to illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "yea."

The result was announced—yeas 44, nays 31, as follows:

[Rollcall Vote No. 112 Leg.]

YEAS—44

Allen	Ford	McClure
Anderson	Garn	Pearson
Baker	Hansen	Percy
Biden	Hart	Roth
Bumpers	Hatch	Sarbanes
Case	Hatfield	Sasser
Chafee	Hayakawa	Schmitt
Chiles	Heinz	Schweiker
Cranston	Helms	Stennis
Curtis	Huddleston	Stone
Danforth	Inouye	Thurmond
DeConcini	Jackson	Tower
Dole	Javits	Wallop
Domenici	Lavalt	Zorinsky
Durkin	Lugar	

NAYS—31

Bayh	Glenn	Muskie
Belmon	Gravel	Nelson
Bentsen	Haskell	Nunn
Burdick	Hathaway	Pell
Byrd, Harry F., Jr.	Humphrey	Proxmire
	Johnston	Randolph
Byrd, Robert C.	Leahy	Ribicoff
Cannon	Long	Stafford
Clark	Matsunaga	Talmadge
Culver	Morgan	Williams
Eagleton	Moynihan	

NOT VOTING—25

Abourezk	Magnuson	Riegle
Bartlett	Mathias	Scott
Brooke	McClellan	Sparkman
Church	McGovern	Stevens
Eastland	McIntyre	Stevenson
Goldwater	Melcher	Weicker
Griffin	Metcalf	Young
Hollings	Metzenbaum	
Kennedy	Packwood	

So Mr. DOMENICI's amendment was agreed to.

Mr. HANSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I indicated earlier there would be no more rollcall votes this evening.

ORDER TO RECOGNIZE SENATOR KENNEDY TO OFFER AN AMENDMENT ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the amendment by Mr. CHAFEE is disposed of on tomorrow, Mr. KENNEDY be recognized to call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are two measures on the unanimous-consent calendar which have been cleared.

Mr. BAKER. Mr. President, I do not show any new item on the calendar which has been cleared on this side to be placed on the unanimous-consent calendar.

Mr. ROBERT C. BYRD. Mr. President, there are two measures on the unanimous-consent calendar which have been cleared for 2 days now. I ask unanimous consent that the Senate proceed to the consideration of calendar order Nos. 80 and 81.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, before we proceed, I have inadvertently misinformed the majority leader. I am now told that General Orders Calendar No. 83 is cleared on our side.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

CITIZENSHIP TO JEFFERSON F. DAVIS

The joint resolution (S.J. Res. 16) to restore posthumously full rights of citizenship to Jefferson F. Davis, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas Jefferson Davis served honorably and well as an officer in the United States Army, and earned a hero's reputation for his part in the battle of Buena Vista in the Mexican War; and

Whereas Jefferson Davis was both a United States Representative and a United States Senator from Mississippi prior to the War Between the States, and was generally recognized as one of the outstanding men in Congress; and

Whereas Jefferson Davis served as Secretary of War in the administration of President Franklin Pierce; and

Whereas after his arrest in 1865 Jefferson Davis was imprisoned in Fort Monroe, Virginia, and held there without trial for two years under the most inhumane conditions; and

Whereas despite his never being convicted of any crime or even brought to trial for any crime Jefferson Davis was denied full citizenship rights as a United States citizen after his release from prison, and was specifically excluded from the general amnesty bill of 1876: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Mr. Jefferson Davis is posthumously restored to the full rights of citizenship, effective December 5, 1868.

The PRESIDING OFFICER. The Chair would indicate that Calendar No. 80 was passed by a two-thirds vote as the Constitution requires.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-100), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the joint resolution is to restore posthumously full rights of citizenship to Jefferson Davis.

STATEMENT

In introducing Senate Joint Resolution 16, Senator Mark Hatfield, on January 25, 1977, stated on the Senate floor:

Last year, Mr. President, this body and the House of Representatives passed a bill, sponsored by the senior Senator from Virginia, to restore the citizenship rights of that most able general, Robert E. Lee. That bill had its genesis in the discovery of a loyalty pledge signed by General Lee which entitled him to an amnesty and restoration of rights long overdue. This bill is based on no such claim. Mr. Davis, believing he had committed no crime, and he was never convicted of one, never asked for pardon, and he was specifically excluded from the general amnesty bill of 1876. Rather, this legislation seeks to right a glaring injustice in the history of the United States.

It is said that history is written by the victors. In this case, it could also be said that the history of this man was written by the vanquished, for Jefferson Davis, perhaps more than Abraham Lincoln, was beset by critics in the Confederacy jealous of his position or outraged at his politics. This criticism from within and without has relegated Davis to at best the misguided champion of a losing cause, and at worst the traitorous defender of an abominable institution.

But Davis was neither of these. He was instead an honorable public servant of principle the like of which is all too rare in these days when expedience is more ardently practiced than conviction defended.

Most of us remember Jefferson Davis as the President of the Confederacy, and I suspect his stature suffers by that association. Nonetheless, his election to the office met with acclaim both in the North and the South, and he acquitted himself well in a nearly impossible job. Woodrow Wilson, in the fourth volume of his "History of the American People," speaks of "the masterful characteristics of Mr. Jefferson Davis":

He had the pride, the spirit of initiative, the capacity in business, which qualify men for leadership, and lacked nothing of the indomitable will and impervious purpose to make his leadership effective. He moved, direct, undaunted by any peril, and heartened a whole people to hold steadfast to the end.

There is more, much more, to the distinguished career of Jefferson Davis than his leadership of a benighted cause. He was a graduate of the U.S. Military Academy at West Point, which he attended with Lee and Joseph Johnston. After accepting his commission as a second lieutenant, Davis went west for a tour of duty in Illinois and Wisconsin, and saw service in the Black Hawk War. He met and married the daughter of then Col. Zachary Taylor, resigned his commission, and retired to Mississippi to lead the life of a planter in 1835.

Ten years later, in 1845, Jefferson Davis entered the House of Representatives as a Congressman from Mississippi. The New York World declared that he was "the best-equipped man intellectually, perhaps, of his age, in the country." Before the force of that intellect could make its mark on the House, however, the United States was at war with Mexico, and Davis resigned his seat to accept a colonel's commission and lead a unit from Mississippi. He fought under Zachary Taylor, by then a general, and alongside a lieutenant named Ulysses S. Grant. He became known as the hero of Buena Vista for his actions in that battle, in which Taylor defeated Santa Anna despite being outnumbered 4 to 1.

In 1847, still suffering from a wound inflicted at Buena Vista, Davis returned to Washington, this time to take a seat in the Senate. Because of his demonstrated intellect and varied interests, he was made a regent of the Smithsonian and appointed to the Library committee. More important, he was made chairman of the Senate Military Affairs Committee, a singular honor for a freshman Senator.

Davis resigned his seat in 1851 to return to Mississippi and attend to local political matters as well as his plantation, Brierfield. In 1853, however, he was again called to serve, this time as Secretary of War in the administration of President Franklin Pierce. It is one of the many ironies in his life that as Secretary he helped build the arsenal that was later turned against the South, and pressed for the expansion of the railroads. In any event, he was in his element and did an outstanding job. When Buchanan took office in 1857, Mississippi was quick to return Davis to the Senate.

Again he achieved preeminence in a chamber where the presence of Calhoun, Clay, and Webster loomed large. Horace Greeley, the abolitionist editor of the New York Tribune, wrote:

"Mr. Davis is unquestionably the foremost man of the South today. Every Northern Senator will admit that from the Southern side of the floor the most formidable to meet in debate is the thin, polished, intellectual-looking Mississippian with the unimpassioned demeanour, the habitual courtesy and the occasional unintentional arrogance which reveals his consciousness of the great commanding power. He belongs to a higher grade of public men in whom formerly the slaveholding democracy was prolific."

Unfortunately, however, Davis' time in the Senate was cut short by events. Mississippi seceded shortly after South Carolina did, and in January of 1861 Davis bid farewell to the Senate and returned to his plantation, where on February 10 he was informed he had been declared President of the Confederacy by a convention of the seceding states.

All of this history is available to anyone willing to take the time to study it. It alone should rescue Davis from obscurity. But the purpose of this joint resolution I offer today is to correct a grave injustice inflicted upon Davis by a vindictive conqueror.

After Petersburg fell and Richmond was evacuated, Davis and his government fled

west. Upon learning of Lee's surrender at Appomattox, he turned south, and was eventually captured by Union forces in Georgia. Under military guard, he was taken to Fort Monroe at the mouth of the James River in Virginia. Even those grown accustomed to the modern-day horrors of political imprisonment and torture would be appalled at Davis' treatment there.

As he well knew from his tenure as Secretary of War, Fort Monroe was perhaps the most redoubtable fortress of the U.S. Army, with walls up to 5 feet thick, and surrounded by a moat of equally great proportions. Davis could not have escaped from such a prison. Nevertheless, his captors were not satisfied with merely keeping him within the fort, and instead locked him into an inner cell with only one stoutly barred window, with a lamp ordered to be kept burning day and night at his head, and with a guard detail of 70 soldiers, 2 of whom paced incessantly in the cell itself. He could receive or send no mail, and had only his Bible to read. And for the final insult, Secretary of War Stanton had Davis placed in irons. As the New York Herald put it, Davis had been—

"* * * committed to that living tomb prepared within the impregnable walls of Fortress Monroe. He is buried alive."

Though the conditions of his imprisonment gradually improved, thanks to the protests of military doctors who believed he would die unless given some relief, Davis was held in close custody in Fort Monroe for 2 years. An indictment was brought against him, but he was never tried, for the prosecutors never settled on the charges. As Chief Justice Salmon Chase said—

"If you bring these leaders to trial, it will condemn the North, for by the Constitution secession is not rebellion. . . . We cannot convict him of treason. Secession is settled. Let it stay settled."

Finally, Davis was released from Fort Monroe in May 1867. A bond of $100,000 pending trial was posted, with Horace Greeley and Cornelius Vanderbilt among those contributing.

Jefferson Davis had 22 years of life remaining. In 1868 the indictment against him was quashed, and through a general amnesty declared by President Johnson on Christmas Day, 1868, he was no longer a prisoner on bail. But he was still without his rights as a citizen, and they were never restored. He was specifically excepted from the general amnesty of 1876 by the demagoguery of James G. Blaine, who falsely alleged that Davis was "the author, knowingly, deliberately, guiltily, and willfully, of the gigantic murders and crimes at Andersonville.

Mr. President, Jefferson Davis died in 1889, much mourned in the North as well as the South, and still without the rights of a citizen in the Nation he had served so well.

In his memoirs, Davis declared it his purpose to "keep the memory of our heroes green. Yet they belong not to us alone; they belong to the whole country; they belong to America." So it is with Jefferson Davis, and with this joint resolution I seek to keep his memory green, and restore to him the rights due an outstanding American.

The Committee received numerous letters of support for passage of Senate Joint Resolution 16, an example of which is the following letter of Byrle A. Kynerd, former Director of the Mississippi State Historical Museum:

BRIARWOOD PRESBYTERIAN CHURCH,
Birmingham, Ala., April 6, 1977.

Senator JAMES O. EASTLAND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EASTLAND: I trust that you would consider my letter of support for S.J. Res. 16 appropriate. As a historian, citizen, and former director of the Mississippi State Historical Museum I am confident I can express an accurate assessment of the life and career of Jefferson Davis, a distinguished American patriot.

Every serious historical analysis of either the private life or public career of Jefferson Davis must conclude that he was distinguished by his purity, manliness, courage, and devotion to the Nation. A considered appraisal of Davis would not find him flawless, but it could not deny the noble contributions which he made by his leadership in the Mexican War, in Congress, as Secretary of War, and on the eve of the Civil War. His leadership as President of the Confederate States of America, rather than being an attack on the American system, may have advanced the spirit of American constitutionalism. A penetrating study of his public career would not produce any evidence of a lack of zeal or fidelity to the several causes for which he served. Jefferson Davis was an American patriot whose excellence as a national leader should not be forgotten or belittled because of his role as President of the Confederacy.

Enactment of Senate Joint Resolution 16 is both appropriate and desirable. I am grateful that the Senate of the United States would reaffirm its sense of history by approving this measure.

Cordially,

BYRLE KYNERD.

COST

The enactment of this legislation involves no direct additional expenditure to the Government.

The committee believes that the resolution is meritorious and recommends it favorably.

AMERICAN BUSINESS DAY

The resolution (S.J. Res. 40) to request the President to issue a proclamation designating May 13 of each year as "American Business Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue annually a proclamation designating May 13 of each year as "American Business Day," and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–101), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the joint resolution is to authorize and request the President to issue a proclamation designating May 13 of each year as "American Business Day".

STATEMENT

The merits of the resolution are set out in a statement by Senator Scott, as follows:

Ours is a Nation with an economy that provides well for its 216 million citizens, and said to have assets of $6.2 trillion, or $28,000 for each citizen. It should be remembered that our country was, in the beginning, a colony sponsored by an English trading company, and that private initiative has produced a standard of living that is truly the envy of the world.

New ideas, inventions, machines, and technology—new ways of making more and better goods and services for our people—these are the bounty of our free enterprise system.

The committee believes that the resolution is meritorious and recommends it favorably.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the votes by which both joint resolutions were agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF CALENDAR ORDER NO. 83 TO UNANIMOUS-CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, the distinguished minority leader has indicated that Calendar Order No. 83 (S. Res. 94) is cleared on his side for passage by unanimous consent. Therefore, I ask the clerk to transfer it to the Unanimous-Consent Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR SENATE TO CONVENE AT 4 P.M. ON MAY 3, MAY 5, MAY 10, AND MAY 12, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes on the following days, the Senate convene at the hour of 4 p.m., which I do this at this time so that all committees may be well aware that the Senate will not be coming in before 4 p.m. on these days: Tuesday, May 3, next Tuesday, and next Thursday, May 5; the following Tuesday, May 10, and the following Thursday, May 12.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BENTSEN ON MONDAY, MAY 2, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on Monday of next week, after the two leaders have been recognized under the standing order, Mr. BENTSEN be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR DOLE ON FRIDAY, APRIL 29, 1977

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on Friday of this week, after the two leaders or their designees have been recognized under the standing order, Mr. DOLE be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AN EFFECTIVE NUCLEAR NONPROLIFERATION POLICY—MESSAGE FROM THE PRESIDENT—PM 74

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States:

To the Congress of the United States:

The need to halt nuclear proliferation is one of mankind's most pressing challenges. Members of my Administration are now engaged in international discussions to find ways of controlling the spread of nuclear explosive capability without depriving any nation of the means to satisfy its energy needs. The domestic nuclear policies which I have already put forward will place our nation in a leadership position, setting a positive example for other nuclear suppliers as well as demonstrating the strength of our concern here at home for the hazards of a plutonium economy. Today I am submitting to the Congress a bill which would establish for the United States a strong and effective non-proliferation policy.

This bill relies heavily upon work which the Congress has already done, and I commend the Congress for these valuable initiatives. I look forward to working with the Congress to establish a strong, responsible legislative framework from which we can continue strengthened efforts to halt the spread of nuclear weapons.

Among our shared goals are: an increase in the effectiveness of international safeguards and controls on peaceful nuclear activities to prevent further proliferation of nuclear explosive devices, the establishment of common international sanctions to prevent such proliferation, an effort to encourage nations which have not ratified the Non-Proliferation Treaty to do so at the earliest possible date, and adoption of programs to enhance the reliability of the United States as a supplier of nuclear fuel.

This bill differs from pending proposals, however, in several respects:

1. It defines the immediate nuclear export conditions which we can reasonably ask other nations to meet while we negotiate stricter arrangements. The proposals currently before Congress would impose criteria that could force an immediate moratorium on our nuclear exports, adversely affecting certain allies whose cooperation is needed if we are to achieve our ultimate objective of non-proliferation.

2. It defines additional nuclear export conditions which will be required in new agreements for civil nuclear cooperation. In particular, we will require as a continuing condition of U.S. supply that recipients have all their nuclear activities under IAEA safeguards. I view this as an interim measure and shall make it clear to all potential recipients and to other nuclear suppliers that our first preference, and continuing objective, is universal adherence to the Non-Proliferation Treaty.

3. For the near future, it attempts to tighten the conditions for U.S. nuclear cooperation through renegotiation of existing agreements to meet the same standards as those we will require in new agreements. I believe that this approach will better meet our non-proliferation objectives than will the unilateral imposition of new export licensing conditions.

4. It increases the flexibility we need to deal with an extremely complex subject. For example, instead of requiring countries that want our nuclear exports to foreswear fuel enrichment and reprocessing for all time, it allows us to draft new agreements using incentives to encourage countries not to acquire such facilities. It also permits me to grant exceptions when doing so would further our basic aim of non-proliferation. All new cooperation agreements would, of course, be subject to Congressional review.

This bill is intended to reassure other nations that the United States will be a reliable supplier of nuclear fuel and equipment for those who genuinely share our desire for non-proliferation. It will insure that when all statutory standards have been met, export licenses will be issued—or, if the judgment of the Executive Branch and the independent Nuclear Regulatory Commission should differ, that a workable mechanism exists for resolving the dispute.

Since I intend personally to oversee Executive Branch actions affecting non-proliferation, I do not think a substantial reorganization of the responsibility for nuclear exports within the Executive Branch is necessary. This conclusion is shared by the Nuclear Regulatory Commission.

The need for prompt action is great. Until domestic legislation is enacted, other countries will be reluctant to renegotiate their agreements with us, because they will fear that new legislation might suddenly change the terms of cooperation. If the incentives we offer them to renegotiate with us are not attractive enough, the United States could lose important existing safeguards and controls. And if our policy is too weak, we could find ourselves powerless to restrain a deadly world-wide expansion of nuclear explosive capability. I believe the legislation now submitted to you strikes the necessary balance.

JIMMY CARTER.

THE WHITE HOUSE, *April 27, 1977.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the President of the United States submitting proposed legislation to establish a strong and effective nonproliferation policy, be held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate tomorrow.

Mr. BAKER. Mr. President, reserving the right to object, I shall have to object to part of the request. I am perfectly willing to agree for committees to meet other than the Committee on Energy and Natural Resources. If the majority leader would reframe the request so that it excludes that committee, there will be no objection on this side.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees, with the exception of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, as to the fact that the Committee on Energy and Natural Resources was not included in the request, I think the record should show that the committee can meet tomorrow until the hour of 11:30 a.m. without consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I may renew the request in the morning, at which time the distinguished minority leader may be in a position to accede to the request or he may not be.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, the Executive Calendar, as I understand it, has been cleared on both sides. I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. BAKER. Mr. President, the majority leader is correct. The Executive Calendar, I am informed, is cleared on this side as to all of the items appearing on both pages 1 and 2.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished minority leader.

The assistant legislative clerk proceeded to read nominations on the Executive Calendar.

STATEMENT SUBMITTED BY REQUEST

(By request of Mr. ROBERT C. BYRD for Mr. STEVENSON, the following statement is printed in today's RECORD:)

STATEMENT OF SENATOR STEVENSON ON THE NOMINATION OF DR. JORDAN BARUCH

Today we consider the nomination of Dr. Jordan J. Baruch to be the Assistant Secretary of Commerce for Science and Technology. His nomination was forwarded to the Senate on April 4, and his confirmation hearing was held on April 22.

The Assistant Secretary exercises policy direction and general supervision over the National Bureau of Standards, the Patent and Trademark Office, the National Technical Information Service, the Office of Telecommunications, and direct supervision over the Office of Product Standards. He also provides advice to the Secretary of Commerce and other Commerce officials on scientific and technological issues.

In reviewing the information gathered by the Committee with respect to Dr. Baruch's background and accomplishments, I was pleased to note the breadth and diversity of his experience. Dr. Baruch has had a distinguished academic career, first as an Assistant Professor of Electrical Engineering at the Massachusetts Institute of Technology, then as a lecturer in Business Administration at the Harvard University Graduate School, and most recently as a professor of both business administration and engineering at Dartmouth College.

Dr. Baruch also has extensive business experience and has served as an advisor to various Federal departments and agencies, including the Department of Commerce. Dr. Baruch's nomination has also received a uniformly strong endorsement from a cross-section of the scientific and technological community who were interviewed with regard to Dr. Baruch's nomination.

Dr. Baruch has provided the Committee detailed biographical and financial informa-

tion as well as written responses to an extensive set of questions related to science and technology policy issues. In accordance with Committee procedures, Dr. Baruch's biographical information and his response to all written questions will be included in the printed hearing record, and a copy of his financial disclosure form will be available for public inspection in the Committee's main office.

A thorough Committee review of Dr. Baruch's qualifications has been conducted. This review indicates that Dr. Baruch should not be subject to any conflict of interest or appearance of conflict of interest with respect to financial interests of his wife and himself, if confirmed as Assistant Secretary. This conclusion is supported by letters from the legal counsel of the Department of Commerce and the Department of Justice. Both letters will be included in the hearing record.

Based on the information available to the Committee, and based on my own personal evaluation, I urge Senate confirmation of Dr. Baruch. The Office of Assistant Secretary of Commerce for Science and Technology is one of the most important technical management posts in the Federal government and Dr. Baruch is an excellent candidate for this post. I look forward to working closely with Dr. Baruch in areas such as technology innovation and utilization, as well as other important scientific and technological matters in the coming years.

THE NOMINATION OF DR. FRANK PRESS AS SCIENCE ADVISER TO THE PRESIDENT

Mr. KENNEDY. Mr. President, I take this opportunity to express my support for the nomination of Dr. Frank Press to serve as Director of the Office of Science and Technology Policy and as Science Adviser to the President. The President made a superb choice in naming Dr. Press to this position and the unanimous vote of the Committee on Commerce, Science, and Transportation reaffirms the confidence which exists in Dr. Press' ability to perform the critical functions of this new office with distinction.

Dr. Press has a distinguished record of accomplishment. Since 1965 he has served at MIT as professor of geophysics and chairman of the Department of Earth and Planetary Sciences. In this capacity he has built this into one of the most outstanding departments in the world. He recently completed a 6-year term as a member of the National Science Board where he exercised important leadership in furthering basic research and education in science and engineering. He has been a leader in the activities of the National Academy of Sciences and earlier served as a member of the President's Science Advisory Committee. He has made many first rank scientific contributions in his own field of seismology, with emphasis on earthquake mechanisms and elastic wave propagation.

However, he has not rested content with his contributions in basic science, but has aided in the application of this knowledge to early detection of earthquakes and to the detection of underground nuclear explosions. This has led him to play a significant role in the area of arms control; and he has participated generally in the international applications of science and technology, with emphasis on technical assistance to the less developed countries.

As Science Adviser to the President, Dr. Press will be involved in decisions which will have a profound impact. He will be asked by the President for help with decisions on whether to inoculate the population against potential epidemics; on automobile emission standards which are realistic and environmentally sound; on toxic substances in water and air; on food additives and drugs; on the risks and benefits of nuclear energy; on solar and fusion power; and on when to proceed with significant but hazardous research in fields like genetic research.

These examples can be multiplied many times over, for we live in an age of science. This is what dominates our national security, our international affairs, our domestic economy, and the quality of our environment.

No single scientist can provide advice on all these issues. But a first-rate science adviser with an outstanding staff, support from the scientific community, and a commitment to public participation can rapidly tap the best talent available to provide the President with the best advice possible.

Dr. Press has a broad and distinguished background which eminently qualifies him to serve in this capacity, and I am confident from my personal contact with him that he will discharge his responsibilities with excellence. I commend him to the Senate and urge his swift confirmation.

STATEMENT SUBMITTED BY REQUEST

(By request of Mr. ROBERT C. BYRD for Mr. STEVENSON, the following statement, together with the material attached thereto, is printed in today's RECORD:)

STATEMENT OF SENATOR STEVENSON

On March 21, the Senate received the nomination of Dr. Frank Press to be Director of the White House Office of Science and Technology Policy. The duties of this office are established under the National Science and Technology Policy, Organization and Priorities Act (P.L. 94-282) and include those of Science Adviser to the President. Dr. Press's nomination was referred to the Committee on Commerce, Science and Transportation, and his confirmation hearing was held on April 7th.

Prior to the April 7th hearing, the Committee requested, and Dr. Press provided, detailed biographical and financial information as well as written responses to 75 questions on a broad range of science and technology policy issues. In accordance with Committee procedures, Dr. Press's biographical information and his responses to all written questions will be included in the printed hearing record. A copy of his financial disclosure form is available for public inspection in the Committee's main office.

A thorough Committee review of Dr. Press's qualifications has been conducted. This review indicates that Dr. Press will not be subject to conflicts of interest if confirmed as Director of the Office of Science and Technology Policy. This conclusion is supported by letters from the Counsel to the President and the Office of the Legal Counsel of the Department of Justice. Both letters will be included in the confirmation hearing record.

On the basis of experience and background, Dr. Press appears to be eminently qualified for the position of OSTP Director. This conclusion is supported by comments received from more than two dozen members of the scientific, technical and public interest communities who were contacted by committee staff regarding Dr Press's nomination. It is clear from these comments that Dr. Press is held in extremely high regard by diverse elements of the scientific and technological communities, as well as by others. He has established a reputation for scientific excellence, and is given extremely high marks for good judgment, common sense, an ability to get things done, and for getting along well with people. In summary, Dr. Press's nomination seems to have been received with great enthusiasm by the scientific and technical community.

It is important to the Nation that the President have the best available advice on science and technology policy matters. Increasingly, national issues arise that involve important scientific and technological components. If we are to implement sound national policy in areas as diverse as agriculture. health, space, and many others, the position of Presidential Science Adviser is crucial. It must be filled by an individual with outstanding technical credentials, and one who is sensitive both to the need for cooperation between the President and the Congress, and the need for broad involvement of the state and other interested public and private groups, institutions, and individuals in the formulation of national science and technology policy.

Based on the information available to the Committee, and based on my personal evaluation of Dr. Press's abilities and experience, I feel that Dr. Press would meet these requirements, and I urge that his nomination be speedily approved by the Senate. The Committee on Commerce, Science and Transportation has unanimously voted to favorably report Dr. Press's nomination to the Senate floor. As Chairman of the Committee's Subcommittee on Science, Technology and Space, I look forward to working closely with Dr. Press and his Office as he struggles with the problems associated with strengthening the national effort in science, engineering and technology.

I urge the Senate to approve Dr. Press and I attach a brief biographical statement describing Dr. Press's career.

BIOGRAPHICAL DATA—FRANK PRESS

Frank Press was born in Brooklyn, New York, on December 4, 1924. His undergraduate work at the College of the City of New York was in physics and geology. He received a master of arts degree in 1947 and a doctor of philosophy in geophysics in 1949 from Columbia University. From 1948 to 1955, Dr. Press served on the faculty of Columbia University, first as an Instructor in Geology and then as an Assistant Professor and Associate Professor of Geology. From 1955 to 1965, he was a Professor of Geophysics at California Institute of Technology. During that time, from 1957, he also served as Director of the Institute's Seismological Laboratory. His most recent academic position was as Chairman of the Department of Earth and Planetary Sciences at the Massachusetts Institute of Technology. His publications include 160 scientific papers in the fields of oceanography, planetary physics, natural resource exploration, regional geophysics, structure of the earth's deep interior, and the mechanism and prediction of earthquakes. He is coauthor with R. Siever of the textbook "Earth," widely used in American universities.

Dr. Press was elected to membership in the National Academy of Sciences, and is also a member of the American Academy of Arts and Sciences. He was President of the American Geophysical Union, the Seismological Society of America, and is a member of the Geological Society of America, the Society of Exploration Geophysicists and the Royal Astronomical Society.

Dr. Press has been active in the affairs of the National Academy of Sciences, including membership on the Council, the Commission on Natural Resources, the Geophysical Research Board, and the International Geophysical Year Committee.

Dr. Press' government service includes membership on the President's Science Advisory Committee during the Administration of President Kennedy, membership on the Ramo and Baker Committees which were precursory to the Office of Science and Technology Policy during the Administration of President Ford, and membership on the NASA Lunar and Planetary Missions Board. He was appointed to The National Science Board for the term 1970–1976. He was a member of the Governor's Committee for Atomic Energy in the State of California, and served as consultant to the Department of Defense, the Department of the Interior, the National Aeronautics and Space Administration, the Arms Control and Disarmament Agency, and the Agency for International Development. He was one of the organizers of the International Geophysical Year and a prime mover of the research efforts at earthquake prediction in the United States. He served as a member of the U.S. delegation to the nuclear test ban negotiations in Geneva and Moscow.

Dr. Press has been active in international scientific cooperation as a consultant to UNESCO, as a member of the U.S. delegation to the United Nations Conference on Science and Technology for Underdeveloped Countries, as a participant in the bilateral science agreements with the Soviet Union and Japan, and as Chairman of the Committee on Scholarly Communication with the Peoples Republic of China.

Dr. Press' honors include the Columbia University Medal for Excellence (1959), the California Scientist of the Year Award (1960), Life Magazine—One of the Hundred Most Important Young People in the United States (1962), Distinguished Service Award, Department of the Interior (1971), Gold Medal of the Royal Astronomical Society (1971), Arthur L. Day Medal of The Geological Society of America (1972), and Honorary Doctoral degrees from the University of Notre Dame and the College of the City of New York.

On March 18, 1977, President Carter nominated Dr. Press to be Director of the Office of Science and Technology Policy in the Executive Office of the President and to serve as Science and Technology Adviser to the President.

Dr. Press is married to the former Billie Kallick of St. Louis, Missouri. They have two children, William Henry Press, who is a Professor of Astronomy at Harvard University, and Mrs. Paula Press Checkoway, a school teacher in Chapel Hill, North Carolina.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all of the nominations on the Executive Calendar be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, all nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

EXPORT-IMPORT BANK OF THE UNITED STATES

John Lovell Moore, Jr., of Georgia, to be President of the Export-Import Bank of the United States.

DEPARTMENT OF COMMERCE

Frank Alan Weil, of New York, to be an Assistant Secretary of Commerce.

Charles Linn Haslam, of North Carolina, to be General Counsel of the Department of Commerce.

Elsa Allgood Porter, of Virginia, to be an Assistant Secretary of Commerce.

Jordan J. Baruch, of New Hampshire, to be an Assistant Secretary of Commerce.

DEPARTMENT OF TRANSPORTATION

Langhorne McCook Bond, of Illinois, to be Administrator of the Federal Aviation Administration.

Quentin Saint Clair Taylor, of Maine, to be Deputy Administrator of the Federal Aviation Administration.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Frank Press, of Massachusetts, to be Director of the Office of Science and Technology Policy.

U.S. COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Thomas T. Wetmore III, to be rear admiral.

Benedict L. Stabile, to be rear admiral.

Raymond H. Wood, to be rear admiral.

The following-named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral:

Olin A. Lively, to be rear admiral.

FEDERAL MEDIATION AND CONCILIATION SERVICE

Wayne L. Horvitz, of the District of Columbia, to be Federal Mediation and Conciliation Director.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EXPORT ADMINISTRATION ACT

Mr. HARRY F. BYRD, JR. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HARRY F. BYRD, JR. I note on the Calendar No. 84, S. 69, a bill to amend and extend the Export Administration Act. If the majority leader is planning to ask unanimous consent in that regard, would he consult with the Senator from Virginia?

Mr. ROBERT C. BYRD. The Senator is directing his remarks to Calendar Order No. 84, S. 69?

Mr. HARRY F. BYRD, JR. Yes.

Mr. ROBERT C. BYRD. Yes, indeed, I shall ask the policy committee staff not to let me forget that.

Mr. HARRY F. BYRD, JR. I thank the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL PAY INCREASES—1789–1977

Mr. ROBERT C. BYRD. Mr. President, in the First Congress, the compensation bill was one of the measures which gave rise to most controversy. While the bill was in the House, several Members brought upon themselves charges of demagoguery because of their urging that the per diem compensation recommended by the committee be reduced. Representatives Madison and Page advocated that the compensation for Senators be higher because greater service was likely to be demanded of them.

In the Senate, the bill was referred to a committee which reported a recommendation that, while the pay of both Senators and Representatives should be $6 per day until March 4, 1795, the pay of Senators thereafter should be $8 per day. Before proceeding with the consideration of this report, the Senate voted, by more than 2 to 1, to adopt a resolution declaring that there ought to be a discrimination between the pay of Senators and Representatives. Of course, this gave rise to an acrimonious debate. Senator Maclay moved that the pay be reduced to $5 per day. Senator Carroll, the richest man in the Senate, supported Maclay. Vice President Adams became so excited that he could not keep his seat, and three times he interrupted Senator Ellsworth, asking him if the Congress of the Federation had not degenerated for want of adequate pay.

Naturally, the House refused to accept any discrimination in pay. The law which was finally enacted provided for a per diem payment of $6 to Senators and to Representatives until March 4, 1795. In 1795, the compensation for Senators went to $7 per diem during special sessions—such special sessions of the Senate being thought required for the purpose of considering nominations and treaties. In 1796, however, the $7 per diem for Senators attending special sessions was repealed, and the salary for special sessions was made the same as for regular sessions, to wit, $6 per diem, at which figure it remained for the next 20 years.

By 1816, in view of the increased cost of living, a bill was introduced in the House of Representatives which provided for an annual salary of $1,500. The argument was made that an annual salary, in place of the per diem of $6, would be beneficial because it would "shorten the session" and would save money to the Government in the cost of fuel and attendance for the shortened session. The measure was enacted into law and was made retroactive for more than a year.

However, the law provoked universal criticism and was speedily repealed in 1817, and the salary reverted to that of $6 per diem. In 1818, the per diem was raised from the 1789 figure of $6 to $8, and was made retroactive to March 3, 1817. It remained unchanged for close to 40 years. In 1856, the salary went from $8 per diem to an annual salary of $3,000, and the payment was made retroactive for the entire session. Ten years later, in 1866, during the days of "greenback inflation," the salary was advanced to $5,000 and was made retroactive to March 4, 1865.

Seven years later, on the day before final adjournment, March 3, 1873, the 42d Congress enacted an appropriation bill carrying a rider raising congressional

salary from $5,000 to $7,500 a year. This act made the new salary increase applicable to the entire 2 years of the expiring Congress, thus constituting a retroactive bonus of $5,000 each for the work done by Members during the preceding 2 years. This increase was labeled a "salary grab" and a "back-pay steal," and met with universal condemnation. Quite a number of Senators and Representatives paid back into the Treasury the "bonuses" which they had received under the act.

On the first day of the next session, in 1874, at least 25 bills were introduced in the House of Representatives in a scramble to repeal the salary increase, and the salary was speedily cut back to $5,000.

It was not until 1906 that the Congress again seriously considered an increase in congressional pay. For 40 years, the salary had remained at $5,000 annually, considering the fact that the 1873 pay increase had been repealed. In the House, an amendment was passed providing for an increase of salary from $5,000 to $7,500. Passage of the amendment was accomplished without a yea-and-nay vote. The Senate finally concurred in the House amendment, and the increase was made effective March 4, 1907.

In 1925, the Senate attached a rider to the legislative appropriation bill, which provided that, a month later, at the beginning of the 69th Congress, the pay for Members would be increased from $7,500 to $10,000. There was not a word of debate on the amendment, and the vote was taken unexpectedly at an evening session when several Senators who opposed the proposal were absent. Senator Norris tried, without success, to secure its recall from the House. The House passed the proposal by a majority of more than 2 to 1, after a half hour of debate, and without a record vote. President Coolidge was placed in an embarrassing dilemma, because the salary increase ran counter to the economy program which he had been urging. To have vetoed the bill, however, would have delayed or prevented other much needed appropriations, and, consequently, President Coolidge signed the bill.

In 1932, at the height of the Great Depression, the salary was temporarily reduced to $9,000 annually.

On March 20, 1933, Congress, in enacting the Emergency Act, further temporarily reduced the salary of Members of Congress to $8,500 annually.

In 1934, the salary went back to $9,500.

In 1935, the salary was restored to the 1925 level of $10,000.

In 1945, a nontaxable annual expense allowance of $2,500 was allowed each Member—which, essentially, amounted to a salary of $12,500.

In 1946, congressional pay was increased to $12,500, effective January 3, 1947, with a nontaxable expense allowance of $2,500 annually in addition thereto—thus, for all intents and purposes, making the salary $15,000 annually.

Subsequent pay increases were as follows:

In 1955 from $15,000, which included the $2,500 expense allowance, to $22,500 in total; 1964 from $22,500 to $30,000, effective Jan. 3, 1965; 1969 from $30,000 to $42,500; 1975 from $42,500 to $44,600; and 1977 from $44,600 to $57,500, effective March 1977.

Mr. President, I believe that the foregoing data will be helpful in illustrating the historical salary lag in congressional salaries from the very beginning. To sum it up, there have been 14 congressional salary increases since the first compensation bill was enacted in 1789, at which time the salary for Members of Congress was set at $6 per diem. Three of those 14 increases were subsequently repealed as I have pointed out, and one increase was temporarily reduced during the depression years of the early 1930's. In fine, then, there have only been 11 "permanent" congressional salary increases in 188 years. Perhaps this fact would qualify for "Guiness' Book of Records."

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 9:30 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. BELLMON will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business not to go beyond the hour of 10 o'clock a.m., with statements limited therein to 5 minutes each.

At the hour of 10 a.m. tomorrow, the Senate will resume consideration of H.R. 3477 and at that time Mr. CHAFEE will be recognized to call up his amendment. Upon the disposition of the amendment by Mr. CHAFEE, Mr. KENNEDY will be recognized to call up an amendment.

There will be rollcall votes throughout the day tomorrow. It is possible that Senators would be willing in the morning, if yea and nay votes are ordered on their amendments, to delay the votes until 12 noon. I cannot speak, however, with definitude except to express the possibility.

This would allow committees to meet without interruption until noon. But whether or not that can be arranged will depend upon the circumstances and the attitudes of Senators on tomorrow.

It is my anticipation that the Senate will stay in late tomorrow evening again, in the effort to complete action on this bill by Friday. There is a possibility that action could be completed tomorrow, and I hope that will be the case; but if it turns out to be otherwise, the Senate will come in early on Friday.

ORDER FOR RECESS FROM TOMORROW UNTIL 9:30 A.M. FRIDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent at this time—and this order can be changed, of course—that when the Senate completes its business tomorrow, it stand in recess until 9:30 a.m. on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONVENING OF THE SENATE AT 1 P.M. ON MONDAY NEXT

Mr. ROBERT C. BYRD. I will not get an order for Monday as yet, Mr. President. I think there is a very good likelihood that the Senate will complete action on the tax bill this week, which would allow the Senate to come in at 12 noon or later on Monday.

For the time being, however, I think I will get an order if I can.

I ask unanimous consent that when the Senate convenes on Monday, it convene at 10 a.m.

Mr. BAKER. Mr. President, reserving the right to object, I will not object. I share the hope of the majority leader that we could finish this bill even tomorrow, or certainly by Friday. If that is the case, I hope the majority leader would reconsider the 10 o'clock convening hour on Monday.

Mr. ROBERT C. BYRD. Mr. President, I knew there was something I had forgotten. The distinguished minority leader has reminded me of it by what he said.

I ask unanimous consent that when the Senate convenes on Monday, it convene at 1 p.m.

Mr. BAKER. Mr. President, that is an entirely satisfactory hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. There is going to be a meeting at the White House, and several Senators have been asked to attend some briefings. I had forgotten that.

Mr. BAKER. I must confess that I did not have that in mind when I made the suggestion. I am not at all sure that I have been invited.

Mr. ROBERT C. BYRD. I thank the Senator. I assure him that any time I can help to arrange an invitation for him, I want to do it.

Mr. BAKER. I believe the majority leader is sincere, and I appreciate it.

Mr. ROBERT C. BYRD. Mr. President, that about states the program for tomorrow.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move that the Senate adjourn until 9:30 a.m. tomorrow.

The motion was agreed to; and at 8:53 p.m. the Senate adjourned until tomorrow, Thusday, April 28, 1977, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 27, 1977:

U.S. INFORMATION AGENCY

Charles William Bray III, of Maryland, to be Deputy Director of the U.S. Information Agency, vice Eugene Paul Kopp, resigned.

U.S. ARMS CONTROL AND DISARMAMENT AGENCY

Spurgeon M. Keeny, Jr., of the District of Columbia, to be Deputy Director of the U.S. Arms Control and Disarmament Agency, vice John F. Lehman, Jr., resigned.

DEPARTMENT OF STATE

Ulric St. Clair Haynes, Jr., of Indiana, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to

the Democratic and Popular Republic of Algeria.

DEPARTMENT OF DEFENSE

John Patrick White, of California, to be an Assistant Secretary of Defense, vice David P. Taylor, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 27, 1977:

EXPORT-IMPORT BANK OF THE UNITED STATES

John Lovell Moore, Jr., of Georgia, to be President of the Export-Import Bank of the United States.

DEPARTMENT OF COMMERCE

Frank Alan Weil, of New York, to be an Assistant Secretary of Commerce.

Charles Linn Haslam, of North Carolina, to be General Counsel of the Department of Commerce.

Elsa Allgood Porter, of Virginia, to be an Assistant Secretary of Commerce.

Jordan J. Baruch, of New Hampshire, to be an Assistant Secretary of Commerce.

DEPARTMENT OF TRANSPORTATION

Langhorne McCook Bond, of Illinois, to be Administrator of the Federal Aviation Administration.

Quentin Saint Clair Taylor, of Maine, to be Deputy Administrator of the Federal Aviation Administration.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

Frank Press, of Massachusetts, to be Director of the Office of Science and Technology Policy.

U.S. COAST GUARD

The following officers of the United States Coast Guard for promotion to the grade of rear admiral:

Thomas T. Wetmore III
Benedict L. Stabile
Raymond H. Wood

The following-named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral:

Olin A. Lively

FEDERAL MEDIATION AND CONCILIATION SERVICE

Wayne L. Horvitz, of the District of Columbia, to be Federal Mediation and Conciliation Director.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

WITHDRAWAL

Executive nomination withdrawn from the Senate April 27, 1977:

John Patrick White, of the District of Columbia, to be an Assistant Secretary of Defense, vice David P. Taylor, resigned, which was sent to the Senate on April 21, 1977.

HOUSE OF REPRESENTATIVES—*Wednesday, April 27, 1977*

The House met at 3 o'clock p.m.

Rev. Theodore M. Hesburgh, C.S.C., president, University of Notre Dame, South Bend, Ind., offered the following prayer:

Almighty God and Father, we pray this day for our country and for those who formulate and enact its laws. We pray that You may always inspire them with a deep sense of justice, for without justice there are no good laws and no civic peace. We pray that You also give them the wisdom to know what can and should be legislated and what cannot. We pray that You give them insight to ask first and only what is right, not what is popular, and having seen the right, to follow its course courageously, whatever the cost. And finally, Lord, we pray that we others may follow where the Congress leads, support what they rightly enact, espouse the justice that good laws represent—and ultimately achieve for ourselves, our country, and our world that peace which is not just the absence of war, but more importantly, the tranquillity of order established by law and respect for law. We ask this in the name of the Father, the Son, and the Holy Spirit. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

REV. THEODORE M. HESBURGH, C.S.C.

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I am pleased and honored to have my distinguished constituent and friend, the Reverend Theodore M. Hesburgh, C.S.C., deliver the invocation here in the House of Representatives today.

Father Hesburgh is in his 25th year as president of the University of Notre Dame, one of the great leaders of American life and his career highlights the increasingly interrelated areas of education, government, and public affairs.

As president of a major American university, he has presided over major institutional growth at Notre Dame and made significant contributions to higher education nationally, particularly in his role as a member of the Carnegie Commission on the Future of Higher Education.

As a world citizen, his has been a strong voice for economic development in the Third World—as Chairman of the Overseas Development Council and as a trustee—now president—of the Rockefeller Foundation—and for peace and justice.

But, Mr. Speaker, Father Hesburgh's greatest contribution to America and the world has been, in my view, his outspoken advocacy of human rights. He was for many years a member, and for a time, chairman, of the U.S. Commission on Civil Rights, and he was a member also of the President's Clemency Board.

As an internationally respected clergyman, his stand against racism and political repression has been a beacon both at home and abroad.

Mr. Speaker, evidence of the great regard in which both Father Hesburgh and the University of Notre Dame are held by the highest official in our land is that the principal address at commencement exercises at the University of Notre Dame on May 22, 1977, will be delivered by President Jimmy Carter.

Still further indication of the widespread respect with which Father Hesburgh is regarded is the list of distinguished citizens from several different countries of the world who will receive honorary degrees at Notre Dame next month.

In addition to President Carter, who will deliver the commencement address, former Senator Mike Mansfield, recently retired from the U.S. Senate after serving longer there as leader than anyone in history, will be present to receive the Laetare Medal. The award is given annually by Notre Dame to honor an esteemed American Catholic. Senator Mansfield has just been confirmed as our new Ambassador to Japan.

Kurt Waldheim, Secretary General of the United Nations, will receive an honorary doctor of laws degree.

The distinguished Speaker of the House of Representatives, the Honorable THOMAS P. O'NEILL, JR., will receive an honorary doctor of laws degree.

Another honorary doctor of laws degree will be bestowed on Arthur F. Burns, the Chairman of the Federal Reserve Board.

Archbishop Jean Jadot, the apostolic delegate in the United States, has been the Vatican's principal representative since 1973 to American Catholics. He will receive an honorary doctor of laws degree.

Three outspoken critics of human rights violations who will receive honorary degrees are Bishop Donal Lamont of Umtali, Rhodesia; Paul Cardinal Arns of Sao Paulo, Brazil; and Stephen Cardinal Kim of Seoul, Korea.

Bishop Lamont is the clergyman who was deported from Rhodesia in March after being sentenced for failure to report the presence of African nationalist guerrillas in his diocese. Cardinal Arns became the archbishop in 1970 and has fought for social, economic, and political rights of the urban poor while Cardinal Kim has been protesting the curtailment of civil liberties in Korea following the adoption of martial law there in 1972.

Mr. Speaker, among the other persons to receive honorary degrees at Notre Dame next month are:

Reginald H. Jones, chairman of the board and chief executive officer of the General Electric Co., a doctor of engineering degree.

Dr. Percy A. Pierre, dean of engineering at Howard University, doctor of engineering degree.

Catherine B. Cleary, chairman of the board and chief executive officer of the First Wisconsin Trust Co., a doctor of laws degree.

Prof. Philip B. Kurland, professor of law at the University of Chicago, a doctor of laws degree.

Mr. Speaker, Father Hesburgh's words, spoken at a Bicentennial celebration last year, are ones that I believe should guide us in our work here:

I, for one, do not believe that America is a thwarted experiment, a burned-out case, a fading hope. Despite the negativism of the day, we are becoming "twice born," coming of age and it is not the decrepitude of old age . . . The world may or may not follow, but we must lead because our tradition says we must: liberty is worth the effort, and the creation of justice and peace abroad will in large measure depend on the measure of justice and peace that we create here at home, increasingly in our America. Whatever its faults, America is still the most exciting human experiment in all the world.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3843) entitled "An act to authorize additional funds for housing assistance for lower income Americans in fiscal year 1977, to extend the Federal riot reinsurance and crime insurance programs, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 955. An act to amend the Federal Crop Insurance Act; and

S. 1240. An act to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1978.

PERSONAL EXPLANATION

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker, I regret very much that I was not present on the floor of the House late yesterday afternoon at the time several amendments to the first concurrent resolution on the budget, House Concurrent Resolution 195, were being considered.

With 10 hours of general debate having been provided for the budget resolution, it was my impression that no amendments to the resolution would be taken up until today.

On yesterday, the Middle Tennessee Director, Federal Housing Administration, U.S. Department of Housing and Urban Development, accompanied me to an appointment with Mr. Larry Simons, Assistant Secretary, Housing and Urban Development, at the conclusion of the markup session of the House Banking Committee, at which both Mr. Simons and I had to be present until after 4 p.m. Our meeting at HUD did not conclude until after 6 p.m., and my presence at that meeting was the reason for my absence from the floor. Had I been present, I would have voted for the Pike amendment. I ask that the House accept this explanation and my apology for this absence.

REVEREND THEODORE M. HESBURGH, CSC

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, I would just like to echo the words spoken by my colleague, the gentleman from Indiana (Mr. BRADEMAS), in testimony to the person who addressed our House and opened it with a prayer today, Father Theodore M. Hesburgh, CSC, the president of the University of Notre Dame.

Mr. Speaker, it was my privilege to be a student at Notre Dame at the very time that Father Hesburgh became president. That was 25 years ago, and in that 25 years Father Hesburgh has not only led the university to its greatest milestones in achievement, both educationally and from a religious standpoint, but Father Hesburgh has distinguished himself in many, many ways as a person of the church and as a champion of human rights.

I would like to thank the Speaker for having, during his busy schedule, attended the luncheon given by the gentleman from Indiana (Mr. BRADEMAS) for Father Hesburgh. I think it is a fitting tribute to a person like Father Hesburgh who has done so much during these past 25 years.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1978

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 195) setting forth the congressional budget for the U.S. Government for the fiscal year 1978.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 409, nays 0, not voting 24, as follows:

[Roll No. 155]

YEAS—409

Abdnor	Danielson	Johnson, Calif.
Addabbo	Davis	Johnson, Colo.
Akaka	de la Garza	Jones, N.C.
Alexander	Delaney	Jones, Okla.
Allen	Dellums	Jones, Tenn.
Ambro	Derwinski	Jordan
Ammerman	Devine	Kasten
Anderson, Calif.	Dickinson	Kastenmeier
	Dicks	Kazen
Anderson, Ill.	Dingell	Kelly
Andrews, N.C.	Dodd	Kemp
Andrews, N. Dak.	Dornan	Ketchum
	Downey	Keys
Annunzio	Drinan	Kildee
Applegate	Duncan, Oreg.	Kindness
Archer	Duncan, Tenn.	Kostmayer
Armstrong	Early	Krebs
Ashbrook	Eckhardt	Krueger
Ashley	Edgar	LaFalce
Aspin	Edwards, Ala.	Lagomarsino
AuCoin	Edwards, Calif.	Latta
Badham	Edwards, Okla.	Leach
Badillo	Eilberg	Lederer
Bafalis	Emery	Leggett
Baldus	English	Lehman
Barnard	Erlenborn	Lent
Baucus	Ertel	Levitas
Bauman	Evans, Colo.	Lloyd, Calif.
Beard, R.I.	Evans, Del.	Lloyd, Tenn.
Beard, Tenn.	Evans, Ga.	Long, La.
Bedell	Evans, Ind.	Long, Md.
Beilenson	Fary	Lott
Benjamin	Fascell	Lujan
Bennett	Fenwick	Luken
Bevill	Findley	Lundine
Biaggi	Fisher	McClory
Bingham	Fithian	McCormack
Blanchard	Flippo	McDade
Blouin	Flood	McDonald
Boland	Florio	McEwen
Bolling	Flowers	McFall
Bonior	Flynt	McHugh
Bonker	Ford, Mich.	McKay
Bowen	Ford, Tenn.	McKinney
Brademas	Fountain	Madigan
Breaux	Fowler	Maguire
Breckinridge	Frenzel	Mahon
Brinkley	Frey	Mann
Brodhead	Fuqua	Markey
Brooks	Gammage	Marks
Broomfield	Gaydos	Marlenee
Brown, Calif.	Gephardt	Marriott
Brown, Mich.	Giaimo	Martin
Brown, Ohio	Gibbons	Mathis
Broyhill	Gilman	Mattox
Buchanan	Ginn	Mazzoli
Burgener	Glickman	Meeds
Burke, Calif.	Goldwater	Metcalfe
Burke, Fla.	Gonzalez	Meyner
Burke, Mass.	Gore	Michel
Burleson, Tex.	Gradison	Mikulski
Burlison, Mo.	Grassley	Mikva
Burton, John	Gudger	Miller, Calif.
Burton, Phillip	Guyer	Miller, Ohio
Butler	Hagedorn	Mineta
Byron	Hall	Minish
Caputo	Hamilton	Mitchell, Md.
Carney	Hammer-schmidt	Mitchell, N.Y.
Carr		Moakley
Carter	Hanley	Moffett
Cavanaugh	Hannaford	Mollohan
Cederberg	Hansen	Montgomery
Chisholm	Harkin	Moore
Clausen, Don H.	Harris	Moorhead, Calif.
	Harsha	
Clawson, Del	Hawkins	Moorhead, Pa.
Clay	Hefner	Moss
Cleveland	Heftel	Motti
Cochran	Hightower	Murphy, Ill.
Cohen	Hillis	Murphy, N.Y.
Coleman	Holland	Murphy, Pa.
Collins, Ill.	Hollenbeck	Murtha
Collins, Tex.	Holt	Myers, Gary
Conable	Holtzman	Myers, Michael
Conte	Horton	Natcher
Conyers	Howard	Neal
Corcoran	Hubbard	Nedzi
Corman	Huckaby	Nichols
Cornell	Hughes	Nix
Cornwell	Hyde	Nolan
Cotter	Ichord	Nowak
Coughlin	Ireland	O'Brien
Crane	Jacobs	Oakar
D'Amours	Jeffords	Oberstar
Daniel, Dan	Jenkins	Obey
Daniel, R. W.	Jenrette	Ottinger

Panetta	Sarasin	Trible
Patten	Satterfield	Tsongas
Patterson	Sawyer	Tucker
Pattison	Scheuer	Udall
Pease	Schroeder	Ullman
Pepper	Schulze	Van Deerlin
Perkins	Sebelius	Vander Jagt
Pettis	Seiberling	Vanik
Pickle	Sharp	Vento
Pike	Shipley	Volkmer
Poage	Shuster	Waggonner
Pressler	Sikes	Walgren
Preyer	Simon	Walker
Pritchard	Sisk	Walsh
Pursell	Skelton	Wampler
Quayle	Skubitz	Watkins
Quie	Slack	Waxman
Quillen	Smith, Iowa	Weaver
Rahall	Smith, Nebr.	Weiss
Railsback	Snyder	Whalen
Rangel	Solarz	White
Regula	Spellman	Whitehurst
Reuss	Spence	Whitley
Rhodes	St Germain	Whitten
Richmond	Stangeland	Wiggins
Rinaldo	Stanton	Wilson, Bob
Risenhoover	Stark	Wilson, C. H.
Roberts	Steed	Wilson, Tex.
Robinson	Steers	Winn
Rodino	Steiger	Wirth
Rogers	Stockman	Wolff
Roncalio	Stokes	Wright
Rooney	Stratton	Wydler
Rose	Studds	Wylie
Rosenthal	Stump	Yates
Rousselot	Symms	Yatron
Roybal	Taylor	Young, Alaska
Rudd	Thompson	Young, Fla.
Runnels	Thone	Young, Mo.
Ruppe	Thornton	Young, Tex.
Russo	Tonry	Zablocki
Ryan	Treen	Zeferetti

NAYS—0

NOT VOTING—24

Boggs	Fraser	Myers, Ind.
Chappell	Goodling	Price
Dent	Harrington	Roe
Derrick	Heckler	Rostenkowski
Diggs	Koch	Santini
Fish	Le Fante	Staggers
Foley	McCloskey	Teague
Forsythe	Milford	Traxler

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 195) setting forth the congressional budget for the U.S. Government for the fiscal year 1978, with Mr. NATCHER in the chair.

The CHAIRMAN. When the Committee rose on Tuesday, April 26, 1977, the concurrent resolution had been considered as having been read and open to amendment at any point.

Are there further amendments?

AMENDMENT OFFERED BY MR. PIKE

Mr. PIKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PIKE: In the matter relating to the appropriate level of total new budget authority strike out "$580,757,000,000" and insert in lieu thereof "$500,627,000,000";

In the matter relating to the appropriate level of total budget outlays strike out "$463,857,000,000" and insert in lieu thereof "$463,727,000,000";

In the matter relating to the amount of the deficit strike out "$65,763,000,000" and insert in lieu thereof "$65,633,000,000";

In the matter relating to the appropriate level of the public debt strike out "$792,093,000,000" and insert in lieu thereof "$791,963,000,000";

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike out "$92,093,000,000" and insert in lieu thereof "$91,963,000,000";

In the matter relating to national defense, strike out "$115,986,000,000" in budget authority and insert in lieu thereof "$115,968,000,000"; and strike out "$109,647,000,000" in outlays and insert in lieu thereof "$109,629,000,000";

In the matter relating to allowances, strike out "$1,069,000,000" in budget authority and insert in lieu thereof "$957,000,000"; and strike out "$1,021,000,000" in outlays and insert in lieu thereof "$909,000,000."

Mr. PIKE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PIKE. Mr. Chairman, this is the other amendment which I advised the Members that I would offer if the first amendment which I offered yesterday were passed. The amendment which I offered yesterday cut $7 million from the general government function of the bill This amendment cuts $130 million, largely from the function of the budget called allowances; but a small amount from the Defense function of the budget for civilian employees.

The figures which were given to the House yesterday on what other people got as far as raises were concerned were, I regret to say, inaccurate, in that they represented what the Commission had recommended and not what the people got; however, what the people got, and we are talking now about some 22,000 people in the Federal Government who got pay raises averaging about 28 percent in March, some of them got more than 28 percent, some of them got less than 28 percent, but it averaged 28 percent in pay raises.

Members will recall that our own congressional pay raise was 28.9 percent, and it took us from $44,600 to $57,500. Exactly the same raise went to the judges of the Circuit Court of Appeals, the judges of the Court of Claims, the judges of the Court of Military Appeals, the judges of the Court of Customs and Patent Appeals. They went from $44,600 to $57,500. The judges of the U.S. district courts went from $42,000 to $54,500. As a percentage, that was larger than our pay raise. Instead of being 28.9 percent, that was 29.8 percent.

The other people who got 29.8 percent pay raises are the judges of the Customs Court, and the judges of the Tax Court. The people in executive level II got the same 28.9 percent that we did. And so it goes, right on down the line, for $130 million worth of pay raises averaging 28 percent.

Now, there is no sense in spending a great deal of time on this particular amendment. I happen to think that a 28- or 29-percent pay raise for Members of Congress was too high. I happen to think that a 28- or 29-percent pay raise for these other people is too high. My amendment will put them back as they were before the 28- or 29-percent pay raise, just as my amendment yesterday put us back where we were before the 28- or 29-percent pay raise.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Does the gentleman's amendment include officers of the House of Representatives and committee staff members who had pay raises based upon the pay raise of Congress?

Mr. PIKE. Well, if they got those raises under that process, the answer would be yes. If they got those raises under the process whereby we got our pay raises, the answer would be yes.

The CHAIRMAN. The time of the gentleman from New York has expired.

(On request of Mr. BUTLER and by unanimous consent Mr. PIKE was allowed to proceed for 1 additional minute.)

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from Virginia.

Mr. BUTLER. Does this amendment contemplate that the recent increases for judges will be turned back?

Mr. PIKE. Yes, it does.

Mr. BUTLER. How does that square with the provision of article III, section 1 of the Constitution?

Mr. PIKE. I am aware of what the gentleman is going to read, and if it is possible that we cannot reduce their salaries while they are in office, then we cannot do it. But, I am going to try.

Very frankly, we heard an awful lot of complaints from judges about how they were being underpaid and how they were forced to leave the bench, but every time there is a vacancy for a district court judge where I live, there is no shortage of applications to fill the vacancy. I have yet to hear of a Federal judgeship going begging anywhere.

Mr. BUTLER. Will the gentleman yield further?

Mr. PIKE. Certainly.

Mr. BUTLER. I have a further question, if I may. Is it the gentleman's opinion that we can constitutionally reduce the salaries of these judges?

Mr. PIKE. I think the question depends on when they took office. I think that if they took office earlier, and this pay raise does not reduce what they were getting when they took office, then the answer constitutionally is yes, we can do it. I think if they took office after the pay raise, we could not.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(On request of Mr. HARRIS and by unanimous consent Mr. PIKE was allowed to proceed for 2 additional minutes.)

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Will the gentleman tell us whether or not his amendment would affect the White House staff?

Mr. PIKE. The answer is, "Yes." There are 2,500 people in the so-called executive positions, in the executive and judicial branches of Government, who would

be affected by this amendment. Below that, there are some 18,000 people in the so-called supergrades who would be affected.

Mr. THOMPSON. In response to the gentleman's answer to the gentleman from California (Mr. CHARLES H. WILSON), he addressed the question of pay raises for the officers of the House. I would like to point out that this would not affect them, since they were done by separate resolution.

Mr. PIKE. Then the officers of the House are safe, and we can safely vote for this amendment and cut out $130 million worth of 28 or 29 percent raises.

Mr. THOMPSON. If the gentleman will yield further, I am not so sure about the safety factor.

Mr. SAWYER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I sat through the discussion and debate yesterday. I was as impressed with the argument and persuasiveness of the gentleman from New York (Mr. PIKE) as I was several weeks before, when I heard him argue exactly the opposite, that without his outside income he could not keep his job in the House. I took a position on that matter. I took a position against the Democratic incumbent in the last election. I stated that my opponent cast a deciding vote in the cost-of-living increase, and I certainly would have voted against the pay increase had it come up. But now we are talking about something quite different, and I think it is irresponsible. We are talking about having given 22,000 employees of the U.S. Government a pay increase. We are now talking about rescinding it, or taking it back as of October 1. What employer in his right mind in these times ever did such a thing to his employees? They undoubtedly incurred obligations, may have bought automobiles on time, and may have done other things in reliance on the raises we gave them by our failure to act.

If we, as a result of the Pike amendment yesterday—which, incidentally, I voted for, not because I was persuaded the second time, but because I saw a chance to save $7 million in the budget—we put ourselves in the ridiculous position, which, I am told, we are not, by people who know a good sight more about this procedure than I do yet, of being paid less than all of these other people, we did it to ourselves.

But that is no excuse, in my opinion, to embark on such a reckless and irresponsible course of conduct after 6 months of raises to employees, to tell them, "Now we rescind it, and it is just too bad you are taking a 28-percent pay reduction at this time."

I cannot go along with that kind of thinking. I think we have crossed the Rubicon on this entire pay raise matter by not voting on the salaries. I think we are now up against two intolerable choices, either reducing 6 months from now the pay of 22,000 Federal employees, and/or putting ourselves in a position where we are paid totally out of scale.

I am now prepared, notwithstanding a totally different opinion before, to vote not only against this amendment, but for an appropriation for a pay increase when it comes up for a vote.

Mr. HARRIS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to point out that we are also talking about the pay of people in grades 15 and 16, who will be affected here and will be cut back. We are talking about all of those pay scales which were formerly tied to executive level 4 which were unfrozen somewhat by this pay increase. We are not just talking about supergrades in this amendment. We are talking about civil service people under the merit system, whose pay will be reduced if we in fact adopt this amendment.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if I might have the attention of the gentleman from New York (Mr. PIKE), who offered the amendment, I would like to propound a couple of questions to him.

Of course, as the gentleman knows, I served a number of years with him on the Committee on Armed Services in the past. Then we had the misfortune of losing him to a higher calling. I have certainly been aware of the gentleman's interest in the Armed Services and those in uniform.

I would like to ask the gentleman this question: Would his amendment cut out the pay raises of any of our military people who are in uniform?

Mr. PIKE. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I yield to the gentleman from New York.

Mr. PIKE. Mr. Chairman, the answer is: No.

Mr. DICKINSON. Would that refer only to civilian personnel? Would that include only civilians with the Department of Defense? Do I understand that only civilians would be affected, but no one in uniform?

Mr. PIKE. The gentleman is correct.

Mr. DICKINSON. Mr. Chairman, I thank the gentleman.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to ask the author of this amendment, the gentleman from New York (Mr. PIKE) a follow-up question to the question that was just addressed to him as to whether or not this would affect the pay of anyone in the military.

Would this amendment affect the pay of anyone?

Mr. PIKE. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. PIKE. Mr. Chairman, at the moment I would say to the gentleman that that is more up to him than it is up to me.

Mr. GIAIMO. No; I am asking the gentleman a question, Mr. Chairman.

If this amendment carries, will it in fact terminate the pay increases of any of the people who are designated in it, anybody at the executive levels, the supergrades, or the people in the Federal court system?

Mr. PIKE. At the moment it will reduce the budget by a certain amount of money.

Mr. GIAIMO. It will reduce the amount in the allowance function of the budget by the amount of $130 million. Is that not all it would do?

Mr. PIKE. In the allowance and in the defense function. The gentleman is correct.

Mr. GIAIMO. It will not do anything else; it will not cut anyone's salary or affect anyone's salary?

Mr. PIKE. Not per se, but once again, as I said yesterday, it is going to take a little effort by the gentleman from Connecticut with his cohorts in the Senate, and then it is going to take a little effort by the gentleman from Connecticut with his cohorts on the Committee on Appropriations in order to accomplish that.

Mr. GIAIMO. Mr. Chairman, I would remind the gentleman that this is my time. I have received his answer that this amendment per se—by itself—under our actions here today would have nothing to do with reducing or increasing or affecting anyone's pay.

In fact, all this amendment does is two things: One is very real, and one is what I might call very ephemeral. The real thing it does is it reduces the total budget by $130 million. What it portends to do is to give an impression to the American people that Congress has acted on its own pay raise as of last night and now on the pay raises of people in the judicial branch and at the executive levels of Government.

That is something this amendment does not do. It has no business in this budget resolution.

However, since this House in its wisdom last night saw fit to remove the moneys from this function to the tune of $7 million, hoping that in some way it could conceivably affect congressional salaries—which I submit it will not—I think we should be consistent. Therefore, let us include our conferees and our colleagues in the judicial branch and at the executive levels of Government, and let us put this word out to them: "Don't get too upset, because this amendment does not and cannot legally affect your salary increases."

Therefore, Mr. Chairman, since I think we should all be treated equally and fairly, I believe we should accept the gentleman's amendment.

PARLIAMENTARY INQUIRY

Mr. ICHORD. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ICHORD. Mr. Chairman, as I state my parliamentary inquiry, I would appreciate it if I could have the attention of the gentleman from New York (Mr. PIKE), who offered the amendment.

I understand that the amendment offered by the gentleman from New York (Mr. PIKE) does touch upon the national defense category.

I am very deeply concerned, Mr. Chairman, because the gentleman from Texas (Mr. BURLESON) has an amendment which also touches upon the defense category and would restore the Presi-

dent's budget on national defense to $120.1 billion, as requested by President Carter.

My question is, Mr. Chairman, if this amendment is adopted, would the amendment of the gentleman from Texas (Mr. BURLESON) be in order?

The CHAIRMAN. The Chair would like to advise the gentleman from Missouri (Mr. ICHORD) that if the amendment offered by the gentleman from New York (Mr. PIKE) changes the figure in the category which the gentleman has suggested, then an amendment merely seeking to further change that figure in the same category would not be in order.

For the benefit of the gentleman from Missouri (Mr. ICHORD), the Chair would like to cite from page 721 of our new manual which provides as follows:

Where there is pending in the Committee of the Whole a perfecting amendment to a concurrent resolution on the budget changing several figures therein, the Chair indicated that adoption of that amendment would preclude further amendments merely changing those amended figures.

That is in answer to the gentleman's inquiry. Therefore, such an amendment as the gentleman has in mind would not be in order at that time.

However, if the amendment to be proposed and to be offered by the gentleman from Texas should be more inclusive in nature, changing other unamended portions of the resolution, then such an amendment might be in order.

Mr. ICHORD. Then, Mr. Chairman, I will ask the gentleman from Texas (Mr. BURLESON) to offer his amendment to the amendment offered by the gentleman from New York (Mr. PIKE).

AMENDMENT OFFERED BY MR. BURLESON OF TEXAS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. PIKE

Mr. BURLESON of Texas. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BURLESON of Texas as a substitute for the amendment offered by Mr. PIKE: On page 1, strike out "$500,757,000,000 and insert in lieu thereof "$504,907,000,000";

On page 2, line 2, strike out "$463,857,000,000" and insert in lieu thereof "$466,157,000,000";

On page 2, in line 5, strike out "$65,763,000,000" and insert in lieu thereof "$68,063,000,000";

On page 2, line 7, strike out "$792,093,000,000" and insert in lieu thereof "$794,393,000,000";

On page 2, line 9, strike out "$92,093,000,000" and insert in lieu thereof "$94,393,000,000";

On page 2, line 20, strike out "$115,986,000,000" and insert in lieu thereof "$120,136,000,000";

On page 2, line 21, strike out "$109,647,000,000" and insert in lieu thereof "$111,947,000,000".

Mr. BURLESON of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON of Texas. Mr. Chairman, for the benefit of those who may have a copy of the amendment which I am offering, the meaningful part is the last four lines. The other parts are with respect to the total adjusted figures, in case the amendment is accepted.

Mr. Chairman, no one should have any difficulty in understanding this amendment. It simply restores to the budget the President's recommendation for national defense. It would add $4.1 billion in budget authority and $2.3 billion in outlays to the amount recommended by our Committee on the Budget.

That figure, I hasten to point out, is $2.8 billion below the recommendation of the previous administration.

Opponents of this amendment will argue that the recommendation of the Committee on the Budget should be adopted since it represents a balanced response to overall national priority that was arrived at by the committee only after a comprehensive analysis of the requirements of each functional component of the budget. However, as members of the committee well know, in the area of national defense, no such analysis was ever conducted.

The Defense Task Force of the Committee on the Budget, on which I serve, held only three formal hearings of about 6 hours in all. It made no recommendation to the chairman nor to the Committee on the Budget. It had absolutely no input, and there was no discussion with respect to this matter.

On the basis of the chairman's recommendation, and only his recommendation, really, the level of $116 billion is included in this resolution for national defense and a narrow majority of the committee supported an additional reduction of $300 million. You will search in vain for any valid rationale for this action because there is none. The recommendation of the Committee on the Budget is totally inconsistent with recommendations of the congressional committees of the Congress which bear the primary responsibility for national defense. Without exception the House and the Senate Committees on Appropriations and the Committees on Armed Services of both Houses, recommended increases, not decreases in the defense budget, after extensive hearings. These conclusions were reached, covering days of study, line by line items. There was no such action in the Committee on the Budget. If we are compelled to completely ignore the recommendations of the responsible committees of this Congress and establish an arbitrary budget on defense, I fear for the integrity of this committee.

This resolution completely ignores the best advices, the most knowledgeable witnesses to come before the various committees on this vast and enormously important subject.

The simple truth of the matter is the proposed reductions in the defense budget have nothing to do with defense. They were manufactured because the committee wanted to find $4 billion somewhere in the budget to offset programs it wished to add.

The defense categories must be restored to what is actually required for national defense.

Mr. Chairman, the restoration of these funds in the resolution does not reflect any expertise on the part of OMAR BURLESON, but it does reflect the judgment of the President of the United States and the opinion of the Department of Defense, and the OMB.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. ICHORD, and by unanimous consent, Mr. BURLESON of Texas was allowed to proceed for 5 additional minutes.)

Mr. BURLESON of Texas. Mr. Chairman, let me call the attention of the committee to these figures:

President Carter recommended a budget for national defense of $120.1 billion. The House Committee on Armed Services recommends $120.9 billion. The Senate Committee on Armed Services recommends $121.3 billion; the House Committee on Appropriations, the same as that of the President; the Senate Committee on Appropriations recommends $121.7 billion; and the Senate Budget Committee, $120.6 billion. The Budget Committee comes up with $116 billion, an arbitrary figure simply plucked out of midair.

Mr. Chairman, with all due respect to my chairman of the Budget Committee, I simply am more willing to rely on the judgment of the expert witnesses before these many committees. To put it bluntly, Mr. Chairman, I am more willing to do that than I am to rely on his opinion and recommendations—solely his and really not too much of that of the committee, because, I repeat, the Task Force on the National Defense had no input into this resolution whatever.

Mr. Chairman, as some of the expertise, let me read to the Members a letter that I received yesterday from the Secretary of Defense addressed to me, dated April 26. I requested the letter from the Secretary, I might add. He did not do it on his own initiative, but he was aware that the amendment would be offered:

DEAR MR. BURLESON: I understand that you plan to propose an amendment to the First Concurrent Resolution on the FY 1978 Budget which would restore the Defense spending target to the level recommended by the President. This action coupled with your efforts in Committee to maintain this budget is appreciated.

As you are aware, the President's budget has had a thorough review which resulted in a reduction of $2.8B from the total obligational authority for FY 1978 proposed by the previous Administration. The resulting budget, submitted by the President in February of this year, was designed to insure required force modernization and to improve overall readiness and combat capability. In my view, the further Budget Committee reductions in the Defense function of $4.1B in Budget Authority and $2.3B in Outlays, would adversely affect our Defense posture. It would reverse our objective of a modest real growth in the Defense budget and instead produce a decline in the resources devoted to our security needs, at a time when I think this would be most unwise.

I consider the restoration of the Budget Resolution to the level proposed by the President to be necessary to our national security.

Sincerely,

HAROLD BROWN.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BURLESON of Texas. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

My understanding is that all the gentleman is seeking to do by this amendment is to restore the national defense level of spending to that requested by President Carter; is that correct?

Mr. BURLESON of Texas. That is correct.

Mr. ICHORD. It is my further understanding that President Carter has called the Speaker of this House and asked for a restoration. Is that the understanding also of the gentleman from Texas?

Mr. BURLESON of Texas. I understand that the President called the Speaker this morning—I was not privy to that conversation—recommending that the full amount recommended for national defense be restored to this resolution.

Mr. ICHORD. I commend the gentleman from Texas for offering this amendment.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. BURLESON of Texas. I yield to the gentleman from California.

Mr. BOB WILSON. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman from Texas is making a very important and commendable statement. I associate myself with his remarks. It is inconceivable to me that this House would adopt a budget resolution $4 billion below what the Senate Budget Committee, what the Senate Armed Services Committee, what the Senate Appropriations Committee, what the House Appropriations Committee, and what the House Armed Services Committee recommended. I fully support this substitute amendment.

I hope that our vote this week on the Department of Defense authorization bill for fiscal year 1978 is a bellwether of things to come. I am optimistic that Congress will continue to show concern for our status of forces and other defense issues. For the past decade there has been a steady decline in the purchasing power of the defense dollar; a more pronounced effect in purchasing power than in most other sectors of the economy. The situation has been aggravated by the tendency of the Congress to treat defense dollars as though they flowed from a bottomless well.

The stark reality is that the well began to dry up a number of years ago, as inflation and the rising costs of manpower and commodities drove the costs of weapons systems out of sight.

That is what we are faced with today. It is a costly proposition for the Congress to provide for the common defense of these United States. Nonetheless, the Congress is tasked with that responsibility. Something has to give. The time has come to reevaluate budget priorities and, to look at defense expenditures in their proper prospective. It will be a painful process, but we cannot afford to ever again, shortchange our military preparedness as we have tended to do in the past decade.

The national defense function of the first concurrent resolution on the budget contains two proposals which, if enacted, could have a devastating effect on large industrial type defense programs, particularly the shipbuilding program. The largest chunk of the approximately $4 billion cut in defense, which the House Budget Committee recommended, contains the following proposals.

The Budget Committee wants to take $1.3 billion out of "unexpended balances" and $1 billion out of "modernization and readiness". These proposals tear at the very guts of some of our most important programs. The effects of the proposals would counteract what the Congress adopted yesterday as the fiscal year 1978 defense bill.

"Unexpended balances" run high in the shipbuilding programs because of the very nature of that industrial operation. Warships are very expensive. When the Congress fully funds a ship, there is a lot of money obligated to pay for that ship. The Congress adopted the full-funding principle a number of years ago to lend a measure of stability to the industrial process. Otherwise, the entrepreneurs such as shipbuilders, aircraft and tank manufacturers, would not choose to invest the huge amounts of capital required to carry out such operations.

The Navy shipbuilding account is a full funded appropriation. Funds are appropriated for the full estimated cost of a ship in the year it is authorized. In building a ship, a great many things must be procurred from a large number of suppliers. Typically, ship-construction obligations run about 7 years. These obligations are earmarked for things such as the detail design contract, construction contract escalation payments, construction contract change orders, government furnished equipment and material, and a small project-manager's reserve to allow for unforeseen contingencies. A typical scale of expenditures would show about 58 percent of the funds obligated during the first year of the contract, followed by 11 percent the next 2 years, 9 percent the fourth year, 5 percent the fifth year and 3 percent the sixth and seventh years.

A ship's project manager must estimate fund requirements based upon projected contract award dates. To assure himself that funds are released and available to cover any contract awards which should occur, his plan must be adequately conservative. Hence, the "unexpended balances" might appear to be money just laying around doing nothing. I think you can readily surmize what havoc would occur to the naval shipbuilding program if these unobligated balances were suddenly jerked out from under the project managers control. Yet this could be the practical effect of the Budget Committee proposal, to take $1.3 billion out of "unexpended balances" in the defense function.

The first budget resolution also calls for a slowdown in "modernization and readiness" expenditures. That is exactly what we cannot afford to do in the shipbuilding program. The Budget Committee would reduce funding for modernization and readiness by $1 billion in budget authority. Such action, if implemented, would severely impact on fleet readiness.

An important part of the overall naval shipbuilding program includes modernization and improved readiness for older naval vessels. Our new shipbuilding program, as you well know from the Armed Services Committee Report to the Congress, is far below what this country ought to have in order to attain the naval forces structure the Joint Chiefs of Staff and the Chief of Naval Operations estimates we should have in the 1980's. We are going to have to rely on some of our older ships to fill the gaps in naval force structure.

This year, the Armed Services Committee recommended authorization of $94.5 million for advanced procurement funds for modernization of the Charles F. Adams—DDG–2—class, guided missile destroyers. These funds will be used to upgrade the first 6 of 23 ships in this class with the Standard ARM, surface-to-air missile, and Harpoon, a long-range surface-to-surface, antiship missile. This is a very important program designed to balance fleet weapons capability.

One of the most vital modernization and readiness programs is coming up. This involves a service life extension program, the so-called SLEP, for our aging aircraft carriers. Any move to divert modernization and readiness away from that program would be disastrous. This is particularly true since the Congress recently denied funds for the Navy's replacement carrier program. This Nation cannot afford a $1 billion cut in modernization and readiness funds for the Armed Forces.

As I said earlier, I think it's high time that the Congress looked toward other, and in my estimation, more lucrative areas to capture dollars for needy programs. We throw a lot of money down the drain on programs which have long ago gotten out of hand and over which there is not anywhere near the oversight we give to defense expenditures. How much time do we spend on the Floor of Congress in debate over HEW or Agriculture expenditures, the food stamps program, and revenue sharing? When was the last time we spent 2 or 3 days going over those programs as we do defense programs?

I firmly believe that the budget recommendations for a $4 billion cut in the national defense function of the first budget resolution for fiscal year 1978 is out-of-step with the realities of defense expenditures. Apparently the majority of the Congress agrees with me. So does public opinion. The public opinion polls of recent years have consistently shown that Americans are willing to spend more dollars for strong and effective Armed Forces. I urge my colleagues to support amendments to House Concurrent Resolution 195 to restore to the budget for fiscal year 1978 the funds truly required for national defense.

Mr. BURLESON of Texas. I thank my colleague from California for his contribution and support for my amendment.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. BURLESON of Texas. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

I asked the gentleman to yield to clarify one thing and to ask him a question.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. BURLESON of Texas was allowed to proceed for 2 additional minutes.)

Mr. LATTA. If the gentleman would yield, I should like to ask the question whether or not this puts all the money back as requested by President Carter. I think the gentleman answered in the affirmative. The figure I have on the Carter budget as of the OMB April 22 update was a figure higher than this—$112.8 billion in outlays. The figure the Pentagon and the Secretary of Defense have agreed upon is a figure almost $1 billion less than that estimated by OMB for President Carter on the 22d of April.

I am pointing this out only to clarify the record. I fully intend to support the gentleman's amendment. As a matter of fact, when I propose the Republican substitute later in the day, we will use the exact figure the gentleman in the well is proposing to the House.

Mr. BURLESON of Texas. I thank the gentleman. The recommendation of the Carter administration is $20.1 billion. This sum is requested by the Defense Department as a level necessary for the security of our Nation. I ask your support of my amendment.

AMENDMENT OFFERED BY MR. JOHN L. BURTON TO THE AMENDMENT OFFERED BY MR. PIKE

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON to the amendment offered by Mr. PIKE: On page 1, line 11, strike out "$500,757,000,000" and insert in lieu thereof "$492,807,000,000";

On page 2, line 2, strike out "$463,857,000,000" and insert in lieu thereof "$463,807,000,000";

On page 2, line 5, strike out "65,763,000,000" and insert in lieu thereof "$65,713,000,000";

On page 2, line 7, strike out "$792,093,000,000" and insert in lieu thereof "$792,043,000,000";

On page 2, line 9, strike out "$92,093,000,000" and insert in lieu thereof "$92,043,000,000";

On page 2, line 20, strike out "$115,986,000,000" and insert in lieu thereof "$108,036,000,000";

On page 2, line 21, strike out "$109,647,000,000" and insert in lieu thereof "$101,697,000,000."

Mr. JOHN L. BURTON (during the reading). Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ICHORD. Mr. Chairman, I reserve the right to object.

Mr. JOHN L. BURTON. I will explain it.

Mr. ICHORD. Mr. Chairman, reserving the right to object, I would like to ask the gentleman, what does this amendment do?

Mr. JOHN L. BURTON. I will explain it.

Mr. ICHORD. How long is it?

Mr. JOHN L. BURTON. The amendment would transfer $7.95 billion from the military budget and use it to retire the national debt, and rather than have the Clerk read the amendment and go through the whole series, I ask unanimous consent to have it considered as read.

Mr. ICHORD. Mr. Chairman, I withdraw my reservation of objection, and I reserve a point of order on the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from Missouri (Mr. ICHORD) reserves a point of order on the amendment.

Mr. JOHN L. BURTON. Mr. Chairman, the amendment provides for a reduction of the military debt by $7.95 billion and transfers that to the national debt. I have spent some time looking at the national debt and some time looking at the words of our first great Secretary of Treasury, Alexander Hamilton, and it is enough to curl one's hair. The Secretary of the Treasury Alexander Hamilton in reporting to the Congress said:

> And as the vicissitudes of nations beget a perpetual tendency to the accumulation of debt, there ought to be in every government a perpetual, anxious, and unceasing effort to reduce that which at any time exists, as fast as shall be practicable, consistently with integrity and good faith.

And as Secretary Hamilton further states:

> Nothing can more interest the national credit and prosperity than a constant and systematic attention to husband all the means previously possessed for extinguishing the present debt, and to avoid, as much as possible, the incurring any new debt.

But at the time Secretary Hamilton made this speech, he found that because of the war with the Indians it was such a drain on the budget that we did not have sufficient revenues to retire the debt.

Now when we go home we can talk about this and we can talk about that and we can talk about fiscal integrity. Although this is not an election year, it still may be a very difficult vote because the people might remember it. They might remember that we voted to reduce the national debt. But I say we are here as servants of the people and there comes a time when we have to take the heat, and I am willing to go back to my constituents and stand before them and say we are right.

I offer an amendment for the first time in I do not know how many years to reduce the national debt. My colleagues on this side of the aisle always talk about it. I am giving them a chance now, 19 other people willing, to vote on it. There is enough money in the military budget left over and in the pipeline to absorb this without in any way detracting from our defense capability. I believe we should remember the admonition of Alexander Hamilton when we vote.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, do I understand that the gentleman's proposal is to take all of the money which will be utilized to reduce the debt, which I certainly favor, from the national defense function category?

Mr. JOHN L. BURTON. That is the only one we found out will not have an adverse effect on local property taxpayers throughout the Nation.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, I really do not know how it is decided that the national defense expenditure is the only one that relates to property taxes. I would be glad to see that advocated.

Mr. JOHN L. BURTON. Mr. Chairman, I do not have enough time to yield further.

Mr. ROUSSELOT. I would be glad to get the gentleman extra time if the gentleman will explain how the expenditures at the Federal level for national defense are the only expenditures that relate to property taxes at the local level and that the fraud in medicare, the fraud in the food stamp program and many other areas now being brought out, does not also relate to property taxes.

Mr. JOHN L. BURTON. Mr. Chairman, I agree with the gentleman and I hope the gentleman is so concerned in this area that the gentleman might support the Renegotiations Board. If we reduce the contribution to the States for medicare, we increase the burden to the States for medicare.

If we reduce aid to education, it places the burden on the homeowner and the ad valorem taxpayer.

As I understand it, $7.95 billion would not adversely affect the defense of this great Nation. We have an overkill capacity of some 125 in nuclear weapons and I think would be a sufficient deterrent from attack by a foreign power.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. ROUSSELOT. The gentleman can find no other areas in the functional categories where there is excessive spending? He can only find excessive outlays in national defense? I favor the reduction of the debt and I rise to tell my colleague from California that I support that concept and I hope the gentleman will continue to insist on the idea that we utilize part of our revenues to reduce the debt, whether it is $7 billion or $5 billion.

The CHAIRMAN. The time of the gentleman from California (Mr. JOHN L. BURTON) has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. JOHN L. BURTON was allowed to proceed for an additional 2 minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. JOHN L. BURTON. I yield to the gentleman.

Mr. ROUSSELOT. But I cannot believe the gentleman was not able to find waste in other functional categories like he suggests he has found in the defense

function. How about foreign aid? Can we not reduce it in foreign aid?

Mr. JOHN L. BURTON. That is a point when I discussed the issue earlier. I wish the gentleman would have made that suggestion. Seventy-five percent of the national debt is war related.

I just would like to state, this is back on December 3, 1792:

The estimates which accompany the report of the Secretary, of the 14th ins., will show that, during the continuance of the present Indian War, the appropriations for interest and the demands for current services are likely to exhaust the production of existing revenue.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I hope we pay close attention to the words of wisdom of the gentleman from California (Mr. BURTON). If we had listened to the gentleman about the march of retrieving American's gold bars from our Indochinese allies at the end of the war, we would perhaps not need this amendment today.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, with great respect and confidence for the gentleman from California, but not for the gentleman's amendment, I withdraw my point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. JOHN L. BURTON. Mr. Chairman, in closing, I would say this is a vote to reduce the national debt, but I am willing to stand up and be counted and ask for a "aye" vote.

AMENDMENT OFFERED BY MR. WRIGHT TO THE AMENDMENT OFFERED BY MR. BURLESON OF TEXAS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. PIKE

Mr. WRIGHT. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT to the amendment offered by Mr. BURLESON of Texas as a substitute for the amendment offered by Mr. PIKE: On page 1, line 11, strike out "$504,907,000,000" and insert in lieu thereof "$501,757,000,000";

On page 2, line 2, strike out "$466,157,000,000" and insert in lieu thereof "$464,057,000,000";

On page 2, line 5, strike out "$68,063,000,000" and insert in lieu thereof "$65,963,000,000";

On page 2, line 7, strike out "$794,393,000,000" and insert in lieu thereof "$792,293,000,000."

On page 2, line 9, strike out "$94,393,000,000" and insert in lieu thereof "$92,293,000,000."

On page 2, line 20, strike out "$120,136,000,000" and insert in lieu thereof "$116,986,000,000";

On page 2, line 21, strike out "$111,947,000,000" and insert in lieu thereof "$109,847,000,000."

Mr. WRIGHT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WRIGHT. Mr. Chairman, here is the parliamentary situation. The gentleman from New York (Mr. PIKE) has offered an amendment to reduce expenditures by some $130 million, having to do with pay in the executive and judicial branches of Government.

There is an amendment to that pending. That amendment offered by the gentleman from California (Mr. JOHN L. BURTON), which would reduce expenditures by some $7.9 billion, almost $8 billion, to our military expenditures.

There is a further amendment pending that would increase military expenditures by approximately $4 billion, to bring it back to the President's total budget request. The President requested approximately $120 billion to be spent on the military. The Budget Committee reduced that to approximately $116 billion. The Budget Committee cut some $4 billion below the President's budget request. I am advised that in the Senate the Budget Committe has reported a bill which is approximately the same as the President's request of $120 billion.

Now, it seems to me that we need to find reasonable ground on which reasonable people can agree. Perhaps we have cut a little too much, considering the situation in the world today. I do not see any reason, however, why the House must of necessity accept the figure of $120 billion just because the President has sent it up here. Otherwise, why should we have a Budget Committee?

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Well, if the gentleman will give me some time, when I get through I will yield to the gentleman for colloquy, and I will be delighted to talk with him about it, because my judgment is not infallible in this area, certainly.

Here is where the Budget Committee can establish a national defense spending target, recommending reductions in three broad areas.

First, the Budget Committee recommends financial adjustments which do not have any direct impact on defense programs. Second, it recommends reductions in personnel and compensation policy. Third, it recommends reductions in the level of defense purchases to operate and modernize our forces.

Now, my amendment would restore $1 billion, which would bring only that section, the procurement section, the weaponry section, the sinew section, to what the President has requested. It would allow to stand some $3 billion in cuts which have been recommended by the Budget Committee in the areas of financial adjustments and personnel and compensation policy reforms.

It does seem to me, however, having talked with Secretary Brown and with President Carter as recently as today, that it is extremely important for us not to cut the sinew, not to cut the weaponry, not to cut the muscle of our Defense Establishment at a time when the Soviet Union is increasing its defense capabilities.

I believe I can say that the President and the Secretary of Defense are concerned that if the House takes the position of reducing actual weaponry procurement at this particular time, it weakens us in our attempts to achieve a meaningful arms reduction and arms limitation agreement through the procedure of the SALT talks.

Therefore, it seems plausible to me that the House would perform a service, and at the same time retain its credibility and its independence of judgment, by accepting the cuts which the Budget Committee has recommended in these somewhat more esoteric areas, but in restoring the amounts which the President of the United States has requested in purchases and equipment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(On request of Mr. ICHORD and by unanimous consent Mr. WRIGHT was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Yes, of course I do yield to my friend, for whose judgment I have great respect, and in whose friendship I revel.

Mr. ICHORD. I thank my distinguished majority floor leader for yielding to me. I do not have the eloquence or the effectiveness of our distinguished majority floor leader, but he asked the rhetorical question in his presentation, "Why have the Budget Committee?"

I could ask the same rhetorical question, "Why have a House Armed Services Committee?"

I would point out to the gentleman that in the Committee on the Budget we had amendments offered, even, for example, cutting out the B–1 bomber.

But if the gentleman may reply to this, is not the amount requested by Mr. BURLESON reasonable? The House Armed Services Committee recommended $120.9 billion. President Carter only requested $120.1 billion.

Let me give the figures. President Ford requested $122 billion. President Carter, in the campaign, said he wanted to reduce military expenditures $5 billion. He could not do it, I am sure, out of good conscience, because of what is going on in the SALT talks at the present time. He only reduced the defense budget to $120.1 billion.

The House Armed Services Committee, $120.9 billion; the Senate Armed Services Committee, $121.3 billion; the Senate Appropriations Committee, $121.7 billion; the House budget, a measly $116 billion; and Senate budget, $120.6 billion.

Why have the House Armed Services Committee? Let us abolish it. Let the Budget Committee do everything.

Mr. WRIGHT. Mr. Chairman, I appreciate the comments the gentleman has made. Let me respond to the question, if a question there was, posed in the nature of a commentary by the gentleman from Missouri (Mr. ICHORD).

Certainly, I have great respect for the House Armed Services Committee. I think in it reposes the responsibility of questions of military policy. I do think

the House budget process is a very important process.

If we are to have a House budget process, then I think we must make some judgments of our own rather than simply adopting figures submitted by the administrative branch of Government.

There is nothing magic about the figure I have offered. It is simply an effort to achieve some modicum of understanding among us. All of us want an adequate defense. Perhaps, as we go to conference with the other body, it will move upward toward our figure.

But at the same time, I think all of us want a vehicle that the majority of us can support when we come to passage of a final resolution on the budget. That is why I have offered this particular amendment, so that we can add back $1 billion for weapons and for procurement, for sinew, for muscle to strengthen ourselves.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Mr. Chairman, I will first yield to the gentlewoman from Maryland (Mrs. HOLT), and then I will yield to the gentleman from California Mr. DELLUMS).

Mrs. HOLT. I thank the gentleman for yielding.

Mr. Chairman, I would like to ask a question of the very distinguished majority leader and member of our Budget Committee. The gentleman sat through all of our hearings and all of our deliberations. The gentleman says that we took out three areas. Is it not true that it would be absolutely impossible to effect any personnel saving, which is one of those categories the gentleman mentioned, in fiscal year 1978, without drastically reducing civilian Government jobs? And is it also true that we would have to pass legislation, such as wage board reform, to effect that?

And let me ask one further part of that three-part section that the gentleman divided the budget into. As far as the financial transaction, the unexpended balances, the unobligated balances, did we not go over that in both years that we have served on that Budget Committee and discovered that that is long lead-time funding, that it is absolutely necessary if we are going to have full funding on our weapons systems, that we cannot play with that figure completely, it cannot be deducted?

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute.)

Mr. WRIGHT. Mr. Chairman, I appreciate the question asked by the gentlewoman from Maryland (Mrs. HOLT), and as the gentlewoman knows, I have worked with her on several occasions in respect to these matters.

At the risk of oversimplification, let me simply say to the gentlewoman that I think we do have too many generals and too many admirals, but I do not think we have too many airplanes and too many battleships. That is about where I stand generally on that issue.

Mrs. HOLT. As to the matter of civilian personnel, I wonder if the gentleman would respond to that part of the question?

Mr. WRIGHT. Mr. Chairman, my time is growing short, and I have promised to yield to the gentleman from California (Mr. DELLUMS).

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has again expired.

(On request of Mr. DELLUMS and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield to me?

Mr. WRIGHT. Of course, I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the distinguished majority leader for yielding.

In the gentleman's opening statement, both explaining and justifying his amendment, he indicated that the Soviet Union is increasing its defensive capabilty. That is one of the important points that the gentleman mentioned to justify support for the amendment.

I would like to offer a comment to the gentleman, and I hope he will respond in terms of whether this might change his thinking.

Several Members over the last few days have raised that same issue, that the Soviet Union is increasing its defensive capability, as if the only two nations in the world are the Soviet Union and the United States. I would submit that the Soviet Union has one other potential enemy that the United States at this moment does not have. The Sino-Soviet conflict has been going on for years. Many experts have indicated that if the Soviets went to war, the probability, as between their going to war against the United States or China, in their estimation, would be that they would more than likely go to war with China.

So if the Soviet Union is indeed increasing its defensive capability, that does not have to be totally a defensive move against the United States, but it may be a defensive move as it relates to mainland China, a nation that the Soviets have been in conflict with for a long time.

The point I am trying to make is simply that I think we have become overly fearful and overly paranoid about every move the Soviet Union makes when it is clear that the Soviet Union has an enemy on its border that it has struggled with and been in conflict with for many years. If they are increasing their defensive capability, it may be because their defensive problems are more immediate than the defensive problems of the United States.

Mr. Chairman, would the gentleman respond to that in terms of whether that would be a justification for not supporting the gentleman's amendment?

Mr. WRIGHT. Mr. Chairman, I will try to respond in the remaining time that the gentleman so graciously secured for me.

I would just have to say that attempting to fathom the intentions of the Soviet Union or the Sino bloc is a bit beyond me at this time. Both of them would have to be described, I think, in the terms in which Winston Churchill once described Russia when he said that Russia was "a riddle wrapped in a mystery buried in an enigma."

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has again expired.

(On request of Mr. DAN DANIEL and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. Mr. Chairman, if I may proceed, I would simply like to suggest to my friend, the gentleman from California (Mr. DELLUMS), that I want very much for the arms reduction and limitation talks to succeed. I believe that President Carter and his negotiators are dedicated to a successful conclusion of those talks. Ultimately they should bring about a reduction in forces across the board and a reduction in the mutual balance of terror that exists in the world.

However, I do believe—and I think the President is concerned about this, and perhaps rightly so—that at this time we dare not unilaterally reduce our actual weaponry procurement for fear that in so doing it would weaken us in our attempts to achieve a meaningful, balanced mutual reduction in arms.

Mr. Chairman, that is about the best answer I can give.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course, I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Chairman, the gentleman in the well made a very profound wish, a moment ago when he said that he hoped that SALT would be successful. I think all of us do.

But the only way that those talks can be successful is if we negotiate from a position of strength.

What I rose to say at the beginning was that the gentleman from Missouri (Mr. ICHORD) enumerated the ceilings which various standing committees had established for national defense, in addition I am informed now that the Senate Committee on Armed Services has today added A-7's and also the nonnuclear lance. I do not know what the cost is, but the result is more money. This also must be taken into account.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, because of a very peculiar parliamentary situation in which the Burleson amendment was tacked onto the Pike amendment, I find myself in a very threatened position because some votes will occur prior to my having an opporutnity to present a transfer amendment, with which I think most Members of the House are familiar.

Mr. Chairman, I want to oppose, with reluctance, the distinguished majority leader.

Let me first deal with the argument

about defense spending and the SALT talks.

First, I would point out that on April 20 of this year, I inserted into the CONGRESSIONAL RECORD a point-by-point rebuttal of the argument that we have to increase our defense spending because of the alleged breakdown of the SALT talks. If the Members of this House have read the newspapers, they know that the SALT negotiations have not broken down and that, indeed, the President is, as of this day, preparing to resume those talks.

The argument is made that a larger military budget will signal the Soviet Union that it either must accept the proposals that we offer or face an enlarged military threat.

Mr. Chairman, that just does not make sense. If anybody has followed the negotiations between the United States and the Soviet Union, he will know that neither the Soviet Union nor any other major power that has existed since the birth of America can be coerced in that way.

Mr. Chairman, no enlarged defense spending is going to coerce any nation to back down. That has just never happened in history. To rebut that argument advanced by the distinguished majority leader, I refer the Members to the CONGRESSIONAL RECORD of April 20 where we make a specific rebuttal.

Mr. Chairman, let me deal with the amendment of the majority leader in terms of a compromise and what it seeks to compromise. It seeks to compromise the difference between the President's request, the requests of some committees of the House, and what the Committee on the Budget has proposed.

Those experts, Mr. Chairman, those experts on whom the House committees depend are the members of the Department of Defense establishment. They are always going to come in asking for more and bigger sums, on and on and on. It just does not make sense from their point of view for them to do otherwise.

However, Mr. Chairman, for some of us who have looked at the Defense Department spending and who have examined present policies, there are some things we ought examine. In my own transfer amendment I simply made some suggestions as to where reductions could be made. These are merely suggestions.

Mr. Chairman, we cannot mandate a line-by-line budget cut. Let me just briefly, in the time that I have, discuss where we suggest some of those cuts can be made.

For example, it is simply logical and sensible to look at the cancellation of the F–18 program because the Department of Defense itself considers this to be a very, very controversial effort.

As of this moment it is undergoing extensive reevaluation, and it may well be that this is going to be scrapped anyway. Why not, as of this time, while we are undergoing this further reevaluation by the Department of Defense, cancel it at least on a temporary basis?

Mr. Chairman, I would also suggest that we slow down production of the F–18. That could be accomplished by slowing it down from 105 to 60.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 5 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, the reason I would recommend slowing down the production of the F–18 is again based on actions being taken by the Department of Defense right now and the pattern it has followed in terms of procurement. On this particular weapons system the Department of Defense has come in at an extremely high initial buy rate. Historically it has come in at a buy rate of somewhere between 3 to 5 weapons in a month, but on this one they have come in with a buy rate which is almost 5 times as great as the normal average buy rate. This is an area where cuts can be made.

There was a great deal of discussion about reducing the level of troops. I included that as one of my recommendations in the transfer amendment. The Department of Defense is looking at this itself. If the Members will read the material that comes across their desks it would indicate to them that the DOD is now in the process of examining bases and the utilization of bases, with the end object of reducing the number of bases. That means a reduction in personnel and that means a subsequent reduction across the board. It is obvious that here is an area where we could consider some cuts.

I thank the chairman of the committee for attempting to obtain order in the committee but I think the lack of order reflects the feeling on the part of a large number of the Members that what the military wants it is going to get anyway whether it needs it or not, so that they do not even have to listen to anyone who is discussing any other approaches. So, Mr. Chairman, do not try too hard to obtain order because you are just bucking the power of the military, as it wields its might in this House.

I would repeat: Do not try too hard, nobody truly bucks the military or talks back to it in its wants and thus we have difficulty in getting the House to listen to somebody who wants to try to talk back to the military for a change.

Mr. Chairman, the amendment that I would have proposed, would phase out the air defense aircraft, that is the AF–106. If the Members would read the material coming from the Department of Defense, they would see that there are plans now to phase out the old AF–106 because it does not do the job.

We would recommend that the proposed Trident submarine, the procurement of that submarine, be reduced. We do that for a very simple reason. That is that in the shipyards where the Trident is to be constructed, there is a 7-year backlog—7 years. So if we cut down there just a little bit we will not be hurting our national posture at all.

In conclusion, in explaining my proposed cuts, let me point out that the annual sum of unobligated funds—and that is $72 billion—is too big for us to spend in the next 20 years. But if we proceed as the distinguished majority leader has suggested, or even if we proceed in voting or recommending what the Committee on the Budget suggests, what we are going to do is just pour some more money into those unobligated funds, and we will have once again increased that amount and increased the number of years before we can spend it.

The most demonstrable piece of evidence that I think of it is the fact that last year we overloaded the military. We overloaded the DOD based upon the request of the experts; and there was a $15-billion shortfall in spending. Again this year—again this year—there are predictions that the shortfall in spending will be just as great, if not greater than it was last year. In the name of God, what kind of sense does it make to accept either the Burleson amendment or the amendment offered by the distinguished majority leader, when the facts and logic make it clear that these are not needed amendments?

Mr. Chairman, I would urge that we oppose the majority leader's amendment.

Mr. LEGGETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have indicated a number of times that the first budget resolution at this point prior to the time that we are moving on the authorization bills and the appropriation bills is merely a target resolution. There is no point of order that lies for violation of these targets, and so we are not in conflict with the Committee on Armed Services. The Committee on Armed Services, of which I am a member, brought the bill to the floor the other day, resisted all amendments effectively, and effectively passed with strong support a $35-billion authorization bill for procurement of miscellaneous items and R.D.T. & E. They did cut research by three-quarters of $1 billion, which essentially was at the discretion of the chairman of the Research Subcommittee. Everybody has some input on overall national defense. We all start from a different framework.

My colleague, the gentleman from Maryland (Mr. MITCHELL,) would like to cut defense $12 billion in his transfer amendment and transfer that into miscellaneous domestic programs. We have the minitransfer amendment of my colleague, the gentleman from California (Mr. JOHN L. BURTON), to transfer $8 billion out of defense and put that into reduction of the national debt. We have got the majority leader, who would add $200 million to the outlay figure suggested by the Budget Committee, and add a billion dollars to the budget authority amount. We have the President of the United States, who has acted on the prior Ford budget, who reduced the budget authority by $2.8 billion and outlays by $400 million. The chairman of our committee has started from the $120 billion program. The chairman of the full committee, the Budget Committee, has taken a look at President Carter's budget, and as Carter did not rubberstamp Ford, so Chairman GIAIMO did not rubberstamp Carter, and then the committee worked its will on these estimates.

I am the chairman of the defense task

force. We did not have enough time to work on these estimates as diligently as we would have liked this year, but we have looked at these concepts in past years, and we know that there is nothing magic in a particular number. It is all in what we want to relate to.

If we want to take the target of the committee which was $116 billion, that is $4 billion below the President's budget authority number, but it is $7.1 billion above last year's program, or an increase of almost 7 percent. As far as the outlay number of $109.6 billion, which is the target number we are talking about, that is $2.3 billion below the President's number of $111.9 billion.

But the number is $9.5 billion over the $100 billion we had for outlays in national defense last year. Our figures do not affect the B–1 bomber; they do not affect the MX program; they do not affect the carriers; they do not affect the F–14; they do not affect the F–15, F–16, or F–18; they do not affect the SALT talks; they do not relate to line items.

All we say is that we have got 52 percent, some $61 billions in the budget related to personnel. Everybody is concerned that we are spending too much on personnel, so we reduced that estimate by 1½ percent, and it comes out to a reduction of about $600 million in outlays. That is not mandatory. That is a target.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. LEGGETT was allowed to proceed for 5 additional minutes.)

Mr. LEGGETT. Mr. Chairman, we have looked at overall purchases in the Department of Defense, and these are purchases that occur in research and development, in procurement, and in operations and maintenance accounts. We thought that a rate of escalation of around 7 percent ought to be enough to maintain purchasing power. This resulted in a rate of real growth of 6 percent or $3.5 million. We have recommended a reduction there of $1 billion, leaving a growth rate of almost 5 percent. That is a $1 billion reduction in general purchases, but we allowed for a further $500 million increase in the area of purchases for major weapon systems.

We also looked at the overall spending program of unobligated and unexpended balances. As I indicated in general debate this number has increased dramatically. These are now estimated to reach over $72 billion by 1978. For the fiscal year 1976 we had a $4.4 billion shortfall in outlays. The projections are we will have a shortfall again for next year.

As a result, in this area, the chairman suggested $1 billion be proposed for transfer from prior year balances to fiscal year 1978. By a majority vote in the committee this was raised to $1.3 billion.

So these numbers are a little bit tangential to the numbers that the Armed Services Committee is used to considering. I would point out the Armed Services Committee view of the budget as presented to our committee related to several parts of the budget over which they have no direct responsibility.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I thank the chairman of our Task Force on National Security for yielding to me.

I just want to make the point perfectly clear about the purpose of the task force. As I understood it last year, I served on the Budget Committee, and the Task Force on National Security, and the gentleman from Connecticut (Mr. GIAIMO) was chairman of our subcommittee at that time. We had extensive hearings and discussed all the testimony we heard and we made recommendations to the chairman of the full committee.

Those recommendations were considered in the chairman's mark. Was any such procedure following this year?

Mr. LEGGETT. The gentlewoman knows exactly the procedure that was followed this year. As everyone knows, we were confronted, not by a transition quarter, but by the third budget resolution.

Mrs. HOLT. There was no recommendation?

Mr. LEGGETT. The procedures required us to act on the new President's recommendation on rescission bills to cut the fourth nuclear carrier and conversion of the U.S.S. *Long Beach*. This, along with our work on the third budget resolution for fiscal year 1977. This limited the time available for work on the fiscal year 1978 budget.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I think we ought to make this point clear, because there is a great deal of talk in the Chamber about what task forces do and do not do. I think we should make it eminently clear that we do not have subcommittees on the Budget Committee. Our task forces do not act as subcommittees. Task forces apply themselves to studying long-range trends and problems, so that the members of the task force can have a more meaningful participation in the full committee where everything is done. Things are not done in the Budget Committee in subcommittees, as they are in the other committees of this House. In the Budget Committee, all matters are debated and discussed and decisions made in the full committee.

Our task forces are assigned particular jobs. For example, to study long-range problems in defense; or to study the projections of our budget over a 5-year period. But substantive issues are decided in the full committee.

Now, how do we start? It is not the chairman's decision that controls the committee's budgetary decisions. But we have to have a starting point.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. GIAIMO, and by unanimous consent, Mr. LEGGETT was allowed to proceed for an additional 5 minutes.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield further?

Mr. LEGGETT. Certainly, I yield to the gentleman.

Mr. GIAIMO. Mr. Chairman, what happens is that we start with a benchmark, or a chairman's mark that is a recommended figure in each function. In the national defense function, this is developed by the chairman in constant work with the staff experts in the defense function area. As the gentlewoman from Maryland knows, we study the recommendations which are made to us and also call upon our past year's experience with the task force. We then come up with a recommendation or a benchmark figure to start with. That is then discussed and marked up in the committee. We have a full discussion, not of line items, but of budget priorities involved, how much of our total dollar budget should be allocated to defense and to other budget categories. That is how we proceed.

So let us understand clearly, this fictitious argument that the task forces did not have time to make recommendations to the committee. That is not so and that is not the function of the task forces. The function of task forces is to give Members of the committee greater expertise, so that they can participate more meaningfully in the full committee deliberations.

Mr. LEGGETT. Mr. Chairman, I would state that I do intend that our task forces be more than a conversation piece. I do intend that it will have some muscle, that we look into some major expenditure issues and come up with some conclusions and make recommendations to the full committee.

Obviously, we did not have a chance to do this this year.

The question was asked, "Is there any weakness in our estimates relating to personnel and will it result in personnel cuts?" The answer is "No," because, after we submitted these numbers, OMB came in and reestimated what we would be spending for personnel in fiscal year 1978. The revised estimate reduces the current estimate by $500 million in outlays, which is more than 80 percent of our target of $600 million. So these numbers do fluctuate and there will be changes between now and the second budget resolution.

There has been some thought that we have cut too deeply into the inflation requested for operating accounts, because we only allowed $500 million instead of $1.1 billion estimated by the Department of Defense. We cannot control those numbers exactly. But if our assumptions are accurate, we think it will be down near $500 million in fiscal year 1978.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentlewoman from Maryland.

Mrs. HOLT. The gentleman is saying, then, that it would require drastic reductions in civilian jobs if we stuck to this figure.

Mr. LEGGETT. What I am saying is that it would not, because OMB itself has estimated that the current operating budget of the Department of Defense will not use $500 million of the projected

funds they thought they would need in fiscal year 1978.

I would go back again and reiterate the bottom line number: The outlays, which are the dollars expended in fiscal year 1978, are 9½ percent higher, $9.5 billion higher than the amounts that we are spending this year. This is an increase, not a decrease.

I think we ought to defeat all amendments and we ought to stay with the committee recommendation. I think we have done a good job, and we will see on the second budget resolution how far we have missed the target.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Illinois.

Mr. SIMON. If I may just add one point: the gentleman's point that we have, in fact, increased expenditures 6.6 percent should be backed up by two other figures. I have just roughly calculated them. People are pointing out that the House Armed Services Committee has been cut back from its estimate. In fact, the estimates from the House Armed Services Committee have been cut back 15.6 percent, while the average committee estimate has been cut back 25.1 percent. The Budget Committee has been responsible and the House should back our cuts.

Mr. OBEY. Mr. Chairman, I move to strike the last word, and I rise to oppose the amendment.

Mr. Chairman, before I proceed, I would like to ask the chairman of the Budget Committee a question. It has been alleged at least twice on the floor that the action of the Budget Committee has, in fact, accomplished reductions in weapons purchases. I would like to ask the chairman whether, in fact, there is any significant reduction in weapons purchases in the cut made by the Budget Committee.

Mr. GIAIMO. If the gentleman will yield, he will recall now that we are setting the total, overall dollar figure for the defense budget, so that we do not say where these moneys go. But, we suggest, in justifying our cuts, we suggest where they could find moneys in other areas and other parts of the budget to accomplish the job.

For example, we said that they could find moneys in purchases, in foreign military sales, and in unobligated balances. We felt very strongly, and it is our belief that we do not, as a result of our cuts, compel DOD to cut major weapons systems purchases at all, or purchases of any weapons of war. As a matter of fact, we added $500 million to the President's February 22 amendments which he sent up to restore moneys for additional procurements of major weapons systems.

So, it is our belief that our cuts will not affect the Defense Department in its efforts to continue purchases of munitions or weapons systems. Nor will it affect them in their personnel end-strength and the number of personnel.

Mr. OBEY. I thank my chairman. I would like to make several points, in light of the chairman's response.

Mr. Chairman, I think we ought to understand all of these amendments in terms of where we stand on the overall budget resolution which is before the House this afternoon. We had Mr. BURLESON of Texas, who is asking that we add several billion dollars in outlay and over $4 billion in budget authority. We had Mr. MITCHELL of Maryland, who indicated a little earlier in the debate that what he would like to do is cut, I think, a little over $3½ billion in actual outlay for defense and transfer that money to other portions of the budget to enable us to fund items such as EDA budgets, rural development, housing, and mentally retarded programs.

Mr. Chairman, given by bias on these things, I would love to support most of the programs recommended by the gentleman from Maryland. But what we are trying to do in this committee is to exercise some degree of fiscal restraint, and that means, occasionally, that we have to oppose additional spending, not only for programs that we do not like, but even for programs that we do like. That is the consistent position which the Budget Committee is trying to take here today.

That is why I would urge the Members of this House to oppose the amendment offered by the gentleman from Texas (Mr. WRIGHT), the amendment offered by the gentleman from Texas (Mr. BURLESON), and the amendment of the gentleman from Maryland (Mr. MITCHELL), if in fact it is offered.

I think we have to be disciplined in all areas. I hope I do not offend anybody here—I am just trying to speak very frankly—but we all know that it is very difficult for the Armed Services Committee to say no to its constituency. We all know that is very difficult for the Education and Labor Committee to say no to its constituency. The job of the Budget Committee is to help each of those committees and to help the Appropriations Committee to say no occasionally to all of those constituencies, all of whom may have valuable programs and defensible programs but who do not, unfortunately, all have affordable programs. I urge you to support the committee in its effort to achieve balanced restraint.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. OBEY. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin (Mr. OBEY)?

Mr. STRATTON. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from New York (Mr. STRATTON) reserves the right to object.

Mr. STRATTON. Mr. Chairman, we have been on this amendment, I think, for nearly an hour.

Mr. OBEY. Mr. Chairman, I will withdraw my request.

Mr. STRATTON. Mr. Chairman, we have been on this for nearly 2 hours.

The CHAIRMAN. The gentleman from Wisconsin (Mr. OBEY) has withdrawn his request.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we have to really recognize what we are doing here today, and that is to adopt a congressional budget resolution. The Defense Department wants $120 billion in appropriations and $112 billion in estimated outlay. The Committee on the Budget has reduced them by $4.1 billion in budget authority and $2.3 billion in outlay. For this we are being challenged that we are not following our President.

I will say to the Members that our function here in the Congress is to establish budget priorities. Our function here is to determine how the totality of Federal spending will be apportioned.

Yesterday we discussed the elimination of the $50 rebate for many of the little people who live back home in our districts. When I was back home last week, they asked me, "When am I going to get my $50 so that I can help pay some of my bills?" The $50 rebate has been withdrawn, but we left in funds for the business tax credit.

Where do we set priorities here? Do we ask the little people to tighten their belts? Do we ask the 7½ million or 8 million people who are unemployed to tighten their belts? Do we ask the farmers of America to tighten their belts?

Lord knows that in the Budget Committee we asked the urban people to tighten their belts and to reduce their requests and their demands, as my friend, the gentleman from Maryland (Mr. MITCHELL) will affirm, because of the economic necessities of the dollar.

"But now," they say, "in the area of national defense, don't you dare touch one single dollar of that budget." They say that even though the defense budget can claim the unique distinction in this overall fiscal year 1978 budget of having grown from last year's budget by $9½ billion over last year. "But don't touch one penny of it. We need it all," they say.

And then they told us in their estimates and in their reestimates which they sent up to us this April, "Gentlemen of the Congress and ladies of the Congress, we are sorry, but we didn't estimate properly on our expenditures last year, and even though we resisted you in Congress when you tried to take $2 billion off the defense bill last year, we had a shortfall in defense spending of at least $4½ billion." That is their estimate, not ours.

I think that we all ought to tighten our belts and share the burden of keeping this budget deficit down. It is already too big. I think that when the President asks us to tighten our belts in energy and tighten our belts in our expenses and our demands for Federal goods and services, the Defense Department can do so also, and I also think that they can do it without jeopardizing national security in any way.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I will when I have finished, if the gentleman can help me get some more time.

Mr. ROUSSELOT. Mr. Chairman, I will be delighted to do that.

Mr. GIAIMO. Mr. Chairman, we said that we could cut the personnel budget. We said we could cut $600 million spending off the personnel budget, and this is a total budget of $52 billion. We said, "You can find a 1½-percent reduction in that budget, and we can take out $600 million."

Do the Members know what has just happened with their April reestimates? In their April reestimates they reestimated their military pay item, and they said there is $450 million there that they do not need. They reestimated their retired pay, and they found another $50 million there that they do not need.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. STRATTON. Mr. Chairman, reserving the right to object, we have now been on this resolution for 2 hours. We have had before us the major defense amendment, which is the Burleson of Texas amendment, for over an hour, and every speaker who has been recognized since the gentleman from Texas (Mr. BURLESON) offered his amendment has been against the Burleson amendment.

I am going to begin objecting unless some Member can be recognized to present the other side.

The CHAIRMAN. Does the gentleman from New York (Mr. STRATTON) object?

Mr. STRATTON. Mr. Chairman, I will withdraw my reservation of objection on this request, but I am going to object to any other requests for extension of time. We have a Budget Committee made up of Members who are overwhelmingly against the defense budget, and we have just three or four Members who are on the other side.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, I would like to say to my friend, the gentleman from New York (Mr. STRATTON), that I believe he knows I am not against the defense budget. I have voted for defense budgets here for the last 19 years.

However, I do think that they can help share the burden of bringing the deficit down. I think they can make a modest cut in what they are asking for in their inflated requests, especially since their record of spending and obligation indicates they are not spending the moneys that we have already voted them.

As I was saying, Mr. Chairman, in the area of personnel, just as an example, just this week their budget re-estimates from OMB show reductions in military pay of $450 million and a reduction in retired pay of $50 million, along with the usual pay absorption in DOD, which averages out to be 14 percent of absorption per year, which they do every year, and that will come to $230 million. That is a net spending reduction of $730 million in personnel.

Our Committee on the Budget only took out $700 million. I will say to my colleagues that we should have taken out $30 million more, according to their figures.

This is the kind of thing we are up against. We are saying that we should take out the fat. That is an example of fat, the figure relating to personnel in this budget of $52 billion. We are saying that in these unobligated balances of billions and billions of dollars that we should take a billion from this and use it.

We are saying that in foreign military sales, where the President himself has indicated that he is going to fight to reduce the military sales of weaponry by the United States which are proliferating the world and doing no good in many areas of the world, we can find another $500 million. Moreover, we can find other places, such as ERDA, stockpile sales, and a reduction of modest amounts for military assistance.

In those areas, Mr. Chairman, we are saying that we can find $4.1 billion in appropriations and $2.3 billion in outlays this year. We will not affect troop levels; we will not affect purchases of major weapons systems; and we will not affect all of the necessary things that we need in order to properly defend ourselves against the Russians or against anyone else.

We will do one other thing. Let us remember that this is a transition budget in the sense that we have a new President and a new administration. President Carter came into office in January with the Ford budget presented to him. He then had to make some quick adjustments to it in the area of defense, and he did so in his February 22 message.

We know that the new administration is looking at the whole defense establishment and at the $120 billion that they have in mind to modernize it, modify it, change it.

Mr. Chairman, let us give our President and our new administration that flexibility to do so this year. Let us not lock him in by decisions on major expenditures which will take away his flexibility.

It has also been said previously, "What right has the Committee on the Budget to make these changes when the other committees of this House which are so expert and so proficient in matters of the Defense Department have ruled otherwise?"

Mr. Chairman, let me say that the job of the Committee on the Budget is to set priorities and to establish a budget for the Congress. The Committee on the Budget is not to be just a bookkeeping committee.

If the requests and recommendations to the Committee on the Budget by all of the committees of this House recommended additions to the President's budget of somewhere in the neighborhood of $23 billion, obviously, we cannot just take these recommendations and add them to the budget. We have to exercise judgments, and in exercising those judgments I feel a very strong responsibility as one who has defended the Defense Department and supported it since my days in service in the Army and during my days in service here in Congress. I feel a responsibility to allocate available dollars in our budget more equitably so that we can take care of the unmet needs of those unemployed, and those unskilled and those untrained, the sick, and the old.

Mr. Chairman, we are asking everyone to share that burden just to a little degree and that includes the Department of Defense.

Mrs. HOLT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Wright amendment.

Mr. Chairman, I certainly appreciate the sincere job that the chairman of our Committee on the Budget does. I know that it is a very difficult task to take all of the requests that come to the Committee on the Budget and try to be equitable about them and try to stay within our revenues and yet meet all of the requirements of this great Nation of ours.

However, Mr. Chairman, I cannot understand why in the defense area we completely overlook the recommendation of the President of the United States, a new President who deserves our support in order to try to cope with all of the problems that he has.

Mr. Chairman, the House Committee on Armed Services and the Committee on Armed Services of the other body, the Appropriations Committees, have gone over this defense budget very, very carefully.

I think we should reject the Wright amendment. I strongly believe that we should support the amendment of the gentleman from Texas (Mr. BURLESON) to restore the budget authority and outlays for this function to levels approximating those recommended by President Carter.

Mr. Chairman, I am for fiscal integrity and a balanced budget; but I am for a strong and viable national defense. I think we have to provide for it. It is my belief that those two are not mutually incompatible. We can do it.

In my own experience here, during the few short years that I have been in Congress, that experience has fully demonstrated to me that of all of the budget requests, none has the scrutiny that the Department of Defense has in our House Committee on Armed Services. We go over it minutely. This is the way it should be because defense does not come cheap. Yet, most Americans will agree that this sustained, strong defense posture is of the utmost importance to our Nation.

That is the point that I am trying to make when I say that our task force did not really make recommendations. I feel that all of these bodies in the House have gone over this rationally and carefully. They have listened to the voice of the American people and these are the recommendations that we come up with. And then this committee, made up of a

few, can completely gut the defense budget.

It is a proven fact, Mr. Chairman, that while the Soviet Union has maintained its momentum and its acceleration in a defense buildup—and we see it everywhere—that our own defense outlays since 1964 have been on a steady decline in terms of current dollars. I heard Admiral Moorer say just recently that the defense budget has dropped by $10 billion in real dollars from the 1964 level. This is really very dangerous. I think we have really got to pay more attention to it.

Last year we saw responsible Members of the Congress representing a coalition on both sides of the aisle, who took positive action to stop this decline and provide for some fiscally sound and feasibly sensible means to bolster our national defense.

The Carter revision of the Ford budget was, as I say, reviewed by the Committee on Armed Services and also by the Committee on Appropriations. I was not totally happy with the recommendations that President Carter made. I think we absolutely should not do anything that would further erode our military posture.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague, the gentlewoman from Maryland, yielding to me. The gentlewoman from Maryland (Mrs. HOLT) I know is an active and responsible member of not only the Committee on the Budget, but the Committee on Armed Services as well.

Let me inquire of the gentlewoman from Maryland if the effect of what she is saying in support of the substitute offered by the gentleman from Texas (Mr. BURLESON) and in disapproval of the Wright amendment is that the House would thus have an opportunity to support President Carter's original recommendations in both outlays and authorizations as they relate to the national defense of our country?

Mrs. HOLT. That is my understanding.

Mr. ROUSSELOT. And further the Wright amendment would take us below those levels in both of those national defense functions and so would not provide Secretary Brown and President Carter with what they feel the country genuinely needs in this important area of defense?

Mrs. HOLT. That is absolutely right.

Mr. ROUSSELOT. I appreciate the gentlewoman yielding and explaining that important point.

Mrs. HOLT. We heard from the Secretary today, through the gentleman from Texas (Mr. BURLESON) that it is absolutely essential that we go back to that level. The House passed the defense authorization bill, with an overwhelming majority.

The CHAIRMAN. The time of the gentlewoman has expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Mrs. HOLT, was allowed to proceed for 3 additional minutes.)

Mrs. HOLT. As I say, Mr. Chairman, we passed that defense authorization bill by a vote of 347 to 43. That is the voice of the American people. I think it is clear that that is what they want us to do here.

In the light of that I just cannot really see how we can go along with the cuts that the Committee on the Budget has recommended.

Mr. ROUSSELOT. Mr. Chairman, if the gentlewoman will yield further, in other words, those people who the other day supported the defense authorization bill that we had on the floor of the House, as a followup and as a parallel with that action those Members again ought to support the Burleson-Ichord-Holt position?

Mrs. HOLT. That is absolutely right. I strongly urge it.

Mr. Chairman, I believe there are just a few further points that we ought to think about.

Africa today is a powder keg. We are getting all kinds of surprises there on a daily basis.

Then look at the Soviet expansion in the Middle East.

Some of my colleagues say that they cannot believe we need to fear this defensive posture that the Soviet Union is taking. I just cannot understand how they can take that attitude when we see the tanks pouring into the Fulda Gap there in Germany.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from Virginia.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I cannot help but feel that the Budget Committee has overreached its prerogatives when the House and Senate Appropriations Committees and Armed Services Committees have all recommended increases instead of cuts in the defense budget. The recommended increases by these other four committees came after intensive investigations into our defense needs. In contrast, the Budget Committee's national defense task force apparently held only a handful of meetings and was not asked to make any recommendations to the full Budget Committee.

Although the Budget Committee is charged with the responsibility of balancing national needs against national resources, it would appear that it failed in its responsibility to adequately consider our national defense needs. The House Armed Services Committee has spent weeks of deliberations on our defense needs, yet after little consideration the Budget Committee is attempting to negate that work in favor of those who have a deep and often irrational distaste for anything associated with national defense.

The Budget Committee would have us slash the defense budget while the Soviet Union is engaged in the greatest arms buildup in history. We hope President Carter's negotiations with the Soviets will reduce the level of international weaponry and tensions, but we may have little left to bargain with if the Budget Committee cuts are left intact. At the very least, we should give President Carter the budget authority he requested to deal with the Soviets from a position of strength.

I might note that even President Carter's request, which the Budget Committee felt compelled to slash, was some $2.8 million below the amount recommended by former President Ford as the minimum needed to protect peace and our national security.

As my colleagues Mr. BURLESON and Mrs. HOLT noted:

> The Budget Committee recommendation eliminates all real growth in the defense budget at a time when Soviet forces are in the midst of an unprecendented buildup and the SALT negotiations are floundering.

I urge my colleagues to restore an adequate level of budget authority for national defense.

Mr. WHITEHURST. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from Virginia.

Mr. WHITEHURST. I thank the gentlewoman for yielding. I rise in strong support of the sentiments expressed by the gentlewoman.

Mr. WHITEHURST. Mr. Chairman, I rise in support of the Burleson amendment to restore the Defense function budget to the level requested by President Carter.

During the campaign last fall, Candidate Carter pledged to cut Defense spending by $5 billion. But once he took office and accepted responsibility, President Carter found that cuts of that magnitude would be inconsistent with the defense of this country, and he acted responsibly. The Budget Committee has ignored the President's present recommendations in response to some invisible mandate to reorder our national priorities. I submit that that reordering has already taken place. Since 1964, Defense spending has increased 90 percent. At the same time, spending by other Federal agencies has gone up by 372 percent. These trends clearly illustrate why there has been such an alarming shift in the balance of power. And yet, Defense is singled out as the bogeyman in our battle against rising costs.

Let me cite a few examples of how the Budget Committee justifies cuts in the defense budget.

The committee recommends a reduction of $1 billion in budget authority for procurement which it terms a modest slowdown in a transition budget. Of course, they are silent as to where this slowdown should occur.

The fact is that a slowdown or stretchout in the procurement of weapons systems is not going to save money. In the long run it is going to cost the taxpayers untold million of dollars because we will be forcing the Department of Defense to buy inefficiently.

They also suggest that slowing down procurement will strike a better balance between modernization and readiness. How they expect to accomplish this gets a little fuzzy since they also slashed $600 million out of operations and maintenance funds which were earmarked to enhance readiness.

Their basic logic seems to be: The way to strike a better balance between modernization and readiness is to cut the funding for both. Presumably if that does not strike the proper balance, you just keep cutting defense to make it stronger. Apparently, Joseph Heller's "Catch 22" has been adopted by the Budget Committee as a guiding principle.

In my judgment, the goals are confused. Instead of trying to strike a better balance between modernization and readiness, this Congress should concern itself with trying to strike a better balance between the United States and the Soviet Union.

The Budget Committee recommended a reduction of $300 million in military assistance and energy research or ERDA projects which should serve as a classic illustration of the kind of games they are playing with the Defense budget. These two programs are about as similar as elephants and potato chips and yet they have been lumped together as a single cut.

When the State Department people tried to find out how much of that $300 million reduction applied to military assistance they were told: "Oh, that all comes out of ERDA."

Now, what do you suppose the ERDA people were told when they called? You guessed it—"Oh, that all comes out of military assistance."

The truth of the matter is that the Budget Committee has no idea where any of these cuts some from because they just grabbed them out of thin air.

I submit that that is a rather haphazard way to guarantee the security of the United States.

Mr. MITCHELL of New York. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from New York.

Mr. MITCHELL of New York. I thank the gentlewoman for yielding, and I rise in support of the Burleson amendment.

Mr. Chairman. We cannot allow the proposed $4 billion cut in defense spending to remain. If we do, we will be partners to an effort which will seriously compromise our nation's defense capability.

To gouge our defense spending, and in the process reduce our preparedness at a time in history when the Soviets are increasing their defense effort in an unprecedented manner, seems suicidal.

Others will address the arbitrary and capricious method used by the Budget Committee to slash the vital $4 billion; I will concentrate my remarks on the area I feel will be most severely and adversely impacted by what certainly appears to be a thoughtless, dangerous move.

Since we are falling behind the Soviet Union in both conventional and strategic weaponry, I doubt we will take very severe cuts here. Our civil defense program is in disarray; theirs is excellent. No room to cut here, we are already far behind.

Our active duty military personnel are at the lowest point in many years, less than one-half of the Russian strength. In 1964, the Soviets had an active military force of 3.4 million; we had 2.7 million in uniform. Now 13 years later, the Soviets have added another million to bring their total to 4.4 million; we have reduced our active military strength during that period by 600,000. Right now, the Soviets have more than two military personnel for every one of ours. Surely, we cannot cut deeply here.

Within the past 48 hours, the House, during deliberation on the Department of Defense authorization for fiscal year 1978 voted overwhelmingly, 301 to 88, to reject an amendment that sought to reduce the end-strength troop level by 50,000. Clearly and emphatically we have gone on record in opposition to further widening the gap between Soviet military personnel strength and ours.

When then, would the cuts likely be made? About the only remaining area for deep budget cutting would involve the closing and consolidating of military installations, creating further disruptions in the already distressed and depressed economies of so many areas of our country, with civilian employees of the Department of Defense losing their jobs at worst, or being forced to uproot and move at best.

Many of us in this Chamber have experienced firsthand what a base closure or major reduction does to people. For openers, it puts many of them out of a job.

It is almost a weird irony that we would be talking about a $4 billion cut in defense spending that would place in immediate jeopardy thousands of jobs in the civilian workforce and further exacerbate the problems of so many areas of the country with high unemployment within hours after the Senate-House conferees have come to agreement on a $4 billion public works jobs bill designed to do exactly the opposite, that is create more jobs in the civilian workforce and stimulate depressed local economies.

Where is the sense to it all?

I know, as many of you here know, unwarranted base closings and major realinements forced by well-intentioned if ill-advised budget slashers is seriously disruptive to critical missions and to people.

I must admit, the people aspect of the problem is one I just cannot come to grips with, one that I cannot walk away from. I have seen it first hand. I know what these arbitrary actions do to their lives in terms of human misery brought about by family separations, financial losses due to the devastating impact on property values and the economy in general when closure/realinement announcements are made public. Children are torn from their happy and familiar environment.

And it is not just those directly involved who suffer. Businesses fail, entire economies collapse.

While all this is occurring, the critical missions these people are assigned to perform fall by the wayside. Decisions are not made, valuable personnel are lost, everything is chaotic not just for weeks or even months. It has been proven time and again, the disruption often stretches into years before a return to normalcy in operations is close to possible. Many questions whether it is ever possible.

I submit it is pennywise and pound foolish to proceed on a course when we know such a course to be reckless and fraught with danger. I urge my colleagues to resoundingly beat back this ill-timed, unprecedented, unthinking reduction in DOD spending.

Mrs. HOLT. Mr. Chairman, in the Washington Post on April 25 Evans and Novak wrote about the Russian adventures in Turkey. I certainly recommend that reading to all of my colleagues. Look at what is happening in Ethiopia. We are being asked to leave there. I think that we can only helplessly watch what is happening in Zaire. And at a time when our President is trying to renew the SALT negotiations. I think that it would be inexcusable if we do not give him the strength that he needs to go into those negotiations.

Mr. WHITE. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from Texas.

Mr. WHITE. I thank the gentlewoman for yielding.

The gentlewoman mentioned a gap on the East German border. Is it not true that the East Germans and the Soviet Union are spending almost three-quarters of a million dollars per mile along the border for defenses, plus stationing rear area troops, plus tanks and artillery that would roll over our people if we do not support them?

Mrs. HOLT. The gentleman is absolutely right.

The CHAIRMAN. The time of the gentlewoman has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mrs. HOLT was allowed to proceed for 1 additional minute.)

Mr. WHITE. If the gentlewoman will yield further, is it not true that during the Israeli War, had we not positioned in Europe supplies and tanks, we would not have been able to give the support that we gave to Israel, and we would not have been able to strengthen these forces, which supplies and equipment still at this time have not been brought back to par?

Mrs. HOLT. I think that is absolutely true. I just cannot understand how anybody can lose sight of the fact that if we did not have the strength we had at the time of the Middle Eastern situation, where we were able to back the Soviet Union off and through that promote the fragile peace which exists in the Middle East.

Mr. WHITE. If anyone here is supportive of Israel, then they should support a stronger defense posture than either the Wright posture or the committee resolution as presented to this Congress, because in fact we are trying to replace and bolster our defenses.

Mrs. HOLT. That is correct.

Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the distinguished gentleman from Texas (Mr. BURLESON) a member of the committee.

As a member of the Budget Committee, I am concerned that there are some misconceptions as to what the committee target for defense spending does, and I would just like to point out in very clear terms what our recommendation actually means; $116 billion in budget authority and $110 billion in outlays, the target suggested by the committee, amounts to an increase in defense spending over 1977 of almost 10 percent. Of the 16 functional categories in the budget, that is the single largest increase, and I honestly cannot see how a 10-percent increase can be portrayed as a drastic reduction.

My own feeling is that a somewhat lower rate of increase could be achieved without jeopardizing any of our legitimate defense needs. Perhaps the sentiment for an actual reduction in defense spending is not shared by many of our colleagues, but I trust that if we take the time to look at how we on the Budget Committee arrived at our recommendation, a majority will agree that our actions are reasonable. We have taken a look at three areas in the defense function: One, personnel and compensation; two, inflation estimates; and, three, unexpended balances.

First, in the area of personnel and compensation we are recommending $750 million less in budget authority and $600 million less in outlays than President Carter.

Many in this body are no doubt aware of the numerous studies which have been conducted in recent years in this area. Reports such as the President's Panel on Federal Compensation, the Defense Manpower Commission, the Third Quadrennial Review of Military Compensation, and many others have all concluded that drastic changes must be made in the management of defense manpower. While President Carter has decided he needs to establish another Presidential Commission to restudy the previous studies, the Budget Committee felt that enough studying had been done to warrant a decrease of what amounts of less than 1½ percent. I hope my colleagues can agree that a modest reduction such as this in personnel and compensation does not endanger our national security.

The second area in which the committee is recommending a decrease in the President's budget request is relating to inflation estimates in operation and maintenance accounts.

As we are all well aware, the Defense Department Appropriation Authorization Act of 1977 established a special procedure for the Pentagon to include estimates for inflation in operation and maintenance accounts and no other Government agency is allowed such an index for inflation. The argument is made that this is necessary because of the large industrial type programs that go on for several years. Obviously, there are activities in the operation and maintenance account over at the Pentagon that are peculiar to that agency—but not all of them should necessarily be given a special inflationary cushion. Of the $1.1 billion inflation adjustment requested by President Carter, only $500 million is for special activities such as ship overhauls, aircraft and mobile equipment repair. The other $600 million is for expenses similar to those occurring in any other Government agency. It was that inflation adjustment of $600 million for ordinary Government expenses which was eliminated and I hope you will agree that that cut will not get into the real substance of the defense budget.

The third area is the reduction from the Presidential budget request in transferring some of the unobligated and unexpended balances to finance 1978 requirements.

Again, if my colleagues will look at what the committee is recommending in this area, I am convinced you will agree that a decrease of $1.3 billion in budget authority and $300 million in outlays is not only judicious but also necessary.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MINETA. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There being no objection, the gentleman is recognized for 3 additional minutes.

Mr. STRATTON. Mr. Chairman, I object.

The CHAIRMAN. The gentleman's objection comes too late. The Chair had already ruled the gentleman from California is recognized for 3 additional minutes.

Mr. MINETA. I thank the Chairman.

The Congress in the last several years has sought to fully fund Defense building projects. However, over the past few years these unexpended and unobligated balances have increased even more than the Defense Department had expected, and in 1976 the unexpended balances were $2.5 billion higher than anticipated. In June 1976, the actual unexpended balance was $54.1 billion and their estimate was $52.6 billion. In 1977 the actual unexpended balance is $62.4 billion. Again it is $1.3 billion higher than the Department of Defense estimate of $61.1 billion. It seems reasonable to me that if the Department of Defense has over a billion dollars more in unexpended balances than even they expected, it is our responsibility in Congress to tell them to put that money into use next year. Again, this cut in no way impinges on our defense effort.

As with the recommendations for savings in those three areas of: First, personnel and compensation; second, inflation estimates; and third, unexpended balances that I have described here, these recommendations are realistic, and the result of a hard look at the President's budget revisions. In my estimation they leave us with a better, more effective, defense budget.

Mr. Chairman, I urge all my colleagues to vote "no" on the Burleson substitute amendment which seeks to reverse the Budget Committee's recommendation for a more efficient defense budget. I hope we can see past the singleminded logic that says anything but a huge increase in defense spending is a signal to our adversaries of our lack of resolve.

Nothing could be further from the truth. The 10-percent increase provided in the committee recommendation is more than adequate. One of our greatest responsibilities here in the Congress, which I stated in additional views of the budget report, as well as reiterated from the well yesterday, is one which all of us have committed ourselves to, and that is to decrease wasteful Government spending. There is nothing sacrosanct about wasteful spending in the Pentagon. My hope is that we will say no to the substitute amendment of the gentleman from Texas (Mr. BURLESON).

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. MINETA was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank my colleague for yielding. Mr. Chairman, could my colleague, the gentleman from California, tell me how he suggests we vote on the Burton amendment, which was attached to the original Pike amendment relating to reduction of the debt. I know the gentleman is interested in reducing debt as I am.

Mr. MINETA. Which amendment?

Mr. ROUSSELOT. How would the gentleman suggest we vote on the Burton amendment?

Mr. MINETA. On the Burton amendment?

Mr. ROUSSELOT. Yes.

Mr. MINETA. I will be voting no on all the amendments and substitutes.

Mr. ROUSSELOT. So the gentleman suggests that we vote no on the Burton amendment?

Mr. MINETA. I will be voting no on the Burton amendment.

Mr. ROUSSELOT. I thank my colleague.

Mr. BURGENER. Mr. Chairman, I move to strike the requisite number of words. I rise in strong support of the substitute amendment offered by the gentleman from Texas (Mr. BURLESON).

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BURGENER. Yes, I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I appreciate my friend, the gentleman from California, yielding to me so that at least a few of us that are in support of the Burleson substitute amendment and against the Wright amendment would have the opportunity to state our case.

Very simply, what we are asked to do in the Burleson amendment is, as already has been said, to support the President of the United States. He cut the defense budget originally by $2.8 billion, but he strongly wants the figure he came up with after that cut maintained. Six congressional committees, as has already been indicated, have either supported the President's recommendation or have recommended a figure higher than that. Only the House Budget Committee has cut the President's figure and cut it by a whopping $4 billion. The President feels

very strongly about that cut. He called the Speaker this afternoon to get the money restored.

The Secretary of Defense has also called the Speaker and various Members of the House. Yet this afternoon we are being asked to take the recommendations of the Budget Committee, those of the gentleman from Connecticut (Mr. GIAIMO) and the gentleman's associates, in preference to the recommendations of all of the committees who are knowledgeable on Defense in the Congress, the Secretary of Defense and the President of the United States.

Well, now, if the Budget Committee had really made a careful analysis of Defense matters, had covered them carefully, then perhaps one might be inclined to go along with the recommendation of my friend, the gentleman from Connecticut (Mr. GIAIMO); but we have it on the authority of the chairman of the defense panel, the gentleman from California (Mr. LEGGETT), that they did not look as "diligently" at these figures as they would like. The gentleman also referred to the figures which the gentleman's committee has recommended as being "tangential", whatever exactly that means. But at least it means that they really do not know what they are talking about. They simply pulled a few figures out of the air and those are the figures we are now supposed to take on faith, and in preference to the recommendations of the Secretary of Defense, the President of the United States, and the people in Congress on both sides of the Capitol who have spent not only all of the last 3 months, but a good many years in the Capitol studying Defense matters.

Now, the gentleman from Texas (Mr. WRIGHT), my good friend—and I hesitate to oppose the gentleman's amendment—but I do not think the gentleman really understands, because he has a lot of other responsibilities as majority leader, precisely what his amendment would do. The gentleman says his amendment puts $1 billion back into the procurement side of defense, but he also says that the Wright amendment does not add anything back in what he calls these other "esoteric areas."

Well, do you realize what these so-called esoteric areas are? The committee, for example, recommended a reduction of $750 million in personnel compensation. The gentleman from California (Mr. LEGGETT) says, "Why, that is only a little, tiny cut." The fact is that if we cut personnel funds by $750 million that represents 200,000 jobs knocked out of the Defense Establishment, either in uniform or civilian.

That means 200,000 more people who are going to be out on the street, unemployed, looking for unemployment insurance or welfare. Is that the kind of thing we really want?

I have joined with colleagues in this House in the last several months in the "Great Northeast Coalition." The purpose of the Great Northeast Coalition, including our State Governors, is to come down here to Washington and pound on the desk of the Secretary of Defense and say, "Don't close down our military installations. Don't close down our facilities at Fort Devens. Don't close down these other installations. We want you to send more defense business into New England and the Northeast."

The gentleman from Massachusetts (Mr. HARRINGTON) has even bigger ideas. He is head of the "Great Northeast-Midwest Coalition." That takes in about half the country. They have recently sent a letter to the Secretary of Defense, and I joined in signing it. They said I had some clout with the Defense Department, although I have not seen that clout. But I signed the letter and its purpose was to prevent them from phasing out operations at Fort Monmouth, in New Jersey and transferring them to the Sun Belt.

Well, if Members want to close down Fort Devens and close down Fort Monmouth, put thousands of people out of work and close down many more bases, I will tell them how to do it. They should just go along with the committee's $4 billion cut. And they should go along with the Wright compromise, because it adds not a penny to those so-called esoteric areas where the money for personnel and operating expenses is contained. Unless we restore those funds, as the Burleson amendment will do, we can expect to see devastating cuts in both bases and jobs.

Mr. GIAIMO. Mr. Chairman, I wonder if we could get an idea of how many more Members wish to debate this question.

Mr. Chairman, I ask unanimous consent that all debate on the Pike amendment and all amendments thereto conclude in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. REGULA. Mr. Chairman, I move to strike the last word, and I rise in support of the Burleson of Texas amendment.

Mr. Chairman, I serve on the national security task force of the Budget Committee. I would point out that what we are talking about here are the recommendations of the administration brought to the task force by the Secretary of Defense, speaking on behalf of the President. It seems to me that they are in a unique position to point out the needs of this Nation in the field of national defense.

Obviously, if we remember the campaign rhetoric, we will realize that the President, since taking office, has been educated to these needs. I would suggest that the recommendations of the President as embodied in the Burleson amendment represent a minimum amount needed for our national security.

Mr. Chairman, at this point I would like to yield to the distinguished gentleman from Florida (Mr. BENNETT).

Mr. ICHORD. Mr. Chairman, I look around, and I see about 79 Members as I counted. This is the most important aspect of the budgetary process.

Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Eighty-six Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. ALLEN). One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I had intended to talk about what the recommendation of the Committee on the Budget would do in the field of procurement in the Navy. But so much has been said that also needs attention that I have decided to address myself primarily to other matters. I have a chart on the Navy procurement needs here and I will discuss them at the conclusion of my remarks.

Mr. Chairman, I rise in strong support of the Burleson amendment and in opposition to the Wright amendment.

It has been said that there is waste in the military. There probably is. We do the best we can to try to find it and eliminate it. There is waste also in food stamps, there is waste in welfare, and there is waste in medicare. There are actually programs which should be ended, programs like foreign aid and revenue sharing which our country can no longer afford at least in their present extravagant form. These are things we cannot now afford when the country is almost bankrupt. Those are things we ought to address if we are to get the money we need to have an adequate defense.

All of the objective experts who speak out on the subject of the national defense of our country are unanimous in saying that our country is not adequately defended. There is not a dissent I know of in this field. Even foreign observers have looked at us and said that. This gives us great concern that this is so.

Let us think for a moment about what has been said concerning the position of the Committee on the Budget concerning this. They say, "OK, but it has nothing to do with procurement."

There is no way we can do that. When we cut this money out of this resolution, it is going to affect procurement, just like it affects everything else. They say we can take it from personnel. That is a nice thing to say, but a week or so ago we were being criticized for not having enough patriotic young men willing to join the services. The Armed Forces were being criticized for not having enough men to fill the quotas which Congress thinks are necessary for national defense and which Congress has specifically sanctioned and directed.

We have criticized the Armed Forces for not building themselves up, and then we in the Budget Committee would say we are going to cut their pay or cut the personnel numbers. That seems ridiculous to me.

Some remarks have been made today to the effect that we can cut down on the numbers of generals and admirals. They say if we can abolish some of them, that would help. I myself think there could be a reduction in that area, but we will not see substantial cuts resulting from anything like that. If all admirals and generals were fired that would be but a small portion of the amounts of money involved here.

The next thing that was mentioned was inflation on the OM accounts. That is the maintenance accounts for ships and things like that. Of course, we could take the inflation out of the OM accounts, but let me ask this: Who imposes that requirement? Congress imposes that requirement and it does so to get a handle on real costs and to reduce them.

Congress has by law said: "We don't want you to have any phonies. We don't want you to come in here and say there is not going to be any inflation in OM accounts."

So we could, as I said, stop that, but we would have to appropriate for how much the inflation goes up in OM accounts. This is not a place where we are going to save money; it is one way in which we could waste money by not knowing and planning for real inflation. That requirement of reporting inflation in OM accounts was imposed by Congress; it was not requested by the Department of Defense.

They say also that we are going to do this on unobligated balances. What are the unobligated balances? Who imposed that obligation on the Defense Department? The unobligated balances are very largely the billions of dollars in materiel which we decided we were going to fund. In case the ships take more than 1 year to build we provided that fund to them fully, rather than so much a year. We can fight about that one all we want to, but Congress said by law, "We want you to fully fund this." This came from the Congress; it did not come from the executive branch and Congress did this to gain control of the financing.

We required full funding so they could not say to us that the ship costs more in later years than we expected. That could easily slide up the cost of the ship. It was required that the ship be funded in that way. So Congress imposed that requirement.

Therefore, the only real savings that have been suggested by this position of the Committee on the Budget, are ephemeral things. They are esoteric. They are not real. They are just powder dust; there is nothing to them. They have no significance or reality whatsoever except to cut personnel, and Congress has said that we cannot do that.

Now I would like to address this chart about the Navy. In order to emphasize the need for a Navy, I have had this map prepared. First of all, it shows our general imports, 60 percent of which come from Latin America, 10 percent from Asia, 5 percent from Africa, and 1 percent from Australia. Second, it shows our oil imports, 45 percent of it comes from Persian Gulf, 20 percent from Africa, 9 percent from South America, and 9 percent from Indonesia. Last, it shows our main exports, 30 percent to Europe, 40 percent to Asia, 2 percent to the Indian Ocean, and 1 percent to Africa. As you can see, the sea lanes on which we rely are spread all over the globe. Look especially at those two lanes, the one from the Persian Gulf carrying 45 percent of our oil and the one from Indonesia carrying 9 percent.

Our Navy has to insure that we are able to use those sea lanes from the United States to the terminal in the other countries as we need them. That is what sea control is all about. However, the Soviets only have to cut those lanes and make the cuts wherever they choose. That is a far different, far easier task.

Now I would like to show you in 1968, how our Navy and the Soviet's Navy operated around the world. In the far Pacific we had a good number of operating days because we were involved in the Vietnam war. We had more days in the Atlantic than the Soviets and roughly the same number of days in the Mediterranean. In 1968, we had a Navy of almost 560 principal combatants, 417 on the surface and 142 attack submarines. In that year the Soviets had 200 surface combatants and 230 submarines.

Now let us look at last year. Our operations in the Pacific dropped considerably—by one-third. The Soviets surpassed us by 36 percent in the Atlantic, in the Mediterranean their operations increased 50 percent and they outstripped us by 20 percent. In the Indian Ocean where we get half of our oil, the Soviets operations have increased six times. Their total principal combatants increased in 1976. Our surface combatants dropped to nearly one-fourth of what they were in 1968. Our attack submarines have dropped by 50 percent and the Soviets submarines have decreased by 23 percent. We have only 240 principal combatants compared to the Soviets 485—50 percent—and we used to have a two ocean Navy. No wonder Admiral Holloway testified last year that the "U.S. Navy will be able to control any ocean or major connecting sea unless directly opposed by the Soviet Navy." This is what has concerned the Seapower Subcommittee and the Armed Services Committee. This is why there can be no further cuts in money for the Navy at this time.

Mr. ADDABBO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Wright amendment to the Burleson amendment.

As has been said here earlier, we are not cutting the defense budget. We are increasing the defense budget over last year's budget by over $6 billion. We have heard here this afternoon about what we did last year. Last year we cut the defense budget by $4 billion.

We—this Congress cut it by $4 billion. What did that mean in real growth? Over $5.8 billion in real growth.

Mr. Chairman, today I hear the same story that we heard in 1975. We hear that a $4 billion reduction is going to destroy our national security. De we remember that in 1975 what we heard about the $7 billion cut that the Congress made? The Defense Department said that this was a deep arbitrary cut and would destroy our natonal security.

What happened in 1975? We had a real growth of $4 billion.

Let us look at the unobligated and unexpended funds. We heard my colleague, the gentleman from Florida (Mr. BENNETT), speak about these unobligated funds. Unobligated funds are unearmarked funds that are there for the Defense Department to change around. Unexpended funds mean things like fully funding a ship, which are under contract. Those are unexpended funds.

Let us look at those amounts in the unexpended balances. We start out in 1972 with $42 billion in unexpended funds, and in 1978 the Defense Department estimates $80 billion in unexpended funds—unexpended, $80 billion; unobligated funds are funds which are not earmarked as yet.

What do we have there? In 1972 it was $37 billion. How much will we have at the end of 1978? It will be $74 billion.

Just between the years of the 1977 to 1978 budget, that unobligated balance will increase, according to the Defense Department's own statement, by $2 billion. We are going to give them another $2 billion and they do not know yet what to do with it.

Mr. Chairman, back in 1955, after the Korean war—and the Korean war budget was $67 billion—the peacetime budget was $32 billion. During the Vietnam war, when we were spending $10 billion in Vietnam, the budget was only $79 billion. The American people were told that they would receive a peace dividend after that war.

Mr. Chairman, where is that peace dividend? Here we are in peacetime, fighting no war in 1977, and looking for a $121 billion budget, a budget 50 percent greater than the wartime budget during the Vietnam war.

Mr. Chairman, when are the American people going to receive that peace dividend? Do we not care about their needs?

We have a budget here, Mr. Chairman, that is $6 billion over last year's.

I say, Mr. Chairman, that the American people should be given a chance. The Committee on Appropriations will be looking at the entire spending, but let us also today, as we set priorities within this budget figure, tell the American people that we are going to start giving them consideration.

Mr. Chairman, we hear about these great war threats. It always surprises me—and it is almost miraculous—that every time we are about to debate defense spending, suddenly the Defense Department comes up with some great threat.

Just 2 days ago, out of a clear blue sky, a Russian bomber was 60 miles off our coast. We know the Russian bombers have been flying to Cuba, 90 miles off our coast.

Suddenly the Defense Department releases that information when it appears so opportune to them.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of

words, and I rise in opposition to the Wright amendment and to the Burleson amendment.

Mr. Chairman, I want to compliment my colleague, the gentleman from New York (Mr. ADDABBO), for the thoughtful statement he has made here. The point that he has driven home—and I hope that my colleagues will understand it—is that it is about time that we take a look at this total budget and looked at the role that defense spending plays in it. And it is also time that we tried to give the American people some relief from this extraordinary level of spending which is not really directed at meeting military needs, yet which at the same time deprives us of the opportunity to meet this country's human needs.

Mr. Chairman, it is interesting that the Secretary of Defense has been deeply concerned about the problem of illiteracy in the Armed Forces and of recruiting into the services persons who can actually read and write.

Yet nobody understands that by increasing this military budget unnecessarily and wastefully we remove our ability to deal with the problem of illiteracy in this country and we increase the problem of illiteracy in the Armed Forces. We are 12th in the world in literacy. We cannot even find enough people for our Armed Forces who can read. But we still continue to subsidize military waste while starving our schools.

That is why this budget resolution is before us today: To try to put in focus at one time all of the needs of our country so that we can make decisions about priorities. I think the resolution is trying to do a good job on priorities. I believe, however, that it has not met enough of our needs. It still permits too much wasteful spending in the military budget, despite the fact that it still will contain over $70 billion of unexpended funds at the end of this year, 1978, and $18 billion in unobligated balances. The money that is in the pipeline—$18 billion—that the military cannot even spend we so desperately need to improve our schools in the country, to try to rebuild our cities, to deal with health care, to make sure that all Americans are getting adequate shelter and food to eat.

The defense spending in this budget accounts for over 50 percent of the controllable outlays. The more we increase defense spending, my colleagues, the less we will have for other programs.

This is the tradeoff.

If we endorse the Wright amendment and if we endorse the Burleson of Texas amendment, we reduce, very simply, our ability to deal with the pressing human needs of this country. And these needs are real. All one has to do is walk outside on the streets of this Capital City and see that we are confronted with the problems of crime, bad housing, the lack of adequate schooling.

I believe it is about time that we started recognizing the importance of the budget, the importance of rectifying our priorities, and the importance of the tradeoffs that are made. The more we meet the human needs of our people then the greater will be the strength of this country.

Mr. DAN DANIEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on April 25, the House passed the defense authorization bill by the largest yea-to-nay ratio in recent years. Today I find myself defending that portion of the Federal budget which provides this Nation with its nuclear deterrent—our weapons of peace—the Energy Research and Development Administration national security programs. This includes programs for nuclear weapons, naval propulsion, as well as inertial confinement fusion, popularly known as laser fusion.

The ERDA fiscal year 1978 budget proposed by the new administration is a tight budget. To arbitrarily recommend a 14-percent cut, as the Budget Committee has done, appears to be playing games with our national security, and will seriously compromise our position in SALT negotiations.

The modernization of the U.S. nuclear deterrent forces is a cyclical phenomenon. Fiscal year 1978 is a year when many of our weapon systems, which will enter our inventory over the next decade, go into the engineering development phase. Slippage or deferment of research and development on nuclear components now would mean that U.S. delivery systems in the future would not have the associated nuclear warhead ready on time.

Nuclear weapons testing is an integral part of the weapons program of research and development, fabrication, testing, and stockpiling. Twice a year the President approves the testing plans. Should the United States produce weapons whose characteristics are unknown because they were not tested? I hope not.

Nuclear weapons require special nuclear materials. It takes 3 to 5 years to produce the required plutonium, tritium, and other substances necessary to fabricate nuclear arms. The fiscal year 1978 special nuclear material budget also provides for the management of the nuclear waste associated with weapons production and for research and development on better and less expensive methods of producing material in a time of rapidly rising costs.

The naval reactor development program for fiscal year 1978 will require $243 million in new budget authority. What will this buy for the United States? It buys a big measure of peace for the world because there is no way, today, for potential adversaries to know where our SSN's and SSBN's are. If ever there was an appropriate slogan, "Run Silent, Run Deep"— it applies to that part of our deterrent triad which is on station, undetected. And it is from this $243 million that updated propulsion systems will allow our submarine forces to continue to survive by being silent, thereby providing for our survival as a nation.

Surface ships with nuclear propulsion run for 10 or more years at flank speed without having to sit dead in the water waiting for an oiler. The surface ship propulsion reactor research program is deeply involved in providing higher shaft horsepower systems of longer life to keep whatever fleet we have a modern fleet.

Finally, there is the laser fusion program. The $94 million requested in the Carter budget for laser fusion operating expenses provides for developing programs with high-level potential payoffs; for example, relatively inexpensive means to simulate within the laboratory certain nuclear effects. We need to learn how our weapons would react, and if they even survive, in a hostile environment—that is, under attack. This is important to insuring the survivability of our deterrent forces.

For a Budget Committee, after a few hours of meetings, to unilaterally and arbitrarily cut the funding for deterrent weapons by $300 million is not a responsible approach to national defense or to budgeting.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DAN DANIEL. I am happy to yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I thank the gentleman from Virginia for yielding to me and I rise in opposition to the Wright amendment and in favor of the Burleson of Texas substitute, and definitely in support of the level of defense spending recommended—and I speak to my Democratic colleagues on this side of the aisle—by our Democratic President, President Carter.

I say to my Democratic colleagues that this is the only issue involved in this amendment—whether or not we are going to support President Carter, because this is an issue which President Carter has probably agonized over more than any Member of this House, more than any member of the Committee on Armed Services, more than the Chairman of the Budget Committee, and more than any member on the Budget Committee.

Mr. Chairman, my colleagues will remember that during the campaign President Carter said, "I want to cut defense spending $5 billion." What did he do? He only ended up cutting it about $2 billion from the Ford budget. Let me read the figures to the Members as to just what we are doing today: Ford, $122 billion; Carter, $120.1 billion; the House Committee on Armed Services—and we are compromising with the Burleson Committee, and we are the committee that is supposed to know about the defense needs of this country—whether we do or not is a judgment for the Members to make—$120.9 billion that we brought in to the Members. The House Committee on Appropriations brought in to the Members a recommendation of $121.1 billion. What did the budget committee do? It ignored the House Committee on Appropriations, which even came in above the House authorization committee. The Senate Armed Services Committee, $121.3 billion. The Senate Appropriations Committee, $121.7 billion. The Senate Budget Committee, $120.6 billion. And we are asked to buy $115.9 billion, and now as a compromise we are asked to buy the Wright Amendment providing only $116.9 billion, $3.2 billion under President Carter's budget.

Mr. Chairman, as chairman of the R. & D. subcommittee, I can assure the Members that the members of my subcommittee scrutinized our defense pos-

ture in detail as a part of our deliberations. I speak to my Democratic colleagues. We did not approve everything the President and the Pentagon asked for. In fact, we cut their request.

Listen to this, Mr. Chairman. We cut their request by $776 billion, almost three-quarters of a billion dollars, and our actions were dictated by a concern for current deficiencies in our defense posture, and those programs which did not contribute to the near term correction of those deficiencies, or which were poorly justified, or inefficiently managed, did not survive.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if the budget figure stands, I state to my distinguished chairman and the members of the Budget Committee, you have defeated everything we have done in the R. & D. committee, everything we have done, and you have cut the legs out from under the President of the United States. Why do I say this? We cut with the intention of putting the money back into hardware, which we did in the full committee.

Mr. Chairman, I would hope that some day I will be able to live in a world where the United States of America does not have to spend a dime for defense. I hope and I pray that my children and my grandchildren will be able to live in that kind of world in the future.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. Not at this time. I will yield to the gentleman if he will get me additional time later on

Mr. Chairman, I hope and I pray that my children have that kind of world, but we cannot stick our heads in the sand like the ostrich and think in terms of how we would like the world to be rather than what it is.

The Budget Committee in its recommendation for defense is asking this House to accept a $1 billion reduction justified on the basis of level of purchases. The proposal, Mr. Chairman, is made right in the face of a rpeort on NATO by Senators NUNN and BARTLETT, reaffirmed by the staff of the House Armed Services Committee, that the shortfalls in reserves and preposition stocks are of such magnitude that deployed combat units might not be able to sustain themselves for more than a few days of high intensity combat.

Mr. Chairman, I do not share all of the views of General Keegan but I do share the views of Senator NUNN and Senator BARTLETT. I am frightened by the deteriorating capability of U.S. military strength vis-a-vis the Warsaw Pact nations and most particularly the Soviet Union.

To permit, I would state to my good friend, the chairman of the Budget Committee, such a situation to continue unabated is absolutely suicidal. To defer needed purchases, which the gentleman is doing, is absolutely absurd, penny wise and pound foolish, false economics, and destined to cost the American taxpayers more for the same equipment. He is asking Congress to acquire weapons systems at an uneconomical rate. This basic premise of economics was obviously overlooked by the Budget Committee. To correct this oversight I urge Members to support the Burleson amendment.

And to my friends who do not see the need for as strong a defense as I, and particularly those who would vote dry and drink wet, and I am talking about those who supported the Cohen amendment only Monday on the House floor, I say they cannot expect to have a $116.9 billion level and keep our bases open. They cannot vote dry and drink wet. Bases will have to be closed if the Burleson amendment is not adopted.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, I state to my friends on my side of the aisle who supported so overwhelmingly the amendment that was adopted to increase civilian workers in the Department of Defense, you cannot vote dry and drink wet. The increase in civilian workers will have to be eliminated.

I state to my friends over on the Senate side who added on the nonnuclear Lance and the A–7 airplanes, and I state to the gentleman from Texas (Mr. WRIGHT) that he cannot vote dry and drink wet. All of those add-on's are going to have to go if the Budget Committee is sustained.

Let us restore, Mr. Chairman, President Carter's budget. Let us permit him to deal with the Soviet Union from a position of strength in the SALT talks, not from a position of weakness, which situation he will be in if we do not vote for the chance to have the world in the future that we all want to live in. I urge a vote for the amendment offered by the gentleman from Texas (Mr. BURLESON). Vote for our Democratic President, President Carter.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I thank my distinguished colleague for yielding.

I just want to point out for him that if the Burleson amendment were adopted the Armed Services Committee would be the only committee in the House to have its recommendations virtually fully funded in the budget. The other committees are not in that position.

Mr. ICHORD. I will say to the distinguished gentlewoman, I am sorry but her statement is inaccurate, and the reason why it is inaccurate is that the House Armed Services Committee asked the Budget Committee to give us a level of spending at $120.9 billion. The Burleson of Texas amendment is a compromise. It is between your figure and the figure recommended by the Budget Committee. The House Armed Services Committee recommended $120.9 billion. The Burleson amendment only calls for $120.1 billion for defense.

Mr. Chairman, it is only $120.1 billion. I see that the gentleman from Texas (Mr. BURLESON) is nodding his head.

I would like to have the time, Mr. Chairman, to read from a speech made by a Member who knows more about the defense needs of this country, who unfortunately is now in the hospital, than any Member in this House. I am talking about our distinguished friend and our colleague, and I hope that the gentleman will speedily recover from the minor operation he is about to undergo and return to us soon. I do want the Members of the House, and particularly my good friend, the gentleman from Connecticut (Mr. GIAIMO) to hear portions of a speech recently made by the honorable gentleman from Illinois (Mr. MEL PRICE).

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

Mr. ICHORD. Mr. Chairman, I ask unanimous consent to proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. MITCHELL of Maryland. Mr. Chairman, I regretfully object.

The CHAIRMAN. Objection is heard.

The question is on the amendment offered by the gentleman from California (Mr. JOHN L. BURTON) to the amendment offered by the gentleman from New York (Mr. PIKE).

PARLIAMENTARY INQUIRY

Mr. JOHN L. BURTON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHN L. BURTON. Mr. Chairman, it has been some time since I offered the amendment. I wonder if the Members might be aware of what the amendment does.

The CHAIRMAN. The gentleman does not state a parliamentary inquiry.

The question is on the amendment offered by the gentleman from California (Mr. JOHN L. BURTON) to the amendment offered by the gentleman from New York (Mr. PIKE).

The question was taken; and on a division (demanded by Mr. JOHN L. BURTON), there were—ayes 27, noes 66.

RECORDED VOTE

Mr. JOHN L. BURTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 64, noes 344, not voting 25, as follows:

[Roll No. 156]

AYES—64

Addabbo	Edwards, Calif.	Nolan
Ammerman	Gaydos	Oberstar
Badillo	Harrington	Ottinger
Beard, R.I.	Hawkins	Pattison
Bedell	Holtzman	Rangel
Beilenson	Jacobs	Richmond
Bingham	Johnson, Colo.	Rodino
Blouin	Kastenmeier	Rosenthal
Bonior	Keys	Roybal
Brodhead	Kostmayer	Ryan
Burke, Calif.	Lederer	Schroeder
Burton, John	Lundine	Seiberling
Burton, Phillip	Maguire	Shipley
Carr	Markey	Stark
Chisholm	Metcalfe	Stokes
Clay	Meyner	Studds
Collins, Ill.	Mikva	Thompson
Conyers	Miller, Calif.	Vanik
Dellums	Mitchell, Md.	Weaver
Drinan	Moakley	Weiss
Early	Mottl	
Edgar	Myers, Michael	

NOES—344

Abdnor	Evans, Del.	Mann
Akaka	Evans, Ga.	Marks
Alexander	Evans, Ind.	Marlenee
Allen	Fary	Marriott
Ambro	Fascell	Martin
Anderson, Calif.	Fenwick	Mathis
	Findley	Mattox
Anderson, Ill.	Fisher	Mazzoli
Andrews, N.C.	Flippo	Meeds
Andrews, N. Dak.	Flood	Michel
	Flowers	Mikulski
Annunzio	Flynt	Miller, Ohio
Applegate	Ford, Mich.	Mineta
Archer	Ford, Tenn.	Minish
Armstrong	Fountain	Mitchell, N.Y.
Ashbrook	Fowler	Moffett
Ashley	Frenzel	Mollohan
Aspin	Frey	Montgomery
AuCoin	Fuqua	Moore
Badham	Gammage	Moorhead, Calif.
Bafalis	Gephardt	
Baldus	Giaimo	Moorhead, Pa.
Barnard	Gibbons	Moss
Baucus	Gilman	Murphy, Ill.
Bauman	Ginn	Murphy, N.Y.
Beard, Tenn.	Glickman	Murphy, Pa.
Benjamin	Goldwater	Murtha
Bennett	Gonzalez	Myers, Gary
Bevill	Goodling	Natcher
Biaggi	Gore	Neal
Blanchard	Gradison	Nedzi
Boland	Grassley	Nichols
Bolling	Gudger	Nix
Bonker	Guyer	Nowak
Bowen	Hagedorn	O'Brien
Brademas	Hall	Oakar
Breaux	Hamilton	Obey
Breckinridge	Hammer-schmidt	Panetta
Brinkley		Patten
Brooks	Hanley	Patterson
Broomfield	Hannaford	Pease
Brown, Calif.	Hansen	Pepper
Brown, Mich.	Harris	Perkins
Brown, Ohio	Harsha	Pettis
Broyhill	Heckler	Pickle
Buchanan	Hefner	Pike
Burgener	Heftel	Poage
Burke, Fla.	Hightower	Pressler
Burke, Mass.	Hillis	Preyer
Burleson, Tex.	Holland	Pritchard
Burlison, Mo.	Hollenbeck	Pursell
Butler	Holt	Quayle
Byron	Horton	Quie
Caputo	Howard	Quillen
Carney	Hubbard	Rahall
Carter	Huckaby	Railsback
Cavanaugh	Hughes	Regula
Cederberg	Hyde	Reuss
Chappell	Ichord	Rhodes
Clausen, Don H.	Ireland	Rinaldo
	Jeffords	Risenhoover
Clawson, Del	Jenkins	Roberts
Cleveland	Jenrette	Robinson
Cochran	Johnson, Calif.	Rogers
Cohen	Jones, Okla.	Roncalio
Coleman	Jones, Tenn.	Rooney
Collins, Tex.	Jordan	Rose
Conable	Kasten	Rousselot
Conte	Kazen	Rudd
Corcoran	Kelly	Runnels
Corman	Kemp	Ruppe
Cornell	Ketchum	Santini
Cornwell	Kildee	Sarasin
Cotter	Kindness	Satterfield
Coughlin	Krebs	Sawyer
Crane	Krueger	Scheuer
D'Amours	Lagomarsino	Schulze
Daniel, Dan	Latta	Sebelius
Daniel, R. W.	Leach	Sharp
Danielson	Leggett	Shuster
Davis	Lehman	Sikes
de la Garza	Lent	Simon
Delaney	Levitas	Sisk
Dent	Lloyd, Calif.	Skelton
Derwinski	Lloyd, Tenn.	Skubitz
Devine	Long, La.	Slack
Dickinson	Long, Md.	Smith, Iowa
Dicks	Lott	Smith, Nebr.
Diggs	Lujan	Snyder
Dingell	Luken	Solarz
Downey	McClory	Spellman
Duncan, Oreg.	McCloskey	Spence
Duncan, Tenn.	McCormack	St Germain
Eckhardt	McDade	Stangeland
Edwards, Ala.	McDonald	Stanton
Edwards, Okla.	McEwen	Steed
Eilberg	McFall	Steers
Emery	McHugh	Steiger
English	McKay	Stockman
Erlenborn	McKinney	Stratton
Ertel	Madigan	Stump
Evans, Colo.	Mahon	Symms
Taylor	Waggonner	Winn
Thone	Walker	Wirth
Thornton	Walsh	Wolff
Tonry	Wampler	Wright
Traxler	Watkins	Wydler
Treen	Waxman	Wylie
Trible	Whalen	Yates
Tsongas	White	Yatron
Tucker	Whitehurst	Young, Fla.
Udall	Whitley	Young, Mo.
Ullman	Whitten	Young, Tex.
Van Deerlin	Wiggins	Zablocki
Vander Jagt	Wilson, Bob	Zeferetti
Vento	Wilson, C. H.	
Volkmer	Wilson, Tex.	

NOT VOTING—25

Boggs	Fraser	Roe
Derrick	Harkin	Rostenkowski
Dodd	Jones, N.C.	Russo
Dornan	Koch	Staggers
Fish	LaFalce	Teague
Fithian	Le Fante	Walgren
Florio	Milford	Young, Alaska
Foley	Myers, Ind.	
Forsythe	Price	

Mr. PANETTA and Mr. RUPPE changed their vote from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas (Mr. BURLESON) as a substitute for the amendment offered by the gentleman from New York (Mr. PIKE).

Mr. Chairman, I will be brief.

Mr. Chairman, as some time has expired since the original discussion on the Burleson amendment, I believe much of the debate that has preceded this point in consideration of this budget resolution has been more than adequate. However, I thought that since the chairman of the Committee on Armed Services (Mr. PRICE) felt very strongly on this issue, I would like to yield to my colleague, the gentleman from Missouri (Mr. ICHORD), from the Committee on Armed Services, to relate the message of our distinguished chairman of the Committee on Armed Services.

Mr. Chairman, I yield to my colleague, the gentleman from Missouri (Mr. ICHORD), a member of the Committee on Armed Services, to relate that message from the chairman of the Committee on Armed Services.

Mr. ICHORD. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, regrettably, a Member objected to my reading portions of a speech by the gentleman from Illinois (Mr. MELVIN PRICE).

Mr. RONCALIO. Mr. Chairman, will the gentleman from California (Mr. ROUSSELOT) yield a half minute to me, in the interest of order?

Mr. ROUSSELOT. Mr. Chairman, I would be glad to do that, but I promised my colleague, the gentleman from Missouri (Mr. ICHORD), that I would yield to him for what I think is a significant statement by the chairman of the Committee on Armed Services.

If there is any time left after that, I will be glad to yield to my colleague, the gentleman from Wyoming (Mr. RONCALIO).

Mr. ICHORD. I realize, Mr. Chairman, that we are pressed for time; but regrettably, a Member did object to hearing this message from our good friend, the gentleman from Illinois (Mr. PRICE), now in the hospital, who, I state unequivocally, knows more about defense than any Member in this House.

The speech was made on March 29, 1977, and it was precisely on the subject we are now considering as we are about ready to vote on the Wright amendment.

Mr. Chairman, the Wright amendment would cut President Ford's defense budget by $3.2 billion. The Burleson amendment will restore President Carter's budget of $120.1 billion.

This is what the chairman of the Committee on Armed Services, the gentleman from Illinois (Mr. PRICE), has to say:

There are real problems in Defense procurement that I would have liked to review with you: There are shortages in our ground forces, where twenty-year-old artillery and vehicles are being used. There is deep division on what the size and shape of our future Navy should be.

Mr. Chairman, I hope that I do have the attention of my good friend, the distinguished gentleman from Connecticut (Mr. GIAIMO) as I read this.

The gentleman from Illinois (Mr. PRICE) goes on to say:

I supported the Congressional Budget Act. I hope it is going to work.

But it is not going to work if it is going to be based on arbitrary limits that disregard real problems and actual policies in the real world.

It is not going to work if national defense is going to be made the whipping boy for those who want to spend money in other areas or try out favorite theories on economic stimulation.

Proposals are now being advanced for massive reductions in the President's defense request.

These are being brought to us, requests for $4.1 billion under our President Carter's proposal, I would state to my Democratic colleagues by our Budget Committee.

I return to the text of Chairman PRICE's speech:

Proposals are now being advanced for massive reductions in the President's defense request. These reductions are justified by generalized statements based on untested—and unexamined—presumptions. They have not had the benefit of detailed analysis or of hearings——

Which the gentleman from Connecticut (Mr. GIAIMO) admits:

Or of hearings to test the validity of the presumptions.

Listen to what our chairman, the gentleman from Illinois, MEL PRICE says, listen to this, and I quote precisely:

I applaud the President for being unwilling to make greater cuts—regardless of campaign statements—because he could not be assured that greater cuts could be made without hurting capability.

In our committee we disagreed with some of the President's proposals. We recommended that almost $1 billion of his proposed reductions be restored.

We also carefully considered each of the programs involved and attempted to determine the actual effect on military preparedness.

I think it is instructive to note that the Armed Services Committee in the Senate estimated a requirement of $1.2 billion above the President's proposed figure. Thus our

committees were within half a billion dollars of each other.

I think there are three verities we in the Congress have to remember in ordering national priorities:

First, our priorities are sometimes dictated by developments beyond our control.

Second, the American people recognize what is needed.

Third, we cannot determine defense requirements by how much we think we need for housing programs, or medical research, or urban renewal, or pollution control, or domestic programs.

I happen to be a Democrat. I consider myself a pretty good one. I have supported all of the major social programs advanced by my party for the past 30 years. I never felt it was necessary to cut national defense to do so.

National defense is not in competition with social programs.

There is no and/or conjunction in the United States Constitution.

The Constitution says we shall "promote the general welfare and provide for the common defense." It does not say we should do one or the other.

I do not think the Congress as a whole will support a $4 billion reduction in President Carter's defense budget.

We have to have a rational system for determining our national priorities.

Our new procedures are not going to work if they are used as a vehicle to attack the defense budget—before the hard, detailed work of congressional study is even completed.

It is time for those of us in Congress to reexamine the intent of the congressional budget reforms and how we intend to use them.

Mr. ROUSSELOT. So the gentleman's point is that the chairman of the House Committee on Armed Services (Mr. PRICE) is suggesting to vote down the Wright amendment and vote for the Burleson of Texas amendment?

Mr. ICHORD. That is correct, and to support the President of the United States.

Mr. ROUSSELOT. I appreciate my colleague's statement.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on the Pike amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for one-half minute each.

(By unanimous consent, Mr. STRATTON yielded his time to Mr. BURLESON of Texas.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. BURLESON).

Mr. BURLESON of Texas. Mr. Chairman, one brief point: My dear friend, neighbor and colleague, the gentleman from Texas, (Mr. WRIGHT) our majority leader, in suggesting approximately $1 billion restoration to category 050 of this resolution, by implication suggested that this sum would protect military procurement of hardware, to put it another way, there will be a $3-billion reduction, and that this would not touch procurement. Let it be understood we are not dealing with line items in this resolution. So, any reference to procurement is meaningless. The $3-billion reduction could apply to the procurement of planes, ships, guns, ammunition—everything. I may have misunderstood the gentleman, but that was the impression I got. I ask the Members to vote down the Wright amendment in order that there be opportunity to vote on the amendment I have proposed.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, earlier in the debate we discussed the things that the Budget Committee addressed itself to, like estimates of how many people are going to be in the military, and these other various things. None of them really add up to any real savings. The objection to estimates of escalation could not really save money. The only thing that was real at the end of the discussion of the budget proposals was that there will be a cut in procurement of weapons under the Wright amendment, despite what he says, because the overall amount of money cut is there. It is not his intention to cut it, but we would be bound to cut it if Wright prevailed. The national defense of our country is at a level where we should increase it, not decrease it.

(By unanimous consent, Mr. MITCHELL of Maryland yielded his time to Mr. GIAIMO).

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. ASPIN).

Mr. ASPIN. Mr. Chairman, I rise to make an appeal to the liberal Members of the Democratic side to vote in favor of the Wright amendment. I think what we are talking about here is two alternatives: A $4 billion add-on and a $1 billion add-on. I think a $1 billion add-on is justifiable on the basis that some increase is justified in real growth. I think liberals can defend it on the ground that what we are talking about at this point is the better of two alternatives.

The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I want to reinforce the gentleman from Wisconsin (Mr. ASPIN). I think we ought to support the Wright amendment and then maybe consider later on whether or not we want to defeat it as a substitute. I think the Committee on Armed Services is unduly alarmed about this bill. Normally there is a $2 billion shortfall between what the Armed Services Committee passes and what the Appropriations Committee enacts every year. There is today a $4.4 billion shortfall between what the Appropriations Committee has passed and what the Department of Defense has spent. The committee targets should be supported in the defense function and the amendments defeated.

(By unanimous consent, Ms. HOLTZMAN yielded her time to Mr. GIAIMO.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, the amendment I offered is an attempt to preserve most of the economies that have been made wisely by the committee, but still to give to the President that which he says he needs, namely, enough leverage in procurement to strengthen our hand in the SALT limitation talks. It would increase by $1 billion the amount in the committee resolution, rather than $4 billion as proposed by the administration.

The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I rise in support of the President and of the amendment offered by the gentleman from Texas (Mr. OMAR BURLESON) and against the amendment offered by the gentleman from Texas (Mr. WRIGHT).

I realize that the gentleman from Texas (Mr. WRIGHT) is a great compromiser but in this instance I think he is absolutely wrong, the President is right, and the gentleman from Texas (Mr. BURLESON) is right.

I do not think we should be picking figures out of the air that we cannot substantiate and compromising our defense posture. We should not compromise when we have six committees of the Congress saying this is where we should be and we should go no lower. We should stick with the people who know whereof they speak.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO) to conclude the debate.

Mr. GIAIMO. Mr. Chairman, we are trying to put together a budget resolution for fiscal year 1977 and we are trying to treat every segment of our national interest fairly and provide for the necessary and available funds. We believe in the area of national defense, the only area of the budget where there was a massive increase this year over last year—$9.5 billion, that we are not treating them poorly.

Certainly my friend, the gentleman from Missouri (Mr. ICHORD) and others object to the fact that we cut them even $1, but the fact is that they have a $9.5-billion increase over last year.

Another fact is that even though these same objections to our suggested cuts were heard last year, the Department of Defense did not even spend all the money or obligate all the money we gave them last year. There is a spending shortfall in defense of some $4.5 to $5 billion in the present year's budget.

As we try to arrive at an equitable budget for the Nation, everyone has to absorb a little bit of the reduction; that is what we are asking Defense to do. It is reasonable. It will not affect our national security in any way. It will not jeopardize our defense effort. It will give our President some greater flexibility to address himself to the real defense needs of this Nation.

I urge the Members to vote down the Burleson amendment.

PARLIAMENTARY INQUIRY

Mr. STRATTON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STRATTON. Mr. Chairman, would it not be in order for me to ad-

vise my colleagues at this time that the President called the Speaker this afternoon to ask him to stay with the President?

The CHAIRMAN. The Chair would like to advise the gentleman that is not a parliamentary inquiry.

Mr. STRATTON. I thank the Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WRIGHT) to the amendment offered by the gentleman from Texas (Mr. BURLESON) as a substitute for the amendment offered by the gentleman from New York (Mr. PIKE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASPIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BURLESON) as a substitute for the amendment offered by the gentleman from New York (Mr. PIKE).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 225, noes 184, not voting 24, as follows:

[Roll No. 157]

AYES—225

Abdnor	Conable	Hall
Akaka	Corcoran	Hammer-
Allen	Cornwell	schmidt
Ambro	Crane	Hanley
Andrews, N.C.	Daniel, Dan	Hansen
Andrews,	Daniel, R. W.	Harsha
N. Dak.	Davis	Hefner
Annunzio	de la Garza	Heftel
Archer	Delaney	Hightower
Armstrong	Devine	Hillis
Ashbrook	Dickinson	Holt
Badham	Dicks	Horton
Bafalis	Dornan	Howard
Barnard	Duncan, Tenn.	Hubbard
Bauman	Edwards, Ala.	Huckaby
Beard, Tenn.	Edwards, Okla.	Hyde
Bennett	Emery	Ichord
Bevill	English	Ireland
Bowen	Erlenborn	Jeffords
Breaux	Ertel	Jenkins
Breckinridge	Evans, Ga.	Jenrette
Brinkley	Evans, Ind.	Jones, Okla.
Broomfield	Fary	Jones, Tenn.
Brown, Ohio	Findley	Kasten
Broyhill	Fithian	Kazen
Buchanan	Flippo	Kelly
Burgener	Flowers	Kemp
Burke, Fla.	Flynt	Ketchum
Burleson, Tex.	Fountain	Kindness
Burlison, Mo.	Fowler	Krueger
Butler	Frenzel	Lagomarsino
Byron	Frey	Latta
Caputo	Fuqua	Lent
Carter	Gammage	Levitas
Cederberg	Gibbons	Lloyd, Tenn.
Chappell	Gilman	Long, Md.
Clausen,	Ginn	Lott
Don H.	Goldwater	Lujan
Clawson, Del	Gonzalez	McClory
Cleveland	Gradison	McDade
Cochran	Grassley	McDonald
Cohen	Gudger	McEwen
Coleman	Guyer	Madigan
Collins, Tex.	Hagedorn	Mahon
Mann	Regula	Stump
Marks	Rhodes	Symms
Marlenee	Rinaldo	Taylor
Marriott	Risenhoover	Thone
Martin	Roberts	Thornton
Mathis	Robinson	Tonry
Michel	Rogers	Treen
Minish	Rooney	Trible
Mitchell, N.Y.	Rose	Ullman
Mollohan	Rousselot	Vander Jagt
Montgomery	Rudd	Waggonner
Moore	Runnels	Walker
Moorhead,	Ruppe	Walsh
Calif.	Sarasin	Wampler
Murphy, N.Y.	Satterfield	Watkins
Murphy, Pa.	Sawyer	White
Murtha	Schulze	Whitehurst
Myers, Gary	Sebelius	Whitley
Natcher	Shuster	Whitten
Neal	Sikes	Wiggins
Nichols	Sisk	Wilson, Bob
O'Brien	Skelton	Wilson, C. H.
Patten	Skubitz	Wilson, Tex.
Pepper	Slack	Winn
Perkins	Smith, Nebr.	Wright
Pettis	Snyder	Wydler
Pickle	Spence	Young, Fla.
Poage	Stangeland	Young, Mo.
Preyer	Stanton	Young, Tex.
Quayle	Steed	Zablocki
Quie	Steiger	Zeferetti
Quillen	Stockman	
Railsback	Stratton	

NOES—184

Addabbo	Fisher	Motti
Alexander	Flood	Murphy, Ill.
Ammerman	Foley	Myers, Michael
Anderson,	Ford, Mich.	Nedzi
Calif.	Ford, Tenn.	Nix
Anderson, Ill.	Gaydos	Nolan
Applegate	Gephardt	Nowak
Ashley	Giaimo	Oakar
Aspin	Glickman	Oberstar
AuCoin	Goodling	Obey
Badillo	Gore	Ottinger
Baldus	Hamilton	Panetta
Baucus	Hannaford	Patterson
Beard, R.I.	Harrington	Pattison
Bedell	Harris	Pease
Bellenson	Hawkins	Pike
Benjamin	Heckler	Pressler
Biaggi	Holland	Pritchard
Bingham	Hollenbeck	Pursell
Blanchard	Holtzman	Rahall
Blouin	Hughes	Rangel
Boland	Jacobs	Reuss
Bolling	Johnson, Calif.	Richmond
Bonior	Johnson, Colo.	Rodino
Bonker	Jordan	Roncalio
Brademas	Kastenmeier	Rosenthal
Brodhead	Keys	Roybal
Brooks	Kildee	Ryan
Brown, Calif.	Kostmayer	Santini
Brown, Mich.	Krebs	Scheuer
Burke, Calif.	Le Fante	Schroeder
Burke, Mass.	Leach	Seiberling
Burton, John	Lederer	Sharp
Carney	Leggett	Shipley
Carr	Lehman	Simon
Cavanaugh	Lloyd, Calif.	Smith, Iowa
Chisholm	Long, La.	Solarz
Clay	Luken	Spellman
Collins, Ill.	Lundine	St Germain
Conte	McCloskey	Stark
Conyers	McCormack	Steers
Corman	McFall	Stokes
Cornell	McHugh	Studds
Cotter	McKay	Thompson
Coughlin	McKinney	Traxler
D'Amours	Maguire	Tsongas
Danielson	Markey	Tucker
Dellums	Mattox	Udall
Dent	Mazzoli	Van Deerlin
Derwinski	Meeds	Vanik
Dingell	Metcalfe	Vento
Downey	Meyner	Volkmer
Drinan	Mikulski	Waxman
Duncan, Oreg.	Mikva	Weaver
Early	Miller, Calif.	Weiss
Eckhardt	Miller, Ohio	Whalen
Edgar	Mineta	Wirth
Edwards, Calif.	Mitchell, Md.	Wolff
Eilberg	Moakley	Wylie
Evans, Colo.	Moffett	Yates
Fascell	Moorhead, Pa.	Yatron
Fenwick	Moss	

NOT VOTING—24

Boggs	Derrick	Dodd
Burton, Phillip	Diggs	Evans, Del.
Fish	Koch	Rostenkowski
Fiorio	LaFalce	Russo
Forsythe	Milford	Staggers
Fraser	Myers, Ind.	Teague
Harkin	Price	Walgren
Jones, N.C.	Roe	Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Walgren against.
Mr. Milford for, with Mr. Staggers against.
Mr. Price for, with Mrs. Boggs against.
Mr. Evans of Delaware for, with Mr. Phillip Burton against.
Mr. Fish for, with Mr. Koch against.

Messrs. ABDNOR, NEAL, COHEN, and SARASIN changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PIKE), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MITCHELL of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 218, noes 185, not voting 30, as follows:

[Roll No. 158]

AYES—218

Abdnor	Devine	Jenkins
Akaka	Dickinson	Jenrette
Allen	Dicks	Jones, Okla.
Ambro	Dornan	Jones, Tenn.
Andrews, N.C.	Duncan, Tenn.	Kasten
Andrews,	Edwards, Ala.	Kazen
N. Dak.	Edwards, Okla.	Kemp
Annunzio	Emery	Ketchum
Archer	English	Kindness
Armstrong	Evans, Ind.	Krueger
Ashbrook	Fary	Lagomarsino
Badham	Findley	Latta
Bafalis	Fithian	Lent
Barnard	Flippo	Levitas
Bauman	Flowers	Lloyd, Tenn.
Beard, Tenn.	Flynt	Long, Md.
Bennett	Fountain	Lott
Bevill	Fowler	Lujan
Bowen	Frenzel	McClory
Breaux	Frey	McDade
Breckinridge	Fuqua	McDonald
Brinkley	Gammage	McEwen
Broomfield	Gibbons	Madigan
Brown, Ohio	Gilman	Mahon
Broyhill	Ginn	Mann
Buchanan	Goldwater	Marks
Burgener	Gonzalez	Marlenee
Burke, Fla.	Goodling	Marriott
Burleson, Tex.	Gradison	Martin
Burlison, Mo.	Grassley	Michel
Butler	Gudger	Minish
Byron	Guyer	Mitchell, N.Y.
Caputo	Hagedorn	Mollohan
Carter	Hall	Montgomery
Chappell	Hammer-	Moore
Clausen,	schmidt	Moorhead,
Don H.	Hanley	Calif.
Clawson, Del	Hansen	Murphy, N.Y.
Cleveland	Harsha	Murtha
Cochran	Hefner	Myers, Gary
Cohen	Heftel	Natcher
Coleman	Hightower	Neal
Collins, Tex.	Hillis	Nichols
Conable	Holt	O'Brien
Corcoran	Horton	Patten
Cornwell	Howard	Pepper
Crane	Hubbard	Perkins
Daniel, Dan	Huckaby	Pettis
Daniel, R. W.	Hyde	Pickle
Davis	Ichord	Poage
de la Garza	Ireland	Preyer
Delaney	Jeffords	Quayle

Quie	Sikes	Ullman
Quillen	Sisk	Vander Jagt
Railsback	Skelton	Waggonner
Regula	Skubitz	Walker
Rhodes	Slack	Walsh
Rinaldo	Smith, Nebr.	Wampler
Risenhoover	Snyder	Watkins
Roberts	Spence	White
Robinson	Stangeland	Whitehurst
Rogers	Stanton	Whitley
Rooney	Steed	Whitten
Rose	Steiger	Wiggins
Rousselot	Stockman	Wilson, Bob
Rudd	Stratton	Wilson, C. H.
Runnels	Stump	Wilson, Tex.
Sarasin	Symms	Winn
Satterfield	Taylor	Wright
Sawyer	Thone	Young, Fla.
Schulze	Thornton	Young, Mo.
Sebelius	Tonry	Young, Tex.
Shipley	Treen	Zablocki
Shuster	Trible	Zeferetti

NOES—185

Addabbo	Fisher	Mottl
Alexander	Flood	Murphy, Ill.
Ammerman	Florio	Murphy, Pa.
Anderson, Calif.	Foley	Myers, Michael
	Ford, Mich.	Nedzi
Anderson, Ill.	Ford, Tenn.	Nix
Applegate	Gaydos	Nolan
Ashley	Gephardt	Nowak
Aspin	Giaimo	Oakar
AuCoin	Glickman	Oberstar
Badillo	Gore	Obey
Baldus	Hamilton	Ottinger
Baucus	Hannaford	Panetta
Beard, R.I.	Harrington	Patterson
Bedell	Harris	Pattison
Beilenson	Hawkins	Pease
Benjamin	Heckler	Pike
Biaggi	Holland	Pressler
Bingham	Hollenbeck	Pritchard
Blanchard	Holtzman	Pursell
Blouin	Hughes	Rahall
Boland	Jacobs	Rangel
Bolling	Johnson, Calif.	Reuss
Bonior	Johnson, Colo.	Richmond
Bonker	Jordan	Rodino
Brademas	Kastenmeier	Roncalio
Brodhead	Keys	Rosenthal
Brooks	Kildee	Roybal
Brown, Calif.	Kostmayer	Ruppe
Brown, Mich.	Krebs	Ryan
Burke, Calif.	Le Fante	Santini
Burke, Mass.	Leach	Scheuer
Burton, John	Lederer	Schroeder
Carney	Leggett	Seiberling
Carr	Lehman	Sharp
Cavanaugh	Lloyd, Calif.	Simon
Chisholm	Long, La.	Smith, Iowa
Clay	Luken	Solarz
Collins, Ill.	Lundine	Spellman
Conte	McCloskey	St Germain
Conyers	McCormack	Stark
Corman	McFall	Steers
Corneli	McHugh	Stokes
Cotter	McKay	Studds
Coughlin	McKinney	Thompson
D'Amours	Maguire	Traxler
Danielson	Markey	Tsongas
Dellums	Mattox	Tucker
Dent	Mazzoli	Udall
Derwinski	Meeds	Van Deerlin
Dingell	Metcalfe	Vanik
Downey	Meyner	Vento
Duncan, Oreg.	Mikulski	Volkmer
Early	Mikva	Waxman
Eckhardt	Miller, Calif.	Weaver
Edgar	Miller, Ohio	Weiss
Edwards, Calif.	Mineta	Whalen
Eilberg	Mitchell, Md.	Wirth
Ertel	Moakley	Wolff
Evans, Colo.	Moffett	Wylie
Fascell	Moorhead, Pa.	Yates
Fenwick	Moss	Yatron

NOT VOTING—30

Boggs	Fish	Myers, Ind.
Burton, Phillip	Forsythe	Price
Cederberg	Fraser	Roe
Derrick	Harkin	Rostenkowski
Diggs	Jones, N.C.	Russo
Dodd	Kelly	Staggers
Drinan	Koch	Teague
Erlenborn	LaFalce	Walgren
Evans, Del.	Mathis	Wydler
Evans, Ga.	Milford	Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mrs. Boggs against.

Mr. Milford for, with Mr. Staggers against.

Mr. Mathis for, with Mr. Walgren against.

Mr. Evans of Delaware for, with Mr. Phillip Burton against.

Mr. Fish for, with Mr. Koch against.

Mr. John T. Myers for, with Mr. Diggs against.

Mr. Young of Alaska for, with Mr. Drinan against.

Mr. AKAKA changed his vote from "no" to "aye."

So the amendment, as amended, was agreed to.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. MITCHELL of Maryland: Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $398,094,000,000;

(2) the appropriate level of total new budget authority is $500,642,000,000;

(3) the appropriate level of total budget outlays is $462,332,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $64,239,000,000; and

(5) the appropriate level of the public debt is $801,084,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $101,084,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $109,477,000,000.

(B) Outlays, $106,074,000,000.

(2) International Affairs (150):

(A) New budget authority, $9,543,000,000.

(B) Outlays, $7,397,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,930,000,000.

(B) Outlays, $4,737,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New budget authority, $20,950,000,000.

(B) Outlays, $20,677,000,000.

(5) Agriculture (350):

(A) New budget authority $2,153,000,000.

(B) Outlays, $2,880,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $22,169,000,000.

(B) Outlays, $20,377,000,000.

(7) Community and Regional Development (450):

(A) New budget authority $10,092,000,000.

(B) Outlays, $11,086,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $25,621,000,000.

(B) Outlays, $30,293,000,000.

(9) Health (550):

(A) New budget authority, $47,710,000,000.

(B) Outlays, $44,258,000,000.

(10) Income Security (600):

(A) New budget authority, $182,993,000,000.

(B) Outlays, $148,589,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $19,935,000,000.

(B) Outlays, $19,903,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,560,000,000.

(B) Outlays, $3,800,000,000.

(13) General Government (800):

(A) New budget authority, $3,898,000,000.

(B) Outlays, $3,998,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,847,000,000.

(B) Outlays, $9,803,000,000.

(15) Interest (900):

(A) New budget authority, $43,000,000,000.

(B) Outlays, $43,000,000,000.

(16) Allowances:

(A) New budget authority, $1,069,000,000.

(B) Outlays, $1,021,000,000.

(17) Undistributed Offsetting Receipts (950):

(A) New budget authority, $16,000,000,000.

(B) Outlays, $16,000,000,000.

SEC. 3. In the third budget resolution for fiscal year 1977, the Congress provided for revenue and spending proposals designed to stimulate the Nation's economy in order to reduce unemployment. These proposals, together with recent indications of more vigorous economic growth in the private sector, provide evidence that the Nation's economy may be returning to the levels needed to provide jobs to millions of our unemployed.

The Congress recognizes, however, that unusual uncertainties surround the current economic outlook for 1977 and 1978—primarily, the economic impact of the stimulus proposals and the likelihood of continued economic growth in the private sector—and that additional time and information are needed to make final determinations with respect to fiscal policy for fiscal year 1978; and declares that, if economic recovery does not proceed satisfactorily during the months immediately following adoption of the first budget resolution for fiscal year 1978, it will be necessary to provide additional stimulus to the economy in appropriate amounts to be determined in the second budget resolution for fiscal year 1978. On the other hand, if the recovery continues to show signs of long-term renewed growth, it may be desirable to reduce some of the economic stimulus provided for fiscal year 1978 in order to make more rapid progress toward a balanced budget.

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974

(1) Section 1 of S. Con. Res. 10 is amended to read as follows:

"That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) The recommended level of Federal revenues is $355,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,300,000,000;

(2) The appropriate level of total new budget authority is $469,700,000,000;

(3) the appropriate level of total budget outlays is $414,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $59,250, 000,000; and

(5) the appropriate level of the public debt is $707,970,000,000."

(2) Section 2, paragraph (10) of S. Con. Res. 10 is amended to read as follows:

"(10) Income Security (600):

(A) New budget authority, $167,700,000,000;

(B) Outlays, $138,100,000,000."

Mr. MITCHELL of Maryland (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. ICHORD. Reserving the right to object, the gentleman is offering this as a substitute. Is he affecting defense levels which have already been set?

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I am offering it as a substitute, and that will affect the defense levels that have been set, but there is a procedure by which technical changes can be made to adjust the figures.

Mr. ICHORD. Mr. Chairman, I withdraw my reservation of objection, but I reserve a point of order on the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MITCHELL of Maryland. Mr. Chairman, what this amendment will attempt to do is to take $6.5 billion from the military function 050 and transfer it into the domestic programs which need it. As many Members know, I was originally proposing a $12.3 billion cut with those funds to be transferred to domestic programs. In the light of the action which has taken place on the floor today, I do not think I should offer that original amendment. Instead, I offer the amendment for transferring $6.5 billion from function 050 into the various categories of domestic programs which have need.

I want to thank the gentleman from California for securing time to allow the reading of the correspondence from the chairman of the Armed Services Committee. I had originally objected, and in retrospect that was wrong, because now I am glad that correspondence was read. The gentleman provided the opportunity for the gentleman from Missouri (Mr. ICHORD) to read the correspondence. I am glad the correspondence was read, because in the reading of it we had a chance to place emphasis once again on the double responsibility, the dual responsibility that this House has, this Congress has, as given to us by the Constitution.

We are supposed to provide for the national defense. That is one part of our dual responsibility; but we are also supposed to promote the general welfare. In all the debate that has gone on up to this point, what we have done in all the discussion up to this point, what we have done is to address only one part of that responsibility. That is all that we have done. We have completely ignored the other part of our constitutional mandate, and that is to promote the general welfare of the people.

I hope that my amendment will give the Members the opportunity to address the other part of our constitutional responsibility, and God knows it needs to be addressed. Despite the best efforts of the chairman of the Budget Committee and the members of the Budget Committee, what we have done, what we have really done is almost ignore the fact that we have not promoted the general welfare in this country.

It is true, it is true that we have a whole host of programs designed to help people, designed for the survival of people, designed for their general welfare. But what we do is to fund those programs in such a niggardly fashion that we provide for only the general welfare of a small percentage of our people.

Every man and woman who serves in this House ought simply raise the question in his own heart, soul, and mind: Are we meeting the needs of all our senior citizens? And if we raise the question, the answer is going to come back loud and clear: No, we are not. We are meeting the needs of about 10 per cent of them.

Every man and woman who serves in this House ought raise the question: Are we meeting the educational needs of children? Sure, we have a day care or early education program or Headstart, and everybody in this Chamber supports them and says they are good programs. But we fund them at a level where only 15 percent of the kids who need the programs, get them.

Is that promoting the general welfare? All we need do is ask ourselves the question.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 3 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, all we have to do as honorable Members of this House is to ask ourselves the question: Is it not wise to promote the general welfare by putting people back to work? Is that not what we are talking about? And if that is true, then we have got to raise the subsequent question: How many people are out of work? And the answer comes back: 8 million known are out of work.

If we dig a little more deeply, we come up with the other part of the answer, add 5 million on to that and we are talking about 13 million Americans out of work. We are talking about making a mockery of the ethic of work upon which this kind of democracy is supposed to function.

Mr. Chairman, I do not intend to belabor the Members with any long argument. In my own mind the issue is very clear. We spent 3 hours debating and arguing over one part of our constitutional responsibility. I am asking this House in a few short minutes to look at the other part of that responsibility and that is to promote the general welfare.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the distinguished gentleman from Michigan.

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding. I would like to associate myself with the gentleman's remarks. I think the gentleman has made a lot of thoughtful and worthwhile comments about our budget resolution. This is supposed to be about national priorities. Instead, it has turned into a debate on vested interests. I think the gentleman has put his finger on it when the gentleman says we have not addressed our constitutional responsibilities for the health, safety, and welfare of the people we represent.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I thank the gentleman for yielding. This resolution is very much like the effort which the gentlewoman from New York (Ms. HOLTZMAN) and I tried to put through last year. It does raise the critical question of the reordering of priorities and getting our people back to work in accordance with the commitment we made in our platform and most of us made in our speeches.

Mr. Chairman, I congratulate the gentleman for his efforts. His amendment has been very carefully and thoroughly researched. I would like to associate myself with his remarks.

Mr. Chairman, the most important function of the congressional budget process is to permit Congress to set priorities for Government revenues and expenditures. The "transfer resolution" presented by the gentleman from Maryland (Mr. MITCHELL), admirably exercises this function, shifting extravagant and wasteful defense expenditures to underfunded job-creating programs. Unfortunately, the Budget Committee made only minor revisions to the existing budget, albeit in the right direction, and failed to endorse programs that would make a really substantial inroad into the huge unemployment burdens on our society.

Mr. Chairman, I think the President, the Budget Committee, and Mr. MITCHELL all share a common objective—to restore the health of our economy while maintaining an adequate defense, and to that end work toward a balanced budget. The difference is as to the means to achieve those ends. It is my firm conviction that only the Mitchell approach will do what is needed. The only time we have had a balanced budget in recent history is when we had full production and full employment. We actually had a surplus. Given the Congressional Budget Office's figures that for every 1 percent increase in unemployment we add $16 billion to the national deficit—$14 billion in lost taxes and $2 billion in unemployment and welfare benefits—it seems so clear to me that the only way to balance the budget is to get our people back to work.

Furthermore, the social costs of millions of unemployed Americans are horrendous. The soaring crime, delinquency, and drug-use rates in our country are unquestionably tied to our high

unemployment rate, particularly as it is broken down to show highest unemployment—as high as 50 percent—among minority youth in our cities. A continuation of this situation invites a social—and economic—disaster.

From an economic standpoint, it has always seemed clear to me that the underpinning of our prosperity is the high standard of living achieved by our working people, enabling them to buy the goods and services which our industry produces. When 7 million Americans are officially out of work—and 6 million more are unemployed but unlisted—the markets of our economy are seriously undermined.

Congressman MITCHELL has offered an alternative, a "Transfer Resolution," that responds to some of the most serious problems that confront this Nation. It is an opportunity to fulfill all of the promise inherent in the budget process by seriously considering the priorities we set and by changing them for the benefit of the American people. A transfer of funds from the defense function to job-creating programs is imperative; we cannot accept the present budget target of a 6.3-percent unemployment rate, or 6 million unemployed, at the end of 1978.

To its credit the Budget Committee significantly reduced the budget authority and the budget outlays proposed by the President for the defense function, an action unfortunately reversed by the action just taken by this committee; it increased funds for commerce and transportation and for education, training, employment, and social services. I might add, though, that I am somewhat mystified as to why the committee failed to take more assertive action with regard to the Defense Department's failure to meet its estimated outlays by a whopping $5 billion over the last 19 months.

Overall the committee resolution reluctantly accepts the existence of a class of chronically unemployed of substantial dimension. I cannot accept this.

Passage of the "Transfer Resolution" would confront the problem of unemployment and all of the social ills which it engenders. It would provide the basis for over 800,000 new jobs to combat youth unemployment, to construct necessary public facilities, to begin thousands of new housing units, and to support small businessmen in their efforts to maintain their livelihoods.

The decision which we make on this amendment is one of the most important and far reaching to be made during this Congress. The choice is clear and we must have the courage to choose the correct path. I most strongly urge my colleagues to support the bold initiative of Congressman MITCHELL and pass this amendment.

Mr. BADILLO. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. BADILLO. Mr. Chairman, a careful perusal of the items contained in House Concurrent Resolution 195, the First Concurrent Resolution on the budget, led me to the regrettable conclusion that the only proposal outlined in the committee report to which I can give my unqualified support is the Mitchell amendment which seeks to divert billions of dollars from defense spending and transfer the moneys thus saved to public employment, energy conservation, and other social programs.

Since the inception of the congressional budget process, I have urged time and again that we in Congress would finally seize the opportunity presented to us by this new planning tool to establish sound national priorities and set realistic funding levels for badly needed domestic programs. Unfortunately, this did not come to pass. As the gentleman from Maryland (Mr. MITCHELL) so eloquently points out in his supplemental views accompanying this resolution, 23.2 percent of the budget authority is still dedicated to defense programs, while only 4.5 percent is allocated to health, and 9.5 percent is earmarked for a combination of education, training, employment, and social service programs.

Additionally, although this was not emphasized by Mr. MITCHELL, only 2 percent of the total outlay recommendations are reserved for the community development block grants, rural water and waste disposal, community services, economic development assistance, accelerated public works, Appalachian regional, Indian, disaster relief, and flood insurance programs. Translated, this means that our major domestic programs together account for only 16 percent of the budget, or little more than two-thirds of the amount dedicated to military spending alone.

I find this, coming from a Democratic-controlled Congress and under a Democratic administration, discouraging and disgraceful. Once again, as in the Nixon years, I find myself obliged to express my strong opposition to such policies by supporting only the perfecting amendments, such as the one before us now, and rejecting the budget resolution as a whole.

Incidentally, my concerns in this respect are shared by a large number of people in my district and throughout the country. As an example of this shared concern, I would like to insert here, for the information of my colleagues, an editorial which appeared in the New York Times today:

THE FIRST QUARTER OF MR. CARTER

When Jimmy Carter became President 98 days ago he had little to fear except fear itself. His remarkable campaign for the White House showed him to be shrewd and intelligent, dedicated and poised, efficient and humane. He was a man of obvious self-confidence, but also one who sometimes scared easily; when the race grew tense he not only trimmed but cut and ran from apparent commitments to full employment and social spending toward a balanced budget and increased defense spending. Fear rather than conviction seemed to move him from side to side. It was a fair preview of the leader we have seen so far.

Since first-quarter stocktaking seems to be desired in the Oval Office this week, we would reiterate: Mr. Carter need fear only fear itself. Taken individually, his retreats from the tax rebate, from defense cutbacks, from cancellation of costly water projects and from the human-rights test in foreign affairs can be seen as prudent accommodations with the business community or powerful forces in Congress or simply reality. But cumulatively, the compromising suggests an excessive haste either in the embrace of policy or withdrawal from it. These were probably habits carried into office from the campaign, into the second campaign, so to speak, by which the new President wished to make his mark abroad and at home. This running for President from the office of the President should be ended now, the accumulated popularity and confidence invested where it counts.

What counts? The President's choices of priority for real and not just rhetorical commitment have been excellent. He has shown himself eager to promote the recovery of the domestic economy, to adopt a wise and far-reaching energy policy and to build upon past negotiations with the Soviet Union toward a genuine reduction in nuclear arms. Difficult though they will be to achieve, these goals are not enough.

Like arms control and energy management, the American economy needs to be redirected. As Mr. Carter recognized, more forcefully before his election than since, unemployment is a cruel waste of present resources and future strength. The traditional responses of more inflation or more protectionism or both will only compound the problem. Huge investments in the training, education and relocation of people and in the structure of our urban communities are no less essential than investments in new sources of energy, and no less a task for Presidential leadership. It was probably sound to deal first with energy, to assure continued growth. It would be assuring now to sense a comparable commitment "to put Americans back to work," as Jimmy Carter used to say.

As with energy, an imaginative and far-reaching program for full employment is also an international imperative. The American people cannot be persuaded to endure truly free trade and investments in economic development elsewhere if their own needs are not boldly addressed. Unless they are, the country will keep sliding back from involvement in the world, unable to influence the economic and political environment upon which real security depends. Mr. Carter's championship of human rights has restored a necessary measure of idealism to our reputation abroad, but like the other useful gestures of the first quarter it is prelude to policy, not a substitute for it. Both the industrial and developing nations seek American leadership in new trade and investment policies. New generations that have never known the inspirational qualities of America need to be addressed with a diplomacy finally liberated from Vietnam.

The accounts of the President as he concluded his first hundred days in office stress his increased efficiency, and the compartmentalizing of his life into periods of study, action and public relations. In settling in, he has clearly been adept and impressive. But on the most important questions Mr. Carter must now become obsessive, unafraid to proclaim some vision, unafraid to persist as his popularity and constituency diminish, unafraid to lose some campaigns that need to be fought.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding. I think the gentleman has courage in offering this amendment at this particular point in time. I am extremely saddened that the parliamentary situation arose that the gentleman was put in the situation of offering an amendment for the good of the country after we have dabbled around with the issue of a pay

raise when the sky is really falling and we should be dwelling on the issues of our time.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(At the request of Mr. DELLUMS, and by unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, we spent 3 hours dealing with "The Russians are coming."

I daresay we probably will spend less than 30 minutes dealing with the reordering of the priorities of this country. I think that is very tragic. We should have dealt with this pay raise issue yesterday and got it out of the way.

I know the gentleman from Maryland has worked for several months and placed an extraordinary amount of information in the CONGRESSIONAL RECORD trying to educate all the Members of Congress with respect to this amendment to help our national constituency of people.

Now, we find ourselves after 3 hours in the parliamentary situation dealing with the military budget, precipitated by a discussion of the pay raise, which is an issue which should have been dealt with yesterday.

I am extremely saddened that with all the hard work the gentleman put in the gentleman's amendment that now the gentleman is placed in the parliamentary situation where we are looking at well over 230 Members of this congressional body who have already voted to extend the military budget, thereby giving the gentleman from Maryland no time to argue for the amendment.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank my colleague for yielding. Mr. Chairman, I agree with the point my colleague has made. I disagree with specifics of his amendment, but I think it is important that we consider all aspects of the budget in total.

Could the gentleman tell me again, because I have had some correspondence from individuals that support the gentleman's position of reordering priorities; approximately how much does this substitute reduce the functional category of agriculture?

Mr. MITCHELL of Maryland. Mr. Chairman, I cannot answer that. The general premise that I worked on was as follows: All I could do was to suggest areas of reduction, because I am limited by the budget process. All I could do was suggest the areas where it can be done and that is all the amendment was intended to do. It did not try to cover every category. The wisdom of the Budget Committee and the various committees would still prevail over my amendment.

Mr. ROUSSELOT. If the gentleman will yield further, the reason I asked that question is that I feel that we should have some restraint on the increase that has been suggested in the field of agriculture. The present agriculture category is rather substantially over what we really voted on originally in committee, as the gentleman well knows. I just regret that my colleague made his individual decision to reduce as much as the gentleman did in the defense area.

But, my reading of the gentleman's amendment, as presented, is that he is cutting from the chairman's recommendation—and I realize it is only a recommendation, that it is roughly a reduction of $1.5 billion in the category of agriculture. I agree with my colleague that in too many of the areas in this budget resolution we are not talking about cuts. We are talking about merely trying to restrain increases which are too large.

Mr. MITCHELL of Maryland. I appreciate the gentleman's comments. Let me point out the implication of the passage of this amendment. In the event that it should be passed, then the whole budget process goes back to the Budget Committee, where the gentleman will be given an opportunity to suggest cuts in other areas.

Mr. ROUSSELOT. Restraints in increases. I think we are increasing in every functional category in this resolution.

Mr. MITCHELL of Maryland. This amendment gives the gentleman that opportunity, and I hope he will vote for it.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

(On request of Mr. BURGENER and by unanimous consent Mr. MITCHELL of Maryland was allowed to proceed for 1 additional minute.)

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. BURGENER. Does the gentleman, in his amendment, address himself to additional public service jobs?

Mr. MITCHELL of Maryland. Yes, I do.

Mr. BURGENER. To what degree, roughly?

Mr. MITCHELL of Maryland. What we are talking about, I think, is the creation of another million public service jobs, as I recall the figure.

Mr. BURGENER. The gentleman will recall, in our discussions in the Budget Committee, that the Under Secretary of Labor testified that under no condition could they handle more than 725,000 public service jobs. They just plain could not do it.

Mr. MITCHELL of Maryland. I recall that very well, and I also recall that some gentlemen representing the administration appeared before us, individually and collectively, just a few short weeks ago, and said that a tax rebate was essential for the country, for the little people. A week or so later, they changed their minds. They are neither omniscient nor omnipotent, and I will not be bound by their decisions.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

(On request of Mr. OTTINGER and by unanimous consent Mr. MITCHELL of Maryland was allowed to proceed for 1 additional minute.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would just like to say that I was derelict, when speaking before, in not giving credit to the gentleman from Michigan (Mr. CONYERS). He played perhaps the key role in putting together this effort last year. I am sure he joins me in saluting the gentleman from Maryland in his effort.

Mr. MITCHELL of Maryland. I thank the gentlemen.

Mr. BENNETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think I have ever come to the well of the House before to oppose an amendment without having read it, but I went to the Budget Committee desk on the Democratic side. They were unable to provide it for me, and told me to find it someplace else. I cannot walk fast enough to get it elsewhere so I have to discuss an amendment which I have not read.

Mr. Chairman, I want to say that I do not know something about the gentleman who introduces this amendment. There is not a finer man in this House than he. His humanitarian aspects have touched my heart, and I feel that he would want to do what is best for the country.

But, the remaining part of my remarks really are addressed to the fact that I do not think this Congress is, and I do not think our country is, facing up to the very substantive places where we can save money and cut money in a politically realistic manner and have it available for human needs. Foreign aid is one thing we could end, at least in its present mammoth size. There is no reason why we should continue our present multibillion-dollar foreign aid program. If there is a famine or something of that nature, we should help, but to have the present program, which is just an inducement to ask for more and to be on the string, as these countries are today, is something that has long outrun its course.

If Congress is so mossbacked, so old fashioned, that it thinks that just because we have had that or anything else in the past makes it automatically all right for today, that would be a criticism of us. Another serious criticism of us is the passage and retention of a program which we just undertook, the billions of dollars Federal revenue-sharing program. There is no rhyme or reason to that program. The power to tax and the power to expend should be in the same hands. That is fundamental to good government.

If we had substituted something in that program for what was already done

it would be another matter; if we had taken education or something like that and given the same amount of money, it would have made some sense; but the revenue-sharing program we have today has no constituency at all.

It used to be that people who were at City Hall often pulled the strings and Congressmen were elected. When I came to Congress there were a lot of people here like that. A lot of people were sent here by labor organizations. This is not true today. Today Congressmen are independent-minded individuals and are capable of voting for all their constituents, not just apparent power groups. The leaders of those groups no longer speak for block votes of any substantial size in most districts.

These massive programs of foreign aid and revenue sharing should be ended.

There are also programs which represent an absolutely colossal waste and the waste in them should be ended. A man came to me and talked to me about the food stamp program. He said that at expensive colleges, there are children of wealthy men who are obtaining food stamps simply because they are eighteen and without earned income. By cutting out waste and in other programs we could take care of all of these other really humanitarian things in the Mitchell amendment if we really wanted to do so.

So I rise in opposition to this amendment, not having had an opportunity to read it, having tried to get the opportunity to read it and not finding it at the desk where it ought to be. I am not blaming anybody about it.

At this time, when our country really should do the things that need to be done, and this country is almost faced with bankruptcy, there ought to be more people who voted like I did on the last two tax cuts. I did not vote for the tax cuts.

We ought to come face to face with reality in this matter, turn down this amendment and go forward. I know what my good friend, the gentleman from Maryland (Mr. MITCHELL) has in his heart and his mind. It is well-motivated, but I oppose his amendment.

Mr. Chairman, I urge the Members to vote down the amendment.

The CHAIRMAN. Does the gentleman from Missouri (Mr. ICHORD) withdraw his point of order?

Mr. ICHORD. Mr. Chairman, I withdraw my point of order.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman and members of the committee, I want to compliment my colleague (Mr. MITCHELL) for raising the question of human needs and national priorities for the consideration of members of this committee. My colleague has offered all of the Members of the House the opportunity to remove the waste from the military budget and at the same time end the waste of human resources in this country: The waste of the productivity of those who are unemployed, the waste of talents of those who are uneducated, the waste of the potential of our cities.

There is no question, when we have a military budget which will have over $18 billion of unobligated and unexpended moneys by the end of this fiscal year, that there is room to address the human needs.

How can we justify spending millions of dollars on civil defense shelters when our central cities are bombed out and our people do not have adequate housing? How can we justify spending millions of dollars on educating our top-heavy officer corps in the War College and sending them to Harvard, Yale, and Dartmouth for endless graduate degrees when we have thousands of Americans who are illiterate and millions of children in overcrowded classrooms and the quality of our public schools is not getting better? How can we justify adding to the over 7,000 missiles that we have and worrying only about the Russians when our cities are on the brink of decay and collapse? How can we justify spending millions of dollars for the Defense Department's medical school when so many medical students in this country have to go out of the country to get educated and when people do not have adequate health care in our United States at this time?

We have not done anything about increasing our programs for mass transit although we are in the midst of an energy crisis.

We talk about national security, and yet this country's security is in the hands of the OPEC countries. If they were to raise the price of oil they could plunge us into economic chaos—yet we spend four times as much money on weapons research as we do on research for energy.

I think the gentleman from Maryland does this country a public service by trying to point out where we are going wrong and offering this "transfer amendment."

Sure, we need a strong defense. But we do not need waste, and we cannot afford the waste of our human resources.

Mr. Chairman, I urge the Members to adopt the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on the amendment in the nature of a substitute end in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, I wonder if the gentleman could make his request read "10 minutes"?

Mr. GIAIMO. Mr. Chairman, I will amend my unanimous consent request.

Mr. Chairman, I ask unanimous consent that all debate on the amendment in the nature of a substitute end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for one and three-quarters minutes each.

(By unanimous consent, Mr. ROUSSELOT yielded his time to Mr. DORNAN.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, some of us who are new Members of this 95th Congress were elected in very hard-fought races by voters who asked us to come here and speak out for the middle-class taxpayers, who have reached the breaking point. They demand tax relief. But we were told that the last thing we should touch is national defense, given the malignant growth of Soviet power.

I survived what I believe was the most expensive congressional race in the history of the United States, costing over a million and a half dollars spent by 14 candidates: 8 Democrats, 6 Republicans. I know that sounds more like a New York or a California Senate race, but the B–1 is built in my district which is the Nation's most important aerospace area.

My opponent spent over $640,000, while walking both sides of the street on national defense.

The B–1 "Guardian of Liberty" was a major issue in the primaries. My opponent was adamantly against it. He switched his position on defense after he had purchased his primary election for over $220,000. Then he started echoing me on defense all during general election. The voters reject duplicity and most voting Americans want a strong national defense shield.

Mr. Chairman, the gentleman from Maryland (Mr. MITCHELL) recommends the B–1 bomber be cut out completely in his amendment. The MX is cut out completely. The gentleman has even gone so far as to recommend cutting out some of the "older B–52's and C–135's." I oppose this absurd budget charade.

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield, my amendment does not cut anything. We cannot cut anything under this budget resolution. I wish the gentleman would clarify that.

Mr. DORNAN. Mr. Chairman, if the gentleman will allow me to continue, I do not have his final version but only his amended version No. 3, the one circulated throughout the country. I have two versions of the gentleman's amendment here. In both there are recommendations for massive cuts in the national defense area.

I believe that the average American feels that under our constitutional duty to "promote the general welfare" we have about promoted welfare long enough. We are going broke. We have had a complete reversal in the percentages as to what we allocate to national defense and what we allocate to social programs. But now we are endangering our existence as a free nation.

I know that our country is now so

gerrymandered and chopped up that many Members of this body come from as peculiar a looking geographical district as mine in Los Angeles County. And I know that after the 1980 census, because of the Watergate disgrace and its effect upon our two-party system, with the lopsided control by the majority party of most State legislatures that our Nation is going to be dissected again like a carved-up Christmas goose. And because of this artificial gerrymandering we will see even more duplicity. I think what we see here in doubletalk is also due to the power of incumbency—and I learn each day just how powerful incumbency is—what we see are Members who sing one song in their districts about being tigers for national defense, as the gentlewoman from Colorado (Mrs. SCHROEDER) has just indicated, but when they come to this House they attempt, through obfuscation and through deliberate fork-tongued dialog, to talk defense but vote disarmament. For example they pretend to prefer and work for the Cruise missile so that they can kill the B–1 or cut the MX, but then when the Cruise missile comes up the next year or the following year, they will emerge as Mr. Hyde to kill, as fast as they can, their decoy, their recently praised defense shield substitute. It is a betrayal of our constitutional duty to "provide for the common defense."

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, at the very outset, I want to extend my highest regards to the gentleman from Maryland (Mr. MITCHELL), not only for the eloquent manner in which he made his presentation, but for the very necessary task that he has performed.

Until he got up to speak, perhaps most of us in this House forgot why it was that we are here.

This being my first term, this week has been for me a sort of nightmarish kind of experience. Mr. Chairman, if someone had told me before I came here that we would be debating how much we should add to an already bloated and extravagant military budget, and not only would we be debating but would be adding billions of dollars to what has already been reported out of the Committee on the Budget, I would have thought that that could not be true—especially not when, as the gentlewoman from New York has said, our cities are falling down around our people's ears.

With all the deprivation, all the need, all the poverty we do not know from 1 day to the next or from 1 year to the next, whether, this society we are so proud of will survive. Yet, we persist in believing that we can add, add, add to the military budget and subtract, subtract, subtract from the real day-to-day needs of our people. And we think we are doing our job.

Mr. Chairman, the people are not going to be fooled. They will know what we have done and what we have not done.

Mr. Chairman, on April 5 I appeared at a press conference with the distinguished gentleman from Maryland, Mr. PARREN MITCHELL, and Congressmen JOHN BURTON, NOLAN, and DELLUMS to announce my support for the "transfer amendment"—an amendment to revise the Nation's budget for 1978 by selectively eliminating excessive expenditures for military programs and reusing these funds for domestic programs for education, employment, health, and other purposes.

I am delighted to be able to reaffirm my support for the transfer amendment today and urge my colleagues to join me in voting in favor of this very important improvement in our national spending patterns and redirecting our national budget priorities.

The reasons for supporting this amendment, in my view, are along two lines: the immediate benefits of increasing and expanding our domestic programs and the long-term effects of taking steps now toward reducing our accent on national defense spending and reviving our commitment to pressing domestic needs.

Under the transfer amendment, if it is passed, $4.96 billion would be authorized for new Federal spending commitments in 1978 and $2.023 billion in immediate outlays on domestic programs beyond those funds authorized under present budget proposals. In specific the authorization of these sums would be utilized in expanding the comprehensive employment and training program—our Nation's major employment program—and other domestic programs so that 252,300 new jobs would be created. This number of new jobs would supplement the amount provided under the present budget proposals being considered. Another 22,500 jobs would be provided by expanding the public works program administered by the Economic Development Administration. Other programs would also receive increased emphasis under the transfer amendment including programs for older Americans, the Urban Development Bank, day care and small business. All of these increments in domestic programs would result in a net total gain of 274,800 jobs.

We cannot afford to pass up this vast job-creating opportunity and providing this kind of a boost to people-oriented programs. This valuable revamping of the budget, under the transfer amendment, would be accomplished without any increase to the overall budget; rather it would be accomplished within the boundaries of present budget proposals.

These important increments in domestic programs would be made possible by cutting military programs. These cuts would be made through efficiency steps and elimination of unnecessary or wasteful military projects. In my belief no cuts would be made that would reduce our combat readiness or endanger national security; rather it maintains our high military preparedness capability while making much needed funds available. For example, a huge saving would be realized by declaring a moratorium on shipbuilding for 1 year. A 2-year backlog already exists in the shipbuilding industry and a moratorium would allow the industry to catch up. In the meantime, the funds normally committed for this area of concern could be utilized for the kinds of domestic programs I described above.

The cancellation of the B–1 bomber program is an excellent example of how the transfer amendment would eliminate an excessive and wasteful military project. As I said earlier this week in regard to a defense authorization bill—see page 12076 of the CONGRESSIONAL RECORD—which included funds for the B–1 bomber: The Federal Government, including Congress, must learn to be less obsessed with programs like the B–1 bomber—programs which never seem to take off the ground while extracting terrible financial costs to us all without reaping any constructive returns. The termination of the B–1 bomber program under the transfer amendment would result in freeing up over $1.5 billion for use in constructive domestic programs.

Finally, Mr. Chairman, I would like to point out that a major part of the congressional budget process involves setting national priorities. In the "declaration of purposes" section of the Congressional Budget Act it says:

> The Congress declares that it is essential . . . to establish national budget priorities . . .

The transfer amendment represents a rare opportunity for Congress to fulfill this part of the Budget Act by enacting the amendment today. Together we can take a first step in redirecting our country's budget toward a renewed and expanded commitment to our domestic needs and trimming the waste from our excessive military undertaking by enacting the transfer amendment—let us put our domestic needs first rather than subordinating them to a bloated military budget.

I hope that the House will realize this tremendous opportunity to set our country's sails on a new course; I strongly urge my colleagues to vote in favor of the transfer amendment.

(By unanimous consent, Mr. OTTINGER and Mr. GIAIMO yielded their time to Mr. NOLAN.)

The CHAIRMAN. The Chair now recognizes the gentleman from Minnesota (Mr. NOLAN).

Mr. NOLAN. Mr. Chairman, I thank the chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO), as well as the gentleman from New York (Mr. OTTINGER) for yielding me their time.

I particularly want to thank the gentleman from Maryland (Mr. MITCHELL) his staff and the people who have worked with him to put together this most important transfer amendment.

I know a lot of us have some different views on what the budget process is all about. Some people view it as an instrument to stop or cut Federal spending. Others view it as an instrument for establishing national priorities. However, I think regardless of what our view of the budget process is, the fact remains that by our action or by our inaction on the budget, what we do essentially is dis-

tribute America's wealth. We distribute America's resources. We distribute America's opportunities.

Mr. Chairman, that is not so much a matter of philosophy as it is a matter of fact; and that is what our responsibility is here as the elected Representatives of this country.

I know that we hear a lot of talk about not putting some moneys into the budget. Some people say, "Let us let free enterprise take care of it."

Mr. Chairman, I remind everybody here that the free enterprise system did not decide to build any free public schools for the children of this country. The free enterprise system did not decide to build a national transportation system. It did not decide to build housing for the poor and for the elderly in this country. It did not decide to set up social security or medicare or welfare or set up any of the general welfare benefits for people in America. It was the people's elected Representatives who made those decisions.

I realize, Mr. Chairman, that private entrepreneurs were there to bid on the contracts and do the building and make the profits which accrued from it; but it was the people's elected Representatives who made those decisions.

Now, Mr. Chairman, we are faced with a budget that relegates over 6 million people in our society to a position of nonproductive unemployment. It accepts a continued inflation rate in the neighborhood of 6 percent. It continues the deficits that we have been plagued with for 8 years, and it does not fulfill the unmet human needs of people in our country.

Mr. Chairman, we have a priority list that provides 4.5 percent for the health of our people; 9 percent total for education, for jobs, for training, and for social services; 1 percent for agriculture, for feeding our people and feeding the world; and 24 percent for defense, in spite of the fact that our President was elected promising to cut defense spending by an amount almost equal to the proposed transfer.

Mr. Chairman, there are those including President Carter who argue that America's strength is also dependent upon the internal strength and the confidence of our people and the ability of America to deal with its own internal domestic and human problems.

I submit that the defense authorization level here means more inflation, it means fewer jobs and the end product is not something that will improve the quality of life for the American people.

I submit that many of the items included are unneeded. They contribute to a conventional arms race that threatens world peace. They contribute to a nuclear arms race that threatens the survival of the world.

I submit we have an opportunity here through this amendment to redirect those misguided priorities, to provide greater help for the health, education, and social service needs of our people, so that our people may have jobs, so that our people may have training for jobs.

I hope that the committee has the good commonsense to adopt the amendment so as to improve the quality of life for some of the unfortunate and the dispossessed people of America, so as to give them some hope, to give them more opportunity, to give them confidence in our system and strengthen America in the process.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. MITCHELL).

The question was taken; and the Chairman announced that the ayes appear to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 102, noes 306, not voting 25, as follows:

[Roll No. 159]

AYES—102

Addabbo	Ford, Tenn.	Ottinger
Ammerman	Gaydos	Panetta
AuCoin	Harrington	Patterson
Badillo	Hawkins	Pattison
Baldus	Hollenbeck	Pease
Beard, R.I.	Holtzman	Rahall
Bedell	Jordan	Rangel
Bellenson	Kastenmeier	Reuss
Bingham	Keys	Richmond
Blouin	Kildee	Rodino
Bonior	Kostmayer	Rosenthal
Bonker	Le Fante	Roybal
Brodhead	Lederer	Ryan
Brown, Calif.	McHugh	Scheuer
Burke, Calif.	McKinney	Schroeder
Burton, John	Maguire	Seiberling
Burton, Phillip	Markey	Simon
Caputo	Metcalfe	Smith, Iowa
Carney	Meyner	Solarz
Carr	Mikulski	Spellman
Chisholm	Mikva	St Germain
Clay	Miller, Calif.	Steers
Collins, Ill.	Mineta	Stokes
Conyers	Mitchell, Md.	Studds
Corman	Moakley	Thompson
Cornell	Moffett	Tsongas
Dellums	Moorhead, Pa.	Udall
Diggs	Moss	Vanik
Drinan	Myers, Michael	Vento
Early	Nix	Waxman
Eckhardt	Nolan	Weaver
Edgar	Nowak	Weiss
Edwards, Calif.	Oakar	Whalen
Fenwick	Oberstar	Yates

NOES—306

Abdnor	Brown, Ohio	Devine
Akaka	Broyhill	Dickinson
Alexander	Buchanan	Dicks
Allen	Burgener	Dingell
Ambro	Burke, Fla.	Dornan
Anderson, Calif.	Burke, Mass.	Downey
Anderson, Ill.	Burleson, Tex.	Duncan, Oreg.
Andrews, N.C.	Burlison, Mo.	Duncan, Tenn.
Andrews, N. Dak.	Butler	Edwards, Ala.
Annunzio	Byron	Edwards, Okla.
Applegate	Carter	Eilberg
Archer	Cavanaugh	Emery
Armstrong	Cederberg	English
Ashbrook	Chappell	Erlenborn
Aspin	Clausen, Don H.	Ertel
Badham	Clawson, Del	Evans, Colo.
Bafalis	Cleveland	Evans, Ga.
Barnard	Cochran	Evans, Ind.
Baucus	Cohen	Fary
Bauman	Coleman	Fascell
Beard, Tenn.	Collins, Tex.	Findley
Benjamin	Conable	Fisher
Bennett	Conte	Fithian
Bevill	Corcoran	Flippo
Biaggi	Cornwell	Flood
Blanchard	Cotter	Florio
Boland	Coughlin	Flowers
Bolling	Crane	Flynt
Bowen	D'Amours	Foley
Brademas	Daniel, Dan	Ford, Mich.
Breaux	Daniel, R. W.	Fountain
Breckinridge	Danielson	Fowler
Brinkley	Davis	Frenzel
Brooks	de la Garza	Frey
Broomfield	Delaney	Fuqua
Brown, Mich.	Dent	Gammage
	Derwinski	Gephardt
		Giaimo
Gibbons	McCloskey	Runnels
Gilman	McCormack	Ruppe
Ginn	McDade	Santini
Glickman	McDonald	Sarasin
Goldwater	McEwen	Satterfield
Gonzalez	McFall	Sawyer
Goodling	McKay	Schulze
Gore	Madigan	Sebelius
Grassley	Mahon	Sharp
Gudger	Mann	Shipley
Guyer	Marks	Shuster
Hagedorn	Marlenee	Sikes
Hall	Marriott	Sisk
Hamilton	Martin	Skelton
Hammer-schmidt	Mathis	Skubitz
Hanley	Mattox	Slack
Hannaford	Mazzoli	Smith, Nebr.
Hansen	Meeds	Snyder
Harris	Michel	Spence
Harsha	Miller, Ohio	Stangeland
Heckler	Minish	Stanton
Hefner	Mitchell, N.Y.	Steed
Heftel	Mollohan	Steiger
Hightower	Montgomery	Stockman
Hillis	Moore	Stratton
Holt	Moorhead, Calif.	Stump
Horton	Mottl	Symms
Howard	Murphy, Ill.	Taylor
Hubbard	Murphy, N.Y.	Thone
Huckaby	Murphy, Pa.	Thornton
Hughes	Murtha	Tonry
Hyde	Myers, Gary	Traxler
Ichord	Natcher	Treen
Ireland	Neal	Trible
Jacobs	Nedzi	Tucker
Jeffords	Nichols	Ullman
Jenrette	O'Brien	Van Deerlin
Johnson, Calif.	Obey	Vander Jagt
Johnson, Colo.	Patten	Volkmer
Jones, Okla.	Pepper	Waggonner
Jones, Tenn.	Perkins	Walker
Kasten	Pettis	Walsh
Kazen	Pickle	Wampler
Kelly	Pike	Watkins
Kemp	Poage	White
Ketchum	Pressler	Whitehurst
Kindness	Preyer	Whitley
Krebs	Pritchard	Whitten
Krueger	Pursell	Wiggins
Lagomarsino	Quayle	Wilson, Bob
Latta	Quie	Wilson, C. H.
Leach	Quillen	Wilson, Tex.
Leggett	Railsback	Winn
Lehman	Regula	Wirth
Lent	Rhodes	Wolff
Levitas	Rinaldo	Wright
Lloyd, Calif.	Risenhoover	Wydler
Lloyd, Tenn.	Roberts	Wylie
Long, La.	Robinson	Yatron
Long, Md.	Rogers	Young, Alaska
Lott	Roncalio	Young, Fla.
Lujan	Rooney	Young, Mo.
Luken	Rose	Young, Tex.
Lundine	Rousselot	Zablocki
McClory	Rudd	Zeferetti

NOT VOTING—25

Ashley	Harkin	Roe
Boggs	Holland	Rostenkowski
Derrick	Jenkins	Russo
Dodd	Jones, N.C.	Staggers
Evans, Del.	Koch	Stark
Fish	LaFalce	Teague
Forsythe	Milford	Walgren
Fraser	Myers, Ind.	
Gradison	Price	

The Clerk announced the following pairs:

On this vote:

Mr. Fraser for, with Mr. Teague against.
Mr. Walgren for, with Mrs. Boggs against.
Mr. Stark for, with Mr. Derrick against.
Mr. Koch for, with Mr. Staggers against.

Messrs. RINALDO and WHITTEN changed their vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN:
Page 1, line 11, increase total new budget authority by $249 million.

Page 2, line 2, increase total budget outlays by $75 million.

Page 2, line 5, increase the amount of the deficit by $75 million.

Page 2, lines 7 and 9, calculate appropriate adjustments in the public debt and the statutory limit on such debt.

Page 4, line 5, strike out "3,560,000,000" and insert in lieu thereof "3,809,000,000".

Page 4, line 6, strike out "3,800,000,000" and insert in lieu thereof "3,875,000,000".

Ms. HOLTZMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. HOLTZMAN. Mr. Chairman, this is an amendment that deals with the Law Enforcement Assistance Administration. The purpose of my amendment is to restore the very substantial cuts that were made by the Budget Committee in this item. My amendment actually is very modest in total amount. It adds $249 million in budget authority and $75 million in actual outlays to the only program that the Federal Government has to help State and local governments fight crime.

Mr. Chairman, the Budget Committee cut one-third from the 1977 funding of the LEAA program. The actual cut may be even more devastating than that. Of the total amount that goes to State and local governments to fight crime in the block grant programs, as much as 50 percent could be cut under this amendment.

Mr. Chairman, let me say to my colleagues that I know very well that there has been substantial criticism of LEAA programs. Some of it is justified. I do want to point out to my colleagues, however, that last year we passed a new bill which should eliminate many of the problems of the program, and should improve its effectiveness so that it really does help control crime.

Let me also point out to the members of this committee that there have been criticisms that too much money has been spent on hardware. Actual figures show, however, that the amount of moneys spent on hardware was only 6.1 percent of the total in 1975.

LEAA, under the new legislation, is going to have to focus on speeding trials, ending revolving door justice, fighting juvenile crime, crimes against the elderly, and drug addiction. For the first time, all programs are going to have to be evaluated, to see which have worked and which have not. The LEAA is going to have to tell States and local governments about successful programs and about failures.

Community anticrime programs can be funded for the first time, and there is an antidiscrimination provision in the law.

LEAA has funded programs that have worked and that have helped to reduce crime. For example, in Sting-type fence operations—there have been eight operations made public so far—$32 million was recovered in stolen goods, and there has been a 98-percent conviction rate. There are projects operating in eight cities to help crime victims and witnesses. The purpose is to avoid trial delays, and assure that witnesses and victims will appear in court to testify. There are important juvenile diversion programs in States and cities. Their purpose is to help those juvenile offenders who can be trained and rehabilitated by providing counseling and job training. In some of these programs, the recidivism rate is reduced by 60 percent or more.

Seven hundred police departments have been trained in disposal of bombs. Four hundred and fifty police officers have been trained in dealing with hostage situations. Security has been improved at 28 airports with LEAA funds. Criminal code reform has been financed by LEAA.

There have been 460 projects for the renovation of correctional facilities, 422 projects for new construction and a variety of programs to reduce prisoner illiteracy and cut recidivism.

The amendment which I propose would not in any way increase funding over past years' levels, but will just keep it at the 1977 level. It has been endorsed by the League of Cities, the Conference of Mayors, the Governors Conference, the Conference of State Chief Justices, and many State law enforcement officers.

Reducing crime is a high priority to Americans everywhere. This is the only program we have to fight crime. Let us give this program a chance by preventing devastating cuts that may eliminate the good programs along with the bad. Let us work to have an effective Federal anti-crime program.

The CHAIRMAN. The time of the gentlewoman from New York (Mrs. HOLTZMAN) has expired.

(On request of Mr. RODINO and by unanimous consent, Ms. HOLTZMAN was allowed to proceed for 2 additional minutes.)

Mr. RODINO. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from New Jersey, my distinguished chairman.

Mr. RODINO. Mr. Chairman, I rise in support of the amendment offered by the gentlelady from New York.

As she expressly noted, this amendment does not constitute an endorsement of LEAA's past performance. Rather, it is part of an effort to improve the agency so that it becomes a more effective instrument for the betterment of the criminal justice system. In the last Congress, as part of that effort, amendments to allow us to measure LEAA's performance were passed. Now, in order to permit that work to go forward, it is consistent and proper for us to approve the necessary funds.

The Budget Committee has proposed a $200 million reduction for the Department of Justice in fiscal 1978. Not only is this below the President's recommendation for the Department, but all of this money would come from the budget of LEAA. This action would result in a 33-percent cut in the agency's programs, including funds that go to the States.

That reduction could have immediate and serious affects on the programs in many States and cities. This morning I received a telegram from Mayor Kenneth Gibson of my home city of Newark urging that the House restore the $200 million to LEAA's budget.

Mayor Gibson pointed out that, thanks in large part to LEAA programs, major crime in Newark has declined by 16 percent in the past 6 years. Not long ago Newark's crime rate was the highest in the Nation—today it has dropped to 23d.

Here is what Mayor Gibson had to say about that change:

> I am of the firm opinion that the massive infusion of LEAA resources into the city of Newark served as the catalyst for this significant reduction in crime.

And the mayor added:

> The effect of reducing LEAA's funding would be disastrous for Newark as well as the Nation's largest cities.

Mayor Gibson knows these problems well. Not only has he with great competence led the city of Newark, but he also is president of the United States League of Mayors. In that capacity, Mayor Gibson warns that "a reduction in the national LEAA appropriation can only be counter-productive to local government's attempts to combat crime."

I also have received a telegram from Chief Justice C. William O'Neill, of the Ohio Supreme Court, the chairman of the National Conference of Chief Justices, and Chief Justice Robert J. Sheran of the Minnesota Supreme Court, who chairs the conference's committee on Federal-State relations.

These two fine judges, long involved in efforts to improve our courts, had this to say about the proposed LEAA reduction:

> Our present concern is that the cut of $200 million recommended by the Budget Committee not only would prevent the hoped-for growth in court programs but would almost certainly curtail current efforts to reform and modernize the courts in many States.

Mr. Chairman, if LEAA has not been successful as we had hoped, it is our responsibility to seek out the problems and solve them instead of cutting essential funds. For all its faults, LEAA has made important contributions that might not have been realized in any other way. Under congressional direction, it has improved the relationship and communications between the police, the courts and the correctional agencies. It has funneled money and new ideas to each of those institutions.

Undoubtedly LEAA can do better. And it is up to us to insure that it does just that. All of us know that our policies in the criminal justice system need great improvement. LEAA is the agency at the Federal level that can help us make those improvements—and then to implement those policies across the Nation.

Mr. Chairman, we have learned the hard way that neither LEAA—nor any other agency—can single handedly reduce crime in America. But LEAA can make a major contribution to the establishment of a criminal justice system that works fairly, effectively, and justly to protect both the property and the rights of the people.

This amendment, to increase the funding of LEAA to the authorized 1977 level, is a step in that direction. I urge the adoption of the amendment.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.
amended version No. 3, the one circu-

Mr. Chairman, it is with the greatest of reluctance that I rise in opposition to this amendment. It pains me that whenever we have efforts here to add funds for social programs, we are required to restrain ourselves and tighten our belts. But let it be a business tax credit or additional funds for the Department of Defense, which they do not need, then we fall over ourselves in order to hand the funds to them even though they do not need it.

Nevertheless, I oppose this amendment. We do have a responsibility to try to keep this budget deficit at a reasonable level. With the adoption of the Burleson amendment we are now up to a $68 billion deficit for fiscal 1977.

Let us defeat this amendment at this time. Remember that this is a target resolution. This is the first budget resolution. We will be finalizing our budget actions in September; at that time we can make a final decision on LEAA budget levels. There is widespread discontent among the Members with LEAA programs. There have been serious questions raised about continuing this program at high levels within the administrations of both President Ford and President Carter. The new Attorney General has significant reservations about the whole LEAA program. The House Budget Committee recommended the funds provided for law enforcement, of which LEAA comprises about 20 percent, be reduced about $200 million in budget authority and $62 million in outlays. And we took that action, recognizing that this is a target resolution and that there would be another chance to address this matter in September. This will give the committees time to consider our action. It will certainly give the Committee on Appropriations an opportunity to scrutinize the LEAA program very carefully and to decide what it feels the correct funding recommendation should be. Then we can finalize our judgment and decision in the second budget resolution in September.

Again, I think we have to be careful how we add additional expenditures. I wish we could be consistent in all parts of the budget. I am a little disheartened by some of the work we have done here today in the area of defense, but nevertheless we have the responsibility to hold the line on expenditures wherever possible. I think this is one area where we can hold that line.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment before us to restore LEAA's budget to its 1977 level. I believe that it is of critical importance that Congress not sustain the 33 percent cut for LEAA which the Budget Committee has recommended for this first budget resolution for fiscal year 1978. Such a reduction would all but nullify our Federal effort to reduce crime. Furthermore, it would render meaningless all of our efforts at reforming LEAA through Congress 3-year reauthorization which was overwhelmingly passed last session.

LEAA still represents our Government's only major effort to provide financial and technical assistance at the State and local levels to improve criminal justice and to reduce and prevent crime and juvenile delinquency. Before LEAA's development, police training was a luxury in all but the largest departments, and few departments could show citizen advisory boards, good community relations programs, or even adequate citizen grievance procedures. Since its inception, LEAA has been the sole financial means whereby these jurisdictions have brought about innovation in their criminal justice planning.

One of LEAA's major strengths is the new legislation which we enacted last October. This law will prevent any of the excessive expenditures on equipment and weaponry which justifiably drew such heavy congressional criticism. In addition, we have now identified specific priorities and program thrusts which we expect LEAA to respond to. In particular, areas such as juvenile justice, combating crime against the elderly, improving the courts, and reducing drug abuse and drug-related crimes are mandated for a primary focus of LEAA's attention. If we allow this additional $200 million cut, we will in effect be demanding significant achievements in these areas without providing LEAA sufficient resources to accomplish them.

I believe that it is imperative that my colleagues consider the devastating impact this cut would have, not only on continuing programs, but also on LEAA's new ventures. Recently, I had the opportunity to review the first edition of LEAA's programs results inventory for 1976. I was greatly impressed by the scope and creativity of these efforts. One such program begun last year in eight cities, provided victim and witness assistance. Faced with a lack of knowledge about our court system, and overcrowded court dockets, many witnesses have felt alienated by what they view as the court's indifference to them. This alienation is reinforced through their frequent court appearances for continued cases and the difficulties often experienced in getting property returned. Some of the services provided for victims and witnesses include: A general orientation to courtroom procedures, notifications to appear in court, call-off services—if the case is continued or postponed, social service referral, child care, property return, notification of case disposition, and transportation. The impact of this program is noteworthy—in 1976 over 44,000 people were notified of court appearances, 15,000 received escort services, over 26,000 people received case dispositions, and almost 1,000 had property returned. This service avoided over 19,000 unnecessary witness appearances, saving witnesses over $90,000 in lost wages. When combined with other court savings, this resulted in savings totaling over $400,000, with a potential for considerably more in the future.

Another vital area of LEAA's achievement has been in the diversion of youth from juvenile delinquency. Within the past year, the Office of Juvenile Justice and Delinquency Prevention has made remarkable progress in the dissemination of research and information, as well as the initiation of programs. Just this past month, LEAA released a major study of the link between learning disabilities and juvenile delinquency. It is clear that we will have to focus on the amelioration of these learning problems as an integral part of reducing delinquency. My constituency has been extremely enthusiastic about the prospect LEAA's youth development programs have to provide as a remedy for the youth-crime epidemic our country has suffered. Will my community still have this optimism and hope for our efforts if we now cut them back by one-third? I hardly think so. It has taken a long time to gain the active interest and cooperation of communities in our crime prevention efforts. It will be tragic for this progress to be stopped, because of Congress unwillingless to make a true commitment to this partnership.

In areas where young people are involved in LEAA-developed youth service programs, the rate for recidivism of previously delinquent youths range from 16 percent to 30 percent. This compares to 45 percent to 80 percent reported in other areas with delinquent youth populations that do not have such programs. I repeat, areas served by LEAA youth programs have recidivism rates for previously delinquent youths that are some two-thirds less than for other areas.

For all of these reasons, I ask my colleagues that we pass this amendment to restore LEAA's budget to its 1977 level. If we are truly serious about preventing crime and delinquency, we must continue our full commitment to the success of LEAA. I hope that we will respond favorably to this challenge by passing this amendment.

Mr. ZEFERETTI. Mr. Chairman, will the gentlewoman yield?

Mrs. CHISHOLM. I yield to the gentleman from New York.

Mr. ZEFERETTI. Mr. Chairman, I thank the gentlewoman for yielding.

I would like to associate myself with the gentlewoman's remarks and give my support to the amendment.

Along with that, let me say this: As one who came out of law enforcement prior to coming to Congress and as one who sat on one of the State boards that gave credence to the type of funding that was necessary for law enforcement, let me say that this is an essential piece of legislation that we are taking up today. Beyond that, it is the only vehicle we have today in law enforcement to take care of the needs.

Mr. Chairman, I strongly support this amendment.

Mr. MATTOX. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am very slow to rise, but I feel compelled to for the simple reason that LEAA is a prime example of how we can create a Federal program and, despite the fact that it has failed, continue to vote money and waste the taxpayers' dollars for a wasteful program.

It seems next to impossible for us ever to put a program into action and then to kill it when it does not succeed. That impossibility is exactly what has happened with regard to LEAA. I notice that the other speakers before me have not said in any way that LEAA is really a success.

Mr. Chairman, let me read from a letter of the gentlewoman from New York (Ms. HOLTZMAN). She says:

LEAA's operation in its last years has been subjected to substantial justified criticism.

She goes on to say:

This new bill that we passed in 1976 should correct many of the serious problems of the past.

What she is saying, Mr. Chairman, is, yes, this has been a failure, an admitted failure, but let us continue it anyway.

Mr. Chairman, there has been substantial criticism also by other agencies. Let me just read some of the words of some of the others. Here is a report of the Committee on Appropriations here in the House of Representatives. This is our committee, our staff. What did they say about the matter? They said that testing whether LEAA has succeeded in reducing crime is no longer debatable. They said that the consensus is that it has not.

Mr. Chairman, this is the report of our staff committee.

Let us go on a little bit further. What does GAO say about the program? It says:

. . . we believe the more appropriate way to assess the worth of the program is to ask: Are we any closer now, after 8 years of the LEAA program, to knowing why the crime rate increases, and what to do to reduce it? We believe the answer is no.

Let us go one step further. What does OMB say about it? They say:

Funds are so widely dispersed that their potential impact is reduced. The absence of program evaluation severely limits the agency's ability to identify useful projects . . .

What does the present Attorney General say about LEAA? He has appointed a task force to study it and to try to make a determination whether this program should continue to exist. As a matter of fact, he made a recent statement, on March 15, 1977, in front of the National District Attorneys Association. He said:

But you know, we are all grown-up people, and I don't have to tell you that there's a lot of waste in the LEAA and there's too much money spent on overhead. Yes, there is about 14 percent spent on overhead.

He went on to say, in another speech dated April 6, 1977—and I am summarizing, just to give some of his criticism—as follows:

And I know that we're having conventions all over the country financed by LEAA. That must be one of the greatest boons that ever hit the tourist travel industry.

What we are saying, Mr. Chairman, is, yes, the program has failed, but give it some more money so it will fail further.

Mr. Chairman, when we look at the criticism that has been made of this program, we see that it has not succeeded.

As a matter of fact, Mr. Chairman, just to give one further example, Senator PROXMIRE recently awarded LEAA his Golden Fleece Award. The award was given, because they spent nearly $27,000 to determine why inmates want to escape from prison.

Just think of it: $27,000 to try to determine why inmates want to escape from prison. I think we all know the answer to that question, and we do not need LEAA wasting money to hunt for another answer.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MATTOX) has expired.

(On request of Ms. HOLTZMAN and by unanimous consent, Mr. MATTOX was allowed to proceed for 2 additional minutes.)

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Is the gentleman aware that the GAO report that he cites made recommendations and that those recommendations were virtually entirely incorporated into legislation passed by the Congress last year? Is the gentleman aware of that fact?

Mr. MATTOX. The gentlewoman from New York (Ms. HOLTZMAN) should know that the recommendations that have been put in the law are simply directive in nature and that they will have no significant impact in the administration of this program.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman from Texas (Mr. MATTOX) acknowledge that the criticisms made by the GAO were addressed and taken care of in the legislation that was passed last year?

Mr. MATTOX. No, they were not addressed, and they were not taken care of in the legislation. The legislation has not cured the problem.

Mr. GIAIMO. Mr. Chairman, I wonder if we can get some idea on how many Members wish to debate this matter?

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. Members who were standing at the time the unanimous-consent request was granted will be recognized for 2 minutes each.

The Chair now recognizes the gentleman from Michigan (Mr. BLANCHARD).

Mr. BLANCHARD. Mr. Chairman and my colleagues, I will try to be very brief. We have just heard a litany of the sins of the LEAA, implying that the LEAA has not worked, because the crime rate has not dwindled down to zero, thus, it is said, LEAA is a failure.

I would suggest that you could say almost every program in the Federal budget has not worked under that criteria when we start looking at the billions of dollars we have expended.

Mr. Chairman, I believe it is important that we realize that our budget is not only a statement of realities but a statement of priorities. Right now less than 1 percent of the Federal budget is devoted toward crime control. I repeat, less than 1 percent. We have a little program that is struggling to develop. It has been improved. Then the Committee on the Budget knocks off $200 million. That is a lot of money, but earlier we have been throwing around figures like $1, $4, $6, or $9 billion all day today, and in fact all week.

It would seem to me, Mr. Chairman, that perhaps in the Members' districts, and certainly throughout most of urban America, that the major concern of people is crime. Our Congress and our Government ought to at least make some sort of commitment toward helping the local communities fight crime.

Recently in a survey in my district I asked the people whether they would rather spend more, less, or the same amount of money on the following subjects, and then we listed everything one can imagine from energy, environment to highways, crime control and defense. Seventy-eight percent recommended spending more money on crime control. We ought to begin to reflect that priority in our budget and this amendment is only a beginning, but a necessary step tonight.

The CHAIRMAN. The Chair recognizes the delegate from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I rise in support of the amendment offered by the Congresswoman from New York (Ms. HOLTZMAN) to restore funding for the Law Enforcement Assistance Administration to its fiscal year 1977 level. As we consider House Concurrent Resolution 195, I believe it is important to keep in mind that law enforcement is one of our national priorities that should not go away. Any reductions in the Federal budget seems contrary to this thesis.

Law enforcement is also one of the most important of our priorities for a better society in Puerto Rico and one of the most difficult to solve.

Since 1968, the combined efforts of the Federal and the Puerto Rican Government, through the availability of Law Enforcement Assistance Administration funds, have made possible the establishment of solid grounds from which to launch an effective campaign against crime on our beautiful island. The present administration in Puerto Rico is deeply committed in its efforts to reduce crime as well as to enhance our local criminal justice system. To win the war against crime we will need the continuous assistance of the Federal Government. For that reason, I am deeply concerned about any congressional action that might lead to a reduction in the Law Enforcement Assistance Administration program funds. We have to avoid any further reduction in funds if we want to continue the fight against crime as well as to enhance the criminal justice system in the United States.

While we should be diligent in assuring that LEAA funds are spent wisely, we should give the Law Enforcement Assistance Administration a chance to prove they can administer a national program under a new administration and a new team. Cutting their appropriations would be counterproductive.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, I rise in strong support of the amendment. First, let me emphasize that the amendment does not increase the funds in the budget for LEAA but does restore the funds to the LEAA program. The LEAA program was debated at length here just a few months ago, and at that time we extended the program for 3 years. We were very frugal with the amount of funds that we authorized, and the amendment before us is really a minimum amount which is required in order to support the program.

May I say that the overhead for administering this program is extremely low. Most of the funds are distributed as directed by local, regional, and State planning agencies and the decisionmaking is right there at the State and local levels. If the decisions are wrong, they are wrong decisions that are made at the local level, and that is where the decisions—good and bad—should be made.

Let me just say that LEAA provides funds for a great many programs including police and sheriffs' departments, courts, juvenile delinquency, and many others. As I say, it is the only Federal program which supports law enforcement at the local and State levels where law enforcement has to be carried out. It is the only program providing any opportunity for innovation in the effort to fight crime. It provides support for neighborhood programs, one of which we have over here in my neighborhood just a few blocks from this Chamber. I would say that is the level where crime is going to be conquered, if we are going to conquer it at all—in the neighborhoods, in the blocks, and in the precincts. This is the only Federal program which provides support for that kind of anticrime activity.

I cannot see any reason why in this single effort of the Federal Government we want to deny funds to this program. May I say that the sheriffs of my area—Sheriff Klusak of Kane County, Sheriff Tyrrell of McHenry County, and Sheriff La Magdaleine of Lake County—are relying on this, as are the police departments, and I am sure that the other law enforcement people throughout the entire Nation are looking to us for support of this program. I hope the committee will restore the funds eliminated from the budget resolution, and that the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN) will be adopted.

You will recall, Mr. Chairman, that we spent nearly 3 days last fall debating the pros and cons of LEAA. The Senate spent a similar amount of its time on the issue. What evolved was the Crime Control Act of 1976, a new authorization for LEAA, lasting 3 years with an annual funding of roughly $800 million. It also contains new uses for LEAA funds. For example, under the act signed by the President just 6 months ago, a community anticrime program has been developed for the purpose of involving the public in the fight against crime. Numerous amendments were included to increase the participation of the State judiciary within those States participating in the LEAA program. Chairman RODINO sponsored portions of the act which permit LEAA to assist in the development of programs to identify "the special needs of drug-dependent offenders—including alcoholics, alcohol abusers, drug addicts, and drug abusers." Similarly, authorization was given to fund efforts designed specifically to reduce and prevent crime against elderly persons.

Just last week, I joined Chairman RODINO in submitting a statement in support of LEAA to the Appropriations Committee. In it I recited the contents of the 1976 act. But, more than that, I feel I should note with concern the continuing role in which the Congress has sought to cast LEAA. Time and time again we have attempted to pin the blame for the increase in crime on a Federal block-grant program designed simply to assist the States in stemming the tide. And now, after substantial evaluation procedures have just been integrated into the new act, a cut in LEAA's budget is being proposed before it even gets started. How can we expect LEAA to accomplish its worthwhile purposes, much less even pursue that course, when we attack its budget and its functional existence as is attempted in the Budget Committee's resolution? The reauthorization we passed in October was for 3 years, not 6 months. Now is not the time to curtail or frustrate LEAA's laudable aims and purposes.

The CHAIRMAN. The Chair recognizes the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Chairman, I rise in support of the amendment. I am sorry I do not have the time to list all of the functional programs of LEAA that exist in the largest county in Ohio. I do not think this program should be evaluated on the basis of isolated examples that my good friend and colleague, the gentleman from Texas, has listed. Frankly, a lot of people in the neighborhoods do not always agree with the Attorney General. They are the ones who are the victims of crime. They are the ones who see at a local level what the problems of crime are. People are saying crime exists. However, we know that in recent years, according to recent FBI statistics, that crime has been reduced. It is interesting that it was reduced at about the same time, in terms of the duration of these statistics, that LEAA has existed.

I really believe that it would be ironic, when we see crime reduced at ever so minimal a level, that we in fact take out crime-reducing programs. The minimum that the American people expect is to be safe, and they expect to be safe in their neighborhoods—senior citizens, men and women. I think it is just unbelievable that people could oppose a crime-reducing program when we have no other alternative. This is the only opportunity, Mr. Chairman, to have a creative approach to reducing crime. So I want to urge my colleagues to have courage in voting for internal matters important to this country—crime-reducing programs.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, let me point out very briefly that my amendment is minimal in amount. It affects the deficit by only $75 million.

Contrary to misstatements made on the floor, I have not said that this program has been a failure. To the contrary, many important programs, including speeding up the trial of felony cases, dealing with juvenile crimes, and enabling criminal code reform have been financed by LEAA. Contrary to statements made, the GAO's criticisms of the program were addressed in legislation passed last year and many of its recommendations incorporated. Contrary to statements made, the Committee on Appropriations' recommendation to the Budget Committee this year was to keep the program at the President's level and not to cut it by one-third, as is done here.

I would urge the Members to give the only Federal crime-fighting program a chance to try to deal with the very serious problems of crime that plague our cities and plague our country.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I yield back my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

The question was taken; and on a division (demanded by Ms. HOLTZMAN) there were—ayes 52, noes 56.

RECORDED VOTE

Ms. HOLTZMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 224, noes 179, not voting 30, as follows:

[Roll No. 160]

AYES—224

Addabbo	Conable	Hamilton
Akaka	Corcoran	Hammer-schmidt
Allen	Corman	Hannaford
Ambro	Cornell	Harris
Ammerman	Cornwell	Hawkins
Anderson, Calif.	Coughlin	Heckler
Anderson, Ill.	D'Amours	Hefner
Andrews, N.C.	Daniel, Dan	Hillis
Applegate	Daniel, R. W.	Holland
Badillo	Danielson	Hollenbeck
Bafalis	Davis	Holtzman
Baldus	de la Garza	Horton
Beard, R.I.	Delaney	Howard
Beard, Tenn.	Derwinski	Hubbard
Bennett	Dicks	Huckaby
Biaggi	Dornan	Hughes
Bingham	Downey	Hyde
Blanchard	Drinan	Ireland
Blouin	Eckhardt	Jeffords
Bonior	Edgar	Jenkins
Bonker	Edwards, Ala.	Jenrette
Bowen	Eilberg	Jones, Tenn.
Breaux	Emery	Jordan
Breckinridge	Evans, Ga.	Kazen
Brinkley	Evans, Ind.	Kelly
Brodhead	Fenwick	Kildee
Broomfield	Findley	Kindness
Burke, Calif.	Fithian	Kostmayer
Burke, Mass.	Flood	Krueger
Burton, John	Florio	Le Fante
Burton, Phillip	Flowers	Leach
Butler	Ford, Tenn.	Lederer
Byron	Fowler	Lloyd, Calif.
Caputo	Frey	Lloyd, Tenn.
Carr	Fuqua	Luken
Chappell	Gammage	Lundine
Chisholm	Gaydos	McClory
Clausen, Don H.	Gilman	McCloskey
Clay	Glickman	McCormack
Cleveland	Goldwater	McEwen
Cohen	Gonzalez	McHugh
Coleman	Gore	McKinney
Collins, Ill.	Gudger	Maguire
	Guyer	Mann
	Hall	

Markey	Ottinger	Solarz
Marks	Patten	Spellman
Marlenee	Pattison	Steers
Martin	Pepper	Stokes
Mathis	Pickle	Stratton
Mazzoli	Pressler	Studds
Metcalfe	Preyer	Thompson
Meyner	Pursell	Thone
Michel	Quie	Thornton
Mikulski	Quillen	Tonry
Miller, Calif.	Railsback	Traxler
Minish	Rangel	Treen
Mitchell, Md.	Regula	Tucker
Mitchell, N.Y.	Rhodes	Udall
Moakley	Rinaldo	Vander Jagt
Moffett	Risenhoover	Vanik
Moore	Robinson	Vento
Moss	Rodino	Volkmer
Motti	Roncalio	Walsh
Murphy, Pa.	Rosenthal	Waxman
Myers, Gary	Roybal	Weiss
Myers, Michael	Sarasin	Whalen
Natcher	Sawyer	White
Neal	Scheuer	Whitehurst
Nedzi	Schroeder	Wiggins
Nix	Schulze	Wolff
Nolan	Sebelius	Yatron
Nowak	Seiberling	Young, Fla.
O'Brien	Sharp	Young, Tex.
Oakar	Skelton	Zeferetti
Oberstar	Smith, Nebr.	

NOES—179

Abdnor	Foley	Pease
Alexander	Ford, Mich.	Perkins
Andrews, N. Dak.	Fountain	Pettis
	Frenzel	Pike
Annunzio	Gephardt	Poage
Archer	Giaimo	Pritchard
Armstrong	Gibbons	Quayle
Ashbrook	Ginn	Rahall
Ashley	Goodling	Reuss
Aspin	Grassley	Roberts
AuCoin	Hagedorn	Rogers
Badham	Hanley	Rooney
Barnard	Hansen	Rose
Baucus	Harrington	Rousselot
Bauman	Harsha	Rudd
Beilenson	Heftel	Runnels
Benjamin	Hightower	Ruppe
Bevill	Holt	Ryan
Boland	Ichord	Santini
Bolling	Jacobs	Satterfield
Brademas	Johnson, Calif.	Shipley
Brooks	Johnson, Colo	Shuster
Brown, Calif.	Jones, Okla.	Sikes
Brown, Mich.	Kasten	Simon
Brown, Ohio	Kastenmeier	Sisk
Broyhill	Kemp	Skubitz
Buchanan	Ketchum	Slack
Burgener	Keys	Smith, Iowa
Burke, Fla.	Krebs	Snyder
Burleson, Tex.	Lagomarsino	Spence
Burlison, Mo.	Latta	Stangeland
Carney	Leggett	Stanton
Carter	Lehman	Steed
Cavanaugh	Lent	Steiger
Cederberg	Levitas	Stockman
Clawson, Del	Long, La.	Stump
Cochran	Long, Md.	Symms
Collins, Tex.	Lott	Taylor
Conte	Lujan	Trible
Conyers	McDade	Tsongas
Cotter	McDonald	Ullman
Crane	McFall	Van Deerlin
Dellums	McKay	Waggonner
Dent	Mahon	Walker
Devine	Marriott	Wampler
Dickinson	Mattox	Watkins
Dingell	Meeds	Weaver
Duncan, Oreg.	Mikva	Whitley
Duncan, Tenn.	Miller, Ohio	Whitten
Early	Mineta	Wilson, C. H.
Edwards, Calif.	Mollohan	Wilson, Tex.
Edwards, Okla.	Montgomery	Wirth
English	Moorhead, Calif.	Wright
Erlenborn		Wydler
Ertel	Moorhead, Pa.	Wylie
Evans, Colo.	Murphy, Ill.	Yates
Fary	Murtha	Young, Alaska
Fascell	Nichols	Young, Mo.
Fisher	Obey	Zablocki
Flippo	Panetta	
Flynt	Patterson	

NOT VOTING—30

Bedell	Fraser	Murphy, N.Y.
Boggs	Gradison	Myers, Ind.
Derrick	Harkin	Price
Diggs	Jones, N.C.	Richmond
Dodd	Koch	Roe
Evans, Del.	LaFalce	Rostenkowski
Fish	Madigan	Russo
Forsythe	Milford	St Germain
Staggers	Teague	Wilson, Bob
Stark	Walgren	Winn

The Clerk announced the following pairs:

On this vote:

Mr. Fraser for, with Mr. Teague against.
Mr. Derrick for, with Mr. Staggers against.
Mr. Koch for, with Mrs. Boggs against.
Mr. Walgren for, with Mr. Price against.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. ANDERSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of California: Page 4, line 2, strike out "$19,935,000,000" and insert in lieu thereof "$20,435,000,000".

Page 4, line 3, strike out "$19,903,000,000" and insert in lieu thereof "$20,403,000,000".

Page 1, line 11, strike out the dollar figure and insert in lieu thereof "$501,264,000,000".

Page 2, line 2, strike out the dollar figure and insert in lieu thereof "$462,849,000,000".

Page 2, line 5, strike out the dollar figure and insert in lieu thereof "$64,755,000,000".

Mr. ANDERSON of California. Mr. Chairman, I am introducing an amendment to the veterans section of this budget resolution which provides for an increased budget authority outlay of $500 million. It is my hope that this increase in budget authority will allow the Veterans Affairs Committee to consider authorizing funds for a pension for veterans of World War I.

Over 160 Members of this House and six Members of the other body have joined in cosponsoring a bill to provide this much needed pension.

When I discuss this proposed pension with members of the Committee on Veterans' Affairs, I am often told that any veterans pension would take away from other veterans' programs—programs presently in effect, and, I might add that these are programs that I support.

I want to say right here that I commend the Committee on Veterans' Affairs, particularly the chairman of that committee, the gentleman from Texas, RAY ROBERTS, because I think the committee is doing an outstanding job. I have supported practically everything they have recommended. However, the one area where I feel they have fallen short is in the area of helping the World War I veterans.

This amendment I am proposing would give us breathing room; it would give us a hearing.

We may be told that the World War I veterans are already receiving enough money. I talked with Representatives of the Veterans' Administration this afternoon, and I talked with the national commander of the World War I veterans. I find that there are about 400,000 of these World War I veterans who are getting help.

If a veteran is a single person, and if his income is way below the poverty level, he can get $185 a month. Under these conditions, the Veterans' Administration brings his income up to the poverty level, up to the figure of $3,540 a year. If the recipient is married, then the VA brings that couple's income up to the poverty level of $4,760. This would maintain them at what I think most of us know is not adequate for a family—particularly during these days of inflation. These are the current veterans pensions that we are providing.

All pensions are based on need, and those with the least income get the most.

Mr. Chairman, when the veterans of World War I were discharged almost 60 years ago, there was no GI bill, there were no educational benefits, and there was no job training. Social security had not started yet. There was not any social security until 1935. These veterans of World War I are really the forgotten people of this country of ours. My feeling is that these are the people that we should recognize for what they have done for our country—for all of us.

During the last year, 94,000 World War I veterans have died. It is my hope that we can demonstrate our support to the remaining 800,000 by agreeing to this amendment to the budget ceiling, which would be a major step. Then we must pass H.R. 55, the World War I Pension Act of 1977. I think it is long overdue.

By doing this we are not giving these World War I veterans a lot of money; we are just giving them a little bit—they deserve much more.

I want to make this clear. I am only asking for $500 million; $500 million would really only mean a pension of about $50 a month, but if we add $50 a month to the present $3,540 that most of them are getting, it would help. It is not very much money.

Mr. Chairman, I ask for an aye vote on this amendment.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, I thank the gentleman for yielding, and I rise in support of the amendment.

I feel that the 15,000 world war veterans in Tennessee are entitled to this increase; $52 a month more is not enough. We should provide food for these veterans instead of letting them eat what is commonly known as "dog food."

I am in strong support of the amendment. Let us do what we can for these World War I veterans.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, I commend the gentleman from California (Mr. ANDERSON) for offering his amendment, and I want to go on record as being in support of it.

If we would stop and think about it, the fact is that World War I for these Americans began in 1917. That is 60 years ago. Those who are still alive today are now in their late 70's and going into their 80's. Statistically, they will not be around much longer.

These veterans have never received the benefits that other veterans who are presently alive have received, and that is true of any war the United States has ever fought. They are old men, they are

sick men in many cases, and they deserve our help.

The CHAIRMAN. The time of the gentleman from California (Mr. ANDERSON) has expired.

(On request of Mr. QUILLEN and by unanimous consent, Mr. ANDERSON of California was allowed to proceed for 5 additional minutes.)

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I also rise in support of the pending amendment. I wish to congratulate the gentleman from California (Mr. ANDERSON) for offering this most constructive proposal.

As the gentleman knows, I am cosponsor of the original bill that he introduced to provide veterans' benefits for World War I veterans. In too many cases they have been ignored, and I think it is altogether proper that we go on record in support of helping these people who are in very dire economic straits. In many cases they are the most needy of all veterans, and they are certainly worth of our consideration.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I want to associate myself with the gentleman from California (Mr. ANDERSON) and rise in support of the amendment. As a cosponsor of the legislation to provide badly needed benefits for World War I veterans, I have consistently supported their efforts to attain a realistic commitment from the Federal Government in the form of a payment at a time in their lives when it is very meaningful and important to them. The money authorized would immediately find its way back into the economy in the form of purchasing power.

There are some 800,000 World War I vets and each year approximately 10 percent of them pass away. This will no doubt increase with each passing year. I hope we can fulfill this commitment before it is too late for these deserving vets of yesteryear who served their country at a very critical time in our Nation's history.

Mr. EDWARDS of Oklahoma. Mr. chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I just want to commend the gentleman from California (Mr. ANDERSON) for his amendment. I support it and appreciate very much his offering it.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, on behalf of the 9,000 veterans of World War I living in my State of West Virginia, I too rise in support of the amendment offered by my friend and colleague from California (Mr. ANDERSON).

This amendment seeks to add $500 million to the veterans section of this resolution on the budget. This money could provide these men and women who served during the First World War with a $50 monthly pension.

This amendment does not "earmark" funds, it does not "circumnavigate the legislative process." All it does is provide the Veterans' Committee with some financial "room" to consider the World War I Pension Act of 1977, H.R. 55.

This bill is currently cosponsored by 160 Members. I urge my colleagues to support this amendment to the budget and give the committee a chance to seriously consider this needed legislation.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding and I do want to commend the gentleman from California (Mr. ANDERSON) for bringing to the attention of this body this very worthy bill for veterans of World War I who are so deserving of our attention and concern at this time.

Mr. Chairman, I hope that in the weeks ahead we will work together to make certain that this World War I veterans bonus proposition which we are discussing tonight will soon become a reality during this session of Congress.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, on behalf of the 21,000 veterans of World War I living in the State of Wisconsin, I rise in support of the amendment offered by my friend and colleague from California (Mr. ANDERSON).

The $500 million that this amendment provides will go far to provide the necessary funds for our Veterans' Affairs Committee, and hopefully for H.R. 55, a bill to provide a $150 monthly pension to these needy senior veteran citizens.

Last session, 94,000 of these men and women who served our Nation in its time of need died. How many more must leave us before we hear their pleas for help?

I urge my colleagues to join with me and the 160 cosponsors of H.R. 55 in support of the amendment of the gentleman from California (Mr. ANDERSON).

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, I rise in support of the amendment of the gentleman from California (Mr. ANDERSON) and compliment him for bringing it before the House.

As a member of the Committee on Aging, I have had the experience of holding hearings throughout the country. I can attest to the fact that the statement made by one of my esteemed colleagues that there are senior citizens, particularly veterans of World War I, who because of lack of money find it necessary to eat dog food is documented in the hearings that we have held.

Mr. Chairman, as again I commend the gentleman from California (Mr. ANDERSON), and I urge that his amendment be adopted.

Mr. ALLEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I yield to the gentleman from Tennessee.

Mr. ALLEN. Mr. Chairman, I want to commend the gentleman from California (Mr. ANDERSON) for his amendment, and I want to associate myself with the remarks of the dean of our Tennessee delegation on the other side of the aisle. He has hit the nail right on the head, and I am going to vote in support of this amendment.

Mr. SCHULZE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. ANDERSON) to increase both the total budget authority and total outlays by $500 million in order to provide for the enactment by this Congress of a pension system for veterans of World War I.

As a cosponsor of legislation that would establish a $150 pension to veterans of World War I or their surviving spouses, I know that such legislation addresses the needs of the over 50,000 World War I veterans in the Commonwealth of Pennslyvania.

Mr. Chairman, it is no less true today than it was over 100 years ago when President Lincoln charged this Nation to remember the debt that it owed to those who had answered their Nation's call, that we have a moral obligation to remember those who rallied to their Nation's banner in time of national danger.

President Lincoln sounded the clarion call of a Nation at peace which dared not forget the debt it owed to: " * * * care for him who shall have borne the battle and for his widow and his orphan * * *"

Mr. Chairman it is time that this Congress belatedly accepted that responsibility to the Nation's 867,000 veterans of World War I.

I urge the adoption of the amendment offered by the gentleman from California.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the entire 5 minutes.

I simply want to say that I had planned to oppose all amendments to this concurrent resolution, and I asked earlier that the House do the same. However, in all honesty, I have no sense of guilt in supporting this amendment, after I see that we have added $200 million to one of the most miserable programs I have had the experience to watch over the last 10 years and after I see that we have added about $4 billion in additional appropriations for the Pentagon.

Mr. Chairman, if we are going to provide $4 billion to the Pentagon which it probably will not even be able to spend, then I am not the least bit embarrassed in supporting an amendment of this nature for World War I pensioners who will be able to spend every dime that we appropriate.

AMENDMENT OFFERED BY MR. WOLFF AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. WOLFF. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF as a substitute for the amendment offered by Mr. ANDERSON of California: Page 1, line 11, strike out "$500,764,000,000" and insert in lieu thereof "$501,593,000,000".

Page 2, line 2, strike out "$462,349,000,000" and insert in lieu thereof "$463,178,000,000".

Page 2, line 5, strike out "$64,255,000,000" and insert in lieu thereof "$65,084,000,000".

Page 4, line 2, strike out "$19,935,000,000" and insert in lieu thereof "$20,764,000,000".

Page 4, line 3, strike out "$19,903,000,000" and insert in lieu thereof "$20,732,000,000".

Mr. WOLFF. Mr. Chairman and Members of the House, I know that the time is late. However, I should just like to make note of the fact that this year the request for veterans' readjustment benefits was some $2 billion less than the 1976 request.

Mr. Chairman, I rise to offer an amendment as a substitute for the Anderson amendment to the budget resolution now before us. This amendment would increase the veterans benefits and services function by $829 million in toto. This year there was a request for $2 billion less than 1976 for Vietnam veterans readjustment.

Although I am a strong supporter of the amendment that has just been offered by the gentleman from California (Mr. ANDERSON) I must say that I feel that it is important that we do justice as well to the Vietnam veterans who up to this time have not had the opportunity to take advantage of the educational benefits that are due them.

This body has time and time again acknowledged its special obligation to those men and women who so honorably served their country during the Vietnam war. There presently exists a severe problem, of which perhaps some of my colleagues are not aware, concerning the underutilization of educational benefits by Vietnam veterans. If we are to provide these people with meaningful career opportunities we must first provide them with access to educational training. I think that we sometimes tend to view our Vietnam veterans as statistics rather than as people. Today, the average Vietnam veteran is just over 30 years of age, is married, and has more than one child. About 20 percent of them have had less than 12 years of education prior to their separation from the service; countless others have a high school education which was not college preparatory.

While we have enacted programs designed to provide these veterans with educational opportunities the fact is that hundreds of thousands of Vietnam veterans in this Nation simply cannot afford to make use of their educational benefits because they are unable to support themselves and their family at the same time. I think this situation is amply demonstrated by the fact that for fiscal year 1977, authorized expenditures for veterans' educational purposes exceeded actual expenditures by approximately $829 million.

This is not my figure, but one supplied by the Veterans' Administration in response to my questioning at a committee hearing last month.

If we fail to address this problem—if we fail to improve the access of Vietnam veterans to educational training—we then say to these men and women that our promise to them as contained in the GI bill is an empty one.

My amendment would simply restore, in fiscal year 1978, those funds which were authorized, but not spent for veterans educational purposes in fiscal year 1977. I think we must recognize that this whole question is a complex one which should—indeed must—be considered by the Committee on Veterans Affairs. Now pending before that committee is specific legislation which addresses this issue. Without these additional funds neither the committee nor the House can even consider these legislative initiatives.

Educational training is an investment in the future of these men and women and an investment in the future of our country. I believe it is far wiser and far more socially desirable to provide them with educational opportunities than it is to limit their alternatives to unemployment compensation, dead-end public service jobs, or demeaning and degrading welfare.

We as a body acquiesced when decisions were being made that sent these Veterans to combat; it is our duty to respond when they need our help to open educational opportunities that are now closed to them.

All that is being requested is authority to put back into their budget funds not used last year—restoring unexpended funds. Remember this is not an appropriation—but unless we get this allocation back it will be impossible for the Veterans' Affair Committee and this Congress to even address the serious problem faced by our young people who risked their lives. We should be able to take the risk of helping them to a better education.

This is not an appropriation, all this amendment provides is for the House to be able to work its will.

We just voted some $4 billion additional for defense, for equipment and the like. How about voting some $800 million for those veterans who were out defending this country and who today are getting less than what their full share should be?

Mr. ROBERTS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the statement that the structure of the GI bill has denied millions of Vietnam veterans access to educational opportunities just does not stand up under close scrutiny. The present GI bill was authorized in 1966 to provide financial assistance to veterans for tuition and general living expenses while in training. It was never the intent of the Congress that the educational program would be sufficient to pay all of a veteran's expenses while in full-time training.

By the end of fiscal year 1976, in just 10 years, more than 6.5 million veterans and service personnel had trained under the current GI bill. This is about 84 percent as many as the total who trained under the original World War II GI bill. It is almost three times as many as the number who trained under the Korean GI bill at the college level.

At the college level, nearly 3.7 million Vietnam veterans have trained under the GI bill surpassing the 2.2 million who trained under the World War II GI bill and the 1.2 million trained in college under the Korean conflict GI bill.

In 1966, less than 500,000 veterans took advantage of the GI bill at a cost of about $305 million. In 1976, over $6 billion was authorized for veterans' readjustment benefits for over 2 million eligible persons. Today, a single veteran in full-time training is entitled to receive $292 a month, or over $2,600 for the ordinary school year of 9 months. The Veterans' Administration tells me that $2,600 is more than sufficient to pay the costs of education including tuition, fees, books, and board and room for the great majority of colleges and universities. A veteran with one dependent is entitled to $347 a month; with two dependents, $396 a month; and $24 for each additional dependent. Since the great majority of veterans are entitled to a maximum of 45 months of educational training, translated into dollars, a Vietnam veteran without dependents is eligible for over $13,000 of educational assistance under the GI bill. With this kind of assistance, I wonder what kind of educational opportunity Vietnam war veterans are being denied.

Last, the cumulative participation rate by the end of 1976 was over 63 percent for Vietnam veterans. This compares favorably with 50 percent participation for World War II veterans and 43 percent for Korean conflict veterans. The 10-year total of educational assistance payments authorized by Congress as of June 1976, was $20 billion for the Vietnam veteran. This exceeds the combined total of the two previous GI bills by more than $1.2 billion. For fiscal year 1976, 25 percent of all expenditures for the Veterans' Administration was veterans' education and training.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I will be happy to yield to my colleague, the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

The question of Vietnam veteran unemployment today is such that it is about double the unemployment that exists for the rest of the Nation. In other words, we have an 8 percent unemployment figure on an overall basis. For the Vietnam veteran that figure is about 15 percent.

I ask the Chairman—and I have great respect for the Chairman—which would it be better to do: to keep this young veteran on unemployment insurance and on welfare, or to permit him to enter an educational institution? Every one of the veterans who have been in an educational program has provided extra income to the United States in the way of taxes. Veteran education has been the best investment this Nation has ever made.

Mr. ROBERTS. That is true, and I certainly agree with the gentleman. But yesterday, as a member of the conference on the President's job bill. I signed a conference report that will be before the House tomorrow or early next week that would provide $9 billion, and with specific emphasis for the Vietnam veteran.

Mr. WOLFF. Will the gentleman yield further on that?

Mr. ROBERTS. I yield to the gentleman.

Mr. WOLFF. We had hearings today, only today in the committee, on the amount of CETA jobs that were available to veterans, and only 3 percent of those CETA jobs are going to veterans.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in opposition to the Wolff amendment. There is no one in this body more concerned than I am with the special needs of our veterans. If we consider this measure without having to worry about the ever-increasing Federal budget and deficit, I would probably support it—but we cannot do that.

The Veterans' Affairs Committee is working toward making VA benefits more responsive to our veterans' educational needs. It is anticipated that the committee will report a measure to increase educational allowances by 5 percent later this year. The Subcommittee on Education and Training has held several oversight hearings, and more are scheduled in order to insure that every reasonable educational need of the Nation's veterans is met.

It is true that the fiscal year 1977 budget overestimated the number of veterans who would be taking advantage of their educational benefits. However, the $829 million which was originally appropriated for this use has either been transferred, or is in the process of being transferred, to cover the cost-of-living increases in pension and compensation rates granted in the 94th Congress. It must be made clear that this $829 million has already been earmarked for other purposes. It is not available for use in educational benefits.

With the Federal deficit estimated at nearly $65 billion for fiscal year 1978, it would be fiscally irresponsible for the Congress to adopt this amendment.

Mr. Chairman, I also rise in opposition to the amendment of the gentleman from California, as well as the Wolff substitute.

The funds sought by the gentleman's amendment would underwrite the costs of an additional pension program exclusively for veterans of World War I. I use the word "additional" because that is precisely what the gentleman's bill would accomplish. Veterans of World War I, along with veterans of other wars, and their dependents, already have an ongoing pension program for which they may qualify with payments ranging from $209 monthly to a minimum of $5 monthly, depending upon the number of dependents and the amount of income received from other sources.

Thus, it would be possible for a World War I veteran to receive $209 monthly pension under existing law plus an additional $150 monthly under the gentleman's bill for a total monthly pension of $359. This, Mr. Chairman, would be payable to veterans who were fortunate enough to have been separated from military service with no disability.

On the other hand, Mr. Chairman, we pay to the veteran who is 80-percent disabled from wounds received in action in Vietnam or any other war, the magnificent sum of $350 monthly.

Mr. Chairman, the increased funds sought by the gentleman's amendment would fund a measure that could only disturb the traditional relationship between service-connected disability compensation and non-service-connected pension.

The major veterans organizations have not sought this legislation and it is unlikely that the Committee on Veterans' Affairs would approve such a measure.

Let me hasten to add that I do believe the non-service-connected pension program is in need of revision. For this reason, the 94th Congress authorized the Administrator of Veterans' Affairs to conduct a comprehensive study of the pension program and submit the results of the study together with his recommendations for revision of the program not later than October 1 of this year. I am hopeful that this study and its associated recommendations will permit us to consider and act upon constructive alternatives that will be equitable for veterans of all wars who are entitled to pension.

It would be premature for the Congress to enact pension legislation other than the cost-of-living increase already proposed and included in the budget resolution until we receive the results of this study.

I shall, therefore, oppose the amendment.

Mr. Chairman, the recommended level of $19.9 billion in budget authority for veterans' benefits and services represents a fair and adequate estimate of the Veterans' Administration's fiscal needs for fiscal year 1978.

As ranking member of the Veterans' Affairs Committee, I reviewed the Veterans' Administration's budget requirements with great interest. As a member of the VA Committee, I am well aware of the special needs of our veterans and their dependents. As the Representative of the people in the Third Congressional District of Arkansas, I am well aware of the need to keep Federal spending to a minimum.

The aggregate budget figures contained in the measure before us are staggering. That is the only word which can be used to describe a $500 billion budget. Yet, this figure is a reduction of $31 billion from the aggregate views and estimates of the committees of the House made earlier this year. This reduction is due to a large degree to the forceful efforts of the chairman of the Budget Committee, Mr. GIAIMO. His efforts to keep Federal spending to a minimum should be applauded by all of us.

The bipartisan leadership of the Veterans' Affairs Committee and the leadership of the Budget Committee worked together in reaching the $19.9 billion figure for veterans' benefits and services. I am disappointed that many of the VA Committee's recommendations to increase and improve medical facilities within the Veterans' Administration could not be included in the fiscal year 1978 budget. However, the $19.9 billion figure represents a fair compromise between fiscal priorities and the needs of our veterans.

I am, therefore, opposed to this amendment or any other which will increase the VA's fiscal year 1978 budget. I believe this position will be shared by anyone who has studied this matter and is dedicated to fiscal responsibility.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the substitute amendment.

Mr. Chairman, I certainly understand the mood of the House, and it is getting late. I will try to be as brief as possible. I do have the privilege of being chairman of the Subcommittee on Compensation, Pension, and Insurance of the Committee on Veterans' Affairs, and I have been this chairman for the last 3 years. We handle all veterans compensation and pensions, and I think that the House is entitled to know what we have done. Of course, then the Members can make up their minds.

In speaking against the Wolff amendment, let me just throw out this one fact, that a Vietnam veteran without dependents is now eligible to receive over $13,000 of educational assistance under the GI bill, and this is a lot of help. I see no reason to say that the veteran is not receiving enough educational benefits, and I think that the Wolff substitute should be voted down.

As to the gentleman from California, he has been very conscientious in his bill. In fact, the 160 persons who signed his bill, H.R. 55, have come to our subcommittee. The cost of this bill to give $150 to every veteran whether the veteran needs it or not, whether he is the richest man in America or not—we would give him $150 under the gentleman's bill—would be $2.4 billion for this year. He has asked for $500 million, and I do not know how we could divide the $500 million or how our subcommittee could act on it.

We do have some problems in our compensation and pension programs, but by law, which we passed last year, the Veterans' Administration has to report to the Congress in October of this year and make recommendations how we can improve the compensation and pension programs. I think it would make more sense—and the American Legion and the VFW agree with this statement—that no additional programs be added to compensation and pension programs until we get this report in October. We have problems pertaining to the veteran who receives a pension and also a social security check is affected by social security raises. We hope this study by the VA will solve part of this problem.

We are doing something for the World War I veterans; I would be the first to admit maybe we are not doing enough. We are not doing enough for a lot of veterans, but we do try to stay within the restraints of the funds we do have. Since we started veterans' programs many years ago, through 1976, the World War I veteran has gotten one-quarter of these funds. The World War I veteran received a World War I bonus. This cost $4.9 billion. It was given to all World War I veterans in 1939 and it was given in Depression dollars which was most helpful to the veterans.

We have done something in this Congress last year. We passed unanimously a provision that a World War I veteran who was 78 years old and was drawing a non-service-connected pension would receive an add-on of 25 percent. And everyone in this House voted for this and it passed and became law. In other words, we increased the World War I benefit for the needy guy, who really needed it, by 32 percent last year.

In the next few weeks we will present a bill to the Members that will take care of the widows of World War I veterans who are drawing these pensions. We will suggest to the House, and it will pass the Congress, an increase in the benefits, an add-on to this widows' pension by 25 percent plus 6-percent cost-of-living increase.

We have also on the aid-and-attendants for these World War I veterans increased that every year to take care of these aged veterans.

Next Tuesday we will vote on a bill and I think it will pass by unanimous consent to provide that all World War I veterans that are 100-percent disabled would be entitled to an automobile with an adapter on the automobile.

We are doing our best. I do hope the Members will give us a chance to get this report in October from the VA and analyze our pension and compensation programs. This amendment will only slow our committee down on trying to do the best we can for not only the World War I veterans but for all veterans. I hope the Wolff substitute will be defeated as well as the Anderson amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(On request of Mr. BROWN of Ohio, and by unanimous consent, Mr. MONTGOMERY was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, if we pass this legislation, would it be appropriate at this point for an amendment to the budget resolution to be drafted that would also do something for the veterans of World War II and the Korean conflict veterans?

Mr. MONTGOMERY. As I said, those veterans also need help. Our veterans' programs, I admit, barely meet the needs of the veterans or their widows or their dependents, but we are doing the best we can, and I would hope this amendment would be defeated. Those other veterans have their problems too.

Mr. EDGAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there are three basic issues before the Veterans Affairs Committee which are of concern to me as a member of that committee. For a number of years these three issues have come back to haunt us over and over again as we receive mail from constituents. The three issues are these:

Issue No. 1. We receive mail from many of the veterans of the Vietnam era and those veterans whose GI education has been delimited so that they are unable to use their GI educational benefits.

Issue No. 2. This is the large number of letters we receive from widows and pensioners who say that every time their social security increment goes up their veteran pension goes down. The question is why?

Issue No. 3. We receive letters, and I have several here that I will show Members if they would like to read them, from World War I veterans who are in dire need. These are World War I veterans who if they make $3,500 of maximum income may receive no more than $5 of veteran's pension.

You will recall a year ago I offered on this House floor an amendment to add $610 million to extend the GI education delimiting date, because I felt very seriously and strongly that we needed to do something in the area of education, with high levels of unemployment, with a number of our Vietnam-era veterans out of work. I felt that it was important that we should provide educational benefits. We have learned that for every dollar we spend on education we receive $3 or $4 back in increased taxes and these men and women pay because of better qualified jobs and better education.

Today I stand in the well, not to support the amendment of the gentleman from New York (Mr. WOLFF) for education, while I believe that is a worthy cause and important. I stand in the well, not to support the issue of trying to make an accurate adjustment in legislation so that when a pensioner or widower receives an increase in social security, their veteran's benefit is not reduced. I stand in the well today to support the gentleman from California, to support the amendment the gentleman offered to provide some $500 million that would provide a partial pension, not $150 for each veteran, but $500 million to be used by the Committee on Veterans' Affairs under the leadership of the gentleman from Texas (Mr. ROBERTS), and the subcommittee chairmanship of the gentleman from Mississippi (Mr. MONTGOMERY). We must respond to the neediest veterans in this country who happened to have served our country well in World War I. So I urge that we defeat the Wolff amendment, not because it lacks merit, but because I believe there is a higher priority today. That priority is to be concerned and focused on those World War I veterans who are in the deepest need.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, the gentleman has indicated that my amendment would be limited to the idea of help to the Vietnam veterans. There is no such thing in the amendment that I offered. What I did was raise the amount of money that would permit the Committee on Veterans' Affairs to work their will. Unfortunately, we cannot here, on a budget resolution, make a determination as to how that money should be spent. The idea that I had set forth was to permit the members of the Committee on Veterans' Affairs to work their will, whether it be on veterans-of-Vietnam education, or pension funds for World War I veterans, or a combination of both.

Mr. EDGAR. Mr. Chairman, I appreciate the gentleman's explanation of what the gentleman's amendment will do. I still stand by my earlier comments. I feel that the $500 million amendment offered by the gentleman from California is much more realistic at this time in our history and at this point in the budget resolution.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. We have two amendments here; one would add $500 million to the budget; the other would add still another $829 million to the budget. Now, that is $1.3 billion more.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman. What we have before us is a substitute amendment and adds only $800 million. It does not add to the amendment of the gentleman from California. It is a total of $800 million.

Mr. GIAIMO. Yes; but the gentleman's amendment for $500 million would still be in order.

Mr. WOLFF. Mr. Chairman, if the gentleman will yield further, my amendment is a substitute amendment.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, as I understand the parliamentary situation, it is that if the amendment of the gentleman from New York were to fail, the amendment of the gentleman from California would still be before us for a vote. If the amendment of the gentleman from New York would succeed, that would supersede the amendment of the gentleman from California.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, the amendment that I offered adds a total of $800 million.

Mr. GIAIMO. Is it delimiting?

Mr. WOLFF. For any purpose, including that of World War I veterans pensions. The only reason this is a substitute amendment is because it was the only parliamentary device possible.

Mr. GIAIMO. For anything?

Mr. WOLFF. For anything. This is only a budget request so that the Committee on Veterans' Affairs has the opportunity of working its will.

Mr. GIAIMO. One is for delimiting. The other involves $500 million for World War I veterans. The Committee on Veterans' Affairs has indicated that it would like to have time to study the $500 million amendment, where a report is to be made, as I understand it, by October 1.

In the case of the substitute amendment of the gentleman from New York, the committee has not made a determination in this matter.

We in the Budget Committee are criticized at different hours in the day

for anticipating what other committees might do; in the case of defense, for superseding the Armed Services Committee. But here, in the case of the Veterans' Committee, we are getting encouraged to add money before the Veterans' Committee has had an opportunity to work its will.

Let me say this: we did meet with the Veterans' Committee, and we added $1.2 billion in new entitlements for veterans. That is in excess of what President Carter added. Now, Members can vote for this legislation—I know it is difficult to vote against veterans' legislation—but let me tell them something. We came in here today with a budget deficit of $64.2 billion, and we are near $70 billion with these add-ons.

I hope all who are speaking and voting in favor of these add-ons are going to vote in favor of this budget resolution when we get to final passage. I say that particularly to my friends on the Republican side of the aisle and to my friends on the Armed Services Committee. I hope that we get their votes to support this budget resolution of almost $70 billion in deficit when we get to final passage. It is all well and good to vote for these very worthwhile programs, but Members should not ask other people to save their bacon. We need those votes in order to pass the resolution.

Mr. WYLIE. Mr. Chairman, I move to strike the last word.

I rise in opposition to the Wolff amendment as the ranking Republican on the Pension and Compensation Subcommittee. The fiscal year 1977 expenditures for veterans educational programs were around $829 million less than the amount which was authorized last year, so that means $829 million is still available for the GI educational benefits program.

If the amendment of the gentleman from New York is adopted, that will increase the amount which must be funded by an additional $823 million. I think the gentleman from Connecticut put his finger on the situation that we have before us; that is, if we want a budget, we ought not keep voting add-ons to it, however laudable they may seem at the time. The gentleman from New York (Mr. WOLFF) has presented his case before the Compensation and Pension Subcommittee, and his suggestion was rejected. The gentleman argues that $823 million is needed to extend the GI educational benefits delimiting date. I submit that the GI educational benefits program has always had a delimiting date since its inception. It was never intended that the GI educational benefits program would be a general maintenance and support program for the veterans and for their families. It is a rehabilitation program to assist the veteran in making the adjustment back to civilian life.

Mr. Chairman, I suggest that the argument of the gentleman from Connecticut ought to be supported.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I would like to correct the gentleman on one point. We did not discuss this in the Compensation and Insurance Subcommittee. The bill for extending these payments was discussed in the Education Committee.

Mr. WYLIE. I am also a ranking minority member on the Education Committee. Two subcommittees are involved here, but I remember that we discussed the gentleman's amendment very carefully.

Mr. WOLFF. The vote at that time was 14 to 12. What I am saying is that I think it is no more than right that we let the House work its will on whether or not it wants this type of program, which it cannot do unless it is included in the budget. We are not appropriating any money here.

Mr. WYLIE. May I respectfully suggest to my colleagues in the House that the Veterans' Affairs Committee, which is the authorizing committee, should have the first say on this $823 million additional funding level to be established for pensions and for the GI educational benefits delimiting date.

Mr. Chairman, I therefore urge that the amendment offered by the gentleman from New York be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF) as a substitute for the amendment offered by the gentleman from California (Mr. ANDERSON).

The amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ANDERSON).

The question was taken; and on a division (demanded by Mr. ANDERSON of California) there were—ayes 52, noes 69.

RECORDED VOTE

Mr. ANDERSON of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 329, noes 73, not voting 31, as follows:

[Roll No. 161]

AYES—329

Abdnor	Brademas	Cohen
Addabbo	Breaux	Coleman
Akaka	Brinkley	Collins, Ill.
Alexander	Brodhead	Collins, Tex.
Allen	Brooks	Conte
Ambro	Broomfield	Conyers
Anderson, Calif.	Brown, Calif.	Corcoran
	Brown, Mich.	Corman
Andrews, N.C.	Brown, Ohio	Cornell
Andrews, N. Dak.	Broyhill	Cornwell
	Buchanan	Cotter
Annunzio	Burgener	Coughlin
Applegate	Burke, Calif.	D'Amours
Ashbrook	Burke, Fla.	Daniel, Dan
Aspin	Burke, Mass.	Daniel, R. W.
Badham	Burleson, Tex.	Danielson
Badillo	Burton, John	Davis
Bafalis	Burton, Phillip	de la Garza
Baldus	Byron	Delaney
Barnard	Caputo	Dellums
Baucus	Carney	Dent
Bauman	Carr	Dicks
Beard, R.I.	Carter	Diggs
Bedell	Cavanaugh	Dingell
Bennett	Cederberg	Dornan
Bevill	Chappell	Downey
Biaggi	Chisholm	Drinan
Blanchard	Clausen, Don H.	Duncan, Tenn.
Blouin		Early
Boland	Clawson, Del	Eckhardt
Bonior	Clay	Edgar
Bonker	Cleveland	Edwards, Ala.
Bowen	Cochran	Edwards, Okla.
Eilberg	Lehman	Rinaldo
Emery	Lent	Risenhoover
English	Levitas	Rodino
Ertel	Lloyd, Calif.	Rogers
Evans, Ga.	Lloyd, Tenn.	Roncalio
Evans, Ind.	Long, La.	Rooney
Fary	Long, Md.	Rose
Fascell	Lott	Roybal
Fithian	Lujan	Runnels
Flippo	Luken	Ruppe
Flood	Lundine	Ryan
Florio	McCloskey	Santini
Flowers	McCormack	Sarasin
Ford, Mich.	McDade	Sawyer
Ford, Tenn.	McDonald	Schroeder
Fountain	McEwen	Schulze
Fowler	McFall	Sebelius
Frey	McHugh	Seiberling
Fuqua	McKinney	Sharp
Gammage	Maguire	Shipley
Gaydos	Markey	Shuster
Gibbons	Marks	Sikes
Gilman	Marlenee	Simon
Ginn	Marriott	Sisk
Glickman	Martin	Skelton
Goldwater	Mathis	Skubitz
Gonzalez	Mazzoli	Slack
Goodling	Metcalfe	Smith, Iowa
Gore	Mikulski	Smith, Nebr.
Grassley	Miller, Calif.	Snyder
Gudger	Miller, Ohio	Spellman
Guyer	Mineta	Spence
Hagedorn	Minish	Stangeland
Hall	Mitchell, Md.	Stanton
Hamilton	Mitchell, N.Y.	Steed
Hanley	Moakley	Steers
Hannaford	Moffett	Steiger
Hansen	Mollohan	Stockman
Harrington	Moore	Stokes
Harris	Moorhead, Calif.	Studds
Harsha		Stump
Hawkins	Mottl	Symms
Heckler	Murphy, Ill.	Taylor
Hefner	Murphy, N.Y.	Thompson
Heftel	Murphy, Pa.	Thone
Hightower	Murtha	Thornton
Hillis	Myers, Gary	Tonry
Holland	Myers, Michael	Traxler
Hollenbeck	Natcher	Trible
Holt	Neal	Tsongas
Horton	Nichols	Tucker
Howard	Nix	Udall
Hubbard	Nolan	Vander Jagt
Huckaby	Nowak	Vanik
Hughes	Oakar	Vento
Ichord	Oberstar	Volkmer
Ireland	Obey	Waggonner
Jeffords	Ottinger	Walker
Jenkins	Panetta	Walsh
Jenrette	Patten	Wampler
Johnson, Calif.	Patterson	Watkins
Jones, Okla.	Pattison	Waxman
Jones, Tenn.	Pease	Weaver
Kasten	Pepper	Weiss
Kastenmeier	Perkins	White
Kazen	Pettis	Whitley
Kelly	Pressler	Wilson, Tex.
Ketchum	Preyer	Winn
Kildee	Pritchard	Wirth
Kindness	Pursell	Wolff
Kostmayer	Quie	Wright
Krebs	Quillen	Wydler
Krueger	Rahall	Yatron
Lagomarsino	Railsback	Young, Fla.
Latta	Rangel	Young, Mo.
Le Fante	Regula	Young, Tex.
Leach	Reuss	Zablocki
Lederer	Rhodes	Zeferetti

NOES—73

Ammerman	Fenwick	Michel
Anderson, Ill.	Findley	Mikva
Archer	Fisher	Montgomery
Armstrong	Flynt	Moorhead, Pa.
Ashley	Foley	Nedzi
AuCoin	Frenzel	Pickle
Beard, Tenn.	Gephardt	Pike
Beilenson	Giaimo	Poage
Benjamin	Hammer-schmidt	Quayle
Bingham		Roberts
Boiling	Holtzman	Robinson
Breckinridge	Hyde	Rosenthal
Burlison, Mo.	Jacobs	Rousselot
Butler	Johnson, Colo.	Rudd
Conable	Jordan	Satterfield
Crane	Kemp	Scheuer
Derwinski	Keys	Solarz
Devine	McClory	Stratton
Dickinson	McKay	Treen
Duncan, Oreg.	Mahon	Ullman
Edwards, Calif.	Mann	Van Deerlin
Erlenborn	Mattox	Whalen
Evans, Colo.	Meeds	Whitehurst

Whitten	Wilson, C. H.	Yates
Wiggins	Wylie	

NOT VOTING—31

Boggs	LaFalce	Rostenkowski
Derrick	Leggett	Russo
Dodd	Madigan	St Germain
Evans, Del.	Meyner	Staggers
Fish	Milford	Stark
Forsythe	Moss	Teague
Fraser	Myers, Ind.	Walgren
Gradison	O'Brien	Wilson, Bob
Harkin	Price	Young, Alaska
Jones, N.C.	Richmond	
Koch	Roe	

Messrs. PATTEN, RHODES and SIMON changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PIKE

Mr. PIKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PIKE: On page 1, line 11, strike out "$505,656,000,000" and insert in lieu thereof "$505,526,000,000";

On page 2, line 2, strike out "$466,732,000,000" and insert in lieu thereof "$466,602,000,000";

On page 2, line 5, strike out "$68,638,000,000" and insert in lieu thereof "$68,508,000,000";

On page 2, line 7, strike out "$794,968,000,000" and insert in lieu thereof "$794,838,000,000."

On page 2, line 9, strike out "$94,968,000,000" and insert in lieu thereof "$94,838,000,000."

On page 2, line 20, strike out "$120,136,000,000" and insert in lieu thereof "$120,118,000,000";

On page 2, line 21, strike out "$111,947,000,000" and insert in lieu thereof "$111,929,000,000."

On page 4, line 18, strike out "$1,069,000,000" and insert in lieu thereof "$957,000,000";

On page 4, line 19, strike out "$1,021,000,000" and insert in lieu thereof "$909,000,000."

Mr. PIKE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PIKE. Mr. Chairman, when we entered the Chamber yesterday, the Budget Committee had a budget resolution which called for a deficit of $64.3 billion. At the moment we have a resolution which calls for a deficit of $68.6 billion. In 2 days we have added $4.3 billion to the deficit. Mr. Chairman, everybody talks about national priorities, and obviously we have different views of what our national priorities are. It is obvious that things for defense and for veterans are high on our list of national priorities, and things for the benefit of social welfare programs are low on our list of national priorities, because that is the way we voted here. Frankly, I have voted against all of the amendments which increased the budget and increased the budget deficit, and I am a little embarrassed that I am again offering an amendment which reduces the budget and reduces the budget deficit. This is the same amendment which I offered earlier. It reduces spending in two categories—allowances and defense—a total of $130 million, which is the amount of the 29 percent or 28 percent pay raise which people in those categories outside of the Congress got. We have discussed it already. The committee accepted it once. It got wiped out by the Burleson amendment.

Mr. Chairman, I yield back the remainder of my time.

Mr. ECKHARDT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose this amendment particularly with respect to the item on page 4, line 18, where it is provided to strike out $1,069,000,000 and insert in lieu thereof $957 million. That is the provision that has to do with what is called allowances, and of that amount there is approximately $112 million total that has to do with pay increases of relatively high paid executive employees, and about $10 million which has to do with Federal judges.

I know that when I enter the well I am always subject to somebody saying, "You are bringing up the darned Constitution again." Of course, I know that is a very unpopular thing to do here, and I shall probably be referred to as a constitutional authority and thus attacked for presenting a somewhat pedantic proposition here. I am not a distinguished constitutional authority; I only come here as a person who can read the English language.

The Constitution is of course written in plain English. We take only one oath when we enter this body, and that is to abide by the Constitution. The Constitution says in article 3 that the judges of both the Supreme Court and the inferior courts shall hold their offices during good behavior and shall at stated times receive for their services a compensation—now listen to this—which shall not be diminished during their continuance in office. The Constitution says that the salary shall not be diminished. That does not mean if they got less money when they first came here 40 years ago we can cut them back to the figure they had 40 years ago. It means once their salary goes up we cannot diminish it.

Why did the framers provide that way? Because they wanted the three divisions of the Government to be independent of each other, and if we had the power to tell John Jones who went on a bench of the Federal court in 1945 that we were going to cut his salary back to what he got in 1945 because he decided a case in a way we did not like, we would be in control of the judiciary branch of the Government.

The framers of the Constitution did not want to do that, did not want to let one branch of our Government to determine the salaries of the judiciary. This is because, if we should do so, we would put an enormous pressure on the judiciary to respond to every breeze that blows and affects our Government at any particular time.

I am not saying that the amendment offered by the gentleman from New York (Mr. PIKE) is unconstitutional. Indeed it is not, because that $10 million that he purports to take away from the judges to reduce their salaries to what they were before they were increased cannot be taken away from the judges. And if they go to the courts on this particular proposition, they will win. They are not unlearned in the law.

Now, where will the $10 million come from? It will come out of other parts of that budget. And in order to make up that $10 million we have got to take it either from some supporting budget items or from the pay of the other executive officers. We have already taken away their increase and in order to reduce this item by an additional $10 million we have got to take 2.6 percent from them and reduce their pay by 2.6 percent below what it was before they got their increase. Do we want to do that? Is that fair? Is it fair to reduce the salaries of these persons below that which existed before their increase? We cannot take it away from the judges.

Mr. GIAIMO. Mr. Chairman, I think we have all discussed this amendment enough today. It was up earlier. We all know what it is. I think everybody is ready to decide on it.

Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentleman from New York (Mr. PIKE) and all amendments thereto end in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee (Mr. ALLEN).

Mr. ALLEN. Mr. Chairman, as much voter appeal as Mr. PIKE's amendment has, and as justified and as much voter appeal as his amendment which passed yesterday, affecting our own salaries, may have had, I must oppose this clearly unconstitutional amendment.

Mr. Chairman, I have taken a solemn oath to support and uphold the Constitution of the United States, and God being my witness, I intend to do just that.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I have been here a few years. During those few years I have not agreed with the gentleman from Texas too many times; but today I agree with the gentleman completely. This move, is against the Constitution. We took an oath, as the gentleman from Tennessee indicated, to support the Constitution of the United States. We do not have to be lawyers to read the Constitution, and it says exactly what the gentleman from Texas indicated. I intend to support the Constitution. Some people will say we can get judges for any amount. Sure, we can get "two-bit" lawyers any place, at any time and put them on the bench, but we do not want judges of this kind on the Federal bench.

Mr. Chairman, our judges deserve the salary they are getting.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PIKE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. EMERY

Mr. EMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EMERY: In the matter relating to Natural Resources, Environment, and Energy (300) strike out $20,950,000,000 in budget authority and insert in lieu thereof $20,850,000,000; and strike out $20,677,00,000 in outlays and insert in lieu thereof $20,577,000,000.

Mr. EMERY. Mr. Chairman, my colleague from California, GEORGE MILLER, and I are proposing this amendment to House Concurrent Resolution 195, which provides a $100,000,000 cut of funding for water projects funded under function 300, for projects under the category of natural resource, energy, and environment. Although some of these projects may be worthwhile, much greater congressional review is needed to weed out those which are environmentally unsound and economically questionable. I am in agreement with President Carter's call for more oversight responsibility by the Executive and the Congress in the budget process. The TVA, the Army Corps of Engineers, and the Bureau of Reclamation have proposed and constructed some water projects which are technically deficient, environmentally damaging, and economically wasteful. Close congressional review is very necessary to insure that we find useful projects that are not merely traditional pork barrel programs.

On April 18, President Carter presented the Congress with a detailed and comprehensive position. I quote from that message:

I am recommending the development of major policy reforms in the following areas:

1. more realistic project evaluation criteria;
2. dam safety;
3. cost sharing for federal projects;
4. water conservation; and
5. redirected public works programs.

In balancing the budget, cutting back on inflation and making the federal government more responsive to the needs of the people, difficult choices have to be made. Activities which are wasteful, unsafe or economically or environmentally unsound simply cannot be pursued. Water resource development programs of the Corps of Engineers, the Bureau of Reclamation and the Tennessee Valley Authority are a case in point.

In my budget recommendations to the Congress last February I initiated a major review of ongoing water resource projects. The review is now complete and I have specific recommendations for the Congress on the 32 projects which were subject to public hearings. They are based on reviews by the Interior Department, the Corps of Engineers and the Tennessee Valley Authority, with assistance from the Office of Management and Budget and the Council on Environmental Quality.

My decision on individual projects was a difficult one. I have tried to be fair and to give the benefit of the doubt on some projects which would certainly not be justified if they were proposed today. However, I have not hesitated to recommend termination or modification of projects which appeared justified when they were originally authorized.

In consultation with the Congress, state and local governments and the public, I intend to develop detailed policy recommendations to insure that our water-related needs are met in the best manner, and to use realistic criteria for water project evaluation. The review process I started during the first days of my Administration is not going to stop here; further work needs to be done and fundamental improvements need to be made in our water polices and programs.

The drought in the West and recent severe flooding in the East have shown us that despite the massive numbers of federally-funded water projects in existence, we are still as susceptible as ever to the ravages of the weather. Instead of proceeding down the same road of more and bigger structural projects, we need to rethink our policies.

The President then went on with more specifics. The Emery-Miller amendment does not specify which projects should be cut. Although we are not here to argue the individual pros and cons of dozens of water projects, sufficient facts have been presented in the President's factsheets by environmental groups and State associations on these projects for reasonable people to determine their worthiness. Some are particularly questionable. In one project, the review showed the investment for irrigation was over $4,000 per acre of which only $208 will be repaid. The benefit cost ratio on this project is below unity, even at the authorized interest rate.

In another case, the President's review found that about a third of the benefits resulted from recreation benefits, but that these benefits depended on the reservoir getting almost as many visitors per year as Yellowstone National Park. The project would inundate 10,000 acres of prime farmland as well as destroying wildlife habitat. The benefit cost ratio on these projects is also below unity.

In another of the projects reviewed, the local sponsoring entity has requested that there should be no funding for fiscal year 1978. This project, at a cost of more than one-half billion dollars, would damage water quality for others who depend on the water.

One project would destroy so much critical wildlife habitat that a number of nearby States, as well as the State's house of representatives where the project is situated, have opposed it.

Let the Subcommittee on Public Works of the Appropriations Committee choose among those that are most justifiable from all the water projects.

In line with the President's energy goals, it is desirable to construct projects which provide energy benefits greater than energy costs. Specifically relating to water energy sources the President talks about small-site hydro in his energy program. Development of already existing dams to provide needed energy supplies is much less costly per kilowatt-hour than many of the proposed new dams. Existing dams do not damage the environment and provide electricity with no high priced foreign fuel costs.

The amendment I am proposing is relatively modest. I have not prejudged the merits of the specific projects. I have asked that we reduce the ceiling by considerably less than would be the cost of cutting or modifying all the projects which the President recommended. However, the primary focus of this amendment—to demonstrate our seriousness about fiscal responsibility—and our interest in greater oversight of water projects—will be met.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I want to say that since the President made those remarks, he also delivered a letter to the gentleman in the well and myself today thanking us for our support of his recommendations. The letter is as follows:

THE WHITE HOUSE,
Washington, D.C., April 27, 1977.

The Hon. GEORGE MILLER,
The Hon. DAVID EMERY,
U.S. House of Representatives,
Washington, D.C.

TO GEORGE MILLER AND DAVID EMERY: Thank you for your support of my recommendations to the Congress on curbing unnecessary spending on federal water projects.

By cutting back and eliminating some projects, we have an opportunity to save the taxpayers billions of dollars, preserve irreplaceable natural resources and still meet our Nation's water-related needs in an equitable fashion.

Thank you again for your support.

Sincerely,

JIMMY CARTER.

Mr. Chairman, I think the gentleman's amendment is well thought out, and provides the kind of scrutiny and direction to the Appropriations Committee to make sure that these projects come under the scrutiny which they have escaped for decades.

The CHAIRMAN. The time of the gentleman from Maine has expired.

(On request of Mr. OTTINGER and by unanimous consent Mr. EMERY was allowed to proceed for 2 additional minutes.)

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from New York.

Mr. OTTINGER. I would like to congratulate the gentleman on his amendment. If we are serious about cutting out the fat in the budget, we have to bite some hard bullets. I know this is hard for some of our colleagues, but this is a good place to start—with an evaluation of these very controversial and questionable projects.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Kentucky.

Mr. PERKINS. I would like to ask the distinguished gentleman from Maine whether he supports the Dickey-Lincoln project.

Mr. EMERY. The answer to the gentleman is no, I do not.

Mr. PERKINS. And the President has already restored the funds in his budget for Dickey-Lincoln, am I correct?

Mr. EMERY. Unfortunately, the gentleman is correct, but if I can prevail upon the President to change his mind, with the eloquence of the senior Senator from Maine, I would have him object to the project. It is not included in this amendment. I am opposed to Dickey-Lincoln, and I think it is a case in point. It cannot possibly meet the standards the President himself has set down in his message.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

It is always easy to suggest as some have done tonight that we must start someplace to bite the hard bullet of economy. And how very much easier when

that someplace involves somebody else's project or program.

There are none of these presently endangered water projects that lie within or adjacent to my district, but I think I know a little bit about water resource programs and their value to the Nation. I believe it can be demonstrated that, by and large, the water resources development program of the United States has paid for itself many times over.

It seems quite ironic to me that, almost alone among all the things the Government does, the development of the waters that fall on our Earth is required to meet benefits-cost criteria. It seems even more ironic that the advisors to the President, newly installed in their advisory capacities, presume that within 6 short weeks of study they can reach finite judgments better than the judgments which have been reached deliberately and carefully by the Congress and its committees over the periods of 6, 8, 12, sometimes 20 years of continuous study on these various projects.

One would gain the impression from some of the rhetoric here tonight that Congress has no concern for economic feasibility or no established mechanism for determining it.

The gentleman's amendment would deny to the Committees on Appropriations of this Congress the right to review those projects by the existing criteria of law and it would deny to this House the right to make judgments on those projects in the appropriations process.

You say water projects do not pay for themselves? Let me review just a few brief statistics. During the period in which this Government has been spending money to control floods, we have spent some $7 billion on flood control. Some 235 projects already have saved us $53 billion in calculable damages that otherwise would have been inflicted upon the American people. They have paid for themselves seven times over.

You say that irrigation projects do not pay? Anybody who does not live in the West cannot know that water is more important than oil or coal or uranium or any other resource of the Earth. In the West, water is life. We have expanded some $8 billion on irrigation projects to make the deserts bloom, to bring foodstuffs out of the dry and unremitting Earth. And do you know how much the foodstuffs we have produced through the reclamation program have added to the wealth of this Nation? Some $60 billion worth of food stuffs have been added, to help feed the growing population of this hungry world and to help lower the cost of food in the marketplaces of America.

You say navigation does not pay? Let us stop here and think about the savings in energy. A few years ago, calculations revealed that $1 worth of gasoline or its equivalent will move 1 ton of freight 5 miles by air, 16 miles by truck, about 65 miles by rail, or 333 miles by barge. Can that kind of saving to the Nation be called a boondoggle?

Yes, we do need to reexamine the methods by which we determine the value of water projects, but we need to reexamine and upgrade not only the costs but the values we attribute to them. Some people seem to know the cost of everything and the value of nothing.

It is suggested that the Corps of Engineers are too optimistic in their benefits analyses. In most cases, the actual results have proven that they were quite conservative. When Congress authorized the Gulf Intracoastal Canal, the corps predicted ultimately it ought to be able to carry some 7 million tons of freight. Do the Members know what it carried last year? More than 100 million tons of freight.

Nobody who has ever seen the ravaging floodwaters sweep away the lifetime dreams of families can call flood control "pork-barrel."

Nobody who has ever seen the industry that can come and thrive in an otherwise undeveloped area where water navigation is made possible so that people can have jobs in the smaller towns along the rivers can call navigation "pork-barrel."

Nobody who has ever seen the parched and thirsty earth drying up from drought and swept by duststorms can call sound Western reclamation "pork-barrel." And nobody who has ever really evaluated our Nation's water resource development program carefully can say that it has not paid for itself. Water is more important than any other resource we have.

This glass contains——

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(On request of Mr. EVANS of Colorado and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. Mr. Chairman, there is exactly the same amount of water in the world that there was in the beginning—no more, and no less. Science tells us that this glass of water contains some tiny molecules that fell in the flood of Noah, some that parted in the Red Sea, some that floated fishing craft on the Sea of Gallilee, and some that washed blood off the beaches of Normandy in World War II.

The manner by which this fixed supply completes its never-ending rotation, moving by surface and subterranean streams to be gathered up into the great ocean reservoirs, is a mystery. From there it is drawn skyward again by the magnet of the sun to be purified anew, then returned by wind and cloud to refresh the parched and thirsty Earth. This process goes on ad infinitum. It is a marvelous process of a miraculous universe. Man can comprehend it, but he can never duplicate it.

The best we can do is to use it well, to husband it, to keep it pure and take care of it, and conserve it.

Mr. Chairman, that is what the Nation's water program is all about, and I urge the Members to vote "no" on this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment end in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous consent request was agreed to will each be recognized for 20 seconds.

(By unanimous consent, Mr. PERKINS and Mr. JOHNSON of Colorado yielded their time to Mr. EVANS of Colorado.)

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. EVANS).

Mr. EVANS of Colorado. Mr. Chairman, there are just two items that I would like to add to the eloquent statement made in opposition to this amendment by our majority leader.

Number one, 85 percent of the costs of these programs are repaid to the Treasury of the United States.

Number two, going back 20, 30, and 40 years, States located in the Rocky Mountain area and in the West have gone through battle after battle to solve the question of property rights as it relates to the flow of water in natural streams. Agreements have been reached, and they have been reduced to interstate compacts approved by the Congress of the United States.

Then after that happened, the States within themselves have had battles over the division of water, and there have been battles as well between States. There have been battles featuring Arizona versus California, Arizona and California versus Colorado, Nebraska, Wyoming, Utah, et cetera.

Mr. Chairman, I hope that we will not destroy this delicate balance by supporting this amendment, and I hope that the Members vote against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Chairman, I rise in opposition to this amendment.

I would like to point out that the subcommittee of the Committee on Appropriations is doing exactly what the President has asked. We are reviewing these matters and holding hearings. The Secretary of the Interior testified Friday, the Corps of Engineers testified Thursday, and we are going into this. Certainly we want the opportunity to handle this in the normal procedure as we have in the past.

Mr. Chairman, I urge the Members to vote for this procedure and against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, there is nothing in this amendment that would prevent any justified water projects from being completed. Let me tell the Members that we have looked into this, and we find that it would cost $20 an acre-foot to get this water, and yet the richest corporations and families in America pay only $7.50 an acre-foot.

How is this money going to be repaid? It is going to take 492 years to repay the costs of these projects. We have now decided that it is too expensive, and so we are going to give it to the taxpayers because the price has gone up too far.

Mr. Chairman, this data is indexed,

and the price of bringing water to this property is prohibitive.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, to have 20 seconds to defend an $80 million reclamation project in Wyoming, after 7 hours of debate in this body, at the end of a 16-hour workday, this constitutes the height of some type of inanity that I am incapable of describing.

Mr. Chairman, I think this is an insult to our lawmaking process.

(By unanimous consent, Mr. MOORE yielded his time to Mr. EMERY.)

The CHAIRMAN. The Chair recognizes the gentleman from Maine (Mr. EMERY.)

Mr. EMERY. Mr. Chairman, I must say I hope that after I have been in the House of Representatives for as long as the gentleman from Texas (Mr. WRIGHT) has, I will be able to assemble some of the eloquence that he has displayed. It was a masterful speech, and I understand the position he has taken. I can understand the differences that he has with the administration's policy concerning water projects, and I respect that.

The difference, of course, between a glass of water on the rostrum and a dam or water project is the fact that a glass of water does not cost $100 million.

Mr. Chairman, I ask the Members to support the amendment because I believe it will provide us with some measure of review, badly needed review, in the construction of water projects.

The CHAIRMAN. The Chair recognizes the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, I rise in opposition to the Emery amendment, which would have the effect of cutting the water projects. This amendment, as well as the entire proposition, is ill advised, ill conceived, illogical, insensitive, and based on faulty premises.

This amendment would cut funding for the Bonneville unit of the central Utah project, along with many other projects in your States.

The Carter administration and other proponents of these cuts base their conclusions on faulty reasoning.

I use my State of Utah as an example:

First. They say we should cut the Bonneville project because it would save $659.8 million in Utah. That is erroneous. We have spent $154 million to date. Court suits alone because of breach of contract could amount to the $659 million. The fact of the matter is that 92 percent of this money will be paid directly back to the Government, and the overall economic benefit to the State of Utah would be nearly $2 billion.

When this project was started, the act of April 11, 1956, 70 Stat. 105, authorizing the central Utah project, did not even place a specific cost limitation. That is how convinced they were that the project was essential.

Second. They say the need is questionable. The fact is that Utah is the second driest State in the Nation. The people of Utah ought to determine the need. The 62 percent of the citizens of Utah affected by the project are so committed to it that they are paying an ad valorum tax to support it.

Third. They say the cost of the investment per acre for irrigation is too high. They say it is $4,295 an acre. That is true if you assume that all the water delivered is to new land only. The facts are that new land will account for only 29,370 acres. This project also sends supplemental water to 213,170 acres; that is, land presently irrigated but with an inadequate water supply. Therefore, the actual cost per acre is only $1,434.

Fourth. They say the economic value is marginal, that it only has a 1 to 1 ratio. But in fact, if you use the current rate of interest—6⅝ percent—to compute cost-benefit ratios, as they have done, then the current rate should also be used in estimating benefits. Looking at the entire picture, the true ratio is 1.5 to 1.1, which is very good. Even if it were only 1 to 1, the administration h..s already approved projects with less than a 1 to 1 ratio.

Fifth. They say that the beneficiaries would not pay enough of the share of the capital investment and the operating costs.

The truth is that the Federal investment in Bureau of Reclamation completed facilities since 1902 nationwide is $6 billion; 84 percent of the investment is reimbursable, a record no other Federal program can equal. The cumulative gross crop value during the same period is $50 billion, 8 times the investment cost.

In Utah the cumulative gross crop value for reclamation projects is $1 billion as of 1975. The total cost of all projects in Utah is only $176 million.

The current estimated Bonneville unit cost is $862 million, of which $175 million has been expended. The reimbursable cost will be $739 million, or 86 percent of the total cost, with 14 percent allocated to public uses such as flood control, fish and wildlife, recreation, and highway improvement.

Repayment of reimbursable costs to the Federal Treasury as required by law will come from water sales, electrical power sales, and ad valorum tax revenues.

In other words, the reimbursable cost of the Bonneville unit will be paid 100 percent by the people living in the projected area. The total operation and maintenance cost will be paid for by the water users of the unit.

Sixth. The opponents of these water projects say that we have alternative water supplies. I would ask them to visit the West, Utah specifically, and point them out to us.

In a recent study by the Pacific Southwest Interagency Committee Water Resources Council, appendix 11, page 10, it states:

> In the Great Salt Lake subregion, where the greatest M. & I. water requirement is projected, local sources will not be sufficient to meet the needs.

That condition is exactly what the central Utah project and the Bonneville unit are intended to correct. This project is the lifeblood of Utah. Without it we will be in a serious condition. Our population and economic growth will be stifled.

In light of these facts and the drought conditions we are in today, with water supplies in Utah at 35 percent of normal, and like situations in other States, and in order to minimize future drought conditions, with their costly emergency funding requirements, I urge my colleagues to vote down this amendment and in so doing to commit to fully restore funding of these vital and necessary water projects.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. KOSTMAYER).

Mr. KOSTMAYER. Mr. Chairman, I rise today to support this amendment which will reduce expenditures in the Federal budget by $100 million.

This savings will allow the termination of wasteful water and dam projects. The President seeks deletion of funds for 18 such projects and significant reductions for 5 more. Originally 32 costing $230 million, even the administration says $177.4 could be saved by cutting these projects, we are asking only $100 million.

This proposal is based on a careful and scrupulous analysis and review which was undertaken bf the administration. The analysis was based on three criteria:

First, a project must have no significant negative environmental impact;

Second, no major safety actions must be involved;

Third, the ratio of remaining costs to remaining benefits must exceed 1:1 when computed at the current discount rate of 6⅜ percent.

Mr. Chairman, some of the projects on the President's original "hit list" passed muster and construction of these projects can proceed. These projects have worthwhile goals—flood control and water supply—which justify their construction.

But what of the projects which failed the review? These are the ones which are the very worst offenders from the standpoint of environment, safety, and costs, and it is these projects which this amendment seeks to stop.

Mr. Chairman, the Congress must respond favorably to the efforts of the administration to cut this money from the budget. We must reject "pork barrel" politics and the philosophy that a wasteful and needless project is never one located in a Member's home district.

The fact that Congress has already approved some of the projects this amendment would eliminate or alter is no excuse for inaction today. We must challenge the wisdom of past Congresses and of this Congress. This is what the President is doing, and if he does not, who will?

Mr. Chairman, the problem is that the Federal budget is a political document. Too often it grows in direct proportion to the wishes of the Members of Congress to locate projects such as these in their districts. Congressmen bear no individual responsibility, but only a collective one for the increasing size of the Federal budget.

It is the President who in this instance

bears the burden. The Congress in its collective greed does not.

I support the President, Mr. Chairman. I believe the American people support him, too.

During his campaign for the Presidency, Jimmy Carter promised to do exactly what he is doing now. Who among us can be surprised? He promised a balanced budget in 4 years; perhaps he will not succeed, but he is trying to fulfill that commitment and that promise to the American people.

Instead of opposing the President we should be defending him. My mail indicates my constituents do.

This amendment, a deletion of $100 million is a start. Let us listen to the people and to the President. Let us call an end to "pork barrel" politics. Let us stop the unnecessary damming, ditching, and dredging and start the saving.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Maine, to strike $100 million in budget authority and outlays from function 300. This amount is intended to come out of funding for the disputed water resource projects which have been so widely discussed of late.

Out of hundreds of ongoing water projects throughout the Nation, only a handful were ever mentioned for review or reconsideration. And the evidence is compelling that at least some of the projects mentioned are deficient by one measure or more—safety, environmental, impact, economic benefit, et cetera.

It is almost beyond belief that projects intended to protect the safety and welfare of people and property could be questioned on the basis of safety considerations. Nevertheless, at least two of the review projects may pose dangers through their siting and construction design.

Some of the projects also raise serious questions of land use priorities. Completion of these projects would inundate several hundred thousand acres of productive forest and agricultural land. It is curious that in some cases the amount of land—productive farmland or forest—to be flooded exceeds the amount expected to benefit from the flood control or irrigation provided by the project. This seems a bit absurd, when food supplies and prices are of such concern to our citizens, and when our need for forest products continues to grow.

Several hundred miles of free-flowing rivers and streams, and many acres of wetlands and marches, some of which provide natural flood control and water purification at no cost to the taxpayer, would be destroyed. So would prime wildlife habitat and many important geological, archaeological, and historic sites. In addition, some of the projects would have adverse affects on Indian lands and water quality even beyond our own borders.

There is also reason to question the use of recreation as a justification for dam and reservoir projects. Many rivers and streams are already enjoyed by canoeists and anglers, but the lakes which would replace them are likely to be fluctuating reservoirs, often surrounded by extensive "bathtub rings" of mudflats. And unreasonable expectations of the numbers of visitors have inflated the importance of the recreation justification.

On some of the projects, the assumptions on which authorizations were based have ceased to apply over time. Local needs may have changed, and local commitments are uncertain. Without local support, of course, the Federal Government will have to abandon the projects or provide full funding.

There are also several projects which would benefit only very narrow interests. Five of the projects count as their beneficiaries only 1 company, 2 companies, 60 landowners, 69 landowners, and 106 landowners, respectively.

There is also evidence that benefit/cost ratios were based on unsound economic methods or have changed enough since authorization that they are now marginal at best. At least eight are now marginal or below unity. This hardly provides any justification for the massive investment needed to complete the projects, especially since spending on water projects creates significantly fewer jobs and uses considerably more energy per dollar than a host of other Federal programs. Mr. Chairman, I would like to insert the following which illustrate this contention at this point in the RECORD:

Federal Program and employment demand (resulting from $1.13 billion investment shift from Corps of Engineers construction):

Corps Construction: 73,380 jobs.

Waste Treatment Construction: 95,609 jobs up plus 30.3 percent.

Mass Transit Construction: 78,443 jobs up plus 6.9 percent.

Social Security Benefits: 95,968 jobs up plus 30.5 percent.

National Health Insurance: 115,419 jobs up plus 57.3 percent.

Tax Relief: 81,192 jobs up plus 10.6 percent.

Source: "Job Impact of Alternatives to Corps of Engineers Projects", Bruce Hannon and Roger Bezdek, *Engineering Issues—Journal of Professional Activities*, ASCE, vol 99, October, 1973, pp. 521–531.

Federal Program and Energy Consumption (BTU per 1963 dollar of program):

National Health Insurance: 40,000.

Railroad and Mass Transit Construction: 43,100.

Water and Waste Treatment Facilities Construction: 65,400.

Educational Facilities Construction: 70,600.

Personal Consumption Expenditures (Tax Relief): 86,000.

Corps Projects: from 92,000 up to 146,000.

Source: "Energy, Manpower, and the Highway Trust Fund", Roger Bezdek and Bruce Hannon, *Science*, August 23, 1974, vol 185, pp. 669–675.

A further issue which, to my knowledge, has not been addressed is the impact on these water resources projects of the administration's energy proposals. As in most areas of our economy, both the short and long term effects of these proposals are impossible to predict. It may be that hydroelectric power generation will play a part in our energy program, but if energy conservation efforts succeed, the energy and other resources needed to construct and maintain hydropower facilities may not be justified by new demands for power. Only a very small number of the projects under discussion will produce hydroelectric power, but the investment in all the projects is great, and most will result in a net energy loss.

It should also be noted that many of the projects which are planned to provide substantial recreational benefits assume that visitors will drive to them; however, as gasoline prices rise, recreation behavior may very well change. There may be other effects as well, but I know of no effort to recompute benefit/cost ratios to allow for the impact of the new energy scenario.

Clearly, there are a great many arguments for the exercise of prudence in making specific funding decisions on the individual projects. I believe this amendment will demonstrate the intent of this House to take care that our limited fiscal resources are not wasted or used for providing limited benefit or even potential harm at excessive cost. It is only with the application of improved economic data, and with careful consideration of these programs and all others mandated by Congress, that we will be able to provide the best possible services to our constituents, at the most reasonable cost, and, eventually, balance our budget.

I urge all my colleagues to join me in supporting this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Some projects are good, some are bad, some are horrible, like Dickey-Lincoln in Maine; but I think that we ought to leave it to the Committee on Appropriations to determine which are the good ones and which are the bad ones. We should not prejudge the situation and try to determine it here in the budget resolution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. EMERY).

The question was taken; and on a division (demanded by Mr. EMERY) there were—ayes 42, noes 137.

RECORDED VOTE

Mr. EMERY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 143, noes 252, not voting 38, as follows:

[Roll No. 162]

AYES—143

Ambro	Carr	Edwards, Calif.
Ammerman	Cavanaugh	Emery
Anderson, Ill.	Cleveland	Erlenborn
Archer	Cohen	Evans, Ind.
Ashbrook	Coleman	Fascell
Aspin	Collins, Tex.	Fenwick
Badillo	Conable	Fisher
Baucus	Conte	Fithian
Bauman	Conyers	Florio
Beard, R.I.	Cornell	Fowler
Bedell	Coughlin	Frey
Bellenson	Crane	Gephardt
Bingham	D'Amours	Gibbons
Blanchard	Dellums	Glickman
Bonior	Derwinski	Goodling
Brodhead	Devine	Grassley
Broomfield	Downey	Hamilton
Broyhill	Drinan	Harris
Burton, Phillip	Early	Heckler
Caputo	Eckhardt	Hillis
Carney	Edgar	Holland

Hollenbeck	Mikva	Schroeder
Holtzman	Miller, Calif.	Schulze
Jacobs	Miller, Ohio	Seiberling
Jeffords	Minish	Sharp
Kasten	Mitchell, Md.	Simon
Kastenmeier	Moakley	Solarz
Kelly	Moffett	Spellman
Kildee	Moorhead, Pa.	Steers
Kostmayer	Mottl	Steiger
Latta	Myers, Gary	Stockman
Leach	Neal	Studds
Lehman	Nedzi	Trible
Lent	Nolan	Tsongas
Levitas	Ottinger	Vander Jagt
Luken	Pattison	Vanik
Lundine	Pease	Vento
McCloskey	Pike	Walker
McDonald	Pritchard	Waxman
McHugh	Pursell	Weiss
McKinney	Quayle	Whalen
Maguire	Reuss	Wirth
Markey	Richmond	Wolff
Marks	Rinaldo	Wydler
Martin	Rodino	Wylie
Mattox	Rogers	Yates
Mazzoli	Sarasin	Young, Fla.
Michel	Sawyer	

NOES—252

Abdnor	English	Mann
Addabbo	Ertel	Marlenee
Akaka	Evans, Colo.	Marriott
Alexander	Evans, Ga.	Mathis
Allen	Fary	Meeds
Anderson, Calif.	Findley	Metcalfe
	Flippo	Mikulski
Andrews, N.C.	Flood	Mineta
Andrews, N. Dak.	Flowers	Mitchell, N.Y.
	Flynt	Montgomery
Annunzio	Foley	Moore
Applegate	Ford, Mich.	Moorhead, Calif.
Ashley	Ford, Tenn.	
AuCoin	Fountain	Murphy, Ill.
Badham	Fuqua	Murphy, N.Y.
Bafalis	Gammage	Murphy, Pa.
Baldus	Gaydos	Murtha
Barnard	Giaimo	Myers, Michael
Beard, Tenn.	Gilman	Natcher
Benjamin	Ginn	Nichols
Bennett	Goldwater	Nix
Bevill	Gonzalez	Nowak
Biaggi	Gore	Oakar
Blouin	Gudger	Oberstar
Boland	Guyer	Obey
Bolling	Hagedorn	Panetta
Bonker	Hall	Patten
Bowen	Hammer-schmidt	Patterson
Brademas		Pepper
Breaux	Hanley	Perkins
Breckinridge	Hannaford	Pettis
Brinkley	Hansen	Pickle
Brooks	Harrington	Poage
Brown, Calif.	Harsha	Pressler
Brown, Ohio	Hawkins	Preyer
Buchanan	Hefner	Quie
Burgener	Heftel	Quillen
Burke, Calif.	Hightower	Rahall
Burke, Fla.	Holt	Railsback
Burke, Mass.	Horton	Rangel
Burleson, Tex.	Howard	Regula
Burlison, Mo.	Hubbard	Rhodes
Burton, John	Huckaby	Risenhoover
Butler	Hughes	Roberts
Byron	Hyde	Robinson
Carter	Ichord	Roncalio
Cederberg	Ireland	Rooney
Chappell	Jenkins	Rose
Chisholm	Jenrette	Rosenthal
Clausen, Don H.	Johnson, Calif.	Rousselot
	Johnson, Colo.	Roybal
Clawson, Del	Jones, Okla.	Rudd
Clay	Jones, Tenn.	Ruppe
Cochran	Jordan	Ryan
Collins, Ill.	Kazen	Santini
Corcoran	Ketchum	Satterfield
Corman	Keys	Scheuer
Cornwell	Kindness	Sebelius
Cotter	Krebs	Shipley
Daniel, Dan	Krueger	Shuster
Daniel, R. W.	Lagomarsino	Sikes
Danielson	Le Fante	Sisk
Davis	Lederer	Skelton
de la Garza	Lloyd, Calif.	Skubitz
Delaney	Lloyd, Tenn.	Slack
Dent	Long, La.	Smith, Iowa
Dickinson	Long, Md.	Smith, Nebr.
Dicks	Lott	Snyder
Dingell	Lujan	Spence
Dornan	McCormack	Stangeland
Duncan, Oreg.	McDade	Stanton
Duncan, Tenn.	McEwen	Steed
Edwards, Ala.	McFall	Stokes
Edwards, Okla.	McKay	Stratton
Eilberg	Mahon	Stump
Symms	Van Deerlin	Wiggins
Taylor	Volkmer	Wilson, C. H.
Thompson	Waggonner	Wilson, Tex.
Thone	Walsh	Winn
Thornton	Wampler	Wright
Tonry	Watkins	Yatron
Traxler	Weaver	Young, Mo.
Treen	White	Young, Tex.
Tucker	Whitehurst	Zablocki
Udall	Whitley	Zeferetti
Ullman	Whitten	

NOT VOTING—38

Armstrong	Jones, N.C.	Price
Boggs	Kemp	Roe
Brown, Mich.	Koch	Rostenkowski
Derrick	LaFalce	Runnels
Diggs	Leggett	Russo
Dodd	McClory	St Germain
Evans, Del.	Madigan	Staggers
Fish	Meyner	Stark
Forsythe	Milford	Teague
Fraser	Mollohan	Walgren
Frenzel	Moss	Wilson, Bob
Gradison	Myers, Ind.	Young, Alaska
Harkin	O'Brien	

The Clerk announced the following pairs:

On this vote:

Mr. Russo for, with Mr. Staggers against.
Mr. Walgren for, with Mrs. Boggs against.
Mr. Fraser for, with Mr. Teague against.
Mr. Koch for, with Mr. Price against.

Mr. LEDERER changed his vote from "aye" to "no."

Mr. BAUCUS and Mr. WAXMAN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LATTA

Mr. LATTA. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. LATTA: Strike all after the resolving clause and substitute in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $392,900,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $13,873,000,000;

(2) the appropriate level of total new budget authority is $481,500,000,000;

(3) the appropriate level of total budget outlays is $440,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $47,700,000,000; and

(5) the appropriate level of the public debt is $777,000,000,000 and the amount by which the statutory limit on such debt should accordingly be decreased is $24,100,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $120,100,000,000;

(B) Outlays, $111,900,000,000.

(2) International Affairs (150):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $7,000,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,500,000,000.

(4) Natural Resources, Environment, and Energy (300):

(A) New budget authority, $19,100,000,000;

(B) Outlays, $19,500,000,000.

(5) Agriculture (350):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,300,000,000.

(6) Commerce and Transportation (400):

(A) New budget authority, $18,200,000,000;

(B) Outlays, $18,700,000,000.

(7) Community and Regional Development (450):

(A) New budget authority, $6,400,000,000;

(B) Outlays, $7,800,000,000.

(8) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $18,300,000,000;

(B) Outlays, $19,600,000,000.

(9) Health (550):

(A) New budget authority, $48,300,000,000;

(B) Outlays, $44,000,000,000.

(10) Income Security (600):

(A) New budget authority, $172,000,000,000;

(B) Outlays, $143,600,000,000.

(11) Veterans Benefits and Services (700):

(A) New budget authority, $18,200,000,000;

(B) Outlays, $18,300,000,000.

(12) Law Enforcement and Justice (750):

(A) New budget authority, $3,700,000,000;

(B) Outlays, $3,800,000,000.

(13) General Government (800):

(A) New budget authority, $3,900,000,000;

(B) Outlays, $3,900,000,000.

(14) Revenue Sharing and General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,100,000,000;

(B) Outlays, $8,100,000,000.

(15) Interest (900):

(A) New budget authority, $40,600,000,000;

(B) Outlays, $40,400,000,000.

(16) Allowances:

(A) New budget authority, $1,200,000,000;

(B) Outlays, $1,200,000,000.

(17) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$16,000,000,000;

(B) Outlays, —$16,000,000,000.

SEC. 3. In the third budget resolution for fiscal year 1977, the Congress provided for revenue and spending proposals designed to stimulate the Nation's economy in order to reduce unemployment. These proposals, together with recent indications of more vigorous economic growth in the private sector, provide evidence that the Nation's economy may be returning to the levels needed to provide jobs to millions of our unemployed.

The Congress recognizes, however, that unusual uncertainties surround the current economic outlook for 1977 and 1978—primarily, the economic impact of the stimulus proposals and the likelihood of continued economic growth in the private sector—and that additional time and information are needed to make final determinations with respect to fiscal policy for fiscal year 1978; and declares that, if economic recovery does not proceed satisfactorily during the months immediately following adoption of the first budget resolution for fiscal year 1978, it will be necessary to provide additional stimulus to the economy in appropriate amounts to be determined in the second budget resolution for fiscal year 1978. On the other hand, if the recovery continues to show signs of long-term renewed growth, it may be desirable to reduce some of the economic stimulus provided for fiscal year 1978 in order to make more rapid progress toward a balanced budget.

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974:

(1) Section 1 of S. Con. Res. 10 is amended to read as follows:

"That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $355,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,300,000,000;

(2) the appropriate level of total new budget authority is $469,700,000,000;

(3) the appropriate level of total budget outlays is $414,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $59,250,000,000; and

(5) the appropriate level of the public debt is $707,970,000,000."

(2) Section 2, paragraph (10) of S. Con. Res. 10 is amended to read as follows:

"(10) Income Security (600):

(A) New budget authority, $167,700,000,000;

(B) Outlays, $138,100,000,000."

Mr. LATTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LATTA. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LATTA. Mr. Chairman, I realize the hour is late—10 minutes until 11. We have had 2 long days of vigorous, refreshing, stimulating debate, and I think that it has been better for the House to have had that debate. We have won some; we have lost some. Let me say that during this time I believe that the Committee on the Budget has shown that it has done its homework. I want to commend our chairman for the excellent job he has done in presenting this resolution, not only on the floor, but presenting it in the committee. It is a tremendous job.

Let me say that when we consider a budget of this size, within the few short weeks that we had to consider it, one realizes what kind of job it is. We do have differences of opinion, but they are philosophical, I might say. Certainly, in deference to the committee, if we did not have some differences, I do not think we would have a very good Committee on the Budget. I think dissent is good. We mold our legislation that way.

I sat here for 2 days and listened to these amendments and the arguments presented. Now I take this opportunity to present a substitute to this package which encompasses the philosophy on our side that we attempted to enunciate and pass in the committee. It will take a little time, which is the reason I asked for the Members' indulgence for an additional 5 minutes.

Mr. Chairman, in my remarks at the beginning of the general debate, I attempted to avoid political rhetoric and sweeping generalizations, and instead focused on facts and realities.

I said that the general state of the American economy was good, and that the prospects for a continued strong and healthy recovery were equally as good. I not only said it, the facts document it.

This week's report includes new GNP, personal income and consumer price figures, as well as other recent economic indicators. The following comparisons show changes from preceding week, month, or quarter in seasonably adjusted annual rates unless otherwise stated. Price indicators show the all-items index in annual rates, and special categories adjusted weekly dollar figures. Highlights of latest changes in economic indicators follow:

First. The U.S. economy made a strong first quarter advance, according to new GNP figures released Wednesday. Despite cold weather setbacks in January and February, the upturn in national output was the best in a year, paced by a strong upturn in auto production. Factory operating rates, industrial production and employment rose while unemployment fell. Consumer prices rose at a double digit rate in the first quarter, but slowed their advance in March. Housing starts were at the highest rate in 4 years, personal income made the second highest monthly gain ever, and Government economists project a strong economic growth rate this year. Private economists stress inflation dangers.

Second. Latest GNP figures show year's best gain in Nation's overall production of goods and services—gross national product. The market value of national output—GNP—rose 11.3 percent or $47.6 billion to reach a $1,792.5 billion annual rate, in current dollars.

Third. Real output, a constant dollar measure of GNP adjusted for price changes, rose 5.2 percent in the first quarter, about double the fourth quarter 1976 rise of 2.6 percent. Real final sales, which equals real output minus business inventory changes, rose more slowly in the first quarter, up 3.9 percent compared with a revised 5.7 percent fourth quarter gain—all at annual rate. The smaller rise was attributed to a $9.1 billion decline in the annual rate of net exports.

Fourth. Personal income rose sharply in March for the second biggest monthly gain ever recorded, up 1.7 percent and $24.2 billion to a $1,485.7 billion annual rate, with larger increases in wage and salary disbursements overall, and in factory payrolls, commodity-producing industry payrolls and service industry payrolls than last month. Distributive industry payroll gains were smaller.

Fifth. Consumer prices rose at a double digit 10 percent annual rate in first quarter 1977, easing to a 7.7 percent annual rate in March. Over-the-month changes were respectively eight-tenths percent in January, 1 percent in February, and six-tenths percent in March for the all-items Consumer Price Index. The consumer food index rose six-tenths percent in March after a 2 percent February rise and a nine-tenths percent January rise. Nonfood commodities slowed their advance from seven-tenths to four-tenths percent over-month, while services moved up from six-tenths to eight-tenths percent.

Sixth. Wholesale prices rose at a double digit annual rate, over 13 percent in March, paced by sharply higher farm products and processed foods and feeds prices. Over the month, the all-commodities wholesale price index moved up faster, from nine-tenths percent in February to 1.1. percent in March; industrial prices rose faster, from six-tenths to eight-tenths percent; farm products rose from 2.2 to 2.5 percent; monthly gains, while processed foods and feeds rose from 1.8 to 1.9 percent. The fuels and power index rose less in March, 1.4 percent, than in February, 3.3 percent.

Seventh. Total retail sales eased 1 percent lower in the April 16 sales week, following Easter, but remained 11 percent above year-ago levels at about $13.7 billion this week, according to advance estimates of the U.S. Commerce Department. For the latest 4 weeks sales were also 11 percent above the like period last year—but up 10 percent excluding auto group.

Eighth. New manufacturer's orders for durable goods in March rose to $58.9 billion—a 7 percent rise over February. Shipments rose 8 percent or $4.8 billion to $58.8 billion, leaving order backlogs almost unchanged at $169.5 billion. New orders for primary metals rose 9 percent.

Ninth. Private housing starts rose 17 percent in March to a 2.127 million unit annual rate, up 49 percent over the comparable year-earlier level. Private single-family homes rose from a 1.431 million to a 1.525 million annual rate, while apartment starts in 5-or-more unit apartment buildings nearly doubled from a 263,000 to a 495,000 annual rate.

Tenth. Total employment gained strongly in March, up over half a million jobs above February to reach an 89.5 million seasonally adjusted level. It marks a sustained expansion of 1.7 million persons since October and a 2.6 million gain over the past year (see USDL 77-273, April 1, 1977).

Eleventh. Nonfarm jobs also rose for the fifth straight month, up nearly 490,000 jobs to an 86.4 million level, while nonfarm payrolls also gained nearly 500,000 to 81.3 million as seasonally adjusted. Practically all the total employment gain occurred in nonagricultural industries, whose payrolls rose by $1.5 million over the last 5 months.

Twelfth. The civil labor force rose by nearly 400,000 to over 96.5 million, the second consecutive large monthly gain. The labor force has grown by over a million workers since January and by 2.7 million over the past year, with adult women accounting for more than half of the growth in each period. The labor force participation rate, the proportion of the noninstitutional population either working or jobhunting, reached an all-time peak of 62 percent in March.

Thirteenth. Unemployment declined from 7.183 million in February to 7.064 million in March, as the civil labor force increased. Thus the employment rate declined from the 7.5 percent February level to 7.3 percent in March, while the average duration of unemployment declined 1.5 weeks to 14 weeks, the second successive decline. The unemployment decrease occurred entirely among those who lost their last job or were recalled from layoffs. Total unemployment has declined by 600,000 since November.

Fourteenth. Key unemployment rates show these February to March over-month changes, seasonally adjusted:

All workers down—7.5 to 7.3 percent;

Household heads down—4.9 to 4.6 percent;

Married men down—4.1 to 3.7 percent;

Full-time workers down—6.9 to 6.7 percent;

Minority workers down—13.1 to 12.7 percent;

Adult men down—5.8 to 5.4 percent;

Adult women same at 7.2 percent; and

Teenagers up—18.5 to 18.8 percent.

Fifteenth. Consumer spending and saving. Personal consumption expenditures rose $34.8 billion to an $1,157 billion annual rate while gains in durable purchases, up $11.4 billion in the first quarter, were nearly 2½ times the fourth quarter gain. This upswing in consumer spending paralleled a decline in consumer savings from 5.6 to 5 percent of their disposable income in the first quarter.

I pointed out that capital investment, adjusted for inflation and for expenditures on nonproductive equipment such as pollution-control devices, was significantly behind the rate achieved in previous recoveries. I also said that the greatest risk to our recovery was the accelerating rate of inflation.

I asked what sort of Federal fiscal policy was the most appropriate to the situation as it exists today and is likely to exist in the future. Is it appropriate to propose the largest deficit in history during the third full year of strong economic recovery? Is it appropriate to spend over $467 billion in 1978, nearly $70 billion more than we will take in, when inflation is growing and once again threatening to wreak havoc with the economy?

Some may complain that we are not proposing enough for this group or that group and particularly for stimulus programs. All of these groups are hurt when inflation takes off into the double-digit range. Are you really doing the unemployed a favor by spending money on programs which most everyone agrees create precious few new jobs at enormous costs? Face facts, we told them, we have to recognize that we help no one, and hurt everyone, when we vote money for programs with "popular," "catchy" titles, but which we all know, in our hearts, are inefficient and ineffective. My colleague from New York said: "We will never balance the budget until we learn to say 'No' to worthy causes." Well, the substitute before you now does just that we are saying "No" to some requests for Federal funds. Not because we think them unimportant but because we believe achieving a strong economic recovery with full employment without inflation is more important.

Our substitute resolution is based on four principles:

First. We believe it is absolutely essential to balance the budget as quickly as possible in order to keep our economic recovery strong, and to keep it from falling victim to the vicious-cycle of inflation—begets—recession—begets unemployment—begets—even greater deficits. To accomplish this, we have called for outlays and budget authority significantly below that contained in the resolution. Specifically, we have eliminated the Carter stimulus measures planned for 1978 and beyond because they are simply not needed to stimulate the economy. We have also provided for fair, but not excessive increases in many other fundamental areas, most specifically the human resource programs; and we have provided for fair, but not excessive decreases in other economic stimulus related programs. The end result is a budget with outlays of $440 billion and reduces the deficit to $47 billion. That is $1 billion less than what President Carter is projecting for this fiscal year.

We are proposing a deficit which keeps the trend line going downwards. President Carter needs that trend if he is to balance the budget in fiscal year 1981. Let me put it to you squarely: Vote for our proposal with a reasonable deficit and help the President; or vote for a record—I repeat a record—deficit of $70 billion. Face facts—we cannot balance the budget in fiscal year 1981 if the deficit is $70 billion in fiscal year 1978—the single biggest drop we have ever had in the deficit was $28 billion, the next biggest drop was $13 billion, and we have not had more than 2 consecutive years of declining budgets since 1950. Face it—the deficit in fiscal year 1978 must be smaller than the fiscal year 1977 deficit—especially since there is no economic rationale in fiscal year 1978 for a deeper deficit.

Second. We believe that the first priority of the budget must be to provide for a strong, but not excessive, national defense, and have called for defense outlays in 1978 of $111.9 billion, or the amount contained in the President's budget estimates of February committee's but is requested by a Presi- 1977. This is $2.3 billion more than the dent who said he could reduce the Defense budget by $5 billion.

Third. We believe that the most oppressed people of this country are the taxpayers. We believe that it is patently unfair to finance greater and greater levels of Federal spending by raising the taxes of the working people of this country, but that is exactly what has happened as inflation has pushed our citizens into higher and higher tax brackets while the Congress has refused to recognize that fact by lowering the tax rates. Indeed the Congress has made this worse by contributing, through 20 years of deficit spending, to the very inflation which pushes working people into higher tax brackets. We therefore have made provision in the revenue and outlay targets to accommodate a 10 percent across-the-board reduction in permanent income taxes. For those who supported Mr. Carter's ill-fated $50 rebate we would assume that you will then support this substitute. To not do so, I would remind you, is to condemn the American taxpayers to continued tax increases every year in the future.

Let me say also that we heard a lot on the floor yesterday about the supposed evils of tax relief for big business. Well, this tax proposal is not for business; it is just for the individual taxpayer. So, no one—I repeat no one—can get off the hook by opposing this substitute on the ground that it helps big business and hurts the little guy.

Fourth. We believe that we must provide meaningful, productive, permanent job opportunities for all Americans willing and able to work. This does not mean make-work jobs in the public sector, but jobs created by the expansion of the private sector. We need to further stimulate capital investment by improving the climate for such investment. Our proposal to provide an across-the-board, personal 10 percent tax cut will create 1 million jobs, and will result in savings of approximately $3 billion in unemployment related expenditures. These are realistic estimates based on computations made by the Congressional Budget Office and the Congressional Research Service. These figures show the soundness of a strategy which links tax cuts with spending cuts and aims for a balanced budget with a lightened tax burden on the American people.

One final point. We cannot keep saying we will balance the budget "next year," because next year never seems to come. It is so easy for each of us to think of countless programs and activities which ought to be funded at a higher level, but it is a real test of courage to admit that the health of this Nation's economy and the welfare of our taxpayers must come first.

Do we want to expend over $46 billion in interest alone on that national debt in fiscal year 1978? Everybody is for all of these goodies. And maybe we could bring that debt down by changing the way we operate around here, so that instead of having those authorization bills and appropriation bills, and Ways and Means bills, we would put them all together, and if we want those goodies, we would pay for them in the same bill.

The Members ought to give that some thought. Some of the State legislatures are doing that.

Some may complain that we are not proposing enough in this substitute—which, incidentally, will reduce spending by about $26 billion—for this group or that group, and particularly for a stimulus program. I will ask the Members, in view of the figures I have just given, do we need a stimulus program on top of that?

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

(On request of Mr. CONABLE and by unanimous consent, Mr. LATTA was allowed to proceed for 2 additional minutes.)

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Ohio (Mr. LATTA). I think it is a disgrace, given the condition of the economy, that we are looking at a record deficit—not just a large deficit, but a record deficit—in the resolution that is before us. Such a deficit will come

back to haunt us later on, perhaps even this year.

A tax cut of 10 percent across the board would be a considerable advantage to the American people at this time when inflation has put them into a higher bracket. Such a cut, included in this substitute, gives the incentive to both thrift and industry, both critical ingredients to an advancing economy.

A substantial reduction in the total amount of spending is an entirely justified move, given the state of the economy, and the expenditure cuts embodied in the substitute are carefully balanced to avoid hardship and to remove only the ingredient of unnecessary stimulus.

Mr. Chairman, I would like to compliment the gentleman from Ohio (Mr. LATTA) for the work that went into this amendment, and I would like to urge its support.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, I will be very brief.

In effect what the Latta substitute is, is this: It is the old President Ford budget. If we look at the figures, we will find they are almost identical to the budget which President Ford sent up for fiscal year 1978, and it contains a budget deficit of $47 billion. That is a $23 billion reduction in outlays, and these are the reductions:

$8 billion in education;

$4½ billion in income security;

$3 billion in community and regional development;

$1.7 billion in revenue sharing and general purpose fiscal assistance;

$1.6 billion in commerce and transportation;

$1.6 billion in veterans' benefits and services;

$1.2 billion in natural resources, environment, and energy;

And then, of course, the add-on to the defense function which was included earlier today by the Burleson amendment.

Mr. Chairman, if we want to vote for that, if that is what we want to do, then we should support the Latta substitute. However, I do not think we can do that in good conscience.

I also do not think that the statements as to the rosy economic projections will bear close scrutiny. The fact is that the recovery in the economy is not as strong as we would hope. There is a recovery, but according to all our econometric models and the statements of our economists who have made estimates, the recovery is weak. They insist that it is weak and that it needs assistance from the Government by way of economic stimulus.

Mr. Chairman, I will not take additional time of the Members. I think we should vote down the Latta substitute.

Mr. RHODES. Mr. Chairman, I rise in support of the amendment in the nature of a substitute.

Mr. Chairman, there are a couple of points we should bear in mind about this amendment in the nature of a substitute that I do not think the Members understand clearly.

One of them is that this calls for a 10 percent across the board tax cut. I think this may be very important as far as the people back home are concerned.

Another thing the substitute calls for is a reduction in expenditures that would reduce the deficit $22 billion below the deficit in the resolution brought out by the Committee on the Budget. I think this is something that the people back home might be interested in also.

Mr. Chairman, this amendment was not brought forth hastily. It was given a great deal of study. We happen to think that it is in the best interests of the country. We happen to think that the people of the country are going to think a 10-percent tax cut is in the best interest of the country, too.

What we have done is to take the resolution of the Committee on the Budget and try to adjust it to the economic needs of the country as we see them today. All indices clearly point out that the country is recovering very beautifully from the recession, except in the one area of business investment. The President of the United States, I think very wisely, decided not to press his $50 a person tax rebate because it would only have provided inflation without any incentive for investment.

However, a permanent tax cut, one which provides purchasing power equal to 10 percent of the amount of money everybody pays in income taxes, is a stimulus to the people of the United States. This represents money they will be able to spend, money which the business interests will have available. The people who make the investment decisions would realize it will be there, and this will stimulate them to invest money for the purpose of producing more and providing more jobs.

Mr. Chairman, the bottom line is jobs. The Republican Party has never been in favor of the jobs program which has been offered by the administration or by the majority: not because we are not interested in jobs for people, but because we feel that jobs—better jobs and jobs with meaning—can better be supplied through the private enterprise system. This is the reason why this amendment has been offered. I urge my colleagues to bear these jobs in mind because it is important. We feel that this is the way to put America back to work.

One of the things which has always been a truism as far as economics is concerned is that a really honest to goodness tax cut will stimulate the economy.

Mr. Chairman, those Members who were in the Congress in the early sixties, will remember the Kennedy tax cut and what happened to it. Not only did business get better, but revenues actually went up. Business activity increased so much that revenue actually increased rather than decreased. It is important that we understand this so we can adopt this amendment tonight.

The President of the United States has made some campaign promises, and I promised to help him keep some of them. He made the campaign promise that he would try to balance the budget by fiscal year 1981. I want to help him. There is no way in which he can do that; there is no way in which he can balance that budget unless we cut the deficit rather than increasing it to a record $70 billion as proposed by the Democratic majority.

Mr. Chairman, I think it is essential that we help the President. This country needs a budget balanced by fiscal year 1981 as much as it needs anything, and I am going to do the very best I can to help the President do that.

Mr. Chairman, I hope that the rest of the Members of this House will help me.

Mr. BURGENER. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman and Members of the House, I know the hour is late. I will try to be very brief, but this matter is most important.

We contend that permanent tax cuts work, that they result in capital formation in the private sector, that they result in more decisionmaking for the wage earner. They result in new jobs that last.

Mr. Chairman, we believe that there is collective wisdom and judgment possessed by the American people who earn the money in our country about how to dispose of their disposable income that is greater than that possessed by the social planners and the managers here in the Nation's capital.

There is proof of it, Mr. Chairman and Members of the House; and the proof is bipartisan.

I just want to illustrate this one fact: In the late 1950's and the early 1960's we had a recession very similar to one we went through recently. President Kennedy, followed by President Johnson, made major and permanent tax cuts all across the board, every bracket, including investment tax credits for American employers.

Let me relate what happened. It was predicted that in a 6-year period revenues to the Treasury would be reduced by $89 billion. The facts were that they were increased, increased in that period by $54 billion; and in the last 10 years of this Nation the number of jobs has increased twice as fast as the population, at a rate of 21 percent, without massive Federal intervention.

Mr. Chairman, there is currently a great fear of double-digit inflation. All indicators point toward a recovery now, and the $70 billion deficit would be a disaster and would lead us into double-digit inflation.

Mr. Chairman and Members of the House, we cannot stand by and allow that to happen. I urge adoption of the Latta substitute.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Latta substitute.

Mr. Chairman, the impending vote on the substitute offered by the gentleman from Ohio (Mr. LATTA) may well be the most significant vote any of us cast in this session. This vote will determine I believe whether or not we will condemn the American people and the American economy to another cycle of boom and bust, or whether we will take the manda-

tory initial steps toward restoring lasting stability to the American economy.

Let us be honest with ourselves. The budget proposed by the majority defies every known economic principle. The record $69 billion Federal deficit proposed in the majority's budget contains billions in stimulus for an economy which is recovering beyond any of our expectations and which indeed may be dangerously close to overheating. The threat of renewed double digit inflation is no longer just a threat. It is a reality. Unless we take meaningful effective action inflation will once again be out of control, the purchasing power of every American family will be substantially reduced, consumer demand will drop, inventories will increase drastically and unemployment will rise. We will have repeated once again the inflation-recession cycle which brought our people to the edge of despair a mere 3 years ago.

By virtually every meaningful measure our present economic recovery is strong. President Carter acknowledged as much when he withdrew his request for the $50 rebate. Consumer demand is up sharply. The GNP is growing faster than projected. A half a million new jobs were created last month. New home construction sky-rocketed in March. New starts reflected an annual rate of 2.1 million. Are we now to ignore the economic facts before us and instead provide a record level of stimulus for an economy which in fiscal year 1977 has recovered strongly with far less stimulus than was clamored for by the majority?

President Carter has recently renewed his pledge to balance the Federal budget in 1981. If we approve a deficit for 1978 of $69 billion, which is $20 billion more than the latest OMB estimate of $48.7 billion for fiscal year 1977, we will be guaranteeing that President Carter's pledge to the American people to balance the budget by 1981 will never be a reality. It will be impossible to reduce the budget gap $70 billion in 3 years. Indeed the majority is telling us we cannot reduce it $1 billion this year.

Critics of this substitute have complained that it ignores the elderly, the needy, the unemployed. Nothing could be farther from the truth. This budget takes into account these people's greatest need, the need for economic stability. The Nation's elderly need to know that Congress cares enough about them to prevent double digit inflation that erodes their life savings. This budget takes into account the Nation's poor by taking actions which will prevent inflation from pushing decent housing, decent clothing and a nutritional diet beyond their reach.

This budget takes into account the needs of the unemployed by providing just enough stimulus and incentive to the private sector of our economy to expand and invest, to provide long-term, good-paying jobs for today's unemployed. This budget also concerns itself with the vast American middle class which is tired of seeing Government fiscal policies feed inflation and push the middle class taxpayer into a higher and higher tax bracket where the Government takes an even larger share of the money he or she has worked so hard to earn.

This substitute is the truly compassionate budget. Its compassion is real, rather than illusory. This budget reflects realistic priorities. It supports the funding level requested by the President to maintain an adequate defense. It reflects an increase in human resource funding. Equally as important it reflects the need to reduce the tax burden of the American people. The across-the-board 10-percent tax cut is a fiscally responsible way of reducing the share of our gross national product consumed by the Federal Government. It would increase the economic freedom of the American people by allowing them to make their own spending decisions rather than allowing Congress or the bureaucracy to set spending priorities for the individual wage earners.

The tax cut would also supply the necessary measure of stimulus to insure continued strength in the demand side of the economy while perking up the supply side which has lagged. The tax cut would provide the incentive for Americans to save and to voluntarily invest in the private sector of the economy, rather than being forced to invest in the public sector through continued high taxes.

This substitute is the vehicle for turning our economic policies around. We can choose stability and greater economic freedom for our people or we can choose renewed instability and increased Government controls. There is no doubt in my mind which course the majority of the American people would choose if they could make the choice today.

I want to point out, Mr. Chairman, that the budget resolution as brought forth by the majority would call for a tremendous deficit.

I am concerned, as I know many others are concerned, about the effect that this is going to have on inflation.

I would point out that the Latta substitute not only provides for spending reductions, but also for an across-the-board tax decrease which the American people badly need.

It was proved, as was pointed out by the minority leader, that during the Kennedy tax cut almost 14 years ago, the economy rebounded from a recession at that time; and more tax revenues resulted because of that across-the-board tax cut.

What is wrong with following the philosophy of letting the people keep their hard-earned money in their own pockets and letting them make their own spending decisions? Why send it to Washington to let the bureaucrats make their spending decisions for them?

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding to me. I did not have the opportunity during the 10 minutes which were very graciously given to me to go into great details about the tax reduction part of my substitute. But, as has been indicated before, there is provision made for a 10-percent across-the-board tax cut for the individual taxpayers. It does not apply to corporations, it just applies to individuals.

With regard to what my good friend, the chairman of the committee, the gentleman from Connecticut (Mr. GIAIMO) indicated, this is not the same proposal that was presented by the Ford administration, because that did apply to corporations. This does not.

We think this is the right approach. We think the people of this country are deserving of a tax reduction and it could be provided under this proposal and we could still end up with about $22 billion less deficit in fiscal year 1978.

Mrs. HOLT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment in the nature of a substitute.

Mr. Chairman, I rise in support of the substitute to House Concurrent Resolution 195, the first budget resolution for the 1978 fiscal year. The purpose of this substitute is to lower government spending, reduce inflation, and cut taxes to promote real and durable economic growth.

We proposed to reduce outlays by $26 billion, cut the deficit by $21 billion, and allow for a general income tax reduction of 10 percent.

I am absolutely appalled at the resolution that has been reported to this House by the Budget Committee and new estimates by the administration. The projected outlays of $467 billion are $27 billion higher than those originally requested by former President Ford. The deficit would approach a record-shattering $70 billion.

Assuming that economic recovery continues, such an extreme outpouring of unearned, borrowed cash would be extremely inflationary. It would send our economy into another ruinous dive by destroying consumer purchasing power and driving interest rates higher because of Government's drain on capital markets.

Mr. Chairman, the very worst time to run a huge budget deficit is at a time of economic recovery, and our economy is already well on the way to recovery from the last recession. The question is whether we want another surge of roaring inflation followed by another deep recession, which is the pattern we experienced in 1974 and 1975.

We are already feeling some inflationary consequences from the enormous deficit spending of the last 2 fiscal years. If the inflation rate accelerates sharply within the next year, we will be thrown back into another deep recession.

That is the most dangerous feature of the resolution reported by the Budget Committee, but there are other related dangers. It does not address the problem of obtaining investment to expand production and create jobs.

The economic policies of this Congress have been wholly directed at stimulating consumer demand, on the theory that demand will generate production and jobs. I believe this theory has been exploded. Consumer demand is very healthy, but investment is the weakest part of the economy.

Investment requires confidence in the future, and the business community fears that inflation, taxation, and regulation will wipe out profits. Inflation is the greatest worry, although heavy taxation and excessive regulation are also handicapping economic growth.

I might say that Congress is respon-

sible for these restraints on economic development, and it is our responsibility to relax them. At this critical stage in economic recovery, it is important to avoid any further stimulation of demand and concern ourselves with the problem of production.

The substitute which I am supporting would promote strong economic growth and job creation by both reducing the inflationary deficit and allowing general tax reductions, increasing the rewards for investment and work.

This requires rather steep cuts in projected Federal spending, but if we really want healthy economic growth without inflation, this is the course we must pursue. Production is one of the surest methods of fighting inflation and providing an abundance of jobs and goods for the American people, but it is fundamental that more production requires more investment.

The huge cost and regulatory burden of big Government is discouraging investment, and it is time that we reversed that trend. The formula for prosperity is to let the American people retain, spend, and invest more of their own earnings.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the Latta substitute to the first concurrent resolution on the budget for fiscal year 1978 as offered by my distinguished colleague from Ohio (Mr. LATTA). He has offered us a constructive and helpful alternative to the Keynesian now $68 billion deficit being proposed by the majority. It is important to note, however, that even the minority initiative provides for a deficit of approximately $48 billion. While this lower figure is commendable, it does not go far enough in eliminating the deficit and, so, later today I will provide my colleagues with the opportunity of voting for a truly balanced budget at a later time.

The minority proposal calls for a simple, across-the-board 10-percent tax rate reduction for every American worker. The purpose of a permanent tax rate reduction is to reduce the tax bias against work, saving, and investment; that is, to increase the reward to work, save, and invest and to make it more desirable for people to invest and to hire unemployed and produce more real long-term jobs. A good case has been made that a tax rate reduction, as proposed by the Latta substitute, will actually increase Government revenues by expanding the tax base. Lower tax rates on a larger tax base can generate more tax revenues than higher tax rates on a smaller tax base. This was proved during the time in the 1960's that the Kennedy tax cuts were put in place.

If we are in fact concerned about fiscal integrity and wish to stop the budget busting that has characterized Federal spending in recent years, then we must start now to live within our means. Deficit spending in the neighborhood of $68 billion, as contained in House Concurrent Resolution 195, will create economic hardship and stress for the 89 million working people. The evidence of the past 16 years, during which we have incurred 15 deficit budgets, shows that bloated deficits—deficits that sap needed money from capital markets and aggravate inflation—have only exacerbated the problems of unemployment and recession, and the burden of proof should rest with those who prescribe this cure for our economic ills to prove otherwise. Found within this first concurrent resolution on the budget for fiscal year 1978 is an economic policy of bigger debt, bigger Government, bigger deficits, unnecessary transfer payments, and a greater lack of concern for the 89 million working American taxpayers. In addition, this irresponsible approach converts the budget process from an instrument of control over wild and unnecessary spending and improper Federal revenue manipulation to an instrument of political mismanagement which will at the same time encourage a bloated Federal Government to become even bigger and will trample increasingly on the economic free choice of our working people. I urge my colleagues to vote on the side of reason and sanity by supporting the Latta substitute.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. LATTA).

I shall take only 1 minute.

First of all, I think the process yesterday and today suggests that we may need to refine this whole budget process decisively.

Second, with regard to the immediate amendment, I would point out that the tax reduction feature that is in this amendment is precisely what Dr. Arthur Burns warned our committee on the budget we should not do.

I hope the amendment is defeated.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman from Illinois for yielding to me.

Mr. Chairman, I would ask who wants to vote for a deficit just to get a tax cut? Our good colleague, the gentleman from California (Mr. ROUSSELOT), will offer a tax cut in a balanced budget and that is something that the people would like.

So, vote down the Latta amendment.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and members of the committee, I had contemplated wearing my "WIN" button in anticipation of speaking, because what we are talking about in this amendment is whipping inflation.

Mr. Chairman, I would like to point out a couple of things.

First, that the figures in this budget resolution covering the debt, the deficit, the total revenues, the total outlays and the total budget authority and the functional amounts are purely advisory and therefore can be moved around by this body. I think we should keep that in mind that in voting for this substitute we are really talking about totals, the deficit, revenues, outlays and budget authority.

There are only two fundamental issues. A vote yes on this substitute amendment is a vote against runaway inflation and it is a vote for confidence in the economy of this Nation.

If this body tonight were to adopt this amendment in the nature of a substitute there would be a ripple of confidence running through our economy in business decisions tomorrow that would do a great deal to bring about the kind of continued economic growth that would provide permanent jobs and would provide the taxes to support the local and State governments in doing the kind of things that all of us feel are so important to the quality of life in this country.

Lastly, I would point out that a vote for the resolution as it is before us with the large deficits, with the large debt limits, with the large outlays, is a vote basically to increase the taxes on the American people, the hidden taxes of inflation, as they are pushed into higher and higher brackets and their purchasing power shrinks. In effect we are voting a tax increase if we support the budget resolution without the Latta amendment.

Mr. KEMP. Mr. Chairman, I rise in support of the Latta alternative budget resolution offered by the minority of the House Budget Committee. Not only does this resolution substantially reduce the projected budget deficit for fiscal year 1978 but more importantly proposes a 10-percent reduction in all individual income tax rates to help inflation-proof the incomes of the American people.

The budget for fiscal year 1978 has undergone considerable revision since it was first proposed. First it was revised by President Carter, whose latest revision increases outlays to $462,6 billion. This represents an increase of more than $22 billion above the Ford budget. The majority members of the House Budget Committee, however, have increased this figure still further, to $467 billion. This would result in a projected deficit of $69 billion in fiscal year 1978. I believe the way to get this economy going again, create jobs, reduce inflation and help the average American, is to lower their taxes.

I believe that the American people are tired of deficit spending and they are tired of high taxes. The following table demonstrates the continuous upward trend in deficit spending:

THE NATIONAL DEBT IN THE 20TH CENTURY

Totals at the end of fiscal years

(Rounded to the nearest billion dollars)

1900	1
1901	1
1902	1
1903	1
1904	1
1905	1
1906	1
1907	1
1908	1
1909	1
1910	1
1911	1
1912	1
1913	1
1914	1
1915	1
1916	1
1917	3
1918	12

1919	25	1951	254	We want to balance the budget and reduce deficits not by relying on more taxes or the automatic tax increases resulting from inflation, but by expanding the productive, private sector of our economy through tax rate reduction.	
1920	24	1952	258		
1921	24	1953	265		
1922	23	1954	271		
1923	22	1955	274		
1924	21	1956	273		
1925	21	1957	272		
1926	20	1958	280		
1927	19	1959	288		
1928	18	1960	291		
1929	17	1961	293		
1930	16	1962	303		
1931	17	1963	311		
1932	20	1964	317		
1933	23	1965	323		
1934	27	1966	329		
1935	29	1967	341		
1936	34	1968	370		
1937	36	1969	367		
1938	37	1970	383		
1939	40	1971	409		
1940	43	1972	437		
1941	49	1973	468		
1942	72	1974	486		
1943	137	1975	544		
1944	201	1976	631		
1945	259	1977 [1]	727		
1946	269	1978 [1]	802		
1947	256				
1948	251	[1] Estimated Figures, March, 1977.			
1949	252	Source: U.S. Treasury Department.			
1950	256				

It is a well known fact that every increase in the price level leads to an automatic increase in tax revenues, as inflation pushes individual incomes into higher tax brackets without increasing purchasing power. This means that most individuals have had a substantial increase in their relative tax burden over the past several years. The Congressional Budget Office, for example, estimates that every 1-percent increase in the price level will lead to an automatic 1.2-percent increase in Government revenues. This tax increase, furthermore, falls disproportionately on individual taxpayers because every 1-percent increase in the price level will cause a 1.5-percent increase in individual income tax revenues. The following chart illustrates how this has affected families with average and above average incomes over the period from 1953 to 1975:

DIRECT TAX BURDENS BORNE BY AVERAGE- AND UPPER-INCOME FAMILIES, 1953 AND 1975

Type of tax	Family with average income			Family with twice average income			Family with 4 times average income		
	Tax as percent of family income		Percent increase, 1953–75	Tax as percent of family income		Percent increase, 1953–75	Tax as percent of family income		Percent increase, 1953–75
	1953	1975		1953	1975		1953	1975	
Total	11.8	22.7	92.4	16.5	24.6	49.1	20.2	29.5	46.0
Federal personal income tax	7.6	9.6	26.3	12.8	14.7	14.8	16.6	21.1	27.1
Social security tax	1.1	5.9	436.4	.5	2.9	480.0	.3	1.5	400.0
Local residential property	2.2	4.0	81.8	1.8	3.2	77.8	1.7	2.5	47.1
State-local personal income	.3	1.9	533.3	.9	2.9	222.2	1.2	3.7	208.3
State-local general sales	.6	1.3	116.7	.5	.9	80.0	.4	.7	75.0

Note: Estimates for average family earning $5,000 in 1953 and $14,000 in 1975 assuming all income from wages and salaries and earned by 1 spouse. Estimates for twice the average family: Family earning $10,000 in 1953 and $28,000 in 1975 and assumes that earnings include $105 (interest on State and local debt and excludable dividends) in 1975 and $25 in 1953; also assumes the inclusion of net-long term capital gains of $1,040 in 1975 and $350 in 1953. Estimates for 4 times the average family: Family earning $20,000 in 1953 and $56,000 in 1975 and assumes that earnings of $965 (interest on State and local debt and excludable dividends) in 1975 and $265 in 1953; also assumes the inclusion of net long-term capital gains of $6,400 in 1975 and $1,730 in 1953.

Source: Advisory Commission on Intergovernmental Relations.

Unless this trend is halted, taxes will continue to increase on all Americans. The disincentive effect this will have on the American economy will slow economic growth still further, continue to depress capital spending, and make it impossible to create the millions of new jobs needed to reduce unemployment and absorb all the new jobseekers who will enter the market in the future.

By contrast, our proposal to cut all individual income tax rates by 10 percent is the best way to restore a high level of real economic growth, create millions of new jobs in the private sector, and expand the economic base of the Nation so that tax revenues can be increased and the budget deficit ultimately eliminated.

It is a fact that high tax rates do not result in higher tax revenues. On the contrary, they actually reduce tax revenues by reducing the marginal incentive to work, produce, or invest. This happens when individuals are discouraged from earning higher incomes because their aftertax reward is too small. Instead, they either forgo income opportunities altogether or put their money into tax-free municipal bonds and the like. The Government has then lost whatever revenues it would have derived at a tax rate low enough to induce these individuals to invest their time and money in profitmaking, revenue-producing enterprises, rather than tax shelters or leisure.

It should be emphasized that the decision to work or take leisure, to invest in profitmaking enterprises or tax-free municipal bonds, is not determined by the total tax burden but by the marginal tax rate. Thus a tax cut and a tax rate reduction are not the same thing and do not affect the economy the same way. A tax rebate, for example, is a tax "cut," but it is really just reverse spending and will act only on the demand side of the economy, just as Government spending does. By contrast, a tax rate reduction increases the incentive to work and invest for everyone, thus affecting not only demand but supply as well. This is a fundamental distinction which Keynesian economics simply does not recognize.

I agree perfectly with those who wish to relieve the small taxpayer by getting the largest possible contribution from the people with large incomes. But if the rates on large incomes are so high that they disappear, the small taxpayer will be left to bear the entire burden. If, on the other hand, the rates are placed where they will produce the most revenue from large incomes, then the small taxpayer will be relieved.

A very important social and economic question is also involved in high rates. That is the result taxation has upon national development. Our progress in that direction depends upon two factors—personal ability and surplus income. An expanding prosperity requires that the largest possible amount of surplus income should be invested in productive enterprise under the direction of the best personal ability. This will not be done if the rewards of such action are very largely taken away by taxation. If we had a tax whereby on the first working day the Government took 5 percent of your wages, on the second day 10 percent, on the third day 20 percent, on the fourth day 30 percent, on the fifth day 50 percent, and on the sixth day 60 percent, how many of you would continue to work on the last two days of the week? It is the same with capital. Surplus income will go into tax-exempt securities. It will refuse to take the risk incidental to embarking in business.

This is the reason why this proposal can promise an increase in tax revenues despite a reduction in tax rates. By inducing individuals to work harder and take their money out of tax shelters; by increasing after tax incomes for all Americans; and by removing the disincentives caused by high tax rates, you will get an immediate expansion of real output and a broadening of the tax base

itself. At the same time, the reduction in Government transfer payments will substantially reduce outlays as well. The result is that the net cost of the rate reduction in terms of the deficit is almost eliminated even in the first year. And, since this proposal would not take effect until January 1, 1978, people and businesses would begin expanding investment and output immediately, in anticipation of higher incomes next year. By the following year, the Government will be taking in more revenue than it would if it had not reduced the rates at all.

Lest one doubt that this theory can actually be proven to work in practice, I should point out that on two different occasions this century tax reductions led to substantial increases in tax revenues and produced the two greatest periods of prosperity in our history. The first occasion was when the wartime surtaxes were eliminated following World War I. Sponsored by Treasury Secretary Andrew Mellon, this large rate reduction was accomplished precisely by promising that not only would tax revenues ultimately be increased but that this would be done by shifting the burden of taxation upward. Under the Kennedy administration the same promise was made and the same thing occurred. The following tables demonstrate that tax revenues exceeded Treasury estimates after the Kennedy tax cuts and that this was accompanied by an increase in the tax derived from individuals with incomes over $100,000:

TABLE 1

[In billions of dollars]

	Treasury estimated revenue losses	Actual revenue gains
1963	−2.4	+7
1964	−5.2	+6
1965	−13.3	+4
1966	−20.0	+14
1967	−23.7	+19
1968	−24.7	+4

TABLE 2.—*Percent of total income tax derived from rates above $100,000*

[In percent]

1963	5.1
1964	6.3
1965	7.6
1966	7.5
1967	8.5
1968	9.2

You do not get this kind of effect without a permanent tax rate reduction. In the Kennedy case, the top rate was reduced from 91 to 70 percent and the bottom rate reduced from 20 to 14 percent.

Recently, President Carter has announced that he will veto any attempt to permanently reduce taxes. At the same time he has announced that he will substantially increase taxes on all Americans to reduce energy consumption. I think that the American people understand this issue better than the Congress or the administration. I suggest, therefore, that a vote for a permanent tax rate reduction today is not only economically sound, but politically sensible as well. I am for it because it will reduce taxes on all classes of income. I am for it because it will encourage more work, production, and investment. I am for it because it will decrease the cost of living. I am for it because it is economically, socially, and morally sound.

But the people of the Nation must understand that this is their fight. They alone can win it. Unless they make their wishes known to the Congress without regard to party this effort to reduce taxes will not pass. I urge them to speak out before it is too late. Must we allow to happen here in America what has happened to Great Britain.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio (Mr. LATTA).

Mr. Chairman, we are debating a budget resolution, not a detailed tax proposal. We are talking only about aggregate spending and revenue figures. Yet underlying these budget figures are assumptions about the tax and spending policies of the Federal Government in the next fiscal year. And, as we change the assumptions, the figures must change.

In the amendment now being offered, an assumption is made that we will pass an effective tax cut to insure a continued economic recovery—a tax cut similar in form, shape, structure and effectiveness to the tax cut designed by John Kennedy and enacted in 1963.

Mr. Chairman, 15 years ago we were thrown out of Camelot, and for 15 years we have been trying to find the handle to the drawbridge. A Kennedy-style tax rate reduction is that key.

What do I mean by the structure, shape, form of the Kennedy tax cut?

Surely not a rebate. Having the Treasury borrow $11 billion to hand out $11 billion would do very little to stimulate demand, and it would have had no effect on the percent of next year's earnings, interest, or dividends a taxpayer got to keep after taxes. There would have been no increase in the supply of work effort, savings, investment or output.

By a Kennedy-style tax cut, I mean rate reduction—cuts in the marginal tax rates that apply to each additional dollar earned. Economic leaders of the Kennedy era reasoned that such a tax rate cut would directly increase the after tax reward to added work effort, added savings, and added investment, to produce added growth. The added output by the self-employed, the added saving and investment, would produce more orders for factories, machines, steel, glass, and so on. And the new orders produce new paychecks, and the paychecks produce demand. Since capacity and demand both increase, the growth is noninflationary. There is no other form of tax cut that can make that claim. And it all stems from the shape of the tax cut, and the drop in the marginal tax rates.

The added tax base, the added GNP, that a Kennedy-style tax rate reduction produces, lets us project a hefty return to the Government of the tax revenues given up by the tax cut, even in the first year. Again, no other type of tax cut can make that claim.

The most conservative estimates we could find on the response of GNP to a tax rate reduction came from the Senate Budget Committee. They assume a short run multiplier of 1.5, meaning that GNP will rise by 1.5 times the tax cut after 6 months. By year end, GNP will be up by nearly twice the amount of the tax cut. At the present time, the Federal Government is taking 25 percent of incremental GNP. Applying this recovery rate to the GNP produced by the tax cut means a recovery of over 30 percent of the revenue loss from the tax cut even before the year is out.

The Congressional Budget Office is more optimistic, assuming a short run as well as a long run multiplier of 2, according to figures submitted at the time of the second concurrent resolution last year. This implies a recovery of 37 percent of the revenue within the year.

Walter Heller told the Joint Economic Committee in hearings on the President's budget that the Kennedy tax rate cut actually paid for itself in less than 1 year.

To be very conservative, we only took a 30-percent recovery rate, giving the Kennedy tax cut less than one-third of its due.

In addition to the revenues recovered as GNP rises, there will be a savings of more than $2 billion as people leave the welfare and unemployment roles, increasing the revenue recovery, on the most conservative estimates, to between 35 and 40 percent in the first year.

On a full year basis, the Congressional Research Service has given us recovery rates of $14 to $16 billion for every million jobs created, which will return more than two-thirds of the tax cut by its second year, as well as reducing unemployment by nearly a full point. This is a large return in jobs, growth and revenues for a small initial investment.

As a consequence of a Kennedy-style tax cut, we have every historical reason to expect a higher permanent growth rate, a lower unemployment rate, and higher Government revenues on an increased tax base in the years ahead.

We need the growth that a Kennedy-style tax cut can produce. We need a reduction in marginal rates in every bracket to get people in every bracket to work more and play less, to get more saving and less conspicuous consumption, to lure more money out of loopholes and into productive investment.

Our savings rate is the worst in the Western World. Our major trading partners have household savings ratios of from 50 percent to 250 percent higher than we do, according to the Organization for Economic Cooperation and Development. And the Bureau of Labor Statistics has new figures which show the consequences: foreign investment and growth are faster than in the United States. Investment among other Western nations is between 15 percent and 50 percent higher than in the United States. But the clincher is wages. Real wages rose only 11½ percent in the United States from 1967 to 1975. Every other major trading nation surpassed that performance:

[In percent]

Canada	27
Japan	98
Belgium	73
Denmark	59
France	58
Germany	73
Italy	105
The Netherlands	70
Sweden	47
Switzerland	37
Even Britain	40

If we do not get tax rates down to encourage savings and growth, we will have to give up rapid wage increases, rapid job creation, rapid growth of GNP, and the social security benefits we have promised on the assumption that GNP and productivity will be rising sharply over the next 25 years.

Only a permanent reduction in marginal tax rates provide incentives for growth. That is how it was done in Camelot.

We do not need a Merlin to solve our economic problem. All we need is to focus on incentives—the after-tax rates of return to labor, savings and investment.

There was no Merlin in Camelot 15 years ago. Just one key decision—the decision to cut tax rates. That is the handle to the drawbridge.

Mr. MOORE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I commend the gentleman from New York and associate myself with his remarks.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment end in 1 minute. I think we are all familiar with it.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut (Mr. GIAIMO)?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I ask the Members not to be misled. There is a big deficit in this. We can get a tax cut and balance the budget when the amendment to be offered by the gentleman from California (Mr. ROUSSELOT) comes up.

Vote "No" on this deficit.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. LATTA).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 150, noes 250, not voting 33, as follows:

[Roll No. 163]

AYES—150

Abdnor	Broomfield	Cederberg
Anderson, Ill.	Brown, Mich.	Chappell
Archer	Brown, Ohio	Clausen,
Armstrong	Broyhill	Don H.
Ashbrook	Buchanan	Clawson, Del
Badham	Burgener	Cleveland
Bafalis	Burke, Fla.	Cochran
Bauman	Butler	Coleman
Beard, Tenn.	Byron	Collins, Tex.
Bennett	Caputo	Conable
Brinkley	Carter	Corcoran
Coughlin	Johnson, Colo.	Rhodes
Crane	Kasten	Rinaldo
Daniel, Dan	Kelly	Risenhoover
Daniel, R. W.	Kemp	Robinson
Dent	Ketchum	Rogers
Derwinski	Kindness	Rousselot
Devine	Lagomarsino	Rudd
Dickinson	Latta	Runnels
Dornan	Leach	Ruppe
Duncan, Tenn.	Lent	Sarasin
Early	Lott	Satterfield
Edwards, Ala.	Lujan	Sawyer
Edwards, Okla.	McClory	Schulze
Erlenborn	McDonald	Sebelius
Evans, Ga.	McEwen	Shuster
Evans, Ind.	Marks	Skubitz
Fenwick	Marlenee	Smith, Nebr.
Findley	Marriott	Snyder
Frenzel	Martin	Spence
Frey	Mathis	Stangeland
Gammage	Mattox	Stanton
Gilman	Michel	Steers
Goldwater	Miller, Ohio	Steiger
Goodling	Mitchell, N.Y.	Stockman
Grassley	Moore	Symms
Guyer	Moorhead,	Taylor
Hagedorn	Calif.	Thone
Hall	Mottl	Treen
Hammer-	Myers, Gary	Trible
schmidt	Neal	Vander Jagt
Hansen	Nichols	Waggonner
Harsha	Pettis	Walker
Heckler	Pressler	Walsh
Hillis	Pritchard	Wampler
Holt	Pursell	Whitehurst
Horton	Quayle	Wiggins
Hubbard	Quie	Winn
Hyde	Quillen	Wydler
Ichord	Railsback	Wylie
Jeffords	Regula	Young, Fla.

NOES—250

Addabbo	de la Garza	Jordan
Akaka	Delaney	Kastenmeier
Alexander	Dellums	Kazen
Allen	Dicks	Keys
Ambro	Dingell	Kildee
Ammerman	Downey	Kostmayer
Anderson,	Drinan	Krebs
Calif.	Duncan, Oreg.	Krueger
Andrews, N.C.	Eckhardt	Le Fante
Andrews,	Edgar	Lederer
N. Dak.	Edwards, Calif.	Lehman
Annunzio	Ellberg	Levitas
Applegate	Emery	Lloyd, Calif.
Ashley	English	Lloyd, Tenn.
Aspin	Ertel	Long, La.
AuCoin	Evans, Colo.	Long, Md.
Badillo	Fary	Luken
Baldus	Fascell	Lundine
Barnard	Fisher	McCloskey
Baucus	Fithian	McCormack
Beard, R.I.	Flippo	McDade
Bedell	Flood	McFall
Bellenson	Florio	McHugh
Benjamin	Flowers	McKay
Bevill	Flynt	McKinney
Biaggi	Foley	Maguire
Bingham	Ford, Mich.	Mahon
Blanchard	Ford, Tenn.	Mann
Blouin	Fountain	Markey
Boland	Fowler	Mazzoli
Bolling	Fuqua	Meeds
Bonior	Gaydos	Metcalfe
Bonker	Gephardt	Mikulski
Bowen	Giaimo	Mikva
Brademas	Gibbons	Miller, Calif.
Breaux	Ginn	Mineta
Breckinridge	Glickman	Minish
Brodhead	Gonzalez	Mitchell, Md.
Brooks	Gore	Moffett
Brown, Calif.	Gudger	Mollohan
Burke, Calif.	Hamilton	Montgomery
Burke, Mass.	Harley	Moorhead, Pa.
Burleson, Tex.	Hannaford	Murphy, N.Y.
Burlison, Mo.	Harrington	Murphy, Pa.
Burton, John	Harris	Murtha
Burton, Phillip	Hawkins	Myers, Michael
Carney	Hefner	Natcher
Carr	Heftel	Nedzi
Cavanaugh	Hightower	Nix
Chisholm	Holland	Nolan
Clay	Hollenbeck	Nowak
Cohen	Holtzman	Oakar
Collins, Ill.	Howard	Oberstar
Conte	Huckaby	Obey
Conyers	Hughes	Ottinger
Corman	Ireland	Panetta
Cornell	Jacobs	Patten
Cornwell	Jenkins	Patterson
Cotter	Jenrette	Pattison
D'Amours	Johnson, Calif.	Pease
Danielson	Jones, Okla.	Pepper
Davis	Jones, Tenn.	Perkins
Pickle	Simon	Vanik
Pike	Sisk	Vento
Poage	Skelton	Volkmer
Preyer	Slack	Watkins
Rahall	Smith, Iowa	Waxman
Rangel	Solarz	Weaver
Reuss	Spellman	Weiss
Richmond	Stark	Whalen
Roberts	Steed	White
Rodino	Stokes	Whitley
Roncalio	Stratton	Whitten
Rooney	Studds	Wilson, C. H.
Rose	Stump	Wilson, Tex.
Rosenthal	Thompson	Wirth
Roybal	Thornton	Wolff
Ryan	Tonry	Wright
Santini	Traxler	Yates
Scheuer	Tsongas	Yatron
Schroeder	Tucker	Young, Mo.
Seiberling	Udall	Young, Tex.
Sharp	Ullman	Zablocki
Shipley	Van Deerlin	Zeferetti

NOT VOTING—33

Boggs	Koch	Price
Derrick	LaFalce	Roe
Diggs	Leggett	Rostenkowski
Dodd	Madigan	Russo
Evans, Del.	Meyner	Sikes
Fish	Milford	St Germain
Forsythe	Moakley	Staggers
Fraser	Moss	Teague
Gradison	Murphy, Ill.	Walgren
Harkin	Myers, Ind.	Wilson, Bob
Jones, N.C.	O'Brien	Young, Alaska

The Clerk announced the following pairs:

On the vote:

Mr. Teague for, with Mr. Rostenkowski against.

Mr. Sikes for, with Mr. Staggers against.

Mr. Evans of Delaware for, with Mr. Moakley against.

Mr. Gradison for, with Mr. Price against.

Mr. Madigan for, with Mr. Derrick against.

Mr. John T. Myers for, with Mr. Diggs against.

Mr. O'Brien for, with Mr. St Germain against.

Mr. Bob Wilson for, with Mrs. Boggs against.

Mr. Young of Alaska for, with Mr. Walgren against.

Mr. Fish for, with Mr. Moss against.

Mr. FITHIAN changed his vote from "aye" to "no."

Mr. WALSH changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ROUSSELOT: Strike all after the resolving clause and insert in lieu thereof the following:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1977—

(1) the recommended level of Federal revenues is $409,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $13,884,000,000;

(2) the appropriate level of total new budget authority is $453,500,000,000;

(3) the appropriate level of total budget outlays is $409,000,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $000,000,000,000; and

(5) the appropriate level of the public

debt is $726,331,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $26,331,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1977, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $120,000,000,000.
(B) Outlays, $112,000,000,000.
(2) International Affairs (150):
(A) New budget authority, $7,000,000,000.
(B) Outlays, $4,000,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $4,700,000,000.
(B) Outlays, $4,400,000,000.
(4) Natural Resources, Environment, and Energy (300):
(A) New budget authority, $20,500,000,000.
(B) Outlays, $17,000,000,000.
(5) Agriculture (350):
(A) New budget authority, $2,729,000,000.
(B) Outlays, $2,333,000,000.
(6) Commerce and Transportation (400):
(A) New budget authority, $18,600,000,000.
(B) Outlays, $16,000,000,000.
(7) Community and Regional Development (450):
(A) New budget authority, $6,413,000,000.
(B) Outlays, $7,208,000,000.
(8) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $17,922,000,000.
(B) Outlays, $19,359,000,000.
(9) Health (550):
(A) New budget authority, $41,136,000,000.
(B) Outlays, $39,900,000,000.
(10) Income Security (600):
(A) New budget authority, $160,000,000,000.
(B) Outlays, $134,000,000,000.
(11) Veterans Benefits and Services (700):
(A) New budget authority, $18,700,000,000.
(B) Outlays, $18,700,000,000.
(12) Law Enforcement and Justice (750):
(A) New budget authority, $3,200,000,000.
(B) Outlays, $3,100,000,000.
(13) General Government (800):
(A) New budget authority, $3,100,000,000.
(B) Outlays, $3,000,000,000.
(14) Revenue Sharing and General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,000,000,000.
(B) Outlays, $7,000,000,000.
(15) Interest (900):
(A) New budget authority, $37,000,000,000.
(B) Outlays, $37,000,000,000.
(16) Allowances:
(A) New budget authority, $500,000,000.
(B) Outlays, $500,000,000.
(17) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$16,000,000,000.
(B) Outlays, —$16,000,000,000.

SEC. 3. In the third budget resolution for fiscal year 1977, the Congress provided for revenue and spending proposals designed to stimulate the Nation's economy in order to reduce unemployment. These proposals, together with recent indications of more vigorous economic growth in the private sector, provide evidence that the Nation's economy may be returning to the levels needed to provide jobs to millions of our unemployed.

The Congress recognizes, however, that unusual uncertainties surround the current economic outlook for 1977 and 1978—primarily, the economic impact of the stimulus proposals and the likelihood of continued economic growth in the private sector—and that additional time and information are needed to make final determinations with respect to fiscal policy for fiscal year 1978; and declares that, if economic recovery does not proceed satisfactorily during the months immediately following adoption of the first budget resolution for fiscal year 1978, it will be necessary to provide additional stimulus to the economy in appropriate amounts to be determined in the second budget resolution for fiscal year 1978. On the other hand, if the recovery continues to show signs of long-term renewed growth, it may be desirable to reduce some of the economic stimulus provided for fiscal year 1978 in order to make more rapid progress toward a balanced budget.

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974,

(1) Section 1 of S. Con. Res. 10 is amended to read as follows:

"That the Congress hereby determines and declares, pursuant to section 304 of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1976—

(1) the recommended level of Federal revenues is $355,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $3,300,000,000;

(2) the appropriate level of total new budget authority is $469,700,000,000;

(3) the appropriate level of total budget outlays is $414,250,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors if $59,250,000,000; and

(5) the appropriate level of the public debt is $707,970,000,000."

(2) Section 2, paragraph (10) of S. Con. Res. 10 is amended to read as follows:

"(10) Income Security (600):
(A) New budget authority, $167,700,000,000;
(B) Outlays, $138,100,000,000."

Mr. ROUSSELOT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROUSSELOT. Mr. Chairman, let me urge my colleagues to support this substitute resolution to balance the budget. I cannot support House Concurrent Resolution 195 as reported by the House Committee on the Budget. It is a sham and an insult to the budget process. It calls for a deficit of over $68 billion, very nearly the highest in our country's history. The nature of the resolution is especially incredible considering its purpose in the context of current economic progress. Recently, President Carter announced his withdrawal of support of the $50 rebate.

The reason he gave centered around the fact that the economy no longer needed the extra stimulus which the rebate would have provided. Recovery is proceeding at a most respectable pace, Carter pointed out, and an extra $50 billion in economic stimulus would do nothing but aggravate inflation. I agree with President Carter; the $50 rebate was unnecessary in light of current economic conditions. And yet the Committee on the Budget reports a budget resolution for 1978 with a deficit of over $65 billion! Why, we ask. To ensure economic recovery, to provide jobs, to provide for needed stimulus, the majority tells us.

I submit that with growth in GNP at 5.2 percent for the first quarter of 1977—compared to 2.6 percent for 1976, retail sales climbing, housing starts booming and economic indicators generally looking very favorable, we simply do not need "help" in the form of more deficits. In fact, the only unfavorable economic indicators in the present outlook, and those which threaten sustained growth and recovery, are inflation and capital investment—the very ones which would be further aggravated by passing the Committee-reported budget resolution. That kind of help we can well do without.

For these reasons, I am offering a substitute resolution to House Concurrent Resolution 195 that will bring budget outlays in line with anticipated budget revenues and balance the budget for the first time in several years. If my amendment is passed, spending will be maintained roughly at 1977 levels. My outlay level will be $409 billion—approximately $56 billion lower than the committee figure. By adopting this amendment, then, taxpayers will be able to keep, spend, or invest $56 billion more of what they earn. The net effect of this proposal would be roughly the same as if the voters of the United States turned thumbs down on a $56 billion bond issue.

It is clear that this country is ready to move away from the traditional deficit spending policies that have been touted for so long as the panacea to unemployment and recession. Business Week, in an article for their March 22, 1976 issue, conceded this trend when they stated that the conventional methods of fiscal stimulation to remedy slowdowns in the economy are being discarded as "ineffective" and no longer useful. Many economists and politicians, notably those who are proposing the committee's first budget resolution, suggest that high deficit spending is necessary to reduce unemployment. Addressing this issue, Business Week states:

> Economists and politicians now agree that by themselves the traditional modes of stimulating economies by government spending or increasing the money supply will not end high unemployment. These conventional policies, used to excess, will only create additional inflation in economies that have suffered far too much inflation for years.

Just now the economy is beginning to shrug off the effects of the gargantuan deficits of recent years and the recovery is proceeding apace. To inflate the economy at this point with more deficits would be tantamount to extending an invitation for an encore of the recent reces-

sion with double-digit inflation and even higher unemployment.

Regretfully, however, the guiding light of the thinking of the majority seems to be the Keynesian economics of the thirties which vaunts deficit spending as the cure-all remedy to all economic ills. Everyone knows, after all, that budget deficits stimulate demand and, therefore, employment, they state. The deficits, the Keynesians continue, run through a "multiplier" and serve to boost GNP. Well, everyone who "knows" that deficits are so great ought to take a look at the following table which appeared in a Wall Street Journal editorial dated January 31, 1977.

Deficits and growth—1965–1974

	Av. Def. (Surplus +) Percent GNP	Growth (Av. Ann.) Percent
Italy	−4.04	4.7
Ireland	−3.42	3.9
United Kingdom	−1.19	2.5
United States	−.76	3.3
Netherlands	−.32	4.9
West Germany	−.30	4.1
France	+.34	5.3
Canada	+.78	5.2
Portugal	+.79	6.8
Japan	+1.39	8.7
Australia	+1.43	5.2
Luxembourg	+1.95	3.7
Norway	+3.43	4.5
Finland	+3.54	5.0
Sweden	+4.08	3.5

In interpreting the figures of the table, the Wall Street Journal editorial says the following:

What every one knows is simply wrong: there is no way to read into this table the notion that deficits are good for you. It will be surprising to most Americans, first of all, to learn that not all governments run deficits all of the time. Indeed, in this period a majority of industrial governments were in surplus when averaged over business cycles. The Scandinavian welfare states run the biggest surpluses of all due to their belief, considered fuddy-duddy in the U.S., that social security pensions should be funded like private ones. While obviously deficits are not the only factor at work, by and large nations with a budget balance to a moderate surplus do the best. Those with big deficits tend to do the worst.

In testimony last year before the Senate Subcommittee on Employment, Dr. Arthur Laffer, professor of economics at the University of Southern California, made the following observation:

By increasing spending during a recession, the government reduces the incentive to produce and work. Far from stabilizing the economy, such counter-cyclical spending will, in fact, accentuate the cyclical aspects of the economy. The greater government spending is, and the more closely tied to the level of unemployment it is, the more cyclical will be the economy . . . I doubt very much whether the United States can maintain peacetime full employment without a substantial reduction in the level of government spending as a share of GNP.

It is clear to see, then, that rather than boosting Federal spending to reduce unemployment, which is a rationale for the majority of the Budget Committee, Government expenditures should actually be reduced in order to provide the private sector the capital resources it needs to expand and create jobs.

Deficits, which need to be financed in the private marketplace, do not aid in creating such an atmosphere. Over the last 10 years, the Federal Government will have borrowed in the private capital markets a total of nearly one-third of a trillion dollars on a net basis. In 1976 alone, the U.S. Treasury was responsible for absorbing over 70 percent of all moneys in the securities market, while government at all levels claimed in the neighborhood of 80 percent. The private sector clearly cannot survive in an atmosphere which is so dominated by the Federal Government.

The now familiar argument that this substitute resolution requires a drastic change is no longer valid. The Rousselot Resolution calls for an expenditure level about the same as fiscal year 1977—$409 billion. Rather than drastically meat-axing many areas of the budget, the resolution merely requires a restraint on increases for fiscal year 1978.

As I have mentioned before on previous occasions before this body, there is precedence available for reducing Federal expenditures by large amounts on the part of the Federal Government.

As the following chart shows, between 1945 and 1948, during the Truman administration and while we had a Republican Congress, Federal spending dropped over $60 billion—the current equivalent of $250 billion—yet national income charged ahead.

Federal receipts and outlays from 1945–48

[In billions]

Year	Receipts	Outlays	Surplus or deficit
1945	45.2	92.7	−47.8
1946	39.3	55.2	−15.8
1947	38.4	34.5	+3.9
1948	41.8	29.8	+12.0

The private sector smoothly converted from a wartime to a peacetime economy, provided jobs for millions of veterans, while defying the warnings of the Keynesians who said that unemployment would hit the 10 million mark unless Government jobs programs were increased. This remarkable transition took place because the Federal Government did not preempt the needs of the private sector, and the free market system was left to operate without massive Government interference. Adequate money was available in the capital markets to supply the expansion needs of private industry because the Treasury was not crowding out the private sector and confiscating the lifeblood of free enterprise.

In addition to proposing a balanced budget, my amendment also assumes an across-the-board personal tax cut of 10 percent. The purpose of the tax cut is to reduce the tax bias against work, saving and investment; that is to increase the reward to work, save and invest and to make it more desirable for people to invest and to hire the unemployed and produce real long-term jobs. All of these activities will serve to greatly boost growth and GNP. It is my belief that a 10-percent reduction in personal income tax rates—given the high level at which rates presently are in the United States—will actually increase Government revenues by expanding the tax base. Lower tax rates on a larger base can generate more tax revenue than higher tax rates on a smaller base. This has been established conclusively many times in the last 50 years, most notably in the early 1960's when the Kennedy tax cuts were put in place. Many were concerned that the large tax reductions which Kennedy proposed would result in massive revenue losses. The U.S. Treasury, for example, argued that 6-year revenue losses would total $89 billion. In fact, there were revenue gains of $54 billion realized over a 6-year period as the following table, which many of my colleagues have already seen, illustrates:

EFFECT OF 1962–64 TAX CUTS ON REVENUES, 1963–68

[In billions of dollars]

	1963	1964	1965	1966	1967	1968	Total
Revenue losses estimated in 1963 by U.S. Treasury	2.4	5.2	13.3	20	23.7	24.4	89
Actual revenue gains	7.0	6.0	4.0	14	19.0	4.0	54
Difference in estimates	9.4	11.2	17.3	34	42.7	28.4	143

Source: U.S. Department of Treasury.

There can be little doubt, then, that reductions in taxable income rates do not result in higher deficits, but rather they expand the tax base, increase revenues, boost GNP, increase employment, reduce unemployment, stimulate housing, and increase available funds for capital expansion.

The amendment which I am proposing today gives the Members of this House the opportunity to not only vote for a balanced budget—a goal which is commonly held by all of us—but also to give the 89 million working people of this country a tax break by permitting them

to keep a greater amount of the income they earn. I urge my colleagues to reject bigger government, higher deficits and less economic freedom of choice by joining me in restoring fiscal sanity to our Government and hard-earned tax dollars to American citizens.

Mr. WYLIE. Mr. Chairman, I rise in support of the amendment in the nature of a substitute.

Mr. Chairman, I rise in support of the substitute because I know of no other way to protest a $70 billion deficit. There is no way the President can meet his campaign promise of a balanced budget by 1981 with this kind of a deficit.

Recently I read a statement by Mr. George Santayana who once wrote:

Those who cannot remember the past are condemned to repeat it.

In August of 1974 representatives of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance met in West Berlin to discuss international banking legislation and economic matters with top West German bank regulatory officials. Germans are afraid of inflation more than anything. As they talked they recalled the huge deficits of the Weimar Republic and Hitler's ascension to power when inflation became rampant. They said the overriding reason why Hitler was able to get into a position to come to power was because it took a "bushel basket full" of Reich Marks to buy a loaf of bread. The Republic of West Germany does not run a deficit budget, and our hosts shuddered when we spoke in terms of a public debt of a half trillion dollars. Many of us remember the depression which hit the United States in 1929 following a period of rampant inflation.

Before that in the early 1860's, many States passed constitutional amendments to prohibit deficit financing following an inflation-depression cycle. Indeed, in my own State of Ohio the constitution has such a provision so that the State and each of its municipalities must live within tax revenues collected.

Not long ago there was heated debate in this body about the plight of New York City. New York City got in trouble because it ran up a deficit of more than $9 billion. And who can forget what has happened to England after deficit spending caught up with that great nation.

There may be times when a budget deficit is necessary to stimulate the economy, but it should not be a way of life if our free enterprise system is to remain viable.

Earlier this year I introduced H.R. 80. Its goal is a balanced budget. Under its provisions the House and Senate would each have to declare an "economic emergency" by a two-thirds vote before Federal spending could exceed income. I would like to add that language to the Rousselot substitute but our rules preclude it. I concede there may be times when a temporary budget deficit is a proper economic tool, such as during an economic depression or war; but continual deficits have made inflation a painful, everyday part of our lives and robbed us of the effectiveness it should have as a tool for economic stabilization.

I think most people in the country remember the past and would rather not have a repeat of economic depression or double-digit inflation and I submit the Committee on Budget forgets the past.

Mr. DORNAN. Mr. Chairman, I move to strike the last word, and I rise in support of the Rousselot substitute.

Mr. Chairman, I would just like to ask the Members of this body this: Is there a single Member here who, if they put a simple question on the popular and clever questionnaires we send out to our districts asking "Do you want a balanced budget?", could not predict the response?

Is there anybody from any district, no matter how great the Federal largesse in that district might be, who would expect some response other than an overwhelming affirmation that the American people want a balanced budget?

Mr. Chairman, I believe that the President won last year because of his talk of balanced budgets, zero-balance budgeting, and his claims to restructuring, reorganizing, and reducing the size of the State government in Atlanta, Ga.

I believe if we are honest with ourselves, we must admit most Americans demand a balanced budget. It appears that most of America's media outlets are not here. However, the New York Times is here, AP and UPI are still here, can anybody honestly face them and say the majority of their constituents do not desire a balanced budget.

Mr. Chairman, now that we are 4 months into the 95th Congress, I am sure my colleagues can anticipate, as well as I, many of the pressing economic problems which we will have to face during the next year and one-half. The Congress has faced them before and has attempted to deal with them. Those attempts have not been successful. The problems are not solved. We are facing them still.

I believe that these economic problems are almost entirely the result of one fact: Congress has failed to control the purse strings of the National Government.

It takes no crystal ball to foresee the problems arising out of this failure on the part of the Congress.

THE PROBLEMS WE FACE

First. How is social security to be funded?

Actuarials show that, at current rates of taxation, the future work force will not be able to pay for all the benefits that have been promised today's work force. Is the American citizen of the next generation to be smothered in taxes in order to fulfill the inordinate promises made to his forebears?

Second. How is unemployment to be ended in the long run?

For 40 years, antimarket economists have believed that unemployment could be eliminated instantly if the economy were "fine-tuned" with a little bit of inflation, a little bit of government spending, a little bit of public works. Economic events of the last 5 years have belied that theory. Government spending has never been higher. Inflation is virtually out of control. Public works are still hailed as the panacea of unemployment, but unemployment has reached levels no one should condone.

Third. How can we assure our local and State governments have access to the funding they require?

Local and State authorities which once had access to the private money markets now find that they cannot afford to pay the interest rates on borrowing. The Federal Government has offered higher and higher rates on its own borrowing and driven the smaller governmental units out of the market. To finance further the vast amount of Federal spending, Federal taxation has reached levels that the local and State governments find that their citizens cannot support needed local projects. Local governments cannot borrow because the Federal Government has borrowed all the money. Local governments cannot tax because the Federal Government has taxed all the money.

Fourth. How can runaway inflation be stopped?

In 1946, the dollar was worth 148 percent more than it was in 1975. In 1965, it was worth 72 percent more. In 1974, it was worth 11 percent more. Moreover, the rate of decline in value has accelerated. The value of the dollar has dropped 25 percent in the last 3 years.

Fifth. How can interest rates be brought under control?

Few young couples find that they can afford mortgages nowadays. Businesses cannot afford to borrow to increase their capital investment or hire more employees. Individual borrowers cannot afford to acquire funds for their personal investment.

HOW THE PROBLEMS AROSE

The 95th Congress, I feel sure will try to tackle these problems as the preceding Congresses did. But if the 94th Congress is any guide, the root of the problem will be ignored in almost all of the proffered solutions. There can be no solution of any of these problems without some real fiscal responsibility. None of these problems can be solved without putting an end to the deficit spending that has plagued this country for 16 of the last 17 years and 41 of the last 49. None can be solved without a balanced budget.

Now, Mr. Chairman, I do not say that the majority of the 94th Congress and previous Congresses acted maliciously to prevent the solution of these problems or that certain of its members reaped some personal or political gain from uncontrolled spending. I believe that the ramifications of deficit spending have just not been clearly understood or squarely faced.

I would like to state just what those ramifications are.

THE PRICE OF DEFICIT SPENDING

What have been the dreadful consequences of this irresponsible spending that has been voted by the majority party in so many past Congresses?

First, when the majority party votes huge deficits, somebody must fund them. That "somebody" is the American taxpayer.

The U.S. Treasury is forced to go to the private money market to borrow when its revenues do not meet the ex-

penditures the majority party has voted. The immediate result is a constriction of money available to private borrowers and the individual citizen. Money for home mortgages, for individual investment, for small business growth, for capital investment, for research and development and for hiring is severely limited.

This constriction of available money results in higher mortgage rates which drive couples out of the home market. It also forces a decline in new home construction. This, in turn, results in unemployment in the vitally important construction industry. It results in a decline in capital investment among companies of all sizes, and a decline in investment for research and development. No research means no product improvement, no new products, no new ideas.

The size of the Central Government's activity in the private money market cannot be minimized: It now swallows up over 50 percent of all the private money available to borrowers. Once the Federal Government goes into the market with a "shopping list" of this size, there just isn't much left on the shelves for the American people.

Second, private borrowers are not the only ones crowded out of the money market by the big spenders in the Federal Government. State and municipal governments must also compete for the limited funds. Massive Federal borrowing severely limits the availability of funds that State and local authorities could use for bond issues, for public works projects, rapid transit systems, water purification, for health centers, and for social services of all kinds.

This results in the curtailment of local programs that have been in existence for years and the postponement or cancellation of new activities needed by the citizenry. But local and State governments have found that they cannot just cancel needed programs—they are forced to come begging to the Federal Government for a share of the Treasury's revenue. But it is not revenue that they receive, it is totally a portion of the borrowings of the Federal Government. The same borrowings that have prevented them from borrowing for themselves. Moreover, what the local and State governments receive from the borrowings of the Federal Government has the hidden price tag of Federal redtape, long delay and higher interest rates. They pay a premium on what they could have gotten themselves.

It should now be clear what has to be sacrificed in order for the Central Government to finance its deficit spending: ready mortgage money, capital investment, research and development, increased employment, product innovation, local and State projects.

ARE THE RESULTS WORTH THE PRICE?

But on what does the Federal Government spend all this borrowed money? Is it actually something that is worth this sacrifice or something that benefits society as a whole?

In this Congressman's opinion, the answer is "No."

I believe that many of the Federal spending patterns actually exacerbate the problems created by its massive borrowing.

At the same time that production of goods and services is cut back for lack of capital funds, the Central Government is spending money it has absorbed from the private sector to spend on public programs designed to stimulate demand. The result of artificially stimulated demand and the limitation of business ability to respond to that demand is easy to see: steadily rising consumer prices.

Another—more insidious—harm results from uncontrolled Federal spending. Besides selling its debt instruments in the private money market, the Central Government sells them to the Federal Reserve. But, one would ask, how can the Federal Reserve buy anything? It produced nothing so it has no revenue of its own with which to purchase these debt instruments. The answer: It simply increases the money supply. When one has control of the printing presses, there is no limit to the amount of purchasing that can be done—and no limit to the borrowing of the Federal Government.

With more dollars floating in the economy and the same amount of goods—the Fed having produced nothing to match the dollars it has created—prices must rise. The new money lessens the value of that already in circulation and classic inflation ensues. A general loss in purchasing power, in spite of government redistribution of income, results from an increase in dollars with no accompanying increase in goods.

THIS WAY TO THE POORHOUSE

The policy which has created this situation—and let us make no mistake about which party has instituted this policy—is deficit spending, an unbalanced budget.

The United States lags in capital outlay. Fixed investments between 1960 and 1973 averaged a meager 13.6 percent of gross national product.

The increase in output per man-hour in manufacturing grows more slowly. The annual average growth in efficiency for the United States during the period 1965–75 was a pathetic 2 percent.

Outlays for such things as machinery, computers, and trucks increased 2.5 percent from the spring of 1975 to the end of 1976, after deducting for inflation. In the four preceding economic recoveries, the increase averaged 17.8 percent.

Investment in producers' durable equipment and structures combined was smaller last year relative to the Nation's GNP than in any other year since 1963.

Spending for research and development in 1976 was 6.2 percent lower than it was in 1968, after allowing for inflation. Research got only about 2.25 cents out of every dollar of total national spending, the smallest share since 1957.

We are rapidly approaching the economic state of Great Britain, the queen of deficit spenders. Congressional big spenders are often heard to utter phrases of pity and, "Isn't it a shame about England." But they make no effort to prevent their own country from going her way. Now, the big spenders may argue that we are far from being in the position of Great Britain—but are we? Our real growth was minus 1.8 percent in 1975. Great Britain recorded a drop of only four-tenths percent in the same year. Our situation is not yet as dire as Great Britain's, but the road signs are pointing the same way.

But instead of heeding the signposts, the Democratic majority in the 94th Congress took steps to hurry us along the way. The majority party has consistently approved a national debt that has grown and grown like some malignant cell. At the beginning of the 94th Congress, one which—according to the big spenders—had dedicated itself to "fiscal responsibility," the debt ceiling was $495 billion. The Democrat big spenders then proceeded to up that ceiling to $531 billion in February 1975. Four months later they upped it to $577 billion. The second session of the Congress, as well, showed little evidence of fiscal responsibility: Automatic intermediate debt limits were established by the Democratic Party for 1976. For September 30, 1976, the allowable debt was $636 billion; for March 1977, $682 billion; and for September 1977, the ceiling was raised to $700 billion. That is almost the size of our entire GNP in 1965. The Democratic majority of the 94th Congress voted, in total, a 41 percent increase in our debt ceiling.

And now, the estimated national debt for fiscal year 1978 is $794 billion—about 40 percent of this year's GNP.

How much more will the majority party approve before England finds that it has been joined in the poorhouse by the American people? I do not think the ceiling has to be raised too many more times before that occurs.

In an editorial which appeared a few months ago in the Wall Street Journal, an informal accounting of the total assets and liabilities of the United States was conducted. The bottom line holds little comfort for those who make light of our impending economic crisis.

Although we are a wealthy country, our assets total $5.7 trillion, we are nevertheless up to our ears in debt. Liabilities which include debts not included in the annual budget—social security, veterans payments, defense pensions, Federal pensions, and many other items—total $5.6 trillion. That does not leave much wealth to spare when one considers that items which offset our wealth in this accounting do not include the debts of the State and local authorities.

Now the big spenders here in Congress will argue that this is not a problem because these debts will not all be called up at once. But that is not the point. The point is that the United States is going into deeper debt each year. This massive Government spending, while politically popular with those who receive the Government's largesse—can only lead to unavoidable economic ruination.

THE REAL SOLUTION

Fiscal responsibility—the real kind—not the kind stump speeches are made of—is the only way to avoid this ruination. Our debt must be paid off now. If we

wait, the toll that debt will take will be too great too survive. Our budget must be balanced now. And it must continue to be balanced every year hereafter.

For this reason, I support wholeheartedly the efforts of my colleague from California (Mr. ROUSSELOT) in his efforts to require a balanced budget. It is my sincere hope that the errors of the past will not be repeated and by the passage of his amendment, our Nation will find again the sound footing of fiscal integrity.

Mr. BADHAM. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to my colleague, the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Chairman, I rise in support of the amendment offered by my good friend and valued colleague, the gentleman from California (Mr. ROUSSELOT), because I am convinced that the time has come for this Government and this Congress to abandon the practice of spending beyond our means.

Let us look at just how serious the national debt situation really is. The Government of the United States began operation with a national debt from the Revolutionary War of some $78 million. We came close to paying off the entire debt by 1837 when the debt hit an all-time low of a mere $37,000. Since then the debt figure has fluctuated with the condition of the national economy and the demands of war.

We emerged from World War II with a debt that was staggering by the standards of the day. At the end of fiscal year 1946, the national debt was almost $270 billion. The debt fluctuated at about this level until the end of the 1950's. When President Eisenhower left office, the debt had reached $290 billion. I might point out, Mr. Speaker, that the last President to leave office with the debt lower than when he took office was Calvin Coolidge.

But in the 1960's and the 1970's, the Government has run up large deficits and increased the debt by fantastic proportions. In 1965, the debt hit $313 billion. By 1970, it reached $370 billion, and in 1975, it was $533 billion. To put this in perspective, $533 billion represents $2,495 for every man, woman, and child in the United States.

The national debt is now $652 billion, and it may exceed $705 billion by the end of this fiscal year. The interest on the national debt for the current fiscal year is estimated at $42 billion. This is just interest and does not include the repayment of any principal. This makes the payment of interest on the national debt the fourth largest single item in the Federal budget.

I have been encouraged to note that my colleague gathers a larger number of supporters for his amendment to balance the budget each time it is offered. As a freshman Member of this body, this is my first opportunity to join with others who agree that we must end deficit spending in casting a vote in favor of the amendment. I commend my good friend and colleague, Mr. ROUSSELOT, for his leadership in this most important cause, and I am proud to join with him in this effort which surely is one of the most important efforts that any Member of this House can undertake.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

I must say that I believe his arguments and his estimates are incorrect. I appreciate what the gentleman wants to do. We all want to get a balanced budget, but I do not believe this is the way to do it.

I urge the defeat of the amendment.

Mr. WAGGONNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and my colleagues, we have heard two "beautiful dreamer" speeches, but this will not work. It cannot be done as proposed. We are wasting our time. Therefore, I say that we have no choice but to vote this amendment down. The budget simply cannot be balanced in one fell swoop with the deficit as large as it now is without total chaos and every Member of this body knows it. I dream, too, but my dream is a practical one.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken and the Chairman announced that the noes appear to have it.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 131, noes 271, not voting 31, as follows:

[Roll No. 164]

AYES—131

Ammerman	English	Mathis
Andrews, N. Dak.	Evans, Ind.	Mattox
Archer	Findley	Michel
Armstrong	Flynt	Miller, Calif.
Ashbrook	Frey	Miller, Ohio
Badham	Gammage	Moffett
Bafalis	Goldwater	Montgomery
Barnard	Grassley	Moore
Bauman	Guyer	Moorhead, Calif.
Beard, R.I.	Hagedorn	Mottl
Beard, Tenn.	Hall	O'Brien
Biaggi	Hammer-schmidt	Panetta
Brinkley	Hansen	Patterson
Broomfield	Harsha	Pettis
Brown, Mich.	Holland	Quayle
Brown, Ohio	Hollenbeck	Quillen
Buchanan	Holt	Risenhoover
Burgener	Hubbard	Robinson
Burke, Fla.	Ichord	Rose
Burton, John	Jenrette	Rousselot
Byron	Jones, Okla.	Rudd
Cederberg	Jones, Tenn.	Runnels
Chappell	Kasten	Satterfield
Clausen, Don H.	Kelly	Sawyer
Clawson, Del	Kemp	Schulze
Cochran	Ketchum	Sebelius
Coleman	Kindness	Smith, Nebr.
Collins, Tex.	Kostmayer	Snyder
Corcoran	Lagomarsino	Spence
Crane	Latta	Stangeland
Daniel, Dan	Levitas	Stockman
Daniel, R. W.	Lloyd, Calif.	Stump
Davis	Lloyd, Tenn.	Symms
Derwinski	Lott	Taylor
Devine	Lujan	Thone
Dornan	McDonald	Tonry
Downey	Mann	Treen
Duncan, Tenn.	Marks	Trible
Edwards, Ala.	Marlenee	Vander Jagt
Edwards, Okla.	Marriott	Walker
	Martin	Wampler
Watkins	Whitley	Wolff
White	Wilson, Bob	Wylie
Whitehurst	Winn	Young, Fla.

NOES—271

Abdnor	Foley	Nolan
Addabbo	Ford, Mich.	Nowak
Akaka	Ford, Tenn.	Oakar
Alexander	Fountain	Oberstar
Allen	Fowler	Obey
Ambro	Frenzel	Ottinger
Anderson, Calif.	Fuqua	Patten
Anderson, Ill.	Gaydos	Pattison
Andrews, N.C.	Gephardt	Pease
Annunzio	Giaimo	Pepper
Applegate	Gibbons	Perkins
Ashley	Gilman	Pickle
Aspin	Ginn	Pike
AuCoin	Glickman	Poage
Badillo	Gonzalez	Pressler
Baldus	Goodling	Preyer
Baucus	Gore	Pritchard
Bedell	Gudger	Pursell
Bellenson	Hamilton	Quie
Benjamin	Hanley	Rahall
Bennett	Hannaford	Railsback
Bevill	Harrington	Rangel
Bingham	Harris	Regula
Blanchard	Hawkins	Reuss
Blouin	Heckler	Rhodes
Boland	Hefner	Richmond
Bolling	Heftel	Rinaldo
Bonior	Hightower	Roberts
Bonker	Hillis	Rodino
Bowen	Holtzman	Rogers
Brademas	Horton	Roncalio
Breaux	Howard	Rooney
Breckinridge	Huckaby	Rosenthal
Brodhead	Hughes	Roybal
Brooks	Hyde	Ruppe
Brown, Calif.	Ireland	Ryan
Broyhill	Jacobs	Santini
Burke, Calif.	Jeffords	Sarasin
Burke, Mass.	Jenkins	Scheuer
Burleson, Tex.	Johnson, Calif.	Schroeder
Burlison, Mo.	Johnson, Colo.	Seiberling
Burton, Phillip	Jordan	Sharp
Butler	Kastenmeier	Shipley
Caputo	Kazen	Shuster
Carney	Keys	Simon
Carr	Kildee	Sisk
Carter	Krebs	Skelton
Cavanaugh	Krueger	Skubitz
Chisholm	Le Fante	Slack
Clay	Leach	Smith, Iowa
Cleveland	Lederer	Solarz
Cohen	Lehman	Spellman
Collins, Ill.	Lent	Stanton
Conable	Long, La.	Stark
Conte	Long, Md.	Steed
Conyers	Luken	Steers
Corman	Lundine	Steiger
Cornell	McClory	Stokes
Cornwell	McCloskey	Stratton
Cotter	McCormack	Studds
Coughlin	McDade	Thompson
D'Amours	McEwen	Thornton
Danielson	McFall	Traxler
de la Garza	McHugh	Tsongas
Delaney	McKay	Tucker
Dellums	McKinney	Udall
Dent	Maguire	Ullman
Dicks	Mahon	Van Deerlin
Dingell	Markey	Vanik
Drinan	Mazzoli	Vento
Duncan, Oreg.	Meeds	Volkmer
Early	Metcalfe	Waggonner
Eckhardt	Mikulski	Walsh
Edgar	Mikva	Waxman
Edwards, Calif.	Mineta	Weaver
Eilberg	Minish	Weiss
Emery	Mitchell, Md.	Whalen
Erlenborn	Mitchell, N.Y.	Whitten
Ertel	Mollohan	Wiggins
Evans, Colo.	Moorhead, Pa.	Wilson, C. H.
Evans, Ga.	Murphy, Ill.	Wilson, Tex.
Fary	Murphy, N.Y.	Wirth
Fascell	Murphy, Pa.	Wright
Fenwick	Murtha	Wydler
Fisher	Myers, Gary	Yates
Fithian	Myers, Michael	Yatron
Flippo	Natcher	Young, Mo.
Flood	Neal	Young, Tex.
Florio	Nedzi	Zablocki
Flowers	Nichols	Zeferetti
	Nix	

NOT VOTING—31

Boggs	Evans, Del.	Harkin
Derrick	Fish	Jones, N.C.
Dickinson	Forsythe	Koch
Diggs	Fraser	LaFalce
Dodd	Gradison	Leggett

Madigan	Price	Staggers
Meyner	Roe	Teague
Milford	Rostenkowski	Walgren
Moakley	Russo	Young, Alaska
Moss	Sikes	
Myers, Ind.	St Germain	

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Koch against.

Mr. Sikes for, with Mr. Staggers against.

Mr. Milford for, with Mr. Rostenkowski against.

Mr. Walgren for, with Mrs. Meyner against.

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. MITCHELL of Maryland. Mr. Chairman, I am offering an amendment to the first concurrent resolution for the fiscal year 1978 budget, which is now generally known as the transfer amendment.

The transfer amendment is a concrete legislative proposal that would reallocate Federal revenues to national priorities. This issue has been a matter of general discussion since the budget process was first implemented. Although, there have been parochial efforts to address this issue, heretofore, the budget process has not been an effective mechanism for reordering national priorities. Consequently, this is the appropriate time for fostering the mandate of the Congress.

As the attached Dear Colleague, which was circulated earlier indicates, the effect of the transfer amendment will be to reduce the military budget by $12.9 billion in budget authority and $4.0 billion in outlays, while creating a net increase of 562,600 new jobs by allocating military budget reductions to employment creating programs.

I would like to share with my colleagues a few of the letters that I have received in support of the transfer amendment.

I believe that the transfer amendment concept will be the first in a series of steps which will permit us to make significant changes in the manner in which our public funds are expended.

U.S. CONFERENCE OF MAYORS,
Washington, D.C., April 25, 1977.

DEAR MEMBER OF CONGRESS: The United States Conference of Mayors supports Representative Parren Mitchell's effort to transfer funds from excessive military spending to underfunded jobs-creating and social programs. The Transfer Amendment to the FY 1978 First Budget Resolution is an important step toward more rational and humane national budget priorities.

The cities of America are still awaiting a serious urban program to diffuse the explosive fiscal and social crisis which the mayors must confront daily. With the stimulus package dismantled, Congress must provide higher levels of support in FY 1978 for job programs, economic development, and maintaining essential city services.

At the same time, a commitment to welfare reform, national health insurance, and an urban investment bank must be made so that the basic ills which threaten our cities and impose hardships on our citizens can be cured.

The funds to begin these programs are available. What has been lacking is a commitment to reorder our priorities and put our resources to better use. In this regard, we cannot afford wasteful Pentagon programs or excessive military spending while basic needs go unmet.

At our last annual meeting in July, 1976, the Conference of Mayors adopted a Resolution which: "calls upon the Administration and Congress to redress the imbalance between domestic expenditures and expenditures for the Pentagon and foreign aid, recognizing that the social defense of this nation is at least as important to the national defense as is our military defense."

The Mitchell Transfer Amendment would begin to redress the imbalance. It would create hundreds of thousands of jobs without raising the deficit or increasing taxes. And it would stimulate a general debate on national priorities. I am proud to support these goals.

Sincerely,

KENNETH A. GIBSON,
President.

N. PLAINFIELD, N.J.,
April 5, 1977.

DEAR MR. MITCHELL: I want to congratulate you on your amendment to transfer moneys from the military budget to urban priorities which we so urgently need whatever they might be.

Wishing you the best success.

Sincerely,

KATHE DRUCKER.

MORAVIAN COLLEGE,
Bethlehem, Pa., March 27, 1977.

Hon. PARREN MITCHELL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MITCHELL: Enclosed you will find a copy of a letter I have just written Congressman Giaimo, concerning the budget transfer amendment you are offering.

I want to thank you for your courage and foresight in sponsoring this measure. I hope you will be able to find many co-sponsors and that it will pass successfully the House Budget Committee, the House itself, and finally become law.

I am only sorry a more formal letter could not have been written by the college itself.

Best wishes to you in your struggle to fund important domestic programs and reduce military spending.

Sincerely,

C. CLARKE CHAPMAN, Jr.,
Professor of Religion.

Enclosure.

DEPARTMENT OF RELIGION,
March 27, 1977.

Hon. ROBERT N. GIAMO,
Chairman, the House Budget Committee, House of Representatives, Washington, D.C.

DEAR MR. GIAMO: I write this letter, not in any official capacity, but simply to tell you of the discussion on campus of the transfer amendment proposed to the Budget Committee by Representative Parren Mitchell.

On March 18 the President's Advisory Council of Moravian College met; this is a group made up of the various deans and administrators of the college, together with some representatives from the student body and the faculty. As an advisory group it cannot speak for the college as a whole or in any official capacity, but I think it is fair to say it fairly represents many constituencies of the campus. After some discussion, the consensus was that we found ourselves "in sympathy with the general intent of the transfer amendment" of Mr. Mitchell.

We intend to send to you an official letter of particulars on this position. But legal counsel advised against this, specifically because of uneasiness about possible IRS harassment if even such an informal body as the Advisory Council of the college took a stand relative to any legislative proposal. So no such letter has or will be sent.

However, on my own responsibility, and as a member o fthat Council, I wished you to know of the unusual degree of interest in the transfer amendment. As I perceive it, the reason is that many of us do not see how the federal budget can give sustained and funded attention to the many social needs within our country (and in particular, those needs relative to independent higher education and the funding of the several grant and loan programs of the federal government), if reductions in military spending (function 050 in the FY78 budget) are not made.

It seems to me that military expenditures have been growing at an unprecedented rate for peacetime. I understand the President Carter proposed a $11.6 billion increase in military spending for FY78, an increase of 10.7 percent over the previous year. New weapons procurement would rise 16 percent, after having already risen 37 percent last year. The cost of new weapons systems in the closing months of 1976 escalated by $18½ billion. Where will it all end?

Let me personally urge you to support the Parren amendment, as a first step in readjusting our national priorities. And I thank you for your careful attention to this important matter.

Sincerely,

G. CLARKE CHAPMAN, JR.,
Professor of Religion.

THE UNITED METHODIST CHURCH,
Fayette, Iowa, April 19, 1977.

Hon. PARREN MITCHELL,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MITCHELL: The Iowa Annual Conference of the United Methodist Church, and its Board of Church and Society, have been on record as supporting the "transfer amendment" concept for shifting federal funds from wasteful military expenditures to domestic programs for meeting human needs. We are communicating support for this measure to our own Congressional delegation, and wish to congratulate you for your leadership in the campaign for a Transfer Amendment.

You should have several strong allies among the Iowa Congressional delegation when the measure reaches the House floor in the persons of Reps. Blouin, Harkin, and Bedell.

Sincerely yours,

BARBARA DALE.

THE COMMONWEALTH OF
MASSACHUSETTS DEPARTMENT
OF MENTAL HEALTH
Dorchester, Mass., April 22, 1977.

Hon. PARREN MITCHELL,
U.S. Congress,
Washington, D.C.

DEAR REPRESENTATIVE MITCHELL: The members of the Bay Cove Mental Health and Retardation Area Board are in support of your amendment to the First Concurrent Budget resolution to transfer several billion from the Defense Budget to be allocated for human services.

Our representatives in the Congress and Senate have been contacted by mailgram today.

We wish you the very best of luck and continued success.

Sincerely,

MARJORIE F. LINDSAY,
Executive Secretary, Area Board.

RED BIRD MISSIONARY CONFERENCE,
THE UNITED METHODIST CHURCH,
QUEENDALE CENTER,
Beverly, Ky., April 21, 1977.

Hon. PARREN MITCHELL,
House of Representatives,
Washington, D.C.

DEAR MR. MITCHELL: I am writing to you to commend you for introducing the Transfer Amendment. I am totally in favor of cut-

ting funds from the military budget and transferring these funds into social programs, which would result in new jobs. This should strengthen the entire economy by increasing tax revenues, and indirectly generating even more jobs.

Thank you for all of your efforts in this area.

Sincerely yours,

ALICE M. FEIND.

WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM,
Santa Cruz County Branch, April 20, 1977.

DEAR REPRESENTATIVE MITCHELL: Here are Transfer Resolutions signed at our last regular meeting.

We have sent a copy of the names and addresses to our Representative, Leon Panetta, and told him that you have these originals.

We also sent him a report regarding community needs which we have developed from interviewing persons active in education, senior citizens concerns, children's welfare, environmental problems, housing and health care. We have attached this report to this letter.

We note that Naomi Marcus of WILPF, when she testified for the House Budget Committee March 2, said, "What is necessary in order to ease the transition period from a military oriented economy is government planning and government funding for the transition period. With such planning and funding, it is probable that a healthier economy would be produced with a stronger economic base than before the cuts."

There should be a commission in every county to determine both the local domestic needs and the economic impact of military spending and to recommend methods of conversion of jobs supported by military spending to jobs that fulfill human needs. The funds for this beginning step, this commission, could come from cuts in military spending.

We hope your proposed Transfer Amendment is successful.

Sincerely,

PAT MILLER,
For Feed the Cities Not the Pentagon Committee, Women's International League for Peace and Freedom, Santa Cruz Branch.

WESTCHESTER HISPANIC COALITION, INC.,
White Plains, N.Y., March 31, 1977.

Hon. PARREN MITCHELL,
U.S. Congress,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MITCHELL: The Westchester Hispanic Coalition is in total support of the transfer resolution bill being examined by the Congressional Budget Committee. It is our believe that the economic resources of this nation should be devoted to the uplifting betterment of human needs of the American citizens.

The $18,000,000.00 to be transferred from the defense budget should be used especially in programs that would alleviate employment and that would have direct impact in reducing the high percentage of minorities and especially Hispanics in the unemployment lines.

Aside from the already specified supported programs, we recommend that funds be allocated to CETA Title I and to the Bilingual Title VII Educational programs.

Copies of this letter will be sent to the district congressional Representatives and members of the Congressional Budget Committee.

Sincerely,

HECTOR E. GHIMENTI,
Chairman.

NETWORK,
Washington, D.C., March 21, 1977.

Representative PARREN MITCHELL,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE MITCHELL: Thank you for your leadership in sponsoring a transfer amendment to the Budget Resolution. NETWORK has written newsletter articles for our members as well as mailed materials to our activists on reordering national priorities. We will be phoning around the country to our district and state coordinators to urge them to visit their representatives during April's recess to urge them to vote yes on the transfer amendment.

Instead of spending for more weapons production and for development of new nuclear weapons and breeder reactor programs, NETWORK urges the Congress to use federal dollars for human needs.

We urge cuts in the following programs:

B–1 Bombers—halt production.

MX ICBM—halt research and development.

Cruise missiles—halt research and development.

Nerve gas—cut completely.

ERDA budget for the breeder reactor program; the Clinch River demonstration project.

We support instead increased spending for—

Grain reserves—$6.34 b for FY 78 start up.

National Health Security—$200 m for FY 78 start up.

Full Employment—$16 b.

Displaced Homemaker—$10 m.

Public Service Jobs particularly in non-for-profit sector—$2.5.

CETA Title I—$1.5 b.

Funding for the Rural Development Act and Farmers Home Administration—$16.4.

Consumer Co-operative Bank Bill—$6.5.

Neighborhood Commissions—$2 m.

We appreciate your work for human needs. We only wish we had your Marshall Plan for the cities as an option for this Congressional Budget Resolution.

Thank you for your efforts on behalf of federal spending priorities for people.

Peace,

Sr. MAUREEN KELLEHER, RSHM,
Issue Development Manager.

HOLY TRINITY CATHOLIC CHURCH,
Trinidad, Colo., March 21, 1977.

Hon. PARREN MITCHELL,
House Office Building,
Washington, D.C.

DEAR SIR: It is with considerable interest that I am following your efforts to have a substantial sum transferred from the military budget to one for domestic programs. You have my congratulations for espousing this worthy cause, and my prayers for your success.

In my column for the local paper your efforts are being brought to the attention of Colorado citizens.

Sincerely yours,

Rev. A. J. ADAMS, S.J.

EAST BAY WOMEN FOR PEACE,
Berkeley, Calif., March 24, 1977.

Hon. PARREN J. MITCHELL,
House Budget Committee, U.S. Congress,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN MITCHELL: We heartily endorse your proposed transfer of 15 billion dollars from the Defense Budget to vitally needed domestic programs.

A military budget increase of 10.7 percent for FY 78 above that for FY 77 is unthinkable, just on its face. And when it is combined with actual cutbacks below FY 77 levels for meeting the needs of our cities, our schools, our housing, etc., it is indefensible!

We applaud your leadership in restating the fiscal priorities of this Nation and in taking action to implement them.

Sincerely yours,

GRACE DILLEY,
East Bay Women for Peace.

COALITION FOR COMMUNITY ISSUES,
Vista, Calif., March 24, 1977.

Hon. PARREN MITCHELL,
U.S. House of Representatives,
Washington, D.C.

SIR: Our coalition supports you in your efforts to transfer Military funds to programs that will meet human needs. Good work, we must stop our support of dictatorships throughout Latin America and elsewhere and this is a sound start.

Also, today, our coalition members sent 12 other Mother for Peace postal cards to our 43 dist. Representative Clair Burgener—you will have to push him to admit this—but, you sir are now advised and may proceed as you think best. Mr. Burgener is not known as to turn his back upon the military-industrial complex that serves to sustain San Diego. Push him a bit, he deserves to wake up to the realities of our present crisis.

Sincerely,

JOSEPH O'BRIEN,
Chairman.

NOMOR—COMMITTEE FOR A NUCLEAR OVERKILL MORATORIUM,
Chicago, Ill., March 25, 1977.

Hon. PARREN MITCHELL,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE MITCHELL: First of all, as one of the organizations working here in Chicago on the Campaign for the Transfer Amendment, let me say how pleased we are that you have agreed to sponsor the Transfer Amendment.

We realize that much of the proposed Transfer Amendment may change, but we hope the spirit of it—to channel significant deletions in the military budget into social programs—will be met with some enthusiasm, at least by a greater majority than in the last Congress.

We recognize that this process is in its infancy, and we expect to continue with it, as it is an approach favored by supporters of NOMOR, particularly our labor backers in steel, etc. We especially want to emphasize the importance of the cuts of nuclear weapons systems and the $1.9 billion to be freed by declaring a moratorium on development and testing of nuclear devices. The importance of deleting cruise missiles cannot be understressed—I'm sure you're aware that their development poses a qualitative change in the direction of the arms race that, at the very least, is destabilizing. We also support deleting the B–1 bomber, Trident submarine, Missile X, etc., but if you were to ask us our priorities, they would be the aforementioned: moratorium on new devices, stopping the cruise missiles.

Enclosed is a copy of our position statement for your information.

Sincerely,

MARTHA L. SCHMIDT,
Executive Director.

NATIONAL FARMERS UNION,
April 22, 1977.

Hon. PARREN J. MITCHELL,
U.S. House of Representatives, Cannon House Office Building, Washington, D.C

DEAR CONGRESSMAN MITCHELL: On behalf of the National Farmers Union, I am writing to endorse your effort to transfer funds from the military budget to domestic programs during the House's consideration of the First Budget Resolution for Fiscal Year 1978.

The National Farmers Union believes that

Congress has the responsibility to provide the services to the American people which are basic to a decent and stable standard of life. For too long, the country has been spending an unwarranted amount of its precious resources on the military sector at the expense of many domestic programs. Now, through the new Congressional Budget Process and the transfer amendment, Congress possesses the tool to begin reordering our national priorities.

I am gratified to see that many of your suggested new domestic programs would directly benefit rural Americans. Rural development, home weatherization, small business loans and national health insurance are just a few of the programs which will receive transferred funding. In addition, the jobs creating stimulus funds in your amendment will help lift economic burdens generally by generating new revenues.

I firmly believe that this Transfer Amendment will not in any way jeopardize our national defense.

We sincerely hope that your colleagues will recognize the importance of the transfer amendment and will lend support to this worthy cause.

Sincerely,

TONY T. DECHANT,
President.

U.S. CONFERENCE OF MAYORS,
Washington, D.C., April 25, 1977.

DEAR MEMBER OF CONGRESS: The United States Conference of Mayors supports Representative Parren Mitchell's effort to transfer funds from excessive military spending to underfunded jobs-creating and social programs. The Transfer Amendment to the FY 1978 First Budget Resolution is an important step toward more rational and humane national budget priorities.

The cities of America are still awaiting a serious urban program to diffuse the explosive fiscal and social crisis which the mayors must confront daily. With the stimulus package dismantled, Congress must provide higher levels of support in FY 1978 for job programs, economic development, and maintaining essential city services.

At the same time, a commitment to welfare reform, national health insurance, and an urban investment bank must be made so that the basic ills which threaten our cities and impose hardships on our citizens can be cured.

The funds to begin these programs are available. What has been lacking is a commitment to reorder our priorities and put our resources to better use. In this regard, we cannot afford wasteful Pentagon programs or excessive military spending while basic needs go unmet.

At our last annual meeting in July, 1976, the Conference of Mayors adopted a Resolution which: "calls upon the Administration and Congress to redress the imbalance between domestic expenditures and expenditures for the Pentagon and foreign aid, recognizing that the social defense of this nation is at least as important to the national defense as is our military defense."

The Mitchell Transfer Amendment would begin to redress the imbalance. It would create hundreds of thousands of jobs without raising the deficit or increasing taxes. And it would stimulate a general debate on national priorities. I am proud to support these goals.

Sincerely,

KENNETH A. GIBSON,
President.

UNITED MINE WORKERS OF AMERICA,
Washington, D.C., April 22, 1977.

HON. PARREN MITCHELL,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE MITCHELL: The Federal budget reflects the values and commitments of the government toward the American people. At his inauguration, President Carter called for a "new spirit." The way to reflect this "new spirit" in the budget is to establish new spending priorities which return more goods and services to the working people of the country.

We all know the consequences of the old priorities—millions of unemployed, slowed economic growth, rising medical costs and decaying cities. But military spending has risen in "real growth" for the past two years. We are procuring expensive new weapons systems which do not deserve to be funded.

The Mitchell Transfer Amendment to H. Con. Res. 195, the First Budget Resolution for Fiscal Year 1978, would begin to reorder our spending priorities by shifting tax dollars into job-creating programs and new social initiatives. By reducing military spending to reasonable levels and transfering the funds, your amendment would stimulate a gain of hundreds of thousands of new jobs without breaking the deficit ceiling or imposing new tax burdens on our already over-taxed citizens.

I am convinced that your amendment guarantees that our military structure will remain more than adequate to protect national security. Unless we shift monies to produce jobs and to advance social justice, we shall find that the greatest threat to our national defense may well be internal decay rather than an external assault.

On behalf of the United Mine Workers of America, I support your transfer amendment and urge the House of Representatives to make new budgetary priorities the center of its effort to help create a new spirit.

Sincerely,

SYDNEE M. SCHWARTZ,
Assistant Director,
Legislative Department.

STATEMENT BY THE GOVERNOR AND LIEUTENANT GOVERNOR IN SUPPORT OF THE TRANSFER AMENDMENT

As Governor and Lieutenant Governor of Massachusetts, we are aware of the pressures put on state and local governments to provide increased services in the face of insufficient funds. A major source of this fiscal pressure is the massive diversion of resources at the national level from civilian spending to military spending. The insufficient investment of the federal government in necessary programs creates an imbalance which aggravates unemployment and the decline of our industrialized areas.

We agree with the National Conference of Mayors that the time has come to "re-dress the imbalance between domestic expenditures and expenditures for the Pentagon and foreign aid. . . ." We believe that the most important element of our national defense is a healthy, productive population involved in constructive work.

Therefore, we support a cut in military spending for 1978 with the savings applied to domestic, economic and social needs.

Communities whose economies are hurt by these cutbacks should be aided by federal programs so that no one section of our nation bears the financial burden of economic conversion. We support the concept reflected in the Transfer Amendment to the first concurrent budget resolution to be submitted by Congressman Parren Mitchell.

MICHAEL S. DUKAKIS
THOMAS P. O'NEILL III

Mr. ALEXANDER. Mr. Chairman, I rise in opposition to the Emery amendment. This proposal is a deliberate poke in the eye of our Budget Committee which ought, instead, to be commended for the conscientious and careful job it has done.

In addressing ourselves at this time to the work of adopting the first concurrent budget resolution for fiscal year 1978 we are complying with the requirements of the Congressional Budget Control and Impoundment Act of 1974.

I would remind my colleagues of the purpose of that law by quoting from the House report on it:

> The purpose of this legislation is to improve congressional control of budget outlays by (1) establishing a legislative budget process for determining national policies and priorities.

Congress enacted that law in an effort to regain control of its constitutional responsibilities in this field.

Supporters of this amendment to endorse the President's desire to abandon needed water resource projects propose that the House meekly bow to the blatant overriding of congressional constitutional responsibilities for establishing national priorities and spending policies.

They would have us make a sham of the care, diligence, determination and labor those of us here now poured into the effort of the 93d Congress which brought about the passage of the Congressional Budget Control Act and the strengthening of Congress ability to discharge its responsibility for setting national priorities.

The supporters of this amendment would have us say here tonight that it is necessary for Congress to properly discharge its constitutional responsibilities for setting and keeping to national priorities only when we have a Republican administration in the White House.

They would have us tell Members who occupy this Chamber tonight who have, in past years, repeatedly studied and then supported the water resources projects for which this amendment would delete money that they acted against the best interests of the Nation.

Supporters of this amendment would have us adopt it and by that action tell our congressional legislative committees, which have recommended and won approval for those water resource projects, that their work is of no account.

They would have us tell the Nation that the majority of this Congress is so weak as to be willing to agree to the thrashing, by an administration not yet 4 months old, of years of congressional labor, concern, and study.

The supporters of this amendment would have us adopt their proposal and thereby blithely toss into chaos not only our natural resource planning but all our long-range project planning.

They would have us tell the Nation that any new Presidential administration can ignore constitutional responsibilities and nullify the law of the Nation by its own decisions without benefit of prior consultation with and approval of the Congress, if that administration is so fortunate as to represent the same political party as the majority of the Congress.

I do not believe that the majority of this House has so lost its sense of its individual and collective responsibilities or is so ignorant of the fine work that has been done by past Congresses as to yield to the blandishments of the backers of this amendment.

I do not believe that the majority of this House actually is willing to abandon our people to the disastrous future that

will result from failure to fund these water resource projects.

Therefore, I urge that you join me in voting to defeat this amendment.

Mr. BIAGGI. Mr. Chairman, as a cosponsor of legislation to establish a separate World War I veterans pension program I rise in unqualified support of the Anderson amendment. For the last 2 days we have been dealing with budgets for various agencies totaling well into the billions of dollars. This amendment here will require but $500 million but its benefits to the 800,000 World War I veterans in this Nation cannot be measured in dollars and cents.

Without question, this Nation has been unresponsive to the plight of the World War I veterans. Many of these men who risked their lives in defense of their Nation today find themselves fighting a different enemy, poverty. Some veterans are receiving pensions of less than $15 a month. This is a deplorable situation which must be changed, and now is the opportunity to do so.

The gentleman from California (Mr. ANDERSON) is to be commended for this amendment and his leadership on behalf of the World War I veterans. As the senior New York member on the House Select Committee on Aging I feel the time is long overdue for us to make amends to the World War I veterans of this Nation who have received the cold shoulder rather than the compassion of their Government.

I urge swift approval of this meritorious amendment. We must not allow our World War I veterans continue to teeter on the edge of poverty. They have served their country in war and in peace. They have earned this separate pension, it is not a handout. It should be provided to them.

Mr. FRENZEL. Mr. Chairman, the Burleson amendment restores the Defense budget requested by the President, and approved by the House this week. I do not like to vote for an increase of this size, about 15 percent over last year, for any Federal expense category, but I shall support the Burleson amendment.

The reasons why I think this amendment must be adopted are: First, the SALT talks are going poorly; and, second, the Russians are continuing their dangerous military build-up.

Whether the SALT difficulties are caused by the recalcitrance of the Russians, or the inexperience of the new administration, or both, makes little difference until we have an agreement, or are making progress toward an agreement, we cannot afford to cut back any development or procurement beyond the level requested by the President.

I regret the need to vote for outlays at this level but I see no other reasonable course. I only hope that SALT successes will enable us to hold back future increases.

Mr. JONES of North Carolina. Mr. Chairman, on behalf of the 15,000 veterans of World War I living in my State of North Carolina, I gladly rise in support of the amendment offered by my colleague from California, GLENN ANDERSON.

I received a letter from A. J. Falvo, Commander of the North Carolina Department of the Veterans of World War I which I would like to share with you, in part:

> I agree with you wholeheartedly that the time is long overdue to help us who served our country, who now more than ever are deserving of a pension. Many of my buddies have been called by the Great Commander to their last reward, the ranks are thinning out.

I urge my colleagues to support this urgent and long-overdue legislation.

Mr. FRASER. Mr. Chairman, I rise in support of the Emery amendment.

Representative DAVE EMERY of Maine seeks to lower the budget authority and outlay by $100 million in function 300—national resources, environment, and energy—of the first budget resolution for fiscal year 1978. The resolution sets congressional spending and revenue guidelines for the fiscal year 1978 budget.

The Emery amendment is intended to reduce appropriations for water resources projects by $100 million. In light of President Jimmy Carter's review and recommendations for Federal water development programs—deletion of funds for 18 projects and modifications for 5 others—the President's actions deserve our support. I feel this amendment is a reasonable approach.

The President's criteria for review of Army Corps of Engineers and Bureau of Reclamation water projects was focused on environmental impact, cost/benefit ratios, safety issues and impact on beneficiaries. Two projects which fail these criteria, the Garrison Diversion Project and the Cache Basin Project, affect my home State of Minnesota.

The Garrison Diversion Project in North Dakota is a Bureau of Reclamation irrigation project. This project is designed to irrigate 250,000 acres now dry farmed. Some recreation and municipal and industrial water supply benefits would also be provided. However, in order to irrigate 250,000 acres, 220,000 acres of productive land would have to be converted or destroyed. This impact on wildlife habitat, particularly on prairie wetlands for migratory waterfowl, has caused concern in Minnesota's Department of Natural Resources.

Mr. Roger Holmes, chief of the DNR's section on wildlife, wrote President Carter March 15 outlining his concern about the two projects. Mr. Holmes writes to President Carter:

> We have been particularly concerned with the Garrison Diversion Project in North Dakota because of the tremendous impact the project would have on the North American waterfowl resource.

In addition, Minnesota's Pollution Control Agency Board voted April 19 to submit an amicus brief on behalf of the National Audubon Society's lawsuit against the Bureau of Reclamation on the Garrison Diversion Unit. The National Audubon Society has brought suit against the project, charging violation of the National Environmental Policy Act, the Fish and Wildlife Coordination Act, and the international Migratory Bird Treaty and Act. The case is now before the U.S. District Court here in Washington. Hearings are expected shortly.

The Minnesota Pollution Control Agency fears the project will violate Minnesota's water quality in the Red River which forms the boundary between North Dakota and Minnesota. The PCA's March 22 statement submitted for the hearing record as part of the Interior Department's review process elaborated:

> Our new understanding of the magnitude of the GDU lead us to believe that the irrigation return flows from GDU entering the Wild Rice and Sheyenne Rivers and thence the Red River would have a substantial adverse affect on the water quality of the Red River and result in additional water treatment costs for Minnesota cities using the Red River for municipal water, principally Moorhead, Minnesota.

Ms. Marion Watson, chairwoman of the MPCA's citizen board, wrote of the board's concern in a March 8 letter to my office:

> This Agency (the Pollution Control Agency) has for some time expressed its concern that completion of the Garrison Diversion Project, as proposed, would cause degradation of the Red River of the North, violate Minnesota water quality standards and result in significant additional costs for municipal water treatment in Minnesota.

Ms. Watson goes on to say:

> Our position . . . is that it should be stopped and no further funds appropriated for construction until such time as a complete analysis can be made of its total cost including any modifications and the environmental and economic consequences to others be properly balanced against the benefits to North Dakota.

President Carter has recommended modifications for the Garrison Diversion project. The project is now 20 percent complete. It is estimated that it will cost $436.4 million to complete the present plan. The President is seeking to cut that figure by $302 million. The estimated cost of the alternatives he is recommending is $134 million.

Four major irrigations areas and their associated principal supply works, with a minor exception, would be eliminated. The President also promises to take into account the upcoming International Joint Commission report at which time the project will undergo further review. If the President's plan goes through, Minnesota's concerns about the project's implications on water use and water quality degradation from the Sheyenne River into the Red would be relieved.

The Minnesota DNR and PCA also have concerns about the Cache Basin project in Arkansas. Minnesota Attorney General Warren Spannaus outlines the State's concerns in a March 11 letter to President Carter.

Spannaus writes:

> The Cache River project is a matter of great concern of the State of Minnesota, because approximately 15 percent of the mallards produced in this state find wintering habitat in Arkansas. The Cache River-Bayou Deview basin is the most significant wintering site in Arkansas.
>
> Minnesota has been a leader among the states of the Mississippi Flyway in challenging the compliance of the Corps with the National Environmental Policy Act in regard to the Cache River project. Our office has expended considerable time and effort in mounting a challenge before the U.S. District Court in Little Rock and earlier this year before the Eighth Circuit Court of Appeals in St. Louis.

Regardless of the technical legal advocacy of the environmental impact statement on the Cache River construction, we firmly believe the review now under way will confirm that the project will cause severe damage to Flyway waterfowl. We urge that the federal government halt the Cache River construction permanently.

The DNR's chief of wildlife echoes that concern.

The President calls upon Congress to delete funding and deauthorize the Cache Basin project while considering needed protection of remaining bottomland habitat which is the wintering grounds for thousands of migratory waterfowl traveling on the Mississippi flyway.

The 21 remaining projects President Carter has recommended for deauthorization or modifications have similar problems. We cannot assume that these modifications will go through. The Public Works Appropriations Subcommittee chairman has already said he will probably go ahead and recommend funding all these projects despite the President's recommendations.

So, it is up to us signal our concern about wasteful spending and the need to conserve our limited natural resources. I ask for your support in passing the Emery amendment.

Mr. BYRON. Mr. Chairman, in a recent poll of my constituents in western and central Maryland, residents voiced a strong opinion that Congress be wiser and more judicious in its spending and funding programs. And, I am proud to say that this Congress is doing just that. We are making a serious effort to spend wisely, but not wastefully.

In the interest of wise spending, I rise to support continued funding of the Law Enforcement Assistance Administration. As it continues to show lower crime rates, this program shows itself as being one of the most productive and beneficial for the dollars we invest.

In my district, the Howard County Police Department, under the leadership of Cpl. Daniel M. Davis, 3d, points with pride to a successful program aimed at reducing home burglaries. In those parts of Howard County where the burglary prevention program is in effect, burglaries have dropped dramatically. In those parts of the same county, where the program has not yet been instituted, burglaries have increased.

This program is being funded by a grant from the Law Enforcement Assistance Administration. Its success, I believe, is a most eloquent argument for the continuation of LEAA funding.

I would like to share with my colleagues in the U.S. House, this article on the Howard County Police Department's burglary prevention program by Michael J. Clark in today's Baltimore Sun:

HOWARD BURGLAR-BEATERS CLAIM SUCCESS IN ELLICOTT CITY

(By Michael J. Clark)

The Howard County Police Department is claiming "unqualified success" in decreasing the number of residential burglaries in Ellicott City as a result of a special burglary prevention program the department has operated since last June.

Cpl Daniel M. Davis 3d, commander of the county force's "Target Burglar" section, said yesterday that the special team's "crime prevention efforts in Ellicott City have begun to pay off, and I definitely believe our program can successfully deter burglaries."

He said that during the first quarter of 1977, reported burglaries in Ellicott City, where the program has operated, decreased by 69 percent in comparison with the first three months of last year. Burglaries dropped from 36 to 11 in the comparative periods, he said. The decline was noticeable as far back as last fall, he said, but the sharpest drop-off has come since mid-December.

However, in Columbia, where the team has not operated yet, burglaries increased during the same three-month period by 33 percent, or from 56 to 75.

The special burglary prevention unit is being financed by a $117,000 yearly grant from the federal Law Enforcement Assistance Administration, supporting the activities of five detectives and a clerk-typist.

Corporal Davis, a 32-year-old Cornell University business management graduate who has been on the police force for six years, said the extensive work his unit has performed in Ellicott City neighborhoods has been considered "menial and unexciting" by some other members of the department.

The unit's detectives, he said, have trudged door-to-door, interviewing residents and giving them recommendations to improve their looks and lighting and even have advised people to "clear away some shrubbery" to better ward off potential burglars.

"The better hardware on the houses deters the amateurs and the kids who commit 50 percent of the burglaries," he said.

Furthermore, the unit has made 32 presentations to community groups about methods to protect their homes. It has also let the department's engraving kits to area residents, asking them to mark their driver's license number on their valuables. Such items as coin and stamp collections, jewelry and furs are photographed for identification purposes.

Homeowners participating in the program place stickers on their windows warning that "all items of value on these premises have been marked for ready identification by law enforcement agencies."

To date, Corporal Davis said, 13 neighborhoods have enrolled in the department's "Operation Identification" program to mark valuables and have posted large signs at the main entrances to properties.

"The marked personal items are much harder for a thief to sell because pawn shops won't touch them," the unit's commander said.

Although the unit's detectives have made 28 burglary arrests since last June, Corporal Davis said most of the team's efforts have been directed at working with the community.

"The result has been that many officers have viewed our efforts as some kind of public relations effort with the community. No one in the department has ever had the exposure to modern theories of crime prevention before," he said.

The corporal said his unit now feels vindicated, "since burglaries in Ellicott City have dropped off considerably since mid-December, and the Governor's Commission on Law Enforcement [which funneled the federal aid to the unit] has now permitted us to expand our work into Columbia, where the county's burglary problem is now."

Mrs. HECKLER. Mr. Chairman, I rise to speak in favor of the amendment to House Concurrent Resolution 195, which would partially fund a pension increase of $150 for veterans of World War I, and of which I am cosponsor.

As a member of the Committee on Veterans' Affairs, I have sponsored legislation for many years to provide a service pension to certain veterans of World War I and to their widows. I also supported a compromise measure, which passed the House, to provide a 25-percent differential in pension rates for eligible veterans who are 80 years of age and older. Both of those provisions were designed to aid World War I veterans, most of whom relied upon their pension benefits as their major source of income.

Mr. Chairman, for years these veterans have borne the burden of inflation; it is important that we address their needs and seek to redress them. I believe that the measure now before us is an important step in that direction, both for the 27,000 such veterans in Massachusetts and the more than 800,000 who live in our country today.

Mr. SIKES. Mr. Chairman, the note on the Burlison amendment may well be the most significant of the current session. It will say to Russia and the world that America is or is not prepared to stand strong—to hang tough—in the face of an obvious push for Communist supremacy worldwide.

This vote can reveal America's reaction to the collapse of the efforts to revitalize the SALT II talks between Russia and the United States, a collapse due to Russian arrogance gained through growing military strength.

It is obvious that there must now be greater stress on more adequate military preparedness for America. This does not mean an arms race. It means the Russians are close to superiority and that they will take advantage of this situation. The steady gains by the Russians have left them in position to deal more aggressively in conferences and throughout the world. Only a strengthening of American military posture will change this situation. The Russians apparently feel that this is the time to flex their muscles and they are pressing for advantages worldwide.

The Burlison amendment is only a small beginning but it can be a very significant one.

This is not a time to cut America's defense. Even a modest reversal of the downward trend in America's defense posture will produce a significant reaction abroad and a reawakening of confidence at home. One more backward step will produce just the opposite. The free world wants America to lead. We can lead only if we are strong.

Mr. FRENZEL. Mr. Chairman, today the Congress, in considering its 1978 budget resolution, is taking off into its semiannual jaunt into fantasy land.

I will avoid the specifics of today's resolution, because they have been thoroughly discussed. But I do want to touch upon some of the high points of the fiction that we have created for the people.

It may come as a surprise to know that our national statutory debt limit is still $700 billion. After all, in last year's third resolution we acted to bring it up to $718.4 and today we will undoubtedly jump that up to the recommended $801.1 billion. That is another 11.5-percent increase—mere peanuts for a Federal budget. However, it is precisely $101 billion more than the law allows, and many billions more than prudence would permit. The servicing of our debt has increased 19 percent since our last budget

fantasy, and that interest is the fourth largest item in today's resolution.

This year's deficit, as calculated by the committee, is the source of some pride to some Members because it is supposedly based on more realistic economic projections than the President's. I applaud this, but I find little joy in a 1978 deficit of $64.3 billion.

Much of the program initiation designed by our new administration to combat our economic situation is in this bill. So-called stimulus items in it are: $5.9 billion for 750,000 public service jobs, $1.7 billion for countercyclical assistance, $3.1 billion for accelerated public works, and $2.4 billion for special employment assistance. There simply is not time for me to dissect each of these expenses, but even a cursory glance tells us that the public works jobs will cost about $25,000 per job per year in projects taking from 3 to 5 years. The countercyclical grants-in-aid will, as will the public works spending and, to a certain extent, the public service jobs spending, be used heavily for replacement of State and local funds which would have been spent anyway.

In short, these programs may be useful but they are inappropriate for our current economic situation. Because the spending will occur over the next 1½ years, these programs will give little immediate help. This kind of stimulus was not needed 3 months ago when it was proposed—nor when the President withdrew his rebate—and it is not needed now.

I will be supporting a number of amendments intended to inject a smidgen of reality into this exercise. The most significant will be the Latta amendment to reduce individual taxes by 10 percent and to reduce next year's debt by spending reductions of $36 million.

Unless this resolution is substantially amended, I urge that it be defeated. We simply cannot lay deficit on top of deficit, without contributing to a serious increase in an already much too high rate of inflation.

The Congress has an unsurpassed reputation for appropriating more than it is willing to raise. Sooner, I hope, or later, the people are going to catch on to Congress lack of fiscal responsibility. The vote on this resolution and on the Latta amendment may well be the people's best evidence on fiscal responsibility, or irresponsibility.

Mr. STAGGERS. Mr. Chairman, I regret that I am not able to deliver these words in person, but by the time the amendment on which I now rise in support comes up for a vote, I will be in my home State of West Virginia at the Baker Veterans' Administration Center in Martinsburg.

This center provides many much needed services for veterans of my home State, Ohio, Pennsylvania, and is to be expanded and modified to improve the available services.

But just as this center provides a needed service, so also does the amendment offered by my friend from California, GLENN ANDERSON.

This amendment seeks to increase the veterans section of this first concurrent resolution on the budget by $500 million. The money could be utilized to fund a $50 pension to those men and women who served our country in its time of need and now find themselves in need.

I gladly cosponsored a bill, H.R. 55, to provide a much needed monthly pension of $150 for these veterans of World War I. There are 9,000 in my State alone. Since that time of initial introduction, 160 Members of this Congress have joined with Congressman ANDERSON and myself in cosponsorship.

I urge my many friends and colleagues to recognize the urgency of this amendment and pass this amendment. Our veterans deserve no less.

Mr. SEBELIUS. Mr. Chairman, I wish to address myself to function 350, agriculture, of the first concurrent resolution on the budget—fiscal year 1978 House Concurrent Resolution 195.

As reported by the Budget Committee, this agriculture budget outlay figure was $2.88 billion, which was $547 million more in outlays than President Carter's budget request.

On Monday, the first amendment to House Concurrent Resolution 195, offered by Mr. GIAIMO, increased among others, function 350 from $2,880,000,000 to $4,395,000,000, which was a $1,515,000,000 increase.

Mr. GIAIMO made the following statement in support of the increase for the agriculture budget:

Mr. GIAIMO. Mr. Chairman, I offer a Budget Committee amendment to the first budget resolution for fiscal year 1978 to cover reestimates of commodity program expenditures in the agriculture functional category. The amendment increases outlays for the agriculture function and the budget resolution total by $1,515 million. This change is necessary to accommodate recent administrative actions and changes in the economy which will require payments to be made under current law.

The committee was aware during its markup that some adjustment would have to be made for this program, but deferred action until events settled down and a reliable estimate could be developed. Among other things, during committee markup, the administration was in the process of presenting its farm policy recommendations to the Congress. I have discussed this matter several times with the gentleman from Washington, the distinguished chairman of the House Agriculture Committee, and his staff, and I have also talked about it to Director Lance of the Office of Management and Budget.

The administration has now submitted a revised estimate for this program, which has been reviewed by the Congressional Budget Office and the committee staff. This increase assumes that administrative actions to extend wheat loans—the reseal program—to expand storage facility loans, and to increase price support levels for wheat, feedgrains, and dairy will require additional expenditures. Further, it is assumed that deteriorating economic circumstances for commodities, such as wheat, will require larger loans and payments.

I wish to emphasize that the amendment addresses only payments expected to be made under current law. It assumes no legislative changes for 1977 crops. Payments made for this program under current law are mandatory. There is no choice. It was just a matter of developing a reliable estimate, which I believe we now have.

The Budget Committee, in my opinion, has addressed only one part of the congressional budget equation—that is, the President's recommendation. The President revised his Agriculture budget after the Budget Committee reported House Concurrent Resolution 195, and the first amendment taken up on the floor responded to that increase of President Carter's.

What about the Agriculture Committee proposals? The Agriculture Committee forwarded to the Budget Committee the following recommendation regarding target prices, loan levels, and related programs on March 15, 1977:

I. PRESIDENT'S BUDGET REQUESTS FOR EXISTING PROGRAMS WHICH REQUIRE REENACTMENT OR MODIFICATION OF AUTHORIZING LEGISLATION FOR FISACL YEAR 1978

Major issue or program	President's request		Committee recommendation		Comment
	Budget authority	Outlays	Budget authority (difference)	Outlays (difference)	
* * * * * * *					
C. AGRICULTURE (350)					
1. Commodity Credit Corporation—Price support and related operations (12-4336-0-3-351).	$1,234,342,000	$866,799,000	----------	+$1,467,400 3,325,000	The committee has recommended a range of figures based upon its best judgment of the outlays likely to occur under existing programs and the alternate types of legislation that it considers most probably will be enacted. Listed below is an explanation of the assumptions made for each of the operations of CCC that resulted in the committee's range of increases.
(a) Dairy		163,700,000	----------	+216,900,000	Recommended outlays based upon legislation providing for 85 percent of parity.
(b) Feed grains		230,900,000	----------	+114,100,000 969,100,000	Recommended 2 alternatives: (a) assumes no legislation which would affect 1977 crop; (b) assumes legislation affecting the 1977 crop which sets the target price at the estimated cost of production using average acquisition values for land and a loan rate based on the same ratio to the target price as under the current program. This resuits in a target price for corn of $2.20 and a loan rate of $1.94. Both alternatives assume a 50 percent increase in disaster payments based upon the unusual weather pattern in recent months.

I. PRESIDENT'S BUDGET REQUESTS FOR EXISTING PROGRAMS WHICH REQUIRE REENACTMENT OR MODIFICATION OF AUTHORIZING LEGISLATION FOR FISCAL YEAR 1978—Continued

Major issue or program	President's request		Committee recommendation		Comment
	Budget authority	Outlays	Budget authority (difference)	Outlays (difference)	
(c) Wheat		143,300,000		(a)+553,700,000 (b)1,556,700,000 (c)856,700,000	Recommended 3 alternate assumptions: (a) assumes no legislation affecting the 1977 or 1978 crops; (b) assumes legislation basing target price and loan rates on cost of production for both the 1977 and 1978 crops (a target price of $3.15 for 1977 and $3.34 for 1978, and a loan rate of $2.86 for 1977, and $3.03 for 1978); (c) assumes new legislation affecting the 1978 crop but not for the 1977 crop. Under all 3 assumptions there was included an amount for an increase in disaster payment activities based upon the recent unusual weather activity and an increase in outlays as a result of a fiscal year 1978 wheat reseal program to encourage continued storage of surplus wheat on the farm. The reseal program would reduce receipts from repayment of prior year loans and add interest and storage costs to CCC for those loans.
(d) Cotton		125,700,000		+47,800,000	Recommended an increase based upon an anticipated 50 percent increase in disaster payments. The committee also considered the same alternatives as stated above for feed grains but considers that possible legislation basing target prices and loan rates on cost of production should have no effect on program costs since market prices should exceed target prices.
(e) Peanuts		62,400,000		+51,500,000	The recommendation is based on a continuation of the acreage allotment for the 1978 crop at the current level of 1.6 million acres instead of the President's budget assumption that it would be reduced to 1 million acres.
(f) Rice		117,000,000		+89,500,000	Assumes a continuation of the current program for fiscal year 1978 but recommends an increase in program costs based upon March 1978 revised budget projections by the USDA.
(g) Tobacco		−37,700,000			No change.
(h) Wool and mohair		3,300,000		+49,000,000	Recommends an increase based upon new legislation which would establish support price at $1.20 per pound (90 percent of parity) in lieu of $0.72 per pound for wool produced in calendar year 1977.
(i) CCC export credit sales program		−2,500,000		+231,500,000	Recommends an increase based upon projections that because of high carryover stocks the gross credit outlays for fiscal year 1978 would be $1 billion, the same as in fiscal year 1977, and would not be reduced by $250 million as estimated in the President's budget.
(j) Farm storage facility loan program		−3,000,000		+112,400,000	Recommends an increase based upon an expansion of the program to provide additional farm storage facilities for the storage of grain under a reseal program as reflected in recent statements of the administration.
(k) Soybeans					No change.
(l) All other programs		98,900,000		+1,000,000	Recommended an additional $1 million for dairy indemnity program contingencies.
*	*	*	*	*	* *

At this time both the House and Senate Agriculture Committees are marking up their farm bills. The Senate has a provision in its bill—on which the full committee has voted—raising target prices and loan levels for the 1977 wheat crop. The Subcommittee on Livestock and Grains has also reported to the full committee on the House side its recommendations for increases in target prices and loan levels for the 1977 wheat and feed grains crop. That matter will be taken up by the full committee this week.

Thus, I take this opportunity to place the Members on notice that in acting on House Concurrent Resolution 195 without waiting for the reporting of the farm bill by the House and Senate Agriculture Committee they foreclose an intelligent discussion of the Budget Committee's recommendation for a budget target for function 350—agriculture, incorporating President Carter's latest revisions but not your own congressional legislative committee recommendations for 1977 or 1978 crop costs.

I submit to you that House Concurrent Resolution 195, fortunately, only sets "targets." And, I am fully aware that at least in 15 instances, budget limitations have been waived in this session on the floor of the House with respect to legislation which would have exceeded budget ceilings set by the House.

Most certainly, in my opinion, the farm bills will contain proposals increasing target prices and/or loan levels for 1977 crops, and all Members should be on notice of this prospective action as it relates to budget ceilings.

I fully expect that some Members at that time will raise questions about such proposals—as is their right. But, also, I fully expect that the committee will seek and obtain the necessary waivers of the Budget Act provisions to meet the serious needs of our Nation's farmers—especially our wheat farmers who are beset by drought, low commodity prices, and high production costs.

President Carter's proposal for 1978 crops does not help our farmers this year. As our farmers tell us, "the future is now." If the farmers do not get help for their 1977 crops, their future as farmers is all but eliminated.

Please keep the foregoing in mind when considering House Concurrent Resolution 195 and when we bring our farm bill to the floor.

AMENDMENT OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Chairman, I offer a technical amendment, which is in order under the Budget Act to conform the aggregates to action taken on prior amendments.

The Clerk read as follows:

Amendment offered by Mr. GIAIMO: In the matter relating to the recommended level of Federal revenues strike the amount and insert in lieu thereof $398,094,000,000";

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased strike the amount and insert in lieu thereof "$1,073,000,000";

In the matter relating to the appropriate level of total new budget authority strike the amount and insert in lieu thereof "$505,656,000,000";

In the matter relating to the appropriate level of total budget outlays strike the amount and insert in lieu thereof "$466,732,000,000";

In the matter relating to the amount of the deficit strike the amount and insert in lieu thereof "$68,638,000,000";

In the matter relating to the appropriate level of the public debt strike the amount and insert in lieu thereof "$794,968,000,000".

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, strike the amount and insert in lieu thereof "$94,968,000,000."

Mr. GIAIMO. Mr. Chairman, under the Budget Act it is in order to offer a technical amendment to conform the aggregates to actions which have been taken. Now, there have been many amendments offered here. The amendments were clearly explained and they defined the amounts of money which were added to or removed from the first budget resolution.

But, there are mathematical inperfections in some of the amendments that deducted from or added to the original base figure, as well as in other amendments that deducted or added to amendments for which there were substitutes, or perfecting amendments. Now, it is essential—and the Budget Act provides—that this kind of amendment, which is purely technical in nature, will make the necessary mathematical corrections

to make the numbers conform to the intentions as expressed by the votes today. That is what the amendment provides.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have checked this amendment, and we agree with it. It is a technical, mathematical amendment.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, I witnessed this exercise, and as one who was involved in putting the Budget Committee together, and had serious reservations about the effectiveness of the Budget Committee, I think we have proved conclusively tonight—yesterday and today—that it is time to get rid of the Budget Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The amendment was agreed to.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since being granted the honor to serve on the Budget Committee 2 years ago, I voted for past budget resolutions. I have attempted to persuade Members of the House to vote for past budget resolutions, and my attempts to so persuade them were based upon the intention of the budget process. In the last 2 days, yesterday and today, we have seen an utter and complete perversion and bastardization of the budget process. If, by some miraculous parliamentary maneuver, that terrible damage can be undone before the final vote, then I have got another option; but unless that can be accomplished, I have no choice but—for the first time in my service on the committee—to vote against this first concurrent budget resolution.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to ask the House, if this resolution is still in its present form when the final vote comes, to vote against it. I, in committee and on the floor, voted against money for programs I believe in, in order to be fiscally responsible, in order to try to bring to the House a bill which is fairly balanced.

If I am to impose discipline upon myself—and this is the whole point behind the budget process—then I have a right to expect other Members to do the same thing. But, I think we ought to look at what happened over the last 2 days.

Over the last few days we took out the rebate. We have left in many superfluous, gratuitous and unasked for items. We have added $4 billion to the Pentagon budget.

I think we ought to ask how we have handled committee functions in this bill. The House authorizing committees asked for $32 billion for natural resources and energy. The Budget Committee rejected one-third of that amount. The Committee on Education and Labor asked for $30 billion, and the Budget Committee rejected 25 percent of that amount. For Commerce and Transportation, the authorizing committees asked for $23 billion. We rejected 10 percent of that amount. For the Committee for Community Development, we were asked to spend $9.7 million. We rejected 17 percent of that amount. For Defense we were asked to spend $121 billion. We rejected 4 percent of that amount. On the floor, all but $1 billion of that 4 percent was restored.

Many people who voted to restore it are people who would not vote for this budget resolution no matter what was in it, because they do not like the deficits, or so they say.

My grandfather told me that if you buy the groceries, you pay the bill. I am not a sadist, and I am not about to carry the load for a package which somebody else put together.

I would like to say something else too. I probably should not say this, because I know the chairman would not want me to say it. But I am going to say it anyway.

This bill has been out of committee 28 days. I know the chairman of the Committee on the Budget has been down to the White House three separate times since this bill came out of committee. I know he has talked to the director of the Bureau of the Budget. I also know that not once did either of them raise with the chairman of this committee directly their concerns about the cut in the defense budget which has been referred to time and time again on this floor.

Yet we are told that the President is unhappy with the defense cut. It seems to me that, out of common courtesy, if the President is unhappy, he owes it to the committee and he owes it to the chairman to say so directly and openly.

I am going to vote against this, and I urge the Members to do so also because, as I indicated, 17 percent restraint on community development, 25 percent restraint on education and training, 33 percent restraint on national resources and energy, and 1 percent restraint on defense is simply not a balanced budget approach. We have not had restraint by the people who preach it the loudest. And unless we can do something about it yet tonight. I would urge the Members to vote against this resolution so that we can address it again when the House is in a more serious mood.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. I thank the gentleman from Wisconsin (Mr. OBEY), for whom I have the greatest respect because he has made a valiant effort in this body to legislate honestly and with integrity.

I do not know whether he can do it or not, but the gentleman has tried. But in my own mind I feel this way: I would say to my good friend, the gentleman from Wisconsin (Mr. OBEY), that he is being very vindictive when he says he is going to vote against this, because let me point out what is the only significant increase that has been made.

Mr. OBEY. Mr. Chairman, I reclaim my own time, and I refuse to yield further.

Mr. ICHORD. This refers to the defense budget and the President's request.

The CHAIRMAN. The gentleman from Wisconsin (Mr. OBEY) has the floor, and he controls the time.

Mr. OBEY. Mr. Chairman, if the gentleman from Missouri (Mr. ICHORD) or any other Member wants to attack me for being vindictive, that Member can do it on his own time.

All I am suggesting is that this is not the kind of a package which I campaigned for back home with my taxpayers.

Mr. Chairman, I would urge that the Members look at this as I have.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know it is late. I hate to take this time, but I do think we have an important decision to make tonight. That decision is whether Congress can discipline itself and live within a budget process. That is what is at stake here tonight. If we have to stay here a little while longer, I am ready to do that, and I hope the rest of the Members will be here so we can do the work we are paid to do. I will say to my friend, the gentleman from New York (Mr. PIKE) and other Members that this is part of the work we are paid to do with the salary increase we received this year.

It is essential that the budget process works. If we make a travesty of the process, we are not going to be given any gold stars by our constituents. Believe me, our constituents are not as concerned, as some of us would think, about congressional pay; but they certainly are concerned about whether we do our jobs down here and do what we think is right for the country.

This budget process has to work. We made a commitment when we adopted this process and when we told Presidents they could not impound funds and set budget priorities unilaterally. We told them that we would do it here.

Let us just think of what we have done here. We have beefed up the budget deficit from $64.2 billion to almost $68.6 billion. What some of the Members may not know is that this budget deficit has inherent in it a legislative reform package that we must enact. If we do not enact it, we are going to have to add $2 billion more to the budget deficit. That, I will say to my colleagues, would put it over $70 billion.

We hear a great deal of talk here about budgets from our friends on the minority side, but they do not vote for budget resolutions to any great degree. They have not voted for them before in the past, either in committee or on the floor, and I can assure my colleagues that they will not do so tonight, based on their past performances.

There are also some conservative Democrats in this House who do not vote for

budget resolutions as we would hope they would. It is the more liberal Democrats who have supported the budget process in past years in the Congress.

It is these liberal Democrats who have supported the budget process in the Congress in past years who have asked for some fair treatment and for a sharing of the burden of budgetary belt-tightening. They have said that it is not right to eliminate tax rebates that would go to the little people of America but keep in the resolution business tax relief that would benefit the business community. They believe that it is not fair to hold up on the parts of the economic stimulus package that would help the unemployed, but then provide goodies all along the line for special interest groups.

They also think that the Defense Department, which is clearly the only agency of Government that receives massive budget increases year after year, should not share the burden. They do not think it is fair to say that the Defense Department's budget cannot be reduced by one single dollar. They are saying, "Let us all share in this difficult process of holding down the deficit."

Mr. Chairman, that is why we are here tonight, and now we are asking our friends here to vote for this first budget resolution for fiscal 1977, even though they may be most unhappy about it. I am asking them to vote for it, although I realize they may be most unhappy. Then we will try to work out these problems in conference.

Mr. Chairman, there has been a suggestion made that we offer a substitute resolution here, restoring this budget to its original set of figures. That would be the original resolution that we brought in here to the Members. We could ask them if they would accept it if we brought it in with its original dollar figures. There have been suggestions made that this could be a compromise gesture at this last point, and this would be done in order to try to preserve this budget process and make it possible, perhaps, to pass this first budget resolution.

If we do that, it is going to open the measure up to the very same amendments that had been offered before. We might move to limit time and get a vote on these amendments. It would include a vote on the Burleson amendment, on the Pike amendment, and perhaps on other amendments offered today that could be reoffered.

I hesitate to do that, but if the Members wish, we could offer that amendment and provide for a time limitation so as to strictly limit debate. If we want to preserve the budget process, we could go back to the original figures that we had—with a $64.2 billion deficit—and perhaps work out some compromises in the areas of disagreement that we have debated so hard on here today. We could then, perhaps, work those compromises out in the Senate. It would take a little more time, but it might well preserve this budget process.

Mr. Chairman, I am very fearful that if we do not do something like that, this budget resolution may fail and we will have to go back to committee and start all over again, with very little time before our May 15 deadline.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(On request of Mr. FLOWERS and by unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. FLOWERS. Mr. Chairman, will my friend, the gentleman from Connecticut, yield?

Mr. GIAIMO. I yield to the gentleman from Alabama.

Mr. FLOWERS. Mr. Chairman, I plead guilty to being one of those Members who suggested this alternative to him. I did so for what I think is a very good reason, and that is the preservation of this process.

I came down on this issue as the gentleman from Maryland and the gentleman from Wisconsin came down on it, but for different reasons.

I think it is a menagerie that we have exhibited here in the last couple of days. My friends on the other side of the aisle have not exactly shown the kind of responsibility that I hope we would if we were in the minority here.

I am not casting aspersions on anyone's intent or intestinal fortitude or whatever, but I say this to the Members of the House on both sides: When we have some really tough votes around here, where are we going to be if we cannot even have a little process like this proceed as it should?

What about the energy package, which will be a tough one to tackle? How many people have the guts to tackle that when we have shown what we have shown here during the last couple of days?

I have supported some Members in the past on legislation. I voted along with some Members in the past and voted against the position of some Members in the past; but I think we have to restore an orderly process here in considering legislation.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, if this can be accomplished, if we can get back to the original resolution that we brought out on this floor, despite my deep and abiding concerns about the inadequacies of the resolution, I am prepared to support it, Mr. Chairman, because that one, at least made some sense, but what is before us now does not make a damn bit of sense.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT), the majority leader.

Mr. WRIGHT. Mr. Chairman, the suggestion just offered by the chairman of the committee is a very innovative one. I have never seen it done that way before. It just depends on how satisfied or how dissatisfied the Members of this House may be with what has heretofore been done.

I should think that if the process suggested by the chairman were to be followed, we ought not again open it up all at the same time. That would be imprudent if that were followed through in that way, because of what we might decide.

Mr. Chairman, how many of the Members would rather see it the way it came out of committee, without any changes, with the hope that those who were ready to go to the conference would try to bear in mind the responsibility of the membership, or would the Members rather see it just as it is right now?

I do not know, but let us look around now, Mr. Chairman. This is a strange arrangement.

Let me just ask the Members that question.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman from Maryland will state his point of order.

Mr. BAUMAN. Mr. Chairman, under the rules of the House, only the presiding officer can put a question to the body.

The CHAIRMAN. The Chair will state that the gentleman is correct. The gentleman is correct that we will proceed under the rules of the House.

The Chair recognizes the gentleman from Massachusetts (Mr. O'NEILL), the Speaker of the House.

Mr. O'NEILL. Mr. Chairman, I have not had a chance to talk with the chairman of the committee on this question, and surely I would not want to encroach upon his rights if I did.

The hour is 12:30 in the morning. We have been debating this item for 2 days. Some of the Members are pleased with what has happened. Some of them feel saddened and feel that those they represent are being treated unjustly.

Mr. Chairman, this is a democratic system. This is the way we operate, but it is now 12:30 in the morning. I have been a legislator for 40 years, and I have seen that every time that it is unwise to legislate beyond the stroke of midnight.

Truly, I think it would be a mistake for the House of Representatives, Mr. Chairman, at this time to bring up the amendment you mentioned. We set rules earlier in the year that on Mondays we would quit at 5:30 p.m. and on Tuesdays we would quit at 5:30 p.m. and on Wednesdays we would work until we finished the day's legislation. I think we have come to the end of the day's legislation.

All we are trying to do here is set targets. Some Members may not approve of those targets but there will be a resolution with other targets later in September, if this passes today.

If we do not pass the legislation along this line what would happen? Any legislation with entitlements cannot be

brought to the floor of the Congress. For example, the black lung bill, just using that as an example, could not be brought up before the Congress unless it went to the Committee on Rules for waivers of points of order.

No appropriations bill can be brought before the Congress under the rules that we have set up unless we have first passed this preliminary version of the budget.

I believe we ought to vote now and let the chips fall where they may. If it passes well and good, if it does not pass, I would hope that the Committee would bring the legislation back to the floor next week. But I do hope we would go on and vote for the final passage of this bill tonight.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House, with amendments, with the recommendation that the amendments be agreed to and that the concurrent resolution, as amended, be agreed to.

The CHAIRMAN. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

Accordingly the Committtee rose; and the Speaker having resumed the Chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 195) setting forth the congressional budget for the U.S. Government for the fiscal year 1978, had directed him to report the concurrent resolution back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the concurrent resolution, as amended, be agreed to.

The SPEAKER. Pursuant to section 305(a), title 3, Public Law 93-344, the Congressional Budget Act of 1978, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the concurrent resolution.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 84, nays 320, not voting 29, as follows:

[Roll No. 165]

YEAS—84

Akaka	Dingell	Jones, Okla.
Alexander	English	Kazen
Ammerman	Evans, Colo.	Kildee
Anderson, Calif.	Flood	Lloyd, Calif.
Bennett	Florio	Long, La.
Bevill	Foley	Long, Md.
Biaggi	Ford, Mich.	McCormack
Bolling	Fowler	McFall
Brademas	Fuqua	McKay
Breckinridge	Giaimo	Mahon
Brooks	Ginn	Mattox
Brown, Calif.	Gonzalez	Meeds
Burleson, Tex.	Hannaford	Mineta
Burlison, Mo.	Hawkins	Mollohan
Carney	Hightower	Moorhead, Pa.
Conte	Howard	Murtha
Corman	Ichord	Nedzi
Danielson	Jenkins	Nix
de la Garza	Jenrette	Patten
Perkins	Johnson, Calif.	Pepper
Pike	Ryan	Whalen
Poage	Shipley	White
Preyer	Sisk	Wilson, C. H.
Rahall	Smith, Iowa	Wilson, Tex.
Risenhoover	Steed	Wright
Roberts	Stratton	Young, Tex.
Roncalio	Traxler	Zablocki
Rooney	Ullman	
	Waggonner	

NAYS—320

Abdnor	Duncan, Tenn.	McCloskey
Addabbo	Early	McDade
Allen	Eckhardt	McDonald
Ambro	Edgar	McEwen
Anderson, Ill.	Edwards, Ala.	McHugh
Andrews, N.C.	Edwards, Calif.	McKinney
Andrews, N. Dak.	Edwards, Okla.	Maguire
Annunzio	Eilberg	Mann
Applegate	Emery	Markey
Archer	Erlenborn	Marks
Armstrong	Ertel	Marlenee
Ashbrook	Evans, Ga.	Marriott
Ashley	Evans, Ind.	Martin
Aspin	Fary	Mathis
AuCoin	Fascell	Mazzoli
Badham	Fenwick	Metcalfe
Badillo	Findley	Michel
Bafalis	Fisher	Mikulski
Baldus	Fithian	Mikva
Barnard	Flippo	Miller, Calif.
Baucus	Flowers	Miller, Ohio
Bauman	Flynt	Minish
Beard, R.I.	Ford, Tenn.	Mitchell, Md.
Beard, Tenn.	Fountain	Mitchell, N.Y.
Bedell	Frenzel	Moakley
Beilenson	Frey	Moffett
Benjamin	Gammage	Montgomery
Bingham	Gaydos	Moore
Blanchard	Gephardt	Moorhead, Calif.
Blouin	Gibbons	Mottl
Boland	Gilman	Murphy, Ill.
Bonior	Glickman	Murphy, N.Y.
Bonker	Goldwater	Murphy, Pa.
Bowen	Goodling	Myers, Gary
Breaux	Gore	Myers, Michael
Brinkley	Grassley	Natcher
Brodhead	Gudger	Neal
Broomfield	Guyer	Nichols
Brown, Mich.	Hagedorn	Nolan
Brown, Ohio	Hall	Nowak
Broyhill	Hamilton	O'Brien
Buchanan	Hammer-schmidt	Oakar
Burgener	Hanley	Oberstar
Burke, Calif.	Hansen	Obey
Burke, Fla.	Harrington	Ottinger
Burke, Mass.	Harris	Panetta
Burton, John	Harsha	Patterson
Burton, Phillip	Heckler	Pattison
Butler	Hefner	Pease
Byron	Heftel	Pettis
Caputo	Hillis	Pickle
Carr	Holland	Pressler
Carter	Hollenbeck	Pritchard
Cavanaugh	Holt	Pursell
Cederberg	Holtzman	Quayle
Chappell	Horton	Quie
Chisholm	Hubbard	Quillen
Clausen, Don H.	Huckaby	Railsback
Clawson, Del	Hughes	Rangel
Clay	Hyde	Regula
Cleveland	Ireland	Reuss
Cochran	Jacobs	Rhodes
Cohen	Jeffords	Richmond
Coleman	Johnson, Colo.	Rinaldo
Collins, Ill.	Jones, Tenn.	Robinson
Collins, Tex.	Jordan	Rodino
Conable	Kasten	Rogers
Conyers	Kastenmeier	Rose
Corcoran	Kelly	Rosenthal
Cornell	Kemp	Rousselot
Cornwell	Ketchum	Roybal
Cotter	Keys	Rudd
Coughlin	Kindness	Runnels
Crane	Kostmayer	Ruppe
D'Amours	Krebs	Santini
Daniel, Dan	Krueger	Sarasin
Daniel, R. W.	Lagomarsino	Satterfield
Davis	Latta	Sawyer
Delaney	Le Fante	Scheuer
Dellums	Leach	Schroeder
Dent	Lederer	Schulze
Derwinski	Lehman	Sebelius
Devine	Lent	Seiberling
Dickinson	Levitas	Sharp
Dicks	Lloyd, Tenn.	Shuster
Dornan	Lott	Simon
Downey	Lujan	Skelton
Drinan	Luken	Skubitz
Duncan, Oreg.	Lundine	Slack
	McClory	Smith, Nebr.
Snyder	Thornton	Weaver
Solarz	Tonry	Weiss
Spellman	Treen	Whitehurst
Spence	Trible	Whitley
Stangeland	Tsongas	Whitten
Stanton	Tucker	Wiggins
Stark	Udall	Wilson, Bob
Steers	Van Deerlin	Winn
Steiger	Vander Jagt	Wirth
Stockman	Vanik	Wolff
Stokes	Vento	Wydler
Studds	Volkmer	Wylie
Stump	Walker	Yates
Symms	Walsh	Yatron
Taylor	Wampler	Young, Fla.
Thompson	Watkins	Young, Mo.
Thone	Waxman	Zeferetti

NOT VOTING—29

Boggs	Jones, N.C.	Roe
Derrick	Koch	Rostenkowski
Diggs	LaFalce	Russo
Dodd	Leggett	Sikes
Evans, Del.	Madigan	St Germain
Fish	Meyner	Staggers
Forsythe	Milford	Teague
Fraser	Moss	Walgren
Gradison	Myers, Ind.	Young, Alaska
Harkin	Price	

The Clerk announced the following pairs:

Mrs. Meyner with Mr. Teague.
Mr. Staggers with Mr. Sikes.
Mr. Rostenkowski with Mr. Milford.
Mr. Moss with Mr. Russo.
Mr. Price with Mr. Dodd.
Mr. Leggett with Mr. Harkin.
Mr. Fraser with Mr. Jones of North Carolina.
Mr. Diggs with Mr. LaFalce.
Mr. Koch with Mr. Derrick.
Mrs. Boggs with Mr. Evans of Delaware.
Mr. Roe with Mr. Fish.
Mr. St Germain with Mr. Gradison.
Mr. Walgren with Mr. Forsythe.

Mr. GONZALEZ changed his vote from "nay" to "yea."

Mr. LUKEN changed his vote from "yea" to "nay."

So the concurrent resolution was rejected.

The result of the vote was announced as above recorded.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, a point of order.

The SPEAKER pro tempore (Mr. MCKAY). The gentleman will state it.

Mr. BAUMAN. The Chair made no mention of a motion to reconsider. Is a motion to reconsider in order?

The SPEAKER pro tempore. The gentleman will be informed that on this resolution there is no motion in order for that purpose under the Budget Act.

Mr. BAUMAN. I thank the Speaker.

GENERAL LEAVE

Ms. HOLTZMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the concurrent resolution just voted on.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. FOLEY. Mr. Speaker, on Wednesday, April 27, on rollcall 156, I was unavoidably not recorded. If I had been present, I would have voted no.

PERMISSION FOR SUBCOMMITTEE ON LEGISLATION AND NATIONAL SECURITY OF COMMITTEE ON GOVERNMENT OPERATIONS TO SIT DURING 5-MINUTE RULE ON THURSDAY, APRIL 28, 1977

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Legislation and National Security of the Committee on Government Operations be permitted to sit on tomorrow, Thursday, April 28, 1977, while the House is proceeding under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman tell us whether there will be a markup of the bill, or is this just for hearings?

Mr. BROOKS. In the morning, we hope to have a markup of a bill, but in the afternoon we will just be having a hearing. This has been cleared with the ranking minority member on the committee.

Mr. ROUSSELOT. Can the gentleman tell us what the bill is that is so important?

Mr. BROOKS. It is a bill. It is a very interesting bill. The gentleman will like it.

Mr. ROUSSELOT. If it is that good I will like it. The gentleman cannot give us any idea of what it is?

Mr. BROOKS. The gentleman is a very gracious man.

Mr. ROUSSELOT. The gentleman cannot give us any idea of what the bill is?

Mr. BROOKS. We have got several bills that we may have a hearing on. One bill has been set at 3 o'clock, and is to hear Senator KENNEDY. It is a bill to provide for a publication of those programs which are available to public bodies, and put them in one collated publication. Those are all the public programs, and we are going to have a hearing on that later. We have not passed that bill yet.

Mr. ROUSSELOT. But the gentleman is not going to mark it up?

Mr. BROOKS. No.

Mr. ROUSSELOT. So it is for hearings only?

Mr. BROOKS. That is correct.

Mr. ROUSSELOT. I appreciate my colleague's reply. The gentleman does not plan to meet in the afternoon then?

Mr. BROOKS. 3 o'clock.

Mr. ROUSSELOT. I thank the gentleman, and I withdraw my reservation of objection.

Mr. MILLER of Ohio. Mr. Speaker, reserving the right to object, I would ask for a point of information. I understood the gentleman's statement was that the committee would meet tomorrow. Is that Thursday or Friday—since it is now 1 a.m. Thursday, the 28th.

Mr. BROOKS. Well, technically, really, it would be today.

Mr. MILLER of Ohio. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON HUMAN RESOURCES OF COMMITTEE ON GOVERNMENT OPERATIONS TO MEET THURSDAY, APRIL 28, 1977

Mr. FOUNTAIN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Human Resources of the Committee on Government Operations, which is now engaged in markup, be able to continue today from now on and in the afternoon on the countercyclical revenue-sharing bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THIRD REPORT OF UNITED STATES SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–130)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit herewith the Third Report of the United States Sinai Support Mission. This report describes the manner in which the Mission is continuing to carry out its peacekeeping responsibilities by operating an early warning system in the Sinai, as called for in the basic agreement between Egypt and Israel signed on September 4, 1975. This report is provided to the Congress in conformity with Section 4 of Public Law 94–110 of October 13, 1975.

The report emphasizes the successful completion on February 22, 1977, of one full year of operations. With the completion of initial construction activity, the Sinai Field Mission has had an opportunity to analyze in detail various elements of the Mission's activity. In particular, attention has been directed to improving operating procedures, to upgrading equipment and to reducing personnel through the introduction of advanced technology.

The parties to the agreement continue to affirm their satisfaction with the role of the United States in the Sinai and the fair way in which the Sinai Support Mission has discharged its responsibilities for the early warning system.

As our initiatives to help the parties to the Arab-Israeli dispute move toward a resumption of negotiations, it is important that the United States continue to fulfill its commitments. As long as the Sinai Support Mission is able to make a positive contribution to these efforts, I will urge that the Congress continue its support for this important mission.

JIMMY CARTER.

THE WHITE HOUSE, *April 27, 1977.*

THE 12TH ANNUAL REPORT OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs;

To the Congress of the United States:

I am transmitting herewith the Twelfth Annual Report of the Department of Housing and Urban Development, describing its activities for the calendar year 1976.

This Report covers a period of time prior to the commencement of my term of office.

JIMMY CARTER.

THE WHITE HOUSE, *April 27, 1977.*

ESTABLISHING FOR THE UNITED STATES A STRONG AND EFFECTIVE NUCLEAR NONPROLIFERATION POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–131)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and the Committee on Science and Technology and ordered to be printed:

To the Congress of the United States:

The need to halt nuclear proliferation is one of mankind's most pressing challenges. Members of my Administration are now engaged in international discussions to find ways of controlling the spread of nuclear explosive capability without depriving any nation of the means to satisfy its energy needs. The domestic nuclear policies which I have already put forward will place our nation in a leadership position, setting a positive example for other nuclear suppliers as well as demonstrating the strength of our concern here at home for the hazards of a plutonium economy. Today I am submitting to the Congress a bill which would establish for the United States a strong and effective non-proliferation policy.

This bill relies heavily upon work which the Congress has already done, and I commend the Congress for these valuable initiatives. I look forward to working with the Congress to establish a strong, responsible legislative framework from which we can continue strengthened efforts to halt the spread of nuclear weapons.

Among our shared goals are: an increase in the effectiveness of international safeguards and controls on peaceful nuclear activities to prevent further proliferation of nuclear explosive devices, the establishment of common international sanctions to prevent such proliferation, an effort to encourage nations which have not ratified the Non-

Proliferation Treaty to do so at the earliest possible date, and adoption of programs to enhance the reliability of the United States as a supplier of nuclear fuel.

This bill differs from pending proposals, however, in several respects:

1. It defines the immediate nuclear export conditions which we can reasonably ask other nations to meet while we negotiate stricter arrangements. The proposals currently before Congress would impose criteria that could force an immediate moratorium on our nuclear exports, adversely affecting certain allies whose cooperation is needed if we are to achieve our ultimate objective of non-proliferation.

2. It defines additional nuclear export conditions which will be required in new agreements for civil nuclear cooperation. In particular, we will require as a continuing condition of U.S. supply that recipients have all their nuclear activities under IAEA safeguards. I view this as an interim measure and shall make it clear to all potential recipients and to other nuclear suppliers that our first preference, and continuing objective, is universal adherence to the Non-Proliferation Treaty.

3. For the near future, it attempts to tighten the conditions for U.S. nuclear cooperation through renegotiation of existing agreements to meet the same standards as those we will require in new agreements. I believe that this approach will better meet our non-proliferation objectives than will the unilateral imposition of new export licensing conditions.

4. It increases the flexibility we need to deal with an extremely complex subject. For example, instead of requiring countries that want our nuclear exports to foreswear fuel enrichment and reprocessing for all time, it allows us to draft new agreements using incentives to encourage countries not to acquire such facilities. It also permits me to grant exceptions when doing so would further our basic aim of non-proliferation. All new cooperation agreements would, of course, be subject to Congressional review.

This bill is intended to reassure other nations that the United States will be a reliable supplier of nuclear fuel and equipment for those who genuinely share our desire for non-proliferation. It will insure that when all statutory standards have been met, export licenses will be issued—or, if the judgment of the Executive Branch and the independent Nuclear Regulatory Commission should differ, that a workable mechanism exists for resolving the dispute.

Since I intend personally to oversee Executive Branch actions affecting non-proliferation, I do not think a substantial reorganization of the responsibility for nuclear exports within the Executive Branch is necessary. This conclusion is shared by the Nuclear Regulatory Commission.

The need for prompt action is great. Until domestic legislation is enacted, other countries will be reluctant to renegotiate their agreements with us, because they will fear that new legislation might suddenly change the terms of cooperation. If the incentives we offer them to renegotiate with us are not attractive enough, the United States could lose important existing safeguards and controls. And if our policy is too weak, we could find ourselves powerless to restrain a deadly world-wide expansion of nuclear explosive capability. I believe the legislation now submitted to you strikes the necessary balance.

JIMMY CARTER.

THE WHITE HOUSE, *April 27, 1977.*

MRS. GERTRUDE SKINNER, NATIONAL VOLUNTEER OF THE YEAR

(Mr. STOKES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. STOKES. Mr. Speaker, I have a guest in Washington today who is a very distinguished citizen from Cleveland, Ohio. Mrs. Gertrude Skinner is in Washington, D.C., this week to receive an award as this Nation's Volunteer of the Year. The award is being made by Joint Action in Community Service, Inc.

Mr. Speaker, Mrs. Skinner, who is 70 years of age, and who has five children, 17 grandchildren, and nine great-grand children is a straight "A" undergraduate student at Case Western Reserve University in Cleveland, Ohio. She anticipates receiving her bachelor of arts degree with a major in English in June. This remarkable lady at 70 years of age, is also a leader of the American Association of Retired Persons and an excellent tennis player.

The award which she is receiving has been given to her in recognition of the fact that she has personally helped over 1,500 young men as they returned to Cleveland from Job Corps centers around the Nation. Of the 5,000 dedicated Joint Action in Community Service volunteers who advised young corpsmen across the United States, none were found to match Mrs. Gertrude Skinner.

This dedicated lady was born in Tuskegee, Ala., and is the widow of a Baptist minister. She is a member of the Cleveland Mayor's Crime Commission, a director of the Cuyahoga plan, and an active member of the St. Timothy Missionary Baptist Church.

Mrs. Skinner says that the secret to her success in helping other people is that at 70 years of age, her philosophy is to not ever give up. She has been quoted as saying:

> It saddens me sometimes to see those who have deteriorated to the point where they are breathing but not living, but once in awhile, one man I've worked with will come forward with his eyes shining, then you realize your work was worthwhile.

Mr. Speaker, I am indeed proud of the accomplishments of Mrs. Skinner who is a resident of my congressional district. I am sure that you and my colleagues in the House are equally proud of her accomplishments and that all of us wish her many more years of volunteer service on behalf of her community.

Mr. Speaker, I submit herewith an article which appeared in the Cleveland Plain Dealer on April 24, 1977, on Mrs. Gertrude Skinner:

KEEP TRYING NO MATTER WHAT, NATION'S TOP VOLUNTEER ADVISES

The secret, said Gertrude Skinner, 70, lies in not ever giving up.

"It saddens me sometimes to see those who deteriorated to the point where they are breathing but not living," Mrs. Skinner said. "But once in a while, one man I've worked with will come forth with his eyes shining. Then you realize your work was not for nothing."

On Tuesday, Mrs. Skinner of 12413 Tuscora Ave. NE will be in Washington, D.C., to receive the National Volunteer of the Year award for her eight years with the Job Corps.

She has worked closely with more than 1,500 young Job Corps members, many from her own Glenville neighborhood—setting up contacts with possible employers and easing the switch from high school or unemployment to a job.

But the most important and difficult task for Job Corps counselors, Mrs. Skinner said, is convincing Corps members of their own worth.

"It's salvaging lives," she said, "and that is the most rewarding work in the world."

Mrs. Skinner, a widow, recalled working three years ago with a young man who had no family or close friends and lacked confidence because of a speech impediment. She succeeded in getting him a maintenance job that paid fairly well, she said.

"But once he had the job, it was as if he couldn't believe it. He was so frightened. His supervisor told me, 'I can't baby-sit with this man.'

"I asked if I could just have 10 days with this man. I counseled him every day. I told him he didn't have to worry about what people thought; he didn't have to look elsewhere. He needed only his own strength.

"You should have seen his face when he got the first paycheck! Now I check with him once in a while. He's doing well."

So is Mrs. Skinner. Her five children are grown. She plays tennis, works with the Job Corps and the city's Council for Economic Opportunities and watches the sun rise every day.

REPORT ON STATUS OF FISCAL YEAR 1977 CONGRESSIONAL BUDGET UNDER THIRD BUDGET RESOLUTION

(Mr. GIAIMO asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. GIAIMO. Mr. Speaker, on behalf of the Committee on the Budget, and as called for by the Congressional Budget Act, I am reporting to the House on the status of the fiscal year 1977 congressional budget under the third budget resolution.

Since my last report to the House on March 28, 1977, three changes to the current level for spending and revenues have occurred. The extension of Federal supplemental unemployment benefits has been signed into law (Public Law 95–19), the conference report on the spring supplemental appropriation bill (H.R. 4877) has been ratified by both Houses, and there has been a reestimate by CBO of the level of receipts under current tax law. The accompanying table summarizes these changes to the current level which have transpired since my last notification to the House.

It should be noted that the Office of Management and Budget has transmit-

ted to the Congress a review of spending and revenue estimates for fiscal years 1977 and 1978. This review by OMB primarily addresses the effect of the withdrawal of the $50 rebate proposal and the continued outlay underruns of approximately $6 billion for fiscal year 1977. These estimates may be revised when the midsession review of the budget—which is required under section 602 of the Budget Act—is submitted by the administration on July 15. At that time, a comprehensive review by the two budget committees and CBO will take place and any necessary adjustments to the current level will be made.

As debate continues in both Chambers on legislation of tremendous significance in this fiscal year, notably the Economic Stimulus Appropriation and the Tax Reduction and Simplification Act, we must closely monitor their progress and that of any other spending and revenue measures which would bring the Congress closer to the limits imposed by the budget resolution. Therefore, it is important for us to understand that there is little room for additional legislative initiatives by either the President or Congress not contemplated within the boundaries set forth during this fiscal year.

Thank you, Mr. Speaker.

I include the following:

SUMMARY OF CHANGES TO THE CURRENT LEVEL FOR FISCAL YEAR 1977

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted (Mar. 30, 1977)	420,262	401,323	356,500
Entitlement authority and other mandatory items requiring further appropriation action	28	28	
Continuing resolution authority	1,384	1,165	
Changes to the current level:			
1. Revenue reestimate			−500
2. Extension of Federal supplemental unemployment benefits (Public Law 95–19)		+528	
3. Spring supplemental appropriation (H.R. 4877)	+26,826	+7,352	
Current level, Apr. 22, 1977	448,500	410,397	356,000

Note: Detail may not add to totals due to rounding.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, D.C., April 27, 1977.

Hon. THOMAS P. O'NEILL, JR.,
Speaker, U.S. House of Representatives, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: On January 30, 1976, the Committee on the Budget outlined the procedures which it had adopted it connection with its responsibilities under Sec. 311 of the Congressional Budget Act of 1974 to provide estimates of the current level of revenues and spending. I am herewith transmitting the status report under Sec. 1 of S. Con. Res. 10, the Third Budget Resolution for FY 1977. This report rejects completed action on spending and revenue measures as of close of legislative business, Friday, April 22, 1977.

Sincerely yours,

ROBERT N. GIAIMO,
Chairman.

REPORT TO THE SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1977 CONGRESSIONAL BUDGET ADOPTED IN S. CON. RES. 10—REFLECTING COMPLETED ACTION AS OF APR. 22, 1977

[In millions of dollars]

	Budget authority	Outlays	Revenues
Appropriate level	472,900	417,450	347,700
Current level	448,500	410,397	356,000
Amount remaining	24,400	7,053	8,300

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $24,400 million for fiscal year 1977, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in S. Con. Res. 10 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $7,053 million for fiscal year 1977, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in S. Con. Res. 10 to be exceeded.

REVENUES

Any measure that would result in a revenue loss exceeding $8,300 million for fiscal year 1977, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in S. Con. Res. 10.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., April 25, 1977.

Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311(b) of the Congressional Budget Act, this letter and supporting detail provide an up-to-date tabulation of the current levels of new budget authority, estimated outlays and estimated revenues in comparison with the appropriate levels for these items contained in the most recently agreed to concurrent resolution of the 1977 budget. The current level estimates are as of close of business April 22, 1977.

The only change from my previous report is the inclusion of the Spring Supplemental Appropriation Bill (H.R. 4877). The conference agreement has cleared both House and Senate.

Sincerely yours,

ALICE M. RIVLIN,
Director.

[In millions of dollars]

	Budget authority	Outlays	Revenues
1. Enacted	420,262	401,851	356,000
2. Entitlement authority and other mandatory items requiring further appropriation action	28	28	
3. Continuing resolution authority	1,384	1,165	
4. Conference agreements ratified by both Houses	26,826	7,352	
Current level	448,500	410,397	356,000
3d concurrent resolution	472,900	417,450	347,700
Amount remaining (under appropriate level)	24,400	7,053	8,300

PARLIAMENTARIAN STATUS REPORT SUPPORTING DETAIL, FISCAL YEAR 1977 AS OF CLOSE OF BUSINESS APR. 22, 1977

[In millions of dollars]

	Budget authority	Outlays
I. Enacted:		
Permanent appropriations and trust funds	211,161	195,232
Offsetting receipts	−55,882	−55,882
Previously enacted (94th Cong., 2d sess.)	265,488	261,796
Enacted this session:		
Urgent power supplemental (Public Law 95–3)	6	6
Energy research and development deferrals (H. Res. 305, 306, and 307)		18
Budget rescission bill, 1977 (Public Law 95–10)	−48	
Urgent supplemental appropriation for disaster relief (Public Law 95–13)	200	200
2d budget rescission for fiscal year 1977 (Public Law 95–15)	−664	−47
Extension of Federal supplemental unemployment benefits (Public Law 95–19)		528
Total, enacted	420,262	401,851
II. Entitlement authority and other mandatory items requiring further appropriation action:		
Function 800—Claims and judgments:		
Estimated requirements	86	86
Offsetting receipts (Indian claims)	−58	−58
Total, entitlement authority	28	28
III. Continuing resolution authority: Labor-HEW items not considered: Function 500—Temporary employment assistance	1,384	1,165
IV. Conference agreements ratified by both Houses: Spring supplemental appropriation (H.R. 4877)	26,826	7,352
Total current level, as of Apr. 22, 1977	448,500	410,397
3rd concurrent resolution	472,900	417,450
Amount remaining:		
Over ceiling		
Under ceiling	24,400	7,053

Note: Detail may not add due to rounding.

PRESIDENT SHOULD LEVEL WITH CONGRESS AND PUBLIC ON HIS REORGANIZATION PLANS

The SPEAKER pro tempore (Mr. McKAY). Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, in the continuing "Carterization" of the Federal Government, it is becoming increasingly difficult to determine where the streamlining begins and the political motivation ends. If the President means what he says about an open administration, he should level with Congress and the public on his reorganization plans. Instead, he has shown a penchant for piecemeal partisan political moves which

undercut the efficiency of some of the Federal agencies which he hopes to streamline. A flagrant case in point is the administration's reported decision to make a clean sweep at the Civil Service Commission.

Prior to 1956, Civil Service Commissioners, although subject to Senate confirmation, served at the pleasure of the President. Then, based on the recommendation of the House Post Office and Civil Service Committee, legislation was enacted giving Civil Service Commissioners 6-year terms on a staggered basis. The committee's recommendation was based on a comprehensive study it made into the operation and administration of the Commission. The committee report concluded the new law would "achieve for the Civil Service Commission greater independence of action, continuity of top management and freedom from outside influence or domination through the establishment of 6-year overlapping terms of office for Civil Service Commissioners."

Since then, Presidents have respected the spirit of the law. President Kennedy made two appointments in 1961 to fill the seats of two Republican members since one had resigned and the other's term had expired.

President Carter finds himself in a similar situation, but apparently will respond differently. When Chairman Robert Hampton, a Republican and an original Kennedy appointee, retired last January, he had 2 more years to serve on his term. The term of another Republican, Georgianna Sheldon, who is acting Chairman, expired March 1, while Ludwig Andolsek, a loyal Democrat, has 4 years remaining in his term.

Based on her experience and endorsements from the Republican leadership, Mrs. Sheldon should be reappointed to a 6-year term. When Commissioner Andolsek's initial appointment expired, he was given a 6-year reappointment under a Republican administration.

President Carter seems to be speaking with a forked tongue insofar as personnel practices of the administration. The President has emphasized nonpartisan and merit selection. Yet there is a pattern of cronyism in administration appointments and, in this case, a deliberate effort to make the Civil Service Commission a rubber stamp for the administration.

The President should be content to name his own chairman to head the Civil Service Commission. In the process, he would be continuing Presidential compliance with the spirit of the 1956 law.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY), is recognized for 10 minutes.

Mr. McKINNEY. Mr. Speaker, my support for the congressional budget process as a necessary fiscal management tool is well known in this Chamber. However, I only wish I could place similar trust in the House legislative scheduling process which continues to reflect an arbitrary and almost whimsical unpredictability. Based on the skimpy, and apparently unreliable, floor schedule information we receive, I am forced to juggle my time between constituents, committees, phone calls, my staff, floor sessions and—heaven forbid—my personal time—never knowing what news the next legislative bell or whip call will bring.

Given this unacceptable situation, the inevitable occurred yesterday. Relying on the representations of both Democratic and Republican leadership spokesmen that Tuesday's session would entail only general debate, I made a personal commitment which could not be canceled. I simply cannot ignore the many other demands on my time to hover outside the Chamber door awaiting the leadership's next sudden change of heart. I respectfully request a more reliable legislative schedule and a more thorough and timely distribution of any subsequent changes.

Had I known that amendments to the first budget resolution were to be considered yesterday, in addition to the general debate, I would have voted against each change except that offered by my colleague Mr. GIAIMO to strike funds no longer needed to finance the scuttled rebate program. I would have opposed the addition of $1.5 billion in budget authority for farm price supports because it reverses the progress made by the previous administrations toward freeing our agricultural markets from Government interference. In addition, I would have opposed the deletion of business tax reduction funds because public works and public service jobs mean nothing to the economic recovery of the Northeast unless we stimulate industrial plant location, relocation, and expansion.

Finally, I would have strenuously opposed amendments offered to strike congressional, executive, and judicial pay raises from the budget. In this regard, I would like to associate myself with the remarks of the distinguished House majority leader, Mr. WRIGHT, who eloquently defended the merits of the raise as well as the shortcomings of the now-altered procedure by which it was enacted.

I only wish to add my own thoughts as to the pernicious effect of "pay raise politics" and other meaningless political posing on the budget process. Believe me, I do not want or need anyone to fight my battles for me. My views on the pay raise issue are well known. But yesterday's vote was a hollow symbolic gesture which threatens to undermine the integrity and usefulness of the budget process. Far from being the direct vote on the raise I have joined my colleague, Mrs. FENWICK in demanding, the deletion of $7 million from the general Government function category merely reduces that aggregate amount and virtually guarantees that we will authorize and appropriate moneys in violation of the budget resolution.

The amendments' authors would have us believe that doctoring the budget in this fashion will deny us salaries already awarded by statute. On the contrary, the proper authorizing and appropriating committees must make those funding decisions with the budget as a nonbinding guide. By bringing the divisiveness and acrimony of this substantive issue—the appropriate congressional pay scale—to bear on the budget process we endanger its legitimate fiscal function and make it the scapegoat of our frustration. It was just this type of undisciplined approach to budgeting which doomed previous attempts at congressional accounting. I had hoped for better in this Congress. I still do.

MORE GASOHOL RESEARCH NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MARLENEE) is recognized for 5 minutes.

Mr. MARLENEE. Mr. Speaker, energy is one of our Nation's biggest problems. Our nonrenewable fossil fuels are dwindling rapidly. Shortages are in the news more and more. The time to map our future energy plan is now. The winter of 1977 so aptly demonstrated how short our supplies can get in times of extraordinary need. Every gallon of gasoline saved could be used as fuel oil to heat American homes and run industry. It is in this spirit that I am introducing a bill to direct the Energy Research and Development Administration to investigate gasohol and other grain-based products which have a potential fuel use.

Gasohol is a motor fuel composed of 90 percent gasoline and 10 percent ethyl alcohol derived from agricultural products. Agricultural products with a high starch content, such as wheat, corn, milo, molasses, potatoes, and sugar beets, can be used to produce ethyl alcohol. According to tests already conducted, the yield of alcohol from corn is approximately 2.5 gallons per bushel. The yield from other grains varies according to their starch content. Tests involving cars using a 90 percent gasoline-10 percent gasohol mixture have been made, and the gasohol was found to be competitively priced with unleaded gasoline. The test cars also have had better mileage. In view of these promising test results, we need a further commitment from ERDA to pursue research on this potential fuel source.

A CONGRESSIONAL BEST SELLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO), is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, it has been 1 month since I addressed my colleagues about the most popular paperback currently being read on Capitol Hill—the consumer credit guide—"Give Yourself Credit." In its first month, over 2,000 copies were distributed and more than 10,000 written requests have been received by the House Banking Subcommittee on Consumer Affairs. These requests are continuing to arrive at a rate of 100 a day.

There is good reason why this 130-page booklet of explanations and guidelines is so much in demand. It covers

many of the areas of consumer credit legislation, most of which would be complicated and intricate without explanation. The text covers subjects such as credit reports, interest rates, savings accounts, automobile leasing, loans, credit cards with their finance charges, and billing errors.

The book answers the important questions—what kinds of information are contained in a consumer lease and when is there a billing dispute, and what type of information is contained in a consumer's credit file? The answers to these and other questions are supplied by the consumer credit guide, and much of the book is written in an easy to understand question and answer format. The readers of this book will obtain a good, basic understanding of laws such as the Equal Credit Opportunity Act, the Consumer Leasing and Fair Credit Reporting Acts, and the Truth in Lending and Fair Credit Billing Acts.

The book contains a helpful glossary of terms used in the text. There is also a list of Federal agency addresses to be contacted for particular problems when a consumer has a specific complaint or problem.

The initial reaction from consumers and legislators who have read "Give Yourself Credit" has been highly complimentary. A resolution for the reprinting of an additional 20,000 copies passed the House this week and will enable the subcommittee to fulfill the growing demands.

I am happy that the subcommittee's guide has met with such success and I feel confident that it will go a long way in helping consumers to understand their rights under the consumer credit laws.

OSHA DUST STANDARD MAY RESULT IN COTTON GIN CLOSURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, a recently proposed new dust standard for all segments of the cotton industry except harvesting has cotton farmers across the Nation up in arms. This new standard would reduce the present OSHA standard from 1,000 micrograms of total dust per cubic meter of air to 200 micrograms.

In order to meet this new standard, cotton gins would have to be enclosed in completely air-conditioned buildings and equipped with highly sophisticated air-filtering systems. The costs necessitated by this proposal would put an impossible hardship on scores of small cotton ginners in Arkansas and throughout the South.

I would like to share with my colleagues a letter I have written to Dr. Eula Bingham, Assistant Secretary of Labor for Occupational Safety and Health, in which I propose a revision of the OSHA proposal to exempt from compliance cotton gins which produce less than 1,000 bales of cotton annually.

I would also like to share with my colleagues testimony presented at OSHA's April 12 field hearing on this issue in Greenville, Miss., by Mr. Gene Woodall, cotton specialist with the Cooperative Extension Service for the State of Arkansas. Mr. Woodall outlines the particular impact this dust standard will have on Arkansas:

WASHINGTON, D.C.,
April 27, 1977.

Dr. EULA BINGHAM,
Assistant Secretary of Labor for Occupational Safety and Health, Department of Labor, Washington, D.C.

DEAR DR. BINGHAM: OSHA's recent proposal to reduce its present dust standards from 1,000 micrograms of total dust per cubic meter of air to 200 micrograms for all elements of the cotton industry except harvesting will have a devastating effect on small cotton gins in Arkansas and throughout the South

I would urge that OSHA seriously reconsider its present disposition in this matter. I am aware of the series of public hearings currently underway, both in Washington and in the field, to elicit reactions to the proposal. I can tell you that I have yet to find a cotton ginner in my part of the country who does not fear that this proposal will result in the closure of scores of small cotton gins.

For your information, I am enclosing a copy of testimony presented at OSHA's April 12 hearing in Greenville, Mississippi with the Cooperative Extension Service for the state of Arkansas. Mr. Woodall's testimony outlines the particular problem this new dust standard will cause in Arkansas.

Recognizing that there may well be a need to revise this standard to correct situations existing in larger cotton ginning operations and in textile mills, I would hope that OSHA would at the very least exempt cotton gins that produce less than 1,000 bales annually from this stringent regulation.

I do not have to tell you I'm sure that most small farmers and businessmen view the Occupational Safety and Health Administration as the enemy. We need to reverse that trend of thinking. I do not believe there is a farmer or small businessman in this country who would buck at compliance with regulations that are fair and reasonable.

I want to take this opportunity to congratulate you on your appointment to this position of great importance to all working Americans. I look forward to our continued association.

With kind regards, I am
Sincerely,

BILL ALEXANDER,
Member of Congress.

STATEMENT BY WILLIAM E. WOODALL

I am William E. Woodall, Extension cotton specialist, with the Arkansas Cooperative Extension Service located at 1201 McAlmont Street, Little Rock, Arkansas. I am speaking for the Arkansas Cooperative Extension Service and on behalf of the Arkansas cotton industry.

Arkansas is a major cotton-producing state, ranking fourth in the U.S. in terms of bales produced. Arkansas is exceeded in production by Texas, California, and Mississippi.

Arkansas' agricultural income in 1975 was $2.14 billion, with $190,662,000 coming from cotton and cottonseed. Cotton is the state's fourth leading source of agricultural income.

Cotton is a major source of agricultural income in 25 eastern Arkansas counties and is significant in an additional 20 counties.

The cost of ginning a bale of cotton varies from community to community. However, the average for the state is approximately $40. This is a significant part of the total cost of cotton production, and we do consider ginning a part of production.

Arkansas' longtime average production is about one million bales. There are approximately 300 active gins in the state. This figures out to be about 3,300 bales per gin per year.

If the total volume was so distributed to where each gin did in fact gin 3,333 bales annually, this would be a workable and economical situation.

Unfortunately, this is not the true situation. We have 15 counties that produce less than 1,000 acres annually. In these 15 counties, 11 have no active gin within the county. This means that producers in these 11 counties are presently transporting cotton from one county to another in order to get it ginned. In most instances, they are transporting their cotton to a low-volume gin which is struggling financially to continue to operate. And if that gin closes due to imposed dust regulations which will require a cash outlay for additional equipment, the gin will surely close. If this should happen, the present gin customers will cease to produce cotton.

Gins that cease to operate in areas with less than 2,000 acres of production will not be replaced due to the low volume of ginning available in the area. In these areas, this acreage of cotton will be lost permanently.

Based upon my experience and observations over the past 29 years, once an area goes out of cotton production, it never returns to cotton.

Cotton production is far more important to the economy of a community, a county, and the state than many people realize, if only the acres devoted to the crop are considered.

Most cotton-producing areas also produce soybeans. In many counties, cotton and soybeans are the only major commodities produced. In the principal cotton and soybean counties, there will be four acres of soybeans to each acre of cotton. In these cases, soybeans may well return more net dollars per farm to the producer than cotton. However, cotton will return a higher net per acre and will generate more dollars in the community than will soybeans. This is due to the larger requirement for machinery, herbicides, insecticides, fungicides, fertilizer, defoliants, capital, and management compared to soybeans. Also, cotton is ginned, warehoused, compressed, and the seeds processed locally, whereas soybeans are harvested and shipped out of the community or even out of the state directly from the field creating no further revenue within the community.

Soybeans are becoming a highly concentrated crop on many farms and in many communities. When any crop is concentrated in an area, problems with diseases, insects, nematodes, and soils problems develop over time, and we are now seeing these problems occur after only about 20 years of increasing concentration of soybeans.

We should, in my opinion, be concentrating our efforts on further crop diversification and not concentration. We need cotton to continue as a viable commodity to prevent producers from going to a soybean monoculture which would ultimately lead to a depressed agricultural economy in many rural communities.

The proposed gin dust standard will lead to the closing of many gins, resulting in many producers quitting cotton production which in turn will result in economic hardships for local lending agencies, machinery and chemical dealers, and cotton-related industries; declining land values; and a declining local tax base.

The Arkansas Cooperative Extension Service is concerned about the well-being of all the people. We support all reasonable efforts to ensure that all people have a safe and healthy environment in which to work and live. However, we seriously question the advisability of imposing strenuous dust control regulations as now proposed on the cotton ginning industry with no more evidence than now exists that the regulations are needed to protect the health of those employed in the industry.

We recognize that cotton dust is injurious to the health of those working in the cotton textile industry; but in the proposed gin dust regulations, not enough consideration has been given to the short period of exposure of a gin worker compared to a textile mill worker.

In Arkansas, our ginning season lasts for approximately three months. About 80 percent of the crop is ginned within a six-week period. Much of the remaining six weeks, gins only operate parts of a day or gin on specified days during the week. The gins are relatively open, and most workers are not confined to a specified working area much of the working time.

Due to the short exposure period, openness of the gin building, and lack of confinement of gin employees as compared to a cotton textile mill, it seems grossly unfair to place textile mills and cotton gins under the same dust regulations, even assuming that there is ample supporting evidence to impose such strict regulations on the cotton textile mills.

Imposing the strenuous gin dust regulations as now proposed will seriously affect the economy of many individuals, rural communities, and ultimately the state of Arkansas. I would suggest very strongly that this be considered before any cotton gin dust regulations are imposed.

UNIFORM FINANCIAL DISCLOSURE STANDARDS FOR OUR THREE BRANCHES OF GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, the House and the Senate have now made significant changes in their official conduct codes by requiring public financial disclosure statements by Members and employees. This new requirement will be written into permanent law.

It is essential that these financial disclosure provisions be extended uniformly to the other two branches of our Government, the executive and the judiciary, as proposed by H.R. 1, financial Disclosure Act.

Mr. Speaker, more than 170 Members have now cosponsored the Financial Disclosure Act:

LIST OF COSPONSORS

Glen Anderson, California.
John Anderson, Illinois.
Mark Andrews, North Dakota.
Thomas Ashley, Ohio.
Les AuCoin, Oregon.
Herman Badillo, New York.
L. A. Bafalis, Florida.
Alvin Baldus, Wisconsin.
Max Baucus, Montana.
Edward Beard, Rhode Island.
Berkley Bedell, Iowa.
Anthony Beilenson, California.
Jonathan Bingham, New York.
James Blanchard, Michigan.
Michael Blouin, Iowa.
Richard Bolling, Missouri.
David Bonior, Michigan.
Don Bonker, Washington.
David Bowen, Mississippi.
John Brademas, Indiana.
William Brodhead, Michigan.
Clair Burgener, California.
Yvonne Burke, California.
John Burton, California.
Phillip Burton, California.
Bob Carr, Michigan.
Shirley Chisholm, New York.
Thad Cochran, Mississippi.
William Cohen, Maine.
Thomas Coleman, Missouri.
John Conyers, Michigan.
Tom Corcoran, Illinois.
James Corman, California.
Robert Cornell, Wisconsin.
David Cornwell, Indiana.
Baltasar Corrada, Puerto Rico.
William Cotter, Connecticut.
Ronald Dellums, California.
Norman Dicks, Washington.
Charles Diggs, Michigan.
Christopher Dodd, Connecticut.
Thomas Downey, New York.
Robert Drinan, Massachusetts.
Robert Edgar, Pennsylvania.
Don Edwards, California.
Jack Edwards, Alabama.
David Emery, Maine.
Glenn English, Oklahoma.
John Erlenborn, Illinois.
Allen Ertel, Pennsylvania.
David Evans, Indiana.
Dante Fascell, Florida.
Walter Fauntroy, District of Columbia.
Millicent Fenwick, New Jersey.
Paul Findley, Illinois.
Hamilton Fish, New York.
Floyd Fithian, Indiana.
Harold Ford, Tennessee.
William Ford, Michigan.
Donald Fraser, Minnesota.
Don Fuqua, Florida.
Richard Gephardt, Missouri.
Robert Giaimo, Connecticut.
Sam Gibbons, Florida.
Benjamin Gilman, New York.
Dan Glickman, Kansas.
Willis Gradison, Ohio.
Lee Hamilton, Indiana.
John Hammerschmidt, Arkansas.
Mark Hannaford, California.
Tom Harkin, Iowa.
Michael Harrington, Massachusetts.
Cecil Heftel, Hawaii.
Jack Hightower, Texas.
Elwood Hillis, Indiana.
Harold Hollenbeck, New Jersey.
James Howard, New Jersey.
William Hughes, New Jersey.
Andy Ireland, Florida.
James Jeffords, Vermont.
John Jenrette, South Carolina.
Robert Kastenmeier, Wisconsin.
Martha Keys, Kansas.
Edward Koch, New York.
Peter Kostmayer, Pennsylvania.
John Krebs, California.
John LaFalce, New York.
Robert Lagomarsino, California.
William Lehman, Florida.
Norman Lent, New York.
Jim Lloyd, California.
Clarence Long, Maryland.
Trent Lott, Mississippi.
Stanley Lundine, New York.
Mike McCormack, Washington.
Matthew McHugh, New York.
Edward Madigan, Illinois.
Andrew Maguire, New Jersey.
Edward Markey, Massachusetts.
James Martin, North Carolina.
Romano Mazzoli, Kentucky.
Lloyd Meeds, Washington.
Ralph Metcalfe, Illinois.
Helen Meyner, New Jersey.
Barbara Mikulski, Maryland.
Abner Mikva, Illinois.
George Miller, California.
Norman Mineta, California.
Donald Mitchell, New York.
Parren Mitchell, Maryland.
Joe Moakley, Massachusetts.
Anthony Moffett, Connecticut.
Ronald Mottl, Ohio.
Austin Murphy, Pennsylvania.
John Murphy, New York.
Stephen Neal, North Carolina.
Robert Nix, Pennsylvania.
Richard Nolan, Minnesota.
James Oberstar, Minnesota.
George OBrien, Illinois.
Richard Ottinger, New York.
Leon Panetta, California.
Jerry Patterson, California.
Edward Pattison, New York.
Donald Pease, Ohio.
Claude Pepper, Florida.
Shirley Pettis, California.
J. Pickle, Texas.
Larry Pressler, South Dakota.
Joel Pritchard, Washington.
Carl Pursell, Michigan.
Albert Quie, Minnesota.
Tom Railsback, Illinois.
Charles Rangel, New York.
Henry Reuss, Wisconsin.
Frederick Richmond, New York.
Matthew Rinaldo, New Jersey.
Robert Roe, New Jersey.
Charles Rose, North Carolina.
Benjamin Rosenthal, New York
Edward Roybal, California.
Marty Russo, Illinois.
Jim Santini, Nevada.
Ronald Sarasin, Connecticut.
Harold Sawyer, Michigan.
James Scheuer, New York.
John Seiberling, Ohio.
Philip Sharp, Indiana.
Paul Simon, Illinois.
Gladys Spellman, Maryland.
Fortney Stark, California.
Newton Steers, Maryland.
William Steiger, Wisconsin.
Gerry Studds, Massachusetts.
Charles Thone, Nebraska.
Bob Traxler, Michigan.
Paul Trible, Virginia.
Paul Tsonga, Massachusetts.
Morris Udall, Arizona.
Guy Vander Jagt, Michigan.
Charles Vanik, Ohio.
Bruce Vento, Minnesota.
Harold Volkmer, Missouri.
Robert Walker, Pennsylvania.
Henry Waxman, California.
James Weaver, Oregon.
Theodore Weiss, New York.
Charles Wilson, Texas.
Larry Winn, Kansas.
Timothy Wirth, Colorado.
Lester Wolff, New York.
Antonio Borja Won Pat, Guam.
Robert Young, Missouri.
Clement Zablocki, Wisconsin.
Leo Zeferetti, New York.

AN ENERGY POLICY FOR AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, I strongly commend President Carter for his visionary energy message to the American people. It is courageous and challenging and something I believe the American people understand and will respond to. I believe the people have been ahead of their Government in recognizing the need for a long-range, comprehensive energy policy and have been waiting for just this sort of strong national leadership that the President has shown.

For the most part, I endorse and support the proposals which President Carter has put forth. Conservation, home insulation, coal conversion, and solar energy are just a few elements that merit our enthusiastic support.

There are a few proposals with which I differ or need more evidence to support. For too long, we have tried to remedy all our problems at the expense of the middle-income taxpayer. Energy is no different. Increases in the taxes on gasoline will not hurt the rich who have

elastic budgets and who will just pay more, but not really feel it too badly in their pocketbooks; and it will not really hurt the poor who will be subsidized by the Government to reduce the financial impact. It will, however, strike deep into the inelastic pockets of the middle-income taxpaver who needs his/her car to drive to work or maintain a household, who uses a car for the job, et cetera. These are basic essentials. These people cannot be expected to do all the conserving and all the taxpaving as well as paying the price of inflation.

We are going to have to sacrifice, there is no doubt about it. The supply of cheap fuel is gone, and the supply of natural, expensive fuel is diminishing. But, if we are going to make up our minds to sacrifice, then we must all give things up together. It must be shared sacrifice just as we share and pull together in time of war. The entire spectrum—from rich to poor—are going to have to give things up. Our lifestyles are going to have to change. We are going to have to learn to depend more on mass transit. Instead of homes and offices heated like hothouses, we are going to have to learn to live with sweaters and warm socks in the winter. But the point is that all of us are going to have to learn to adjust to changing energy conditions.

It simply is not fair for the middleclass, working person to be asked once again to pay the tab for everyone.

One other aspect of the President's message which to me fell somewhat short, is that he did not put more emphasis on the development of new and alternative sources of energy.

Our economy depends on energy. We need to have new energy sources and supplies to keep that economy strong. Also, the American people should be able to have a good standard of living and they are entitled to it. We, as a nation, have worked hard, developed our resources to the best advantage, and progressed further than any other nation on the Earth. We have been wasteful of those resources, it is true, and we are going to have to learn to conserve them better. But, conservation alone is not going to fill up the empty oil barrels, empty fuel tanks, empty furnaces. It will only stretch out those resources left to us for a period of time.

New, alternative fuel sources have not even been tapped to any extent. Synthetic fuels, gasoline from coal and other materials, new uses of coal, biomass, geothermal, in situ gasification are just a few possible new sources of energy, along with solar energy, which must be developed; and we are going to have to have them. Now is the time to make the decision to invest in, search for and develop these new forms of energy. Now is the time to decide how to divert money into research and mass production technology that is necessary to perfect solar heating, electric cars, coal gasification, synthetic fuels, and the like. We have the talent to do it. We have the wealth to do it. All we need now is the willpower to decide to do it.

A nation that put a man on the Moon and developed assemblyline technology can figure out a way to heat homes, travel from place to place, cook, and cool itself off without robbing the most productive sector of our economy to do it.

President Carter has rendered this Nation today, and future generations, a great service by embarking us on this new direction. Let us work cooperatively and constructively with him to get the job done. We can do it. We must do it.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. RYAN) is recognized for 5 minutes.

Mr. RYAN. Mr. Speaker, on Monday, April 25, 1977, I was in my district on legislative business and as a result, not present for the various votes taken during the session for that day.

If I were present, I would have voted as follows:

Rollcall No. 147—H.R. 5675, authorization for investment of public moneys. The bill passed by a vote of 384 to 0. Had I been present, I would have voted "aye."

Rollcall No. 148—Amendment by Mr. DELLUMS of California to H.R. 5970, Department of Defense authorization for fiscal 1978, to strike $134 million for development of the MX mobile ICBM missile. The amendment was defeated by a vote of 88 to 301. Had I been present, I would have voted "no."

Rollcall No. 149—Amendment by Mr. ASPIN of Wisconsin to H.R. 5970, Department of Defense authorization for fiscal 1978, to place all future military enlistees under the congressional pension system. The amendment was rejected by a vote of 148 to 247. Had I been present, I would have voted "aye."

Rollcall No. 150—Amendment by Mr. TREEN of Louisiana to H.R. 5970, Department of Defense authorization for fiscal 1978, to prohibit the expenditure of funds for the purpose of advertising the existence of the special discharge review program. The amendment was agreed to by a vote of 291 to 96. Had I been present, I would have voted "aye."

Rollcall No. 151—H.R. 5970, Department of Defense authorization for fiscal 1978—final passage. The bill passed by a vote of 347 to 43. Had I been present, I would have voted "aye."

THE PRESIDENT'S NONPROLIFERATION PROPOSALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

Mr. BINGHAM. Mr. Speaker, today the President forwarded to the Congress the administration's proposals for dealing with the nuclear proliferation crisis. I wish to commend President Carter for the top priority which he has clearly given to the nonproliferation issue. I am encouraged to see the new administration acting with dispatch in this area.

The Congress is eager to enact effective nonproliferation legislation. Last year significant legislation in this area would have been sent to the President had it not been for procedural objections raised in the Senate. This year I have joined with a number of colleagues in both the House and the Senate to introduce comprehensive legislation designed to combat the proliferation peril. This legislation (H.R. 4409, S. 897) enjoys broad-based bipartisan support in the Congress. It recognizes the need for imposing consistent criteria which will apply across the board to our nuclear exports. It is sensitive to the need for allowing a maximum of flexibility for the President and the Congress in enforcing these criteria.

The opportunity we have this year to address the proliferation crisis is one we should seize; it may not come again. We need to spell out precisely those conditions under which we will or will not export nuclear hardware and nuclear fuel. The President's proposal does not do this; most particularly, it does not go far enough in seeking to restrain the spread of reprocessing overseas. The legislation enacted by the Congress will have to be less ambiguous than the President's proposal on the critical reprocessing question.

Mr. Speaker, I share the President's assessment that "the need for prompt action is great" * * * and I look forward to working with the administration to translate our mutual nonproliferation goals into specific nonproliferation legislation. While I am somewhat disappointed that the President's initial proposals do not go farther, I am reasonably confident that the Congress and the administration, sharing as we do a sense of great urgency, can get together and write a strict, comprehensive and effective nonproliferation policy into law before the end of the 1st session of the 95th Congress.

DID ENERGY MESSAGE BACKFIRE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. VAN DEERLIN) is recognized for 5 minutes.

Mr. VAN DEERLIN. Mr. Speaker, first indications are that most Americans support the general thrust of President Carter's energy conservation proposals. This is true in California and my home county of San Diego.

Most of us acknowledge that we are, indeed, faced with an energy crisis and that some sacrifices may be required of all of us.

But in moving forward on this program, we should be aware of possible pitfalls.

In San Diego, the mere announcement of the energy program, particularly the feature coupling a new excise tax on so-called "gas guzzler" cars with rebates on small economy models, created considerable consternation, both among auto dealers and the auto buying public.

Ironically, sales of compact cars—the very kind which the plan is intended to promote—have tumbled.

Total new car sales were down by 15 to 25 percent in the week following Mr. Carter's message, in the San Diego area. Sales of domestic compacts were hardest hit, dropping by as much as 50 percent, as consumers began awaiting word on whether they would get money back, and in what amounts.

Sellers and buyers alike complain of the uncertainty in both new and used car markets.

Should a prospective small car purchaser wait until a rebate law is on the books before committing himself to the purchase?

Will the rebates, when and if they are enacted, be retroactive—and if so, to which date? How are dealers supposed to cope with the paperwork burden which a rebate provision would impose?

These are critical questions which must be answered, and soon, if the programs are to work in the way they are intended. And of course for persons who for whatever reason feel they need a larger standard car, the uncertainties are just as great. They need to know how much, when, to whom and for what reasons the penalty tax must be paid in order to buy intelligently.

While I have no particular sympathy for the auto industry as such, I am greatly concerned about the hundreds of thousands of rank-and-file workers whose jobs may hang in balance as these decisions are made.

I intend to reserve final judgment on these matters until all the answers are in.

A REPORT ON DELIVERY OF ALASKAN NATURAL GAS TO THE LOWER 48 UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wyoming (Mr. RONCALIO) is recognized for 5 minutes.

Mr. RONCALIO. Mr. Speaker, as its chairman, I report to the House today on oversight hearings conducted during the last 2 months on the selection of an Alaska natural gas transportation system. The Indian Affairs and Public Lands Subcommittee of the Committee on Interior and Insular Affairs, concluded five days of hearings last week.

One of the most important energy decisions confronting the Nation is the selection of a system to transport natural gas from the North Slope of Alaska, and particularly from Prudhoe Bay, to the lower 48 States. In recognition of the importance of this decision, Congress enacted last year the Alaska Natural Gas Transportation Act of 1976. The act establishes an orderly process for selecting an Alaska natural gas transportation system. Under the act, special reports and recommendations to the President are required from, first, the Attorney General, then the Federal Power Commission, and finally the Council on Environmental Quality. By September 1, the President will make his recommendation to Congress.

First, the Attorney General will report to the Congress, his findings and recommendations with respect to the antitrust problems and issues relating to the production and transportation of Alaska natural gas. The report, which was mandated by section 19 of the act, should receive serious consideration during the course of the decisionmaking process.

FPC DOES YEOMAN WORK

The Federal Power Commission's responsibility is to gather all relevant facts and considerations to evaluate the three proposed systems and all viable alternatives in accordance with the detailed criteria specified in section 5 of the 1976 act, and to present its report and recommendations to the President. In an unprecedented action, the FPC scheduled 4 days of hearings before the full Commission on the Alaska natural gas transportation issue. These 4 days of hearings, which were conducted earlier this month, show that the Commissioners are devoting the serious attention to this issue that Congress intended; they are to be complimented for this action. When they have filed their report with the President, on May 1, we in the Congress will need to evaluate it with great care.

CEQ REPORT DUE

In view of the limitations placed by the 1976 act upon judicial review pursuant to the National Environmental Policy Act, the Council on Environmental Quality was also directed by the act to hold hearings and to make a report and recommendations to the President. The Council has scheduled these hearings for May 16 and 17 in Anchorage, Alaska, and for May 23 and 24 in Washington, D.C. The notice announcing these hearings indicates that the Council intends to conduct a wide ranging inquiry into the potential impacts of the three proposals on the environment. The Council will review the entire record, as that record pertains to the environment in the broadest sense of the word, and to consider all factors which may be relevant to potential environmental impacts. This extensive review is consistent with the intent of Congress in placing a heavy burden on the CEQ in connection with the Alaska natural gas transportation decision.

OTHER AGENCY ACTIONS

Other Federal agencies will file comments with the President on the competing gas transportation systems. The Environmental Protection Agency has received a report on a risk assessment of the three projects. This assessment, which was prepared for EPA by an independent contractor, Resource Planning Associates, weighs the risks of construction delays and the possibilities of noncompletion of the three systems and thus examines one of the most critical factors relating to the ultimate decision. The Department of the Interior, with the assistance of the Aerospace Corp., has supplemented its economic and risk analysis, which it originally performed pursuant to Public Law 93–153. I understand that the Department will further supplement its study before commenting to the President. These actions, together with those of other affected agencies, show that the comments to the President called for by section 6(a) of the act will be thorough and useful.

PRESIDENT'S FINAL DECISION

Once the President has received all of these reports and comments, he should be able to make a rational and fully informed decision. The President's decision designating a system will not become effective unless approved by both Houses of Congress within 60 days of its submission. This will require the relevant committees and both Houses to act very promptly; committee action will have to be completed in 30 days and floor consideration within the same amount of time. Accordingly, it is important for the Congress to keep informed about the issues involved as they develop.

MANY WITNESSES HEARD

I am quite pleased with the oversight hearings that the subcommittee conducted; they constituted a necessary first step towards the responsible discharge of our duties under the 1976 act. Most members of the subcommittee, including Congressman Udall, the chairman of the full Interior Committee, participated. During the 5 days of hearings we heard from proponents of all three proposals. John G. McMillian and Darrell MacKay of Northwest Pipeline, Edwin Phillips of Westcoast Transmission of Canada, and Robert Blair of Alberta Gas Trunk Line of Canada testified for the Alcan project; Clyde Hargrove and William Brackett of Alaskan Arctic Gas, Vernon Horte of Canadian Arctic Gas, Harry LaPape of Southern California Gas, and John Sproul of Pacific Gas and Electric testified on behalf of the Arctic Gas project; and John Bennett testified on behalf of the El Paso project.

We also heard from Brec Cooke of the Wilderness Society, Brock Evans of the Sierra Club, Sid Wolf of the Environmental Policy Center, and Francois Bregha of the Canadian Wildlife Federation. In addition, we received informative testimony from Lt. Gov. Lowell Thomas, Jr. and Attorney General Avrum Gross of Alaska; Sam Raddi, Daniel Johnson, Dennis Nicholas, Joe De La Cruz, Paul Andrew, and others representing Canadian native groups; Jack Curran, John Brown, and Bill Moody, representing labor; Lawrence Raicht for the State Department. Other interested persons who testified were Congressman DON YOUNG of Alaska; Ebon Hopson, mayor of Alaska's North Slope Borough; Prof. Arlon R. Tussing of the University of Alaska; John Steen of the North West Territories Legislative Assembly; and Charles R. Hetherington and John Houlding on behalf of the Polar Gas Project.

Since the act mandates consideration of viable alternatives, we also received testimony from Prof. Sullivan Marsden of Stanford University on one alternative that has been discussed—the possibility of converting the natural gas to methanol and shipping it to the Lower 48 States in that form.

The hearings surfaced much information that is vital to responsible congressional action and thus will enable us to discharge our duties under the act far more effectively. Further oversight hearings may be necessary to monitor developments following the report by the Attorney General and the recommendation by the FPC to the President on May 1.

ALL SYSTEMS VIABLE

One of the more important benefits from the hearings was that the advantages and disadvantages of all three proposed systems were clearly laid out. In my opinion, they established beyond any

doubt that all three projects are viable. All three have been advanced by responsible entities which have substantial experience in constructing and operating natural gas pipelines. I believe that any one of the three could be financed. I also believe that none of the three can do totally without subsidy or Government financial help of some kind.

The shippers of the Alaskan gas will have to work out a number of matters with the system that is ultimately selected, but this should not be an insurmountable problem. The President should be in an excellent position to negotiate with the Prime Minister of Canada with respect to an Alaska natural gas transportation system since he will have three viable options as a basis for negotiating.

THE ALCAN ROUTE

The Alcan project has been proposed by Northwest Pipeline Corp. and three Canadian partners. Northwest is the major natural gas transmission company in the Northwestern United States; its Canadian partners are large transmission companies with experience in pipeline construction north of the 60th parallel. Between them, Westcoast Transmission and AGTL transport about 90 percent of the gas that is exported to this country from Canada. Both have supplied gas to the United States for many years and have earned a well deserved reputation for responsibility. Alcan would be an all pipeline system which follows the Alyeska oil line to the vicinity of Delta Junction, Alaska, the Alcan highway into Canada, and existing Canadian utility corridors to the United States-Canada border.

The proponents of the Alcan system asserted that it would be able to deliver gas 2 years sooner than either of the other proposals, a significant advantage in view of the natural gas crisis that the Nation experienced this past winter. According to Alcan's proponents, it would have the least risk of cost overruns and delay in construction, largely as a consequence of its utilization of existing corridors and of access to the pipeline from all weather roads. A study, performed by Research Planning Associates—an EPA contractor—indicates a high probability that Alcan could be completed first with the least potential overrun. In addition, Alcan's proponents asserted that it would have the lowest cost of service. The Alcan proposal was endorsed by the Wilderness Society during the hearings and the Alcan route was supported by the other environmental groups which testified. While favoring El Paso, representatives of the State of Alaska stated that Alcan was, in their view, a solid second choice.

PLANS REVISED

Alcan originally proposed a 42-inch pipeline which utilized existing Canadian systems. This proposal was criticized by the FPC staff for high fuel consumption, low expansibility, and commingling of Alaskan and Canadian gas. Alcan responded to these criticisms by filing its new 48-inch express line proposal. Opponents of Alcan noted that it is approximately 250 miles longer than the Arctic Gas route as a consequence of its use of common corridors. Finally, Alcan would cross Canadian territory which is currently the subject of a dispute between the Canadian Government and Canadian native groups. It is difficult to determine how serious a time obstacle this will be to construction of the Alcan system. However, the president of Foothills Pipe Line, a Canadian participant in the Alcan proposal, indicated that this problem is being resolved by the Canadian Government. Alcan's proposal is clearly an option that merits the President's serious consideration.

THE ARCTIC PROPOSAL

A second proposal is that advanced by the Arctic Gas consortium. Arctic Gas is composed of 16 large gas transmission, distribution and production companies—8 American and 8 Canadian. The Arctic Gas proposed route would go directly east from Prudhoe Bay into Canada where it would connect with a spur line designed to transport Canada's MacKenzie Delta reserves. The line would then proceed south through the MacKenzie Valley and on to the U.S. border. A portion of Arctic's capacity is dedicated to the Canadian market; this gas would be dropped off in southern Canada for ultimate delivery to eastern Canada.

Like Alcan, Arctic Gas proposes to transmit the Alaskan gas to regions east and west of the Rocky Mountains; the amounts of gas distributed to the east and west would be approximately the same under either proposal. The Arctic Gas proposal was the first one advanced and thus has received the longest and most extensive scrutiny. The members of the consortium have spent over $150 million on development of the Arctic Gas plans, which has led to be a detailed and carefully considered proposal. Arctic's proponents assert that it will have the lowest cost of service and the lowest fuel usage. Representatives of the laborers' and operating engineers' unions supported the Arctic Gas project during the hearings.

The Arctic Gas proposal, however, was opposed by all environmental groups who testified, principally because of its impact on the Arctic National Wildlife Range. According to those who oppose the Arctic Gas proposal, it could face substantial risks of cost overruns and construction delays. In addition, several witnesses testified that Arctic Gas faces significant problems with native claims disputes in Canada; the testimony at the hearings indicated that these problems appear serious. Finally, opponents of the Arctic Gas proposal asserted that it would link the transportation of Alaska natural gas to Canadian decisions which vitally affect Canadian energy policy. The Arctic Gas proposal requires a Canadian decision in favor of immediate development of its Mackenzie Delta reserves, but several witnesses contended that it is not clear that Canada will want to develop these reserves in the near future. However, Arctic Gas is clearly an option which merits the President's serious consideration.

THE ALL-AMERICAN LNG ROUTE

The third project is the LNG proposal by El Paso, one of the largest gas transmission companies in the country. El Paso would transport the gas by a pipeline paralleling the Alyeska oil line to the southern coast of Alaska. There the gas would be liquefied and shipped by cryogenic tanker to California where it would be regassified and transported throughout all States by existing gas pipelines. El Paso asserted that utilization of an "all American" route would benefit the United States by placing the project solely within the control of the United States, thus eliminating the need for relying on Canada. El Paso also pointed out that its system would not be taxed by the Canadian Provincial governments with the result that American gas consumers would not be forced to bear this burden.

Finally, the El Paso proposal would create more jobs for Americans—both during construction and during operation—than either other proposal. The State of Alaska endorsed the El Paso proposal because of its benefits to the State; in addition, representatives of the maritime unions strongly endorsed El Paso during the course of our oversight hearings.

The major drawbacks to the El Paso proposal, as described by other witnesses, are its cost of service and the fact that it would transport this supply of energy to California, even though the energy is needed in the balance of America as well. In addition, several witnesses stated that there was a greater risk of project "downtime' because an LNG system requires complex liquefaction and regassification facilities. However, we are fortunate in that El Paso, like Alcan and Arctic Gas, is a proposal which is worthy of serious consideration. Also, El Paso has gained much experience and has an excellent record in LNG worldwide systems of gas transportation.

BERGER REPORT DUE

In Canada, the Berger Commission is scheduled to release in early May its report on the land claims of Canadian natives living in the North West Territories, through which the Arctic Gas line would run. The Canadian Government has recently established a commission to report on land claim issues in the southern Yukon by August 1, 1977. The National Energy Board, Canada's equivalent of the FPC, is expected to complete its proceedings in early summer.

The NEB determination will then go to the Canadian cabinet for final disposition. Thus, Prime Minister Trudeau should be able to outline to the President Canada's position on the Alaska natural gas transportation issue when they meet in late summer. This schedule, if followed, would enable the President to make his decision by September 1.

Obviously, a number of complex and interrelated actions must be completed before the President will be in a position to decide. As a result, the issue may not be ripe for decision by the September 1 deadline. In that event, the President will be able to delay his decision for up to 90 days, as permitted by section 7(a)(2) of the act. We enacted this provision because we recognized the complexity of the issues involved and because we be-

lieve that additional time might be necessary to reach a sound decision.

Accordingly, it appears that the selection process is proceeding on track.

Mr. Speaker, this should give every Member of the House a current update on the hearing just concluded. Our committee will use this means for a later report as developments warrant.

THE LEGISLATIVE PRIORITIES OF NEW YORK'S HISPANIC COMMUNITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BADILLO) is recognized for 15 minutes.

Mr. BADILLO. Mr. Speaker, this past weekend I was privileged to participate in what I believe is a landmark event in New York's Hispanic community. When I decided several months ago, as the only northeastern member of the Congressional Hispanic Caucus, to sponsor and undertake to organize the first conference on the problems of the Puerto Rican and Hispanic Community in the New York metropolitan area, I was aware both that there were problems unique to the community, and that there were thoughtful, innovative people working on the solutions. But the more than 300 community activists and leaders that gathered together last Saturday brought a collective awareness and thoughtfulness that I believe will have far-reaching and beneficial results, not only for New York's Hispanic community, but for Latinos across the country.

I called the conference because, during the next weeks, the Congressional Hispanic Caucus will be preparing legislative proposals that will be presented to the President and to the various Cabinet members whose departments these proposals will impact. Although the Hispanic community of New York shares the same problems as all American Latinos, there are many aspects that are unique to the northeast, and particular to an urban area with the density of New York. Many problems are exacerbated or exaggerated, some, on the other hand have simpler solutions than in other parts of the country. In any event, what this conference did was to enable a major sector of the population to express its own ideas, to define its own needs and to articulate what the Federal Government must do to improve the quality of their lives.

The importance of the conference was underscored by the presence of Joseph Aragon, Assistant to the President, who came to listen and to report to the President the discussions in which he participated, and the feelings he sensed among the people attending the conference. His presence indicated both the President's concern and his knowledge that there will have to be special steps taken to bring the well-being of the Hispanic community more in line with that of the rest of the country.

The conference, which was attended not only by Puerto Ricans, but by Dominicans, Cubans, and all other segments of the very varied Hispanic population of our city, really began several weeks earlier with the organization of task forces headed by outstanding leaders in their fields. They included: The arts, Martha Vega; criminal justice, Cesar Perales; early childhood, Dora Collazo Levy; economic development, Ray Norat; education, Alfredo Mathew; employment, Nestor Llamas; health, Joseph Morales; higher education, Victor Alicea; housing, Blanca Cedeno; immigration, Father Jose Alvarez; parks and recreation, Pedro Rivera; poverty programs, Roberto Anazagasti; senior citizens, Suleika Cabrera Driname. Each task force prepared a working paper which served as a basis of discussion for the workshops at the conference.

At the end of each workshop, recommendations were made, which were offered as resolutions at the afternoon session and accepted, with some comments and additions by all the participants in the conference.

What this means, of course, is that the proposals that I shall present are truly representative of the feelings and ideas of the community, and it proved that a truly grassroots attempt to develop and create policy can be effective.

The papers presented at the conference, and the recommendations they produced are valuable, and I commend them to the attention of my colleagues who are concerned with the critical choices they will face in this session on legislation affecting Hispanic lives. During the next few weeks, I shall be entering these documents into the CONGRESSIONAL RECORD, and I hope you will read them carefully.

I am beginning with the working paper on illegal immigrants, or, as we more appropriately call them, undocumented workers. It was prepared by Father Jose L. Alvarez, of the Archdiocese of New York, who is certainly one of the most committed and knowledgeable leaders in the complex and cloudy area of immigration law modification. I am beginning with Father Alvarez' paper for a very specific reason. Within the next few days, the President's Task Force on Immigration, comprised of representatives of the Justice Department, the Department of Labor, and the White House, will present their proposals for action to him. When they are made public, I hope that they will compare favorably with what those with enormous expertise in this area feel must be our priorities. I am hopeful that you will make that comparison for yourself, and help me to ascertain whether the administration is going in the right direction in dealing with this problem.

The document follows:

UNDOCUMENTED IMMIGRANTS IN THE UNITED STATES

(By Father Jose L. Alvarez)

INTRODUCTION

In initiating the Tricentennial of our great nation, built by immigrants of the world, which earned us the title of "nation of immigrants," we cannot overlook the principles of humanity and generosity emanating from our Constitution, nor the democratic sense of brotherhood, openness and neighborliness which has guided our policies toward other nations, especially Latin America, for 200 years.

President Carter, in his inaugural address, quoted the biblical words of the Prophet Micah (Micah 6:8) "good works, love, forgiveness and walk with humility." President Carter said: "This inauguration ceremony marks a new beginning . . . and a new spirit among us all." He further added: "We reject an inferior quality of life for any person—Our government must, at the same time, be both competent and compassionate. We are now struggling to enhance equality of opportunity. Our commitment to human rights must be absolute, our laws fair . . . the powerful must not persecute the weak, and human dignity must be enhanced. We know that the best way to enhance freedom in other lands is to demonstrate here that our democratic system is worthy of emulation. To be true to ourselves, we must be true to others." The words of our President are very much in accord with those of our past President John F. Kennedy, who wrote: "Immigration policy should be generous; it should be fair; it should be flexible. With such a policy we can turn to the world with clean hands and a clear conscience. Such a policy would be an expression of our agreement with George Washington that 'The bosom of America is open to receive not only the opulent and respectable stranger, but the oppressed and secuted of all nations and religions, whom we shall welcome to a participation of all our rights and privileges, if by decency and propriety of conduct they appear to meet the enjoyment'."

In view of the "new spirit" mentioned by our President, we believe the moment has come to courageously confront, and offer a definitive solution to, this immigration problem, with concrete proposals to elucidate the present situation and seriously regulate the future entry of immigrants to the United States with a new Immigration Law.

To arrive at such legislation, we must follow the principles of our Constitution, leaving aside the prejudice and discrimination which has, on many occasions, influenced legislation that has converted and in many instances continues to convert, these immigrants into victims or "scapegoats" to rationalize our unemployment or economic problems. As stated by the 250 Catholic Bishops of the U.S.A. in their declaration of August 20, 1975—"We must withdraw from these infantile excuses and find the solution to these problems in the more profound causes, where they truly exist." A new Immigration Law can only be effectively enacted if we begin with the positive side of immigration. Congresswoman Elizabeth Holtzman (D-N.Y.) on May 26th 1976 on the reopening of Ellis Island, said: "Those who entered here repaid this nation a thousand-fold, for along with ragged clothing, and the few kopecks, or lira, or drachmas they brought, they carried America's greatness with them." We must resolve the present situation in a positive manner.

Before proceeding to positive the solutions we propose, we wish to clarify once and for all the inconsistency and infantilism of many of the attacks on workers without documents of residency by the INS, the AFL–CIO and the popular press, asserting that undocumented immigrants take jobs from American citizens, depress wages and working conditions, increase public assistance rolls, do not pay income taxes and social security deductions, hinder union organization and even affect the U.S. balance of payments adversely. On the other hand, as stated by Father Mark Day in December 1976: "It is again significant to note that these charges have not been made by our government, media and political spokesmen against hundreds of thousands of refugees from Hungary, Cuba and Vietnam. These have never been called 'illegals' and instead have been defended by our Presidents from any suggestion that they were anything but of great value to our nation."

Until recently, the above charges have gone unchallenged. But in the past three years, churches, some enlightened trade unions, immigrant protection associations, other groups and responsible Americans have, in greater numbers, conducted protests, conferences and lobbying efforts to offset the negative stereotypes and propaganda.

And now, let us lay open these accusations:

(1) Illegals do not cause unemployment

There are no exact statistics on the number of undocumented immigrants in the United States. A generally accepted figure is that of eight million. The total work force of the U.S. is generally accepted as 100 million. It would be foolish to assume that 8 million of undocumented immigrants are automatically displacing American workers. Among all these undocumented persons are non-working women and small children, as well as hundreds of thousands of citizens who are technically considered illegal, but who have filed papers and are waiting to become permanent residents.

The Linton & Company Report (Nov. 17, 1975), contracted for by the U.S. Department of Labor stated: "Their impact . . . is least likely in the American labor market . . . they are apparently quite consistently paid at wages at the lowest range of the low-wage scale . . ." Their labor is thus not competitive with American workers and, in fact, aids—not depresses—the economy. According to an editorial in the Wall Street Journal entitled "The Illegal Alien Non-Problem" (Jun. 18, 1976) "Unions naturally complain that this market competes unfairly with their own members. On the other hand, employers argue that illegals provide manpower for jobs that citizens simply won't take, such as busboys and kitchen help. In a city like New York, which has been driving away business through high cost, the illegals may well be providing the margin of survival for entire sectors of the economy . . . Legal or not, the present wave of Western Hemisphere immigrants is already enriching and contributing to North American society." Moreover, since September 1973 a Federal law bars the issuance of Social Security cards to persons not authorized to work.

(2) Illegals are not burdens for public assistance or the economy

The "Linton Report" ascertained that Social Security taxes were withheld for 77% of undocumented immigrants, and Federal income taxes for 73%. Less than 4% had children in public school or collected unemployment insurance. Yet only 1.3% obtained food stamps, only one-half of one percent had been on welfare. The Report concludes that illegals "were far more likely to have participated in programs that involved the payment of taxes than the use of tax-supported services". They are afraid and, logically, they shun public assistance programs. Many never file for refunds. And, as mentioned in the "Wall Street Journal" in the same editorial, "The government is obviously getting more than it gives."

On the other hand, "no studies have been published showing the production value of the undocumented immigrant's work in terms of dollars and cents, nor the amount of money each immigrant family contributes as consumers of goods and services, nor the number of jobs that they create. This sum would greatly outweigh the amount of money the immigrants send across the border." (Fr. Mark Day, Migration Today, Dec. 1976).

(3) Illegals are not enemies of the Unions

Nor is there any proof that undocumented immigrants per se hinder union organization efforts. Some private studies have demonstrated that, especially in the Northeast of the U.S., there are thousands of undocumented workers that are members of the unions. But whenever unions actively defend the interest of those workers, they can be counted upon as the staunchest allies.

(4) To legislate sanctions to the employers of illegals would be to create discrimination

We propose that there be no legislation to sanction employers of undocumented workers because this would be a negative solution which would create serious cases of violations of the constitution and discrimination as well as racism. The 250 Bishops, who compose the National Conference of Catholic Bishops of the U.S.-USCC, declared on Aug. 20, 1975: "By providing sanctions against any employer who hires an illegal alien, this legislation would create a situation that assuredly will lead to discrimination against any person belonging to a minority group whose legal status might be called into question. Legal aliens and minority groups citizens will be denied employment simply because employers will not want to run the risk of inadvertently violating the law . . . In attempting to solve an economic problem this proposal will create a civil rights problem of horrendous magnitude." The National Council of Churches, the Anti Defamation League of B'nai B'rith (Oct. 7, 1975) and numerous other civic and religious organizations in the U.S. have made similar statements.

The consequences of such a law would be: a) Employers, as well as unions and others referring persons for employment, would become policemen. It is the responsibility of the government, and not of private citizens, to keep tabs on aliens within U.S. borders. b) Many employers, understandably cautious, would not hire U.S. citizens-Puerto Ricans, Mexican-Americans or of other Latin origins— or citizens who lacked documentary proof of U.S. birth—as is often the case with people from the South. c) Racism would be intensified against Latin Americans, who constitute the largest group of immigrant workers. d) An atmosphere of suspicion between neighbors, fellow employees and others would be fostered, leading to widespread use of informers and violations of the constitutional rights of citizens. And e) To penalize empolyers would tend to drive illegal aliens to jobs where the employer is insensitive to law violations, adding to the problems of crime, drugs, prostitution, etc.

POSITIVE SOLUTIONS

1. A perfected immigration law

We propose a more just, humane and complete new law of immigration that will perfectly regulate the flow of immigrants in the future. That this new Law include reunification of families, respecting the rights of the spouses, families and children of immigrants born in the U.S. In denying immigrant parents the rights to adjust their status, it attacks the stability of family life and deprives American born children of their basic rights as U.S. citizens. Than Section 4—Section 203 be amended (a) from the present "Immigration and Naturalization Act" in this respect.

2. Quota increase for Latin America

The present economic situation of Latin American countries is forcing massive immigration. Justice, and a good neighbor policy with these countries from which the majority of our immigrants come, impels us to grant them a larger quota more proportioned to the circumstances.

3. U.S. aid to develop Latin America

The origin of this massive immigration is the underdevelopment of the economy and industry in Latin America. The only form of abatement is to attack the root of the problem. And that is why we ask that simultaneously, a generous development program of aid to the nations in Latin America be instituted by the United States.

4. Amnesty for illegals presently in the United States

Similar to Canada's action four years ago which faced a situation similar to ours, and recently Argentina as well, the new Law of Immigration should include a generous AMNESTY, or a regulation of the status of all immigrants who are already in the U.S. A massive deportation of almost eight million people would be emotionally and economically traumatic to the country as a whole, as well as to the deportees; it would be practically impossible and costly to carry out; and would create a tarnished image of the United States and our democracy in the eyes of the world by pushing millions of people without a future into misery and death.

In its June 18, 1976 editorial, the Wall Street Journal said that "the easiest, cheapest and fairest way to protect the labor market will be to legalize the immigrants, putting the law to work protecting them rather than persecuting them".

The Domestic Council Committee on Illegal Aliens, a committee of Cabinet officials, headed by the former Attorney General Edward Levi said in their 257-page report of January 9, 1977, that it was "concerned about the large number of illegal aliens already in the United States." The Cabinet officials said the Government should focus on prevention instead of deportation, adding. "The commitee believes that massive deportation is both inhumane and impractical" . . . , and suggested "a . . . form of amnesty".

Churches, immigrant protection associations and many other civic groups support an AMNESTY, especially the U.S. Catholic Conference of Bishops—USCC—which in its statement before the Sub-committee on Immigration and Naturalization of the Senate Committee on the Judiciary (April 1, 1976) said:

"This amnesty is the only just and humane solution to this important aspect of the problem which would be consistent with the tradition and ideals of a country which has been known as the 'nation of immigrants'. That is to show, once again, our generosity by allowing these people to become lawful residents. Consequently, we have advocated that a meaningful amnesty provision be incorporated into this legislation . . . We do not, however, advocate amnesty for criminals, procurers, and other immoral persons, subversives, violators of the narcotic laws or smugglers of aliens".

Based on these principle elements of humanity and brotherhood between men and countries, we proopse the following legislation.

1. Adopt and promuglate a more just, humane and complete new law that will perfectly regulate the orderly entrance of immigrants into the U.S. in the future, that this new law include amending the 1965 Act regarding the reunification of families, respecting the rights of the spouses, families, and children of immigrants born in the United States.

2. Amend the Immigration and Naturalization Act, Section 203(a) to include the parents of children born in the United States.

3. Amend the Immigration and Nationalization Act, Section 201(a)(2) to increase the quota of immigrants from Western Hemisphere countries to 200,000.

4. Enact programs that will aid the economic and industrial development of the nations in Latin America.

5. Adjust the status of any alien who on July 4, 1976 was in the U.S. in violation of law, to that of an alien lawfully admitted for permanent residence, if the alien—

(1) makes application therefor within one year after the date of enactment of the Act;

(2) is found physically present in the United States on the date of enactment of this Act;

(3) is not found a criminal, procurer, immoral, subversive, violator of the narcotic laws or smuggler of aliens.

6. That in the future legislation, instead of using the present term of "illegal" on documents and declarations, the term "economic refugee" be used, which is more suitable for the actual situation.

HUMAN RIGHTS: A CANADIAN VIEW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

Mr. LAFALCE. Mr. Speaker, during the past few months, both the President and Congress have focused considerable attention on the issue of international human rights. This desire to create a better climate for the development of human rights will require much delicate and sensitive negotiation. We, as a nation, must be very careful to maintain a balanced perspective regarding how much pressure is useful and appropriate to exert in our dealings with other countries whose attitude on this subject is opposed to our own.

The problem will require much thought, as do all issues which have no clear solution. While we develop our thoughts, I believe it will be helpful to consider the words of Don Jamieson, the Canadian Secretary of State for External Affairs in a speech to the Canadian Council of Churches and the Canadian Council of Catholic Bishops on March 16, 1977 in Ottawa.

In his remarks, Secretary Jamieson speaks to the very important issue of whether a particular action in regard to human rights will be both effective and appropriate. The comments help to shed more light on this subject and I would like at this time to share them with you. The text of the speech follows:

THE CANADIAN VIEW OF THE COMPLEX ISSUE OF HUMAN RIGHTS

Canada has already established a reasonably good record in international human-rights-oriented activities over the years.

Unfortunately, it seems that, in this struggle, while there have indeed been developments that are encouraging (no major wars for over 30 years, a measurable improvement in international awareness of the interdependence of the world community, a heartening increase in developmental-assistance flows from richer to poorer nations, an apparent increase in the enjoyment of personal liberties even within the restrictive regimes of Eastern Europe), nevertheless there still exist too many gross violations of human rights in many countries, violations that are naturally a cause of concern to Canadians and that all of us would like to be able to rectify or at least ameliorate in one fashion or another. How Canada should react to such situations, what considerations should guide us, what constraints affect us, will be the theme of my talk this evening.

CONTEXT OF INTERNATIONAL ACTION

I should like to stress at the outset that there is a fundamental difference—which, it seems, is not always readily appreciated—between our domestic activities in the human rights field and the action that Canada can take internationally. The difference between the domestic and international spheres of action is twofold: the first is the problem of *standards;* the second is the question of enforcement *machinery.*

We in countries of Western traditions too frequently assume that those standards of conduct and behaviour towards our fellow man are perceived as having equal validity by other governments.

But the perspective of other countries is, in fact, often different, partly because they may not be Western or democratic in background, or partly because their economic situations are vastly different from ours. Western democracies traditionally accord priority to civil and political rights, while Third World countries often place their pressing economic needs ahead of human rights issues. It may seem callous or insensitive to Canadians, but we are told regularly in international bodies that a majority of underdeveloped states are more concerned with alleviating starvation and promoting their development and, in so doing, attaching a greater priority to the duties of citizens than to their rights.

Although Canada's approach to international human rights reflects our traditions (the ethics and moral codes of a Western Christian society), our approach is only one of many, and, I should add, not an approach that enjoys majority support internationally. The Universal Declaration of Human rights is not a binding legal instrument, and other covenants and conventions that may have enforcement provisions are binding only upon their signatories. Even when a state accedes to a convention or signs an agreement, it does not necessarily mean that it accepts its obligations immediately. Not all the parties who signed the Helsinki Final Act feel bound to accept its provisions at once; rather, it is regarded as a long-term program towards which participants should strive.

Moreover, even when states disregard their obligations, there is frequently little that can be done to urge compliance. The UN Commission on Human Rights has a fairly cumbersome procedure for dealing with gross and persistent violations of human rights, while other bodies, like the new Human Rights Committee, on which there is a Canadian, and the Committee on the Elimination of Racial Discrimination, consist of independent experts serving in their personal capacities. The Canadian Government as such, can, therefore, take no official action in these bodies.

In the absence of consensus and of effective enforcement machinery at the international level, therefore, we have been forced to rely upon other methods, essentially political and diplomatic, in which to convey to other governments our concerns about human rights. Canada can use multilateral bodies, such as the Commission on Human Rights, to make known our attitude towards events in other countries; at such meetings, we can vote on resolutions varying in tone and substance from mild requests for information to denunciations and condemnations.

Multilateral bodies may impose sanctions dealing with trade, aid or trade in specific types of goods; such sanctions may be legally binding (as are Security Council sanctions) or voluntary (as are resolutions of the General Assembly). States may, of course, also impose sanctions unilaterally or jointly with other states, by curtailing aid, ending trade relations, or by going as far as suspending diplomatic relations. We can also make direct representations on a bilateral basis; such representations may range from expressions of concern, to requests for redress of specific grievances, to formal protests.

But there are no firm and fixed rules for raising and discussing what are essentially the domestic concerns of other states; some countries simply refuse categorically to permit any exchange of views. Canadians are justifiably indignant at flagrant abuses of the fundamental rights of the individual in Uganda, South Africa and in many other countries in Eastern Europe, Latin America and elsewhere. Moral indignation alone, however, will not establish universal standards of human rights, or ensure the creation of machinery to enforce such rights.

COURSES OF ACTION

My problem, as SSEA, goes one step further: it is to find, amid the differing interests, attitudes and traditions of other states, a way of expressing Canadian concerns, of alleviating conditions we find deplorable, and of solving the largely anonymous individual cases in which the Canadian interest is strong and persistent.

When we approach the issue of raising human rights questions with other countries, we generally consider two criteria in arriving at a course of action: the first is, what action will likely be *effective;* the second is, whether an action would be *appropriate;* whether our action, if taken, will be effective has to be subject to balanced and careful examination.

When we have cordial relations with states, for example, low-key, private discussions are demonstrably more likely to resolve outstanding individual difficulties, and in turn, create the atmosphere for the additional reconciliation of problems of concern to Canadians. When relations are poor, and progress on human rights issues is negligible, it may be necessary to make our case public, even though public pressure can as often contribute to a hardening of attitudes as it may to a meeting of minds.

The difference between "public" and "private" diplomacy is not always appreciated by Canadians. Public support for dissidents in the Soviet Union may, for example, be of help to their cause, for it provides the very publicity that in turn prevents Soviet authorities from implementing more repressive measures. Just last month, for instance, it was decided to convey to the Government of the Soviet Union the disappointment and deep concern of the Canadian people at the arrest of certain prominent Soviet citizens who had been speaking out on the question of human rights.

Similarly, I spoke in the House of Commons just the other day on the human rights climate in Uganda. Our concerns in this area were made quite clear to the Government of Uganda, and at the recently-concluded session of the UN Commission on Human Rights. With respect to Uganda, let me say this: there is no question that the Ugandan Government is engaged in the systematic killing of those who are thought to be in opposition to it. Yet the international community has taken no action. The Commission on Human Rights was eventually willing to devote a great deal of its time in open session expressing its "profound indignation" at events in Chile, but was not prepared to voice even the mildest public criticism of the situation in Uganda. The Canadian delegation introduced a resolution urging the Ugandan authorities to accept an impartial, international investigation. This was a reasonable position, consistent not only with previous Canadian action, but also with accepted international practice, which requires respect for national sovereignty. But so great was the opposition to our resolution that we were forced to allow it to stand without vote rather than have it summarily rejected in secret session, where, under the rules of the Commission, none of the proceedings can be reported.

DOUBLE STANDARD EXISTS

I might add that many of the same countries that protected Uganda from any meaningful criticism in the UN Commission on Human Rights, and refused to associate themselves with a U.S. resolution on Soviet dissidents, are loud in defence of human rights elsewhere. A double standard in the human rights field is an unhappy fact of international life. For its part, the Canadian Government will refuse to accept the conclusion of the Commission that it has discharged its responsibilities satisfactorily. We intend to continue to press, at the UN and in other bodies, for meaningful and concrete action to bring the Government of Uganda—among others that have persistently

violated the international standards of behaviour in human rights—observe the obligations they have freely accepted.

But public discussion of particular family-reunion cases in Eastern Europe, on the other hand, could have severe repercussions, because the people concerned do not have the protection afforded by the international spotlight, and would have no recourse if Canadian efforts to secure reunion in Canada were blocked as result of public discussion. Here we have opted for "private" diplomacy, and I am happy to report that, in most countries of Eastern Europe, we have seen a marked increase in the number of reunited families.

Pressure to speak out is always great, and it comes mainly from people whose indignation is kindled by what must seem like our official silence and inactivity. Regarding Chile, a country about which I have received a lot of mail recently, Canada has been particularly active with regard to the human rights situation in that country and will continue to be so as long as evidence of violations persists. In addition to speaking and voting on these issues in international forums, we have spoken directly to Chilean representatives. As a concrete indication of the concern of Canada for the human rights violations taking place in Chile, we have authorized 5,360 Chilean refugees to find permanent homes here. Ninety-two former Chilean political prisoners and approximately 200 of their dependents have achieved similar status. Canada's record with regard to promoting the regrowth of human rights in Chile is second to no other nation's and Chilean officials are well aware of this.

We have a responsibility, however, to exercise delicate judgment as to when to "go public" and when to continue with "quiet diplomacy". The phrase "quiet diplomacy" may seem to some a euphemism for a lack of responsiveness. This simply is not the case. In the proper circumstances, it can accomplish far more in the long run than public appeals that may satisfy an immediate pent-up frustration but cut off prospects for a satisfactory resolution of conflicting views. An illustration of this type of approach is our attitude towards Indonesia. During a visit to Indonesia last year, my predecessor, Mr. MacEachen, took the opportunity of a meeting with Foreign Minister Malik to raise the problem of political prisoners and to express the concern with which a number of Canadians view this issue. Mr. MacEachen noted that some of the detainees have already been released by the Indonesian Government, and expressed the hope that this trend would continue. We have been encouraged that this trend has, in fact, continued since that time.

IMPORTANCE OF ULTIMATE GOALS

Whether a given course of action will be effective depends, as well, on our ultimate goals. If we seek to rectify isolated abuses or aberrations in a state's normal performance in the human rights field, the task is generally manageable; but if we seek to alter a firm policy or the fundamental basis of another state's society, the issue is not likely to be resolved, at least easily or quickly. South Africa, for example, has resolutely refused to yield on the *apartheid* question, which is not simply one of that state's peripheral customs but an integral part of its social composition.

The appropriateness of Canadian action is related to our record, principles and traditions. We should not wish to condemn hastily, before the facts are in or before we can reach reasonably firm conclusions after an examination of the available evidence. Similarly, it would not be appropriate to expect other countries to do more than we are prepared to do at home.

The Canadian record, both at home and in international bodies like the Commission on Human Rights, is excellent, and we have a right to be proud of the conditions we enjoy in this country. At the same time, we are not perfect, and we must be vigorous in our efforts to secure the highest possible standards.

As Christians, we must never lose sight of human rights at any time, and must always be willing to convey our concerns to others. The Canadian Government has a right and duty to act that we expect other states to respect, just as we expect other states to respect, just as we respect their right to approach us on similar issues. At the same time, we have to be prudent. For our actions to be meaningful, they must reflect the genuine concerns of Canadians. This, in turn, means that we cannot be involved to the same degree in every single human rights problem, because there is a danger that a Canadian action would eventually be interpreted as simply yet another empty moral gesture, which other countries could then dismiss.

Seriousness is an obvious consideration. While we cannot ignore any discernible pattern of violations of human rights anywhere in the world, our case will be stronger where the offence is greater and if the weight of Canadian and of world opinion is behind our representation. Thus the determination whether Canadian action is appropriate depends upon a careful assessment of a number of factors respecting Canada and the other countries concerned.

While stressing our moral considerations, we must also be realistic and recognize the difficulties in drawing a line between human rights and other areas of activity. The suspension of aid is frequently suggested as a response to human rights violations, and it may seem on the surface to be an understandable way for a donor country to react. You will agree with me that we cannot question the need to provide food aid to some impoverished countries. But, in the area of economic aid, let me emphasize the real dilemma we face in attempting to determine what part of, for instance, a project for a cement-plant or an irrigation scheme benefits the people and what part ends up simply serving the aims of a government unresponsive on the question of human rights. This fine line, as I describe it, is hard to draw in practice, and I can only repeat that I have an open mind on this subject. I am prepared to consider possible courses of action available to us if I can be convinced that such action will prove effective.

At the same time, there is a real difficulty in acting on many economic issues. If we go beyond what is called for by international sanctions, where do we draw the line as matter of policy? If we take unilateral action, and it accomplishes nothing, what have we gained?

We accept international sanctions as the only really meaningful and potentially-effective measures against repressive regimes. Although we receive numerous requests to take action in cases of varied gravity, importance to Canada and humanitarian concern, we must necessarily consider the possible consequences of our action on future cases, in the hope that we can continue to be effective in human rights issues.

We have a responsibility, too, to consider the long-term implications of our representations, especially if they give rise to hopes which we cannot fulfil. If, through our actions, we encourage unwarranted expectations, so that the pressures generated by dissidents become intolerable to a given regime, what guarantees can we provide for their safety, or for the stability of their whole societies, in the event of massive upheavals in their states, such as occurred in Hungary in 1956 and Czechoslovakia in 1968? There are other implications that must be taken into account before determining a course of action. We may have other humanitarian interests—for example, our refugee program in Chile—that we should wish to safeguard by remaining on at least proper if not cordial terms with the other country concerned.

I have spoken frankly this evening about the problems and the types of considerations which govern our attitude to human rights issues.

As most of you consider human rights a matter of utmost priority, I hope, nevertheless, you will agree that the way in which we seek to deal with human rights violations is delicate and difficult and is subject to numerous considerations.

The question of human rights is one of the most complex issues in foreign policy because it strikes to the root of our traditions and therefore constitutes a potential challenge to other societies whose traditions may essentially be different.

Despite the need for delicacy and balanced judgment, Canada will continue to uphold internationally the course of human rights, in the legitimate hope that we can eventually ameliorate the conditions of our fellow men.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC OPPORTUNITY OF COMMITTEE ON EDUCATION AND LABOR TO MEET THURSDAY AND FRIDAY, APRIL 28 AND 29, 1977, DURING THE 5-MINUTE RULE

Mr. ANDREWS of North Carolina. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Opportunity of the Committee on Education and Labor be permitted to meet on tomorrow, and, if necessary, on Friday of this week during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman's request has been cleared with the minority side?

Mr. ANDREWS of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from North Carolina.

Mr. ANDREWS of North Carolina. Mr. Speaker, the request has been cleared with the gentleman from Minnesota (Mr. QUIE). This is his request, as a matter of fact.

Mr. BAUMAN. This is for the purpose of markup?

Mr. ANDREWS of North Carolina. Yes, it is.

Mr. BAUMAN. But it has the support of the minority side?

Mr. ANDREWS of North Carolina. It has the approval of the gentleman from Minnesota (Mr. QUIE). That is the only Member I can speak for.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

HOW MUCH IS ENOUGH?

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, I have recently come across some very interesting documents I want to place in the RECORD today. They show the pay scales of top businessmen, labor leaders, and baseball players. When you examine

them you find out some very interesting facts about the current state of American society.

Mr. Henry Ford had "total remuneration" in 1976 of $970,000. Mr. Ford, may I remind you has given the world both the Edsel and Robert McNamara. But that is what he is paid.

Mr. Reggie Jackson and Mr. Thurman Munson of the New York Yankees will each make at least $250,000 in salary this year. These gentlemen are considered experts at their trade if they perform well at bat slightly more than 3 times out of every 10. They are considered geniuses if they perform well at bat 4 times out of every 10.

Mr. George Meany of the AFL–CIO is paid a mere $90,000 a year. Mr. Meany has given us, among other masterpieces of economic nonsense the late and unlamented common situs picketing bill and a host of economic schemes guaranteed to drive the average wage earner to the wall. Yet he is paid $90,000 a year.

Yesterday the House, in a show of breast beating not seen since the last showing of King Kong, heroically voted to delete money for the congressional pay raise. Many Members took to the floor in sackcloth and ashes, weeping and gnashing their teeth, throwing themselves around in a frenzy of remorse because they would be receiving $57,000 in salary for representing the people of their district. Only someone with a heart of stone could keep from weeping when these Members, with one eye on the gallery, moaned and groaned that they were not worth $57,000, that, indeed, it would probably be better if they were just given some stale bread and water and allowed to sit in the corner. Such a display of self-contempt has not been seen since the last meeting of the National Masochistic Association.

Well, they got their way. They made their point. We all now know, officially, that they do not consider themselves worth $57,000. Who am I to question their judgment? Unfortunately, they also denied that salary to those of us who believe a Congressman's job is worth that salary.

Let me just say this: There has been more hypocrisy about this salary raise than any other issue in my memory. My own view is this: If the institution of Congress is so bad that its Members do not deserve $57,000 a year then there should be a serious and immediate move made to amend the Constitution and get rid of the institution itself. If the argument is that the institution is a good one but its current Members are bad then the answer is to vote them out of office and elect Representatives who are worth the salary. I am willing to take that risk.

Mr. Speaker, I hope the figures I am about to introduce in the RECORD survive and are discovered a thousand years from now, along with yesterday's RECORD. Our descendants will look on these figures with amazement. Those who built cars, they will say, were worth almost a million dollars a year to society; those who ruled unions were worth $90,000; baseball players were worth fantastic salaries—but those who every 2 years came before the voters and defended their record in free and open debate and then were returned, to do the absolutely necessary tasks of a democratic form of government, were judged by some of their colleagues unworthy to receive $57,000 a year. Those in the future will look back toward this time and shake their heads in disbelief.

At this point I want to insert in the RECORD the salary figures I mentioned earlier:

100 HIGHEST PAID U.S. MANUFACTURING EXECUTIVES IN 1976

Executives and company	1976 total remuneration	Percent gain or loss	Estimated annual pension	Common shares owned	Percent gain or loss
CHAIRMEN					
Henry Ford II, chairman, Ford Motor	$970,000	+190.6	.....	48,354	−1.3
Thomas A. Murphy, chairman, General Motors	950,000	+65.2	.....	18,834	+63.2
Harold S. Geneen, chairman, International Telephone & Telegraph	846,398	+9.1	$88,166	151,134	0
John J. Riccardo, chairman, Chrysler Corp	700,066	+224.7	.....	15,445	0
Rawleigh Warner, Jr., chairman, Mobil Corp	697,595	+12.4	.....	13,442	0
Maurice F. Granville, chairman, Texaco	651,036	+24.7	266,424	26,573	+4.1
Harry J. Gray, chairman and president, United Technologies	650,000	+14.2	90,567	145,000	+33
Clifton C. Garvin, Jr., chairman, Exxon	636,083	+18.3	.....	16,780	+46.6
Robert O. Anderson, chairman, Atlantic Richfield	625,000	+42.5	93,234	452,163	−19.6
Reginald H. Jones, chairman, General Electric	620,000	+24.0	.....	24,923	+2.5
Charles G. Bluhdorn, chairman, Gulf & Western Industries	599,696	+1.9	89,912	1,443,750	0
Frank T. Cary, chairman, International Business Machines	595,830	+10.8	100,000	5,182	−3.9
C. Peter McColough, chairman, Xerox	589,368	+16.9	.....	31,080	−34.9
Fred L. Hartley, chairman and president, Union Oil of California	566,282	+17.2	.....	36,179	−1.8
J. Stanford Smith, chairman, International Paper	531,875	+8.5	59,500	7,369	+43.3
John E. Swearingen, chairman, Standard Oil (Indiana)	528,450	+4.8	.....	104,872	+3.6
Willard F. Rockwell, Jr., chairman, Rockwell International	524,478	+11.6	117,283	218,208	−13.2
Howard W. Blauvelt, chairman, Continental Oil	524,109	+21.4	134,742	24,094	+12.4
Robert B. Pamplin, chairman (retired Nov. 30, 1976), Georgia-Pacific	511,668	+72.4	.....	119,948	+6.0
Raymond H. Herzog, chairman, Minnesota Mining & Manufacturing	507,990	+46.4	125,000	33,914	0
Robert K. Heimann, chairman, American Brands	506,906	−9.7	65,356	12,333	+.9
Jerry McAfee, chairman, Gulf Oil	$501,450	+105.6	$157,648	5,868	0
Harold J. Haynes, chairman, Standard Oil of California	484,725	+23.5	.....	13,652	+15.3
William A. Hewitt, chairman, Deere & Co	480,000	+5.2	114,694	82,000	+2.5
William O. Beers, chairman, Kraft	474,206	+16.5	162,207	18,000	+20.0
Joseph F. Cullman III, chairman, Philip Morris	469,429	+11.3	.....	180,749	0
Colin Stokes, chairman, R. J. Reynolds Industries	465,000	+17.7	126,682	21,654	+7.7
John W. Hanley, chairman and president, Monsanto	461,424	+10.5	74,304	6,000	+20.0
John P. Harbin, chairman, Halliburton	458,550	+16.4	.....	71,878	−7.8
Edward G. Harness, chairman, Procter & Gamble	458,333	+7.8	.....	34,167	+10.2
Irving S. Shapiro, chairman, I. E. DuPont de Nemours & Co	457,752	+84.3	.....	2,003	+110.2
C. B. Branch, chairman, Dow Chemical	452,883	−7.9	278,200	107,925	+8.5
James P. McFarland, chairman (retired February 1, 1977) General Mills	449,500	+25.8	.....	55,884	+129.4
Armand Hammer, chairman, Occidental Petroleum	429,000	0	.....	1,114,147	0
Edgar B. Speer, chairman, United States Steel	425,000	+3.7	.....	11,651	+12.5
PRESIDENTS					
Lee A. Iacocca, president, Ford Motor	970,000	+190.6	.....	57,345	−13.6
Elliott M. Estes, president, General Motors	885,000	+70.2	.....	34,062	+32.4
E. A. Cafiero, president, Chrysler Corp	627,550	+246.6	.....	6,290	0
William P. Tavoulareas, president, Mobil Corp	588,396	+13.8	.....	14,714	0
Francis J. Dunleavy, president (now vice chairman), International Telephone & Telegraph	555,895	+13.8	118,595	32,000	0
Robert Anderson, president, Rockwell International	509,170	+9.9	173,980	29,453	+58.0
Archie R. McCardell, Xerox	495,376	+19.8	.....	.....	NA

HOW THE UNIONS REWARD THEIR TOP EXECUTIVES

The job of running a national union is one of trouble and turmoil. But a survey of the pay of union presidents finds that most are well rewarded for their efforts.

In 1975, for instance, five union presidents each received more than $100,000 in salaries, allowances and expenses. Three years earlier, only two men crossed the $100,000 line.

Fourteen union presidents in 1975 got $80,000 or more from their organizations—twice as many as in 1972.

The chart on this page gives details on the 25 highest-compensated union presidents. Figures were obtained from the most recent union financial reports made to the Labor Department.

Top pay. The highest salary on record last year went to Frank E. Fitzsimmons, president of the Teamsters Union, whose 1.9 million members make it the nation's largest labor organization. His annual salary of $125,000, set in 1971, was raised 25 per cent last June by delegates to a Teamster convention. Mr. Fitzsimmons henceforth will earn a $156,250 salary.

Union members were even more generous to Edward T. Hanley, president of the 436,000-member Hotel and Restaurant Employes and Bartenders International Union. That union's convention last May doubled Mr. Hanley's salary, from $50,000 to $100,000 a year.

Even before his salary was doubled, Mr. Hanley was being paid more in salary, allowances and expenses than the chief executive of any other union. In addition to his former salary of $50,000, he received in the year ended April 30, 1975, an allowance of $36,450—or $100 a day, which he says was reported as income for tax purposes—plus expenses of $52,102. In all, he got $138,552.

Mr. Hanley's expense account that year included $41,682 in direct billings to the union for dinners, banquets and other entertaining he hosted while conducting union business. His reported expenses did not include much airline travel, however. * * *

WHAT 25 HIGHEST-PAID UNION PRESIDENTS MAKE

[Salaries, allowances and expenses of union presidents in 1975, latest available, as listed in reports filed with the U.S. Department of Labor]

	Salary	Allowance	Expenses	Total
1. Edward T. Hanley, Hotel, Restaurant Employees	$50,000	$36,450	$52,102	$138,552
2. Frank E. Fitzsimmons, Teamsters	125,000	2,738	7,148	134,886
3. James T. Housewright, Retail Clerks	105,000	13,000	4,482	122,482
4. Jesse M. Calhoon, Marine Engineers	71,500	----------	45,458	116,958
5. Hunter P. Wharton, Operating Engineers	90,000	21,400	996	112,396
6. C. L. Dennis, Railway Clerks	70,000	26,703	----------	96,703
7. George Meany, AFL-CIO	90,000	----------	1,482	91,482
8. Daniel E. Conway, Bakery, Confectionery Workers	55,000	2,600	33,672	91,272
9. I. W. Abel, Steelworkers	75,000	----------	12,786	87,786
10. Martin J. Ward, Plumbers	56,375	29,220	----------	85,595
11. S. Frank Raftery, Painters	53,799	14,310	15,869	83,978
12. John J. O'Donnell, Air Line Pilots	57,791	5,194	20,730	83,715
13. John H. Lyons, Iron Workers	59,000	14,580	9,485	83,065
14. Albert Shanker, Teachers	$58,333	$8,874	$15,803	$83,010
15. Charles H. Pillard, Electrical Workers (IBEW)	72,688	----------	6,384	79,072
16. William R. Steinberg, Radio Association	64,927	----------	8,719	73,646
17. James Siebert, Metal Polishers	33,710	11,630	27,834	73,174
18. Willian Sidell, Carpenters	62,200	8,800	1,057	72,057
19. Harold C. Crotty, Maintenance of Way Employees (RR)	56,417	----------	14,533	70,950
20. Jerry Wurf, State, County, Municipal Employees	60,000	7,200	2,684	69,884
21. Joseph Belsky, Meat Cutters	61,154	----------	8,157	69,311
22. George Hardy, Service Employees	57,543	----------	10,997	68,540
23. Kenneth J. Brown, Graphic Arts Workers	42,583	----------	25,945	68,528
24. Fred A. Burki, United Retail Workers	64,901	1,300	2,186	68,387
25. Leonard Woodcock, Auto Workers	46,432	----------	20,452	66,884

STARTING PLAYERS SALARIES

(Compiled by United Press International)

AMERICAN LEAGUE

Baltimore Orioles

C—Rick Dempsey, $40,000.
1B—Lee May, $130,000.
2B—Tom Shopay, $28,000.
SS—Mark Belanger, $140,000.
3B—Doug Decinces, $40.000.
LF—Pat Kelly, $60,000.
CF—Al Bumbry, $55,000.
RF—Ken Singleton, $160,000.
DH—Eddie Murray, $19,000.
P—Jim Palmer, $180,000.
Total: $852,000.

Boston Red Sox

C—Carlton Fisk, $160,000.
1B—George Scott, $175,000.
2B—Denny Doyle, $80,000.
SS—Rick Burleson, $125,000.
3B—Butch Hobson, $40,000.
LF—Jim Rice, $150,000.
CF—Fred Lynn, $195,000.
RF—Carl Yastrzemski, $200,000.
DH—Bernie Carbo, $65,000.
P—Ferguson Jenkins, $150,000.
Total: $1,340,000.

California Angeles

C—Terry Humphrey, $40,000.
1B—Tony Solaita, $50,000.
2B—Jerry Remy, $80,000.
SS—Bobby Grich, $200,000.
3B—Dave Chalk, $60,000.
LF—Bruce Bochte, $50,000.
CF—Joe Rudi, $200,000.
RF—Bobby Bonds, $175,000.
DH—Don Baylor, $190,000.
P—Frank Tanana, $225,000.
Total: $1,270,000.

Chicago White Sox

C—Brian Downing, $50,000.
1B—Jim Spencer, $70,000.
2B—Jorge Orta, $60,000.
SS—Allen Bannister, $30,000.
3B—Eric Soderholm, $40,000.
LF—Ralph Garr, $160,000.
CF—Chet Lemon, $35,000.
RF—Richie Zisk, $125,000.
DH—Lamar Johnson, $35,000.
P—Ken Brett, $70,000.
Total: $675,000.

Cleveland Indians

C—Ray Fosse, $75,000.
1B—Andre Thornton, $35,000.
2B—Duane Kuiper, $40,000
SS—Frank Duffy, $55,000.
3B—Bill Melton, $85,000.
LF—Buddy Bell, $75,000.
CF—Rick Manning, $40,000.
RF—Jim Norris, $19,000.
DH—Rico Carty, $90,000.
P—Dennis Eckersley, $45,000.
Total: $559,000.

Detroit Tigers

C—Milt May, $50,000.
1B—Jason Thompson, $45,000.
2B—Tito Fuentes, $90,000.
SS—Tom Veryzer, $40,000.
3B—Aurelio Rodriguez, $75,000.
LF—Willie Horton, $100,000.
CF—Ron Leflore, $75,000.
RF—Ben Oglivie, $60,000.
DH—Rusty Staub, $165,000.
P—Dave Roberts, $75,000.
Total: $775,000.

Kansas City Royals

C—Buck Martinez, $50,000.
1B—John Mayberry, $150,000.
2B—Frank White, $50,000.
SS—Fred Patek, $135,000.
3B—George Brett, $175,000.
LF—Joe Zdeb, $19,000.
CF—Amos Otis, $140,000.
RF—Al Cowens, $40,000.
DH—Hal McRae, $120,000.
P—Paul Splittorff, $70,000.
Total: $949,000.

Milwaukee Brewers

C—Charlie Moore, $45,000.
1B—Cecil Cooper, $100,000.
2B—Don Money, $95,000.
SS—Robin Yount, $80,000.
3B—Sal Bando, $150,000.
LF—Jim Wohlford, $40,000.
CF—Von Joshua, $60,000.
RF—Sixto Lezcano, $45,000.
DH—Jamie Quirk, $32,500.
P—Jim Slaton, $45,000.
Total: $692,500.

Minnesota Twins

C—Butch Wynegar, $40,000.
1B—Rod Carew, $165,000.
2B—Bobby Randall, $30,000.
SS—Roy Smalley, $25,000.
3B—Mike Cubbage, $30,000.
LF—Larry Hisle, $85,000.
CF—Lyman Bostock, $50,000.
RF—Dan Ford, $60,000.
DH—Craig Kusick, $30,000.
P—Dave Goltz, $50,000.
Total: $565,000.

New York Yankees

C—Thurman Munson, $250,000.
1B—Chris Chambliss, $200,000.
2B—Willie Randolph, $60,000.
SS—Bucky Dent, $135,000.
LF—Roy White, $120,000.
3B—Greg Nettles, $135,000.
CF—Mickey Rivers, $100,000.
RF—Reggie Jackson, $250,000.
DH—Jim Wynn, $95,000.
P—Catfish Hunter, $150,000.
Total: $1,495,000.

Oakland A's

C—Manny Sanguillen, $145,000.
1B—Dick Allen, $150,000.
2B—Larry Lintz, $35,000.
SS—Rob Picciolo, $20,000.
3B—Wayne Gross, $20,000.
LF—Mitchell Page, $20,000.
CF—Billy North, $75,000.
RF—Tony Armas, $20,000.
DH—Earl Williams, $50,000.
P—Mike Torrez, $100,000.
Total: $635,000.

Seattle Mariners

C—Bob Stinson, $40,000.
1B—Dan Meyer, $30,000.
2B—Jose Baez, $19,000.
SS—Craig Reynolds, $25,000.
3B—Bill Stein, $30,000.
LF—Steve Braun, $100,000.
CF—Ruppert Jones, $40,000.
RF—Lee Stanton, $75,000.
DH—Dave Collins, $25,000.
P—Diego Segui, $50,000.
Total: $434,000.

Texas Rangers

C—Jim Sundberg, $80,000.
1B—Mike Hargrove, $85,000.
2B—Bump Wills, $19,000.
SS—Bert Campaneris, $200,000.
3B—Toby Harrah, $100,000.
LF—Claudell Washington, $100,000.
CF—Juan Beniquez, $50,000.
RF—Ken Henderson, $110,000.
DH—Tom Grieve, $80,000.
P—Bert Blyleven, $140,000.
Total: $964,000.

Toronto Blue Jays

C—Rick Cerone, $25,000.
1B—Doug Ault, $19,000.
2B—Pedro Garcia, $30,000.
SS—Hector Torres, $27,500.
3B—Dave McKay, $25,000.
LF—John Scott, $19,000.
CF—Gary Woods, $19,000.
RF—Steve Bowling, $19,000.
DH—Otto Velez, $30,000.
P—Bill Singer, $90,000.
Total: $303,500.

NATIONAL LEAGUE

Atlanta Braves

C—Bill Pocoroba, $25,000.
1B—Willie Montanez, $330,000.
2B—Rod Gilbreath, $35,000.
SS—Pat Rockett, $19,000.
3B—Jerry Royster, $40,000.
LF—Gary Matthews, $400,000.
CF—Rowland Office, $50,000.
RF—Jeff Burroughs, $125,000.
P—Andy Messersmith, $250,000.
Total: $1,274,000.

Chicago Cubs

C—Steve Swisher, $50,000.
1B—Bill Buckner, $100,000.
2B—Manny Trillo, $50,000.
SS—Ivan DeJesus, $30,000.

3B—Steve Ontiveros, $20,000.
LF—Jose Cardenal, $150,000.
CF—Jerry Morales, $80,000.
RF—Bobby Murcer, 250,000.
P—Ray Burris, $75,000.
Total: $805,000.

Cincinnati Reds

C—Johnny Bench, $235,000.
1B—Dan Driessen, $60,000.
2B—Joe Morgan, $400,000.
SS—Dave Concepcion, $200,000.
3B—Pete Rose, 350,000.
LF—George Foster, $185,000.
CF—Cesar Geronimo, $100,000.
RF—Ken Griffey, $85,000.
P—Woodie Fryman, $85,000.
Total: $1,700,000.

Houston Astros

C—Joe Ferguson, $120,000.
1B—Bob Watson, $150,000.
2B—Cesar Gonzalez, $18,500.
SS—Roger Metzger, $65,000.
3B—Enos Cabell, $40,000.
LF—Willie Crawford, $130,000.
CF—Cesar Cedeno, $185,000.
RF—Wilbur Howard, $35,000.
P—J. R. Richard, $75,000.
Total: $819,000.

Los Angeles Dodgers

C—Steve Yeager, $85,000.
1B—Steve Garvey, $333,000.
2B—Dave Lopes, $125,000.
SS—Bill Russell, $100,000.
3B—Ron Cey, $160,000.
LF—Dusty Baker, $100,000.
CF—Rick Monday, $200,000.
RF—Reggie Smith, $160,000.
P—Don Sutton, $180,000.
Total: $1,443,000.

Montreal Expos

C—Gary Carter, $50,000.
1B—Tony Perez, $140,000.
2B—Dave Cash, $185,000.
3B—Larry Parrish, $50,000
SS—Tim Foli, $95,000.
LF—Del Unser, $60,000.
CF—Andre Dawson, $25,000.
RF—Ellis Valentine, $25,000.
P—Steve Rogers, $80,000.
Total: $710,000.

New York Mets

C—John Stearns, $45,000.
1B—John Millner, $85,000.
2B—Felix Millan, $100,000.
SS—Bud Harrelson, $80,000.
3B—Roy Staiger, $40,000.
LF—Dave Kingman, $95,000.
CF—Lee Mazzill, $20,000.
RF—Bruce Bolsclair, $50,000.
P—Tom Seaver, $225,000.
Total: $740,000.

Philadelphia Phillies

C—Bob Boone, $80,000.
1B—Richie Hebner, $150,000.
2B—Ted Sizemore, $45,000.
SS—Larry Bowa, $150,000.
3B—Mike Schmidt, $400,000.
LF—Greg Luzinski, $125,000.
CF—Garry Maddox, $185,000.
RF—Jay Johnstone, $80,000.
P—Steve Carlton, $165,000.
Total: $1,380,000.

Pittsburgh Pirates

C—Duffy Dyer, $65,000.
1B—Willie Stargell, $175,000.
2B—Rennie Stennett, $130,000.
SS—Frank Taveras, $75,000.
3B—Phil Garner, $120,000.
LF—Al Oliver, $165,000.
CF—Omar Moreno, $25,000.
RF—Dave Parker, $110,000.
P—Jerry Reuss, $107,000.
Total: $972,000.

St. Louis Cardinals

C—Ted Simmons, $200,000.
1B—Keith Hernandez, $60,000.
2B—Mike Tyson, $60,000.
SS—Garry Templeton, $30,000.
3B—Ken Reitz, $85,000.
LF—Lou Brock, $150,000.
CF—Bake McBride, $80,000.
RF—Hector Cruz, $55,000.
P—John Denny, $40,000.
Total: $760,000.

San Diego Padres

C—Gene Tenace, $180,000.
1B—Mike Ivie, $60,000.
2B—Mike Champion, $19,000.
SS—Bill Almon, $25,000.
3B—Doug Rader, $120,000.
LF—Gene Richards, $19,000.
CF—George Hendrick, $100,000.
RF—Dave Winfield, $90,000.
P—Randy Jones, $150,000.
Total: $763,000.

San Francisco Giants

C—Marc Hill, $40,000.
1B—Willie McCovey, $85,000.
2B—Rob Andrews, $35,000.
SS—Chris Speier, $140,000.
3B—Bill Madlock, $225,000.
LF—Randy Elliott, $19,000.
CF—Larry Herndon, $35,000.
RF—Jack Clark, $23,000.
P—John Montefusco, $145,000.
Total: $747,000.

PIKE AMENDMENT TO DELETE THE $7 MILLION IN THE FIRST BUDGET RESOLUTION FOR THE PAY RAISE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I had to be present on official business in my district yesterday and missed the vote on rollcall No. 154 on the amendment offered by Representative OTIS G. PIKE to delete the $7 million in House Concurrent Resolution 195, first budget resolution for fiscal year 1978, for the pay raise recently authorized by the President on the recommendation of the Commission on Executive, Legislative, and Judicial Salaries, which took effect without a vote by the Congress.

Had I been present yesterday, I would have taken the same position I took in my statement which I submitted on February 9 to the Subcommittee on Compensation and Employee Benefits to which the proposed pay raise was referred in the House, and I would have voted aye on rollcall No. 154 to delete that appropriation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. FISH (at the request of Mr. RHODES), for today and the balance of the week, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. QUAYLE), to revise and extend their remarks, and to include extraneous matter:)

Mr. DERWINSKI, for 5 minutes, today
Mr. MCKINNEY, for 10 minutes, today.
Mr. MARLENEE, for 5 minutes, today.

(The following Members (at the request of Mr. HEFTEL) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ALEXANDER, for 60 minutes, today.
Mr. KASTENMEIER, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. RYAN, for 5 minutes, today.
Mr. BINGHAM, for 10 minutes, today.
Mr. VAN DEERLIN, for 5 minutes, today.
Mr. RONCALIO, for 5 minutes, today.
Mr. BADILLO, for 15 minutes, today.
Mr. HAWKINS, for 30 minutes, on April 28, 1977.
Mr. RODINO, for 60 minutes, on May 2, 1977.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MICHEL.
Mr. SCHULZE, to revise and extend his remarks immediately following the remarks of Mr. ANDERSON of California.

(The following Members (at the request of Mr. QUAYLE) and to include extraneous matter:)

Mr. ROBINSON.
Mr. KELLY.
Mr. YOUNG of Alaska.
Mr. BROOMFIELD.
Mr. KETCHUM.
Mr. MARTIN in two instances.
Mr. GILMAN in two instances.
Mr. PURSELL.
Mr. SHUSTER.
Mr. FRENZEL in five instances.
Mr. KASTEN.
Mr. STEERS in two instances.
Mr. GRASSLEY.
Mr. COLLINS of Texas in two instances.
Mr. HILLIS.
Mr. HOLLENBECK.
Mr. RUPPE.
Mrs. HOLT in two instances.
Mr. ARMSTRONG.

(The following Members (at the request of Mr. HEFTEL) and to include extraneous material:)

Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. CARNEY.
Mr. RODINO.
Mr. MOTTL.
Mr. BYRON.
Mr. MAZZOLI.
Mr. CHARLES H. WILSON of California.
Mr. ANNUNZIO.
Mr. HAMILTON.
Mr. FAUNTROY.
Mr. ROSENTHAL.
Mr. YATRON in two instances.
Mr. MITCHELL of Maryland.
Mr. HARRINGTON.
Mr. MCDONALD in six instances.
Mr. EILBERG.
Mr. TEAGUE in two instances.
Mr. LEDERER.
Mr. LEHMAN.
Mr. CORRADA.
Mr. MIKVA.
Mr. ROGERS in five instances.
Mr. OTTINGER.
Mr. RANGEL.
Mr. AMMERMAN.
Mr. BOWEN.

Mr. JONES of Tennessee.
Mr. PATTEN.
Mr. BLANCHARD in two instances.
Mr. KILDEE.
Mr. BAUCUS.
Mr. SIMON.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 955. An act to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

S. 1240. An act to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1978; to the Committee on Agriculture.

ADJOURNMENT

Mr. HEFTEL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 3 minutes a.m.), the House adjourned until tomorrow, Thursday, April 28, 1977, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1356. A letter from the Chairman, U.S. Water Resources Council, transmitting a draft of proposed legislation to amend the Water Resources Planning Act (79 Stat. 244) as amended; to the Committee on Interior and Insular Affairs.

1357. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize a U.S. loan to Portugal; to the Committee on International Relations.

1358. A letter from the Administrator, Federal Energy Administration, transmitting a report covering the month of December 1976, on sales of refined petroleum products, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1978; to the Committee on Interstate and Foreign Commerce.

1359. A letter from the Administrator, Federal Energy Administration, transmitting the quarterly report covering October-December 1976 on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; inventories; exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c)(2) of Public Law 93-319, as amended; to the Committee on Interstate and Foreign Commerce.

1360. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended (79 Stat. 915); to the Committee on the Judiciary.

1361. A letter from the Deputy Director, Administrative Office of the U.S. Courts, transmitting the annual report on applications for court orders made to Federal and State courts to permit the interception of wire or oral communications during calendar year 1976, pursuant to 18 U.S.C. 2519(3); to the Committee on the Judiciary.

1362. A letter from the Acting Administrator of General Services, transmitting a revised building project survey report for the Government Printing Office, Washington, D.C., pursuant to section 11(b) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1363. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Federal Financing Bank for fiscal years 1975 and 1976, pursuant to section 106 of the Government Corporation Control Act, as amended (GGD-77-36, April 27, 1977) (H. Doc. No. 95-132); jointly, to the Committees on Government Operations, and Ways and Means, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TEAGUE: Committee on Science and Technology. S. 36. An act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes; with amendment (Rept. No. 95-224). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. DANIELSON, Mr. DRINAN, Mr. SANTINI, Mr. ERTEL, Mr. RAILSBACK, Mr. BUTLER, Mr. EDWARDS of California, Mr. CONYERS, Miss JORDAN, Mr. MAZZOLI, Mr. HARRIS, Mr. WIGGINS, Mr. FISH, and Mr. SAWYER):

H.R. 6666. A bill to amend the Legal Services Corporation Act to provide authorization of appropriations for additional fiscal years, and for other purposes; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.R. 6667 A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. BRADEMAS (for himself, Mr. JEFFORDS, Mr. PERKINS, and Mr. QUIE):

H.R. 6668. A bill to amend the Age Discrimination Act of 1975 to extend the date upon which the U.S. Commission on Civil Rights is required to file its report under such act, and other purposes; to the Committee on Education and Labor.

By Mr. BROWN of California (for himself, Mr. TEAGUE, Mr. WINN, Mr. AMBRO, Mr. WIRTH, Mr. WALKER, Mr. LUJAN, Mr. SCHEUER, Mr. WATKINS, Mr. WALGREN, Mr. BEILENSON, Mr. BROWN of Ohio, Mr. BLANCHARD, Mr. BURGENER, Mr. EDWARDS of California, Mr. FREY, Mr. FUQUA, Mr. HARKIN, Mr. JEFFORDS, Mr. MCCORMACK, Ms. MIKULSKI, Mr. MILFORD, Mr. OBERSTAR, Mr. PATTEN, and Mr. PATTERSON of California):

H.R. 6669. A bill to establish a national climate program, and for other purposes; to the Committee on Science and Technology.

By Mr. BROWN of California (for himself, Mr. TEAGUE, Mr. WINN, Mr. RICHMOND, Mr. MURPHY of New York, Mr. JENRETTE, and Mr. GLICKMAN):

H.R. 6670. A bill to establish a national climate program, and for other purposes; to the Committee on Science and Technology.

By Mr. ENGLISH:

H.R. 6671. A bill to direct the Secretary of the Interior to convey to Oklahoma State University the mineral rights held by the United States in certain lands in Oklahoma, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. FENWICK (for herself, Mr CARR, Mr. MOFFETT, and Mr. BINGHAM):

H.R. 6672. A bill to terminate the authorization for the Tocks Island Reservoir project as part of the Delaware River Basin project, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Interior and Insular Affairs.

By Mr. HOLLENBECK:

H.R. 6673. A bill to amend the National Flood Insurance Act of 1968 for the purposes of increasing flood insurance coverage under such act and specifying the kind of substantial improvements to structures to which the land-use management provisions of such act applies; to the Committee on Banking, Finance and Urban Affairs.

H.R. 6674. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce

By Mr. KREBS (for himself, Mr. SISK, Mr. SANTINI, Mr. LAGOMARSINO, Mr. ULLMAN, Mr. BURGENER, and Mr. JEFFORDS):

H.R. 6675. A bill to allow larger acreages of certain land to be retained by the owner of such land and to remain qualified for irrigation water under the Federal reclamation laws; to the Committee on Interior and Insular Affairs.

By Mr. LEHMAN:

H.R. 6676. A bill to amend the Controlled Substances Act to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of Maryland (for himself, Mr. STOKES, and Ms. HOLTZMAN):

H.R. 6677. A bill to amend section 1979 of the Revised Statutes to provide that States, municipalities, and agencies or units of government thereof, may be sued under the provisions of such section; to establish rules of liability with respect to such States, municipalities, and agencies or units of government thereof; and for other purposes; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.R. 6678 A bill to amend the Truth in Lending Act to eliminate the inclusion of

agricultural credit; to the Committee on Banking, Finance and Urban Affairs.

H.R. 6679. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income of amounts received for the production from certain oil or gas wells; to the Committee on Ways and Means.

By Mr. SISK:

H.R. 6680. A bill to amend the Emergency Livestock Credit Act of 1974; to the Committee on Agriculture.

H.R. 6681. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. SISK (for himself, Mr. AMMERMAN, Mr. EDWARDS of California, and Mr. JEFFORDS):

H.R. 6682. A bill to amend title II of the Social Security Act to provide that when an adverse decision is made on a claim for benefits thereunder, the claimant shall have the right to reconsideration, including an informal conference and a statement of the case, prior to hearing; to impose time limits and make other improvements in the procedures for determining such claims; to the Committee on Ways and Means.

By Mr. TEAGUE (for himself, Mr. THORNTON, Mr. BROWN of California, Mr. HOLLENBECK, Mr. FUQUA, Mr. HARKIN, Mr. DORNAN, Mr. FORSYTHE, Mr. KRUEGER, Mr. FLIPPO, Mr. ANDERSON of California, Mr. BADILLO, Mr. BONKER, Mr. CORMAN, Mr. DELLUMS, Mr. EDWARDS of California, Mr. EMERY, Mr. GLICKMAN, Mr. HARRIS, Mr. HAMMERSCHMIDT, Mr. LAGOMARSINO, Mr. MILFORD, Mr. MURPHY of New York, Mr. PANETTA, and Mr. PATTERSON of California):

H.R. 6683. A bill to reduce the hazards of earthquakes, and for other purposes; to the Committee on Science and Technology.

By Mr. TEAGUE (for himself, Mr. THORNTON, Mr. BROWN of California, Mr. ROE, Mr. RYAN, Mr. STARK, Mr. TUCKER, Mr. CHARLES H. WILSON of California, and Mr. WIRTH):

H.R. 6684. A bill to reduce the hazards of earthquakes, and for other purposes; to the Committee on Science and Technology.

By Mr. THONE:

H.R. 6685. A bill to amend title 38, United States Code, to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. VENTO:

H.R. 6686. A bill to improve the service which is provided to consumers in connection with escrow accounts on real estate mortgages, to prevent abuses of the escrow system, to require that interest be paid on escrow deposits, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHITEHURST (for himself, Mr. CORRADA, Mr. DERWINSKI, Mr. FAUNTROY, Mr. FREY, Mr. HUGHES, Mr. HYDE, Mr. LENT, Mr. LEVITAS, Mrs. LLOYD of Tennessee, Mr. MARKS, Mr. MAZZOLI, Mr. MURPHY of Pennsylvania, Mr. RAHALL, and Mr. TRIBLE):

H.R. 6687. A bill to amend the National Housing Act to provide for the insurance of graduated payment mortgages, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. YATRON (for himself, Mr. FLOOD, and Ms. MIKULSKI):

H.R. 6688. A bill to permit until July 1, 1980, the duty-free entry of Tricot and Raschel warp knitting machines; to the Committee on Ways and Means.

By Mr. FASCELL (for himself and Mr. BUCHANAN):

H.R. 6689. A bill to authorize fiscal year 1978 appropriations for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, to make certain changes in the Foreign Service personnel system, and for other purposes; to the Committee on International Relations.

By Mr. ALEXANDER (for himself, Mrs. LLOYD of Tennessee, Mr. QUIE, Mr. KINDNESS, Mr. RUNNELS, Mr. CLEVELAND, Mr. HAMMERSCHMIDT, Mr. CHARLES WILSON of Texas, Mr. ABDNOR, Mr. KETCHUM, Mr. WINN, Mr. COLLINS of Texas, Mr. PATTERSON of California, Mr. BEVILL, Mr. HANSEN, Mr. MURPHY of Pennsylvania, Mr. LENT, and Mr. HUGHES):

H.R. 6690. A bill to amend title 39, United States Code, to authorize the appropriation of funds necessary to operate the Postal Service, to provide that revenues of the Postal Service shall be deposited in the Treasury of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ASHBROOK:

H.R. 6691. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veterans' Affairs.

By Mr. BRADEMAS (for himself, Mr. JEFFORDS, Mr. PERKINS, Mr. QUIE, Mr. BEARD of Rhode Island, Mr. PRESSLER, Mr. MILLER of California, Mr. KILDEE, Mr. HEFTEL, Mr. HAWKINS, and Mr. BIAGGI):

H.R. 6692. A bill to extend certain programs under the Education of the Handicapped Act; to the Committee on Education and Labor.

H.R. 6693. A bill to amend the Child Abuse Prevention and Treatment Act to extend the authorization of appropriations contained in such act; to the Committee on Education and Labor.

By Mr. GILMAN (for himself, Mr. BADILLO, Mr. BURGENER, Mr. BAUCUS, Mr. BENJAMIN, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EDWARDS of Oklahoma, Mr. EILBERG, Mr. ERTEL, Mr. HUGHES, Mr. LAGOMARSINO, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MONTGOMERY, Mr. NEAL, Mr. RANGEL, Mr. RINALDO, Mr. TREEN, Mr. WALSH, and Mr. WINN):

H.R. 6694. A bill to provide for the termination of all American assistance to any country which fails to take adequate steps to control illegal trade in narcotics; to the Committee on International Relations.

By Mr. GOODLING:

H.R. 6695. A bill to establish under the direction of the Secretary of Housing and Urban Development a State-administered program providing financial assistance to individuals and families for the purpose of purchasing and installing solar heating (or combined solar heating and cooling) equipment; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HUGHES:

H.R. 6696. A bill to amend the Federal Rules of Evidence to protect the privacy of rape victims, and for other purposes; to the Committee on the Judiciary.

By Mr. KELLY (for himself, Mr. WALKER, Mr. ABDNOR, Mr. RUDD, Mr. KINDNESS, and Mr. HYDE):

H.R. 6697. A bill to provide for mandatory sentences for crimes committed while carrying a firearm; to the Committee on the Judiciary.

By Mr. McDADE:

H.R. 6698. A bill to amend the Regional Rail Reorganization Act of 1973 to require ConRail to make premium payments under certain medical and life insurance policies, to provide that ConRail shall be entitled to a loan under section 211(h) of such act in an amount required for such premium payments, and to provide that such premium payments shall be deemed to be expenses of administration of the respective railroads in reorganization; to the Committee on Interstate and Foreign Commerce.

H.R. 6699. A bill to amend the Legislative Reorganization Act of 1946 to require that a cost-of-living pay adjustment for Members of Congress may take effect only if such adjustment is approved by the Congress by recorded vote; to the Committee on Post Office and Civil Service.

H.R. 6700. A bill to provide that certain benefits payable to certain railroad workers will be exempt from Federal income tax; to the Committee on Ways and Means.

H.R. 6701. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. MARLENEE:

H.R. 6702. A bill to require research into the comprehensive and various uses of grain or grain products in the development and use of fuels, and for other purposes; to the Committee on Science and Technology.

By Mr. PERKINS:

H.R. 6703. A bill to authorize necessary flood protection at locations in Kentucky and West Virginia on an expedited basis; to the Committee on Public Works and Transportation.

By Mr. RAHALL:

H.R. 6704. A bill to authorize necessary flood protection at locations in Kentucky and West Virginia on an expedited basis; to the Committee on Public Works and Transportation.

H.R. 6705. A bill to provide the Corps of Engineers with continuing authority to provide technical assistance to States and political subdivisions thereof in the planning, design and preparation of specifications for snagging and clearing projects in navigable streams and tributaries thereof; to the Committee on Public Works and Transportation.

By Mr. ROGERS:

H.R. 6706. A bill to strengthen and improve the early and periodic screening diagnosis, and treatment program and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. SMITH of Nebraska:

H.R. 6707. A bill to amend part B of title XI of the Social Security Act to exempt small hospitals and other small inpatient facilities, in rural and other areas, from the requirement of review by a professional standards review organization and from the related requirements and provisions of that part; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6708. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committes on Ways and Means, and Interstate and Foreign Commerce.

By Mrs. SPELLMAN:

H.R. 6709. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 6710. A bill to provide for unbiased consideration of applicants to medical

schools; to the Committee on Interstate and Foreign Commerce.

H.R. 6711. A bill to provide for the installation of telecommunications devices for the deaf in agencies of Federal, State, and local government, in offices of Members of Congress and in other locations; jointly, to the Committees on Government Operations and House Administration.

By Mr. LEACH:

H.R. 6712. A bill to amend the Agricultural Trade Development and Assistance Act of 1954; to the Committee on International Relations.

By Mr. SATTERFIELD (for himself, Mr. BUTLER, Mr. COLLINS of Texas, Mr. DAVIS, Mr. EARLY, Mr. FITHIAN, Mr. GLICKMAN, Mr. HEFTEL, Mr. JACOBS, Mr. KINDNESS, Mr. ROBERTS, Mr. ROBINSON, Mr. SIMON, Mr. SYMMS, and Mr. WHITLEY):

H.R. 6713. A bill to amend the Federal Food, Drug, and Cosmetic Act to broaden the discretion of the Secretary of Health, Education, and Welfare respecting certain food additives found to induce cancer in animals; to the Committee on Interstate and Foreign Commerce.

By Mr. HYDE (for himself and Mr. MARRIOTT):

H.J. Res. 419. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. WINN:

H.J. Res. 420. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. KEMP (for himself and Mr. HANSEN):

H. Con. Res. 209. Concurrent resolution designating April 30, 1977, Vietnam Memorial Day; to the Committee on Post Office and Civil Service.

By Mr. KEMP (for himself and Mr. DELANEY):

H. Res. 524. Resolution designating May 3 as Polish Constitution Day; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON:

H. Res. 525. Resolution dismissing the election contest against Richard Kelly; to the Committee on House Administration.

H. Res. 526. Resolution dismissing the election contest against Bob Gammage; to the Committee on House Administration.

H. Res. 527. Resolution dismissing the election contest against Abner J. Mikva; to the Committee on House Administration.

H. Res. 528. Resolution dismissing the election contest against Carl D. Pursell; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

112. The SPEAKER presented a memorial of the Legislature of the State of Hawaii, relative to strengthening the Nation's electric utility industry; to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2

By Mr. BAUCUS:

Strike all of section 510(b)(5), page 258, lines 21–25 and page 259, lines 1–22 and insert in lieu thereof:

(5) the proposed surface coal mining operation if located west of the one hundredth meridian west longitude, would—

(A) not be located within an alluvial valley floor, or

(B) not materially damage the quantity or quality of water in surface or underground water systems that supply these valley floors referred to in (A) of subsection (B)(5)

Provided, That this paragraph (5) shall not apply to those surface coal mining operations located within or adjacent to alluvial valley floors which in the year preceding the enactment of this Act were engaged in the commercial production of coal or which had obtained prior to January 4, 1977, specific permit approval by the State regulatory authority to conduct surface coal mining operations within said alluvial valley floors; and

By Mr. BAUMAN:

Subsection 522(a)(3), page 314, line 7, after "will" strike the dash and strike subsections (A), (B), (C), and (D) through line 22. In lieu thereof insert the following: "be incompatible with existing State land use plans or programs of such plans or programs developed according to this section."

Section 714, page 357, line 19, strike all through page 359 line 24. Renumber subsequent sections accordingly.

By Mr. BEVILL:

Section 521(a)(5) on page 311, line 13, insert after "occurs", "; *Provided*, That any notice or order issued pursuant to this section which requires cessation of mining by the operator shall expire within seven days of actual notice to the operator unless a public hearing is held at the site or within such reasonable proximity to the site that any viewings of the site can be conducted during the course of public hearing. The burden of proof shall be on the Secretary or the regulatory authority, as the case may be, to establish by substantial evidence the basis for the cessation order or notice."

By Mr. MURPHY of Pennsylvania:

Section 507(a)(11), page 245, line 22 and page 246, line 7: Add on page 245, line 22 after "(11)" and before the word "a" "When requested by the regulatory authority."

Add on page 246, line 7 after "availability;" "If not requested, the regulatory authority will include the basis of this determination in its written finding pertinent to permit issuance or denial in Section 510(b)."

Section 513(b), page 265, lines 3 through 24: Commencing on line 3 with the words "a hearing" delete the remaining section in its entirety through line 24 the words "by this Act." and insert the following: "an informal conference requested, the regulatory authority may then hold an informal conference in the locality of the proposed mining, if requested, within a reasonable time of the receipt of such objections or request. The date, time, and location of such informal conference shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least one week prior to the scheduled conference date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. Not less than ten days prior to any proposed informal conference the regulatory authority shall respond to the written objections in writing. Such response shall include the regulatory authority's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The regulatory authority's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the informal conference stipulate agreement prior to the requested informal conference and withdraw their request, such informal conference need not be held. After the informal conference, the regulatory authority, upon request, may order a public hearing. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with all the requirements of the applicable State or Federal program under this Act."

Section 519(a), page 300 lines 4 through 22: Commencing on line 4 with the word "within" delete the remaining section in its entirety through line 22, and insert the following: "As a part of any bond release application, the applicant shall submit a copy of a letter which he has sent to the property owners, whose surface was affected and to the appropriate local governmental body, notifying them of his intention to seek release from the bond."

Section 519(a), page 300 lines 4 through 22: Commencing on line 4 with the word "within" delete the remaining section in its entirety through line 22, and insert the following: As a part of any bond release application, the applicant shall submit a copy of a letter which he has sent to the property owners, whose surface was affected and to the appropriate local government body, notifying them of his intention to seek release from the bond.

Section 519(f), page 303 line 3: On line 3 delete "person with a valid legal interest" and insert in lieu thereof "affected property owner."

Section 519(f), page 303 line 7: On line 7 delete "The last publication of the above notice" and insert in lieu thereof "filing the request for release of bond."

Section 519(f), page 303 lines 14 through 16: Commencing on line 14 the word "advertised" delete the remaining section in its entirety through line 16 and insert in lieu thereof "given to the affected property owner and local government unit."

Section 519(e) through (h), page 302, line 23 to page 304, line 5: Commencing on page 302, line 23, with "(e)" delete the remainder of the section through page 304, line 5.

Section 521(a), page 311, line 13: Add on line 13 after the word "occurs." "*Provided*, That any notice or order issued pursuant to this section which requires cessation of mining by the operator shall expire within fifteen days of actual notice to the operator unless a hearing is held before a hearing examiner appointed by the State regulatory authority or if none exists by the Secretary at the site or within such reasonable proximity to the site that any viewings of the site can be conducted during the course of the hearing. The burden of proof shall be on the Secretary or the regulatory authority, as the case may be, to establish by substantial evidence the basis for the cessation order or notice whereupon the hearing examiners may independently continue the cessation order or suspend, alter or terminate same."

By Mr. PRESSLER:

Section 510, after line 6, page 261, insert the following new paragraph:

(d)(1) There shall be established a special procedure on Strip Mining for Prime Farmland.

(2) For five years following the date of enactment, no application for a permit or revision thereof shall be approved unless the applicant demonstrates that prime farmland does not comprise more than 10% of the surface area to be disturbed pursuant to an applicant's mining plan. Such demonstration shall be based upon soils maps and data verified for accuracy by the Secretary of Agri-

culture; provided that nothing in this subparagraph shall apply to any permit issued prior to April 1, 1977, or to any revisions or renewals thereof including those authorizing contiguous expansion of such permitted areas.

(3) The regulatory authority may, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of the Interior with the concurrence of the Secretary of Agriculture, grant a variance from subparagraph (d)(1) if the operator demonstrates and the regulatory authority finds on the basis of data relating to prime farmlands comparable to those covered by the permit application that the operator can restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining.

(4) Within 60 days of the date of enactment, the Secretary of Agriculture shall publish a definition of "prime farmland" and a notification of methods for the determination thereof.

(5) Within four years of the date of enactment, the Secretary of Agriculture shall conduct such research, experimentation and studies as are necessary to determine whether, and with what reclamation procedures, prime farmlands should be made available for surface mining operations and based thereon make appropriate recommendations to the President.

By Mr. SIMON:

Page 180, after item 529 insert the following new items:

Sec. 530. Coal mine subsidence account.

Sec. 531. Subsidence compensation.

Page 332, after line 8, add the following new sections:

COAL MINE SUBSIDENCE ACCOUNT

SEC. 530. (a) There is established in the Treasury of the United States a separate account (hereinafter in this section referred to as the "account").

(b) The account shall consist of the amount of subsidence fees received by the Secretary of the Interior and deposited in the account under subsection (d).

(c) It shall be the duty of the Secretary of the Treasury to hold the account, and to report to the Congress each year on the financial condition and the results of the operations of the account during the preceding fiscal year and on its expected condition and operations during the next five fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(d) All operators of coal mining operations shall pay to the Secretary of the Interior, for deposit in the account, a subsidence fee of one cent per ton of coal produced. Such fee shall be paid no later than 30 days after the end of each calendar quarter beginning with the first calendar quarter of the first calendar year beginning after the date of enactment of this Act.

(e) Any portion of the subsidence fee not properly or promptly paid pursuant to this section shall be recoverable with statutory interest from coal mine operators in any court of competent jurisdiction.

(f) Amounts in the account shall be available, as provided in appropriation legislation, only for making expenditures to carry out the coal mine subsidence damage compensation program established under section 531 of this Act.

SUBSIDENCE COMPENSATION

SEC. 531. (a) The Secretary of the Interior, acting through the Bureau of Mines, shall establish a program of compensation for damage caused by coal mine subsidence.

(b)(1) The program established under subsection (a) shall provide that upon application by any person who claims to have sustained damage as a result of the subsidence of any coal mine located within the United States, the Secretary of the Interior shall determine the amount of such damage, if any, attributable to such mine subsidence. Upon a determination of the amount of such damage, the Secretary of the Interior shall, subject to the limitation contained in paragraph (2), pay from the acount established under section 530 to the person sustaining such damage an amount equal to one-half of the amount of such damage.

(2) The Secretary shall make a quarterly determination of the amount available in the account established under section 530. If the sum of the payments authorized to be made during such quarter under paragraph (1) exceed the amount available in such account, the amount of such payments to each person entitled to receive such payments during such quarter shall be reduced by a ratable portion of the amount by which such sum of payments exceeds such amount available.

(3) The Secretary shall make a quarterly determination of the amount available in the account established under section 530. If the sum of the payments authorized to be made during such quarter under paragraph (2) exceed the amount available in such account, the amount of such payments to each person entitled to receive such payments shall be reduced by a ratable portion of the amount by which such sum of payments exceeds such amount available.

By Mr. SKUBITZ:

Section 401(h), page 207, line 10 delete the whole subsection through line 24 on page 207.

Page 204, line 15 after the word "abandoned" and before the word "mine" insert the word "coal."

Page 204, line 16 after the word "abandoned" and before the word "mine" insert the word "coal".

Page 204, line 19 after the word "abandoned" and before the word "mine" insert the word "'coal".

Page 208, line 3 after the word "previous" and before the beginning of the word "mining" insert the word "coal".

Page 211, line 9 after the word "reclaimed" and before the word "mined" insert the word "coal".

Page 211, line 10 after the word "unreclaimed" insert the word "coal".

Page 211, line 11 after the word "by" and before the word "mining" insert the word "coal".

Page 215, line 10 after the word "unreclaimed" and before the word "mined" insert the word "coal".

Page 215, line 14 after the word "from" and before the word "mined" insert the word "coal".

Page 216, line 1 after the word "surface" and before the word "mining" insert the word "coal".

Page 222, line 11 after the word "previous" and before the word "mining" insert the word "coal".

Page 222, line 18 after the word "surface" and before the word "mines" insert the word "coal".

By Mrs. SPELLMAN:

Page 226, line 13, insert "(1)" after "(c)".

Page 227, after line 3, insert the following new paragraphs:

(2) After 18 months after the date of enactment of this Act, no permit shall be issued under this Act in any State by the Secretary or the State regulatory authority with respect to surface coal mining operations proposed to be carried out on any slope of 20 degrees or more.

(3) After 42 months after the date of enactment of this Act, no surface coal mining operations shall be carried out in any State on any slope of 20 degrees or more.

(4) The 18-month period described in paragraph (3) may each be extended for an additional 12 months in any case in which the Secretary determines that such extension is necessary to prevent or minimize production losses and employment dislocations. For purposes of such determination, the Secretary shall study the extent to which such losses and dislocations will result from complying with the provisions of such paragraphs.

(5) The provisions of paragraphs (2) and (3) shall not apply to any surface coal mining operations in which the operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominating flat area.

Page 259, after line 22, insert the following new paragraph and redesignate the subsequent paragraph (and all references thereto) accordingly:

(6) the area proposed to be mined only includes slopes of 20 degrees or more which are authorized and not prohibited for surface coal mining operations under section 502(c); and

Page 284, line 12, after "mining" insert the following: "authorized and not prohibited under section 502(c)".

By Mr. JEFFORDS:

On page 261, after line 6, insert the following new paragraph to section 510:

(d)(1) For five years following the date of enactment, no application for a permit or revision thereof shall be approved unless the applicant demonstrates that prime farmland does not comprise more than 10% of the surface area to be disturbed pursuant to an applicant's mining plan. Such demonstration shall be based upon soils maps and data verified for accuracy by the Secretary of Agriculture; provided that nothing in this subparagraph shall apply to any permit issued prior to May 1, 1977, or to any revisions or renewals thereof including those authorizing contiguous expansion of such permitted areas.

(2) The regulatory authority may, after consultation with the Secretary of Agriculture, and pursuant to regulations issued hereunder by the Secretary of the Interior with the concurrence of the Secretary of Agriculture, grant a variance from subparagraph (d)(1) if the operator demonstrates and the regulatory authority finds on the basis of data relating to prime farmlands comparable to those covered by the permit application that the operator can restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining.

(3) Within 60 days of the date of enactment, the Secretary of Agriculture shall publish a definition of "prime farmland" and a notification of methods for the determination thereof.

(4) Within four years of the date of enactment, the Secretary of Agriculture shall conduct such research, experimentation and studies as are necessary to determine whether, and with what reclamation procedures, prime farmlands should be made available for surface mining operations and based thereon make appropriate recommendations to the President.

EXTENSIONS OF REMARKS

THE NURSE PRACTITIONER

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. BYRON. Mr. Speaker, the Frederick News-Post recently contained a feature article on the outstanding work of Mrs. Jean S. Frizzell, a nurse practitioner. Along with her husband, Dr. James Frizzell, she renders outstanding service to the Frederick community and both of them are to be congratulated.

I think this article does an excellent job of describing the important contributions of Mrs. Frizzell and other nurse practitioners. I feel that this article might be of interest to other Members of Congress by helping to provide an insight into the increasingly important role nurse practitioners are playing in the delivery of health care services.

This is particularly relevant, because of pending legislation which would enable greater participation by nurse practitioners in the care of patients using medicare and medicaid. I would, therefore, like to include the article in the RECORD at this point:

BEYOND THE RN—THE NURSE PRACTITIONER

(By Pat Sikes)

The nurse practitioner is new to Frederick, but not to the medical community.

So what is a nurse practitioner?

A nurse practitioner can be an attractive young woman with modishly styled blonde hair who speaks medical jargon a mile a minute.

That's only a thumbnail sketch of Jean S. Frizzell, A.N.P., who is a member of a small but growing profession presently numbering approximately 2500 in the U.S., with nearly 250 in Maryland. They are graduates of some 100 programs established over the U.S. to train the nurse practitioner. Only the University of Maryland and Johns Hopkins University provide the prescribed program in the State of Maryland.

Besides the nurse practitioner, nurses are serving in two other expanded roles—the nurse midwife and the nurse anesthetist.

The concept of a trained person who could perform basic physical and psycho-social assessments originated in the early 1960's. Dr. Henry Silva and Dr. Loretta Ford of the University of Colorado proposed that there was a need in the area of preventive medicine for well-baby health care. "A mother with a well baby has lots of questions," said Mrs. Frizzell, Frederick's only adult nurse practitioner.

It was further proposed that the need could be served by someone other than pediatrician. Such a person was needed, for instance, to perform a routine physical examination, in the school systems, to oversee out-patient care.

But the registered nurse was not the complete answer. To protect the public, advanced training would have to be required.

A pilot study was conducted to determine professional and patient response to the idea. It was highly favorable. In fact, the idea went one step farther. The nurse practitioner concept was expanded to include adult primary health care.

A nurse practitioner should not be confused with a physician's assistant or physician's extender. Nor is she a mini-doctor. "A physician is disease-oriented rather than health-oriented," said Mrs. Frizzell. "The physician is not trained, for instance, in nutrition or psycho-social counseling."

Serious self-discipline and stringent training is required to become a certified nurse practitioner. A nurse practitioner must be a registered nurse, licensed by the State Board of Examiners of Nurses, having presented credentials and met criteria established by the Board. Generally, after two years' practice as an RN, she then must attend a formal Nurse Practitioner program in an academic setting.

Most states require a year's internship functioning as a nurse practitioner, followed by an exam to show evidence of clinical competence. If passed satisfactorily, meeting other criteria as determined by the individual state board, the nurse practitioner is certified. Evidence of continuing education and practice in agencies, hospitals, the U.S. Public Health Service, university infirmaries, Planned Parenthood clinics, to name but a few, is required at the end of each year. Private practice or co-practice with an established physician is rare.

Mrs. Frizzell's credentials are impressive. She was graduated from the University of Vermont in 1968 with a BS in Nursing. From Catholic University, Washington, D.C., she received her MS in Nursing in 1972. She was certified an Adult Nurse Practitioner in 1974 after having attended the Northeast Regional Medical Program at the University of Vermont. Mrs. Frizzell has supplemented and continued her education since 1970, expanding her knowledge in specific areas relating to her practice: respiration, diabetes, cardiology, alcoholism, stroke, nutrition, weight control, digestive disease. Her professional experience includes hospital staff nursing, medical-surgical instruction, administration, primary care perception and research. Since 1973, Mrs. Frizzell has co-practiced with a physician as an adult nurse practitioner, the last two and one half years with her husband, Dr. James A. Frizzell.

Technically speaking, a nurse practitioner is an RN functioning in an expanded role as a health appraiser. In so doing, the nurse practitioner elicits and records a comprehensive health care history traditionally associated with the physician. She performs a complete physical examination using such skills as "auscultation, percussion, palpation and inspection." (To medical illiterates, that means listening, tapping, touching with trained hands and the tools of the medical trade. As Mrs. Frizzell demonstrated, a nurse practitioner has to be able to talk in physicians' language.") She subsequently initiates appropriate screening and diagnostic procedures, recommending x-ray and lab tests, if indicated.

In the co-practice of Frizzell and Frizzell, the doctor in the house views Mrs. Frizzell's contribution as a nurse practitioner as invaluable. "A physician's assistant would not be able to do what she does," said Dr. Frizzell. "The physician's assistant would not have the background and training for taking case histories."

Competent comprehensive case histories are extremely important to the Frizzells. Said Mrs. Frizzell, "Jim and I share the same philosophy that you can't take care of a toe if you don't know what it's attached to."

Doesn't finding out "what it's attached to" take a great deal of time? "We practice slow medicine," replied Mrs. Frizzell. "We schedule appointments at half-hour intervals, allowing one-hour intervals, allowing one hour for physical examinations.

The husband-wife relationship in the team co-practice creates no unusual problems. The ones they have are "routine and minor," according to Dr. Frizzell.

Nor is authority a problem. "The limits are pretty well defined using a jointly prepared protocol. If anything, it makes us doubly careful."

Protocol in the medical sense is not exactly diplomacy. A written protocol is an established plan of therapy for treating the parameters of a certain disorder. The protocol outlines specific treatment accorded acute, episodic and long-term management of chronic diseases and disorders such as diabetes and high blood pressure. Protocols are usually mutually established between the health care practitioners utilizing them. "For instance," said Mrs. Frizzell, "if I recommend a certain pharmaco therapy, diet or activity for a patient, Jim and I must agree." A nurse practitioner at the present time, cannot legally sign a prescription.

Mrs. Frizzell described a typical first session with a patient. "I take a complete history and perform a physical examination. If the patient is a woman, I teach her how to self-examine her breasts. I take a Pap smear, which doesn't have to be done by a physician, you know. We talk about female anatomy, birth control, diet and weight control. Depending on the patient's age, we may talk about menopause. If the patient is over 40, I may suggest a cardiogram and cancer detection program."

"We talk about health based on the patient's history, comparing health care needs as perceived by the patient and her family, and the extent to which these needs are being met. The patient is guided to ask herself, 'Should I be doing more or should I be doing less?'

"I test for glaucoma which is usually the realm of the ophthamologist. If there are teens in the family, there may be drug-related problems which need counsel. The wife and her husband may need marital counseling. If the patient is a smoker, and wishes to stop smoking, we outline a program to help.

"If tests reveal a gastrointestinal disorder, Jim may see the patient next. If there is an elevation of cholesterol and triglycerides another appointment is scheduled with me for nutrition counseling. If any time during the physical I find anything that is not within my realm, I call Jim over.

"We schedule a daily telephone hour for the convenience of patients who have questions or are anxious to hear lab results."

The role of the nurse practitioner doesn't stop with her daily office practice. She identifies problems in the clinical area that requires study, and works independently and/or in collaboration with others in seeking answers to these problems. She continually evaluates the role of the nurse practitioner in terms of consumer, self and colleague satisfaction.

Mrs. Frizzell is a member of the Maryland Nurses' Association. She belongs to a subgroup, Primary Care Special Interest, composed strictly of nurse practitioners specializing in the areas of pediatrics, adults, obstetric-gynecology, school, family. Most members of the sub-group are pediatric and adult practitioners. In sub-group sessions members dialogue on-going practice, comparing problems and rewards, discussing interrelated audits, sharing news of others in their field within the state.

Just how does the nurse practitioner rate on the current scales? "The role of the nurse practitioner has proven itself to be cost ef-

fective," said Mrs. Frizzell. "There is a high degree of patient satisfaction with the primary health care provided by the nurse practitioner. I receive a great personal satisfaction practicing as a nurse practitioner. The responsibility is greater. When an RN makes a mistake it is the hospital's or the doctor's fault, when I make a mistake, it is my fault. The financial reward just all depends."

The Frizzells were honored this past summer by their selection for study by the National Joint Practice Commission. Their co-practice, combining the physician and the nurse practitioner in equal parts, was one of 30 U.S. primary care sites chosen. The Commission explored the best approach to health care in light of economics, patient satisfaction, viable functioning and service to purpose. Dr. and Mrs. Frizzell, their patients and other area doctors were interviewed. Commission findings have yet to be published.

In the future the role of the nurse practitioner undoubtedly will be altered. It makes good medical sense in terms of colleague evaluation health care advances and health care demands. The sharing of inter- and intra-professional evaluations proposes further implications for the education and practice of the nurse practitioner. Mrs. Frizzell maintains a leader's position to this end. She is associated with the Maryland State Board of Examiners of Nurses, Maryland Nurses Association, American Nurses Association and Sigma Theta Tau, national honorary nurses' fraternity. She is a member of the Board of Directors of the Frederick County Heart Association, and Public Health chairperson for their Nursing Education Committee.

According to Mrs. Frizzell, the most urgent problem facing her profession is, "There are not enough qualified RNs. A person becomes an RN in a number of ways. Some could be inadequate. Years of training vary; some may have three years, some four or five. We prefer a baccalureate background and are pushing for a Master's. The advanced nurse practitioner must have a Master's degree."

If all nurse practitioners hold themselves to the same high standards as Jean S. Frizzell, her profession is destined to be known as "distinguished."

OLD FASHIONED INGENUITY EVEN WORKS IN ENERGY

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. FRENZEL. Mr. Speaker, yesterday morning's Washington Post carried a front page story describing a new energy saving electric motor that could do more to advance the cause of energy conservation than has been accomplished by the entire Federal energy establishment supported by millions of dollars in Federal funding.

What makes this story so remarkable, and, at the same time, so familiar, has to do with the fact that this invention was produced by one man, Cravens Wanlass, working at home without benefit of any Federal funding.

The story is remarkable because we had come is believe, in this era of NASA-type technological advances, that significant research could only be done by committees backed up by billions of dollars in Federal funding. Today's problems, we were told, were too complex for one person to make a difference. The only trouble was that someone apparently forgot to explain these facts of life to Mr. Wanless. He never "understood" what he was up against and in the process knocked much of this conventional wisdom into a cocked hat.

The story has a faintly familiar ring to it because it describes a part of our heritage we had almost forgotten, namely our tradition of good old Yankee ingenuity. It is a story that has repeated itself throughout our history. Mr. Wanless described it this way: "It's not an obvious design—it looks like a dumb thing to do."

A spokesman for Southern California Edison Co. put it another way: "No one ever thought about doing it the way he did."

No doubt the energy establishment in Washington this week will begin the task of reprograming its computers, reworking its projections of energy consumption, drawing new scenarios of a world still woefully short on energy. But the picture will have changed significantly for the better because of one man with a different idea.

BARRING U.S. ASSISTANCE TO COUNTRIES FOSTERING ILLEGAL NARCOTICS TRAFFIC

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. GILMAN. Mr. Speaker, I recently introduced H.R. 5135, legislation prohibiting U.S. foreign assistance to those countries not taking adequate steps to prevent narcotic drugs from being illegally transported, directly or indirectly to the United States, or sold within the jurisdiction of such countries.

As a member of the House Select Committee on Narcotics Abuse and Control, I have found that while results of some of our Nation's coordinated efforts aimed at the illegal narcotics traffic provide some basis for encouragement, the back of the illegal narcotics network is far from broken.

Since introduction of this bill, a good number of my colleagues have expressed their interest in initiating deliberate action directed toward ending the ease by which illegal narcotics finds its way into this Nation. They concur that this measure would significantly increase the pressure on those leaders of foreign nations heretofore unresponsive to the plight of not just the United States, but also the many other nations that are suffering from the escalating illegal narcotics traffic.

Mr. Speaker, I am pleased to list the following Members who feel as I that legislation of this nature is long overdue and who have cosponsored this bill:

Mr. Badillo, Mr. Burgener, Mr. Baucus, Mr. Benjamin, Mr. Duncan (Tenn.), Mr. Edgar, Mr. Edwards (Okla.), Mr. Eilberg, Mr. Ertel, Mr. Hughes, Mr. Lagomarsino, Mr. Mitchell (N.Y.), Mr. Mitchell (Md.), Mr. Montgomery, Mr. Neal, Mr. Rangel, Mr. Rinaldo, Mr. Treen, Mr. Walsh, and Mr. Winn.

CONGRESSMAN ANNUNZIO INTRODUCES LEGISLATION TO EXEMPT $5,000 OF RETIREMENT INCOME FROM TAX

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. ANNUNZIO. Mr. Speaker, on March 22, 1977, I introduced H.R. 5293, which would provide a basic $5,000 exemption from Federal income tax of retirement income for an individual or a married couple. This legislation will help to alleviate the hardship so many of our older citizens are having to endure by providing them with some relief from the high cost of living and at the same time it will make our income tax system more equitable.

Under present law, benefits paid under the Social Security Act and the Railroad Retirement Act are fully exempt from Federal income tax. The retirement income of individuals retired under other pension plans, public or private, is fully taxed once the employees' contributions are recovered.

Prior to the enactment of the Tax Reform Act of 1976, relief for persons receiving taxable pensions ostensibly was available through the use of the retirement income credit. Most of the features of the credit had not been revised since 1962 when the maximum level of income on which the credit was computed was set at $1,524. Also, in an effort to make the treatment of those receiving taxable pensions parallel with those receiving tax-free social security benefits, rules for obtaining the retirement income credit had become so complex that many elderly persons did not take advantage of it. They found themselves incapable of computing it. Others found that these rules made them ineligible for the credit. For example, the earnings cutback feature of social security was also included in the rules for obtaining the credit.

Since the base for computing the credit was restricted to retirement income, elderly taxpayers who had to work because their pensions were insufficient to support them had to subtract all or a portion of their earned income from the base and often were eliminated from the relief provided by the credit.

The Tax Reform Act of 1976 restructured and converted the retirement income credit to a tax credit for the elderly, available to taxpayers 65 or over regardless of whether they have retirement income or earned income. The maximum amount for computing the credit was increased to $2,500 for a single person and to $3,750 for a married couple filing a joint return where both are 65 or over. The 1976 act eliminated the earnings cutback feature for taxpayers 65 and over as well as other rules which coordinated the credit with social security and thus greatly simplified its computation.

These changes made by the Tax Reform Act of 1976 are decided improvements over prior law. However, other inequitable features were introduced or

continued. Although the earning cutback feature was eliminated for taxpayers 65 and over, an income phaseout based on adjusted gross income was substituted. Under this phaseout, the maximum amount on which the credit is computed must be reduced by $1 for each $2 of adjusted gross income above $7,500 for single taxpayers and $10,000 for married couples filing a joint return. Many elderly taxpayers who had been eligible for the retirement income credit under prior law were shocked to find in preparing their 1976 tax returns that they were no longer eligible for any credit at all under the new law. The exemption of retirement income provided under my bill does not include any phaseout provision. Thus, the basic amount left tax free can be expected to continue from year to year.

A discriminatory feature of prior law was continued in the Tax Reform Act of 1976. This is the application of the tax credit for the elderly to taxpayers under 65 years of age. Just as the retirement income credit was under prior law, the elderly credit is only available to those under 65 receiving a pension under a public retirement system. The maximum base for computing the credit is increased as in the case for taxpayers 65 or over—to $2,500 for a single taxpayer and $3,750 for a married couple filing a joint return. However, as under prior law, the base is restricted to retirement income and the earnings cutback feature is retained. The adjusted gross income phaseout does not apply to these retirees.

These special provisions for public retirees under age 65 are certainly questionable. First, why should one group of early retirees be singled out for favorable tax treatment? Increasingly, participants in private pension plans are seeking early retirement. There is no reason to expect that their needs in retirement will be any different from those of public retirees. They should be treated the same by our tax laws. Second, if these public retirees under age 65 do not earn income, they do not have to reduce the base for computing the credit even if their adjusted gross income exceeds the levels applicable to taxpayers age 65 and over. This gives public retirees under age 65 an advantage over taxpayers age 65 and over who do not have earned income. H.R. 5293 eliminates these inequities since it has no age and income level limitations, and it does not restrict its benefits to retirees of any particular retirement system.

Although $5,000 is not a great deal of money these days, I believe that removing this basic amount of retirement income from Federal income taxation will lift a tremendous burden from that segment of our society which is least able to carry it. In recent years the financial problems confronting older Americans have become more and more acute. Inflation hits those living on fixed incomes the hardest, and many older Americans live on fixed income. Increases in the cost of food, medical care, housing, and transportation are particularly hard on them.

Census figures for 1974 show that the median income for a husband and wife family with the husband 65 years of age or older is $6,642. This amount is less than half of the $16,253 median income for a husband and wife family with the husband between the ages of 25 and 44. The least we can do is give some minimal relief to older couples by leaving $5,000 of retirement income exempt from tax.

The passage of H.R. 5293 is a step in the right direction, and I urge the support of my colleagues in the Congress for this legislation.

JOE MILLER

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. CHARLES H. WILSON of California. Mr. Speaker, on May 3, the city of Hawthorne, Calif., honors its 1977 Citizen of the Year, Mr. Joe Miller for his outstanding service to the community. I wish to bring Joe Miller to the attention of this Congress in order to commend to the nation the example of his civic dedication and the high caliber of his achievement.

I have known Joe Miller for many years. I have had personal acquaintance with his outstanding qualities; in particular, his strong sense of fair play and his dedication to the best interests of Hawthorne. A director of the Hawthorne Community Hospital for 4 years, Joe Miller was recently installed as the president of the hospital board. A Hawthorne city councilman for the past 12 years and chairman of its Redevelopment Agency, Joe Miller has served as both mayor and mayor pro tempore of Hawthorne. He actively promoted the development of the recently opened Hawthorne Plaza shopping mall, which promises to renew the economic life of the Hawthorne city center.

As if the challenges of city government were not enough, Joe is an active member of the Hawthorne Kiwanis Club and remains on the YMCA Board of Directors. He served with distinction as the chairman of the Hawthorne Bicentennial Committee, and was awarded a special citation and commendation by President Ford and the 94th Congress for his professionalism and ability. The local Chamber of Commerce also joined in recognizing this special achievement.

Special achievement and distinction in service to his country are perhaps to be expected of a man who received five Bronze Stars and two Silver Stars for extraordinary service in the U.S. Navy in World War II. With this record, he was a natural choice for my advisory Congressional Selection Committee for the National Military Academies.

Joe Miller fulfills his civic responsibilities with a single-mindedness and an intolerence for evasion that the city has long respected. I know he has brought these same qualities to his service on the California State Democratic Committee.

In spite of his many public duties, Joe Miller continues to lead a full family life with Lucille, his wife of 28 years, and with his four children, three of whom are triplets. An "instant family" seems to have been a natural response to the pressure of Joe's commitments.

The city of Hawthorne has been revitalized by men like Joe Miller. It is with great personal pleasure that I commend the city and Joe Miller on his selection as the 1977 Hawthorne Citizen of the Year.

GLEN ECHO PARK, MD.

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. STEERS. Mr. Speaker, I include in the RECORD my testimony before the Interior Subcommittee of the Appropriations Committee:

TESTIMONY OF CONGRESSMAN NEWTON I. STEERS, JR.

Mr. Chairman: I would like to plead the case for special, emergency funding for Glen Echo Park, in Glen Echo, Maryland. This Park, located within two miles of the District of Columbia, has been owned by the National Park Service for about a year and a half, though it has been operated by the Park Service for seven years while the General Services Administration held title to the property.

Glen Echo was acquired by the federal government in 1969 in order to protect the Potomac Palisades from development of high-rises, which would have adversely affected the Potomac River shoreline, the C&O Canal Historic Park, and the Clara Barton House—all of which are located adjacent to Glen Echo Park. The concept underlying the Park—which was once a very popular amusement park—is to return Glen Echo to its original purpose, to serve as a "Chautauqua" through which culture and crafts can be taught to the people of this country. Glen Echo is the ideal site for such a renaissance of the Chautauqua concept, for it was originally established in the 1890's as the National Chautauqua. After operating for only one year as a cultural center for the people of the country, the National Chautaqua was closed because of an outbreak of malaria which was traced to mosquitos in the caverns of the Park. The Park fell into disrepair and finally fell victim to the wreckers ball. Eventually, the site was rebuilt as the Glen Echo Amusement Park and abandoned in the 1960's. The present Glen Echo Park could well fall victim to a fate similiar to that of the original Glen Echo—not related to a malaria epidemic—but to a lack of construction funds for renovation and restoration of the buildings.

The buildings at Glen Echo were in terrible shape when it became federal property. And the Park Service was unable to spend any capital funds on property before it was titled to them, so deterioration continued. Presently, the teachers and students of arts and crafts who use the Park have pitched in and spent large amounts of their own money to restore a variety of buildings. However, many of the repairs necessary are well beyond the means and capabilities of the citizens who are helping out. The list which I have included demonstrates the severity of the problems at Glen Echo, as perceived by the Park Service in preparing these estimates. Roofs need repairs, founda-

tions need shoring up, insulation must be installed. We are talking about a sum of $340,000 to complete these needed repairs if this federally owned and operated Park is to meet minimum standards for safety and health.

I realize that the funding requirements of the Park Service are great and that the amount available is small. However, it would be wise to note that unless these emergency repairs are completed, some of the buildings will surely have to be destroyed—also at great cost to the government.

Current estimates for demolition of concrete structures such as those at Glen Echo reveal that ripping down Glen Echo's buildings would cost at least $250,000 and that additional substantial costs would be incurred because of the need to stabilize the land and landscape the entire site. I propose that it is far wiser to take these buildings and repair as many of them as possible so that the Park will continue to serve as a constructive site for large numbers of people from all over this country. Last year, according to Park Service estimates, over 130,000 people visited Glen Echo and over 3,000 took classes in arts and crafts and such practical arts as auto repairs. In addition, according to a response from the Park Service to the Senate Interior Appropriations Subcommittee, Glen Echo is serving as a model for other urban cultural parks throughout the country. And as demonstrated by a letter of support for funding which has been signed by all six Members of Congress from the Washington metropolitan area, the Park serves the entire region on a year-round basis.

Unless Congress appropriates money for Glen Echo as a line item, all of the people who have benefited from and enjoyed Glen Echo will be deprived the opportunity to learn the crafts and customs—and modern societal needs—which this facility offers. Its programmatic monetary needs are not that great. As a matter of fact, Glen Echo's entire budget for FY 77 was $239,000 but the Park *brought in* $90,000 in grants, payments from Montgomery County Public Schools, publication sales and carrousel rides! The Park is extremely popular, is largely supported through its own "moneymaking" ventures and the need for one-time physical repairs must be met. I do not think that the government can afford to allow this park to be destroyed through neglect or inaction. I urge this Subcommittee to at least begin funding the renovation of this facility so that its full potential as a modern-day Chautauqua can be attained and so that the people from all over this country can continue to utilize and enjoy the unique opportunities of Glen Echo Park.

I would be pleased to respond to any questions which you might have.

I. 1-TIME PROJECTS NEEDED AT GLEN ECHO TO ELIMINATE SAFETY HARAZDS IN AREAS PRESENTLY BEING USED FOR PUBLIC PROGRAMS IN PRIORITY ORDER

Map key No. and building name	Project description	Present name	Amount
			0
16—Crystal Pool	Remove back section of seriously deteriorated locker room which hangs over northbound lane of GW Parkway.	Metal sculpture, wood sculpture, stone carving, figure modeling, children's sculpture.	$55, 00
19—Spanish Ballroom	Shore up falling foundation of tower on GW Parkway side	Drama classes, dance classes, music, drama and dance performing, jewelry making.	20, 000
24a—Kiddieland	Remove loosened sheet metal roofing	Not used but very hazardous	4, 000
19—Spanish Ballroom	Replace crumbled beams, flooring, and front stucco facade	(Same as above)	25, 000
8—Yellow Building	Repair sagging beam and install dust collection system for sawdust.	Woodworking class, cabinetmaking, ceramic classes, and demos.	10, 000
5—Ceramic Yurt	Repair sagging roof	Ceramic classes, public demonstrations	5, 000
25—Children Workshop	Replace loosened floor tiling	Handicapped childrens' program	5, 000
Park Grounds	Repair and/or remove deteriorating asphalt	Walking and picnicing	15, 000
20—Adventure Theater	Install sprinkler and smoke detection system	Childrens' theater performances, drama workshops	25, 000
16—Crystal Pool	Stabilize front section of locker room which has deteriorated roof and footers.	(Same as above)	15, 000
	Replace steel support beams that have deteriorated.	(Same as above)	10, 000
15—Old First Aid Station	Repair main electrical service junction that has rusted box, exposed wire and cracked insulation.	Summer sculpture classes, main electrical service to northwest section of park.	7, 000
21—Cuddle Up	Repair falling and leaking roof	Summer performances	6, 000
Subtotal			202, 000

II. 1-TIME PROJECTS NEEDED AT GLEN ECHO TO STABILIZE STRUCTURES IN AREAS PRESENTLY BEING USED FOR PUBLIC PROGRAMS IN PRIORITY ORDER

19—Spanish Ballroom	Repair leaking roof	(Same as above)	15, 000
9—Chautauqua Tower	Repoint stone	Parks and history sales gallery, visitor center, class registration, historic exhibit.	30, 000
16—Crystal Pool	Seal concrete decking to prevent future deterioration of structural supports.	(Same as above)	5, 000
22—Bumper Car Pavillion	Repair badly leaking roof	Picnicking, outdoor summer performances, special festival food service.	5, 000
Parking lot	Regrade to eliminate drainage erosion which causes "river" when raining and large glare ice patch in winter.	Only public parking lot, summer performances	5, 000
7—Caretakers House	Replace leaking roof	Woodworking class, cabinet class	5, 000
12—Park Office and U.S. Park Police Office	Repair leaking roof	Park offices for 53 employees, creative writing, photography, Montgomery County school, multipurpose crafts room.	10, 000
24b—Auto Awareness Workshop	Repair leaking roof	Auto workshops	2, 000
15—Old First Aid Station	Repair leaking roof and deteriorating walls and windows	(Same as above)	3, 000
23—Laff House	Replace leaking and falling roof and repair flooring	Needed for handicapped program	15, 000
Subtotal			95, 00

III. 1-TIME PROJECTS NEEDED AT GLEN ECHO TO HEAT AREAS SO YEAR ROUND PROGRAMS CAN BE CONTINUED IN PRIORITY ORDER

8—Yellow Building	Insulate building and install heating system	(Same as above)	8, 000
16—Crystal Pool	Insulate space and install heating systems	(Same as above)	7, 000
9—Chautauqua Tower	Insulate and upgrade heating system	(Same as above)	30, 000
24b—Auto Awareness Workshop	Insulate and install heating system	(Same as above)	2, 500
Subtotal			47, 500

IV. CONTINUING NEEDS AT GLEN ECHO IN ORDER TO MAINTAIN FACILITIES AND TO PREVENT FUTURE DETERIORATION

Function	Resources required			Now available			Deficiency		
	MY's	Amount	Supply costs	MY's	Amount	Supply costs	MY's	Amount	Supply costs
Building and utility repair	2P	$26, 000	$8, 700	1P	$12, 350	$6, 800	1P	$13, 650	$1, 900
Grounds upkeep	1P	27, 650	4, 300	1P	12, 350	3, 300	1.5T	15, 300	1, 000
Daily cleaning	1P	12, 350	2, 000	1P	12, 350	2, 000			
Utility operation			46, 700			34, 200			12, 500
Subtotal								28, 950	15, 400
Continuing needs, total									44, 350
Yearly cyclic maintenance total									30, 500
Grand total									419, 359

DELTA NU ALPHA TRANSPORTATION FRATERNITY, YOUNGSTOWN CHAPTER 6, CELEBRATES NATIONAL TRANSPORTATION WEEK, MAY 15–21, 1977

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. CARNEY. Mr. Speaker, the week of May 15–21, 1977, is National Transportation Week. Delta Nu Alpha Transportation Fraternity, Chapter No. 6 of Youngstown, Ohio, will join other DNA chapters throughout the United States in commemorating this occasion.

Delta Nu Alpha is a national transportation fraternity dedicated to furthering education in transportation. The objectives of the fraternity are:

First. To promote greater knowledge of traffic and transportation among its members by holding informal discussions of traffic and transportation matters at all regular meetings.

Second. To foster and promote the exchange of information, experience, and ideas and cooperation among its members.

Third. To foster academic and practical transportation advancement.

Fourth. To develop an appreciation of the traffic profession as a motivating factor in industry and commerce.

Fifth. To inculcate and encourage justifiable professional consciousness among those engaged in transportation and traffic management.

Sixth. To encourage young persons of ability to enter and remain in the field of transportation and traffic management as a life work.

During National Transportation Week, an award will be presented to the Transportation Person of the Year and the Delta Nu Alphain of the Year.

In addition, a truck fair will be held at the Eastwood Mall in Niles, Ohio. Equipment from the various modes of transportation will be on display to promote and inform the public more fully on the importance of transportation. There will also be television, radio, and newspaper coverage of this event and National Transportation Week to foster a better understanding of the vital role of transportation in our daily lives. Presentations will be made to local high schools to interest and inform students of transportation as a possible career opportunity.

The mayors of the surrounding communities have been invited to the dinner meeting on May 13. The speaker for that meeting will be Mr. Melvin York, past national president of Delta Nu Alpha and lifetime member of Youngstown Chapter No. 6.

The present officers of Delta Nu Alpha Chapter 6 are:

President: Joe Secich.
First Vice President: Don Smith.
Second Vice President: Ed Vogler.
Secretary: Audrey Barker.
Treasurer: Jim Novak.
Directors: Thom Holzshu, Bill Ripple, Frank Mazzarino.

The chairperson of National Transportation Week is Jack Harlan.

Mr. Speaker, I want to take this opportunity to commend President Joe Secich and the other officers and members of Delta Nu Alpha Transportation Fraternity, Chapter 6, Youngstown, Ohio, for their contributions in the field of transportation. I also want to wish them a most successful and rewarding National Transportation Week.

ARE THERE NO LIMITS?

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. BROOMFIELD. Mr. Speaker, on April 14, Joan Mondale, wife of the Vice President of the United States, headed a list of dignitaries unveiling one of the world's tallest sculptures on Chicago's West Side. It is a $100,000, 100-foot-tall, 20-ton steel baseball bat which the U.S. Government erected in front of its new 10-story Social Security Administration building in Chicago that houses about 3,000 employees of the SSA's Bureau of Retirement and Survivors Insurance.

The General Services Administration sets aside a portion of a building's estimated construction cost to provide new Federal buildings with contemporary artworks. Under this policy, Claes Oldenburg was commissioned for $100,000 to design, fabricate, and install the skyscraper-high baseball bat.

I do not propose to pass judgment on the artistic merits of this towering structure, but I raise this question: Is it appropriate use of the tax funds paid by the working people of this country, especially at a time when every taxpayer is feeling the cruel pinch of the eroding purchasing power of every paycheck? I think not.

In commissioning this project GSA has displayed great imagination in disbursing the hard-earned tax funds of the American people. At a time when more and more Americans are rightly demanding that the Federal Government show restraint in its spending, it offers an outrageous example of irresponsible spending by the Government.

This is but one of the many art projects the General Services Administration has commissioned through the art-in-architecture program it supervises. The program originated in 1962. It seems to me this is one of those programs with small, well-intentioned, and worthy beginnings that has mushroomed and gone far beyond its intended purpose. It should receive top priority in President Carter's zero base budgeting and congressional scrutiny. Some budget items may be "uncontrollable," but the baseball bat sculpture is convincing evidence the art-in-architecture program of the General Services Administration is a "controllable" budget item. In addition, the practice of setting aside a portion of a building's estimated construction for funding artworks should be examined since it is deceptive and conducive to excessive spending.

It is essential that we reexamine closely the way the taxpayer's money is being spent. I think private subscription would be an appropriate way to pay for the baseball bat sculpture erected in Chicago, because this method would permit freedom of choice in the payment. I do not think it is appropriate for the American taxpayer to pay the $100,000 bill. It is an example of wasteful and inappropriate use of tax funds which Congress should take necessary steps to correct.

WELFARE REFORM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for April 27, 1977, into the CONGRESSIONAL RECORD:

WELFARE REFORM

It is easier to find fault with the present welfare system than it is to devise a new one.

Welfare reform is becoming one of the most widely discussed policy matters in the country. With a comprehensive study of the nation's welfare system now well underway, the President will be receiving a definitive report soon. Welfare reform will be one of the biggest and most difficult reorganization tasks ever undertaken in this nation. There is an overwhelming consensus that the 40-year-old $60 billion welfare system needs to be changed.

One of the main problems is that, while everyone favors it, welfare reform means many things to many people. Some want to restructure the whole system; others want to have the federal government lift the burden of welfare cost from the states and local governments. Some want existing benefits increased; others want to cut welfare cost. Some want to make the administration of the present system efficient and responsive; others want to overhaul the administration completely. No matter how carefully crafted a welfare reform proposal may be, it is almost certain to encounter some opposition.

The average American wants to help the needy, but at the same time he does not want to give a free ride to cheaters and sluggards who refuse to work. He is aware that the present welfare system just is not working, in part because:

It provides an incentive for a husband and a wife to split up and discourages single mothers from marrying;

It is costly to administer, confusing to recipients and administrators alike, and replete with opportunit'es for fraud and abuse;

It discourages some people who could work from taking jobs;

It treats people very differently even though their circumstances are very similar;

It discourages poor people from saving any of the welfare money they receive;

It causes a family receiving benefits from more than one program to lose income if benefits under one of the programs are raised only slighty; and

It is shaped by 21 committees in the Congress, 50 state governors and legislatures, 6 cabinet departments, 3 federal agencies, 54 states and territorial welfare agencies, 1500 county welfare departments and by the

United States Supreme Court and many lesser courts.

The goals of welfare reform are not difficult to state. It should:

Provide an adequate income for the disabled and for others who are unable to earn it themselves;

Provide incentives to those who can work to do so;

Prevent fraud and abuse in the programs;

Encourage families to stay together;

Provide the same benefits to persons in the same circumstances; and

Make the administration simple, efficient and inexpensive.

According to the Department of HEW, the major questions to be asked by welfare reformers are these:

Exactly who should be covered at what benefit levels, and what factors should influence benefit levels?

What kind of benefits should be provided?

Under what conditions should welfare recipients be required to work, and what sort of work should they be required to do?

What could the system best promote the goal of family unity?

How should the system be financed, and who should administer it?

What steps should be taken to stamp out fraud and corruption in the system?

Basically, there are two schools of thought on how best to achieve the goals of welfare reform. One school believes the existing system should be scrapped and replaced with a new system in which a direct cash payment would be made to all who met simple eligibility requirements. The other school believes that total reform is politically and economically impossible, and it argues that step-by-step improvement of the present system is the only live option.

It behooves each of us to be less dogmatic about the "welfare mess." We must be more willing to address seriously and constructively the difficult choices presented by the issues central to an informed discussion of welfare reform.

A TRIBUTE ON THE 75TH ANNIVERSARY OF OUR LADY OF GOOD COUNSEL CHURCH IN NEWARK

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. RODINO. Mr. Speaker, last Sunday, Our Lady of Good Counsel Church in Newark commemorated its 75th anniversary of service to its parishioners and his community. For all those years—through two World Wars, a depression, good times and bad—the church has stood as a symbol of continuity, stability, and compassion.

Thousands of people from the Newark area have worshiped at Our Lady of Good Counsel, finding there the inner spiritual strength and inspiration to lead decent lives, and carrying away with them the special wisdom and peace imparted by the priests and the sisters who have served there.

My own family and I have worshiped at the church for nearly 30 years. My children's spiritual roots were developed there. For us, as for so many others, Our Lady of Good Counsel has enriched our lives and helped us in times of trial.

Mr. Speaker, to mark the 75th anniversary of the founding of Our Lady of Good Counsel, a solemn pontifical mass was celebrated last Sunday by Archbishop Peter L. Gerety of Newark, retired Archbishop Thomas A. Boland, Auxiliary Bishop John Dougherty, Episcopal Bishop Joseph A. Francis, vicar of Essex County, and Episcopal Bishop Jerome A. Pechillo, vicar of Hudson County. With them were 28 priests, including Father Thomas B. Smith who for 19 years has wisely and gracefully served at Our Lady of Good Counsel, first as an assistant and now as pastor.

This Friday, the week-long celebration of the church's diamond jubilee will be concluded with a banquet in Newark to be attended by many of those to whom the church has meant so much over the years. Former parishioners are coming from all across the Nation, drawn by the fact that they have always retained a bit of the church, wherever they went. I am privileged to be honorary chairman of the dinner committee.

Mr. Speaker, I should like to conclude these remarks by quoting from the program distributed at last Sunday's mass:

May the good Lord bless us all and enable us to be of service to Him and to His children everywhere for many more happy years.

That is my prayer too.

FAUNTROY CLARIFIES NEWS ARTICLES

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. FAUNTROY. Mr. Speaker, over the past 2 days, the Washington Post has run two news stories and one editorial about questions I have raised concerning journalists and the manner in which the House assassinations probe has been treated by some in the print media. I wish to clarify certain positions which those news articles have attributed to me so that my colleagues in the Congress may clearly understand where I stand.

The House Assassinations Committee has no plans, current or future, to call news reporters before it for purposes of probing their coverage of the investigation. I have simply stated that I have a personal interest in finding out whether certain news reports have been influenced by reasons other than providing information to the public. My interest stems from my belief that some of the reports have been unfair and without bases. It seems to me that some of the reports have been designed to discourage the probe by the House.

Objectivity in reporting on as sensitive a matter as these assassinations probes is of great importance, in my view. My concerns in this regard were prompted by a published report in the Washington Star-News of November 30, 1973, in which it was reported that the CIA employed some 40 journalists who doubled as undercover contacts. On December 1, 1973, the Washington Post carried a similar article. I am including for the RECORD both articles as part of my remarks.

One of the two undercover contacts whom the articles identified is currently assigned to cover, report, and interpret the activities of the committee for the Washington Star-News. I simply wonder how many of the unnamed former contacts are similarly reporting and interpreting the probe. That is the extent of my interest.

I am a strong supporter and advocate of hard, factual news coverage, and I cherish dearly the right of every American to speak out. I am, however, greatly troubled by the thought that the news media, which has much influence over us, has, at least in the past, been linked to the CIA. My concern is heightened by revelations of domestic activity and abuses by the CIA, revelations which, in part, caused both the House and the Senate to establish select committees to investigate intelligence agencies.

In assessing the initial investigation of the Kennedy assassination the Senate select committee concluded at book V of its final report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities:

The Committee has, however, developed evidence which impeaches the process by which the intelligence agencies arrived at their own conclusions about the assassination, and by which they provided information to the Warren Commission. This evidence indicates that . . . the investigation of the assassination was *deficient* and that facts which might have substantially affected the course of the investigation were not provided the Warren Commission or those individuals within the FBI and CIA, as well as other agencies of Government, who were charged with investigating the assassination.

Although I have publicly stated my concern, I have not sought, nor have I intended, to intimidate the press. I am hopeful that these remarks serve to clear the air surrounding this issue. I believe all my colleagues will agree that it is a sad and dangerous commentary on our news delivery system if those charged with informing the public have personal interests at stake.

The news articles follow:

[From the Washington Star-News, Nov. 30, 1973]

JOURNALISTS DOUBLING AS CIA CONTACTS

(By Oswald Johnston)

The Central Intelligence Agency has some three dozen American journalists working abroad on its payroll as undercover informants, some of them as full-time agents, the Star-News has learned.

After CIA director William E. Colby ordered a review of the practice two months ago, agency officials found the names of some 40 full-time reporters, free-lance journalists and correspondents for trade publications in their files as regular undercover contacts who supplied information to agents in the field and who are regularly paid for their services.

The use of foreign correspondents by the CIA has been quietly suspected—and feared—for years by legitimate reporters who have worked overseas. But the suspicion has never been verifiable until now. The facts were made known by an authoritative source.

The continuing extent of the practice and its wide scope, which is believed to have been scaled down since the Cold War tensions of the 1950s, was apparently a surprise even to Colby, who last month ordered a significant

cutback in the CIA relationship with journalists connected with major news organizations.

No longer to remain on the agency payroll is the one category of journalist-agents whose continued existence could most seriously compromise the integrity of the American press in general and possibly cripple its ability to function overseas.

To be phased out is a small group of no more than five full-time staff correspondents with general-circulation news organizations who function as undercover contacts for the CIA and are paid for their services on a regular contractual basis.

It is understood that three of these agents have maintained their CIA contacts without the knowledge of the news organizations involved, but that the CIA sideline of the other two is known to their civilian employers.

Sources refused to identify any of the reporters involved, but it is understood that none of the five agents who are being cut off were regular staff correspondents of major American daily newspapers with regular overseas bureaus.

Colby is understood to have ordered the termination of this handful of journalist-agents in the full realization that CIA employment of reporters in a nation which prides itself on an independent press is a subject fraught with controversy.

Nevertheless, he has approved explicitly the continued maintenance of more than 30 other CIA agents abroad who are not strictly newsmen but who rely on some kind of journalistic "cover" for their intelligence operations.

Among those to be maintained is by far the largest category of journalist-agents: A group consisting of about 25 operatives scattered across the globe who appear to the world as free-lance magazine writers, "stringers" for newspapers, news-magazines and news services, and itinerant authors. (A stringer is a journalist, usually self-employed, who offers news-magazines on a piece-work basis to news organizations which do not have regular staff members in the stringer's city.)

Agents in this category are not regularly identified with any single publication, and most of them are full-time informants who frankly use their writing or reporting as cover for their presence in a foreign city. Most of them are American citizens.

Most are paid directly and regularly for services rendered, but a few of these semi-independent free-lance writers occasionally draw on CIA funds to pay out-of-pocket expenses for trips in which the agency had an interest or for entertaining a useful contact.

A second group of overseas correspondents whom Colby intends to keep on the payroll consists of eight writers for small, limited-circulation specialty publications, such as certain types of trade journals or commercial newsletters. It is understood that most in this group operate as paid CIA informants with the approval of their employers.

Colby also intends to keep up the quiet, informal relationship the agency has built up over the years with many reporters working at home and abroad and editors who for their part maintain regular contact with CIA officials in the routine performance of their journalistic duties.

No money changes hands under these relationships, either as occasional payment or as reimbursement for expenses. In general, the relationship is limited to occasional lunches, interviews or telephone conversations during which information would be exchanged or verified. Each side understands that the other is pursuing only his own tasks.

In such a relationship, the reporter would be free to use the information he gained in a news story, and occasionally the CIA agent might make use of what he has learned from the reporter. Very likely, the CIA official would report the gist of his conversations with the reporter to his superiors, orally or in a written memo.

In this group, sources indicated, the CIA includes Star-News reporter Jeremiah O'Leary whose name apparently found its way into agency files as a result of contacts of this professional type during assignment overseas for the Star-News.

(Star-News editors have discussed this matter with O'Leary and other sources and have found no evidence to suggest that either he or this newspaper has been compromised.)

Veteran intelligence operatives are understood to look with mixed feelings on Colby's decision to break off CIA contacts with legitimate full-time correspondents.

On the one hand, journalists operate under conditions that, in the eyes of a professional spy, provide a natural "cover," combined with unusually good access to people and places abroad that would be unavailable to persons in other professions.

The use of journalist-agents is known to be widespread in Communist-bloc countries where the press is government-controlled, and during the 1950's the Tass correspondent who was also a Soviet agent was almost proverbial.

At the same time, agency officials are known to recognize that CIA penetration of the American press, if discovered or even suspected to exist on a wide scale, would further damage the CIA's shaky public image at home and could seriously compromise the reputation of the American press.

For both of these reasons, sources were extremely reluctant to give any details of the operations in which journalist-agents were involved or to discuss their assignments in any but the most general way. Sources who verified the existence of the practice refused to reveal how much the agents were paid or where they have been deployed.

Colby himself is thought to be solely responsible for the decision to cut off the CIA relationship with full-time staff correspondents for general news-gathering organizations.

During his Senate confirmation hearings last summer, Colby promised in the aftermath of the Watergate-related disclosures of domestic political espionage that he would take pains to operate "an American intelligence agency"—that is, one with operations compatible with a democratic society.

Colby's cutback on CIA use of the press is understood to have been governed by that promise.

Nevertheless, Colby has privately justified past use of the news media as agency cover by stressing that newsmen operatives were not as a rule used as vehicles for planting propaganda.

As a matter of standard operating procedure, sources insist, an agent operating under cover as a freelance writer or as a staff correspondent for a newspaper of news agency almost never had his news stories or articles "critiqued" by his case officer.

While propaganda admittedly has been an important part of clandestine CIA operations abroad, that function has been kept separate from the routine running of agents, even though both assignments belonged to the agency's Clandestine Services, under the Operation directorate.

Accordingly, the extensive network of dummy foundations through which the CIA was revealed in 1967 to have funneled cash to such publications as Encounter magazine or such organizations as the American Newspaper Guild was not related to the use of newsmen or writers as intelligence operatives in the field.

If anything, the use of newsmen in this way seems to have been carried out at the discretion of station chiefs abroad, with little or no central oversight.

Until late last summer, neither Colby himself nor the top officials in the Operations directorate had any precise information on how many clandestine agents were currently operating under journalistic cover.

During September, in the aftermath of revelations that the Nixon administration used journalists as paid political spies during the 1968 and 1972 presidential campaigns, and in response to queries from the press, Colby ordered an in-house investigation within the Clandestine Services to find out exactly what the situation was.

The specific impetus for the press inquiries, which in turn spurred Colby to order the Operations directorate to search its files, was the published disclosure that Seymour K. Friedin, a political spy for the 1972 Nixon campaign, regularly passed information to the CIA when working as a syndicated columnist in Europe during the 1950s.

[From the Washington Post, Dec. 1, 1973]

USE REVEALED BY COLBY SURVEY—NEWSMEN SUPPLY DATA TO CIA

The Central Intelligence Agency has been paying more than three dozen agents operating under journalistic covers abroad for part-time or full-time services.

This was determined by CIA Director William E. Colby as the result of a survey of undercover agents spurred by recent congressional inquiries into possible domestic operations of the agency.

Colby has reportedly decided to remove from the CIA payroll a small number of full-time news correspondents with whom the agency had contracted for services, according to authoritative sources.

But it is understood that he plans to retain the services of the majority of the journalist agents, who are not associated with major publications but function under various reportorial covers.

The CIA director was reported to be out of town yesterday on official business and agency spokesman would not comment officially on the report, published in the Washington Star-News. It was independently confirmed, however, by knowledgeable officials.

Rep. Lucien Nedzi (D-Mich.), chairman of the House Armed Services Subcommittee on Intelligence, said yesterday he would make inquiries into the practice of paying journalists for intelligence services.

"I can't say I'm really surprised." Nedzi said of the disclosure. "I suppose the real problem was whether the press was being used to peddle a certain line. To it was an arrangement for gathering of intelligence. I find it difficult to see much wrong with it."

So far the only two journalists names that have emerged from the CIA's file belong to a smaller group of perhaps a dozen correspondents with whom the agency has maintained informal, unpaid, working relationships. One is former Europe-based columnist Seymour K. Freidin, who was implicated as a supplier of information to the Nixon campaign in 1972. The other is Star-News correspondent Jeremiah O'Leary, as reported in the Star-News story.

O'Leary was mentioned in a category of newsmen who occasionally exchange information with CIA officials in the routine performance of journalistic duties without any monetary considerations.

Interviews with CIA station chiefs or lesser officials in overseas posts are not uncommon practices for correspondents of most major publications in the performance of their news-gathering functions. Normally, however, it is not considered part of the journalistic function to provide information to government agents.

Several former CIA operatives expressed surprise at the number of newsmen Colby discovered on the agency's current payroll.

"It's quite a bit more than I would have expected," said one CIA veteran who now monitors agency activities on Capitol Hill.

The majority of this group, some two dozen, were determined to be operating under the cover of freelance journalists or "stringers" (correspondents not on the regular staffs of publications) working in foreign posts.

In 1967 the agency was wracked by a massive series of disclosures that it was underwriting activities of book publishers, magazines, student and cultural organizations and trade unions, including the American Newspaper Guild.

In the aftermath of those revelations the CIA was understood to have withdrawn from covert financing of such organizations as well as from a network of foundation conduits through which the money was channeled.

More recently agency officials have been questioned by congressional oversight committees—in the aftermath of the Watergate scandal—about CIA involvement in domestic activities. Several bills have been proposed designed to curtail domestic operations of the CIA.

There have, however, been no recent revelations of CIA penetration of domestic institutions comparable to the scale of those uncovered in the late 1960s.

ISRAEL: TWENTY-NINE YEARS OF INDEPENDENCE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. ROSENTHAL. Mr. Speaker, the search for a peaceful settlement in the Middle East is uppermost in the minds of many in Washington this week.

At the White House, President Carter has been meeting with Jordan's King Hussein, the third Middle East leader to visit here in the administration's continuing round of exploratory talks. These began in February with Secretary of State Vance's trip to the Middle East and visits to Washington by Israeli Prime Minister Rabin and Egyptian President Sadat. Next month the President will meet with the leaders of Syria and Saudi Arabia.

Another meeting taking place in Washington this week is the annual policy conference of the American Israel Public Affairs Committee.

Speaking to the AIPAC conference, Senator FRANK CHURCH of Idaho declared:

> Peace . . . must be for this and not another generation.

That means, he explained, the normalization of relations: The exchange of Ambassadors, commercial intercourse, and cultural contacts, so that over time both Arab and Jew may adjust to 'normality.'"

Senator CHURCH observed:

> I suspect today that much of the venom directed against Israel in the United Nations and in the Middle East is a reflection of the resentment that this small nation engenders because it is an oasis of freedom in the midst of a desert of authoritarian governments.

The United States has an important role to play in the peace process, he pointed out, but it cannot be a substitute for direct negotiations among the parties directly involved. That will mean resisting immense political and economic pressures exerted by some segments of American business and their friends among the oil-rich Arab states, he added.

Israel is celebrating its 29th anniversary of independence—and the first year in which not one of its soldiers was killed in hostile action with the enemy along its borders. Hopefully, it will be the first of many such years.

Mr. Speaker, I am inserting in the RECORD the full text of Senator CHURCH's excellent speech before the AIPAC annual policy conference dinner.

ISRAEL: TWENTY-NINE YEARS OF INDEPENDENCE—A CELEBRATION OF LIFE

(By Senator FRANK CHURCH)

We are here to celebrate the 29th year of Israel's independence. It is, of course, true that Israel has lived so precaricously that every added year becomes a cause for celebration. But I think it is particularly appropriate this year to review the basic considerations which underlie the relationship between the United States and Israel.

For this is a year in which, under the leadership of President Carter, the United States itself is seeking to reestablish a better balance in its foreign policy between principle and pragmatism. For too long, our foreign policy had been dominated by so-called "hard headed" assessments in which immediate and purely material advantages were sought. Now we are rediscovering that the American character demands that our foreign policy reflect a due regard for principle. And principle, the principle of justice, was from its inception the heart of the American commitment to Israel.

Thus, the Jewish demand for a national state, even before Israel was established, called forth a universal response. Orde Wingate, the famous guerilla leader who died in Burma in World War II, may have said it best:

"When I was at school . . . I was looked down on, and made to feel that I was a failure and not wanted in the world. When I came to Palestine I found a whole people who had been treated like that through scores of generations, and yet at the end of it they were undefeated, were a great power in the world, building their country anew. I felt I belong to such people."

But in our own State Department, there were many who feared that the establishment of a Jewish state would prejudice American relationships with the Arab world and therefore urged a postponement of Jewish national independence. These objections were steadfastly overridden by President Truman. On May 14, 1947, the same day that David Ben-Gurion officially proclaimed "the establishment of the Jewish state in Palestine, to be called the State of Israel," President Truman extended de facto recognition to the fledgling government. In effect, principle won out over "hard headed" pragmatism, which I believe to have been as misguided then as it is today. And this is what I want to review with you: the proposition that where Israel is concerned, a principled policy is the only suitable one for a people like our own.

From its inception, Israel has not had an easy existence. No sooner was the new state proclaimed than it was invaded by the armies of its Arab neighbors, under the mistaken assumption that they would gain an easy victory over the citizen army assembled by the new nation. In 1967, Gamal Abdel Nasser dismissed the United Nations troops stationed in a buffer zone between Israel and Egypt and, then, closed the straits of Tiran at Sharm El Sheik, a move which would have denied Israel access to the Red Sea. That move led to the Six Day War in which Israel prevailed; it is important for us to remember this sequence of events, for the territorial disputes between Israel and its neighbors would not exist today if Nasser had not initiated his provocative act at Sharm El Shiek.

Behind Nasser's move in 1967 lay a vision of a Pan Arab nation stretching from Egypt through Syria, with no room for the interloper Jewish state. And this is the basic issue which lies at the roots of the Arab/Israeli question: Do Israel's neighbors now accept the legitimacy, the right—not the privilege—of Israel to live in peace as a fully sovereign and legitimate state in the Middle East? That is the issue on which there can be no equivocation, no ambiguity, no discrepancy between private and public statements.

The PLO has never yet revoked the cardinal points of the Palestine National Covenant of 1968: that the "Zionist presence" must be purged by "armed struggle"; that the "partitioning of Palestine . . . and the establishment of Israel is fundamentally null and void"; and that only Jews permanently settled in mandated Palestine by 1917 have the right to remain there after "liberation."

Nor did the March 20 Cairo declaration reveal any softening of these harsh provisions. The Cairo statement rejected UN Resolution 242 as a framework for peace; promised an "uncompromising determination . . . to continue the military struggle," an "escalation of fighting in the occupied land," the rejection of "all forms of American arrangements"; and a continuing designation of Zionism as "racism."

In the aftermath of Sharm El Sheik, the 1973 Arab offensive on Yom Kippur, and the most recent Cairo declaration, it is imperative to secure tangible evidence that the fundamental premise which underlies the PLO covenant and which led to the closing of Sharm El Sheik, namely, the premise that Israel is an illegitimate presence in the Arab crescent, has been abandoned. Peace, in other words, must be for this and not another generation, and it must be manifested in the normalization of relations: the exchange of Ambassadors, commercial intercourse and cultural contacts, so that over time both Arab and Jew may adjust to "normality."

Is this utopian, mere fantasy? I think not. Former *Washington Post* correspondent, Dan Kurzman, described in his book, *Genesis 1948: The First Arab-Israeli War*, a unique relationship which had developed on the battlefield between Yeroham Cohen, then an aide to Yigal Allon, the Commander of the Southern front, and the then General Nasser:

"In February, 1950, Gamal Abdel Nasser and Yeroham Cohen met in El Aujer and drove together to Fahya so that Nasser could point out the location of Israeli graves. As they walked among the graves, Nasser asked, "Do you remember, Yeroham, when we sat on the grass, and I told you I didn't think I would ever see my wife and daughter again?'

" 'Yes, Gamal. And I told you that you would not only see your daughters, but would have a son as well.'

" 'Well, I've got a son.' That night, Cohen, on returning to Tel Aviv, sent a package of baby clothes to his Egyptian friend."

It was too bad, he reflected, that a man like Gamal Abdel Nasser was not running Egypt.

In a sense, we can sum up the basic Middle East dilemma with this question: Can the gap be bridged between the unremitting hatred reflected in the PLO covenant and the human dimension represented by the delivery of baby clothes for Nasser's son?

In bridging that gap, the United States

has an important role to play. But it must make it clear that, in providing its good offices, it is facilitating, not substituting, for direct negotiations between the parties. For, if real peace is to be achieved over whatever period of time, it must begin as it has historically begun in other conflicts—the Franco-Prussian War, World Wars I and II—with direct face to face negotiations in which the opposing sides implicitly acknowledge the legitimacy of each other.

We cannot wipe out 29 years of history. During that time, Israel has been beleaguered. It has come to rely upon its own defense capability rather than to ask, as other countries have, for the deployment of American troops or the establishment of American bases as a security shield. Consequently, Israel has had to develop strategic and tactical military doctrines to compensate for its small geographical area and before 1967, its precarious borders, which at one time made it potentially possible for an enemy to cut the country in half merely by overrunning ten miles of Israeli territory. In direct negotiations between the parties, this border alignment will inevitably and, rightfully so, become a prime source of concern to Israel. Similarly, we must expect the Arab states, in the process of negotiation, to seek a resolution of the Palestinian question. But this is the stuff of genuine negotiations, in which the United States ought not to substitute for the parties.

Once before the United States interposed itself. As George Ball notes in his recent article in Foreign Affairs, the Eisenhower Administration, back in 1957, obtained the withdrawal of Israeli troops from the Sinai with a "private American commitment to preserve Israeli access through the Gulf of Aquaba." In George Ball's words, "This commitment was at best waffled on during the May, 1967, crisis" which followed Nasser's closing of Sharm El Sheik. In short, where another nation's survival may be at stake, the United States should not itself assume the responsibility of settling the vital issues, giving in return commitments, well meant at the time, but not possible to fulfill by later Administrations in other circumstances. So, while we have a role to play in facilitating negotiations, it is a role which calls for a large degree of discipline in restraining our natural impatience to get on with the job by doing it ourselves. This is one case where we should keep our do-it-yourself kit at home.

Yet, I think we must be realistic and recognize that the pressures to achieve a settlement at virtually any price will be very great. Looming in the background of Middle East negotiations is the spectre of economic coercion. The wealthiest governments in the world today are the oil-rich Persian Gulf countries, fortified with the economic and financial power that a sixfold increase in the price of oil has given them. American companies and banks want in on the financial bonanza, and too many of them are willing to do virtually anything to get their share, including compliance with the Arab boycott of Israel.

Two years ago, I was the first to make the boycott list public because I thought we could never deal with it unless we brought it up from under the table and placed it out for all our citizens to see. I think it important that we understand what is, and what is not, at issue. What is not at issue is the right of an Arab state, in belligerency with Israel, to boycott Israeli goods. What is at issue is the right of an Arab state to reach into the United States and (a) impose a secondary boycott by directing an American firm not to do business with Israel as a condition of doing business in the Arab country, or (b) impose a tertiary boycott by directing an American firm to have no transactions with another American firm which does business with Israel or has Zionist connections, whatever that may mean.

The economic grains of acquiescence may be enormous, but so is the moral cost. Once we admit the principle that another country has amassed the economic power to dictate the terms upon which American firms do business with each other or with nations friendly to us, then we have conceded a cornerstone of our independence. And I fear that it will not stop there. Subtly at first, more overtly later, we will find American firms governing their hiring and promotion policies and determining with whom they do business, in accordance with what they think will please the Arabs, rather than ordinary commercial criteria. The time to stop the rot is now, before it tears into the very fabric of American society.

If there was ever a test of principle and morality in American foreign policy, this is it. There was a time, of course, when this country would never even have hestitated as to its behavior. On December 17, 1911, back in a time when moral principles mattered more to the government than has been true in the recent past, President Taft abrogated a lucrative trade agreement with Czarist Russia which was shortly to go into effect because the latter refused visas to American Jews. And earlier than that, clear back in May of 1885, the United States was informed by the Austrian Government that Mr. Anthony Reiley would be unacceptable as envoy plenipotentiary to Vienna because, in the words of the Imperial Government, "The position of a foreign envoy wedded to a Jewess by civil marriage would be untenable, even impossible, in Vienna." Let me read you what our Secretary of State Bayard said in reply. He wrote:

"It is not within the power of the President nor the Congress nor of any judicial tribunal in the United States to take or even hear testimony, or in any mode to inquire into or decide upon the religious belief of any official, and the proposition to allow this to be done by any foreign government is necessarily and a frotiori inadmissable.

"To suffer an infraction of this essential principle would lead to a disenfranchisement of our citizens because of their religious belief, and thus impair or destroy the most important end which our constitution of Government was intended to secure."

Oh, how much we need to have that kind of forthright language used again by those who lead this land!

I come from a state where there are very few Jews. I don't suppose there are more than a couple of hundred Jewish families in the whole of Idaho. Still, I've always felt very strongly about our bond with Israel, because I think that it serves the interests of the United States to preserve in that part of the world a bastion of friendship in a little land that has demonstrated its determination to live and its capacity to defend itself when necessary. But also because I think it is morally right for us to do this. In a way I expect that the vitriolic feeling against Israel in the Middle East among the Arab countries is due, in part, to the same considerations that led our own infant country to be isolated in the world of the 18th century. In his introduction to the *Federalist Papers*, Clinton Rossiter, the American historian, noted that one of our early leaders, James Madison, won his honored place in our history as Secretary of State by guiding the then friendless Republic through the dangerous waters of international hostility. It may be difficult to conceive today that the United States in her early years, stood alone. But as an anomaly in a world composed of entrenched autocracies, the new Republic was at first suspect and then feared by the great monarchs of Europe, not because of power, for we had none, but because of the force of the ideas which impelled its creation. And I suspect today that much of the venom directed against Israel in the United Nations and in the Middle East is a reflection of the resentment that this small nation engenders because it is an oasis of freedom in the midst of a desert of authoritarian governments. As Prime Minister Rabin observed, "There are all too few nations in the world that uphold these democratic forms and objectives."

In the 1930's, we saw unprincipled great powers sacrifice the interests of small powers and in the process fan the winds of war. If we in the United States remember the fateful lessons of the Second World War, if we steadfastly uphold our own principles against whatever pressures may be mounted against them, then truly we shall have heeded the words of Leviticus: "To proclaim liberty throughout the land, and justice to the inhabitants thereof."

So, as we celebrate Israel's independence here tonight, let me conclude with a toast reserved for occasions such as this, L'Hyaim—to life—for this small country, this courageous people, and the enduring principles of justice, freedom and democracy.

SPANKING SCHOOLCHILDREN

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Ms. HOLTZMAN. Mr. Speaker, on April 19 the Supreme Court, in the case of Ingraham against Wright, held that school children are not constitutionally protected against even the most severe and excessive kinds of corporal punishment.

The school child—

The majority declared—

has little need for the protection of the Eighth Amendment.

I consider this decision a disgrace; our constitutional rights have no age limitation. As the New York Times noted editorially:

Each member of the errant majority deserves at least five whacks.

I commend the following editorials on the subject from the April 21 Washington Post and New York Times to my colleagues:

TO SPANK OR NOT TO SPANK

The Supreme Court's decision that the spanking of school children can never be "cruel and unusual punishment" does not open the way for wholesale, violent beatings of pupils. There are laws in most states against that, and teachers who abuse children are subject, at least in theory, to jail terms and damage suits. On the other hand, the decision does not leave students with much protection against spankings that are either unjustified or simply excessive. Teachers don't often lose when the punishment they have inflicted upon a child is challenged.

So the argument—to spank or not to spank—will go on without much court intervention. Maybe that's the way it should be, given the disagreement among parents and even experts on the efficacy of such punishment. But the Court's decision offers no comfort for those who believe spanking is counterproductive, particularly when the ruling is coupled with a decision two years ago in which the Justices said parents have no right

to bar school officials from spanking their children.

Teachers in two states—Massachusetts and New Jersey—are now barred by law from spanking students. Those in many others are specifically authorized to spank as long as the spanking is not excessive or brutal. But punishing a student for something he didn't do is rarely considered excessive, and standards of brutality vary dramatically from place to place. In this particular case, one eighth grader was hit 20 times with a half-inch thick paddle while being held over a table; he needed medical attention and was kept out of school for 11 days. Whatever label you put on it, that seems to us to be punishment that is cruel and unusual.

The rationale of the Court's majority for saying it is not, at least in terms of the Constitution, is that the bar against "cruel and unusual punishments" applies only to punishment administered under the criminal law. This is a narrow reading of that provision, a reading that is difficult to square with some prior decisions. The Court ruled not so long ago, for example, that it is cruel and unusual punishment to deny adequate medical care to a prisoner, although the denial was not imposed by the law but came about because of misconduct by a prison doctor.

Just as thin, it seems to us, is the distinction the Justices have drawn between being spanked and being suspended. Under this decision, a student can be spanked without being told what the punishment is for or being given a chance to say, "Hey, you got the wrong kid." But under other decisions, the same student has a federal right to at least those rudiments of a hearing before being suspended. Maybe to adult eyes a spanking is less serious than a suspension. But we're not sure students look at it that way, and we know it is not less serious when it results in medical treatment and 11 days out of school.

PADDLING JUSTICE

The Supreme Court, by a 5-to-4 majority and a tortuous bit of reasoning, has decided that school children enjoy no constitutional protection against paddling or other corporal punishment, no matter how severe or arbitrary. It ruled in essence that most of the country still favors whacking misbehaving kids, that state laws provide enough safeguards for how it's done, that the school can be held accountable by community and parents, that teachers should not have to bother with pre-paddle hearings and that the kids can always sue if they are hurt too much or by mistake. Each member of the errant majority deserves at least five whacks.

The opinion, written by Justice Powell on behalf of Chief Justice Burger and Justices Stewart, Blackmun and Rehnquist, applied to the case of two 14-year-old students of a Miami junior high school who said they had been subjected to a "reign of terror" by paddle-wielding school officials. Their claim of excessive and incapacitating punishment was not disputed. The issue, rather, was whether children in school, like criminals in prison, are protected by the Eighth Amendment of the Bill of Rights, which prohibits "cruel and unusual punishments," and by a requirement of "due process" before punishment.

The legalisms of the majority were well disputed by Justice White, on behalf of Justice Brennan, Marshall and Stevens. The beatings, he noted, were so severe that they would have clearly violated the Constitution if inflicted on a hardened criminal. In the view of the minority, paddling a child for disobeying regulations is an act of state punishment, no different from paddling a prisoner in jail, and no less serious just because most paddlings are well managed. Spanking in school can be justified, Mr. White held, but not under all circumstances or to any extreme.

There is no doubt that corporal punishment is a traditional tool in our culture's education system. But teachers are not in fact reliable instruments of justice. In both theory and practice, therefore, most paddling is an abomination of custom. Precisely because only two states (as well as New York City) have banned it and because 21 states sanction it, the child-beaters ought to be on notice that they must observe procedural safeguards and constitutional limits as to who gets smacked and how hard and how often.

The Court's reluctance to bring children under the cloak of the Constitution—denying them the rights afforded adult criminals—tells much about a strongly entrenched American attitude that mistakes justice for coddling. A judge of the Indiana Supreme Court posed the proper question as long ago as 1853, when he noted that it had become illegal for a husband to beat his wife, a master his apprentice or even an officer an ordinary seaman, and asked: "Why the person of the schoolboy should be less sacred . . . is not easily explained." Indeed it is not, except by the fear of five jurists who seem to prize the myth that sparing the may spoil the child. An unjust rod—or reading of the law—will hurt us all.

BOB HOPE—AN INSPIRATION

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. YOUNG of Florida. Mr. Speaker, in my opinion one of the more satisfying contributions that a Congressman is privileged to make during his term of office, is the role he plays in helping needy individuals with their problems. On a daily, often hourly basis, we are called on to help the elderly, the disabled, the sick, and the poor. Their problems may seem insignificant when compared with the work that is conducted in this Chamber, but to the individual requesting assistance, there is nothing more urgent or important. We sometimes forget, however, how important this aspect of the job is—this use of our office in helping others. It usually takes a letter, or a phone call from a tearful but grateful constituent to remind us. We can be reminded in other ways, however, as I was this morning when I read an article about a man in another profession, who graciously gives of his God-given talents to others. A man whose unselfish love for his country, and particularly to those who defend it with their lives and limbs, is an inspiration to all.

The man is Bob Hope, and the article I am referring to appeared in the latest issue of Modern Maturity. I would like to share with my colleagues his philosophy, in the hope that it might remind each of us how important and rewarding service to our fellow man can be. At the age of 73, most people can say they have contributed enough to others, and certainly Mr. Hope can rest assured that he has, but he continues to give because, as he says, "It comes back to you carloads." The article follows:

BOB HOPE—"MY FORMULA FOR FITNESS"

(By Richard Bauman)

Ask Bob Hope when he's going to retire and he'll answer: "Retire? Retire to what? I've already retired in that I'm doing only the things I want to do."

In any given week, those "things" might include: joking his way through two personal appearances, a benefit show, often as not in different parts of the country, and a visit to a veteran's hospital or a speech at a college.

When he's not hustling around the country, Hope will work on a television special or consult with colleagues on a movie he's planning to produce. And for good measure, he'll play a couple of rounds of golf.

A hectic schedule? Yes, and one that would wilt a person half his age. But for Hope, the constant activity is his way of maintaining a meaningful relationship with life. It's a relationship that blends work, an interest in others, and just plain having fun. And with him it's often difficult to separate one from the other.

"I have to be involved in things and with people," says Hope. "It's essential for me. It keeps the mind fit, and you get fresh ideas and thoughts through contact with others and being involved in things you believe in."

In this vein, Hope feels it's necessary to help others whenever possible. He seems to greedily snatch opportunities to help a large variety of people and organizations. In fact, nearly every nationally recognized charitable organization has benefited at one time or another from his time and talent.

One of his most famous efforts at helping others is through the Bob Hope Desert Classic golf tournament that he sponosrs each year in Palm Springs, Calif. Through it, more than 5 million dollars have been raised for the Eisenhower Medical Center in Palm Desert and numerous other desert charities. Hope also donated the 80 acre site for the medical center.

His trips at Christmas time to entertain U.S. Armed Forces stationed around the world have been legend. Although his last trip overseas was in 1972, he annually takes a "mini-troupe" to visit and entertain the veteran's and military hospitals in the United States. Says Hope of all his trips, "I'm emotionally atuned to the great men and women who protect this country. For me they're still the greatest audience in the world."

Yet he feels a person doesn't have to do monumental things to share himself or herself with others in a meaningful way. "It isn't the amount of time or money you give so much," says Hope, "as a willingness to make an effort to help."

As an example, he told of a truck driver in Boston who's an amateur clown. "He spends a couple of days each month entertaining at a children's hospital. The kids love him and he loves making them happy.

"Nearly everyone has a talent or ability he or she can share with others who will appreciate it. Don't be afraid to give a little of yourself to others. We all have the gland of helpfulness and we all enjoy doing something for others once we know there's a need. And I've found when you do, it comes back to you in carloads."

He vividly recalls an incident to prove that: "We had just done a show at Lai Khe (Vietnam), that was in 1969, and as I was leaving, a soldier reached out and put something in my hand. It was a Zippo lighter. It may not seem like much, but it was all he had. To me it was a touching way of saying thanks, and it was hard to hold back the tears."

That soldier was showing his gratitude for what Hope had given him and hundreds of other GIs there. A taste of home and an hour or two of humor in a place that normally wasn't very humorous.

"How can you help but feel satisfied when

someone expresses gratitude like that," says Hope.

"And I think we all need to develop a sense of gratitude for all the good things we have. Family, friends, good health, just living in this country. These are things most of us take for granted, and we shouldn't. When things seem bad, taking a good look at all the good things that are ours can only lift our spirits.

"As for me, I've been lucky, very lucky. I have so many good things to remember." But Hope's had his down moments, too. "One was when I had a hemorrhage in my left eye and had to enter the hospital. Quite frankly I was more than just down, I was scared.

"What if the condition worsened or I went blind, I wondered. But I knew many people were concerned about me and wishing me well; and excellent doctors were caring for me, so I had to be grateful. And I began to feel better and more confident. I knew everything would be all right."

Hope says that when a person starts looking around and discovering the good things, he realizes that everything isn't perfect, but chances are they're a lot better than he thought.

Hope has remained a top entertainer for years and seemingly gets along with everyone. Most of the time that's true. But in anyone's life there are going to be disagreements with others, and when you're a celebrity, criticism is bound to come your way.

A few years ago he was misquoted by a reporter and that misquote brought a mountain of criticism his way. It concerned his feelings about the Vietnam war. "I was quoted as saying, 'The war is wonderful.' But what I said was, 'The kids in the war are wonderful.' "

Sure, he was angry about being misquoted, but not with the people who were reacting to that statement. They didn't know the truth. "I maintain a philosophical attitude toward such things," notes Hope. "I feel people have a right to their opinions, and you have to be understanding of others even when they're criticizing you or disagreeing with you.

"It helps, though," he adds, "if you can laugh about it. I've found humor is an excellent antidote for tension and anger. Instead of dwelling on the point of irritation, share a joke or two with someone, recall a funny incident from a similar situation. Believe me, it helps."

This might seem like a natural solution for a person who makes a living with quick-draw jokes and stories. But he claims anyone can do it. "After a few good laughs, the feelings of resentment diminish and you get a better perspective of things. Humor is sort of a balancing wheel. I've found it can reduce tension in nearly any situation.

"I didn't invent this idea though," claims Hope. "Science has confirmed that having fun—just feeling happy—has a measurable effect on our health and well-being. I've seen the healing power of laughter while visiting GIs in hospitals."

To sort of break the ice, he often uses this line when entering a hospital ward. "Don't bother to get up for me." In most cases the patients can't get up anyway. At one hospital though, the bedridden occupants beat him to the punch.

"As I walked in, there was a sign made especially for me. It said, 'Welcome, Bob Hope, we would stand up and salute, but at the moment we're all hung up.' That was in an orthopedic ward," he recalls, "and I wasn't worried or tense about meeting those guys. How could I be when they came up with something like that?"

Illness isn't a requirement for using humor effectively.

"Each of our recent Presidents," Bob says, "has had a good sense of humor, which is fortunate for me. I've been taking digs at Presidents since Roosevelt. Crosby says it was Teddy, but that's not true. It was F.D.R.

"I think the more pressure and problems a person faces, the more need there is for humor to help keep a perspective, not only for the Presidents but for every living person."

Hope takes care of his physical self, too. He watches his diet, and he gets proper rest, although this must sometimes include catnapping between engagements.

"I can steal a nap just about anywhere," he says. "On a plane, in my dressing room, just before a show or in the car being driven to or from the airport. Once you develop the knack, it's great for recharging the batteries."

After a nap of 15 or 20 minutes, he feels refreshed and revitalized. "You know," he quipped, "if more people would only take catnaps, the world would be full of peppy people."

Exerise is important to him. Golf is one of the loves of his life, but when a golf course isn't near at hand or open after a personal appearance, he walks several miles instead. And as one of his associates notes, "He doesn't just stroll. Bob walks at a pace that doesn't afford time for window shopping."

According to Hope, one thing that keeps him on top of things is that he's always "looking for new ideas and approaches. New ideas get other ideas flowing and that keeps the mind fresh and alert."

As testimony to that, he has recently signed a new three-year contract with NBC and Texaco for his television specials. His eighth book, "The Road to Hollywood," has been completed, and he's recorded a new album entitled "America's 200 Years Old, And There's Still Hope."

Of Bob Hope, the famous author John Steinbeck once said: "This man drives himself, and is driven. It's impossible to see how he can do so much, can cover so much ground, can work so hard and be so effective."

When you look over what Hope did in one year alone, Steinbeck's words are not an overstatement. Out of 365 days in 1975, 296 of them were consumed in doing personal appearances, benefits, and speaking engagements throughout the country—not to mention television specials and golfing benefits.

"Too many people stop living when they retire," notes Hope. "Being active and involved keeps you going. It does me. And I agree with Milton Berle when he says, 'Laughter is an instant vacation.' To that I add, 'For me and so many others, laughter is therapy, be you the laugher or the laughee.' "

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. MAZZOLI. Mr. Speaker, on Friday, April 22, I was unable to answer two roll call votes because of previous commitments in my home district.

Had I been present, I would have voted "yea" on Roll No. 145, agreeing to the Journal of Thursday, April 21, and "no" on Roll No. 146, an amendment to the Department of Defense authorization bill to prohibit the procurement of the Airborne Warning and Control System Aircraft unless NATO agrees to purchase these aircraft.

JOHN GARDNER—AN UNCOMMON CAUSER

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. MIKVA. Mr. Speaker, after founding and guiding what has become one of the most unique and influential lobbies in or out of Government, John Gardner has retired as the head of Common Cause. In just seven years, he has proven what his detractors said was impossible; namely that concerned citizens can bring about fundamental reforms in the legislative process and the way in which decisions are reached. Common Cause has brought the public interest into Government by insisting on the basic principles of fairness and official accountability and, in so doing, has measurably enriched our system.

One of the best ways of judging the impact of any organization is by examining who its critics are and what form their criticism takes. While many persons of different philosophies have disagreed with various Common Cause initiatives along the way, its most vocal and persistent foes have been those who have resisted the dual notion that the public has a right to know and be heard and that its elected officials have an obligation to fulfill their mandate with a judicious use of the power with which they have been entrusted. It is easy to see how former campaign finance laws—or the lack thereof—the seniority system and other rules of Congress and the regulation of lobbiests have been the target of Common Cause's wrath. In turn, it is equally understandable how the chief benefactors of these "old ways"—have been the organization's most unswerving opponents. Powerless groups do not attract this kind of attention; indeed, an accurate measure of Common Cause's influence has been the intensity of its detractors.

Common Cause has managed to balance power and the pressures for change in Government by injecting the public interest into the public forum. While the concept of a public lobby is not new, it has taken John Gardner's leadership to recognize the exigencies of political power and marshal the collective voice of average citizens who are frustrated by the inertia, complexity and size of Government, as well as the organization of forces with vested interests in resisting change. Legislation should result from the competing forces of equally legitimate interests, and Common Cause has brought this ideal closer to reality.

In the final analysis, the significance of Common Cause's impact lies in the simplicity of its goals. We often have cynically assumed that access to our system of Government will never be equally available to every citizen; that politics is a club in which membership is determined by favors, money and influence; and that leaders can never be forced to account for their actions. During the past 7 years, Common Cause has demon-

strated that these notions need not be truisms. With other issue-oriented public interest groups, Mr. Gardner's brainchild has helped usher in a new era in which truly democratic forces have regained control of legislative and governmental processes.

We owe much to John Gardner's insight and prudence of leadership. His continued presence in Washington offers hope that the Gardner agenda for change has not yet been fully satisfied.

HOW MUCH OF ALASKA SHOULD BE LOCKED UP?

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. YOUNG of Alaska. Mr. Speaker, hearings are presently being held in a House Interior Subcommittee on legislation to classify for single purpose over one-third of the land in the State of Alaska.

This bill, H.R. 39, will drastically affect the use of coal and oil reserves, preclude the development of 80 percent of the State's hydroelectric power and remove the opportunity to use most of the State's timber and food crop producing land.

The effects of the upcoming decisions will extend far beyond the State of Alaska. It is my hope that Congress can come up with a sensible management plan for our great State. A State with magnificent beauty and vast quantities of needed resources.

I would like to share with my colleagues a view that comes from the outside of the 49th State. The following editorial from the Seattle Times represents a balanced view that is growing among those who realize the multifaceted importance of Alaska's lands within the perspective of the national interest:

THE TIMES' OPINION AND COMMENT: HOW MUCH OF ALASKA SHOULD BE LOCKED UP?

Congressional hearings in Washington, D.C., open this week on an issue that overshadows even the Alaska oil pipeline in terms of long-range importance to the 49th state.

Environmentalist groups all across the country are calling it their "issue of the decade." Others call it the "greatest subdivision in history."

At issue are the so-called "D2 lands," in reference to Section D2 of the Alaska Native Claims Settlement Act of 1971. The act, which granted 40 million acres of Alaska land to natives in return for access to pipeline-corridor properties, established a commitment to reserve millions of other acres for public use.

The key question: How many millions?

Several bills are before Congress to answer this question varying ways. But the immediate focus of attention is on the so-called "Alaska Coalition Bill," whose chief sponsor is the powerful chairman of the House Interior Committee, Representative Morris K. Udall, Arizona Democrat.

The popular designation of Udall's measure is a misnomer. It has very little to do with any coalition within Alaska, but represents an attempt by environmental extremists who live far from the 49th state to prescribe Alaska's future.

The bill—combined with existing parks, wildlife refuges, and scenic rivers—would lock up 146.6 million acres in Alaska's wilderness-preservation system.

That is larger than the combined area of New Jersey, Connecticut, Massachusetts, Hawaii, Delaware, Maryland, Vermont, West Virginia, New Hampshire, Maine, Indiana, South Carolina and Kentucky.

In that vast area, extending into every major geographical segment of the state, all economic development other than tourism (largely of the backpack variety) would be banned.

Most of Alaska's rich mineral resources, including an estimated 130 billion tons of coal and many strategic minerals in short supply, would go untapped.

The unlimited potential of Alaska food and fiber resources would go largely unrealized. And the state's road and rail system would be limited for the most part to the existing skeleton network.

In other words, Alaska's economic development would be permanently stunted.

No one seriously concerned with this issue suggests that additional millions of acres, beyond the 32 million so classified, should not be set aside for single-purpose (scenery and wildlife) use.

But the Udall bill represents an altogether unreasonable overreach that is contrary not only to Alaska's interest, but to that of a nation increasingly and dangerously dependent on the import of strategic raw materials from abroad.

The hearings opening this week are before an Alaska-lands subcommittee under the chairmanship of Representative John F. Seiberling, Ohio Democrat. The hearings will be continued later in other cities, including Seattle June 20.

Our hope is that out of the hearings will emerge common-sense legislation that endorses multiple use, as opposed to the single-use concept, for a reasonable part of America's northern storehouse of resources.

NOTICE OF HEARINGS BY HON. RONALD M. MOTTL, ACTING CHAIRMAN, SUBCOMMITTEE ON EDUCATION AND TRAINING, COMMITTEE ON VETERANS' AFFAIRS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. MOTTL. Mr. Speaker, the Veterans' Affairs Subcommittee on Education and Training plans to continue its public hearings on Wednesday, May 4, to consider the implementing provisions of Public Law 94–502, the Veterans' Educations and Employment Assistance Act of 1976.

The witnesses will be limited to Members who may wish to appear personally with regard to any of the provisions of Public Law 94–502. Members wishing to testify at the May 4 hearings should make the necessary arrangements with the subcommittee staff located in room 335, Cannon House Office Building or by calling 225–3527. The hearing record will be kept open for 1 week for Members who wish to submit a statement for the RECORD.

FIRST CONCURRENT RESOLUTION ON THE BUDGET

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. HARRINGTON. Mr. Speaker, today the House continues consideration of the First Concurrent Budget Resolution for fiscal year 1978, and the various policy considerations which underlie the setting of ceilings on budget authority and outlays in several functional categories.

The debate and voting on this concurrent resolution will have consumed 2 days. In the end, we will undoubtedly decide on a final budget for next year which deviates little from the committee recommendation, which itself deviates little from the recommendation of the President, which, in turn, deviated little from the recommendations and budgets of the President before him.

The process is a charade designed to convince the public of something it will probably never believe: that Congress is in control of a rational, deliberate, and fiscally responsible process of setting receipts and expenditures. It is a charade because, despite the intricate system of bureaucracies and deadlines set out in the congressional budget process, we do not have any better set of priorities in Federal spending than the days when billions of dollars in appropriations were rammed through the Congress in the final days of a legislative session. It is a charade, because the Budget Committee, while claiming to have no power to decide funding for individual programs and initiatives, actually chisels these funding levels into stone with the quiet passage of the First Concurrent Budget Resolution. And it is a charade, because through supplemental appropriations, budget waivers, and Third and Fourth Budget Resolutions, we have—often for good reasons—lost control in the end of the total amount of money spent and revenues collected.

In short, despite the impressive number of very thorough option papers published by the Congressional Budget Office, the new budget process has not produced any real options at all, either for the Congress or the country. We continue to waste extravagant amounts of money on military boondoggles justified in the name of national security, while tolerating inhumane levels of despair, suffering, and frustration at home. We continue to misdirect and mismanage much of the money set aside for domestic programs, while turning aside more imaginative approaches in the name of fiscal responsibility. And we continue to squander millions of dollars each year for research into answers for our dilemma when we do not have yet an adequate system of considering the new options already set out requiring only some political will and personal fortitude on the part of the elected officials.

This catalog of failings cannot be laid solely at the feet of the House and Senate

Budget Committees. But if the question be asked: How has the new budget process allowed us to begin to identify problems and choose among creative options for solving them, that answer, I am afraid, is that the process has been an expensive failure.

No better example need be cited than the relative funding levels for defense and domestic programs. The American public has no stomach anymore for the promises that tomorrow, always tomorrow, the appetite of the Nation's defense establishment will finally be satiated, that we will finally begin to address in a fundamental way our pressing problems at home. We look to the new administration for that change, and find that while there is some improvement, it is more symbolic than significant. We look to the authorizing committees, perhaps, to help reorient priorities through their requests to the Budget Committee, only to find that the committees representing domestic area functions are timid and unimaginative in their requests, while the Committee on Armed Services remains as unafraid and imaginative in defense of the military as we have traditionally come to expect. And we look, finally to the Budget Committee, potentially the great priority setter, the master of the big picture. But we find, alas, that once again the day of economic conversion has been put off, at least for another fiscal year.

I wish I could believe that it was only the great Russian bugaboo which could explain this refusal to shift priorities after all these years of promises and speculation. But I think we give the Russians too much credit. More significant has been our collective laziness, timidity, the lack of leadership, and the absence of will here in the Congress, and in the budget process particularly, which has prevented us from taking a radically fresh look at our budget priorities and coming up with some acceptably low alternative to the $109 billion in military subsidy set for next year.

In its 139-page report to the House, we get no sense of this great debate from the House Budget Committee. Instead, under the section on national security, we get the bland and innocuous statement:

> The committee did not consider individual line items in its consideration of the fiscal year 1978 budget request. Rather, it concentrated on trends which are readily discernible when the budget is examined in large aggregates such as personnel and compensation, purchases of all types, and use of funds previously appropriated.

Nowhere in the entire 139 pages of facts and figures, projections and promises, is anything approaching a rebuttal or even recognition of the excellent argument put forth in supplemental views by Representatives MITCHELL and STOKES that the relative balance between defense and nondefense spending "as irresponsive to basic human needs." One is forced to conclude with Messiers STOKES and MITCHELL that the budget process is merely a bookkeeping process, another bureaucracy with another set of regulations designed to preserve things as they are.

Later this year, however, the Budget Committee will change its tune. When one Member wants to extend veterans' educational benefits, or another increase in assistance to retarded children or handicapped adults, the scions of the Budget Committee will rise piously to express their sympathy with the idea, but the reservation that these new initiatives were not included in the assumptions of the budget resolution. These assumptions, we later find out, are the agreements between authorizing committees and the Budget Committee as to just what exactly is included in the functional category ceilings. They are the line items which the committee says today do not exist.

I must join with my good colleagues, Representatives MITCHELL and STOKES, to ask at what meeting the Budget Committee decided that the B–1 bomber was more important than a frontal assault on the problem of unemployment for those 40 percent of the youth in our urban areas. What was the time and room number of the session in which the cruise missile was rated more vital to our national interest than national health insurance programs. What was the vote by which the committee decided to increase the number of generals in the Pentagon while holding at current levels the number of teachers in our schools, policemen on our block, and social workers in our homes.

The tragedy is that these meetings were never held—by the Budget Committee or any other. Those votes were never taken, those issues never wrestled with. And that is the whole irrelevancy of this process, the so-called congressional budget process. We have an expensive system to make sure that we spend only a tolerable amount more than we take in each year, and make sure that no radical departures are taken to improve or reorient public policy. Nothing more, nothing less.

To put it more succinctly: Either the Budget Committee should admit that it does pass on major line items in its budget assumptions, and deal with that reality out front; or it ought to admit that it is merely a pawn of the authorizing and appropriating committees and the Office of Management and Budget, and stop all this talk about revitalized congressional processes. They can't continue to have it both ways.

Today, the Budget Committee claims we are only talking about general categories and bottom lines. So be it. The bottom line of the congressional budget process is that the priorities are as misplaced as they have been since the heyday of the Vietnamese conflict, and that Federal spending is largely irrelevant to the needs and wants of the American people. By its acquiescense, the budget process is now an accessory and instrument to that failure.

I congratulate Representative MITCHELL and Representative STOKES for their efforts at the logical transfer of moneys to where they are so desperately needed. Even a modest compromise in favor of reorienting Federal spending would be a major legislative accomplishment. My fear, however, is that only a handful of our House will have the foresight and the will to deal as fundamentally with Federal spending as they have.

In this same regard, Mr. Speaker, I would like to insert into the RECORD the statement made on this subject by the honorable Governor and Lieutenant Governor of Massachusetts. I urge all Members to read it as a statement of support at all levels for increased attention to domestic needs:

STATEMENT BY THE GOVERNOR AND LIEUTENANT GOVERNOR IN SUPPORT OF THE TRANSFER AMENDMENT

As Governor and Lieutenant Governor of Massachusetts, we are aware of the pressures put on state and local governments to provide increased services in the face of insufficient funds. A major source of this fiscal pressure is the massive diversion of resources at the national level from civilian spending to military spending. The insufficient investment of the federal government in necessary programs creates an imbalance which aggravates unemployment and the decline of our industrialized areas.

We agree with the National Conference of Mayors that the time has come to "redress the imbalance between domestic expenditures and expenditures for the Pentagon and foreign aid. . . ." We believe that the most important element of our national defense is a healthy, productive population involved in constructive work.

Therefore, we support a cut in military spending for 1978 with the savings applied to domestic, economic and social needs.

Communities whose economies are hurt by these cutbacks should be aided by federal programs so that no one section of our nation bears the financial burden of economic conversion. We support the concept reflected in the Transfer Amendment to the first concurrent budget resolution to be submitted by Congressman Parren Mitchell.

MICHAEL S. DUKAKIS,
THOMAS P. O'NEILL, III.

GASOLINE TAX UNFAIR TO RURAL AMERICANS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. SHUSTER. Mr. Speaker, in 1975, the House of Representatives unceremoniously rejected a gasoline tax increase that came to the floor as part of an energy bill. The House concluded that such a tax would impose an unfair burden on certain segments of our population, while in effect rewarding other energy consuming segments by increasing their relative purchasing power through the absence of a tax.

President Carter is now proposing that we reevaluate our response to that 1975 initiative and approve a gas tax increase that could amount to as much as 50 cents a gallon under certain consumption patterns. The Carter plan would add 5 cents to the present 4-cent per gallon Federal gas tax for each year in which consumption exceeds the President's gasoline consumption goals.

I am opposed to this plan, Mr. Speaker, because any increase in the Federal gas tax would be grossly unfair to rural

Americans as well as those in our society who are poor or disadvantaged.

Both the proponents and opponents of the gas tax increase agree that it is regressive. Indeed, a Library of Congress analysis of rationing versus a higher tax stated:

Admittedly it (a gas tax increase) is regressive, but in a world where the appearance of fairness is at least as important as actual fairness there is a great advantage in any charge which falls automatically on any purchaser in proportion to the amount he purchases, and thus avoids all the individual decisions and administrative messiness of rationing systems.[1]

That same paper asserted that—

The strongest argument in favor of a gasoline tax is its impersonality.[1]

But what is impersonal, Mr. Speaker, about making it more expensive for a rural American, who lives in a small village 20 miles from his place of employment, to get to work? What is impersonal about making it impossible for a widow on social security to drive the 15 miles to the nearest pharmacy for her daily medication? Or what is impersonal about preventing a farm family of seven from driving 20 miles to church on Sunday?

These are just some of the consequences of a gas tax increase, Mr. Speaker, which would have a devastating effect on rural Americans while leaving those in urban areas untouched.

Most rural Americans, we must remember, do not have access to the wide-ranging and sophisticated mass transit systems that are found in most urban areas, and must depend exclusively on cars for their livelihood, daily needs, and recreation. William Greider, in an April 25, 1977, Washington Post article, described it this way:

The new pattern of country living is a man or woman who drives 100 or 150 miles a day from their farm or small town for a job in a medium-sized city. In Kentucky, people who live in benighted mountain counties drive the turnpike to good jobs in Lexington. In Illinois, a woman drives 140 miles a day commuting from Carbondale to Mt. Vernon. In the West, the distances are more awesome still.[2]

Our vast system of Federal-aid highways, has opened up whole new worlds to rural Americans. It has provided the freedom of mobility not afforded in less mobile societies, and has significantly increased their job choices. It has permitted people to hold jobs that would otherwise not be available to them. And it has been felt dramatically in the changing demography of our Nation. Since 1973, there has been a net outmigration from urban areas to rural and small town America, and there is every indication that this trend will continue. Long-distance commuting, made possible by more cars and more roads, has stimulated new development and new population growth in rural America. Now that growth, and the livelihoods and lifestyles of millions of Americans, is threatened by a regressive tax scheme that would stop and then reverse all the benefits that increased mobility has brought to rural America.

Urban dwellers would not feel this pinch, because while many already use buses, subways, and taxicabs, many more will be encouraged to do so with no penalty. They have the option of leaving their cars at home, or not buying one at all. They can take a bus to work, walk to the grocery store, and have medication delivered by a neighborhood pharmacy. They can take cabs to concerts and movies, stroll through the park for instant recreation. Rural Americans do not have these choices, and a gas tax will penalize them by making it more costly to engage in every day activities, which requires the use of their automobile.

And rural Americans, Mr. Speaker, are the group of Americans who can least afford a reduction in their purchasing power. The U.S. Census Bureau reported that the average per capita income in areas of 2,500 people or less was $2,498, while the per capita income of urbanized areas—50,000 population or more—was $3,434.[3] For a typical family of five, Mr. Speaker, the difference in family income between the urban and rural family would be $4,680—the difference between $17,170 for the urban family and $12,490 for the rural family.

This means that while a rural family of five is already bringing home an average of nearly $5,000 less than a comparable urban family, the gas tax would eat away further at his purchasing power making that real difference even greater.

I am sure there are those who will argue that it is less expensive to live in rural areas, but to those let me suggest that they visit a rural community and compare. Inflation has touched the countryside much as it has the overcrowded cities, and the difference in the cost of living, if any, is far from $5,000 per year.

Furthermore, automobile driving rural Americans are already subsidizing urban mass transit riders through their gas tax contributions to the highway trust fund. While rural folks pay their own way by buying an automobile, maintaining it, and keeping it filled with gasoline, mass transit riders pay roughly half of what it costs to operate urban mass transit systems. Some of it is made up with general revenue funds through programs under the Urban Mass Transportation Act, but the rest comes from the urban program and transfer provisions of the Federal-aid highway program, financed almost wholly by the gas tax supported highway trust fund. And this year, trust fund revenues can be used for mass transit operating subsidies.

Mr. Speaker, how much more must rural Americans be asked to endure? Is it fair to impose an additional hardship on a class of people already burdened with low incomes, poor services, and a generally declining economy? Edward F. Renshaw, a professor of economics and natural resources at the State University of New York, and a widely respected authority on tax and environmental matters, wrote:

Data on energy consumption which were collected by the Energy Policy Project at the Ford Foundation suggests that higher excise taxes on gasoline would be quite regressive . . . and would worsen the distribution of effective purchasing power for many low and moderate income families that cannot afford a new automobile and do not have access to convenient public transportation.[4]

Professor Renshaw added that—

Higher gasoline taxes . . . ought to be delayed until poorer families have better access to used vehicles that are fuel efficient.[4]

Mr. Speaker, it is clear that an increase in the gasoline excise tax would have a devasting impact on rural and disadvantaged Americans. There is no justification for this, particularly in light of the uncertain conservation value of a gas tax increase—which I shall deal with in a future article. Surveys have shown that the lowest fifth of all families in 1970 received only 5.5 percent of all family income, while the top 5 percent received nearly 15 percent.[4] A gasoline tax increase would certainly contribute to even further polarization of America's economic structure.

Mr. Speaker, 2 years ago, the House of Representatives rejected a gas tax increase that would have radically altered the lifestyles of rural Americans. I urge my colleagues in the Congress to reaffirm our support for equal treatment for all Americans by rejecting the Carter gas tax proposal with equal fervor.

FUNNY FIDEL?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. MICHEL. Mr. Speaker, I came across a story on the front page of the New York Times, April 25, 1977, that made me wonder just how long it is going to take for some people to learn the basic economic facts of life. The story, headlined "Cubans Admit Their Economy Is in Serious Trouble," told of a visit of American businessmen to Cuba. They were told by Fidel Castro that the Cuban economy has "deficiencies—lots of deficiencies." The rest of the article goes on to list those economic deficiencies, among which are scarcity of consumer goods, shoddy products in stores, a coffee allotment of 1 ounce per week, a $3 million-a-day subsidization of the Cuban economy by the Soviet Union, low manufacturing ability, and a construction industry which is directed by Castro to construct no building higher than five stories so that the cost of elevators will be eliminated. In short, another Communist paradise, in which workers and peasants are treated equally: Both are exploited.

Under the Batista dictatorship, Cuba had the highest standard of living in the Carribean area and one of the highest in all of Latin America. Under the

[1] Valerie Amerkhail, Economic Analyst, Economics Division, Library of Congress, "The Gasoline Shortage—Rationing vs. a Higher Tax," November 27. 1973.

[2] William Greider, "Car Crazy in America, A Nation in Overdrive," Washington Post, April 25, 1977.

[3] U.S. Bureau of Census.

[4] Edward F. Renshaw, "Automobiles: The Case for a Negative Expenditure Tax," Tax Notes, March 14, 1977.

Castro dictatorship, Cuba has what are coyly referred to as "economic troubles." Batista's was an efficient economy and an inefficient dictatorship. Castro's is an efficient dictatorship and an inefficient economy.

We are told Castro has made improvements in such areas as education. We were told Mussolini made the trains run on time. We are told Castro is popular. We were told Hilter is popular. We are told Castro wants "better relations" with the United States—and now we know why: Communism has destroyed the economy of Cuba and the spirit of its most productive workers.

Mr. Speaker, there is something macabre about a report of American businessmen chuckling over Fidel's little jokes—he can be "amusing" the Times tells us—while, perhaps only a few miles from where they are sitting and drinking rum, men and women are rotting in underground cells for no other reason than that they believe the Cuban people would be better off without dictatorship of any kind, either right or left. Fidel can be very amusing, it seems.

President Carter talks about human rights. President Carter wants to establish better relations with a government whose record on human rights is as notorious as it is abominable. What does the United States serve to gain by economically helping Castro? No one in this House has ever satisfactorily answered that question. In order to provide some facts about current conditions in Cuba, I include the New York Times article, "Cubans Admit Their Economy Is in Serious Trouble" in the RECORD:

CUBANS ADMIT THEIR ECONOMY IS IN SERIOUS TROUBLE—U.S. BUSINESSMEN TOLD OF TECHNOLOGY NEEDS

(By Jerry Flint)

HAVANA, April 22.—Cuban officials, in five days of frank talk with Minnesota businessmen, made it clear this week that their Communist nation is in serious economic trouble.

The officials gave the message in almost every meeting that they wanted to make deals—economic, and quite possibly political.

"We have deficiencies," said Fidel Castro, President of Cuba's State Council, "lots of deficiencies."

"We cannot develop our own technologies," added Angel Gomez-Trueba, First Deputy Minister of Cuba's Committee for Economic Cooperation. "We must bring them into our country. There is no other way."

On the political side, Mr. Castro at one moment linked the ending of the American embargo on trade with Cuba to his willingness to discuss Cuba's activities in Africa and the Middle East. And he assured the American businessmen that the Cubans had fixed a date for their military withdrawal from Angola, although he did not say what that date was.

Even without the Cubans' many admissions of trouble, the visiting businessmen could see these signs of economic problems:

Havana itself, despite construction in progress, is shabby, with many buildings in an apparent state of semi-disintegration.

Consumer goods are scarce and high-priced. A pair of pink galoshes sells for 5 pesos, or $6.25 at the official exchange rate. That is the low price for rationed goods, and practically everything is rationed to assure fair distribution. Goods sold outside the rationing system legally may cost three to eight times as much.

The coffee ration (and coffee is a favorite Cuban drink) has been squeezed down to about an ounce a week to save beans for export.

A modification of the five-year plan is under way, stretching out industrialization but emphasizing anything that will reduce imports and increase exports.

Young Cubans are willing to buy practically anything from the visiting Americans—their shoes, hats, even sunglasses—for more cash than these items cost back home.

But possibly the most obvious symbol of economic troubles was the lavish display of hospitality that the Cubans put on for the Americans. There were two elaborate meetings with Fidel Castro. One was an hour-and-a-half session of handshaking and answering questions from the 52-member group; the second was a four-hour rum-and-lobster meeting with 16 of the Minnesotans in his office. He also sent a truckload of gifts for them on departure. Other high-level officials led day-long discussions on the Cuban business climate, and the Cubans staged two impressive banquets for their guests.

Some foreigners stationed in Havana say the economic troubles have intensified because a massive administrative decentralization reform is causing confusion in the bureaucracy, which they say is relatively inefficient, at the lower levels anyway.

But the heart of Cuba's economic troubles lies in the poverty of the island itself, its low level of natural and energy resources and its blessing and its curse—sugar. Three years ago sugar brought more than 60 cents a pound. Today it is about 10 cents a pound, and recently it was as low as 7 or 8 cents.

CUBA'S CROP PROBLEM

"Seven cents is below the cost of production," President Castro told the American visitors during a half-hour explanation of why Cuba grows sugar instead of other food crops for its own consumption. (It is more profitable.) The Soviet Union pays three times the current world price for Cuban sugar, and Westerners say the total Soviet subsidy here runs about $3 million a day. But Cuba still has 2 million metric tons or possibly 2.5 million, more than a third the crop, available for the world market.

Sugar is the nation's major export and source of hard currency. In 1971, before the big sugar boom, Cuba's exports to the non-Communist world (mostly sugar) were valued at $300 million. In 1974 they soared above $1 billion. Last year they were down to $600 million.

Cuba needs exports to buy products and technology. The nation's manufacturing ability is low. Even some of Cuba's national garment, the guayabera ("guava picker") shirt, is imported from Panama. And the promotional literature for Havana cigars is printed in Spain.

RESTRICTION ON COSTS

Although Cuba is short of housing future buildings are to be kept to five stories in height, Mr. Castro said, to hold down the cost of spending foreign currency for such things as elevators.

Mr. Castro said his first priority for importing from America, should the trade embargo be lifted, is technology: for a nitrogen fertilizer plant (one bought from the British is "a failure," Cubans say) and for nickel processing, transportation, construction, agriculture, industry, textiles, plastics and food.

Importing technology has its problems the Cubans conceded. Some of it just doesn't work in tropical Cuba. Even in agriculture, for example, the productivity of dairy cows is discouraging, Cubans say.

But the main problems with technology transfer are restrictions imposed by the sellers. They may not allow Cubans to use the technology in production of export goods. And the Cuban market—9 million, including children—is too small to support much production for local consumption only.

EARS OPEN FOR DEALS

All these economic problems are pushing the Cubans into new directions. After one official told the American businessmen that joint ventures were impossible, still higher officials came back the next day and said the opposite.

Contract manufacturing, payment for plants with the production from those same plants and the use of foreign capital and management talent are all possibilities, Cubans told Americans. Cuban law does not take such ventures or investments into account, but over and over again the Cubans emphasized that "any proposition will be listened to." They said that deals could be worked out with a bit of imagination. Industries such as food, candy, pulp and paper, citrus processing, auto parts and tourism were mentioned as possibilities for some type of joint enterprise.

Tourism is another troublesome business the Cubans are being pushed into. One of them said that, "when the time comes, we will have to stop and think if it is convenient to us to have large numbers of Americans" swarming over the Communist island.

In addition, Mr. Gomez-Trueba, said, "large investments must be made, hotels must be built and a large infrastructure must be created." And then there's the problem of devoting a good part of a socialist economy to making Americans comfortable. Nevertheless, Mr. Castro said, Cuba will move ahead to increase tourism.

While Mr. Castro and others warned that even a resumption of economic relations would not mean enormous trade immediately, he said Cuba would make "adjustments" in its own economic planning to accommodate the potential benefits from trade with America.

Buying from America would be an important factor in improving Cuba's economy because it could buy key products for less. Cuba imports 200,000 tons of rice a year from the Orient, for example, when America is a major rice producer. In addition, much of the technology Cuba wants is available only from America. And, of course, American consumer-type goods are popular.

A MARKET IN UNITED STATES?

But Mr. Castro also said "I don't see how we'll be able to buy" unless Cuba can sell goods to the United States. Cuba could sell cigars, rum, nickel, citrus fruit and fish products, but big dollar earnings could come only by selling sugar in the United States again, and in large volumes.

The American visitors were generally impressed by the Cuban officials they met, sometimes because of the open acknowledgement of economic problems and sometimes by the Cubans caution in predicting quick cures.

"Miracles simply do not occur in a country's economy," said Mr. Gomez-Trueba.

Immediately after the Castro Government came to power in 1959, Cuba de-emphasized sugar and began an industrialization program, which failed. Then there was a massive effort to emphasize sugar, which disrupted the nation's entire economy.

Today the officials talk about hopes for slower, steadier gains: some sugar production increases, some gains from American trade, more efforts to find local resources.

THE POLITICAL OUTLOOK

On political issues that divide the United States and Cuba, Mr. Castro said the ending of the embargo "would make discussion of all other problems easier." In the past he has emphasized that he wanted it ended before any political talks so Cuba would not be negotiating under what he considered a threat of force. When asked about

Cuba's support for guerrilla movements, he has also said that Cuba would not give up its political principles.

But in his last four-hour evening meeting with the American businessmen—newsmen were excluded from this group—Mr. Castro may have modified his position. Raul Aguilar, a Minnesota banker who is a native of Mexico with an excellent command of the Spanish language, told a newsman afterward that Mr. Castro had said that, once the embargo was lifted, discussions of Cuban activities in Angola, Africa generally and the Middle East would be possible. Other businessmen at the meeting said they were told that Cuba had 5,000 civilian technicians in Angola—exclusive of the military force—and that some civilian technicians were being substituted for military people.

"If you see anyone else in authority in Washington, greet them in our behalf," Mr. Castro told the Minnesota businessmen in an earlier meeting, "and make them aware of our point of view. If you can, then you will have made an unforgettable contribution to the relations of Cuba and the U.S.A."

IN HAVANA, SOME FLATTERY FOR AMERICANS, AND BUSINESS TALK

HAVANA.—If a sparrow falls, Fidel knows. A visiting delegation of Minnesota businessmen put on a lunch for Cuban officials here. Premier Castro wasn't at the lunch, but he met with the Americans a few hours later in his office. "I heard about that turkey at your lunch today," he said, referring to the big, lean bird the businessmen brought from their state. He had heard reports about the cheese and the strawberry pie, too, "I was even told there was very good beer."

Earlier in the visit an American had asked about the obvious warmth of the Cuban people toward Americans despite nearly two decades of official antagonism. When Fidel met the businessmen later, he took up the subject. Despite the troubles, he said, "we never planted in our people hatred and chauvinism against North Americans." The American was later congratulated for having asked Fidel such a good question. "I didn't ask Fidel anything," he said. "I asked that of another Cuban a couple of days ago." The question got back to the President anyway.

Fidel can be amusing. With the American businessmen, he poked one solid, well-built American from the Pillsbury Company lightly on the stomach and said, "You must not eat much of your product." And he can flatter. "They told me an army of businessmen has come," he said. "It's a dangerous army." But he said with admiration: "I always appreciate men who move, who are active, who begin things." The Minnesotans loved it.

If the President made any mistake it was when he invited 16 of the 52 persons sponsored by the Greater Minneapolis Chamber of Commerce to his office for four hours of cocktails and conversation. The 36 others were irked, but a truckload of presents to the businessmen—three bottles of rum, a box of his favorite cigars, a voodoo doll and Cuban records for everybody—soothed any jealousies.

Businessmen are businessmen. "I just met a man who said he heard I was looking for a bank, and he said he's got a bank for sale," said John Morrison, chairman of El Dorado International, on the plane going to Havana. "I'm going to get something out of this trip one way or the other."

He ran across another good idea, too. His company makes recreational vehicles, and the big vans devour gasoline. One traveling companion suggested he test a diesel engine in one of them, telling him that one of his suppliers had a new diesel. "That's worth looking into," said Mr. Morrison.

Ray Cowdery, whose company makes carpet sweepers, discovered there aren't any carpets in Cuba. But he kept busy explaining to the Cubans how his handpushed machine is just as good on floors (he called them "floor sweepers" instead of carpet sweepers), how they are much lower priced than the electric sweepers Cuba might get from the East European bloc and how economical they might be in a power-short country.

Undoubtedly the Cubans have worked hard to improve the status of women. But all the high officials American businessmen talked to were men, and only two women were noticeable among the lesser officials (then again, there were no women among the American business people.)

Women still hold their traditional jobs in hotels and restaurants as maids and waitresses, while the headwaiters of the better restaurants are all men.

But one Cuban tour guide said: "Things have changed. Now I offer to do the dishes at night, but my wife says: 'Oh, you look so tired, don't. I will do that.' I still don't do the dishes, but now I am a hero."

United States businessmen visiting Cuba in the future might remember these things: They are called Norteamericanos and are warmly welcomed. Cubans, particularly the children, are eager to pose for photographs and love chewing gum, which they don't have. Young Cuban men will try to buy the clothes off the visitors' backs because civilian goods are scarce. Or they will try to get the visitors to buy goods for them at the special shops for tourists.

There was a small radio, for instance, at the tax-free tourist shop in the hotel, and it was priced at 11 pesos, or $13.70 at the official exchange rate. Later a similar radio was spotted in a store open to Cubans, but its cost was 110 pesos. (The Cubans use the dollar sign, so a price tag in Havana that says $11 means 11 pesos.)

There isn't much to buy in Havana. The shops open to tourists sell cigars, rum and a traditional Cuban shirt called the guayabera—literally, "guava picker." Most goods in the regular commercial stores are rationed and are unavailable to tourists. Prices are high, and the merchandise appears to be of mediocre quality. Dull-looking shoes are 8 pesos under the ration system. Equally cheap-looking shoes free of ration coupons are about 14 pesos, or $17.50.

Everyone in Havana seems to have seen the movie "Jaws." American songs of a decade ago ("I Never Promised You a Rose Garden") are often heard on the radio but with a Cuban lilt.

There are a few reminders of the Russians but not many. At the airport a couple of old four-engine Soviet-made bombers are parked. The signs in the airport area say "Welcome" in English, Spanish and Russian. Many of the ships in the harbor fly the Soviet flag, and there are any number of Soviet-made jeeps on the street, but that's about it.

Americans were warned against sending mail back home from Havana. "It will take five to six months," warned an old Cuban hand. "Just like in America," responded a Minnesota businessman.

Havana, an automobile buff's paradise, may be the last home of the great American cars of the postwar decade. On the streets are seen 1955 Chevrolets, 1953 Dodges, 1950 Cadillacs and obsolete nameplates such as DeSoto, Studebaker and Imperial. "There have to be some great mechanics around here," said one visitor, "to keep those things running."

Havana is drab and run down, but whether it is dirty apparently depends on where the visitor comes from. Minnesota businessmen thought it was, and pointed to trash on the streets and along the beaches. But New Yorkers on the trip, accustomed to the Big Apple's midtown, said, "What trash?"

GORDON McLENDON—THE OLD SCOTCHMAN

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. TEAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include an article which appeared in the April 17 edition of the Dallas Times Herald concerning a very good friend of mine, Mr. Gordon McLendon. He has been of great help to me over the years and I think the following article adequately and accurately sets out the qualities of this individual:

THE OLD SCOTCHMAN

(By Ashley Cheshire)

Ball one. Strike two. Strike three swinging. Side retired.

That was all that came down the wire and the broadcaster, still a kid really, sat there in the studio in the basement of the old Cliff Towers Hotel and wove it all into a baseball game.

Foul ball. Ball four. Smith pitching for Jones. That was all. It was a lot like a drama. Like a play with a plot based on the thinnest fragments of fact. Runner out stealing, runner out short to first, home run. And yet it lived. He made it larger than life.

"Jackie Robinson," he would say. "There's Robbie, hunched over at the plate in that bowlegged stance of his, waiting for the pitch. His forehead is bathed in sweat."

Or, "Pee Wee Reese, the Kentucky Colonel, a little guy, like a brown little peanut, a peanut-sized guy. Reese a called strike, a fastball on the outside corner, the count stands at one and . . ."

Or, "Pafko stretches, the pitch comes in. It's a high foul in the stands behind the plate. Well, would you look at that. Caught by a red-headed kid with a catcher's mitt. That's some proud 10-year-old."

It was fantastic and all, except for the basics, made up. All you'd expect from a baseball game . . . and more. Even the kid's name was made up. The Old Scotchman he called himself and for years listeners thought he was one of Connie Mack's buddies. Twenty-six years old and he's "The Old Scotchman." Can you believe that Gordon McLendon?

Today, McLendon, a small, round-faced man nearing 60, and once a gubernatorial candidate, is a partner in radio station KNUS. He says he was impressed with the potential audience for baseball when he saw servicemen in the Pacific drop everything to listen to the Armed Forces Radio Network game of the day. So in 1947, the guy with idols like Ted Husing and Bill Stern, stepped into the presidency of KLIF, a radio station then owned by his father, with plans to emphasize sports. But he found he couldn't offer live baseball broadcasts.

In the late 1940s major league club owners allowed broadcasts of games in visiting and home team cities. But no major league broadcasts were allowed within 50 miles of their far-flung farm system teams. In this way to protect minor league teams, national broadcasters were in effect, limited to the All-Star Games and the World Series. McLendon devised the "re-created" broadcast to get around the owners and from the beginning it was a success. Within weeks stations were eager for KLIF's broadcasts and the resulting network of stations soon became the Liberty Broadcasting System. The Liberty flourished until 1952 when a protracted battle with the major leagues for broadcast rights ended in its demise. At its peak the LBS had 458 member stations, second only to Mu-

tual. It offered other features, later even live broadcasts, but the Liberty Broadcasting System's re-created Game of the Day was the source of its game.

"We always said at the beginning and end, and I believe somewhere in the middle, that it was recreated and not live, but apparently that went right over the heads of our listeners," says McLendon. "It was generally believed that they were live."

They certainly sounded that way. Crowd noise, ballpark announcers, bat-on-ball and colorful, detailed descriptions. The broadcasters, McLendon and in later years people like Lindsey Nelson, were careful not to use the word "here," an outright lie, but anything else was fair.

The studio in Oak Cliff was nothing but a basement walled in Celotex. There was an announcer and a sound technician and a guy who announced players' names into a trash can to simulate the PA system at the ball park. The other member of the crew was a $350-a-week man, who from a New York hotel room, monitored the local broadcasts on a radio and typed the details on a TWX wire to Dallas. They chose New York because the city had three major league teams at the time and that virtually assured a game every day.

"The sound man had two recordings, one with normal crowd noise and one with extreme crowd noise, for the background," says McLendon. "He would mix the sound according to what was going on on the field."

In a ballgame the engineer might boost the noise and the announcer would quickly have to figure out some explanation for the cheers; a rhubarb, a dog on the field or some fan falling onto the field. Dogs on the field were good excuses for when the telephone cable to New York broke, as were lengthy discussions at the mound and foul balls. McLendon said he once had a batter foul off 30 pitches before the wire was repaired and "play" resumed.

The announcer sat, usually, in his shirtsleeves and sweating steadily in the stuffy room, at a desk with a microphone in front of him. He had earphones on his head which let him hear the crowd noise and that helped him get into the mood of the game. The louder the noise got the more excited he became. Also on the desk was a catcher's mitt and ball to simulate the sound of a ball thumping into the catcher's mitt and from the ceiling hung a bat, a full-sized Louisville Slugger.

"We tried a lot of things, but finally the only way we could get the sound of the crack of the bat when it hits a ball was to hit a bat with a five-cent pencil," McLendon says. "So we hung a bat from the ceiling and everytime somebody connected, I'd rap that bat with the pencil. Over the radio it sounded just like it."

McLendon remembers leaving that studio drenched in sweat after a particularly exciting double header.

"You could work yourself into a fairly high level of excitement," he says.

On rainy days or days when no game was scheduled, the LBS would air its re-creation of a game from the past. They would get the play-by-play from The Sporting News and simply enact it over the radio as if it were being reported live. One such game was the 1917 double no-hitter between the Cincinnati Reds and the Chicago Cubs. Fred Toney of the Cubs and Hippo Vaughn, a native of Weatherford, Tex., for the Reds, pitched nine innings of no-hit ball and Vaughn lost the no-hitter and the game in the 10th inning. It happened, McLendon says, that Toney, out of baseball for years, happened to turn on the broadcast while driving his car near his home in Ohio.

"The poor guy," says McLendon. "He hadn't listened to a game in years. He didn't know what was happening, suddenly he was pitching again.

"He ran his car off the side of the road and wrecked it. And he sent us the bill for damages . . . which we gladly paid."

Through the years McLendon has maintained, despite criticism from the big league owners, that he was doing nothing unethical.

"I always felt like we were doing the public a service," he says. "I thought I was giving the public a great pelasure, and I think I did."

But he has never denied that the Game of the Day was essentially drama.

"It was acting in the purest sense," he says. "The game, whether originally good or bad, dull or exciting, became as good as the human mind could make it. We had that advantage. All our games could be exciting."

In fact, he says, he came to prefer the re-creations to actual live broadcasts he made a few years later.

"You were less the actor at the ballpark," he said "It just wasn't the same."

Which may have been what Fred Toney thought that day somewhere in Ohio.

ANTI-DEFENSE LOBBY PUSHES TRANSFER AMENDMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. McDONALD. Mr. Speaker, the old anti-Vietnam coalitions which worked so diligently to insure the victories of the Vietcong, Khmer Rouge, and Pathet Lao have turned their experience-organized apparatus toward slashing the U.S. defense budget. I provided extensive reports on the formation and activities of Coalition for a New Foreign Military Policy—CNFMP—in the CONGRESSIONAL RECORD of February 26, 1976, pages 4734–4735; and January 12, 1977, page 1063.

The Women's International League for Peace and Freedom—WILPF—an organization thoroughly penetrated by the Communist Party, U.S.A., since at least the early 1960s and which works closely with the World Peace Council, a Soviet Communist front which promotes Western disarmament on one hand while providing logistical support for Soviet approved terrorist movements on the other, has been highly active in the antidefense lobby's congressional letter writing and visitation work. WILPF has directed its supporters to:

Action—Generate wires and telephone calls to your representatives:

1. Stress the need to establish new national priorities through the Budget process;
2. Urge them to vote for the Mitchell Transfer Amendment as a way to do this.

Many of our offices have begun receiving letters in support of transferring out needed defense funds. I am calling the work of these coalitions to my colleagues attention so that we may all be better able to distinguish true constituent interests from organized special interest pressure.

According to the CNFMP's anti-defense strategist. the transfer amendment it supports would do the following:

Department of Defense reductions[1]*—budget authority, fiscal year 1978*

I. Financial: Unexpended funds (500); eliminate inflation on purchases (500)	1,000
II. Strategic Programs: Cancel acquisition of B–1 (2,162); defer development of MX (134)	2,296
III. New Programs: Cancel F–18 (656); slow production of F–16 (400); defer military assistance program (975); 1-yr. shipbuilding holiday except for Trident (3,505); Cancel XM–1 tank (295); add R&D for V/STOL (100)	5,731
IV. Level of Effort Reductions: Eliminate real growth in RDT&E (979); reduce military construction program (300); reduce military and civilian support personnel by 60,000 (450)	1,729
V. Reduce Existing Programs: Cancel remaining F–15 aircraft (1,400); phase out F–106 and EC–121 (81); eliminate 2 of 8 National Guard Army Divisions (122); eliminate 1 of 3 Active Marine divisions (232); eliminate 1 of 16 Active Army Divisions (317); reduce FY78 Trident program from 2 to 1 (700); cancel F–14 (941); phase out oldest B–52 and KC 135 aircraft (207); defer AWACS (378); mothball 2 carriers (155); mothball 20 Amphibious ships, leave 48 (158)	4,691
Totals	[2] 15,447

[1] All numbers in parenthesis indicate the reduction or increase in budget authority (in $ millions) for the particular program.

[2] The reduction in FY78 Outlays from this amendment would equal $4.7 billion in FY78, $7.9 billion in FY79, and $10.2 billion in FY 1980 and after.

The Coalition for a New Foreign and Military Policy has circulated a list of its local demonstrations and activities in support of U.S. cutbacks in defense preparedness. A copy of the list follows:

TRANSFER

Months of hard work are coming to fruit as events in support of the Mitchell Transfer Amendment are held across the country. The list below is by no means complete, but it illustrates the kinds of work being done. The success of the transfer strategy can be measured by the breadth of these grass-roots coalitions:

January 16: The 2,700-member Citizens for Participation in Political Action (CPPAX) in *Massachusetts* votes to make the Transfer Amendment a top priority for 1977. The Mass. Coalition for New National Priorities, of which CPPAX is an active member, files resolution H. 5279 with the Massachusetts State Legislature supporting a "major" transfer.

January 20: A ¾ page ad on priorities appears in the *San Jose, Ca.* Mercury, placed by WILPF. . . . A guest editorial on the Transfer Amendment by Sylvia Zisman is printed in the *New Jersey* Journal; a similar radio spot, "Tax relief via Operation Transfer", airs several times on WVNJ.

January 25: *Mercer County, N.J.*, Board of Chosen Freeholders adopts a strong "new priorities" resolution.

January 29: A "Human Security Exchange" is held in *Eugene, Ore.*, involving 30 community groups, including CALC, Lane County Transit District, Community Mental Health Clinic, Friends of the United Farm Workers, and the League of Women Voters a display compares long paper strips whose lengths are proportional to military and social spending.

February 7: *Plainfield, N.J.*, City Council passes a transfer resolution.

February 15: *Schenectady, N.Y.*, Peace Center places B–1/Transfer ad in Schenectady News with 229 signatory contributors.

February 20: The 1,000-person California Conference on Alternative Public Policy in *Santa Barbara, Ca.*, adopts a statement calling for an initial transfer of $25 billion. . . . Another Mother for Peace in *Los Angeles* does a 20,000-piece mailing on the Transfer Amendment.

March 9: *New York City* chapter of the National Association of Social Workers (NASW) holds special meeting on the transfer campaign at the Hunter College School of Social Work . . . a transfer resolution is endorsed by the Coordinating Council on Human Relations, a grouping of 105 *Detroit* organizations, including the Metro Detroit AFL–CIO, PTA, NOW, NAACP, Jewish Labor Council, and the United Church of Christ; due to the efforts of WILPF.

March 12: Coalition to Cut Military Spending holds a "Conference to Save the City" at the *San Francisco* library on the need for a priorities transfer, featuring Vivian Hallinan (WILPF), Banning Garrett (Internews), S. F. Sheriff Richard Hongisto, Sharron Farrell (Amalgamated Clothing and Textile Workers) and Linda Wang (Chinatown Coalition for Better Housing) . . . transfer resolutions are taken to the *Alameda* and *Contra Costa County, Ca.* Board of Supervisors, and the *Berkeley, Ca.* City Council.

March 13: A "Special Meeting on the Priorities Crisis", co-sponsored by representatives of WILPF, ADA, Maryland Churches United and the John-Hopkins Chaplain at Johns-Hopkins University in *Baltimore.*

March 15: Northern *Ohio* Project on National Priorities and senior citizens groups hold a press conference to protest President Carter's proposed budget priorities. . . . *Cleveland* chapter of NASW holds 2 days of priorities activities with Marion Anderson (PIRG/Michigan) and Jack Nicholl (Coalition staff).

March 17: Illinois State Senator Harold Washington and Jack Nicholl give a briefing on the transfer amendment, sponsored by the *Chicago* Campaign for the Transfer Amendment (CTA). CTA creates a broad-based working group of individuals and organizations whose activities include participation by AFSCME, Service Employees International Union (SEIU), United Electrical Workers, Hull House Employees, CALC, Eighth Day Center for Justice, AFSC, Midwest Academy, and CDFP, among others.

March 19: A Citizen's Action '77 public hearing in *Portland Me.*, hears testimony for the Transfer Amendment from City Councillor John O'Leary, AFSCME, NOW, SANE, Maine Teachers Association (NEA), We Who Care, Falmouth Ecumenical Network, AFSC, and the State Democratic Committee . . . Statewide California Democratic Council meeting in *San Jose, Ca.*, endorses Transfer Amendment.

March 23: Mass. Coalition for New National Priorities sponsors a march from the Federal Building to City Hall to the State House in downtown *Boston* to protest the priorities of the Carter budget.

March 24: 80 people from 23 community groups attend a "Public Meeting on the Federal Budget" in *New Haven, Conn.*, to discuss strategies to influence Rep. Giaimo, chairman of the House Budget Committee. A resolution in support of the Transfer Amendment has been introduced into the Connecticut State Legislature.

March 25: Rep. Parren Mitchell holds a press conference on the Transfer Amendment in *Cleveland*, with participation by United Labor Agency, Urban League, NASW, CDFP, Women Speak Out, AFSC, Cleveland Inter-Church Council, and the Episcopal Diocese of Cleveland.

March 26: *Philadelphia* Friends Yearly Meeting—representing 12,000 people—formally endorses Transfer Amendment.

March 29: Sylvia Zisman and Al Swenson of N.J. SANE testify before the Joint Appropriations Committee of the N.J. State Legislature in *Trenton, N.J.* in support of the Transfer Amendment.

April 2: *New Jersey* AFL–CIO Conference of Labor Union Women passes resolution supporting N.J. SANE's Operation Transfer.

April 7: A student group at Colorado College raises the transfer issue at a town meeting in *Colorado Springs, Colo.*; they plan a day of transfer activities with speaking by Bette Bono of the Chicago CTA . . . Sen. Cranston meets with *San Francisco* Bay area community leaders on the transfer issue, including Berkeley City Councilwoman Loni Hancock, Charles Schwartz (Livermore Labs), and representatives of the Inter-University Committee, International Longshoremen's and Warehousemen's Union (ILWU) Local 6, AFSC, Ecumenical Peace Institute.

April 8: *Chicago* Sun-Times editorial board gives general support to transfer measures.

April 15 (Tax Day): *Hawaii* Longshoremen's Union Local 142 introduces the Transfer Amendment to the National ILWU Biennial Conference in *Seattle, Wash.* for endorsement . . . Westchester People's Action Coalition in *White Plains, N.Y.*, sponsors a county-wide leafletting day; they have 10 literature tables set up and are leafletting unemployment offices . . . CALC organize a "tug of peace" on the downtown mall in *Eugene, Ore.*, with taxpayers lined up on one side, and military contractors and big business on the other . . . AFSC in *Dayton, Oh.*, sponsors a Courthouse Square rally with speakers on the Transfer Amendment, B–1, military spending and jobs, and disarmament. AFSC presents testimony on the effects of military spending on the community to the Dayton City Commission . . . the Northern Ohio Project on National Priorities ends a week-long leafletting effort with an outdoor transfer display and protest in *Cleveland's* Public Square . . . an AFSC vigil on the B–1 and Transfer Amendment is held at the General Electric offices in *Philadelphia* . . . LEPOCO presents street theater on the priorities issue at post offices in *Allentown* and *Bethlehem, Pa.*—with a "talking mailbox" which asks: "Is this where you want your money to go?"

April 16: A Citizen's Forum is held in *Boston's* Faneuil to hear testimony on the Transfer Amendment by organizations including the Meatcutter's Union, Amalgamated Clothing and Textiles Worker's, CPPAX, WILPF, and State Representative Mel King.

April 19: *Chicago* CTA holds a Citizens' Hearing on priorities, with testimony by 20 organizations, including AFSCME, SEIU, B–1 Campaign, AFSC, CALC, and the Settlement House Community Center.

April 22: The Transfer Amendment is presented for endorsement to the national meeting of the National Association of Neighborhoods in *Pittsburgh.*

May 7: The *Spokane, Wash.*, Peace and Justice Center presents a workshop on the B–1 and the Transfer Amendment to the Washington State Democratic Council.

WAR ON CRIME MUST GO ON

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. CORRADA. Mr. Speaker, in 1968 the United States Government launched one of its most visionary and imaginative programs to eradicate crime in the United States. It was the intention of the Congress to assist the States in their fight against crime and to enhance the administration of justice. Puerto Rico is an excellent example of how beneficial this type of program can be for our society. We have been able to establish a series of successful programs for the benefit of our law enforcement agencies as well as for our judicial machinery in general. We are now harvesting the fruits of the Federal aid and our efforts against crime in Puerto Rico.

As we consider House Concurrent Resolution 195 now before us, we have to weigh that the war on crime must go on despite reductions in the Federal budget. But without Federal aid the task will be even more difficult. Please bear in mind that the LEAA budget has been cut for 3 years in a row, from a high of $895 million in fiscal year 1975 to a possible $504 million for fiscal year 1978, if the House Budget Committee recommendation for reduction of LEAA funds is approved by the House. The reduction will amount to one-third from its fiscal year 1977 level. This trend is placing in jeopardy the existence of various state programs that are instrumental in fighting crime, and it should be stopped for the benefit of our society.

It may not be currently fashionable to support the continued existence of the Law Enforcement Assistance Administration, which may not claim to be perfect. But, certainly, we would place ourselves in an untenable position in the future if our support for reductions in the total LEAA budget would lead to a sharp increase in other expenses, directly resulting from the reduction in our total effort to fight crime.

One only need to mention the increased welfare costs, the cost of detention of criminals, and the costs that one can never estimate in money terms—the anguish and suffering of those individuals afflicted by crimes against the person.

The Puerto Rico Crime Commission has been an invaluable instrument in fighting crime in our Caribbean setting, and much of this effort has served to reduce the related problems of drug traffic on the eastern seaboard.

Support to any amendment to increase the funds for LEAA, or to restore its funding to this fiscal year 1977 level, will allow the Puerto Rican authorities, in cooperation with the U.S. Department of Justice and with LEAA itself, to carry on its war aganst crime in Puerto Rico.

THE POTTSVILLE PLAN

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. YATRON. Mr. Speaker, we all know and appreciate the outstanding contributions made by service clubs to the communities back in our home districts. We also know that the full poten-

tial of these groups often is not realized because of competition or fragmentation of efforts. A solution to this problem, known as the "Pottsville Plan," has been successfully developed by the Rotary, Kiwanis, Lions, and Jaycees clubs in Pottsville, Pa.

Pooling their efforts, these fine organizations recruited 60 of Schuylkill County's finest high school senior football players to compete in the Senior Charity Bowl. The program drew the active support of 48 service clubs in the county and raised $20,000 for regional charities. Instrumental in the effort's success were: Mr. Cy Wachter, president, Pottsville Lions; Mr. Steve Littell, president, Pottsville Kiwanis; Dr. Gary Scheib, president, Pottsville Rotary; Mr. Jim Bowman, president, Pottsville Jaycees; and Mr. Walter Jones. Schuylkill County recreation director and past president of the Pottsville Rotary.

The success of the Schuylkill County service clubs has brought their program international recognition. I would like to commend to the attention of my colleagues the following article, which appeared in the February 1977 issue of the Rotarian magazine:

ON POTTSVILLE'S GRIDIRON, EVERYONE WINS!

There was a new football team in town in Pottsville, Pennsylvania, last June, and it was a four-platoon operation under the management of such seasoned football fans as the members of the city's four service clubs.

For a collective 191 years the Rotary, Kiwanis, Lions, and Jaycees clubs of Pottsville had been engaged in community betterment and service—but always in single endeavors. In 1975, all four decided to unite in forming a committee called the Senior Charity Bowl Inc., with Rotarian Charles Quandel as president. The purpose of the corporation was to make plans for a football game to raise money for various charities selected by the service clubs. But soon the clubs' efforts moved well beyond the city limits of Pottsville as members began asking their brother service clubs throughout surrounding Schuylkill County for help in recruiting the 60 best high school senior football players. In addition to talent, the football bowl sponsors also needed equipment, uniforms, insurance, advertising, officials and other personnel for the game and property management, half-time entertainment, tickets, publicity, medical examination for the players, concessions, and various other services and supplies needed to make the game and the arrangements concerning it a "polished, professional performance."

In all, 48 service clubs and more than 2,000 persons were directly involved in efforts to make the game the spectacular and financial success it turned out to be: the event raised more than $20,000 for regional charities.

It wasn't all smooth sailing, according to head promoter Walter Jones, Schuylkill County recreation director and a past president of the Rotary Club of Pottsville; but the motivation and careful planning of the committee and the dedication of all who helped assure that it would be a sure winner, not only for local charity projects but also as a "showcase of Schuylkill County gridiron talent as well." Coaches from colleges and universities throughout Pennsylvania and beyond were invited to send representatives to view the young athletes in action.

The "Pottsville Plan" has unlimited potential for variation in your town and region. Your club could join with other service clubs in sponsoring baseball, cricket, gymnastics, all kinds of local sports competitions. Or you need not restrict yourselves to sports. Arts and crafts and other local interests should lend themselves well to similar treatment.

ESSAY ON CRITICAL CHOICES

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. MARTIN. Mr. Speaker, in an attempt to encourage young people, who will become the leaders of tomorrow, to devote their best thinking to the critical choices the United States must make as it enters the third hundred years of its history. I have sponsored an essay contest. Juniors and seniors in both public and private high schools from Iredell, Lincoln, and Mecklenburg Counties, which comprise the Ninth Congressional District of North Carolina, were invited to participate.

The essays were to be based on reflective thought on the purpose of the Bicentennial and what has been accomplished by the United States during that time and how the celebration and the national awareness it raised can help guide the American future.

We often fail to utilize the idea of students, who are frequently the source of refreshing and valid opinion on problems that trouble our society. It is important that we listen to the ideas of our youth.

With these thoughts in mind, I want to call to your attention an essay written by Susan Ann Maag, a senior at Garinger High School in Charlotte, N.C., the winner of the Ninth Congressional District essay contest:

AMERICAN INDIVIDUALISM: THE PRIDE OF OUR PEOPLE

(By Susan Ann Maag)

Abraham Lincoln once reflected on the annual Fourth of July celebrations, saying, "We go from these meetings in better humor with ourselves, we feel more attached, the one to the other, and more firmly bound to the country we inhabit." [1] Because America's biggest birthday party ever evoked these feelings from the American people, it was a success, for behind the political scandals, energy shortages, and foreign crises lies the real power of our great nation, the people. Our people are demonstrating their power by vigorously asking if we have lost the belief in the virtues of hard work, firm moral ideals, self-reliance, and a respect for leadership and institutions. Many citizens today are struggling to find and to keep their identity in a world where individualism is not often respected. The masses of people are important, but only when they are taken apart to become individuals do we find the uniqueness that makes our country great. It was as individuals that Americans approached the bicentennial celebration and as individuals that each derived that which he needed to make himself feel more a part of his country, and more a brother to his fellow citizen.

Independence Day celebrations were marked by the usual festivities, although in this Bicentennial year they perhaps reached a heretofore unheard-of frenzy. U.S. News and World Report described them as "people oriented festivities." [2] highlighted by long treks to sites of historic import, the swearing in of new citizens, fireworks, parades, beard-growing contests, and mock colonial-era battles. Innumerable tourists contributed to the year-long birthday party through trips to those cities where our nation was given birth and meaning—Philadelphia, Boston, Washington, D.C. Others celebrated in a more subtle manner, taking a colonial history course at the local community college, or even just purchasing a bicentennial calendar.

In one of his six Fourth of July addresses former President Gerald Ford was perhaps hinting at this American stamp of approval put on individualism. He emphasized that "our country must never cease to be a place where men and women tried and untried, test the impossible, and take uncertain paths into the unknown." [3] This principle is the backbone of American society, a massive society, yes, but more importantly, a society of individuals striving to attain personal goals.

This emphasis on individualism results from the fact that our nation is indeed a melting pot. Herman Melville described it well when he said, "We are not a narrow tribe of men . . . No: our blood is as the flood of the Amazon, made up of a thousand noble currents all pouring into one." [4] More than a thousand newcomers now come to these United States daily, seeking escape from political conflicts or religious persecution, desiring to get rich, but most importantly, looking for the vague intangible we call freedom. Mstislav Rostropovich, the Russian cellist, once said of America, "Only here can I speak from the heart." [5]

We must protect our right to be ourselves and preserve the goal of self-improvement. As our nation faces grave issues that demand serious and effective actions, the wounds become deep and opposing sides clash for control. On our 200th anniversary we must go beyond the celebrations to the immense problems our nation faces. In the life of nations, America has reached her "middle age" and is showing signs of slowing down. The Bicentennial celebration gave Americans time to consider their past accomplishments, present beliefs, and future hopes. Our pause to consider our troubled situation does not, however signify a downfall. Rather it gives us as a nation a chance to re-evaluate our position and, if necessary, redirect our course. Now our responsibility lies in not letting our convictions fade into oblivion. Each citizen must decide on personal goals and then strive to attain them. Only in this way can the combined forces achieve the continuing progress America needs.

FOOTNOTES

[1] "The Big 200th Bash," Time, July 5, 1976 p. 8.

[2] "It was Quite a Birthday Party," U.S News and World Report, July 12, 1976, p. 12

[3] "It was Quite a Birthday Party," p. 13.

[4] "The New Immigrants: Still the Promised Land," Time, July 5 1976, p. 16.

[5] "The New Immigrants: Still the Promised Land," p. 19.

CIVIL ENERGY FROM LASER FUSION: A GROWING REALITY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. PURSELL. Mr. Speaker, today I am inserting my ninth installment in my series on laser fusion. I think we are all

becoming increasingly aware of the struggle between KMS and ERDA over the continued development of laser fusion as a civil energy project separate from the military oriented programs.

In February of this year—before I even began my series—Industrial Research ran an article on this very matter. I would like to share this article with you today:

CONGRESS, CARTER FACE FUSION FRAY

(By Hal Tufty)

Carter transition initiatives and the new alignment of power from the reorganization of congressional committee jurisdictions will be important power changes to watch in the 1977 federal R&D picture.

An illustrative example is the push-pull struggle over who will dominate future decisions on fusion R&D for energy: the military, the civilian bureaucracies and government labs, or the private sector.

The transfer of legislative functions held since 1954 in the Joint Committee on Atomic Energy, agreed upon in caucus, but still to be approved at this writing, presages more congressional scrutiny by the 95th Congress in various aspects of the energy R&D effort.

The currently foreseen redistribution of legislative responsibilities would give the Senate Interior Committee chaired by Senator Jackson and the House Committee on Science & Technology chaired by Congressman Teague jurisdiction over all civilian energy programs.

The House subcommittee on energy will be headed by Representative Mike McCormack who teamed with Senator Jackson in the Joint Committee last year to question ERDA's assignment of civil energy laser fusion development to the military side of ERDA. All laser fusion work at government installations now is performed in the weapons laboratories, principally the Los Alamos Scientific Laboratory, N. Mex., and the Lawrence Livermore Laboratory, Calif.

Last year the congressional "tilt" toward civilian control was seen in the appropriations conference report last July which listed laser fusion development along with magnetic confinement as civil projects. The Carter transition team already has cited laser fusion as one of the problem areas to be dealt with early in the new administration.

The establishment of laser fusion as a civil energy project separate from the military oriented programs of ERDA has long been sought by KMS Fusion Inc. The Ann Arbor, Mich., group initiated its own laser fusion program for civil energy purposes back in 1969 . . . before the government laboratories acknowledged any application of laser fusion technology for other than military purposes.

The company claims to have invested $20 million in this work before coming to ERDA for support in 1974. KMSK now is dependent on government support for its laser fusion work, but insists that its program will lead more rapidly to commercialization of laser fusion for civil energy than will the "in-house" government program.

Three issues seem to be emerging as points of special congressional interest in laser fusion. One is the question of government laboratories *vs* industrial facilities. Another is the influence of military requirements over a project claimed to have great promise as a new civil energy source.

A third is the lack of stimulation and impetus for the in-house program when there is no competition from outside, which also means delay in starting the building of industrial capacity before the new developments can be exploited for public benefit.

Apparently in response to congressional prodding, and the recommendations of a panel of reviewers led by Dr. Lawrence Hafstad, retired vice president for research and engineering of General Motors, ERDA began funding the KMSF work in early 1975.

The Joint Committee recommended $14 million for KMSF work for FY 1977, more than double the budget request, and the amount was raised by amendments on the floor to $20 million in the House version of the appropriations bill. Although the authorization conference report was never agreed to by both Houses, the appropriations bill itself provided $10 million and the conference report specified it was for the "on going" program of KMSF.

Despite such indications of congressional intent, ERDA thru 1976 kept laser fusion development for whatever purpose, in the domain of the weapons complex. The new 1976 contract according to the ERDA spokesmen was not for the "on going" KMSF program but for a new program aimed at support of the military-oriented programs for the weapons laboratories, at the level of the original budget request.

ERDA's congressional presentations said the laser fusion program managed by the new Office of Laser Fusion, part of the security directorate, was for both military and civil energy purposes. It was called a "scientific" program uninfluenced by the ultimate application, but the promised near-term military payoff, said ERDA, dictated that the two objectives be pursued under military direction.

The result, as one congressional staffer pointed out, is no test of the validity of the KMSF single-purpose concept aimed at civil energy needs with no military application.

The new set-up in Congress, and Carter's nuclear and scientific knowledge, will likely provide an opportunity for private industry to make a case for laser fusion as a new energy source, and at the same time show the way for more flexibility in federal R&D policies.

ANOTHER IRRESPONSIBLE FEDERAL BUDGET

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. KASTEN. Mr. Speaker, in recent years, wasteful and unnecessary levels of Federal spending have placed an unfair burden on the American taxpayer.

The tax burden faced by middle-income Americans is one of the most volatile issues in America today. Survey after survey pegs "taxes" as a major concern of the people.

Far too often, when we approve billion dollar programs and deficits, we forget that the financial burden of Government today goes beyond the Federal level. People back home are paying more and more in State and local taxes, and at every level, inflation has caused excessive taxation of all Americans.

For this reason, decisions concerning the Federal budget for fiscal year 1978 will be among the most important to be made during the 95th Congress. As we face the complex problems of inflation, unemployment, Government reorganization, and the energy crisis, we cannot ignore the impact of the decisions we make on Federal spending. We must act now to reduce the tax burden and put an end to unnecessary Government spending.

RESPONSIBLE FEDERAL BUDGET PROCESS

The Congressional Budget and Impoundment Control Act of 1974 has given Congress a greater opportunity to develop a responsible Federal budget. Under the terms of this act, the First Concurrent Resolution on the budget for each fiscal year must establish aggregate targets for revenues, new budget authority, outlays, the deficit, and the public debt.

It acts as a guide for each of the 13 appropriations subcommittees and establishes the Federal spending priorities for each fiscal year.

In effect, this budget process forces Congress to view the Federal budget as a whole. Its aim is to force Congress to live within budget totals for spending, revenues, and the deficit.

TAXPAYERS LOSE

Unfortunately, Congress has again failed to take advantage of this opportunity. The House Budget Committee has reported the First Concurrent Budget Resolution for fiscal year 1978. The proponents of even more Government spending, bigger deficits, and more inflation have won another victory. The taxpayers are again the losers.

The Budget Committee is recommending that Congress approve a budget for the coming fiscal year in the amount of $462.3 billion. That represents a 10.8 percent increase over last year's spending level. Moreover, if we accept the committee's recommendations, we will be approving a Federal deficit of $64.3 billion.

Mr. Speaker, the budget process was designed to bring discipline to the previously haphazard growth in Federal spending and the national debt. But, the recommendations of the Budget Committee make a mockery of that process.

Rather than providing a blueprint to bring fiscal responsibility back to the Federal Government, the committee resolution ratifies the "business as usual" approach to Federal spending which has placed serious inflationary pressures on our economy.

INCREASE IN DEBT

There has been a deficit in the Federal budget for every year except one since 1960. The committee proposal would allow the total public debt to surpass the $800 billion mark. If we follow the committee, we will be perpetuating the imprudent and wasteful spending practices of past Congresses, and we will have done so by conscious action rather than haphazard design.

This need not be the case. As one of his last acts, former President Ford presented Congress with a budget proposal aimed at fiscal responsibility. Had the Ford administration's budget proposals for the past 2 years been accepted by the majority in Congress, we would have been within grasp of a balanced budget by fiscal year 1978. The committee's recommendations would put attainment of a balanced budget off into the unforseeable future.

The House Committee on the Budget has failed to report a responsible spending proposal for fiscal year 1978. Instead, they have recommended a plan which

very well may result in bigger deficits, spiraling inflation, and, ultimately, recession.

Today, the full membership of the House of Representatives must review the committee report and act to restore fiscal responsibility. Should they fail to take such action, the American taxpayer will be forced to pay the price.

POLL ON ENERGY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. MARTIN. Mr. Speaker, there are some who contend the President's energy proposals are draconian, and others who contend accepting them would be bravely biting a marshmallow. Both will gain comfort from the results of a poll recently completed by, and published in, the Charlotte, N.C., News. While some people appear likely to conserve, this initial pulse-taking does not show much more than a moderate increase in the public's commitment to conserve more than they are doing. I would like to share the moderately encouraging results with our colleagues:

ENERGY—WHAT DO YOU THINK?

This Charlotte News poll is based on telephone interviews with 116 adults and is balanced to insure all parts of Mecklenburg County are represented. It was conducted by nine professional interviews working for the Marketing Research Department of Knight Publishing Co. The error factor is 5 to 10 per cent.

What do you think of the proposal to tax new cars that get less than 13 miles per gallon while giving tax rebates on new cars that get better than 13 miles per gallon?

	Percent
Agree	47
Disagree	43
Don't Know	10

What about the proposal to increase the gas tax if consumption is not restrained?

	Percent
Agree	37
Disagree	57
Don't Know	6

What do you think of the proposal to give tax rebates to homeowners who winterize their homes?

	Percent
Agree	79
Disagree	15
Don't Know	6

What about tax credits for installation of solar energy systems?

	Percent
Agree	53
Disagree	22
Don't Know	25

If the proposals made by President Carter are passed, will the next car you buy be smaller than the one you now own?

	Percent
Yes	32
No, we already own a small car	23
No, we will not buy a small car	41
Don't Know	4

Will you change your driving habits to use less gasoline than you now use?

	Percent
Yes	49
No	46
Don't Know or Don't Drive	5

Will you install a solar energy system within the next three years if the rebate proposal is passed?

	Percent
Yes	9
No	66
Don't Know or Don't Understand Solar Systems	25

What if anything will you do to improve your home's energy use?

	Percent
Add Insulation	23
Install Storm windows or weather-stripping	12
Other (turn down thermostat, use fireplace, close off rooms)	24
Already done all we can	19
Will do nothing	12
Live in an apartment	7
Don't Know	3

CURBING PHARMACY THEFT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. LEHMAN. Mr. Speaker, I am today reintroducing a bill which would make the attempted or actual robbery or burglary of a pharmacy a Federal crime. The Controlled Substances Act, which puts narcotics under Federal jurisdiction, also leaves the pharmacist in a most vulnerable position. While curbing the illegal importation of drugs, it has caused criminals to turn to the community pharmacist as their new source.

Within a 3-month period in 1975, the National Association of Retail Druggists received 1,155 reports of drug-related crimes, and they believe this is just the tip of the iceberg.

According to the Drug Enforcement Administration—DEA—in the second half of fiscal year 1976, 74 percent of the total volume of drugs stolen were from pharmacies.

In a survey done by Pharmacy Times, 52 percent of the pharmacists responding had been robbed, a majority more than once.

An additional problem which must be considered is the increase in multidrug use. Drug abusers are now seeking out schedule II drugs available only from drug stores, such as quaaludes, amphetamines, and sleeping pills. Juveniles abusing these drugs are becoming amateur criminals. Because these youths are so easily frightened, they are also more prone to violence.

In many areas, pharmacies are curtailing their evening hours for fear of assault, causing severe hardship to those in need of medication. Unfortunately, this also leaves pharmacies more vulnerable to burglaries.

The pharmacy theft bill would provide stiff penalties under Federal law for burglarizing a drug store to obtain drugs and stiffer penalties for the use of force or violence in drug store robberies.

Mr. Speaker, the Federal Government had already assumed the responsibility for halting illegal drug traffic. I believe that in pursuing this goal, we must now provide protection for the pharmacists who have become prime targets for those seeking to obtain drugs.

The text of my bill is as follows:

H.R. 6676

A bill to amend the Controlled Substances Act to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Controlled Substances Act (21 U.S.C. 801 et seq., Public Law 91-513) is amended by inserting immediately following section 411 (21 U.S.C. 851) thereof the following:

"THEFT AND OTHER CRIMES TO OBTAIN NARCOTICS OR OTHER CONTROLLED SUBSTANCES

"SEC. 412. (a) It shall be unlawful for any person—

"(1) to break and enter the premises of a retail pharmacy with the intent to steal, or otherwise obtain by unlawful means, a narcotic or other controlled substance; or

"(2) to obtain, or attempt to obtain, from or within the premises of a retail pharmacy, by force or violence, a narcotic or other controlled substance.

"(b)(1) Except as provided for in paragraphs (2) and (3), any person who violates subsection (a)(1) shall be fined not more than $5,000 or imprisoned for not less than two years and not more than twenty years, or both such fine and imprisonment.

"(2) Any person who violates subsection (a) while armed, or by assaulting any person, or by putting in jeopardy the life of any person by the use of a dangerous weapon or device, shall be fined not more than $10,000 or imprisoned for not less than five years and not more than twenty-five years, or both such fine and imprisonment.

"(3) Any person who, in violating subsection (a), kills or maims any other person shall be imprisoned for not less than ten years.".

SEC. 2. The table of contents of the Comprehensive Drug Abuse Prevention and Control Act of 1970 is amended by inserting after the item relating to section 411 the following:

"Sec. 412. Theft and other crimes to obtain narcotics or other controlled substances.".

HANAFI MUSLIM INACCURACIES

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. STEERS. Mr. Speaker, on April 14, the Washington Post printed a story about the Hanafi Muslims who were responsible for the recent hostage-taking incident in Washington. In that article, the Post quoted, at length, an anti-Semitic and highly inaccurate account of the origins of slavery, and I was shocked to see that the Post neglected to offer any alternative interpretations that would have provided a more balanced picture.

I am inserting into the RECORD a letter I sent to the Post protesting this unfair and unbalanced piece of journalism:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 15, 1977.

The EDITOR,
The Washington Post,
Washington, D.C.

DEAR SIR: I am writing in reference to your news article of April 14 concerning the Hanafi Muslim, Abdul Salim, and, specifically, to the five paragraphs devoted to Salim's anti-semitic and highly inaccurate account of the origins of slavery. I am most upset that the Washington Post, which has a reputation for being a responsible newspaper, has printed, as though it had a factual basis and without rebuttal, an inflammatory and racist "interpretation" of how "Zionist Jews . . . were the cause of us (blacks) being taken out of Africa and being brought to this country."

To provide a balanced article, and thus to avoid the reader's natural supposition that there is some validity in Salim's hate-filled diatribe, the Post should have pointed out, at least briefly, that there are other views which totally refute some of Salim's unwarranted claims. One appropriate source would have been a column by Smith Hempstone which appeared on March 13, 1977, in the Washington Post.

Hempstone points out that slavery existed in Africa long before the Spanish Inquisition, although Salim would have us believe that during the Inquisition, the "Jews led Spanish slave traders to the part of Africa where they could find Muslims who were sold into slavery". Hempstone says, "the thirst for slaving, which the Koran (like the Bible) does not forbid, seemed to be in the very blood of some Moslem Africans."

Hempstone points out that slave "traffic was started by the Arabs over a thousand years before the discovery of the New World", and he cites historical documentation. Copious additional evidence is furnished which, had any of it been quoted, would allow readers to realize that Salim was venting baseless allegations on a par with the reasoning used by the Hanafi leader in avenging himself, for the atrocities committed against him, by committing atrocities against completely innocent and unrelated other persons.

Yours sincerely,

NEWTON I. STEERS, Jr.,
Member of Congress.

ELECTION REFORM

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. KETCHUM. Mr. Speaker, President Carter has made public his proposals for election "reform." I, for one, do not share his enthusiasm for universal voter registration or public financing of congressional and senatorial campaigns. The former proposal will insure election fraud while the latter will deprive citizens of their right to participate in the election process—after all, how will you feel when your tax dollars go toward electing someone you do not agree with?

Recently, I received a letter from the county clerk of Yolo County, Calif., expressing his opinions on these issues. His remarks reflect my sentiments and I am sure those of many other Americans. Following is the text of his letter as well as an April 12 editorial from the Sacramento Union which I commend to my colleagues' attention:

COUNTY OF YOLO,
Woodland, Calif., April 15, 1977.

Hon. WILLIAM M. KETCHUM,
House Office Building,
Washington, D.C.

HONORABLE CONGRESSMAN KETCHUM: Enclosed please find a Xerox copy of an Editorial that appeared in the Sacramento Union Newspaper on April 12, 1977, in which I agree 100% and feel we should not be considering this approach.

This is not what Americans want. The concerned citizens of our Great Nation see to it that they are registered and then vote. It is not a hit and miss situation. This type of legislation is for the unscrupulous individuals, whether it is a politician, his backer, or individuals/groups conducting registration drives who are being paid so much for each affidavit. The non-citizen will use this, not really for voting, but as an identification when stopped and will also try to use it as a method of obtaining U.S. Citizenship. He will vote only because it will help document his case or he may be paid to vote for someone or for some proposition.

I am also against my tax dollars being used to support candidates. This country needs money for more useful things, not paying candidates to get themselves elected. If they undertake the responsibility of becoming candidates, then they undertake the responsibility of financing their own campaigns, and not with my tax dollars.

This legislation will also create another layer of bureaucracy, the Federal Election Commissioners, with an Administrator and Associate Administrator, not to mention the "BRIBE" provisions of this act concerning financial assistance. Do you realize the money it will take to finance this? For California several million, and the United States as a whole, I estimate several billion. IT IS NOT WORTH IT.

Congressman, I respect my vote and honor in voting, plus my tax dollars, too much to see these honorable things removed by these meaningless propcsals as reflected in Universal Voter Registration Act of 1977. I can see only that this will bring our country into one of the biggest fiascos it has ever known or seen.

I am confident you will approach this bill with the utmost concern for our citizens and their tax monies. In my opinion, this is not a good bill.

Sincerely,

LAURENCE P. HENIGAN,
County Clerk.

PROPOSALS BY CARTER FINE—FOR DEMOCRATS

President Carter is being a hog about his share of the vote. His election "reform" proposals are designed to pile on the votes for the Democratic party. "Why not the best?" is being followed by "Why not the rest?"

The President wants instant voting. The potential voter needn't bother to register. He need merely appear at the polling place with some kind of identification in hand in order to vote on the spot.

He wants to abolish the electoral college system in favor of direct popular election of the president.

He asks that the Hatch Act be scrapped, permitting federal workers to campaign for politicians.

And he wants citizens to pay for the campaigns of U.S. senators and representatives.

All of his proposals are designed to increase the majority of the Democrats, which already is dangerously large. The plan, drafted by Vice President Walter Mondale, would move the United States further along the road to the one-party state.

It's difficult to say which of the four proposals is worst. They are equally bad. But perhaps the most wretched is that for instant voting.

If persons were allowed to cast their ballots merely by flashing a driver's license or a Social Security card, the possibilities for fraud are immense. The proponents argue that there would be checks on phony credentials and multiple voting, but given the ingenuity of our politicians, you wonder. If there were safeguards, just imagine how long it would take to process a hundred voters through a polling place. With the inevitable challenges, a good guess would be at least a fortnight.

Too, unscrupulous politicians and dedicated party hacks (and they do exist) would be carrying the unconcerned, lazy and uneducated to the polls by the busload. Do we really want to hype the voter turnout in this manner? Is the country not better off if those who are not motivated to vote stay home?

We already have eliminated literacy as a requirement for voting. The voting age has been lowered to 18. Registration has been made as simple as stating your name, address and party affiliation. What more could the President want? Obviously, he wants the rest, although assuredly they will not be the best.

As for subsidizing the election of congressmen, most of us are already of the opinion that we are subsidizing the incumbents. By paying for their election out of taxes, we would virtually insure ourselves of reelecting them until death. Congressmen already have every advantage over an unknown challenger. They have free mailing privileges, easy access to the press and television, travel expenses paid for out of the Treasury (even when they don't travel and large staffs and generous office allowances that are often used for political purposes.

We should not give the incumbents a greater headstart in election campaigns than they already enjoy.

Mr. Carter's argument for scrapping the Hatch Act also strikes us as special pleading for his party. He says the 2.8 million employees are denied the rights of other Americans by not being allowed to hustle votes for politicians. Those who agree with him say the Hatch Act is an anachronism now that we have civil service. On the contrary, the rise of public employee militancy and unionism makes the anti-politicking law more essential than ever.

Finally, Mr. Carter wants to wipe out the election of the president by the states' electors. At first glance, this proposal would seem to have merit. After all, it is possible that a presidential candidate with the most popular vote could lose the electoral vote. Possible, but highly improbable. In fact, it has happened only once in 200 years. That was in 1888 and the difference between the two candidates was only 91,000 votes.

(No, it did not happen in 1824 and 1876 as Mr. Carter asserted. In 1824 we did not have the present system, and it was the House of Representatives that put in John Quincy Adams over Andrew Jackson. In 1876 Samuel Tilden won not only the popular vote but the electoral vote. A rigged election commission shifted the votes of Southern states in a deal to put in Rutherford H. Hayes.)

If there is a danger of the popular-vote winner being denied by the electoral vote, and it is exceedingly slight, it is not as great as the danger of direct election of the president. Direct election would almost certainly be the last blow in the destruction of federalism.

It would increase the fragmentation of the party system and open the way to a multiplication of splinter parties. It is probable that no candidate would get 40 percent of the vote because of the growth of splinter parties. This would lead to runoffs and all the attendant bargaining that leads to the second man becoming the first man. In short, a minority president.

To all four of Mr. Carter's proposals, we say no.

CAN U.N. CLOSE U.S. RHODESIAN OFFICE?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. McDONALD. Mr. Speaker, as I mentioned on April 22, 1977, on page 11949 of the CONGRESSIONAL RECORD, systematic harassment by the U.S. Government is taking place against the Washington, D.C. Rhodesian Information Office in an effort to censor Rhodesia's side of the story. If this were not bad enough, the United Nations, an institution noted for its high degree of selective indignation and hypocrisy, is now attempting to close the Rhodesian Information Office in the United States by means of a resolution. I deplore this attempt at censorship also and commend Mr. William A. Rusher's recent column on this matter as it appeared in Human Events of April 30, 1977, to the attention of my colleagues:

CAN U.N. CLOSE U.S. RHODESIAN OFFICE?

(By William A. Rusher)

United Nations, N.Y.—This overrated pack of hypocrites, dominated by countries where free speech is unheard of, is preparing to clamp down on certain opinions it dislikes right here in the United States. If the American Civil Liberties Union doesn't take up this issue and battle it all the way to the Supreme Court, it will deserve the Double Standard Prize of 1977.

There has existed in Washington, ever since Rhodesia declared its independence from Britain in 1965, a tiny outfit called the Rhodesian Information Office. It is manned by two doughty Rhodesians, Ken Towsey and John Hooper, and its basic function is to inform Americans on matters concerning Rhodesia, including the views of the Rhodesian government whose (duly registered) agent it is.

If you have any idea how hard it is to obtain information on Rhodesia that hasn't been filtered through the propaganda machines of either the Communist powers or Western liberalism (both of which detest Ian Smith's government), you will appreciate how absolutely priceless this little office has been over the years to those of us who try to report the facts from a different perspective.

Naturally the dissemination of news and opinions about Rhodesia disapproved by the United Nations has annoyed this august assemblage of would-be international bullies, and they have finally hit upon a means of closing down the Rhodesian Information Office and silencing Rhodesia's voice in this country altogether.

There is circulating through the U.N.'s corridors these days a draft resolution whose key provision declares that the Security Council, "Acting under Chapter 7 of the Charter of the U.N., decides that all states members of the U.N. shall prohibit the use or transfer of any funds in their territories by the illegal regime in Southern Rhodesia, including any office or agent thereof, or by other persons or bodies within Southern Rhodesia, for the purposes of any office or agency of the illegal regime that is established within their territories other than an office or agency so established exclusively for pensions purposes."

The intended effect of this resolution if adopted (and it is being held up only because the Russians, who are past masters at stifling dissident opinion, want to make it tougher) would be to prevent the United States from allowing the Rhodesian Information Office to receive, as it now does, funds from Salisbury for the purpose of carrying on its information activities. In short order, the little office would have to close down.

Must this country obey the U.N.'s instructions in this matter? Incredibly, there is a respectable school of legal opinion that believes it must.

The U.S. Senate ratified the United Nations Charter in 1945, and under our Constitution the Constitution itself, plus all laws enacted by Congress, "and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land."

If the U.N. Security Council (so the argument runs) "decides," as it claims the power under the Charter to do, that every member state must close up any information offices of Rhodesia on its territory, then this country is bound to comply. (With Andy Young representing us, a U.S. veto is hardly likely.)

But what about the 1st Amendment to the Constitution, which asserts that "Congress shall make no law . . . abridging the freedom of speech"? Presumably Rhodesia's foes would reply that they are not denying Messrs. Towsey and Hooper the right of free speech they are merely decreeing that they will have to starve to death while exercising it.

By United Nations standards, that argument is downright plausible but of course in reality it is pure poppycock. Just as the power to tax is the power to destroy, the power to deny funds to the holder of a particular viewpoint is in effect the power to prevent him from expressing it. But then Congress isn't actually "making" this law—the United Nations is.

We had better win this fight, or next year may be 1984.

DEPUTY POLICE CHIEF HERMAN XANDER

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. BYRON. Mr. Speaker, all of us on Capitol Hill lost a friend recently with the untimely death of Deputy Police Chief of Washington, D.C., Herman W. Xander. Until his death last week, Mr. Xander served here as assistant chief of the U.S. Capitol Police.

For more than 37 years, Chief Xander served this Federal city and the Capitol with dedication and distinction. I am sure my colleagues and everyone on Capitol Hill mourns his loss and joins in tribute to a man who served well in executing his responsibilities. Allow me to share with my colleagues this article from the Washington Post:

HERMAN W. XANDER DIES; DEPUTY D.C. POLICE CHIEF

(By Eric Wentworth and Alfred E. Lewis)

Herman W. Xander, 62, a deputy chief in the Metropolitan Police Department serving as assistant chief of the U.S. Capitol Police, died of bone-marrow cancer yesterday at Washington Hospital Center.

Mr. Xander, the D.C. department's senior member with more than 37 years of service, came from a family of law enforcement officers. His late father had been a mounted policeman on the city's force, his brother is a retired city policeman and his son is on active duty as a lieutenant.

Other relatives include two brothers-in-law retired from the D.C. force and a nephew still on active duty here, two other nephews with the Prince George's County police, and a deceased brother-in-law who had been a deputy U.S. marshal.

Mr. Xander was born in Washington in 1915, and attended Eastern High School and Strayer business college here. He began his career in law enforcement in 1934 with the Federal Bureau of Investigation, working in the identification section.

He won his appointment to the Metropolitan Police Department on Nov. 1, 1939, and was first assigned as foot patrolman in what was then the 11th precinct—now the seventh district.

Mr. Xander was transferred in 1941 to the special investigations squad of the detective bureau. He was promoted to precinct detective in 1945, and to detective sergeant in the robbery squad a year later. He was promoted to detective lieutenant in 1958 and assigned to the third detective district.

Mr. Xander graduated from the FBI National Academy in 1960. Four years later, he was detailed to the U.S. Capitol Police and assigned to supervise security for the U.S. House of Representatives.

While continuing on detail with the Capitol Police force, Mr. Xander was promoted to the rank of captain on the D.C. force in 1966, to inspector in 1968 and finally to deputy chief. Over the same period, he rose to the rank of assistant chief on the Capitol force, which guards the U.S. Congress, its buildings, and visitors.

"We had confidence in each other when the chips were down," recalled James M. Powell, chief of the Capitol Police and Mr. Xander's partner for many years on the D.C. police robbery squad. "It's like going through a war together. He trusted me and I trusted him, and we knew that neither of us would let each other down."

Through much of his law enforcement career, Mr. Xander was an active and skilled amateur baseball player. A catcher, he played for FBI, Metropolitan Police Department and other amateur teams. Before joining the city's police force, he had considered a professional baseball career and tried out for three major league teams.

Survivors include his wife, Mary Elizabeth, of the home in Indian Head, Md.; his mother, Mae, a brother, Bernard; a sister, Mrs. Amelia Leukhardt; a son Richard, and two grandchildren, all of Oxon Hill.

PERSONAL EXPLANATION

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. PATTEN. Mr. Speaker, due to scheduled meetings and previous commitments, I was not present to record my votes on a number of legislative measures. I list below how I would have voted had I been present:

Rollcall No. 104, "aye."
Rollcall No. 131, "aye."
Rollcall No. 132, "aye."
Rollcall No. 133, "aye."
Rollcall No. 134, "aye."
Rollcall No. 135, "aye."
Rollcall No. 137, "aye."
Rollcall No. 138, "aye."
Rollcall No. 147, "aye."
Rollcall No. 148, "nay."
Rollcall No. 149, "nay."
Rollcall No. 150, "aye."
Rollcall No. 151, "aye."

FISCAL YEAR 1978 DEFENSE AUTHORIZATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. FRENZEL. Mr. Speaker, had I been able to be present I would have voted for passage of H.R. 5970, the Defense Department authorization for fiscal year 1978, although I am not thrilled about the 10-percent increase in proposed funding over last year. In particular, I am disturbed by the extent to which this bill shifts the emphasis from spending on research and development toward heavier expenditures for weapons procurement, but, because of the tenor of the SALT talks, I believe we must proceed with procurement.

While I have supported efforts in the past to defer a decision on production of the B–1 bomber, it is very difficult not to go along with the administration's request for an additional five aircraft now that the SALT negotiations have fallen into disarray. I support a review of this program and a careful reassessment of need. But in view of the enormous growth in Soviet military spending coupled with the breakdown in the SALT talks, we have little choice other than to demonstrate that this kind of buildup will lead to a response on our part.

I have consistently supported efforts to scale down our troop commitments overseas and in particular I have favored a gradual withdrawal of our ground forces in Korea. President Carter has also announced that he supports a program of phased withdrawal, making it less urgent that we take legislative action this year. It is probably more appropriate under the circumstances to give the President flexibility to negotiate an orderly withdrawal based on consultation with our allies in Europe and Asia than to write a withdrawal policy into the bill.

I was disappointed that this bill contained a provision preventing DOD from contracting out to private business any further commercial or industrial activities prior to March 15, 1978, pending a study to determine whether these activities should be performed by DOD personnel or by private contractors. The Office of Management and Budget guidelines for making these decisions have been in use for many years. We should encourage contracting with outside firms whenever appropriate as a means of saving money and holding down the size of Government.

The price tag on this bill is higher than I would like it to be, yet it may pale in comparison to future requests, unless we can somehow manage to steer the SALT talks back on course. Presumably both sides share a vital interest in heading off another runaway arms race. Such a development would constitute a serious threat to the peace and security of the entire world. Certainly it would delay indefinitely any realistic possibility of balancing the federal budget.

I hope that by this time next year, progress at the negotiating table will permit us to scale down the growth in defense spending.

NUCLEAR WEAPONS PROLIFERATION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. TEAGUE. Mr. Speaker, on March 15, Mr. George J. Stathakis prepared a paper which was delivered at the Atomic Industrial Forum Conference in New York City on the nuclear weapons proliferation problem. Under leave to extend my remarks in the RECORD, I wish to include this paper:

THE NUCLEAR WEAPONS PROLIFERATION PROBLEM—CAN WE LEAD WITHOUT LEADERSHIP?

(By George J. Stathakis)

In the current debate on the threat of nuclear weapons proliferation one sometimes gains the impression that proliferation problems arose from commercial nuclear power activities. It seems to have been forgotten that the reverse is true and that the development of peaceful nuclear power was initiated to minimize the risk of widespread weapons development.

In 1953, the U.S. monopoly of nuclear weapons was already broken by the Soviet Union and Great Britain. In the words of President Eisenhower, "the knowledge now possessed by several nations will eventually be shared by others—possibly by all others." The vision facing the United States was that of a world of nations, each able to initiate an atomic holocaust. Our response was the famous "Atoms for Peace" program in which we proposed to lead a world wide effort to develop peaceful uses of atomic power in a manner designed to actually reduce the risk of weapons proliferation. In effect, we attempted to "yield what was impossible to keep" with statesmanship oriented to minimize the risk of atomic wars.

In 1954, the United States had a total electrical generation capacity of a little over 100 gigawatts. It was blessed with large fossil fuel resources, and it was widely believed that these resources were sufficient for the indefinite future. Power generation costs were in the 4 to 7 mills per kilowatt hour region. It was clear that the development of economically competitive nuclear power to meet this target was a difficult task and it was envisioned that nuclear power would have its major benefits in the high fuel cost areas of the world not well endowed with fossil fuel resources.

The atoms for peace approach required that the United States retain its leadership in nuclear power in order to trade technological help with other nations for nuclear weapons forebearance. It was to *this* end that the government supported commercial nuclear power program in the United States was initiated in 1954.

Today we again find ourselves in debates about nuclear weapons proliferation but these seem to inexorably tie commercial nuclear power in with the proliferation problem. However, as was plain in 1954 when there was no electrical nuclear power generation, proliferation is a problem in itself.

At present, six nations are known to possess atomic weapons. In no case was the nuclear material for the bombs obtained from commercial nuclear power facilities. Although we have had difficulty in this country developing commercial reprocessing plants, the fact is that a reprocessing plant designed to produce weapons plutonium and not to meet NRC requirements is a rather simple task. A moderately industrialized nation embarking on a meaningful weapons capability would find it more efficient to utilize dedicated facilities rather than make inefficient use of power reactor facilities.

Today more than 20 nations have the technical and financial resources to develop nuclear weapons without assistance from other nations. A number of these nations are not parties to the Non-Proliferation Treaty and thus are under no legal constraints.

The fundamental proliferation problem then is to influence nations with bomb-making capability not to develop bombs.

The techniques to achieve this end are incentives and disincentives—trying to affect the many factors that may influence a nation to develop nuclear bombs. Mutual security alliances are an important tool, as are any other steps which reduce world tensions and promote world peace. A cornerstone of United States policy has been the effort to get other nations to agree formally to forego nuclear weapons by becoming parties to the Non-Proliferation Treaty.

The effectiveness of efforts to influence nations not to develop nuclear bombs varies from nation to nation. On the positive side, a number of nations with obvious capabilities have to date not chosen to develop bombs, and many of those have agreed to the Non-Proliferation Treaty. On the negative side, for a number of nations the forces pushing toward nuclear bomb development may outweigh the countervailing forces.

The resulting situation has only limited stability. Some nations will not agree to forego nuclear weapons. Even a nation that agrees may change its mind, as a result of a change in its relationships with one of the major powers, a new military threat near its borders or other factors. The Non-Proliferation Treaty itself recognizes the right of a party to withdraw.

Thus on the fundamental weapons proliferation problem, which has nothing to do with power reactors, steps can be taken to reduce the risk. But there are no steps which are certain to be effective, and there is no way to completely eliminate the risks.

How do commercial reactor power facilities impact on the proliferation problem? The answer is that there are both positive and negative aspects.

It was indicated above, that the "Atoms for Peace" program used nuclear technology and equipment supply as inducements to other nations to forego nuclear weapons development. This is one of the few positive approaches available to cause a sovereign nation to willingly agree to give up one of its prerogatives of sovereignty. Indeed, this may be the most important aspect of commercial nuclear power as it bears on proliferation problems; and although it was the cornerstone of our past policy, it seems to be receiving little emphasis today.

The negative aspect of a foreign power reactor program is that it involves knowledge and technology which can be useful in a weapons program. The operation of power reactors provides nuclear engineering experience and a possible source of fissible materials. However, it probably does not have any substantial impact on a nation's *decision* to embark on a bomb program That decision will turn principally on political and security considerations.

Once a nation concludes that it is necessary to develop nuclear weapons it has several avenues open. An industrialized nation would have little incentive to divert power reactor plutonium. A few crude nuclear weapons would be a poor military substitute for the relationships with major powers that would be endangered by such action. And as noted, such nations would have the more attractive option of develop-

ing a more effective nuclear weapons capability through dedicated facilities.

Thus, one concludes that commercial nuclear power impacts negatively on the proliferation issue primarily through the possibility that power reactor plutonium could be diverted to nuclear weapons use by those nations without the capability to develop the more efficient independent dedicated facilities. The specter that most of us fear is a few nuclear weapons, even crude ones, in the hands of such nations.

The problem we face is that many of these nations view nuclear power as necessary to their future welfare, and, in my view, correctly so. Most are critically dependent on oil imports. Even aside from the high cost of the imported oil and the political dependence it engenders, these nations are aware of the future world depletion of oil resources. Most of these nations do not have the large coal supplies of the United States and see no alternative to the increasing use of nuclear power.

Unless we are willing and able to assure these nations of a reliable and economic alternate future energy supply, it does not seem moral, or even possible, to deter them for long from deployment of nuclear power facilities. Further, in view of the international capability for supplying nuclear power plants, any action by the United States to limit nuclear power internationally or influence its manner of deployment, can only be successful in cooperation with the other supplier nations.

But, here too we run into a problem. The international market for nuclear power facilities is highly competitive and has large impacts on balance of trade. Other supplier nations view themselves in leadership positions in such areas as reprocessing and fast breeder development, and as equals in light water reactors. These nations view their future energy needs from a different perspective than we and have different philosophical viewpoints with respect to proliferation and the balance between the risks of proliferation and the need for energy. Attempts by the United States to influence policies with respect to development, deployment, or sales of nuclear facilities are viewed with skepticism by the other supplier nations.

The immediate problem facing us with respect to proliferation and nuclear power involves reprocessing and the availability of plutonium from reprocessing plants. The problem in my view can be addressed through arrangements which involve little sacrifice by those countries interested in obtaining the benefits of peaceful nuclear power.

One solution supported by the Atomic Industrial Forum is that reprocessing centers be restricted to locations in those industrial nations already having weapons capability and that the energy of the reprocessed plutonium be returned to the user nation in the form of low enriched uranium. Thus, the plutonium would remain where it would not add to problems of proliferation.

Since an economically sized reprocessing center could service 50 large nuclear reactors, such an arrangement would have economic benefits to the less industrialized nations and the major concern would be surety of supply. But, such reprocessing centers could be located in several countries in both the East and the West, so as to provide a high degree of assurance of reprocessing services.

Let me suggest one variation to this scenario—I spoke of reprocessing only in weapons states, which does not include some nations with very advanced nuclear power programs. But certainly, there is no substantial risk of power reactor plutonium diversion by nations such as Japan and West Germany whose security interests and treaties with the United States would be jeopardized by such a course. If such countries found the need to become weapon states they would surely follow the example of France using dedicated facilities and a full scale weapons development and testing program necessary to obtain the sophisticated weapons and delivery systems required by a major power. For this reason reprocessing and plutonium use should be permitted there as well.

In effect this approach would keep the door open for other nations, as their industry and nuclear programs develop, to have indigenous reprocessing. This expectation will be especially important for nations looking toward the breeder reactor as a major energy source in the next century.

I do not mean here to address the details of such an arrangement as proposed above. Nor do I mean to indicate that reprocessing will remain the major concern in the future. Advances in centrifuge and laser enrichment, the use of the U-233 thorium cycle, the development of the breeder and indeed the tandem fuel cycle if it is developed, will all bring new proliferation problems.

The point is that proliferation problems can be and can only be effectively addressed on the basis of international arrangements which will involve delicate negotiations among nations with different needs and philosophical viewpoints. Although we may agree that future arrangements must be carefully controlled, Congressional proposals to impose rigid requirements may be counter-productive. These will limit the Executive Branch in being able to respond to particular situations which cannot be covered, or even foreseen, at the present time.

I would suggest that in view of the present disarray in our domestic reprocessing program which is the current proliferation concern, there is time to carefully examine the situation before developing detailed export legislation. But, more important, I want to suggest that if the United States is to play a leadership role in developing international arrangements limiting proliferation, it must be a leader. Of what use will laws governing U.S. exports be if the most reliable and advanced technology and the most meaningful experience is abroad.

If we still share the leadership in nuclear technology and nuclear power, that leadership is today in serious jeopardy. Our share of the export market has slipped dramatically over the past few years. Uncertainty about our foreign and domestic policies have caused even our long-standing customers to question our reliability as a supplier.

It takes ten years in the United States to build a nuclear plant compared to 6 to 8 years overseas, so that foreign suppliers can have three generations of plant designs and experience in the time that we have two. The consequences in terms of technological development are obvious. Furthermore, the uncertain regulatory requirements, the equivocal government positions on nuclear power, the ability of extreme environmental advocates to delay or cause cancellation of nuclear projects, and the consequent financial risks entailed by a utility contemplating a nuclear project have all but caused a de facto stop in the U.S. nuclear power program.

In seven elections this year, and in a number of public opinion polls, the people of the United States have indicated that they understand our energy problem and expect nuclear power to play a major role in alleviating it. Nevertheless, we are in danger of abandoning nuclear power and one of the elements in setting this de facto policy has been our actions, or lack of them, resulting from our concerns over proliferation.

It has been reported, for example, that the State Department and ACDA have, in the name of proliferation, taken positions against proceeding with reprocessing and the breeder reactor. In 1954, the United States embarked on a policy of influencing the direction of nuclear development and deployment through positive leadership. The policy which is apparently being advocated today is one of trying to restrict advances in nuclear development abroad by eliminating them in the United States. This may not be a question of "yielding what is impossible to keep"; it would seem that instead "we are trying to keep what we do not have."

Consider the breeder. André Giraud, head of the French CEA, has expressed not only the need of his own country to develop the breeder, but in his view, the moral requirement that the breeder be developed for the welfare of the world. In this country work in the breeder demonstration plant was initiated in 1966. The Clinch River Project was formally organized in 1972, but it is not expected that Clinch River will operate until 1984, if at all. In France, Phenix started in 1968, and was operating in 1973, and work on the 1000 MW Super Phenix has been initiated.

In Japan, work on their JOYO test reactor started well after FFTF and their reactor is expected to be operating well before FFTF. In view of our performance at home, the U.S. is in a poor position to influence the course of fast breeder development abroad, and it is difficult to see how our future influence can be enhanced by abandonment or continued delay in our own breeder program.

Let me sum up.

The proliferation problem did not arise from commercial nuclear power but there are legitimate concerns that commercial nuclear power may exacerbate the problem.

In my view, the solution must be to develop international arrangements which will allow for the benefits of nuclear power in those nations which believe they need it, while at the same time minimize the risk of proliferation as a result of commercial power facility deployment.

Because there are many supplier nations these arrangements can only be developed in cooperation among the supplier and user nations.

If the United States wishes to retain its ability to exercise a leadership position in developing these arrangements, it must retain its leadership in nuclear power.

Actions taken in the name of proliferation, which in effect reduce our nuclear power capability and technological leadership, can only weaken our future position in influencing arrangements we desire.

I started out by asking whether we can lead without leadership. I believe the answer is obvious. The more meaningful question is, why try? Our foreign policy, and more important, our domestic well being, will depend upon success in the search for solutions to the world energy problem. Should we not continue to lead *with* leadership?

REALISTIC FLOOD PLAIN RELIEF

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. HOLLENBECK. Mr. Speaker, I have introduced legislation today which amends the National Flood Insurance Act of 1968 for the purposes of increasing flood insurance coverage under such act and specifying the kind of substantial improvements to structures which are affected by the act.

I believe that this legislation is a much needed first step to maximize the benefits of the floodplain management program and help protect those homeowners who innocently have invested in flood hazard areas.

The Flood Disaster Protection Act

seeks to provide residents of flood-prone areas with insurance at reasonable rates through Federal subsidy and to require local jurisdictions to make rational use of floodplains as a condition of eligibility for flood insurance. But I am also concerned about the possible property devaluation homeowners in the area face as an effect of the act. My bill will protect homeowners in a floodplain whose lifetime investments have been jeopardized by current Federal land use restrictions. My bill permits rebuilding of seriously damaged structures as long as the damage caused by a single catastrophe does not exceed 80 percent, while the current law forbids the rehabilitation of structures which are more than 50 percent damaged.

I believe that 80 percent is a more realistic limit on rebuilding. This change will help restore property in the floodplains to its proper value and, at the same time, maintain the safety and protection of homeowners.

Furthermore, this bill raises the ceiling on flood insurance coverage to levels more congruent with property values. The 1973 law provides for maximum $35,000 coverage for single-family dwellings and $100,000 for commercial buildings. I believe these limits are unrealistically low. Thus, I have introduced legislation to provide $120,000 coverage for single-family dwellings and $400,000 for commercial buildings under the regular program.

While the intent of the National Flood Insurance Act is commendable, to the extent that this act has caused property values to decline, there exists a need for alterations. This bill offers increased insurance coverage and a more responsible definition of what constitutes substantial improvement as necessary alterations, and I seek the support of my fellow colleagues in the passage of this vital legislation.

RED CHINESE PROPAGANDA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. McDONALD. Mr. Speaker, on February 27, 1977, the Washington Post ran a full page ad in support of Red China's propaganda campaign to force the United States to abandoned its ally, Free China.

Allan C. Brownfeld in his newspaper column distributed this week has provided valuable information about the origins of the Washington Post ad. Brownfeld revealed that:

Two of the prime movers of the pro-Peking effort are, in fact, registered agents of Communist China.

He identified them as C. Y. Shaw, president of the D.C. Catering Co., Inc., of Washington, D.C., and Van S. Lung, president of the Sino-American Export and Import Co., Inc., of Washington, D.C., who is also executive director of the National Association of Chinese Americans, the organization responsible for the ad.

I have examined the registration statement filed with the Department of Justice, foreign agents registration section for the Sino-American Export-Imports, Inc. This firm which among other things imports propaganda films from Red China shows Van S. Lung as its president-director and C. Y. Shaw as its vice-president, treasurer-director.

The address of the headquarters of the National Association of Chinese-Americans in the ad is 3524 Connecticut Ave., NW., Washington, D.C. This address is that of the Yenching Palace, a Chinese restaurant owned by Lung.

It is also interesting to note that among the non-Chinese signers of the ad is John S. Service, who years ago was removed from the State Department for handing classified documents over to a pro-Red Chinese magazine Amerasia.

Mr. Brownfeld's valuable column and a list of the signers of the ad follows:

IS COMMUNIST CHINA BEHIND THE PRO-PEKING U.S. LOBBY?

(By Allan C. Brownfeld)

A massive campaign is now under way to obtain formal U.S. recognition for Communist China and the abandonment of the Republic of China on Taiwan.

This campaign has taken the form of conferences, full page newspaper advertisements, letter-writing campaigns, and lobbying on Capitol Hill.

A key element in this effort is a group which calls itself "The National Association of Chinese-Americans." This organization placed full-page advertisements in a number of leading American newspapers, including The Washington Post and The Los Angeles Times. The Post advertisement was carried on February 27 with the headline, 'Better To Mend Late Than Never—Complete The Task In US-China Relations." Addressed to President Carter, the advertisement concluded with this message: "Mr. President, a wrong policy toward China has obstructed traditional links between Americans and Chinese for too long, and helped involve the U.S. in two tragic wars in Asia. We urge you to follow the course set by President Franklin D. Roosevelt 44 years ago, who recognized the reality of the USSR and took the necessary step of establishing diplomatic relations with it. The U.S. and China should have full diplomatic relations now. . . ."

This advertisement was signed by a number of individuals identified only as members of the National Association of Chinese Americans, as well as being identified by their own professional associations. Among those on the list were: Chin Pien Li, M.D., of the National Institutes of Health; Dr. Yang-ming Chu, Associate Professor at the George Washington University Medical Center; C. Y. Shaw, President of the D.C. Catering Company; and Van S. Lung, President of the Sino-American Export and Import Company. Mr. Lung, listed also as Executive Director of the National Association of Chinese-Americans, was identified as the major force behind the advertisement.

Leaders of the National Association of Chinese-Americans also came to Washington from as far away as California to lobby for closer U.S.-Peking relations. Albert H. Yee, a southern California physician, says: "Our heritage is that there is only one China. Why is the U.S. insulting China and Chinese-Americans with five years of no progress on normalization?"

If this pro-Peking lobby were simply a group of American citizens of Chinese descent urging a particular Far Eastern policy for the U.S., we might disagree with the policy they urged, but could not criticize the nature of their activity. The fact is, however, that two of the leaders of this group are registered with the U.S. Department of Justice as agents of entities of the Peoples Republic of China. In other words, two of the prime movers of the pro-Peking effort are, in fact, registered agents of Communist China.

The two men who are registered as foreign agents with the Department of Justice are C. Y. Shaw, President of the D.C. Catering Company, and Van S. Lung, President of the Sino-American Export and Import Company, and also Executive director of the National Association of Chinese-Americans. This writer has obtained from the Department of Justice the registration forms filled out by these men. That they are registered as agents of Peking is beyond any question.

Others on the list, while not registered agents, are very close to the Chinese Communist government. Chen Y. Yang, for example, has had audiences with Mao Tse-tung, Chou En-lai, and the present Chinese Communist Party Chairman Hua Kuo-feng. Where did the money come from for these expensive advertisments? No one can be sure. The China News, an English language daily in Taiwan, charged on March 5 that, "The money for this expensive campaign does not come from the pockets of a handful of college teachers. Behind these newspaper ads are the unlimited propaganda funds of the Peiping regime, which is pouring millions into materials addressed to the U.S. Government and people."

There is every possibility that these advertisements are in violation of U.S. law which requires that all material distributed by agents of foreign governments be identified as such. The U.S. Department of Justice should investigate any possible legal violations at the earliest opportunity.

The Communist regime which these Chinese-Americans support is one of the most brutal in the history of the world. Professor Richard Walker notes that, "The Communist movement in China, despite its self-proclaimed high ideals, must be judged on performance, and, as regards, the human equation, there is little to commend it. Those who wish to rationalize public assassinations, purges of classes and groups or slave labor as a necessary expedient for China's progress are resorting to the same logic which justified a Hitler and his methods for dealing with economic depression in the Third Reich."

Much that is fanciful and clearly untrue has been written about life in Communist China by so-called "Asian scholars" who have visited it. They were recently challenged by Professor Edward Luttwak of the Johns Hopkins University, who returned from a visit to Peking and asked: ". . . how could they have missed the central phenomenon of Chinese life: its unique, almost pure totalitarianism?"

The fact is that the pro-Peking lobby in the U.S. seems to have been purchased and paid for in Communist China. To misrepresent itself as a movement of "Chinese-Americans" is clearly false—and probably illegal as well.

WASHINGTON, D.C. COMMITTEE

Chin Pien Li, M.D., Former Chief Virus Biology Section, National Institutes of Health, President, National Association of Chinese-Americans.

Dr. Yang-ming Chu, Associate Research Professor, George Washington University Medical Center, Secretary, National Association of Chinese-Americans.

Dr. Chen N. Yang, Professor, Department of Physics, SUNY at Stony Brook, New York.

Dr. Ping-ti Ho, Professor, Department of History, University of Chicago.

Mr. Lien Y. Ho, Finance Officer, Food and

Agriculture Organization of the U.N., (Ret.), Treasurer, National Association of Chinese-Americans.

Dr. C. K. Jen, Professor of Physics, Johns Hopkins University, Baltimore, Maryland.

Mr. Tang Pe Tsiuen, Assistant Treasurer, National Association of Chinese-Americans.

Dr. Chieh Chien Chang, Professor, Mechanical Engineering, Catholic University of America, Washington, D.C.

Mrs. Helen Fu Hays, Director, Chinese Extension Center, University of the District of Columbia.

Dr. Beverly Hong Fincher, Professor, National University of Australia.

Mr. C. Y. Shaw, President, D.C. Catering Co., Inc., Washington, D.C.

Mr. Van S. Lung, President, Sino-American Export and Import Co., Inc., Washington, D.C., Executive Director, National Association of Chinese-Americans.

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CONTRIBUTORS & SUPPORTERS (PARTIAL LIST)

Ross Terrill, Harvard University
Hovey Kemp, Denver, Colorado
Edward Friedman, University of Wisconsin, Madison
Victor Nee, Cornell University
Margaret Flory, National Staff, United Presbyterian Church
John S. Service, University of California, Berkeley
Philip Huang, University of California, Los Angeles
Peter S. Tang, Boston College
Henry Rosemont, Brooklyn College, C.U.N.Y.
Paul Cohen, Wellesley College
Thomas B. Gold, Harvard University
John Shrecker, Brandeis University
Ralph Thaxton, Brandeis University
Mary Ellen Stewart, Boston University
Charlotte Teuber-Wechersdoorff, Emmanuel College
Natalie Lichtenstein, Harvard Law School
Nancy Hearst, Harvard University
David Deal, Whitman College
Len Leverson, Harvard University
Henry Littleboy, Boston City Hospital
Dennis Wendell, Iowa State University
Loong Chun-Kueng, Iowa State University
David Rosen, Iowa State University
Susan Fenyves, Iowa State University
Elizabeth Vincent, Cambridge, Mass.
Mark Selden, Washington University, St. Louis
John Fincher, National University of Australia
Cornelius J. Loeser, Northern Illinois University
Great Sino Trading Inc.
Sino-American Export & Import Co., Inc.
U.S.-China People's Friendship Association, Boston Chapter
James Barn; E. F. Beall; Mary Chandler; M. C. Chang; George Chen; Anthony C. Y. Cheng; Tsung-O Cheng; Frances Dickson; Uy Siok Duan.
Becky Hamilton; Chun Ku Huang; Hunter Huang; Leah Jaffe; Ted S. Koe; Lois Leibel; Jackie Lenchek; Ronald Liang; John S. K. Liu; Robert C. Liu, Miriam Levin; Ting He Mak; David Nolan; Dorothy Remy; Sha Shung-tse; I-yao Shen; Robert Stammel; Joseph Weichbrod; Alice Wolfson; Dick G. Wong; Philip Wu; Y. M. Yoo; Yun-sheng Yu.

FORMER GRAND JUROR NOTES ABUSES OF GRAND JURY SYSTEM

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. EILBERG. Mr. Speaker, today my Subcommittee on Immigration, Citizenship, and International Law continued its hearings on grand jury reform. We heard the testimony of prosecutors and former prosecutors and a district court judge, representing the Judicial Conference of the United States. In addition, we received the testimony of former grand jurors.

I would like to call to the attention of the Members the testimony of William P. Gloege, who was a Federal grand juror in 1975 in California. Mr. Gloege forcefully demonstrated that the Federal grand jury system has become merely an extension of prosecutorial power, with little input and decisionmaking by the grand jurors themselves.

His description of his actual grand jury experience, as presented to the subcommittee, clearly demonstrates the need for the reforms I have proposed in H.R. 94.

The testimony follows:

TESTIMONY OF WILLIAM P. GLOEGE, VICE PRESIDENT, ASSOCIATION FOR EFFECTIVE GRAND JURIES, BEFORE THE HOUSE SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP AND INTERNATIONAL LAW

Mr. Chairman and Members of the Subcommittee: My name is William P. Gloege. While I am Vice President of a group of former grand jurors from Santa Clara County, California, known as the Association for Effective Grand Juries, I appear today on my own behalf. The views expressed are my own, and are based on my experience as a federal grand juror during the first half of 1975 in San Francisco.

During our term there were two grand juries impaneled to explore special areas (police corruption and income tax matters). Ours was the general grand jury, hearing a variety of routine matters such as bank robberies, mail thefts and crimes committed on federal property. A major part of our work toward the end of our term involved an extensive investigation of airlines selling tickets at prices under those set by the C.A.B.

Let me first give you my overall impression of the federal grand jury system from a vantage point inside the jury room. In my statement I discuss problems I saw during my term as a grand juror, then I indicate how H.R. 94 contributes to resolution of these problems. Additional areas needing reform, from my point of view, are also discussed.

OVERALL IMPRESSION OF THE FEDERAL GRAND JURY SYSTEM

It may be useful to provide some brief details on my personal orientation. I am employed by a large metropolitan police agency as an administrator in the office of the Chief of Police. This experience has shown me that there are individuals in our society that need to be vigorously pursued and prosecuted. It has shown me that lack of such vigor on the part of police and prosecutors can create a vacuum in society into which an undesirable element will flow to the detriment of the rest of the populace.

Prosecutors at the federal, state and local levels need to be vigorous; they need our support and they need all the legitimate tools we can provide them to be successful in the pursuit of lawbreakers.

Having said this, my impression of the grand jury system is that it is a weak link in the fine system of justice we have in the United States. Perhaps the reason is the secrecy of the system which keeps its workings out of the public eye. Perhaps it is due to the feeling of the ordinary citizen who makes up the grand jury that he cannot or should not question the government.

THE ACTUAL JURY ROOM EXPERIENCE

There was never any question who was in charge of our grand jury. The U.S. Attorney (I assume with concurrence of the Court) selected our foreman—a pleasant, older gentleman who was about to retire from his job in the Postal Service. The vice-foreman was selected in the same manner. We received brief instruction from the judge, but it was the prosecutor who told us in detail what was expected.

The United States Attorney was an impressive figure to us—urbane, friendly, intelligent, highly skilled in the law and respectful toward we grand jurors. He never became ruffled, not even after long days of testimony or in the face of a grand juror or two who persisted in disagreement.

The U.S. Attorney explained to us that there had been accusations that grand juries served as a "rubber stamp" for the prosecutor. He didn't want us to be a "rubber stamp," he said. But we got down to business and were soon turning out indictments—in batches. We would hear five or ten cases before deliberating and voting the indictments.

The principal impression I received was that the process is very one-sided. It is designed that way, and it will take major and innovative changes to achieve a more balanced and fair process.

On one side is the prosecutor and his team of able assistants. They were, most of them, very sincere individuals, and it was hard or impossible to imagine them doing anything less than honorable in their pursuit of criminals. Aiding the U.S. Attorney and his assistants, other impressive groups and individuals are brought into play: FBI agents—sober, matter-of-fact, no-nonsense, speaking with authority, but sometimes making deprecating remarks about the accused; Treasuary agents—well trained, technicians; Immigration agents—harried, undermanned and undermined by the Executive, Congress and others. Agents from other departments or agencies fell into similar categories.

The point is, on the prosecutor's side were good-intentioned federal attorneys and agents whose only concern seemed to be to do their job simply and fairly. We could identify with them. Like us, they were middle class, with possibly a little more education than the average grand juror. They treated us in a friendly manner as if we were both there for the same purpose—on the same side of the fence, as it were.

And vaguely lurking in the background was the whole power of the federal government—Army, Navy, Air Force—everything. The U.S. Attorney was with the Establishment—the established order and all the power and prestige it had at its command.

On the other side was the accused. Usually one person, but sometimes three, four or more. The U.S. Attorney and the agents that testified told us what the person had done, and it was obvious that our job was to vote an indictment. On occasion we were read a "rap sheet" of the person's former criminal

history. (This history usually consisted of charges against the person, with no indication of whether he or she had subsequently been found guilty.)

Only on a few occasions out of hundreds of cases did we jurors see the accused. Of these, there were a few who turned out to fit what we expected; but more often the person surprised us by making a *better* impression than expected—based on what we'd heard.

Given the forces on the side of issuing an indictment—their impressive numbers and demeanor, our identification with the establishment, the fact we seldom knew the accused in person and the unsavory light the accused was sometimes cast in—all this made the outcome of our cases and the path every grand jury follows all but inevitable.

CHALLENGING THE U.S. ATTORNEY'S CASE

Questioning the case of the prosecutor was a difficult and thankless job for the few grand jurors who at first tried. One assistant to the U.S. Attorney bristled at any suggestion his case was not airtight. He became so verbally abusive in response to grand jurors' questions, which he seemed to consider "insolent," that he began to alienate otherwise submissive and very pro-prosecution jurors.

Grand jurors seemed to fall into three categories in terms of their attitude toward their role. About one quarter were what might be termed prosecution "hawks"—they were for indictment on every case. Their attitude was that the government would not bring a case before the group that wasn't worthy of an indictment. By definition indictments should be issued on all cases. This group had the upper hand from the start since they had on their side the U.S. Attorney who was in charge of the proceedings, plus the other array of federal forces mentioned above.

Another quarter of the group represented the opposite end of the spectrum. This group, which was much less vocal (except among themselves when they were away from the grand jury room), wanted to face every case with an open mind—which was sometimes hard, given the way cases were presented. Their posture was that of being mildly skeptical of the prosecutor's case. But the questions of this group—at first almost pointed, but later apologetic—often seemed, in the context of the way the proceedings were run, to be out of order and impertinent. The foreman was fair, but he tended to be less patient with this type of questioning. The "hawks" often openly attacked these questioners, or more subtly let them know they were "off base." The U.S. Attorney and testifying agents did nothing to discourage this attitude toward the questioners. Soon this group tired of its role owing to lack of support from other grand jurors (even those who felt the same), the sometimes outright hostility of prosecutors, the regular hostility of the "hawks," and the obvious futility of going against the U.S. Attorney's intention to obtain an indictment.

The remaining half of the grand jurors did not seem involved on one side or the other. Some expressed a waning interest in being a grand juror and seldom asked questions or participated in deliberations. Absences were usually from this middle group.

About half way through the term of the grand jury an interesting event took place. The grand jury returned its one and only "no bill." The case involved an older postal worker, and there were numerous questions about whether a criminal act had actually been committed. In deliberations it suddenly became clear that we were about to return a "no bill" and a feeling of awe, daring and electricity swept the group. It was uncomfortable to go up against the government like this. When the Assistant U.S. Attorney returned to the room and learned of the "no bill" he was concerned and critical. He said something to the effect that we couldn't do it and certain forms had to be filled out which we didn't have. It was an awkward moment for all of us, and everyone was glad to move on with business. I wondered how the attorney would explain this rare event to his boss—the U.S. Attorney.

One closing note on the problems with the system encountered during service as a grand juror. At one point the U.S. Attorney assured grand jurors that those we indicted had another chance—they would get a jury trial, and if they were not guilty would not go to prison. The attorney was asked about percentage of cases he got "true bills"—he replied, "99.9%." "What percent of these resulted in convictions?" He did not know. Later we learned that a sizeable number (we could not get an exact figure) of cases we indicted never went to trial! This came as a shock after thinking everyone would get a second chance. Undoubtedly indictments on numerous counts provided a powerful plea bargaining tool for the prosecutor to obtain guilty pleas and thus maintain a good record for the U.S. Attorney.

REACTION TO H.R. 94

H.R. 94 is a good bill that deserves the support of Congress. As a former grand juror, the reforms it proposes seem moderate and overdue. Below are specific comments or provisions of the bill.

GRAND JURY SIZE

The proposal to reduce the size of the grand jury may not be beneficial. In the larger group more points of view can be expressed, which would be important if grand juries do become vocal and independent. Expenditures for grand juries must represent a small fraction of costs of the federal justice system, so a cost savings argument is not really valid.

IMMUNITY OF WITNESSES

The bill states that any individual required to give testimony may not be indicted by the grand jury before which the individual has testified. However, could the individual be indicted before a concurrent grand jury in that district, or a subsequent grand jury that would hear the compelled testimony?

Under Section 2—Recalcitrance, and Section 3—Immunity, stronger and specific provisions might be built in to protect the news media. Our grand jury had numerous cases whereby the prosecutor attempted to force information out of reporters, station managers and other news media personnel related to a crime, wherein persons claiming to have committed the act transmitted information to the news media.

Such pressure tactics on the news media could inhibit the public's ability to learn the truth. Sources will be less willing to inform the media if media personnel can be successfully compelled to reveal sources.

This method of getting evidence seems heavy-handed in view of the vast machinery at the disposal of the federal government to catch wrong-doers. To replace good investigative tactics with getting an armlock on the media seems unfair and something the public should not tolerate.

Section 6 deals with independence of the grand jury and presents good provisions for achieving independence. However, unless grand jurors have a will to be independent and other means, such as those suggested in other parts of this statement are activated, these important improvisions of H.R. 94 can easily be turned aside by the prosecutor. For example, while an individual who is to be indicted can request to appear before the grand jury, the prosecutor can make this testimony unlikely in the way he presents the request. He can remind the jury of its large volume of business, infer that such a hearing would be a waste of time based on the person's previous record, etc.

The bill indicates the government will be required to advise the grand jury of exculpatory evidence. As a grand juror, I requested exculpatory evidence on several occasions. The response was a somewhat short-tempered reply that a) the government wouldn't bring us cases involving an innocent party, and b) the government, out of a sense of fair play, would surely inform us of any evidence which tended to excuse the individual being investigated from the act in question.

However, I cannot recall a single case of exculpatory evidence being introduced, but it is hard to imagine that in the hundreds of cases we heard there was no such evidence. Will putting this requirement in the bill insure that the prosecutor will turn over such evidence? It seems the key will be having a strong and independent grand jury that will start to ask questions if exculpatory evidence never appears.

REPORTS

The reporting requirements required in the bill are excellent. It may be useful in (b)(2), for example, to require not only the number of requests by United States grand juries to the Attorney General for approval to compel testimony, and the number approved, but also the percentage of all investigations which result in such a request. This number would be the number of investigations the district reports under (b)(1) of this same section. The same percentage of all cases can be reported along with the number for (b)(3), (b)(4), (b)(5) and (b)(6). In this way the Congress can determine how one district compares to another, or to the average in, say, the percentage of all investigations that result in witnesses being held in contempt and confined (b)(5), or the percentage of "no bills" resulting from testimony obtained under immunity. Of course, the Congress could compute these percentages, but it may be instructive and motivating to the U.S. Attorneys to see these percentages in their reports going to the Congress.

ADDITIONAL POTENTIAL REFORMS

While H.R. 94 is a commendable bill, more could be done to correct the pervasive problem with the federal grand jury system—lack of grand jury independence.

It seems to me that independence is the key ingredient needed to make the system work. If the grand jury has the legal protections and machinery to act in an independent manner, and jurors are capable and willing to act independently, other desired reforms will follow: A truly independent grand jury will see to it that it gets needed outside counsel and expertise needed to carry out investigations, it will vigorously question misuse of immunity, it will insure that witnesses are protected and treated in a civil manner, and it will place demands on federal prosecutors and their agents to bring in well prepared cases.

GRAND JUROR SELECTION

The place to start in achieving an independent grand jury is with selection of individuals who comprise the jury. In the Northern District of California jurors are selected at random from voter registration rolls. There is little opportunity for individuals who should or want to drop out to do so. The result is a group containing some unwilling members and many who have a neutral attitude toward service. This condition does not foster a strong cohesive group willing to fight the U.S. Attorney or the courts for their independence if necessary, but instead fosters an attitude that the jury should get through its weekly business and its term as quickly as possible.

A means of improving this situation might be to adopt a means of selection used by some counties in California. Allow inter-

ested individuals to "apply" for service as a grand juror. To insure a wide segment of society had the opportunity to participate, a large group of individuals could first be randomly selected from voter registration rolls. These individuals could receive information on grand jury service—its responsibilities, its educational opportunities, its valuable role in the system of justice and the need for a strong, independent grand jury to be formed. The group would be invited to apply. A panel of jurists or, perhaps, a completely independent body made up of both lay persons and experts could be convened to select jurors from the applications. In making their selection, the panel can apply criteria related to interest, independence, availability, balanced points of view, etc. The selection might take place once each year, thereby doing away with the present costly system of selecting from voter lists several times a year.

The method outlined above would seem preferable to the present system and would undoubtedly produce a more independent jury than the present system.

GRAND JURY TRAINING

Our grand jury received a handbook on being a grand juror (it was very brief and general), a set of instructions from a judge that lasted several minutes and then we were in the hands of the U.S. Attorney.

What is needed is some form of outside training for federal grand jurors that is more thorough, considering the hundreds of cases the jury must hear and decide upon. Again, this training should be carried out by an outside, independent source, not the U.S. Attorney. The intent would not be to alienate the jury from the Government, but to clearly establish in jurors' minds their independent role and how to pursue it as the Constitution intended.

The jury should select its own foreman and vice-foreman after a suitable period when jurors get to know each other. The training could incorporate this selection process.

INDEPENDENT ATTORNEY AND STAFF

Section 3330(b)(1) of the H.R. 94 provides conditions under which the grand jury could request that the court appoint a special attorney to assist in inquiries of the jury.

A regular, permanent independent attorney would contribute even more to grand jury independence. This attorney could be present when the U.S. Attorney presents cases for indictment and could advise the foreman without participating himself. As staff to the grand jury, the attorney could be present during deliberations, not as a participant, but to furnish legal advice as requested by grand jurors.

As a private citizen I appreciate the opportunity to testify before this Subcommittee. The Legislative branch of federal government has many areas of interest and responsibility, but grand jury reform, related as it is to the essence of America—individual freedom—must rank high in priority.

I would be pleased to respond to any questions the Subcommittee may have.

GIVE BERGLAND AND AGRICULTURE A BREAK

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. BOWEN. Mr. Speaker, a constituent of mine from Winston County, Miss., Clyde Wallace, has written a very excellent letter to the editor of the Memphis Commercial Appeal, the Midsouth's largest morning newspaper. Mr. Wallace is a dairy farmer, and his viewpoint is worth considering, and I particularly call it to the attention of my urban colleagues, who may not be aware of the problems facing small farmers such as Mr. Wallace.

Those of us who serve on the House Agriculture Committee are privileged to work with our former colleague, the Honorable Bob Bergland, who is now Secretary of Agriculture. Although I do not always agree with every facet of the farm policy espoused by the Secretary and the administration, it is very refreshing to have someone in a policymaking position at the Cabinet level who has firsthand knowledge of the subject and some awareness of the impact policy decisions have on those at the grassroots level.

Mr. Wallace's letter states the case very well, both for the farmer in this country, and for giving Secretary Bergland a chance to help both farmers and consumers. The letter is as follows:

GIVE BERGLAND AND AGRICULTURE A BREAK

To the Commercial Appeal:

I am writing in response to your editorial entitled "Milking Consumers." I am a dairy farmer in Winston County, Miss.

Like Bob Bergland and you, I do not fully understand the working of the milk price support program. I have heard several dairy economic professors say that they didn't either, so I don't feel too badly about this. I do have a clear understanding of several facts.

Today's farmer is a businessman. The minimum investment for a family type dairy farm in my area is $250,000. With that type investment, a farmer will not be a farmer long if he cannot earn a return on his investment. The 40-hour week has a certain appeal to us, too.

You are correct in saying that the 83 percent parity won't quite buy that pair of jeans; nor will it buy that 70-100 horsepower tractor that has doubled in price since 1970. I would also like to point out that feed prices have not declined when compared to six months ago and that feed accounts for only 45–55 per cent of the cost of producing milk.

In summation, I would say that today's farmer will turn elsewhere if he cannot expect reasonable compensation for his labor and investment. Whether or not the consumer buys our product is immaterial, if we cannot sell it at a profit.

It is refreshing to have a man who has been a farmer and faced the despair of drought and other disasters, in a position to deal with the problems that govern the food supply of our great nation and to a lesser extent the world. Why don't farmers and consumers alike give him a chance?

SUPPORTS PRESIDENT'S ENERGY PROGRAM

HON. JOSEPH S. AMMERMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. AMMERMAN. Mr. Speaker, President Carter has challenged us here in Congress to demonstrate that we can act responsibly on the energy issue and produce a program which will deal with our Nation's energy crisis intelligently and effectively.

I support the President's program and I conveyed my views to my constituents in a column for the newspapers in my district which I wanted to share with you:

President Carter's energy program asks America to do something very difficult—to make sacrifices now because of threats which lie in the future.

This past winter gave us a taste of the sort of crisis this nation could face in the years ahead. Our schools were closed. Our factories were shut. Our homes were cold. Our jobs and our creature comforts were threatened.

This crisis resulted from unusually severe winter weather, the worst in decades. However, the cold wave did ebb and so did the gas shortage. By March, things were almost back to "normal" and the crisis almost forgotten.

But I hope last winter's emergency has not been forgotten entirely because President Carter is warning us that unless we act now, more such crises lie ahead.

Therefore, I think it would be irresponsible of me to do anything other than support the President's energy program. It seems to me to be a sound policy, with realistic goals and reasonable methods for achieving them.

The major energy problem we face is that our principal source of energy is petroleum—oil and natural gas—and our supply of petroleum is becoming increasingly unreliable.

The danger we face is not so much that we will literally run out of oil but that we will not be able to increase our supplies as fast as we increase our demand. We may not be able to afford to buy enough foreign oil (or want to). We may not want to accept the financial or environmental costs of increased domestic energy production.

So it seems only logical that the starting point for a comprehensive national energy program would be to conserve and to slow the rate at which our demand for energy is increasing. That is the heart of President Carter's program.

There are no magic solutions in the President's program.

He is asking for a number of tax incentives and penalties to encourage conservation while at the same time he is promoting the development of alternative sources of energy such as solar power and coal.

Some of the penalties may hurt, but I do not think the damage will be severe. Most of the new taxes proposed by the President will be rebated back to consumers. Other taxes, such as the standby gasoline tax, won't cost anyone anything provided we control our consumption of energy.

In fact, I look upon the gas tax as a sort of national referendum on energy. If we conserve, there will be no tax. If we do not, we will have to pay the price.

Incidentally, I was very pleased to see that the President's proposals include provisions for highway maintenance which means that the special problems of rural districts such as ours have been taken into account in shaping the program. Similarily, our district should be helped by the President's plans to encourage the use of coal and to assist small oil producers.

But most of all, I have been pleased to learn that the initial reaction from the public, as reflected in the letters and communications I have received, has been extremely favorable to the President's program.

In this case, the public seems to be far ahead of those members of Congress who have been hemming and hawing about the energy problem. I believe that my constituents want action on energy from this Congress, and I will do everything I can to see that they get it.

UNIVERSAL VOTER REGISTRATION

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. LEDERER. Mr. Speaker, I would like to insert in the RECORD the testimony of Margaret M. Tartaglione, chairwoman, Philadelphia County Commissioners, given before the Committee on House Administration on H.R. 5400. This legislation will provide for the universal registration of voters. I know many of my colleagues in the House will benefit from Mrs. Tartaglione's remarks:

UNIVERSAL VOTER REGISTRATION ACT OF 1977

(Testimony of Margaret M. Tartaglione, Chairwoman, Philadelphia City Commissioners, Commonwealth of Pennsylvania, With Respect to H.R. 5400, Before the Committee on House Administration of the House of Representatves)

To the Honorable Members of the Committee on House Administration of the House of Representatives:

I am Margaret M. Tartaglione, Chairwoman of the City Commissioners of Philadelphia, director of the bureau responsible for administering the registration and election of close to one million citizens of Philadelphia, Pennsylvania. The annual budget of the City Commissioners of Philadelphia is $6,738,220, without allowing for emergency and capital expenditures. My Commission, its employees, and the City of Philadelphia would like to thank the House Administration Committee for this opportunity to address this Body regarding the proposed legislation.

Philadelphia is designated as a city of the first class in the Commonwealth of Pennsylvania having a population in excess of one million. As such, our Legislature has recognized the special problems of the registration and election process by passing an election code for cities of the first class and a separate election code for all other cities, townships, etc. in Pennsylvania. In Philadelphia we have 1783 election districts. A typical district averages 600 registered voters, requires the use of at least two voting machines. Each polling place is located within a separate district and are typically located in buildings such as schools, churches, or private facilities which are rented for one day. Generally, polling places can be characterized as small and sometimes inadequate in terms of space. On election day in Pennsylvania, five election officials conduct and supervise the balloting and the election code requires a watcher from each party or political body be permitted at the polling place. (There are currently five political parties in Philadelphia: Democrat, Republican, Philadelphia Party, Consumer and McCarthy Party).

The County Commissioners seek to establish polling places for the public which are convenient and are organized in a fashion to encourage easy and pleasant voter participation. Unfortunately, it is virtually impossible to find a sufficient number of public and private buildings that are available to accomplish this purpose regardless of the compensation involved and often polling places are housed in locations which are inadequate in terms of space.

Prior to each election, the Registration Division of the County Commissioners actively solicit registration through decentralized traveling registrars and recently through the use of non-personal registration applications (Mail Registration).

Under the current Pennsylvania Election Code all registration in Pennsylvania ceases thirty days prior to election. This is necessary in order to prepare street lists, polling places, certificates, binders and other printed matter for use on election day. This 30 day period of non-registration is also used by the Election Board to instruct and train election officials and disseminate the necessary election paraphernalia. The Pennsylvania Legislature is seriously considering making this type of training mandatory for our election officials thereby further handicapping our staff during the critical thirty day pre-election period. Therefore, we feel proposed legislation must in some way be able to integrate easily with existing state registration requirements. Although, generally speaking, the duties of the County Commissioners of Pennsylvania are ministerial regarding the registration and election process, our employees are also given quasi police and administrative powers. H.R. 5400 in some way should address itself once again to integrating the investigative and quasi police powers of the Commission with those of the U.S. Attorney's Office. We in Philadelphia have a very serious concern for problems involving fraudulent registration and subsequent voting which on the surface seems to be far easier to perpetrate under H.R. 5400 than the existing election code in Pennsylvania. Despite Commission diligence and the aid of our civic "watch-dog" organizations, we feel that fraud would become far more pervasive under H.R. 5400 if it is adopted in its present form.

Present Pennsylvania law provides access to the registration process for the physically handicapped and incapacitated and for those absent from their domiciles because of duties, obligations, schooling or military service. The Commonwealth also has since August 1, 1976 a system of non-personal letter application for registration which has been implemented in Philadelphia at a substantial cost to the taxpayer. In summary, every qualified citizen, regardless of physical disability or private inconvenience, can easily register to vote if in fact they desire to do so. It is to be noted that we are a permanent registration state and unless a change of name or address occurs, or failure to participate within three years in the electoral process should happen, once registered will always remain registered in Philadelphia. We would, therefore, object to the suggestion that voter registration on election day will in fact encourage participation in the electoral process. This entire concept seems to address itself to a media-induced phenomenon of heightened voter interest within the thirty day non-registration period for the election. We feel that while the data available indicates some metropolitan areas have in fact realized greater voter participation because of recent use of registration on election day, that in the long run citizens will neglect to register in person or by mail before election day and will in fact crowd the polling places in an effort to accomplish registration and voting in one stop. Thus, ironically, H.R. 5400 may in fact result in frustrating its very intent by crowding the polling places with registrants on election day. Many citizens will in fact neglect to participate in the election.

A further criticism must be levelled at the lead time provisions of H.R. 5400. While it may be practicable for smaller political subdivisions to implement it by 1978, it would be virtually impossible for Philadelphia to do so without staggering costs. In the alternative, a 1980 deadline with the option to participate sooner, including state elections would probably be more realistic.

We have estimated that 60¢ per vote incentive paid to each state will in no way encourage Philadelphia as a political sub-division to participate in H.R. 5400. The grant is financially inadequate and the method of payment oblique. Under Pennsylvania law each county pays its own costs for registration and elections. Therefore, a grant to the city directly would be far more appropriate; particularly if the subsidy were to reflect the true dollar cost of implementation not only in the federal elections, but the local elections which must in fact follow the lead of the federal code. The two year payment period of course imposes a de facto lending policy of money to the federal government until in fact the bill is paid. The financial state of every American city is so well known to this body that it needs only to be mentioned in passing that this is an unfair burden to the citizens.

With this in mind, we in Philadelphia sincerely feel that if the Government is to expand any funds or resources in the worthwhile effort to encourage citizen participation in the electoral process that those funds and resources be directed to the streamlining and encouraging of the present system which affords every interested citizen complete and easy access to the registration rolls long before election day.

In person and mail registration prior to election day are the real answers to voter access to the polls, not the cluttering of the polling place on election day and late registrants.

In summary, Philadelphia will ask its congressional delegation to oppose H.R. 5400 as it is presently structured and we will ask our Congressman to encourage federal subsidies to aid the Registration Commission in their request to enroll voters to vote during the normal registration periods, particularly through mail registration.

A projection of the estimated cost factors involved indicate the cost of manning the polling places in Philadelphia with a team of three registrars pursuant to the Pennsylvania Registration Code would cost $482,891 each election.

If the Pennsylvania legislature would fail to conform local election procedures with H.R. 5400, our election board may be faced with capital expenditures of more than $4.5 million dollars to equip polling places with separate machines for federal offices. Hauling, maintenance, and storage costs of these machines would be $769,000 annually.

These expenditures are not covered by the $390,000 anticipated stipend under the H.R. 5400 reimbursement formula.

The facts are clear to Philadelphia. We cannot support a bill which financially attacks our community.

Respectfully submitted,

MARGARET M. TARTAGLIONE,
Chairwoman, City Commissioners.

MINIMUM WAGE

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mrs. PETTIS. Mr. Speaker, it has been said that those who are unwilling to defend their freedom will soon lose it. This is true not only of personal freedom but of economic freedom as well. We have coming before us an assault on the economic freedom of those who are least able to withstand it. I am speaking of the proposed increase in the minimum wage.

Who will suffer hardships if the increase goes through? Certainly not anyone in this Chamber; I am sure it is a long time since any of us have had to concern ourselves with the minimum wage level. Certainly not the skilled union members who earn far more than

the minimum, not the professionals, the bureaucrats, or the executives. No, it will be those least able to endure the hardships that will result from diminished employment opportunities: The teenager, who wants to develop some marketable skill, but cannot get the first opportunity to break into the labor market; the housewife looking for some sort of partime work to supplement the family income; the elderly person trying to make ends meet on a social security check. These individuals—the last hired and the first fired—are the marginally employable, the ones who will suffer as a result of the increase in the minimum wage.

For those of you who may have doubts, let us take the example of teenage unemployment. In a study done by Yale Brozen, covering the period from 1949 through 1968, it was demonstrated that each increase in the minimum wage was accompanied by an increase in the unemployment rate for teenagers. Further, the Brozen study clearly demonstrated an upward trend in the overall level of unemployment among this group. This, it should be noted, is in spite of a general increase in the level of education among teenagers. The Brozen study also indicated that nonwhite teenagers suffered more than any other group as a result of the increases in the minimum wage. Perhaps Brozen's own words are the best summary of his findings:

Minimum wage statutes have increased incomes for a few workers at the time of their imposition. These increases would have come anyway, in most cases within two to five years. . . . In the interval between the time that the minimum wage is raised and the time that productivity and inflation catch up with the increase, thousands of people are jobless, many businesses fail which are never revived, people are forced to migrate who would prefer not to, cities find their slums deteriorating and becoming overpopulated, teenagers are barred from obtaining the opportunity to learn skills which would make them more productive, and permanent damage is done to their attitudes and their ambitions.

I might add, Mr. Speaker, that since the Brozen study with the advent of the $2.30 minimum wage, the problem of teenage unemployment—especially nonwhite teenage unemployment—has reached crisis proportions.

We must recognize the minimum wage for what it really is: a way to keep a certain number of persons from entering the labor market and, as such, a limitation on the freedom of our populace to go into enterprises of their own choice.

Further, it is clearly demonstrated that States with wider minimum wage coverage tend to have more unemployment. In a study by Colin and Rosemary Campbell, which dealt with State minimum wage laws as a cause of unemployment, the authors concluded that for the entire period from 1950 to 1965, the rate of unemployment in areas with minimum wage laws was on the average six-tenths of a percentage point higher than areas without such laws; in addition they found that the weighted rate of unemployment in the major labor market areas in States with coverage restricted to women and minors; and they also discovered that the average rate of unemployment in areas with minimum wages by five-tenths of a percentage point for the period studied. These figures are not the most important aspect of this study with regards to the question of whether or not to raise the minimum wage. However, what is more important is the study concluded that—

There is evidence that when states raise their minimum wages, unemployment in these states tends to rise relative to the rate of unemployment in other states.

In the face of such evidence, Mr. Speaker, how can we in good conscience take an action which is likely to further aggravate the unemployment problem? How can we move to raise the minimum wage when there is a substantial body of evidence to indicate that the primary result of that action is to put people out of work—and especially people whom we are trying to bring into the job market through other means? There is no sense to it.

Does it not strike anyone as ironic that on the one hand we are presented with proposals to create a National Youth Conservation Corps, similar to the Civilian Conservation Corps of the Great Depression, and a program of Youth Community Conservation and Improvement Projects in order to alleviate the problem of teenage unemployment, while, on the other hand, we are taking action which will undoubtedly increase it?

Mr. Speaker, it is this sort of contradictory, senseless, counterproductive activity which has lowered the esteem of this body and the Federal Government in the eyes of the public. I must say that I cannot blame them. If we cannot, in light of all the evidence indicating the deleterious effects of increasing the minimum wage, resist the temptation to do so, then perhaps the public is right in their opinions of their Representatives in Washington, and we may see a demonstration of those opinions in the next election.

VALUES IN RURAL AREAS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. JONES of Tennessee. Mr. Speaker, recently, at a banquet for Eagle Scouts held in Jackson, Tenn., Dr. Larry McGehee, the chancellor of the University of Tennessee at Martin, gave a very inspiring speech that I would like to share with my colleagues.

I want to share with other Members of this body, because I think it exemplifies as well as anything I have ever heard or read a great many of those values that many of us who hail from rural areas hold dear. It places in perspective the role that rural areas such as the one I represent plays in this world, and it espouses those inner values that we as individuals aspire to. Dr. McGehee has a reputation as an eloquent speaker and I think that this particular speech is indicative of his talent and the depth of his feelings for other people:

VALUES IN RURAL AREAS

While the Bicentennial last year celebrated the glorious settling of this nation, the political platforms put forth by the major parties last summer were busy promising to save America's cities. The mayors of the major cities met within a week after the election to demand relief.

There's no doubt that most of American is urban America. Ninety per cent of America's people live on 10 per cent of America's land; 80 per cent of England's population live in English cities; and practically all of Europe, from which America has drawn its model of civilization, is urban.

It may be too much to ask our political leaders not to try to save the large cities, since that's where the voters live, but is it too much to ask that they concentrate more attention on saving the people in the cities than on trying to save the physical bodies of the cities in which people are forced to live and work?

It may be that the cities are dead and cannot be saved, but that no one has yet had the courage to give a coroner's report or to design ways to transplant the hearts of cities (their people) to healthier bodies.

The deadening effects of cities have been predicted ever since their creation. Thomas Jefferson warned very early, "The mobs of great cities add just so much to the support of pure government, as sores do to the strength of the human body. It is the manners and spirit of a people which preserve a republic in vigor. A degeneracy in these is a canker which soon eats to the heart of its laws and constitution."

A century and a half after Jefferson's warning, historian Carl N. Degler examined the literature of the cities from the Civil War to the 1960's, a century of what Americans thought and wrote about their own urban environment; and Degler summarized the most frequent descriptions:

Filth; poor sanitation, streets and recreation; tenements; monotony of scenery and of work; loss of privacy; business cheating; impersonality and anonymity; anxiety and loneliness; theft and murder; high accidental death, injury, suicide, divorce, and juvenile delinquency rates; destruction of family life; decreases of reflective planning and increases of reflective responses; loss of traditions;

Class-consciousness and possession-consciousness; noise pollution and air pollution; lack of neighborliness; unproductive competitiveness; lack of outdoor activity; loss of rhythm of the reasons and weather that help people pace themselves; decline of morality; decline of stability; conspicious consumption and conspicuous poverty; and inadequate mental and physical health care.

If we have reached the point where giant cities produce more negative than positive results for people, we may also be approaching a similar point in our growth-oriented economy.

In his 1973 book, Small Is Beautiful: Economics As If People Mattered, E. F. Schumacher says such things as, "How much further 'growth' will be possible, since infinite growth in a finite environment is an obvious impossibility?" "Today we suffer from an almost universal idolatry of giantism."

This 20th century, our non-renewable natural resources have been used more than in all previous centuries of world history put together.

President G. M. Sawyers of Texas Southern University summarized the problem tersely but well: "When one thinks in terms of a

doubling of the population in 25 years and of competition for the earth's shrinking resources, the final horrors of ill-conceived and unconscionably applied management decisions in government become apocalyptically real."

A recurring Old Testament warning says, "He that diggeth a pit shall fall into it." Our biggest cities are almost, if not quite, dead; our resources are almost, not quite, depleted; we have dug our pit. So we face two crises: the death of our cities and the decline in the growth rate in our economy. I want us to consider three responses we can make to these crises.

RESPONSE I. EDUCATION

Given the crises of modern life, the need for education is rather apparent.

We're in the business this year of educating students to work in the years 1977 to 2020 A.D., not to work in the 1950's or 1960's.

If we assume there'll be no catastrophe that will wipe out half the world population, then we have to educate for a world that needs new options in city life,

A world that must have international involvements, because what happens to population in one country or to natural resources in another country or to inflation in yet another affects what happens in all countries,

A world that cannot drift too much to "have-have not" ways of life without risking revolutions,

A world in which it is probable that the average age of death will be 100 instead of 40 as it was last century or 60 as it is today.

A world of ten billion people instead of four billion,

A world that will require more planning with fewer options available to choose from,

A world in which the only protection of the individual is his mind and his command of knowledge,

A world that needs to rediscover morality and ethics.

To send our graduates into that kind of world uneducated is to send Custer against Sitting Bull or Pickett against Meade. They have virtually no chance at all, if we've limited their education.

RESPONSE II. THE RURAL LIFESTYLE

But what has all of this talk to do with West Tennessee?

Just this: by some miracle, this region in which you and I have elected to live has escaped absorption into the mainstream maelstrom of modern society and, although isolated from it, is not so insulated against it as to be unaware of it. That means we live in a region that is rare in today's world and that is also needed in today's world.

West Tennessee is not divorced from the larger world, although the acres of crops, the presence of wild and tame animals, the silence of evenings, the absence of traffic and smog, the hum of tractors and lawnmowers and sprinklers, and the distance to large cities may lead people who know us only as the Beverly Hillbillies or Billy Carters to think we are.

Television and highways, newspapers and travel, tourists, visiting businessmen from urban centers, regional government agencies, all serve to make us aware of the world outside; but most of all our own interest and curiosity keep us constantly alert to the contrasts between our immediate environment and the larger global environment.

Once we're forced to face the fact that using all our unrenewable resources today leaves nothing for our children and grandchildren tomorrow, our insatiable appetites for growth will be replaced by our frentic panic to survive. We are already entering a no-growth economy.

We're now approaching a crisis stage on this issue, which we've been able to forestall as long as possible by ignoring the loss of resources until they're gone or by developing short-term solutions for each resource depletion as it arises.

We've not had to answer the Biblical question, "For which of you, intending to build a tower, sitteth now down first, and counteth the cost, whether he have sufficient to build it?" and thus the cost has been left to be paid at a very high price by later generations.

The arena of our immediate movement is in 20 low-density counties of West Tennessee, of which 16 have average per capita income levels below the average for the state, in a state where the average income is below the national average.

It is a region with only one intermediate size city, Jackson, and a region that currently is properly engaged in promoting better highways, better health care, and more job opportunities.

But because we are in a region that is still developing rather than declining the sphere of our influence and mission is also global, because what we accomplish in developing this region here could give aid and relief to overdeveloped, dying sectors of society elsewhere looking for new models for retrenchment, values, style of life, and survival.

Is it possible, for example, that small and intermediate sizes are better than giant sizes? Can one have fun without a stadium to seat 100,000 people at ten dollars each and without parking lots covering the grass for miles around such stadia?

Can one find culture in books, records, movies, television, touring groups, visiting lecturers and artists, and locally produced drama and concerts, without having to build gigantic cultural centers?

Is God present in the worship of small congregations as much as in churches of 10,000 members with 20 ministers and eight Sunday services?

Is government more responsive to and less costly for the governed in many small towns of 20,000 near a middle size city of 100,000 than in the inner sanctums of million-person metropolises?

Is there more value in a front lawn to mow than in a doormat to vacuum?

Do ethnic groups integrate better in smaller towns than across miles of separated housing districts?

Are the pride and joy of craftmanship found more in the large community-less communities than in smaller communities?

Where do city dwellers spend their weekends and vacations and where do they retire, and why should those places happen to be so different from their urban environment?

How do attendance figures at Shiloh, Natchez Trace, Paris Landing, Pickwick, Reelfoot, and Land Between the Lakes compare with those for Opryland or Libertyland?

What are the proportionate rates between small towns and large cities on indebtedness, suicide, delinquency, crime, drug abuse, dishonesty, cost of living, psychiatric counseling, literacy, or entertaining?

Why is it that the Gallup Poll for November 1976 showed 87 per cent of the American people want to live in communities of less than 100,000 people, and 56 per cent of the American people want to live in communities of less than 10,000?

If it's true that the hopes and desires of humanity are more realizable in developing semi-rural regions such as ours than in burned-out sectors of urban society, how do we educate our children to cherish and cultivate those styles of thought and action, how does each of us apply his or her skills to building a rural option to urban blight, and how do we package and merchandise this model into something to serve our global community as an option to mass mediocrity?

When I consider the world that has been and the world that is at hand, when I consider how West Tennessee of all unpredictable places bestrides both these worlds—the old and the new—in ways most regions cannot, I am possessed by a vision of a quality of life the world is about to lose and longs to retain.

We need desperately to find ways to talk more with one another about our common visions and dreams. We need urgently to clarify our personal and our regional goals for the next year, the next five years, and the next 50 years We need agonizingly to wrestle with the elusive meaning of quality and excellence.

But the solutions we seek, the options we can give the world from the individual and the collective efforts of this small region, and the findings of quality for a society that may not even be aware it has lost it, are not tasks we can tackle if we ourselves are overwhelmed by what we see in the world outside or if we are underwhelmed by our own complacency.

We must escape being engulfed by the intensity and immensity of the world outside West Tennessee, and we must buy time we'll need if we're to transcend that world outside and give it some ideas on how life can be better than it now appears life is going to be in the world as cities decay and growth declines.

Education can help, but the major edge we have is a location in place and time which allows us to contrast the best that we have with the worst of what we could become if we were to be overrun by what has already happened elsewhere, especially by boredom and loneliness.

RESPONSE III. OUR INNER SELVES

The third asset we have going for us in West Tennessee that has drowned elsewhere in the tidal waves of bigness is something I don't know how else to label except as Inner Peace.

I don't know exactly how to describe what Inner Peace is. I sense that other people know intuitively and inarticulately what I try to describe when I talk about it. I don't know whence it comes. If it comes from outside of us, it comes not from the turmoil of the world that touches us on every side, but in spite of that turmoil and from some power that transcends that world.

Even if it comes from inside us, it comes from some power that transcends the ordinary us in an extraordinary way. Whatever the source, it resides within us, so I call it Inner Peace.

I know, too, why it's there. It's there because we had to have it, couldn't endure without it, because the weights of life and the stretching of the mind are too unbearable without the peace that gives us perspective and internal order when confronted with complexity, selfishness, and external disorder, in day-to-day activities.

I know further that Inner Peace is something that produces Quality. Or, as Robert Pirsig puts it, "The way to see what looks good and understand the reasons it looks good and to be at one with this goodness, as the work proceeds, is to cultivate an inner quietness, a peace of mind so that goodness can shine through."

And he adds something else about it that makes good sense, too: "Peace of mind produces right values, right values produce right thoughts. Right thoughts produce right actions and right actions produce work which will be a material reflection for others to see the serenity at the center of it all."

I know further that Inner Peace is something of value to others as much as to myself, and that the best wish we can make for others is that they too possess it.

And more. I know enough of us in West Tennessee have this thing I call Inner Peace, the quality of our work and the meaning our lives will be such that this little outpost of ours can change the world. West Tennessee can change the world by insisting upon

caring, upon developing and preserving individuality, upon pride in craftsmanship of what we make or do, upon quality, and upon smallness as an attribute.

And finally, I have learned that a large part of Inner Peace comes from no longer counting and recounting my own accomplishments but from rejoicing with genuine joy in the accomplishments of others around me, and in encouraging and applauding every effort they make to improve and preserve the good and erase the bad.

CHILD HEALTH ASSESSMENT PROGRAM

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. ROGERS. Mr. Speaker, I have today introduced legislation, the Child Health Assessment Act, an administration proposal designed to expand the availability of health care, particularly preventive health care, to financially needy children. I hope to schedule hearings on this proposal in the near future.

No segment of our population is in greater need of health care, or less able to afford it, than the children of the poor. Such children are more likely to have chronic diseases, spend twice as much time in hospitals, and are bedridden more often than children of families with higher incomes. With adequate preventive care, the health status of poor children could be considerably improved, but, because most poor children do not have regular access to physician care, chronic conditions which often could be prevented are only identified when they become acute and require hospitalization.

The major existing program designed to provide health screening and treatment for financially needy children, the early and periodic screening, diagnosis and treatment program—EPSDT—has been proven to be inadequate. EPSDT presently screens only 30 percent of the 12 million children currently eligible under medicaid and fails to provide treatment for approximately 22 percent of the children found to need treatment. In addition, EPSDT fails to cover the nearly 700,000 children under the age of 6 who are in families whose income meets State financial requirements for medicaid eligibility but whose family structure makes them ineligible.

The proposed new child health assessment program—CHAP—would substantially strengthen the EPSDT program by:

Requiring States to provide medicaid and EPSDT services to the estimated 700,000 poor children under 6 whose family structure makes them ineligible for medicaid.

Providing an incentive to States to improve their current service to all poor children by increasing the Federal medicaid matching rate for all assessment performed for currently eligible children by the States, all such assessment for new children who will not be eligible for the program, and for all ambulatory—nonhospital—medical care required by children who have been assessed. The new Federal match will average over 75 percent of the cost of providing these services, as opposed to the current nationwide average Federal share of 55 percent of all services.

Providing net fiscal relief to the States of some $18 million in fiscal year 1978. The increase in the Federal match will more than offset the higher costs to States of serving more children.

Improving the quality of care for children assessed under this program by gradually phasing in over the next 3 years the requirement that assessments be performed through comprehensive health care centers or primary care physicians capable of delivering necessary follow-up diagnosis and treatment.

Requiring that all children reached by this program be immunized against childhood diseases.

Providing additional incentives to States to meet certain goals and standards by increasing the Federal matching payments from 50 to 75 percent for all medicaid administrative expenses in States which meet such goals while assessing a penalty against the Federal share of medicaid administrative costs for failure to meet certain standards under the current law.

While I look forward to hearing from interested members of the public with respect to the provisions of this proposal and any revisions which may be suggested, I applaud the intent of the proposal to provide badly needed preventive health care and treatment to millions of American children desperately in need of such services. By reaching these children now, they can be better assured of a healthy and productive future.

The following is a brief, section-by-section summary of the Child Health Assessment Act:

SECTION-BY-SECTION SUMMARY

The first section of the bill would provide the short title of the Act—the "Child Health Assessment Act".

Section 2 of the bill would provide the purposes of the Act—to expand the availability of health care to financially needy children, to improve the quality of such care, and to increase immunization levels of children.

Section 3 of the bill would amend section 1902(a)(13) of the Social Security Act by adding two new subparagraphs to the Medicaid State plan requirements. The first would require that, effective October 1, 1977, all children under the age of six who are members of families who meet the income and resources eligibility requirements in each State for aid to families with dependent children (AFDC) be eligible under the State plan for the program currently referred to as early and periodic screening, diagnosis, and treatment (EPSDT). Other provisions in the bill are designed to improve the quality of care under this program and would modify the terms used to describe the program. Currently, the federal law requires that the EPSDT program and Medicaid be made available only to recipients of federal categorical cash assistance, although States may, at their option, make eligible for Medicaid and EPSDT other children under 21 whose families are within the federal income limitations for Medicaid.

The second new paragraph which would be added to the State plan requirements by section 3 of the bill would require each State to make available to any assessed child—whether the child was assessed as required by federal law or at the option of the State—all medical care and services for which federal financial participation under Medicaid is available, other than those for the treatment of mental illness, mental retardation, development disabilities and dental problems not discovered during an assessment. Currently, services which are required to be provided are specified in regulations and are limited to services each State already makes available under its Medicaid plan, as well as services for the treatment of vision, hearing, and certain dental problems.

Section 4(a) of the bill would amend section 1902(a)(10) of the Social Security Act to require that States make eligible for Medicaid all children under the age of six who are members of families who meet the income and resources eligibility requirements for AFDC in each State.

Section 4(b) of the bill would make conforming changes in title XIX of the Social Security Act to make clear that child health assessments and follow-up services provided as a result of amendments contained in the bill are not thereby to be required to be provided to individuals not meeting the appropriate age requirements.

Section 5 of the bill would add a new section to title XIX of the Social Security Act. That section describes the child health assessment program which would be required by the law. The program would be available to AFDC recipients under 21 (as under current law), certain income eligible children under 6 as previously described (currently optional in each State), and other income eligible children under 21 at each State's option. The section would require each health care provider in the program to enter into an agreement with the State Medicaid agency to (1) perform periodic health assessments as required by regulations of the Secretary; (2) assume over the next three years gradually increasing responsibility for the provision of a minimal range of diagnostic and treatment services as required by regulations of the Secretary so that (except in areas where the Secretary grants a waiver) diagnostic and treatment services will be provided directly at the end of the three year period; (3) refer children for other appropriate services; (4) take responsibility for case management; (5) be available to meet the continuing health needs of assessed children; and (6) make reports required by the State or Secretary. The new section 1912 would also make eligible for continued Medicaid services for a period of six months any child who has been assessed but whose family income has increased, or who has become ineligible for AFDC, and would thereby otherwise become ineligible for Medicaid.

Section 6 of the bill would add an additional State plan requirement that States encourage participation by physicians and health care centers in the child health assessment program. It also would require appropriate coordination among relevant State and local agencies and arrangements for the provision of appropriate support services.

Section 7(a) of the bill would provide for increased federal financial participation in the cost of health assessments and all related or follow-up care and services provided to assessed children. Currently, the federal share of the cost of such care is the "medical assistance percentage" for each State. The range of that percentage is between 50 percent and 78 percent (and averages 55 percent). Section 7 would increase the percentage for purposes of the child health assessment program to the average of the current medical assistance percentage in each State and 90 percent or to 75 percent, whichever is greater.

Section 7(b) of the bill would provide a fiscal sanction for any State which fails to meet certain program standards specified in the bill. The sanction would be a reduction by 20 percent of the amount payable to a State for administration of the Medicaid program. Currently the reduction is one percent of federal financial participation in a State's AFDC costs. Other changes in the fiscal reduction provision are that it would be applied only with respect to fiscal quarters after a State is notified of a shortcoming (currently the sanction applies retroactively as well) and that the Secretary could postpone any reduction for up to six months to permit a State to correct its program. The amendment also would allow the Secretary to set by regulation the standards of performance a State must attain.

Section 7(b) would also provide a financial bonus to any State meeting the standards of good performance which the Secretary would specify in regulations. The bonus would be an increase from 50 to 75 percent in federal reimbursement for general State administrative costs for Medicaid.

Section 8 contains three conforming amendments. One would repeal, effective with respect to fiscal quarters after September 30, 1977, the current financial sanction applicable to the AFDC program. The others would modify the terms currently used in title XIX to refer to the child health program and would provide for the transition into the revised program of children currently being served under EPSDT.

MINIMUM WAGE IMPACT ON THE 50 STATES

HON. RICHARD KELLY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. KELLY. Mr. Speaker, I commend to the immediate attention of my colleagues in the House the following statistical analysis of the impact that proposed minimum wage hikes would have on each of the 50 States, prepared by Dr. Jack Carlson of the U.S. Chamber of Commerce.

This chart details the job loss, labor cost increase, and consumer price increase that would occur in each State subsequent to an increase in the Federal minimum wage.

It is high time Congress took a hard look at its priorities for reducing unemployment in this country. Over past years, legislation approved by Congress has resulted in making it more costly for employers to hire workers, while subsidizing to the point of encouraging people not to work. We have been taxing people and subsidizing nonwork.

It is my fervent hope that each Member will look closely at the following material, in anticipation that we may be called upon to vote on a minimum wage bill during the 95th Congress.

FEDERAL MINIMUM WAGE AND ITS IMPACT ON THE STATE OF FLORIDA

(By Dr. Jack Carlson)

An increase in the minimum wage is not like an increase in welfare payments. Wages are paid on the basis of the value of a worker's contribution to a product or service that a consumer is willing to purchase. Consequently, government-directed increases in wages make it impossible for business to hire inexperienced or less skilled workers. As a result, these workers become discouraged and can not find jobs anytime now or in the future. This is a key reason why participation in the labor force and unemployment rates remain unsatisfactory even during good times and why public sector jobs are proposed by the same lawmakers that caused the problem by increasing the minimum wage.

Rep. Dent (D-Pa) and the AFL-CIO support an increase in the minimum wage from $2.30 to over $3.00 an hour with a built-in automatic increase each year to maintain the minimum wage at 60 percent of manufacturing wages, elimination of the tip credit, and elimination of a lower minimum wage for youth workers.

Applying the best study available,[1] if the reaction to this increase is similar to what resulted from minimum wage increases in the past, this proposal could cause the loss of 2 million job opportunities that will not be created as a result of the higher minimum, plus 700,000 layoffs, 4.4 percent higher labor costs for all businesses, but 5.4 percent higher labor costs for small businesses which would reduce competition, and 2.9 percent higher consumer prices for all Americans.

The State of Florida could lose about 121,000 jobs—25,000 jobs for adult women; 28,000 jobs for blacks and other young male minorities (through age 24); and 6,000 jobs for older workers (65 and over).

Florida would also experience a 4.4 percent increase in labor costs for all businesses; 5.5 percent increase for small business; and 3.2 percent increase in consumer prices. Of those workers still employed and at or near the minimum wage, only about one-half would be from households receiving low incomes.[2] Increases in the minimum wage is an undesirable and cruel way to help a few households increase low incomes.

The Administration proposed a more reasonable increase in the Federal minimum wage from $2:30 to $2.50 with automatic adjustments to maintain 50 percent of average manufacturing wages. However, even this seemingly moderate increase could cause a loss of 900,000 full and part-time jobs, an increase in labor costs of 1.4 percent for all businesses and 1.8 percent for small businesses, and an increase in consumer prices of 0.9 percent for Americans.

Under this proposal, Florida would lose about 38,000 jobs: 8,000 adult women; 10,000 white teenagers; 7,000 nonwhite teenagers; 10,000 white workers ages 20–24; 2,000 nonwhite workers ages 20–24; and 2,000 older workers (over 65). Labor costs would increase by 1.4 percent for all businesses, 1.7 percent for small businesses, and consumers would have to pay about 1.0 percent higher consumer prices.[3]

By way of contrast, the stimulus program proposed by President Carter in January was expected to create about the same number of jobs. What government giveth, government can taketh away.

Florida would be better off without an increase in the minimum wage. If an increase is enacted it should be modest, not tied to automatic adjustments and recognize the importance of retaining a full tip credit and provide a 25 percent youth differential.

Footnotes at end of article.

States	Representative Dent and AFL-CIO bill			Administration bill		
	Job loss (thousands)	Labor cost increase, percent	Consumer price increase, percent	Job loss (thousands)	Labor cost increase, percent	Consumer price increase, percent
Alabama	182	4.0	2.9	56	1.3	1.0
Alaska	4	3.2	2.1			(4)
Arizona	25	4.1	3.0	7	1.3	1.0
Arkansas	28	4.8	3.5	8	1.6	1.2
California	271	3.5	2.4	56	.9	5.6
Colorado	31	4.4	3.2	9	1.4	1.1
Connecticut	38	3.8	2.7	12	1.2	.9
Delaware	8	3.6	2.6	2	1.2	.9
District of Columbia	10	2.7	1.8			(4)
Florida	121	4.4	3.2	38	1.4	1.1
Georgia	73	4.4	3.2	23	1.4	1.1
Hawaii	15	4.0	2.9	3	1.3	1.0
Idaho	9	5.0	3.6	3	1.6	1.2
Illinois	149	4.0	3.0	47	1.6	1.0
Indiana	65	3.9	2.8	20	1.3	.9
Iowa	33	4.1	3.0	10	1.3	1.0
Kansas	27	4.4	3.2	8	1.4	1.1
Kentucky	37	4.3	3.1	12	1.4	1.0
Louisiana	47	4.5	3.3	15	1.5	1.1
Maine	11	4.7	3.4	3	1.5	1.1
Maryland	57	3.9	2.8	18	1.3	.9
Massachusetts	73	4.2	3.0	23	1.4	1.0
Michigan	120	3.6	2.6	38	1.2	.9
Minnesota	49	4.2	3.0	15	1.4	1.1
Mississippi	30	4.4	3.2	10	1.4	1.1
Missouri	60	4.2	3.0	19	1.3	1.0
Montana	14	5.1	3.7	4	1.7	1.2
Nebraska	19	4.6	3.3	6	1.5	1.1
Nevada	7	4.2	3.0	2	1.4	1.0
New Hampshire	9	4.5	3.3	3	1.5	1.1
New Jersey	88	3.6	2.4	28	.9	5.7
New Mexico	12	4.7	3.4	4	1.5	1.1
New York	204	4.0	2.9	64	1.3	1.0
North Carolina	81	4.2	3.1	25	1.4	1.0
North Dakota	7	5.1	3.7	2	1.7	1.2
Ohio	132	3.9	2.8	42	1.3	.9
Oklahoma	32	4.2	3.1	10	1.4	1.0
Oregon	24	4.6	3.4	8	1.5	1.1
Pennsylvania	133	3.9	2.8	42	1.3	.9
Rhode Island	13	4.2	3.1	4	1.4	1.0
South Carolina	45	4.2	3.0	14	1.4	1.0
South Dakota	8	4.9	3.5	3	1.6	1.2
Tennessee	50	4.1	2.9	16	1.3	1.0
Texas	153	3.7	2.8	48	1.3	.9
Utah	14	4.3	3.1	4	1.4	1.0
Vermont	5	4.8	3.5	2	1.6	1.2
Virginia	65	3.7	2.7	20	1.4	.9
Washington	42	4.3	3.1	13	1.4	1.0
West Virginia	14	4.3	2.7	4	1.4	.9
Wisconsin	56	4.6	2.9	18	1.3	1.0
Wyoming	4	5.4	3.9	1	1.7	1.3

FOOTNOTES

[1] Jacob Mincer, Unemployment Effects of Minimum Wages, *Journal of Political Economy*, Vol. 84, Number 4, Part 2, August 1976.

[2] Edward M. Gramlich, "Impact of Minimum Wages on Other Wages. Employment and Family Incomes," *Brookings Papers on Economic Activity* (1976).

[3] All estimates take into account state minimum wage laws.

[4] State minimum negates impact of Federal proposal.

[5] While state minimum is $2.50 per hour it does not have an automatic escalator clause which the Administration proposal has.

WASTEFUL CONSUMER AGENCY

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. GRASSLEY. Mr. Speaker, my colleague from the State of Wisconsin (Mr. STEIGER) pointed out yesterday that more than half of the articles inserted in the CONGRESSIONAL RECORD are taken from either the Washington Post or the New York Times. I will allow that these two newspapers are reasonably well-informed at least part of the time.

There are hundreds of newspapers across the United States whose circulation is no match for the Post or the Times. However, their grasp and understanding of the issues of the day, as exemplified by editorials and opinion columns, is at least equal to that of their eastern seaboard counterparts.

The following editorial which appeared in the April 21, 1977, Waterloo Courier is a good example of what I am talking about. Its analysis of the proposed agency for consumer protection is worthy of review by Members of the House. Perhaps we ought to begin paying more attention to what the writers back home are saying.

MONSTER AGENCY FOR CONSUMERS WOULD BE WASTE

Creation of a national super consumer protection agency would be a terrible waste of energy and money, especially at a time when energy of all kinds should be directed to fruitful and efficient production.

Yet many Washington observers expect legislation to create such an agency to reach President Carter's desk by mid-summer.

And unlike Presidents Richard Nixon and Gerald Ford who stymied such measures for the past seven years, President Carter has promised to support a separate agency whose stated goal is to "safeguard" consumer interests.

But which consumers? All consumers? Every American is a consumer and yet Americans have a multiplicity of interests, tastes, life styles and buying habits.

There is no such thing as a "consumer interest" which can be represented by a single agency.

Each group of consumers has its own platform which the majority of other Americans do not espouse. Aggressive minority groups would use such a "super agency" to force their views and wishes on the majority.

And make no mistake about this. The proposed Agency for Consumer Advocacy (ACA) would have super powers. For example, critics note, it would have open-ended litigation authority which would permit it to challenge and overturn any governmental decision in the courts—from Defense Department procurement to foreign trade.

The ACA would have absolute power to interfere in the affairs of all governmental agencies, second-guessing their decisions and operating independently of the Executive Branch and Congress.

To give such unlimited power to one agency—and thus to the narrow special interest groups whose pleas it might heed—is both dangerous and potentially chaotic.

Existing agencies probably would be even more reluctant to act than they are now, fearing they might reach decisions that the ACA would not approve.

In addition, the ACA's power to appeal decisions to the courts would delay final actions by governmental agencies for years.

The ACA also would be both inflationary and costly. It would cost a minimum of $60 million to set up and operate for three years, plus the additional costs to other agencies responding to ACA demands and the costs to business and consumers of meeting ACA regulations.

Even more to the heart of the issue, however, is this question: Isn't one prime purpose of all government branches and agencies to protect consumers in as many ways as feasible?

The federal government has 33 agencies and about 400 bureaus and sub-agencies running more than 1,000 consumer-oriented programs.

Congress also has established a dozen more regulatory agencies with the purpose of protecting consumers.

Establishing another agency—this one with super powers and the clear potential of super-growth—hardly squares with President Carter's campaign pledge to reduce the scope and activities of the federal government and to trim bureaucracy.

Government can't protect everyone from everything. Enough is too much already.

CAMPAIGN TO OUTLAW U.S. FOREIGN AND DOMESTIC INTELLIGENCE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. McDONALD. Mr. Speaker, at the National Lawyers Guild's "Conference on Government Spying," held in Chicago, January 20–23, 1977, an elite group of NLG members unveiled a new pressure group to seek the outlawing of U.S. foreign and domestic intelligence gathering.

The new pressure group is called the Campaign to Stop Government Spying (CSGS); and although the organization claims to have been formed "in response to the need for unified action around the country to stop political spying," it was actually developed by a small elite group of NLG members, a number of them associated with the Institute for Policy Studies (IPS) and the Center for National Security Studies (CNSS) and others who have been representing the Cuban and other Marxist-Leninist governments as well as the U.S. section of the Fourth International, the Trotskyite communist coordinating body which has been engaged in terrorist "armed struggle" operations in Latin America and Europe in coordination with the Cuban regime. At least two of the attorneys involved, Ralph Stavins and Robert Borosage, were involved with Orlando Letelier, an "agent of influence" and covert conduit for Soviet and Cuban funds.

The CSGS calls for ending all American "covert operations" abroad, noting that—

> Many of the organizations and individuals involved in the Campaign believe that the end of secret government can only be accomplished by a prohibition of all secret spying in peacetime.

A second CSGS demand is that all intelligence gathering in the United States by Federal, State, or local law enforcement agencies should be "clearly prohibited." The third demand is that detailed budgets and reports on all intelligence agencies be made public.

As the CSGS staff has informed my staff, the organization does not necessarily expect to win those demands—at least not immediately. The demands are considered by the CSGS strategist as a sort of "left stalking horse" to be used in winning other demands which would effectively cripple the foreign and domestic intelligence community.

The goals that the CSGS organizers feel are attainable are requiring detailed disclosure of the budgets for the Federal intelligence gathering agencies, persuading Congress to enact such strict "guidelines" as to make covert intelligence gathering too costly in time and effort to be feasible, and persuading States and local communities to either forbid intelligence gathering or to enact such strict guidelines as to make it unfeasible.

The CSGS "chairperson" is Morton Halperin, director of the project on national security and civil liberties operated jointly by the Center for National Security Studies and the American Civil Liberties Union (ACLU). Other staff includes the Washington organizer and lobbyist for the Communist Party, U.S.A.'s legislative action front, the National Committee Against Repressive Legislation (NCARL), Esther Herst. Her role is to "contact national groups to join the campaign and assists them in the formulation of program and policy relating to the campaign and assists them in the formulation of program and policy relating to intelligence abuse."

In other words, Esther Herst, who since the early 1970's has been an organizer for a CP front, having previously worked for NCARL's Chicago chapter called the Chicago Committee To Defend the Bill of Rights, is responsible for recruiting new groups to join CSGS, for directing them in producing an anti-intelligence gathering policy, and then drafting an anti-intelligence program for them.

Other CSGS staff includes Peggy Shaker, coordinator; Linda Lotz and Claudia Comins, "speaker/organizing associates"; Charles Preston, field organizer; and Margaret Van Houten, formerly with the Organizing Committee for a Fifth Estate (OC–5) and Counter-Spy magazine, as CSGS's "speaker consultant."

CSGS is currently developing funding

sources and a speakers program to gain publicity. Morton Halperin went to Great Britain to meet with CIA turncoat and self-styled "revolutionary Socialist" Philip Agee who is still appealing his deportation order. Halperin hopes that if Agee does return to this country now that the Department of Justice has informed Agee's lawyers that no charges are pending, Agee will be the nova in his speakers galaxy of anti-intelligence stars who could clean up on the college lecture circuit.

Of the 20 listed speakers, 7—Eqbal Ahmad, Jerry Berman, Robert Borosage, Courtland Cox, Halperin, John Marks, Ralph Stavins—are from the Institute for Policy Studies/Transnational Institute apparatus; 8 are with the Center for National Security Studies—Berman, Borosage, Cox, Halperin, Macy, Marks, Marwick, and Shattuck; Butz, Osborn, and Van Houten from the Public Education Project on the Intelligence Community (PEPIC); and the Stalinists' position against intelligence gathering is represented by identified CPUSA functionary Frank Wilkinson, head of NCARL, and by NCARL staffer Esther Herst.

CSGS speakers include:

Eqbal Ahmad, Director, Transnational Institute (TNI); Fellow, Institute for Policy Studies; editor of *Afrique Asie;* specialist in counter-counter-insurgency in "Third World" revolutionary activities.

Jerry J. Berman, co-director of the Center for National Security Studies (CNSS) Project on Domestic Surveillance; attorney for the Institute for Policy Studies in a lawsuit against the government being handled by the National Emergency Civil Liberties Commitee (NECLC), a CPUSA front. He is co-counsel with the American Civil Liberties Union (ACLU) on "surveillance litigation." Berman is a principal author of "model" legislation which has now been introduced in Congress which would by statute outlaw intelligence collection by covert means except in time of formally declared war. CNSS has frankly said that the bill is to serve as the legislative "left stalking horse" for other regulations which would so restrict and oversee any covert intelligence activities that they would be unfeasible.

Nancy Borman, co-publisher of *Majority Report;* member of the Working Committee on Women Against Government Surveillance Project; and specialist in objecting to law enforcement investigation of the sort which harbored Weather Underground and other terrorist fugitives during the 1970s.

Robert Borosage, Co-director of the Center for National Security Studies; trustee of the Institute for Policy Studies and former member of the IPS staff; member of the National Lawyers Guild and attorneys for IPS in its lawsuit being handled by the NECLC.

Timothy Butz, Public Education Project on the Intelligence Community; former VVAW activist and founder of the Organizing Committee for a Fifth Estate (OC–5 and its Counter-Spy magazine).

Courtland Cox, Director of the Center for National Security Studies' Southern Africa Project; secretary-general of the Sixth Pan-African Congress in Tanzania; commentator on southern African matters for the taxpayer-funded Public Broadcasting System; former IPS "fellow."

Hope Eastman, Associate director of the ACLU's Washington office; formerly active in the ACLU's "Impeach Nixon Campaign"; and vice-chairperson of the American Bar Association Committee on Rights for Women.

Morton Halperin, Director of the joint ACLU/CNSS Project on National Security and Civil Liberties; former member of the senior staff of the National Security Council; former Assistant Secretary of Defense who was in part responsible for setting up the conditions under which Daniel Ellsberg was able to steal the Pentagon Papers.

Esther Herst, Washington coordinator of the National Committee Against Repressive Legislation (NCARL), a CPUSA front; and executive coordinator of the Anti-Senate Bill 1 Coalition, an effort to block enactment of stronger laws against the unauthorized disclosure of classified government information.

Christy Macy, Center for National Security Studies staff; former editor of *Indochina Today,* which supported the Vietcong and Communist aggressors. Her special interest is campus agitation against intelligence gathering.

John Marks, Director of the Center for National Security Studies' CIA Project; co-author of the *CIA and the Cult of Intelligence* with Victor Marchetti. Marks lectures on "any aspect of CIA activity from assassination plots to propaganda." He also bills himself as an "investigative journalist."

Jay A. Miller, Associate Director of the ACLU's Washington Office; director of the ACLU Campaign Against Senate Bill 1 and field director of the ACLU's anti-intelligence campaign.

K. Barton Osborn, of the Public Education Project on the Intelligence Community (PEPIC), formerly with OC–5/Counter-Spy and published as an "ex-CIA agent with the Phoenix Program" speaking on the "history of CIA assassinations" and the "CIA's Phoenix Assassination Program."

Christine Marwick, editor of the Center for National Security Studies/ACLU newsletter, *First Principles.*

John Shattuck, Director of the American Civil Liberties Union's Washington national office.

Daniel Sheehan, General counsel of the National Jesuit Office of Social Ministries whose "credits" include serving as a counsel for the defendants in the New York Times Pentagon Papers case, the Attica Prison riot case.

Ralph Stavins, Director, Project on Official Illegality at the Institute for Policy Studies. Co-author, *Washington Plans an Aggressive War.* Focus: Efforts to Suppress Disclosures of Illegal Activities by Employees of National Security Agencies. Topics: Structural Abuses Within the CIA; The CIA as an Instrument of U.S. Foreign Policy; Foreign Intelligence Agencies and the CIA.

Margaret Van Houten, Coordinator, Public Education Project on the Intelligence Community. Co-author, "CIA as White-Collar Mafia." Focus: Criminal Justice Data Banks. Surveillance of Women's Organizations. Topics: The FBI's View of the Women's Movement; The Use of Agents and Informers; Tactics and Strategies for Local Organizing.

Frank Wilkinson, Executive Director and Field Representative, National Committee Against Repressive Legislation.

Anne Zill, Executive Director, Fund for Constitutional Government, Chairperson, Women's Campaign Fund. Author, "The Closet Chauvinists in Washington."

The CSGS is working closely with the American Friends Service Committee (AFSC) which has targeted Los Angeles; Jackson, Miss.; Seattle; Minneapolis; Cleveland; Baltimore and Philadelphia "for special organizing attention." AFSC's "special organizing attention" is being developed through its "Program on Government Surveillance and Citizens Rights" whose coordinators are Thelma Segal and Zoharah Simmons. AFSC's antisurveillance program is working in close association with the ACLU and NLG from AFSC's national offices at 1501 Cherry Street, Philadelphia, Pa. 19102. The AFSC anti-intelligence program has announced four goals, identical with those of the CSGS:

To abolish the CIA, the Internal Security Division of the FBI, and all other Federal, State, and local intelligence units;

To end "political spying" in the United States;

To end secret budgets and secret charters of intelligence agencies;

To develop a campaign for intensive congressional monitoring of all intelligence agency activities with a view toward preventing any covert activity and encouraging criminal prosecution of any intelligence agency employee who performs any act in the United States or abroad in violation of the strictest interpretation of the U.S. Constitution.

In the target cities—selected by reason of local AFSC capability and the expansion potential of local New Left groups—the AFSC anti-intelligence campaign will include holding teach-ins and "community" meetings to publicize selected information on law enforcement intelligence activities to be obtained from discovery proceedings in lawsuits which have been or are about to be filed.

The campaign organizers will also seek to develop a pressure campaign on local government bodies to pass CNSS-drafted "model" legislation banning or severely limiting police intelligence gathering.

In addition to the AFSC program, local anti-intelligence coalitions with similar goals are already operating in Chicago, Cleveland, Detroit, Milwaukee, Minneapolis, Pittsburgh, Seattle, and Jackson, Miss.

The Mississippi project is based around a class action suit filed by the local ACLU chapter with additional plaintiffs including Ken Lawrence, formerly of the staff of the Southern Conference Educational Fund (SCEF); the Delta Ministries and its leader Owen Brooks. That suit demands that the records of the former State Sovereignty Commission be made available to an alleged 10,000 individuals who may have been surveilled during the Commission's active years—1956–73. A second suit alleges that the State Community Relations Service was used to gather information on "political activists" in northern Mississippi.

The Campaign to Stop Government Spying has begun circulation of a "members-only" newsletter called Organizing Notes. The newsletter has provided a summary of CSGS's initial activities and interests:

In Chicago, the Alliance to End Repression, a coalition of 50 groups, has been organizing around their anti-Red Squad class-action suit, as well as other criminal justice issues. For information about their work contact the Alliance at 22 E. Van Buren, Chicago, IL 60605 (312/427–4064), Richard Gutman, or their Chicago Police Surveillance

Litigation and Education Project at 407 S. Dearborn, Chicago, IL 60605 (312/663-6392).

Cleveland has just begun its Campaign to Stop Government Spying, bringing together the ACLU, AFSC, ADA [Americans for Democratic Action] Clergy and Laity Concerned (CALC), Women Speak Out for Peace and Justice, and others. They just had a kick-off meeting with Morton Halperin and more information can be had from Roma Foldy, Cleveland ACLU, 2108 Payne Ave., Room 501, Cleveland, Ohio 44114 (216/781-6276).

In Detroit, the Citizens Committee to End Political Surveillance, 506 Monroe Street, Detroit, Michigan 48226 (313/963-0843) is a coalition of groups like the ACLU, AFSC, and the National Lawyers Guild (NLG). They have been taking legal action against local police harassment and making available secret police files gathered on Detroit residents. George Corsetti is the person to contact.

Milwaukee has a group called Protect Political Rights, which has been trying to stop Milwaukee Common Council from funding the local police intelligence squad and has sued to open the secret police files. Political Rights wants to reach out to other Milwaukee and Wisconsin groups, and, if you would like to help or want more details contact Jess Kleinert, P.O. Box 12388, Milwaukee WI 53212 (414/372-3492).

The Minneapolis Citizens' Review Commission on the FBI, 122 W. Franklin Ave. Room 392, Minneapolis, MN 55404 (612/871-8033), is a coalition of 27 groups including ACLU, CALC, and Twin Cities NOW, which will investigate the FBI's actions in Minnesota, North and South Dakota. It held public hearings on February 3-6 to publicize FBI harassment of Native Americans on the Pine Ridge Reservation, South Dakota. A panel of respected citizens heard testimony from representatives of AIM, AFSC, the Political Rights Defense Fund, and the United Methodist Church. The hearing was held to increase pressure for official investigations into FBI abuses.

The Pittsburgh Campaign Against Government Spying is just beginning to contact other groups around the city to form a coalition. So far, the ACLU, AFSC, and the Unitarian Universalist Assn. have agreed to join. Contact: John Livengood, 154 N. Bellefield Apt. 7L, Pittsburgh, PA 15213 (412/621-0453) or Ellen Doyle, ACLU, 237 Oakland Ave., Pittsburgh, PA 15213 (412/681-7736).

In Seattle, a Coalition on Government Spying has been formed including the ACLU, AFSC, and NLG. It is working with the Seattle City Council on hearings to regulate "red squad" activities by local police. The Coalition is located at 814-NE 40th St., Seattle, WA 98105 (206/624-2180) and Betty St. Clair is the person to contact.

The Campaign to Stop Government Spying now has 36 member organizations which include:

MEMBER ORGANIZATIONS OF THE CAMPAIGN TO STOP GOVERNMENT SPYING

American Civil Liberties Union, 410 First St. SE, Washington, DC 20003, 202-544-1681, Jay Miller.

Americans for Democratic Action, 1411 K St. NW, Washington, DC 20005, 202-638-6447, Leon Shull.

American Friends Service Committee, 1501 Cherry St., Philadelphia, Pa. 19102, 215-241-7000, Thelma Segal and Zoharah Simmons.

Black Panther Party, 8507 E. 14th St., Oakland, PA 94621, 415-638-0195, Elaine Brown.

Center for Constitutional Rights, 853 Broadway, New York, NY 10003, 212-674-3303, Rhonda Copelon.

Center for National Security Studies, 122 Maryland Ave. NE, Washington, DC 20002, 202-544-5380, Robert Borosage.

Center for Science in the Public Interest, 1757 S. St. NW, Washington, DC 20009, 202-332-4250, Donna Warnock.

Church of Scientology, Commission on Law Enforcement and Social Justice, 2125 S. St. NW, Washington, DC 20008, Judy Cranford.

Commission on Social Action for Reform Judaism, 2027 Massachusetts Ave. NW, Washington, DC 20036, 202-387-2800, Rabbi David Saperstein.

Counter Spy, Box 647, Ben Franklin Station, Washington, D.C. 20044, Winslow Peck.

Department of Law, Justice and Community Relations of the Board of Church and Society of the United Methodist Church, 100 Maryland Ave. NE., Washington, D.C. 20002, 202-488-5600, Rev. John Adams.

Environmental Policy Center, 317 Pennsylvania Ave. SE., Washington, D.C. 20003, 202-547-6500, Bob Alvarez.

Federation of American Scientists, 307 Massachusetts Ave. NE., Washington, D.C. 20002, 202-546-3300, Michael Mann.

Friends of the Earth, 620 C St. NE., Washington, D.C. 20002, 202-547-4312, Pam Lippe.

Friends Committee on National Legislation, 245 2nd St. NE., Washington, D.C. 20002, 202-547-4343, Ed Snyder.

Fund for Constitutional Government, 122 Maryland Ave. NE., Washintgon, D.C. 20002, 202-546-3732, Anne Zill.

Grand Jury Project (NLG), 853 Broadway, Room 1415, New York, N.Y. 10003, 212-533-2299, Julie Schwartzberg.

La Raza Unida Party, 551 S. Maclay, San Fernando, Calif. 91340, 213-361-7341, Eugene Hernandez.

Leonard Peltier Defense Group, PO Box 190, Minneapolis, Minn. 55440, 612-331-4870.

John Trudell, National chairman, American Indian Movement (CAIM).

National Committee Against Repressive Legislation, 510 C. St. NE, Washington, D.C. 20002, 202-543-7659.

National Conference of Black Lawyers, 126 W. 119th St., New York, NY 10026, 212-866-3501, Lennox Hinds.

National Emergency Civil Liberties Committee, 26 E. 26th St., New York, NY 10010, 212-683-8120, Edith Tiger.

National Indian Youth Council, Inc., 201 Hermosa, NE, Albuquerque, NM 87108, 505-266-7966, Gerald Wilkinson.

National Jesuit Social Apostolate, 1717 Massachusetts Ave. NW, Washington, DC 20036, 202-462-7008, Dan Sheehan.

National Lawyers Guild, 853 Broadway, New York, NY 10003, 212-260-1360, Eda Gordon.

National Organization for Women, 520 Butternut St. NW, Washington, DC 20012, 202-387-6895, Sara Nelson.

National Student Association, 2115 S St. NW, Washington, DC 20008, 202-265-9890, Richard Kinane.

People's Business Commission, 1346 Connecticut Ave. NW No. 1010, Washington, DC 20036, 202-833-9121, Dan Smith.

Public Education Project on the Intelligence Community, 2311 18th St. NW, Washington, DC 20009, 202-234-0241, Margaret Van Houten.

Puerto Rican Solidarity Committee, 1500 Farragut St. NW, Washington, DC 20011, 202-723-8274, Phil Wheaton.

United Church of Christ, Commission for Racial Justice, 297 Park Ave. South No. 23, New York, NY 10010, 212-475-2121, Irv Joyner.

United Church of Christ, Office for Church in Society, 110 Maryland Ave. NE, Washington, DC 20002, 202-543-1517, Barry Lynn.

Urban Policy Research Institute, 321 S. Beverly Dr., Beverly Hills, CA 90212, 213-553-4161, Dan Noyes.

Washington Office, United Presbyterian Church USA, 110 Maryland Ave. NE, Washington, DC 20002, 202-543-1126.

Women's International League for Peace and Freedom, 120 Maryland Ave. NE, Washington, DC 20002, 202-546-8644, Joann Brooks.

Women Strike for Peace, 120 Maryland Ave. NE, Washington, DC 20002, 202-546-7397, Edith Villastrigo.

MARTIN LUTHER KING, JR.: THE LEGACY MUST BE CARRIED ON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. RANGEL. Mr. Speaker, I am sure my colleagues will never forget the brutal assassination, in 1968, of the great American civil rights leader, Dr. Martin Luther King, Jr. His leadership helped change many of the wrongs which faced our Nation in those bleak days of the 1960's civil rights movement.

Although his death is what shocked many, his success and dream is what must be remembered. Many of the inequalities he tried to change have not yet been corrected. Blacks still live on a margin of economic existence, with discrimination and prejudice still tainting our society. Blacks must still have hope, the hope that Dr. King possessed.

To this end I would like to share with my colleagues a speech by Eddie N. Williams, president of the Joint Center for Political Studies at the U.S. Department of Health, Education, and Welfare on January 14, 1977. I am sure the speech will be very interesting and informative to my colleagues.

The text of speech follows:

FROM PROTEST TO POLITICS: THE LEGACY OF MARTIN LUTHER KING, JR.

(Remarks by Eddie N. Williams)

His struggles were inspired by his religious faith and his commitment to the brotherhood of man. Without his faith he would never have had strength to climb mountains, to move powerful men, or to walk so long and so tall in the valley of the shadow of death. It was this central element in his life of struggle which rewards every new examination of it. The depth of meaning of his life is unfathomable, inexhaustible and fertilizing—from one generation to another. Those who survive must confront the power of his character and moral presence, the force of his personality, the charisma of his being, the creativity of his thought, and the invincibility of his belief that God called him and therefore he knew no fear in his struggle.

These words are inadequate to honor Martin Luther King, Jr. They were equally inadequate to record the meaning and impact of another powerful leader and theologian, Martin Luther, who wrote his own epitaph in words fitting to our leader: "I neither can nor will recant anything, since it is neither right nor safe to act against conscience." *"Here I stand. I can do no other."*

Martin Luther King, Jr.—at a later time, another place—stood his ground, and could do no other, in the struggle against bigotry, injustice and immorality. Clear vision, courage, and determination were the hallmark of his life.

We meet today to pay tribute to his leadership—for Black Americans, yes—but indeed for all Americans and all people. It is a symbolic occasion to reaffirm our own commitment to the brotherhood of man and to rededicate ourselves to his dream for America.

We meet to gain strength from his courage, from the beginning in Montgomery, Alabama, in 1955, to the end, in Memphis, Tennessee, in 1968—thirteen years which changed and are still changing the life of a nation.

We meet to say thanks for his victories on so many battlefields: Montgomery bus boycott; public accommodations; voting rights; equal employment opportunity. We are fired by his inspiration, his sermon of love and hope. We continue to share his dream that one day "sons of former slaves and sons of former slaveowners will be able to sit down together at the table of brotherhood" and that "little black boys and black girls will be able to join hands with little white boys and white girls as sisters and brothers."

We meet to pay tribute to this southern son of a former slave before we inaugurate a southern son of a former slaveowner who owes, and knows that he owes, his presidential fortune, in large part, to the vision and sacrifice of Martin Luther King.

We meet to excuse harsh criticism of King's courageous stand against an immoral war, before we accept the confirmations of those who waged that war.

And we meet to forgive those American diplomats who told King to keep his nose out of foreign policy, before we swear in one of King's chief lieutenants as American Ambassador to the United Nations.

But above all, we meet to rededicate ourselves to the proposition that Martin Luther King's dream cannot, must not be deferred.

It is with these things in mind that we mark the 48th anniversary of his birth.

We could honor his memory in a thousand ways. As for me, a son of the south, an Atlanta newspaper reporter in the late fifties, and an occasional interviewer of Dr. King, I would like to honor him today for the political legacy he gave to the disadvantaged in America.

His legacy challenges each of us to use the power of politics and public office to pursue equal justice, due process of law and true liberation for all Americans. It challenges us to believe—as he did—that "Injustice anywhere is a threat to justice everywhere" and that "we are caught in an inescapable network of mutuality tied in a single garment of destiny."

What King knew, as did others before him, was that in America political participation is the shortest road to power-sharing and to improving the human condition. Law has its limits. Moral suasion has its limits. But politics endures so long as we profess to be a democratic society.

"For years," he said in 1967, "I labored with the idea of reforming the existing institutions of the society, a little change here, a little change there. Now I feel differently. I think you've got to have a reconstruction of the entire society, a revolution of values."

This non-violent revolution must rely, in part, on law and moral suasion, but it most certainly must rely on direct political action. Clearly, this is the new cutting edge of the civil rights movement which was envisioned in King's call for a new thrust "powerful enough, dramatic enough, morally appealing enough, so that people of good will, the churches, labor, liberals, intellectuals, students, poor people themselves would begin to put pressure on congressmen" to achieve the goals of a just society. As one author put it, "Racial compassion had to be reinforced by old fashioned American political *quid pro quo.*"

This strategy is as old as America and as American as apple pie. What is new in our day is the use of political power and public office to pursue the hopes and aspirations of black people.

Martin Luther King gave focus and leadership to this struggle for political empowerment. The cause may have been education, or food, or jobs, or the right to sit in a restaurant or take any seat on a bus, but the objective was always the same: to achieve true equality and justice; to be heard, to be taken seriously, to be respected; to sit in the legislative and executive chambers and take part in the decisions on who gets what, when and how in our society.

And King knew, as do we, that it is one thing to get the laws on the books but quite another to have them implemented. Implementation is what the political process is all about.

Just before he died, Dr. King saw his dream beginning to become reality. Street politics moved indoors into Congress, into state houses, into city halls. And today the number of black elected officials has more than quadrupled.

No, the civil rights movement is not dead. It is marching to the beat of different drummers. Its leaders are *sitting-in* at city halls and state legislatures and the U.S. Congress. They are *marching* into executive offices. They are *burning* the political system with their ideas.

And even before black voters went to the polls and cast 92 percent of their votes for Governor Jimmy Carter, James Baldwin wrote:

"No matter how diversely, and with what contradiction, the black vote is cast in the 24 years left of this century's life, the impact of the visible, overt, black presence on the political machinery of this country alters, forever, the weight and meaning of the black presence in the world."

Yet, so much remains to be done.

For blacks and the poor it is a time of despair as well as a time of hope. It is the convergence of these two realities—despair and hope—which confronts, challenges, and mesmerizes us today:

There is despair—

Because, in this land of plenty, we still live on the margin of economic existence;

Because talent continues to be wasted through prejudice and discrimination;

Because there remain in the land of the free visible vestiges of slavery and racism;

Because we must continue to fight for quality education;

Because we bear the brunt of much that is wrong in America;

The litany could go on.

But there also is reason for hope. Significant gains have been made. The promised land is not yet in sight. But perseverance has brought us this far along the way, and the time has come for us to give political participation a chance, to use our talents, forged out of necessity in slavery and segregation, and to use our numerous ballots in lieu of our limited bucks.

This is why I celebrate the birth of Martin Luther King, the human catalyst for the Voting Rights Act of 1965, with pleas for aggressive political participation, not only because it is our legacy, but because it represents perhaps the most effective way to empower the disadvantaged, to give voice to the voiceless, to give substance to the invisible, and, in the process, to achieve true greatness for America.

1976 will be a year long remembered for many reasons, not the least of which was the impact of the black vote. But we must demonstrate in 1977 and beyond our continuing determination to be taken seriously in the political process.

There is, I believe, a new consciousness among us, a new reality in our communities. But the fundamental premise is not new at all. King lived it, but Frederick Douglas stated it most eloquently when he said: "Power concedes nothing without a demand. It never did and it never will. Men may not get all they pay for in this world, but they most certainly pay for all they get."

King and all of our most effective civil rights leaders and most courageous citizens understood this premise clearly and acted accordingly.

They and their allies agitated all over America, and lynching ended. They fought in the courts, and legal segregation of public facilities crumbled. They protested in the streets of Memphis, on the boulevards of Atlanta, on the avenues of Birmingham . . . and public accommodations went from lily-white to polka dot overnight. . . . They marched on Highway 80 from Selma to Montgomery, and their right to vote was re-established. And in 1964 a President of the United States said: "We Shall Overcome;" and in 1976 a President-elect said: "I shall not forget your support."

The purpose of our support and the nature of our cause are not to seek power for power's sake; nor notoriety for the sake of massaging big egos. Rather, our goal is the goal of America: to achieve freedom, justice and equality for all of us, lest none of us have true freedom, justice and equality. Our goal—in prayer, in protest, and in politics—is to make government moral and responsive—in employment, in education, in health, in public services, and in our relations with other peoples and other nations. Government must be the court of first resort everywhere it touches our lives.

If President-elect Carter wants to show black Americans that he is aware of the role they played in his election, he could start by insisting that all of his people, policies and programs are infused with a sensitivity to the special hurts of blacks and the poor. It is this sensitivity which blacks responded to during his campaign and which ultimately got him elected.

He can give moral leadership to a nation that sometimes seems too tired to fight on for true justice and equality for all of us.

The need for courage and conviction is just as great today as it was in 1776, 1956, and 1976. The legacy of Martin Luther King is just as much Carter's as ours.

As a first step in the new beginning, it is important to recognize and accept the new black consciousness: to the extent we are part of the problem, we insist upon being part of the solution. This is true in the areas of education, health, welfare, crime and employment, to name a few. We want to be full partners in the eradication of ills that beset this nation. We must be full partners in the nation's policy—making franchise and equal beneficiaries of the fruits of our democratic society.

As we meet in this great department which touches the lives of all Americans, in this building in which the presidential transition is taking place and on this solemn occasion, we must know that these things will not happen by themselves.

It is our responsibility to assure that those who govern, govern wisely and fairly. It is up to us to carry on the often unpopular political tradition of Martin Luther King to search for justice and equality in every nook and cranny, and to speak our piece courageously.

It is up to us to say, as Kenneth B. Clark did against a backdrop of black nationalist boos, that "at this demanding put-up-or-shut-up stage of the civil rights movement," we must prepare ourselves "to bear an additional burden of helping America to save itself from its past mistakes and help to develop new and higher standards of political morality and performance."

It is up to each one of us to say: "Here I stand. I can do no other."

It is up to us to fulfill the dream.

THE 100TH BIRTHDAY OF HORTENSE FAGLEY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. OTTINGER. Mr. Speaker, last week I had the pleasure of visiting the Bethel Methodist Home in Ossining, N.Y. During my stay I met a most remark-

able woman, Hortense Fagley, who celebrated her 100th birthday on April 9.

On April 17 an article by Beth Smith about Mrs. Fagley appeared in the Ossining Citizen Register which I would like to share with my colleagues:

AT 100, A BRIEF PAUSE TO REFLECT . . . IT'S BEEN "AN INTERESTING LIFE"

(By Beth Smith)

Hortense Fagley is an active woman, both physically and intellectually. She works on the New York Times crosswords, reads the newspapers, knits continuously, discusses current events with insight and warmth, and until a few years ago visited her summer home in New Hampshire regularly.

Mrs. Fagley turned 100 on Saturday, April 9.

"I'm through with my first century," she laughed, and seems ready for the second.

She lived most of her life in Gramercy Park in New York City and in White Plains. Seven years ago she came to Bethel Methodist Home in Ossining.

County Executive Alfred DelBello proclaimed April 9 Hortense Fagley Day, noting in his announcement the woman's "warm wit and lively interest in the world around her."

She prefers to live in the present, and takes great interest in her family and in world happenings. She considers President Jimmy Carter an honest, wise man with the proper motives. In the papers she looks for the stories about people, particularly those who have achieved fame and those in difficulty, and for the stories about events that have led up to the present condition of the world.

But she's done more in her lifetime for people in trouble than read about them. The wife of one of the top officials of the Congregational Church, she was the first director of the women's branch of the New York City Mission Society of the church and chairman of its Spanish refugee work and also chairman of the citywide Spanish refugee committee. She organized clothing and food drives for immigrants from the Spanish Civil War of the 1930s.

She belonged to the American Women's Committee for Republican Spain, the North American Committee to Aid Spanish Democracy, the American International Institute, New York Council of Church Women for Emigres, the Self-Help Committee of the Emigres of America and was chairman of Social Action for New York State.

During this time she was working side by side with her husband, Dr. Frederick Fagley, organizer of the National Council of the Churches of Christ in the USA and was founder of the Congregational Christian Historical Society. He died in 1958.

Mrs. Fagley was born April 9, 1877 in Indiana and lived for many years in Madison, Ind., where her father served as president of Moores Hill College. She was graduated from Moores Hill and worked as a secretary in the mathematics department at the college, and it was there she met her future husband.

When she turned 99 Mrs. Fagley wrote out a five-page note on her early life during the late 1800s. She easily recalled looking out her second-floor and greeting face to face a boy on stilts, the absent minded man who filled his charcoal bucket with water, and a woman crashing her sled against the gate post and ending up crippled for life ("Sounds dangerous but it was before automobiles," Mrs. Fagley said.)

Now she communicates regularly with her children, Richard Fagley and Mrs. William Coury, both of Chappaqua, and Robert Fagley of Haverford, Pa. Richard, a minister, works with the World Council of Churches, and Robert is a management engineer. She also has six grandchildren and four great-grandchildren.

"They're all serious-minded and well conditioned," Mrs. Fagley says of her descendants. "They've gotten good educations, and they're engaged in good work. It's important to me that young people study conditions of the world and do what they can to solve its problems."

She used to participate in family reunions at the summer home at Lake Sunapee, N.H., but stopped making the long journey when she was 97, after 53 consecutive summers there.

"I've had an interesting life," she says, "and I'm grateful for the privileges I've had. I'm not as eager as when I was young, and my hearing and sight aren't as good, but I've had my fun."

What's her secret for living so long?

"Heaven knows," she laughted. "I don't."

WILL THE U.S. BETRAY AN ALLY?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. ASHBROOK. Mr. Speaker, once again the question is being raised will the U.S. Government dump our friend and ally the Republic of China on Taiwan. Some people maintain that the United States should break relations with our ally the Republic of China and scrap the Mutual Defense Treaty to gain diplomatic relations with Communist China. That would be a sellout.

Our ally, the Republic of China, would be seriously weakened. Recently the New York Times carried a front page story detailing some of the problems our ally on Taiwan already has in purchasing from the United States modern weapons to defend itself with. If diplomatic relations were broken, present problems would be minuscule. The result would be the scrapping of a defense treaty which has brought peace to that region of East Asia.

Breaking diplomatic relations with Taiwan would also cast doubt on our commitments to other countries throughout the world. Little defense can be made for such a shortsighted policy.

Also, if the United States handed Taiwan on a platter to Communist China, U.S. foreign policy would be void of any moral standing. The breaking of diplomatic relations with Taiwan in the hope of some unknown gain from Communist China is a policy that is bereft of sensibility.

Recently my friend William F. Buckley, Jr., wrote a column on some of the background of this country's China policy—particularly the deceptions of former President Nixon. Below is its text:

[From the Washington Star, Apr. 19, 1977]

WILL CARTER IMPLEMENT NIXON ON TAIWAN?

On February 28, 1972, Senator James Buckley said on the floor of the Senate that the Shanghai Communique signed by President Nixon and Chou En-lai was being widely interpreted both at home and abroad as signaling the ultimate abandonment of Taiwan."

Senator Buckley was not alone. Mr. Joseph Kraft had written from Shanghai, "The big American loss, of course, came with respect to Taiwan. The final communique makes no mention of the security treaty that binds the United States to support Taiwan against a takeover by force. It was the first time Mr Nixon himself has climbed down in so explicit a fashion." Mr. Karnow of the Washington *Post* had written, "Mr. Nixon acknowledged that the United States 'does not challenge' Peking's claim that Taiwan is Chinese territory, and that there is only one China. He further reaffirmed that the Taiwan question should be resolved 'by the Chinese themselves,' thereby emphasizing that the United States no longer bears responsibility for the problem. These U.S. positions thus concede to the Chinese government what it has been requesting for years."

Now all this deeply alarmed President Nixon. He was being challenged in New Hampshire in the Republican primary by Representative John Ashbrook, and he was otherwise nervous about the forthcoming political contest and the possible defection of American conservatives. So what did he do? He called in Senator Goldwater and lied to him.

Senator Goldwater, on March 1, addressing American conservatives in general, cautioned them not to heed the "terrible distortions" of the communique made by "newspaper reporters and news commentators." He told us all that he had talked "personally" to President Nixon and to Henry Kissinger, (then National Security Adviser) and to William Rogers (then Secretary of State), and that they reassured him that nothing was lost, no change in attitude toward Taiwan was in prospect. "We have not given away one single thing to the Red Chinese," said the Senator, serving as Charlie McCarthy to Richard Nixon.

We now know that Senator Goldwater was bamboozled. Hardly his fault, inasmuch as one tends to believe statements made eye-to-eye by presidents of the United States, notwithstanding the historical case for skepticism.

In February of this year Joseph Kraft wrote that "It now seems apparent that Nixon, and Kissinger virtually assured Peking that they would scrap the Taiwan connection in a couple of years."

This didn't surprise Kraft, who had interpreted the communique as promising that, in effect. But—interestingly enough—it did surprise Carter, whose aides called on Nixon's lawyers to come up with the working papers drafted after the meetings between Nixon and Chou. And, sure enough, there it was: Nixon promising to "normalize" relations with mainland China.

"Normalize" means: rescinding the mutual defense treaty with Taiwan and withdrawing diplomatic representation—at which point China would vouch-safe to receive our ambassador. We shall see whether President Carter proceeds to bring on "normalization." There is time to argue the merits of the matter since the word is Mr. Carter does not intend to move until the fall.

Tricky Dick. I remember, a fortnight before we all packed off for China, an hour with Mr. Robert Abplanalp, one of the two closest friends of the President, a genial, intelligent man, devoutly anti-Communist. "If Nixon sells out Taiwan, he's going to lose the conservative vote," one man in the room said. Abplanalp commented confidently, "If Nixon sells out Taiwan, he's going to lose my vote!"

Nixon would never do anything like that, the majority of American conservatives believed, along with Abplanalp, even as they never believed that Nixon would be the principal agent in the postwar era for the detoxification of Communism. Well, he fooled Barry Goldwater. He fooled Bob Abplanalp. He fooled the American people.

After the election he was stopped from proceeding with normalization only by—Watergate. He needed conservative support

in Congress, with all that talk of impeachment. So add one more thing to the effects of Watergate. It led not only to the loss of Southeast Asia but—ironically—to a reprieve for Taiwan. We shall now see whether President Carter lives up to President Nixon's promise to betray our ally.

VA BENEFITS FOR WASPS

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. HILLIS. Mr. Speaker, as a member of the Veterans' Affairs Committee, I have taken particular interest in recent efforts to grant VA benefits to the women who served as WASP's—Women Air Force Service Pilots—during World War II. On March 17, I, along with 24 other cosponsors, joined with Congresswoman BOGGS in introducing a measure which is designed to recognize the special efforts of the WASP's by entitling them to VA benefits To date, 10 bills have been introduced in the House and one in the other body on this subject.

Support for these measures continues to grow. Hopefully, enough interest can be generated so that the Veterans' Affairs Committee will hold hearings on these measures. I am sure that once the entire story of the WASP's is made known to the committee, a bill will be reported to the full House for consideration. These women, who did so much to support our military efforts during the Second World War, are truly our "forgotten veterans." Congressional action to correct this situation is long overdue.

It is important that the history of the WASP's be understood and made public. In the April 21 issue of the Stars and Stripes, there is an excellent article summarizing the efforts of the WASP's that I am at this point inserting in the RECORD. I urge the Members of the House to take the time to read this article and lend their full support to the efforts of Congresswoman BOGGS to grant VA benefits to these women—our "forgotten veterans."

The article follows:

WASPs SEEK PUBLIC SUPPORT PRIOR TO MAY CONGRESSIONAL HEARINGS

Can a person be a wartime military pilot and still not be a wartime military pilot?

The nation's 800 and more WASPs (Women Air Force Service Pilots) say this was the over-simplified case with them in WWII and they want their brilliant service record of 35 years ago recognized and their status as full-fledged Army Air Force pilots confirmed belatedly by the Congress.

At present numerous bills supporting the WASP bid for recognition have been introduced in the Senate and the House and are awaiting Committee hearings.

To help those who are studying the question of their wartime status, the WASPs are relying on documentation of their extraordinary 28-month uniformed service with the Army Air Forces. For example, they are ready to prove that the 1,074 women pilots, who successfully completed the AAF's standard flight training course, were assigned regular flying missions in airplanes in common use by male pilots of the WWII era. And, that with the sole exception of combat, no restrictions were placed on women pilots as to type of aircraft or AAF missions.

They are ready to show that the small WASP contingent compiled an amazing total of 60 million miles of flying on operational duty with the Army Air Forces and, while their safety record bettered that of their male pilot counterpart, they suffered 38 fatalities on active duty missions. Not one of the fatalities resulted in any death benefits for the victim or her survivors.

In ferrying wartime combat aircraft from factories to various bases—one of their principal AAF missions—the WASPs flew the complete inventory of AAF models, including the P-38, P-47, and P-51; medium bombers such as the A-26 and B-25; and heavy bombers such as the B-17 and B-29. They still point with pride to the fact that one of the WASPs was awarded the exclusively-military Air Medal for delivering—in one 5-day period—a P-51, two P-47's and a C-47 to destinations totalling 8,000 miles of flying.

On other AAF assignments, they had key roles in towing targets for live gunnery and anti-aircraft training and in towing glider pilots who were readying for the Normandy operation. And, they were used routinely on tracking and searchlight missions, test flying and some were taken into the AAF Training Command to serve as flight instructors.

While their pilot roles were clear-cut, the WASPs agree their wartime organizational status was obscured by an AAF promise of full militarization—if and when the women pilot program proved successful. One of the key points they hope to make is that the Army Air Forces considered the WASP achievements so successful that, in 1944, plans were made to expand their numbers as well as commission them as Army Reserve Officers. Near the end of WWII, a House bill to this effect was narrowly defeated in spite of full support by ranking military leaders and subsequent efforts were lost in the commotion of the Allied victory and peacetime apathy.

In their current bid for long overdue recognition, the WASPs are placing new emphasis on what they call the "little facts" of their wartime lives. They want it known that women pilots took the same oaths as their male counterparts, received the same training, wore uniforms, attended the same drills, carried the same firearms, were subject to the same regulations and responded to the same written orders.

The WASP story does contain some differences but they believe these support their case. They were paid considerably less than their male counterparts for doing the same job and casualty compensation was nonexistent. A prime example they intend to offer took place near Victorville, Calif., on October 2, 1944, when an AAF B-25 crashed and burned. The pilot and crew chief, who were male and the WASP co-pilot were all killed. The two men received full military honors and their families received all of the various veterans' benefits but the WASP and her family received nothing.

This is just one of the inequities they believe Sen. Barry Goldwater had in mind in January when he presented his bill (S. 247) to the Senate. He remarked on that occasion: "Now, no other organization that I know of, who has not eventually been taken into the military service, had circumstances like these. The very reason the group was organized from the outset was for militarization; the group proved their military capabilities to the satisfaction of the Army Air Corps and they had a militarization bill favorably reported to a congressional committee . . . there is no sound nor reasonable basis on which a bill giving recognition to the WASP for their service to their country can be turned down."

As far as the nation's first group of women military pilots is concerned, these are welcome words—they represent the answer the WASPs of WWII have been seeking for a long, long time.

THE CHESAPEAKE BAY: A BEAUTIFUL PART OF AMERICA

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. BAUMAN. Mr. Speaker, since its first written discovery by Capt. John Smith, about 300 years ago, the Chesapeake Bay has captured the interest of every generation of writer concerned about the life and history of our country. The recent Pulitzer Prize winning book by William Warner, "Beautiful Swimmers: Watermen, Crabs, and the Chesapeake Bay," has once again chronicled the seasons and beautifully depicts the color of bay life. Mr. Warner's book has in itself inspired journalistic studies and stories about the Chesapeake, including an article in the April 10, 1977, issue of the New York Times Magazine. I hope every one of my colleagues will read it, for there is a great deal we could learn about life from the wise citizens of Smith Island, Md.:

THE CHESAPEAKE BAY: A BEAUTIFUL PART OF AMERICA

SMITH ISLAND, MD.

When the herring come out of northern waters to foray in Chesapeake Bay, it's a sign that spring has arrived. This intelligence is passed along to the fish hawks, and by the time they are spotted by the human pliers of watermen, the season of the mollusk is almost done. The waterman's fancy turns to thoughts of the crustacean: In his own life cycle, he starts to molt from oysterman to crabber.

Edward Harrison is now going through that cycle for the 52d time. Nearing 66, he is old enough and prosperous enough to think of retiring, but that would not just mean that he could work less. It would mean changing his relation to the water and seasons; it would mean finding a new life cycle. "If you've been used to work all your life, why, it's a job to give it up," he says. "Fact is, I don't want to give it up. I believe 50 percent of the people give up work too early. Yes sir, 'deed I do. I think you should have something to do every day of your life."

He speaks slowly and reflectively and there is music in his voice, which resonates back in the nasal cavity so that the " 'deed I dos" and "no indeedies" that punctuate his conversation seem to carry the vibrations of an archaic stringed instrument. If you were a folklorist interested in the preservation of vanishing human breeds, Edward Harrison's intonations and life cycle might inspire you to start a campaign to save him. Well, don't bother. The 725 residents of this marshy outcropping, 12 miles off Maryland's Eastern Shore, are not about to vanish or look to outsiders to preserve their way of life, which seems secure, thanks to no one but themselves.

As a city person drives down the Eastern Shore, he passes through country that has a look he can remember from boyhood summers in other places 25 or 30 years ago; the plastic face lift is still to come. But Smith Island isn't just unspoiled; it's different. And what it evokes runs deeper than nostalgia, almost to remorse, for what the island has to withstand might be summed up in a single word—us.

The islanders know this, which is one reason there are no real-estate agents, no bars and no motels. Finally the mainlander wonders: Who is cut off from whom? Don't talk to Edward Harrison about isolation; he thinks of it, perspicaciously enough, as a problem for the mainland. Nominally a member of the most atomized and mobile society the world has known, his next-door neighbors are his married son on one side and married daughter on the other; his sister, brother and nephew live directly across the lane. The six adjacent buildings, occupying little more than an acre, stand on land Harrison's grandfather owned.

Harrison would deem it a tragedy if his house were sold to someone outside his family. He does his oystering with his son Ralph and fully expects his crabbing boat to be inherited by his grandson Alan, now only 8. A succession of generations, in his view, is like the succession of seasons. On Chesapeake Bay, both are part of the natural order.

The watermen read that order in the tides and the harvests they pull from the bay. Spring, such sources tell them, was meant to be the easy season. In the old days, they would take a break of a month and a half, at least, between oystering and crabbing, working on their boats and crabbing sheds, and laying in firewood for the next winter, all at a leisurely pace. But that was before they established their credit on the mainland. Now that they have payments to make on diesel-engine boats, C.B. radios, color TV's, fancy electric kitchens and even, in a few cases, jaunts to Hawaii and Las Vegas, spring has become the season of cash-flow problems.

Still, the natural order is not to be denied. Any waterman who could forget that truth got a reminder during the savage winter just ended. Smith Island was encased in an awesome tundra of ice, giving it an experience of Siberian isolation that would have proved devastating had National Guard helicopters not been called in to keep it from running out of fuel and food. The long freeze idled the watermen for seven weeks, forcing some of them on to food stamps. When finally they got back to oystering, they found dead crabs showing up with worrisome regularity in the scoopings they took from oyster beds. No one knows how long it will take now before the diminished hordes of crabs begin to emerge from the sands and mud at the bottom of the Chesapeake.

So there's a touch of foreboding in the spring, a sense that the winter's toll has yet to be fully assessed. And that's not entirely in terms of crabs. It also has to do with the community's sense of itself, which was jarred by something as rare in its direct experience as the long freeze—a felony.

The victim was Shelton Evans, a retired waterman who evidently never learned to trust mainland institutions such as banks. Off the island during the freeze, Evans returned to find that his safe had been emptied of $30,000 in cash. It was the kind of heinousness a waterman expects to hear of when he flips on his radio for the early-morning weather report from Baltimore, not something a neighbor might report. But the crime had happened when the island was cut off, so outsiders couldn't be blamed. "The terrible thing is that it had to be one of us. Probably two or three," commented Schim Becker, an Australian who feels entitled to speak in the first person plural after six years as the island's nurse.

The first hints of spring brought an even worse shock. Hastening the end of winter, a young waterman named Allison Evans went out in a small boat to hang some gill nets for the herring that were due to show up. His eagerness caused him to misread the treacherous March winds and he never returned. For three days, more than 40 Smith Island boats dragged the bay for the young man's body. It was a grisly task, but the sight of the island's fleet working together, not for profit but to help a stricken family cope with its grief, gave the watermen a measure of solace. Not many communities, they reflected, would have taken a single robbery and a single death so hard. "Anybody gets in need on this island," said Edward Harrison, "we all come to his rescue. Yes, sir, if I can't help somebody, I wouldn't crave the world."

Crave the world. How often do you meet a man who can summon a phrase like that? When you do, you should cheer. But it's not just a phrase; it's a description of a life. "It's been hard and it's been rough," the waterman said, "but I still enjoy it. It's something you have to be brought up into. I don't believe I could have worked under a whistle. "Deed I don't."

OUR GREATEST DANGER

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. RUPPE. Mr. Speaker, one of my good friends, Carl L. Shipley, who is not only one of Washington's outstanding lawyers but who served with distinction for many years on the Republican National Committee has called to my attention a recent speech by Henry Ford, chairman of the Ford Motor Co., pointing up some of the problems that lie ahead for our Nation. I was struck by Mr. Ford's observation that—

In 1957, total government spending—Federal, State and local—absorbed just under 30 percent of national output. Today, government spending takes 40 percent of the national output and is still rising. In Great Britain, it took less than 15 years for Government spending to rise from 40 percent to 60 percent of the national output. If we continue on the same path, we can expect the same distressing result.

Mr. Ford makes other observations in his speech which should be of interest to Members of Congress and to the public at large. For example, he points out that just about everybody is in favor of new Government programs that benefit themselves. He rightly observes that everybody is fed up with inflationary consequences of Federal deficits financed by printing more and more money. I agree with Mr. Ford that we all have an obligation to devote some of our time and effort to the general welfare rather than our personal interests, but that when we are all working more than half the time for the Government, a serious loss of freedom has occurred:

OUR GREATEST DANGER

(By Henry Ford, II)

As we begin the third American century, it is increasingly clear that our liberties are threatened at least as much by internal forces as by external foes.

We must still maintain our defenses against potential foreign aggressors, but our greatest danger comes from ourselves—from the governments we all help elect, from the demands we all make on government, and from our collective failure to remember that the Constitution of the United States was ordained and established, in the words of the preamble, "in order to . . . secure the Blessings of Liberty to ourselves and our posterity. . . ."

I believe that the Blessings of Liberty have been seriously diminished and are further threatened by the unprecedented growth of government spending and government regulation in the past 20 years.

In 1957, total government spending—Federal, state and local—absorbed just under 30 percent of national output. Today, government spending takes 40 per cent of national output and is still rising. In Great Britain, it took less than 15 years for government spending to rise from 40 per cent to 60 per cent of national output. If we continue on the same path, we can expect the same distressing results.

As for the growth of government regulation, you haven't seen anything yet. If you think we're now building too many small cars and not enough big ones—just wait. As the fuel economy requirement mandated by Congress rises toward 27.5 miles per gallon, the number of big cars we can build will be limited more and more tightly by the number of small cars dealers can sell. And, if the customers won't buy the small ones, we'll all be out of luck.

While I'm on the subject of Federal vehicle standards, let me also remind you once again that Congress still hasn't done anything about 1978-model emission standards that will keep the factories from building anything—big or small—unless the standards are changed and changed quickly.

Now, I'm well aware of the fact that when I complain about the growth of government spending and government regulation I sound like the traditional Neanderthal Republican businessman. But, I don't think I'm a Neanderthal, and I know I'm not a Republican—or a Democrat either, for that matter. The issue of government growth is not a partisan issue. It's not a question of business interests vs. human interests. It's not even a matter of left vs. right.

A couple of weeks ago, Democratic Governor Carey told the New York State Legislature that the state's economic problems were caused by 20 years of rising taxes and public spending. "We have built a wall around our state," said the Governor, "a wall of high taxes, high spending and cumbersome regulations."

Here's another quote that sounds like it might have come from the U.S. Chamber of Commerce: "We used to think that you could just spend your way out of a recession and increase employment by cutting taxes and boosting government spending. . . . That option no longer exist and . . . insofar as it ever did exist, it worked by injecting inflation into the economy. And each time that happened . . . unemployment has risen. Higher inflation, followed by higher unemployment. That is the history of the last 20 years." That's not from the U.S. Chamber of Commerce or even from the U.S. It's James Callaghan, socialist Prime Minister of Great Britain, talking to the British Labor Party conference last September.

Here at home, at about the same time, both President Ford and Governor Carter were promising to cut spending, balance the budget, curb inflation, reduce taxes, reform welfare, streamline the bureaucracy and get rid of redtape and unnecessary regulation.

We've all heard similar promises before, but President Carter tells us that he means precisely what he says. Among other things, he says that he intends to cut the Federal share of Gross National Product from 23 per cent to 21 per cent in four years. The Democratic Congress, with its new budget procedures, is also showing some interest in slowing the rise in government spending. With the same party in control of both the Executive and Legislative branches, for the first time in eight years, maybe there's a chance. Maybe something really can be done to reverse the direction in which we've been going for 20 years.

Our nation was founded on the proposition that each individual is the best judge

of his or her own interests, and that all of us should be free, so long as we do not harm others, to devote our time and energy to our own purposes and even to make our own mistakes. Our history shows that freedom works. For 200 years, we have been a magnet to the poor and oppressed of the world because no nation has ever provided a better opportunity for people to earn and enjoy whatever it is they want out of life.

As I've already observed, however, government spending at all levels has now risen to 40 per cent of national output. On average, each of us who is employed works two days out of every five for purposes determined by government. When we add in the soaring private costs of compliance with government rules and regulations, we're all probably working more for government than for ourselves.

We all have an obligation to devote some of our time and effort to the general welfare rather than to our personal interests. I don't know what the balance should be. But I suspect that when we're all working more than half the time for government, a serious loss of freedom has occurred. And the loss is all the greater when much of our work for governmental purposes is devoted not to the general welfare but to special interests.

Of course, all the additional taxing and spending and regulating over the past 20 years has been intended to serve worthy goals and deserving interests. My purpose today is not to pass judgment on particular governmental goals or programs. I merely want to suggest that no matter how good the intentions or how worthy the goals, too much government leads to bad results.

In the economic sphere, freedom is valuable not only in itself but also because it provides the incentives for work, savings, investment and the growth of jobs, productivity and real income. Economic freedom is the source of economic security, without which no person is truly free. It is also the source of the revenue available to serve the worthy goals of government.

It is not a coincidence that the recent period of rapidly rising government spending and regulation has also been a period of high unemployment, slow productivity improvement, slow growth in real personal income, slow growth in government revenue, soaring government deficits and unprecedented peacetime inflation. All of these unfortunate developments reflect the fact that the United States has been devoting a smaller portion of national output to productive investment than any other industrial nation, and has had the lowest rate of productivity improvement.

As Governor Carey and Prime Minister Callaghan have testified from bitter experience, too much government leads inevitably to economic decay. The links between big government and economic failure are many.

The more government spends, the less wealth is left for productive investment as well as for private consumption. Private spending to meet government requirement has exactly the same consequences.

The air-bag test agreement announced last week between Ford and the Department of Transportation is expected to cost us at least $44 million. The total cost to all participating manufacturers will undoubtedly be several times that amount. And that's not even the cost of meeting a Federal requirement. It's the cost of helping the government to decide whether or not there should be an air-bag requirement.

The Federal Task Force on Motor Vehicle Goals has estimated that the capital cost of meeting statutory fuel economy requirements will be $5-to-$10 billion. But you can't really separate the costs of fuel economy standards from the costs of emission standards. Based on our plans, I'd guess that the auto industry will be spending something like $20 billion over the next five years to meet these two sets of requirements.

I've seen estimates of the cost of meeting noise standards in industrial plants ranging from $10-to-$15 billion.

The total capital investment for all pollution control requirements administered by the Environmental Protection Agency over the decade from 1972 to 1981 has been placed at well over $100 billion.

To put these costs in some perspective, let me remind you that the total profits of all U.S. non-financial corporations in 1975 came to just $37 billion.

It is, of course, important to conserve petroleum, reduce pollution, and protect the health of workers. I am not arguing with the need for government action to achieve such ends. But I am arguing with the tendency to sanctify each goal—to seek instant perfection with little regard for costs and consequences. When the costs of regulation exceed the benefits, the burden does not fall on industry alone. The more industry is forced to spend to meet government requirements, the less it is able to spend on productive investment that would create jobs, improve productivity, raise personal incomes, enlarge the tax base and increase government revenues.

I've talked long enough about the harm done by the growth of government over the past 20 years. Let me turn now to some suggestions for the future.

As the new Administration and the new Congress work out their program to stimulate the economy, I hope they will take a lesson from both the Kennedy Administration and the Nixon Administration. The Kennedy Administration showed that a tax cut aimed at stimulating private sector investment can provide the basis for sustained growth without inflation. The Nixon Administration showed us the other side of the coin. Its efforts to reduce unemployment by stimulating consumption and controlling prices and wages led to a temporary fall in unemployment, followed by the worst recession and highest unemployment since the great depression and the worst peacetime inflation in our history.

I suggest also that our government could take a lesson from West Germany, which has found a way to control inflation and maintain high levels of investment, economic growth and productivity improvement even though the tax burden is about as heavy as it is in the United States. The main reason, I think, is that the German economy carries a much lighter burden of government regulation. German government recognizes that rising government revenue is best assured by preserving economic freedom and encouraging economic efficiency.

I hope that many in Washington will study the remarkable speech by British Prime Minister and Labor Party leader James Callaghan, from which I've already quoted. That speech has received far too little attention in this country, and therefore I'm going to take the liberty of quoting a little more of it.

"The willingness of industry to invest in new plant and machinery," said Mr. Callaghan, "requires not only that we overcome inflation but that industry is left with sufficient funds and sufficient confidence to make the new investment. . . . If industry cannot generate sufficient funds to buy its new plant and machinery then you will not get the investment and we shall continue to go downhill. These are elementary facts of life. . . ."

It's not just liberal do-gooders. Democrats, unions, consumerists and environmentalists who are responsible for the growth of government. It's also conservative politicians who favor increased defense programs, especially if the money is spent in their own districts. It's businessmen who want government contracts. It's bankers and transporters and retailers and manufacturers who want protection from competitors. It's insurance companies that lobby for bumper and air bag regulations that might lower their claims costs. It's catalyst suppliers who lobby for tough emission standards. It's even, if you'll forgive me, car dealers who want state government to protect them from the factory or from new dealers in their territory.

It was a Republican Administration that gave us price and wage controls—and did so, I might add, with more support from business than from labor. It was the same Republican Administration that gave us record deficits and the concept of revenue sharing—which is really deficit sharing, since the Federal government hasn't had any net revenue since the program began. It was another Republican Administration which launched, 21 years ago, the biggest public works program in the history of the world. I'm talking, of course, about the Interstate Highway system, which most of us here today have consistently supported. And, it would be hard to say whether it was bankers, brokers and Republicans or labor leaders, civil servants and Democrats who did more to grease the slide toward fiscal chaos in the City and State of New York.

So let's not blame other people for the growth of government spending and control, and the resulting erosion of liberty. Whenever our role in life and wherever we stand on the political spectrum, almost all of us Americans have been all too ready to call on government to serve our own special interests.

Instead of blaming others, we should consider why it is that the general tendency to call on government has gotten out of control in the last 20 years. That's a bigger question than I can answer, but it does seem obvious that the growth of government is one of those self-perpetuating processes that's hard to stop once it really gets going.

The more government spends and does, the greater the incentive to spend time and money and effort to influence government decisions in one's own behalf. The more the government takes from Peter to pay Paul, the bigger the reward if you can persuade government that your name is not Peter, but Paul. The more the government regulates, the greater the opportunity to turn regulation to your own advantage. The more civil servants there are, the greater the number of voters who have a personal stake in big government rather than good government.

Again, I want to emphasize that I'm not blaming other people. I can see the same process at work in my own company. We're not often very successful in our efforts to affect government policy, but we sure try a lot harder than we used to.

I have no apologies for our efforts to have some effect on government decisions. In a world where the government can make you or break you, it would be suicide to stand by and let other people pull all the strings. In the first two weeks of the new Congress, 400 bills were introduced that would have some effect on our taxes and business operations—and we've identified 70 bills that would have a substantial impact, for better or worse. In those circumstances, we have no choice but to stand up and be counted.

I've been arguing that one reason for the growth of government is that just about everybody is in favor of new government programs that benefit themselves. I think that's true, up to a point, but perhaps that point has been reached. In the last few years, it's begun to look as though just about everybody is getting worried about the cumulative effect of 20 years of government growth.

It's not only conservatives, Republicans and businessmen who are up in arms against government spending and regulation. There's a nationwide taxpayer revolt. Everybody is fed up with the inflationary consequences of Federal deficits financed by printing more

and more money. Ralph Nader complains that government regulation often serves to stifle competition and protect monopoly. There's even a rising chorus of protest against bureaucratic interference and red tape from the academic community which has done so much to promote big government.

President Bok of Harvard University complains, for example, that "every rule imposed on higher education takes authority from educators and gives it to civil servants who lack comparable experience in academic matters."

"Wealth must be created before it can be distributed. . . . It is from a healthy and expanding manufacturing industry that we shall be able in due course to resume the growth and improvement of our social services and also create the jobs that are necessary. . . . There is no other way. And if we follow it to the end we shall save not only our party, but our government and our country."

I hope that America does not have to suffer as Britain has suffered before we, too, discover that there is no other way.

Finally, I should like to suggest that we all take some lessons from the founding fathers of our nation. We cannot go back to the simple days, the low taxes and the small government of the 18th century. But we can still learn from the wisdom of the founders.

It would be well to remember that the purpose of the Federal government is not to tax the general public for the benefit of a host of special interest groups, but—as the Constitution says—"to establish Justice, insure domestic Tranquility, provide for the common Defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our posterity."

We might also recall that Article I, Section 8 of the Constitution identifies a short and specific list of Federal powers, while the 10th Amendment reserves all other powers to the states or to the people.

The men who wrote our Constitution knew from their study of more than 2,000 years of Western civilization that a people cannot remain free and prosperous if its rulers—however chosen—have unlimited power. They recognized that tyranny is not only possible but probable in a democracy as well as in a monarchy.

They were idealists. They respected the dignity and valued the liberty of each individual human being. But they were also realists. They knew that people generally pursue their own advantage. In framing the Constitution, they sought to limit government in order to limit the opportunity sought for special interests to capture and abuse the powers of government to their own advantage and to the detriment of others and of the common good.

Nothing has happened in the past 200 years to discredit those principles. But we have been losing sight of them for the past 20 years. The results have been bad, but are not yet disastrous. If we cherish our freedom, there is still time to make government our servant and not our master.

CRIME CONTROL—CONGRESSIONAL COMMITMENT NEEDED

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mr. BLANCHARD. Mr. Speaker, to millions of Americans crime is the No. 1 concern and problem. We often lose sight of that fact in our debate about tax cuts, energy legislation, SALT talks and jobs bills. One reason fighting crime is often ignored here in Washington is that historically the enforcement of criminal laws is by State and local governments. That is the situation today, but this does not mean that the Federal Government cannot financially assist State and local governments to step up the war on crime. I think we should, and I believe the overwhelming number of Americans feel the same way.

During the past year less than 1 percent of the Federal budget was devoted to crime control. That is not only unbelievable but, I believe, reflects distorted priorities by the Federal Government.

Today's debate and voting on the Budget Act is a case in point. We are talking about a $500 billion budget with only $3.6 billion, or less than 1 percent, devoted to all of law enforcement and justice. Worse yet, the House Budget Committee cut $200 million from the administration request for law enforcement. It recommends this money come out of the already reduced budget of the Law Enforcement Assistance Administration—LEAA.

I am very disturbed by this apparent disregard of the fact that LEAA is trying to improve its operations and is active in assisting local communities to fight crime. In fact, in my district in Oakland County, Mich., LEAA has just recently awarded a grant to help and encourage ten different local units of government to cooperate in a comprehensive investigation to track down a bizarre child killer. I was happy to expedite and assist these communities in receiving Federal help.

A recent survey of my congressional district reveals the following preliminary results when the people were asked:

Would you rather see more or less of your tax dollars spent on crime control?

(In percent)

More	78
Less	3
The same	19

Given strong opposition to excessive Government spending this response is an exceptionally strong mandate for Congress to support greater efforts for crime control.

The Federal budget reflects today's priorities and realities. It is not always easy to legislate all of our priorities in the face of difficult realities. But certainly restoring LEAA to its earlier level of funding is the least we can do to address the priority of fighting crime. Failure to restore the money to LEAA moves us further away from the real priorities this Government should address. That is why I strongly supported today's amendment to increase and restore funds for LEAA and crime control.

I am happy that we prevailed, giving LEAA a chance to operate. I also commend Ms. HOLTZMAN of New York for taking the initiative on this matter in the Budget Committee.

It is time to put our people's money where the problems are . . . back home in America's neighborhoods so people can live in safety and security without fear.

50TH ANNIVERSARY OF MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 27, 1977

Mrs. HOLT. Mr. Speaker, the Maryland-National Capital Park and Planning Commission yesterday celebrated its 50th year of service to the citizens of Prince Georges County, Md.

Since 1927 the Commission has played a major role in providing planning and park services to the citizens within its regional boundaries. Since 1970 the Commission has also provided recreation services in Prince Georges County. Throughout its history the Commission has performed admirably with its most recent recognition occurring in 1973, when it received national attention as it was awarded the National Gold Medal award for excellence in park and recreation management. This award is considered to be the top award in the United States in the field of recreation and parks. In addition, in 1976 the Commission was presented the Outstanding Comprehensive Planning Award by the National Capital Chapter of the American Institute of Planners.

I congratulate the Maryland-National Capital Park and Planning Commission on its 50th birthday and am pleased to share its accomplishments with my colleagues.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest prepares such information daily for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD. Beginning on May 2, 1977, this information will be printed only on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 28, 1977, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 29

8:00 a.m.
Agriculture, Nutrition, and Forestry.
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

8:30 a.m.
Commerce, Science, and Transportation.
Science, Technology, and Space Subcommittee
To continue hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
6202 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 403, the proposed National Product Liability Insurance Act.
5110 Dirksen Building

Human Resources
Labor Subcommittee
To continue hearings on S. 995, to prohibit discrimination based on pregnancy or related conditions.
Until noon 4232 Dirksen Building

10:00 a.m.
Appropriations
State, Justice, Commerce, Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Judiciary and FCC.
S-146, Capitol

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearings on rural housing legislation with a view to reporting its final recommendations thereon to the Budget Committee on May 15.
5302 Dirksen Building

Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold hearings on S. 259, to extend certain noncompetitive oil and gas leases in Wyoming.
457 Russell Building

Energy and Natural Resources
Subcommittee on Parks and Recreation
To hold hearings on S. 1125, authorizing the establishment of the Eleanor Roosevelt National Historic Site in Hyde Park, N.Y.
3110 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
6226 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To mark up S. 2, to require reauthorization of Government programs at least every 5 years (proposed Sunset Act), and S. 904, to establish a center within OMB to provide current information on Federal domestic assistance programs.
357 Russell Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.

MAY 2

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

9:00 a.m.
Governmental Affairs
To hold hearings on the nomination of Alan K. Campbell, of Texas, to be a Civil Service Commissioner.
3302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1347, to establish a National Advisory Committee on Oceans and Atmosphere.
5110 Dirksen Building

Energy and Natural Resources
To continue markup of S. 7, to establish in the Department of the Interior an Office of Surface Mining Reclamation and Enforcement to administer programs to control surface mining operations.
3110 Dirksen Building

10:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee.
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building

Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

Environment and Public Works
Water Resources Subcommittee
To resume hearings on the proposed replacement of Lock and Dam 26, Alton, Ill.
4200 Dirksen Building

Human Resources
To hold hearings on the nomination of Richard C. Atkinson, of California, to be Director of the National Science Foundation.
Until noon 4232 Dirksen Building

Select Small Business
To hold hearings on proposed fiscal year 1978 authorizations for programs of the Small Business Administration.
424 Russell Building

10:30 a.m.
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To receive testimony on a report of the Commission on Postal Service.
3302 Dirksen Building

1:00 p.m.
Commerce, Science, and Transportation and Human Resources
To hold hearings jointly on S. 1350, increasing authorizations for programs under the National Sea Grant Program Act for fiscal years 1978 and 1979.
5110 Dirksen Building

2:30 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue markup of legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building

MAY 3

8:00 a.m.
Agriculture, Nutrition, and Forestry
To continue markup of S. 275, to amend and extend through 1982, the Agriculture and Consumer Protection Act of 1973.
322 Russell Building

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for the Smithsonian Institution.
1114 Dirksen Building

8:30 a.m.
*Energy and Natural Resources
To receive testimony on the President's energy proposals from Dr. Schlesinger.
1202 Dirksen Building

9:30 a.m.
Environment and Public Works
Water Resources Subcommittee
To mark up legislation on projects which may be included in proposed Water Resources Development Act Amendments.
1224 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To hold oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To receive testimony from Federal Reserve Board Chairman Arthur Burns on U.S. monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1288, to authorize funds for the Federal Trade Commission through fiscal year 1980.
5110 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To resume hearings on proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.
3302 Dirksen Building

Human Resources
To mark up S. 717, to promote safety and health in the mining industry, to be followed by a Labor subcommittee hearing on the administration of the Black Lung Benefits program.
Until 1:00 p.m. 4200 Dirksen Building

Rules and Administration
To hold hearings to receive testimony in behalf of requested funds for activities of Senate committees and subcommittees.
301 Russell Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:30 p.m.
Banking, Housing, and Urban Affairs
To mark up S. 208, proposed National Mass Transportation Assistance Act, and on proposed fiscal year 1978 authorizations for the SEC.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of Fabian Chavez, Jr., of New Mexico, to be an Assistant Secretary of Commerce for Tourism.
6226 Dirksen Building

3:00 p.m.
Select Small Business
To continue markup on bills concerning disaster relief for small businesses (S. 832, 1362, 1305, and 1306).
424 Dirksen Building

MAY 4

9:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To continue markup of proposed fiscal year 1978 authorizations for ERDA.
Room To Be Announced

9:30 a.m.
*Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To consider H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
Until 2 p.m. 4232 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building
Rules and Administration
To hold hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages which amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Highway Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 1288, authorizing funds for the Federal Trade Commission through fiscal year 1980.
235 Russell Building
Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on H.R. 5306, Land and Water Conservation Fund Act amendments.
3110 Dirksen Building
Governmental Affairs
To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.
3302 Dirksen Building

1:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1069, increasing authorizations for programs under the Toxic Substances Control Act for fiscal years 1978 and 1979; and S. 899, the Toxic Substances Injury Assistance Act.
5110 Dirksen Building

MAY 5

9:00 a.m.
Energy and Natural Resources
To consider proposed fiscal year 1978 authorizations for EDRA.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
To mark up legislation on projects which may be included in proposed Water Resources Development Act amendments.
4200 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building
Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 957, to promote methods by which controversies involving consumers may be resolved.
5110 Dirksen Building
Governmental Affairs
To continue hearings on S. 555, to establish Federal offices to effect and implement certain reforms in the Federal Government, and related legislation: S. 113, 290, 383, and 673.
3302 Dirksen Building
Human Resources
To markup S. 602, to extend through fiscal year 1982 programs under the Library Services and Construction Act; S. 701, to provide Federal financial assistance to educational institutions to meet the emergency caused by high fuel costs and shortages; S. 469, to establish a commission to study proposals for establishing the National Academy of Peace and Conflict Resolution; S. 961, to implement a plan designed to overcome barriers in the interstate adoption of children; and proposed legislation to extend the Child Abuse Prevention and Treatment Act.
4232 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

MAY 6

9:30 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 1303, authorizing funds for fiscal years 1978 through 1980 for the Legal Services Corporation. Until 2:00 p.m.
4232 Dirksen Building
Rules and Administration
To continue hearings on S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act: S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To consider all proposed legislation under its jurisdiction with a view to reporting its final recommendations thereon to the Budget Committee by May 15.
5302 Dirksen Building
Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To resume hearings on S. 897, to strengthen U.S. policies on nuclear nonproliferation, and to reorganize certain nuclear export functions.
3302 Dirksen Building
Select Small Business
To hold hearings to investigate problems in development of timber set-asides.
424 Russell Building

MAY 9

9:00 a.m.
* Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold hearings to receive testimony on Federal Energy Administration price policy recommendations for Alaska crude oil.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building
Environment and Public Works
To consider pending committee business.
4200 Dirksen Building

MAY 10

9:00 a.m.
Energy and Natural Resources
To mark up proposed fiscal year 1978 authorizations for ERDA
3110 Dirksen Building
Human Resources
To mark up H.R. 2992, to amend and extend the Comprehensive Employment and Training Act, and S. 1242, to provide employment and training opportunities for youth.
4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
5110 Dirksen Building
Environment and Public Works
To mark up proposed authorizations for fiscal year 1978 for the Energy Research and Development Administration.
4200 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1978 for the Federal Railroad Administration (Northeast Corridor).
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To resume oversight hearings on U.S. monetary policy.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building

2:00 p.m.
Human Resources
To mark up S. 705, to revise and strengthen standards for the regulation of clinical laboratories; and S. 621, 945, and 1217, to establish guidelines for regulating research relating to Recombinant DNA.
4232 Dirksen Building

MAY 11

9:00 a.m.
Energy and Natural Resources
To continue markup of proposed fiscal year 1978 authorizations for ERDA.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the broadcasting industry, including network licensing, advertising, violence on TV, etc.
235 Russell Building
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building
Rules and Administration
To mark up S. 1072, to establish a universal voter registration program; S. 926, to provide for public financing of primary and general elections for the U.S. Senate; and the following bills and messages to amend the Federal Election Campaign Act; S. 15, 105, 962, 966, 1320, and 1344, President's message dated March 22, and recommendations of the FEC submitted March 31.
301 Russell Building
Veterans' Affairs
To mark up S. 1189, H.R. 3695, H.R. 5027, and H.R. 5029, authorizing funds for grants to States or construction of veterans health care facilities.
412 Russell Building

MAY 12

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To continue oversight hearings on the effectiveness of antitrust enforcement by the Justice Department and FTC.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
Environmental and Public Works
To mark up proposed legislation authorizing funds for the Nuclear Regulatory Commission.
4200 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government are established.
6202 Dirksen Building
Human Resources
To mark up S. 1303, authorizing funds for fiscal years 1978 through 1980 for the Legal Services Corporation; Black Lung Benefits program legislation; and possibly other pending legislation.
4232 Dirksen Building

MAY 13

9:00 a.m.
Human Resources
To hold hearings on the nominations of Peter G. Bourne, of the District of Columbia, to be Director, and Lee I. Dogoloff, of Maryland, to be Deputy Director, both of the Office of Drug Abuse Policy.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on H.R. 5294, S. 656, S. 918, and S. 1130, to amend the Consumer Protection Act so as to prohibit abusive practices by independent debt collectors.
5302 Dirksen Building

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building
Select Indian Affairs
To hold hearings on S. 470 and S. 471, pertaining to lands on the Umatilla Indian Reservation, Oregon.
Room to be announced

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1978 for DOT, to hear Secretary of Transportation Adams.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building

MAY 18

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1978 for DOT.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue oversight hearings on federally guaranteed loans to New York City.
5302 Dirksen Building
Governmental Affairs
Subcommittee on Reports, Accounting and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building
Select Indian Affairs
To hold hearings on S. 103, 667, and 785, to convey certain Federal land to the Ely Indian Colony, Paiute, and Shoshone Tribes.
Room to be announced

MAY 19

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 20

9:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold oversight hearings on the implementation of the Wild Horses and Burros Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building

MAY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 695, to impose on former Federal procurement personnel an extended time period during which they may not work for defense contractors.
5302 Dirksen Building
Select Indian Affairs
To hold hearings on S. 905, the Central Arizona Indian Tribal Water Settlement Act of 1977.
Room to be announced

MAY 24

9:30 a.m
Select Small Business
To resume hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To resume hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

MAY 25

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
424 Russell Building
Select Indian Affairs
To hold hearings on S. 660, seeking an agreement with the Cherokee, Choctaw, and Chickasaw Indian Tribes of Oklahoma for the purchase or lease of their rights in the riverbed of the Arkansas River.
Room to be announced
Veterans' Affairs
To hold hearings on S. 247, to provide recognation to the Women's Air Forces Service Pilots.
Until noon 318 Russell Building

10:00 a.m.
Select Small Business
To hold hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.
235 Russell Building

1:00 p.m.
Governmental Affairs
Governmental Efficiency Subcommittee
To hold hearings to receive testimony on a GAO study alleging inaccurate financial records of the Federal flood insurance program.
1224 Dirksen Building

MAY 26

9:30 a.m.
Select Small Business
To continue hearings on alleged restrictive and anticompetitive practices in the eyeglass industry.
235 Russell Building

10:00 a.m.
Governmental Affairs
Subcommittee on Reports, Accounting, and Management
To continue hearings to review the processes by which accounting and auditing practices and procedures, promulgated or approved by the Federal Government, are established.
6202 Dirksen Building

Select Small Business
To continue hearings on S. 807, to authorize grants to assist individuals and small business concerns in developing solar energy equipment and energy-related inventions.
424 Russell Building

JUNE 6

10:00 a.m.
Select Indian Affairs
To hold oversight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 7

10:00 a.m.
Select Indian Affairs
To continue oversight hearings on the Indian Education Reform Act (P.L. 93-638).
Room to be announced

JUNE 8

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.
5110 Dirksen Building

JUNE 9

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.
5110 Dirksen Building

JUNE 10

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 421, to establish a program to educate the public in understanding climatic dynamics.
5110 Dirksen Building

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings on the cable TV system.
235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings on the cable TV system.
235 Russell Building